
April 11, 2018

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Granby Ranch Metropolitan District No. 8
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Re: Granby Ranch Metropolitan District, Granby Realty Holdings, LLC, Headwaters Metropolitan District, and Granby Ranch Metropolitan District No. 8 – Plan for Refunding of 2006 Bonds; Road Operation and Maintenance; and Related Issues
Second Amendment.

Dear All:

This letter serves to amend the August 22, 2016 Letter Agreement and to replace and supersede the First Amendment thereto dated November 17, 2017 between the parties related to various issues affecting the parties.

This amendment is required due to a series of events that delayed the execution of the items in the original Letter Agreement. To recap, the districts approached the Town of Granby to amend their service plans to, primarily, increase their mill levy caps and to clarify and amend certain provisions relating to the intergovernmental agreements between Headwaters

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Metropolitan District and Granby Ranch Metropolitan District. The mill levy increase was required to accomplish the goals in the Letter Agreement, including the refunding of the Granby Ranch Metropolitan District (“GRMD”) 2006 Senior Bonds and to allow GRMD and Granby Ranch Metropolitan District No. 8 to participate in the costs of road maintenance and snow removal in Granby Ranch.

The amended service plans and increased mill levies were approved by the Town of Granby on November 8, 2016. However, due to an unfavorable change in the non-rated bond market following the November 2016 presidential election, GRMD was unable to find a purchaser for the refinancing of its 2006 Senior Bonds. Since that date, GRMD has pursued various avenues in an attempt to refund its 2006 Senior Bonds, including exploration of a “swap” transaction, and a bank loan with a subordinate bond. GRMD is now pursuing a non-rated 35 year term bond to refinance its 2006 Senior Bonds, with a closing expected in early May 2018.

As a result of the inability to refinance the 2006 Senior Bonds as quickly as hoped, many of the dates and deadlines in the original Letter Agreement require amendment. In addition, there have been a few other changes in the agreement to which the parties have orally agreed that, for clarity, should be memorialized in writing.

Therefore, please consider this letter as an amendment to the corresponding numbered paragraphs in the August 22, 2016 Letter Agreement, or if there is no corresponding paragraph, the addition of the terms contained in this letter, as follows:

1. Refunding of 2006 Bonds

a. GRMD will proceed with refinancing its 2006 Bonds, to close on or before May 7, 2018 (the refunding bonds are called the “2018 Bonds”).

b. At or before closing on the 2018 Bonds and as memorialized as appropriate, GRH will prepay 40 capital facility fees in the total amount of \$250,200, with such payment to be used to reduce the par amount of the 2018 Bonds. The pre-paid capital facility fees may be assigned and transferred by GRH only to (1) its affiliates or subsidiaries, or (2) third-party purchasers of property within GRMD currently owned by GRH or its affiliates or subsidiaries.

c. As required by the Letter Agreement, GRH submitted a petition for inclusion of Granby Ranch Filing No. 17 and the property anticipated to be included in Granby Ranch Filing No. 18, which was approved by GRMD and ordered included into the District by the Grand County District Court pursuant to the November 18, 2016 “Order Granting the Granby Ranch Metropolitan District’s Motion for Inclusion of Property”. This order will be recorded in the real property records of Grand County, Colorado no later than the date of issuance of the 2018 Bonds and no sooner than two business days before the scheduled closing. GRMD will not provide funding for road construction or other improvements in these filings, but will participate in the costs of road maintenance and snow removal for the roads within Granby Ranch Filing No. 17 and Granby Ranch Filing No. 18 upon their completion and acceptance by Headwaters Metropolitan District and the Town of Granby, with such road maintenance and snow removal to be described in a separate road maintenance and snow removal agreement. The parties

acknowledge that the final plat for Filing 17 has not been recorded, and the final plat for Granby Ranch Filing No. 18 has not been completed or recorded. Within 60 days of the final platting and recording of the plat for Granby Ranch Filing Nos. 17 and 18, GRH will petition GRMD for the inclusion of the property within these filings into GRMD, to the extent that such property is not already included in GRMD.

d. No change.

e. No change.

f. The funds currently held in the Lot Sale Escrow Account as additional security for the 2006 Bonds will be distributed at the time of closing on the 2018 Bonds as follows:

i. \$250,200 for the payment of the pre-paid capital facility fees in satisfaction of Paragraph 1.b;

ii. \$75,000 to GRMD in satisfaction of Paragraph 3; and

iii. remainder of the funds to CliftonLarsonAllen, LLP as escrow agent, with such funds to be used solely for the costs of design, engineering and construction, including related soft costs, for the Road Repairs, but excluding any internal GRH costs and expenses, needed for the Major Repairs, with such funds to be held and released pursuant to a separate escrow agreement between GRMD, GRH and CliftonLarsonAllen, LLP.

2. Roads within Granby Ranch

a. Repair of Roads

i. GRH will use its commercially reasonable best efforts to achieve a Completion and Initial Acceptance from the Town of Granby of the road repairs associated with Granby Ranch Filing Nos. 8 and 10 (the "Major Repairs") by October 31, 2019, but all Major Repairs must be completed by September 30, 2020. If GRH is prevented from timely completing the road repairs due to acts beyond its control, such as floods, fires, labor strikes, or acts of God, GRH's deadline to complete the road repairs shall be automatically extended in an amount caused by the act, but in no event longer than six months. To secure this obligation, in addition to the escrow account described above in paragraph 1.f.iii, GRH and GRMD will use their commercially reasonable best efforts to either: (i) add GRMD as party to the subdivision improvement agreements between the Town of Granby and GRH applicable to Granby Ranch Filing Nos. 8 and 10 (the "SIAs") so that GRMD can execute on the collateral posted for the SIAs to satisfy the Major Repair obligation; (ii) prepare a separate agreement so that GRMD can execute on the collateral posted for the SIAs to satisfy the Major Repair obligation; or (iii) if (i) and (ii) are not possible, to assist GRMD in entering into an agreement with the Town of Granby giving GRMD the right to require the Town to execute on the collateral posted for the SIAs in satisfaction of the Major Repair obligation. GRH may assign its obligations hereunder to another property owner through the sale of GRH or its assets.

b. Operation and Maintenance of Roads and Future Replacement/Repairs

i. Beginning January 1, 2019, GRMD will pay a portion of the costs of road operation, maintenance and snow removal, and minor repairs, necessary on or after January 1, 2019 for the roads within Granby Ranch, except for the Major Repairs set forth above in paragraph 2.a.i., with such funding obligation subject to the terms set forth in a road maintenance and snow removal agreement to be entered into between GRMD, Headwaters Metropolitan District, and GRMD Nos. 2-8. It is anticipated that Headwaters Metropolitan District will administer the contract for road operation, snow removal, road maintenance, and minor repairs. GRMD will remit these funds to Headwaters Metropolitan District as payment for Headwaters Metropolitan District providing road operation, snow removal, road maintenance, and minor repairs.

1) GRMD's portion of the costs for road maintenance and snow removal under the road maintenance and snow removal contract shall be reduced in an amount equal to the amount funded by the Granby Ranch Conservancy (the master homeowner's association for Granby Ranch) ("GRC"), if any. Notice of the intent of the GRC to fund all or part of the road maintenance and snow removal for the subsequent calendar year shall be provided to GRMD no later than October 1 of the current year to allow GRMD time to budget for the upcoming year. A copy of this Second Amendment shall be provided to the GRC so it is aware of the road operation, snow removal, road maintenance, and minor repair funding options.

ii. No change.

c. At or before the closing on the 2018 Bonds, Headwaters Metropolitan District and GRH will execute non-exclusive access easements for all roads owned by Headwaters Metropolitan District within Granby Ranch in favor of GRMD and GRMD Nos. 2-8.

3. At the closing on the 2018 Bonds, GRH will transfer \$75,000 to GRMD with no repayment obligation.

4. Paragraph deleted because the funding was not required.

5. The requirements of this paragraph were satisfied pursuant to the "Termination of Intergovernmental Agreement between Granby Ranch Metropolitan District, Granby Ranch Metropolitan District No. 2, Granby Ranch Metropolitan District No. 3, Granby Ranch Metropolitan District No. 4, Granby Ranch Metropolitan District No. 5, Granby Ranch Metropolitan District No. 6, Granby Ranch Metropolitan District No. 7, Granby Ranch Metropolitan District No. 8, and Headwaters Metropolitan District" dated November 17, 2017.

6. The requirements of this paragraph were satisfied by the amendments to the service plans dated and approved by the Town of Granby on November 8, 2016.

7. The requirements of this paragraph are extended to May 8, 2018 and were satisfied due to the inclusion of certain property into the boundaries of the Headwaters Metropolitan District and the election of said homeowner to the Board of Directors of Headwaters Metropolitan District via the May 8, 2018 regular district election.

8. Termination of the Payment in Lieu of Taxes Between Granby Ranch Metropolitan District and Granby Realty Holdings entered into on November 18, 2009 and amended on December 16, 2009 and October 20, 2010 will occur on or before the issuance of the 2018 Bonds.

Other changes: all references to the “2016 Bonds” are amended to the “2018 Bonds”.

Unless otherwise modified, the provisions of the August 22, 2016 Letter Agreement remain in full force and effect.

Sincerely,

SETER & VANDER WALL, P.C.

A handwritten signature in black ink, appearing to read "Jeffrey E. Erb", written in a cursive style.

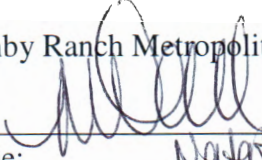
Jeffrey E. Erb

cc: Granby Ranch Metropolitan District, Board of Directors
Ms. Marise Cipriani, Granby Realty Holdings, LLC
Mr. Jason Carrol, CliftonLarsonAllen, LLP
Mr. Bob Blodgett, CliftonLarsonAllen, LLP
Mr. Sam Sharpe, D.A. Davidson
Ms. Laci Knowles, D. A. Davidson
Dee Wisor, Esq., Butler Snow, LLP
Kim J. Seter, Esq., Seter & Vander Wall, P.C.
Russell Newton, Esq., Seter & Vander Wall. P.C.
Eric Weaver, Marchetti & Weaver, LLC

Agreed to by each party as set forth below:

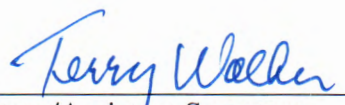
Date: April 11, 2018

Granby Ranch Metropolitan District


Name: Nathaniel

Title: President

Attest:


Secretary/Assistant Secretary

Date: _____, 2018

Granby Realty Holdings, LLC

Marise Cipriani, Manager

Date: March 22, 2018

Headwaters Metropolitan District


Name: Lance Badger


Title: President

Attest:

only one board member
Secretary/Assistant Secretary

Date: March 22, 2018

Granby Ranch Metropolitan District No. 8


Name: Lance Badger
Title: President

Attest:

only one board member
Secretary/Assistant Secretary