

DISTRICT COURT, GRAND COUNTY, COLORADO
307 Moffat Avenue
Hot Sulphur Springs, CO 80451

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CASE NUMBER: 2021CV30008

Plaintiff: GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado,

v.

Defendants: HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado; GRAY JAY VENTURES, LLC.; REDWOOD CAPITAL FINANCE CO., LLC, GRANBY PRENTICE, LLC; and GR TERRA, LLC.

Attorneys for Headwaters Metropolitan District and GR Terra LLC:

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Case No. 2021CV30008

Division 1

AFFIDAVIT OF ROBERT B. GLARNER, JR.

AFFIDAVIT OF ROBERT B. GLARNER, JR.

I, Robert B. Glarner, Jr. having been duly sworn and upon my oath, and competent to testify herein state that:

1. I am over 18 years of age and competent to testify as to the matters contained herein.

I have personal knowledge of the facts set forth herein.

EXHIBIT A

2. GRCO LLC (“GRCO”) and GR Terra LLC (“GR Terra”) are Missouri Limited Liability Companies. Swiss LLC is Manager of both entities. I am a Manager of Swiss LLC.

3. In May of 2021, GRCO and GR Terra purchased approximately 4,300 acres of property in Grand County, Colorado, which comprised the majority of the Granby Ranch development (the “Property.”). The Property consisted of largely undeveloped residential tracts and related amenities including, ski facilities, golf facilities, hiking and biking trails, a base camp lodge and other facilities and amenities.

4. GR Terra purchased the portions of the Property that contains the ski, golf and related amenities. GR Terra is a taxpayer of GRMD.

5. In 2020, the Property was subject to a foreclosure pursuant to deeds of trust imposed on the land by the original developer. Due to that developer’s financial difficulties, only a small portion of the planned development was ever completed. At the time of our purchase, active development of the Property had been largely stalled for some five years.

6. GRCO and GR Terra purchased the Property for the purpose of continuing the planned development and operating the ski, golf and related facilities. In addition to platting and developing new residential homes, we planned significant investment into the existing ski facilities and infrastructure based upon their age and deferred maintenance over the years.

7. At the time of our purchase, GRMD had filed its complaint in this action and recorded a notice of that suit against title to the Property in the real property records.

8. GRMD’s claims in the lawsuit raised serious concerns for GRCO and GR Terra in that GRMD claimed the right to own and operate the ski and golf facilities. For that reason, GR Terra asked to be joined as defendant in the litigation and vigorously defended GRMD’s claims.

In addition, GRCO loaned funds to Headwaters Metropolitan District – also a defendant in the litigation – so that it could vigorously defend GRMD’s claims.

9. GRMD’s lawsuit interfered with and restricted construction and development of the Property in the following ways:

- a. GRMD’s filing of this complaint and notice of same filed in the land records created a cloud on title to the Property, which made obtaining any traditional bank financing impossible and decreased the value of the Property. We were unable to obtain a loan to purchase the Property and had to pursue non-traditional funding sources at a greater cost and on a delayed timeline. We were also delayed in obtaining financing for improvements.
- b. Because of the cloud on title, major capital improvements to the ski and golf facilities have been significantly delayed. Despite our desire to make major capital improvements earlier, we were finally able to make some planned improvements in the fall and winter of 2023, after this Court made significant rulings in this matter in July 2023. These delayed capital improvements included:
 - i. construction of new grip bay house for the ski facilities;
 - ii. installation of new “magic carpet” for the ski facilities; and
 - iii. major improvements to Base Camp Lodge.
- c. As noted above, we incurred significant legal expenses on behalf of both GR Terra and Headwaters, which only further delayed development of the Property as funds have been diverted to this lawsuit that could otherwise

have been invested in the development. At this time, GRCO and GR Terra have paid a total of \$2,176,001 in legal fees and costs related to this lawsuit, which includes invoices paid on Headwaters' behalf and GR Terra's invoices.

10. GRMD's lawsuit continues to interfere with and restrict construction and development of the Property. Potential homeowners have cancelled contracts for the purchase of homes expressly due to the litigation, and lenders are requiring additional due diligence, additional assurances, and more significant guarantees before extending financing for improvements, on terms less favorable than financing not hindered by a cloud on title. This process is lengthy, costly, and continues to delay additional major capital improvements we have planned for the Property.

11. I have reviewed the legal fees and costs billed to GR Terra related to this lawsuit. I also have reviewed the legal costs and fees billed to Headwaters for this lawsuit because they are paid by GRCO, pursuant to the Funding Agreement between GRCO and Headwaters, to be paid back by Headwaters under that agreement. GRCO has paid all the invoices shown on the attached Exhibit A, which relate to legal fees and costs incurred on Headwaters' behalf. Separate invoices were sent and paid for legal fees and costs incurred on GR Terra's behalf. To my knowledge, if tasks were undertaken by the attorneys on behalf of both Headwaters and GR Terra, those fees and costs were split evenly between those two entities.

FURTHER AFFIANT SAYETH NOT.

STATE OF MISSOURI)
) SS.
CITY OF ST. LOUIS)

COMES NOW Robert B. Glarner, Jr. and states that the foregoing Affidavit is true to the best of his knowledge, information and belief.

Robert B. Glarner, Jr.

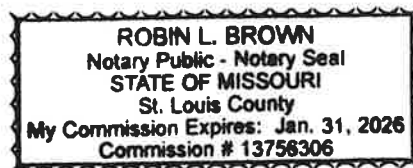
On this 11th day of July, 2024, before me personally appeared Robert B. Glarner, Jr., to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Notary Public

My Commission Expires:

Jan. 31, 2026



**Summary of Paid Invoices for Husch Blackwell Professional Services Rendered and Costs Advanced
on behalf of Headwaters' Metropolitan District Through April 30, 2024**

HB Reference No. 0500066- 0000139 Granby – Headwaters Litigation

Invoice No. / Date	Total Amt. of Invoice (fees and costs)	Amt. Seeking in Fees	Amt. Seeking in Costs	Total Amt. Seeking in Fees and Costs
3142122 (March 31, 2022)	\$56,807.34	\$52,626.20	\$521.44	\$53,147.64
3156375 (April 29, 2022)	\$11,203.50	\$11,203.50	\$0.00	\$11,203.50
3169165 (May 25, 2022)	\$5,101.60	\$5,029.60	\$72.00	\$5,101.60
3187224 (June 30, 2022)	\$1,075.50	\$1,075.50	\$0.00	\$1,075.50
3199213 (July 27, 2022)	\$3,292.60	\$3,292.60	\$0.00	\$3,292.60
3212586 (August 23, 2022)	\$19,707.70	\$19,157.70	\$550.00	\$19,707.70
3229395 (September 29, 2022)	\$24,183.00	\$23,335.00	\$275.00	\$23,610.00
3243652 (October 27, 2022)	\$90,393.31	\$88,840.55	\$1,225.26	\$90,065.81
3257098 (November 22, 2022)	\$93,966.28	\$91,334.30	\$835.48	\$92,169.78
3266820 (December 12, 2022)	\$78,751.68	\$65,587.60	\$4,780.08	\$70,367.68
3287231 (January 30, 2023)	\$63,600.63	\$58,153.80	\$2,826.83	\$60,980.63
3302430 (February 28, 2023)	\$123,189.56	\$115,670.55	\$3,041.41	\$118,711.96
3319182 (March 31, 2023)	\$108,277.38	\$100,019.50	\$3,249.33	\$103,268.83
3334323 (April 30, 2023)	\$107,707.99	\$99,366.66	\$7,697.89	\$107,064.55
3350941 (May 31, 2023)	\$26,264.87	\$19,658.50	\$3,698.92	\$23,357.42
3366474 (June 30, 2023)	\$7,587.50	\$3,664.75	\$1,167.60	\$4,832.35
3378330 (July 26, 2023)	\$11,257.92	\$2,145.00	\$1,020.42	\$3,165.42
3394774 (August 30, 2023)	\$5,527.05	\$2,931.50	\$2,381.05	\$5,312.55
3407244 (September 25, 2023)	\$23,115.95	\$12,297.90	\$475.00	\$12,772.90
3423762 (October 26, 2023)	\$4,394.30	\$3,561.80	\$475.00	\$4,036.80
3432573 (November 12, 2023)	\$7,660.60	\$6,971.11	\$475.00	\$7,446.11
3448991 (December 12, 2023)	\$35,900.80	\$34,087.05	\$475.00	\$34,562.05
3469557 (January 29, 2024)	\$3,796.45	\$3,321.45	\$475.00	\$3,796.45
3485550 (February 29, 2024)	\$475.00	\$0.00	\$475.00	\$475.00
3497946 (March 21, 2024)	\$475.00	\$0.00	\$475.00	\$475.00
3519856 (April 30, 2024)	\$475.00	\$0.00	\$475.00	\$475.00
3537478 (May 31, 2024)	\$475.00	\$0.00	\$475.00	\$475.00
TOTAL:	\$914,663.51	\$823,332.12	\$37,617.71	\$860,949.83

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