

August 22, 2016

via e-mail: jcollins@CCCFIRM.COM

Granby Realty Holdings, LLC
Jim Collins, Esq.
Collins Cockrel & Cole
390 Union Blvd., Suite 400
Denver, CO 80228

via e-mail: gwhite@wbapc.com; cwaldron@wbapc.com

Headwaters Metropolitan District
Granby Ranch Metropolitan District No. 8
Gary White, Esq.
Clint Waldron, Esq.
White Bear Ankele Tanka & Waldron, P.C.
2154 East Commons Ave., Suite 2000
Centennial, CO 80122

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

Dear Jim, Gary and Clint:

At the meeting held on August 12, 2016 between Granby Ranch Metropolitan District (“GRMD”) and Granby Realty Holdings, LLC (“GRH”) regarding refunding of the GRMD 2006 and 2010 Bonds, operation and maintenance of the roads in Granby Ranch, and related issues, the parties agreed that accomplishing several goals would be in each of their best interests and agreed to the following plan:

1. Refunding of 2006 Bonds
 - a. Based on the cash flow projections presented at the August 12, 2016 meeting, GRMD will proceed with refinancing its 2006 Bonds, to close before November 8, 2016 (the refunding bonds are called the “2016 Bonds”).
 - b. In connection with the 2016 Bonds and as memorialized as appropriate, GRH will guarantee the payment of 10 capital facilities fees per year for four years, beginning in 2017. The actual payment obligation will be reduced by the number of capital facilities fees paid in each calendar year by third-parties.
 - c. Before closing on the 2016 Bonds, Granby Ranch Filing No. 17 and the property anticipated to be included in Granby Ranch Filing No 18 as modeled in the August 12 cash flow projections will be included into GRMD.

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d. All property in Granby Ranch Metropolitan District No. 8 currently subject to the debt service mill levy for the 2006 bonds will remain obligated for payment of the debt service mill levy on the 2016 Bonds.

e. At the time of closing on the 2016 Bonds, GRH will cancel or otherwise release any right to payment under the 2010 Bonds, which are held solely by GRH.

f. The funds currently held in the Lot Sale Escrow Account as additional security for the 2006 Bonds will be released in full to GRH at the time of closing on the 2016 Bonds.

2. Roads within Granby Ranch

a. Repair of Roads

i. GRH will, at its sole expense, repair as necessary the roads within Granby Ranch to a level supporting initial acceptance by the Town of Granby, including, but not limited to, the road repairs associated with Granby Ranch Filing Nos. 8 and 10 (the “Major Repairs”). All Major Repairs must be completed and initial acceptance made by the Town of Granby no later than October 31, 2017, unless an extension is required as caused by persons or matters over which GRH has no control, in which case the Major Repairs will be completed as soon as reasonably possible. Upon initial acceptance, the contractor must provide a two-year warranty on the Major Repairs in favor of the Town of Granby and Headwaters Metropolitan District.

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

i. Beginning January 1, 2017, GRMD will pay for the costs of road operation, maintenance and minor repairs necessary on or after January 1, 2017 for the roads that are within the boundaries of GRMD, except for the Major Repairs set forth above in paragraph 2.a.i. It is anticipated that Headwaters Metropolitan District will administer the contract for road operation and maintenance. GRMD will remit these funds to Headwaters Metropolitan District as payment for Headwaters Metropolitan District providing road operation, road maintenance, and minor repairs.

ii. Granby Ranch Metropolitan District No. 8 will certify a mill levy to fund the costs of road operation, road maintenance, and minor repairs equal to the mill levy certified by GRMD to fund road operation, road maintenance and minor repairs. Granby Ranch Metropolitan District No. 8 will remit these funds to Headwaters Metropolitan District as payment for Headwaters Metropolitan District providing road operation, road maintenance, and minor repairs.

c. On or before December 31, 2016, Headwaters Metropolitan District and GRH will execute non-exclusive public access easements for all roads within Granby Ranch in favor of GRMD and the other taxing districts within Granby Ranch.

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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
August 22, 2016
Page 3 of 8

3. No later than seven days after the closing of the 2016 Bonds, GRH will transfer \$75,000 to GRMD with no repayment obligation.

4. On or before January 15, 2017, GRH will loan GRMD \$100,000 without interest, with repayment in full due on or before August 31, 2017.

5. The Intergovernmental Agreement between Headwaters Metropolitan District and GRMD dated June 1, 2006 as amended on April 21, 2010 will be amended or replaced on or before December 31, 2016 to eliminate any obligations between the parties other than GRMD's funding of road operations, maintenance and minor repairs.

6. GRMD will take those steps necessary to amend its service plan in conjunction with the service plans of the other special districts in Granby Ranch before closing on the 2016 Bonds to:

a. allow for a total maximum debt service mill levy of 50 mills, a total maximum operations and maintenance mill levy of 50 mills, and a total combined maximum mill levy of 60 mills, subject to approval by the Town of Granby; and

b. terminate any financial obligations other than road operation, maintenance and minor repairs between GRMD and Headwaters Metropolitan District.

7. GRH will cause the appointment and/or election of an eligible elector of GRMD not employed by or associated with GRH or any affiliated entities to the Headwaters Metropolitan District Board of Directors on or before December 31, 2016.

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HWMD 001892

EXHIBIT D

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

August 22, 2016

Page 4 of 8

The parties recognize that achieving these goals will require cooperation between the parties and pursuit of their obligations in good faith.

This plan was approved by the GRMD Board of Directors at its meeting held Friday, August 19, 2016 at 1:30 p.m. and incorporates prior edits and comments from the parties prior to this date.

Please arrange for approval and signature in the space below. Once agreed to by all parties, we can begin working on accomplishing the objectives of the plan and preparing any additional contracts or transactions as required.

Sincerely,

SETER & VANDER WALL, P.C.



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. Jonathan Heroux, Piper Jaffray & Co.
Ms. Stacey Berlinger, Piper Jaffray & Co.
Dee Wisor, Esq., Butler Snow, LLP
Kim J. Seter, Esq., Seter & Vander Wall, P.C.
Russell Newton, Esq., Seter & Vander Wall, P.C.

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HWMD 001893

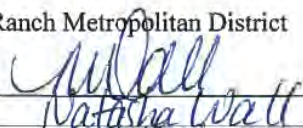
EXHIBIT D

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
August 22, 2016
Page 5 of 8


Agreed to by each party as set forth below:

Date: August 31, 2016.

Granby Ranch Metropolitan District


Name: Natasha Wall
Title: President

Attest:


Secretary/Assistant Secretary

{00238022}


HWMD 001894

EXHIBIT D

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
August 22, 2016
Page 6 of 8

Date: August , 2016

Granby Realty Holdings, LLC



Marise Cipriani, Manager

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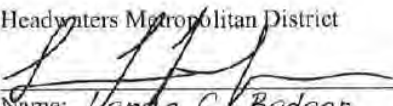
HWMD 001895

EXHIBIT D

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
August 22, 2016
Page 7 of 8

Date: August 30, 2016

Headwaters Metropolitan District


Name: Wade C. Badger
Title: President

Attest:


Secretary/Assistant Secretary

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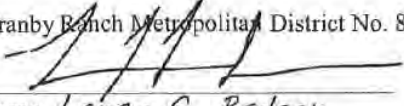
HWMD 001896

EXHIBIT D

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
August 22, 2016
Page 8 of 8

Date: August 30, 2016.

Granby Ranch Metropolitan District No. 8


Name: Lance C. Badger
Title: _____

Attest:


Secretary/Assistant Secretary

{00238022}

HWMD 001897

EXHIBIT D

SECOND AMENDMENT TO

SERVICE PLAN

OF

DATE FILED: July 11, 2024 8:04 PM
FILING ID: E0C6058DF6AB2
CASE NUMBER: 2021CV30008

GRANBY RANCH METROPOLITAN DISTRICT

(FORMERLY SOLVISTA METROPOLITAN DISTRICT NO. 2)

ORIGINALLY APPROVED BY THE TOWN OF GRANBY, COLORADO

ON JULY 22, 2003 AND AS AMENDED ON JUNE 27, 2006

Prepared by:

Seter & Vander Wall, P.C.

7400 East Orchard Road, Suite 3300

Greenwood Village, CO 80111

Second Amendment to Service Plan approved by the Town of Granby

on

October 11, 2016

{00244506}

HWMD 001898

EXHIBIT E

I. INTRODUCTION

This Second Amendment to the Service Plan (the “Second Amendment”) of Granby Ranch Metropolitan District (formerly named “SolVista Metropolitan District No. 2” and hereinafter referred to as “GRMD”), constitutes an amendment to certain provisions of the original service plan for GRMD (the “Original Service Plan”) approved by the Board of Trustees of the Town of Granby (the “Town”) on July 22, 2003, and the First Amendment to the Service Plan of the Granby Ranch Metropolitan District approved by the Town on June 27, 2006 (the “First Amendment”) (together, the “Service Plan”).

GRMD was organized by the Original Service Plan to serve the needs of the Granby Ranch development and existing community.

This purpose of this Second Amendment is to clarify and, to the extent necessary, amend provisions of the Service Plan relating to GRMD’s ability to impose *ad valorem* property taxes, to note that the District IGA between GRMD and Headwaters Metropolitan District (formerly named “SolVista Metropolitan District No. 1” and hereinafter referred to as “HMD”) will be terminated and replaced with a road maintenance and snow removal agreement, and to clarify that the relationship between GRMD and HMD as otherwise set forth in the Service Plan is terminated and rendered null and void.

II. AMENDMENT

A. Section V.B., page 13 (as amended by the First Amendment).

1. The phrase “The property tax levy of the Tax District will not exceed 50 mills for operating and debt repayment purposes, unless otherwise Approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after May 1, 2003” is amended as follows:
 - a. “The property tax levy of GRMD will not exceed a total combined mill levy of 60 mills for operations, maintenance and debt repayment, with a limit of 50 mills for debt and 50 mills for operations and maintenance, unless otherwise Approved by the Town; provided, however, in the event that the method of calculating assessed valuation is changed after November 1, 2016”

B. Modification of Relationship Between the District and HMD

The Original Service Plan makes references to the relationship between HMD (as the Service District) and GRMD (as the Tax District) concerning the roles of each district, and to the existence of a “District IGA” to further detail this relationship.

The Original Service Plan is amended as a whole to clarify that the District IGA between GRMD and HMD will be terminated, GRMD will provide all of its own operation and maintenance functions, including debt issuance and repayment, and that GRMD will enter into an agreement with HMD regarding the funding of road maintenance and snow removal for the roads located within GRMD. The Service plan is further amended to clarify that any obligation of GRMD, other than as set forth in the road maintenance and snow removal agreement, to provide funds to HMD, or any delegation of power or delegation of approval or disapproval authority to HMD of any acts of the District, are repealed and rendered null and void with the intent that any role or relationship of GRMD as a “Tax District” and HMD as a “Service District” is terminated.

III. NO ADDITIONAL CHANGES

Except as amended herein, all other provisions of the Service Plan shall remain in full force and effect.

TERMINATION OF INTERGOVERNMENTAL AGREEMENT

DATE FILED: Nov 11, 2024 8:04 PM
FILING ID: E0C6058DF6AB2
CASE NUMBER: 2021CV30008

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

This TERMINATION OF INTERGOVERNMENTAL AGREEMENT

(“**Termination Agreement**”) is entered into this 17th day of November, 2017 by and among GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 2, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 2**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 3, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 3**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 4, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 4**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 5, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 5**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 6, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 6**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 7, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 7**”); GRANBY RANCH METROPOLITAN DISTRICT NO. 8, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 8**”); (GRMD, GRMD 2, GRMD 3, GRMD 4, GRMD 5, GRMD 6, GRMD 7, and GRMD 8 are collectively referred to herein as “**Granby Ranch Districts**”); and HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“**HMD**”) (individually a “**District**” and together, the “**Districts**” or the “**Parties**”).

RECITALS

A. GRMD and HMD entered into the “District Facilities Construction and Service Agreement” dated June 1, 2006 (the “**2006 Agreement**”); and

B. GRMD, HMD, and Districts 2-8 entered into the “First Amended and Restated District Facilities Construction and Service Agreement” dated September 17, 2008 which, among other things, terminated the 2006 Agreement (the “**2008 Master IGA**”); and

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HWMD 001921

EXHIBIT F

C. GRMD, HMD and Granby Realty Holdings, LLC entered into an “Exclusion Agreement” dated April 21, 2010 under which HMD and GRMD repudiated the 2008 Master IGA as between them and intended to revert to the 2006 Agreement; and

D. GRMD and HMD entered into the “First Amendment to District Facilities Construction and Service Agreement” dated April 21, 2010 amending and reinstating the 2006 Agreement (the “**2006 Master IGA**”); and

E. The 2006 Master IGA and the 2008 Master IGA (together, the “**Master IGAs**”) were entered into pursuant to the service plans for the Districts; and

F. The Districts amended their service plans on November 8, 2016 to eliminate any relationship between HMD as the “service district” and the Granby Ranch Districts as the “tax districts,” including any obligation of the parties to enter into a the Master IGAs; and

G. The Parties intend for certain of the Granby Ranch Districts, specifically GRMD, to operate independently from HMD; and

H. Due to the amended service plans and the intention of certain of the Parties to operate independently from each other, there is no further need for the Master IGAs.

COVENANTS AND AGREEMENTS

NOW THEREFORE, in consideration of the mutual covenants and promises set forth in this Termination Agreement, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

1. Effective Date. The “Effective Date” of this Termination Agreement is November 8, 2016.

2. Termination of 2006 Master IGA. The 2006 Master IGA is terminated and of no further force and effect as of the Effective Date, without any further action of the Districts. To the extent required, GRMD 2, GRMD 3, GRMD 4, GRMD 5, GRMD 6, GRMD 7 and GRMD 8 consent to the termination of the 2006 Master IGA.

3. Termination of 2008 Master IGA. The 2008 Master IGA is terminated and of no further force and effect as of the Effective Date, without any further action of the Districts. To the extent required, GRMD consents to the termination of the 2008 Master IGA.

4. Satisfaction of Obligations. The Districts agree that by execution of this Termination Agreement, they have fully satisfied their obligations under the Master IGAs.

5. Waiver and Release. The Districts have satisfied their obligations under the Master IGAs and are released from any further obligations thereunder. To the extent permitted by law, each District hereby waives the right to recover from and generally, unconditionally, fully and irrevocably releases, waives, acquits and forever discharges each of the other Districts, their officers and directors, (collectively, the “**Released Parties**”), from and against any and all costs, losses, claims, liabilities, damages, expenses, demands, debts, controversies, actions or

{00311178}

Page 2 of

12

Termination Agreement re 2006 Master IGA and 2008 Master IGA

HWMD 001922

EXHIBIT F

causes of action, agreements, and promises, including reasonable attorneys' fees (including appeals) (collectively, "**Claims**"), which has been raised or could have been raised, whether arising before, on or after the date hereof.

6. Miscellaneous.

a. Execution of Additional Documentation. Each District agrees that at the request of another District, it will, at any time hereafter, make such further assurances and execute or cause to be executed such further instruments as may be reasonably requested by another District in order that this Termination Agreement may be fully performed in accordance with its intent and provisions.

b. Severability. In case any one or more of the provisions contained in this Termination Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Termination Agreement, and this Termination Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

c. Provisions Negotiated and Independent. Each and every provision of this Termination Agreement has been independently, separately and freely negotiated by the Districts as if this Termination Agreement were drafted by all Districts hereto. The Districts, therefore, waive any statutory or common law presumption which would serve to have this document construed in favor of, or against, any District.

d. Governing Law/Venue. This Termination Agreement shall be governed by and interpreted under the laws of the state of Colorado. Venue for any legal action relating to this Termination Agreement shall be exclusive to the State District Court in and for Grand County, Colorado.

e. Successors and Assigns. This Termination Agreement and all of the provisions hereof shall be binding upon the Districts and their respective heirs, successors and assigns.

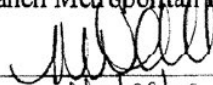
f. Counterpart Execution. This Termination Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

[SIGNATURE PAGES TO FOLLOW]

Agreed to by each party as set forth below:

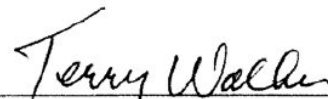
Date: _____, 2017.

Granby Ranch Metropolitan District


Name: _____
Title: _____

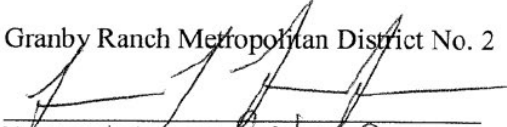
Natasha Watt
President

Attest:


Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 2


Name: Lance Badger

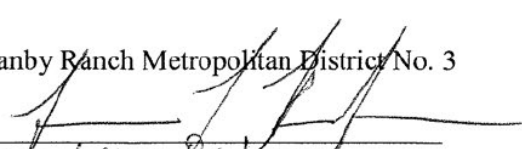
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 3

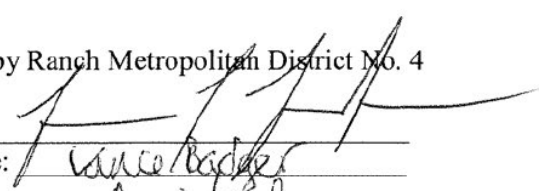

Name: Lance Badger
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 4

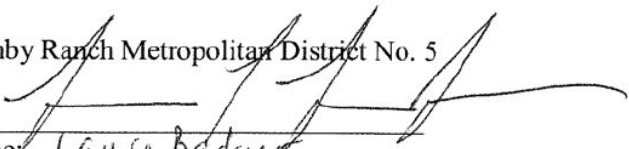

Name: Vance Backer
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 5

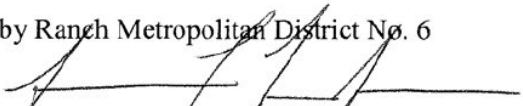

Name: Cayle Badger
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 6

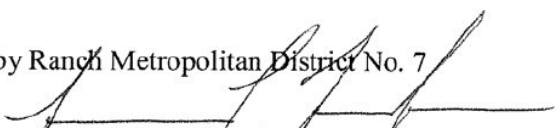

Name: Lance Bager
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 7

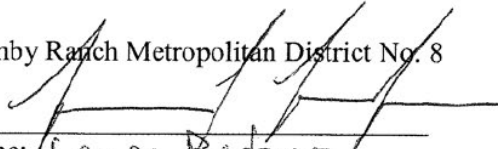

Name: Lance Badger
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Granby Ranch Metropolitan District No. 8

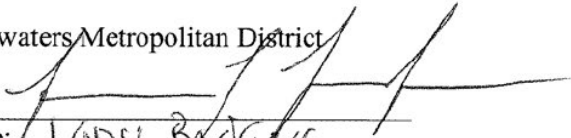

Name: Lance Badger
Title: President

Attest:

Secretary/Assistant Secretary

Date: _____, 2017.

Headwaters Metropolitan District


Name: Lance Badger
Title: President

Attest:

Secretary/Assistant Secretary

AGREEMENT RE WAIVER AND RELEASE OF CLAIMS

This AGREEMENT RE WAIVER AND RELEASE OF CLAIMS (the “**Agreement**”) is entered into this 11th day of April, 2018 by and between Granby Realty Holdings, LLC, a Colorado limited liability company (“**GRH**”); Headwaters Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“**HMD**”); Granby Ranch Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD**”); and Granby Ranch Metropolitan District No. 8, a quasi-municipal corporation and political subdivision of the State of Colorado (“**GRMD 8**”) (HMD, GRMD and GRMD 8 together the “**Districts**”) (the Districts and GRH, together the “**Parties**”).

A. GRH is the developer of a ski-area, golf course, and residential community known as Granby Ranch located in the Town of Granby, Grand County, Colorado; and

B. HMD is a special district located within Granby Ranch that provides public improvements and services within Granby Ranch; and

C. GRMD is a special district located within Granby Ranch that provides public improvements and services within Granby Ranch; and

D. GRH was the proponent of the organization of HMD and GRMD and permitted certain of its key employees to serve as directors of the Districts, (collectively, “**Directors**”) which employees, as directors of the Districts, engaged employees, agents, attorneys, accountants, managers, and other representatives to advise the Directors regarding the business of the Districts (collectively, the “**Consultants**”); and

E. GRMD 8 is a special district located within Granby Ranch that provides public improvements and services within Granby Ranch; and

F. GRMD issued approximately \$14.7 million in bonds in 2006 related to the costs of constructing public improvements (the “**Senior Bonds**”); and

G. GRMD issued approximately \$11.1 million worth of bonds in 2010 related to the costs of constructing public improvements (the “**Subordinate Bonds**”); and

H. Pursuant to the GRMD service plan dated July 22, 2003, as first amended on June 27, 2006 (the “**GRMD Service Plan**”); and the HMD service plan dated July 22, 2003 (the “**HMD Service Plan**”) (together, the “**Service Plans**”); HMD was designated the “service district” and GRMD was designated the “tax district”; and

I. Pursuant to the Service Plans, HMD and GRMD were parties to various intergovernmental agreements regarding the provision of certain services and the contracting of the authority to perform such services to HMD (the “**Master IGAs**”); and

J. Pursuant to the Master IGAs, HMD provided all administrative and discretionary services to GRMD; and

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K. Since approximately 2010, GRMD has not generated revenue from property taxes sufficient to pay the principal and interest payments owed on the Senior Bonds; and

L. GRMD has not made any payments on the Subordinate Bonds, which are owned solely by GRH; and

M. Since approximately 2010, GRH provided for the costs of the administration and operation of GRMD, HMD and GRMD 8; and

N. Beginning on January 1, 2017, GRH indicated it will no longer pay for the costs of the operation of GRMD, including the costs of road maintenance and snow removal; and

O. GRMD has the opportunity to refinance its Senior Bonds at a lower interest rate which will reduce its principal and interest payments; and

P. In connection with the refinance of its Senior Bonds, GRH has agreed to discharge in full the Subordinate Bonds under terms set forth herein; and

Q. Due to the reduced principal and debt payments on the Senior Bonds and the discharge of the Subordinate Bonds, GRMD will have sufficient funds available to pay for its operations expenses and a portion of the maintenance and snow removal expenses for roads within Granby Ranch beginning on January 1, 2018 and thereafter; and

R. GRH agreed to provide GRMD with \$75,000 in 2017 in accordance with the terms hereof due to its lack of operating funds; and

S. Due to the status of development within GRMD and the amendment of the Service Plans and the service plan for GRMD 8, as approved by the Town Board of the Town of Granby on November 8, 2016, the Master IGAs are no longer necessary; and

T. The Parties entered into an agreement dated August 22, 2016, as amended on November 17, 2017 and April 11, 2018 setting forth the promises of the Parties to accomplish (1) the refinancing of the Senior Bonds; (2) the discharge of the Subordinate Bonds; (3) the termination of the Master IGA; (4) the repair and operation and maintenance of the roads within Granby Ranch; and (5) other items as identified in the agreement (the "Letter Agreement", attached as Exhibit A); and

U. The Parties have determined that it is in their collective best interests to resolve the matters in dispute among them regarding the Senior Bonds, the Subordinate Bonds, the Master IGAs, and the repair and operation and maintenance of the roads within Granby Ranch without any admissions by any party.

NOW, THEREFORE, in consideration of the mutual covenants and obligations of this Agreement, the promises and conditions contained in the Letter Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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Page 2
of 8

Agreement re Waiver and Release of Claims between Granby Realty Holdings, LLC; Headwaters Metropolitan District; Granby Ranch Metropolitan District; and Granby Ranch Metropolitan District No. 8

HWMD 001934
EXHIBIT G

1. Waiver and Release of Claims. Each Party, for itself, its respective successors, assigns, shareholders, directors, officers, employees, agents, attorneys, accountants, managers and other representatives, fully and forever irrevocably releases, waives, relinquishes and discharges the other Parties, and their respective successors, assigns, shareholders, directors, officers, employees, agents, attorneys and other representatives, including the Directors and Consultants (collectively, the "**Released Parties**") from and against any and all claims, demands, obligations, duties, liabilities, damages, expenses, breaches of contract, acts, omissions, causes of action, promises, damages, costs, and remedies therefor of every kind, description, character or nature whatsoever now or in the future, whether known or unknown, raised or which could have been raised, which may otherwise exist or which may arise in relation to the Senior Bonds, the Subordinate Bonds, the Master IGA, the repair and operation and maintenance of the roads within Granby Ranch or any other matter related to the formation, administration, and operation of the Districts (the "**Claims**") existing as of the Release Date (defined below in **Paragraph 3**). The foregoing release shall not apply to the obligations contained in the Letter Agreement as amended.

Each party assumes the risk of any and all Claims which exist as of the Release Date but which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise; and which, if known, would materially affect their decision to enter into this Agreement. The Parties assume this risk, and notwithstanding this risk freely enter into this Agreement and the releases contained herein. This Agreement is a compromise of disputed claims, and by entering into this Agreement, the Parties and other persons released hereby are not making any admissions regarding any of the Claims.

2. Good Faith Compromise. This Agreement is entered into as a good faith compromise between the Parties for the complete and final settlement of all current disputes between them and arising out of or relating to the Claims. By this Agreement, no Party admits liability to any other Party in any respect, or makes any admission as to factual or legal contentions relating to the matters addressed in this Agreement.

3. Effective Date of the Waiver and Release of Claims. The waiver and release of Claims related to the (a) Senior Bonds, (b) the Subordinate Bonds, (c) the Master IGAs, and (d) the repair and operation and maintenance of the roads within Granby Ranch or any other matter related to the formation, administration, and operation of the Districts are effective on the Release Date, defined as follows for each item:

- a. "Senior Bonds" - upon the refinancing of the Senior Bonds;
- b. "Subordinate Bonds" - upon the release and discharge of the Subordinate Bonds;
- c. "the Master IGAs" - upon the termination of the Master IGAs and the obligations of the parties therein; and
- d. "repair and operation and maintenance of the roads within Granby Ranch" - upon the completion of the Major Repairs as defined and set forth in the Letter Agreement.

(00335082)

Page 3
of 8

Agreement re Waiver and Release of Claims between Granby Realty Holdings, LLC; Headwaters Metropolitan District; Granby Ranch Metropolitan District; and Granby Ranch Metropolitan District No. 8

HWMD 001935

EXHIBIT G

e. “any other matter related to the formation, administration, and operation of the Districts” – upon the refinancing of the Senior Bonds, release and discharge of the Subordinate Bonds, and Termination of the Master IGAs.

4. Legal Costs and Expenses. Each Party shall pay its own legal fees and costs incurred in connection with the resolution of the issues between the Parties.

5. Additional Facts. The Parties may subsequently discover facts different from or in addition to those each now believes to be true, and each of the Parties agrees that this Agreement shall remain effective notwithstanding such different or additional facts.

6. Counterparts and Signatures. This Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be deemed an original and all of which together shall constitute but one and the same agreement. Signatures obtained by facsimile or email in PDF format shall be deemed original signatures.

7. No Third Party Beneficiaries. This Agreement is not intended to benefit, and does not benefit, any person or entity other than the Released Parties, who is not specifically identified or referenced herein as a Party to, or intended beneficiary of this Agreement.

8. Authority to Execute. Each individual executing this Agreement represents and warrants that he or she is duly authorized to execute this Agreement on behalf of the Party for which he or she is executing, and to bind the Party to the terms of this Agreement. The Districts represent and warrant that all proper and required steps have been taken by the Board of Directors of each to approve this Agreement, and that this Agreement is a valid and binding obligation of the respective District, enforceable in accordance with its terms.

9. Plain Meaning. The Parties acknowledge that they were represented by competent counsel during negotiations of this Agreement and that they each consulted with their respective attorneys regarding the meaning and effect of this Agreement. The Parties each agree that (a) the terms and provisions of this Agreement are not to be construed more strictly against any of the Parties; and (b) it is their mutual intention the terms and provisions of this Agreement be construed as having the plain meaning of the terms used in this Agreement.

10. Entire Agreement. This Agreement, including all Exhibits, constitutes the entire Agreement between the Parties relating to waiver and release of claims as set forth above. Any prior agreements, promises, negotiations, or representations not expressly set forth in this Agreement related to waiver and release of claims are of no force and effect. This Agreement may not be modified except by a writing executed by all Parties.

11. Applicable Law/Venue. The Parties agree that any dispute arising out of or related to this Agreement shall be governed by Colorado law. Venue for any dispute shall be in the Colorado district court for Grand County, Colorado.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered as of the date first written above.

(00335082)

Page 4
of 8

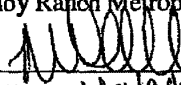
Agreement re Waiver and Release of Claims between Granby Realty Holdings, LLC; Headwaters Metropolitan District; Granby Ranch Metropolitan District; and Granby Ranch Metropolitan District No. 8

HWMD 001936
EXHIBIT G

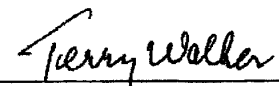
Agreed to by each party as set forth below:

Date: April 11, 2018.

Granby Ranch Metropolitan District


Name: Natasha Hayes
Title: President

Attest:


Secretary/Assistant Secretary

Date: 4/17, 2018.

Granby Realty Holdings, LLC

Marise Cipriani
Marise Cipriani, Manager

(00335082)

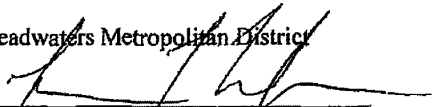
Page 6
of 8

Agreement re Waiver and Release of Claims between Granby Realty Holdings, LLC; Headwaters Metropolitan District; Granby Ranch Metropolitan District; and Granby Ranch Metropolitan District No. 8

HWMD 001938
EXHIBIT G

Date: March 22, 2018.

Headwaters Metropolitan District


Name: Lane Baggett
Title: President

Attest:

Only one board member
Secretary/Assistant Secretary

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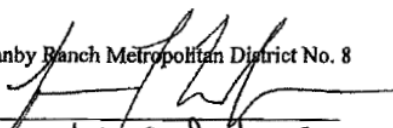
Page 7
of 8

Agreement re Waiver and Release of Claims between Granby Realty Holdings, LLC; Headwaters Metropolitan District; Granby Ranch Metropolitan District; and Granby Ranch Metropolitan District No. 8

HWMD 001939
EXHIBIT G

Date: March 22, 2018

Granby Ranch Metropolitan District No. 8


Name: Lance Bogger
Title: Assistant

Attest:

only one board member
Secretary/Assistant Secretary

DAVIS
GRAHAM &
STUBBS

Christopher L. Richardson
303 892 7420
chris.richardson@dgsllaw.com

DATE FILED: July 11, 2024 8:04 PM
FILING ID: E0C6058DF6AB2
CASE NUMBER: 2021CV30008

November 11, 2020

Via FedEx Overnight Delivery and Email

Headwaters Metropolitan District
c/o Marchetti & Weaver LLC
28 Second Street, Suite 213
Edwards, CO 81632
Attn: Eric Weaver
eric@mwcpaa.com

Headwaters Metropolitan District
c/o White, Bear, Ankele, Tanaka, & Waldron
2154 E. Commons Ave, Suite 2000
Centennial, CO 80211,
Attn: Clint Waldron and Gary R. White
cwaldron@wbapc.com

Re: Notice Regarding Status of Second Amended and Restated Lease Purchase Agreement

Mr. Weaver and Mr. Waldron,

As you know, our firm represents Granby Prentice, LLC ("Granby Prentice") and GP Granby Holdings, LLC ("GPGH"). We write to follow up on our September 1, 2020 letter to Headwaters Metropolitan District ("Headwaters") regarding the Second Amended and Restated Lease Purchase Agreement, dated December 31, 2012, by and between Granby Realty Holdings LLC ("GRH") and Headwaters (the "Second A & R LPA"). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Second A & R LPA.

GPGH acquired title to the Leased Premises via a non-judicial foreclosure proceeding completed through the Grand County Public Trustee. GRH and Headwaters both received formal notice of the foreclosure proceeding. The history of such proceeding is detailed in our earlier letter.

The non-judicial foreclosure proceeding operated to convey the Leased Premises to GPGH free and clear of all liens and encumbrances junior to the subject deed of trust, including the Second A & R LPA. See C.R.S. § 38-38-501.

To be clear, the Second A & R LPA no longer encumbers the Leased Premises, GPGH is not a successor to GRH under the Second A & R LPA, and GPGH is not bound by any terms, covenants, or provisions of the Second A & R LPA. Nevertheless, for the avoidance of doubt, and to whatever extent (if any) the Second A & R LPA is deemed still applicable to the Leased Premises or that GPGH is deemed the "Landlord" thereunder, on behalf our client, we are providing Headwaters notice that GPGH is hereby exercising

any and all rights GPGH has to terminate the Second A & R LPA. Headwaters, the “Tenant” under the Second A & R LPA, has ceased to operate the Amenities for a period of more than thirty (30) days. Pursuant to Section 10 of the Second A & R LPA, and *only* to whatever extent the Second A & R LPA is still applicable to the Leased Premises, on behalf of our client, we hereby provide notice to Headwaters that GPGH is electing to terminate the Second A & R LPA due to such cessation of operations. To the extent not already terminated or extinguished by its terms or operation of law, the Second A & R LPA shall terminate pursuant to Section 10 and this notice at 12:01 a.m. on the date that is eleven (11) days after the later of (i) the date hereof or (ii) the date of receipt of this notice.

Please contact me if you have any questions regarding the foregoing.

Sincerely,



Christopher L. Richardson

Partner

for

DAVIS GRAHAM & STUBBS LLP

Attorneys for Granby Prentice, LLC and

GP Granby Holdings, LLC

1 DISTRICT COURT, GRAND COUNTY, COLORADO
2 Court Address: 307 Moffat Ave.
Hot Sulphur Springs, CO

3 Telephone No.: (970)725-3357

DATE FILED: July 11, 2024 8:04 PM
FILING ID: E0C6058DF6AB2
CASE NUMBER: 2021CV30008

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

7 v.

Case No.
2021CV030008

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

11
12 DEPOSITION OF LANCE BADGER
13 TAKEN ON BEHALF OF THE PLAINTIFFS
14 AT SANDPOINT, IDAHO
15 JANUARY 6, 2023, AT 9:30 A.M.
16
17
18
19

20 REPORTED BY:
21 PATRICIA L. PULLO, CSR
Notary Public
22
23
24
25

A P P E A R A N C E S

ON BEHALF OF THE PLAINTIFFS:

BURG SIMPSON ELDREDGE HERSH & JARDINE, P.C.
BY: BRIAN K. MATISE, ATTORNEY AT LAW
40 Inverness Drive East
Englewood, Colorado 80112
303.792.5595
bmatise@burgsimpson.com

ON BEHALF OF THE DEFENDANTS HEADWATERS METROPOLITAN
DISTRICT, GR TERRA, LLC., AND THE DEPONENT:

HUSCH BLACKWELL, LLP
BY: JOANN T. SANDIFER, ATTORNEY AT LAW
1801 Wewatta Street, Suite 1000
Denver, Colorado 80202
303.749.7200
joann.sandifer@huschblackwell.com

APPEARING VIA VIDEOCONFERENCE ON BEHALF OF THE
DEFENDANTS GRAY JAY VENTURES, LLC AND GRANBY PRENTICE,
LLC:

DAVIS GRAHAM & STUBBS LLP
BY: KYLER BURGI, ATTORNEY AT LAW
1550 17th Street, Suite 500
Denver, Colorado 80202
303.892.9400
kyler.burgi@dgslaw.com

ON BEHALF OF THE DEPONENT:

CAMBRIDGE LAW LLC
BY: REID J. ALLRED, ATTORNEY AT LAW
4610 South Ulster Street, Suite 150
Denver, Colorado 80237
303.488.3338
reid@cambridgelawcolorado.com

Also Present:
MATT GIRARD

1 THE DEPOSITION OF LANCE BADGER, was taken on
2 behalf of the plaintiffs on this 6th day of January,
3 2023, at The Office Sandpoint, 506 Alder Street, Second
4 Floor, Sandpoint, Idaho, before DepoTech, by Patricia L.
5 Pullo, Court Reporter and Notary Public within and for
6 the State of Idaho, to be used in an action pending in
7 the District Court, Grand County, Colorado, said cause
8 being Case No. 2021CV030008 in said Court.

9 AND THEREUPON, the following testimony was
10 adduced, to wit:

11 LANCE BADGER,
12 having been first duly sworn to tell the truth, the
13 whole truth, and nothing but the truth, relating to said
14 cause, deposes and says:

15 EXAMINATION

16 QUESTIONS BY MR. MATISE:

17 Q. Please state your full name for the record.

18 A. Lance Charles Badger.

19 Q. Mr. Badger, would you state your address,
20 please.

21 A. Currently 187 Madera Street.

22 Q. What city is that in?

23 A. Sandpoint.

24 Q. And that's Idaho, correct?

25 A. Correct.

1 Do you recall in about November -- sometime in
2 the fall of 2020 GPGH sending a letter to the residents
3 about the lease purchase agreement and the amenities fee
4 agreement stating that the LPA was terminated by the
5 foreclosure?

6 A. I recall post foreclosure that the lender sent
7 Headwaters notice of their position that the LPA was
8 terminated.

9 Q. And just for clarification, you said "lender."
10 That would be the lender that had actually foreclosed?

11 A. Yes, correct.

12 Q. Okay. That was GPGH; is that correct?

13 A. Yes, as I remember.

14 Q. Okay. So that would have been sometime
15 between when the foreclosure was completed in about the
16 end of August of 2020 and before this e-mail of November
17 of 2020?

18 A. It appears so.

19 Q. Okay. Did Headwaters take any action in
20 response to that letter from GPGH?

21 A. The action -- we didn't take any formal
22 action. So we got the letter. We had -- we reviewed
23 it; we talked about it, or I did with counsel, asking
24 questions about it. And that's all privileged.

25 We got to -- as we were going into the fall, I

1 remember asking the lender if they would fund a third
2 party review so we could have a third party opinion. At
3 that point they said they would consider it -- consider
4 funding it. At the same time they were trying to get --
5 that fall trying to get the new benefits package with
6 the HOA put together. They were trying to get their
7 arms around the asset. They were trying to get the
8 operator in place for the winter, trying to get
9 Touchstone wrapped up from the summer. So they were
10 limited in their capacity to respond to a lot of our --
11 you know, our questions.

12 You know, at that point I was just a board
13 member and a consultant. So it really wasn't on the
14 inside of that organization. And then I -- I accepted a
15 position up here and let them know that and just -- that
16 was, you know -- I think by the time I left, they had
17 not -- had not made a decision on that.

18 Q. Okay. I just want to clarify a few things.
19 You say you had conversations with counsel. Was that
20 Clint Waldron?

21 A. Yes.

22 Q. Okay. I'm not going to ask you what you
23 talked about.

24 MS. SANDIFER: No. I'm going to object to
25 that.

1 Q. So sometime September/October of 2020?

2 A. I'm guessing, yeah.

3 Q. Okay. And nothing else -- as far as you know,
4 nothing ever was done with that?

5 A. They were considering it. They were, you
6 know, actively involved in trying to get their arms on
7 everything and organized. And at that point I was
8 limiting my scope of work with them and looking to move
9 on.

10 Q. Do you know if there's any -- any type of
11 communication recorded regarding your communications
12 with Mr. Meyers on that subject, either through e-mail
13 or written communications?

14 A. Not that I know of.

15 Q. You contacted him through phone; is that
16 correct?

17 A. I -- I don't know. I contacted him almost
18 every day by phone.

19 Q. Okay. So there may or may not be some other
20 documents, like e-mails, but you're just not aware of
21 those; is that fair to say?

22 A. Yes. I don't have any of those old e-mails.
23 My computer is --

24 Q. Do you know if Headwaters ever took any
25 official action in any board meetings to try to enforce

1 the lease purchase agreement after the foreclosure?

2 A. We didn't. We didn't take any action. In
3 fact, from the last board meeting to -- the last one in
4 the pre-foreclosure to the one post-foreclosure, there's
5 a long period of time. And there's a lot of stuff going
6 on with, you know, what was going to happen to the golf
7 and the ski area and what was this benefits package
8 that -- how -- what that was going to look like. And I
9 remember Ridgeline coming in. And they had to get --
10 they had to get organized to open the mountain. So ...

11 Q. And for clarification, Ridgeline was a new
12 entity that was going to be responsible for managing the
13 amenities; is that correct?

14 A. Well, at first I thought it was the entire
15 amenities. But later it came to light that they were
16 just going to do the ski mountain.

17 Q. Then there was another entity that was hired
18 to do the golf?

19 A. Yes.

20 Q. And what was that; do you recall?

21 A. Touchstone Golf something or other.

22 Q. Now, Ridgeline was that affiliated with
23 Ms. Cipriani in any way?

24 A. Ridgeline?

25 Q. Yes.

1 MS. SANDIFER: Object as to form. Unless you
2 can say when these were prepared.

3 MR. MATISE: Sure. Let me rephrase that.

4 BY MR. MATISE:

5 Q. You were on the Headwaters board throughout
6 2020 until December; is that correct?

7 A. Till the last meeting in December.

8 Q. Okay. And for the 2019 financials, would --
9 as a board member of Headwaters, would you have been
10 familiar with the financial statements?

11 A. It depends. Probably familiar with the
12 information, but this was prepared December 28th.

13 Q. Well, the audit -- the audit report is -- the
14 auditor audited it on December 28th; is that correct?

15 A. Well, the -- to the Board of Directors of
16 Headwaters was sent December 28. I believe I was off
17 the board then.

18 Q. Yeah, but let me just clarify. Do you
19 understand the audit procedure is is that the -- the
20 board prepares the financials with their -- help of
21 their accountant; is that correct?

22 A. Yes.

23 Q. And then they submit it to the auditor,
24 correct?

25 A. Yes.

1 Q. Okay. In terms of looking at -- during the
2 term of the lease, at least up until the foreclosure, if
3 Headwaters had exercised its option to purchase, of the
4 two formulas which would have been the lesser, the
5 adjusted appraisal price or all amenity fees collectible
6 by the tenant, which we're saying could be some \$40
7 million?

8 A. The lesser would be the appraisal price -- the
9 adjusted appraisal subject to increases, if any, for
10 capital improvements -- yeah, so if I remember it
11 appraised out at roughly 18, 19 million. But then all
12 of the -- the other improvements added to that -- you
13 can call it 20 million. Somewhere between 20 and 25.

14 Q. Did Headwaters ever have the funds available
15 from amenity fees to exercise the option to purchase?

16 A. No. There weren't enough -- unless it came
17 from the third party, but no.

18 Q. Did Headwaters ever try to exercise its option
19 to purchase up until the foreclosure?

20 A. No.

21 Q. And is there any provision in that purchase
22 price formula to deduct rents that have already been
23 paid from the calculated purchase price?

24 A. You know, I thought it was. But when -- just
25 in re-reading it, it doesn't say that. It says fees

1 were very upset about the lack of communication. But,
2 you know, there was -- they had to get through what they
3 had to get through before they could communicate.

4 Q. Because they had a receiver really running --
5 running the operations for quite a while, right, until
6 the foreclosure was complete?

7 A. Correct. And Randy was very reticent as well.
8 And so, you know, I put on a board meeting on Zoom.
9 And, you know, it's, you know, pitchforks and torches
10 and it was not very much fun for me. But ...

11 Q. Could you look at Exhibit 43.

12 A. (Complying.) Yes.

13 Q. So this is a letter that's directed to
14 Clint -- it's directed to Headwaters, care of Clint
15 Waldron, September 1, 2020, from the counsel for Granby
16 Prentice. Have you seen this?

17 A. Yes.

18 Q. Is this the official notice of termination to
19 Headwaters of the LPA?

20 A. I believe so.

21 Q. Did Headwaters have any funds of its own to
22 fund a independent legal opinion?

23 A. No.

24 Q. One of the options in a foreclosure, I'm
25 assume you're aware, is the lien or lienholder can

1 redeem by paying the amount due on the debt, right?

2 A. Yes.

3 Q. Did Headwaters have any funds to do that at
4 the time?

5 A. No.

6 Q. That would have been many, many millions of
7 dollars, right?

8 A. Yeah.

9 Q. So what options did Headwaters have at this
10 point in terms of evaluating the foreclosure and next
11 steps?

12 MR. MATISE: Object to form and foundation.

13 THE WITNESS: So, you know, a week into it,
14 after notice, we -- we didn't have any answers. Just
15 trying to understand everything first.

16 BY MS. SANDIFER:

17 Q. Mm-hmm.

18 A. So there was no money to do anything. There
19 really was -- you know, there was a real focus on --
20 from the lender's perspective about putting what they
21 thought was a very attractive amenity package together
22 through the HOA. And so they presented that to owners
23 going into the budget season there. So the focus was to
24 get the budgets wrapped up.

25 I had accepted a new position, you know, in

1 October to start in December. So, you know, I was -- I
2 was a short-timer, so to speak. And I just -- you know,
3 in my mind I wanted to make sure we did everything that
4 was in the best interest of the community. But, you
5 know, there needed to be more than just Headwaters
6 weighing into that process.

7 Q. Would you look at Exhibit 51.

8 A. (Complying.) Yep.

9 Q. This is a Golf Course Facility Management
10 Agreement, dated August 31, 2020, between Touchstone and
11 GP Granby Amenities Holdings, LLC?

12 A. Yes.

13 Q. So at this point -- this is after the
14 foreclosure was finalized. Was it your understanding
15 that -- or were you aware of this contract, that a new
16 contract was entered with Touchstone to manage the golf
17 course facility?

18 A. I was made aware that they were going -- when
19 the Headwaters agreement was terminated that they --
20 they were going to stop funding Touchstone through
21 Headwaters and they were going to engage directly.

22 Q. Okay. So Headwaters was really out of the --
23 out of the mix at this point in terms of operations of
24 the golf course?

25 A. Correct.

1 Q. And then if you'd also look at Exhibit 123.

2 A. (Complying.) Yep.

3 Q. And this is a contract, GP Granby Amenities
4 Holdings, LLC --

5 A. Right.

6 Q. -- and Ridgeline, right?

7 A. Right.

8 Q. It's your understanding that GP Granby
9 Amenities Holdings was related to Granby Prentice, the
10 purchaser?

11 A. Yes.

12 Q. Okay. So this is also dated August 31, 2020.
13 And it's a agreement for management of the ski
14 facilities, right?

15 A. Yes.

16 Q. And the fees that were due under this
17 agreement, which is actually over -- the base fee is
18 over \$28,000 a year. Would Headwaters have had any
19 ability to pay that kind of fee, absent funding from the
20 receiver or the lender?

21 A. No.

22 Q. Was Headwaters aware that Granby Prentice or
23 its affiliate had entered this contract directly with
24 Ridgeline?

25 A. I don't recall. I learned of it sometime

1 after this was executed.

2 Q. So did Headwaters essentially relinquish
3 possession of the premises as of September 1, 2020, in
4 terms of these other entities stepping in?

5 MR. MATISE: Object to form. Go ahead and
6 answer.

7 THE WITNESS: Physically we were never
8 occupying the space.

9 BY MS. SANDIFER:

10 Q. Right.

11 A. So -- and there were no employees, right.
12 There was a contractor, Touchstone, and they were
13 wrapping up the summer and then there was -- we only had
14 the one guy doing the water rights, that was down
15 (unintelligible) and the ski resort. You know, they
16 were doing snow-making improvements on and off the
17 mountain and, you know, pump facilities and things like
18 that.

19 Q. Did Headwaters have any role in operations of
20 the amenities after September 1, 2020?

21 A. No.

22 Q. Did Headwaters ever assert any rights as
23 tenant to the owner of the property after September 1,
24 2020?

25 A. Not that I know of, no.

1 Q. Would you look at Exhibit 53.

2 A. (Complying.) Okay.

3 Q. This is another letter from the lender's
4 counsel directed to Headwaters through counsel and
5 through the Marchetti & Weaver firm?

6 A. Mm-hmm.

7 Q. November 11, 2020. Did you see this document?

8 A. Yeah, I don't recall though. I need to read
9 it.

10 Q. I'll just give you a minute.

11 A. (Witness examining document.) Okay.

12 Q. So this is a notice that if the lease hasn't
13 previously been terminated by the foreclosure, the
14 owner -- the new owner's exercising its right to
15 terminate because the lease have -- the amenities have
16 not been operated or were not operated for 30 days or
17 more, right?

18 A. Right.

19 Q. Did you disagree with anything in that notice?

20 A. I did not.

21 Q. Was that consistent with your understanding
22 that there was a period of time where the amenities were
23 not operated for more than 30 days?

24 MR. MATISE: Object to form.

25 THE WITNESS: Yes.

1 REPORTER'S CERTIFICATE

2
3 I, Patricia L. Pullo, Certified Shorthand
4 Reporter, do hereby certify:

5 That the foregoing proceedings were taken
6 before me at the time and place therein set forth, at
7 which time any witnesses were placed under oath;

8 That the testimony and all objections made
9 were recorded stenographically by me and were thereafter
10 transcribed by me or under my direction;

11 That the foregoing is a true and correct
12 record of all testimony given, to the best of my
13 ability;

14 That I am not a relative or employee of any
15 attorney or of any of the parties, nor am I financially
16 interested in the action.

17 IN WITNESS WHEREOF, I have hereunto set my
18 hand and seal this 16th day of January, 2023.

19
20 

21 PATRICIA L. PULLO, C.S.R. #697
22 Notary Public
23 816 Sherman Avenue, Suite 7
24 Coeur d'Alene, ID 83814

25 My Commission Expires 11/13/2024.

DISTRICT COURT
GRAND COUNTY, COLORADO

DATE FILED: July 11, 2024 8:04 PM
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CASE NUMBER: 2021CV30008

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

Plaintiff,)

v.) Case No. 2021CV030008)

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,)

Defendants.)

DEPOSITION OF C. RANDEL LEWIS, produced,
sworn and examined on April 4, 2023, on behalf of
Plaintiff, between the hours of 10:15 in the forenoon and
12:41 in the afternoon of that day, at the law offices of
Fairfield and Woods P.C., 1801 California Street,
Suite 2600, Denver, Colorado 80202, before MARIA M.
ORTON, Registered Professional Reporter and Notary Public
within Colorado.

A P P E A R A N C E S

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2 For the Plaintiff:

3 Brian K. Matisse, Esquire
4 Erica N. Garcia, Esquire, via Zoom
5 Lisa R. Marks, Esquire, via Zoom
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9 For the Defendants Headwaters Metropolitan District
and GR Terra, LLC:

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14 For the Defendants Granby Prentice, LLC and Gray Jay
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15 Kyler Burgi, Esquire
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19 For the Deponent:

20 Adrian P. Castro, Esquire
21 Fairfield and Woods P.C.
22 1801 California Street, Suite 2600
23 Denver, Colorado 80202
24 303.894.4458
25 acastro@fwllaw.com

23 Also Present:

24 Matt Girard
25
26

1 (On the record at 10:15 a.m.)

2 (At this time Ms. Garcia and Ms. Marks were
3 not present.)

4 C. RANDEL LEWIS,
5 having been first duly sworn to state the whole truth,
6 was examined and testified as follows:

7 (Deponent's reply to oath: Yes.)

8 EXAMINATION

9 BY MR. MATISE:

10 Q. Please state your full name for the record.

11 A. Charles Randel Lewis. Randel is spelled
12 R-a-n-d-e-l.

13 Q. Mr. Lewis, I'm Brian Matise. I'm the
14 attorney for the Plaintiff, Granby Ranch Metropolitan
15 District in this action.

16 This is the first time that we've met; is
17 that correct?

18 A. That is correct.

19 Q. I also have present with me today Mr. Matt
20 Girard, who is the president of the Granby Ranch
21 Metropolitan District board of directors. Do you
22 recognize Mr. Girard?

23 A. We've met once before.

24 Q. Okay. Mr. Lewis, what is -- what is your
25 address, please.

1 A. My business address is 1600 Wynkoop Street,
2 Suite 200, Denver, 8002 -- 8202 [sic].

3 Q. Mr. Lewis, have you been deposed before?

4 A. I have.

5 Q. Approximately how many times?

6 A. Over my career, probably a hundred.

7 Q. Okay. So you are familiar with the
8 deposition rules; is that correct?

9 A. Kind of, yes.

10 Q. Okay.

11 MR. CASTRO: Mr. Matise.

12 MR. MATISE: Yes.

13 MR. CASTRO: Before we get started, I do
14 want to make the notation on the record, Mr. Lewis is
15 here in his former capacity as the director of
16 Headwaters. He is not here in his formal capacity as a
17 receiver of certain real estate assets of Granby, I
18 believe it was, Realty Holdings, LLC. In light of the
19 discharge order, he's not going to answer any subjects
20 related to his role as a receiver, the receivership
21 estate, actions taken during the receivership. Just to
22 be clear, we will object to any questions raised on those
23 subjects.

24 MR. MATISE: Yes, we understand that.

25 Q. (By Mr. Matise) That is correct, Mr. Lewis.

1 We are only asking you questions today, or deposing you
2 today, with respect to your -- your activities on the
3 Headwaters Metropolitan District board of directors; you
4 understand that?

5 A. I do.

6 Q. Mr. Lewis, did you prepare for this
7 deposition today?

8 A. I spoke with my counsel about this
9 deposition and generally, you know, tried to remember a
10 little bit about my five months on this board.

11 Q. Understand. And, just for the record, who
12 is your counsel?

13 A. Adrian Castro, sitting next to me.

14 Q. Okay. Mr. Castro is representing you today
15 in the deposition; is that correct?

16 A. That's correct.

17 Q. Okay.

18 MS. SANDIFER: For the record, JoAnn
19 Sandifer on behalf of Headwaters is here also today, and
20 to the extent that Mr. Lewis is here as a former
21 Headwaters board member, I am also representing him in
22 this deposition.

23 MR. MATISE: Okay.

24 Q. (By Mr. Matisse) Is that your understanding,
25 Mr. Lewis?

1 today?

2 A. Yes, I believe those were the two pending
3 claims -- cases against the district.

4 Q. When you talked about the roads a little bit
5 and everybody wanted to fix them, did Headwaters --
6 during your time on the board, did Headwaters have any
7 funds to invest in fixing up the roads?

8 A. I don't recall that it did. I believe the
9 district was, for all practical purposes, insolvent.

10 Q. While you were working as a consultant with
11 GP Amenities -- I might have that a little wrong -- the
12 GP Amenities entity, and excluding anything that you know
13 as a board member -- as a receiver, are you aware of
14 whether that entity or a related entity made substantial
15 investments into the ski and golf amenities?

16 A. Yes.

17 Q. And can you describe what those were.

18 A. The two that I was directly involved with
19 were resolving serious issues with the snowmaking system.
20 The system either had broken lines or downed lines and an
21 inability to deliver sufficient pressure. And the other
22 was a safety issue involving the control systems for one
23 of the lifts and an agreement with the manufacturer to
24 fix and upgrade that safety issue.

25 Q. Do you have any idea what was spent on those

1 improvements?

2 A. It was in the millions, I know that.

3 Q. Would Headwaters have had the money at that
4 time to make those improvements to the amenities?

5 A. As I said a minute ago, Headwaters was, for
6 all practical purposes, insolvent.

7 Q. And how would you describe the condition of
8 the ski and golf amenities at that time when you came on
9 the board at the end of 2020?

10 A. They were operational, but, you know -- I
11 mean, there were snowmaking issues, there was equipment
12 issues, there were lift issues. The entire resort was
13 suffering from the previous owner's deferred -- deferred,
14 if not denied, maintenance and neglect.

15 Q. Let me see if I have anything else.

16 To your knowledge, is public participation
17 required in a metro district meeting?

18 A. No. Public -- the meetings must be public.
19 That's a matter of the Open Meetings law, but it up to
20 the board of directors to choose how and when or whether
21 to solicit public input.

22 Q. And all the meetings that you attended while
23 you were a Headwaters board member, those were held via
24 Zoom and they were open for public viewing, correct?

25 A. Yes, they were. We met the Open Meetings

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REPORTER'S CERTIFICATE

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

I, MARIA M. ORTON, Registered Professional Reporter and Notary Public ID 20004018922, State of Colorado, do hereby certify that previous to the commencement of the examination, the said C. RANDEL LEWIS was duly sworn by me to testify to the truth in relation to the matters in controversy between the parties hereto; that the said deposition was taken in machine shorthand by me at the time and place aforesaid and was thereafter reduced to typewritten form; that the foregoing is a true transcript of the questions asked, testimony given, and proceedings had.

I further certify that I am not employed by, related to, nor of counsel for any of the parties herein, nor otherwise interested in the outcome of this litigation.

IN WITNESS WHEREOF, I have affixed my signature this 12th day of April, 2023.

My commission expires June 28, 2024.

Reading and signing was requested.

Reading and signing was waived.

Reading and signing is not required.



Maria M. Orton, RPR, Notary Public
(Notary ID 20004018922)
My commission expires: June 28, 2024