

DISTRICT COURT, GRAND COUNTY, COLORADO 307 Moffat Avenue Hot Sulphur Springs, CO 80451	DATE FILED March 20, 2025 5:41 PM FILING ID: 3BF4CFE7BED12 CASE NUMBER: 2021CV30008
<p>Plaintiff: GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado,</p> <p>v.</p> <p>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.</p>	
<p><i>Attorneys for Headwaters Metropolitan District and GR Terra LLC:</i> Jamie H. Steiner, #49304 JoAnn T. Sandifer (<i>Admitted Pro Hac Vice</i>) Husch Blackwell LLP 1801 Wewatta St., Suite 1000 Denver, CO 80202 Phone: 303-749-7200 Fax: 303-749-7272 E-mail: jamie.steiner@huschblackwell.com joann.sandifer@huschblackwell.com</p>	<p style="text-align: center;">▲ COURT USE ONLY ▲</p> <p>Case No. 2021CV30008</p> <p>Division 1</p>
<p>JOINT NOTICE TO COURT RELATING TO ISSUES FOR DISCUSSION AT STATUS CONFERENCE</p>	

Pursuant to this Court’s order dated March 16, 2025, Defendant/Counterclaim Plaintiffs Headwaters Metropolitan District (“Headwaters”) and GR Terra, LLC (“GR Terra”), and Plaintiff/Counterclaim Defendant Granby Ranch Metropolitan District (“GRMD”), by and through undersigned counsel, jointly submit this notice to the Court regarding issues for discussion at the status conference scheduled for March 27, 2025, at 1:00 p.m.

Following the parties' conferral by video conference, the issues identified for discussion at the status conference and the parties' positions on same are set forth below.

1. Count IV of Headwaters' Counterclaim and Count IV of GR Terra's Counterclaim, both asserting breach of GRMD's Service Plans.

Headwaters and GR Terra propose a stipulation to dismiss those counterclaims, with prejudice.

GRMD agrees that Headwaters' and GR Terra's respective Counterclaims IV be dismissed with prejudice and will review their proposed stipulation on receipt.

2. Headwaters' claim for injunctive relief for breach of contract asserted in Count I of its Counterclaims.

Headwaters is evaluating whether the requested relief is moot in light of the Court's order holding that Headwaters is entitled to recover its attorneys' fees and costs as damages for GRMD's breach of contract but reserves the right to further evaluate and confer with its client and GRMD's counsel with respect to Headwaters' position on this issue (and GRMD's position below) prior to the hearing on March 27, 2025.

Reserving its rights and disagreeing with Headwaters' claim for damages, GRMD believes that Headwaters' claim for specific performance (or other equitable or injunctive relief) on its Counterclaim I is moot given the Court's March 3, 2025, order. That said, GRMD will continue to confer with Headwaters.

3. Headwaters' alternative grounds for breach of contract in Count I of its Counterclaims.

In light of the Court's summary judgment order finding that GRMD breached Section 6.3 of the Exclusion Agreement, Headwaters does not believe it is necessary for the Court to address alternative grounds that are part of the same claim for the same relief; Headwaters

submits that judgment on Count I will be final upon determination of damages for breach of Section 6.3 without further proceedings on the alternative grounds for breach pleaded in Count I.

GRMD agrees that the alternative grounds for Headwaters' Counterclaim I do not need to be addressed given the Court's March 3, 2025, Order, and that the judgment that is ultimately entered on Counterclaim I will be a final determination without further proceedings on the alternative grounds for breach pleaded. GRMD believes this may properly be included in the parties' stipulation and will continue the parties' conferral on that point.

4. Procedure For Determination Of Damages For Breach of Section 6.3 of the Exclusion Agreement.

Headwaters' alleged damages for breach of the Exclusion Agreement consist solely of the attorneys' fees and costs incurred in defending against GRMD's claims and bringing its Counterclaim for breach of the Exclusion Agreement, and this Court has held that those items are recoverable as damages under the Exclusion Agreement. Headwaters is requesting a short bench trial before the Court to present witnesses and other evidence in support of its damages (*i.e.*, its attorneys' fees and costs). Alternatively, Headwaters is willing to stipulate to the Court's assessment of these damages based on the process set forth for recovery of attorneys' fees and costs in C.R.C.P. 121, § 1-22, with written submissions and a hearing if requested by either party, provided that GRMD will stipulate that (i) Headwaters is not waiving its position that its attorneys' fees and costs constitute damages for breach of contract and (ii) that GRMD waives any challenge to the presentation of evidence on damages or costs in the manner provided in C.R.C.P. 121, § 1-22.

Reserving its rights and disagreeing with Headwaters' claim for damages, GRMD believes that proceeding on motion (and as outlined in C.R.C.P. 121(c) § 1-22) would be more

efficient for the Court, the parties, and their witnesses and would more effectively present the issues for the Court's determination. The nature of the required proof from Headwaters lends itself to proceeding on motion (what attorneys' fees are claimed, how those fees are related to the breach the Court found, the reasonableness of those fees, etc.). Following presentation by motion, any required hearing would be informed by the parties' filings and would logically be a more focused and efficient presentation of the issues. That said, GRMD is considering Headwaters' proposal made above and is considering the stipulation proposed above. On that point specifically, GRMD states that during the parties' conferral they agreed to continue discussions on this point in advance of the March 27, 2025, status conference to determine if they can present a joint proposal to the Court.

Dated: March 20, 2025.

HUSCH BLACKWELL LLP

/s/ Jamie H. Steiner

Jamie H. Steiner, #49304

JoAnn T. Sandifer (Admitted Pro Hac Vice)

*Attorneys for Defendants Headwaters
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*Duly signed original is on file in this office and available
for inspection and/or copying upon request.*

/s/ D. Dean Batchelder

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District*

CERTIFICATE OF SERVICE

I hereby certify that March 20, 2025, a true and correct copy of the foregoing **JOINT NOTICE** was served via the Colorado Courts e-filing system addressed to the following:

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/s/ Jodie Wood

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