

DISTRICT COURT, GRAND COUNTY, COLORADO 307 Moffat Avenue Hot Sulphur Springs, CO 80451	DATE FILED March 27, 2025 12:54 PM FILING ID: D82FD3A8C0D5B 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>
STIPULATION REGARDING DISMISSAL OF CERTAIN CLAIMS AND PROCESS FOR RESOLUTION OF REMAINING CLAIMS AND ISSUES	

Defendant/Counterclaim Plaintiffs Headwaters Metropolitan District (“Headwaters”) and GR Terra, LLC (“GR Terra”), and Plaintiff/Counterclaim Defendant Granby Ranch Metropolitan District (“GRMD”) (collectively the “Parties”), by and through undersigned counsel, stipulate to the dismissal of certain claims and the process for resolution of remaining claims and issues in the litigation, including the process for the determination of Headwaters attorneys’ fees asserted

as damages for breach of the Exclusion Agreement.

The Parties stipulate and agree as follows:

GR Terra and Headwaters' Counterclaims for Breach of The Service Plan.

1. The Parties jointly stipulate under Rule 41(a)(1)(B), C.R.C.P., to dismiss Headwaters' and GR Terra's Counts IV of their respective Counterclaims asserting breach or improper modification of GRMD's Service Plan, with prejudice.

Headwaters' Request for Injunctive Relief for Breach of The Exclusion Agreement.

2. The Parties agree that Headwaters' request for injunctive relief in conjunction with its claim for breach of the Exclusion Agreement (Count I of its Counterclaims) is moot in light of the Court's entry of judgment against GRMD on its claims asserted in this litigation and the Court's summary judgment order of March 3, 2025.

Headwaters' Allegations of Alternative Grounds for Breach of The Exclusion Agreement.

3. The Parties acknowledge that Headwaters' claim for breach of the Exclusion Agreement (Count I of its Counterclaims) asserted alternative grounds in support of the alleged breach and requested damages. In light of the Court's summary judgment order of March 3, 2025, the Parties agree that it is not necessary for the Court to address alternative grounds that are part of the same claim for the same relief.

4. The Parties agree 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.

Procedure for Determination of Damages.

5. The Parties stipulate that Headwaters' alleged damages for breach of the

Exclusion Agreement as found in the Court's summary judgment order of March 3, 2025, consist solely of Headwaters' claims for attorneys' fees and costs under the Exclusion Agreement.

6. As such, to streamline determination of those alleged damages, the Parties agree to and propose to the Court that it permit them to utilize the process for recovery of attorneys' fees and costs in C.R.C.P. 121(c), § 1-22, with written submissions and a right to a hearing if requested by either party.¹

7. The Parties agree 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.

8. In stipulating to this procedure, the Parties recognize (i) that Headwaters is not waiving its position that its attorneys' fees and costs constitute damages for breach of contract; (ii) that the Parties waive any challenge to the presentation of evidence on damages or costs in the manner provided in C.R.C.P. 121(c), § 1-22 as opposed to a trial before the Court; and (iii) that GRMD reserves its rights and disagreement with Headwaters' claim for damages.

9. The Parties intend this agreement to be procedural and are not thereby waiving substantive arguments that may otherwise be available to them (*i.e.*, that certain fees are/are not reasonable and are/are not properly related to the breach of the Exclusion Agreement) or the right to present expert or other evidence in support of their positions as may be helpful.

10. If the Court agrees with this process, the Parties suggest the following briefing schedule:

¹ The Parties do not anticipate the need for discovery at this time but will confer as necessary should the issue arise.

- a. Headwaters' opening motion and supporting materials will be filed within 45 days of the entry of the Court's order approving this process;
- b. GRMD's response in opposition and supporting materials will be filed within 35 days of Headwaters' opening motion;
- c. Headwaters' reply brief and any supporting materials will be filed within 21 days of GRMD's response in opposition; and
- d. Any party may request a hearing within 14 days of Headwaters' reply brief.

Dated: March 27, 2025.

HUSCH BLACKWELL LLP

/s/ Jamie H. Steiner

Jamie H. Steiner, #49304

JoAnn T. Sandifer (Admitted Pro Hac Vice)

Attorneys for Defendants Headwaters

Metropolitan District and GR Terra LLC

BURG SIMPSON

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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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Attorneys for Granby Ranch Metropolitan District

CERTIFICATE OF SERVICE

I hereby certify that on March 27, 2025, a true and correct copy of the foregoing STIPULATION REGARDING DISMISSAL OF CERTAIN CLAIMS AND PROCESS FOR RESOLUTION OF REMAINING CLAIMS AND ISSUES was served via the Colorado Courts e-filing system addressed to the following:

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