

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.

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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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.

Re: Granby Ranch Metropolitan District, Granby Realty Holdings, LLC, Headwaters
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2006 Bonds; Road Operation and Maintenance; and Related Issues
August 22, 2016
Page 5 of 8

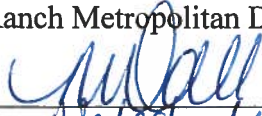
Agreed to by each party as set forth below:

Date: August 31, 2016.

Granby Ranch Metropolitan District

Name: _____

Title: _____



Natasha Wall

president

Attest:



Secretary/Assistant Secretary

Re: Granby Ranch Metropolitan District, Granby Realty Holdings, LLC, Headwaters
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August 22, 2016
Page 6 of 8

Date: August , 2016

Granby Realty Holdings, LLC

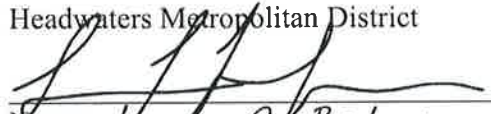


Marise Cipriani, Manager

Re: Granby Ranch Metropolitan District, Granby Realty Holdings, LLC, Headwaters
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August 22, 2016
Page 7 of 8

Date: August 30, 2016

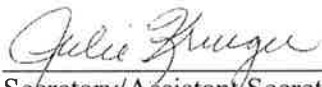
Headwaters Metropolitan District



Name: Lance C. Badger

Title: President

Attest:

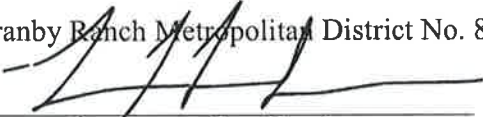


Secretary/Assistant Secretary

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Page 8 of 8

Date: August 30, 2016.

Granby Ranch Metropolitan District No. 8


Name: Lance C. Badger

Title: _____

Attest:


Secretary/Assistant Secretary