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November 17, 2017

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Granby Ranch Metropolitan District No. 8  
Norman F. (Rick) Kron, Esq.  
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Denver, CO 80203

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  
*First Amendment*

Dear Jim, Rick, Gary and Clint:

This letter serves to amend the August 22, 2016 Letter Agreement between the parties related to various issues affecting the parties.

This amendment is required due a series of events that delayed the execution of the items in the original Letter Agreement. To recap, the districts approached the Town of Granby to amend their service plans to, primarily, increase their mill levy caps and to clarify and amend certain provisions relating to the intergovernmental agreements between Headwaters Metropolitan District and Granby Ranch Metropolitan District. The mill levy increase was

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required to accomplish the goals in the Letter Agreement, including the refunding of the Granby Ranch Metropolitan District (“GRMD”) 2006 Senior Bonds and to allow GRMD and Granby Ranch Metropolitan District No. 8 to participate in the costs of road maintenance and snow removal in Granby Ranch.

The amended service plans and increased mill levies were approved by the Town of Granby on November 8, 2016. However, due to an unfavorable change in the non-rated bond market following the November 2016 presidential election, GRMD was unable to find a purchaser for the refinancing of its 2006 Senior Bonds. Since that date, GRMD has pursued various avenues in an attempt to refund its 2006 Senior Bonds, and only recently was able to obtain an offer from US Bank for a transaction to allow for the refinancing of the 2006 Senior Bonds, with a closing expected sometime in December 2017.

As a result of the inability to refinance the 2006 Senior Bonds, which was the primary condition for the performance of the other events in the Letter Agreement, many of the dates and deadlines in the original Letter Agreement require amendment. In addition, there have been a few other changes in the agreement to which the parties have orally agreed that, for clarity, should be memorialized in writing.

Therefore, please consider this letter as an amendment to the corresponding numbered paragraphs in the August 22, 2016 Letter Agreement as follows:

1. Refunding of 2006 Bonds

a. GRMD will proceed with refinancing its 2006 Bonds, to close on or before December 31, 2017 (the refunding bonds are called the “2017 Bonds”).

b. At or before closing on the 2017 Bonds and as memorialized as appropriate, GRH will prepay 40 capital facility fees in the total amount of \$250,200, with such payment to be used to reduce the par amount of the 2017 bonds. The pre-paid capital facility fees may be assigned and transferred by GRH only to (1) its affiliates or subsidiaries, or (2) third-party purchasers of property within GRMD currently owned by GRH or its affiliates or subsidiaries.

c. As required by the Letter Agreement, GRH submitted a petition for inclusion of Granby Ranch Filing No. 17 and the property anticipated to be included in Granby Ranch Filing No. 18, which was approved by GRMD and ordered included into the District by the Grand County District Court pursuant to the November 18, 2016 “Order Granting the Granby Ranch Metropolitan District’s Motion for Inclusion of Property”. This order will be recorded in the real property records of Grand County, Colorado upon the issuance of the 2017 Bonds. GRMD will not provide funding for road construction or other improvements in these filings, but will participate in the costs of road maintenance and snow removal for the roads within Granby Ranch Filing No. 17 and Granby Ranch Filing No. 18 upon their completion and acceptance by Headwaters Metropolitan District and the Town of Granby pursuant to a separate road maintenance and snow removal agreement. The parties acknowledge that the final plat for Filing 17 has not been recorded, and the final plat for Granby Ranch Filing No. 18 has not been completed or recorded. Within 60 days of the final platting and recording of the plat for Granby

Ranch Filing Nos. 17 and 18, GRH will petition GRMD for the inclusion of the property within these filings into GRMD, to the extent that such property is not already included in GRMD.

d. No change.

e. No change.

f. The funds currently held in the Lot Sale Escrow Account as additional security for the 2006 Bonds will be distributed at the time of closing on the 2017 Bonds as follows:

i. \$250,200 for the payment of the pre-paid capital facility fees in satisfaction of Paragraph 1.b;

ii. \$75,000 to GRMD in satisfaction of Paragraph 3; and

iii. remainder of the funds to Granby Realty Holdings, LLC.

2. Roads within Granby Ranch

a. Repair of Roads

i. GRH will use its best efforts to achieve a Completion and Initial Acceptance of all Major Repairs by October 31, 2018, but all Major Repairs must be completed by September 30, 2019. To secure this repair obligation, GRH and Headwaters will use their best efforts to add GRMD as a party to the appropriate Subdivision Improvement Agreement(s) and the collateral for performance thereof currently in place between GRH, the Town of Granby, and Headwaters. If GRMD cannot be added to the existing Subdivision Improvement Agreements, GRMD and GRH will enter into a separate, materially similar agreement secured by the same collateral used for the Subdivision Improvement Agreement no later than April 30, 2018.

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

i. Beginning January 1, 2018, GRMD will pay a portion of the costs of road operation, maintenance and snow removal, and minor repairs, necessary on or after January 1, 2018 for the roads within Granby Ranch, except for the Major Repairs set forth above in paragraph 2.a.i., with such portion of the costs to be calculated as set forth in a road maintenance and snow removal agreement to be entered into between GRMD, Headwaters Metropolitan District, and GRMD Nos. 2-8. 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 and road maintenance, including snow removal, and minor repairs.

1) In the alternative to the road maintenance and snow removal agreement set forth above, the Granby Ranch Conservancy (the master homeowner's association for Granby Ranch) ("**GRC**") may fund all or part of the road maintenance and snow removal set forth in the road maintenance and snow removal agreement. GRMD's portion of the costs for road maintenance and snow removal under the road maintenance and snow removal

contract shall be reduced in an amount equal to the amount funded by the GRC. Notice of the intent of the GRC to fund all or part of the road maintenance and snow removal for the subsequent calendar year shall be provided to GRMD no later than \_\_\_\_\_ 2017 to allow GRMD time to budget for the upcoming year.

ii. No change.

c. On or before December 31, 2017, Headwaters Metropolitan District and GRH will execute non-exclusive public access easements for all roads owned by Headwaters Metropolitan District within Granby Ranch in favor of GRMD and t GRMD Nos. 2-8.

3. GRH will transfer \$75,000 to GRMD upon the closing on the 2017 Bonds.

4. Paragraph deleted because the funding was not required.

5. The amendment or replacement deadline is changed to December 31, 2017.

6. No change. The requirements of this paragraph were satisfied by the amendments to the service plans dated and approved by the Town of Granby on November 8, 2016.

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. GRH will use its best efforts to make such appointment on or before December 31, 2017.

8. Termination of the Payment in Lieu of Taxes Between Granby Ranch Metropolitan District and Granby Realty Holdings entered into on November 18, 2009 and amended on December 16, 2009 and October 20, 2010 will occur on or before the issuance of the 2017 Bonds.

Other changes: all references to the “2016 Bonds” are amended to the “2017 Bonds”.

Unless otherwise modified, the portions of the August 22, 2016 Letter Agreement remain in full force and effect.

Sincerely,

**SETER & VANDER WALL, P.C.**

A handwritten signature in black ink, appearing to read "Jeffrey E. Erb". The signature is stylized with a large, looping initial "J" and "E".

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. Sam Sharpe, D.A. Davidson  
Ms. Laci Knowles, D. A. Davidson  
Dee Wisor, Esq., Butler Snow, LLP  
Kim J. Seter, Esq., Seter & Vander Wall, P.C.  
Russell Newton, Esq., Seter & Vander Wall. P.C.  
Eric Weaver, Marchetti & Weaver, LLC

Agreed to by each party as set forth below:

Date: November 17, 2017

Granby Ranch Metropolitan District

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Secretary/Assistant Secretary

Date: \_\_\_\_\_, 2017

Granby Realty Holdings, LLC

\_\_\_\_\_  
Marise Cipriani, Manager

Date: \_\_\_\_\_, 2017

Headwaters Metropolitan District

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Secretary/Assistant Secretary



Date: \_\_\_\_\_, 2017

Granby Ranch Metropolitan District No. 8

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Secretary/Assistant Secretary