DISTRICT COURT, PITKIN COUNTY, COLORADO 506 East Main Street Aspen, CO 81611 (970) 925-7635 Plaintiff: **BASE VILLAGE METROPOLITAN DISTRICT NO. 2** vs. Defendants: **THE RELATED COMPANIES, LP,** a New York limited partnership; **RELATED WESTPAC, LLC**, a Delaware limited company; **BASE VILLAGE OWNER, LLC**, a Delaware limited liability company; **SNOWMASS ACQUISITION COMPANY, LLC**, a Delaware limited liability company; **SNOWMASS RELATED HOLDCO, LLC**, a Delaware limited liability Company; **SNOWMASS HOLDCO BV, LLC**, a Delaware limited liability company; **RELATED COLORADO REAL ESTATE, LLC,** a Delaware limited liability company; **HYPO REAL ESTATE CAPITAL CORPORATION**, a Delaware corporation; **SNOWMASS BV HOLDCO, LLC**, a Delaware limited liability company; **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States; **WHITE, BEAR, ANKELE, TANAKA & WALDRON**, a Colorado professional corporation; **D.A. DAVIDSON & CO**., a New York corporation; **CLIFTON LARSON ALLEN, LLP**; **NORTH SLOPE CAPITAL ADVISORS**, a Colorado corporation; **LOWE ENTERPRISES REAL ESTATE SERVICES, INC.**, a California Corporation; **DESTINATION SNOWMASS SERVICES, INC**., a Colorado corporation; and **SNOWMASS VENTURES, LLC,** a Delaware limited liability company.	▲ **COURT USE ONLY** ▲ Case Number: 2017 CV 030137 Div.: 5
Attorneys for Plaintiff: Michael J. Reiser, Esq. **REISER LAW, P.C**. 1475 N. Broadway, Suite 300 Walnut Creek, California 94596 Telephone: (925) 256-0400 Facsimile: (925) 476-0304 michael@reiserlaw.com Tyler Meade, Esq.	

Sam Ferguson, Esq.
THE MEADE FIRM P.C.
1816 Fifth Street
Berkeley, CA 94710
New York Office:
111 Broadway, Suite 2002
New York, NY 10006
Telephone: (510) 843-3670
Facsimile: (510) 843-3679
tyler@meadefirm.com
sam@meadefirm.com

Matthew C. Ferguson, Esq.
THE MATTHEW C FERGUSON LAW FIRM, P.C.
119 South Spring, Suite 201
Aspen, Colorado 81611
Telephone: (970) 925-6288
Facsimile: (970) 925-2273
matt@matthewfergusonlaw.com

Michael L. Schrag, Esq.
GIBBS LAW GROUP, LLC
One Kaiser Plaza, Ste. 1125
Oakland, CA 94612
Telephone: (510) 350-9701
Facsimile: (510) 350-9701
mls@classlawgroup.com

FIRST AMENDED COMPLAINT AND JURY DEMAND

Plaintiff, by and through undersigned counsel, demands a jury, and alleges as follows upon information and belief and the investigation of counsel in its First Amended Complaint against the following Defendants: THE RELATED COMPANIES, LP, a New York limited partnership; RELATED WESTPAC, LLC, a Delaware limited company; BASE VILLAGE OWNER, LLC, a Delaware limited liability company; SNOWMASS ACQUISITION COMPANY, LLC, a Delaware limited liability company; SNOWMASS RELATED HOLDCO, LLC, a Delaware limited liability Company; SNOWMASS HOLDCO BV, a Delaware limited liability company; RELATED COLORADO REAL ESTATE, LLC, a Delaware limited liability company; HYPO REAL ESTATE CAPITAL CORPORATION, a Delaware corporation; SNOWMASS BV HOLDCO, LLC, a Delaware limited liability company; U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the

United States; WHITE, BEAR, ANKELE, TANAKA & WALDRON, a Colorado professional corporation; D.A. DAVIDSON & CO., a New York corporation; CLIFTON LARSON ALLEN, LLP; NORTH SLOPE CAPITAL ADVISORS, a Colorado corporation; LOWE ENTERPRISES REAL ESTATE SERVICES, INC., a California Corporation; DESTINATION SNOWMASS SERVICES, INC., a Colorado corporation; and SNOWMASS VENTURES, LLC, a Delaware limited liability company.

I. INTRODUCTION

1. As HBO TV host John Oliver observed in a comedic segment about "special districts" on March 6, 2016: "Once a special district is created, you can be pretty sure no one is going to be watching what you do."[1] He could have been talking about the fleecing of Base Village Metropolitan District No. 2 ("District 2" or "Plaintiff") by The Related Companies, LP ("Related") and its accomplices.

2. For nearly a decade, Related and its accomplices manipulated and abused Colorado's well-intended statutory framework for the provision of public facilities services through special taxation districts to perpetrate a scheme to defraud and self-deal. They filed false reports, misrepresented private development costs as public expenditures, and violated federal and state statutes, ranging from the Colorado Organized Crime Control Act (C.R.S. § 18-17-104) to prohibitions on mail, wire, and bank fraud (18 U.S.C. §§ 1341 (mail fraud), 1343 (wire fraud), 1344 (bank fraud); C.R.S. § 11-51-501) and more obscure crimes, such as C.R.S. § 18-5-206(1) and (2).

3. Beginning in 2008 and extending through the present, Related and its accomplices engaged in a wide pattern of racketeering activity and fraud through control of District 2 and a related district, Base Village Metropolitan District No. 1 ("District 1"), that was ostensibly formed to provide administrative services for District 2. Both are located in the Town of Snowmass Village, Colorado.

4. These special metropolitan districts were set up in 2004 to facilitate the construction and acquisition of public infrastructure improvements near the Snowmass Base Village development, a million-square-foot real estate project at the base of Snowmass mountain (hereinafter the "Base Village project"). Because Districts 1 and 2 (collectively, the "Districts") were originally formed when no residents lived within their boundaries, Related was able to handpick employees to serve on the boards of these Districts to do its bidding. These servants of Related abused their positions of public trust.

5. Instead of governing the Districts in the public interest, Related's employees managed the Districts as enterprises in violation of the Colorado Organized Crime Control Act. Facilitated by the Districts' outside general counsel William Ankele and other professionals named herein, the Related-affiliated board members used their control over the respective District to pay Related and its affiliates tens of millions of dollars to the detriment of District 2, which has been denied promised improvements and saddled with debt that it cannot repay and that increases every year.

[1] *See* https://www.youtube.com/watch?v=3saU5racsGE

6. The boards of the two districts were unified and indistinguishable until 2017. Under Ankele's guidance, the boards held joint meetings, had identical board members, and only acted independently for symbolic purposes.

7. District 2, which is now governed for the first time by an independent board following an attempted recall and then a mass resignation of the old board in February 2017, brings this action to redress the wrongs committed by Related and its accomplices. District 2 seeks to recover all funds improperly obtained by Defendants.

8. Related and its affiliates perpetrated the scheme to benefit themselves at the expense of the public with the help of the other Defendants — including at various times in the years that followed Hypo Real Estate Capital Corporation ("HRECC"), U.S. Bank National Association ("U.S. Bank"), the law firm of White, Bear, Ankele, Tanaka & Waldron ("Ankele law firm"), North Slope Capital Advisors, D.A. Davidson, Destination Snowmass Services, Inc., Lowe Enterprises Real Estate Services, Inc., and Clifton Larson Allen, LLP (f/k/a Clifton Gunderson, LLP), (Collectively, these Defendants are referred to as "Related and its accomplices" or the "COCCA Enterprise"). These developers, law firms, banks, accountants and other "professionals" unlawfully profited from a racket to manipulate the management of the Districts for their own benefit.

9. In 2016, after Related sold its interests in the Base Village project, a new developer Defendant Snowmass Ventures, LLC (and/or its constituents, Aspen Skiing Company, LLC, KSL Capital Partners, LLC and East West Partners, Inc.) took actions to further the COCCA Enterprise by continuing to use the Districts for private profit.

10. This scheme had multiple phases. It began when Related's employees on the boards of the districts overleveraged District 2 in 2008 with nearly $48 million in debt at a time when the real estate market — and with it, the expected property taxes that were necessary to service the debt — had collapsed. When the debt was issued on July 1, 2008, there was no realistic possibility that the debt would be repaid. Most of the Base Village project had yet to be constructed and the sales projections that justified the debt structure — selling 600 condos at an average of more than $1000 per square foot by 2012 — were wildly unrealistic given the economic climate. But Related and its accomplices, through their control of the board of directors of the Districts and to perpetrate their scheme to defraud, prioritized their own interests ahead of their fiduciary obligations to Plaintiff District 2. Indeed, there was no independent analysis by a real estate professional to verify that Related's wildly unrealistic sales projections were attainable.

11. When Related's employees on the board of District 2 voted to authorize the bond issuance, they did so solely for Related's interest and not the District's. On the day the 2008 bonds were issued, Related's subsidiary Base Village Owner, LLC ("BVO") requested from District 2 (which it controlled) nearly $32 million of the bond proceeds for reimbursement for work on public infrastructure improvements that were built during the first phase of development in the Base Village project. When District 2 released the money to BVO, many of the improvements were incomplete and other improvements were billed at multiples of the estimated cost.

12. Millions of dollars of costs and/or fees that should not have been reimbursed by District 2 because they funded private construction were buried in this reimbursement. For

instance, reimbursement payments for a subterranean garage included construction costs to build the foundations of several private buildings, including condominiums and hotels, that will eventually be constructed on top of the garage. These expenses should have been paid for solely by BVO as private development costs.

13. These and other fraudulent construction receipts resulted in a nearly 200% cost overrun for the garage. The public component of the garage was initially estimated to cost approximately $7 million, but District 2's accountant, Defendant Clifton Larson Allen (f.k.a. Clifton Gunderson) certified public costs of more than $20 million for the garage. Additionally, some of the public improvements funded by the 2008 bonds have provided no public benefit at all, such as an arts and community center that was constructed as part of the Capitol Peak Lodge condominium building, but which has been converted into a conference center entirely for the private benefit of Related and the various property management companies that operate in Base Village.

14. Coveted improvements that were supposed to be funded by the bond issuance, such as an Aqua Center, were never been built.

15. At the time of this bond issuance in 2008, Related and its affiliates, together with the Ankele law firm, HRECC and D.A. Davidson, knew that the Base Village project was headed for failure. Though Related and its affiliates had represented at the time of the issuance of the bonds that the project would be sold out by 2012, just months after the bond issuance BVO defaulted on a $520 million acquisition and construction loan on the project, forcing the entire Base Village development into foreclosure and into the hands of HRECC, the lead German lending bank. Indeed, months *before* the bonds were issued, in December 2007, Related sold a quarter of its equity in all of its real estate interests throughout the United States and abroad and suspended all projects not being built in anticipation of the gathering storm of the housing collapse. Stephen Ross, Related's founder and chairman, told *Fortune* that "I knew the world would change."[2]

16. Instead of walking away, Related, its subsidiaries and affiliates, and others comprising the COCCA Enterprise began the next phase of their fraud, recognizing an opportunity to shift private losses from the Great Recession onto District 2.

17. While the details are complex, the basic idea was simple — to use the special district funding vehicle provided by Colorado law not for public infrastructure and services, but rather to mitigate private losses from the economic downturn and then, as years passed, to profit at District 2's expense.

18. Related, its subsidiaries and affiliates, along with accomplices obtained these profits primarily through four transactions.

A. First, Related Engineered a Default

19. First, on November 15, 2011, Related's subsidiary Related WestPac engineered a default on the 2008 junior bonds by objecting to an extension of a letter of credit issued by U.S. Bank that gave the bonds their creditworthiness. The objection to the extension resulted in U.S.

[2] "The Man Behind the Largest Real Estate Project in U.S. History," *Fortune*, September 16, 2013, page 96.

Bank calling the 2008 junior debt for par value, funded by cash collateral from HRECC's construction loan to BVO.[3] As a result of this default, the interest rate on District 2's debt skyrocketed. Whereas the interest on the 2008 junior debt had hovered under 1% since issuance, the interest rate shot up to a fixed 10% pursuant to the 2008 bond indenture — interest that accrued to Related WestPac's benefit, as the owner of the newly-issued Guarantor Bonds.

20. Related's acquisition of the Guarantor Bonds served two clear purposes with respect to the COCCA Enterprise. First, the Guarantor Bonds provided Related with substantial leverage over HRECC to reacquire the Base Village project and with it control of District 2. (Related WestPac accrued more than $3 million in yearly deferred interest payments under the Guarantor Bonds.) Second, the Guarantor Bonds eventually provided Related with the opportunity to "refinance" District 2's debt once Related regained control of the Base Village project. But instead of using the refinance to lower the overall debt burden of District 2, Related used the opportunity to turn the junk Guarantor Bonds into cash in a brazen act of self-dealing.

21. In November 2012, after Related repurchased the property from HRECC, Related subsidiary Snowmass Acquisition Company agreed to a reduction on the interest of the Guarantor Bonds from 10% to 3%. This agreement is reflected in a District 2 board resolution approving of an amendment to the bond indenture which notes that Snowmass Acquisition Company — the employer of most of the members of District 2's board — had agreed to the interest rate reduction.

22. The agreement was made in exchange for elevating the priority of payment on the Guarantor Bonds over a 2008 developer note. But within weeks of agreeing to a reduction on the rate, Related reneged on the agreement. Instead of forcing Related to abide by its promise, Defendant Ankele law firm helped Related back out of this deal that would have been beneficial to District 2, refusing to seek enforcement of the agreement.

B. Second, Related and its Accomplices Engineered a Self-Serving Refinancing

23. In December 2013, while in control of the boards of the Districts, Related and its accomplices restructured District 2's debt, whereby they caused District 2: (a) to pay Related's subsidiary Defendant Snowmass Acquisition Company $7.5 million in cash for partial redemption at par value of the Guarantor Bonds, (b) to pay another $2.2 million to Related subsidiary BVO for a loan repayment on a note that bore no interest and did not mature for another 25 years, and (c) to issue to Snowmass Acquisition Company another $23,760,000 of junior debt at 6.5% interest in exchange for an equal amount of the Guarantor Bonds.

24. The net result of this refinancing was substantial harm to District 2 — exacerbating the District's already substantial debt. By the time of the 2013 refinancing, the 2008 debt included only $10 million of senior debt that had to be paid in full by maturity. The balance of the 2008 debt was $32.55 million of the Guarantor Bonds, which would be discharged if not paid in full at

[3] Related would not have triggered this default if the cash guarantee seized to call the bonds had been its own. The Guarantor Bonds were not worth anything close to the $32.55 million in cash that was seized by U.S. Bank to pay for a call of the bonds. Though the cash was pledged by a Related subsidiary, it was, in fact, money that had been wrongfully transferred from Defendant HRECC's construction loan to frustrate HRECC's attempts to collect its assets while the Base Village project was in foreclosure.

maturity. This 2013 refinancing re-engineered this debt structure and saddled District 2 with over $20 million in senior debt that would not be discharged at maturity, with a balloon payment on the entirety of the principal due in just seven years.

25. Worst of all, Related and its accomplices caused District 2 to pay par value for the $7.5 million partial redemption of Related's ill-gotten Guarantor Bonds. The Guarantor Bonds were not worth anything close to par value. Indeed, Related's own optimistic financial projections indicated that District 2 would only be in a position to start making partial interest payments on the Guarantor Bonds in 2021, and that District 2 could only realistically repay the Guarantor Bonds if the interest rate was reduced to 3.5%. According to estimates commissioned by District 2 in 2012 (while Related temporarily lost control of the Districts during foreclosure), the District would only be able to make approximately $14 million in interest payments over 25 years on the Guarantor Bonds, leaving $105.88 million in unpaid principal and interest outstanding on the Guarantor Bonds at maturity that would be discharged.

26. Paying Related $7.5 million in cash at par value was a naked act of improper self-dealing. Related subsidiaries were simultaneously the bond holder and the bond re-purchaser in the 2013 restructuring, and Related and its accomplices controlled the board of District 2 through Related employees on the board, which issued the new debt. Despite this rampant self-dealing, a Bond Purchaser Certificate on the 2013 bonds states that the "purchase price was negotiated in an arms-length transaction between unrelated parties" — a statement that was used by Kutak Rock, LLP (bond counsel) to form the opinion that gross income receipts from the bonds would not be subject to federal income tax as exempt municipal securities.

27. Defendants D.A. Davidson and the Ankele law firm facilitated this wrongful refinancing.

28. D.A. Davidson provided financial projections and municipal financial advice to District 2 during this transaction while also serving as District 2's placement agent and previously serving as District 2's remarketing agent, in direct contravention of industry rules and norms that underwriters not play such dual roles. D.A. Davidson received approximately $500,000 in fees for facilitating this one transaction, which consisted of nothing more than securing a loan for the District from US Bank and placing the 2013 bonds with a Related subsidiary in exchange for the Guarantor Bonds, which were also held by a Related subsidiary.

29. Defendant the Ankele law firm drafted most of the refinancing documents and blessed the refinancing without requiring that District 2's board obtain an independent financial advisor to opine that the refinancing was beneficial to District 2 (rather than driven by Related's interest in squeezing out par value for their worthless debt).

30. Both D.A. Davidson and the Ankele law firm knew that the transaction should have involved an independent municipal financial advisor, and both knew that the transaction would not have taken place if such an advisor had been retained, as any legitimate independent municipal financial advisor would have advised District 2 against the refinancing.

31. Furthermore, even though Related (through Snowmass Acquisition Company) had earlier agreed to a reduction in the interest rate on the Guarantor Bonds to 3%, the refinancing went forward as if the Guarantor Bonds bore a 10% interest rate. Defendants used their control

over the Districts to rescind that reduction so that they could package the 2013 "refinancing" as beneficial to District 2 — supposedly reducing a 10% interest rate to just 6.5% — the transaction *increased* the interest rate from 3% to 6.5%.

32. Defendant U.S. Bank also profited through its issuance of the $20,300,000 2013A senior loan that facilitated the refinancing. U.S. Bank was well aware of the self-interested nature of the transaction, having previously served as bond trustee for the 2008 bonds as well as the letter-of-credit provider for the 2008 bonds. As trustee for the bonds at issue, U.S. Bank also knew about the agreement to reduce the interest rate to 3%. But the bank, like the other Defendants, chose to ignore that reduction.

C. Third, Defendants Took More in a Second Self-Serving Refinancing

33. In 2016, Related engineered yet another refinancing of District 2's debt for its own benefit. This refinancing converted 2013B District bonds owned by a Related subsidiary into cash and facilitated a sale of the Base Village project to Defendant Snowmass Ventures, LLC

34. Snowmass Ventures, LLC is, upon information and belief, a joint venture of KSL Capital Partners, LLC, Aspen Skiing Company, LLC ("Skico"), and East West Partners, Inc. ("East West"), or of entities controlled by these component parts.

35. In the 2016 refinancing, Related exchanged its $23.76 million in 2013 junior debt (plus some accrued interest) for approximately $10 million of cash and approximately $13 million of 2016B bonds. Like the 2013 refinancing, there was no valid business reason to pay Related nearly par value for its 2013 junior debt, which would have been discharged if not paid at maturity.

36. Defendant North Slope Capital Advisors ("North Slope") facilitated this scheme to defraud by authoring a highly misleading December 2016 financial analysis for District 2 that packaged the refinancing as beneficial to District 2. In truth, the 2016 refinancing was solely for the benefit of the Related and its affiliates, and Defendant Snowmass Ventures. Indeed, the refinancing was a condition of December 2016 sale of the Base Village project from Related to Snowmass Ventures. It was engineered to facilitate the private interests of two major real estate developers, not District 2.

37. D.A. Davidson was again at the center of the scheme to defraud. Indeed, D.A. Davidson had presented several options to District 2 for a refinancing and advised District 2 to adopt the refinancing transaction that it did. Again, like in 2013, D.A. Davidson improperly acted as both a municipal financial advisor and an underwriter. North Slope's 2016 report was largely a straw-man report taken directly from D.A. Davidson's own analysis and projections.

38. In total, Related sold its junk debt for over $20 million in cash at significantly above market rates in the 2013 and 2016 refinancings, in addition to acquiring millions more in bonds.

D. Fourth, The Tax Base and Taxable Property was Moved to District 1 and Defendants Committed Additional Violations of District 2's Rights During the Sale of the Base Village Project to Snowmass Ventures

39. Since at least 2008, Related and its affiliates, together with the Ankele law firm, have manipulated the boundaries of the Districts, excluding millions of dollars of taxable property from District 2's tax base and including it in District 1. These repeated transfers of property have

diminished the tax base in District 2, thereby reducing the ability of District 2 to repay the tens of millions of dollars of debt that it now bears because of the self-dealing of Related and its accomplices. The transfer also constituted an unauthorized material modification of the Service Plan for the Districts, as the Service Plan contemplates that taxable property will be located within the boundaries of District 2.

40. Snowmass Ventures was intimately involved in zoning adjustments for the Base Village project in anticipation of its 2016 acquisition. It insisted upon boundary adjustments between the Districts as a condition of sale of the project. Significantly, Building 5 was previously a residential building with over 50 condominiums that were supposed to be part of the tax base of District 2. That building will now become Limelight Hotel (a brand owned by Skico). Snowmass Ventures intends to move this property, comprising approximately 1/6 of the taxable property in District 2, over to District 1 upon filing a condominium map for the hotel based upon supposed authority granted under previous inclusion/exclusion orders from the Districts.

41. This movement of property from District 2 to District 1 is intended to facilitate a future bond issuance using District 1 as the issuing entity that will repay accrued developer obligations owed by District 1 to Defendant Snowmass Ventures. Part of the 2016 "refinancing" was a release of District 2's obligations to pay just under $10 million in unreimbursed developer advances owed by District 1, coupled with a loss of substantial portions of District 2's tax base. In its 2018 annual budget, District 1 has indicated that these developer advances will be subject to "future repayment when the District is financially able to issue bonds to reimburse the Developer [Snowmass Ventures]." In other words, Snowmass Ventures has created a revenue stream for District 1 that will eventually be used for its own benefit, which will deprive District 2 of millions of dollars in revenue.

42. Related, through its subsidiary Snowmass Acquisition Company, ignored its fiduciary obligations to District 2 during the sale, aided and abetted by other members of the COCCA enterprise, including D.A. Davidson, North Slope, and the Ankele law firm. Later, Snowmass Ventures both aided and abetted this breach of fiduciary duty and committed honest services fraud by making this transfer of property a condition of sale to the detriment of District 2 and for its own future benefit.

43. All of this was done under the cloud of a recall petition in District 2, which sought to oust the board members who were affiliated with Related due to their conflicts of interest.

44. As the result of a range of unlawful acts, District 2 is saddled with significant debt that will be difficult to service and retire and which it cannot discharge. Its cash reserves have been raided, and its constituents have suffered the indignity of witnessing a public district created to serve them instead fill the pockets of private parties.

II. JURISDICTION AND VENUE

45. This Court has subject matter jurisdiction over this action pursuant to Section 9, Article VI of the Constitution of the State of Colorado.

46. Defendants are subject to the personal jurisdiction of this Court pursuant to C.R.S. § 13-1-124 because, inter alia, each Defendant is located in or transacts in, has committed a tort in, or owns, uses or possesses real property in the State of Colorado.

47. Venue is proper in Pitkin County District Court pursuant to C.R.C.P. 98(c) because, inter alia, the Defendants conduct business throughout the State and the actions underlying this case took place in this County.

III. PARTIES AND RELATED ENTITIES

48. Plaintiff Base Village Metropolitan District Number 2 is a quasi-municipal corporation and political subdivision of the State of Colorado organized as a metropolitan district under the Colorado Special District Act. C.R.S. § 32-1-101, *et seq*.

A. Related and Its Subsidiaries and Affiliates

49. Defendant The Related Companies, LP (referred to herein as "Related") is a New York limited partnership, with its principal place of business at 60 Columbus Circle, New York, New York 10023. It is one of the country's largest private real estate companies, and it is best known as the developer behind mega-projects such as the Time Warner Center and Hudson Yards in New York City.

50. Defendant Related WestPac, LLC is a Delaware limited liability company with the same principal place of business as Related (60 Columbus Circle, New York, New York). Related WestPac is a joint venture of WestPac Colorado, LLC and Related, and was the company responsible for developing the Base Village project beginning in 2007. It was the entity that was issued the Guarantor Bonds after it triggered a default on the 2008B bonds.

51. Defendant Base Village Owner, LLC (referred to herein as "BVO") is a Delaware limited liability company with the same principal place of business as Related (60 Columbus Circle, New York, New York). It is a subsidiary of Defendant Related WestPac and was the borrower on the construction and acquisition loan from Defendant Hypo Real Estate Capital Corporation for the Base Village project. It owned substantially all real estate in the project between 2007 and 2011.

52. Defendant Snowmass Acquisition Company, LLC is a Delaware limited liability company with the same principal place of business as Related (60 Columbus Circle, New York, New York). It is a Related subsidiary. It acquired the Base Village project from Defendants HRECC and Snowmass BV Holdco after the latter acquired the property in foreclosure. It owned the Base Village Project between September 2012 and December 2016. It was also the holder of the Guarantor Bonds after they were re-acquired from Defendant HRECC.

53. Defendant Snowmass Related Holdco, LLC is a Delaware limited liability company, with the same principal place of business as Related (60 Columbus Circle, New York, New York). It is a subsidiary of Related, and the sole owner of Snowmass Holdco BV, LLC.

54. Defendant Snowmass Holdco BV, LLC is a Delaware limited liability company with the same principal place of business as Related (60 Columbus Circle, New York, New York). It is the sole owner of Defendant Snowmass Acquisition Company.

55. Related Colorado Real Estate, LLC is a Delaware limited liability company. It is a subsidiary of the Defendant Related and, through its subsidiaries, was an owner of the Base Village project.

56. Defendants Related, Related WestPac, Base Village Owner, Snowmass Acquisition Company, Snowmass Related Holdco, Snowmass Holdco BV, and Related Colorado Real Estate are collectively referred to herein as "Related and its affiliates."

B. The Banks and their Subsidiaries

57. Defendant Hypo Real Estate Capital Corporation (referred above and herein as "HRECC") is a Delaware corporation with its principal place of business at 622 Third Avenue, New York, New York 10017. It was a lender and lead lending agent on a $520 million construction and acquisition loan to Defendant Base Village Owner in March 2007, and acquired the Base Village project after buying the property in foreclosure in November 2011 on a credit bid through Defendant Snowmass BV Holdco, LLC.

58. Defendant Snowmass BV Holdco, LLC (a distinct organization from Related's Snowmass Holdco BV, LLC) is a Delaware limited liability company with its principal place of business at United Corporate Services, 874 Walker Road, Suite C, Dover, Delaware 19904. It is a holding company that was set up by defendant HRECC to hold the Base Village project property after purchasing the property in foreclosure.

59. Defendant U.S. Bank National Association (referred to herein as "U.S. Bank") is a national banking association organized and existing under the laws of the United States, with its principal place of business at 425 Walnut Street, Cincinnati, Ohio 45202. It was the bond trustee for the 2008 bonds, as well as the issuer of the letter of credit on the 2008 bonds, and lender of the 2013A loan.

C. Lawyers, Underwriters, and Consultants

60. Defendant White, Bear, Ankele, Tanaka & Waldron (f/k/a White, Bear & Ankele) is a Colorado professional corporation (referred to above and herein as "the Ankele law firm") with its principal place of business at 2154 E. Commons Avenue, Suite 2000, Centennial, Colorado 80122. William P. Ankele, Jr. is a named partner at the firm. Mr. Ankele and his firm served as counsel to District 2 from 2004 to 2016, and as counsel to District 1 from 2004 to the present.

61. Defendant D.A. Davidson & Co. is incorporated in New York and has a principal place of business at 8 Third Street North, Great Falls, Montana 59401. It was the underwriter for the 2008 and 2016 bonds, as well as the placement agent for the 2013 bonds.

62. Defendant Clifton Larson Allen, LLP (f/k/a Clifton Gunderson, LLP) is a national accounting firm with offices in Colorado. It provided accountant services to District 2 from 2006-2016, including authoring yearly budgets and financial reports submitted to the Town of Snowmass Village pursuant to the Service Plan governing the Districts.

63. Defendant North Slope Capital Advisors is incorporated in Colorado and has a principal place of business at 730 17th Street #900, Denver, Colorado 80202. It is a municipal financial advisor and authored a 2016 refinancing proposal for District 2.

D. Receiver and Manager

64. Defendant Lowe Enterprises Real Estate Services, Inc. is a California corporation that was appointed as a managing agent for Defendants HRECC and Snowmass BV Holdco after HRECC foreclosed on and eventually purchased the Base Village project with a credit bid in 2011.

65. Defendant Destination Snowmass Services, Inc. was incorporated in Colorado (dissolved) with its principal place of business at 11777 San Vicente Blvd., Suite 900, Los Angeles, California 90049. It is a subsidiary of Defendant Lowe Enterprises Real Estate Services and was appointed as receiver of the Base Village project while in foreclosure. After Destination Snowmass Services was dismissed as receiver, it served as manager of the project for Snowmass BV Holdco and HRECC.

E. The New Developer and Its Members

66. Defendant Snowmass Ventures, LLC (referred to herein as "Snowmass Ventures") is a Delaware limited liability company authorized to do business in the State of Colorado. It has a principal place of business at 126 Riverfront Lane, Avon, Colorado 81620, which is also the Vail headquarters of East West. In December 2016, Snowmass Ventures purchased the Base Village project from Defendants Snowmass Acquisition Company and Related and is the current developer of the project.

67. As set forth above, Snowmass Ventures is a joint venture of Aspen Skiing Company, LLC ("Skico"), East West Partners, Inc ("East West") and KSL Capital Partners, LLC ("KSL"). Employees associated with Snowmass Ventures control the board of District 1.

68. Skico owns and operates the ski areas in and around both Aspen and Snowmass as well as other commercial ventures connected to these ski areas. At all times alleged herein, Skico has controlled at least one board member on the boards of the Districts. Skico owns the Limelight hotel brand, which anticipates opening a boutique hotel in Snowmass Base Village during the 2018-2019 ski season.

69. In addition to having a minor stake in Snowmass Ventures, East West Partners runs the rental management company on behalf of owners at the Viceroy Hotel, a condo-hotel property on the grounds of Snowmass Base Village. Since December 2016, it has had at least one employee serve on the board of directors of District 1. Between December 2016 to February 2017 it also had at least one employee serve on the board of directors of District 2.

F. Base Village Metropolitan District Number 1

70. Base Village Metropolitan District Number 1 (defined above and herein as ("District 1") is a quasi-municipal corporation organized under the Colorado Special District Act. It is the "Service" district for District 2 pursuant to an Amended and Restated Consolidated Service Plan approved by the Town of Snowmass Village on October 30, 2006.

G. Members of the COCCA Enterprise Not Named as Defendants

71. COCCA Enterprise participant WestPac Colorado, LLC is a Colorado limited liability company with its principal place of business at 201 N. Mill Street, Suite 201, Aspen,

Colorado 81611. It is an investment arm of developer Patrick Smith in Colorado, and is one member of the joint venture Defendant Related WestPac.

72. COCCA Enterprise participant Stan Bernstein and Associates is incorporated in Colorado with its principal place of business at 2137 Long Spur A, Avon, Colorado 81620.

73. COCCA Enterprise Participants or yet unnamed Defendants to be named based on investigation through discovery.

74. While Related and its affiliates were in control of the Base Village project between 2007 and 2010, the following Related employees served on the five-member board for various time periods: (a) Shawn Gleason, Director of Finance and Operations for Related Westpac; (b) Joseph Krabacher, Outside Counsel for Related Westpac; (c) William Shanks, Consultant for Related Westpac; (d) Steven Farmer, Construction Manager for Related Westpac; (e) Scott Stenman, Vice President of Development, Related Westpac; (f) Michael Keeling, Land Development Manager, Related Westpac; (g) Joseph Barlow, Development Manager, Related Westpac; and (h) Dwayne Romero, President, Related Colorado.

75. While HRECC was in control of the Base Village Project in foreclosure and subsequently as owner between 2010 and 2012, the following persons associated with HRECC's handpicked receiver and property manager served on the Districts' board of directors: (a) James DeFrancia, officer, Lowe Enterprises Real Estate Services, Inc; (b) Michael Tande, Manager of Lowe Enterprises Real Estate Services, Inc.; (c) Steven Santomo, General Manager for Destination Resorts Snowmass, and (d) David Spence, Vice President and General Manager of Destination Resorts Snowmass.

76. While Related and its affiliates were in control of the Base Village project between 2012 and 2016, the following Related employees served on the five-member board for various time periods: (a) John Varghese, Director of Finance, Snowmass Acquisition Company, LLC; (b) Matt Foley, Director of Finance, Snowmass Acquisition Company, LLC; (c) Shawn Gleason, Director of Finance, Snowmass Acquisition Company, LLC; (d) Dwayne Romero, President of Romeo Whiskey, LLC, d/b/a Related Colorado; (e) Steve Sewell, Area Manager, Snowmass Ski Area, Aspen Ski Company; (f) Leticia Hanke, employee, Snowmass Acquisition Company and Director Base Village Company; (g) Craig Monzio, employee, Snowmass Acquisition Company; and (h) Jim D'Agostino, President, Related Colorado.

77. Since Snowmass Ventures acquired the Base Village project in December 2016, the following individuals associated with Snowmass Ventures have and/or do serve on the board of District 1: (a) Peter Goergen, CFO of Snowmass Ventures and East West Partners; (b) Andy Gunion, president of Snowmass Ventures; (c) Will Little, managing partner of Snowmass Ventures and employed by East West Partners; and (d) Steven Sewell, area manager for Aspen Skiing Company of the Snowmass Ski Area.

78. Thomas Kosich has served on the board of District 2 as the lone board member since the resignation of the Related-affiliated board members in 2017. Under his leadership, the board of District 2 is independent for the first time in its history.

IV. GENERAL ALLEGATIONS

A. The Origins of Base Village Project and the Acquisition by Related and its Affiliates

79. The Base Village project was originally conceived and developed by Intrawest and Defendant Aspen Skiing Company in the early 2000s. They successfully lobbied the Town of Snowmass Village ("Town") to approve the project to transform a plot of undeveloped land at the base of Snowmass Mountain into a year-round adventure tourism destination.

80. The development and the entitlements thereto envisioned approximately one million square feet of residential, commercial and retail space, including approximately 600 luxury hotel-condo units and the Viceroy Hotel as its centerpiece. It was designed to be a ski-in/ski-out project. Units at Snowmass Base Village have direct access to the gondola and ski lifts servicing Snowmass Mountain.

81. Around 2006, Defendant Related formed a joint venture with WestPac Colorado — Defendant Related WestPac — to acquire the Base Village project and take over development and construction from Intrawest and Aspen Skiing Company.

82. A subsidiary of Related WestPac, Defendant BVO, acquired the Base Village project in March 1, 2007. The acquisition included the land for the Base Village project and entitlements from the Town for the mixed-use development.

83. Before District 2 issued any public debt, Related subsidiary BVO secured a $520 million acquisition and construction loan from a conglomerate of European banks led by Defendant HRECC on March 1, 2007. Related provided guarantees to secure the loan.

84. Related envisioned that it would build public infrastructure alongside the private development, and that the costs of this infrastructure would eventually be reimbursed through the issuance of public debt from the Districts. Related made liberal use of the Colorado Special District Act.

85. After acquiring the Base Village project, Related and its affiliates (including Related WestPac and its subsidiary BVO) handpicked employees to serve as the directors for the boards of Defendant District 1 and Plaintiff District 2.[4] This representation gave Related and its affiliates complete control over the Districts, including the power to issue bonds and spend public monies.

86. The boards of District 1 and 2 were separate in name only. The boards were comprised of the same five members at all times from 2004 until 2017 and held joint meetings. They were entirely indistinguishable through this period.

87. Because Related and its affiliates handpicked the directors for the Districts, Related and its affiliates owed a fiduciary duty to the Districts, which meant that they could not exercise

[4] Related and its affiliates gave options contracts to their employees for small parcels of land within the Districts, thereby enabling employees of the companies to serve on the Districts' boards and control the Districts, as only eligible Colorado voters with property within the districts or who have options contracts for property within the districts and are obligated to pay property taxes on those options contracts can serve on the board.

control over the directors for their own benefit — a duty that they routinely and systematically violated.

B. The Districts and Their Service Plan

88. In the early 2000s, before Related and its affiliates acquired the Base Village project, Intrawest and Skico obtained approval from the Town and the courts for the two special metropolitan districts at issue here — Defendant District 1 and Plaintiff District 2.

89. William Ankele, a partner at Defendant the Ankele law firm, was the lead attorney representing Intrawest and Skico while they lobbied the Town for creation of the Districts. Though Ankele originally represented these developers, he later became counsel for the Districts.

90. Metropolitan districts may be formed under the Colorado Special District Act, C.R.S. §§ 32-1-101, *et seq.* to provide certain designated public improvements and services to residents and taxpayers of the district.

91. Pursuant to the Colorado Special District Act, proponents of a metropolitan district must submit a Service Plan to the municipality in which it is to be formed for approval.

92. The Service Plan acts like a charter for a special district, specifying the purposes of the special district and how the special district is to finance its obligations.

93. The formation procedures require that certain information be disclosed in the Service Plan. Specifically, the Service Plan must include (among other items):

a. A description of the proposed services to be performed by the districts, C.R.S. § 32-1-202(2)(a);

b. A financial plan showing how the services are to be financed, *id.* at subd. (2)(b);

c. A map of the proposed boundaries of the district(s), *id.* at subd. (2)(d);

d. A general description of the facilities to be constructed, *id.* at subd. (2)(e);

e. A general description of costs and proposed initial indebtedness, *id.* at subd. (2)(f);

f. A description of any arrangement or proposed arrangement with any other political subdivisions for the performance of services proposed by the district, *id.* at subd. (2)(g); and

g. Information for the approving municipality to evaluate in considering whether the criteria set forth in section 32-1-203 are satisfied, *id.* at subd. (2)(h).

94. In 2004, an Intrawest and Skico joint venture submitted a consolidated Service Plan to the Town for approval of Base Village Metropolitan Districts 1 and 2. Ankele conceived of and drafted the Service Plan. In a memorandum to the Town in 2004, Ankele described the purpose of

the dual-district structure. He assured the town that the multiple-district structure was intended to benefit taxpayers by placing development risk with the developer, not the taxpayers. [5]

95. The Town approved the Service Plan on September 30, 2004, and a Court Order authorized the plan on October 18, 2004.

96. In 2006, Intrawest and Skico returned to the Town for approval of amendments to the Service Plan, after the Town asked to shift costs of public infrastructure improvements to the developers and the Districts. As a consequence, the Amended Service Plan contemplated building additional infrastructure and sought a corresponding increase in the Districts' debt ceiling. Ankele drafted these amendments and lobbied for them. On October 30, 2006, the Town approved an Amended and Restated Consolidated Service Plan for Base Village Metropolitan District No. 1 and Base Village Metropolitan District No. 2 ("Amended Service Plan"), which is now the governing service plan for the Districts.

97. The Service Plans described the general structure and purpose of the Districts. From the start, the multi-district structure was pitched to the Town as a vehicle to facilitate the construction and maintenance of public facilities, with risk being carried by the developer.

98. District 1 — a tiny district of less than an acre — was designated as the "Service District," responsible for "managing the construction, acquisition and operation of [public] facilities and improvements needed to serve the entire area" of the Base Village project. District 1 was also intended to own, acquire and operate the public facilities constructed and/or acquired by the Districts. District 1 was never intended to issue debt.

99. District 2 — a 30-acre district covering most of the Snowmass Base Village Project — was designated as the "Financing District," created to "generate the tax revenues as necessary for public improvements and services."

100. In other words, District 1 was to manage the affairs of the Districts and to own and/or operate the public facilities, such as the aqua center, parking facilities, and the conference center, with profits being used to offset operations and maintenance costs, while District 2 was anticipated to be debt-issuing district and the revenue-generating district through the assessment of ad valorem property taxes on all private property within the Districts.[6]

101. Among the other supposed benefits of the multiple-district structure, the original and amended Service Plans highlighted for the Town that the use of multiple districts would ensure a "reasonable tax burden in all areas of the Districts through controlled management of the financing and operation of public improvements." The Service Plans also touted that the use of a

[5] Ankele wrote, "the use of a multiple district structure assures that the appropriate development risk remains with the developer, and that risk is not transferred to the property owners until sufficient tax base exists to pay the debt with reasonable mill levies. . . . Since initial debt is either issued with developer credit enhancement or issued to the developer directly, the risk of revenue shortfalls will fall primarily on the developer, and not on future property owners."

[6] The District Facilities and Construction and Service Agreement, signed between the Districts on July 27, 2005, and drafted by the Ankele law firm, summarized that the Service Plan indicated that the "Coordinating District [District 1] will have little or no assessed valuation within its boundaries from which general obligations bonds could be paid" and that "virtually all assessed valuation of property to be developed within the Districts' service areas will be located within the boundaries of the Financing District [District 2]."

multiple-district structure, with District 1 in control, would "facilitate a well-planned financing effort through all phases of construction and/or acquisition and will assure that facilities and services needed for future build-out of the Project will be provided when they are needed, and not sooner." Finally, the Service Plans touted that "appropriate development agreements between the Service District and the developer will allow the postponement of financing for improvements which are not needed until well into the future, thereby helping property owners avoid the long term carrying costs associated with financing improvements too early."

102. In other words, District 1 was charged with ensuring that financing was not acquired prematurely, and that the developer would assume the risk of loss before buildout of the Base Village project — risk that would not be improperly passed along to District 2 and its taxpaying homeowners before an adequate number of residential units could be built.

103. What the petitioners did not disclose in the Service Plan or the Amended Service Plan is that their multi-district structure, sometimes referred to among the municipal law bar as a "master/slave" structure, is used to keep political power out of the hands of district taxpayers and to concentrate power in the hands of real estate developers. The boundaries of the "master" district — in this case, District 1 — are intentionally drawn so that the only voters eligible to vote in board elections are individuals associated with a real estate developer. The boundaries of the slave/financing district include residents and other eligible voters, but their political power is worthless because the master district makes the critical decisions.[7]

104. Complementing the Service Plans, at least three intergovernmental agreements delegated power from District 2 to District 1 — (1) the 2005 District Facilities and Construction and Service Agreement, (2) the 2008 Amended and Restated District Public Improvements Joint Financing, Construction and Service Agreement, and (3) the 2016 Operation, Maintenance and Administrative Services Agreement.

105. Defendant the Ankele law firm — which specializes in the creation and management of Colorado special districts — was well aware that the purpose of the dual district structure was to consolidate developer power in District 1, and, by extension, to keep homeowners and taxpayers from having any control over the destiny of the Districts.

106. The Amended Service Plan was also misleading in at least one other crucial respect. While it described District 2 as being primarily responsible for the tax burden of paying for bonded debt and stated that most taxable property would be included within District 2, the Amended Service Plan did not disclose that Ankele intended to advise the Districts' directors to move all commercial property within the development into District 1. The Ankele law firm knew at the time that the Service Plan and Amended Service Plan were proposed that the Districts would eventually move all commercial property out of District 2 and into District 1 — indeed, the practice of the Ankele firm was to do so for almost all the districts it advised.

107. As required under the Special District Act, the Amended Service Plan included as Exhibit D a detailed list the public facilities that were to be funded through the Districts, and the estimated costs of those facilities. The proposed facilities included: skier bridges; trails and

[7] William Ankele's use of this structure in Crested Butte, Colorado was the subject of *Reserve Metropolitan District No. 1, et al. v. Reserve Metropolitan District No. 2, et al.*, Gunnison County District Court Case No. 2013CV18.

sidewalks; storm drainage improvements; an aqua center; a cabriolet landing site; a transit center; day skier parking; an arts/conference center; road improvements; snowmelt improvements; and a ladder fire truck.

108. The estimated combined cost of these improvements was $41.7 million.

109. As required under the Special District Act, the Amended Service Plan also included as Exhibit E a financing plan that anticipated issuance of approximately $44.3 million in bonded debt to construct these improvements. The financing plan projected full payment on the bonds over 33 years, including completion of all construction in the project and a sell-out of all 616 residential units within the project by 2011, and completion of all commercial property within the project by 2009.

110. The absorption rate of the Base Village project was critical to the debt service. The financing plan made clear that only by selling out the 600+ condominiums and other real estate in the project within a narrow time frame would there be a sufficient property tax base to support payment of the debt.

111. The Amended Service Plan limited "mill levies" (a unit of taxation equal to 1/100 of 1% of assessed value) imposed on property within the Districts to 49.5.

C. Related and its Accomplices Enable their Fraud by Amending the Service Plan

112. In order to approve debt so that Related could quickly reimburse itself for costs purportedly advanced to the Districts, Related and its accomplices inflated the financial projections for the Base Village project to make it appear as though the Districts could service more debt than was viable.

113. In the original Service Plan, submitted to the Town of Snowmass Village in 2004, a financial report prepared on September 1, 2004, by accountant Stan Bernstein and Associates, based on numbers provided by Intrawest and Aspen Skiing Company, projected that the entire Base Village project was worth $654,383,337.

114. The financial report included with the Amended Service Plan in 2006, discussed *supra* and also prepared by Bernstein and based on development numbers provided by Intrawest and Aspen Skiing Company, projected that the entire project was worth $972,909,814.

115. Based on this latter report, submitted with the proposed Amended Service Plan, the Town approved the amendments that authorized the Districts to issue $10.7 million of additional debt, up to $48,700,000.

116. In June 2008, when the real estate industry was in precipitous decline and Related and its affiliates (including Related WestPac and BVO) were preparing to use their power over the boards to issue the authorized debt, Bernstein prepared yet a third report that projected the entire Base Village project to be worth $1,231,201,359 — about double the original value projection — based on development numbers provided by Related.

117. Bernstein's report also projected that the development would be sold out by 2012, enabling District 2 to fully service its debt obligations within four years of issuance. It was on the basis of the projections in this last report that District 2 issued its 2008 debt.

118. Before issuing this debt, the Districts did not commission an independent real estate expert to test and verify the development figures provided by Related to ensure that the bond issuance was not driven by Related's self-interest and self-dealing.

119. Indeed, Related did not want an independent analysis of its wildly optimistic sales figures, as such an analysis would have cautioned the District against issuing debt. But Related abused its power over the District to conceal the true financial health of the Base Village project.

D. Elections to Authorize Debt

120. On elections held on November 2, 2004, November 7, 2006 and November 6, 2007, the "voters" of the two Districts, Districts 1 and 2, voted to authorize debt and levy taxes in the Districts. In these elections, only a handful of people voted — five in 2004, three in 2006 and, five in 2007 — all of whom were affiliated with the developers. None of these voters actually owned property within either of the Districts, and none of these voters ever intended to purchase property within the Districts. They were qualified to vote in the elections, ostensibly, by signing options purchase contracts with the developers (first Intrawest and Skico, and later Related and its subsidiaries) for property within the Districts that obligated them to pay property taxes on the land.

E. District 2 Issues $47,750,000 in Bond Debt

121. On June 25, 2008, the District 2 board of directors voted to authorize the issuance of $15,200,000 in Series A Limited Tax Variable Rate Senior Bonds (the "2008A Bonds") and $32,550,000 in Series B Limited Tax Variable Rate Junior Bonds (the "2008B Bonds"), in a joint meeting of the boards of Districts 1 and 2. Four of the five directors of the board of District 2 were Related WestPac employees or employees of its affiliates, while the fifth was an employee of Skico.

122. The bonds were to be serviced by District 2 levying an ad valorem tax on all its taxable property, which would go into a revenue fund to service the debt. Specifically, the financial plan completed by Bernstein just before the bonds were ultimately issued projected that the debt would be serviced by development that would be complete by 2012, when all 603 residential condos within the Base Village project were expected to be sold.

123. The plan projected 331 sales in 2010, 90 sales in 2011 and 91 sales in 2012, in addition to 91 sales that had taken place before the bonds were issued. Bernstein's report — based on Related's numbers — indicated that District 2 expected to levy $4 million in annual property taxes by 2012, with a steadily increasing tax base growing until 2037 when the bonds would be paid off.

124. The bonds closed on July 1, 2008.

125. The issuance of these bonds, however, involved rampant self-dealing and was fraudulent. By mid-2008, when the board authorized the issuance — with Related employees serving as four of the five directors of the Districts' boards — the real estate market had plummeted off of its 2006 peak.

126. In fact, Related was already preparing for the housing crisis in late 2007, when it sold 25% of the equity in its business interests worldwide and suspended all projects throughout the country that were not then under construction. Related founder and chairman Stephen Ross

explained to *Fortune* that these drastic measures taken by his company because, "I knew the world would change."[8]

127. Additionally, on the day the bonds were issued, the Dow Jones industrial average was nearly 20% below its peak of the previous October.

128. The true motive of the bond issuance was for Related and its affiliates to obtain cash in an environment where credit was drying up, and to salvage what they could from a project that they knew was headed for failure.

129. Indeed, the very documents used to support District 2's increase in bond issuance in 2008 are fraudulent. In 2006, while Aspen Skiing Company and Intrawest were still in charge of the Base Village project and at the height of the real estate bubble, their financial forecasts, provided by Stan Bernstein and Associates, estimated the value of the project at approximately $962 million, already hundreds of millions above the original projection.

130. Yet in 2008, when Related wished to leverage District 2 to help pay off its construction loan from HRECC, Related and its accomplices inflated these numbers and estimated the entire Base Village project to be worth $1.23 billion.

131. Among other fraudulent representations, the financial plan "presented" by Related to the board (which it controlled) indicated that Related expected that the Base Village project would be fully developed and sold by 2012. Related and its accomplices knew that the project was not viable at the time the bonds were issued because the real estate market was in the midst of collapse.

132. At the time the bonds were issued, most of the project remained unbuilt and Defendant BVO — the borrower on the $520 million loan from HRECC — was just months away from defaulting on its construction loan.

133. Defendant the Ankele law firm was also aware of the precipitous decline in the economy. Defendant Ankele law firm facilitated the fraudulent issuance of District 2's debt in two critical respects. First — acting on behalf of Related, rather than the District — the Ankele law firm did not retain an independent real estate expert on behalf of the District to verify the plausibility of Related's development sales and absorption figures that justified the bond issuance. Had such a report been commissioned, and had the District not been controlled by the COCCA Enterprise, the District would not have issued as much debt as it did. Second, the Ankele law firm included a legal opinion along with the issuance bonds which misrepresented the District's authority to issue the bonds. Among other misrepresentations, the Ankele law firm represented that "the District is not required by law to further amend the Service Plan to execute and perform its obligations under the Bond Documents." That statement was false. Ankele law firm knew that the Service Plan included a financial plan that forecasted absorption rates and sales prices that were no longer attainable, and that District 2 would not be able to be meet its bond obligations. This was a material change that required an amendment to the Service Plan and approval from the Town.

[8] "The Man Behind the Largest Real Estate Project in U.S. History," *Fortune*, September 16, 2013, page 96.

134. Defendant D.A. Davidson also facilitated this fraudulent issuance.[9] Acting as underwriter and remarketing agent for the District, D.A. Davidson was aware of the conflict-of-interest at the heart of the bond issuance, namely Related's control of the board of directors and Related's intention to use the bond proceeds to pay itself for past development costs. D.A. Davidson was further aware that there was no independent real estate study to test and verify the development figures provided by Related which justified the issuance. Yet despite this awareness, D.A. Davidson underwrote the transaction and provided the professional imprimatur to market the bonds to the public, thereby obscuring the self-dealing at the heart of transaction to the detriment of the District. D.A. Davidson was aware of the significant risk that the bonds would go into default, saddling the District with debt it would not be able to repay.[10] D.A. Davidson received nearly $600,000 as part of this transaction, in addition to subsequent fees as the District's remarketing agent.

F. Related Pays HRECC $31 Million the Day the Bonds Close to Service Related's Private Debt

135. After overleveraging District 2, Related and its accomplices used the bond proceeds for their own benefit, to the detriment of District 2.

136. On the day that the Districts received money from the proceeds of the bond sales, Defendant Related WestPac, through its control of the board of District 2, caused $31,028,681 to be wired into the account of HRECC, the lender financing the development of the Base Village project, ostensibly for work that BVO had completed on behalf of the Districts.

137. The reimbursement request was filed by a Related affiliate — BVO — and approved by Related employees on the boards of Districts 1 and 2.

138. The accounting for the "reimbursement" was woefully thin, but because Related and its affiliates controlled the boards of both Districts, there was no proper oversight. The boards did not verify that the money disbursed on behalf of Related and its affiliates was actually properly spent on public infrastructure.

139. BVO and Related WestPac fraudulently claimed that approximately $39 million of the $90 million they had spent on the Base Village Project was for public infrastructure, which entitled them to reimbursement.

140. The deceptive reimbursement request was designed to enable Related to recoup money from a project that was failing as the country was sliding into the Great Recession.

---

[9] Amongst other irregular and conflicted behavior, D.A. Davidson also acted as a financial advisor to the Town prior to and during this transaction.

[10] Under Municipal Securities Rulemaking Board Rule G-17, D.A. Davidson had an obligation not to deal unfairly with the District and not to engage in any "deceptive, dishonest or unfair practice."

141. The reimbursement figures included approximately $20 million supposedly spent on a garage that was originally projected to cost District 2 just over $7 million, and $7.1 million spent on a roundabout that was initially projected to cost District 2 $1 million.

142. Substantial "costs" that were supposedly within the scope of bonds, such as the parking garage, were actually spent on private construction and should not have been reimbursed through the bond proceeds. These costs included, among other private expenditures, the money spent to build the foundations of buildings 4, 5 and 6, which were condominium and hotel buildings. Costs were also misallocated between the public and private components of the garage by incorrectly measuring and allocating the size and number of parking space that District 2 was required to finance.

143. Related WestPac and BVO fraudulently characterized costs as "public" expenditures in order to claim entitlement to a larger share of the bond proceeds.

144. BVO never began construction on some of the projects that were supposed to be funded from bond proceeds, such as the coveted and promised aqua center.

145. Pursuant to the governing documents for the bonds, U.S. Bank was only permitted to send funds from the bond proceeds for construction reimbursement after an appropriate fund requisition request, which was required to include a summary of invoices related to the construction.

146. Defendant Clifton Larson Allen (f/k/a Clifton Gunderson) aided and abetted Defendant Related WestPac's submission of the fraudulent invoices by certifying the construction requisition request in order to induce U.S. Bank to send money to Related WestPac. In a June 13, 2008 letter, Clifton Larson Allen explained that, among other documents, it had read and considered amounts and descriptions of work performed on pay applications from contractors, as well as payments to contractors, and confirmed that BVO had spent $39,109,468 on public infrastructure. This certification was false. Indeed, the Clifton Larson Allen letter, as well as the Engineer's report on which it was based, did not include the actual invoices or any identification of the actual costs on which the certification was based.

147. District 2 also requested that U.S. Bank (the bond trustee) wire $794,325 into the account of BVO. There was no explanation for this disbursement to a Related subsidiary. No fund requisition was submitted for disbursement of these funds, no invoices or summary thereof was provided to justify the disbursement, and no certification of costs was provided — all of which were required under the indenture of trust.

G. U.S. Bank, HRECC Bank, and the Letters of Credit

148. The Series 2008A and Series 2008B bonds were each backed by a letter of credit from Defendant U.S. Bank, which also served as trustee for the bonds. The 2008B bonds' letter of credit was in turn also backed by a guarantee from Defendant Related WestPac, which was in turn backed by another letter of credit from Defendant HRECC.

149. In order for the 2008B bonds to maintain creditworthiness, HRECC was required to maintain at least a AA+/A-1+ credit rating from Standard and Poor's. The high credit rating together with the unconditional obligation of U.S. Bank to repay the bonds in the case of default

gave the bonds their needed creditworthiness and allowed District 2 to market the bonds to institutional investors at low interest rates.

150. Theoretically, the guarantees on the 2008B bonds reflected what Ankele had described to the Town as keeping development risk staying with the developer. Guarantees from the construction loan bank (HRECC) and the developer (Related WestPac) backed the bonds. This meant that if there were a default on the 2008B bonds, Related WestPac and HRECC would bear the cost of such a default, rather than the District and its taxpayers, or the bondholders.

151. In reality, however, the structure of the 2008 bond indenture was quite favorable to Related and its affiliates. Under the indenture, a default on the 2008B bonds would trigger a tender of the bonds (*i.e.,* cash payment to the bondholders for the bonds from proceeds held by U.S. Bank as guarantee) and the issuance of "Guarantor Bonds" to the guarantors in place of their collateral held as guarantee. Under the terms of the indenture, the Guarantor Bonds would bear a tantalizingly high 10% fixed annual interest.

152. The structure of the 2008B bonds effectively gave the guarantor/developer a poison pill over District 2 and the taxpayers. Should there be a default on the bonds, the guarantor/developer would obtain District bonds at a 10% interest rate, which would effectively hold the Base Village project hostage to the guarantor in the event of a default.

153. If Related had not controlled District 2 when the bond indenture was signed, District 2 either (a) would not have signed an indenture that gave the guarantor a 10% interest rate on bonds issued after default, or (b) would not have issued more debt than it was currently able to service from its existing tax base. Only (i) a low-interest or no-interest Guarantor Bond with discharge at maturity or (ii) no 2008 junior debt would have been in line with the Ankele law firm's representations to the Town that risk would remain with the developer until appropriate build out.

H. Related Defaults on the Construction Loan and HRECC Forecloses

154. It was not long until the overleveraged District ran into difficulties due to its inflated debt obligations.

155. As Related anticipated, the financial crisis of 2008 shut down the Base Village project. Sales immediately fell short of the projections that were used to justify issuance of the 2008 debt.

156. On March 1, 2009, BVO defaulted on its March 2007 $520 million construction loan from HRECC by missing a $41 million payment due under the loan. BVO anticipated this result at the time the 2008 bonds were issued.

157. The next month, BVO missed another $1.5 million loan payment to HRECC.

158. A spate of lawsuits between Related/Base Village Owner and HRECC were subsequently filed in the New York and Delaware courts over the Base Village project. HRECC eventually foreclosed on the Base Village project in July 2010.

159. During the foreclosure, HRECC selected as receiver a subsidiary of Defendant Lowe Enterprises Real Estate Services — Defendant Destination Snowmass Services, Inc. — to

manage the Base Village project. Destination Snowmass Services was appointed as Court receiver pursuant to HRECC's *ex parte* application on July 9, 2010.

160. In November 2011, HRECC, representing the conglomerate of European Banks that made the loan for the Base Village project, purchased the property from the trustee in a foreclosure sale, and a new entity, its subsidiary Defendant Snowmass BV Holdco, LLC, took title to the property.

161. On January 13, 2012, Destination Snowmass Services authored its Receiver's Final Report, and was discharged as receiver on January 28, 2012. Thereafter, Defendants Lowe Enterprises and Destination Snowmass Services served as manager of the Base Village project on behalf of Snowmass BV Holdco and HRECC until the property was eventually re-sold to a Related subsidiary on September 28, 2012.

I. Related Threatens to Sue U.S. Bank and Obtains Guarantor Bonds on the Base Village Project

162. On November 15, 2011 — a day before the foreclosure sale on the property — Related WestPac sent Defendant U.S. Bank a letter notifying U.S. Bank that it objected to an extension of the letter of credit that backed the 2008 Series B bonds.

163. While HRECC controlled the Base Village project in foreclosure, HRECC and District 2 had been negotiating with U.S. Bank for an extension of the letter of credit in order to maintain the creditworthiness of the bonds and not create a debt crisis for District 2 until the foreclosure proceedings ended and a new buyer identified for the Base Village project.

164. Related, however, objected to an extension of the letter of credit to trigger a crisis and engineer a reacquisition of the Base Village project at substantial discount and, with it, control over the Districts.

165. Related's letter to U.S. Bank triggered a series of events under the bond indenture whereby (a) U.S. Bank tendered the 2008B bonds for par value ($32.55 million), (b) U.S. Bank took money from Related WestPac that had been deposited with U.S. Bank as cash collateral for U.S. Bank's letter of credit, and (c) U.S. Bank issued to Related WestPac $32.55 million in "Guarantor Bonds" in exchange for the cash guarantee.

166. The Guarantor Bonds — bonds issued to Related WestPac in case of a default on the 2008 bonds — now bore a 10% fixed interest pursuant to the 2008 bond indenture. The variable rate interest on the 2008 junior debt which the Guarantor Bonds replaced had previously hovered below 1%.

167. Critically, Related was only able to engineer the crisis because it did not put its own money at risk. The cash guarantee that was seized by U.S. Bank to issue the Guarantor Bonds was previously taken by Related WestPac from the construction loan that HRECC extended to Related's subsidiary BVO. In other words, Related WestPac used *HRECC's* money to back the U.S. Bank letter of credit, and when it triggered the default on the bonds while the property was in foreclosure, it moved assets from the borrower (its subsidiary BVO) so that HRECC would not be able to claw back the money while the property was in receivership.

168. Indeed, in a lawsuit that HRECC filed on December 28, 2011 against Related WestPac and Base Village Owner — just weeks after Related triggered this default as a part of a plan to engage in another round of self-dealing — HRECC alleged that "Related WestPac had no bona fide business reason for objecting to an extension to the U.S. Bank letter of credit."

169. Instead, it alleged that Related had initiated the default to fraudulently prevent HRECC from recovering $32.55 million that Related WestPac took from HRECC's construction loan issued to BVO, which Related took and used as cash collateral to back U.S. Bank's letter of credit — cash that was taken by U.S. Bank to redeem the bonds after Related WestPac did not honor its guarantee of the letter of credit.

170. As HRECC alleged, Related had no valid business reason to object to the extension of the letter of credit and trigger a default on the 2008 junior bonds. Rather, Related WestPac did so in order to (a) sequester assets that HRECC would otherwise be able to acquire in any foreclosure proceedings by rendering its subsidiary BVO insolvent, and (b) acquire the Guarantor Bonds for its own benefit as future bargaining leverage to re-acquire the Base Village project after foreclosure.

171. The impact on District 2's financial health was collateral damage. District 2's interest rate spiked and a debt structure was put in place that Related intended to later abuse to "refinance" District 2's debt at considerably higher interest rates than District 2 paid before issuance of the Guarantor Bonds, and to squeeze money out of the District as the owner of the Guarantor Bonds.

J. In a Settlement with HRECC, Related Regains Ownership of the Base Village Project

172. After at least four lawsuits between Related affiliates and HRECC — including a suit that HRECC filed against Related WestPac and Base Village Owner for illicit acquisition of the Guarantor Bonds — Related settled all claims with HRECC and agreed to repurchase the Base Village project for $90 million as part of the settlement. Thus, the settlement in 2012 returned ownership of the Base Village project to Related. Related's subsidiary Defendant Snowmass Acquisition Company acquired the project.

173. The Guarantor Bonds — originally issued by U.S. Bank to Related WestPac on December 23, 2011 — were subsequently transferred to a subsidiary of HRECC (Snowmass BV Holdco) in the Spring of 2012 as part of the HRECC/Related settlement. The Guarantor Bonds were pledged to HRECC by Related WestPac as collateral during Related's due diligence on the Base Village project before closing during the Spring and Summer of 2012.

174. HRECC owed a fiduciary duty to District 2 to act for the latter's benefit because it controlled District 2 by appointing to its board the employees of the Base Village project's manager, Defendant Lowe Enterprise Real Estate Service. But in reaching a universal settlement with Related in the Spring of 2012 — *after the receivership ended* — HRECC and its representatives from Lowe Enterprises and Destination Snowmass Services on the Districts' boards placed their own interests ahead of District 2's.

175. Conspiring with Related and its affiliates at the expense of the Districts, HRECC used the illicit debt as a bargaining chip in the larger set of negotiations with Related.

176. Even though HRECC had alleged that the Guarantor Bonds were fraudulently obtained in November 2011, once it became clear that Related would be interested in repurchasing the Base Village project from HRECC, HRECC placed its own interests in selling the Base Village project at maximum value over the interests of District 2. HRECC used its control over District 2 to help inflate the purchase price of the Base Village project. The purchase price that HRECC received from Related's subsidiary Snowmass Acquisition Company for the Base Village project was inflated due to the value that Snowmass Acquisition Company could realize through simultaneous control of the Guarantor Bonds and District 2. HRECC profited by selling the Guarantor Bonds to Snowmass Acquisition Company, which intended to use such bonds for future self-dealing.

177. Before the HRECC-Related settlement and sale of the Base Village project, William Ankele of Defendant the Ankele Law Firm and James DeFrancia of Defendant Lowe Enterprises (who served as the President of the Districts' boards) had described Related as unfriendly to the District.

178. Ankele and DeFrancia considered a number of ways in 2011 to prevent Related from acquiring the Guarantor Bonds, including asserting the District's rights under the bond indenture to object to the transfer of such bonds.

179. Yet when it became clear that HRECC intended to resell the Base Village project to Related, both Ankele and DeFrancia put their respective interests in helping facilitate the real estate closing over the interests of the District. DeFrancia wanted to help facilitate HRECC's exit from the project; Ankele wanted to stay in the good graces of his future employers from Related who would soon regain control of the boards of the Districts.

180. The District could have objected to the transfer of the Guarantor Bonds from Related Westpac to HRECC's subsidiary Snowmass BV Holdco, and then again back from Snowmass BV Holdco to Snowmass Acquisition Company. Yet DeFrancia and the other employees of Lowe and Destination Snowmass Services placed the interests of their client HRECC above those of the District by allowing HRECC to sell the Guarantor Bonds to Related as part of the settlement.

K. Related Agrees to a Reduction in the Interest on the Guarantor Bonds that Defendants Then Ignored

181. After regaining control of the Base Village project, Related once again controlled the boards of directors of the Districts. It appointed four board members who were affiliated with Related.

182. On November 28, 2012, Related subsidiary Snowmass Acquisition Company consented to a reduction of the interest rate on the Guarantor Bonds from 10% to 3%.

183. On that same day, November 28, 2012, District 2 issued a resolution to execute a Fourth Supplemental Indenture of Trust, which represented that the owner of the Guarantor Bonds (Snowmass Acquisition Company, a Related subsidiary and employer of several of the Districts' board members) consented in writing to the reduction of the interest rate from 10% to 3% per annum.

184. Snowmass Acquisition Company had agreed to a reduction in the interest rate on the Guarantor Bonds for two reasons. First, District 2 swapped the priority of payment on the bonds with a 2008 developer note. This enabled District 2 to begin making interest payments on the Guarantor Bonds at an earlier date, rather than paying the developer note, which bore no interest. Second, Snowmass Acquisition Company was unlikely to ever capture all of the interest and principal that would be owed on the bonds: whatever obligations were left on them at maturity in 2038 would be discharged, and District 2 did not have the cash flow to pay the bonds.

185. But on January 5, 2013, Shawn Gleason (director of finance for Related Colorado and a member of the Districts' boards) wrote to Ankele the following:

> We have decided not to move forward with those adjustments to the Indenture. Please let us know what needs to be done to unwind the conditional approval that was provided by the board at the end of 2012. We are now looking at a more wide spread restructuring analysis to be conducted over the next few months.

186. The email revealed that the decision to back out of the interest rate reduction was rife with conflicts. Gleason's email was sent to Ankele from a "Related.com" email address, with a Related Colorado image signature at the footer. Gleason apparently sent the email to Ankele as a member of the District 2 board. The "we" in the first sentence of his email referred to Gleason and his colleagues at Related. The "us" in the second sentence of his email referred to Gleason and his colleagues on the board of District 2. The "we" in the third sentence was ambiguous and could have referred to either.

187. The District 2 board rescinded that resolution on January 25, 2013, stating that the holders of the Guarantor Bonds (i.e. Related) would no longer give their consent to its terms. This set the stage for another round of pilfering.

L. Related Refinances the Districts' Debt in a Self-Interested Transaction to Pay Its Subsidiary Par Value for Worthless Guarantor Bonds

188. In 2012, when Related and its affiliates gained clean title to the Guarantor Bonds after settling with HRECC, the Guarantor Bonds were essentially worthless. Indeed, Related's own optimistic financial projections indicated that District 2 would only be in a position to start making partial interest payments on the Guarantor Bonds in 2021, and that District 2 could only realistically repay the Guarantor bonds if the interest rate was reduced to 3.5%. According to District 2's estimates in 2012, compiled by Defendant Clifton Larson Allen while HRECC was in control of the Base Village project, District 2 would only be able to make approximately $14 million in interest payments over 25 years on the Guarantor Bonds, leaving $105.88 million in combined unpaid principal and interest outstanding on the Guarantor Bonds at maturity that would be discharged.

189. Yet Related and its affiliates managed to turn these junk bonds into gold in an act financial alchemy in December 2013. As both (a) bondholder and (b) bond issuer, Related used its power to engineer a self-interested refinancing for the benefit of the Related and to the detriment of District 2.

190. In 2013, prior to the refinancing, District 2's debt obligations, in order of priority, were as follows:

a. $10,825,000 principal on 2008A debt (out of $15,200,000 originally issued), owned by third-parties at a variable interest rate, hovering below 1%. The entire principal was due by maturity in 2038.

b. $2,200,000 on a 2009 interest-free loan (authorized in 2008) from Base Village Owner, due by 2038.

c. $32,550,000 principal on Guarantor Bonds (acquired after default on 2008B bonds of equal amount), owned by Related subsidiary Snowmass Acquisition Company, at 10% interest. (As set forth above, the owner of these Guarantor Bonds had agreed in November 2012 to a reduced annual interest rate of 3%.) Any principal or accrued interest not paid at maturity in 2038 would be discharged.

191. A refinancing replaced most of this debt with a bank loan of cash and new bonds that were swapped for the Guarantor Bonds. After the refinancing on December 2, 2013, District 2's debt was as follows:

a. $20,300,00 in a Senior Limited Tax Refunding Loan at 3.05% interest from U.S. Bank (the 2013A Loan), due with a balloon payment in 2020.

b. $23,760,000 in 2013B bonds at 6.5% fixed rate interest issued to Related subsidiary Snowmass Acquisition Company, with any accrued interest or principal not paid by 2043 discharged.

c. $1,278,000 in Guarantor Bonds at 10% fixed interest rate, with any accrued interest and principal not paid by 2038 discharged.

192. The $20,300,000 in cash from the U.S. Bank loan injected into the refinancing was used to (a) pay off the 2008A senior bond holders ($10.8 million), (b) pay Related $7.5 million for partial redemption of the $32 million Guarantor Bonds *at par value*, (c) pay off the Related developer subordinate note ($2.2 million) held by BVO, and (d) pay closing costs for the refinancing.

193. Most of the remainder of the Guarantor Bonds that were left over after Related paid itself par value for the bonds were swapped for the 2013B bonds, with $1.278 million in the Guarantor Bonds still outstanding.

194. The refinancing accomplished multiple self-interested objectives.

195. Even though Related (through Snowmass Acquisition Company) had earlier agreed to a reduction in the interest rate on the Guarantor Bonds to 3%, the refinancing went forward as if the Guarantor Bonds bore 10% interest rate. In other words, while packaging the 2013 "refinancing" as something beneficial to District 2 — supposedly, it reduced a 10% interest rate to just 6.5% — the transaction was a sham that *increased* the interest rate from 3% to 6.5%. Simply stated, there was no legitimate reason for Defendants to refinance a 3% debt into a 6.5% debt.

196. As part of the "refinancing," Related acquired nearly $10 million in cash, which reflected a purchase at par value for the Guarantor Bonds that were virtually worthless if sold on

the open market, in addition to reimbursement for the $2.2 million loan issued in 2009 after the Base Village project was in default.

197. Had Related not controlled the boards of the Districts, the Districts would have not entered into the above-described 2013 refinancing of District 2's debt.

198. And had Related attempted to sell the junk Guarantor Bonds to a third party, Related would have received only pennies on the dollar for what it actually obtained from the 2013 refinancing.

199. Defendant U.S. Bank profited handsomely from this sham "refinancing." As trustee for the bonds at issue, U.S. Bank was well aware of the multiple roles that Related and its affiliates were playing as both bond issuer and bond holder. U.S. Bank knew of the substantial conflict of interest at the heart of the transaction. U.S. Bank also knew about the reduction of the interest rate on the Guarantor Bonds to 3%. But U.S. Bank, like the other Defendants, chose to ignore these problems and loaned $20,300,000 for the refinancing. Stated another way, by pretending that the "refinancing" was legitimate, U.S. Bank was able to profit through the grant of that loan, which would be repaid to it in 2016.

200. To cover the fact that this was a self-interested transaction, Related fraudulently misstated the nature of the relationship between the parties to the transaction.

201. A "Certificate of Series 2013B Bond Purchaser" that was included with the 2013 bond closing documents states that the "purchase price was negotiated in an arms-length transaction between unrelated parties," even though it was Related on all three sides of the transaction. (The representation was used by bond counsel at Kutak Rock, LLP to provide an opinion that the interest on the municipal securities qualified for federal tax exemption.)

202. Specifically, Related, through Snowmass Acquisition Company, was the owner of the Guarantor Bonds; Related, again through Snowmass Acquisition Company, was the purchaser of the new 2013B bonds (which were purchased by cancellation of an equal amount of Guarantor Bonds); and Related, through its control of the board of District 2, was the issuer of the bonds. This was not a transaction negotiated at "arms-length" between "unrelated parties." It was a naked a conflicted purchase of assets from the employer of the board members of District 2 by District 2.

203. Dwayne Romero of Related signed the documents on all sides of this transaction. Romero, as president of the board of District 2, signed the board resolution authorizing the 2013 refinancing, and Romero, as Vice President of Snowmass Acquisition Company, signed the Certificate of Series 2013B Bond Purchaser, representing, again, that the "purchase price was negotiated in an arms-length transaction between unrelated parties."

204. Defendants D.A. Davidson and the Ankele law firm facilitated this refinancing.

205. D.A. Davidson provided financial projections and municipal financial advice to District 2 during this transaction. Indeed, it was D.A. Davidson that pitched the structure and timing of the refinancing to Related in the first place, wherein Related recognized an opportunity for substantial profit. Yet D.A. Davidson also served as District 2's placement agent for the transaction, in direct contravention of industry rules and norms that underwriters not play such a

dual role.[11] D.A. Davidson had further been serving as District 2's remarketing agent on the 2008 bonds, which also prevented it from simultaneously serving as a financial advisor. D.A. Davidson received approximately $500,000 in fees for facilitating this transaction.

206. D.A. Davidson knew that the purpose of the transaction was for Related to obtain cash from a junk asset.

207. Defendant Ankele law firm drafted most of the refinancing documents and blessed the refinancing without requiring that District 2's board obtain an independent financial advisor to opine whether District 2 was paying a fair value for the Guarantor Bonds, which were purchased from the employer of the directors of the Board.

208. Both D.A. Davidson and Ankele law firm knew that the transaction should have involved an independent financial advisor, and both knew that the transaction would not have taken place if the District had acted independently and retained one. Any legitimate independent financial advisor would have advised District 2 against the refinancing due to the gross overvaluation of the Guarantor Bonds, the unnecessary advance payment of a non-interest-bearing loan, and the assumption of nearly $10 million in additional senior debt that would not discharge at maturity.

M. Related, in Anticipation of a Future Sale to Snowmass Ventures, Refinances, Restructures and Walks Away with Millions More at the District's Expense

209. In 2016, Related and its affiliates prepared to sell and walk away from the Base Village project after nearly a decade of fraud and self-dealing. On December 23, 2016, Related sold its interest in the project to Snowmass Ventures, LLC

210. In anticipation of the sale, Related prepared another refinancing of District 2's debt, again to its substantial advantage, to be issued as soon as the sale closed.

211. In 2016, District 2 had the following debt:

a. $18,445,000 in principal on the 2013A loan (from U.S. Bank), due in full in 2020.

b. $28,045,457 in principal and accrued interest on the 2013B bonds (owned by Related subsidiary Snowmass Acquisition Company). Any principal and interest not paid by 2043 would be discharged.

c. $7,990,433 in principal and accrued interest on the Guarantor Bonds. Any principal and interest not paid by 2038 would be discharged.

d. $9,252,836 in unpaid and unsecured developer obligations and accrued interest (not previously considered as part of the District's "debt" during the 2013 refinancing).

[11] See, e.g., Rule G-23 of the Municipal Securities Rulemaking Board.

212. To refinance this debt, District 2 issued two series of new bonds:[12]

a. $31,260,000 in Series 2016A Bonds. ($11,785,00 at 5.5% interest rate and $19,475,000 at 5.75% interest rate)

b. $13,330,000 in Series 2016B bonds at 6.5% interest.

213. As part of the refinancing, Related converted approximately $10 million of its junk 2013B debt par value for cash. Upon information and belief, Related further profited by selling its 2016B bonds that were issued in exchange for its 2013B bonds as part of the sale of the project to Snowmass Ventures.

214. Like the 2013 refinancing, the 2016 refinancing involved District 2 substantially overpaying Related for its debt, made possible by Related's control over the board of District 2.

215. Defendant North Slope Capital Advisors helped facilitate this scheme to defraud by authoring a highly misleading December 2016 financial analysis for District 2 that packaged the refinancing as beneficial to District 2.

216. Amongst other misrepresentations, North Slope's December 2016 report characterized the refinancing as resulting in a net decrease to the District's debt. However, the bulk of the supposed savings came from forgiveness of obligations from Related that were part of the sale to Snowmass Ventures as well as merely shifting debt obligations from District 2 to District 1. The savings had nothing to do with the refinancing itself, which in fact had the net result of *increasing* the interest rates on the District's debt. (Compare the 3.05% and 6.5% interest rate on the 2013A loan and 2013B bonds, respectively, with the 5.5%/5.75% and 6.5% interest rate on the 2016A and 2016B bonds, respectively.)

217. Related's debt "forgiveness" reflected the fact that Related never expected to be repaid for this debt due to provisions of this debt that would discharge at maturity, so Related was "forgiving" an obligation that had no long term cost to the District and should not have been used to calculate the financial implications of a refinancing. Indeed, Related itself had acknowledged in a 2013 projection that it never expected to be repaid in full for the Guarantor Bonds at 10% interest rate.

218. The North Slope Report also did not take into account the likelihood that the District's 2013B debt or its unpaid developer obligations would ever be repaid. Instead, it authored the 2016 financial analysis erroneously assuming that the District would be able to repay all of its then-outstanding debt and obligations.

219. The North Slope Report also noted that savings would be achieved by shifting operations and maintenance expenses from District 2 to District 1, but failed to note that this would be achieved by shifting taxable property out of District 2's tax base, which would result in a net decrease in District 2's revenues — all in flagrant violation of the Service Plan.

[12] As part of the refinancing, Related and its subsidiaries "forgave" $4,367,840 of debt on the 2013B bonds, as well as the remaining Guarantor Bonds and accrued interest. Developer reimbursement obligations were shifted entirely to District 1.

220. The North Slope Report also mischaracterized the developer obligations by including them in the District's debt stack. The developer obligations were carried by District 1, and District 2 had no obligation ever to repay these obligations. By including the developer obligations in District 2's debt stack, North Slope was able to inflate the pre-refinancing debt amount held by the District in order to make the refinancing appear more profitable to the District.

221. North Slope knew that the 2016 refinancing instead benefitted the Related Defendants and Defendant Snowmass Ventures.

222. Despite the fact that North Slope acknowledged it owed fiduciary obligations to the District in its 2016 report, stunningly North Slope's report discloses that one of the objectives of the refinancing was to "facilitate the planned real estate closing" of the Base Village project, including the "orderly and complete exit of Related from the Base Village Metropolitan District Asset." That is, North Slope acknowledged that one of the objectives of the planned refinancing was to benefit Related and Snowmass Ventures as opposed to the District.

223. North Slope also failed to analyze whether the District's payment to Related subsidiary Snowmass Acquisition Company at par value for partial redemption of the 2013B debt was objectively fair.

224. D.A. Davidson again contributed to this scheme to defraud. Indeed, D.A. Davidson presented several options to District 2 for a refinancing and advised District 2 to undergo the refinancing transaction that it did. As in 2013, D.A. Davidson improperly assumed the dual role of a municipal financial advisor and underwriter. The 2016 report authored by North Slope was largely a straw-man report taken directly from D.A. Davidson's own analysis and projections.

225. D.A. Davidson made approximately $600,000 in underwriting fees in this transaction.

226. To help induce the sale to Snowmass Ventures, Related also exercised its power over of the boards of Districts 1 and 2 to move property out of District 2 and into District 1, thereby decreasing the tax base of District 2, and with it the ability to service and retire the substantial debt that had been placed on it as a result of Related's decade-long fraudulent activity.

227. In a November 28, 2016 joint board meeting of the Districts, the Districts jointly authorized adjustments to their boundaries that moved significant property from District 2 to District 1. This was done to facilitate a future adjustment whereby Snowmass Ventures can include the soon-to-be-opened Limelight Hotel within District 1, after filing a condominium map for the hotel. This will have the net effect of taking dozens of previously-planned residential properties out of District 2 and shifting 99 hotel rooms into District 1, stripping District 2 of approximately 1/6 of its tax base and shifting millions of dollars in revenue from District 2 to District 1.

228. The Ankele law firm, acting as counsel for Districts 1 and 2, provided an opinion letter as part of the 2016 bond refinancing included with the 2016 offering statement that "The District is not required by law to further amend the Service Plan to effectuate the performance of its obligations under the Financing Documents." That statement was false, as the refinancing was predicated on moving significant amounts of commercial property from District 2 to District 1, in order to shift operations and maintenance burdens onto District 1. Such a shift of property was not contemplated under the Amended Service Plan, which represented that District 2 would have

substantially all of the taxable property within the Districts. The statement was also false as changes to the financial health of the Base Village project meant that the original sales projections used to justify the organization of the Districts in 2006 was no longer accurate, and the Service Plan required amendments to incorporate a new financial plan to pay off the debt.

229. The Ankele law firm also helped facilitate the 2016 refinancing by failing to acquire an independent financial opinion as to whether the District paid an appropriate amount in the 2016 refinancing for the 2013B debt held by Related subsidiary Snowmass Acquisition Company. An independent financial report would have disclosed that District 2, again, overpaid for debt held by Related.

N. The Districts Covers Up Financial Troubles

230. Pursuant to the Service Plan and CRS § 32-1-207, the Districts are required to submit an Annual Report by April 1 of each year for the preceding calendar year to the Town, the Colorado Division of Local Government in the Department of Local Affairs, and the State Auditor. This report includes information on any boundary changes within the Districts; any intergovernmental agreements entered into or proposed; any (proposed) changes to the Districts' policies; any (proposed) changes to the Districts' operations; any material changes in the financial status of the Districts including revenue projections and operating costs; any proposed plans; a status of the Districts' public improvement construction; and copies of the annual budgets.

231. The Ankele law firm, together with the boards of the Districts controlled by Related and its affiliates, drafted and submitted the annual reports. They conspired to hide from the Town and the State the deepening debt crisis within the Districts. Each year between 2009 and 2016, Ankele and the Districts filed annual reports that did not disclose material changes in the financial status of the Districts, despite actual knowledge of information that would require such disclosures.

232. For instance, the Districts' combined 2009 annual report sent by Ankele to the Town on March 23, 2010, stated, "Material Changes in Financial Status. The 2009 annual audit is in process; however no material changes in the District's financial status are expected to be reported." This was false and misleading. In May 2009, for example, William Ankele of the Ankele law firm discussed with Shawn Gleason of Related (also a member of the Districts' boards) that sales had stalled and the Districts were likely to start running a deficit. The Ankele law firm also possessed a 2009 report compiled by Stan Bernstein — based on numbers and data provided by Related — that showed that Related estimated the Base Village project might be worth approximately 60% less than it had represented at the time of the issuance of the 2008 bonds. Bernstein's 2009 report also anticipated that the pace of sales and absorption rate at the Base Village Project would be considerably less than originally projected when the bonds were issued, and that District 2 was likely to run a $1 million to $13 million deficit on its bond payments before maturity. Related was also considering the possibility of drastically scaling back the Base Village project and abandoning plans to construct buildings 10, 11 and 12, which represented 181 of the project's 603 units. The annual report did not disclose any of this.

233. The same misleading 2009 annual report was also filed with the Colorado Department of Local Affairs.

234. The Districts' combined annual report for 2010 — which the Ankele law firm drafted and submitted on April 1, 2011 — made only the following statement about "Material Changes in Financial Status": "The 2011 annual audit is in process and the Audit Report will be furnished following approval." The Report did not disclose that HRECC had foreclosed upon Base Village Owner and the financial significance of the Base Village project in receivership.

235. The same misleading 2010 annual report was also filed with the Colorado Department of Local Affairs.

236. The Districts' combined annual report for 2011 — which the Ankele law firm drafted and submitted on March 14, 2012 — made only the following statement about "Material Changes in Financial Status": "The 2011 annual audit is in process and the Audit Report will be furnished following approval." The annual report did not discuss the default on the 2008B bonds, the issuance of the Guarantor Bonds, or their significance to District 2's financial status.

237. The same misleading 2011 annual report was also filed with the Colorado Department of Local Affairs.

238. The 2013 and 2016 annual reports both disclosed the refinancings, but did not disclose that in each of those transactions District 2 assumed greater amounts of senior debt that would not be discharged at maturity, thereby misleading the Town as to the significance of those transactions.

239. The same misleading 2013 and 2016 annual reports were also filed with the Colorado Department of Local Affairs.

240. Likewise, in an "executive summary" about the 2013 refinancing prepared by Ankele law firm on behalf of District 2 for the Town in anticipation of District 2's requirement to notify the Town in advance of any refinancing, Ankele and the Related-affiliated directors of District 2 mischaracterized the 2013 refinancing in several respects. First, they conveyed the interest on the 2008A debt as "not to exceed 10%." While technically true, the prior interest rate had hovered at less than 1%, which the summary did not mention. Second, the summary intentionally omitted that the Guarantor Bonds would be discharged if paid at maturity. A previous draft of the "executive summary" had included this information, but Ankele and District 2's conflicted directors decided to omit this information as the disclosure would have raised additional red flags about the transaction.

241. While the 2009 through 2016 annual reports also promised that the Districts' audits would be provided to the Town upon completion, these audits were never sent to the Town. Had the audits been sent, the Town could have seen the deepening debt crisis in the Districts.

242. The Districts also failed to complete and file an audit for 2011, the year the Guarantor Bonds were issued.

243. From the formation of the Districts in 2004 until 2017, Defendant Clifton Larson Allen authored yearly budgets and financial statements for the Districts, knowing that these budgets were submitted to the Town and relied upon to assess the financial health of the Districts as part of the Districts' annual reports. The budgets all failed to disclose material changes to the Districts' financial status and revenue projections. Indeed, in every year between 2009 and 2016,

Clifton Allen Larson omitted from its budgets a summary of significant accounting policies as required by the guidelines for a presentation of a forecast established by the American Institute of Certified Public Accountants.

244. In its "Summary of Significant Assumptions," Clifton Allen Larson also omitted in each year from 2009 to 2016 a disclosure of District 2's increasing debt and accruing interest as a result of debt service payment shortfalls in its section on "Debt Service." This was materially misleading in the circumstances. Defendant Clifton Allen Larson knew that its budgets would be sent to the Town as part of the yearly annual report and knew about the deepening debt crisis in District 2 because it reviewed the prior year's audit in preparation of the annual budget, but it failed to disclose the information in an effort to conceal District 2's financial condition.

O. District 2's Directors Resign *En Masse* Amid a Recall Petition

245. On or about November 28, 2016, Base Village taxpayer Pat Keefer informed the entire District 2 board, as well as the Ankele law firm's William Ankele, District 2's recording secretary and general counsel, and George Rowley, the board's Designated Election Official, that she had obtained the signatures of eligible electors sufficient to require a recall election of District 2's entire board of directors.

246. On or about December 1, 2016, Ms. Keefer learned that her recall petition failed to comply with Colorado law because District 2's Designated Election Official did not review and approve it.

247. On or about December 16, 2016, George Rowley, as District 2's Designated Election Official, approved recall petitions for each of District 2's board members, including Craig Monzio, Jim D'Agostino, Steve Sewell, Matt Foley and Leticia Hanke.

248. The grounds set forth for recall in the petitions pertaining to Craig Monzio, Jim D'Agostino, Matt Foley and Leticia Hanke were identical: "The specific Board member identified above is not an eligible elector in Base Village Metropolitan District No. 2, and is, therefore, not subject to paying the taxes he is levying on the District taxpayers. Further, this Board member is employed by the Related Companies, one of the parties that is either buying or selling portions of the District debt that is currently being considered for restructure."

249. Despite specific knowledge of the recall petitions described above, the board proceeded to restructure the boundaries of the Districts (in violation of the Service Plan) and refinance the 2013A Loan and 2013B Bonds, to the detriment of District 2 as described herein.

250. Immediately after restructuring the boundaries of the Districts and issuing the 2016 debt, the board of District 2 resigned *en masse* in February 2017 and allowed an independent board member — Thomas Kosich —to take a seat on the board.

251. Kosich is currently the lone board member serving on District 2's board.

P. The Districts Adjust their Boundaries to Include More Taxable Property in District 1 to Benefit the Developers

252. Over time and a series of illicit acts, District 1 and 2's boundaries have been adjusted to the detriment of District 2. For example, the Amended Service Plan and accompanying

financing plan established that Building 5, in District 2, would have 54 residential units. In 2008, retail, garage and restaurant components of Building 5 were transferred from District 2 to District 1 through exclusion and inclusion orders. District 1 will acquire the tax revenue from the 99 hotel units in the Limelight Hotel currently under construction in Building 5, which have now replaced the 54 residential units that were originally intended to be built in Building 5.

253. The boundary adjustments have been accomplished through unlawful means. For example, the public notice provided for the November 28, 2016 meeting wherein significant portions of District 2 were transferred to District 1 did not mention that the Districts would consider inclusion and exclusion resolutions at the meeting.

254. The boundary adjustments have been structured to allow District 1 to avoid District 2's debt, wriggling out of the Special District Act's requirement that excluded territory carries with it any existing debt.

255. The boundary adjustments were adopted first for the benefit of Related and its affiliates and later for the benefit of Snowmass Ventures.

256. The boundary adjustments have moved all commercial property into District 1 and out of District 2. District 1 eventually intends to tax commercial property at a lower rate than residential property is taxed in District 2. The developers — first Related and its affiliates, and now Snowmass Ventures — own the vast majority of commercial property within the Districts and intend to hold such property in the future.

257. The Amended Service Plan does not contemplate or disclose that taxable property will be within the boundaries of District 1. Indeed, the Amended Service Plan states just the opposite — that substantially all taxable property will be within the boundaries of District 2, which is to serve as the financing district.

258. The boundary adjustments have also enabled Snowmass Ventures to end its developer advance to District 1, saving hundreds of thousands of dollars per year. By increasing the amount of taxable property in District 1, District 1 is able to pay for operations and maintenance expenses solely through taxation of property within its boundaries and through a limited mill levy imposed by District 2 and pledged for such payment. Every year between 2007 and 2017, the developer in control of the Base Village project was required to provide a developer advance to District 1 to cover certain shortfalls of operations and maintenance expenses. For the first time in its history, District 1 estimates that this advance will not be necessary in 2018 — a savings to Snowmass Venture that was accomplished only by improperly grabbing taxable property from District 2 for District 1.

V. CAUSES OF ACTION

FIRST CAUSE OF ACTION
(Colorado Organized Crime Control Act, C.R.S. § 18-17-104(1)-(3))
(Against All Defendants)

259. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

260. At all relevant times, District 1 and Plaintiff District 2, collectively and/or individually, were "enterprises" within the meaning of C.R.S. § 18-17-103(2) and other provisions of the Colorado Organized Crime Control Act, C.R.S. § 18-17-101, *et seq*. ("COCCA"). As alleged above, Defendants infiltrated the Districts to perpetrate a pattern of criminal activity.

261. In addition and/or in the alternative, Defendants and the other members of the COCCA Enterprise constituted an "associated-in-fact enterprise" in that they knowingly associated in fact to achieve the fraudulent and otherwise unlawful purposes alleged herein. Defendants and other members of the COCCA Enterprise knowingly participated in the operation and/or management of the enterprise(s), which had ongoing organization, formal or informal, and functioned as a continuing unit. (These enterprises are collectively referred to herein as the "COCCA Enterprise.")

262. Through the pattern of racketeering activity alleged herein, Defendants and the other members of the COCCA Enterprise knowingly formed, managed, acquired an interest in, controlled, and/or operated, directly or indirectly, District 1, Plaintiff District 2, and/or the associated-in-fact enterprise, or participated in such activities.

263. Through explicit and/or tacit agreements, Defendants and other members of the COCCA Enterprise agreed to function and did function as a unit and according to specified roles. Among other things alleged elsewhere in this Complaint:

a. Defendants Related and its affiliates controlled the affairs of Plaintiff District 2 by nominating and appointing their employees to District 2's board of directors, and by instructing them to act for the benefit of Related and its affiliates, rather than District 2. This action enabled Related and other members of the COCCA Enterprise to manufacture self-serving financial transactions in the name of District 2 that benefited Related and other members of the COCCA Enterprise and harmed District 2. These transactions included, but are not limited to, the 2008 bond issuance, the 2013 refinancing, the 2016 refinancing and improperly moving property from District 2 to District 1. Related and its affiliates further participated in the COCCA Enterprise by triggering a default on the 2008 bonds and the issuance of the Guarantor Bonds in an effort to regain control of the COCCA Enterprise.

b. William Ankele of Defendant White, Bear, Ankele, Tanaka & Waldron (formerly White, Bear & Ankele) served first as counsel to the developers of the Base Village project but later transitioned to serve as counsel to the boards of both Districts 1 and 2. Mr. Ankele collected substantial fees for serving as counsel to the boards, where he rubber-stamped the self-interested actions of Related and other members of the COCCA Enterprise.

c. Defendants HRECC and its subsidiary Snowmass BV Holdco, through their agents Lowe Enterprise Real Estate Services and Destination Snowmass Services, controlled the affairs of District 2 while the Base Village project was in foreclosure and subsequently after HRECC acquired the project on a credit bid. While in control of the Base Village project, HRECC used its control over the boards to facilitate a sale of the Base Village project to Related at an inflated price by profiting from the sale of the illicitly-triggered Guarantor Bonds to Related subsidiary Snowmass Acquisition Company.

d. Defendant U.S. Bank provided financing, and then engaged in the self-dealing and other wrongful conduct alleged above, including profiting from the 2013 refinancing.

e. Defendant Clifton Larson Allen provided management and accounting services to District 2. Clifton Larson Allen authored misleading annual budgets that obscured the District's financial condition knowing that such reports would be submitted to the Town for review as part of the District's annual report. It looked the other way when the other members of the COCCA Enterprise acted improperly and provided its professional imprimatur to help perpetrate the scheme to abuse the District for private gain.

f. Defendant D.A. Davidson marketed the 2008 and 2016 bonds as underwriter to facilitate the self-interested transactions of Related and its affiliates. Defendant D.A. Davidson also acted as placement agent for the 2013 loan and bonds to facilitate Related's self-interested transaction. At all relevant times herein, D.A. Davidson knowingly engaged in a conflicted role of providing municipal financial advice to the District while also acting as a municipal securities dealer. The self-interested financial transactions described herein were only made possible through the participation of an institutional securities dealer such as D.A. Davidson, which made more than $1.5 million in fees between 2008 and 2016.

g. Defendant North Slope Capital Advisors enabled the 2016 "refinancing" by issuing a straw-man financial report largely pulled from a proposal put together by D.A. Davidson. The primary purpose of this report was not to help reduce the Districts' debt, but to facilitate the sale of the project from Related to Snowmass Ventures.

h. Defendant Snowmass Ventures facilitated the COCCA enterprise by using the District and conspiring with Related and its affiliates during the 2016 sale of the Base Village project for private gain. Amongst other acts, Snowmass Ventures made boundary adjustments that moved commercial property from District 2 to District 1 a condition of sale. This has enabled Snowmass Ventures to reduce the developer obligations that are needed to fund District 1, and in the future will enable District 1 to issue debt to repay developer obligations. Snowmass Ventures also made the 2016 refinancing a condition of sale and used the fraudulent transaction as a way to shift profits to Related at the District's expense as total consideration for the sale of the Base Village project.

264. Defendants, and each of them, are "persons" within the meaning of C.R.S. § 18-17-103(4) (and other provisions of COCCA) and are distinct from the enterprise(s) they formed, managed, acquired an interest in, controlled, and/or operated to perpetrate the fraud alleged in this Complaint.

265. Each member of the COCCA Enterprise, including each Defendant, knowingly participated in the conduct of this enterprise in furtherance of a common purpose that all members of the COCCA Enterprise agreed upon, namely to run the affairs of District 2 for private financial gain rather than for the benefit of District 2, its taxpayers and the residents and visitors of the Town of Snowmass Village.

266. The predicate acts alleged in this Complaint constitute a pattern of racketeering activity within the meaning of C.R.S. § 18-17-103(3). The COCCA Enterprise's conduct,

including the predicate acts and pattern of racketeering activity, amount to and/or pose a threat of continued criminal conduct.

267. Defendants and other members of the COCCA Enterprise committed at least two predicate acts of racketeering activity within the meaning of C.R.S. § 18-17-103(3) (and other provisions of COCCA) that are related to the conduct of the enterprise(s) including, but not limited to:

a. Defendants and other members of the COCCA Enterprise regularly used the mails and interstate wires in furtherance of the fraud alleged herein in violation of 18 U.S.C. §§ 1341 and 1343, which are both predicate acts under COCCA. The mailings and wires in furtherance of this scheme to defraud include but are not limited to:

i. Annually between 2008 and 2016, the Ankele law firm, on behalf of District 2 and at the direction of Related's directors on the board of Directors of the Districts, both mailed and emailed to the Town of Snowmass Village an annual report as required under the Amended Service Plan and Colorado law. Information in these reports was designed to mislead the Town as to the financial status of the Districts. In 2010, for instance, Ankele wrote in the Annual Report for 2009 that "no material changes in the Districts' financial status are expected to be reported," even though Defendant Base Village Owner had in 2009 defaulted on the construction loan from Defendant HRECC, the Base Village project was at a standstill, he was in possession of actual information that Related believed the sales figures which had justified the 2008 bond issuance would not be achieved, and that projected property taxes from future property owners intended to service the Districts' debt would not materialize. Reports between 2011 and 2016 had similar omissions about the financial status of the Districts with respect to the lack of revenue from property taxes owing to the project being at a standstill. Mr. Ankele also failed to include in the 2009 annual report that District 2 had issued a note for $2.2 million to Base Village Owner, despite the fact that he was required to disclose material changes to the Districts' financial status. Defendant Clifton Larson Allen facilitated this cover up by failing to include any information on the District's worsening debt situation every year between 2009 and 2016 in its yearly budgets submitted to the town as part of the annual report.

ii. In 2009, Defendant Related WestPac mailed a letter to Defendant U.S. Bank objecting to an extension of the letter of credit issued by U.S. Bank that guaranteed the 2008B bonds. This letter was in furtherance of a fraudulent scheme by Related to steal money from the HRECC construction loan issued to Related subsidiary Base Village Owner and to gain control of the Guarantor Bonds; these acts helped Related re-gain control of the Base Village project after foreclosure.

iii. In 2013 and 2016, Defendant D.A. Davidson provided municipal financial advice to the District in violation of its obligation not to serve dual roles as underwriter/placement agent and municipal financial advisor. Proposals were sent by email to District 2's directors and other Related and Snowmass Ventures employees. The purpose of this "advice" was to provide Related and its affiliates with a blueprint for profitable refinancing of the District's debt.

b. Defendants and other members of the COCCA Enterprise committed bank fraud in violation of 18 U.S.C. § 1344(2). Among other things alleged elsewhere in this Complaint, Related WestPac and BVO obtained funds from U.S. Bank "by means of false or fraudulent pretenses" and "representations." On or around July 1, 2008, Defendants Related WestPac and BVO mailed a construction requisition request to District 2, which in turn mailed that construction requisition request to U.S. Bank. The request induced U.S. Bank under the 2008 bond indenture of trust to disburse nearly $32 million that it held as trustee based on the false and fraudulent representation that the $32 million had all been spent on construction of public infrastructure for the Districts, when in fact much of that money was spent on private construction costs for Related. Defendant Clifton Larson Allen facilitated this fraud by authoring a cost certification letter justifying the cost disbursement.

c. Defendants and other members of the COCCA Enterprise committed securities fraud in violation of C.R.S. § 11-51-501. Among other things alleged elsewhere in this Complaint, Defendants Related, Related WestPac, and BVO commissioned a financial analysis after the real estate mark crash that projected the value of the Base Village project to be over $1.2 billion, even though in 2006 — when the real estate market was at its peak — they had projected the project to be worth $974 million, and in 2004 they had projected the project to be worth $654 million. These same defendants also falsely represented that in July 2008 they expected sales for condominiums in the project to be completed by 2012, even though at the time they knew that the project was headed for foreclosure and the vast majority of condominium units would never be built. Defendant the Ankele law firm further committed securities fraud by authoring legal opinions in 2008 and 2016 that went along with the District's offering statements that that no amendments were necessary to the Districts' Service Plan before issuing debt. The Ankele law firm knew at the time of both of these transactions that the financial plan included with the original Amended Service Plan in 2006 were not viable in the circumstances and that the Service Plan needed further amendment. Defendant D.A. Davidson further committed securities fraud by intentionally ignoring and obscuring the self-dealing at the heart of the 2008 and 2016 bond refinancings to prospective purchasers, whereby Related and its affiliates made millions of dollars through their control of the boards of the Districts.

d. Defendants and other members of the COCCA Enterprise violated C.R.S. § 18-5-206(1), which makes it a criminal offense for "a person, with intent to defraud a creditor by defeating, impairing, or rendering worthless or unenforceable any security interest, sells, assigns, transfers, conveys, pledges, encumbers, conceals, destroys, or disposes of any collateral subject to a security interest." Among other things alleged elsewhere in this Complaint, in late 2016, Defendants Related and Snowmass Acquisition Company, LLC, through their control over the boards of directors of Districts 1 and 2, and at the behest of Defendants Snowmass Ventures, moved property from District 2 to District 1, thereby reducing the amount of taxable property within District 2 and impairing the property tax basis that District 2's creditors have as collateral for their bonded security interests. This was facilitated by the Ankele law firm, which advised these parties how to adjust the boundaries of the districts.

e. Defendants and other members of the COCCA Enterprise violated C.R.S. § 18-5-206(2), which makes it a criminal offense "[i]f a creditor, with intent to defraud a debtor, sells, assigns, transfers, conveys, pledges, buys, or encumbers a promissory note or contract signed

by the debtor[.]" Among other things alleged elsewhere in this Complaint, Defendants Related, Related WestPac, and Base Village Owner defrauded District 2 by encumbering the 2008 bonds by fraudulently triggering a default on District 2's debt in 2011 and obtaining the Guarantor Bonds. The intent of obtaining these bonds was, in part, to regain control of District 2, and to increase the interest rate on the 2008 bonds so that a later refinancing, which would inure to the benefit of the Defendants, could be manufactured at a higher interest rate than the 2008 bonds without the need of voter approval, as long as it was lower than the 10% interest rate on the Guarantor bonds. HRECC Bank — as a fiduciary to District 2 while the project was in foreclosure and while it controlled the Guarantor Bonds through its subsidiary Snowmass BV Holdco, defrauded its debtor (District 2) by selling these bonds to Related as part of a settlement, rather than challenging the legitimacy of the bonds on behalf of District 2.

f. Defendants and other members of the COCCA Enterprise violated 18 U.S.C. § 1346, which prohibits a scheme or artifice to defraud including "depriv[ing] another of the intangible right to honest services." Defendant Snowmass Ventures committed honest services fraud by making both the 2016 refinancing and the movement of commercial property from District 2 to District 1 a condition of sale of the Base Village project. By paying Related and its affiliates to engineer these transactions, Snowmass Ventures deprived District 2 and its taxpayers of honest services.

268. Defendants and other members of the COCCA Enterprise conducted the enterprise(s) and committed the aforementioned predicate acts over the course of nearly a decade, beginning on or about 2007 and continuing at least through the present. These predicate acts amount to and pose a threat of continued criminal conduct.

269. Defendants and the other members of the COCCA Enterprise reinvested the proceeds of this scheme to defraud in the continuing enterprise.

270. The conduct alleged in this Complaint was part of a scheme that Defendants and the other members of the COCCA Enterprise formulated to run the affairs of the Districts and/or their associated-in-fact enterprise for private financial gain rather than for the benefit of District 2, its taxpayers and the residents and visitors of the Town of Snowmass Village. Defendants and the other members of the COCCA Enterprise perpetrated this scheme with the specific intent to deceive and/or defraud Plaintiff District 2, and did deceive and/or defraud Plaintiff District 2.

271. Plaintiff District 2 suffered harm and/or injury to its person or property as a direct and proximate result of the COCCA Enterprise's wrongful conduct, including tens of millions of dollars of debt. Under the provisions of COCCA, Plaintiff is entitled to recover treble damages, costs of suit and attorneys' fees.

SECOND CAUSE OF ACTION
(Conspiracy to Violate COCCA, C.R.S. § 18-17-104(4))
(Against All Defendants)

272. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

273. In violation of C.R.S. § 18-17-104(4), Defendants and other members of the COCCA Enterprise, by their words or actions, objectively manifested an agreement to participate, directly or indirectly, in the scheme to defraud and thereby conspired with one another and/or endeavored to commit the wrongful conduct alleged in this Complaint, including but not limited to the conduct alleged in the First Cause of Action.

274. Defendants and other members of the COCCA Enterprise by their words and/or actions, objectively manifested an agreement on the common purpose of this enterprise, *i.e.*, to run the affairs of District 2 for private financial gain rather than for the benefit of District 2, its taxpayers and the residents and visitors of the Town of Snowmass Village, and reinvestment of the proceeds of that misconduct in their common enterprise.

275. Further, Defendants and other members of the COCCA Enterprise, by their words and/or actions, objectively manifested an agreement to perpetrate this scheme through predicate acts amounting to a pattern of racketeering activity. Defendants, and each of them, agreed to commit predicate crimes, aid and abet the commission of predicate crimes by other members of the COCCA Enterprise, and/or agreed that some members of the enterprise would commit the predicate acts for the benefit of all members and/or the enterprise.

276. Plaintiff District 2 suffered harm and/or injury to its person or property as a direct and proximate result of the COCCA Enterprise's wrongful conduct. Under the provisions of COCCA, Plaintiff is entitled to recover treble damages, costs of suit and attorneys' fees.

THIRD CAUSE OF ACTION
(Securities Fraud, C.R.S. § 11-51-501(1),(5))
(Against Related and its Affiliates, the Ankele Law Firm, D.A. Davidson and North Slope)

277. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

278. Plaintiff District 2 is the issuer of the following bonds, which are securities:

a. The 2008A and 2008B limited tax variable rate bonds;

b. The Guarantor Bonds;

c. The 2013B Subordinate Tax Revenue Refunding Bonds; and

d. The 2016A and 2016B General Obligation Limited Tax Refunding Bonds.

279. As issuer of these securities, District 2 is a seller of securities.

280. Defendants, with the intent to defraud District 2, engineered the following Bond Transactions to deceive, manipulate, and defraud Plaintiff District 2, saddle District 2 with untenable debt, and wrongfully profit at the expense of District 2. Among other things alleged elsewhere in this Complaint:

a. In 2008, Related, Base Village Owner and Related WestPac inflated the projected value of the Base Village project as well as the anticipated pace of sales on the project in order to make it appear as though District 2 could service $47,750,000 in bonded debt. This inflation induced District 2 to issue more debt than it could actually service. In reality, Defendants

were aware that the real estate market was in the midst of a crash and that the Base Village project would not meet the projected sales figures and timeline, meaning that there would not be adequate property taxes to service the debt on the 2008 bonds. These defendants engineered the 2008 bond issuance in order to fraudulently obtain cash to pay themselves and Defendant HRECC part of the bond proceeds for private construction that did not benefit District 2. The Ankele law firm facilitated this transaction by authoring many of the bond documents and by providing a legal opinion that no further amendment to the Districts' Service Plan was necessary. Defendant D.A. Davidson committed securities fraud by omitting from its 2008 offering statement that the purpose of the bond issuance was to benefit Related and its affiliates and not the District.

b. In 2013, Defendants manufactured a refinancing of District 2's debt for the benefit of Related and its affiliates, as well as US Bank. This refinancing *raised* rather than *lowered* the interest rate on District 2's debt when the rescinded interest rate reduction is considered. As part of the transaction, District 2 secured a $20,300,000 loan from U.S. Bank, the proceeds of which were used, in part, to pay Related subsidiary Snowmass Acquisition Company $7.5 million in cash for par value of an equivalent amount of the Guarantor Bonds that were secured after Related fraudulently triggered a default on the 2008B bonds, as well as to pay defendant Base Village Owner, LLC $2.2 million for a developer note. In addition, on information and belief, U.S. Bank, which lent $20,300,000 to District 2 as part of this refinancing, was also able to manufacture a buy-back of the outstanding 2008A bondholders and avoid potential liability. The Related affiliated defendants, through their exercise of control over the board, issued to themselves $23,760,000 in bonds (the 2013B debt) at a 6.5% interest rate, for an equivalent amount of the Guarantor Bonds, even though the Guarantor Bonds were worth substantially less than their par value. Defendant the Ankele law firm facilitated this self-interested transaction by failing to secure an independent financial advisor for the District to determine if the District paid appropriately for the Guarantor Bonds. Defendant D.A. Davidson further facilitated this scheme to defraud District 2 by providing to Related the blueprint of the 2013 refinancing. D.A. Davidson also knew that the transaction should not have taken place without the opinion of an independent financial advisor as to the appropriate price to pay for the Guarantor Bonds.

c. In 2016, in order to facilitate the sale of the project from Related to Snowmass Ventures, Defendants Related, Related WestPac, Snowmass Acquisition Company, North Slope Capital Partners, the Ankele Law Firm and D.A. Davidson refinanced the 2013 debt. As part of this refinancing, Related and its affiliates obtained approximately $10 million in cash for its 2013B bonds — bonds that were wrongfully acquired in the first place. The refinancing was marketed and represented as being for the benefit of District 2 by reducing its debt burden, but the primary purpose of the refinancing was to provide cash for the Related affiliated defendants for their subordinate debt, and to facilitate the sale of the project to Snowmass Ventures, LLC. The Ankele law firm facilitated this transaction by authoring many of the bond documents and by providing a legal opinion that no further amendment to the Districts' Service Plan was necessary. Defendant D.A. Davidson committed securities fraud by omitting from its 2016 offering statement that the purpose of the bond issuance was to benefit Related and its affiliates, and not the District.

281. Defendants' fraudulent conduct, including but not limited to the above-described "Bond Transactions," related to the purchase and sale of securities.

282. Defendants' conduct violated C.R.S. § 11-51-501(1) because they: (a) employed a scheme or artifice to defraud; (b) made untrue statements of material fact in the issuance of the Bonds and in the Bond Transactions; (c) omitted material facts that were necessary to make the statements made in connection with the Bond Transactions not misleading; (d) engaged in acts, practices, and a course of conduct which has perpetrated a fraud and deceit on Plaintiff District 2 (as the payee on the bonds).

283. Defendants' conduct also violated C.R.S. § 11-51-501(5) because they (a) directly or indirectly received consideration for advising both the District and others about the purchase sale of the District's bonds (b) through a scheme and artifice to defraud the district by abusing the power of conflicted directors, (c) by making untrue statements of material fact, and/or (d) engaged in practices and a course of business that were fraudulent, deceptive and manipulative.

284. Plaintiff District 2 relied on Defendants' actions in issuing the bonds and as payor of the bonds and has been damaged by Defendants' wrongful and fraudulent conduct.

FOURTH CAUSE OF ACTION
(Breach of Fiduciary Duty)
(Against All Defendants Except U.S. Bank and Snowmass Ventures)

285. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

286. From 2007 until the Base Village project went into foreclosure in 2010, and then again from 2012 until 2016, Related and its affiliates controlled the board of directors of District 2 through their employees who were serving on the two District boards. From this position, they owed fiduciary duties to District 2, including the duties of loyalty and full-disclosure. Related and its affiliates breached their fiduciary duties through a long-standing pattern and practice of self-dealing, by running the affairs of District 2 for their benefit, and not for the benefit of District 2. This included, but was not limited to:

a. Issuing the 2008 debt at the height of the real estate collapse when District 2 could not reasonably have been expected to repay it.

b. Doing so for its own purposes, namely to recoup regular development costs, as the country was sliding into recession.

c. Refinancing District 2's debt in 2013 for its own benefit — particularly the payment of par value for the Guarantor Bonds, and repayment of the interest-free 2008D subordinate note.

d. Refinancing District 2's debt in 2016 for its own benefit, to facilitate the sale of the Base Village project to Snowmass Ventures, LLC, and to acquire cash for the 2013B subordinate debt.

287. Defendant North Slope Capital Advisors conceded in a December 21, 2016 report (and perhaps other documents too) that it owed "a fiduciary duty of loyalty and care to put the financial interests of the District ahead of its own business interests." Yet the company's December 2016 report justifying the refinancing was based on inflated projections and inaccurate numbers,

and was, concededly, meant to help "facilitate the planned real estate closing" between Related and Snowmass Ventures, and "the orderly and complete exit of Related from the Base Village Metropolitan District asset." In other words, the report was authored to advance the private interests of two real estate developers, not the District 2 and its constituent owners/tax payers.

288. Defendant Clifton Larson Allen breached its fiduciary obligations to District 2 by preparing misleading annual financial statements that failed to account for material financial changes to the Districts, as well as certifying construction costs in 2008 that inflated the reimbursement costs that the District was required to pay to Base Village Owner.

289. Defendant D.A. Davidson assumed fiduciary obligations to the District by offering municipal financial advice to the District as part of the 2013 and 2016 refinancings. Defendant D.A. Davidson breached its obligations to the District by providing advice to the Districts intended to engineer financial transactions that would benefit itself and Related and its affiliates, rather than the District.

290. Defendant HRECC, through its control over the project in 2010 and 2011 while the project was in foreclosure and subsequently while it owned the project out of foreclosure, owed a fiduciary duty to District 2 because it controlled the board of directors of District 2 through its managers, Defendants Lowe Enterprises Real Estate Services and Destination Snowmass Services. All three of these Defendants breached their fiduciary duty to District 2, including by transferring the illicitly-acquired Guarantor Bonds to Related and its affiliates, rather than challenge the legitimacy of those bonds as they should have done on behalf of District 2. By selling the Guarantor Bonds back to Related in 2012, HRECC obtained an inflated price for the Base Village project.

291. Defendant Ankele law firm was counsel to District 2 from 2004 until 2016. The Ankele law firm breached its fiduciary obligations to the District by acting for the benefit and at the behest of Related and its affiliates, rather than for the benefit of District 2, as well as for the benefit of HRECC and Snowmass Ventures. These breaches include, but are not limited to:

a. Approving of numerous transactions in clear violation of the Amended Service Plan, including the 2008, 2013 and 2016 bond transactions and moving commercial property from District 2 to District 1.

b. Advising Related, under the guise of counsel for District 2, how to structure District 2's debt and manufacture refinancing transactions that benefitted Related and not District 2.

c. Facilitating the exclusion of large swaths of taxable property from the jurisdiction of District 2 and moving such property under the jurisdiction of District 1 in order to facilitate, inter alia, a sale of the project from Related to Snowmass Ventures, LLC.

d. Preparing misleading annual reports on behalf of the Districts.

e. Serving as general counsel for both districts, even though they were at times entering into contracts with each other requiring independent counsel.

292. As a result of Defendants' breaches, Plaintiffs have been damaged and are entitled to judgment awarding actual, consequential, special and restitutionary damages in an amount to

proven at trial. In addition to damages and interest, Plaintiffs seek an award of their attorneys' fees and costs in bringing and prosecuting this action.

FIFTH CAUSE OF ACTION
(Aiding and Abetting Breach of Fiduciary Duty)
(Against All Defendants)

293. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

294. Defendants, and each of them, knowingly aided and abetted and participated in the breaches of fiduciary duties committed by the Defendants named in the Fourth Cause of Action by, inter alia, participating in, enabling, assisting, aiding, encouraging, and/or facilitating the breaches of fiduciary duties alleged therein.

295. As a proximate result of Defendants aiding and abetting the breach of fiduciary duties alleged herein, Plaintiff District 2 suffered damages in an amount to be proven at trial. Further, because Defendants profited at District 2's expense, they should be ordered to disgorge to District 2 all benefits they received, and a constructive trust should be imposed on such funds for the benefit of District 2.

296. As a result of Defendants' breaches, Plaintiffs have been damaged and are entitled to judgment awarding actual, consequential, special and restitutionary damages in an amount to proven at trial. In addition to damages and interest, Plaintiffs seek an award of their attorneys' fees and costs in bringing and prosecuting this action.

SIXTH CAUSE OF ACTION
(Conspiracy)
(Against All Defendants)

297. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

298. Defendants, and each of them, conspired with the remaining Defendants and other members of the COCCA Enterprise to commit the fraudulent and unlawful conduct alleged herein.

299. All Defendants acted and agreed on an object to be accomplished — to operate and run District 2 for wrongful financial gain, rather than for the benefit of District 2 — and there was a meeting of the minds among all Defendants on that object. While each of the Defendants participated in the conspiracy at different times and in different capacities, the object of the conspiracy remained the same at all relevant times. Likewise, the effects of the conspiracy were constant and injured the District, which injuries are continuing form the conduct of the COCCA Enterprise and breaches alleged herein.

300. Defendants, working together, accomplished unlawful overt acts in furtherance of the fraud, securities fraud, and breach of fiduciary duties alleged herein.

301. As a proximate result of the conspiracy among Defendants, Plaintiff District 2 suffered damages in an amount to be proven at trial. Further, because Defendants profited at District 2's expense, they should be ordered to disgorge to District 2 all benefits they received, and a constructive trust should be imposed on all ill-gotten gains for the benefit of District 2.

302. As a result of Defendants' aiding and abetting and conspiracy, Plaintiffs have been damaged and are entitled to judgment in the amount of actual, consequential, special and restitutionary damages in an amount to proven at trial. In addition to injunctive relief, damages and interest, Plaintiffs seek an award of their attorneys' fees and costs in bringing and prosecuting this action.

SEVENTH CAUSE OF ACTION
(Unjust Enrichment)
(Against all Defendants)

303. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

304. Defendants have unlawfully profited at Plaintiff's expense, and/or received the fruits of the wrongful conduct of other Defendants.

305. Equity and good conscience require that all sums improperly obtained by Defendants be disgorged by Defendants and restored to Plaintiff, and that a constructive trust be imposed on such funds for the benefit of District 2.

EIGHTH CAUSE OF ACTION
(Accounting)
(Against all Defendants)

306. Plaintiff District 2 incorporates by reference the allegations contained in the preceding and subsequent paragraphs of this Complaint as if fully set forth herein.

307. Plaintiff District 2 has been wrongfully deprived of money, information and documents relevant to its management of public resources.

308. Defendants have improperly derived profits in connection with their control over and concealment of information from District 2.

309. District 2 has a right to an accounting for the profits improperly obtained by the Defendants.

310. Under the circumstances, it is just and equitable to require the defendants to provide an accounting.

VI. RESERVATION OF RIGHTS

Plaintiff expressly reserves all rights accorded under Colorado law, including but not limited to the right to further amend this Complaint as may be necessary in light of new or additional factual information gathered throughout the disclosure and discovery phases of this litigation and the right to plead exemplary damages in accordance with C.R.S. § 13-21.102.

VII. JURY DEMAND

Plaintiff demands a trial by jury for all issues so triable.

VIII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff District 2 prays for relief as follows:

a. That Plaintiff recover damages, as provided by law, according to proof at trial;

b. That damages awarded by the jury for the First and Second Causes of Action be trebled by the Court in accordance with COCCA;

c. That Defendants and each of them disgorge all funds wrongfully obtained from or at the expense of Plaintiff District 2;

d. That the Court order an accounting of all amounts received by Defendants at District 2's expense;

e. That a constructive trust be imposed upon such funds for the benefit of Plaintiff;

f. That Defendants pay to Plaintiff moratory, pre-judgment, and post-judgment interest as allowed by law;

g. That Plaintiff recover its costs of the suit, and attorneys' fees as allowed by law; and

h. For all other relief allowed by law and equity.

Dated: July 24, 2018

Respectfully submitted,

REISER LAW, P.C.

_____/s/_____
Michael J. Reiser, #16161
961 Ygnacio Valley Road
Walnut Creek, CA 94596
Telephone: (925) 256-0400
Facsimile: (925) 476-0304
E-mail: reiserlaw@gmail.com

THE MATTHEW C. FERGUSON LAW FIRM, P.C.

_____/s/_____
Matthew C. Ferguson, #25687
119 South Spring Street, Suite 201

Aspen, Colorado 81611
Telephone: (970) 925-6288
Facsimile: (970) 925-2273
E-mail: matt@matthewfergusonlaw.com
Attorneys for Plaintiffs

GIBBS LAW GROUP, LLP

_____/s/_____
Michael L. Schrag, #15-PHV4409
One Kaiser Plaza, Ste. 1125
Oakland, CA 94612
Telephone: (510) 350-9701
Facsimile: (510) 350-9701
Email: mls@classlawgroup.com

THE MEADE FIRM, P.C.

_____/s/_____
Tyler Meade, Esq.
Sam Ferguson, Esq.
1816 Fifth Street
Berkeley, CA 94710
New York Office:
111 Broadway, Suite 2002
New York, NY 10006
Telephone: (510) 843-3670
Facsimile: (510) 843-3679
tyler@meadefirm.com
sam@meadefirm.com

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on July 24, 2018, a true and correct copy of the foregoing **PLAINTIFFS' FIRST AMENDED COMPLAINT** was filed and served *via* COLORADO COURTS E-FILING upon the following:

DORSEY & WHITNEY LLP
Andrea Ahn Wechter, Esq. #43722
Eric R. Sherman, Esq.
Vernle C. ("Skip") Durocher, Esq.
1400 Wewatta Street, Suite 400
Denver, CO 80202
Telephone: (303) 629-3400
wechter.andrea@dorsey.com
Sherman.eric@dorsey.com
Durocher.skip@dorsey.com
Attorneys for US Bank National Association

HOLLAND & HART LLP
Christopher James Heaphey, Esq. #38559
Tarn Udall, Esq. #49638
600 East Main Street, Suite 104
Aspen, CO 81611
Telephone: (970) 925-3476
CJHeaphey@hollandhart.com
CTUdall@hollandhart.com
Attorneys for The Related Companies, LP; Related WestPac Realty Sales LLC; Base Village 13 Owner LLC; Snowmass Acquisition Company, LLC; Snowmass related Holdco, LLC; Snowmass Holdco BV, LLC; Related Colorado Real Estate

LAW OF THE ROCKIES
Marcus J. Lock, Atty. Reg. #: 33048
Jacob A. With, Atty. Reg. #: 40546
Austin J. Chambers, Atty. Reg. # 51506
525 N. Main Street
Gunnison, CO 81230
Ph: 970-641-1903
Fax: 970-641-1943
mlock@lawoftherockies.com
jwith@lawoftherockies.com
achambers@lawoftherockies.com
Attorneys for White Bear Ankele Tanaka & Waldron Professional Corporation

BAKER & HOSTETLER LLP
Laurin D. Quiat, Esq. #14687
Matthew C. Baisley, Esq. #45437
1801 California Street, Suite 4400
Denver, CO 80202
Telephone: (303) 861-0600
Facsimile: (303) 861-7805
lquiat@bakerlaw.com
mbaisley@bakerlaw.com
Attorneys for Hypo Real Estate Capital Corporation

FAEGRE BAKER DANIELS LLP
Brandee L. Caswell, #30706

Katharine M. Gray, #42331
Rachel L. Burkhart, #50844
1700 Lincoln Street, Suite 3200
Denver, CO 80203
Telephone: (303) 607-3500
Fax Number: (303) 607-3600
Brandee.Caswell@FaegreBD.com
Katie.Gray@FaegreBD.com
Rachel.Burkhart@FaegreBD.com
Attorneys for D.A. Davidson & Co.

OATES, KNEZEVICH, GARDENSWARTZ, KELLY & MORROW, P.C.
David B Kelly, Esq. #19829
533 E. Hopkins Avenue, Suite 201
Aspen, Colorado 81611
Telephone: (970) 920-1700
Facsimile: (970) 920-1121
Email: dbk@okglaw.com

-and-

MOSS & BARNETT, P.A.
Thomas J. Shroyer, Esq. #100638
Stuart V. Campbell, Esq. #0395296
150 South Fifth Street, Suite 1200
Minneapolis, MN 55402
Telephone: (612) 877-5000
Facsimile: (612) 877-5999
Email: Tom.shroyer@lawmoss.com
Email: Stuart.Campbell@lawmoss.com
Attorneys for Clifton Larson Allen, LLP

HALL & EVANS LLC
Josh Berry, Esq
John Bolmar, Esq
1001 17th Street2
Suite 300
Denver, CO 80202
Telephone: (303) 628-3363
Facsimile: (303) 628-3368
E-mail:berryj@hallevans.com
E-Mail: bolmerj@hallevans.com
Attorneys for North Slope Capital Advisors

WHEELER TRIGG O'DONNELL LLP
Kathryn A. Reilly, Esq.
Brett M. Mull, Esq.
370 Seventeenth Street, Suite 4500
Denver, CO 80202
Telephone: (303) 244-1800
Facsimile: (303) 244-1879
E-mail: mull@wtotrial.com
E-mail: reilly@wtotrial.com
Attorneys for Lowe Enterprises Real Estate Services, Inc.; Destination Snowmass Services, Inc.

/s/Matthew C. Ferguson
Matthew C. Ferguson