



July 29, 2019

**VOLUNTARY FILING – SUBMISSION OF COMPENSATION
EVENT CLAIMS BY DEVELOPER TO THE OWNER**

On July 26, 2019, Great Hall Partners LLC (the “**Developer**”) formally submitted various Compensation Event Claims to the City and County of Denver, acting by and on behalf of its Department of Aviation (the “**Owner**”) claiming monetary and schedule relief from the Owner in connection with the occurrence of various Compensation Events as set forth and defined in that certain Developer Agreement, dated (and effective) as of August 24, 2017, by and between the Developer and the Owner. In particular, the Developer claimed relief due to, among other events, (i) the discovery of weak concrete in some areas of the Terminal, which was not known by the Developer prior to entering into the Development Agreement and which is inconsistent with related information set forth in the Development Agreement, and (ii) the Owner’s issuance of more than 20 Change Directives to the original scope of the work, many of which were large in scale, and often badly timed and imprecise. The discovery by the Developer of such weak concrete and the Owner’s actions in respect of the Change Directives have resulted in the delays, additional costs and entitlements previously disclosed by the Developer (as the same continue to grow due to the delay by the Owner in timely resolving the same).

Simultaneously with such submission of the noted Compensation Event Claims, the Developer also responded to various baseless, inappropriate letters sent by the Owner to the Developer earlier in the week alleging certain breaches by the Developer of the Development Agreement and unprofessional behavior by the Developer. As the Developer has noted directly to the Owner in great detail, and as the Owner was already well aware, the Developer completely disagrees with the mischaracterizations and false allegations made by the Owner in such letters. Two of such letters from the Owner were purported Initial Breach Notices; the Owner’s letters and the Developer’s responses to these letters are attached hereto as Exhibit A. The Developer has complied with all aspects of the Development Agreement and is fully committed to continuing to ensure best practices in safety and diversity, both in the workplace and in the communities that it serves. The Developer views the timing and false accusations contained in the letters sent by the Owner as nothing more than an attempt by the Owner to distract the Developer’s time and resources (as well as the public’s attention) away from the existence and consequences of the serious matters which have been raised by the Developer for several months and which are severely impeding the progress of the Project.

The Developer reiterates that it is focused on working diligently toward seeking a mutually acceptable resolution to the matters contemplated by the Compensation Event Claims submitted by the Developer on Friday in order to deliver the Project to the public as quickly and efficiently as possible and sincerely hopes that the Owner will similarly refocus its time and limited resources to addressing the Compensation Event Claims and otherwise timely and productively working with the Developer to deliver the Project to the deserving public of Denver.



EXHIBIT A

July 24, 2019



Mr. Ignacio Castejon Hernandez - CEO
Denver Great Hall, LLC
24735 East 75th Avenue, Suite 100
Denver, CO 80249-6340

RE: Initial Breach Notice Pursuant to Section 20.2.8.1 – Developer Intentional Interference with Airport Activities

Dear Mr. Castejon Hernandez,

On August 17, 2017, the City and County of Denver, through and on behalf of its Department of Aviation (the “**Owner**”) and Denver Great Hall LLC (“**Developer**”) (collectively the “**Parties**”) entered in to a Development Agreement for the Great Hall Project (the “**DA**”). Capitalized terms used, but not defined in this letter, shall have the meaning set forth in the DA. Nothing in this letter modifies or waives any rights or obligations in the DA.

In Sections 4.1.2, 5.1.2 and 5.1.3 of the DA and Section I.5.6 of the Technical Requirements to the DA (the “**TR**”), Developer is required to schedule, manage and complete the Work in such a manner to minimize interference with the Airport Activities. Specifically, under Section 5.1.2 of the DA, Developer is required to “schedule and manage the D&C Work in accordance with the Transition and Phasing Plan so as to *not unduly interfere with adjacent businesses or operations identified therein[.]*” (Emphasis added). Additionally, under Section 4.1.2 of the DA, “Developer shall, and shall cause the Contractors, to perform the Work . . . in such manner and in such sequence as to *minimize interference with the Airport Activities.*” (Emphasis added). Furthermore, under Section 4.5.1(b) of the DA, Developer is responsible for any disruption to the Airport Activities arising from any act or omission of Developer or any Developer-Related Entity. Appendix 1 of the DA defines Airport Activities as “all Airport commercial activities, Core Airport Operations, and any other traditional airport functions provided or served by the Owner[.]” including “processing and transporting passengers and baggage in support of the aviation mission of the Airport.”

With regard to the terrazzo work in Mod 2 of Phase 1, Developer has failed to manage and complete the Work in a manner that minimizes interference with Airport Activities as required by Sections 4.1.2, 5.1.2 and 5.1.3 of the DA. Specifically, despite repeated requests from the Owner to do so, Developer has not yet removed the temporary construction walls (the “**McCain Walls**”) surrounding the finished terrazzo in Mod 2 on Level 5 West in accordance with Developer’s Transition and Phasing Plan as to not unduly interfere with Airport Activities. These McCain Walls surround two domestic baggage claim areas of the Airport’s largest Airline Carrier, which has been unable to access or use these baggage carousels to transport and return passenger baggage.

During the week of June 3, 2019, Developer completed the terrazzo work in the baggage claim area in Mod 2, of Level 5 and stopped performing work in that area. Despite completing and



ceasing the terrazzo work in this area, Developer has refused to remove the McCain Walls surrounding the baggage carousels with no reasonable explanation for such refusal. Per Developer's schedule outlined in the Transition and Phasing Plan regarding "Sequence of Demolition and Building works over the Baggage Claim area at Level 5" submitted to the Owner on May 10, 2019 ("**Developer's Schedule**") [Aconex GHP-272101], Developer was supposed to complete and turn over the terrazzo work on the West side of Level 5 in approximately 17.5 weeks from January 30, 2019. It has been 25 weeks since the terrazzo work commenced on January 30, 2019 and Developer has yet to remove the McCain Walls surrounding the completed terrazzo flooring in the baggage claim area on Level 5 West in Mod 2. Based on Developer's Schedule, despite completing the terrazzo work, Developer is over 7 weeks late in turning over the terrazzo work in this area.

As a result of this delay, the Owner has experienced, and continues to experience, unduly prolonged disruptions to Airport Activities, including transportation of passenger baggage, airline operations, and passenger experience and wayfinding. Airlines doing business at the airport have been unable to access or use the baggage carousels within the McCain Walls for over 7 weeks more than originally anticipated. This is particularly disruptive given the fact that this delay is occurring during the Airport's busiest season of the year when the Airport is experiencing record amounts of passenger traffic. Every day that the McCain Walls remain standing, this disruption to Airport Activities continues to unnecessarily prolong the strain on Airport operations and the traveling public.

The Owner has repeatedly voiced these concerns to Developer and delivered a written request to remove the McCain Walls on June 3, 2019 in a letter titled "Removal of McCain Walls around the Completed Terrazzo on Level 5 West, Mod 2" [Aconex GHP-274490] (the "Owner's Letter"). In the Owner's Letter, the Owner notified Developer of its failure to meet its obligations under the DA to minimize disruptions to Airport operations. The Owner also set forth a number of actions that the Owner expected Developer to take in order to cure its violations of the DA and mitigate the delay caused to the terrazzo work, including the immediate removal of the McCain Walls from Mod 2 on Level 5. Instead, Developer has refused to deliver on any of those expectations and continues to be in violation of the DA. At this point, **Developer is intentionally refusing to remove the McCain Walls and is purposefully and knowingly interfering with Airport Activities.**

Under Section 20.2.8 of the DA, the Owner may issue to Developer an Initial Breach Notice "[i]f Developer commits a breach of any of the provisions of the Contract Documents . . . that continues for more than twenty (20) consecutive days[.]" To date, more than 50 days have passed since Developer should have removed the McCain Walls surrounding the completed terrazzo in the baggage claim areas on Level 5, Mod 2. By failing to remove these McCain Walls in accordance with the Transition and Phasing Plan, Developer has unnecessarily disrupted Airport Activities and the traveling public and, as a result, has failed to minimize interference with Airport Activities as required by Sections 4.1.2, 5.1.2 and 5.1.3 of the DA.

In accordance with Section 20.2.8.1 of the DA, this letter serves as the Owner's Initial Breach Notice to Developer. In relation to the terrazzo work in Phase 1, Mod 2, Developer's failure to manage and complete the Work in such a manner to minimize interference with the Airport Activities violates Sections 4.1.2, 5.1.2 and 5.1.3 of the DA and TR Section I.5.6 which, if it

recurs frequently or continues, may result in termination of this Agreement for Persistent Developer Breach.

[SIGNATURE PAGE FOLLOWS]

Signature Page for Initial Breach Notice Pursuant to Section 20.2.8.1 – Developer Intentional Interference with Airport Activities.

Sincerely,

**Michael
Sheehan**

Digitally signed by Michael
Sheehan
Date: 2019.07.24 13:38:28
-06'00'

Michael Sheehan
Sr. Vice President, Special Projects
Denver International Airport

Cc: Xavier DuRán Cristal Torres
 Gisela Shanahan Everett Martinez
 Stephanie Minutillo Tiffanie Stasiak
 Max Taylor Yukiko Kojima
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July 25, 2019

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Phone: (303) 342-2139

Re: Owner’s July 24, 2019 Response to Initial Breach Notice – Developer Intentional Interference with Airport Activities

Dear Ms. Shanahan, Ms. Torres, and Mr. Sheehan:

This letter is in response to your letter, dated July 24, 2019, providing an Initial Breach Notice Pursuant to Section 20.2.8.1 of the Development Agreement – Developer Intentional Interference with Airport Activities to Great Hall Partners LLC (the “**Developer**”, and, the “**Owner Letter**”). Any references in this letter to the Development Agreement shall mean that certain Development Agreement, dated (and effective) as of August 24, 2017 (as subsequently amended, modified and/or supplemented, the “**Development Agreement**”), entered into by and between the Developer and the City and County of Denver, acting by and through its Department of Aviation (the “**Owner**”). Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Development Agreement.

Developer whole-heartedly disagrees with both the issuance and content of the Initial Breach Notice in respect of the removal of the temporary construction walls surrounding the finished terrazzo in Mod 2 on Level 5 West (the “**McCain Walls**”) in accordance with Developer’s Transition and Phasing Plan. A clear, accurate and straightforward recounting of the actual events surrounding the McCain Walls and the terrazzo is attached hereto as Exhibit A. As is clearly set forth in such Exhibit A, the Developer has clearly complied with its various obligations as set forth in the Contract Documents, including the noted provisions in the Owner Letter, and any allegations of purported non-compliance which may result in a Persistent Developer Breach are inaccurate and unfounded.



Developer reminds the Owner that a pre-condition for any notice provided pursuant to Section 20.2.8.1 is the existence of a breach of the Contract Documents set forth therein; the absence of such a breach, as is clearly the case in respect of the McCain Walls removal, simply renders the notice provided by Owner contractually ineffective. In addition, the Developer hereby reminds the Owner that any attempted termination of the Development Agreement for an alleged Developer Default which that is later determined to be unjustified shall constitute a Termination for Convenience which would entitle the Developer to receive the Termination Compensation contemplated in the Development Agreement. Lastly, the Developer expects the Owner to comply with all of its obligations under the Development Agreement, the failure of which may constitute the basis for compensation or other remedies available to the Developer pursuant to the Development Agreement.

Developer is available to discuss any questions or concerns regarding the content of this letter at your convenience.

[Signature Page Follows]



[Signature Page for Developer Response to Owner July 24, 2019 Initial Breach Notice Pursuant to Section 20.2.8.1 of the Development Agreement – Developer Intentional Interference with Airport Activities]

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Ignacio Castejon", written over a horizontal line.

Ignacio Castejon
Denver Great Hall, LLC
24735 E 75th Avenue, Suite 100
Denver, CO 80249-6340

Cc:
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EXHIBIT A



GHB_DA_GE_LTR_0420

July 26, 2019

Mr. Ignacio Castejon
Denver Great Hall, LLC
24735 E. 75th Avenue, Suite 100
Denver, CO 80249

Re: Response to Owner July 24 Letter Concerning Interference with Airport Activities

Dear Mr. Castejon,

Please immediately forward to the Owner.

Great Hall Builders is in receipt of the Owner's four (4) correspondences of July 24, including the referenced correspondence. These correspondences, issued on the eve of GHB submitting its various Claims on the Project, are nothing more than a clear effort by the Owner to distract from the real issues on the Project. As set forth in GHB's response to the Owner's July 24 letter concerning the fire in the Owner's escalators, which was caused in part by the Owner's lack of maintenance of its own equipment, the Owner's obvious motivation and warrants no further discussion.

Concerning the claimed "intentional interference," GHB cautions the Owner in its use of such terminology. As the Owner is no doubt aware, to allege that an entity has acted intentionally carries with it an assumption that actions taken by GHB were intended to deliberately harm the Owner. No such intention exists; GHB has, in fact, acted quite the opposite by continuously placing the Owner's needs at the forefront of decision-making, sometimes even to the ultimate detriment of GHB. For example only, as referenced in the Mod 2 Terrazzo TPP, the east side of that plan caters to needs of Southwest (as insisted upon by the Owner), and the west side of that plan caters to the needs of United (as insisted upon by the Owner). In both of these instances, the accommodations made for the airlines at the behest of the Owner reduces GHB's overall square footage of work areas that GHB had planned to perform with. GHB agreed to work in this manner in an effort to minimize airport disruption, despite the fact that performing work in this manner takes longer and has a detrimental impact on GHB's productivity.

GHB's Relief Event Claim 16 discusses the issues related to the terrazzo and the temporary walls in detail. GHB urges the Owner to review that Claim closely, as it is abundantly clear that the Owner's behavior with respect to the terrazzo has only made any interference worse.

The Owner is, essentially, complaining about the erection of a temporary wall covering half of three of the 18 baggage carousels on Level 5. Even still, all of the baggage claim carousels have remained operational.



GHB_DA_GE_LTR_0420

The only reason the temporary walls have not been removed is because of the Owner's admitted subjectively NCR 14. This was actually discussed in detail with the National Terrazzo and Mosaic Association just yesterday, when that professional organization acknowledged that the NCR was not based on any noncompliance of the Owner's specifications. Because the admittedly subjective NCR has not been voided, despite GHB's numerous requests, the terrazzo area cannot be turned over because this area is allegedly not in compliance with the Contract Documents. Below is an outline of GHB's ongoing efforts to work with the Owner concerning the Owner's subjective concern about the terrazzo, which efforts are more fully discussed in Relief Event Claim 16.

- A Terrazzo turnover plan was reviewed between GHB and the Owner to discuss the terms of turnover. It was ultimately agreed that GHB would apply the finish product (not in scope, but part of maintenance by Owner). Most recent revision to this plan is 02/25/19.
- Upon completion of an area, the area was walked by the Owner and GHB and a turnover checklist was completed and signed by both parties to confirm the areas matched the samples and were acceptable to beneficial use by the owner. The dates of these signed and transmitted documents are 02/27/19, 03/07/19, 04/04/19, 04/18/19, & 05/22/19.
- To date, 5 out of 6 areas have been turned over to the Owner.
- GHB was concerned about the Owner's lack of maintenance, and a letter was transmitted to the owner on 04/12/19. In this respect, it was noticeable that the areas where the old carpet has been substituted with the new Terrazzo have not been properly maintained. It appears that the Owner's maintenance subcontractor either do not have this work in their scope or lack of personnel and/or appropriate cleaning machines to perform this task.
- NCR was issued to GHB on 05/24/19.
- Manufacturer was brought on-site 05/29/19. They produced a letter on 06/12/19 confirming that their products and the installation process was all per specification.
- GHB and its subcontractor performed a demonstration of cleaning procedure to Owner's team.
- Owner requested a meeting with subcontractor to discuss cleaning procedures. GHB and its subcontractor offered another demonstration for Owner's maintenance subcontractor.
- GHB and its subcontractor performed another demonstration for the Owner and its maintenance subcontractor.
- GHB performed a mockup on 06/13/19. Post-mockup, ongoing discussions and meetings were held.
- In agreement with the Owner, NTMA performed an independent analysis on 7/25/19 and met with the parties afterwards to discuss initial findings.

The temporary walls can be removed as soon as the Owner takes over the area.

Even if the walls around the terrazzo that is the subject of the NCR were taken down, these same walls would have been put up in a different area in order to perform other terrazzo work in accordance with the TPP. So, it is really 6 in one hand and a half dozen in another.



GHB_DA_GE_LTR_0420

Not only has GHB followed the TPP for the terrazzo, GHB beat the initially submitted schedule by 2.5 weeks, which included unforeseen grinding work which GHB absorbed.

Any assertion that there is an inability to use baggage claims is unsupported. The baggage claims the Owner is referencing in its July 24 letter are in the west side of MOD 2 and are, in fact, able to be accessed and used. As shown below, the airline carrier is currently using this baggage claim.



Similar to the manufactured basis of “breach” regarding the escalators, there is simply no breach that has occurred.

Please contact me at your earliest convenience at (972) 623-7758 or by email at iperez@ferrovial.us if you have any questions.

Sincerely,

Ignacio Perez Jainaga
CEO
Great Hall Builders, LLC

July 24, 2019



Mr. Ignacio Castejon Hernandez - CEO
Denver Great Hall, LLC
24735 East 75th Avenue, Suite 100
Denver, CO 80249-6340

RE: Initial Breach Notice Pursuant to Section 20.2.8.1 of the Development Agreement – Developer’s Failure to Restore Escalators and Meet Safety Standards

Dear Mr. Castejon Hernandez,

On August 17, 2017, the City and County of Denver, through and on behalf of its Department of Aviation (the “**Owner**”) and Denver Great Hall LLC (“**Developer**”) (collectively the “**Parties**”) entered in to a Development Agreement for the Great Hall Project (the “**DA**”). Capitalized terms used, but not defined in this letter, shall have the meaning set forth in the DA. Nothing in this letter modifies or waives any rights or obligations in the DA.

On June 20, 2019, Developer caused a fire within the Construction Work Area. The fire was caused by Developer’s failure to take proper safety precautions for its hot demolition work. The fire damaged the Owner’s property and Developer’s failure to timely restore and recommission the affected escalators has continued to interfere with Airport Activities. Pursuant to Sections 4.1.1.1 and 4.5.2 of the DA, Developer is required to repair, restore and make good all injury and damage to the Work and any damage to the Owner’s property (including escalators TES-24 and TES-26 and the surrounding area) caused by Developer’s fire. Additionally, in Sections 4.1.2, 5.1.2 and 5.1.3 of the DA and Section I.5.6 of the Technical Requirements to the DA (the “**TR**”), Developer is required to schedule, manage and complete the Work in such a manner to minimize interference with the Airport Activities. Pursuant to Section 4.5.1, Developer is responsible for any damage caused to the Owner’s property and any disruption to Airport Activities caused by Developer.

Additionally, Developer is required under the DA to meet Safety Standards, which Appendix 1 of the DA defines as “provisions of the Technical Requirements that the Owner considers, in its good faith discretion, to be important measures to protect public safety or worker safety.” Pursuant to TR Section I.9, “Developer shall perform the Work in a manner that ensures the safety of all Users, including the public, Developer personnel, DEN employees and all Patrons in accordance with all applicable Laws and Safety Standards.” Additionally, TR Section I.10.13, Developer “shall perform the Work in a manner that minimizes the risk of damage, disturbance, or destruction of DEN property, Airport operations and third-party property and operations.”

On July 8, 2019, the Owner issued a letter directing Developer to immediately clean up and restore the damage caused by the fire in accordance with the requirements of the DA. Additionally, in every weekly meeting with Developer and its D&C Contractor since the incident, the Owner has voiced concerns about the impact of the fire on Airport Activities and has asked Developer multiple times to address the damage caused by the fire. Despite the Owner’s repeated requests, Developer refused to restore the damage done to the escalators for several weeks. Instead of immediately addressing the issue, Developer waited 28 days to begin the clean-up. Although Developer finally cleaned up the Owner’s property, the affected escalators



continue to be out of commission and unavailable to the traveling public during a time when the Airport is experiencing the highest rates of passenger traffic on record.

Additionally, despite receiving the Owner's letter voicing concerns about how Developer is conducting the demolition Work, Developer continues to engage in unsafe and unprofessional construction practices that put its workers and airport passengers at risk. During peak business hours on July 23, 2019, the Owner observed that Developer left an operational escalator pit adjacent to escalator TES-24 open and uncovered, allowing demolition debris to fall into the pit. At the time of this observation, this escalator was operational and open to the public, which raises serious safety concerns. This is the same type of unsafe construction practices that caused the fire in escalators TES-24 and TES-26. Given Developer's failure to address these issues, the Owner is deeply concerned that another incident may occur that endangers the traveling public.

Under Section 20.2.8 of the DA, the Owner may issue to Developer an Initial Breach Notice "[i]f Developer commits a breach of any of the provisions of the Contract Documents . . . that continues for more than twenty (20) consecutive days[.]" Today marks 33 days since the incident occurred and the affected escalators remain out of commission, which continues to disrupt Airport Activities. Additionally, by not covering the escalators while performance of the demolition work, Developer is failing to comply with relevant Safety Standards in performing the demolition Work. **In accordance with Section 20.2.8.1 of the DA, this letter serves as the Owner's Initial Breach Notice to Developer.** Developer's failure to timely restore and recommission the escalators is a breach of Sections 4.1.1.1, 4.1.2, 4.5.1, 4.5.2 and 5.1.3 of the DA and Developer's failure to perform the demolition Work in accordance with Safety Standards is a breach of TR Sections I.5.6, I.9 and I.10.13, which, if it recurs frequently or continues, may result in termination of this Agreement for Persistent Developer Breach.

Please immediately provide the Owner with Developer's plan to cure this issue.

[SIGNATURE PAGE FOLLOWS]

Signature Page: Initial Breach Notice Pursuant to Section 20.2.8.1 of Development Agreement - Restoration of Escalators

Sincerely,

**Michael
Sheehan**

 Digitally signed by Michael
Sheehan
Date: 2019.07.24 12:50:06 -06'00'

Michael Sheehan
Sr. Vice President, Special Projects
Denver International Airport

Cc: Xavier DuRán Cristal Torres
 Gisela Shanahan Everett Martinez
 Stephanie Minutillo Tiffanie Stasiak
 Max Taylor Yukiko Kojima
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July 25, 2019

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Re: Owner’s July 24, 2019 Response to Initial Breach Notice – Developer’s Failure to Restore Escalators and Meet Safety Standards

Dear Ms. Shanahan, Ms. Torres, and Mr. Sheehan:

This letter is in response to your letter, dated July 24, 2019, providing an Initial Breach Notice Pursuant to Section 20.2.8.1 of the Development Agreement – Developer’s Failure to Restore Escalators and Meet Safety Standards to Great Hall Partners LLC (the “**Developer**”, and, the “**Owner Letter**”). Any references in this letter to the Development Agreement shall mean that certain Development Agreement, dated (and effective) as of August 24, 2017 (as subsequently amended, modified and/or supplemented, the “**Development Agreement**”), entered into by and between the Developer and the City and County of Denver, acting by and through its Department of Aviation (the “**Owner**”). Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Development Agreement.

Developer whole-heartedly disagrees with both the issuance and content of the Initial Breach Notice in respect of certain purported failures by the Developer and its contractors to take proper safety precautions for its hot demolition work resulting in a fire, an alleged failure by the Developer to immediately clean up and restore the damage caused by the fire and other alleged general unsafe and unprofessional construction practices. A clear, accurate and straightforward recounting of the actual events that occurred in respect of the noted fire, the Contractor’s actions thereafter regarding clean-up and the Contractor’s otherwise compliance with its safety and professionalism obligations is attached hereto as Exhibit A. As is clearly set forth in such Exhibit A, the



Developer has clearly complied with its various obligations as set forth in the Contract Documents, including the noted provisions in the Owner's Letter and no breach has occurred.

Developer reminds the Owner that a pre-condition for any notice provided pursuant to Section 20.2.8.1 is the existence of a breach of the Contract Documents set forth therein; the absence of such a breach, as is clearly the case in respect of the matters contemplated herein, simply renders the notice provided by Owner contractually ineffective. In addition, the Developer hereby reminds the Owner that any attempted termination of the Development Agreement for an alleged Developer Default which that is later determined to be unjustified shall constitute a Termination for Convenience which would entitle the Developer to receive the Termination Compensation contemplated in the Development Agreement. Lastly, the Developer expects the Owner to comply with all of its obligations under the Development Agreement, the failure of which may constitute the basis for compensation or other remedies available to the Developer pursuant to the Development Agreement.

Developer is available to discuss any questions or concerns regarding the content of this letter at your convenience.

[Signature Page Follows]



[Signature Page for Developer Response to Owner July 24, 2019 Initial Breach Notice Pursuant to Section 20.2.8.1 of the Development Agreement – Developer’s Failure to Restore Escalators and Meet Safety Standards]

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ignacio Castejon", written over a horizontal line.

Ignacio Castejon
Denver Great Hall, LLC
24735 E 75th Avenue, Suite 100
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EXHIBIT A



GHB_DA_GE_LTR_0421

July 26, 2019

Mr. Ignacio Castejon
Denver Great Hall, LLC
24735 E. 75th Avenue, Suite 100
Denver, CO 80249

Re: Response to Owner July 24 Letter Concerning Restoration of Escalators

Dear Mr. Castejon,

Please immediately forward to the Owner.

Great Hall Builders is in receipt of the Owner's four (4) correspondences of July 24, including the referenced correspondence. These correspondences, issued on the eve of GHB submitting its various Claims on the Project, are nothing more than a clear effort by the Owner to distract from the real issues on the Project. For example:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- The Owner's attempt to avoid responsibility for its own informed (if not misguided) decision to place glossy, white terrazzo around high-traffic baggage claim areas where passengers are constantly picking up, rolling, and tossing around their baggage. For this, the Owner has issued an admittedly subjective non-conformance report that the National Terrazzo and Mosaic Association just yesterday called into serious question and that the installation was fully compliant.

These are but a few of the Claims that GHB has already submitted, and these are the real reasons the Owner issued the four (4) letters on July 24, 2019.

Further discussion on the obvious timing and motivation of the Owner's letter is not required.



GHB_DA_GE_LTR_0421

Concerning the restoration of the escalators raised by the Owner in the referenced correspondence, the Owner's letter omits a number of key facts. GHB provided the Owner with a detailed response concerning this fire also on July 24, 2019. Please see GHB_DA_GE_LTR_0416.

It is absolutely not correct that any breach, let alone a repeated breach, has occurred. As soon as GHB received the Owner's July 8 letter, GHB immediately met with the Owner, and all parties agreed on a path forward. Access to the area to perform the necessary work was not granted to GHB until a week after the meeting with the Owner, but again, as soon as GHB was provided access to the areas by the Owner's other contractor, the necessary work was immediately implemented. There is simply no support for the Owner's position that any sort of breach has occurred.

During the fire on June 20, 2019, which was caused in part by the Owner's own lack of maintenance and allowing grease to build up in its equipment, only escalator TES-26 was minorly damaged. The damage to TES-26 consisted of a burned cable to the tread sensor and a short in the circuit box.

There was no damage to TES-24. TES-24 was shutdown by ThyssenKrupp (TKE), under a contract TKE holds directly with the Owner, for better access to the TES-26 pit.

After receiving the July 8, 2019 letter directing GHB to clean up the escalator, a meeting was held July 10, 2019, and a follow up email was sent to agree to how the escalator was going to be repaired. This meeting was required because GHB had tried to explain to the Owner that the Owner's contractor, TKE, was required to actually perform the repairs due to union agreements and because of the Owner's ownership of the asset, which is not within GHB's scope of work for the Great Hall Project. GHB had already tried to explain these concepts to the Owner on multiple occasions, but it appeared after the July 10 meeting that the Owner finally appreciated the arrangements required by the Owner's separate contractor.

On the night of July 17, 2019 the work was executed per the instructions agreed to in the July 10, 2019 meeting. The repairs are complete, the escalators are functional, and TKE, as mentioned above, is waiting for a DFD inspection and permit before passengers are allowed to access the escalator.

On the night of July 17, 2019, TKE shutdown TES-26, and provided access to GHB to clean all of the fire extinguisher powder and TKE, the Owner's escalator maintenance contractor, repaired the damaged cable and short to the circuit box. GHB was not able to access and perform this repair work prior to July 17 because the Owner and TKE did not shut TES-26 down prior to that date to permit the repair work to be done.

To be clear, since the work was completed on the night of July 17, GHB has had no further responsibility for this issue. The TES-26 escalator runs. However, TKE is currently waiting for a Denver



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Fire Department inspection and subsequent permit to allow passengers to use the escalator. TKE's project manager for the Owner has confirmed, "[DFD] does have the application permit but has not reviewed/approved it yet. Once we [TKE] have the permit, DEN will have to schedule up their inspector to do the inspection before turning the escalator to service."

GHB could not disagree more with the Owner's characterization regarding how GHB schedules its work to minimize interference with Airport Activities. GHB has coordinated with the Owner on all construction activities thru submissions of Transition and Phasing Plans. See, e.g., AGTS demolition TPP approved by the Owner; weekly coordination meetings minutes of meeting, and weekly construction meeting minutes of meeting. GHB struggles to understand how the Owner can take the position that interference has not been minimized when the Owner micromanages GHB's work to such a degree. If GHB has interfered in Airport Activities, then the Owner itself is responsible for interfering with its own airport. That is the level of control that the Owner exercises over GHB's work.

In addition, any overt statement or insinuation that GHB has performed work in unsafe manner is patently false. GHB developed a safety program in accordance with the Rolling Owner Controlled Insurance Program (ROCIP). Inside of the ROCIP, GHB has established mechanisms to ensure work is planned in a manner that minimizes risk, damage, disruption, and destruction. For every subcontractor, the following steps are taken;

1. Approval of subcontractor's Site Specific Safety Plan (SSSP)
2. Internal Pre-mobilization meetings
 - a. Identify Scope, risk, hazards
 - b. Review Job hazard analysis, equipment
 - i. Including Inspections of Equipment
3. Employee Orientation
 - a. Focused on the project hazards and communicating all incidents to GHB
4. Pre-construction Meetings with the Owner and Developer
5. Daily Task Assessments/Daily Job Hazard Analysis (JHA) by subcontractor
6. Daily JHAs by GHB
7. Daily Hot Work permits developed by subcontractors and verified by GHB
8. Investigate incidents to implement changes in procedure to mitigate future incidents.

The work in question was discussed with the Owner during the pre-construction meeting (August 13, 2018), as the Owner is invited to all of the Pre-construction Meetings. At no time did the Owner state there was a concern with any part of the plan reviewed or the execution of the work. **Please see attached.**

There is no support for the Owner's accusation that GHB left an operational escalator pit adjacent to TES-24 open and uncovered. Not only are these escalator's outside of GHB's scope, none of GHB's staff



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is legally allowed to open and uncover an escalator pit. These type of unsupported accusations are serious and dangerous. Please immediately retract these accusations or provide support for these statements.

The incident regarding TES-26, which the Owner's own lack of maintenance contributed to, has been remedied, and GHB has been working over the escalators since the fire on June 20, 2019 without incident. Additionally, GHB has a **Recordable Incident Rate (RIR) of 1.68—almost half of the national rate, a Lost Time Injury Rate (LTIR) of 0.00, a Days Away, Restricted Duty, Transfer (DART) Rate of 0.56, and have only incurred \$0.007 per man-hour for the cost of injuries and illnesses since inception of the project. This is relevant because per Gallagher, GHB is has the lowest cost per incident of the Owner's contractors.**

As noted above, further discussion concerning the timing and motivation of the Owner's initial breach letters is not necessary. The actions of the Owner speak for themselves. No breach has occurred.

Please contact me at your earliest convenience at (972) 623-7758 or by email at iperez@ferrovial.us if you have any questions.

Sincerely,

Ignacio Perez Jainaga
CEO
Great Hall Builders, LLC

[Redacted]

Subject: Pre-Construction Meeting - Structural Demolition (Engineered Demolition)
Location: Room F

Start: Mon 8/13/2018 3:00 PM
End: Mon 8/13/2018 4:00 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: [Redacted]

Pre-Construction Meeting

- Structural Demolition
 - Engineered Demolition scope of work
 - Pre-con Agenda attached

SUBMITTALS

1. Review Submittal Log
2. Have all submittals required to start work have been approved?

-

RFI's

1. Review RFI Log and any critical RFI's prior to starting work.

-

SPECIFICATIONS

1. Specifications Sections:
2. Review of important topics in the Execution section of the specifications.

-

TESTING & INSPECTIONS

1. Review Special Inspection & 3rd Party testing requirements.
2. GHB Inspection Phase Process and Hold Points.

-

SCHEDULE

1. Review 3 Week Look Ahead

CONSTRUCTION COORDINATION

1. Review any coordination items prior to start of work.

-

SHUTDOWNS

1. Review shutdown requirements and site specific shutdowns

ACTION ITEMS

1. Action Items to prior to the start of work.

-

SAFETY

1. Safety Plan - submitted
2. JHA - submitted
3. Denver Hot Work Permit - submitted
4. Badging - in progress
5. Drug Screening - in progress
6. Orientation - in progress

Quality

1. Pre-Mobilization Checklist - meeting held 07/31
2. Spec Sections
024116 Structure Demolition
- Subs -
3. Testing - Special Inspections & QC Test
4. Inspection Process - Initial & Follow Up
5. Shutdown Process - in progress
SDR 399 - Escalator TES-09
6. Documentation - field daily reports, etc.

Action Item List - Coordination

- 1.
- 2.
- 3.
- 4.

PHASE: 1
PRECONSTRUCTION MEETING FOR: Engineered Demolition



- 1.6.E. Predemolition Conference: Conduct conference at location and time as determined by GHB DIA Project Manager:
1. Inspect and discuss condition of construction to be demolished.
 2. Review structural load limitations of existing structures.
 3. Review and finalize building demolition schedule and verify availability of demolition personnel, equipment, and facilities needed to make progress and avoid delays.
 4. Review and finalize protection requirements.
 5. Review procedures for noise control and dust control.
 6. Review procedures for protection of adjacent buildings.

Pre-Mobilization Checklist

1. All 2nd tier subcontractors signed on - NA
2. ROCIP/Badging/Drug Tests
3. Submittals
5. Pre-Construction Meetings

Material Delivery & Storage:

1. Work Plan
2. Traffic Closures - as per GHB
3. Storage

Note: Include info on storage requirements, temp. restrictions, etc.

Submittals & RFI's

1. Submittals
RFA #50.1: Work Plan
RFA #52: Equipment Loading
2. RFI's
RFI #41: shear wall opening
RFI #63: demo of level 7 slab

Tools / Equipment

- Spydercrane URW295
Spydercrane URW547
JLG E400 AJP 40' boom lift
FC5200 forklift

3 Week Look Ahead Schedule

Works	Date	Total duration (days)	8/6/18	8/7/18	8/8/18	8/9/18	8/10/18	8/11/18	8/12/18	8/13/18	8/14/18	8/15/18	8/16/18	8/17/18	8/18/18	8/19/18	8/20/18	8/21/18	8/22/18	8/23/18	8/24/18	8/25/18	8/26/18	8/27/18	8/28/18	8/29/18	8/30/18	8/31/18	9/1/18	9/2/18
			PHASE 1																											
LEVEL 5																														
SUB Plaza North - 11A & 11B																														
Transfer Beam Double T Demo																					x	x			x	x	x	x	x	
LEVEL 6																														
SUB West Tenant Spaces/Restaurants - 11A & 11C																														
Tenant Space Structural Demo Ceiling Slab																														
SUB East Tenant Spaces/Restaurants - 11B & 11D																														
Tenant Space Structural Demo Ceiling Slab																														
SUB North Bridge - 11A & 11B																														
North Bridge Escalator Removal																														



Pre-Construction Meeting

Structural Demolition

Subcontractor: Engineered Demolition



Summary

- General Introductions
- Safety
- Equipment Delivery and Storage
- Submittals
- RFIs
- Testing and Inspections
- Schedule
- Shutdowns

Summary

- **General Introductions**
- Safety
- Equipment Delivery and Storage
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- Schedule
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Pre-Con Meeting Hand-Out



- SAFETY**
1. Safety Plan - submitted
 2. JHA - submitted
 3. Denver Hot Work Permit - submitted
 4. Badging - in progress
 5. Drug Screening - in progress
 6. Orientation - in progress

- Priority**
1. Pre-Mobilization Checklist - meeting held 07/31
 2. Spec Sections
- 024116 Structure Demolition
- Subs -**
3. Testing - Special Inspections & QC Test
 4. Inspection Process - Initial & Follow Up
 5. Shutdown Process - in progress SDR 399 - Escalator TES-09
 6. Documentation - field daily reports, etc.

- Action Item List - Coordination**
- 1.
 - 2.
 - 3.
 - 4.

PHASE: 1
PRECONSTRUCTION MEETING FOR: Engineered Demolition



- Pre-Mobilization Checklist**
1. All 2nd tier subcontractors signed on - NA
 2. ROCIP/Badging/Drug Tests
 3. Submittals
 5. Pre-Construction Meetings

- Material Delivery & Storage**
1. Work Plan
 2. Traffic Closures - as per GHB
 3. Storage
- Note: Include info on storage requirements, emp. restrictions, etc.

- Submittals & RFIs**
1. Submittals
 RFA #50.1: Work Plan
 RFA #52: Equipment Loading
 2. RFI's
 RFI #41: shear wall opening
 RFI #63: demo of level 7 slab

- Tools / Equipment**
- Spydercrane URW295
 - Spydercrane URW547
 - LG E400 AJP 40' boom lift
 - FC5200 forklift

3 Week Look Ahead Schedule

		Total duration (days)	8/6 18	8/7 18	8/8 18	8/9 18	8/10 18	8/11 18	8/12 18	8/13 18	8/14 18	8/15 18	8/16 18	8/17 18	8/18 18	8/20 18	8/21 18	8/22 18	8/23 18	8/24 18	8/25 18	8/26 18	8/27 18	8/28 18	8/29 18	8/30 18	9/1 18	9/2 18
Words																												
PHASE 1																												
LEVELS																												
SUB	Pizza Nook 11A & 11B																											
	Transfer Beam Double T Demo																				x	x			x	x	x	x
LEVELS																												
SUB	West Tenant Spaces/Restrooms 11A & 11C																											
	Tenant Space Structural Demo Ceiling Slab																											
SUB	East Tenant Spaces/Restrooms 11B & 11D																											
	Tenant Space Structural Demo Ceiling Slab																											
SUB	North Bridge 11A & 11B																											
	North Bridge Escalator Removal																											

Summary

- General Introductions
- **Safety**
- Equipment Delivery and Storage
- Submittals
- RFIs
- Testing and Inspections
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- Shutdowns

Safety

- Documents submitted to GHB
 - Site Specific Safety Plan (SSSP)
 - Job Hazard Analysis (JHA)
 - Denver Hot Work Permit
 - Work Plan – Methods of Procedure

*comments will be addressed by 08/15



Safety

- ROCIP - completed
- Drug Screening - completed
- Orientation - completed
- Badging - completed

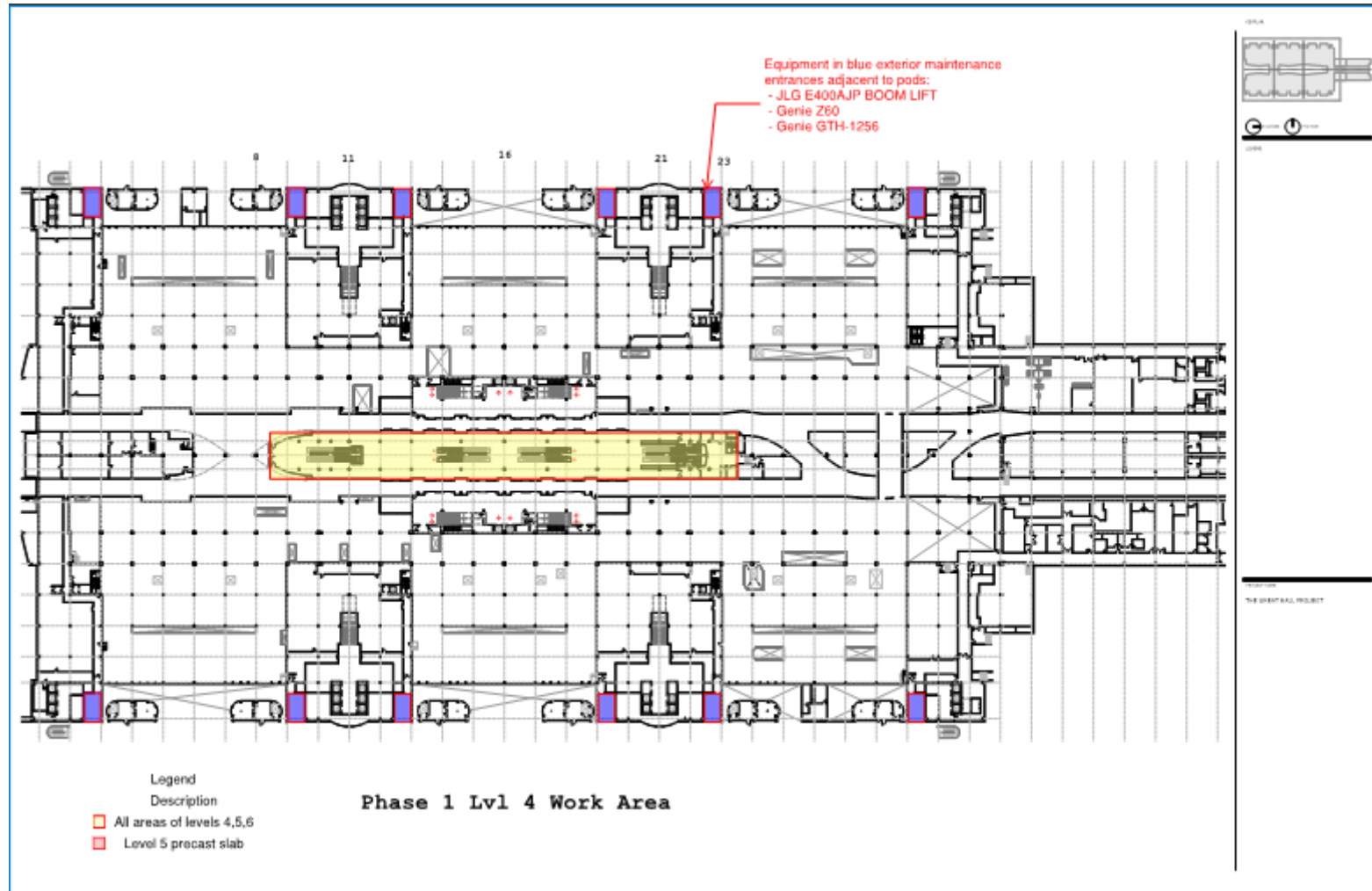
Summary

- General Introductions
- Safety
- **Equipment Delivery and Storage**
- Submittals
- RFIs
- Testing and Inspections
- Schedule
- Shutdowns

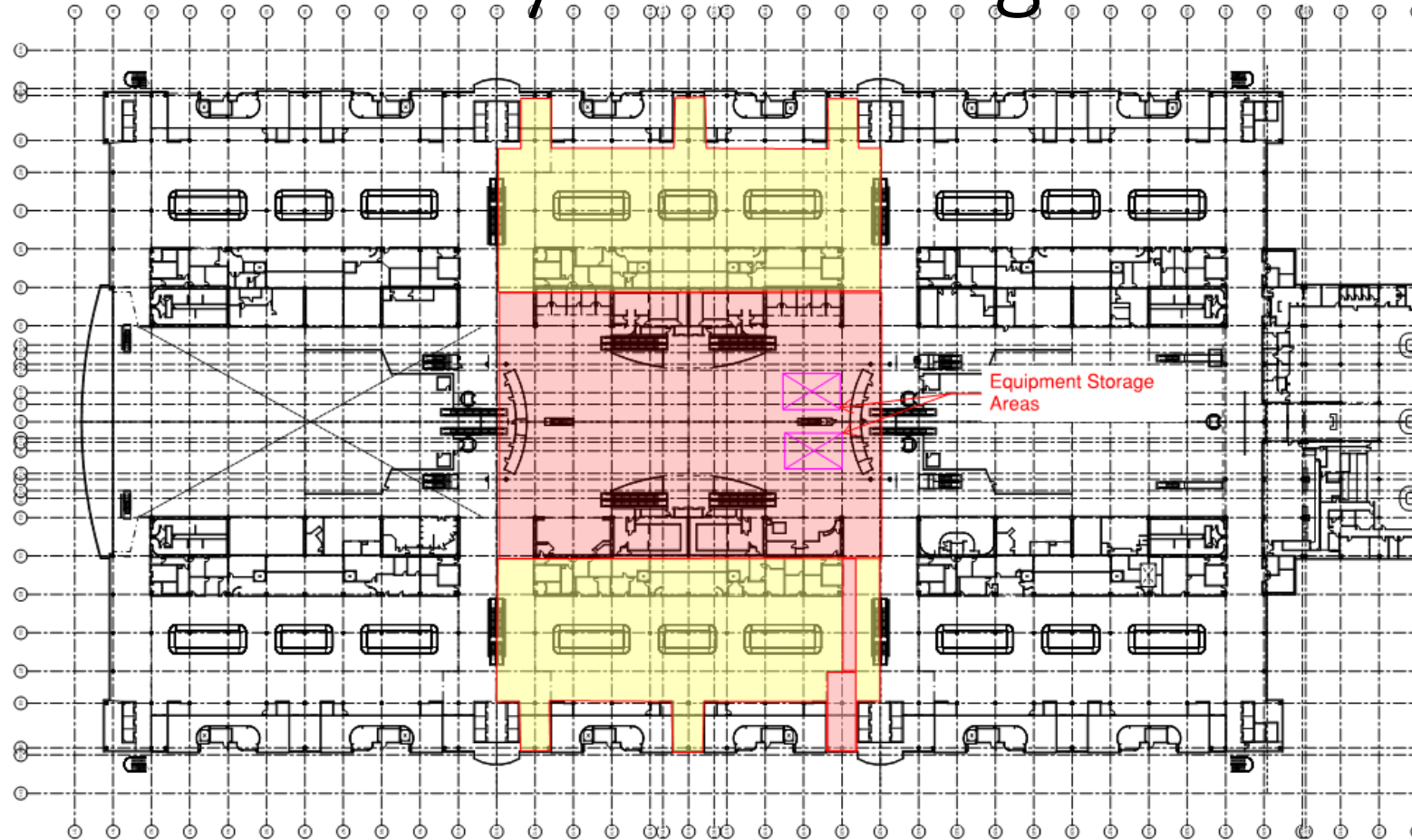
Equipment Delivery and Storage

- RFA #52
 - Equipment loading on existing slabs
 - Answer with recommendations is expected by 08/14/2018
- Fire Watch Plan – submitted to DFD 07/16 - approved
 - Equipment Storage Area
- Traffic Management Plan
 - Closures will be done as per GHB TMP

Equipment Delivery and Storage



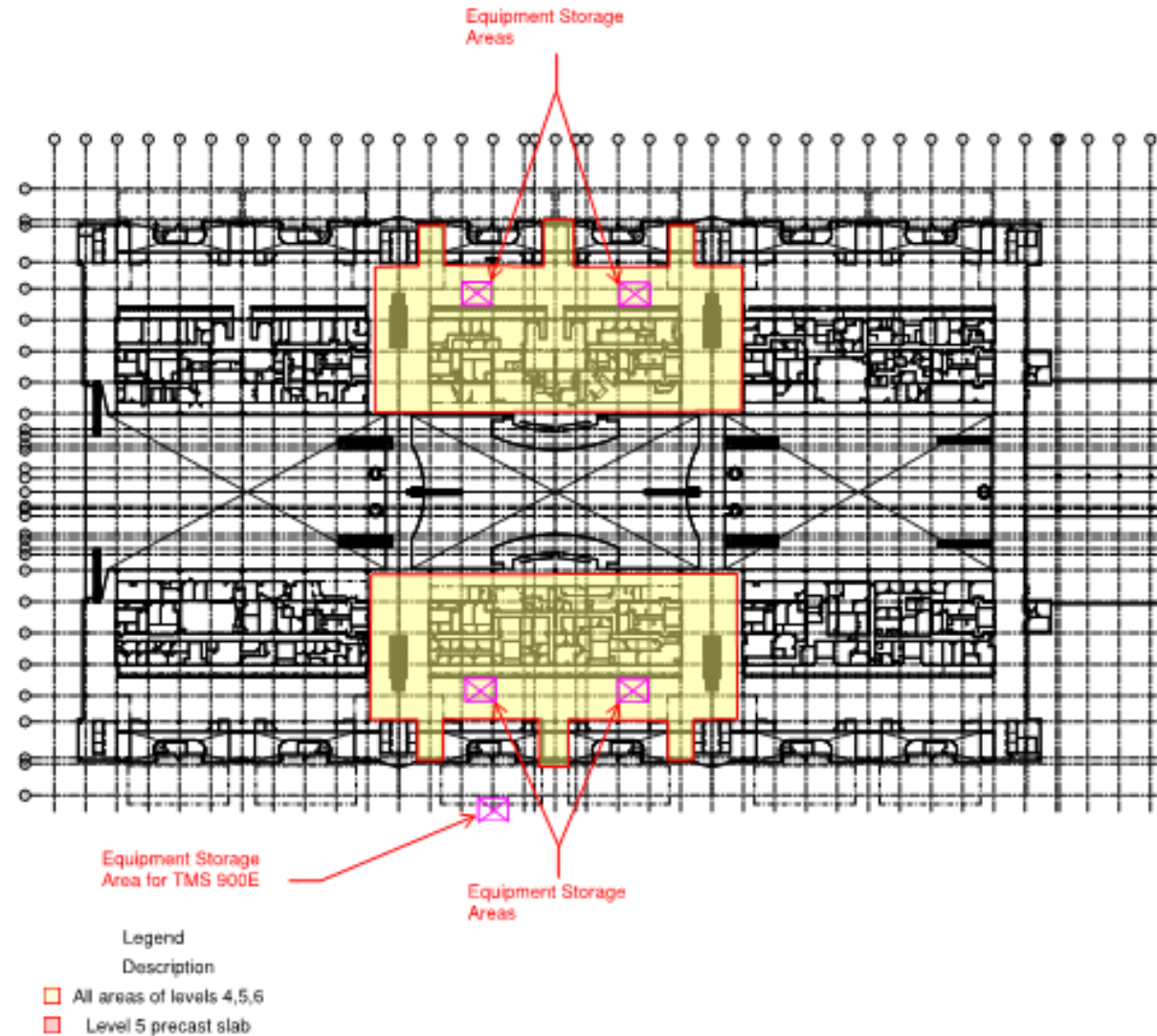
Equipment Delivery and Storage



- Legend
Description
- All areas of levels 4,5,6
 - Level 5 precast slab



Equipment Delivery and Storage



Summary

- General Introductions
- Safety
- Equipment Delivery and Storage
- **Submittals**
- RFIs
- Testing and Inspections
- Schedule
- Shutdowns

Submittals

024116 - Structure Demolition

- A. Qualification Data – sent via ACONEX
- B. Proposed protection, dust control and noise measures – Demo Work Plan submitted, comments will be addressed by 08/15
- C. Schedule – to be submitted by 08/15/2018
- D. Pre-demolition Photographs – prior starting demo in any area
- E. Landfill Records – tickets will be submitted monthly
 - A. Bone Yard concrete disposal set up with DEN - completed

Submittals

- Structural Demolition Permit pulled by EDI on 08/10
- RFA #50 and #50.1
 - Phase 1 Structural Demolition Work Plan and Shoring Plans stamped by PE sent to EOR (MM) for approval
 - MM approved as noted on 08/10
- RFA #52
 - Equipment loading on existing slabs
 - Answer with recommendations is expected by 08/14/2018

Summary

- General Introductions
- Safety
- Equipment Delivery and Storage
- Submittals
- **RFIs**
- Testing and Inspections
- Schedule
- Shutdowns

RFI

- RFI#41
 - Request of study of new opening in shear wall (6'3"x5') – answered 08/02
- RFI #63
 - Demolition of tenant spaces steel deck concrete slab – answered 07/29

Summary

- General Introductions
- Safety
- Equipment Delivery and Storage
- Submittals
- RFIs
- **Testing and Inspections**
- Schedule
- Shutdowns

Testing and Inspections

024116 - Structure Demolition

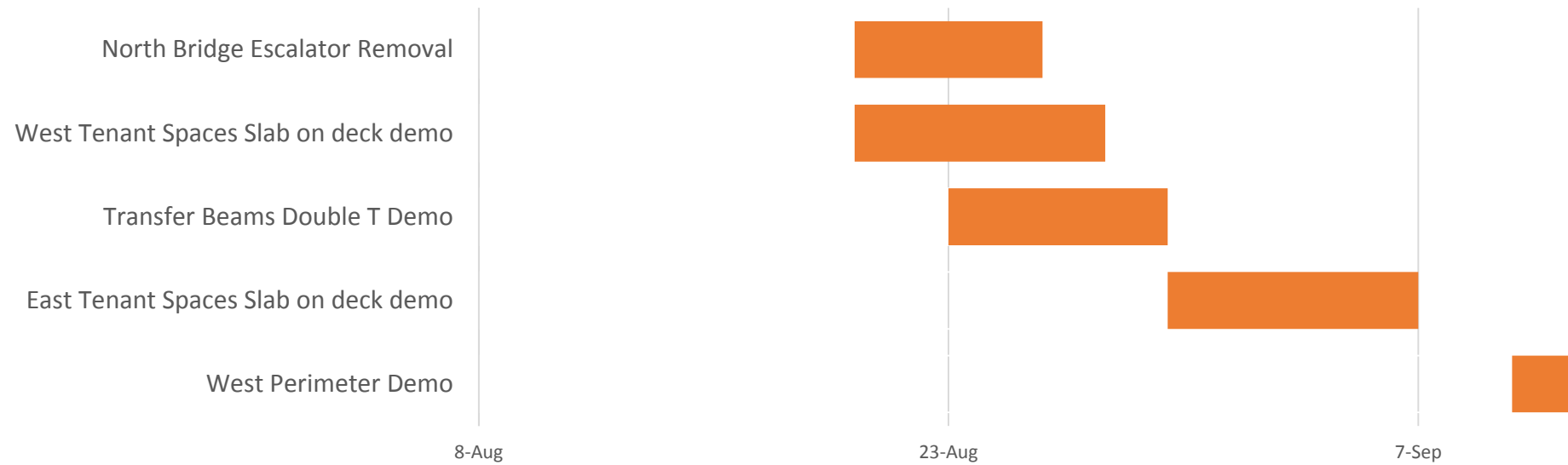
- *3.5.B. Engineering Surveys: During demolition, perform surveys to detect hazards that may result from building demolition activities.*
- Martin Martin will be performing the engineering survey as part of contract administration.
- GPR will be performed by Engineered Demolition.

Summary

- General Introductions
- Safety
- Equipment Delivery and Storage
- Submittals
- RFIs
- Testing and Inspections
- **Schedule**
- Shutdowns

Schedule

- 3-week Look Ahead:



Summary

- General Introductions
- Safety
- Equipment Delivery and Storage
- Submittals
- RFIs
- Testing and Inspections
- Schedule
- **Shutdowns**

Shutdown

- North Escalator shut down request
 - SDR399 – Escalator TES-09
- Shut downs will be done prior to MEP demolition
- Next steps: SDR for demolition prior to transfer beams installation

