

July 14, 2025

Dear Willco Investors,

We are writing to share an update with you about recent Orders that were entered by the Larimer County District Court, in the Spirit Hospitality Receivership matter.

Please review the attached forms/documents? to this letter. They relate to an organized claims process that has been approved for Spirit Hospitality, LLC.

We are preparing for this process and intend to share more information with every one of you soon but did not want to delay having you review these recent Court rulings.

Please be on the lookout for additional information and communications. In the meantime, you may communicate with the Receiver and its team at any time through the following contact information. *The email address is to be used specifically for claims submission and follow-up communications regarding claims only.*

The Receiver Group, LLC

Ryan Gulick, Heather Nagle

Spirit Claims

PO Box 101343, Denver CO 80250

Spiritclaims@thereceivergroup.com

(303) 928-1100

Date). A hearing was held on May 12, 2025, at which the Court took evidence and argument. The Court deferred ruling on the issue of the claims process and bar date.

The parties have indicated that no one is seeking dissolution of Spirit Hospitality at this time.

The parties conferred on a claims process. The Court has reviewed the submissions and issues this Order explaining its reasoning, along with a separately filed order setting forth the specifics of the claims process and bar date.

“The Receiver is charged with the duty of managing the estate and property entrusted to his care. It must collect and preserve corporate property from imminent danger of loss, waste or dissipation and administer the receivership free from outside interference with estate property.” *Eller Industries, Inc. v. Indian Motorcycle Mfg., Inc.*, 929 F. Supp. 369, 372 (D. Colo. 1995) (citing *Savageau v. J & R.A. Savageau, Inc.*, 285 P.2d 810, 813 (Colo. 1955)). The Receiver holds funds it accumulates for distribution to the party whom the court ultimately finds is entitled to them. *Application of Northwestern Mut. Life Ins. Co.*, 703 P.2d 1314, 1317 (Colo. App. 1985).

The setting of a claims process, and the contours of such a process, have been recognized by the pre-eminent treatise on receiverships. 1 Ralph E. Clark, *A Treatise on the Law and Practice of Receivers* §§ 755–768 (1st ed. 1918). *Clark on Receivers* has been cited with approval by Colorado courts. See, e.g., *George N. Sparling Coal Co. v. Colorado Pulp & Paper Co.*, 299 P. 41, 42 (Colo. 1931); *K-Partners III, Ltd. v. WLM Hospitality Corp.*, 883 P.2d 604 (Colo. App. 1994).

The Order for Appointment of a Receiver authorizes the Receiver to conduct the affairs of the Receivership Estate, including to investigate and settle claims against the Receivership Entity. Order ¶ 7.

At hearing, Mr. Butterfield raised a concern that the appointed Receiver has a conflict of interest and cannot administer a claims process because Mr. Butterfield had previously raised claims (now asserted counterclaims) against the Receiver for his work as a receiver.

The Receiver here is not conflicted as to the pre-receivership claims. There is no allegation that he has a claim against Spirit Hospitality or that he is likely to receive assets from the Receivership Estate based on the claims process (other than the administrative fees generated by court order). No conflict of interest exists as to the pre-receivership claims. The Receiver will not be adjudicating the counterclaims against him through the claims process.

Further, the cost and delay associated with utilizing another claims administrator is not in the best interests of the claimants as it will further deplete the Receivership Estate without any added benefit.

The parties were ordered to confer and did confer regarding a potential stipulated claims process. The major disagreements regarding the claims process were in regard to: (1) whether to include an explicit “opt out” provision in the order and (2) whether to include a payout (“Waterfall”) procedure.

As to the first issue, the Court has not included language which explicitly allows for a claimant to “opt out.” The reason is because the claims process itself functions as an “opt in” scheme in which an individual with claims against Spirit will not have their claims adjudicated (and paid out) if they do not file a claim. The benefit for the claimants of filing a claim through this process is to get their claims resolved (and hopefully paid) quickly while limiting the administrative costs. If a claimant elects not to file a claim, he need not notify anyone; he will, by virtue of the process, be opted out of the claims process (and not entitled to collect through the process). The risk for the claimant that does not “opt in” is that if he later brings a claim against Spirit or files a suit after the claims process is concluded, he may be unable to collect because Spirit’s funds have all been distributed to others. 1 Ralph E. Clark, *A Treatise on the Law and Practice of Receivers* § 759 (1st ed. 1918) (“Without a statute a court of equity has no power to make an order absolutely barring creditors from participating in the fund. When once distributed, however, after reasonable notice being given to the creditors to present their claims, of course those who did not present their claims were cut off because the money was already distributed.”).

The need to provide notice of the right to “opt out” is therefore unnecessary because the claims process is an opt in scheme. Requiring an “opt out” notice may cause unnecessary confusion for potential claimants.

Instead, the Court has included some additional language clarifying that if a claimant does not file a claim, his claim will not be adjudicated through the process, and

he may not receive compensation. Whether he chooses to do so, then, is entirely up to him.

As to the second issue, the Court has established a middle ground between the two positions. The Court agrees that it is somewhat premature to set the payout schedule because the Court does not yet know (1) what the income from the sale of the properties will yield (or any other liquid assets of the Receivership Estate that may be distributed to claimants) and (2) how many valid claims there are and the total value of the claims.

Nonetheless, the Court agrees that some process is necessary to provide guidance to the Receiver regarding the resolution of the payment of the claims. Accordingly, the Court has set a process for establishing a payout structure once the actual claims are known.

Based on the above, the Court has determined that a claims process and bar date is authorized and necessary to resolve outstanding claims against the Receivership Estate.

The “Order to Present and File Claims, And Setting Bar Date” is filed concurrently with this Order.

DATED: July 9, 2025

BY THE COURT:

A handwritten signature in cursive script, appearing to read "Laurie K Dean", written in dark ink.

Laurie K Dean
District Court Judge

**DISTRICT COURT, LARIMER COUNTY,
STATE OF COLORADO**
201 LaPorte Ave, Suite 100
Fort Collins, Colorado 80521
Telephone: (970) 494-3500

Plaintiffs:
KRISTEN MARIE ALBRECHT, an individual,
MARCIE MCMINIMEE, as the Personal
Representative of THE ESTATE OF WILLIAM G.
ALBRECHT, and derivatively on behalf of SPIRIT
HOSPITALITY, LLC,

v.

Defendants:
ALAN BUTTERFIELD, BRYAN SWANSON, AND
SPIRIT HOSPITALITY, LLC

**Crossclaim Plaintiff, Counterclaim-Plaintiff, and
Third-Party Plaintiff:**
ALAN BUTTERFIELD

v.

**Crossclaim-Defendants, Counterclaim-Defendants,
and Third-Party Defendants:**
KRISTEN MARIE ALBRECHT, individually;
ESTATE OF WILLIAM ALBRECHT, by and
through KRISTEN MARIE ALBRECHT as the
former Personal Representative of the Estate of
William G. Albrecht and MARCIE MCMINIMEE as
the current Personal Representative of the Estate of
William G. Albrecht; PA PARTNERS, LLC; SPIRIT
HOSPITALITY, LLC; THE RECEIVER GROUP
LLC; RYAN GULICK; WILLCO VII
DEVELOPMENT, LLLP; and WILLCO XIV
DEVELOPMENT, LLLP

DATE FILED
July 9, 2025 5:44 PM
CASE NUMBER: 2024CV30653

▲ COURT USE ONLY ▲

Case Number: 2024CV030653
Div.: 4C

ORDER TO PRESENT AND FILE CLAIMS, AND SETTING BAR DATE

The Court, upon the verified motion of The Receiver Group, LLC, as Receiver, and being sufficiently advised in the Premises, hereby Orders as follows:

A. Scope of this Order

1. This Order is limited to claims brought against Spirit Hospitality, LLC (“Spirit”).
2. This Order further is limited to claims arising prior to the date of the appointment of the Receiver which is November 4, 2024 (“Pre-Appointment Claims”).
3. Any other claims against the Receiver or Spirit shall be brought in this Courtroom including, but not limited to, any claims arising beginning on November 4, 2024 and thereafter (“Post-Appointment Claims”).
4. Failure to file a claim with the Receiver by the bar date may result in the claim not being adjudicated, and the claimant not being compensated, through the process.

B. Filing of Information

5. Pre-Appointment Claims shall be filed with the Receiver at the following:

The Receiver Group LLC
Spirit Claims
P.O. Box 101343
Denver Colorado 80250
(with a copy to Spiritclaims@thereceivergroup.com)
6. Claimants provide information identifying the claimant and give the Receiver contact information of the claimant, including the following:
 - a. Complete names of all claimants;
 - b. Addresses of all claimants;
 - c. Telephone numbers of all claimants;
 - d. Email addresses of all claimants.

7. Claimants may file their claims with the Receiver on their own behalf without engaging an attorney. The claimant shall state whether the claimant has engaged an attorney to represent the claimant and, if so, the full identity of, and contact information for, the attorney.

8. Claimants whose claims are unliquidated may estimate their claims, subject to amendment later.

9. The claimant shall specify the interest the claimant claims against Spirit, and attach true and correct copies of the documents and instruments supporting the claim.

10. The claimant shall specify the date the claim arose.

11. The claimant shall state the exact amount, components, and nature of the claim as it existed on November 4, 2024 (the date the Receiver was appointed), which claim remains unpaid today.

12. The claimant shall provide a description of the nature and value of any offset or counterclaim.

13. The claimant shall specify the preference, security, and priority status of the claim.

14. The claimant shall specify whether the claim bears interest, late fees, penalties, or attorneys' fees, and provide all supporting documentation regarding the same.

15. If the claim is supported by a note or similar debt instrument, the claimant shall provide a detailed ledger calculated no less often than monthly demonstrating how the balance under the note or debt instrument was funded, together with evidence of the cash used to fund the note or debt instrument, and the ledger shall disclose all advances made under the note or debt instrument, and all payments made on the note or debt instrument. Upon request by the

Receiver, the claimant shall be required to provide support documentation for every entry on the ledger. The Receiver is authorized to waive this requirement if it is shown to be burdensome.

16. A claimant shall state whether it has commenced any type of action against Spirit including a legal action, administrative action, foreclosure action, or other judicial or quasi-judicial proceeding (an “Action”). If the claimant has commenced an Action, the claimant shall specify the court, agency, or venue, and case number, and specify whether the claimant has received a judgment, order, or other disposition against Spirit.

17. If the claimant has brought an Action against Spirit that has not been reduced to judgment or has not otherwise been subject to final disposition, before filing a claim, the claimant shall dismiss the Action and shall certify that such claim has been dismissed, either with or without prejudice before being allowed to file a claim in this Action. A claimant that persists in pursuing an Action against the Spirit shall have its claim denied and disallowed by this Court, and shall not be allowed to participate in distributions from the Receivership Estate.

18. Claimants shall submit claims to the Receiver, not this Court, substantially in the form attached to the Motion as Exhibit 1.

C. Bar Date

19. All Pre-Appointment claims shall be filed with the Receiver within 90 days of the date of this Order (“Bar Date”).

D. Notice

20. Notice of this claims process shall be provided to all known and potential claimants. The Receiver shall review Spirit Hospitality’s records and send notice to any possible creditor of the Company.

E. The Receiver's Report and Recommendation Concerning Pre-Appointment Claims

20. Within 60 days after the Bar Date, the Receiver shall submit a special report to the Court making a recommendation on approving or disapproving each claim submitted, and recommending whether this Court should allow or disallow each claim. The Receiver's report shall include, among other things, a synopsis of each claim.

21. The Receiver shall assemble and organize all claims in a common sense grouping in order to make the best use of the Court's time. The Receiver shall objectively present a recommendation to the Court on each claim.

22. After such report, any party affected by the Receiver's recommendation may file a response within 21 days of the Report. Any party may reply to a response within 14 days of the response. If necessary, the Court may allow discovery and hold an evidentiary hearing to resolve any disputed claims.

23. Claimants reserve and maintain their rights to appeal any Court determinations per the Colorado Rules of Civil Procedure and the Colorado Rules of Appellate Procedure.

F. Payment Proposal

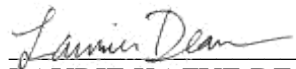
24. Within 35 days following the Court's adjudication of all Pre-Appointment and Post-Appointment Claims, the Receiver shall submit a special report to the Court making a recommendation for paying the Pre-Appointment and Post-Appointment claims the Court has approved. This report shall include both an accounting of available funds and a proposal for payments.

25. After the Receiver makes its Payment Recommendation, any party affected by the Receiver's Recommendation may file a response to it within 21 days of the Payment

Recommendation. Any party may reply to a response within 7 days of the response.

Done this 9 day of July, 2025.

BY THE COURT

A handwritten signature in cursive script, reading "Laurie Kazue Dean", written in dark ink.

LAURIE KAZUE DEAN
District Court Judge