



ICENOGLA SEAVER POGUE

December 4, 2020

VIA ELECTRONIC UPLOAD

El Paso County
Planning and Community Development
2880 International Circle
Colorado Springs, CO 80910

Attn: Kari Parsons

Re: Letter of Intent Concerning Formation of Cloverleaf Metropolitan District

Dear Sir/Madam:

On behalf of PT Cloverleaf, LLC (the “Applicant”), we are submitting this letter of intent to form a Title 32 metropolitan district in El Paso County (the “County”) to be known as “Cloverleaf Metropolitan District” (the “District”). The boundaries of the District contain 37.219 acres of undeveloped land currently owned by the Applicant and situated in the northern part of the County near the northeast corner of Jackson Creek Parkway and Higby Road, northwest of Cloverleaf Road and surrounded by existing residential development on three sides. The District will contain residential property and is proposed to include 141 single family residential homes.

We respectfully request consideration of the Service Plan for the District by the Planning Commission and then the Board of County Commissioners.

A. Purpose of the District

The District will be organized to provide, finance, construct, own, manage, and operate public improvements, infrastructure and services related to the development of the residential subdivision to be known as “Cloverleaf”. The District will have the power and authority to provide the public improvements and related operation and maintenance services as such power and authority is described in the Special District Act, and other applicable statutes, common law and the Constitution, including, but not limited to, the following: water, sanitation, storm drainage, street and roadway improvements, transportation improvements, traffic and safety controls, parks and recreation improvements, mosquito control, fire protection, television relay and translation facilities, covenant enforcement, security services and solid waste disposal.

The overall need for creation of this District is that there are currently no other governmental entities located in the immediate vicinity of the District that consider it

desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Cloverleaf. The proposed Cloverleaf Metropolitan District is already within the boundaries of the Woodmoor Water and Sanitation District No. 1 (“WWSD”). WWSD is expected to be the water and sewer provider for the District and the District will convey the water and sewer infrastructure to WWSD; however, WWSD has confirmed in correspondence dated December 3, 2020 attached hereto that is unable to provide for or fund the cost of the public improvements to connect to its system and thus creates the need for the District. Formation of the District is therefore necessary in order to provide the public improvements required for the Cloverleaf Subdivision in the most economic manner possible by spreading the costs of the public improvements among those property owners who will benefit from the public improvements being constructed.

The public improvements that the District intends to finance and construct within the Cloverleaf subdivision include, but are not limited to, a sanitary sewer collection system, a water distribution system with fire hydrants, relocation of existing non-potable (irrigation) water main, storm water quality and detention ponds with associated storm sewer, street improvements consisting of grading, base course, curb and gutter, and asphalt paving, streetlights, landscaping, perimeter fencing, an entrance monument, open space and a public gravel trail system.

B. Justification

The District will generate the majority of the tax revenue sufficient to pay the costs of the public improvements and create several benefits for the residents of the Cloverleaf subdivision and the County. In general, those benefits are: (a) administration of the design, acquisition, installation, construction, financing, operations, and/or maintenance of public improvements, and delivery of those public improvements in a timely manner; (b) maintenance of a reasonable tax burden on all residents of the district through proper management of the financing and operation of public improvements; and (c) assurance that public improvements required by the County are designed, acquired, installed, constructed, financed, operated, and/or maintained in a timely and cost effective manner by which to protect residents, bondholders, and the County from the risk of development.

C. Development and Financial Plans

The property comprising the District is owned by PT Cloverleaf, LLC and is currently undeveloped. The Service Plan contains an estimate of the total cost of the Public Improvements in the amount of \$7,711,462, in year 2020 dollars. This cost estimate was prepared by Developer representatives. The financing model attached to the Service Plan is an example of the manner in which the District may finance those public improvements. It is anticipated that the provision of public facilities and services by the District will be primarily financed by the issuance of bonds, secured by the District’s *ad valorem* taxing authority. This model demonstrates that the District is capable of providing sufficient and economic service within the Project, and that the District has or will have the financial ability

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to discharge the District's debt on a reasonable basis. Prior to the issuance of any debt, costs for public improvements may be paid by the Applicant and subsequently reimbursed to the Applicant by the District. The amount of debt issued by the District to finance the public improvements will be in accordance with the limitation of the approved Service Plan.

D. Justification for District Formation in conjunction with Land Use Approval Process

The Applicant wishes to seek approval of the formation of the District contemporaneously with the County's consideration of the underlying land use applications. The property comprising the District is currently zoned RS-20000, and the Developer has requested to rezone the property to RS-5000 with a 5,000 square foot minimum lot size. In June of 2020, the Developer submitted a rezoning and Preliminary Plan application to the County, and the second submittal was made September 15, 2020. Final Plat and construction documents will be submitted to the County in the fourth quarter of 2020. The Developer is requesting that the County consider the District's formation in conjunction with the land approval process so that following the organizational election which will be held in May of 2021, the District can then move forward with public financing to fund the public improvements that will be constructed in accordance with the approved development plan.

E. Compliance with County Master Plan

The land use proposed for the property within the District is in general conformance with the policies of the County Master Plan including applicable Small Area Plans or there has been a substantial change in the character of the neighborhood since the land was last zoned. Specifically, the following policies contained within the County Master Plan are relevant to the Cloverleaf subdivision proposed for the property within the District:

- **Policy 6.1.3:** Encourage new development which is contiguous and compatible with previously developed areas in terms of factors such as density, land use and access.
- **Policy 6.1.13:** Encourage the use of carefully planned and implemented clustering concepts in order to promote efficient land use, conservation of open space and reduction of infrastructure costs.
- **Policy 6.1.7:** Encourage infill development which complements existing uses, is consistent with Small Area and other adopted plans.
- **Policy 6.1.8:** Encourage incorporating buffers or transitions between areas of varying use or density where possible.
- **Policy 6.1.11:** Plan and implement land development so that it will be functionally and aesthetically integrated within the context of adjoining properties and uses.
- **Policy 6.4.4:** Encourage new rural residential subdivisions to be located within or contiguous with existing rural residential areas or to be incorporated as a buffer between higher density and undevelopable areas.
- **Policy 13.1.1:** Encourage a sufficient supply and choice of housing at varied price and rent levels through land development regulations.

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- **Policy 13.1.2:** Support the provision of land use availability to meet the housing needs of county residents.

The proposed Cloverleaf subdivision within the District’s boundaries is consistent with the foregoing policies of the County Master Plan which encourages infill development that complements existing uses. In addition, the Woodmoor Open Space Coalition (“WOSC”) was formed by a group of local residents with the intent of purchasing undeveloped tracts in this area as public open space use from the current owners, the Gary E Walters Trust and the Walters Family Partnership LLLP (collectively, the “Walters Family”). The Walters Family agreed to the sale of seventy (70) acres as open space, provided at least 30 acres were developed for residential lots. In order to raise the funds for this land purchase, WOSC will simultaneously sell small portions of the open space to individual adjacent lot owners as extension of their lots. The combination of the Cloverleaf subdivision with the WOSC open space purchase enables the conservation of a substantial area of open space for the benefit of the surrounding neighborhood.

The County’s Master Plan encourages a variety of housing options that allow for a balance of mutually supportive land uses in a more urban area of the County. The proposed RS-5000 zoning will provide a transition from the lower density ½ acre residential lots to the west and north, and the higher density townhome development to the south and east and will not result in any problems or conflicts. The subdivision design also incorporates open space buffers to the east and north and a 3.83-acre buffer tract to the west, which includes a 1.76-acre detention pond and a 30-foot-wide trail tract adjacent to the existing ½ acre lots to the west.

Small Area Plan

The property within the District’s boundaries is located within the area also covered by the 2000 Tri-Lakes Comprehensive Plan (“Tri-Lakes Plan”). The development is within Sub-Area 7, Woodmoor, which is identified as an area for medium density residential development. Most of the Woodmoor Sub-Area is zoned for single-family development, with areas zoned for multi-family and commercial development. The Tri-Lakes Plan indicates that most new development with this Woodmoor Sub-Area is infill, as the Woodmoor Sub-Area is nearly built out. The proposed rezoning to RS-5000 will facilitate infill development and is consistent with the medium density designation in the Tri-Lakes Plan.

Water Master Plan

The planning for the property within the District’s boundaries further conforms to the following goals and policies of the County’s Water Master Plan:

- *Goal 1.1 – Ensure an adequate water supply in terms of quantity, dependability and quality for existing and future development.*

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- *Goal 3.1 – Promote cooperation among water providers to achieve increased efficiencies on infrastructure.*
- *Goal 3.2 – Promote cooperation among water providers to achieve increased efficiencies on treatment.*
- *Goal 3.7 – Encourage the interconnection of infrastructure owned by water providers and projects that will have access to more than one water source, both to foster conjunctive use and to better accommodate water supply emergencies.*
- *Goal 5.1 – Identify the potential water supply gap at projected full development build-out (2060).*
- *Goal 5.4 – Promote the long-term use of renewable water.*
- *Goal 5.5 – Identify any water supply issues early on in the land development process.*
- *Goal 6.0 – Require adequate water availability for proposed development.*
- *Policy 6.0.8 – Encourage development patterns and higher density, mixed use developments in appropriate locations that propose to incorporate meaningful water conservation measures.*
- *Policy 6.0.11– Continue to limit urban level development to those areas served by centralized utilities.*

The proposed District property is located within Region 2, Monument area, which the County Water Master Plan describes as follows: *“Region 2, located in the northwest corner of El Paso County, is expected to experience significant growth through 2060. The I-25 corridor passes through the center of the region and offers optimal growth areas in and around the Towns of Palmer Lake and Monument. Growth is anticipated along both the east and west sides of I-25 by 2040. “*

As noted in the County’s Water Master Plan, Region 2 has a current water supply of 13,607-acre feet per year and a current demand of 7,532-acre feet per year. The 2040 water supply for Region 2 is projected to be 20,516-acre feet per year and the project demand is 11,713-acre feet.

The potable water demand for the Cloverleaf project is calculated on a single-family equivalent (SFE) basis. Based on the Single-Family Home average annual water usage of 0.3584 ac.ft./year¹ and a Peaking Factor of 5.0², the average daily use for the 150 single family lots³ will be as follows:

- 150 lots x 0.3584 ac.ft./yr = 53.76 acre feet annually = 47,990 gallons per day
- Peak daily flow will be 47,990 gpd X 5.0 peak factor = 239,953 gallons per day

¹ Water System demands shown below were established using annual demand values provided by Woodmoor Water and Sanitation District for single family homes and irrigation.

² Peaking factors were taken from the “Colorado Springs Utilities Waterline Standards”.

³ There are 3 lots under the existing RS-20000 zoning that are included on the Preliminary Plan for Cloverleaf, but are not located within the District boundaries.

There are 1.74 acres of irrigated open space and tracts proposed within the Cloverleaf subdivision. Based on WWSD's estimated annual use factor of 0.5 acre feet per year per acre, the open space irrigation needs of the Cloverleaf subdivision are estimated at 0.87 acre feet per year in addition to the above average daily and peak flow estimates for the residential lots.

WWSD has been in existence for many years and has developed its water demand values based on its experience with actual usage. Per the County's Land Development Code (LDC) when using alternative water demand estimates, a calculation providing the presumptive use values within the LDC must also be calculated and is shown below:

- Single Family Home - 0.264 ac.ft./year
- Lot Landscaping – 0.0566 ac.ft./year per 1,000 sq. ft.
- Common Area Irrigation – 2.46 ac.ft./year per acre

- 150 Single Family Homes X 0.26 ac.ft./yr = 39.00 ac.ft./year
- 147 lots w 2,000 sf of landscaping X 0.0566 ac.ft./yr = 16.64 ac.f./year
- 3 lots w 8,000 sf of landscaping X 0.0566 ac.ft./yr = 1.36 ac.f./year
- ac Common Area Irrigation X 2.46 ac.ft./yr = 4.28 ac.f./year

Total Annual Water Demand per LDC = 61.28 ac.ft./year

Total Annual Water Demand per WWSD = 54.63 ac.ft./year

A copy of the WWSD Long-Range Plan Update 2017 (“LRP Update”) was provided in connection with the underlying land use applications. The LRP Update evaluates water supply, operations, treatment, water distribution, and wastewater collection. Based on data contained in the LRP Update regarding the water resources that are available to WWSD, subdivisions served by WWSD will be supplied with water resources meeting the requirements of the County's 300-year water supply regulations. A commitment to serve letter for Cloverleaf Subdivision has been issued by WWSD confirming that WWSD has sufficient supply and existing infrastructure in the area to serve the Cloverleaf development. The Applicant and WWSD have further executed a Supplemental Water Usage and Service Agreement enclosed with this letter (which has not been recorded yet), that provides as follows: *“The anticipated water demand for the Development, as calculated by the Developer is 54.630 acre-feet per year (150 homes X 0.3584 acre fee/home + 1.74 acres of irrigated common space x 0.50 acre feet/acre).”* Pursuant to the Supplemental Water Usage and Service Agreement, WWSD agrees to serve the Cloverleaf Subdivision with 54.630 acre-feet per year to meet the anticipated water demand.

The quality of the water produced by the WWSD for domestic and commercial consumption is subject to regulations prescribed by the CDPHE that limit the amount of certain contaminants in treated or untreated water. The water distribution system design for this project will conform to all applicable criteria set forth by the County and WWSD.

F. Service Plan Conformity

The Service Plan for the proposed District is in conformance with the statutory requirements for a service plan, as well as the County's Special District Policies. The Service Plan further contains evidence of each of the following necessary for the Board of County Commissions to approve the Service Plan pursuant to Colorado law and the County's Land Development Code:

1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District.

The demand for housing in the area is high, and the District will provide for the construction of those public improvements needed to sufficiently serve the future residents of the Cloverleaf subdivision. The District will also provide for ongoing operations and maintenance of the open space, storm water quality and detention ponds, one interior non-dedicated street (Walters Point) and the public trails within the subdivision.

2. The existing service in the area to be served by the proposed District is inadequate for present and projected needs.

There are currently no other governmental or special district entities located in the vicinity that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction, and financing of the public improvements needed for the Cloverleaf subdivision. The proposed District will provide funding for the provision of the required public improvements, as well as a funding mechanism for the perpetual maintenance needs.

3. The proposed District is capable of providing economical and sufficient service to the Project.

The District will provide those public improvements and services necessary for the Cloverleaf subdivision. The District can finance these improvements and services through an ad valorem tax on the property within the District, which reduces the end home price for potential buyers. The District's proposed mill levy is in line with comparable districts in the general area. The District will ensure that public improvements are constructed in a reasonable and timely manner, and as mentioned above, the District will further provide adequate and perpetual maintenance of the open space, storm water quality and detention ponds, one interior non-dedicated street (Walters Point) and the public trails within the subdivision.

4. The area to be included in the proposed District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis.

The Financial Plan attached to the Service Plan demonstrates that the District has the financial ability to discharge the debt that the District intends to incur to finance the public improvements on a reasonable basis. Based upon the development assumptions provided by the Developer and the financial assumptions contained in the projected Financial Plan for the proposed District, the projected revenue is sufficient to retire all anticipated debt within the restrictions set forth in the District's Service Plan, including but not limited to the maximum debt mill levies and maximum maturity period.

5. Adequate service is not, and will not be, available to the area through the County or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis.

There are no existing governmental entities or special districts located in the vicinity of the District who are willing or capable of providing the necessary public improvements and services that the District will provide in a reasonable time and on a comparable basis. Once the District constructs the necessary infrastructure for the water and sewer system, Woodmoor Water and Sanitation District will provide water and sewer services to the District. The District can facilitate this development that may otherwise not be possible.

6. The facility and service standards of the proposed District are compatible with the facility and service standards of the County.

The public improvements will be designed and constructed in accordance with the applicable County standards, as well as the standards of the governmental entity to which such public improvements will be dedicated (including, with respect to storm sewer and drainage facilities, the applicable NPDES standards).

7. The proposal is in substantial compliance with the County master plan.

The proposed District will consist of residential development and is contiguous to existing residential subdivisions. This is consistent with the County master plan which encourages infill development that complements and transitions to existing uses.

8. The creation of the proposed District is in the best interests of the area proposed to be served.

The District will provide the needed infrastructure to develop the property consistent with the option to finance those improvements through the issuance of bonds secured by the District's *ad valorem* taxing authority, without placing an undue burden on the existing infrastructure of the County or other special districts. The District would ensure there is an orderly and planned development of the proposed public improvements.

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Major Service Plan Points

- Approximately 37.219 acres of property within the boundaries of the District
- Anticipated development of 141 single family residential units.
- Completion of an estimated \$7,711,462 (5,291,066 of which are eligible costs) of public improvements, including streets, water and sanitary sewer systems, stormwater and drainage improvements, landscaping, park and recreation improvements
- Requested debt authorization of \$12,500,000 to allow for inflation, contingencies, and unanticipated changes from the date of approval of the District's Service Plan.
- 30-year maximum period of maturity for issuance of any Debt (except for Developer Funding Agreements)
- Maximum Combined Mill Levy of 60 mills, consisting of a Debt Mill Levy of 50 mills and an Operational Mill Levy of 10 mills
- Public Improvements to be constructed to County and other applicable standards and specifications
- An Annual Report and Disclosure Form will be submitted to the County regarding the District's activities, and filed with the Division of Local Government and the State Auditor

G. Conclusion

The organization of the Cloverleaf Metropolitan District is in the best interests of the future residents of the area proposed to be served by the District. The District will ensure that construction of the public improvements occurs in a timely manner and in accordance with applicable standards. The District will further generate the tax revenue sufficient to pay for the costs of those public improvements, services and ongoing maintenance.

Sincerely,

ICENOGLE SEAVER POGUE
A Professional Corporation

Jennifer L. Ivey

Enclosures
(Dec. 3, 2020 letter from WWSD & Supplemental Water Usage and Service Agreement)
cc: Andrew Biggs
Joe DesJardin



WOODMOOR

Water & Sanitation District No. 1

P. O. Box 1407 • Monument, Colorado 80132
Phone (719) 488-2525 • Fax (719) 488-2530

December 3, 2020

To: PT Cloverleaf, LLC
Attn: Joseph W. DesJardin, P.E.
1864 Woodmoor Drive, Suite 100
Monument, CO 80132

RE: Cloverleaf Metropolitan District
Proposed Development - Cloverleaf Subdivision

Dear Mr. DesJardin:

The Woodmoor Water and Sanitation District No. 1 (WWSD) has reviewed a draft service plan for the formation of new Metropolitan District which, if approved, would create overlapping jurisdictions within the development proposed. After reviewing the draft service plan, it's clear that the Cloverleaf Metropolitan District does not intend, nor is it seeking to provide water and sanitary sewer services (Ref: Paragraph III.D). In addition, it's clear that those services are to be provided by WWSD. WWSD has informed PT Cloverleaf (PT) that it will not be financing or constructing any capital facilities for the Cloverleaf development including, but not limited to; water mains, sanitary sewer mains, service laterals, lift stations, etc. necessary to serve the development. WWSD understands that this is why PT is seeking to organize the Cloverleaf Metropolitan District. Please note that pursuant to WWSD rules and regulations, water and sanitary sewer infrastructure is required to be transferred to WWSD free and clear of any liens or encumbrances prior to services commencing.

If you should have any questions or need further assistance, please contact me.

Sincerely,

Jessie J. Shaffer
District Manager

Cc: Dan LaFontaine – Operations Superintendent
Ariel Hacker – District Engineer

JJS:js

SUPPLEMENTAL WATER USAGE AND SERVICE AGREEMENT

by and between

WOODMOOR WATER & SANITATION DISTRICT NO. 1

and

PT CLOVERLEAF, LLC

This Supplemental Water Usage and Service Agreement (this "Agreement") is entered into and effective this 16 day of July, 2020 between the **WOODMOOR WATER & SANITATION DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District") and **PT CLOVERLEAF, LLC**, Colorado limited liability company (the "Developer").

WHEREAS, the District is the owner of all of the underground water rights within its boundaries, and has established a policy of allocating one-half (½) acre-foot of water per acre, per year, to each property within the District (the "Water Policy"); and

WHEREAS, the Developer is the owner of and developing six (6) parcels of property, totaling 38.727 acres and all located within the District's boundaries, and which are described and shown in **Exhibit A** as Parcel 1 and Parcels 2-1 through 2-5 (collectively, the "Property"), on which Developer intends to construct 150 single family homes and other improvements including irrigated common landscape and non-irrigated common landscape (the "Development") and

WHEREAS, pursuant to that certain Water Allowance Transfer Agreement entered into April 29th, 2003 and recorded in the records of the Clerk and Recorder of El Paso County, State of Colorado, under reception number 205040027 (the "Transfer Agreement"), the District and the then owners of the Property agreed to allocate the water service commitment under the Water Policy attributable to Remainder Parcels, as defined therein, to the Multi-Family Parcels, as defined therein; and

WHEREAS, by virtue of said Transfer Agreement and the allocation of water service commitment agreed to therein the Property and certain other property (collectively referred to herein as the "Walters Property") are allocated, 4.293 acre feet of water per year or .0321 acre feet of water per year per acre of the Walters Property; and

WHEREAS, the Property comprises a portion of the Walters Property and is entitled to a pro rata share of the 4.293 acre feet of water per year or .0322 acre feet of water per year per acre (the "Transfer Agreement Allocation"); and

WHEREAS, WOSC, LLC, a Colorado limited liability company (“WOSC”) is the owner of nine (9) parcels of property, totaling 94.4242 acres and all located within the District's boundaries, and which are described and shown in **Exhibit B** as Parcel 1 through Parcel 9 (collectively, the “WOSC Land”). The WOSC Land comprises the remainder of the Walters Property and is entitled to a pro rata share of the 4.293 acre feet of water per year which equates to 3.044 acre feet of water per year (the “WOSC Transfer Agreement Allocation”); and

WHEREAS, pursuant to that certain Agreement Concerning Woodmoor Water and Sanitation District Water Service Commitment entered into July 16, 2020, and recorded in the records of the Clerk and recorder of El Paso County, State of Colorado, under reception number _____, WOSC and the Developer agreed to allocate the entire WOSC Transfer Agreement Allocation to the Property; and

WHEREAS, the Development’s anticipated water service demand at build-out is expected to be such that the Development will use more water than is allocated to the Property under the District's Water Policy and the Transfer Agreement Allocation; and

WHEREAS, to the extent the District, in its sole discretion, determines that the District’s resources are adequate, the District may allocate water service to the Development for use on the Property in an amount over and above that allocated under the Water Policy and Transfer Agreement Allocation (the "Supplemental Water Service"), subject to the terms and conditions set forth in this Agreement; and

WHEREAS, the District has decided to allocate Supplemental Water Service for use on the Property subject to the terms and conditions set forth in this Agreement; and

WHEREAS, the Developer desires that it be able to use the Supplemental Water Service Share, as hereafter defined, on the Property in a fashion that meets Developer’s commercial needs.

NOW THEREFORE, in consideration of the covenants and conditions contained herein, and other good and sufficient consideration, the parties agree as follows:

1. Adjusted Water Policy Share. Pursuant to the Water Policy and Transfer Agreement, the District may allocate for service to the Property a proportionate amount of the Transfer Agreement Allocation plus the WOSC Transfer Agreement Allocation. The pro rata share, which is equal to 1.249 acre feet annually plus the WOSC Transfer Agreement Allocation, which is 3.044 acre feet annually equals 4.293 acre feet annually (the “Adjusted Share”). The District shall serve the Property with the Adjusted Share, subject to the District Rules and Regulations, as amended from time to time, and subject to availability of resources adequate to meet all prior District allocations.

2. Developer Calculated Total Demand. The anticipated water demand for the Development, as calculated by the Developer is 54.630 acre-feet per year (150 homes x 0.3584

acre feet/home + 1.74 acres of irrigated common space x 0.50 acre feet/acre) (the “Calculated Demand”). The Calculated Demand is based on the District’s Standard Demand Table.

3. Supplemental Water Service Share Reservation/Option, Charge and Requirements.

a. *Supplemental Water Service Share.* The total anticipated supplemental water demand for the Development at buildout is 50.337 acre-feet/year based on the District’s Standard Demand Table. The District agrees, subject to the terms of this Agreement and the District Rules and Regulations, as amended from time to time, and subject to availability of resources adequate to meet all prior District allocations, to serve the Property with 50.337 acre-feet/year of supplemental water service (the “Supplemental Water Service Share”).

b. *Reservation/Option Charge.* In exchange for the District’s commitment to provide supplemental water service described herein, the Developer agrees to pay the District:

(i) *For 2020.* Concurrently with the execution of this Agreement, Developer shall pay \$40,702.95 for the 2020 Annual Option Payment (as defined in 3.b(ii) below) calculated as 6/12 of calendar year 2020 for which water service shall be available and assuming that the full amount of the Supplemental Water Service share is optioned in 2020.

(ii) *For 2021 and Beyond.* By January 30, 2021, and by January 30 of each subsequent year, Developer shall pay to the District a sum of money equal to the following:

Tier 2 Option Payment:

38.727 acre-feet of the Supplemental Water Service Share is classified as “Tier 2” supplemental water under the District’s policy (the “Tier 2 Reserve Share”), as defined and described in the District’s Supplemental Water Policy. The option payment for the Tier 2 Reserve Share shall be the then existing Supplemental Water Base Rate (as established by the Water Policy, from time to time, currently \$29,000/acre foot) multiplied by 0.05 then multiplied by 38.727 acre feet, or the balance of the Tier 2 Reserve Share, whichever is less.

Tier 3 Option Payment:

11.610 acre-feet of the Supplemental Water Service Share is classified as “Tier 3” supplemental water under the District’s policy (the “Tier 3 Reserve Share”) and Tier 3 Reserve Share water shall be available and provided only to the extent Developer fully utilizes all Tier 2 Reserve Share first in a particular year. The option payment for the Tier 3 Reserve Share is the then existing Supplemental Water Base Rate (as established by the Water Policy, from time to time, currently \$29,000/acre foot)

multiplied by a 1.5 premium multiplier, multiplied by 0.05 then multiplied by 11.610 acre feet or the balance of the Tier 3 Reserve Share, whichever is less.

The Tier 2 Option Payment and the Tier 3 Option Payment are collectively referred to as the "Annual Option Payment". Regardless of whether the Developer exercises the option on some or all of the remaining Supplemental Water Service Share in a given year, the Developer shall not receive a rebate on any portion of the first or any subsequent Annual Option Payment. For purposes of calculating the Annual Option Payment due in the year this Agreement is entered into, a partial month shall be treated the same as a full month.

(iii) The Developer may exercise its option on the Supplemental Water Service Share, or any portion of the Supplemental Water Service Share, at any time, subject to the limitations and conditions contained in this Agreement, by paying the District a sum of money equal to: the then current Supplemental Water Service Base Rate multiplied by the number of acre feet of Supplemental Water Service Share the Developer is ready to use on the Property that are Tier 2 Reserve Share plus the sum of the then current Supplemental Water Service Base Rate multiplied by 1.5 multiplied by the number of acre feet of Supplemental Water Service Share the Developer is ready to use on the Property that are Tier 3 Reserve Share. Unless the Developer furnishes the District with written notice terminating the option on the Supplemental Water Service Share (or any portion thereof) by January 1, the Developer shall pay by January 30th of each year the Annual Option Payment. The District shall keep all Annual Option Payments regardless of whether the Property is developed. In the event the Developer fails to pay the Annual Option Payment when due, this Agreement shall terminate 30 days after written notice is given by the District and the District shall cease to set aside and make available the Supplemental Water Service Share and Developer shall forfeit all amounts paid for Annual Option Payments.

- c. *Conditional Acceptance Requirement; Charges.* Developer, (as used in this Agreement, Developer means Developer, and its assigns and successors), shall within 365 days of having paid in full for the purchase of the Supplemental Water Service Share: obtain the District's conditional acceptance, granted in its sole discretion, of utilities installation for the Development or any such phase of the Development. If the Developer fails to meet the aforementioned requirement, then the Developer shall annually pay to the District the difference (per acre-foot) between the then current aggregate value of the Supplemental Water Service Share (based on the existing Supplemental Water Base Rate) and the previous year's aggregate value of the Supplemental Water Service Share (based on the District's previous year's Supplemental Water Base Rate). The Developer shall be responsible for paying such amount within ten (10) days from the date of the notice issued in writing by the District ("Notice") and thereafter annually by July 31st (if the Notice was provided on or after December 31st but before July 21st) or

by January 10th (if the Notice was provided on or after July 21st but before December 31st). Failure to timely pay such annual amount may result in the District withholding any and all water service to the Property until such time as payment in full has been made. The Developer's obligation to make such annual payments shall terminate upon the Developer obtaining conditional acceptance of the utilities installation for the Development or any such phase of the Development, albeit late; regardless of when conditional acceptance is obtained, Developer is not entitled to receive a rebate on any portion of the annual payments due under this section.

4. Agreement shall bind the Property. This Agreement shall be recorded in the real estate records in office of the El Paso County Clerk and Recorder and all of the commitments contained herein shall run with the land and be binding upon the Property, and all portions thereof, and shall bind all future owners of all or any portion of the Property.

5. Limitations Upon Supplemental Water Service Commitment. The District's commitment to furnish the Supplemental Water Service to the Property is not intended to and does not exempt the Property from the District Rules and Regulations. The Property is subject to all provisions of the Rules and Regulations, as the same may be amended from time to time, including but not limited to those provisions that allow the District to discontinue or decrease water service in the case of a water shortage or other emergency.

6. District is Not Conveying a Water Right. This Agreement is not intended to, and does not, convey to the Developer any water right (decreed or undecreed) owned by the District.

7. No Speculation. Nothing herein is intended nor shall it be construed as a grant to Developer or any of its assigns or its successors in interest to the Property a right to speculate on the Supplemental Water Service Share described in this Agreement. Developer, including its assigns and its successors, shall not speculate on the Supplemental Water Service Share or take any action or do anything that would allow any other person to speculate on the Supplemental Water Service Share.

8. Reversion. In the event the use or zoning of any portion of the Property is modified by El Paso County such that the Supplemental Water Service, or any portion thereof, is determined by the District to no longer be needed to meet the applicable water requirements, then the Supplemental Water Service or such portion thereof which is no longer needed, shall revert back to the District, who shall cease to allocate it annually for the Property.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties on the subject contained herein and it may only be modified or amended in writing, signed by both parties.

10. Governing Law. This Agreement shall be governed by, and construed according to, the laws of the State of Colorado.

11. Assignment. This Agreement shall not be assigned without prior written consent of the non-assigning party.

PT CLOVERLEAF, LLC



By: Andrew J. Biggs

Title: Manager

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 16 day of July, 2020, by Andrew J. Biggs as Manager of PT CLOVERLEAF, LLC.

WITNESS my hand and official seal.

My commission expires: 02-26-2022



Notary Public

KIMBERLY J MCGUIRE
Notary Public
State of Colorado
Notary ID # 20184008996
My Commission Expires 02-26-2022

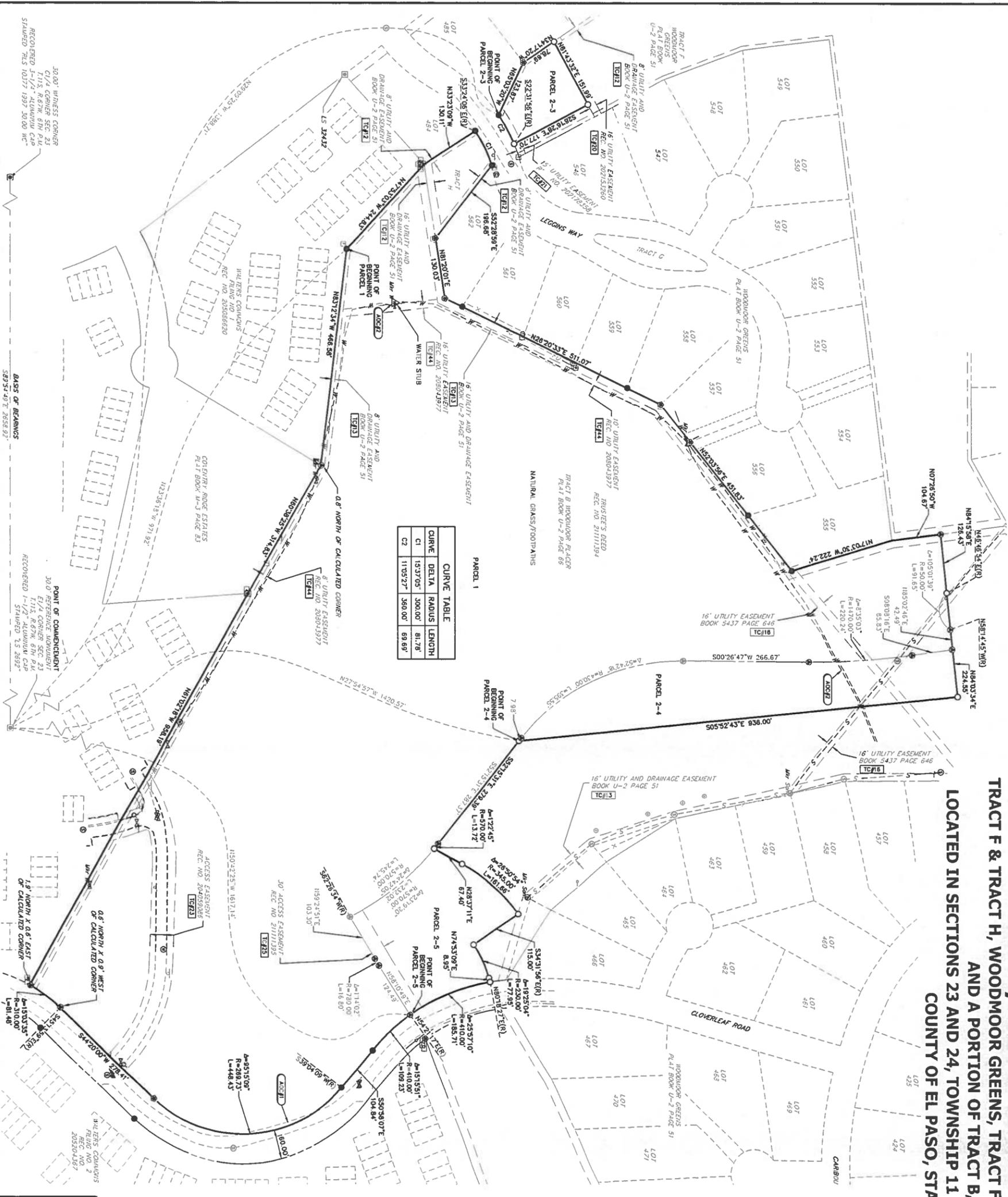
EXHIBIT A

Property Description

(ALTA/NSPS LAND TITLE SURVEY, TRACT F, TRACT H & TRACT B WOODMOOR,
prepared by JR Engineering, certification date 5/19/2020, Sheets 1 – 3)

ALTA/NSPS LAND TITLE SURVEY

TRACT F & TRACT H, WOODMOOR GREENS, TRACT F WOODMOOR GREENS VACATION L496-500 AND A PORTION OF TRACT B, WOODMOOR PLACER LOCATED IN SECTIONS 23 AND 24, TOWNSHIP 11 SOUTH, RANGE 67 WEST OF THE 6TH P.M. COUNTY OF EL PASO, STATE OF COLORADO



- LEGEND**
- ⊕ RECOVERED 1-1/4" ORANGE PLASTIC CAP
 - ⊕ RECOVERED 1-1/4" YELLOW PLASTIC CAP
 - ⊕ RECOVERED 1-1/4" YELLOW PLASTIC CAP
 - ⊕ RECOVERED #1 REBAR
 - ⊕ RECOVERED #1-1/2" ALUMINUM CAP
 - ⊕ RECOVERED #5 REBAR
 - ⊕ RECOVERED 1-1/4" RED PLASTIC CAP
 - ⊕ STAMPED 1/2" ALUMINUM CAP
 - ⊕ SET 1/2" AS REBAR W/ 1-1/2" ALUMINUM CAP
 - ⊕ STAMPED 1/2" ALUMINUM CAP
 - ⊕ ELECTRIC FACILITY
 - ⊕ FIBER OPTIC PEDASTAL
 - ⊕ WATER MARKER
 - ⊕ SHARKTITE SENDER MARKER
 - ⊕ FEE HYDRANT
 - ⊕ WATER VALVE
 - ⊕ SIGN
 - ⊕ BRIDGE
 - ⊕ RADIAL BEARING



ALTA/NSPS LAND TITLE SURVEY	
TRACT F, TRACT H & TRACT B WOODMOOR GREENS	
SECS 23 AND 24 T.11S. R.67W	
DRAWN BY: JAA	CHECKED BY: DV
DATE: 2/28/2020	
SCALE: 1" = 100'	SHEET: 2 OF 3
Generated: 303-360-3888 - Colorado Springs 762-693-2583 FAX: (303) 360-3888 - www.jrengineering.com	

30.00' WITNESS CORNER
C1/A CORNER SEC. 23
RECOVERED 1-1/4" ALUMINUM CAP
STAMPED T.S. 10377 1997 30.00' W.C.

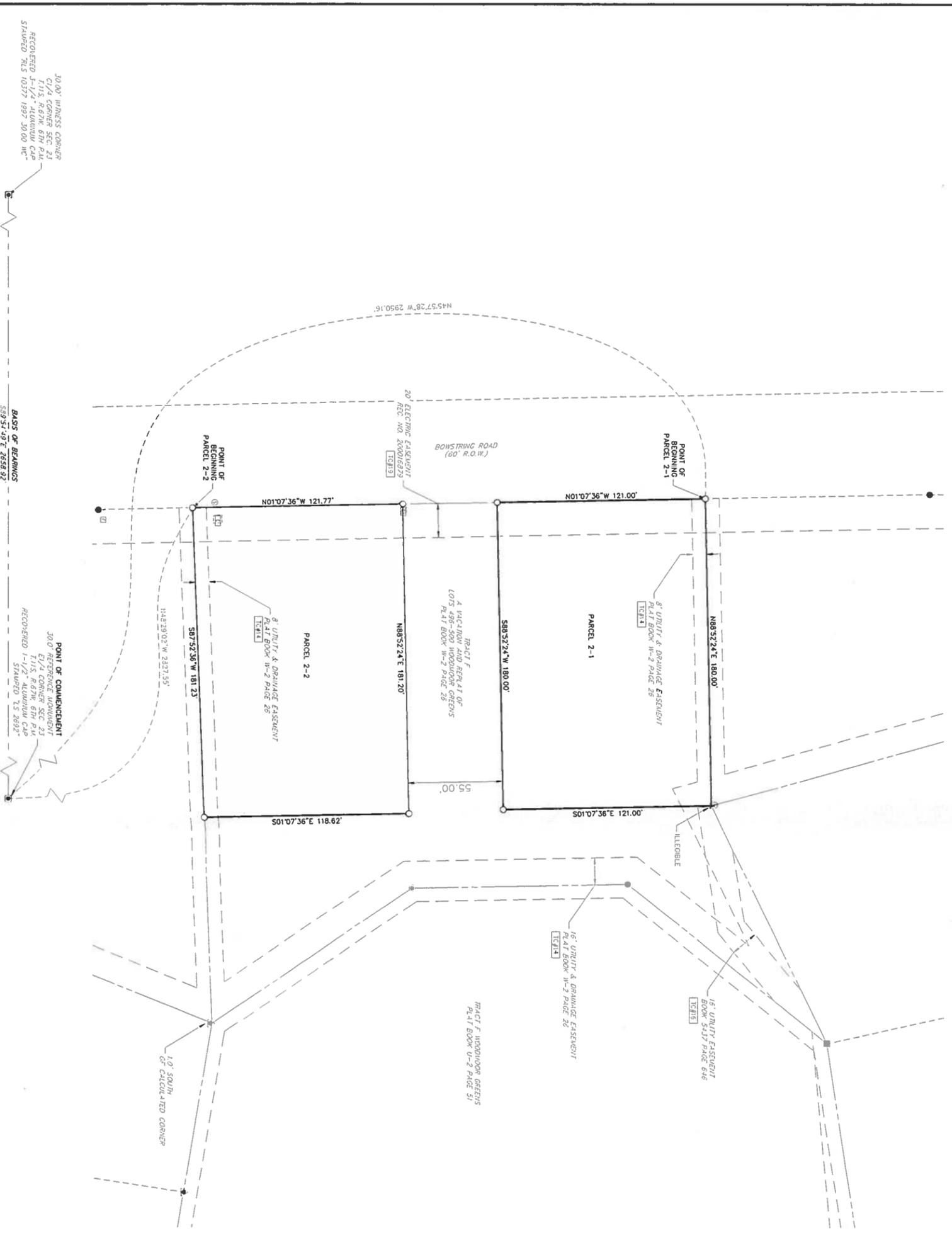
BASE OF BEARINGS
529.51'-47" E. 265.84.92'

POINT OF COMMENCEMENT
30.0' REFERENCE MONUMENT
E1/S E. 67TH P.M.
RECOVERED 1-1/2" ALUMINUM CAP
STAMPED T.S. 2892'

POINT OF BEGINNING
30.0' REFERENCE MONUMENT
E1/S E. 67TH P.M.
RECOVERED 1-1/2" ALUMINUM CAP
STAMPED T.S. 2892'

ALTA/NSPS LAND TITLE SURVEY

TRACT F & TRACT H WOODMOOR GREENS, TRACT F WOODMOOR GREENS VACATION L496-500 AND A PORTION OF TRACT B, WOODMOOR PLACER LOCATED IN SECTIONS 23 AND 24, TOWNSHIP 11 SOUTH, RANGE 67 WEST OF THE 6TH P.M. COUNTY OF EL PASO, STATE OF COLORADO



10.00' WITNESS CORNER
C1/4 CORNER SEC. 23
RECOVERED 1-1/2" ALUMINUM CAP
STAMPED NLS 10317 1899 30.00 W.E.

POINT OF COMMENCEMENT
30.0' REFERENCE MONUMENT
E1/4 CORNER SEC. 23
RECOVERED 1-1/2" ALUMINUM CAP
STAMPED NLS 2892*

4	REVISION		
3	REVISION	JAA	4/20/2020
2	REVISION	JAA	4/14/2020
1	REVISION	BT	DATE
DWN. BY JAA		CHK. BY DV	DATE 2/28/2020
SCALE 1"=30'		SHT. 3 OF 3	
JOB NO. 25186.01			

30 15 0 30
ORIGINAL SCALE 1" = 30'



- LEGEND**
- RECOVERED 1-1/4" ORANGE PLASTIC CAP
 - STAMPED NLS 5935* UNLESS NOTED
 - RECOVERED 1-1/4" YELLOW PLASTIC CAP
 - ILLISIBLE
 - RECOVERED #4 REBAR
 - RECOVERED 1-1/2" ALUMINUM CAP
 - STAMPED 32820*
 - RECOVERED #5 REBAR
 - RECOVERED 1-1/4" RED PLASTIC CAP
 - STAMPED NLS 13155*
 - SET 18" #5 REBAR W/ 1-1/2" ALUMINUM CAP
 - STAMPED NLS 39252*
 - ELECTRIC FACILITY
 - FIBER OPTIC PEOASTIAL
 - WATER MARKER
 - SANITARY SEWER MANHOLE
 - FIRE HYDRANT
 - WATER VALVE
 - SIGN
 - BIRDHOUSE
 - (R) P.O.U.L. BEARING

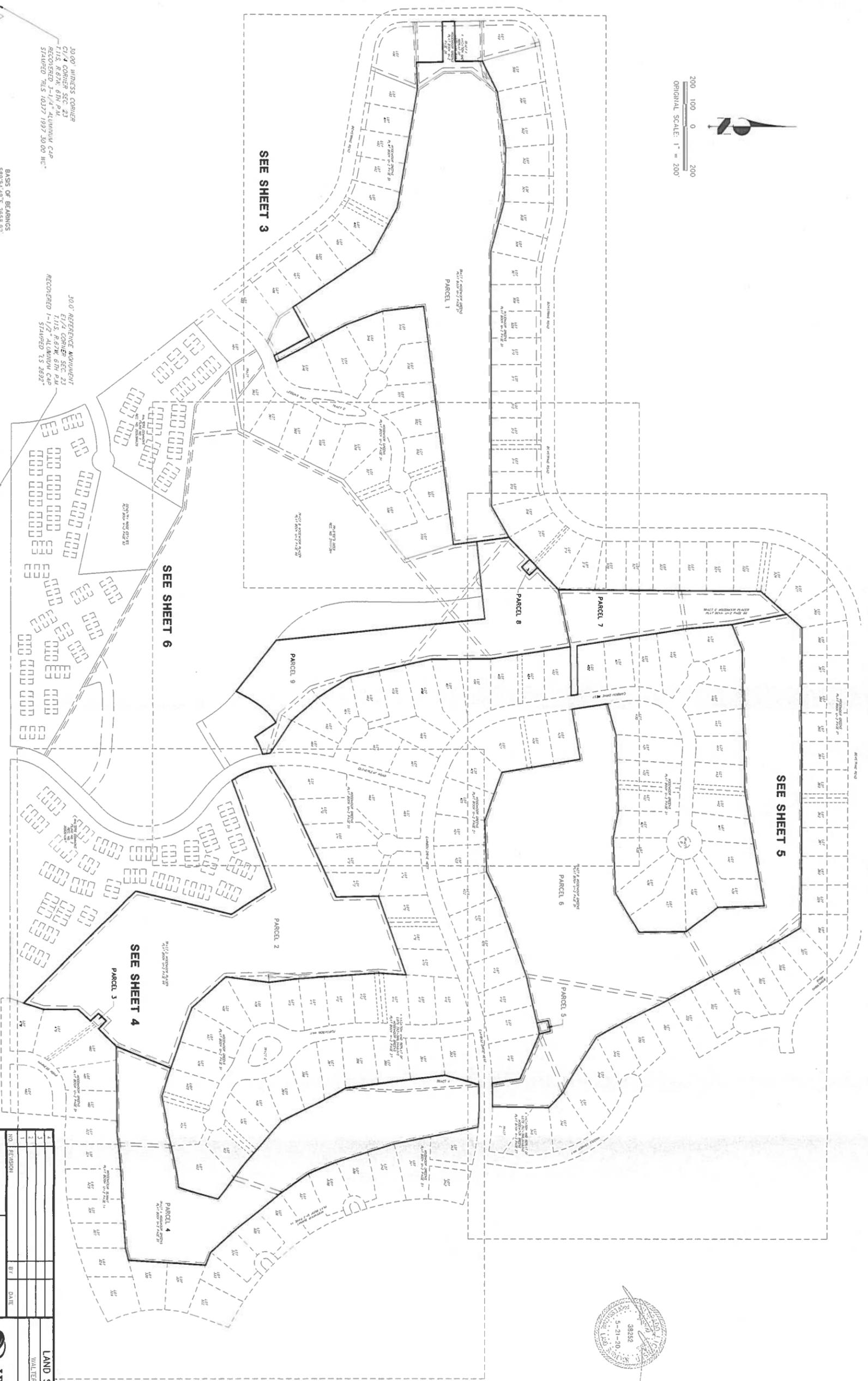
J.R. ENGINEERING
A National Company
Colorado 300-440-2883 • Colorado Springs 761-591-2583
Fax 761-591-2888 • www.jr-engineering.com

EXHIBIT B

WOSC Land Description

(LAND SURVEY PLAT, WALTERS OPEN SPACE, prepared by JR Engineering, dated 5/20/2020, Sheets 1 – 6)

LAND SURVEY PLAT
 LOCATED IN SECTIONS 13, 23 AND 24, TOWNSHIP 11 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN
 COUNTY OF EL PASO, STATE OF COLORADO



30.00' WIRESS CORNER
 C1/4 CORNER SEC. 23
 T11S, R.67W, 6TH PM
 RECOVERED 1-1/2" ALUMINUM CAP
 STAMPED NLS 10277 1997 30.00' WIRESS

30.0' REFERENCE MONUMENT
 E1/4 CORNER SEC. 23
 T11S, R.67W, 6TH PM
 RECOVERED 1-1/2" ALUMINUM CAP
 STAMPED TS 2692

BASES OF BEARINGS
 S89°13'49" E 268.52 23'



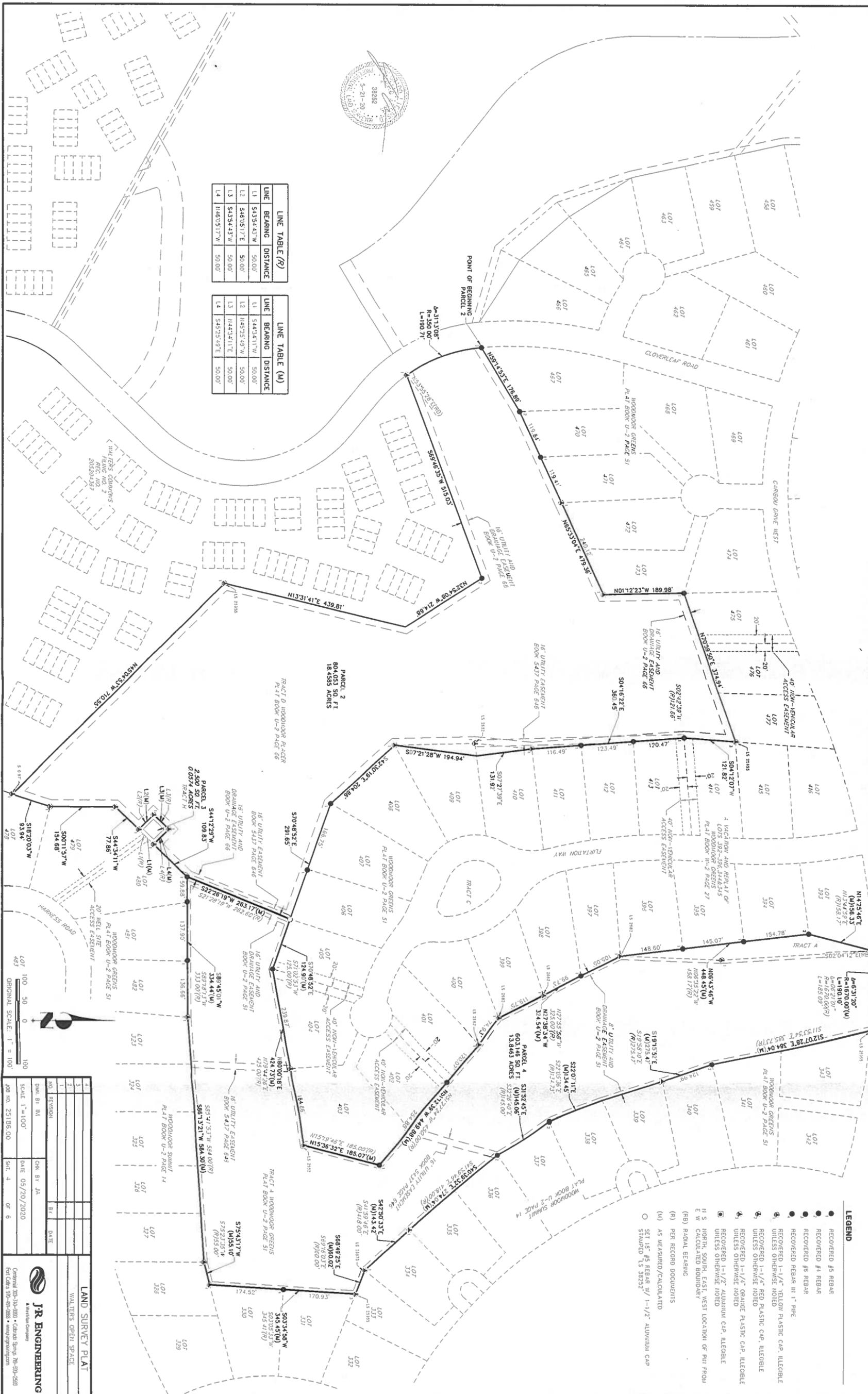
NO.	REVISION	BY	DATE
1			
2			
3			
4			

DRAWN BY: BAI	CHECKED BY: JJA
SCALE: 1" = 200'	DATE: 05/20/2020
JRS NO. 25186.00	SHT. 2 OF 6

LAND SURVEY PLAT	
WALTERS OPEN SPACE	
JR ENGINEERING A Whittaker Company	
Colorado: 701-301-2020 • Colorado Springs: 703-593-2880 Fort Collins: 970-991-2888 • www.jr-engineering.com	

LAND SURVEY PLAT

LOCATED IN SECTIONS 13, 23 and 24, TOWNSHIP 11 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN
COUNTY OF EL PASO, STATE OF COLORADO



LINE TABLE (R)		LINE TABLE (M)	
LINE	BEARING DISTANCE	LINE	BEARING DISTANCE
L1	S43°54'43"W 50.00'	L1	S44°34'11"W 50.00'
L2	S46°05'17"E 50.00'	L2	N44°25'49"W 50.00'
L3	S43°54'43"W 50.00'	L3	N44°31'11"E 50.00'
L4	N46°05'17"W 50.00'	L4	S45°25'49"E 50.00'



- LEGEND**
- RECOVERED #5 REBAR
 - RECOVERED #4 REBAR
 - RECOVERED #3 REBAR
 - RECOVERED REBAR IN "T" PIPE
 - RECOVERED 1-1/4" YELLOW PLASTIC CAP, ILLIGIBLE
 - RECOVERED 1-1/2" RED PLASTIC CAP, ILLIGIBLE
 - RECOVERED 1-1/2" RED PLASTIC CAP, ILLIGIBLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/4" ORANGE PLASTIC CAP, ILLIGIBLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/2" ALUMINUM CAP, ILLIGIBLE UNLESS OTHERWISE NOTED
 - N S NORTH, SOUTH, EAST, WEST LOCATION OF PIN FROM E W CALCULATED BOUNDARY
 - (RB) RADIAL BEARING
 - (R) PER RECORD DOCUMENTS
 - (M) AS MEASURED/CALCULATED
 - SET 1/8" #5 REBAR W/ 1-1/2" ALUMINUM CAP STAMPED "S 3252"

NO.	REVISION	CHK. BY	DATE
1			
2			
3			
4			

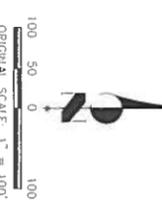
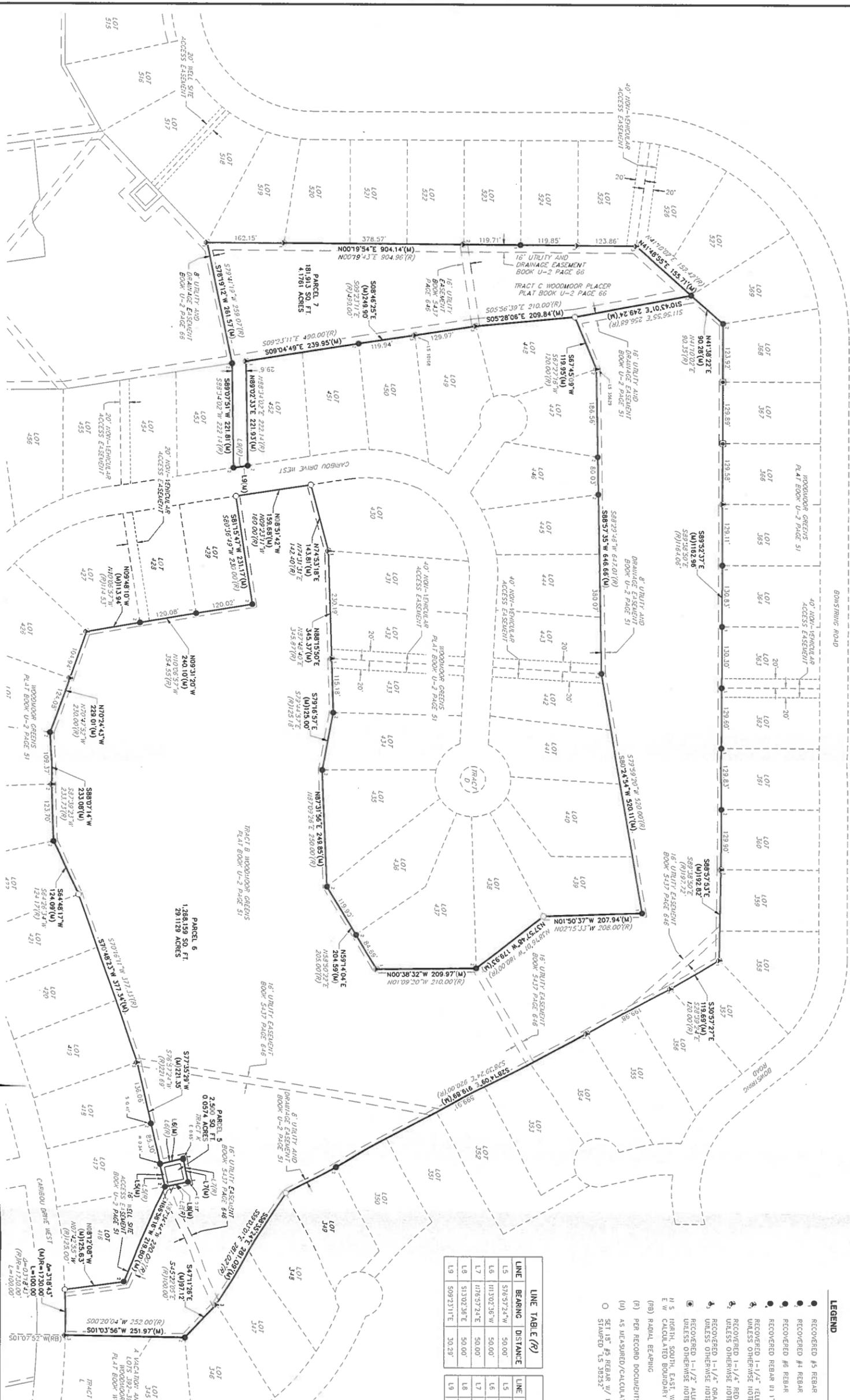
DWG. BY: JAL
 DATE: 05/20/2020
 SHEET: 1 OF 6

LAND SURVEY PLAT
WALTERS GREEN SPACE

J.R. ENGINEERING
 A Vertical Company
 1001 West 10th Street • Colorado Springs, CO 80904
 Phone: 719-594-8888 • www.jrengineering.com

LAND SURVEY PLAT

LOCATED IN SECTIONS 13, 23 and 24, TOWNSHIP 11 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN
COUNTY OF EL PASO, STATE OF COLORADO



NO.	REVISION	DATE	BY
1			
2			
3			
4			

LAND SURVEY PLAT
WALTERS OPEN SPACE

CHK. BY: JA
DATE: 05/20/2020

SCALE: 1" = 100'

JOB NO.: 25156.00



LINE	BEARING	DISTANCE
L5	S78°57'24"W	50.00'
L6	N13°02'36"W	50.00'
L7	N78°57'24"E	50.00'
L8	S13°02'36"E	50.00'
L9	S09°23'11"E	30.28'

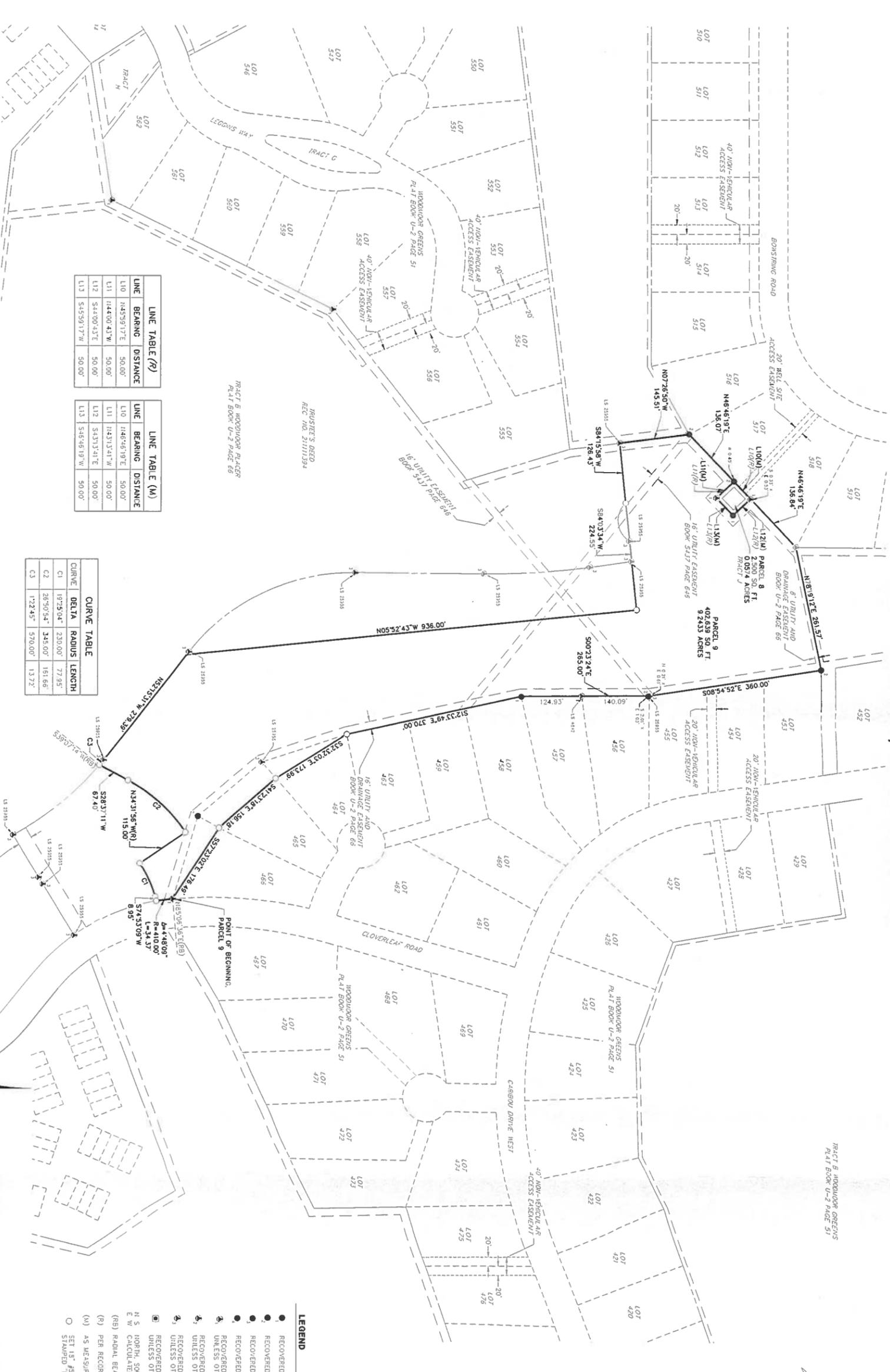
LINE	BEARING	DISTANCE
L5	S77°35'23"W	50.00'
L6	N11°24'31"W	50.00'
L7	N77°35'23"E	50.00'
L8	S11°24'31"E	50.00'
L9	S08°51'42"E	30.23'

- LEGEND**
- RECOVERED #5 REBAR
 - RECOVERED #4 REBAR
 - RECOVERED #6 REBAR
 - RECOVERED REBAR IN 1" PIPE
 - RECOVERED 1-1/2" YELLOW PLASTIC CAP, ILEGEABLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/4" RED PLASTIC CAP, ILEGEABLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/2" ORANGE PLASTIC CAP, ILEGEABLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/2" ALUMINUM CAP, ILEGEABLE UNLESS OTHERWISE NOTED
 - 1/2" UPRIGHT SOUTH EAST WEST LOCATION OF PIN FROM E W CALCULATED BOUNDARY
 - (RB) RADIAL BEARING
 - (P) PER RECORD DOCUMENTS
 - (M) AS MEASURED/CALCULATED
 - SET 15" #5 REBAR W/ 1-1/2" ALUMINUM CAP STAMPED "AS 38252"

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LAND SURVEY PLAT

LOCATED IN SECTIONS 13, 23 and 24, TOWNSHIP 11 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN
COUNTY OF EL PASO, STATE OF COLORADO



LINE	BEARING	DISTANCE
L10	N45°59'17"E	50.00'
L11	S44°00'43"W	50.00'
L12	S44°00'43"E	50.00'
L13	S45°59'17"W	50.00'

LINE	BEARING	DISTANCE
L10	N46°46'19"E	50.00'
L11	N43°13'41"W	50.00'
L12	S43°13'41"E	50.00'
L13	S46°46'19"W	50.00'

CURVE	DELTA	RADIUS	LENGTH
C1	19°25'04"	230.00'	77.95'
C2	26°50'54"	345.00'	151.66'
C3	1°22'45"	570.00'	13.72'



- LEGEND**
- RECOVERED #5 REBAR
 - RECOVERED #4 REBAR
 - RECOVERED #3 REBAR
 - RECOVERED #2 REBAR
 - RECOVERED 1-1/4" YELLOW PLASTIC CAP, ILLISIBLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/2" RED PLASTIC CAP, ILLISIBLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/4" ORANGE PLASTIC CAP, ILLISIBLE UNLESS OTHERWISE NOTED
 - RECOVERED 1-1/2" ALUMINUM CAP, ILLISIBLE UNLESS OTHERWISE NOTED
 - SET 1/8" #5 REBAR W/ 1-1/2" ALUMINUM CAP STAMPED U.S. 382527

LAND SURVEY PLAT	
WALTERS OPEN SPACE	
NO. REGION	DATE
1	05/20/2020
2	
3	
4	
SCALE 1"=100'	
ORIGINAL SCALE 1"=100'	
JOB NO. 25186-00	
SHT. 6 OF 6	
J.R. WALTERS ENGINEERING A WALTERS COMPANY 38828 5-21-20	
Centered 300-40-2833 • Colorado Springs 783-589-2588 Fort Collins 970-491-8888 • www.jrwalterseng.com	