

November 5, 2021

Letter of Understanding
The Ridge at Lorson Ranch Grading and Drainage Improvements

This Letter of Understanding (“LOU”) is entered into in good faith between Lorson Ranch Metropolitan District and Eagle Development Company, otherwise referred to as the Party or Parties. The intent of the LOU is to ensure the drainage flowing onto property owned by Eagle Development Company (Parcel #5500000324) located adjacent to and north of The Ridge at Lorson Ranch, is maintained at or below existing rates and to acknowledge the proposed grading in The Ridge at Lorson Ranch changes the manner in which drainage enters the unimproved subject property owned by Eagle Development Company.

It is the intent of the Parties to minimize changes to the existing drainage patterns flowing from Lorson Ranch onto the subject property and to mimic the existing rate and sheet flow characteristics of drainage flowing onto the subject property owned by Eagle Development Company.

It is, however, acknowledged by the Parties that drainage from Lorson Ranch flowing downstream onto the subject property may cause erosion on the subject property after construction has occurred. The Lorson Ranch Metropolitan District or its assigns will be responsible for the mitigation and restoration of the subject property substantially to its existing condition.

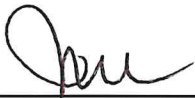
Downstream Erosion Mitigation Protocol.

1. The Lorson Ranch Metropolitan District representative and/or engineer and contractor will meet with the Eagle Development Company representative and engineer; and County storm water inspector prior to the start of construction of the development and review the condition of the land at the property boundary and downstream of Lorson Ranch on the subject property.
2. The existing condition will be documented with photos/video and a written description to establish the baseline condition to be shared and documented between the Parties.
3. The condition of the Eagle Development Company property will be monitored as required by the permits obtained by The Ridge at Lorson Ranch from the State and El Paso County. An Eagle Development Company property representative may also make inspections with each storm event.
4. The inspections will be conducted until the upstream grading is complete is fully stabilized and vegetated as required by the permits referenced herein.
5. If erosion or sediment transmission impacts are measurable, the Parties shall meet on-site to mutually determine the best course of mitigation action. The mitigation will be conducted within 30 days of the event. If the Parties are not in agreement with the course of mitigation action, the Parties shall seek a final opinion from an engineering representative from El Paso

County. The Parties shall then agree with whatever determination is made by these governing authorities.

6. If the mitigation is not undertaken within the 30-day period Eagle Development Company or its assigns will undertake the necessary actions to return the area to its existing condition and Lorson Ranch Metropolitan District will be billed for reimbursement of the work, which bill will be paid within 30 days after receipt of the bill. If not timely paid, the amount due will accrue interest at the rate of 18% per annum from the date due.

7. In any action brought before a court or judge to enforce this LOU or collect damages on account of a party's breach of their obligations hereunder, the prevailing party shall be awarded their costs and reasonable attorney's fees. This shall include any action brought by Eagle Development Company whereby the district is the prevailing party in which case District shall be awarded reasonable attorney's fees.



Eagle Development Company
Jeff Mark, Vice President



Lorson Ranch Metropolitan District
Jeff Mark, Manager