

# CERTIFICATE OF COVERAGE

Certificate #: 4033

## Administrator

Colorado Special Districts Property and Liability Pool  
POB 1539  
Portland, OR 97207-1539

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE COVERAGE DOCUMENT. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE COVERAGE DOCUMENTS LISTED HEREIN.

## COMPANIES AFFORDING COVERAGE

## NAMED MEMBER

Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Falcon, CO 80831

COMPANY A Colorado Special Districts Property and Liability Pool  
COMPANY B General Reinsurance Corporation  
COMPANY C Certain Underwriters at Lloyd's, London  
COMPANY D

## COVERAGES

This is to certify that coverage documents listed herein have been issued to the Named Member herein for the Coverage period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which the certificate may be issued or may pertain, the coverage afforded by the coverage documents listed herein is subject to all the terms, conditions and exclusions of such coverage documents.

CO LTR	Type of Coverage	Coverage #	Effective Date	Expiration Date	Limits	
A, B	<b>General Liability</b>	26C60653-1023	1/1/2013	1/1/2014	General Aggregate	Unlimited
	<input checked="" type="checkbox"/> Commercial General Liability	* Except that for claims, occurrences or suits to which the monetary limits of the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et. seq., as amended, apply, there shall be a further sublimit of (a) \$150,000 for an injury to any one person in any single occurrence; and (b) \$600,000 for an injury to two or more persons in any single occurrence; but in the event of an injury to two or more persons in any single occurrence, the sublimit shall not exceed \$150,000 for each injured person.***			Each Occurrence *	\$1,000,000
	<input checked="" type="checkbox"/> Public Officials Liability					
	<input checked="" type="checkbox"/> Employment Practices					
	<input checked="" type="checkbox"/> Occurrence					
	<b>Automobile Liability</b>				Each Occurrence *	
	<input type="checkbox"/> Scheduled Autos					
	<input type="checkbox"/> Hired Autos					
	<input type="checkbox"/> Non-Owned Autos					
	<b>Auto Physical Damage</b>					
	<input type="checkbox"/> Scheduled Autos					
	<input type="checkbox"/> Hired Autos					
	<b>Excess Liability</b>				General Aggregate	
	<input type="checkbox"/> Other Than Umbrella Form				Each Occurrence *	
A, C	<b>Property</b>	26C60653-1023	1/1/2013	1/1/2014	See below if applicable.	
	<input checked="" type="checkbox"/>					

## DESCRIPTION:

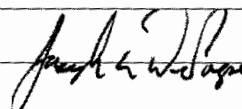
Certificate Holder is an additional covered Member for those coverages noted hereunder but only with respect to those liabilities that are covered by the Pool's coverage document for the Member District arising from Falcon Lift Station shared by district. Subject to the provisions and limitations contained in C.R.S. 24-10-101. The Pool will limit any amounts to the monetary limits and sublimits of the Colorado Governmental Immunity Act, C.R.S. 24-10-101 et. Seq.

## CERTIFICATE HOLDER

Meridian Services Metropolitan District  
c/o Community Resource Services of Colorado, LLC  
7995 E. Prentice Ave., Suite 103 E  
Greenwood Village, CO 80111

**CANCELLATION: SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**

By: Joseph E. DePaepe



Date: 11/26/2013

***Linked Properties***  
**Property Code**

**Location**  
Falcon Lift Station

**Address**  
7320 McLaughlin Rd

**Value**  
\$750,000.00

# MERIDIAN SERVICE METROPOLITAN DISTRICT

Fax No. (619) 223-2865  
Telephone No. (619) 223-1663

3575 Kenyon Street Suite 200  
San Diego, CA. 92110

Mailing Address  
P. O.Box 80036  
San Diego, CA. 92138

August 17, 2006

Mr. Dean Wiesler  
Woodmen Hills Public Facility Authority  
PMB #205  
7643 McLaughlin Road  
Falcon, CO 80831

Re: Woodmen Hills Sewer Line Extension

Dear Dean:

As you are aware Woodmen Hills was scheduled to extend the 8" sewer line on Eastonville Road north to service the proposed Woodmen Hills Metro Club. Meridian Service Metropolitan District (MSMD) needed to install a 15" line down Eastonville Road, connecting to the existing Eastonville sewer line.

As mutual cooperation, MSMD is installing the 15" sewer line in Eastonville Road, thereby relieving Woodmen Hills Public Facility Authority from installing the 8" line.

The cost to extend the 8" sewer line in Eastonville Road to Woodmen Hills Metro Club is detailed below. See attached drawings marked Meridian Service Metropolitan District Eastonville Sanitary Sewer Sheets 3 and 5 of 6 labeled Exhibit 'A'.

## Detailed Reimbursement Schedule:

1. 8" SDR 35 PVC Sewer Line	LF	1639	\$ 29.50	\$48,350.50
2. 10" SDR 35 PVC Sewer Line	LF	20	\$ 33.75	\$ 675.00
3. 4" Sanitary Sewer Service Line	LS	1	\$ 695.00	\$ 695.00
4. 48" Manhole (w/bituminous dampproofing)	EA	5	\$1,662.00	\$ 8,310.00
5. 60" Manhole (w/bituminous dampproofing)	EA	3	\$1,780.00	\$ 5,340.00

6. 10' of 8" SDR 35 PVC Stub	EA	1	\$1,150.00	\$ 1,150.00
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Total Reimbursement: \$64,520.50

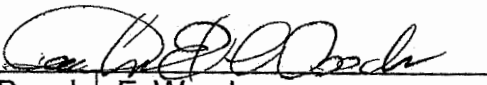
Upon review of the matter please mail a check payable to Meridian Service Metropolitan District for \$64,520.50 to:

Meridian Service Metropolitan District  
C/O R.S. Wells  
6399 Fiddler's Green Circle, Suite 102  
Greenwood Village, CO 80111

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

MERIDIAN SERVICE  
METROPOLITAN DISTRICT

By:   
Douglas E. Woods  
Tech Contractors, Construction Manager

DEW:ab

Cc: Tim Hunker  
Wayne Monson

REC'D JUL 27 2006

**ADDENDUM TO  
AGREEMENT RE WASTE WATER TREATMENT  
(WOODMEN HILLS/MERIDIAN RANCH)**

This Addendum is made to that certain Intergovernmental Agreement ("IGA") dated the 15<sup>th</sup> day of June 2005 by and between Woodmen Hills Metropolitan District ("Woodmen Hills") and Meridian Ranch Metropolitan District and Meridian Service Metropolitan District (collectively "Meridian").

Section 1 of the IGA is hereby amended by changing 350 single family wastewater taps to 446 single family wastewater taps.

Made and entered into effective this 20<sup>th</sup> day of July 2006.


WOODMEN HILLS METROPOLITAN DISTRICT

BY: 

MERIDIAN RANCH METROPOLITAN DISTRICT

BY: 

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: 

## TECH CONTRACTORS

Fax No. (619) 223-2865  
Telephone No. (619) 223-1663

3575 Kenyon Street Suite 200  
San Diego, CA. 92110

Mailing Address  
P. O. Box 80036  
San Diego, CA 92138

April 9, 2010

Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Falcon, CO 80831

ATT: LARRY D. BISHOP, SR. MANAGER

RE: MCLAUGHLIN ROAD FUTURE SEWER LIFT STATION

Dear Larry,

The Colorado Department of Public Health and Environment ("CDPHE") on March 31, 2010 conditionally approved the Meridian Service MD-Falcon Lift Station and Equalization Basin, State of Colorado site location approval #4834 (the "Falcon Lift Station"). The current status of the Falcon Lift Station drawings at Pikes Peak Regional Building Department ("PPRBD"), is that all departments, except for zoning/ planning, have approved the project. Waste water and water divisions are also shown as pending and awaiting JDS-Hydro Consultants, Inc. second plan review for Woodmen Hills Metropolitan District ("Woodmen Hills").

As has been previously discussed Meridian Service Metropolitan District ("Meridian") can not go out to public bid to construct the Falcon Lift Station until PPRBD approves the Falcon Lift station drawings for construction, and Woodmen Hills and Meridian sign a release letter stating that all contingencies of the McLaughlin Road Sewer Lift Station Intergovernmental Agreement dated September 21, 2009 (the "IGA") have been met. The IGA is contingent upon both Meridian and Woodmen Hills obtaining all necessary permits and/or approvals, including from PPRBD and CDPHE, to pump sewage to their respective waste water treatment facilities from the Lift Station Site and transferring the existing Woodmen Hills State pumping site application to the Lift Station. Please see the attached first two pages of the IGA marked Exhibit 'A'. Page no. 2, last WHEREAS paragraph of Exhibit 'A' describes the IGA contingency.

The CDPHE March 31, 2010 approval letter states the following: "As Woodmen Hills Metropolitan District's proposed separate set of pumps in the Falcon Lift Station to convey wastewater to the Paintbrush Hills WWTF (CDPS No. CO-0047091) were not addressed in the November 5, 2008 Amendment of Site Application Approval #4834, a separate Application For Amendment Of Existing Site Location Approval as required by Regulation 22 will be required for this portion of the project. This will require amending site application approval #4406 as approved on November 10, 2006, as long as no increase or decrease in capacity is being requested. In addition, after amending the site approval, design

approval from the Division for the pumps and force main appurtenances will also be required." Woodmen Hills will need to process and obtain approval for the separate CDPHE "Application For Amendment Of Existing Site Location Approval" as noted above to obtain all necessary permits and or approvals required by the IGA thus satisfying all contingencies of the IGA.

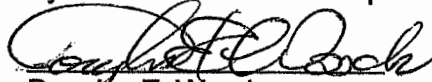
Meridian is requesting that Woodmen Hills authorize the final review of the Falcon Lift Station drawings as soon as possible so that as soon as Zoning/Planning have approved the drawings PPRBD may issue the required permits. Meridian also requests that Woodmen Hills process the above mentioned CDPHE "Application For Amendment Of Existing Site Approval" as soon as possible so that both Meridian and Woodmen Hills may remove all contingencies from the IGA and construction of the Falcon Lift Station may begin.

Please let me know if you have any questions or need additional information.

Sincerely,

TECH CONTRACTORS

By: Tech Construction Corp.

  
Douglas E. Woods  
MSMD Construction Manager

Received and Accepted By: Randy D. Bishop, Jr.  
Date: 04-12-10

Cc: Dave Knope (CDPHE)

RG:nl

RECEIVED  
SEP 24 2009

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PGS 14 \$71.00 DF \$ 0

Electronically Recorded Official Records El Paso County CO  
Robert G. "Bob" Balink Clerk and Recorder  
TD1000 N

BY: \_\_\_\_\_

**McLAUGHLIN ROAD SEWER LIFT STATION  
INTERGOVERNMENTAL AGREEMENT**

EXHIBIT  
'A'

**THIS McLAUGHLIN ROAD SEWER LIFT STATION INTERGOVERNMENTAL AGREEMENT** ("Agreement") is made and entered this 21<sup>ST</sup> day of SEPTEMBER, 2009, by and between **MERIDIAN SERVICE METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("Meridian Service"), and **WOODMEN HILLS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("Woodmen Hills") (sometime collectively referred to as the "Districts" or the "Parties").

**RECITALS**

**WHEREAS**, Meridian Service provides, among other things, sanitary sewer service to the Meridian Ranch development; and

**WHEREAS**, Woodmen Hills provides, among other things, sanitary sewer service to the Woodmen Hills development; and

**WHEREAS**, Meridian Service and Woodmen Hills have entered into Metropolitan Districts Intergovernmental Agreement (Woodmen Hills – Meridian Ranch) dated March 17, 2004; and

**WHEREAS**, Woodmen Hills owns and operates the existing Woodmen Hills sewer lift station and backup emergency lift station and well system on Tract A, Beckett at Woodmen Hills Filing No. 3, 7320 McLaughlin Road (the "Lift Station Site"); and

**WHEREAS**, Meridian Service owns and operates the existing temporary sewer lift station that was approved via the modification of a lift station (site application #4406), Woodmen Hills Metropolitan District, El Paso County dated December 14, 2007 ("Temporary Lift Station"). The Temporary Lift Station is inside the existing Woodmen Hills sewer lift station backup wet well on the Lift Station Site; and

**WHEREAS**, Woodmen Hills granted a permanent easement over the Lift Station Site to Meridian Service for a sewer lift station, equalization basin and appurtenant equipment, (the "Lift Station") which easement was recorded on April 22, 2008, at Reception No. 208045754, in the office of the clerk and recorder of El Paso County, Colorado ("Lift Station Easement"); and

**WHEREAS**, in the Lift Station Easement, Woodmen Hills granted a construction easement to Meridian Service over Tract B, Falcon Highlands Market Place, Filing No.



1, El Paso County, Colorado for construction of the Lift Station Improvements (as described herein) on the Lift Station Easement (the "Construction Easement"); and

**WHEREAS**, a depiction of the Lift Station Easement and the construction easement are shown on Exhibit A, which is attached hereto and incorporated herein; and

**WHEREAS**, Meridian Service plans to construct the sanitary sewer Lift Station Improvements on the Lift Station Easement in order to serve its constituents and send its sewage to the Black Squirrel Waste Water Treatment Facility (the "Black Squirrel Facility"); and

**WHEREAS**, Woodmen Hills desires to participate in the construction of the Lift Station Improvements in order to serve its constituents and send its sewage to the Paint Brush Hills Waste Water Treatment Facility ("Paint Brush Facility"); and

**WHEREAS**, per all terms and specifications of this agreement and subject to obtaining all required permits and approvals, the Lift Station may be used to pump Meridian Service and/or Woodmen Hills sewage to any treatment facility permitted by the State of Colorado; and

**WHEREAS**, pursuant to Section 18(2)(a) of Article XIV of the Constitution of the State of Colorado, and Sections 29-1-201 et seq., the Districts have found that it is in their respective best interests to enter into this Agreement.

**WHEREAS**, this Agreement is contingent upon both Districts obtaining all necessary permits and or approvals to pump sewage to their respective waste water treatment facilities including approvals of all State of Colorado and El Paso County site applications and transferring of the existing Woodmen Hills State pumping site application to the Lift Station. It is in the best interest of both Districts to assist each other and expedite the permit/approval process.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein, the mutual promises and obligations contained herein, and other good a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

#### **ARTICLE 1 – Lift Station Improvements**

1.1 The Lift Station Improvements shall be divided into the following three distinct/separate systems:

**THIRD ADDENDUM TO  
AGREEMENT RE WASTE WATER TREATMENT  
(WOODMEN HILLS / MERIDIAN RANCH)**

**THIS THIRD ADDENDUM** ("Addendum") is made and entered into this 21<sup>st</sup> day of September, 2009 between and among **WOODMEN HILLS METROPOLITAN DISTRICT** ("Woodmen Hills") and **MERIDIAN RANCH METROPOLITAN DISTRICT** and **MERIDIAN SERVICE METROPOLITAN DISTRICT** (collectively "Meridian").

**WHEREAS**, Woodmen Hills and Meridian entered into an Agreement Re Waste Water Treatment (Woodmen Hills/Meridian Ranch) dated June 15, 2005, an Addendum to Agreement Re Waste Water Treatment (Woodmen Hills/Meridian Ranch) dated July 20, 2006, and a Second Addendum to Agreement Re Waste Water Treatment (Woodmen Hills/Meridian Ranch) dated November 15, 2007 (collectively, the "Tap Fee Agreement"); and

**WHEREAS**, Woodmen Hills and Meridian desire to amend the Tap Fee Agreement as set forth herein; and

**WHEREAS**, Woodmen Hills and Meridian Service Metropolitan District have entered into the McLaughlin Road Sewer Lift Station Intergovernmental Agreement dated 21<sup>st</sup> September, 2009 ("Lift Station IGA"); and

**WHEREAS**, Woodmen Hills and Meridian believe that this Addendum is in the best interests of their respective Districts and constituents.

**NOW THEREFORE**, in consideration of the foregoing recitals, which are incorporated herein, the mutual agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Woodmen Hills and Meridian agree as follows:

1. Section 1 of the Tap Fee Agreement shall be amended to reflect that the January 1, 2010 date set forth therein shall be changed to the later of:
  - a. July 1, 2010; or
  - b. when the Temporary Lift Station located on the Lift Station Site, as defined and described in the Lift Station IGA is approved for permanent operation by the state and the Temporary Lift Station is pumping sewage to the Black Squirrel Waste Water Facility; or
  - c. if the Temporary Lift Station is never approved to pump sewage on a permanent basis, when the Lift Station anticipated in the Lift Station IGA is operational and available to pump sewage to the Black Squirrel Facility.
2. Except as amended hereby, all other provisions of the Tap Fee Agreement shall remain unchanged and in full force and effect.

**THIRD ADDENDUM TO  
AGREEMENT RE WASTE WATER TREATMENT  
(WOODMEN HILLS / MERIDIAN RANCH)**

**THIS THIRD ADDENDUM** ("Addendum") is made and entered into this 21<sup>st</sup> day of September, 2009 between and among **WOODMEN HILLS METROPOLITAN DISTRICT** ("Woodmen Hills") and **MERIDIAN RANCH METROPOLITAN DISTRICT** and **MERIDIAN SERVICE METROPOLITAN DISTRICT** (collectively "Meridian").

**WHEREAS**, Woodmen Hills and Meridian entered into an Agreement Re Waste Water Treatment (Woodmen Hills/Meridian Ranch) dated June 15, 2005, an Addendum to Agreement Re Waste Water Treatment (Woodmen Hills/Meridian Ranch) dated July 20, 2006, and a Second Addendum to Agreement Re Waste Water Treatment (Woodmen Hills/Meridian Ranch) dated November 15, 2007 (collectively, the "Tap Fee Agreement"); and

**WHEREAS**, Woodmen Hills and Meridian desire to amend the Tap Fee Agreement as set forth herein; and

**WHEREAS**, Woodmen Hills and Meridian Service Metropolitan District have entered into the McLaughlin Road Sewer Lift Station Intergovernmental Agreement dated 21<sup>st</sup> September, 2009 ("Lift Station IGA"); and

**WHEREAS**, Woodmen Hills and Meridian believe that this Addendum is in the best interests of their respective Districts and constituents.

**NOW THEREFORE**, in consideration of the foregoing recitals, which are incorporated herein, the mutual agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Woodmen Hills and Meridian agree as follows:

1. Section 1 of the Tap Fee Agreement shall be amended to reflect that the January 1, 2010 date set forth therein shall be changed to the later of:
  - a. July 1, 2010; or
  - b. when the Temporary Lift Station located on the Lift Station Site, as defined and described in the Lift Station IGA is approved for permanent operation by the state and the Temporary Lift Station is pumping sewage to the Black Squirrel Waste Water Facility; or
  - c. if the Temporary Lift Station is never approved to pump sewage on a permanent basis, when the Lift Station anticipated in the Lift Station IGA is operational and available to pump sewage to the Black Squirrel Facility.
2. Except as amended hereby, all other provisions of the Tap Fee Agreement shall remain unchanged and in full force and effect.

WHEREFORE, this Addendum is entered into effective as of the date first written above.

WOODMEN HILLS METROPOLITAN DISTRICT

BY: Janice L. Pizze

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: Patricia L. Krebs

MERIDIAN RANCH METROPOLITAN DISTRICT

BY: Wm L. Muth

CRYSTAL THURBER  
NOTARY PUBLIC  
STATE OF COLORADO

My Commission Exp. May 17, 2013

Crystal Thurber  
9/21/09



First American Heritage Title Co.  
6805 Corporate Drive #120  
Colorado Springs, CO 80919  
L. Pineda

ROBERT C. "BOB" BOLINK  
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El Paso County, CO



### LIFT STATION EASEMENT AGREEMENT

For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, WOODMEN HILLS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 8046 Eastonville Road, Falcon, Colorado 80831 (the "Grantor"), hereby grants, bargains, sells and conveys to MERIDIAN SERVICE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o R.S. Wells, 8390 Crescent Parkway, Suite 500, Greenwood Village, CO 80111 (the "District"), its successors and permitted assigns, in gross, a perpetual, exclusive easement (the "Easement"), to access, survey, construct, install, reconstruct, remodel, operate, use, maintain, repair, replace and remove sanitary sewer lift station improvements, equalization and emergency tanks, storm sewer systems, driveways, walkways, landscaping, fencing, electrical systems, water systems and appurtenances thereto (collectively, the "District Improvements") in, to, through, over, under and across a certain parcel of real property located in El Paso County, Colorado, as more particularly described as Tract A, Beckett at Woodmen Hills Filing No. 3, 7320 McLaughlin Rd., Peyton, CO 80831 (the "Property"), pursuant to the following terms and conditions:

1. **Easement Rights of District for the District Improvements.** The District, including its agents, contractors and employees, shall have and exercise the right to access, survey, construct, install, reconstruct, remodel, operate, use, maintain, repair, replace and/or remove the District Improvements in, to, through, over, under and across the Property, and to remove objects interfering therewith, including but not limited to the trimming of trees and bushes. Further, the District, including its agents, contractors and employees, shall have and exercise the right of reasonable ingress and egress in, to, over, through, under and across the Property for any such purposes. In addition, the District, including its agents, contractors and employees, shall have the right, subject to Grantor's approval, which shall not be unreasonably conditioned, delayed, denied or withheld, to use so much of the adjoining property of Grantor particularly described as Tract B, Falcon Highlands Market Place Filing No. 1, located at McLaughlin Road, Peyton, CO 80831, during surveying, construction, installation, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the District Improvements, as may be reasonably required. Grantor acknowledges and agrees that the use by the District of the Property will be to convey sanitary sewage to the Property for the purpose of processing, temporarily storing and pumping said sanitary sewage to another location accompanied by inherent risks of noise and odors as a result of the normal construction, use and operation of the District Improvements.

2. **Easement Rights of District for Grantor's Existing Backup Sanitary Sewer Wet Well.** The District, including its agents, contractors and employees, shall have and exercise the right to survey, construct, modify, install, reconstruct, operate, use, maintain, repair, replace and/or remove sanitary sewer improvements to Grantor's existing backup sanitary sewer wet well on the Property per the following plans: Meridian Service Metropolitan District Lift Station # 2 backup- Construction Drawings, dated December 28, 2007, and signed by Grantor on 11/14/08 (collectively, the "Grantor's Wet Well Improvements"), and to remove objects

FANTC

RECORDED AS ACCOMMODATION ONLY

interfering therewith, including but not limited to the trimming of trees and bushes. Further, the District, including its agents, contractors and employees, shall have and exercise the right of reasonable ingress and egress in, to, over, through, under and across the Property for any such purposes. In addition, the District, including its agents, contractors and employees, shall have the right, subject to Grantor's approval, which shall not be unreasonably conditioned, delayed, denied or withheld, to use so much of the adjoining property of Grantor during surveying, construction, installation, reconstruction, operation, use, maintenance, repair, replacement and/or removal of Grantor's Wet Well Improvements, as may be reasonably required. Grantor acknowledges and agrees that the use by the District of Grantor's Wet Well Improvements will be to convey sanitary sewage to the Property for purpose of pumping said sewage to another location accompanied by inherent risks of noise and odors as a result of the normal use, installation and operation of Grantor's Wet Well Improvements.

3. **Uses Retained by Grantor.** As of the date of this Easement Agreement, Grantor has two sanitary sewer lift stations and appurtenances located on the Property. Until such time as both such lift stations are abandoned by Grantor and/or incorporated into use by the District, Grantor shall be permitted to use the Property for operation, use, maintenance, repair, replacement and/or removal of such lift stations.

Except as specifically set forth in paragraphs 3 and 4 hereof, Grantor shall not use the Property for any purpose without the prior written consent of the District

4. **Joint Use as Storage Yard.** Grantor and District will both use the Property as a storage yard and shall have the right of ingress and egress for such uses on an equal basis for their miscellaneous equipment and supplies. Any costs associated with preparing the Property for joint storage yard uses will be shared equally. The parties shall mutually agree upon any improvements to be made to the Property, such as paving, fencing, landscaping, etc., related to said joint storage yard uses. If one party desires to use any part of the Property for its sole storage yard uses, the other party must consent to such sole storage yard uses, and the party improving the Property for its sole storage yard uses shall pay for and maintain said improvements.

5. **Costs.** Upon completion of the Improvements, Grantor and District agree to share equally the cost of maintaining the exterior appearance of all fencing, driveways, surface materials and landscape materials ("Structures") on the Property. Provided, however, that, if and when both of Grantor's lift stations are abandoned and/or incorporated into use by the District, the District shall assume responsibility for all costs of maintaining the exterior appearance of all Structures on the Property. If one or both of Grantor's lift stations are incorporated into use by the District, Grantor shall not charge the District for the cost of such lift station(s), and the District shall be solely responsible for the cost of operating such lift station(s).

6. **Installation and Repair.** Upon completion of its activities, the District, to the extent practicable, shall restore the Property and any adjacent property of the Grantor

temporarily used by the District, including the surface of the ground and all landscaping, to the condition it was in or better immediately prior to the initiation of construction, except as necessarily modified to accommodate the Improvements.

7. **Subjacent and Lateral Support.** The District shall have and exercise the right of subjacent and lateral support to whatever extent is necessary or desirable for the operation, maintenance, repair, replacement, control and use of the Improvements. It is specifically agreed between and among the parties that, except as provided in this Agreement, the Grantor shall not take any action which would impair the lateral or subjacent support for the Improvements.

8. **Rights of Third Parties.** The parties expressly agree that, except as set forth herein, the rights granted hereunder are exclusive to the District, and that this is a private easement in which no third party shall have any right of access or use unless the District, in its sole discretion, agrees to allow the same. It is expressly acknowledged and agreed that the District shall have the right and authority, but no obligation, to assign to any appropriate local governmental entity or to any public utility provider all rights to use, and all obligations associated with, the Easement as are granted to and assumed by the District herein. In addition, the District shall have the right and authority to grant temporary construction easements or license agreements to any appropriate local governmental entity, public utility provider, or to the District's contractors, for purposes of construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements consistent herewith.

9. **Reversion.** The District agrees that at such time and in the event that the Easement described herein is abandoned by the District, such Easement shall terminate and the real property interest represented by such Easement shall revert to Grantor, its heirs, successors and/or permitted assigns. For purposes of this Agreement, the Easement shall be deemed abandoned upon the occurrence of one or more of the following: cessation of the use of the Improvements after they have been initially installed for a period of one hundred and eighty (180) consecutive days, unless during that period the District begins or is in the process of installing, repairing, maintaining or replacing Improvements or parts thereof with improvements of like purpose and function and prosecutes such replacement to completion with due diligence; or, the recording of a document by the District declaring that the Easement has been abandoned.

10. **Warranty of Title.** Grantor warrants that it has full right and lawful authority to make the grant herein described free and clear of all liens, taxes, assessments and encumbrances of any kind, except for taxes not yet due for the year. Grantor promises and agrees to warrant and forever defend the District in its quiet and peaceful possession of the Property in the exercise of the District's rights hereunder against any defect in Grantor's title to the Property and Grantor's right to make the grant herein described.

11. **Provision of District Facilities or Services.** Notwithstanding anything herein to the contrary, Grantor and District agree that execution of this Easement shall not thereby create any obligation on the part of District to own, operate or maintain facilities, or provide service to



or on account of Grantor.

12. **Binding Effect.** Each and every one of the benefits and burdens of this Easement shall inure to and be binding upon the respective legal representatives, heirs, administrators, successors and permitted assigns of Grantor and District.

13. **Insurance.** Grantor and District shall insure themselves separately against liability, loss and damages arising out of the existence, use or operations of EACH ENTITY'S INDIVIDUAL Improvements; provided that the District shall, to the extent authorized by law, indemnify and hold harmless the Grantor, its officers, agents and employees against any liability, loss, damage or expenses incurred by said entities and persons and arising out of or caused by any negligent act or omission of the District in connection with this Agreement.

In witness hereof, the undersigned have executed this Easement this 17 day of April, 2008.

**GRANTOR:**

WOODMEN HILLS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

ATTEST:

By: [Signature]

Secretary

By: [Signature]

President

State of Colorado )

County of El Paso )

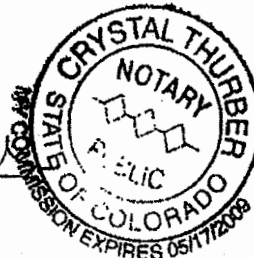
ss.

The foregoing was acknowledged before me this 17 day of April, 2008, by Jennifer Barber as President and by Rebecca Smith as Secretary of Woodmen Hills Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado.

Please see attached  
Witness my hand and official seal.

My commission expires: May 17, 2009

Crystal Thuermer  
Notary



(SEAL)



or on account of Grantor.

12. **Binding Effect.** Each and every one of the benefits and burdens of this Easement shall inure to and be binding upon the respective legal representatives, heirs, administrators, successors and permitted assigns of Grantor and District.

13. **Insurance.** Grantor and District shall insure themselves separately against liability, loss and damages arising out of the existence, use or operations of EACH ENTITY'S INDIVIDUAL Improvements; provided that the District shall, to the extent authorized by law, indemnify and hold harmless the Grantor, its officers, agents and employees against any liability, loss, damage or expenses incurred by said entities and persons and arising out of or caused by any negligent act or omission of the District in connection with this Agreement.

In witness hereof, the undersigned have executed this Easement this 17 day of April, 2008.

**GRANTOR:**

WOODMEN HILLS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

**ATTEST:**

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
President

State of Colorado )  
County of El Paso ) ss.

The foregoing was acknowledged before me this 17 day of April, 2008, by Jennifer Barba as President and by Robert Sobota as Secretary of Woodmen Hills Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado.

Witness my hand and official seal.

My commission expires: May 12, 2009

(SEAL)



Crystal Thurber  
Notary

**MERIDIAN SERVICE METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado

By: Shay H. Jones  
Secretary

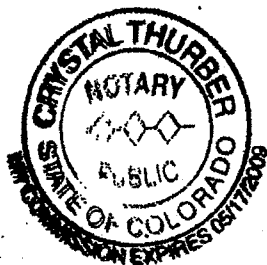
*Arthur E. Kirsch*  
President

State of Colorado )  
 ) ss.  
County of El Paso )

**Witness my hand and official seal.**

My commission expires: May 17, 2009

Notary



## McLAUGHLIN ROAD SEWER LIFT STATION INTERGOVERNMENTAL AGREEMENT

**THIS McLAUGHLIN ROAD SEWER LIFT STATION INTERGOVERNMENTAL AGREEMENT** ("Agreement") is made and entered this 21<sup>st</sup> day of September, 2009, by and between **MERIDIAN SERVICE METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("Meridian Service"), and **WOODMEN HILLS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("Woodmen Hills") (sometime collectively referred to as the "Districts" or the "Parties").

### RECITALS

**WHEREAS**, Meridian Service provides, among other things, sanitary sewer service to the Meridian Ranch development; and

**WHEREAS**, Woodmen Hills provides, among other things, sanitary sewer service to the Woodmen Hills development; and

**WHEREAS**, Meridian Service and Woodmen Hills have entered into Metropolitan Districts Intergovernmental Agreement (Woodmen Hills – Meridian Ranch) dated March 17, 2004; and

**WHEREAS**, Woodmen Hills owns and operates the existing Woodmen Hills sewer lift station and backup emergency lift station and well system on Tract A, Beckett at Woodmen Hills Filing No. 3, 7320 McLaughlin Road (the "Lift Station Site"); and

**WHEREAS**, Meridian Service owns and operates the existing temporary sewer lift station that was approved via the modification of a lift station (site application #4406), Woodmen Hills Metropolitan District, El Paso County dated December 14, 2007 ("Temporary Lift Station"). The Temporary Lift Station is inside the existing Woodmen Hills sewer lift station backup wet well on the Lift Station Site; and

**WHEREAS**, Woodmen Hills granted a permanent easement over the Lift Station Site to Meridian Service for a sewer lift station, equalization basin and appurtenant equipment, (the "Lift Station") which easement was recorded on April 22, 2008, at Reception No. 208045754, in the office of the clerk and recorder of El Paso County, Colorado ("Lift Station Easement"); and

**WHEREAS**, in the Lift Station Easement, Woodmen Hills granted a construction easement to Meridian Service over Tract B, Falcon Highlands Market Place, Filing No.

**McLAUGHLIN ROAD SEWER LIFT STATION  
INTERGOVERNMENTAL AGREEMENT**

**THIS McLAUGHLIN ROAD SEWER LIFT STATION INTERGOVERNMENTAL AGREEMENT** ("Agreement") is made and entered this 21<sup>ST</sup> day of September, 2009, by and between **MERIDIAN SERVICE METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("Meridian Service"), and **WOODMEN HILLS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("Woodmen Hills") (sometime collectively referred to as the "Districts" or the "Parties").

**RECITALS**

**WHEREAS**, Meridian Service provides, among other things, sanitary sewer service to the Meridian Ranch development; and

**WHEREAS**, Woodmen Hills provides, among other things, sanitary sewer service to the Woodmen Hills development; and

**WHEREAS**, Meridian Service and Woodmen Hills have entered into Metropolitan Districts Intergovernmental Agreement (Woodmen Hills – Meridian Ranch) dated March 17, 2004; and

**WHEREAS**, Woodmen Hills owns and operates the existing Woodmen Hills sewer lift station and backup emergency lift station and well system on Tract A, Beckett at Woodmen Hills Filing No. 3, 7320 McLaughlin Road (the "Lift Station Site"); and

**WHEREAS**, Meridian Service owns and operates the existing temporary sewer lift station that was approved via the modification of a lift station (site application #4406), Woodmen Hills Metropolitan District, El Paso County dated December 14, 2007 ("Temporary Lift Station"). The Temporary Lift Station is inside the existing Woodmen Hills sewer lift station backup wet well on the Lift Station Site; and

**WHEREAS**, Woodmen Hills granted a permanent easement over the Lift Station Site to Meridian Service for a sewer lift station, equalization basin and appurtenant equipment, (the "Lift Station") which easement was recorded on April 22, 2008, at Reception No. 208045754, in the office of the clerk and recorder of El Paso County, Colorado ("Lift Station Easement"); and

**WHEREAS**, in the Lift Station Easement, Woodmen Hills granted a construction easement to Meridian Service over Tract B, Falcon Highlands Market Place, Filing No.

1, El Paso County, Colorado for construction of the Lift Station Improvements (as described herein) on the Lift Station Easement (the "Construction Easement"); and

**WHEREAS**, a depiction of the Lift Station Easement and the construction easement are shown on Exhibit A, which is attached hereto and incorporated herein; and

**WHEREAS**, Meridian Service plans to construct the sanitary sewer Lift Station Improvements on the Lift Station Easement in order to serve its constituents and send its sewage to the Black Squirrel Waste Water Treatment Facility (the "Black Squirrel Facility"); and

**WHEREAS**, Woodmen Hills desires to participate in the construction of the Lift Station Improvements in order to serve its constituents and send its sewage to the Paint Brush Hills Waste Water Treatment Facility ("Paint Brush Facility"); and

**WHEREAS**, per all terms and specifications of this agreement and subject to obtaining all required permits and approvals, the Lift Station may be used to pump Meridian Service and/or Woodmen Hills sewage to any treatment facility permitted by the State of Colorado; and

**WHEREAS**, pursuant to Section 18(2)(a) of Article XIV of the Constitution of the State of Colorado, and Sections 29-1-201 et seq., the Districts have found that it is in their respective best interests to enter into this Agreement.

**WHEREAS**, this Agreement is contingent upon both Districts obtaining all necessary permits and or approvals to pump sewage to their respective waste water treatment facilities including approvals of all State of Colorado and El Paso County site applications and transferring of the existing Woodmen Hills State pumping site application to the Lift Station. It is in the best interest of both Districts to assist each other and expedite the permit/approval process.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein, the mutual promises and obligations contained herein, and other good a valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Districts agree as follows:

#### **ARTICLE 1 – Lift Station Improvements**

- 1.1 The Lift Station Improvements shall be divided into the following three distinct/separate systems:

- 1.1.1 The Joint Lift Station System;
- 1.1.2 The Meridian Service Lift Station System; and
- 1.1.3 The Woodmen Hills Lift Station System.

1.2 The Joint Lift Station System shall consist of all Lift Station Improvements on the Lift Station Site that are used to receive, remove screening and grit, pump, temporarily store, dispose and handle sewage, screening and grit for both Meridian Service and Woodmen Hills (i.e. improvements that do not serve the sole purpose of pumping sewage for either Meridian Service or Woodmen Hills). The Joint Lift Station System improvements include, but are not limited to, the following:

1.2.1 General Site Improvements - Flatwork, paving, walls, fences, landscaping, exterior electric, lighting, phone and water systems, emergency storage basin system, equalization storage basin system, backup generator(s) system, etc.

1.2.2 Lift Station Building Improvements - The above grade and below grade Lift Station building structure; the Lift Station building piping, valves, meters, bends, tees, mechanical bar screen system, grit removal system necessary to transport sewage from the inlet piping to the Lift Station sewer wet well; the Lift Station building piping, valves, meters, bends, tees and pumps necessary to transport the sewage from the Lift Station wet well to either the emergency or equalization storage basins; the electrical, mechanical, plumbing, lighting, waste, phone, water, SCADA systems required to operate the Joint Lift Station System.

1.3 The Meridian Service Lift Station System shall mean those Lift Station Improvements that are used specifically for pumping only Meridian Service sewage via force mains to the Black Squirrel Facility for subsequent sewage treatment. This shall consist of, but not be limited to, pumps, chemical injection systems at the pump inlets, flow monitoring, sewer force mains, valves, piping, bends, electrical controls, chemical storage, electrical metering for the electrical components specific for the Meridian Service Lift Station, SCADA and phone systems required to operate the Meridian Service Lift Station System. Meridian Service shall properly design, engineer and build the Meridian Service Lift Station System and Meridian Service sewer force main system per all Federal, State and local regulations to accommodate its sewage flows, including peaking flows, to minimize the use of the equalization basins. Meridian Service shall make any future modifications and or improvements to the Meridian Service Lift Station System and Meridian Service sewer force main system necessary to meet all current or future Federal, State and local regulations including but not limited to sewer pumping flow rates and sewer quality standards.

- 1.4 The Woodmen Hills Lift Station System shall mean those Lift Station Improvements that are used specifically for pumping only Woodmen Hill's sewage via force mains to the Paint Brush Facility for subsequent sewage treatment of such sewage. This shall consist of, but not be limited to, pumps, chemical injection systems at the pump inlets, flow monitoring, sewer force mains, valves, piping, bends, electrical controls, chemical storage, electrical metering for the electrical components specific for the Woodmen Hills Lift Station System, SCADA and phone systems required to operate the Woodmen Hills Lift Station System. Woodmen Hills shall properly design, engineer and cause Meridian Service to initially construct the Woodmen Hills Lift Station System.

## **ARTICLE 2 – Construction**

- 2.1 Meridian Service shall construct the Lift Station Improvements on the Lift Station Easement and have full use of the Construction Easement. Meridian Service shall set up a pre-construction meeting prior to start of construction and invite Woodmen Hills to attend. Meridian Service shall at all times during construction provide Woodmen Hills access to the existing Woodmen Hills sewer lift station and backup emergency lift station and wet well system. Except as specified herein, Meridian Service shall pay the entire cost of constructing the Lift Station Improvements and shall own, operate and maintain the Joint Lift Station System and the Meridian Service Lift Station System. Woodmen Hills will own, operate and maintain the Woodmen Hills Lift Station System when Meridian Service has completed the Lift Station Improvements and the Lift Station is operational and put to its intended use.
- 2.2 The timing of construction of the Lift Station Improvements shall be in the sole discretion of the Meridian Service. Meridian Service shall provide Woodmen Hills with a construction schedule and update such schedule on a monthly basis. Meridian Service shall hold monthly construction update meetings and invite Woodmen Hills to attend the monthly construction meetings.
- 2.3 Woodmen Hills shall provide, at no cost to Meridian Service, the following equipment and/or services for the construction of the Lift Station Improvements and/or the operation of the Lift Station for the beneficial use of both Districts:
- 2.1.1 the complete bioxide system necessary to treat Woodmen Hills sewage;
  - 2.1.2 the existing back-up electric generator located at the existing Woodmen Hills lift station (Kohler Model No. 180R0ZJ; Serial No. 0624052);
  - 2.1.3 a fire hydrant meter and all necessary construction water needed to construct and test the Lift Station Improvements;
  - 2.1.4 a 1½ inch water tap, water meter and water to provide all of the water necessary for the operation of the Lift Station and maintenance of the Lift Station Site;

- 2.4 Woodmen Hills shall assist Meridian Service in selecting the manufacturer(s) for the equipment used in the Woodmen Hills Lift Station System. During the public bid process, if there is a price difference between the equipment Woodmen Hills desires and the equipment Meridian Service has selected in the bid selected by Meridian Service (assuming comparable manufacturer(s)), then Woodmen Hills will pay Meridian Service the difference. Meridian Service shall install the equipment provided and specified by Woodmen Hills as agreed upon in this Agreement.
- 2.5 Meridian Service shall be responsible for paying all fees for and obtaining all necessary permits and or approvals to construct the Lift Station Improvements and to pump Meridian Service sewage to the Black Squirrel Facility. Woodmen Hills agrees to cooperate with Meridian Service and assist Meridian Service as necessary in obtaining all of the required permits and approvals.
- 2.6 Woodmen Hills shall be responsible for paying all fees for and obtaining all necessary permits and or approvals to pump Woodmen Hill's sewage to the Paint Brush Facility. Meridian Service agrees to cooperate with Woodmen Hills and assist Woodmen Hills as necessary in obtaining all of the required permits and approvals.
- 2.7 Once the Lift Station Improvements are complete and the Lift Station is operational, Woodmen Hills shall, if required, be responsible for the removal and disposal of the existing Woodmen Hill's sewer lift station and backup wet well system on the Lift Station Site. Meridian Service shall be responsible for the removal and disposal of the existing Meridian Service temporary sewer lift station inside the existing Woodmen Hills sewer lift station backup wet well.
- 2.8 Meridian Service shall maintain builder's risk insurance during the duration of the construction period and name Woodmen Hills as additional insured.

### **ARTICLE 3 – Ownership, Operation and Maintenance**

- 3.1 Meridian Service shall own and be responsible for the operation, maintenance, and repair of the Meridian Service Lift Station System. All costs for the operation, maintenance and repair of the Meridian Service Lift Station System shall be the responsibility of Meridian Service. Meridian Service shall purchase and maintain comprehensive general public liability and property damage insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Such policies shall name Woodmen Hills as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Woodmen Hills. Meridian Service will furnish Woodmen Hills, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Meridian Service that such



coverage is in full force and effect. Meridian Service shall be responsible for the proper operation of the Meridian Service Lift Station System at all times and for pumping Meridian Service sewage from the Lift Station to the Black Squirrel Facility. Meridian Service shall maintain an approved emergency sewer backup plan (updated annually and delivered to Woodmen Hills for their records) to transfer Meridian Service sewage from the Lift Station to the Black Squirrel Facility in the event that the Meridian Service Lift Station System goes off line and the emergency storage basin can not handle all the Meridian Service sewage flows.

- 3.2 Meridian Service shall own and be responsible for the operation, maintenance, and repair of the Joint Lift Station System. Once the Lift Station is complete and operational, all costs for the operation, maintenance and repair of the Joint Lift Station System shall be shared between both Districts. If the expense amount is a fixed cost, i.e. the amount of the cost is not dependent on sewage flows such as roof repairs, insurance, upgrades, building maintenance, etc., then the expense shall be paid proportionally based on 54% for Meridian Service and 46% for Woodmen Hills. If the expense amount is based on sewage flow quantities and not a fixed cost, i.e. expenses such as electric, disposal, etc., then the expense shall be paid proportionally on a monthly basis between Meridian Service and Woodmen Hills based on the end of the month sewage flow percentage breakdown. Meridian Service shall purchase and maintain for the Joint Lift Station System comprehensive general public liability and property damage insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Insurance costs shall be considered fixed cost. Such policies shall name Woodmen Hills as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Woodmen Hills. Meridian Service will furnish Woodmen Hills, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Meridian Service that such coverage is in full force and effect.
- 3.3 Once the Lift Station is complete and operational, Meridian Service shall invoice Woodmen Hills on a monthly basis for its share of the costs for the operation, maintenance and repair of the Joint Lift Station System as noted above. Meridian Service and Woodmen Hills shall hold a meeting at least once a month to review all meter readings, monthly invoices, previous expenditures, future expenditures, maintenance status, operational concerns, and all other Lift Station matters. Meridian Service shall provide Woodmen Hills all necessary backup information for all invoicing including a detailed summary sheet breaking down all costs. Woodmen Hills shall pay Meridian Service invoices within 30 days of being received. Meridian Service shall provide Woodmen Hills a yearly operation and maintenance budget for the Joint Lift Station System by November 1 of the previous year. The yearly budget will be updated from time to time depending on

unforeseen repairs and expenditures. For the Joint Lift Station System Meridian Service shall have to do the following:

- 3.3.1 Get a minimum of three (3) qualified proposals for any unforeseen non-emergency repairs that are anticipated to exceed \$15,000. Woodmen Hills will assist Meridian Service in selecting the lowest qualified bid.
  - 3.3.2 Meridian Service shall notify Woodmen Hills immediately on any potential Emergency repairs that are anticipated to exceed \$15,000. If due to the emergency it is not possible to get more than one or any bids and the repairs have to be repaired immediately than Meridian Service agrees to work with Woodmen Hills to expedite such repairs. Meridian Service shall update Woodmen Hills on the status of all said repairs.
  - 3.3.3 Meridian Service and Woodmen Hills will agree at the start of the year on a list of potential repairs that will have a single source repair company. Three (3) bids will not be required for these repairs. All repair and or replacement projects that are anticipated to exceed \$60,000 (labor and materials combined) are required to be bid out.
  - 3.3.4 Whenever possible Meridian Service shall work with Woodmen Hills to complete all repair work using both Districts labor forces.
- 3.4 Once the Lift Station is complete and operational, Woodmen Hills shall own and be responsible for the operation, maintenance, and repair of the Woodmen Hills Lift Station System. All costs for the operation, maintenance and repair of the Woodmen Hills Lift Station System shall be the responsibility of Woodmen Hills. Woodmen Hills shall purchase and maintain comprehensive general public liability and property damage insurance in an amount not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Such policies shall name Meridian Service as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Meridian Service. Woodmen Hills will furnish Meridian Service, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Woodmen Hills that such coverage is in full force and effect. Woodmen Hills shall be responsible for the proper operation of the Woodmen Hills Lift Station System at all times and for pumping Woodmen Hills' sewage from the Lift Station to the Paint Brush Facility. Woodmen Hills shall maintain an approved emergency backup plan (updated annually and delivered to Meridian Service for their records) to transfer Woodmen Hills sewage from the Lift Station to the Paint Brush Facility in the event that the Woodmen Hills Lift Station System goes off line and the Emergency Storage Basin can not handle all the Woodmen Hills sewage flows.
- 3.5 Woodmen Hills shall own the Lift Station Site. Woodmen Hills shall purchase and maintain comprehensive general public liability and property damage insurance for the Lift Station in an amount not less than \$1,000,000

per occurrence and \$2,000,000 aggregate. Insurance costs shall be a fixed cost shared proportionally based on 54% for Meridian Service and 46% for Woodmen Hills. Such policies shall name Meridian Service as an additional insured and shall prohibit cancellation without thirty (30) days' notice to Meridian Service. Woodmen Hills will furnish Meridian Service, within ten (10) days of receipt of a written request for the same, written verification from the insurance carrier for Woodmen Hills that such coverage is in full force and effect.

- 3.6 Meridian Service shall install sewer flow meters ("Meridian Flow Meters") as necessary to measure flows originating from Meridian Service customers. Meridian Service shall pump its sewer flows to the Black Squirrel Facility at the same or greater rate as measured by the Meridian Flow Meters and shall utilize the EQ basin based upon daily flows when necessary while attempting to minimize the use of the equalization storage basin.
- 3.7 Meridian Service shall install a sewer flow meter at the Lift Station that will measure the total sewage being received at the Lift Station ("Lift Station Flow Meter") and sewer flow meters at the Meridian Service force main ("Meridian Force Meter") that measure the total sewage being pumped from the Lift Station to the Black Squirrel Facility by Meridian Service and at the Woodmen Hills force main ("Woodmen Force Meter") that measure the total sewage being pumped from the Lift Station to the Paint Brush Facility by Woodmen Hills. Meridian Service is responsible and shall pay all costs to have the Meridian Flow Meters and the Meridian Force Meter calibrated. Woodmen Hills is responsible and shall pay all costs to have the Woodmen Force Meter calibrated. Meridian Service is responsible to have the Lift Station Flow Meter calibrated and the costs shared by both Meridian Service and Woodmen Hills proportionally the same as the Joint Lift Station System costs. All meters shall be calibrated a minimum of once a year by an approved and licensed calibration company with the calibration results provided to each District.
- 3.8 Woodmen Hills Sewer Flows shall be measured by subtracting the sewer flows from the Meridian Flow Meters from the sewer flows of the Lift Station Flow Meter. Woodmen Hills shall pump its sewer flows to the Paint Brush Facility at the same or greater rate as measured by subtracting the sewer flows from the Meridian Flow Meters from the sewer flows of the Lift Station Flow Meter and shall utilize the EQ basin based upon daily flows when necessary while attempting to minimize the use of the equalization storage basin.
- 3.9 Woodmen Hills and Meridian Service agree that all sewage entering the Lift Station shall not violate the standards and specifications as set forth by all Federal, State, and local regulations ("Standards and Specifications"). The Standards and Specifications are subject to change from time to time

depending on new regulations and/or findings that require them to be changed. Meridian Service shall test their sewage prior to flowing into the Woodmen Hills sewer system. If the Standards and Specifications are violated by either District, each District agrees to assist the other District in the investigation to locate the source(s) of the non-compliant sewage. Each District shall be responsible to charge its non-compliant customers any required fines and/or fees and cause such customers to immediately make any necessary changes and/or repairs to their sewer systems to eliminate violations of all Standards and Specifications. The District that is responsible for the non-compliant sewage shall pay for all costs and penalties due to the non-compliant sewage.

- 3.10 Each district will maintain their separate SCADA and phone system for the notification of alarm situations. Certain alarms will be dual alarms such as high/low wet well, equalization system pump failure, power failure, water on the floor etc. If either district will be viewing data from the other districts SCADA a separate RTU and radio will need to be installed in the respective districts SCADA with all costs paid for by the district wanting the viewable information. At no time will either district be able to have any type of control over the other districts SCADA and viewable information about the other District's SCADA system will be only for observation purposes.
- 3.11 The maximum amount of sewage that Woodmen Hills shall receive at the Lift Station and pump through the Lift Station is one million gallons per day (1 MGD).
- 3.12 Woodmen Hills and Meridian Service authorized personnel shall have equal access rights to the Lift Station Site and Lift Station. Meridian Service and Woodmen Hills shall have equal rights to properly store all necessary materials for normal sewer lift station operations inside of the Lift Station per all El Paso County, State of Colorado and any and all agency rules and regulations. Neither Meridian Service nor Woodmen Hills can limit the other's access to any portion of the Lift Station Site or Lift Station. Access to individual equipment and parts shall be limited to the ownership of the equipment and parts as described above. In the event that it is necessary to re-program/re-key the door locks of any portion of the Lift Station Site or Lift Station the responsible District that causes the need to re-program/re-key shall pay for all such costs. Meridian Service shall schedule the re-program/re-keying.
- 3.13 On a monthly basis, Meridian Service shall invoice Woodmen Hills for amounts due under this Agreement. All amounts not paid within sixty (60) days of the invoice shall earn interest at the rate of 1% per month.

#### ARTICLE 4 – Term/Remedies

- 4.1 Termination. This Agreement shall remain in force as long as the Lift Station Improvements or their replacements remain in service for one or both of the Districts.
- 4.2 Default. Upon Default, the non-defaulting District shall have the right to take whatever action, at law or in equity, appears necessary or desirable to recover damages and/or to enforce performance and observation of any obligation, agreement or covenant of the Defaulting District under this Agreement, or to collect the monies then due and thereafter to become due.
- 4.3 Interim conditions. Woodmen Hills will work with Meridian Service to expedite changing the Temporary Lift Station state permit condition restricting the use of the Temporary Lift Station on an emergency basis to use of the Temporary Lift Station on a permanent basis until the Lift Station is complete and put to its intended use.
- 4.4 Shared Sewage Treatment. Whenever possible it is the intent of both Districts to help each other in the event of an emergency to borrow sewer pumping capacity and treatment for a short time period until the emergency is corrected. A mutually agreed upon fee or re-payment plan of the borrowed sewer pumping capacity and treatment at a later date will be agreed to by both Districts at the beginning of each year based on each Districts pumping and treatment capacities. All requests to borrow the other Districts pumping capacity must be made in writing and approved in writing prior to any pumping of sewage. It is not the intent that either District is responsible for providing pumping capacity and/or sewage treatment to the other District.
- 4.5 Sewage over capacity conditions. Both Districts agree to operate their respective sewer pumping systems at the Lift Station per all Federal, State and local regulations and as per this Agreement. Both Districts shall have the right to use the equalization and emergency storage basin systems. The Districts shall share the capacity of either the equalization or emergency storage basin systems based on for Meridian Service 1.2MGD/2.2MGD, 54.5%, and for Woodmen Hills 1MGD/2.2MGD, 45.5%. Woodmen Hills shall have the use of the equalization storage basin system in order to provide equalization capacity for the diurnal flow fluctuations will allow for the pumping of up to 1 MGD of wastewater at an even flow rate of 695 gallons per minute. If either the equalization or emergency storage basins are over capacity and sewage pumper trucks or other means are necessary to transport the excess sewage from the Lift Station then the responsible District that caused the over capacity of either basin shall pay for all costs to transport the excess sewage from the Lift Station. Each District shall take immediate steps to locate the cause of either the excess sewage capacity (such as water infiltration) or the pumping problem causing the over capacity of sewage at the Lift Station system. Both Districts agree to inspect their sewer

systems on a regular basis for ground water infiltration. Under no circumstances shall it be acceptable to purposely allow ground water to enter the sewer systems. Both Districts shall adhere to all El Paso County, State of Colorado and any and all agency groundwater rules and regulations.

#### **ARTICLE 5 – General Provisions**

- 5.1 Governing Law. This Agreement shall be governed by the laws of the State of Colorado and venue for any action shall be the District Court in and for the County of El Paso.
- 5.2 Counterparts. This Agreement may be executed in counterparts, each of which, when combined, shall be deemed to be an original. Facsimile or scanned signatures shall be an acceptable form of execution of this Agreement.
- 5.3 Notices. All notices required or permitted to be given hereunder shall be in writing and shall be effective upon the date of personal delivery, or three business days after deposit of the same in the US mail, first class postage prepaid, addressed to the following, or to such other address as designated in writing by a party:
- If to MERIDIAN SERVICE:                      Meridian Service Metropolitan District  
c/o RS Wells  
8390 Crescent Parkway, Suite 500  
Greenwood Village, Colorado 80111
- If to WOODMEN HILLS:                      Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Falcon, Colorado 80831
- 5.4 Captions. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the provisions of this Agreement.
- 5.5 Assignment. Neither party may assign its rights under this Agreement without the prior written consent of the other.
- 5.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors and permitted assigns.
- 5.7 Modifications, Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless the same is made in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought.

- 5.8 Merger/Entire Agreement. The Agreement constitutes the whole agreement between the parties and no additional or different oral representation, promise or agreement shall be binding on any of the parties hereto with respect to the subject matter of this Contract.
- 5.9 Severability. Any provision or part of this Agreement held to be void or unenforceable by a court of competent jurisdiction shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the Parties, who agree that the Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 5.10 No Third Party Rights. Nothing in this Agreement, express or implied, is confers upon any person, other than the Parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.
- 5.11 Attorneys Fees. In the event of any controversy, claim or dispute between the Parties affecting or relating to the subject matter or performance of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable attorney fees and costs incurred in such action, including arbitration.

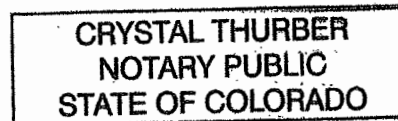
IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date first written above.

MERIDIAN SERVICE METROPOLITAN DISTRICT

By: *Matthew LaRocca*

ATTEST:

By: *Wm L. Mith*



My Commission Exp. May 17, 2013

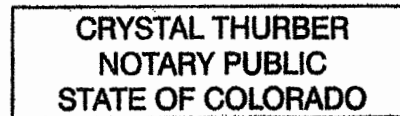
*Crystal Thurber 9/21/09*

WOODMEN HILLS METROPOLITAN DISTRICT

By: *Janice L. Pizzo*

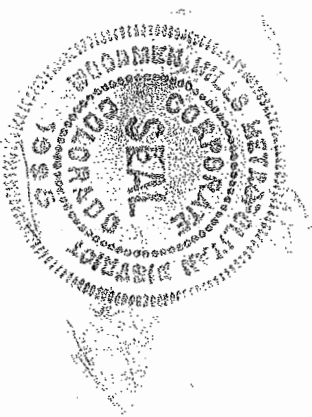
ATTEST:

By: *Debra Wright*



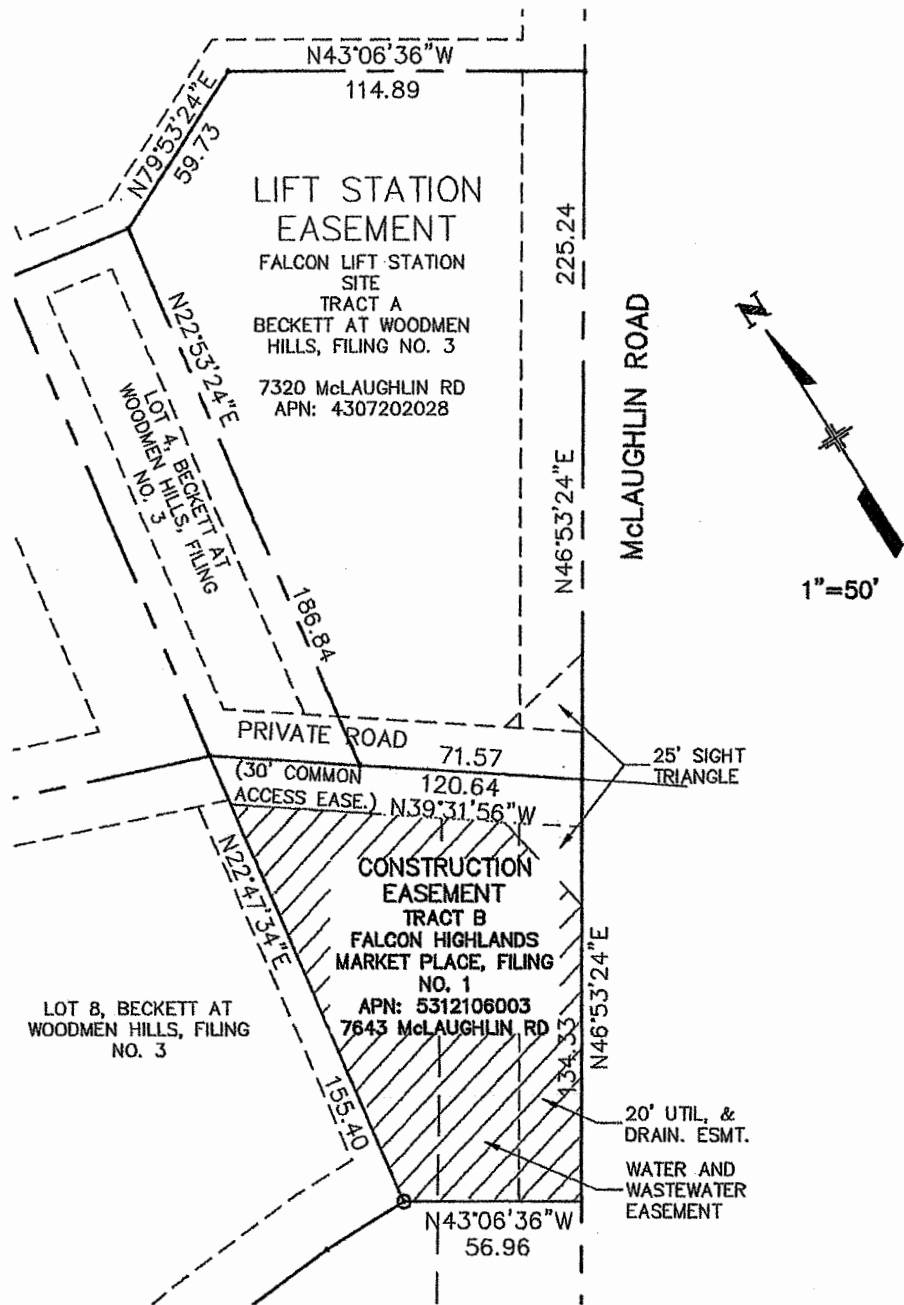
My Commission Exp. May 17, 2013

*Crystal Thurber 9/21/09*





# EXHIBIT A



A

SCALE: 1"=50'  
 DATE: 07/30/09  
 DRAWN: TAK  
 CHECK: RG

## LIFT STATION EASEMENT AND CONSTRUCTION EASEMENT

TECH CONTRACTORS  
 10305 ANGELES ROAD  
 FALCON, CO 80831  
 TELEPHONE: 719.495.7444  
 FAX: 719.495.7608

Was never approved

**INTERGOVERNMENTAL AGREEMENT  
(MERIDIAN RANCH-WOODMEN HILLS)  
POND REPLACEMENT PLAN**

This Intergovernmental Agreement ("IGA") is made and entered into effective this 15<sup>th</sup> day of December 2003 by and between Meridian Service Metropolitan District ("Meridian Service") and Woodmen Hills Metropolitan District ("Woodmen Hills"), collectively, the "Districts".

**RECITALS**

A. Meridian Service is a quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which intends to furnish various municipal services to the Meridian Ranch development.

B. Woodmen Hills is a quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which furnishes various municipal services to the Woodmen Hills development.

C. Pursuant to Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, Colorado Revised Statutes, Districts may cooperate and contract with each other to provide any function, services, or facilities lawfully authorized to each.

D. Pursuant to Case No. 03 GW 04 filed with the Colorado Ground Water Commission, Woodmen Hills has an approved plan to use Denver Basin waters and replace the same by pumping water from its municipal system into Pond #1.

E. Meridian Service is in the process of applying for a similar right to use the Denver Basin waters and is proposing that it also replace said depletions by pumping water from the Woodmen Hills system into Pond #1 in the identical matter as is being done by Woodmen Hills.

F. The Meridian Service and Woodmen Hills municipal water systems are connected although each District uses its own water developed from the Denver Basin aquifers within the boundaries of each respective Districts; however, the Districts mutually have the benefit of the use of water produced from the Black Squirrel aquifer and Denver Basin formations underlying the land known as "Guthrie Ranch".

NOW THEREFORE, based upon the mutual considerations and promises contained herein, the Districts agree as follows:

1. **Combined Pond Replacement Program.** The Districts will mutually cooperate in the replacement of Denver Basin withdrawals into Pond #1. Woodmen Hills shall maintain all necessary measuring devices. Based upon the amount of the previous years withdrawals of Denver Basin water by Meridian Service, on an annual basis the Meridian

Service withdrawals shall be replaced in Pond No. 1 by the use of Meridian Service's share of the Guthrie Ranch water right. Woodmen Hills shall furnish to either Meridian Service and/or the Colorado Ground Water Commission the necessary documentation and records necessary for Meridian Service to show compliance with its Dawson replacement plan.

2. **Cost Sharing.** Meridian Service, on an annual basis, or any other basis as agreed to by the Districts, shall pay its fair share of the costs (including administration) of operating and monitoring the Pond replacement program.

Made and entered into the year and date first above written.

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: \_\_\_\_\_

ATTEST:

BY: \_\_\_\_\_

WOODMEN HILLS METROPOLITAN DISTRICT

BY: \_\_\_\_\_

ATTEST:

BY: \_\_\_\_\_

Was never approved

8/11/09

**INTERGOVERNMENTAL AGREEMENT  
(MERIDIAN SERVICE AND WOODMEN HILLS)**

This Intergovernmental Agreement ("IGA") is made and entered into effective this 1<sup>st</sup> day of July 2004 by and between the following public entities:

1. Meridian Service Metropolitan District ("Meridian") acting for, and on behalf of, the Meridian Ranch Metropolitan District, and
2. Woodmen Hills Metropolitan District ("Woodmen Hills").

**RECITALS**

- A. The above entities (collectively the "Districts") are both quasi-municipal corporations and political subdivisions of the State of Colorado formed pursuant to Title 32, Colorado Revised Statutes.
- B. The Districts supply a variety of municipal services to their residents and land owners within their respective boundaries and service areas.
- C. The parties have an approved plan and court decree for the installation and maintenance of a surface water diversion structure ("SWDS") located in an unnamed tributary of Black Squirrel Creek and downstream from the Paint Brush Hills wastewater treatment plant ("WWTP"). Permits for the SWDS have been secured
- D. The SWDS will be designed and constructed in order to collect discharge from the WWTP and surface water in an unnamed tributary to the West Fork of Black Squirrel Creek originating above the point of discharge of the Paint Brush Hills WWTP from which collections will be pumped to the Antler Creek Golf Course storage lake. Woodmen Hills and Meridian have rights to the water as per Case Number 02CW16, District Court Water Division No. 2, State of Colorado (copy attached hereto and made a part of this IGA).
- E. The parties to this IGA desire to cooperate with each other in the design, construction, and financing of the SWDS and related appurtenances and their subsequent operations and maintenance.
- F. The parties to this IGA recognize that water from the SWDS is also owned by other entities and therefore, the parties will cooperate with each other to share said revenues after reimbursement for the costs of the design and construction of the SWDS.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **LOCATION.** The parties agree that the SWDS shall be located on the major drainage channel south of Stapleton Drive in Woodmen Hills. The required monitoring weir shall be located in the drainage channel north of Stapleton Drive in Meridian.

2. **CONSTRUCTION.** All costs of engineering, design, permitting, construction, electrical connection, and legal will be shared equally between the parties. To the extent that the Golf Course owner, Meridian Ranch Golf Course LLC, has paid any of these costs, the same shall be reimbursed equally by the parties.

3. **OPERATIONS.** Woodmen Hills will coordinate the construction of the diversion structure and weir and will provide the maintenance, repair and operations necessary for the improvements and these costs shall be shared equally. The costs will not include any additional fees or charges for overhead and supervision.

4. **REVENUES.** It is the intent of the parties to sell the water from the SWDS to the Antler Creek Golf Course ("Golf Course") or to other persons or entities mutually agreeable to the parties. Each party will separately invoice the Golf Course for the share of water sold by each party and each party shall share equally in the proceeds of any such sales.

Within a few years, it is the intention of the parties that the WWTP will be dismantled as part of an overall Replacement Plan with Cherokee Metropolitan District. At that point in time, there will be revenues available from the sale of Meridian surface water flows and the parties agree that this revenue will be shared equally.

5. **WARRANTIES AND REPRESENTATIONS.** In addition to the other warranties, covenants and representations, the Districts make the following warranties, representations, and covenants to each other:

(a) Each District has full right, power and authority to enter into, perform, and observe this Agreement.

(b) Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the compliance with the terms and conditions of this Agreement by either District will conflict with or result in a breach of any terms, conditions or provisions of, or constitute a default under any agreement, instrument, indenture, order or decree to which either District is a party or by which either District is bound.

(c) This Agreement is a valid and binding obligation of each of the Districts and is enforceable in accordance with its terms.

(d) The Districts shall keep and perform all of the covenants and agreements contained herein and, except in the event of an uncured default, shall not take any action which could have the effect of rendering this Agreement unenforceable in any manner.

(e) The SWDS and related facilities shall not be utilized in any manner which would jeopardize the tax exempt status of any bonds or debt issued by either of the Districts.

(f) Each of the Districts is a duly constituted and validly existing political subdivision of the State of Colorado.

(g) Each District has or reasonably believes it can obtain adequate financial resources to fulfill the obligations of this Agreement.

6. **INDEMNIFICATION.** Subject to the provisions of the Colorado Governmental Immunity Act, and without waiving the same, and to the extent allowed by law each District agrees to indemnify, protect, and hold harmless each other from any claims or damages to persons or property resulting from the design, construction and operation of the SWDS.

7. **DEFAULTS.** The occurrence of any of the following events not cured within fifteen (15) days of written notice, may, at the option of the non-defaulting party, constitute a default under this Agreement:

(a) failure to pay any sums due;

(b) failure to perform or observe any other term, condition, covenant, representation or warranty;

(c) the appointment of a receiver, general assignment for the benefit of creditors, or any declaration of filing under any insolvency or bankruptcy act.

8. **REMEDIES.** A non-defaulting District shall have all remedies available through law or equity as may be determined in arbitration. Any sum not paid when due, shall bear interest at 8%.

9. **ARBITRATION.** In any dispute involving this Agreement, the same shall be resolved by binding and mandatory arbitration before one mutually-agreed to arbitrator in El Paso County, Colorado which arbitrator shall make all decisions concerning procedure and discovery and shall be empowered to grant injunctive relief. Should the parties be unable to agree upon said arbitrator, the same shall be appointed by an El Paso County District Court Judge. The arbitrator's fees shall be divided between the parties.

10. **MISCELLANEOUS.**

(a) **Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be effective upon personal delivery or three (3) business days following deposit of the notices in the United States Mail, postage prepaid and addressed as follows, or to such other address designated by a party upon notice as hereinabove provided:

Meridian Service Metropolitan District

% R.S. Wells LLC  
6399 South Fiddler's Green  
Suite 102  
Greenwood Village, CO 80111

Woodmen Hills Metropolitan District  
7643 McLaughlin Road  
Peyton, CO 80831

(b) Entire Agreement. This Agreement constitutes the final and complete expression of the parties' agreements and each party agrees that it has not relied upon any prior negotiations, representations, warranties or understandings, whether oral or written.

(c) Amendment. This Agreement cannot be amended or modified except by a writing executed by the parties.

(d) Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions invalid, illegal or unenforceable.

(e) Applicable Law. This Agreement shall be construed and interpreted in accordance with Colorado law.

(f) Access to Records. Each party shall have the right to inspect the books and records of the other party relating to this Agreement at reasonable times upon reasonable notice.

(g) Waiver. No failure by either party to insist upon the strict performance of any agreement, term, covenant, or condition hereof or the exercise of any right or remedy consequent upon default, and no acceptance of full or partial performance during the continuance of any such default, shall constitute a waiver of any such default of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition hereof to be performed or complied with by either party, and no default thereof, shall be waived, altered, or modified except by a written instrument executed by the non-defaulting party.

(h) Attorney Fees. In any dispute over this Agreement, the prevailing party shall be entitled to an award of all costs and reasonable attorney fees.

(i) Enterprise. Each party may establish and operate pursuant to an enterprise as provided by Article X, Section 20 of the Colorado Constitution. Any rights or responsibilities under this Agreement may be assigned to said enterprise provided that such assignment shall not relieve the Districts of their responsibilities hereunder.

(j) Perpetuity. Insofar as this Agreement affects water and water rights it is the intention of the parties that it be perpetual in nature according to the Colorado Supreme Court's decision in Cherokee v. City of Colorado Springs. Therefore, the

parties forever waive any and all arguments in defense to the effect that this Agreement violates the Rule Against Perpetuities.

Made and entered the day first above written.

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

WOODMEN HILLS METROPOLITAN DISTRICT

BY: \_\_\_\_\_

ATTEST:

\_\_\_\_\_



**INTERGOVERNMENTAL AGREEMENT  
(WOODMEN HILLS-MERIDIAN RANCH/POND AND CHANNEL)**

This Intergovernmental Agreement ("IGA") is made and entered into effective this 18<sup>th</sup> day of October 2007 by and between Woodmen Hills Metropolitan District ("Woodmen") and Meridian Service Metropolitan District ("Meridian"), collectively, the "Districts".

**RECITALS**

A. Woodmen Hills is an established quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which furnishes various municipal services to the Woodmen Hills development.

B. Meridian Service is a newly formed quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which intends to furnish various municipal services to the Meridian Ranch development.

C. Pursuant to Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, Colorado Revised Statutes, Districts may cooperate and contract with each other to provide any function, services, or facilities lawfully authorized to each.

D. Meridian has the responsibility pursuant to an intergovernmental agreement to provide management services to the Meridian Ranch Metropolitan District.

E. Woodmen, as an established district, is capable of providing the necessary maintenance services required under this IGA.

F. The Districts desire to cooperate with each other and share the cost and expense of maintaining certain drainage structures for the benefit of both Districts.

NOW THEREFORE, based upon the mutual considerations and promises contained herein, the Districts agree as follows:

1. **Drainage Facilities.** The "Drainage Facilities" that benefit both Districts are referred to as the North Channel, the Bennett Regional Pond, and the Eastonville Channel.

2. **Maintenance Requirements.** The maintenance requirements consist of the usual and customary maintenance and repair required to ensure that Drainage Facilities operate properly and includes rip rap repair and replacement, erosion control, mowing and seeding all in conformity with the design standards of El Paso County and the Corp of Engineers.

3. **Maintenance Services.** Woodmen, by and through the Woodmen Hills Public Facilities Authority ("PFA"), shall manage and perform all maintenance required pursuant to this IGA and shall regularly inform Meridian of the maintenance schedules. The two Districts shall agree as to the level and quality of maintenance. Annually the PFA Woodmen shall present to Meridian a proposed budget for the ensuing year with an estimate of maintenance costs. Maintenance project costs in excess of \$1000 shall generally be submitted to bid unless the parties agree otherwise.

4. **Payment of Maintenance Costs.** Maintenance costs shall be paid on a regular basis and shall be shared between the Districts as follows:

FACILITY	WOODMEN	MERIDIAN
North Channel	50%	50%
Pond	60%	40%
Eastonville	60%	40%

The PFA shall initially pay the maintenance costs subject to Meridian reimbursement based upon the above percentages. Meridian shall pay its share of maintenance costs within 30 days of receipt of invoice from the PFA.

Made and entered into the year and date first above written.

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: \_\_\_\_\_

ATTEST:

BY: \_\_\_\_\_

WOODMEN HILLS METROPOLITAN DISTRICT

BY: \_\_\_\_\_

ATTEST:

BY: \_\_\_\_\_

**ADDENDUM TO THE  
INTERGOVERNMENTAL AGREEMENT  
(WOODMEN HILLS-MERIDIAN RANCH/POND AND CHANNEL)**

This Addendum is made and entered into effective this 18<sup>th</sup> day of October 2007 by and between Woodmen Hills Metropolitan District ("Woodmen") and Meridian Service Metropolitan District ("Meridian"), collectively, the "Districts".

**RECITALS**

A. The District entered into an intergovernmental agreement ("IGA") dated March 17, 2004.

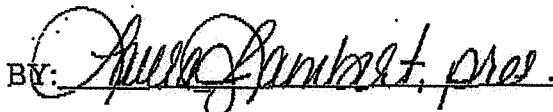
B. The parties now intend to amend said IGA as set forth in this Addendum.

NOW THEREFORE, based upon the mutual considerations and promises contained herein, the Districts agree as follows:

The parties recognize that the Woodmen Hills Public Facilities Authority ("PFA") will do all construction work required under the IGA on behalf of Woodmen and Meridian will reimburse the PFA pursuant to the IGA.

Made and entered into the year and date first above written.

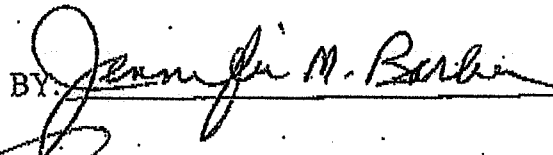
MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: 

ATTEST:

BY: 

WOODMEN HILLS METROPOLITAN DISTRICT

BY: 

ATTEST:

BY: 

**MERIDIAN SERVICE METROPOLITAN DISTRICT**

c/o R.S. Wells, LLC  
8390 E Crescent Parkway, Ste 500  
Greenwood Village, CO 80111  
303-779-4525  
303-773-2050

January 23, 2009

**CERTIFIED MAIL/RETURN RECEIPT REQUESTED # 70071490000246166902**

Woodmen Hills Metropolitan District  
Attn: Larry Bishop  
8046 Eastonville Road  
Falcon, CO 80831

Re: Metropolitan Districts Intergovernmental Agreement (Woodmen Hills – Meridian Ranch) dated March 17, 2004 (the "IGA")

Dear Mr. Bishop:

On July 1, 2008, I sent you a letter on behalf of Meridian Service Metropolitan District ("MSMD") terminating the management services being provided to MSMD by Woodmen Hills Metropolitan District ("WHMD"). In a letter dated July 8, 2008, you responded: "While Woodman Hills Metropolitan District is not opposed to this request, we can not honor the request until the IGA is amended or rewritten."

We believe that there has been a misunderstanding regarding the terms of the IGA. The second and third sentences of paragraph 3 of the IGA state: "This service may be terminated by either party upon 60 days written notice and only affects paragraphs 2 and 3 of this Agreement. Upon termination, the other provisions of this IGA shall remain in full force and effect until otherwise amended, modified, or cancelled."

We very much appreciate the services that have been provided by WHMD, but MSMD no longer uses or will need WHMD to manage the water system, wastewater system and drainage facilities of MSMD as detailed in the IGA. WHMD no longer undertakes any of the management duties, for which they are currently receiving a \$5,500 management fee, consisting of all field functions, including, but not limited to, metering, connections, inspections, operation, treatment and storage as needed on a 24-hour basis together with all administrative assistance such as record

Woodmen Hills Metropolitan District  
Attn: Larry Bishop  
January 23, 2009  
Page 2

keeping, billing and collection. We look forward to continuing the positive working relationship that we have with WHMD.

By this letter MSMD gives WHMD notice that management services provided pursuant to paragraphs 2 and 3 of the IGA will be terminated effective April 1, 2009.

If you have any questions about this letter, please feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Denslow", with a long horizontal flourish extending to the right.

Denise Denslow  
Meridian Service Metropolitan District  
District Manager

cc: Doug Woods  
James M. Hunsaker  
Tim Hunker

## Tim Hunker

---

**From:** Culver, Martina [Martina.Culver@cliftoncpa.com]  
**Sent:** Friday, January 23, 2009 3:05 PM  
**To:** Doug Woods; raul@techbilt.com; Tim Hunker  
**Cc:** James M. Hunsaker  
**Subject:** Woodmen Hills letter  
**Attachments:** 0941\_001.pdf

Hello all,

attached is the Woodmen Hills letter that went out today - please let me know if you have any questions.

Thanks, Martina

Please note that I am out of the office on Tuesdays. Thank you



**Martina Culver**

**Assistant Supervisor Utility Services**  
**R.S. Wells L.L.C.**

8390 E. Crescent Pkwy, Suite 500

Greenwood Village, CO 80111

303.779.4525 x77919 / FAX 303.773.2050

Direct: 303.265.7919

Martina.Culver@cliftoncpa.com

[www.rswellsllc.com](http://www.rswellsllc.com)

**COUNT ON INSIGHT®**

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**\*\*\*\* Clifton Gunderson LLP Internet Email Notice \*\*\*\***

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**MERIDIAN SERVICE METROPOLITAN DISTRICT**

c/o R.S. Wells, LLC  
8390 E Crescent Parkway, Ste 500  
Greenwood Village, CO 80111  
303-779-4525  
303-773-2050

January 23, 2009

**CERTIFIED MAIL/RETURN RECEIPT REQUESTED # 70071490000246166902**

Woodmen Hills Metropolitan District  
Attn: Larry Bishop  
8046 Eastonville Road  
Falcon, CO 80831

Re: Metropolitan Districts Intergovernmental Agreement (Woodmen Hills – Meridian Ranch) dated March 17, 2004 (the "IGA")

Dear Mr. Bishop:

On July 1, 2008, I sent you a letter on behalf of Meridian Service Metropolitan District ("MSMD") terminating the management services being provided to MSMD by Woodmen Hills Metropolitan District ("WHMD"). In a letter dated July 8, 2008, you responded: "While Woodman Hills Metropolitan District is not opposed to this request, we can not honor the request until the IGA is amended or rewritten."

We believe that there has been a misunderstanding regarding the terms of the IGA. The second and third sentences of paragraph 3 of the IGA state: "This service may be terminated by either party upon 60 days written notice and only affects paragraphs 2 and 3 of this Agreement. Upon termination, the other provisions of this IGA shall remain in full force and effect until otherwise amended, modified, or cancelled."

We very much appreciate the services that have been provided by WHMD, but MSMD no longer uses or will need WHMD to manage the water system, wastewater system and drainage facilities of MSMD as detailed in the IGA. WHMD no longer undertakes any of the management duties, for which they are currently receiving a \$5,500 management fee, consisting of all field functions, including, but not limited to, metering, connections, inspections, operation, treatment and storage as needed on a 24-hour basis together with all administrative assistance such as record

# WOODMEN HILLS

A RECREATIONAL LIFESTYLE COMMUNITY



January 26, 2009

Meridian Service Metropolitan District  
C/o R.S. Wells, LLC  
Attn: Denise Denslow  
8390 E. Crescent Parkway, Ste 500  
Greenwood Village, Colorado 80111

**Re: Metropolitan Districts Intergovernmental Agreement (Woodmen Hills – Meridian Ranch) dated March 17, 2004 (the "IGA")**

Dear Ms. Denslow:

Woodmen Hills Metropolitan District is in receipt of your letter concerning the above referenced item, dated January 23, 2009.

Woodmen Hills Metropolitan District will cease providing management services to Meridian Service Metropolitan District on April 1, 2009 as you have requested.

Hopefully our services were satisfactory and we look forward to a long and beneficial relationship with Meridian.

Yours Truly,  
**Woodmen Hills Metropolitan District**

*Larry D. Bishop, Sr.*

Larry D. Bishop, Sr.  
Manager

CC: Board of Directors, Woodmen Hills Metropolitan District  
William P. Ankele, Jr., Esq.  
Doug Woods  
Tim Hunker



## Meridian Service Metropolitan District

6399 South Fiddlers Green Circle, Suite 102  
Greenwood Village, Colorado 80111  
303-779-4525 cell 719-491-1858

Woodmen Hills Metropolitan District  
7643 McLaughlin road # 205  
Peyton, CO 80831  
Attn: Board of Directors

Re: Work schedule and requirements

August 9, 2007

Dear Board Members

As of August 15, 2007 Meridian Service Metropolitan District would like to take over some of the services that you have been providing. These services include the weekly checks of wells and filter system, water meter installations and landscape waivers. We will still need you to handle emergency response, weekend checks of the facilities, (with status report to MSMD personnel), locates as requested by UNCC, and new homes service as-built.

With the reduction in services the monthly fee that MSMD pays WHMD should be reduced to \$5,500/month, with the month of August being prorated. Future responsibilities of the Woodmen Hills Metro District should also be evaluated on a monthly basis.

Should you concur please advise and contact Tim Hunker at 719-491-1858

Sincerely



Wayne E. Monson  
R.S. Wells, LLC  
District Manager

Cc: Tim L Hunker, Operations Manager  
Doug Woods GTL  
Raul Guzman GTL  
Peter M. Susemihl

REC'D AUG 21 2007

**INTERGOVERNMENTAL AGREEMENT  
(MERIDIAN SERVICE AND WOODMEN HILLS RE WHEELING)**

This Intergovernmental Agreement ("IGA") is made and entered into effective this 8th day of August 2007 by and between the following public entities:

1. Meridian Service Metropolitan District ("Meridian") acting for, and on behalf of, the Meridian Ranch Metropolitan District
2. Woodmen Hills Metropolitan District ("Woodmen").

**RECITALS**

A. The above entities (collectively the "Districts") are both quasi-municipal corporations and political subdivisions of the State of Colorado formed pursuant to Title 32, Colorado Revised Statutes.

B. The Districts supply a variety of municipal services to their residents and land owners within in their respective boundaries and service areas.

C. Meridian has sufficient water supplies to serve approximately two 40 acre tracts of land located at the northwest corner of Meridian Road and Woodmen Road, El Paso County, Colorado, and known as the Gaddie property and the Owl Place property - ("Properties").

D. Meridian desires to wheel water to the Properties through the potable water system of Woodmen, which Woodmen agrees to do.

E. Pursuant to the Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, C.R.S., metropolitan districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **WHEELING.** The parties to this IGA agree that Meridian may use the Woodmen potable water lines to deliver or wheel up to 20 acre feet of water each year to the Properties. Meridian shall be responsible at its own cost and expense for the installation of all infrastructure necessary to connect the Woodmen system to the Properties. All water infrastructure improvements on the Properties will be owned and maintained by Meridian including all water meters. All water to be wheeled will be of comparable quality to that of the Woodmen potable water system.

2. **COMPENSATION.** As and for compensation to Woodmen for the use of the Woodmen potable water system, Woodmen shall be entitled to receive 50% of the then current tap fee revenue derived from the Properties and 75% of the then current monthly water utility charges so long as this Agreement is in full force and effect. Meridian shall be responsible for collecting all tap fees and doing the monthly utility billing. All records shall be open to inspection by Woodmen upon reasonable notice. Tap fees and monthly user fees will be at the Woodmen rate which is 1 ½ times the Woodmen In-District rate and which rates and fees are subject to change by Woodmen in its sole and absolute discretion.

3. **WASTEWATER.** This Agreement does not involve the use of any of Woodmen's waste water lines as all waste water will be delivered directly to the Meridian waste water outfall and Meridian will receive all waste water taps and revenues.

4. **INDEMNIFICATION.** Subject to the provisions of the Colorado Governmental Immunity Act, and without waiving the same, and to the extent allowed by law Meridian agrees to indemnify, protect, and hold harmless each other from any claims or damages to persons or property resulting from the interruption of service or other malfunction of the Meridian system on the Properties.

5. **DEFAULTS.** The occurrence of any of the following events not cured within fifteen (15) days of written notice, may, at the option of the non-defaulting party, constitute a default under this Agreement:

- (a) failure to pay any sums due;
- (b) failure to perform or observe any other term, condition, covenant, representation or warranty;
- (c) the appointment of a receiver, general assignment for the benefit of creditors, or any declaration of filing under any insolvency or bankruptcy act.

6. **REMEDIES.** A non-defaulting District shall have all remedies available through law or equity as may be determined in arbitration and in addition thereto, may refuse to allow the addition of any new taps or connections beyond those being served on the date of default. Any sum not paid when due, shall bear interest at 8%.

7. **ARBITRATION.** In any dispute involving this Agreement, the same shall be resolved by binding and mandatory arbitration before one mutually-agreed to arbitrator in El Paso County, Colorado which arbitrator shall make all decisions concerning procedure and discovery and shall be empowered to grant injunctive relief. Should the parties be unable to agree upon said arbitrator, the same shall be appointed by an El Paso County District Court Judge. The arbitrators' fees shall be divided between the parties.

8. MISCELLANEOUS.

(a) Notices. All notices required or permitted to be given hereunder shall be in writing and shall be effective upon personal delivery or three (3) business days following deposit of the notices in the United States Mail, postage prepaid and addressed as follows, or to such other address designated by a party upon notice as hereinabove provided:

Meridian Service Metropolitan District  
% R.S. Wells LLC  
6399 South Fiddler's Green  
Suite 102  
Greenwood Village, CO 80111

Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Falcon, Colorado 80831

(b) Entire Agreement. This Agreement constitutes the final and complete expression of the parties' agreements and each party agrees that it has not relied upon any prior negotiations, representations, warranties or understandings, whether oral or written.

(c) Amendment. This Agreement cannot be amended or modified except by a writing executed by the parties.

(d) Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions invalid, illegal or unenforceable.

(e) Applicable Law. This Agreement shall be construed and interpreted in accordance with Colorado law.

(f) Access to Records. Each party shall have the right to inspect the books and records of the other party relating to this Agreement at reasonable times upon reasonable notice.

(g) Waiver. No failure by either party to insist upon the strict performance of any agreement, term, covenant, or condition hereof or the exercise of any right or remedy consequent upon default, and no acceptance of full or partial performance during the continuance of any such default, shall constitute a waiver of any such default of such agreement, term, covenant, or condition. No agreement, term, covenant, or condition hereof to be performed or complied with by either party, and no default thereof, shall be waived, altered, or modified except by a written instrument executed by the non-defaulting party.

(h) Attorney Fees. In any dispute over this Agreement, the prevailing party shall be entitled to an award of all costs and reasonable attorney fees.

(i) Enterprise. Each party may establish and operate pursuant to an enterprise as provided by Article X, Section 20 of the Colorado Constitution. Any rights or responsibilities under this Agreement may be assigned to said enterprise provided that such assignment shall not relieve the Districts of their responsibilities hereunder.

(j) Perpetuity. Insofar as this Agreement affects water and water rights it is the intention of the parties that it be perpetual in nature according to the Colorado Supreme Court's decision in Cherokee v. City of Colorado Springs. Therefore, the parties forever waive any and all arguments in defense to the effect that this Agreement violates the Rule Against Perpetuities.

(k) Recording. A summary of this Agreement, with the consent of all parties, may be recorded in the real property records of El Paso County with an attachment thereto setting forth the legal description for the Properties.

Made and entered the day first above written.

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: Murray Lambert, pres.

ATTEST:

[Signature]

WOODMEH HILLS METROPOLITAN DISTRICT

BY: Jennifer M. Barber

ATTEST:

[Signature]

Law Offices of

Susemihl, McDermott & Cowan, P.C.

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Peter M. Susemihl  
psusemihl@smmclaw.com

660 Southpointe Court  
Suite 210  
Colorado Springs, Colorado 80906

719.579.6500  
719.579.9339 fax  
[www.smmclaw.com](http://www.smmclaw.com)

July 22, 2005

GTL Development, Inc  
Att: Doug Woods  
3575 Kenyon Street  
San Diego, CA 92110

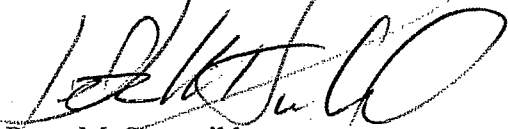
RE: Tap Agreement

Doug:

Enclosed is an executed copy of the tap fee agreement with Woodmen Hills.

Sincerely,

SUSEMIHL, MCDERMOTT & COWAN, P.C.



Peter M. Susemihl  
cc: Laura Lambert

**AGREEMENT RE WASTE WATER TREATMENT  
(WOODMEN HILLS/MERIDIAN RANCH)**

This Intergovernmental Agreement ("IGA") is made and entered into effective this 15<sup>th</sup> day of June 2005 by and between Woodmen Hills Metropolitan District ("Woodmen Hills") and Meridian Ranch Metropolitan District and Meridian Service Metropolitan District (collectively "Meridian").

**RECITALS**

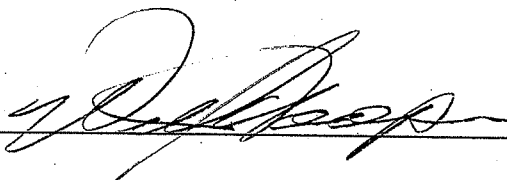
- A. Woodmen Hills is an established quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which furnishes various municipal services to the Woodmen Hills development.
- B. Meridian Service is a newly formed quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which also furnishes various municipal services to the Meridian Ranch development.
- C. Woodmen Hills and Paintbrush Hills Metropolitan District own and operate a waste water treatment plant ("WWTP").
- D. Pursuant to Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, Colorado Revised Statutes, Districts may cooperate and contract with each other to provide any function, services, or facilities lawfully authorized to each.
- E. Meridian Service has the responsibility pursuant to an intergovernmental agreement to provide management services to the Meridian Ranch Metropolitan District.
- F. Woodmen Hills has excess capacity in the WWTP which it can make available to Meridian.

NOW THEREFORE, based upon the mutual considerations and promises contained herein, the Districts agree as follows:

1. **WWTP Taps.** Woodmen Hills shall make available to Meridian up to 350 single family wastewater taps until December 31, 2007 at no charge for a tap fee; provided that for those taps being used, Meridian shall pay the monthly user fee presently set at \$7.00 per unit per month. Once Meridian has completed its force main from Falcon to Highway 94 and has connected to the new Cherokee WWTP, any taps used by Meridian shall revert to Woodmen Hills at no cost to Meridian. After December 31, 2007, should Meridian continue to make use of any of the 350 taps, Meridian shall pay Woodmen Hills the then going tap fee rate which is presently set at \$5,000 and this fee shall be non refundable.

2. **User Fees.** Once connected, Meridian shall be responsible for the payment of all monthly user charges at the current Woodmen Hills rate for each user receiving a tap from Woodmen Hills.

WOODMEN HILLS METROPOLITAN DISTRICT

BY: 

MERIDIAN RANCH METROPOLITAN DISTRICT

BY:  Amber, Pres.

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY:  Amber, Pres.



**SECOND ADDENDUM TO  
AGREEMENT RE WASTE WATER TREATMENT  
(WOODMEN HILLS/MERIDIAN RANCH)**

This Addendum is made to that certain Intergovernmental Agreement ("IGA") dated the 15<sup>th</sup> day of June 2005 by and between Woodmen Hills Metropolitan District ("Woodmen Hills") and Meridian Ranch Metropolitan District and Meridian Service Metropolitan District (collectively "Meridian").

Section 1 of the IGA is hereby amended by changing the referenced two dates of December 31, 2007 to January 1, 2010 and changing the referenced fee of \$7.00 to \$8.00.

Made and entered into effective this 15<sup>th</sup> day of November 2007.

WOODMEN HILLS METROPOLITAN DISTRICT

BY: \_\_\_\_\_

MERIDIAN RANCH METROPOLITAN DISTRICT

BY: \_\_\_\_\_

MERIDIAN SERVICE METROPOLITAN DISTRICT

BY: \_\_\_\_\_

*Approved 12/5/2007*

RECEIVED MAR 29 2004

**METROPOLITAN DISTRICTS  
INTERGOVERNMENTAL AGREEMENT  
(WOODMEN HILLS-MERIDIAN RANCH)**

This Intergovernmental Agreement ("IGA") is made and entered into effective this 17<sup>th</sup>, day of March, 2004 by and between Woodmen Hills Metropolitan District ("Woodmen Hills") and Meridian Service Metropolitan District ("Meridian Service"), collectively, the "Districts".

**RECITALS**

A. Woodmen Hills is an established quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which furnishes various municipal services to the Woodmen Hills development ("Woodmen Hills Development").

B. Meridian Service is an established quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 Colorado Revised Statutes and is a special district which furnishes various municipal services to the Meridian Ranch development ("Meridian Ranch").

C. Pursuant to Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, Colorado Revised Statutes, Districts may cooperate and contract with each other to provide any function, services, or facilities lawfully authorized to each.

D. Meridian Service has the responsibility pursuant to an intergovernmental agreement to provide management services to the Meridian Ranch Metropolitan District.

E. Woodmen Hills, as an established district, is capable of providing management services in order to assist Meridian Service in carrying out its responsibilities.

F. Meridian Service and Woodmen Hills are adjoining districts and have interconnected portions of their water and waste water systems. Woodmen Hills maintains a water storage reservoir on property in Meridian Ranch which is filled from water provided by Woodmen Hills through the existing water transmission lines traversing Meridian Ranch.

Meridian Service intends to send its waste water through the existing sewer lines traversing the Woodmen Hills Development.

G. The Districts desire to set forth their understanding with regard to the management and maintenance of their respective and interconnected systems.

NOW THEREFORE, based upon the mutual considerations and promises contained herein, the Districts agree as follows:

1. **Water/Waste Water Systems/Drainage Facilities.** Meridian Service shall be

cc PKT

responsible for the design, construction, installation, maintenance and financing of all municipal infrastructure as set forth in the Meridian Service and Meridian Ranch Plans approved by the El Paso County Board of County Commissioners. This infrastructure includes a complete potable water system consisting of wells, pumps, motors, holding reservoirs, transmission lines, boosters, pumps, filters, PRV's, chlorination facilities, taps, SCADA monitoring systems, and other related facilities. This infrastructure shall include a complete municipal waste water collection system consisting of sewer outfall lines, taps and other related facilities. In addition, there will be constructed a complete drainage system including detention ponds, channel, and related facilities.

These municipal systems will be designed to at least the same standards as the Woodmen Hills infrastructure and shall connect to the same.

All costs associated with the repair, maintenance and replacement of the major drainage channel south of Stapleton Drive and west of the 35 acre Bennett Detention Basin shall be shared equally between the Districts.

All costs associated with the repair, maintenance and replacement of the 35 acre Bennett Detention Basin (located on the Woodmen Hills Development) and the minor drainage channel east of Eastonville Road to Judge Orr Road will be paid 40% by Meridian Service and 60% by Woodmen Hills.

Repairs and maintenance of the major and minor drainage channels and the 35 acre Bennett Detention Basin shall be managed by Woodmen Hills.

2. **Management.** Woodmen Hills shall manage the water system, wastewater system and drainage facilities of Meridian Service consisting of all field functions, including but not limited to, metering, connections, inspections, operation, treatment, and storage as needed on a 24-hour basis together with all administrative assistance such as record keeping, billing and collection.

3. **Management Fee.** For its services, Woodmen Hills shall be paid a monthly management fee of \$7,393.22. The parties will review this fee semi-annually beginning with January of each year and said fee may be adjusted as mutually agreed to by the Districts. This service may be terminated by either party upon 60 days written notice and only affects paragraphs 2 and 3 of this Agreement. Upon termination, the other provisions of this IGA shall remain in full force and effect until otherwise amended, modified or cancelled. For equipment or materials purchased for Meridian Service, these items will be at cost, without additional mark-up.

4. **PreTreatment Standards.** For wastewater and potable water, Meridian Service shall be responsible for the adoption of, and enforcement of, pretreatment waste water standards acceptable to Woodmen Hills and the Paint Brush Hills Metropolitan District regional waste water treatment facility.

Woodmen Hills shall be responsible for the adoption of, and enforcement of,

pretreatment potable water standard acceptable to Meridian Service.

5. **District Water and Waste Water System.** Each District shall be responsible for all costs for the design, construction, maintenance, repair and replacement of the water and waste water systems within their respective boundaries, **unless the failure or necessity to upsize is caused by the other district.**

6. **Woodmen Hills and Meridian Service Reservoirs.** Meridian Service agrees to allow Woodmen Hills to use without cost the property in Meridian Ranch where Woodmen Hills has built its 2 million gallon water reservoir. Except for fencing and landscaping, Woodmen Hills shall be responsible for the design, construction, maintenance (both interior and exterior), repair and replacement of its water reservoir and adjoining piping and valves. The water reservoir color must be approved in advance by Meridian Service. The Woodmen Hills water reservoir shall be maintained to the same standards as the Meridian Service water reservoirs.

The cost of installation and maintenance of security fencing and gates around the reservoir site on Meridian Ranch will be paid 75% by Meridian Service and 25% by Woodmen Hills. The cost of installation and maintenance of landscaping shall be shared 75% by Meridian Service and 25% by Woodmen Hills. Woodmen Hills will use approved roadways and easements to access their water reservoir.

Both Districts own and operate separate water reservoirs. The Districts agree to coordinate the interior cleaning and/or repair of said tanks in order to conserve time and expense; however, the costs associated with the cleaning and/or repair shall be the responsibility of the District owning the same.

7. **Waste Water Treatment Plant (WWTP).** Woodmen Hills manages the Paint Brush Hills Regional Waste Water Treatment Plant ("WWTP") which is located on property within Meridian Ranch. Meridian Ranch effluent is presently treated at the WWTP. Woodmen Hills shall be responsible for all necessary personnel and equipment necessary to operate the WWTP including the necessary potable water system. The WWTP has been landscaped in order to screen the facility. The cost of this landscape screening was shared equally between the Districts. Maintenance, repair and replacement of the landscaping surrounding the WWTP is the sole responsibility of Woodmen Hills.

Should the WWTP be abandoned and wastewater is transported and treated through facilities owned by Meridian Service and/or Cherokee Metropolitan District, Woodmen Hills agrees to comply with discharge and pretreatment ordinances adopted by Cherokee Metropolitan District and Meridian Service. In addition, Woodmen Hills agrees to allow Meridian Service to use without cost the property located at McLaughlin Road, Falcon, Colorado, Assessor Schedule #4307202005 for the installation of a lift station, equalization pond and associated equipment. Woodmen Hills agrees not to use the property for any other purpose without first obtaining permission from Meridian Service which permission shall not be unreasonably withheld.

Currently Woodmen Hills has two lift stations located at the property referred to above ("Property"). When Meridian Service builds their pump station on the above referenced property, the districts agree to equally share the cost of maintaining the exterior appearance of all associated structures and the Property. When Meridian Service installs a lift station on the Property and the two Woodmen Hills lift stations are abandoned or incorporated into use by Meridian Service, then Meridian Service will assume full responsibility for the maintenance and operation of the lift stations located on the Property. It is agreed that Meridian Service will not be charged for the cost of Woodmen Hills lift stations. It is contemplated that Meridian Service and Woodmen Hills will use the Property as a storage yard shared on an equal bases for their miscellaneous equipment and supplies. Any cost associated with preparing the Property as a storage yard will be shared equally, and there will be mutual agreement as to what improvements will be made to the Property such as paving, fencing, landscaping, etc.

Terms and conditions associated with the abandonment of the WWTP will be covered under a separate agreement.

Wastewater lines located within Woodmen Hills that are to be oversized to handle the capacities produced by Meridian Service shall be the responsibility of Meridian Service. Meridian Service shall get permission from Woodmen Hills before starting of work. All work on Woodmen Hills Development will be designed to at least the same standards as the Woodmen Hills infrastructure.

8. **Interconnected Water System.** The Districts' potable water systems are interconnected at the intersection of Stapleton Drive and Meridian Ranch Boulevard. The purpose of this interconnection is to insure that a municipal supply of water is available to each District in the time of emergencies caused by fire flow requirements, equipment failures, line breakage and temporary shortages. It is not the intent that either District is responsible for providing water to the other District. Therefore the Districts agree to equalize the water flow usage on a monthly basis. The Districts in an emergency may borrow from the other District without charge provided that the amount borrowed is returned the following month. No emergency may last more than thirty days.

Neither District may borrow more water than was borrowed the previous month.

Should one District need water from the other past the thirty day emergency period or for any other reason, then subject to selling board approval, the water may be purchased at a bulk rate of \$2.00 per thousand gallons. This price will be adjusted annually based on the Denver-Boulder CPI, or if not available, its nearest equivalent. However, it is not the intention for one District to be the regular water supplier to the other District.

Water reservoirs shall not be permitted to drain below fire capacity. Should an emergency occur to both Districts, and if necessary, both Districts agree to go on water rationing. Districts agree to use the same water rationing plan, which is to be adopted at a later date. This does not prevent any one District from adopting water rationing for emergency or conservation purposes.

The Cherokee potable water pipeline connects to the Cherokee potable water reservoir adjoining Marksheffel Boulevard and then parallels Tamlin Road to the southerly edge of Woodmen Hills Development. Both parties agree to pay for the cost of operations and maintenance of said water line based upon the proportionate use of said line.

Woodmen Hills water delivered through the Cherokee potable water pipeline is delivered to a transfer pump station operated by Woodmen Hills. Woodmen Hills agrees to install a separate electric meter at their expense in order to accurately determine the cost of the electricity to pump water through the transfer pump station. Meridian Service agrees to pay for their share to have water delivered through the Woodmen Hills transfer pump station. The charge for this electricity cost to Meridian Service will be at actual electric cost plus 10 percent. This electricity cost will be billed to Meridian Service on a monthly bases.

In order to accommodate each District, the Districts agree to grant the necessary easements and rights-of-way for municipal infrastructure as may be reasonably needed and requested.

9. **Water Meter at Stapleton Drive.** Woodmen Hills shall be responsible for monitoring and recording data from the water meter located at the intersection of Stapleton Drive and Meridian Ranch Boulevard. Monthly accounting shall be provided to Meridian Service. Nothing shall preclude Meridian Service from monitoring and recording data from the above referenced water meter.

10. **Wastewater Treatment.** Pursuant to a separate agreement, Meridian Ranch is to be provided a minimum of 500 sewer taps into the WWTP. The monthly fee to provide wastewater treatment for these sewer taps is to be \$5.00 per month for each residence payable monthly by Meridian Service. The monthly fees will commence for each residence upon the setting of a water meter. These fees shall commence January 1, 2004.

11. **General Construction, Repairs, Modifications or Maintenance.** Each District must notify the other District if they plan to do any work to the systems which might affect the other District's system in any way. Changes in design, specifications or timing of services must be agreed upon by both parties as it relates to interconnected systems. Neither District can modify their own system if it adversely affects the other District's system. If it is discovered that such a condition occurs, then the District that has caused the condition must rectify and correct the condition as soon as possible.

12. **Cherokee Replacement Plan.** Meridian Service has an existing Intergovernmental Agreement with Cherokee Metropolitan District in the development of a tertiary waste water plant with a plan to return treated effluent to the alluvium of the Upper Black Squirrel Creek Designated Ground Water Basin at a point of recharge south of Ellicott, Colorado. The Districts agree to continue to cooperate with this replacement plan.



13. **Other Municipal Services.** All other municipal services (park-recreation, roads, etc.) as contemplated in the Districts' Plans, shall be the responsibility of each district.

14. **Miscellaneous.**

a. Governing Law. The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of Colorado.

b. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

c. Captions. The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

d. Assignability. Neither party may assign its rights under this Agreement without the prior written consent of the other, which consent will not be unreasonably withheld provided that the assignment is to another Colorado special district or other political subdivision of the State of Colorado.

e. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

f. Modifications; Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought.

g. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded hereby.

h. Partial Invalidity. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would impair the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect.

i. No Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

j. Attorneys' Fees. In the event of any controversy, claim or dispute between the parties affecting or relating to the subject matter or performance of this Agreement,

the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable attorneys' fees and costs incurred in such action.

k. Dispute Resolution. The parties agree that should any dispute arise over this Agreement, the same shall be resolved by binding and mandatory arbitration to be held in El Paso County, Colorado before one mutually-agreed to arbitrator who shall make all decisions concerning procedure and discovery. Should the parties be unable to agree upon said arbitrator, the same shall be appointed by an El Paso County District Court Judge. The cost of the arbitrator shall be paid equally by the parties.

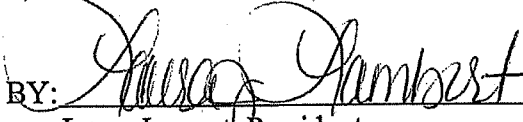
l. Annual Review. The parties agree to review this agreement at their respective March Board Meetings (or the next board meeting after March) each year to update and amend as mutually agreed upon.

Made and entered into the year and date first above written.

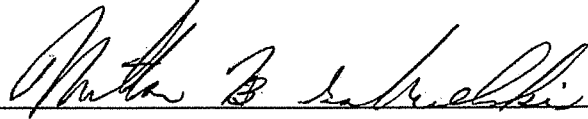
SIGNATURE PAGE FOLLOWS



MERIDIAN SERVICE METROPOLITAN DISTRICT

BY:   
Laura Lamert, President

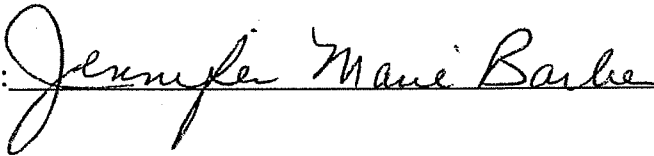
ATTEST:

BY: 

WOODMEN HILLS METROPOLITAN DISTRICT

BY: 

ATTEST:

BY: 

IGA-WOODMEN HILLS 3-12-04