

BENT GRASS METROPOLITAN DISTRICT

Board Meeting Tuesday, July 7, 2020 – 10:30 AM

102 E. Pikes Peak Ave., Suite 200 Colorado Springs, CO 80903,

Please join my meeting from your computer, tablet or smartphone. https://www.gotomeet.me/WSDM/bent-grass-metropolitan-district

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Randle Case II, President Term to May 2022

Bryan Long, Vice President/Secretary Term to May 2023

Brian Bahr, Treasurer Term to May 2022

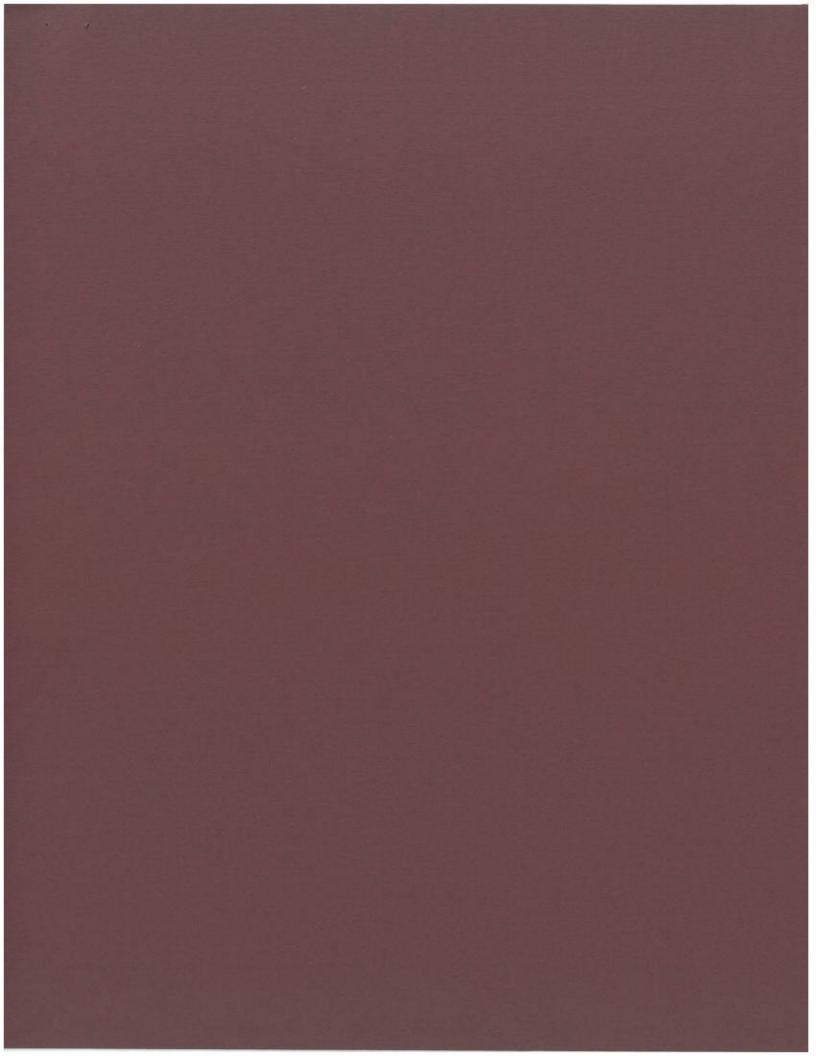
Lena Gail Case, Director Term to May 2022

Randy DeYoung, Director Term to May 2023

AGENDA

- 1. Call to order/Introductions
- 2. Approval of the Minutes from Board meeting of June 2, 2020
- 3. Public Comment (For items not on the Agenda)
- 4. Review of Financials and Approval of Payables
- **Board President Report** 5.
- 6. Manager's Report
 - a. Metro District covenant enforcement

- b. Bent Grass Meadows Drive South Reimbursement Request
- c. Request for approval of Agreement to maintain drainage tracts Challenger parcel
- d. Review of Bentgrass/Meridian drainage improvement
- 7. **Development Updates**
- 8. Review and Action on
 - a) BGMD Bond Refinance
 - b) Woodmen Road/Bent Grass Meadows Drive Access Update
 - c) Bent Grass Meridian Traffic Signal Update
 - d) County Development Agreement
- Executive Session to receive reports from consultants on water resources issues and receive legal 9. advice.
- 10. Other Old Business
- 11. New Business
- 12. Confirm and Set Next Meeting.
- 13. Adjournment





MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE BENT GRASS METROPOLITAN DISTRICT HELD JUNE 2, 2020 AT 10:30 A.M.

Pursuant to posted notice, the special meeting of the Board of Directors of the Bent Grass Metropolitan District was held on Tuesday, June 2, 2020 at 10:30 AM, via electronic means and telephone conference call.

Attendance

In attendance were Directors:

- *Randle Case II, President
- *Lena Gail Case, Director
- *Bryan Long, Vice President

Brian Bahr, Treasurer

*Randy DeYoung, Director

Also in attendance were:

Kevin Walker, WSDM

*Pete Susemihl, Susemihl, McDermott & Downie, P.C.

*Ron Waldthausen, Land First Inc

Jim Byers, Challenger Communities

Lee Eisenheim, Challenger Communities

*= Present at meeting site 102 E. Pikes Peak Ave., Suite 200, Colorado Springs, CO 80903

1. Call to Order & Introductions:

President Case called the meeting to order at 10:30 a.m.

2. Approval of the May 5, 2020 Minutes:

The Board tabled the approval of the May 5, 2020 Minutes.

3. Public Comment:

There was no public comment.

4. Review of Financials and Approval of Payables:

President Case requested to table the Financials and move approval of Payables to the end of the Agenda, which was done but they are reflected here for convenience. Mr. Walker presented the Payables. Director Lena Gail Case moved to approve the Payables as presented; seconded by Director Long. Motion passed unanimously. Mr. Walker suggested tabling the approval of the Financials for next meeting so Director Bahr can review.

5. Board President Report:

President Case noted there was nothing new to report.

6. Manager's Report:

- a. Metro District Covenant Enforcement: Mr. Walker reported they are moving forward on the Metro District covenant enforcement concept. Mr. Walker discussed the estimated costs associated with covenant enforcement and that Walker Schooler District Managers could do it on a time and materials, hourly basis. He noted the first year may require more due to time and meetings to get set up. Mr. Walker can provide a proposal if the Board would like. President Case said he would like an assessment of the existing conditions of the neighborhood before we move forward. He suggested going out and looking at the trouble spots and seeing what would need to be enforced to have a better understanding. He also suggested asking the previous board member, Mr. Lam who offered his help. Mr. Walker agreed that is a great idea and someone from his office can go out as well. The Board agreed by consensus that is a good plan. Mr. Susemihl discussed assigning the Declarants rights of covenant enforcement and architectural review to a newly created Colorado nonprofit organization. At the July meeting, President Case discussed wanting more information on what Mr. Walker and Mr. Susemihl are doing in the projects known as Ventana and Mountain Vista Metro Districts.
- b. Bent Grass Meadows Drive South Reimbursement Request: Mr. Walker explained last month the Board discussed the reimbursement agreement request from Director DeYoung. Mr. Walker noted they have made some progress but still need to address details of the historic development funding of existing improvements, the County's bond for remaining asphalt and the pending refinance of the District's Bonds. Mr. Walker recommended putting this on next month's agenda. Director DeYoung noted he will be sending information to get this moving forward.
- c. Request for approval of Agreement to maintain drainage tracts Challenger parcel: Mr. Walker discussed the area of drainage tracts that are being developed in this next phase and that the County requested that the District agree to take responsibility for the maintenance. Mr. Walker noted it is similar to the agreement for the other detention ponds in Filing No. 1. Mr. Susemihl has reviewed the draft agreement and made changes to the indemnity clause and now just waiting on the exhibits for the agreement. Mr. Byers discussed a possible overlap issue with the County's Jeff Rice asking two entities to provide the same agreement. Mr. Walker noted he spoke with Hammers Construction and told them that they were reviewing the agreement and they were just wanting to make sure they understood the attachments and exhibits. Mr. Byers discussed how they reconfigured the drainage location of the 7-acre site that was originally proposed for a park. President Case expressed concerns with drainage coming through the subdivision and asked who would maintain it. Mr. Eisenheim explained it would be part of the property owner's responsibility regarding the drainage easement that is on the back of their lot. If there are any issues regarding that, they would have to address those directly with the County. Director Bahr moved to approve authorizing the District Board President or other officers to execute documents upon approval by Mr. Susemihl and Mr. Walker of proper exhibits; seconded by Director Long. Motion passed unanimously.
- d. Review of Bent Grass/Meridian drainage improvement: Mr. Walker discussed what improvements to make at the Meridian and Bent Grass Meadows Drive intersection. There are two options, add two temporary culverts to the other 3 culverts to pass the stormwater under Bent Grass Drive. This would not be a recoverable item and ultimately somebody would need to build the permanent item. The second option would be proposing the construction of two box culverts that would be the permanent improvement. Mr. Walker confirmed this improvement is eligible for bridge fee

reimbursement. Mr. Walker recommended that the Board authorize the developer to move forward with the permanent improvement. Director Lena Gail Case moved to accept the proposal to do the full cross-section of stormwater improvements at the Bent Grass and Meridian intersection and that those improvements would be eligible for reimbursement through the bonds or County Bridge Fees if available; seconded by Director DeYoung. Motion passed unanimously.

Mr. Byers reported they are in the second review period with the County and they anticipate completion in Fall 2020. The Board discussed the timing of the drainage improvements and traffic signal. Director Long moved to authorize the District to engage Novak Consulting again to represent the District and do the construction verifications; seconded by Director Lena Gail Case. Motion passed unanimously. Director Bahr was not present. After further discussion, Director Lena Gail Case moved to authorize the necessary officers to execute the final traffic signal design plans; seconded by Director Long. Motion passed unanimously. Director Bahr departed the meeting at 11:15AM. Mr. Byers asked if they get delayed any longer with the O&M Agreement with the County, is the Board willing to submit a letter to carry stating we are all in agreement on the O&M to help expedite the final approval of the plat. President Case said they could issue a letter today based on the approved motion that states the Board has initiated approval of the maintenance document subject to final exhibit attachment and drafting.

7. Development Updates:

Bent Grass Residential Filing 2:

Mr. Eisenheim reported they have majority of the wet utilities installed for Phase 1 which is for the first production and model lots. They anticipate starting curb and gutters next week on Bent Grass Meadows Drive and other areas in the production, and they hope to have the majority of Bent Grass Meadows Drive completed as well as the first phase of residential homes by end of June.

Bent Grass East Commercial:

Mr. Waldthausen asked if it would create a problem if he submitted an application for a subdivision on the commercial now that the drainage and signal issues are under control. Mr. Byers said he does not anticipate it causing Challenger any problems. Mr. Waldthausen said he will have the initial meeting with the County soon.

Bent Grass Residential Filing 2 continued:

Mr. Eisenheim discussed the timing of the intersection & signal construction phases and how it was to be done so as to not impede traffic in the area. They are full steam ahead and would like to get things done as quickly as possible.

Man Cave:

Director DeYoung reported they are moving along slowly with Man Cave in the County process. He noted there has been a lot of positive feedback and interest in the project.

President Case discussed that School District 49 has gone silent on their site expansion plans since the news of the significant school finance budget drop. He reported the ownership of Director Lena Gail Case's property to the south of Director De Young's property is going to consider other alternatives. Falcon Marketplace is moving forward quickly with the new King Soopers, and the County has approved new commercial development further to the east near Woodmen and Highway 24. Mr. Walker noted there are discussions surrounding the Banning Lewis Ranch annexation are where new annexations may be coming to the City that Norwood is doing. Mr. Byers shared that they are sold out at Sterling Ranch and are waiting on plat approval to move on to the next phase there. Mr. Byers noted they anticipate the Bent Grass presales to sell quickly and

they have not seen a significant slow down in their Company's sales due to Coronavirus or the condition of the economy.

8. Review and Action on:

- a. BGMD Bond Refinance: Mr. Walker reported he has been working with bond counsel and the underwriter and others to get the final documents signed. They should be ready to issue the final limited offering memorandum and close the bonds. Mr. Walker noted there was significantly higher interest than they have had in the last 30 days, and that he locked in some bonds this morning that were better than expected in the marketplace.
- b. Woodmen Road/Bent Grass Meadows Drive Access Update: There was no additional discussion.
- c. Bent Grass Meridian Traffic Signal Update: There was no additional discussion.
- d. County Development Agreement: There was no additional discussion.
- 9. Executive Session to receive reports from consultants on water resources issues and receive legal advice: The Board indicated there was no need for an executive session.

10. Other Old Business:

There was no discussion.

11. New Business:

There was no discussion.

12. Confirm and Set Next Meeting:

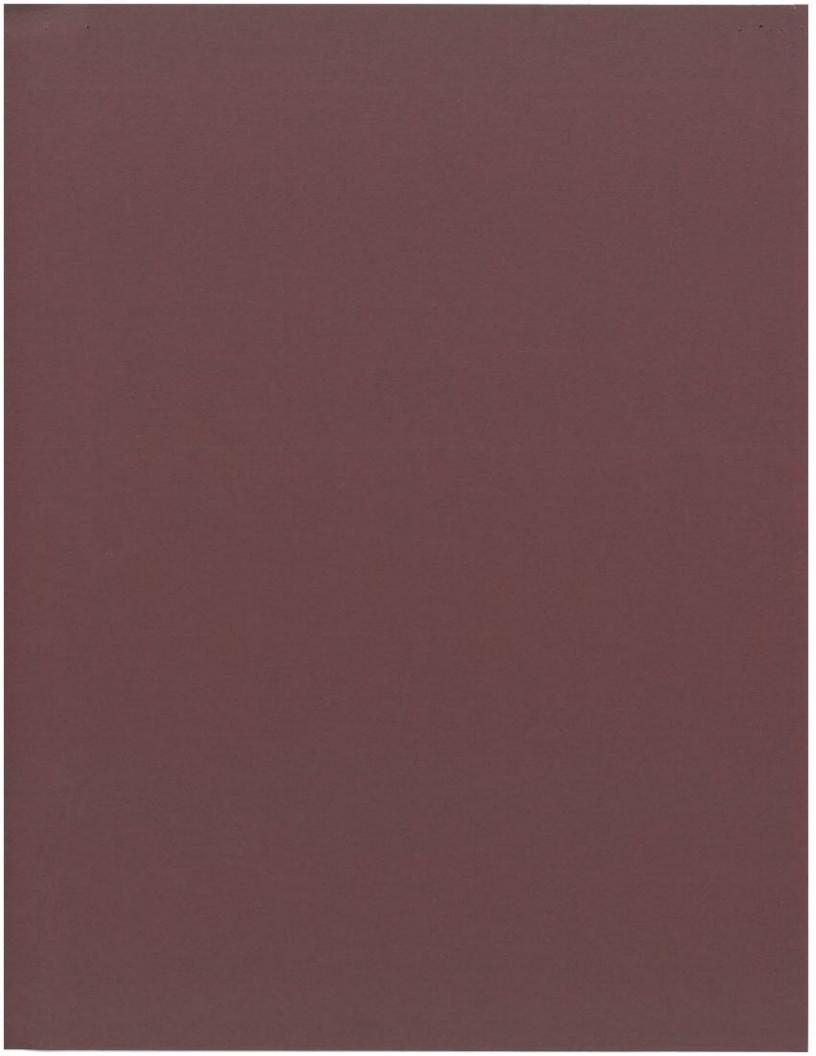
The Board confirmed the next meeting will be July 7, 2020.

13. Adjournment:

Director Long moved to adjourn; seconded by Director Lena Gail Case. Motion passed unanimously at 11:40 A.M.

Respectfully Submitted, Walker Schooler District Managers

By: Kristina Kulick for the Recording Secretary



Bent Grass Metropolitan District Balance Sheet

As of May 31, 2020

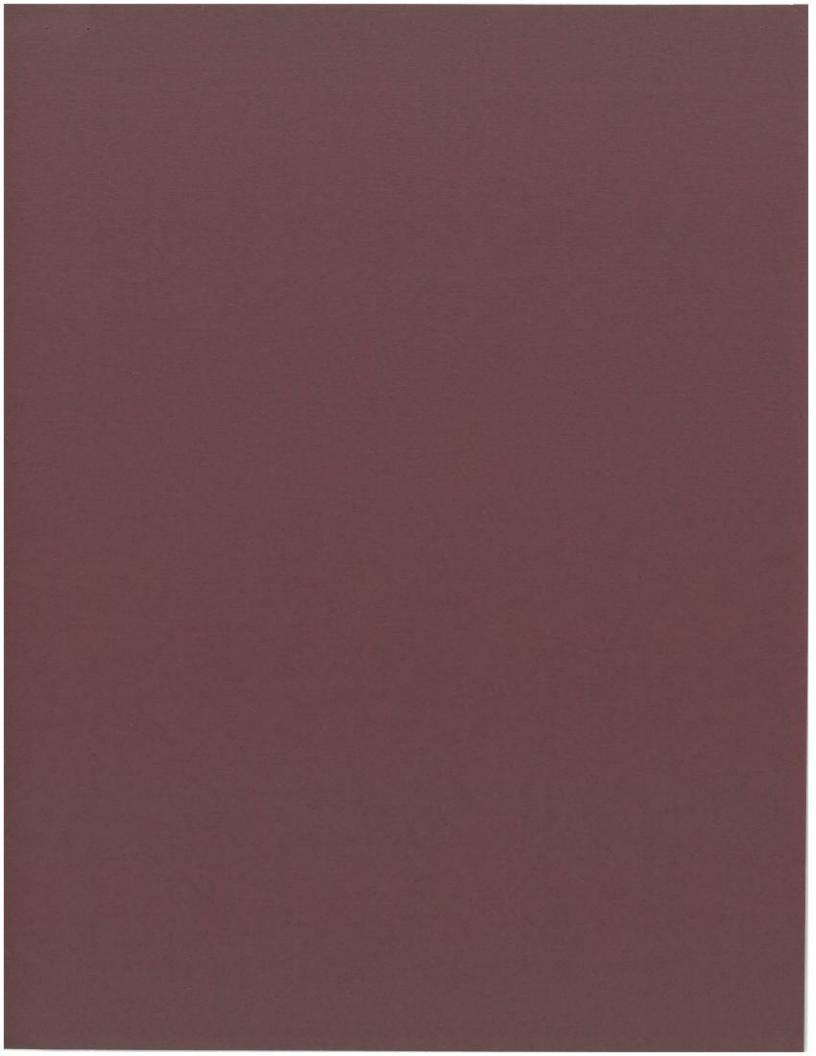
	May 31, 20
ASSETS	
Current Assets Checking/Savings	
1110 - BGMD CS State Bank Checking	192,987.49
Total Checking/Savings	192,987.49
Other Current Assets 1200 · Property Tax Rec-Debt Service 1215 · Property Tax -General Fund	84,607.00 61,588.00
Total Other Current Assets	146,175.00
Total Current Assets	339,162.49
Fixed Assets 1590 - Construction in Progress Traffic Signal 1590 - Construction in Progress - Other	58,707.44 1,318,643.15
Total 1590 · Construction in Progress	1,377,350.59
Total Fixed Assets	1,377,350.59
TOTAL ASSETS	1,716,513.08
LIABILITIES & EQUITY Liabilities Current Liabilities Accounts Payable	00.400.00
2010 · Accounts Payable	30,128.22
Total Accounts Payable	30,128.22
Other Current Liabilities 2020 · Deferred Property Tax-General 2022 · Deferred Property Tax Revenue 2030 · Interest Payable	61,568.00 84,607.00 91,519.00
Total Other Current Liabilities	237,694.00
Total Current Liabilities	267,822.22
Long Term Liabilities 2013 Fill Up Bonds-Developer	1,400,000.00
Total Long Term Liabilities	1,400,000.00
Total Liabilities	1,667,822.22
Equity 3910 · Retained Earnings Net Income	-21,691.29 70,382.15
Total Equity	48,690.86
TOTAL LIABILITIES & EQUITY	1,716,513.08

Bent Grass Metropolitan District Profit & Loss Budget vs. Actual January through May 2020

	Jan - May 20	Budget
Ordinary income/Expense		
Income		
Fees Platting		
Taxes	0.00	110,000.00
Current - Debt	76,880,28	444.000.40
Current - O&M	30,751.47	114,657.12
Specific - Debt	3,867.20	45,861.07
Specific - O&M	1,546.84	8,026.00 3,210.27
Total Taxes	113,045.79	171,754,46
Total Fees	113,045,79	281,754.46
4110 - Construction Income	0.00	
Total Income		0.00
Gross Profit	113,045.79	281,754.46
	113,045.79	281,754.46
Expense		
Copies & Postage	8,90	50.00
Property Taxes	0.00	0.00
Treasurer's Collection Fee	1,614.47	2,407.78
6060 · Bank Service Charges	0.00	50.00
6075 · Bond Expense Market Analysis	20,880.50	
Total 6075 · Bond Expense	20,880.50	
6160 · Dues and Subscriptions	610.48	4 000 00
6180 - Insurance	1,517.00	1,300.00 4,000.00
6570 · Professional Fees		
Construction Management		
District	0.00	10,000.00
Project	0.00	100,000.00
Construction Management - Other	0.00	0.00
Total Construction Management	0.00	110,000.00
District Management	10,000.00	
Engineering	0.00	24,000.00
Landscaping Maintenance	4,957.78	100,000.00
6571 - Accounting	0.00	12,500.00
6572 · Legal Fees	3,254.47	8,300.00 12,500.00
Total 6570 - Professional Fees	18,212.25	
Total Expense	42,843.60	267,300.00
Net Ordinary Income	70,202.19	275,107.78
Other Income/Expense	10,202.18	6,646.68
Other Income 7010 · Interest Income	179.96	***
Total Other Income	179.96	300.00
Net Other Income	179.96	300.00
it Income		300.00
/	70,382.15	6,946.68

Bent Grass Metropolitan District Profit & Loss Budget vs. Actual January through May 2020

	\$ Over Budget	% of Budget	
Ordinary Income/Expense			
Income			
Fees			
Platting Taxes	-110,000.00	0.09	6
Current - Debt	-37,776.84	67.1%	
Current - O&M	-15,109.60	67.1%	
Specific - Debt	-4.158.80	48.2%	
Specific - O&M	-1,663.43	48.2%	
Total Taxes	-58,708.67	65.89	6
Total Fees	-168,708.67		40.1%
4110 - Construction Income	0.00		0.0%
Total Income	-168,708.67		40.1%
Gross Profit	-168,708.67		40.1%
Expense			
Copies & Postage	-41.10		17.8%
Property Taxes	0.00		0.0%
Treasurer's Collection Fee	-793.31		67.1%
6060 · Bank Service Charges	-50.00		0.0%
6075 - Bond Expense Market Analysis	-00.00		0.076
Total 6075 - Bond Expense			
6160 - Dues and Subscriptions 6180 - Insurance	-689.52 -2.483.00		47.0% 37.9%
	-2,463.00		37.876
6570 · Professional Fees			
Construction Management	40.000.00		
District	-10,000.00	0.0%	
Project	-100,000.00	0.0%	
Construction Management - Other	0.00	0.0%	
Total Construction Management	-110,000.00	0.0%	
District Management	-14,000.00	41.7%	
Engineering	-100,000.00	0.0%	
Landscaping Maintenance	-7,542.22	39.7%	
6571 - Accounting	-8.300.00	0.0%	
6572 · Legal Fees	-9,245.53	26.0%	
Total 6570 - Professional Fees	-249,087.75	20.010	6.8%
Total Expense	-232,264.18		15.6%
et Ordinary income	63,555.51		1,056.2%
ther Income/Expense			
Other Income			
7010 · Interest Income	-120.04		60.0%
Total Other Income	-120.04		60.0%
let Other Income	-120.04		60.0%
Income			,013.2%



REIMBURSEMENT AGREEMENT (Bent Grass)

THIS AGREEMENT is made and entered into effective this 16th day of May 2019 by and between Bent Grass Metropolitan District ("District") and Randy DeYoung and/or assigns, ("Developer").

RECITALS

- A. The District was formed to provide certain municipal services to real property located in El Paso County, Colorado.
- B. In order to form the District, approval for a Service Plan (the Service Plan") from the County of El Paso, Colorado had to be obtained.
- C. The Service Plan was approved on September 24, 2007.
- D. The Service Plan provides in part that the costs and expenses of District organization funded by the Developer is subject to reimbursament to the Beveloper.
- E. The sums set forth in Section D above confer a substantial benefit upon the District and pay costs that are the responsibility of the District
- F. Now that the District has been legally formed, the parties desire to set forth their mutual understanding with regard to these matters and the District intends to reimburse the Developer subject to the provisions of this Agreement.
- NOW TREREFORE based upon the mutual considerations and promises contained herein, and other good and valuable consideration, the receipt of which is acknowledged, the parties agree as follows:
- Section 1. Advances. The Developer has installed certain public infrastructure for the benefit of the District and these improvements and their cost are set forth in exhibit A.

It is hereby acknowledged that all Advances have been and are being made upon the expectation that the District will reimburse the Developer in accordance with and subject to the provisions of this Agreement.

Section 2. Reimbursements. It is the District's intent to reimburse the Developer the amount set forth in Exhibit A, plus interest thereon at the rate of set forth as paid on the initial bond offering (calculated on the basis of a 360-day year of twelve 30-day months), from the date of each advance.

Such reimbursement is expected to be made from the proceeds of one or more series of the District's general obligation or revenue bonds (the "Bonds"), when and if such Bonds are issued or from other revenues of the District including tax revenues.. The issuance and timing of any such Bonds shall be in the discretion of the District, and such Bonds, if issued, shall contain such terms as may be determined by the District. The foregoing shall not constitute a lien or encumbrance upon any Bond proceeds now or hereafter held by the District, except to the extent the District appropriates such Bond proceeds for the specific purpose of making reimbursements hereunder. Any bonds issued hereunder shall be subordinate to the existing bonded indebtedness and such additional bonded indebtedness that is incurred in order to complete all District public infrastructure.

- Section 3. No Debt. It is hereby agreed and acknowledged that this Agreement evidences an intent to reimburse the Developer hereunder, but that this Agreement shall not constitute a debt or indebtedness of the District within the meaning of any constitutional or statutory provision, nor shall it constitute a multiple-fiscal year financial obligation, and the making of any reimbursement hereunder shall be at all times subject to annual appropriation by the District in its absolute discretion.
- Section 4. Prior Agreements: Amendments. This Agreement contains all of the terms between the District and the Developer concerning the reimbursement of Advances, and supersedes any other agreements or understandings, written or oral, between the parties concerning such matters. Any amendments to this Agreement must be in writing and must be signed by the parties.

Section 5. Miscellaneous.

- a. Arbitration. In the event the Parties are unable to resolve any dispute relating to this Agreement, said dispute shall be settled by binding and mandatory arbitration before a mutually agreed upon arbitrator in El Paso County, Colorado and if the Parties cannot agree upon said arbitrator, the same shall be appointed by a District Court Judge in El Paso County, Colorado. The Parties shall be entitled to obtain documents from the other Party pursuant to reasonable discovery supervised by the arbitrator and subject to the arbitrator's determination as to scope. The costs of arbitration shall be determined by the arbitrator.
- b. Attorney Fees and Costs. If any Party hereto institutes any legal action to enforce or interpret this Agreement, or for damages or any alleged breach, the prevailing Party shall be entitled to reasonable attorney fees and costs.
- c. Governing Law. This Agreement shall be subject to, governed by, and construed in accordance with the laws of the State of Colorado.
- d. Notices. All notices, demands and acceptances required herein shall be in writing and shall be delivered personally, transmitted by facsimile (with mailed copy sent), or sent by registered or certified mail, return receipt requested. Such notice shall be deemed delivered and effective upon confirmed receipt or if mailed, 48 hours after postmark.

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- e. <u>Severability.</u> In the event any part or provision of this Agreement shall be determined to be invalid or unenforceable under the laws of the State of Colorado, the remaining portions of this Agreement which can be separated from the invalid, unenforceable provisions shall, nevertheless, continue in full force and effect.
- f. No Waiver. The waiver, by any Party hereto, of any covenant contained herein, shall not be deemed a continuing waiver of the same or of any other covenant contained herein.

BENT GRASS METROPOLITAN DISTRICT

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

	BY:	
	Its:	
ATTEST:		
BY:		
	DEVELOPER:	
	Randy DeYoung	

EXHIBIT A

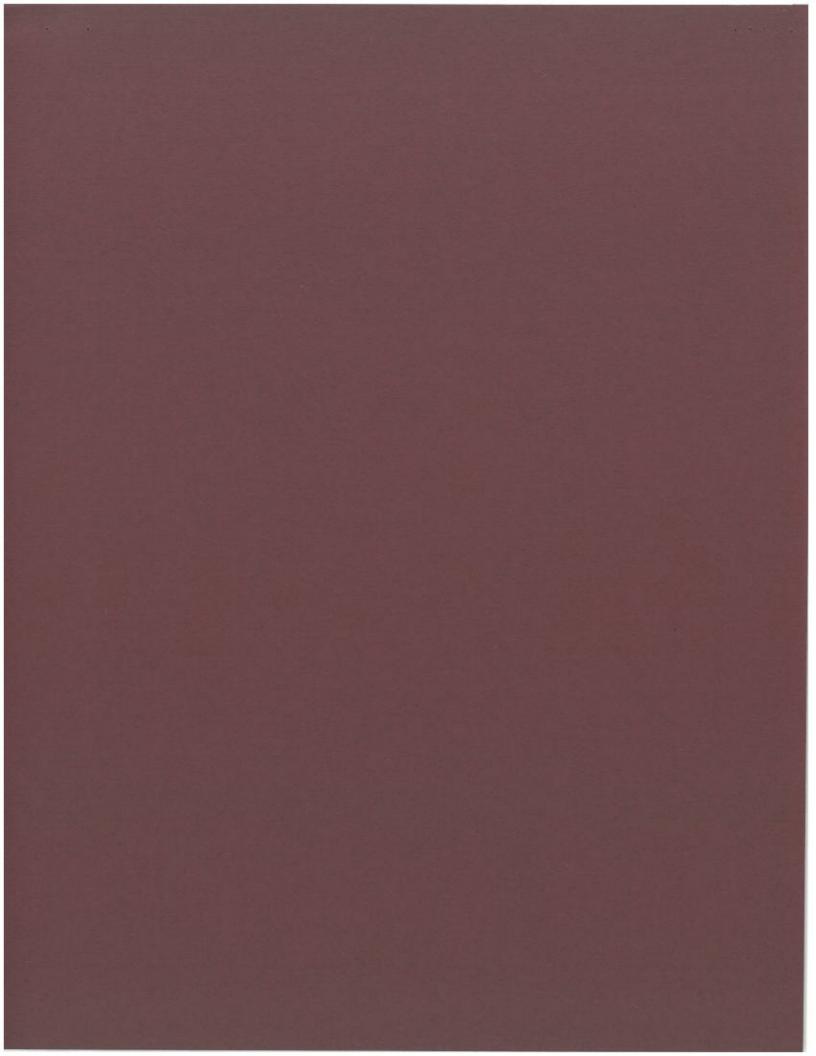
to

Reimbursement Agreement

AMOUNT

DATE

PURPOSE



MAINTENANCE AGREEMENT(Bent Grass Residential Filing No. 2)

THIS AGREEMENT is made and entered this 7th day of July 2020 by and between Bent Grass Metropolitan District (the "District") and Challenger Companies, LLC ("Developer").

WHEREAS, the District is a quasi-municipal corporation and political subdivision of the State of Colorado which was formed to finance and maintain certain public infrastructure within the District; and

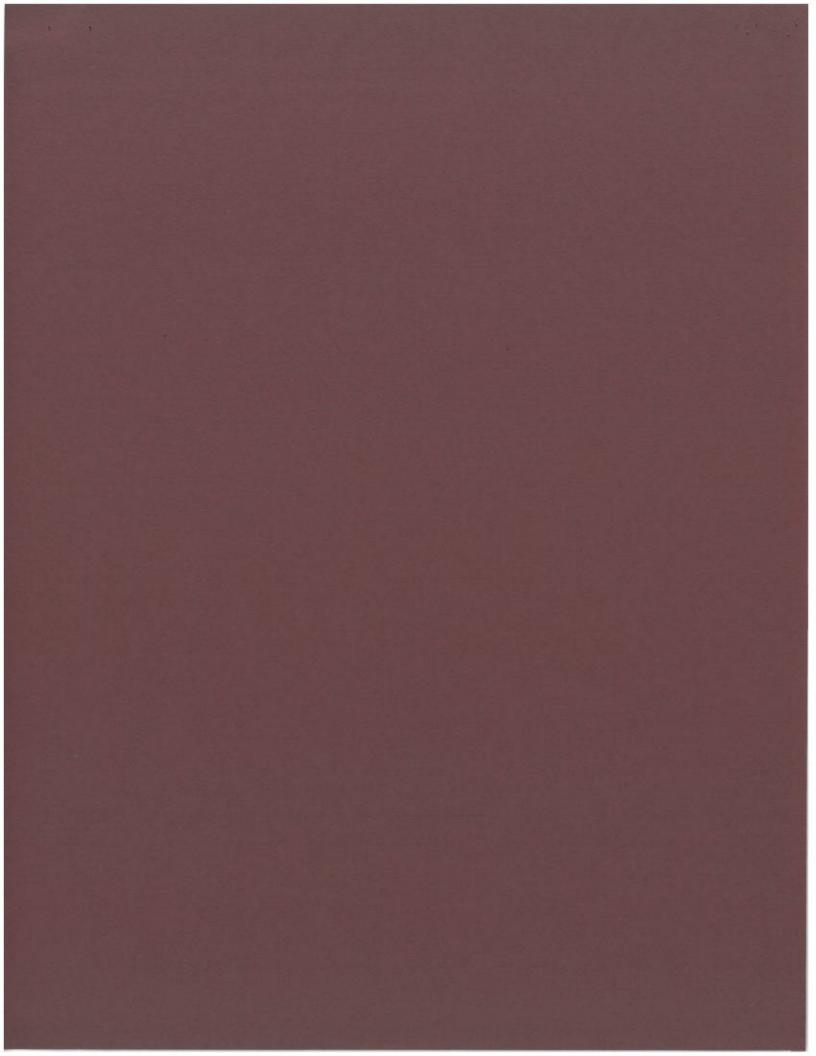
WHEREAS, the developer has caused the filing of the Bent Grass Residential Filing No. 2 (the "Filing 2 Plat"); and

WHEREAS, the Filing 2 Plat dedicates various parcels to the District; and

WHEREAS, the parties desire to set forth their understanding as to the ownership and maintenance of the various dedicated parcels.

NOW THEREFORE, the parties agree as follows:

- 1. <u>Dedication.</u> The Developer warrants and represents that the parcels are dedicated to the District free and clear of all liens and encumbrances.
- 2. Ownership and Maintenance. Following the warranty period the District agrees to own and maintain those parcels described on the Filing 2 Plat as tracts or parcels (set forth the parcels numbers or names). The Developer will assign all applicable warranties and guaranties from the contractors. The Developer will retain ownership and perform all maintenance until the end of the warranty period when the tracts are turned over to the District. (are there other agreements that the District should acknowledge such as Detention Maintenance, ROW License Agreement, etc.?)
- 3. <u>Right-of-Way.</u> The Filing 2 Plat dedicates certain right-of-way to the District which in turn will be dedicated to and owned and maintained by El Paso County after the 2-year warranty period. During the warranty period the Developer will own and maintain the right-of-way parcels. The District will have no expenses related to this dedication and will cooperate with the Developer regarding designs and inspections. Developer will indemnify and hold the District harmless from all liabilities and responsibilities. It is anticipated that the County of El Paso will assume ownership and maintenance responsibility at the time of acceptance.
- 4. Other Right-of-Way Improvements. Other improvements may include utilities, landscaping, sidewalks, light poles, fencing, etc.. The Developer will also own and maintain these until final acceptance of the Right-of-Way described above. After acceptance by El Paso County



PRIVATE STORMWATER DRAINAGE MAINTENANCE AGREEMENT AND EASEMENT

This PRIVATE STORMWATER DRAINAGE MAINTENANCE AGREEMENT AND EASEMENT (Agreement) is made by and between EL PASO COUNTY, by and through the BOARD OF COUNTY COMMISSIONERS OF EL PASO COUNTY ("County"), Challenger Communities, LLC (Developer), BENT GRASS METROPOLITAN DISTRICT (Metro District), a quasi-municipal corporation and political subdivision of the State of Colorado and Lena Gail Case (Owner). The above may occasionally be referred to herein singularly as "Party" and collectively as "Parties."

Recitals

- A. WHEREAS, the Metro District provides various municipal services to certain real property in El Paso County, Colorado referred to as <u>Bent Grass Residential Filing 2</u> and
- B. WHEREAS, Developer is the owner of certain real estate (the Subject Property) in El Paso County, Colorado, which Property is legally described in <u>Exhibit A</u> attached hereto and incorporated herein by this reference; and
- C. WHEREAS, Owner is the owner of certain real property adjacent to or downstream of the Subject Property onto which developed stormwater runoff will be discharged, which property is legally described in Exhibit B attached hereto and incorporated herein by this reference (the Downstream Property); and
- D. WHEREAS, Developer desires to plat and develop on the Subject Property a Subdivision to be known as <u>Bent Grass Residential Filing 2</u>; and
- E. WHEREAS, the development of the Subject Property will substantially increase the volume of stormwater runoff that will discharge from the Subject Property to the Downstream Property, and
- F. WHEREAS, Section 2.9 of the El Paso County <u>Drainage Criteria Manual</u> provides for a developer's promise to maintain a subdivision's drainage facilities in the event the County does not assume such responsibility; and
- G. WHEREAS, Developer desires to meet requirements of the County's MS4 Permit, and to provide for operating, cleaning, maintaining and repairing the downstream drainage facilities in cooperation with the District; and
- H. WHEREAS, Owner shall be charged herein with the duties of providing access to the stormwater drainage channel on the portion of the Downstream Property described in <u>Exhibit C</u> attached hereto and incorporated herein by this reference (the Stormwater Facilities Area); and
- I. WHEREAS, Metro District shall be charged with the duties of operating, maintaining and repairing the stormwater drainage channel and any appurtenant improvements within the Stormwater Facilities Area described in Exhibit C; and

- J. WHEREAS, El Paso County has conditioned approval of this Subdivision on the Developer's promise to provide a stormwater drainage easement and maintenance agreement, and further conditions approval on the Metro District's promise to maintain and/or repair the drainage channel within the Stormwater Facilities Area serving this Subdivision; and
- K. WHEREAS, the County could condition subdivision approval on the Developer's promise to construct a different and more expensive drainage, water runoff control system and BMPs than those proposed herein, which more expensive system would mitigate the discharge of stormwater onto the Downstream Property at higher than historic rates; however, the County is willing to forego such right upon the performance of Developer's and the Metro District's promises contained herein; and
- L. WHEREAS, the County, in order to secure performance of the promises contained herein, conditions approval of this Subdivision upon Owner's grant herein of a perpetual Easement over the Stormwater Facilities Area as described in Exhibit C for the purpose of allowing the Metro District access to construct, upgrade, clean, maintain and/or repair the drainage channel, and allowing the County to periodically access and inspect the drainage channel.

Agreement

NOW, THEREFORE, in consideration of the mutual Promises contained herein, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

- 1. <u>Incorporation of Recitals</u>: The Parties incorporate the Recitals above into this Agreement.
- 2. <u>Covenants Running with the Land</u>: Developer agrees that this entire Agreement and the performance thereof shall become a covenant running with the land, which land is legally described in <u>Exhibit A</u> attached hereto, and that this entire Agreement and the performance thereof shall be binding upon itself and its successors and assigns.

The Owner agrees that this entire Agreement and Owner's performance of its obligations hereunder shall become a covenant running with the land, which land is legally described in Exhibit B attached hereto, and that this entire Agreement and Owner's performance of its obligations hereunder shall be binding upon itself and its successors and assigns.

- 3. Maintenance: The Metro District agrees for itself and its successors and assigns that it will regularly and routinely inspect, clean and maintain the stormwater drainage channel and any appurtenant improvements within the Stormwater Facilities Area described in Exhibit C, and otherwise keep the same in good repair, all at its own cost and expense. Neither Developer nor Metro District shall suffer any mechanics' or materialmen's liens to be enforced against the Stormwater Facilities Area or other property of Owner for work done or materials furnished in connection with Metro District's obligations under this Agreement. Owner shall have no obligations with respect to the Stormwater Facilities Area other than to provide the property and access thereto, without obstruction, pursuant to the easement described in Section 4 of this Agreement.
- 4. <u>Creation of Easement</u>: Owner hereby grants the Metro District a non-exclusive perpetual easement upon and across the property described in <u>Exhibit C</u> for the purposes of access to and construction, cleaning, maintenance and repair of the stormwater drainage channel and any appurtenant

improvements. Owner hereby grants the County a non-exclusive perpetual easement upon and across the property described in Exhibit C for the purposes of access to and inspection of the Stormwater Facilities Area. The creation of the County's easement does not expressly or implicitly impose on the County a duty to so inspect, nor to clean, repair or maintain the stormwater drainage channel or any appurtenant improvements.

- Indemnification: Developer and Metro District shall indemnify, defend and hold Owner 5. harmless from and against any and all obligations, liabilities, claims, liens, demands, loss, damage, injury, suit, causes of action, costs and expenses (including, without limitation, attorneys' fees) whatsoever in any way relating to or arising out of either (i) any stormwater runoff or drainage from the Subject Property and easement area shown in Exhibit C that enters or crosses the Downstream Property or other properties, or (ii) the activities or obligations of Developer, Metro District, or their respective agents or representatives under this Agreement. At all times during any construction or maintenance activities within the detention basin/BMP(s), Developer and Metro District shall maintain, or cause to be maintained, in full force and effect, a policy of comprehensive general liability insurance issued on a form and with an insurance company reasonably acceptable to Owner, and with such commercially reasonable coverage limits as Owner may from time to time require. Prior to any construction or maintenance activities, Developer and Metro District shall provide Owner with a certificate of insurance evidencing that Owner has been named as an additional insured under such policy. Such certificate shall provide that such policy shall not be cancelled or amended without thirty (30) days' prior written notice to Owner.
- 6. Severability: In the event any Court of competent jurisdiction declares any part of this Agreement to be unenforceable, such declaration shall not affect the enforceability of the remaining parts of this Agreement.
- 7. Third Parties: This Agreement does not and shall not be deemed to confer upon or grant to any third party any right to claim damages or to bring any lawsuit, action or other proceeding against either the County, the Developer, the Metro District, the Owner, or their respective successors and assigns, because of any breach hereof or because of any terms, covenants, agreements or conditions contained herein.
- 8. Solid Waste or Hazardous Materials: Should any refuse from the stormwater drainage channel within the Stormwater Facilities Area be suspected or identified as solid waste or petroleum products, hazardous substances or hazardous materials (collectively referred to herein as "hazardous materials"), the Developer and the Metro District shall take all necessary and proper steps to characterize the solid waste or hazardous materials and properly dispose of it in accordance with applicable State and/or Federal environmental laws and regulations, including, but not limited to, the following: Solid Wastes Disposal Sites and Facilities Acts, §§ 30-20-100.5 30-20-119, C.R.S., Colorado Regulations Pertaining to Solid Waste Disposal Sites and Facilities, 6 C.C.R. 1007-2, et seq., Solid Waste Disposal Act, 42 U.S.C. §§ 6901-6992k, and Federal Solid Waste Regulations 40 CFR Ch. I. The County shall not be responsible or liable for identifying, characterizing, cleaning up, or disposing of such solid waste or hazardous materials. Notwithstanding the previous sentence, should any refuse cleaned up and disposed of by the County for any reason be determined to be solid waste or hazardous materials, the Developer and the Metro District, but not the County, shall be responsible and liable as the owner, generator, and/or transporter of said solid waste or hazardous materials.

Executed this day of	Parties affix their signatures below.	
hallenger Communities, LLC		
y:		
Jim Byers, VP of Communit	y Development	
The foregoing instrument was a	cknowledged before me this day of y Development, Challenger Communities, LLC	
The foregoing instrument was a D, by <u>Jim Byers</u> , VP of Communi	cknowledged before me this day of	
The foregoing instrument was a D, by <u>Jim Byers</u> , VP of Communitations of the seal.	cknowledged before me this day of y Development, Challenger Communities, LLC	
The foregoing instrument was a	cknowledged before me this day of y Development, Challenger Communities, LLC	

Applicable Law and Venue: The laws, rules, and regulations of the State of Colorado

and El Paso County shall be applicable in the enforcement, interpretation, and execution of this Agreement, except that Federal law may be applicable regarding solid waste or hazardous materials.

Venue shall be in the El Paso County District Court.

BENT GRASS METRO	OPOLITAN DISTRICT	
Bv:		
[Name]	, President	
Attest:		
By: [Name]		
The foregoing in 20, by	nstrument was acknowledged before me this President, and DPOLITAN DISTRICT	day of
ENT GRASS METRO	POLITAN DISTRICT	
Titnogo my hand and ad		
10.000 (0.000)	notal Boal.	
ry commission expires		
		4 D UT X
	Notary Public	
xecuted this	day of, 20, by:	
WNER		
ena Gail Case		
y:		
The foregoing ins	trument was acknowledged before me this, Lena Gail Case.	day of
	Long Gan Case.	
itness my hand and offi	icial seal.	

Notary Public Executed this day of , by: **BOARD OF COUNTY COMMISSIONERS** OF EL PASO COUNTY, COLORADO By: Craig Dossey, Executive Director El Paso County Planning and Community Development Department Authorized signatory pursuant to LDC Attest: County Clerk and Recorder The foregoing instrument was acknowledged before me this _____ day of _ 20____, by Craig Dossey, Executive Director of the El Paso County Planning and Community Development Department, as Attested to by _______, County Clerk and Recorder. Witness my hand and official seal. My commission expires: Notary Public Approved as to Content and Form:

Assistant County Attorney

EXHIBIT A

5301000023

TR IN SEC 1-13-65 DESC AS FOLS; BEG AT NE COR LATIGO BUSINESS CENTER FIL NO 1, TH S89°42'50"E 1010.80FT, NO0°17'10"E 119.39FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 430.0FT A C/A OF 55°58'18" AN ARC DIST OF 439.60FT, TH N55°41'08"W 198.31FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 540.0FT A C/A OF 16°06'20" AN ARC DIST OF 151.79FT, TH N39°34'48"W 279.73FT, TH ALG A NON TANG CUR TO THE L HAVING A RAD OF 525.0FT A C/A OF 32°25'59" AN ARC DIST OF 297.18FT, TH S24°14'14"W 301.49FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 525.0 FT A C/A OF 23°58'12" AN ARC DIST OF 219.64FT, TH S00°16'02"W 206.50FT TO POB

5301000036

THAT PT OF SEC 1-13-65 DESC AS FOLS: BEG AT SW COR S2NE4 SD SEC 1, TH S 00°07'58" W 693.63 FT TO THE NE COR OF TR DESC BY BK 3233 PG 824, TH N 89°42'50" W 952.75 FT, S 00°07'47" W 18.25 FT, N 89°42'50" W 179.94 FT, N 00°17'10" E 119.39 FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 450.0 FT A C/A OF 55°58'18" AN ARC DIST OF 439.60 FT, TH N 55°41'08" W 198.31 FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 540.0 FT A C/A OF 16°06'20" AN ARC DIST OF 151.79 FT, TH N 39°34'48" W 279.73 FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 525.0 FT A C/A OF 33°19'47" WHICH CHORD BEARS N 73°20'07" E 305.40, TH N 90°00'00" E 448.12 FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 605.0 FT A C/A OF 24°56'46" AN ARC DIST OF 263.41, TH N 65°03'14" E 501.62 FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 525.0 FT A C/A OF 25°04'43" AN ARC DIST OF 229.79 FT, TH S 89°52'03" E 116.11 FT, S 00°08'14" W 619.52 FT TO POB

5301000037

TR IN SEC 01-13-65 DESC AS FOLS: BEG AT NW COR TR B. BENT GRASS RESIDENTIAL FIL NO 1, TH N89°52'03"W 116.11FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 525.00FT A C/A OF 25°04'43" AND AN ARC DIST OF 229.79FT, TH S65°03'14"W 129.16FT, S24°56'46"E 120.00FT, S28°22'47"E 50.09FT, S24°56'46"E 110.00FT, S65°03'14"W 6.50FT, S24°56'46"E 110.00FT, S65°03'14"W 514.92FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 275.00FT A C/A OF 16°07'39" AND AN ARC DIST OF 77.41FT, TH S81°10'53"W 123.36FT, S86°23'50"W 50.00FT, TH ALC ARC OF NONTANG CUR TO THE L HAVING A RAD OF 325.00FT A C/A OF 13°25'51" AND AN ARC DIST OF 76.18FT WHICH CHORD BEARS S10°19'06"E A DIST OF 76.01FT, TH S17°02'01"E 210.00FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 275.00FT A C/A OF 34°21'21" AND AN ARC DIST OF 164.90FT, TH S35°29'01"W 241.58FT, S89°42'50"E 24.94FT, N00°07'47"E 18.25FT, S89°42'50"E 952.75FT, N00°07'58"E 693.63FT, N00°08'14"E 619.52FT TO POB

5301000035

THAT PT OF SEC 1-13-65 DESC AS FOLS; COM AT N 16TH COR SEC 1 TOWNSHIP 13 S RANGE 65 W OF 6TH PRIN MERIDIAN EL PASO CO, SD PT ALSO BEING THE SWLY COR OF MEADOWS FILING 3 UNDER REC #200135667, SD PT ALSO BEING ELY BDRY OF MEADOWS FILING NO 2 TH S00°15'34"W ON W LN OF S2NW4 SEC 1 DIST OF 1316.12FT TO W COR OF SD SEC 1; TH S00°16'02"W W LN OF N2SW4 SEC 1 TO NW COR OF LOT 1 AS PLATTED IN LATIGO BUSINESS CENTER FIL NO 1 TH S89°42'50"E ON NLY BDRY SD LOT 1 DIST OF 420.0FT TO NELY COR OF SD LOT 1 SD PT BEING NWLY COR OF BENT GRASS MEADOWS DR AS PLATTED IN SD LATIGO BUSINESS CENTER FIL NO 1; SD PT ALSO BEING POB TH N00°16'02"E DIST OF 206.48FT TO PT OF CUR; TH ON ARC OF CUR TO R HAVING A DELTA OF 23°58'12" A RAD OF 605.00 FT AND A DIST OF 253.11 FT TO A PT OF TANGENT; TH N24°14'14"E DIST OF 301.49 FT TO A PT OF CUR; TH ON ARC OF CUR TO R HAVING A DELTA OF 65°45'46" A RAD OF 605.00 FT & A DIST OF 694.41FT TO A PT OF TANGENT; TH N90°00'00"E A DIST OF 448.12 FT TO A PT OF CUR; TH ON ARC OF CUR TO THE L HAVING A DELTA OF 24°56'46" A RAD OF 525.00 FT A DIST OF 228.58 FT TO A PT OF TANGENT TH N65°03'14"E A DIST OF 501.62 FT TO A PT OF CUR; TH ON ARC OF CUR TO R HAVING A DELTA OF 25°04'43". A RAD OF 605.00FT A DIST OF 264.81 FT TO A PT OF TANGENT; TH S89°52'03"E A DIST OF 2651.7 FT

TO A PT ON WLY R/W LN OF MERIDIAN RD, SD PT BEING NWLY COR OF PARCEL OF LAND DESC IN DOC RECORDED UNDER REC #210134154; TH CONT S00°00'06"W ON SD WLY R/W LN OF MERIDIAN RD & WLY BDRY OF SD PARCEL OF LAND DESC IN DOC UNDER REC #210134150, A DIST OF 40.00FT; TH N89°52'03"W A DIST OF 2651.88 FT TO A PT OF CUR; TH ON ARC OF CUR TO L HAVING A DELTA OF 25°04'43", A RAD OF 525.00 FT & A DIST OF 229.79 FT TO A PT OF TANGENT; TH S65°03'14"W A DIST OF 501.62 FT TO A PT OF CUR; TH ON ARC OF CUR TO THE R HAVING A DELTA OF 24°56'46" A RAD OF 605.00FT & A DIST OF 263.41FT TO A PT OF TANGENT; TH S90°00'00"W A DIST OF 448.12 FT TO A PT OF CUR; TH ON ARC OF CUR TO THE L HAVING A DELTA OF 65°45'46" A RAD OF 525.00 FT & A DIST OF 602.58 FT TO A PT OF TANGENT; TH S24°14'14"W A DIST OF 301.49 FT TO A PT OF CUR; TH ON ARC OF CUR TO THE L HAVING A DELTA OF 23°58'12" A RAD OF 525.00 FT & A DIST OF 219.64 FT TO A PT OF TANGENT; TH S00°16'02"W A DIST OF 206.50 FT TO NELY COR OF SD BENT GRASS MEADOWS DR; TH N89°42'50"W ON NLY R/W LN OF SD BENT GRASS MEADOWS DR A DIST OF 80.00 FT TO POB, EX THAT PT PLATTED TO BENT GRASS EAST COMMERICAL FIL NO 1, EX THAT PT PLATTED TO BENT RESIDENTIAL FIL NO 1

5301000021

TR IN W2 SEC 1-13-65 DESC AS FOLS, BEG AT SE COR LOT 14 THE MEADOWS FIL 3, TH S00°08'14"E 619.52FT, S89°52'03"W 116.11FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 625.00FT AN ARC DIST OF 264.81FT, TH RUN SWLY 501.62FT, TH ALG ARC OF CUR TO THE R HAVING A RAD OF 109.16FT AN ARC DIST OF 149.16FT, TH N00°15'34"E 932.04FT, TH RUN ELY 970.0FT M/L TO POB

5301000020

TR IN PT OF SEC 1-13-65 DESC AS FOLS; COM AT SW COR SD SEC 1, TH N00°16'02"E 2635.09FT, TH N00°15'34"E 1316.12 FT, S 89°53'38"E 1207.00FT FOR POB, TH CONT S89°53'38E 464.33FT, S00°15'34"W 932.04FT, TH ALG NON-TANG CUR TO THE R HAVING A RAD OF 525.0FT A C/A OF 8°40'04" WHICH CHORD BEARS S85°39'58"W 79.35FT, TH N90°00'00"W 385.24 FT, N00°15'34"E 938.90FT TO POB

5301000019

TR IN W2 SEC 1-13-65 DESC AS FOLS: COM AT SW COR OF SD SEC 1, TH N 00°16'02" E 2429.74 FT FOR POB, TH CONT N00°16"02"E 205.35FT, N 00°15'34"E 1316.12FT, S89°53'38"E 1207.60FT, S00°15'34"W 938.90FT, S90°00'00" W 62.89 FT, TH ALG ARC OF CUR TO THE L HAVING A RAD OF 605.0FT A C/A OF 65°45'46" AN ARC DIST OF 694.41FT, S24°14'14"W 247.85FT, N89°43'58"W 493.97FT TO POB

EXHIBIT B

LOT 2 LATIGO BUSINESS & RESEARCH CENTER FIL NO 1, EX THAT PT OF LOT 2 CONV BY REC #202037773, EX PART PLATTED INTO #12007 - LATIGO BUSINESS CENTER FIL NO 1

EXHIBIT C

EASEMENT DESCRIPTION:

A DRAINAGE EASEMENT IN PARCELS AS DESCRIBED IN WARRANTY DEED TO LENA GAIL CASE, RECORDED AT RECEPTION NO. 219113681 OF THE EL PASO COUNTY CLERK AND RECORDER OFFICE AND SITUATED IN THE WEST HALF OF SECTION 1, TOWNSHIP 13 SOUTH, RANGE 65 WEST, OF THE 6^{TH} PRINCIPAL MERDIAN, LOCATED WITHIN EL PASO COUNTY, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARING:

THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 1, TOWNSHIP 13 SOUTH, RANGE 65 WEST OF THE 6TH PRINCIPLE MERIDIAN AND IS ASSUMED TO BEAR N00°13'46"W, MONUMENTED AS SHOWN:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 1; THENCE WITH THE SAID WEST LINE OF SECTION 1, S00°13'46"E, A DISTANCE OF 1549.20 FEET TO A POINT ON THE WEST LINE OF SAID WARRANTY DEED RECORDED AT RECEPTION NO. 219113681; THENCE N89°45'55"E, A DISTANCE OF 1300.88 FEET TO THE POINT OF BEGINNING:

THENCE WITH THE NORTH LINE OF SAID WARRANTY DEED, N89°45'55"E, A DISTANCE OF 171.48 FEET;

THENCE S14°38'28"E, A DISTANCE OF 638.57 FEET:

THENCE S89°45'55"W, A DISTANCE OF 134.48 FEET;

THENCE N17°48'27"W, A DISTANCE OF 648.76 FEET TO A POINT ON THE SAID NORTH LINE AND BEING THE **POINT OF BEGINNING**.

EASEMENT CONTAINS 94,615 SQUARE FEET OR 2.172 ACRES, MORE OR LESS.

ALL LINEAL DISTANCES ARE REPRESENTED IN U.S. SURVEY FEET.

BY: BRIAN J. DENA PLS 38069

PREPARED FOR AN OFFICE OF PRIME CLH0000014.10

