

February 14, 2025

Malcolm Fleming  
Town Manager, Town of Erie  
P.O. Box 750  
Erie, Colorado 80516  
mfleming@erieco.gov

Kendra Carberry, Esq.  
Town Attorney, Town of Erie  
511 16<sup>th</sup> Street, Suite 610  
Denver, Colorado 80202  
klc@hpwclaw.com

Re: Erie Highlands Metropolitan District Nos. 1 and 2 – Service and Facility Fee

Dear Mr. Fleming and Ms. Carberry:

Erb Law, LLC represents the Erie Highlands Metropolitan District No. 1, a Title 32 special district wholly located within the Town of Erie (“**District 1**”). Erie Highlands Metropolitan District No. 2, a Title 32 special district wholly located within the Town of Erie (“**District 2**”) is represented by Fritsche Law, LLC. (together, District 1 and District 2 are referred to herein as the “**Districts**”). The Consolidated Service Plan for the Erie Highlands Metropolitan District Nos. 1-5 was approved by the Town on September 24, 2013 (the “**Service Plan**”). The Boards of Directors for the Districts are comprised of homeowners within the respective Districts.

The Districts entered into a Settlement Agreement and Release with Clayton Properties Group, Inc., d/b/a Oakwood Homes, and Erie Highlands Metropolitan District Nos. 3-5, effective December 31, 2024 (the “**Settlement Agreement**”) regarding the control of certain public improvements within the Erie Highlands community. A copy of the Settlement Agreement is attached.

Pursuant to Section 1 of the Settlement Agreement, the Districts agreed to pursue authorization from the Town to impose an annual Service and Facility Fee (the “**Fee**”) of up to \$636.00 per residential lot owned by an end user within the Districts’ boundaries to bridge a short term funding gap for the operation and maintenance of public improvements. The Fee is intended to supplement mill levy revenue for a few years until District 2 is closer to, or at full build out, and the Districts are able to address deficiencies in the installation and maintenance of public improvements, as listed on Exhibit A to the Settlement Agreement. The Districts have communicated the need to impose this Fee to the property owners within the Districts in order to fund the Districts’ operations and maintenance needs in the short term.

Section V.A.8 of the Service Plan prohibits the Districts from imposing fees without the prior written approval of the Town. The Districts are requesting the Town’s consent to impose the Fee for fiscal years 2025 through 2029, in an annual amount to be determined jointly by the Boards of Directors of the Districts, not to exceed \$636 per year, imposed on each residential lot owned by an end user.

Thank you for your attention to this request. Please let us know if any additional information is needed in order for the Town to authorize the Districts to impose the Service and Facility Fee under the conditions stated above.

Sincerely,

Jillian M. Martin, Esq.  
ERB LAW, LLC

Cc: Joan Fritsche, Esq., Fritsche Law, LLC  
Peggy Ripko, Districts' Manager

## **SETTLEMENT AGREEMENT AND RELEASE**

This Settlement Agreement and Release is hereby entered into by and between Erie Highlands Metropolitan District No. 1, Erie Highlands Metropolitan District No. 2, Erie Highlands Metropolitan District No. 3, Erie Highlands Metropolitan District No. 4, Erie Highlands Metropolitan District No. 5, each a quasi-municipal corporation and political subdivision of the State of Colorado, and Clayton Properties Group, Inc. d/b/a Oakwood Homes, a Tennessee corporation authorized to do business in Colorado.

### **DEFINITIONS**

1. **“Agreement”** means this Settlement Agreement and Release.
2. **“Carriage House”** or **“Carriage House Unit”** means approximately 156 single family homes platted on approximately 15.97 acres within Erie Highlands Filing No. 16, recorded in the real property records of Weld County at Reception Number 4670781 on January 13, 2021.
3. **“Carriage House Fee”** means the monthly Carriage House Operations & Maintenance Fee imposed by District 2, the proceeds of which are currently paid to District 4, pursuant to the Joint Resolution of District 2 and District 4 adopted on June 5, 2022 (**“Carriage House Fee Resolution”**).
4. **“Claim”** or **“Claims”** means all claims, rights, obligations, causes of action, suits, demands, injunctive relief, or declaratory relief of any kind or character, whether equitable or otherwise, however denominated, which relate to or arise out of the disputes described herein.
5. **“Clubhouse”** means the clubhouse currently owned by District 4 and located at 185 Highlands Cir., Erie, CO 80516.
6. **“Covenant Enforcement Agreement”** means the Assignment of Covenant Enforcement Agreement and Consent thereto, dated November 6, 2018, by and among District 2, District 4 and Oakwood.
7. **“Damages”** means all damages of any kind or nature, including but not limited to: (a) economic damage, (b) property damage, and (c) direct and indirect damages, including, without limitation, compensatory, consequential, exemplary, extraordinary, market value, economic, non-economic, punitive damages, attorney fees and costs.
8. **“District 1”** means the Erie Highlands Metropolitan District No. 1.
9. **“District 1 and 2 Revenues”** shall have the meaning described in Section 6 herein.
10. **“District 2”** means the Erie Highlands Metropolitan District No. 2.
11. **“District 3”** means the Erie Highlands Metropolitan District No. 3.

- H.
12. **“District 3 Improvements”** shall mean the Public Improvements located on Tract
  13. **“District 4”** means the Erie Highlands Metropolitan District No. 4.
  14. **“District 5”** means the Erie Highlands Metropolitan District No. 5.
  15. **“Districts”** means District 1, District 2, District 3, District 4, and District 5.
  16. **“District Owned Improvements”** means all Public Improvements owned by any of the Districts as described in the IGA.
  17. **“Effective Date”** means the last date of execution of this Agreement by the Parties hereto.
  18. **“End User”** means any owner, or tenant of any owner, of any taxable improvement within District 1 or District 2. By way of illustration, a resident homeowner or renter is an End User. A person or entity that constructs homes or commercial structures with the intention of selling to others, including but not limited to Oakwood, is not an End User.
  19. **“IGA”** means the Intergovernmental Agreement Concerning District Operations, dated September 10, 2018, entered into by and between the Districts.
  20. **“Lots”** means all platted lots located within either District 1 or District 2 designated and approved by plat for a residential structure, upon which a residential structure has been constructed, a certificate of occupancy has been issued and ownership has been transferred to an End User. This definition of Lot does not apply to Carriage House Unit obligations as described in the Carriage House Fee Resolution.
  21. **“Oakwood”** means Clayton Properties Group, Inc., a Tennessee corporation authorized to do business in Colorado, d/b/a Oakwood Homes.
  22. **“Oakwood Loan”** means any monies advanced by Oakwood and remaining unreimbursed under the Advance and Reimbursement Agreement between District 4 and Oakwood, dated December 11, 2015; as of December 31, 2022, such amount totaled \$1,573,580 (principal of \$1,326,531 and interest of \$247,049).
  23. **“Outdoor Spa”** means the outdoor spa currently owned by District 4 and located at 185 Highlands Cir., Erie, CO 80516, including all appurtenances and equipment associated therewith.
  24. **“Party”** or **“Parties”** means the Districts and Oakwood.
  25. **“Pool”** shall mean the pool currently owned by District 4 and located at 185 Highlands Cir., Erie, CO 80516, including all appurtenances and equipment associated therewith.
  26. **“Pool Deck and Coping”** shall mean the current deck constructed around the Pool, Outdoor Spa and connecting pathways.

27. **“Pool Repair”** shall have the meaning described in Section 3.a herein.
28. **“Proceeding”** shall have the meaning described in Section 15 herein.
29. **“Public Improvements”** means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, and financed as generally described in the Service Plan.
30. **“Service Plan”** means the Consolidated Service Plan for Erie Highlands Metropolitan Districts Nos. 1-5, dated September 24, 2013, as amended.
31. **“Special District Act”** means Colorado Revised Statutes, § 32-1-101, *et seq.*
32. **“Town”** means the Town of Erie, Colorado.
33. **“Tract H”** means Tract H, Erie Highlands Filing No. 14, recorded with the Weld County Clerk and Recorder at Reception Number 4587151, and Tract H as may be amended pursuant to the recordation of a future replat Erie Highlands Filing No. 17.

### **RECITALS**

**WHEREAS**, the Districts are special districts organized pursuant to the Special District Act and located within the boundaries of the Town;

**WHEREAS**, the Town approved the Service Plan for the Districts;

**WHEREAS**, the Service Plan prevents the Districts from imposing any “rate, fee, charge, assessment or exaction...without written consent of the Town,”;

**WHEREAS**, the Districts are parties to the IGA;

**WHEREAS**, the IGA provides in relevant part that:

- A. The Districts will cooperate to provide for Public Improvements necessary to serve development within their [combined] service area, IGA, §1;
- B. All Public Improvements funded by the Districts were to either be dedicated to the Town or owned and operated by District 1 or District 4, IGA, §2; and
- C. District 4 was engaged as the operator of all District-Owned Improvements regardless of whether they were owned by District 1 or District 4, *Id.*

**WHEREAS**, Oakwood owns property within the boundaries of the Districts;

**WHEREAS**, a dispute has arisen by and between the Districts and Oakwood regarding the operation and maintenance of the Public Improvements; and

**WHEREAS**, the Parties do hereby settle and resolve their disputes regarding the operation and maintenance of the Public Improvements, subject to the terms set forth in this Agreement and effective as of the Effective Date.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are expressly incorporated and deemed substantive terms hereof, and for, and in consideration of, the mutual promises and covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **AGREEMENT**

### **1. Fees and General Operating Fund Mill Levy.**

a. Service and Facility Fee. The Parties have determined that the revenue derived from the general operating mill levies assessed pursuant to the current terms of the Service Plan is not sufficient to facilitate District 1 and District 2's desired standards and usage of the Public Improvements. Therefore, District 1 and District 2 agree to pursue the adoption of a Service and Facility Fee as follows:

- i. All Lots will pay a Service and Facility Fee of up to \$636 per year.
- ii. The final amount of the Service and Facility Fee will be determined on a yearly basis by District 1 and District 2 in accordance with the Special District Act.
- iii. The Service and Facility Fee will be imposed by District 1 and District 2 for no more than 5 years (fiscal years 2025-2029), with a fee cap of \$636 annually per Lot.

### b. Carriage House Fee.

- i. The Parties acknowledge that District 2 imposes the Carriage House Fee which is currently paid to District 4, pursuant to the Carriage House Fee Resolution.
- ii. Within 30 days of the Effective Date of this Agreement:
  - 1) District 2 and District 4 shall adopt an amended and restated Carriage House Fee Resolution directing payment of all Carriage House Fees to District 2;
  - 2) District 4 shall transfer all of the Carriage House Fee revenue in District 4's possession to District 2;
  - 3) District 4 shall assign all existing service contracts for the Carriage House maintenance to District 2; and

4) Upon completion of items (1) through (3) above, District 4 shall have no further responsibility relating to the Carriage House Fee or Carriage House maintenance.

c. Approval of Fees.

i. District 1 and District 2 will seek approval to impose the Service and Facility Fee from the Town. All other Districts will cooperate to the best of their ability with District 1 and District 2's reasonable requests related to obtaining Town approval and implementation of the Service and Facility Fee.

ii. In the event the Town does not approve the Service and Facility Fee and District 1 and District 2 have used their best efforts to work with the Town to obtain the approval, the remaining terms of this Agreement shall remain in full force and effect.

d. General Operating Fund Mill Levy.

i. District 1 and District 2 agree to impose the maximum allowable General Operating Fund Mill Levy for fiscal years 2025 to and including 2027, with the calculation of the maximum allowable General Operating Fund Mill Levy to be made in the sole, good faith discretion of District 1 and District 2.

2. **Oakwood's Payments and Loans.** As consideration for the releases of liability contained herein, Oakwood agrees to make the following payments and take the following actions with respect to various loans:

a. Cash Payment. As consideration for the settlement and releases contained herein, Oakwood agrees to pay District 2 the total amount of \$166,420.00 as follows:

i. **First Payment.** Oakwood will issue payment in the amount of half of the total payment amount to District 2 no later than 30 days following the Effective Date of this Agreement; and

ii. **Second Payment.** Oakwood will issue payment in the amount of the second half of the total payment amount to District 2 between January 1, 2025 and April 30, 2025.

b. Landscaping Loan. Oakwood will issue a loan to District 4 which shall have the following principal terms:

i. Oakwood will loan District 4 \$50,000.00 per year for three years, beginning with the first loan payment made within two weeks following the Effective Date of this Agreement and the second and third loan payments due on April 30, 2025, and April 30, 2026, respectively for a total amount of \$150,000.00.

ii. District 4 agrees to transfer the entire amount of each of the Landscaping Loan payments to District 1 within 30 days of receipt by District 4.

iii. District 1 and District 2 shall allocate the full Landscaping Loan payments to landscaping needs on public property within the boundaries of District 1 and District 2, as agreed to by the Boards of District 1 and District 2.

iv. In no event shall District 1 or District 2 be obligated or required to repay any portion of the Landscaping Loan. Any repayment obligation of the Landscaping Loan, if any, is solely the obligation of District 4.

c. The Oakwood Loan. Oakwood agrees to forgive the Oakwood Loan issued to District 4.

d. District 1 and District 2 Advance and Reimbursement Agreements. To the extent any funds are owed under the Advance and Reimbursement and Facilities Acquisition Agreement (Capital Expenses) or the Advance and Reimbursement Agreement (O&M Expenses) entered into between (i) District 1 and/or District 2 and (ii) District 3, 4, or 5 and/or Oakwood, the Parties agree that there are no funds owed under such agreements and, to the extent any funds may be owed, District 1 and District 2 are released and discharged and have no repayment obligation related to any such amounts.

e. Expenses Funding/Ending Balances/Retained Liabilities.

i. Expenses Funding. Oakwood funded in excess of \$87,000 in expenses to operate the Pool, Clubhouse, and other Public Improvements or other obligations incurred in 2023, through advances made to District 4. These funds were used to satisfy any obligations of District 1 and/or District 2 incurred in 2023. None of the Districts have any obligation to repay these advances.

3. **The Pool Deck and Coping/Outdoor Spa.** District 1 and District 2 allege that the Pool Deck and Coping and Outdoor Spa are in need of repairs. District 1 and District 2 allege that Oakwood, as the original owner of the Pool Deck and Outdoor Spa, is responsible for paying for these repairs. Oakwood denies that it is responsible in any way for these repairs. However, the Parties agree to compromise as follows with respect to the Pool Deck and Coping and Outdoor Spa:

a. Pool Deck and Coping. District 1 and District 2 will cause the Pool Deck and Coping to be repaired and replaced (the “**Pool Repairs**”). Oakwood will provide payment in the amount of \$217,000. This amount will be paid to District 1 by Oakwood within 7 days following execution of this Agreement, which such amount will be used solely for Pool Repairs or other repairs to the pool and clubhouse. After payment set forth herein, neither Oakwood nor District 4 will have no further financial obligations or liability whatsoever related to the Pool Deck and Coping and Pool Repairs.

b. Outdoor Spa. District 1 and District 2 acknowledge that District 4 has completed repairs on the Outdoor Spa. The costs for these repairs will be refunded to District 4 by Oakwood. Neither District 1 nor District 2 shall have any obligation for the cost of the repairs.



4. **District 4/Oakwood Affirmation.** Other than the Pool Repairs, District 4 and Oakwood affirm that there are no undisclosed maintenance or structural issues with the Pool, Pool Deck and Coping, or Clubhouse that are known and have not been disclosed in writing to District 1 and District 2 prior to the Effective Date of this Agreement. Oakwood and District 4 affirm that the only known maintenance or structural issues are those issues identified in the attached **Exhibit A**, which is the list completed by Timberline during its 2023 walk through with District 1.

5. **Transfer of Ownership of Public Improvements/ Tracts.** Within 90 days of the Effective Date of this Agreement, Oakwood, and the Districts will each convey or cause to be conveyed to the indicated Districts any interest they each may have in tracts and Public Improvements located within such tracts as set forth in **Exhibit B** (the “**Conveyed Public Tracts and Improvements**”). The Conveyed Public Tracts and Improvements indicated on Exhibit B with the notation of “to be conveyed upon completion of improvements” shall be conveyed from Oakwood and accepted by District 1 or District 2, as indicated, upon completion of the intended public improvements to be constructed thereon and satisfaction of the terms of the Infrastructure Acquisition Agreement between District 2 and Oakwood. The Conveyed Public Tracts and Improvements shall be conveyed by bill of sale or special warranty deed and include all supporting documentation related to the Public Improvements’ initial and final acceptance including, but not limited to, independent engineer cost and inventory certifications.

6. **Independent Operations/Separate Budgets.** Within 30 days of the Effective Date of this Agreement, District 4 shall cause all revenue received from District 1 and District 2 property taxes, specific ownership taxes, interest, and any fees, rates, tolls or charges in excess of the required 3% of expenses “TABOR Reserve” (“**District 1 and 2 Revenues**”) from any year to be remitted to District 1 and District 2 respectively, as directed by the District 1 and District 2 respectively. Any costs for service incurred by District 4 for the provision of services to the Districts prior to August 4, 2024 may be paid using District 1 and 2 Revenues according to the IGA. In the event Oakwood pays such invoices and/or advances any funds to District 4 for payment of the same (“**Oakwood Funding**”), the Cash Payment and Landscaping Loan amounts to be paid by Oakwood under Sections 2.a. and 2.b. herein shall be reduced by the amounts of any such payments and/or advances.<sup>1</sup> Any amounts owed by Districts 3, 4 and 5 for services provided to Districts 3, 4 or 5 by any service providers shall remain the sole responsibility of Districts 3, 4 or 5 and are not obligations of District 1 or District 2.

7. **Exclusion/Inclusion of Property.** No later than 90 days following the Effective Date of this Agreement, Oakwood will submit Petitions for Exclusion and Petitions for Inclusion along with deposits to cover the cost of exclusion/inclusion proceedings as required by statute, to the relevant Districts regarding the exclusion/inclusion of property as detailed below. In the event Oakwood is not the owner of record for any such property, the Parties shall cooperate to obtain Petitions for Exclusion and/or Petitions for Inclusion from the relevant property owner(s).

a. Tract H, Erie Highlands Filing No. 1 to be excluded from District 1 and District 2 respectively.

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<sup>1</sup> See First Amendment to Agreement executed contemporaneously with this Agreement regarding offset amount.

b. The portions of the west side of Glacier Drive, Highview Drive, SugarLoaf Lane and North Vista Drive that are included in District 2 and 3 to be excluded from District 3.

c. The portion of the east side of Glacier Drive that is included in District 2 to be excluded from District 2 and included in District 5.

d. The portion of Erie Parkway right-of way north of Erie Highlands Filing 15 and a portion of Filing 14 that is west of the east side of Glacier Drive that are included in District 2, 3, 4 and 5 to be excluded from District 3, 4 and 5.

e. The portion of Erie Parkway right-of way north of a portion of Erie Highlands Filing No. 14 and east of the east side of Glacier Drive that is included in District 2, 3, 4 and 5 to be excluded from District 2, District 3 and District 4.

f. The portion of Weld County Road 5 right-of way south of Erie Parkway that is included in District 2, 3, 4 and 5 to be excluded from District 2, District 3 and District 4.

g. Tract G, Erie Highlands Filing No. 14, Amendment No. 1 to be excluded from District 3 and included into District 5.

h. Tract F, Erie Highlands Filing No. 14 to be excluded from District 3 and included into District 2.

8. **District Operation and Maintenance of Public Tracts and Improvements.** Public real property or improvements, including the Conveyed Public Tracts and Improvements, within the Community that are owned by a District and/or included within a District, upon completion of the exclusion and inclusions contemplated in Section 7 herein, (collectively, the **“Public Tracts and Improvements”**) shall be maintained by such District to a standard of similar master planned communities within Colorado. Until the conveyances and inclusions/exclusions required by Paragraphs 5 and 7 of the Agreement are completed, operations and maintenance expenses for the Public Tracts and Improvements shall be provided by District 4 at its sole cost and expense. The Districts may enter into separate operations and management agreement by and among the Districts regarding provision of landscaping, irrigation; storm drainage, snow removal, operations, maintenance and capital repairs (**“Maintenance Services”**) for Public Tracts and Improvements.

9. **Termination of the IGA and Covenant Enforcement Agreement.** District 4 will be the owner and operator of the Public Improvements in District 1 and District 2 not owned solely or collectively by District 1 or District 2 until such Public Improvements are transferred to District 1 and District 2 as set forth in this Agreement. At such time, the IGA shall be deemed terminated and of no force and effect. In addition, 45 days following the Effective Date of this Agreement the Covenant Enforcement Agreement shall be deemed terminated and of no force or effect; at such time District 2 shall be authorized and responsible for covenant enforcement services to the Community, as provided for under the Declaration of Covenants, Conditions, and Restrictions for Erie Highlands, as recorded with the Weld County Clerk and Recorder at Reception No. 4032135.

10. **District Records.** District 3, 4 and 5 and Oakwood shall cooperate with District 1 and District 2 to transfer any records that are not already in possession of the consultants for District 1 or District 2 to District 1 and District 2, within 60 days of the Effective Date of this Agreement, including District 4 records and files concerning design, financing, construction, installation, operations, maintenance, repair and replacement of Public Infrastructure located within or financed by District 1 or District No. 2.

11. **Mutual Releases of Liability.**

a. Each District, on its own behalf and on behalf of its board members, officers, managers, and attorneys, releases each other District and Oakwood, from and against all liability, Claims, causes of action, Damages, costs, losses, and expenses related to any of the disputes described in this Agreement, including but not limited to Claims and Damages related to the Pool, Pool Deck and Copping, Pool Repairs, Outdoor Spa, Clubhouse, Public Improvements, funding of any amounts related to the Public Improvements, and the IGA, whether in contract or in tort, at law or in equity, or arising under or by virtue of the Service Plan, the IGA, any statute, or any regulation. District 1 and District 2 specifically agree not to seek payment of any further amounts from District 4 or Oakwood for any items addressed in the Agreement following performance of this Agreement.

b. Notwithstanding the foregoing release, District 2 is at approximately 60% build-out and anticipates additional Public Improvements to be constructed within the District. Future acceptance of Public Improvements pursuant to the Infrastructure Acquisition Agreement, funding for Public Improvements not specifically addressed in this Agreement, Facilities Fees and Carriage House Fees are expressly excluded from this release provision.

c. Oakwood, on its own behalf and on behalf of its principals, owners, officers, members, managers, attorneys, entities, successors, and assigns, releases the Districts, current and prior board members, officers, managers, attorneys and other consultants, from and against all liability, Claims, causes of action, Damages, costs, losses, and expenses related to any of the disputes described in this Agreement, including but not limited to Claims and Damages related to the Pool, Pool Deck and Copping, Pool Repairs, Outdoor Spa Clubhouse, Public Improvements, funding of any amounts related to the Public Improvements, and the IGA, whether in contract or in tort, at law or in equity, or arising under or by virtue of the Service Plan, the IGA, any statute, or any regulation.

12. **Costs and Attorneys' Fees.** Each Party is responsible for their own attorney fees, costs and expenses incurred in reaching this Agreement. Oakwood, Districts 3, 4 and 5 may not use any revenue from District 1 or District 2 for the payment of their attorney fees, costs and expenses incurred in reaching this Agreement.

13. **Representations and Warranties.** As of the Effective Date, each Party represents and warrants that (i) it is in full agreement with and does voluntarily and willingly enter into this Agreement without duress, (ii) this Agreement constitutes valid and legally binding obligations of such Party, enforceable in accordance with its terms and conditions without limitation or condition, and (iii) the Party signing this Agreement is authorized to do so.

14. **No Admissions of Liability.** Notwithstanding anything to the contrary contained in this Agreement or that may be inferred from the terms of this Agreement, no party to this Agreement admits liability or assigns/designates liability to any other party to this Agreement. In fact, each party expressly denies any liability. The Parties affirm that the underlying motivation for each of them to enter into this Agreement is to avoid the costs and the uncertainties of the disputes described herein.

15. **Breach or Default.** In the event any litigation, arbitration, mediation or other proceeding (“**Proceeding**”) is initiated by any Party to enforce, interpret or otherwise obtain judicial relief in connection with this Agreement, the prevailing party in such Proceeding shall be entitled to recover from the unsuccessful party all reasonable costs, expenses, attorneys’ and expert witness fees, relating to or arising out of (a) such Proceeding and (b) any related post-judgment or post-award proceeding.

16. **Miscellaneous.**

a. Modification, Waiver and Severability. This Agreement may not be modified except by written instrument signed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other of the provisions of this Agreement, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default be deemed a waiver of any subsequent default. If any provision or portion of a provision of this Agreement is declared void and/or unenforceable, such provision or portion shall be amended to the extent necessary to make it enforceable (provided such amendment will not change the intent of the Parties) or deemed severed from this Agreement which shall otherwise remain in full force and effect.

b. Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Jurisdiction and Venue for any proceeding to enforce, interpret or otherwise obtain judicial relief in connection with this Agreement shall be in Weld County District Court.

c. Entire Agreement. This Agreement and the attached Exhibits is the final integration of the agreement between the Parties with respect to the matters addressed herein and supersedes any prior understandings or agreements, oral or written, with respect thereto.

d. Counterparts/Electronic Signatures. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument. A facsimile or other electronic copy of a signature on this Agreement shall be acceptable as and deemed to be an original signature.

e. Immunity and Appropriations. By entering into this Agreement, the Districts do not waive or release any of the rights, defenses, monetary limitations or protections afforded to them under the Colorado Governmental Immunity Act, C.R.S. §§24-10-101, *et seq.*, or common law sovereign immunity. Further, nothing in this Agreement is intended to constitute a multi-year fiscal obligation of the Districts under the Colorado Constitution, Art. X, Section 20, and any future year fiscal or monetary obligation of the Districts is subject to duly authorized appropriations by their respective Boards of Directors.

**[Remainder of Page Intentionally Left Blank]**

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed as follows:

Erie Highlands Metropolitan District No. 1

Date: 12 / 03 / 2024

By: 

Its: Board President

Erie Highlands Metropolitan District No. 2

Date: 12 / 03 / 2024

By: *Mitchell Gonzales*

Its: Board President

Erie Highlands Metropolitan District No. 3

Date: 12/31/2024

By: DocuSigned by:  
*Brandon Wyszynski*  
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Its: Assistant Secretary

Erie Highlands Metropolitan District No. 4

Date: 12/31/2024

By: DocuSigned by:  
*Chris Carlton*  
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Its: Assistant Secretary

Erie Highlands Metropolitan District No. 5

Date: 12/31/2024

DocuSigned by:  
By: Brandon Wyszynski  
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Its: Assistant Secretary

Clayton Properties Group, Inc. d/b/a Oakwood Homes

Date: 12/31/2024

Signed by:  
By: [Signature]  
D830A1B2DEDC488...  
Its: Assistant Secretary

**Exhibit A**

**Timberline 2023 Walk Through  
Public Infrastructure Maintenance and Structural Issues List**



June 8, 2023 - BHMD1 Correspondence		Estimate	Contractor Category
1) Pool, Pool Deck, Spa and Supporting Infrastructure			
a) Main Pool Area			
i) Pool has settled and is no longer level (west side of pool is approximately 3 inches higher than east side of pool). Pool needs to be evaluated by a qualified pool engineer to determine cause and any necessary remediation.			Pool
ii) Pool mechanical room requires a full review by a qualified pool contractor to determine equipment condition and necessary remediation.			Pool
iii) Pool entry hand railings on east side of pool no longer secure to both the pool floor and pool deck and require repair.			Pool
iv) Several of the drainage grates located in the zero-entry section of the pool are broken and require replacement.			Pool
v) In-pool lighting no longer functions and needs to be evaluated for repair.			Pool
vi) Several of the ground attachments for the pool cover along the west side of the pool are no longer secured to the ground and require repair.			Pool
vii) Portions of the mosaic tile located in the zero-entry section of the pool are no longer secure and require repair or replacement.			Pool
viii) The concrete footing for the slide structure has settled and attachments to the slide structure are beginning to separate and require repair.			Concrete
ix) Information signs should be made for the emergency pool shut-off buttons to indicate purpose.			Pool
b) Spa Area			
i) Multiple spa jets are broken or missing and need permanent (non-removable) replacement.			Pool
ii) Auto-fill for the spa is no longer functioning and requires repair or replacement.			Pool
c) Landscaping			
i) Poor irrigation has led to sod loss or weed issues on the west side of the pool deck.			Landscape
ii) Several of the low voltage lights located in the landscaping have been damaged leaving exposed wiring and/or are not operating and require repair.			Low Voltage / Electrical
d) Hardscape and Pool Decking			
i) The pool deck has multiple areas of cracking and/or is uneven to pool structure by approximately 1 inch in several locations. A qualified engineer should evaluate this to determine if settling of the pool structure or heaving of the pool deck have caused this condition and advise on an appropriate remediation plan and related costs.			Concrete
ii) Concrete near the main gated entrance to the pool has settled and cracked and requires repair or replacement.			Concrete
e) Several of the accent lights (installed approximately 8 feet high on exterior of building) no longer operate and require repair.			Low Voltage / Electrical
f) Both exterior pool gates need repair to ensure that they lock after exit to prevent unauthorized access to the pool.			Handyman
g) The fire pit does not ignite and requires repair.			Plumber
h) Approximately 20 pool umbrellas and 10 lounge chairs are broken and require replacement.			FF&E (District Manager)
2) Clubhouse and Related Parking Area			
a) Mechanical			
i) Lighting and Electrical			
(1) Several of the low voltage lights located in the parking area landscaping have been damaged leaving exposed wiring and/or are not operating and require repair.			Low Voltage / Electrical
(2) Several of the light bulbs that illuminate the Clubhouse monument are no longer operating and require repair.	\$1,000.00		Handyman - Timberline
(3) Low voltage "strip lighting" is either damaged or removed and needs replacement or repair. Locations of concern: outside main entrance to Clubhouse under flagstone ledge and under flagstone ledge surrounding fire pit seating area.			Low Voltage / Electrical
(4) Several of the accent lights (installed approximately 8 feet high on exterior of building) no longer operate and require repair.			Low Voltage / Electrical
ii) Heating, Ventilation and Air Conditioning			
(1) The concrete pad below the air conditioning condenser has settled and requires leveling.			Concrete
(2) HVAC system has not been serviced in over one year and no service contract exists.	\$1,600.00		HVAC Service Contractor (District Manager)
b) Camera, Security and Fire Systems			
i) The security camera near the spa area is no longer operating and requires repair or replacement.	\$1,200		Low Voltage / Electrical
ii) The battery backup for the video recording system requires replacement.			Low Voltage / Electrical
iii) The security camera system is incomplete and does not cover all areas of the building or pool. Locations of concern: main entrance to Clubhouse, pool slide and west entry gate.	\$4,000		Low Voltage / Electrical
iv) Security and fire systems are not connected to any active monitoring leaving structure vulnerable to theft or damage.	\$1,200.00		Service Provider (District Manager)
c) Gym and Meeting Room Area			
i) Weight bench is damaged and requires replacement.	\$400.00		FF&E (District Manager)
ii) Wall mirror behind free-weights is broken and requires replacement.	\$8,000.00		FF&E (District Manager)
iii) Carpet is very dirty and requires shampooing.	\$300.00		Service Provider (District Manager)
d) Clubhouse Structure			
i) Chimney cap on roof appears to be loose or damaged.	Insurance		Handyman - Timberline
ii) Building needs to be rekeyed as there is no single key that operates all doors, and no keys exists for certain doors.	\$1,800.00		Handyman - Timberline
iii) Waterlines in lifeguard area need insulation or heat tracing to ensure they do not freeze during the winter.			Plumber
iv) Cable TV service was never installed for the building leaving certain audio-visual and workout equipment less than functional.	N/A		Service Provider (District Manager)
v) Clubhouse, pool equipment and locker room building, and outdoor pergola requires stain or sealer.	\$42,000.00		Service Provider (District Manager)
e) Refrigerator for clubhouse ices over and requires servicing or repair.	\$350.00		Service Provider (District Manager)
f) Multiple irrigation covers have been damaged by mowing or snow removal operations and require repair or replacement.	????		Service Provider (District Manager)
3) Monuments and Pergolas			
a) All monuments and pergolas (approximately 11) require stain or sealer.	Included above		Service Provider (District Manager)
b) The decorative flagstone veneer on the base of the Highlands Boulevard entrance monument has been damaged and requires repair.	\$1,500.00		Insurance - Landscape
c) The low voltage lighting located at the Summit Boulevard entrance monument remains on during daytime hours and requires repair.	Insurance		Low Voltage / Electrical
d) Multiple overhead lights at the Summit Boulevard entrance monument are no longer operating and require repair or replacement.	Insurance		Low Voltage / Electrical
e) Monument light shades at both the Summit Boulevard and Highlands Boulevard entrances have significant hail damage and require repair or replacement.	Insurance		Insurance - District Manager?
4) Summit Pocket Park			
a) The Acadia pocket park has a significant crab grass and broadleaf weed issue that requires significant remediation.			Landscape - District Manager
b) The native grass area near the Summit pocket park has drainage issues that are resulting in tree and native grass loss and requires remediation.			Landscape
c) The steps for the play structure (i.e., faux tree stumps) in the Summit pocket park have holes and require replacement.	\$5,000		District Manager

## 5) Various Flower Beds and Shrubbery Throughout the Community

a) Plant and shrub loss within the community is unacceptably high (estimated between 25-50%) due to poor care and maintenance. As discussed during our joint walk of the community, a full inventory of plants and shrubs should be compared to the original "as-build" designs by a qualified landscape professional to determine a more accurate amount of landscaping loss and the associated costs to remediate.

Landscape

b) Approximately 40 trees located in flower beds and shrubbery areas are either dead or missing and require replacement. As discussed during our joint walk of the community, a full inventory of trees should be compared to the original "as-build" designs by a qualified landscape professional to determine a more accurate number of trees that require replacement and the associated costs to remediate.

Landscape

c) Missing ground covering had led to significant deterioration of the weed barrier in many of the flower and shrub beds throughout the community. This has led to weeds, plant loss, exposure of irrigation lines and unsightly appearance. As discussed during our joint walk of the community, the condition of weed barrier should be evaluated by a qualified landscape professional to determine if replacement of the weed barrier is recommended. This should include the evaluation of damaged weed barrier that was previously covered by new mulch without replacement of the weed barrier.

Landscape

d) Removal of debris (e.g., Oakwood construction signs, excess construction material, sandbags, pavement cores and erosion control mats) is needed in several areas of the community. Locations of concern: Summit Boulevard entrance, near the intersection of Erie Parkway and Bonanza Drive, and near the intersection of Erie Parkway and Weld County Road 5.

Landscape

e) There is missing ground covering rock following the installation of the traffic light near the Highlands Boulevard entrance that requires replacement.

Landscape

## 6) Sod and Native Grass Areas Throughout the Community

a) Approximately 90 trees located in sod and native grass areas are either dead or missing and require replacement. As discussed during our joint walk of the community, a full inventory of trees should be compared to the original "as-build" designs by a qualified landscape professional to determine a more accurate number of trees that require replacement and the associated costs to remediate.

Landscape

b) Multiple native grass areas throughout the community need broadleaf weed treatment. Based on discussions with District Management, there is no broadleaf weed control program for the community.

Landscape

c) Multiple irrigation covers throughout the community have been damaged by mowing or snow removal operations and require repair or replacement.

Landscape

d) Irrigation boxes along Longs Peak Drive between Piney Creek Lane and Indian Peaks Drive have sunken into ground and require remediation.

Landscape

e) Erosion has caused sunken or exposed irrigation lines, trip hazards and/or drainage issues in several areas of the community. Locations of concern: sidewalk near Longs Peak Drive retention pond; walking trail access at the end of Piney Creek Lane; walking path along east side of Highlands Boulevard; northeast corner of Highlands Boulevard and Erie Parkway; sprinkler replacement locations in Summit pocket park; and area near walking path that is adjacent to 442 Highlands Circle, between Poppy View Lane and Painted Horse Way; area adjacent to sidewalk

Landscape

f) Landscaping is incomplete or was never installed in area to the east of Arrowhead Court and in area adjacent to Cactus Leaf Lane. Landscaping should be installed in these locations.

Landscape

g) Trees stakes throughout the community that are no longer attached to trees need to be removed as they present a safety hazard.

Landscape

h) Utility work near the corner of Erie Parkway and Weld County Road 5 has damaged the sod, the rock ground cover and left a large sink hole that requires remediation.

Landscape

## 7) Walking Trails and Sidewalks

a) Several sidewalks and walking trails have significant concrete settling and cracking and require repair or replacement. Locations of concern: northeast corner of Clubhouse parking lot and trail access from Arrowhead Court.

Concrete

## 8) District Fencing

a) Significant portions of District fencing were damaged by recent hailstorms and require repair or replacement.

Insurance Ca Insurance - District Manager?

## 9) Carriage Home Maintenance Area

a) A financial analysis is needed to determine the long-term sufficiency of the incremental fee levied on carriage homes to determine if it is sufficient to meet future maintenance needs. District Management has indicated there is a significant concern that the fee may not be sufficient to meet maintenance expectations made by the Oakwood sales team to carriage home buyers.

3rd Party / District Manager analysis;  
Town limitation on fees

Description	QTY	Unit Price	Total
<b>Decidious Shade Trees 2" Cal</b>			
Littleleaf Linden	5		\$ -
Green Mountain Sugar Maple	4		\$ -
Horsechestnut	2		\$ -
Buckeye	2		\$ -
London Plane Tree	1		\$ -
Western Catalpa	1		\$ -
Total	15		\$ -
<b>Decidious Ornamental Trees 6' HT or 2" Cal</b>			
Brandywine Crabapple	1		\$ -
Thornless Cockspur Hawthorn	1		\$ -
Total	2		\$ -
<b>Evergreen Trees 8' HT</b>			
Austrian Pine	2		\$ -
Pinon Pine	2		\$ -
London Pine	1		\$ -
Bristlecone Pine	2		\$ -
Total	7		\$ -
<b>Evergreen Shrubs 5 Gal</b>			
Buffalo Juniper	14		\$ -
White Bud Mugo	180		\$ -
Broadmoor Juniper	6		\$ -
Dwarf Globe Spruce	4		\$ -
Soapweed Yucca	17		\$ -
Total	221		\$ -
<b>Decidious Shrubs 5 Gal</b>			
Goldmound Spirea	2		\$ -
Goldflame Spirea	12		\$ -
Spanish Gold Broom	10		\$ -
Alba Meidiland Rose	16		\$ -
Crimson Meidiland Rose	14		\$ -
Dwarf Rabbit Brush	67		\$ -
Russian Sage	38		\$ -
Blue Mist Spirea	7		\$ -
Green Mound Alpine Currant	3		\$ -
Coral Meidiland Rose	4		\$ -
Seafoam Rose	10		\$ -
Cistena Plum	6		\$ -
Cotoneaster	3		\$ -
Magical Gold Forsythia	12		\$ -
Red Meidiland Rose	3		\$ -

Three Leaf Sumac	7
Golden Currant	4
Total	218


\$	-
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Perennials and Ornamental Grasses 1 Gal	
Black-Eyed Susan	144
Lady's Mantle	107
Blonde Ambition Grass	15
Lavander	158
Blonde Ambition Blue Gramma	6
Maiden Grass	14
Red Riding Hood Penstemon	105
Coreopsis	87
Shasta Daisy	106
Stella De Oro Daylily	43
Feather Reed Grass	95
Dwarf Foutain Grass	25
Switchgrass	30
Total	935

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Decidious Shade Trees 2" Cal	

Unit Price

Total
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Deciduous Ornamental Trees 6' HT or 2" Cal	


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Evergreen Trees 8' HT	

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Evergreen Shrubs	


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Decidious Shrubs	


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Perennials and Ornamental Grasses 1 Gal	


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Description		QTY	Unit Price	Total
Decidious Shade Trees 2" Cal				
				\$ -
Decidious Ornamental Trees 6' HT or 2" Cal				\$ -
				\$ -
Evergreen Trees 8' HT				
Pinon Pine		1		\$ -
Total		1		\$ -
Evergreen Shrubs 5 Gal				
Buffalo Juniper		6		\$ -
White Bud Mugo		9		\$ -
Broadmoor Juniper		5		\$ -
Soapweed Yucca		1		\$ -
Total		21		\$ -
Decidious Shrubs 5 Gal				
Dwarf Rabbit Brush		18		\$ -
Seafoam Rose		5		\$ -
Red Meidland Rose		11		\$ -
Total		34		\$ -
Perennials and Ornamental Grasses 1 Gal				
Shasta Daisy		33		\$ -
Total		5		\$ -

Description		QTY	Unit Price	Total
Decidious Shade Trees 2" Cal				
				\$ -
Decidious Ornamental Trees 6' HT or 2" Cal				
				\$ -
Evergreen Trees 8' HT				
				\$ -
Evergreen Shrubs 5 Gal				
White Bud Mugo		6		\$ -
Total		6		\$ -
Decidious Shrubs 5 Gal				
Coral Meidiland Rose		10		\$ -
Three Leaf Sumacs		5		\$ -
Total		15		\$ -
Perennials and Ornamental Grasses 1 Gal				
Black-Eyed Susan		30		\$ -
Snow Lady Shasta Daisy		60		\$ -
Total		90		\$ -



Description		QTY	Unit Price	Total
Decidious Shade Trees 2" Cal				
Western Catalpa		1		\$ -
Kentucky Coffeetree		2		\$ -
Total		3		\$ -
Decidious Ornamental Trees 6' HT or 2" Cal				
June Snow Giant Dogwood		1		\$ -
Amur Maple		1		\$ -
Total		2		\$ -
Evergreen Trees 8' HT				
				\$ -
Evergreen Shrubs 5 Gal				
				\$ -
Decidious Shrubs 5 Gal				
Three Leaf Sumac		3		\$ -
Rabbit Brush		9		\$ -
Russian Sage		5		\$ -
Total		17		\$ -
Perennials and Ornamental Grasses 1 Gal				
Black-Eyed Susan		3		\$ -
Dwarf Foutain Grass		6		\$ -
Total		9		\$ -

Description	QTY	Unit Price	Total
<b>Decidious Shade Trees 2.5" - 3" Cal</b>			
Shademaster Honeylocust	1		\$ -
Western Catalpa	1		\$ -
Total	2		\$ -
<b>Decidious Ornamental Trees 6' HT or 2" Cal</b>			
Thornless Cockspur Hawthorn	1		\$ -
Total	1		\$ -
<b>Evergreen Trees 8' HT</b>			
Ponderosa Pine	1		\$ -
Limberpine	5		\$ -
Total	6		\$ -
<b>Evergreen Shrubs 5 Gal</b>			
Buffalo Juniper	17		\$ -
White Bud Mugo	16		\$ -
Broadmoor Juniper	10		\$ -
Dwarf Globe Spruce	5		\$ -
Total	48		\$ -
<b>Decidious Shrubs 5 Gal</b>			
Goldmound Spirea	14		\$ -
Goldflame Spirea	44		\$ -
Spanish Gold Broom	27		\$ -
Alba Meidiland Rose	26		\$ -
Crimson Meidiland Rose	11		\$ -
Dwarf Rabbit Brush	39		\$ -
Russian Sage	12		\$ -
Blue Mist Spirea	40		\$ -
Green Mound Alpine Currant	5		\$ -
Coral Meidiland Rose	5		\$ -
Seafoam Rose	5		\$ -
Cistena Plum	4		\$ -
Cotoneaster	11		\$ -
Golden Currant	7		\$ -
Total	250		\$ -
<b>Perennials and Ornamental Grasses 1 Gal</b>			
Black-Eyed Susan	102		\$ -
Ladies Mantle	28		\$ -
Blonde Ambition Grass	12		\$ -
Lavander	168		\$ -
Blonde Ambition Blue Gramma	32		\$ -
Maiden Grass	35		\$ -

Red Riding Hood Penstemon	165		\$ -
Coreopsis	96		\$ -
Shasta Daisy	32		\$ -
Stella De Oro Daylily	52		\$ -
Feather Reed Grass	36		\$ -
Total	758		\$ -

Description	QTY	Unit Price	Total
Decidious Shade Trees 2" Cal			
Shademaster Honeylocust	1		\$ -
Galaxy Magnolia	1		\$ -
Caddo Sugar Maple Autumn Slendor	4		\$ -
Spring Snow Crab	3		\$ -
Aspen Quaking Clump	1		\$ -
Total	10		\$ -

Decidious Ornamental Trees 6' HT or 2" Cal			\$ -
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Evergreen Trees 8' HT			
Mugo Pine Big Tuna	4		\$ -
Spartan Juniper	6		\$ -
Norway Spruce Fastigate	1		\$ -
Total	11		\$ -

Evergreen Shrubs			
Mrs Cesarini Spruce	4		\$ -
Blue Ice Arizona Cypress	1		\$ -
Total	5		\$ -

Decidious Shrubs			
Spanish Gold Broom	16		\$ -
Wine & Roses Weigela	27		\$ -
Katherine Dykes Potentilla	13		\$ -
Emerald N Gold Euonymus	64		\$ -
Dark Knight Spirea	16		\$ -
Redleaf Rose	9		\$ -
Minuet Weigela	11		\$ -
Mckays White Potentilla	15		\$ -
Chieftan Manzanita	13		\$ -
Anthony Waterer Spirea	37		\$ -
St. Mary's Broom Spruce	9		\$ -
Panchito Manzanita	29		\$ -
Little Rascal Holly	3		\$ -
Total	262		\$ -

Perennials and Ornamental Grasses 1 Gal			
Black-Eyed Susan	66		\$ -
Blonde Ambition Blue Gramma	71		\$ -
Giant Sacton Grass	27		\$ -
Blue Flax	16		\$ -
Sunset Hysop	62		\$ -
Blue Avena Oat Grass	25		\$ -

Hardy Little Bunny Fountain Grass	109		\$ -
Colorado Gold Gazania	32		\$ -
Fire Sprinkler Ice Plant	64		\$ -
Snow Daisy Tansy	29		\$ -
Valley Lavander Plains Verbena	78		\$ -
Total	579		\$ -

Description	QTY	Unit Price	Total
Decidious Shade Trees 2" Cal			
Shademaster Honeylocust	3		\$ -
Western Catalpa	1		\$ -
Emerald Queen Norway	3		\$ -
Western Hackberry	2		\$ -
London Plane Tree	2		\$ -
Espresso Kentucky Coffeetree	2		\$ -
Total	13		\$ -

Mitchell Gonzales

Decidious Ornamental Trees 6' HT or 2" Cal			
Golden Raintree	4		\$ -
Thornless Cockspur Hawthorn	3		\$ -
Ginnala Maple	1		\$ -
Brandywine Crabapple	1		\$ -
Shadblow Serviceberry	1		\$ -
Total	10		\$ -

Evergreen Trees 8' HT			
Ponderosa Pine	2		\$ -
Pinon Pine	3		\$ -
Total	5		\$ -

Evergreen Shrubs 5 Gal			
Buffalo Juniper	23		\$ -
White Bud Mugo	5		\$ -
Broadmoor Juniper	4		\$ -
Soapweed Yucca	29		\$ -
Arcadia Juniper	16		\$ -
Total	77		\$ -

Decidious Shrubs 5 Gal			
Spanish Gold Broom	7		\$ -
Dwarf Rabbit Brush	18		\$ -
Russian Sage	23		\$ -
Blue Mist Spirea	42		\$ -
Seafoam Rose	3		\$ -
Cotoneaster	13		\$ -
Snowberry	10		\$ -
Yellow Flowering Currant	10		\$ -
Three Leaf Sumac	13		\$ -
Cheyenne Mockorange	16		\$ -
Pink Meidiland Rose	8		\$ -
Total	163		\$ -

Perennials and Ornamental Grasses 1 Gal			
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Black-Eyed Susan	16		\$ -
Blonde Ambition Blue Gramma	31		\$ -
Red Riding Hood Penstemon	29		\$ -
Coreopsis	19		\$ -
Shasta Daisy	46		\$ -
Stella De Oro Daylily	23		\$ -
May Nigh Salvia	91		\$ -
Red Switch Grass	75		\$ -
Purple Coneflower	41		\$ -
Heavy Metal Grass	11		\$ -
The Blues Little Bluesteam Grass	20		\$ -
Giant Sacton Grass	16		\$ -
Mexican Feather Grass	44		\$ -
Big Bluestem Grass	18		\$ -
Paprika Yarrow	39		\$ -
Heaven Little Bluesteam	6		\$ -
Total	525		\$ -

Description	QTY	Unit Price	Total
Decidious Shade Trees 2" Cal			
Shademaster Honeylocust	1		\$ -
Western Catalpa	1		\$ -
Total	2		\$ -
Decidious Ornamental Trees 6' HT or 2" Cal			
Golden Raintree	3		\$ -
Total	3		\$ -
Evergreen Trees 8' HT			
Vanderwolfs Pyrimid Pine	1		\$ -
Total	1		\$ -
Evergreen Shrubs 5 Gal			
Buffalo Juniper	2		\$ -
Total	2		\$ -
Decidious Shrubs 5 Gal			
Russian Sage	4		\$ -
Total	4		\$ -
Perennials and Ornamental Grasses 1 Gal			
May Nigh Salvia	18		\$ -
Red Switch Grass	18		\$ -
Purple Coneflower	13		\$ -
Butterfly Flower	7		\$ -
Total	56		\$ -



Description	QTY	Unit Price	Total
Decidious Shade Trees 2" Cal			
Green Mountain Sugar Maple	8		\$ -
Amur Maple	1		\$ -
Prospector Elm	4		\$ -
Greenspire Linden	5		\$ -
Total	18		\$ -

Decidious Ornamental Trees 6' HT or 2" Cal			
Shadblow Serviceberry	1		\$ -
Total	1		\$ -

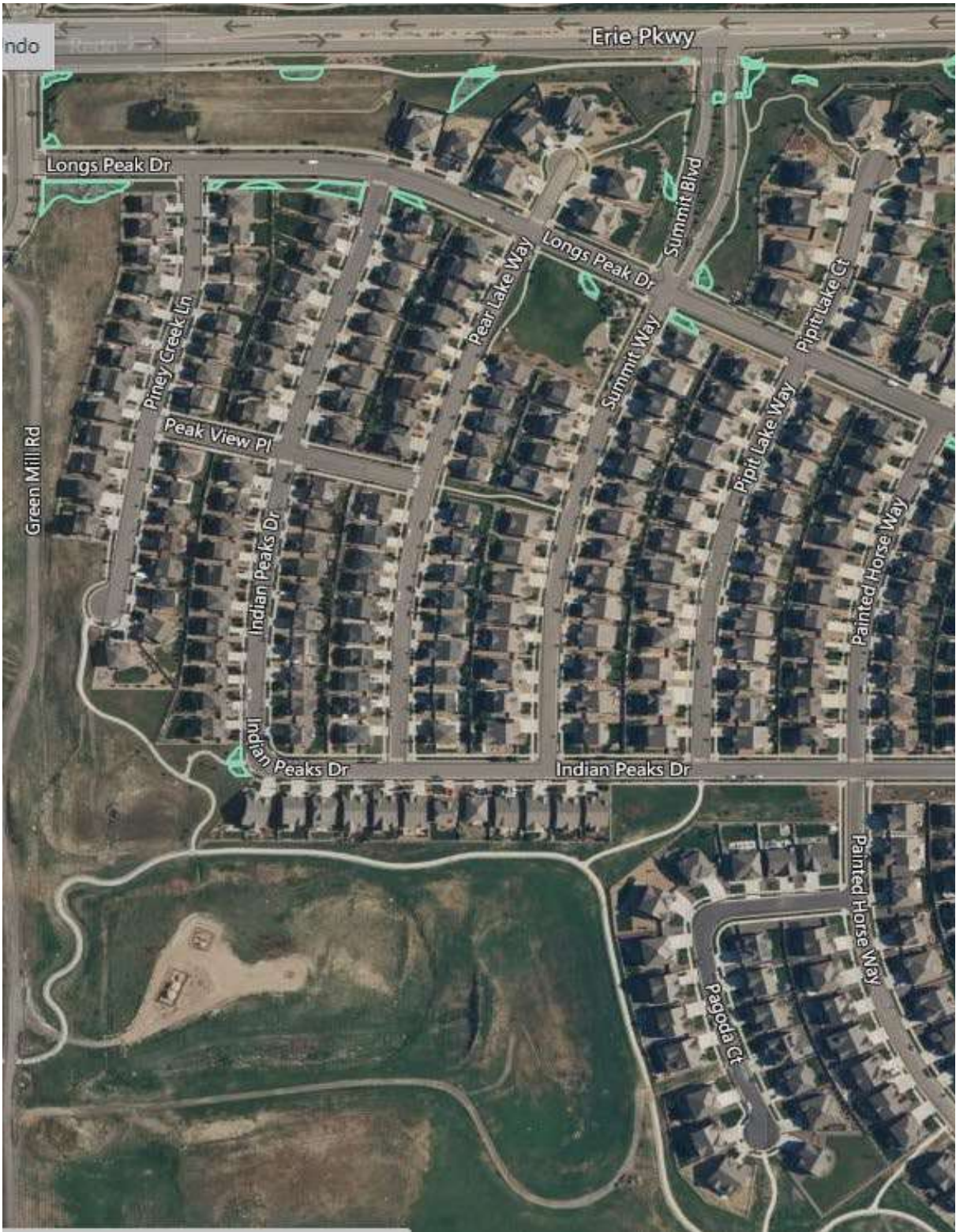
Evergreen Trees 8' HT			
Austrian Pine	2		\$ -
Pinon Pine	1		\$ -
Total	3		\$ -

Evergreen Shrubs 5 Gal			
Buffalo Juniper	63		\$ -
White Bud Mugo	8		\$ -
Broadmoor Juniper	20		\$ -
Slowmound Mugo Pine	31		\$ -
Globe Spruce	8		\$ -
Total	130		\$ -

Decidious Shrubs 5 Gal			
Goldmound Spirea	123		\$ -
Goldflame Spirea	159		\$ -
Spanish Gold Broom	45		\$ -
Alba Meidiland Rose	70		\$ -
Dwarf Rabbit Brush	249		\$ -
Russian Sage	79		\$ -
Blue Mist Spirea	15		\$ -
Green Mound Alpine Currant	23		\$ -
Coral Meidiland Rose	50		\$ -
Cistena Plum	19		\$ -
Three Leaf Sumac	12		\$ -
Golden Currant	15		\$ -
Red Meidiland Rose	21		\$ -
Rabbit Brush	6		\$ -
Low Grow Sumac	5		\$ -
Total	891		\$ -

Perennials and Ornamental Grasses 1 Gal			
Black-Eyed Susan	47		\$ -
Lady's Mantle	68		\$ -

Lavander	21		\$ -
Maiden Grass	62		\$ -
Red Riding Hood Penstemon	181		\$ -
Coreopsis	187		\$ -
Shasta Daisy	50		\$ -
Feather Reed Grass	33		\$ -
Periwinkle	64		\$ -
Total	713		\$ -









Total Sq Ft =	48,000
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## **Exhibit B**

### **Public Tracts and Improvements Transfer List**



{00980516.XLSX / }

CLAYTON PROPERTIES GROUP II, INC	D2	FF	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	GG	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	HH	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	II	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	JJ	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	KK	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	LL	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	MM	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	NN	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	OO	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement
CLAYTON PROPERTIES GROUP II, INC	D2	PP	16	To be conveyed by Clayton to District 2 upon completion, pursuant to Infrastructure Acquisition Agreement



## **FIRST AMENDMENT TO SETTLEMENT AGREEMENT AND RELEASE**

This First Amendment (“First Amendment”) to the Settlement Agreement and Release (“Agreement”) is hereby entered into by and between Erie Highlands Metropolitan District No. 1, Erie Highlands Metropolitan District No. 2, Erie Highlands Metropolitan District No. 3, Erie Highlands Metropolitan District No. 4, Erie Highlands Metropolitan District No. 5, each a quasi-municipal corporation and political subdivision of the State of Colorado, and Clayton Properties Group, Inc. d/b/a Oakwood Homes, a Tennessee corporation authorized to do business in Colorado.

**WHEREAS**, capitalized terms herein shall have the same meanings as defined in the Agreement; and

**WHEREAS**, District 1 and District 2 terminated the engagement of District 4 for administrative, management and operations services pursuant to the terms of the IGA, effective August 4, 2024; and

**WHEREAS**, the Districts’ accounting firm, CLA, confirmed District 4 had enough funds on hand from District 1 and District 2 property tax revenue to pay all administrative, operations and maintenance invoices received by District 4 through July 23, 2024; and

**WHEREAS**, due to ongoing delays in finalizing the Agreement, District 4 continued to accrue certain expenses for operations and maintenance of Public Improvements after the August 4, 2024 termination date; and

**WHEREAS**, District 1 and District 2 have agreed to pay invoices for certain operations and maintenance costs incurred by District 4 and received as of November 6, 2024 (“Final Invoices”); and

**WHEREAS**, District 1 and District 2 have reviewed the Final Invoices and have determined which invoices or partial invoices are eligible for payment by District 1 and District 2. (“Eligible Invoices”), and

**WHEREAS**, Oakwood requested that any advances made by Oakwood to District 4 for the payment of Eligible Invoices be offset against payment obligations due and owing to District 1 and District 2 from Oakwood under the terms of the Agreement; and

**WHEREAS**, District 1 and District 2 are willing to allow the offset of Oakwood payment obligations owed to District 1 and District 2 pursuant to the Agreement against the payment of Eligible Invoices solely under the conditions that:

1) the Settlement Agreement and this Amendment are executed contemporaneously before December 3, 2024 by Oakwood and Districts 3, 4 and 5; and

2) all remaining Oakwood payments due to District 1 and District 2 under the Agreement are paid in one lump sum payment, as further described below.

**NOW, THEREFORE**, in consideration of the foregoing Recitals, which are expressly incorporated and deemed substantive terms hereof, and for, and in consideration of, the mutual promises and covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement terms as follows:

## AMENDMENT

1. In accordance with Sections 2 and 3 of the Agreement, Oakwood agreed to make the following payments:

A. Cash Payment (to District 2)

- a. \$83,210 due within 30 days of the Agreement's Effective Date.
- b. \$83,210 due no later than April 30, 2025.

B. Landscaping "Loan" (to District 1)

- a. \$50,000 due within 14 days of the Agreement's Effective Date.
- b. \$50,000 due on April 30, 2025.
- c. \$50,000 due on April 30, 2026.

C. Pool and Deck Repairs (to District 1)

- a. \$217,000 due within 7 days of the Agreement's Effective Date..

2. The total amount of payments due to District 1 and District 2 from Oakwood pursuant to the Agreement is \$533,420. Based on the payment schedule outlined Sections 2 and 3 of the Agreement and shown above, all of the payments owned by Oakwood are due on or before April 30, 2025, except for \$50,000 owed on April 30, 2026.

3. District 1 and District 2 have determined the total amount eligible for reimbursement by District 1 and District 2 for certain operations expenses incurred by District 4 under Eligible Invoices is \$181,052.56.

4. Subtracting the Eligible Invoices' amount from Oakwood's payment obligations leaves a balance of \$352,367.44 ("**Oakwood Payment Obligation**") owed to District 1 and District 2.

5. District 1 and District 2 will not provide payment for any additional invoices or those listed on the attached spreadsheet shown on Exhibit A.

6. District 1 and District 2 agree to allow Oakwood to offset the Eligible Invoices against the Oakwood Payment Obligation solely under the conditions that:

a) the Settlement Agreement and this Amendment are executed contemporaneously by Oakwood and Districts 3, 4 and 5 on or before December 17-31, 2024.

b) Oakwood makes one lump sum payment in the amount of \$352,367.44 paid via wire transfer to District 1 no later than ~~December 24, 2024~~ January 7, 2025.

7. Interest shall begin accruing at the rate of 21% on any unpaid balance of the Oakwood Payment Obligation as of January 1, 2025 and any and all costs of collection incurred by District 1 and District 2 shall be added to the balance of the Oakwood Payment Obligation.
8. All terms and conditions of the Agreement not amended herein shall remain in full force and effect.
9. The Agreement and this Amendment shall have the same Effective Date.

**[Remainder of Page Intentionally Left Blank]**

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed as follows:

Erie Highlands Metropolitan District No. 1

Date: 12 / 03 / 2024

By: 

Its: Board President

Erie Highlands Metropolitan District No. 2

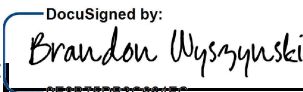
Date: 12 / 03 / 2024

By: *Mitchell Gonzales*

Its: Board President

Erie Highlands Metropolitan District No. 3

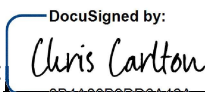
Date: 12/31/2024

By: 

Its: Assistant Secretary

Erie Highlands Metropolitan District No. 4

Date: 12/31/2024

By: 

Its: Assistant Secretary

Erie Highlands Metropolitan District No. 5

Date: 12/31/2024

DocuSigned by:  
By: Brandon Wyszynski  
9E8B75DB3C664FC...  
Its: Assistant Secretary

Clayton Properties Group, Inc. d/b/a Oakwood Homes

Date: 12/31/2024

Signed by:  
By: [Signature]  
D630A162DED488...  
Its: Assistant Secretary

**Exhibit A**  
**Ineligible Invoice Spreadsheet**

Total Amount Deducted	Vendor	Notes
\$11,340	Icenogle Seaver Pogue	Invoice Nos. 26019 (July); 26254 (Aug), 26384 (Sept). Invoices are for legal services rendered after termination of ISP as legal counsel for D1&D2 (April 29). Invoice is specifically addressed to Districts 3-5
\$1,967	United Power	Invoices - August. Paid From Credits on account; no funds were advanced by Oakwood to cover costs.
\$17,514	Town Of Erie - 1028 Acadia Cir	Acct. 07736 (Aug). Irrigation Leak occurred sometime between July 4 and August 4. Wasn't repaired until August 12 and that was only done after a homeowner complained and Brightview went out to repair. See Brightview Invoice of 14416. This leak and related cost is due to failure of management to inspect property.
\$275	Town Of Erie (Water) - 500.5 Longs Peak Dr	Invoice No. 07379 (Aug). Paid From Credit on account; no funds were advanced by Oakwood to cover costs.
\$476	Brightview Landscape Services	Invoice 5992863. For landscape services on property owned by Oakwood. Should not be a district expense.
\$14,574	CliftonLarsonAllen LLP	Carriage Home Fee was already removed from total on summary sheet; these services are paid with Carriage Home Fee.
\$375	Sals Superior Cleaning LLC	Invoice 55. After Party Clean Ups. This should be paid by deposit or charged to person who rented Clubhouse. Management should have addressed this.
\$276	Brightview Landscape Services	Invoice 6023399. This is service provided to Carriage Homes; should be paid with Carriage Home Fee.
\$203	Brightview Landscape Services	Invoice 2002661. No location provided. Presume not on District property.
\$115	CenturyLink	Invoice - Jul. Invoice paid with credit. No funds advanced.
\$59	CenturyLink	Invoice Sept. Invoice paid partially with credit. Only cash needed was \$56.
\$381	Town Of Erie - 500.5 Longs Peak	Invoice 7379. Invoice paid with credit.
\$290	United Power	advance.
\$100	Sals Superior Cleaning LLC	No date of Service Listed. (May 24 Invoice Date)
\$150	Sals Superior Cleaning LLC	No date of Service Listed. (May 26 Invoice Date)
\$375	Brightview Landscape Services	Invoice 6068442. No location listed - cannot determine if on District property.
\$188	Brightview Landscape Services	Invoice No. 6056175. Invoice references property along CR 5. This is Oakwood owned property.
\$125	Brightview Landscape Services	Invoice 6070313. Repairs done at Carriage Homes. Should be paid from Carriage Home Fees.

**Total                    \$48,782**