

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT ("Agreement") is entered into this 28 day of February, 2000, by and between the City of Lone Tree, Colorado, a municipal corporation and political subdivision of the State of Colorado (the "City") and the Park Meadows Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado (the "District") (collectively referred to herein as the "Parties").

RECITALS

WHEREAS, the City has been incorporated for the purposes of providing municipal services to its residents and property owners;

WHEREAS, the District has been organized for the purposes of providing certain services to its constituents;

WHEREAS, pursuant to Article XIV, Section 18 of the Colorado Constitution, and Colorado Revised Statutes § 29-1-203, the City and the District may cooperate and/or contract with each other to provide any function, service, or facility lawfully authorized to each;

WHEREAS, the City was organized based upon the expectation that the City would contract for key services through existing service providers, consultants, and other organizations;

WHEREAS, the City wishes to cooperate with the District to have the District provide landscape services on certain City property, public rights-of-way, and areas adjacent thereto (collectively "Rights-of-Way"), more particularly identified on Exhibit A attached hereto. Some of the Rights-of-Way are located within the City and some are located outside the City, but all are located within the District.

WHEREAS, the District is willing to cooperate with the City to provide these landscape services.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. LANDSCAPE SERVICES. In consideration of the compensation to be paid under Section 3 hereof, the District shall provide to the City the following services to the landscape improvements within the Rights-of-Way (collectively the "Landscape Services").

a. MAINTENANCE SERVICES. The District shall provide the maintenance services ("Maintenance Services") described on Exhibit B, attached hereto and incorporated herein by this reference.

b. EXTRAORDINARY SERVICES. In addition, the District shall provide such extraordinary services as are required because of age, obsolescence, accident, injury, disease, vandalism, or similar circumstances ("Extraordinary Services"). Whenever practical, the District shall give reasonable advance notice to the City Manager and the relevant Association Provider (defined below) if appropriate prior to providing Extraordinary Services. Extraordinary Services shall include but not be limited to the repair or replacement of landscape improvements and materials such as trees, shrubs, groundcover, and irrigation system components.

c. ADMINISTRATIVE COSTS. The Parties agree that prior to November 1, 2000 they shall review the administrative costs incurred by the District to provide the Maintenance Services and Extraordinary Services ("Administrative Costs") and shall negotiate in good faith to reach an agreement by which the City will compensate the District for the reasonable Administrative Costs which it has incurred.

d. EXCLUDED SERVICES. Snow removal from sidewalks, sweeping of sidewalks, and fence maintenance are expressly excluded from the Landscape Services to be provided by District under this Agreement.

2. HOMEOWNERS ASSOCIATIONS. The Parties acknowledge that Landscape Services to many sections of the Rights-of-Way are currently being provided by homeowners associations which exist within neighborhoods adjoining the Rights-of-Way ("Association Providers"). The Parties also acknowledge that the Association Providers provide and pay for irrigation water to many sections of the Rights-of-Way. The City and District will, as a condition to providing Landscape Services in these areas, execute agreements with the relevant Association Providers whereby the Association Providers will agree (a) to supply water at no cost to the City and District as needed, (b) to release the City and District from liability arising from the Landscape Services, and (c) to indemnify the City and District from claims made by any third parties to whom or for whose benefit the Association Providers are legally obligated to provide Landscape Services as long as the City and District are providing Landscape Services under this Agreement or any renewals thereof.

3. TERM AND RENEWAL OF AGREEMENT. The term of this Agreement shall commence on March 1, 2000 and terminate December 31, 2000. Notwithstanding anything contained herein to the contrary and solely to allow each Party sufficient time to plan for termination of this Agreement, the parties agree that either Party may terminate this Agreement at any time upon sixty (60) days' notice to the other Party. The City shall provide notice to the District prior to September 1, 2000 of its intent with regard to the renewal of this Agreement for 2001.

If either Party terminates this Agreement, or if the City does not provide notice of its intent

to renew this Agreement for 2001, or if the Parties do not execute a renewal of this Agreement before December 1, 2000, the City and the District shall jointly provide written notice, by first class mail, to the Association Providers, which are more particularly identified on Exhibit C attached hereto, that this Agreement has been terminated, or will not be renewed (as the case may be). Notice to the Association Providers shall be provided within fifteen (15) days after notice of termination is received, or by September 20, 2000 if no notice regarding intent to renew is given by City to District, or by December 20, 2000 if the parties do not execute a renewal of the Agreement by December 1, 2000.

4. COMPENSATION.

a. The City shall compensate the District in the amount of \$69,409.00 for the Maintenance Services to be provided during the term of this Agreement.

b. In addition, the City shall compensate the District for the costs of Extraordinary Services upon presentation of invoices for the same by District. The cumulative costs for Extraordinary Services shall not exceed \$10,591.00 during the term of this Agreement without prior approval by the City.

c. The City shall compensate the District for Administrative Costs in an amount to be agreed upon by the parties as described above.

5. PAYMENTS. The District shall invoice the City for Maintenance Services and Extraordinary Services monthly. The City shall make payment to the District within 45 days after receipt by the City of the District's invoice.

6. INDEPENDENT CONTRACTOR. The District is an independent contractor of the City and nothing herein contained shall make or designate the District or any of its agents or consultants as employees of the City. The District shall exercise discretion with respect to the manner and performance of the Services set forth herein.

In any action by a third party brought against the Parties in connection with the provision of the Landscape Services hereunder, neither Party shall be liable for the acts or omissions of the other. Each Party shall bear its own costs with respect to the defense of such action.

7. INSURANCE.

a. Each Party shall maintain the following types of insurance coverage with companies and in minimum amounts acceptable to their respective governing bodies.

i. General liability coverage in the minimum amount of \$150,000 per person/per occurrence and \$600,000 per occurrence, or in an amount reflecting the current level of governmental immunity exceptions provided by statute, whichever is greater, protecting the Parties

and their officers, directors and employees against any loss, liability or expense from personal injury, death property damage, or otherwise, arising from or in any way connected with the management, administration, and operations.

ii. Public officials liability coverage (errors and omissions) in the minimum amount of \$150,000 per person/per occurrence and \$600,000 total per occurrence, or in an amount reflecting the current level of governmental immunity provided by statute, whichever is greater, protecting the Parties and their directors and officers against any loss, liability, or expense arising from the actions and/or inactions of the Parties and their directors and officers in the performance of their duties.

iii. Operations coverage designed to insure against injury to the property of third parties or the persons of those third parties caused by the operations by the Parties in the minimum amount of \$150,000 per person/per occurrence and \$600,000 total per occurrence, or in the amount reflecting the current level of governmental immunity provided by statute, whichever is greater.

b. PROPERTY DAMAGE. Neither the District nor the City shall have any obligation to maintain property damage insurance on any of the landscape improvements which are receiving Landscape Services under this Agreement. Repair or replacement of landscape improvements which are necessitated by accident, injury, vandalism, etc. constitute Extraordinary Services as defined in Section 1(b).

c. WORKERS' COMPENSATION. The District shall require workers' compensation insurance, social security employment insurance, and unemployment compensation for its subcontractors performing this Agreement as required by any law of the State of Colorado or the federal government and shall, upon written request, deliver evidence thereof to the City.

d. CERTIFICATES. Within thirty (30) days of a written request, each Party shall furnish to each other updated certificates or memoranda of insurance showing compliance with the foregoing requirements. All such certificates or memoranda of each Party shall state that the policy or policies will not be canceled or altered without at least thirty (30) days prior written notice to each Party. If any policy or renewal policy is a claims-made policy, the retroactive date of such policy shall be no later than January 1, 2000.

8. TERMINATION PAYMENT. If this Agreement is terminated, the District shall provide the City with invoices for Landscape Services performed before to the termination date and the City shall pay the District for those services pursuant to paragraph 5 above and subject to the limitations contained within paragraph 4 above.

9. GOVERNMENTAL APPROVALS. The District's ability to provide Landscape Services within those rights-of-way located outside the City may require approvals and/or licenses from other governmental entities, including but not limited to Douglas County. The District's

obligation to provide Landscape Services to such rights-of-way shall be conditioned upon the issuance and continued effectiveness of any required approvals and/or licenses. Should the District be unable to obtain such approvals and/or licenses, or should such approvals and/or licenses be terminated, withdrawn, or expire, Exhibit B to this Agreement shall be deemed to be amended to delete such rights-of-way and the compensation payable by City to District under this Agreement shall be reduced accordingly.

10. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Parties and sets forth the rights, duties and obligations of each to the other as of the effective date hereof. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement are of no force and effect. This Agreement may not be modified except by a writing executed by both the City and the District.

11. BINDING AGREEMENT. This Agreement shall inure to and be binding on successors and assigns of the Parties hereto.

12. NO WAIVER. 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 hereunder be deemed a waiver of any subsequent default hereunder.

13. CONTROLLING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

14. NOTICES. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, to the following addresses:

City of Lone Tree:

City Manager
City of Lone Tree, Colorado
c/o R.S. Wells L.L.C.
Fiddler's Green Center, Building 1
6399 South Fiddler's Green Circle, Suite 102
Greenwood Village, Colorado 80111-4974

With a copy to:

Gary R. White Esq.
White and Associates Professional Corporation
8005 E. Chester Street, Suite 125
Englewood, Colorado 80112

Park Meadows Metropolitan District:

District Manager
Park Meadows Metropolitan District
c/o R.S. Wells L.L.C.
Fiddler's Green Center, Building 1
6399 South Fiddler's Green Circle, Suite 102
Greenwood Village, Colorado 80111-4974

With a copy to:

Ernest F. Fazekas, Esq.
Folkestad & Fazekas, P.C.
316 Wilcox Street
Castle Rock, Colorado 80104

All notices or documents delivered or required to be delivered under the provisions of this Agreement shall be deemed received one (1) day after hand delivery or three (3) days after mailing. Either Party by written notice so provided may change the address to which future notices shall be sent.

15. RECORDS. Each Party shall have the right to access and review each others' records and accounts with respect to the Landscape Services, at reasonable times during the Parties' regular office hours, for purposes of determining compliance by the Parties with the terms of this Agreement. Such access shall be subject to the provisions of the Public Records Act of the State of Colorado contained in Article 72 of Title 24, C.R.S. In the event of disputes or litigation between the Parties hereto, all access and requests for such records shall be made in compliance with the Public Records Act.

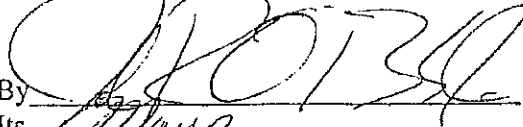
16. PRE-EXISTING RIGHTS AND RESPONSIBILITIES. Nothing in this Agreement is intended, nor shall be construed, to constitute a waiver of the rights and/or responsibilities of either Party with regard to the subject matter of this Agreement which may exist in other agreements or at law, as they exist at the time of, and without regard to this Agreement, except to the extent that they have been modified by this Agreement.

17. THIRD PARTY BENEFICIARIES. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to any person other than the parties, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms and provisions in this Agreement by and on behalf of the parties shall be for the sole and exclusive benefit of the parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written which shall hereafter be deemed to have an effective date of March 1, 2000. By the signature

of its representative below, each Party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

City of Lone Tree

By 
Its Mayor

Park Meadows Metropolitan District
Board of Directors

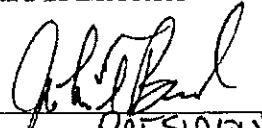
By 
Its PRESIDENT

EXHIBIT A
to the Intergovernmental Agreement
between the City of Lone Tree, Colorado
and the Park Meadows Metropolitan District

RIGHTS OF WAY

EXHIBIT B
to the Intergovernmental Agreement
between the City of Lone Tree, Colorado
and the Park Meadows Metropolitan District

MAINTENANCE SERVICES

EXHIBIT C
to the Intergovernmental Agreement
between the City of Lone Tree, Colorado
and the Park Meadows Metropolitan District

ASSOCIATION PROVIDERS