

**INCLUSION AGREEMENT
(WOODMEN HILLS METROPOLITAN DISTRICT/HOUTCHENS)**

THIS INCLUSION AGREEMENT (the "Agreement") is made and entered into effective this 18th day of September 2003 by and between (1) Woodmen Hills Metropolitan District (the "District") and (2) Vernie Houtchens, Gary L. Nanninga, John A. Lendenmann, Arletta A. Wilmore, Robert D. Wilmore, Benjamin C. Wilmore, and Arla L. Wilmore ("Owners") and Millennium Development, LLC, a Colorado limited liability company ("Developer").

RECITALS

A. The District is a quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32, Colorado Revised Statutes.

B. The District provides various municipal services to its residents in El Paso County, Colorado which services include potable water, waste water treatment, park and recreation, drainage, and roads.

C. The Owners are the record title owners of 228.2 acres of real property located to the immediate west of the District boundaries (the "Real Property").

D. Owners have filed a petition to include the Real Property into the boundaries of the District.

E. Developer has entered into a contract of purchase with the Owners whereby Developer will develop the Real Property, construct certain municipal infrastructure, and process the Real Property through a development plan with El Paso County.

F. The parties agree and acknowledge that the District has no obligation to include the Real Property but, if it elects to do so, it may impose certain conditions and obligations upon said Real Property.

G. Should the District approve the Petition for Inclusion of the Real Property, it is the intent of the parties that the Real Property shall be subject to the terms and conditions of this Agreement.

NOW THEREFORE, based upon the mutual promises and considerations contained herein, and in consideration of the inclusion of the Real Property into the boundaries of the District, the parties agree as follows:

1. **Acknowledgement.** In its inclusion petition, the Owners have acknowledged and agreed that the Real Property shall be subject to all rules, regulations, terms, conditions, provisions, obligations, assessments, and liabilities as now in effect or at any time imposed by the District and that the Real Property will be subject to all tap fees, monthly

user fees, park and recreation fees, and water resource fees which are applicable at any time. Developer acknowledges and agrees to this condition.

2. **Inclusion Fees.** In addition to the above, the Real Property and/or Developer agree to pay line extension fees, (plant investment fees,) and (fees in aid-of-construction) which fees total \$816,844.00 and will be paid as follows:

\$100,000.00 at the time of the Board Resolution of Inclusion of the Real Property;

\$172,281.34 due sixty (60) days later;

\$136,140.67 due six months from adoption of the Board Resolution;

\$136,140.67 due one year from adoption of the Board Resolution;

\$136,140.66 due eighteen months from adoption of the Board Resolution;
and,

\$136,140.66 due twenty-four months from adoption of the Board Resolution.

The parties acknowledge that any unpaid fees may become a lien on the Real Property and that Colorado law provides for various remedies for the collection of unpaid fees, including the certification of said amounts to the County Treasurer to be collected as a property tax.

3. **Infrastructure.** Developer and Owners agree to design, construct and install, at their sole expense, all on-site municipal infrastructure including water and waste water facilities with related infrastructure such as lift stations, collection and distribution systems, wells and pumps, roads and drainage improvements, and all other public improvements necessary to serve the Real Property including the construction and drilling of sufficient wells to serve the Real Property. All improvements shall be designed and constructed in accordance with the criteria and policies of the District. Upon completion and approval by the District, all infrastructure improvements (except roads) shall be assigned or deeded to the District (at no cost) and shall become District property. Roads shall be dedicated to El Paso County who shall thereafter maintain the same.

The District shall construct and install all off-site collection and distribution lines and related facilities necessary to serve the Real Property and connect it to the District's systems for water and wastewater.

4. **Water Supply.** In addition to the requirements of Section 3, all water and water rights associated with the Real Property shall be assigned, deeded, and otherwise dedicated to the District without cost to the District.

5. **Recordation.** It is the intent of the parties that this Agreement bind the parties, their successors, and assigns and that it run with the Real Property which is described on the attached legal description incorporated herein. This Agreement may be recorded in the real property records of El Paso County, Colorado.

6. **Miscellaneous.**

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

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

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

d. **Assignability.** Neither party may assign its rights under this Agreement without the prior written consent of the other.

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

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

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

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

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

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

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

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

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

WOODMEN HILLS METROPOLITAN DISTRICT

BY: [Signature]
President

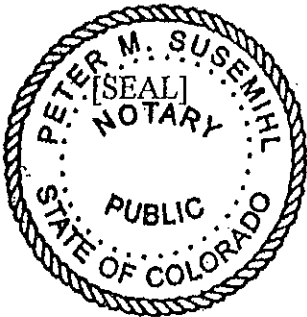
ATTEST:

[Signature]
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 18th day of September 2003 by Bill Horne as President and [Signature] as Secretary of Woodmen Hills Metropolitan District.

My commission. expires: 11/24/05



[Signature]
Notary Public

(OWNERS' AND DEVELOPER SIGNATURE AND VERIFICATION PAGES FOLLOW)

OWNER:

Vernie Houtchens
Vernie Houtchens

STATE OF COLORADO

COUNTY OF EL PASO

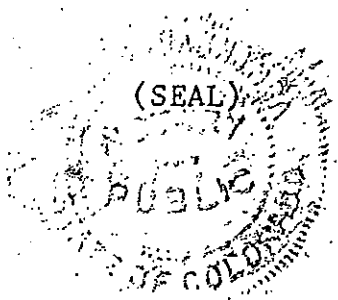
The foregoing instrument was acknowledged before me this

13 day of September, 2003, by
Vernie Houtchens

Witness my hand and official seal.

My commission expires:

1-7-2004



Alan R. Nalley
Notary Public

OWNER:

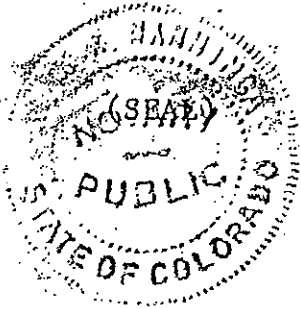
Gary L. Nanninga
Gary L. Nanninga

STATE OF COLORADO }
COUNTY OF EL PASO }

The foregoing instrument was acknowledged before me this
13 day of September, 2003, by
Gary L. Nanninga

Witness my hand and official seal.

My commission expires: 1-7-2004



Alan R. Nanninga
Notary Public

OWNER:

John A. Lendenmann

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me this

10th day of September, 2003, by

x John A. Lendenmann

John A. Lendenmann

Witness my hand and official seal.

My commission expires: _____

* CYNTHIA L. STINE *
* NOTARY PUBLIC *
* STATE OF COLORADO *

My Commission Expires 09/19/2006

(SEAL)

Cynthia L. Stine
Notary Public

OWNER:

Arletta A. Wilmore

Arletta A. Wilmore

STATE OF COLORADO)

COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this

11th day of Sept, 2003, by
Arletta A. Wilmore

Witness my hand and official seal.

My commission expires: 5-1-06

KODI L. OLIVAREZ
(SEAL) NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires 05-01-2006

Kodi L. Olivarez
Notary Public

OWNER:

Robert D. Wilmore

Robert D. Wilmore

STATE OF COLORADO)

COUNTY OF EL PASO)

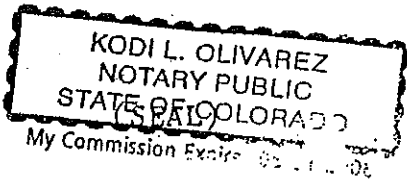
The foregoing instrument was acknowledged before me this

11th day of Sept, 2003, by

Robert D. Wilmore

Witness my hand and official seal.

My commission expires: 5-1-06



Kodi L. Olivarez
Notary Public

OWNER:

Benjamin C. Wilmore

Benjamin C. Wilmore

STATE OF COLORADO

COUNTY OF EL PASO

}

The foregoing instrument was acknowledged before me this

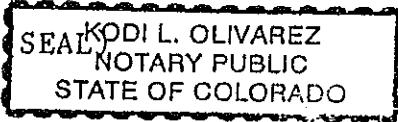
11th day of Sept, 2003, by

Benjamin C. Wilmore

Witness my hand and official seal.

My commission expires:

5/1/06



My Commission Expires 05/01/06

Kodi L. Olivarez
Notary Public

OWNER:

Arla L. Wilmore
Arla L. Wilmore

STATE OF COLORADO }
COUNTY OF EL PASO }

The foregoing instrument was acknowledged before me this
11th day of Sept, 2003, by
Arla L. Wilmore

Witness my hand and official seal.

My commission expires: 5-1-06

KODI L. OLIVAREZ
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires: 05-01-2006

Kodi L. Olivarez
Notary Public

DEVELOPER:

Ronald Waldthausen

MILLENNIUM DEVELOPMENT, LLC By Ronald Waldthausen, Manager
STATE OF COLORADO }
COUNTY OF EL PASO }

The foregoing instrument was acknowledged before me this
16th day of September, 2003, by
Ronald Waldthausen, Manager of Millenium Development, LLC

Witness my hand and official seal.

My commission expires: July 2, 2006

SALLY J. GIBSON
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires 07/02/2006

Sally J. Gibson
Notary Public

LEGAL DESCRIPTIONS

Vernie Houtchens and Gary L. Nanninga (Parcel A):

South 1/2 of the Northwest 1/4 and the Southwest 1/4, except that part conveyed to Latigo Business and Research Center Filing No. 1, all in Section 1, Township 13 South, Range 65 West of the 6th P.M., and Lot 2, Latigo Business and Research Center Filing No. 1, except that part of Lot 2 conveyed by Reception Number 202037773, El Paso County, Colorado.

John A. Lendenmann (Parcel B):

South 1/2 of the Southeast 1/4 of the Northeast 1/4 and the Southeast 1/4 of the Southwest 1/4 of the Northeast 1/4, Section 1, Township 13 South, Range 65 West of the 6th P.M., El Paso County, Colorado.

Aretta A. Wilmore, Robert D. Wilmore, Benjamin C. Wilmore, and Arla L. Wilmore (Parcel C):

Southwest 1/4 of the Southwest 1/4 of the Northeast 1/4, Section 1, Township 13 South, Range 65 West of the 6th P.M., El Paso County, Colorado.