



REGULAR BOARD MEETING AGENDA AND NOTICE

WEDNESDAY, MAY 18, 2022

5:30 PM

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/800588117>

You can also dial in using your phone.

United States: [+1 \(872\) 240-3212](tel:+18722403212)

Access Code: 800-588-117

Board of Director	Title	Term
Edith Coffman	President	May 2023
Lanny Hoel	Treasurer	May 2023
Elizabeth Douglas	Secretary	May 2023
Martin Lempecki	Assistant Secretary	May 2025
Jennifer Shepard	Assistant Secretary	May 2025

NOTICE IS HEREBY GIVEN that a Meeting of the Board of Directors of ARABIAN ACRES METROPOLITAN DISTRICT, Teller County, Colorado has been scheduled pursuant to emergency rules and regulations for Wednesday, May 18, 2022 at 5:30 p.m. via tele/videoconference for the purpose of addressing those matters in the Agenda set forth below.

Management Team

Lynn Willow, ORC

Kevin Walker, WSDM

Rebecca Hardekopf, WSDM

Jason Downie, District Legal Counsel

1) ADMINISTRATIVE MATTERS

- a) Call to Order & Declaration of Quorum
- b) Confirm any Potential Conflicts of Interest
- c) Discussion and Approval of the Agenda
- d) Discussion Appointment of Board Officers
- e) Consider Approval of Meeting Minutes from April 20, 2022 (enclosed)

2) FINANCIAL MATTERS

- a) Review of Billing and Collection Status
- b) Review and accept the April 30, 2022, Unaudited Financial Status
- c) Review and Approve the Payment of Claims

3) MANAGEMENT MATTERS

- a) Update on Exclusion Process with Teller County
- b) Capital Improvements Discussion
- c) Updated on Tank coating project
- d) Discuss SDA workshop coming up

4) LEGAL MATTERS

- a) Ratify Amaritech Contract for Tank coating project

5) OPERATIONS

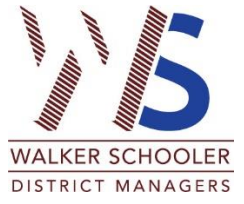
- a) ORC Report

6) PUBLIC COMMENT

Comments will be limited to 3 minutes. Please remain respectful of the Board of Directors as well as of your fellow residents.

7) ADJOURNMENT

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY, JUNE 15, 2022 AT 5:30 PM.





**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING
ARABIAN ACRES METROPOLITAN DISTRICT**

April 20, 2022 at 5:30 P.M.

Via Telephone and Video Conference Call

In attendance were Directors:

Allan Brown
Edith Coffman
Elizabeth Douglass
Lanny Hoel
Stan Claassen

Also in attendance were:

Kevin Walker, WSDM
Rebecca Hardekopf, WSDM
Lynn Willow, ORC

1) ADMINISTRATIVE MATTERS

- a) Call to Order & Declaration of Quorum: President Coffman called the meeting to order at 5:30 PM and confirmed a quorum was present.
- b) Confirm any Potential Conflicts of Interest: The Directors each confirmed there were no potential conflicts of interest.
- c) Discussion and Approval of the Agenda: The Board approved the Agenda as presented.
- d) Consider Approval of Meeting Minutes from March 16, 2022: After review, Director Douglass moved to approve the Meeting Minutes from March 16, 2022; seconded by Director Claassen. Motion passed unanimously.

2) FINANCIAL MATTERS

- a) Review of Billing and Collection Status: Ms. Hardekopf presented the Billing and Collection status. There were three shutoffs this month and all three paid as of today. 10 reminder letters were sent last Friday.
- b) Review and accept the March 31, 2022 Unaudited Financial Status: Ms. Hardekopf presented the March 31, 2022 Unaudited Financial status. The Board discussed the total cost of the February leak is \$15,000 with invoices coming in for repairs. Director Douglass moved to accept the March 31, 2022 Unaudited Financial Status; seconded by Director Brown. Motion passed unanimously.
- c) Review and Approve the Payment of Claims: Ms. Hardekopf presented the Payment of Claims. After review, Director Douglass moved to approve the Payment of Claims; seconded by Director Brown. Motion passed unanimously.
- d) Director Brown discussed the history of the reserve fund. He suggested that the reserve fund remain the same and the mill levy be reduced and adjusted as necessary to better match the bond payment. President Coffman commented that we don't know if the tax income will remain the same and if the property values will remain the same and that is why she voted against. Director Douglass also noted that there was discussion on if the mill levy was reduced could it be raised again without a vote, and nobody knew the

answers to that. Director Brown commented that he thinks it is unfair to the people who overpay in the beginning and then it is potentially refunded to other people at the end. He thinks more research needs to be done on this issue and address these questions. President Coffman commented that last time the mill levy was raised it was a big deal and a lot of people were against it. She believes that it is better to have more money than what we need than not enough money and need it to pay the bond. Director Douglass asked if the bond could be paid off early. The Board requested that Ms. Hardekopf research this issue to answer some of these questions. The Board agreed to continue discussions on this issue.

3) MANAGEMENT MATTERS

- a) Update on Exclusion Process with Teller County: Ms. Hardekopf reported there was a meeting with the Planning Commission on April 12th, and they recommended the decision to the Board of County Commissioners. The meeting with the Board of County Commissioners will be held on May 12, 2022. Notices have been sent out to property owners in the District and posted on the District website. Mr. Walker explained the requirement for a material modification of the service plan in order to do exclusions be removed which passed unanimously at the Planning Commission meeting, and that will be recommended to the Board of County Commissioners. It effectively allows the exclusion process to move forward. President Coffman commented that she was assured by Mr. Downie that the excluded properties will still be required to pay the original bond.
- b) Review and consider approval for Leak Adjustment Policy: President Coffman noted the language regarding the design and construction services being inspected by the District Manager. She suggested it be changed to inspected by the ORC. She also noted adding language regarding utilizing professional services to inspect lines and make repairs. After discussion, Director Douglass moved to approve the Leak Adjustment Policy as amended; seconded by Director Claassen. Motion passed unanimously.
- c) Capital Improvements Discussion: Mr. Walker noted he is working to bring this issue up in the Fall during budget discussions and a long-term budget plan.

4) LEGAL MATTERS

- a) 2022 Election Update: Ms. Hardekopf reported the new Directors will complete their Oaths of Office and qualifications to be seated on the Board at the next Board meeting after the election on May 3, 2022.

5) OPERATIONS

- a) Review and update on February leak: Mr. Willow updated the Board on the February leak and noted it is located and repaired as of today. The leak was located at the service line for 14 Donzi Circle between the curb stop and the meter pit. When the line was connected from the meter pit to the curb stop, an interior connection was used instead of an exterior material. The Board discussed that this work was done by Velocity during the meter project, and it is no longer under warranty. The Board discussed this is a defective installation and the leak was caused by Velocity's work. Mr. Walker will look into pursuing the contractor for damages.
- b) ORC Report: Mr. Willow presented the Operator's Report.

6) PUBLIC COMMENT

Mr. Elric Thurstonson commented that he is impressed with how well things are running right now. He is sorry to hear about the leak and the cause, and he hopes that the District can get compensation. He thanked Directors Brown and Claassen for their

time and service to the Board. Director Douglass also thanked Directors Brown and Claassen for their service.

- 7) **ADJOURNMENT:** Director Douglass moved to adjourn the meeting at 6:41 PM; seconded by Director Brown. Motion passed unanimously.

THE NEXT REGULARLY SCHEDULED MEETING IS SCHEDULED FOR WEDNESDAY, MAY 18, 2022 AT 5:30 PM.

Respectfully Submitted,
Walker Schooler District Managers

By: Recording Secretary

THESE MINUTES ARE APPROVED AS THE OFFICIAL APRIL 20, 2022 REGULAR MEETING MINUTES OF THE ARABIAN ACRES METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

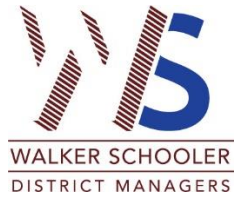
Allan Brown

Stan Claassen

Edith Coffman

Elizabeth Douglass

Lanny Hoel



Arabian Acres Metropolitan District
Balance Sheet
As of April 30, 2022

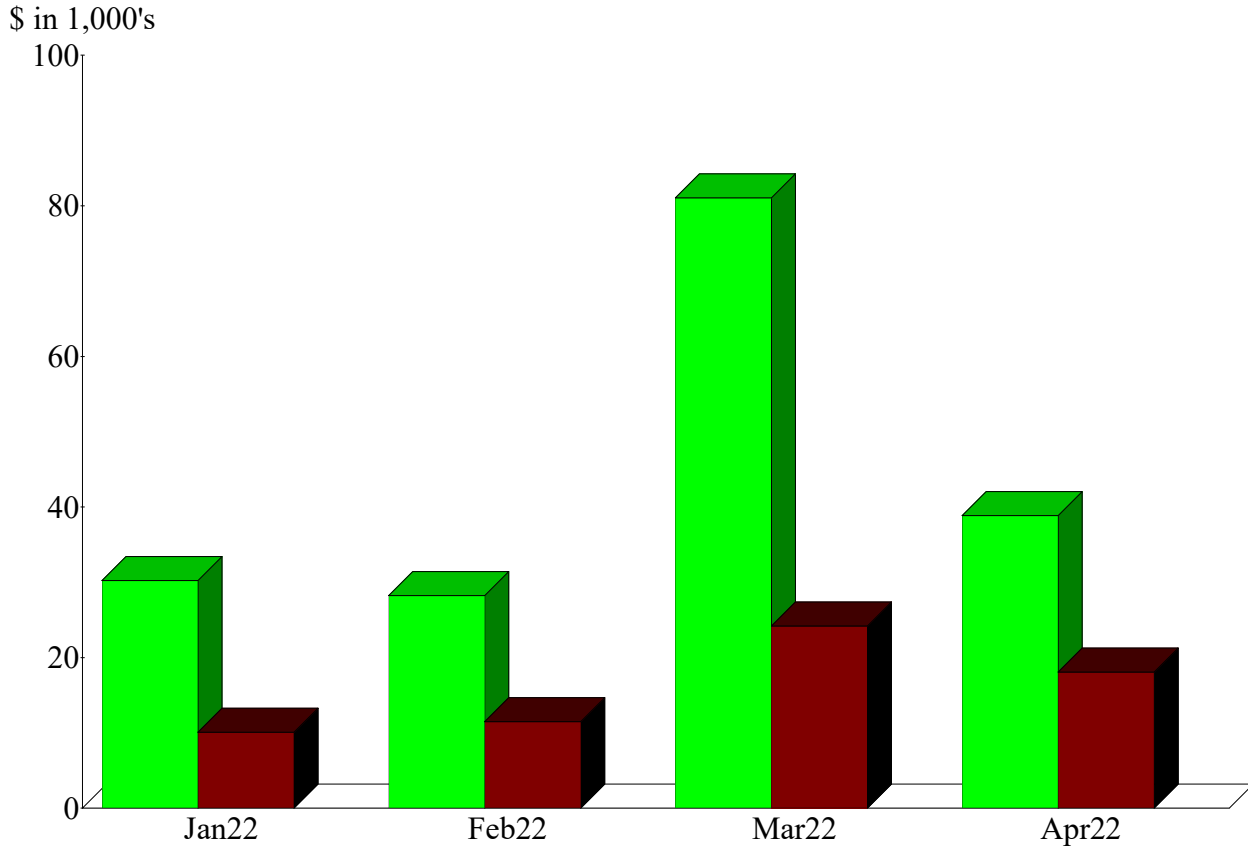
	<u>Apr 30, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
ECB Checking	373,672.50
2-1000 · COLOTRUST 4001	121,451.81
2-1020 · COLOTRUST Reserve 8002	32,007.19
3-1000 · COLOTRUST-Capital Reserve 8003	<u>237,701.98</u>
Total Checking/Savings	764,833.48
Accounts Receivable	
1-1200 · Accounts Receivable	<u>31,069.15</u>
Total Accounts Receivable	31,069.15
Other Current Assets	
1-1300 · Property Tax Receivable	<u>70,907.60</u>
Total Other Current Assets	<u>70,907.60</u>
Total Current Assets	866,810.23
Fixed Assets	
1-1850 · Construction in Progress	<u>2,400,793.62</u>
Total Fixed Assets	2,400,793.62
Other Assets	
3-1500 · Capital Assets	1,263,742.90
3-1520 · Equipment	702,640.55
3-1540 · Land	101,000.00
3-1560 · Water Rights	172,588.00
3-1590 · Accumulated Depreciation	<u>-514,745.00</u>
Total Other Assets	<u>1,725,226.45</u>
TOTAL ASSETS	<u><u>4,992,830.30</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
1-2000 · Accounts Payable	<u>9,211.71</u>
Total Accounts Payable	9,211.71
Other Current Liabilities	
1-2050 · Retainage Payable	107,100.00
1-2020 · Accrued Interest	9,885.30
2-2200 · Deferred Revenue-Property Taxes	<u>70,465.27</u>
Total Other Current Liabilities	<u>187,450.57</u>
Total Current Liabilities	196,662.28
Long Term Liabilities	
DWRP 1.5 Million Loan	1,079,882.63
2-2400 · 2007 Bonds Payable	970,000.00
2-2440 · Natural Rural Water	33,436.61
3-4090 · CWCB Meter Loan 400K	<u>174,653.81</u>
Total Long Term Liabilities	<u>2,257,973.05</u>
Total Liabilities	2,454,635.33
Equity	
30000 · Opening Balance Equity	215,933.51
32000 · Retained Earnings	2,207,695.98
Net Income	<u>114,565.48</u>
Total Equity	<u>2,538,194.97</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,992,830.30</u></u>

Arabian Acres Metropolitan District Profit & Loss Budget vs. Actual January through April 2022

	TOTAL				
	Apr 22	Jan - Apr 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-4000 · Capital Improvement Fees	8,509.78	38,235.93	106,000.00	-67,764.07	36.07%
1-4030 · Late Fee Revenue	230.00	1,013.92			
1-4050 · Water Service Fee	8,046.08	36,023.27	100,000.00	-63,976.73	36.02%
1-4080 · Water Usage	5,997.29	27,875.98	100,000.00	-72,124.02	27.88%
2-4400 · Property Tax Revenue	14,739.66	71,384.32	142,291.92	-70,907.60	50.17%
2-4450 · Specific Ownership Tax	1,214.79	3,616.99	9,960.43	-6,343.44	36.31%
2-4460 · Restitution	16.77	67.08			
Total Income	<u>38,754.37</u>	<u>178,217.49</u>	<u>458,252.35</u>	<u>-280,034.86</u>	<u>38.89%</u>
Gross Profit	38,754.37	178,217.49	458,252.35	-280,034.86	38.89%
Expense					
1-6110 · Audit	0.00	0.00	8,000.00	-8,000.00	0.0%
1-6020 · Bank Service Charges	0.00	0.00	100.00	-100.00	0.0%
1-6120 · Directors Fees	500.00	2,500.00	7,500.00	-5,000.00	33.33%
1-6050 · District Management-Operating	3,908.37	15,633.48	54,000.00	-38,366.52	28.95%
1-6060 · Dues Fees and Subscriptions	0.00	480.38	2,500.00	-2,019.62	19.22%
1-6070 · Election Expense	57.53	267.19	10,000.00	-9,732.81	2.67%
1-6080 · Insurance Expense-Operating	0.00	0.00	8,000.00	-8,000.00	0.0%
1-6130 · Legal					
1-6135 · Trout Haven Exclusions	0.00	327.36			
1-6130 · Legal - Other	0.00	0.00	10,000.00	-10,000.00	0.0%
Total 1-6130 · Legal	0.00	327.36	10,000.00	-9,672.64	3.27%
1-6180 · ORC Fees-Operating	3,307.50	13,230.00	48,000.00	-34,770.00	27.56%
1-6160 · Other Expense	0.00	0.00	22,000.00	-22,000.00	0.0%
1-6100 · Postage and Copies-Operating	168.34	581.63	4,000.00	-3,418.37	14.54%
1-6170 · Chemicals and Supplies	0.00	0.00	2,000.00	-2,000.00	0.0%
1-6190 · Repairs and Maintenance	7,375.00	9,710.73	30,000.00	-20,289.27	32.37%
1-6210 · Utilities	931.35	3,926.09	12,500.00	-8,573.91	31.41%
1-6150 · Water Billing	675.00	2,700.00	10,000.00	-7,300.00	27.0%
1-6220 · Water Distribution Purchases	0.00	7,425.00	10,000.00	-2,575.00	74.25%
1-6230 · Water Testing	21.00	144.00	4,000.00	-3,856.00	3.6%
2-6240 · Treasurer Collection Fee	0.00	1,699.33	4,268.76	-2,569.43	39.81%
3-6100 · Postage and Copies	0.00	233.56	0.00	233.56	100.0%
63300 · Insurance Expense	815.00	815.00			
63400 · Interest Expense	0.00	0.00	5,356.10	-5,356.10	0.0%
63500 · Bond Principal Payment	0.00	0.00	75,000.00	-75,000.00	0.0%
Total Expense	<u>17,759.09</u>	<u>59,673.75</u>	<u>327,224.86</u>	<u>-267,551.11</u>	<u>18.24%</u>
Net Ordinary Income	20,995.28	118,543.74	131,027.49	-12,483.75	90.47%
Other Income/Expense					
Other Income					
2-7000 · Interest Income	123.82	229.91			
Total Other Income	123.82	229.91			
Other Expense					
2-8000 · Bond Interest	0.00	0.00	48,500.00	-48,500.00	0.0%
2-8050 · National Rural Water Interest	85.74	355.49	990.81	-635.32	35.88%
2-8055 · Interest Expense - CWCD	0.00	3,602.68	23,688.07	-20,085.39	15.21%
2-8080 · Trustee Fees	250.00	250.00	500.00	-250.00	50.0%
Total Other Expense	<u>335.74</u>	<u>4,208.17</u>	<u>73,678.88</u>	<u>-69,470.71</u>	<u>5.71%</u>
Net Other Income	-211.92	-3,978.26	-73,678.88	69,700.62	5.4%
Net Income	<u><u>20,783.36</u></u>	<u><u>114,565.48</u></u>	<u><u>57,348.61</u></u>	<u><u>57,216.87</u></u>	<u><u>199.77%</u></u>

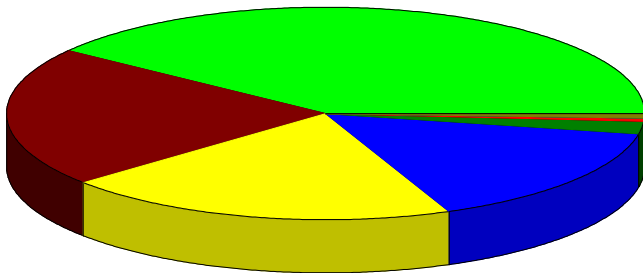
Income and Expense by Month
January through April 2022

Income
Expense



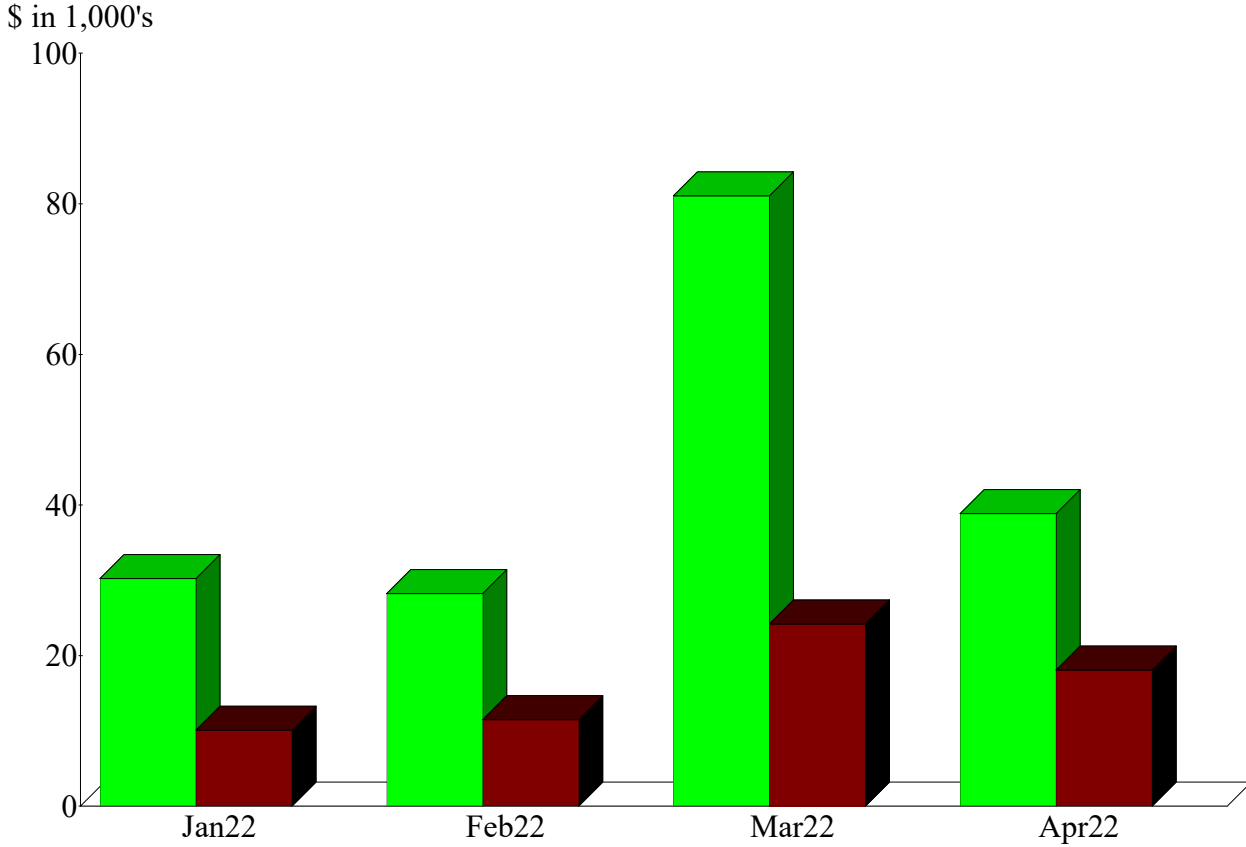
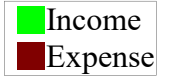
Income Summary
January through April 2022

2-4400 · Property Tax Revenue	40.00%
1-4000 · Capital Improvement Fees	21.43
1-4050 · Water Service Fee	20.19
1-4080 · Water Usage	15.62
2-4450 · Specific Ownership Tax	2.03
1-4030 · Late Fee Revenue	0.57
2-7000 · Interest Income	0.13
2-4460 · Restitution	0.04
Total	\$178,447.40



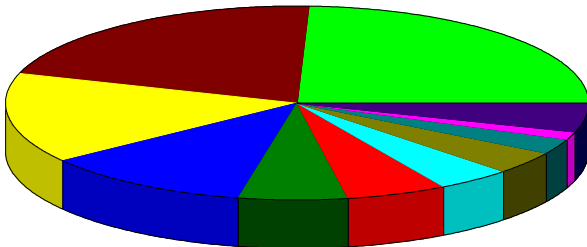
By Account

Income and Expense by Month
January through April 2022



Expense Summary
January through April 2022

1-6050 · District Management-Operating	24.47%
1-6180 · ORC Fees-Operating	20.71
1-6190 · Repairs and Maintenance	15.20
1-6220 · Water Distribution Purchases	11.62
1-6210 · Utilities	6.15
2-8055 · Interest Expense - CWCD	5.64
1-6150 · Water Billing	4.23
1-6120 · Directors Fees	3.91
2-6240 · Treasurer Collection Fee	2.66
63300 · Insurance Expense	1.28
Other	4.13
Total	\$63,881.92



By Account

Arabian Acres Metropolitan District

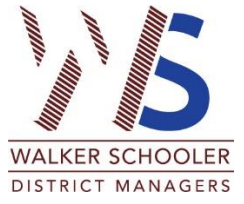
PAYMENT REQUEST

5/18/2022

GENERAL FUND

Company	Invoice	Date	Amount	Comments
Edith Coffman	051822EC	5/18/2022	\$ 100.00	
Lanny Hoel	051822LH	5/18/2022	\$ 100.00	
Elizabeth Douglas	051822ED	5/18/2022	\$ 100.00	
Jennifer Shepard	51822JS	5/18/2022	\$ 100.00	
Martin Lempecki	051822ML	5/18/2022	\$ 100.00	
Colorado Special Dist Liability Pool	POL-0010532	5/12/2022	\$ 79.00	
Colorado Water Resources & Pow Dev	D20F439	4/1/2022	\$ 20,024.35	Paid VIA Wire 5/5/22
Core Electric Coop	43183502	4/25/2022	\$ 422.94	ACH
Core Electric Coop	43071702	4/25/2022	\$ 131.20	ACH
Core Electric Coop	40299901	4/25/2022	\$ 228.94	ACH
Core Electric Coop	40032202	4/25/2022	\$ 453.54	ACH
Core Electric Coop	40045402	4/25/2022	\$ 143.69	ACH
El Paso County Public Health	43022	4/30/2022	\$ 21.00	
Front Range Winwater Works	74672	5/6/2022	\$ 1,081.85	
Front Range Winwater Works	74636	5/3/2022	\$ 594.00	
J.A. Excavation & Septic's LLC	10/14/2017	4/30/2022	\$ 500.00	
J.A. Excavation & Septic's LLC	43022-1	4/30/2022	\$ 2,807.50	
Mailing Services Inc	16499	4/11/2022	\$ 117.84	
National Rural Water Association	6/1/2022	5/20/2022	\$ 924.10	
Unifed Fire Group	3000145187	4/30/2022	\$ 815.00	
Walker Schooler District Managers	7050	4/30/2022	\$ 4,691.40	
Zions Bank	40122	4/11/2022	\$ 24,250.00	Bond Interest Pmt - Paid from ColoTrust
TOTAL			\$ 57,786.35	

Director



**ADDENDUM TO AGREEMENT WITH AMAIRITEK SPECIALTY COATINGS,
LLC, D/B/A COLORADO COATING PROS**

Notwithstanding any other provision in the General Service Agreement dated May ____, 2022, collectively consisting of pages 1-6 attached hereto (the “Agreement”), the terms of this Addendum shall control. Unless otherwise specified herein, terms beginning with a capital letter, shall have the meaning set forth in the Agreement

I. Confidentiality

Amairitek Specialty Coatings, LLC, d/b/a Colorado Coating Pros (“CCP”), acknowledges that Arabian Acres Metropolitan District (“Client”) is a public entity subject to the provisions of the Colorado Public Records Act, C.R.S. § 24-72-201 *et seq.* In addition, CCP acknowledges that Client may be subject to the Fair and Accurate Credit Transactions Act, 15 U.S.C. 1681 *et seq.*

II. Governmental Immunity

Nothing in the Agreement shall be interpreted to limit or prevent the protections afforded to Client (Arabian Acres Metropolitan District and each of its enterprises) under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*

III. Appropriation of Funds

Performance of Client’s obligations under this Agreement is expressly conditioned upon appropriation of funds by the Arabian Acres Metropolitan District Board. In the event funds are not appropriated in whole or in part sufficient for performance of Client’s obligations under this Agreement, or appropriated funds may not be expended due to spending limitations, then this Agreement shall thereafter become null and void by operation of law and Client shall thereafter have no liability for compensation or damages to CCP in excess of Client’s authorized appropriation for this Agreement or the applicable spending limit, whichever is less. Client shall notify CCP as soon as reasonably practicable in the event of non-appropriation or in the event a spending limitation becomes applicable.

The funds appropriated for this Agreement are equal to or exceed the contract amount for the year in which this Agreement was awarded. For work to be completed in subsequent fiscal years, if any, Client will notify CCP of the appropriation of funds for such work after the adoption of Client’s annual appropriation for those years.

IV. Compliance with Laws

This Agreement and the rights and obligations of the parties hereunder shall be subject to all applicable laws, orders, court decisions, directives, rules and regulations of any duly constituted governmental body or official having jurisdiction.

V. Compliance with Colorado Revised Statute 8-17.5-101 *et seq.*

Certification and Supplemental Conditions to Contract for Services - Conformance with Worker Without Authorization – CRS §8-17.5-101 & §24-76.5-101 Purpose. During the 2021 Colorado legislative session, the legislature passed House Bill 21-1075 that amended current CRS §8-17.5-102 (1), (2)(a), (2)(b) introductory portion, and (2)(b)(III) as it relates to the employment of and contracting with a “worker without authorization” which is defined as an individual who is unable to provide evidence that the individual is authorized by the federal government to work in the United States. As amended, the current law prohibits all state agencies and political subdivisions, including the Client, from knowingly hiring a worker without authorization to perform work under a contract, or to knowingly contract with a Contractor who knowingly hires with a worker without authorization to perform work under the contract. The law also requires that all contracts for services include certain specific language as set forth in the statutes. The following terms and conditions have been designed to comply with the requirements of this new law. Definitions. The following terms are defined by this reference are incorporated herein and in any contract for services entered into with the Client. .1 "E-verify program" means the electronic employment verification program created in Public Law 208, 104th Congress, as amended, and expanded in Public Law 156, 108th Congress, as amended, that is jointly administered by the United States Department of Homeland Security and the social security Administration, or its successor program. .2 "Department program" means the employment verification program established pursuant to Section 8-17.5-102(5)(c). .3 "Public Contract for Services" means this Agreement. .4 "Services" means the furnishing of labor, time, or effort by a Contractor or a subcontractor not involving the delivery of a specific end product other than reports that are merely incidental to the required performance. .5 “Worker without authorization” means an individual who is unable to provide evidence that the individual is authorized by the federal government to work in the United States By signing this document, Contractor, CCP, certifies and represents that at this time:

1. Contractor shall confirm the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services; and

2. Contractor has participated or attempted to participate in either the e-verify program or the department program in order to verify that new employees are not workers without authorization.

Contractor hereby confirms that:

1. Contractor shall not knowingly employ or contract with a worker without authorization to perform work under the Public Contract for Services.

2. Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract

with a worker without authorization to perform work under the Public Contract for Services.

3. Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the public contract for services through participation in either the e-verify program or the department program.

4. Contractor shall not use either the e-verify program or the department program procedures to undertake pre-employment screening of job applicants while the Public Contract for Services is being performed.

If Contractor obtains actual knowledge that a subcontractor performing work under the Public Contract for Services knowingly employs or contracts with a worker without authorization, Contractor shall:

1. Notify such subcontractor and the Client within three days that Contractor has actual knowledge that the subcontractor is employing or subcontracting with a worker without authorization: and

2. Terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to this section the subcontractor does not stop employing or contracting with the worker without authorization; except that Contractor shall not terminate the Public Contract for Services with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with a worker without authorization.

Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment made in the course of an investigation that the Colorado Department of Labor and Employment undertakes or is undertaking pursuant to the authority established in Subsection 8-17.5- 102 (5), C.R.S.

If Contractor violates any provision of the Public Contract for Services pertaining to the duties imposed by Subsection 8-17.5-102, C.R.S. the Client may terminate this Agreement. If this Agreement is so terminated, Contractor shall be liable for actual damages to the Client arising out of Contractor's violation of Subsection 8-17.5-102, C.R.S. It is agreed that neither this agreement nor any of its terms, provisions, conditions, representations or covenants can be modified, changed, terminated or amended, waived, superseded or extended except by appropriate written instrument fully executed by the parties. If any of the provisions of this agreement shall be held invalid, illegal or unenforceable it shall not affect or impair the validity, legality or enforceability of any other provision.

VI. Taxes

CCP acknowledges that Client as a government entity is exempt from certain taxes, charges, and duties (collectively "Taxes"). To the extent that CCP makes payment

of any Taxes to which Client is exempt such shall be the sole responsibility and liability of CCP. In addition, to the extent CCP causes Client to be liable for any Taxes to which Client is exempt such shall be the sole responsibility and liability of CCP and CCP shall promptly reimburse Client for the same.

VII. Client's Obligation to Indemnify and Attorneys' Fees and Costs.

Any obligation of Client to indemnify, defend, and hold harmless, CCP or any other person shall only be to the extent permitted by applicable law, including the Colorado Constitution. Likewise, any liability of Client for payment of attorneys, fees and costs, pursuant to Section 11.5, or otherwise, shall only be to the extent permitted by applicable law, including the Colorado Constitution.

VIII. Completion Time, Standards, Permits, Insurance, Indemnity by CCP, and Warranty.

CCP shall commence the Services on May ____, 2022 and complete the Services on or before _____, 2022. The Services will be performed by CCP in a workmanlike manner consistent with standards in the industry, and in accordance with all applicable plans, specifications, codes, manufacturer instructions. All materials used by CCP shall be of good quality and new. CCP shall obtain from all suppliers and manufacturers any and all warranties and guarantees of such suppliers and manufacturers received for any products or materials obtained or used as part of CCP's performance of this Agreement.

CCP represents and warrants that the Services does not require a permit from any governmental or governing authority, or alternatively that CCP has obtained all required permits. CCP shall not be responsible for conditions at the site which are unknown or unforeseen, and which CCP had no reason to know of at the time of execution of this Agreement ("Unforeseen Condition"). If an Unforeseen Condition is encountered, then CCP shall stop work and give written notice thereof to Client before conditions are further disturbed and the CCP and Client shall attempt to negotiate a change order agreement (*e.g.*, costs, prices, schedule, etc.) addressing the Unforeseen Condition. Any such change order shall be subject to the terms of this Agreement, except as expressly modified by the change order. Any additional work not within Services must be agreed upon by client and CCP in writing, and in advance of the performance of any work by CCP, as set forth below.

CCP shall be responsible for all expenses and costs incurred while performing services under this Agreement. This includes but is not limited to, all equipment, automobile, truck, and other travel expenses; vehicle maintenance and repair costs; vehicle and other license fees and permits; insurance premiums; road, fuel, sales, and other taxes; fines; radio, pager, or cell phone expenses; meals; and all labor, salary, expenses, and other compensation paid to employees or contract personnel the CCP hires to assist on the work contemplated by this Agreement, and all materials.

CCP hereby represents that it has complied, and will comply, with all Federal, State and local laws regarding business permits, licenses, reporting requirements, tax withholding requirements, safety (including, but not limited to, OSHA) and other legal requirements of any kind that may be required to carry out the Services contemplated by this Agreement and shall provide proof of same upon request by the Client.

CCP shall defend, indemnify, hold harmless, and insure the Client from any and all potential damages, expenses or liabilities which may result from or arise out of any act, omission, negligence or misconduct on part of CCP, or from any breach or default of this Agreement which may be caused or occasioned by the acts of CCP. CCP shall also insure that all of its employees and affiliates take all actions necessary to comply with all the terms and conditions established and set forth in this Agreement. Furthermore, CCP shall name the Client as an additional insured on all related insurance policies including worker's compensation and general liability insurance. CCP shall maintain Commercial General Liability Insurance with limits of liability not be less than: \$1,000,000 each occurrence (combined single limit for bodily injury and property damage) and \$1,000,000 for Personal Injury Liability. CCP shall provide Client with a Certificate of Insurance, for Client's review and approval prior to starting any work.

CCP shall warrant the Services for a period of 12 months beginning upon substantial completion of the Services ("Warranty"). During such Warranty period CCP shall have a duty to correct and defects through supplemental performance at no cost or expense to Client. Despite such Warranty, Client reserves all rights and remedies provided by Colorado's Construction Defect Action Reform Act, including any applicable statute of limitations or repose, which shall be unaffected by the Warranty.

IX. Entire Understanding.

This Addendum, the Agreement, and any schedules attached hereto constitute the entire understanding and agreement of the parties, and any and all prior agreements, understandings, and representations are hereby terminated and canceled in their entirety and carry no further force or effect. This Agreement shall be considered a separate and an independent document of which it shall supersede any and all other Agreements, either oral or written, between the parties hereto

CLIENT, ARABIAN ACRES METROPOLITAN DISTRICT	AMAIRITEK SPECIALTY COATINGS, LLC, D/B/A COLORADO COATING PROS. ("CCP")
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____

