



Sterling Ranch Metropolitan District 1

February 20, 2020

Jim Byers  
Challenger Homes  
8605 Explorer Drive, Suite 250  
Colorado Springs, Colorado 80920

**Re: Commitment Letter for Final Plat Branding Iron at Sterling Ranch Filing No. 2 (revised September 25, 2019) (further revised February 20, 2020)**

Dear Jim:

This commitment is for the above Final Plat known as Final Plat Branding Iron at Sterling Ranch Filing No. 2. This commitment, including the Elementary School is wholly contained within the original commitment for Sterling Ranch Phase One Preliminary Plan from May of 2015.

The Sterling Ranch Metropolitan District #1 will serve central water and sewer to the above named subdivision which includes approximately 75 single family lots and one elementary school (13 SFE) or 31.07 AC-FT/year. The annual water committed is 31.07 acre-feet/year. The expected wastewater loads are 15,136 gallons/day on an average daily-maximum monthly basis.

The District acknowledges the following: The District has an intergovernmental agreement with Meridian Service Metropolitan District for the provision of wastewater treatment services. The District has also entered into an intergovernmental agreement with the City of Colorado Springs and Colorado Springs Utilities which provides for temporary wastewater treatment services while the District completes its connection to the Meridian system. The agreement with the City provides for interim treatment services for a period of up to one year from execution of the agreement, or August 12, 2020. Financial Assurance Estimates and collateral in the amount of \$212,712.13 have been provided to the County to assure completion of the interim connection to the City. Financial Assurance Estimates and collateral in an amount satisfactory to the County to assure the completion of the connection to the Meridian system (the "Meridian Line Collateral") is also being provided to the County. It is agreed by the parties hereto that if the connection to the Meridian system is not substantially completed by April 30, 2020, or if the City of Colorado Springs has not extended the interim wastewater agreement beyond the August 12, 2020, date, the County may draw on the Meridian Line Collateral to complete the District's wastewater connection to the Meridian system. It is also agreed that should it become necessary to draw on the Meridian Line Collateral to complete the connection, the County may impose a moratorium on the issuance of additional building permits on lots located in all recorded final plats at Sterling Ranch.

Sincerely,

  
**Sterling Ranch Metropolitan District #1**

Jim Morley, District Board President

C: John P. McGinn, PE  
Erin Ganaway, NES  
PJ Anderson

20 Boulder Crescent, 2nd Floor Colorado Springs, Colorado 80903