



# WASTEWATER DISPOSAL REPORT

## GRANDVIEW RESERVE PUD/PRELIMINARY PLAN PHASE 3

March 8<sup>th</sup>, 2023

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## 1.0 WASTEWATER DISPOSAL

Conveyance System Description: The Grandview Reserve Phase 3 wastewater will be conveyed to the Woodmen Hills Metropolitan District (WHMD) Water Reclamation Facility (WRF) through a proposed lift station and force main. The lift station is proposed to be located at Judge Orr and Curtis Road. The lift station and force main system will be designed and constructed by Grandview Reserve Metropolitan District (GRMD). Upon completion of the lift station, ownership will be transferred to WHMD who will own and operate the system. The Agreement between DR Horton, GRMD and WHMD is included as Exhibit 3.

### A. Map Showing Relative Location of Point of Connection to an Existing System

Refer to Exhibit 1 for a map showing the connection point to the WHMD wastewater system.

### B. Map Showing Relative Location of the Existing or Proposed Treatment Facility

Refer to Exhibit 1 for a map showing the location of the WHMD WRF.

### C. Estimate of Projected Population, Units, and Density (Average Day)

Projected Wastewater Loads: Wastewater projections are based on similar districts' historical use in this area. It is expected that each SFE in Grandview Reserve will generate an average of 172 gallons/day of wastewater. Table 1 below summarizes the projected wastewater loads for the entire Grandview Reserve project.

**Table 1: Overall Projected Wastewater Loads**

Description	SFE's	Average Base (GPD)	Average Daily Flow (GPD)
Single Family Residences	3260	172	560,720
School	10		1,720
Recreation Center	4.3		740
Church	5		860
Commercial	59.5		10,234
<b>Total</b>	<b>3,338.8</b>		

Table 2 below summarizes the projected wastewater loads for Phase 3 of the Grandview Reserve project.



**Table 2: Phase 3 Projected Wastewater Loads**

Description	SFE's	Average Base (GPD)	Average Daily Flow (GPD)
Single Family Residences	322	172	55,384
<b>Total</b>	<b>322</b>		<b>55,384</b>

**D. Capacity of the Existing Treatment Plant and Current Utilization**

WHMD has allocated 900 SFE (154,800 GPD) of wastewater treatment capacity to GRMD under the terms of the Agreement enclosed as Exhibit 2. WHMD is pursuing a plant expansion that would allow for all of GRMD flows to be treated at the WHMD WRF. Phase 1 (Filing 1-4), Phase 2 and Phase 3 combined at full buildout will occupy 1,317.3 SFE (226,576 GPD). The utilization of the allocated 900 SFE will be controlled by the Final Plat approvals. The sequence of the Final Plats Filings will fluctuate based on housing market conditions. If the plant expansion has not been completed before the Grandview Project exceeds the 900 SFE, the Final Plats that exceed this limit will be delayed accordingly.

The WHMD WRF has a permitted capacity of 1.3 MGD. The current loading of the WRF is approximately 0.9 MGD.

**E. Anticipated Capacity of any Proposed Treatment Plant**

No treatment plants are proposed to be constructed for this project. The existing WHMD WRF has the capacity to treat the projected wastewater loading from Phase 2. As noted above, an expansion of the WHMD WRF will be necessary to provide capacity for full build-out projected loading.

**F. Letter of Commitment from the Wastewater Provider Proposed for Service w/Service Boundaries**

Refer to Exhibit 3 for the Service Commitment letter from WHMD.

**G. Statement by the Wastewater Provider that Adequate Capacity Exists**

Refer to Exhibit 2 for the Agreement between DR Horton, GRMD and WHMD for the details of the WRF treatment capacity and Exhibit 3 for the Service Commitment letter from WHMD.

**H. Estimate of Construction Costs**

The initial construction cost estimate to convey the wastewater to the WHMD WRF is \$10 million.



**Exhibit 1**

**LEGEND**

METRO DISTRICT BOUNDARY



PROPOSED GRAVITY MAIN



PROPOSED FORCEMAIN



HRGreen.com

GRANDVIEW RESERVE  
METROPOLITAN DISTRICT  
OFFSITE SANITARY SEWER

SHEET

1

SCALE: 1" = 2500'  
DATE: 04/04/2023



**Exhibit 2**

## **AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION AND EXTRATERRITORIAL WASTEWATER SERVICE**

THIS AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION AND EXTRATERRITORIAL WASTEWATER SERVICE (this “Agreement”) is made and entered into effective as of March 23rd, 2023 (the “Effective Date”), by and among WOODMEN HILLS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the state of Colorado, acting by and through its Wastewater Enterprise (“Woodmen”), MELODY HOMES, INC., a Delaware corporation, D/B/A DR HORTON, its successors and assigns (“Horton”), and GRANDVIEW RESERVE METROPOLITAN DISTRICT NO. 1 (“Grandview”). Woodmen, Horton and Grandview are sometimes referred to in this Agreement individually as a “Party” and jointly as the “Parties”.

### **RECITALS**

A. Woodmen is a quasi-municipal corporation and political subdivision of the state of Colorado formed pursuant to Title 32 of the Colorado Revised Statutes. Among other things, Woodmen provides sewer service within its service area, as well as the service areas of Paint Brush Hills Metropolitan District, Falcon Highlands Metropolitan District, and portions of the 4-Way Ranch Metropolitan District and Meridian Service Metropolitan District, all located in El Paso County, Colorado and generally depicted on the attached Exhibit A. To provide this service, Woodmen owns and operates a 1.3-million gallons per day (“MGD”) wastewater treatment plant commonly known as the Woodmen Hills Regional Water Reclamation Facility (the “Plant”).

B. Woodmen anticipates the need to upgrade the Plant to enhance wastewater treatment processes to comply with anticipated future regulations that will impose stricter effluent limitations (the “Technological Upgrades”).

C. Horton is a private developer of residential communities and has purchased portions of, and is under contract to purchase the remaining, 768.233 acres of real property in El Paso County, Colorado that it seeks to develop into a mixed-use residential community containing approximately 3,500 Single-Family Residential Equivalents, as depicted on Exhibit B (such property, which has or may be acquired by Horton from time to time, is referred to herein as the “Horton Property”). Grandview has been organized and established to provide water and other services to the Horton Property. Horton desires to have Woodmen provide sewer service to the Horton Property. Woodmen’s provision of sewer service to the Horton Property requires the consent of Grandview, pursuant to C.R.S. §32-1-107(3)(b)(IV).

D. The Plant currently has sufficient capacity to serve Woodmen’s existing service areas and approximately 900 additional Single-Family Residential Equivalents, but has no additional capacity for further extraterritorial service, including the Horton Property, without expansion which would require increasing the Plant’s hydraulic loading by approximately 0.602 MGD (the “Capacity Expansion”). If the Plant is to be expanded, efficiencies will be gained by sizing the Capacity Expansion to include the Horton Property and other El Paso County properties in the vicinity of Woodmen including those commonly referred to as Waterbury (312.7 acres), KO1515 (68 acres), Silver Star (32 acres), Parcel A (116 acres), and other parcels totaling 168 acres (collectively, 696.7 acres), as depicted on Exhibit B. To provide sewer service to all of these



properties, Woodmen will need to expand the Plant to reach a minimum design capacity of 2.5 MGD, and to include the Technological Upgrades described in **Exhibit C**. The Capacity Expansion and Technological Upgrades are referred to herein as the “**Expansion**.” Permitting, design, and construction of the Expansion is anticipated to take at least five years.

E. The Parties have determined that having Woodmen expand its wastewater service to include the Horton Property and other nearby properties likely to develop, and having the Parties jointly fund the Expansion under the terms and conditions of this Agreement, will benefit the Parties and future residents of Woodmen and the Horton Property.

F. Woodmen is willing to extend sewer service to the Horton Property upon the completion of funding of the Expansion and reserve for Horton a minimum number of Taps for wastewater service by the Plant and the Expansion, under the terms and conditions of this Agreement, which include Horton’s construction and dedication to Woodmen of necessary sewer infrastructure as described in this Agreement.

NOW, THEREFORE, in consideration of the covenants and mutual agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **AGREEMENT**

1. **Incorporation of Recitals.** The Parties hereby acknowledge and agree to the Recitals set forth above, which are incorporated herein by this reference.
2. **Definitions.** The definitions in this paragraph apply to this Agreement, and any amendment thereto, except where otherwise specified.

2.1 **Conditional Acceptance** means acceptance by Woodmen of Wastewater Facilities, or applicable portion thereof, constructed by Horton, granted when the following conditions have been met by Horton to the satisfaction of Woodmen: (A) the Wastewater Facilities, has been constructed by Horton (or its agents or contractors), and pressure tested, vacuum tested, jet cleaned, and televised, all of which may be performed by Woodmen at Horton’s expense; (B) all surface improvements and restoration, including landscaping and erosion control measures, are complete, but if during the non-irrigation season (November 1 through March 31), no landscaping is required until the next growing season; (C) all necessary approvals of design on construction, contracts, and agreements have been fully executed and delivered to Woodmen, and to the extent lines are in future rights-of-ways which are not yet recorded, Horton has granted an easement to Woodmen for operation and maintenance, in accordance with Woodmen’s Bylaws, Rules, and Regulations dated January 27, 2022, as they may be amended (the “**Woodmen Regulations**”); (D) the project statement and certification of costs, and bill of sale, are submitted in tabular form listing pipe sizes, footage for different sizes, and appurtenances with quantity, and are presented to Woodmen; and (E) record drawings have been presented to Woodmen, in printed hard copy and AutoCAD and PDF files on CD.

2.2 **CPI** means the Consumer Price Index for All Urban Consumers, All Items, for the Denver-Aurora-Lakewood area, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index should publication of the Index cease. Adjustments based on

the CPI shall be equal to the percentage increase or decrease in the CPI issued for the calendar year in which such adjustment is to be made (or if the CPI for such year is not yet publicly available, the CPI for the most recent calendar year for which the CPI is publicly available) as compared to the CPI issued for the year in which the Effective Date occurred.

2.3 **Design Capacity** means the capability to receive a specific domestic wastewater flow, expressed as the maximum daily hydraulic capacity in MGD for a domestic wastewater treatment works, as the firm pump capacity for a Lift Station, and as the peak instantaneous hydraulic flow capable of being conveyed for an Interceptor.

2.4 **Good Funds** means immediately available funds, in United States dollars, paid in the form of a wire transfer.

2.5 **Final Acceptance** means acceptance by Woodmen of the Wastewater Facilities, or applicable portion thereof, constructed by Horton (or its agents or contractors), granted at the later of: (a) the end of the Warranty Period, or (b) the completion of any correction and repair of any deficiencies identified during the Warranty Period in a manner satisfactory to Woodmen. Woodmen is responsible for repair, maintenance and operation of the Wastewater Facilities after Final Acceptance.

2.6 **Force Main** means pipelines that convey Wastewater under pressure from the discharge side of a Lift Station.

2.7 **Improvement** means any permanent or temporary building, structure, facility, improvement or betterment upon, or for any use or occupancy of any property to which park and recreation or water and wastewater service is or may be furnished, including without limitation use for any domestic, commercial, industrial, construction, irrigation or fire protection purpose, whether public or private.

2.8 **Interceptor Sewer** or **Interceptor** means a sewer line that conveys sewage by gravity, if it performs one or more of the following functions as its primary purpose: (a) it intercepts domestic wastewater from a final point in a collection system and conveys such waste directly to a treatment plant; (b) it is intended to replace an existing treatment plant or Lift Station and transports the collected domestic wastewater to an adjoining collection system or interceptor sewer for treatment; (c) it transports the domestic wastes from one or more municipal collection systems to a regional treatment plant; (d) it is intended to intercept an existing major discharge of raw or inadequately treated wastewater for transport directly to another Interceptor Sewer, Lift Station, or treatment plant.

2.9 **License** means a written permit or license issued by Woodmen in accordance with the Woodmen Regulations.

2.10 **Licensed Premises** means the land and Improvements to which wastewater service is furnished under an approved License for service. The owner of the Licensed Premises is the person who holds legal title to the subject property.

2.11 **Lift Station** means a wastewater pumping station that pumps wastewater to a different point when the continuance of the gravity sewer at reasonable slopes would involve

excessive depths of bury or that pumps wastewater from areas too low to drain into available sewers.

2.12 **Local Sanitary Sewer Collection Systems** means all sanitary sewer collection pipelines sized ten inches or less and necessary to serve the Horton Property.

2.13 **Major Interceptor** means any Interceptor sized twelve inches or greater.

2.14 **Main** means those pipes and appurtenant facilities used for collecting wastewater.

2.15 **Regional Sanitary Sewer Systems** means all sanitary sewer collection pipelines sized greater than 10 inches, Major Interceptors, Lift Station and Force Mains necessary to serve the Horton Property and other extraterritorial service areas pursuant to Paragraph 9.3.

2.16 **Sewage or Wastewater** means a combination of liquid wastes which may include chemicals, household wastes, human excreta, animal or vegetable matter in suspension or solution, or other solids in suspension or solution which are discharged from a dwelling, building or other structure, with pretreatments, if necessary, that are suitable for treatment at publicly owned treatment works providing standard waste treatment.

2.17 **Single-Family Residential Equivalent (“SFE”)** means each single-family connection or connections equivalent to one single-family residence. Currently, one SFE is equal to: one “detached” single-family unit, which means a building or structure used or designed to be used as only one residential unit; each separate residential unit within an “attached” building, such as a duplex or paired lot; and each separate residential unit within a “multifamily” building, such as a townhome or apartment building.

2.18 **Tap** means the physical connection to a wastewater Main that enables wastewater service to be provided to the Licensed Premises.

2.19 **Tap Fee** means a fee required for connection to and service by Woodmen’s wastewater system, which shall be paid in the amounts and at the times specified in this Agreement.

2.20 **Underdrain** means a dewatering and/or drainage system designed to intercept, collect, and/or transport groundwater.

2.21 **Warranty Period** means the twenty-four (24) month period of time following Conditional Acceptance, during which Horton must timely correct or repair deficiencies in the Wastewater Facilities Horton constructed pursuant to this Agreement.

2.22 **Wastewater Service Line** means that part of wastewater line for any Licensed Premises connecting at the Tap to the Main.

2.23 **Wastewater Facilities** means, collectively, the Local Sanitary Sewer Collection Systems and the Regional Sanitary Sewer Systems, together with all appurtenant and necessary manholes, services, Taps, pump stations, associated materials, property, and equipment collecting wastewater from individual customers, but excluding the Plant and the Expansion.

3. **Extraterritorial Sewer Service.**

3.1 Woodmen shall be the exclusive wastewater service provider to the Horton Property in perpetuity.

3.2 Woodmen shall issue Taps for such extraterritorial service at the Horton Property in accordance with Paragraph 4.

3.3 Nothing in this Agreement shall prevent Woodmen in its sole discretion from providing future extraterritorial service to areas other than the Horton Property.

4. **Tap Reservation.**

4.1 Upon execution of this Agreement, Woodmen shall reserve, out of the existing capacity of the Plant, sufficient capacity to serve 900 Taps equivalent to 900 SFEs within the Horton Property (the "Horton Reserved Taps") for the period of time described below in Paragraph 8. Woodmen shall make available, and Horton shall purchase on a nonrefundable basis, the Horton Reserved Taps at Woodmen's 2022 Tap Fee of \$8,750 per Tap according to the following takedown schedule:

4.1.1 100 Taps within thirty (30) days of execution of this Agreement.

4.1.2 200 Taps prior to Woodmen's Conditional Acceptance of a Lift Station and Force Main constructed pursuant to Paragraph 9.3.

4.1.3 300 Taps within one year of the Conditional Acceptance of the Lift Station and Force Main constructed pursuant to Paragraph 9.3.

4.1.4 300 Taps prior to the Final Acceptance of the Lift Station and Force Main constructed pursuant to Paragraph 9.3.

4.2 This Agreement limits the Horton Reserved Taps to 900 SFE during the development of the Expansion, but to the extent Woodmen determines the Plant has additional hydraulic capacity to serve more than the 900 Horton Reserved Taps, Woodmen may in its sole discretion issue additional Taps for the Horton Property during the development of the Expansion at Woodmen's 2022 Tap Fee of \$8,750 per Tap, adjusted based on the CPI.

4.3 Following completion of the Expansion, Woodmen shall issue on an as-needed basis 2,600 additional Taps to serve up to 3,500 SFEs on the Horton Property (which includes the 900 Horton Reserved Taps), upon Horton's payment of 70% of Woodmen's 2022 Tap Fee of \$8,750 per Tap, adjusted based on the CPI. For example, if the Expansion is completed in 2027, Horton shall pay to Woodmen for each Tap purchased in 2027 the amount of \$6,125, adjusted based on the percentage increase or decrease in the CPI for 2027 as compared to the CPI for 2023. In the following calendar year, Horton shall pay Woodmen a Tap Fee equal to \$6,125 adjusted based on the percentage increase or decrease in the CPI for 2028 as compared to the CPI for 2023. Said 30% discount shall be available for Horton's purchase of the 2,600 Taps following completion of the Expansion for a period of twenty (20) years from the date on which Woodmen submits a Certification of Final Completion of the Expansion to the Water Quality Control

Division (the “WQCD”). To the extent Woodmen determines that the Plant and, when constructed, the Expansion, have additional hydraulic and organic capacity to serve more than the 3,500 SFEs, Woodmen may in its sole discretion issue additional Taps for the Horton Property at Woodmen’s then-prevailing Tap Fee. Woodmen’s obligation to issue additional sewer Taps as provided in this Paragraph 4.3 shall expire twenty (20) years from the date on which Horton purchases the last of the 900 Horton Reserved Taps.

4.4 Except for the Tap Fees applicable to the Horton Reserved Taps payable pursuant to the schedule set forth in Paragraph 4.1 above, all Tap Fees necessary for wastewater service to a residence within the Horton Property shall be payable at the time of issuance of a building permit for such residence.

4.5 The Horton Reserved Taps are nonrefundable and shall be assignable or transferrable, without Woodmen’s prior consent, only to Horton’s successor-in-interest in all or a portion of the Horton Property pursuant to Paragraph 23.2. Except as provided herein, the Horton Reserved Taps shall not be assignable or transferrable to any party without Woodmen’s prior written consent.

4.6 All extraterritorial sewer service to the Horton Property requires Horton’s strict compliance with the Woodmen Regulations and the Woodmen Water and Wastewater System Standards and Specifications dated March 24, 2011 and last revised December 2021, as they may be amended (the “Woodmen Standards and Specifications”). In particular, notwithstanding any Tap reservation or issuance, no person shall connect to or disconnect from, or repair or otherwise work on any Wastewater Facility or Wastewater Service Line without first obtaining a License from Woodmen pursuant to the Woodmen Regulations, except for Horton during the Warranty Period. Notwithstanding the foregoing, Horton shall have no liability with respect to the acts or omissions of third parties outside of Horton’s reasonable control.

## 5. Estimated Costs of the Expansion.

5.1 Current Estimate of Costs. As of the Effective Date, the current estimate of the total cost of the Expansion (the “CEC”) is approximately \$38 million, as itemized in **Exhibit D**. The CEC is expected to increase over time.

5.2 Allocation of Costs. The total cost of the Expansion (the “Total Cost”) shall be allocated to the Parties based on the relative benefits of the Expansion that will accrue to each Party, as determined by Woodmen. As of the Effective Date, the Parties agree that the Total Cost shall be allocated as follows: Horton shall bear 32.59% of the Total Cost (“Horton’s Allocable Share”); and Woodmen shall bear 67.41% of the Total Cost (“Woodmen’s Allocable Share”), as reflected on **Exhibit E** (the “Total Cost Allocation”), subject to revision as discussed below. Horton’s Allocable Share and Woodmen’s Allocable Share shall be adjusted as the CEC and Total Cost Allocation are adjusted throughout the permitting, design, and construction of the Expansion, as described in Paragraphs 6–7 below. Woodmen may, in its sole discretion, design and construct the Expansion at a lower hydraulic capacity (but in no event at a lower capacity than would be necessary to serve 3,500 taps reserved herein), in which case it will reallocate Horton’s Allocable Share and Woodmen’s Allocable Share accordingly.

6. **Allocation of Costs and Phases of the Expansion.**

6.1 During all phases set forth below, Woodmen shall have the final decision on the type and number of facilities comprising the Expansion and the estimated costs thereof. Woodmen's determination of any adjustments to the Total Cost Allocation that are reflected in the Total Cost Allocation and subsequent updates shall be final.

6.2 Prior to incurring costs for each successive Phase of the Expansion (defined below), Woodmen shall provide Horton a revised Updated CEC, reflecting the then-estimated Total Cost of the Expansion and an updated Total Cost Allocation and bases therefor, as further described below in Paragraph 7, and Horton shall deliver to Woodmen Letters of Credit (defined below), as further described below in Paragraphs 6.4 and 7.3.

6.3 Horton shall have no right to reject, object to, revise or challenge any Updated CEC or the Expansion designs, plans or specifications, or terminate this Agreement based on any Updated CEC, Total Cost or Total Cost Allocation, so long as any upward adjustment to Horton's Allocable Share is equal to or less than 5% of each Horton's Allocable Share as of the Effective Date.

6.4 Phases of Permitting, Design and Construction of the Expansion. Woodmen shall have the sole right and obligation to permit, design, manage construction of and own the Expansion, under the terms and conditions of this Agreement, and Horton shall have no legal or equitable interest in the Plant or Expansion. The Expansion shall be pursued and completed with commercially reasonable efforts by Woodmen in "Phases," as described below.

6.4.1 Phase 1: Horton shall deliver to Woodmen the Phase 1 Letter of Credit (defined below) twelve months after the Effective Date. Upon receipt of the Phase 1 Letter of Credit, Woodmen shall initiate and pursue with commercially reasonable efforts to completion the Phase 1 activities for the Expansion. The Phase 1 activities include the following activities and may entail additional ancillary activities:

(i) Preparation and submittal of an application for preliminary effluent limitations ("PELs") or other water quality planning targets ("WQPTs") for the Expansion to the WQCD pursuant to 5 C.C.R. § 1002-22, as amended;

(ii) Modification of the concept plan for the Expansion, as necessary;

(iii) Preparation and submittal of a site location approval application for the Expansion ("Site Application") to the WQCD pursuant to 5 C.C.R. § 1002-22, as amended; and

(iv) Preparation and submittal of 1041 permit application for the Expansion to El Paso County or obtaining confirmation of exemption therefrom.

6.4.2 Phase 2: Upon receipt of approved PELs or other WQPTs, an approved Site Application, and a County-approved 1041 permit or relevant exemption for the Expansion, Woodmen shall prepare and deliver to Horton a revised CEC reflecting the then-estimated Total Cost of the Expansion (the "First Updated CEC") that identifies the components

of the Expansion and the associated costs of each as of the date of the First Updated CEC, a revised Total Cost Allocation (the “First Total Cost Allocation”), each Party’s Allocable Share, and the bases therefor. Within thirty (30) days of its receipt of the First Updated CEC and First Total Cost Allocation, Horton shall deliver to Woodmen the Phase 2 Letter of Credit (defined below). Upon receipt of the Phase 2 Letter of Credit, Woodmen shall initiate and pursue with commercially reasonable efforts to completion the Phase 2 activities for the Expansion. The Phase 2 activities include the following activities and may entail additional ancillary activities:

(i) Preparation and submittal of a design application of the Expansion to the WQCD pursuant to 5 C.C.R. § 1002-22, as amended; and

(ii) Preparation of final design of the Expansion based on the approved PELs or WQPTs, the approved Site Application, and the design application.

6.4.3 Phase 3: Upon design approval by the WQCD, Woodmen shall prepare and deliver to Horton the final design, a revised CEC reflecting the then-estimated Total Cost of the Expansion (the “Second Updated CEC”), and a revised Total Cost Allocation (the “Second Total Cost Allocation”) and the bases therefor. Within thirty (30) days of its receipt of the Second Updated CEC and Second Total Cost Allocation, Horton shall deliver to Woodmen the Phase 3 Letter of Credit (defined below). Upon receipt of the Phase 3 Letter of Credit, Woodmen shall initiate and pursue with commercially reasonable efforts to completion the Phase 3 activities for the Expansion. The Phase 3 activities include the following activities and may entail additional ancillary activities:

(i) Preparation and Issuance of Request for Bids to Construct the Expansion and Receipt and Review of Bids. Based on the final design, Woodmen shall prepare and issue a request for bids to construct the Expansion. Woodmen and Horton may review the bids but Woodmen shall have the sole discretion to accept or reject any bid. Upon receipt of bids for the construction of the Expansion, Woodmen may prepare and deliver to Horton a revised CEC (the “Third Updated CEC”) and a revised Total Cost Allocation (the “Third Total Cost Allocation”) to reflect any differences between the Second Updated CEC and the received bids. The Third Updated CEC will include a 10% upward adjustment to allow for bid increases and change orders during the construction of the Expansion. Within thirty (30) days of its receipt of the Third Updated CEC and Third Total Cost Allocation, Horton shall, if necessary, deliver to Woodmen an amended Phase 3 Letter of Credit reflecting any increase or decrease in Horton’s share of the cost to construct the Expansion, as reflected by the Third Updated CEC and Third Total Cost Allocation. To the extent Horton’s Phase 3 Letter of Credit, as it may be amended, does not qualify as money that Woodmen has appropriated “equal to or in excess of the contract amount” under C.R.S. § 24-91-103.6, as amended, at the time Woodmen accepts a bid for construction of the Expansion under Phase 3, which decision shall be made solely by Woodmen, Horton shall, within fifteen (15) days, deliver Good Funds to Woodmen to replace the Phase 3 Letter of Credit, as it may be amended, provided that such delivery of Good Funds is accompanied by a reduction in the applicable Letter of Credit.

(ii) Managing Expansion Construction. Woodmen shall use commercially reasonable efforts, without negligence or misconduct, to direct, manage and complete the construction of the Expansion in accordance with applicable law. Woodmen shall be

solely responsible for obtaining any necessary permits or approvals with the applicable local, state or federal authorities, contracting for the construction of the Expansion with any contractors or subcontractors and, subject to Horton's responsibility to deliver Horton's Allocable Share to Woodmen, timely paying all fees, labor and material costs and other amounts payable in connection with the Expansion. Woodmen shall provide copies of such permits and approvals, including but not limited to any compliance schedule related thereto (the "Compliance Schedule"), to Horton within fifteen (15) days of receipt thereof. Except for the payment of Horton's Allocable Share and the securitization thereof as set forth in Paragraph 7, Horton shall have no responsibility to fund, construct, or review plans or specifications with respect to any portion of the Expansion, and Horton assumes no liability with respect to the designs, plans or specifications prepared or work performed by Woodmen. Horton shall not be responsible for financial penalties associated with Woodmen failing to comply with the Compliance Schedule or other terms and conditions of Woodmen's discharge permit except to the extent caused or contributed to by Horton's default under this Agreement.

(iii) Change Orders; Bid Increases. Woodmen shall have the sole right to approve change orders or bid increases as necessary or desirable, in Woodmen's sole discretion, to complete the Expansion. If, as a result of any change order or bid increase, the cost of construction of the Expansion increases above the approved bid, Woodmen may require Horton, within thirty (30) days of receipt of notice from Woodmen, to deliver an amended Phase 3 Letter of Credit reflecting the increase in such cost or, to the extent Horton's amended Phase 3 Letter of Credit does not qualify as money that Woodmen has appropriated "equal to or in excess of the contract amount" under C.R.S. § 24-91-103.6, as amended, which decision shall be made solely by Woodmen, Horton shall, within fifteen (15) days, deliver Good Funds to Woodmen to replace the amended Phase 3 Letter of Credit reflecting the increase in such cost.

6.4.4 Progress Meetings. Every three (3) months beginning with the initiation of Phase 1 activities, the Parties shall meet in person or remotely at times and locations to be determined by the Parties to discuss the status of the Expansion and any problems, delays or increased costs anticipated by Woodmen in executing the Expansion.

7. **Joint Funding of the Expansion; Horton Financial Security.** The Parties agree to jointly fund all Phases of the Expansion, based on each Party's Allocable Share of the Total Cost, as reflected in the then-current Updated CEC and Total Cost Allocation.

7.1 Woodmen Financial Capability: Woodmen shall fund Woodmen's Allocable Share of the Expansion and its failure to do so shall be a default of its obligations under this Agreement. Prior to Phase 1 of the Expansion, Woodmen shall demonstrate to Horton that Woodmen has the capacity to fund Woodmen's Allocable Share through the issuance of revenue bonds and shall, at each Phase, issue such bonds in an amount equal to Woodmen's Allocable Share under the relevant Phase, as reflected in the then-current Updated CEC and Total Cost Allocation.

7.2 Horton Monthly Payments. Horton shall fund Horton's Allocable Share of the Expansion and its failure to do so shall be a default under this Agreement.



7.2.1 Woodmen shall invoice Horton on a monthly basis for Horton's Allocable Share incurred during the previous month for the Phase 1, Phase 2 and Phase 3 activities, as applicable, with an itemization of the activities for which the costs were incurred, which itemizations shall include the total cost of all work performed and Horton's Allocable Share of such costs. Horton shall pay all invoiced amounts in full within thirty (30) days of its receipt of each invoice. If Horton disputes any charges on a particular invoice, it shall nonetheless pay the invoice in full, but shall reserve the right to contest the disputed charges. If Horton disputes any invoiced charges, the Parties shall confer and attempt to resolve the dispute. If the Parties are unable to resolve the dispute, either Party may initiate negotiations as provided in Paragraph 15.1 below.

7.2.2 Horton's failure to timely pay in full any portion of an invoice shall constitute a default under this Agreement ("Failure to Pay"). Any payment due from Horton not received by Woodmen within thirty (30) days of Horton's receipt of an invoice shall thereafter incur a late fee equal to two percent (2%) of the invoiced amount per month. Except for the aforementioned late fee, such payment shall not bear interest or incur any other fees or penalties. If any payment and late fee are not paid within sixty (60) days of Horton's receipt of an invoice, Woodmen may seek payment under the applicable Letter of Credit and pursue all available remedies under Paragraph 15 below, including but not limited to seeking damages to reimburse Woodmen for its expenditures on the Expansion made in reliance on Horton's promises hereunder.

### 7.3 Horton Letters of Credit.

7.3.1 As provided in the preceding Paragraph 7.2, Horton shall provide Woodmen with an irrevocable Letter of Credit at each Phase of the Expansion. Each Letter of Credit shall: (i) name Woodmen as the beneficiary; (ii) be issued by a financial institution reasonably acceptable to Woodmen; (iii) have an initial expiration date of not less than seven hundred thirty (730) days after the date of its issuance and provide for automatic annual extensions such that it remains effective through its corresponding Phase; (iv) provide that the issuer will deliver a sixty (60)-day advance written notice to beneficiary in the event issuer elects not to extend or elects to otherwise terminate the Letter of Credit; (v) permit partial and full draws; (vi) permit draws to be initiated by facsimile in the event the issuing institution does not have a Denver Metropolitan Area branch at which presentation for draws can be made; (vii) be in substantially the form attached hereto as **Exhibit F**; and (viii) not contain any conditions upon a draw request other than a certification by the beneficiary substantially in the forms shown on Exhibit F. At least twenty (20) days prior to the date of delivery of each Letter of Credit, Horton shall deliver the proposed form of Letter of Credit to Woodmen for review and approval. If Woodmen provides written comments to Horton on the form of Letter of Credit which are not addressed to the satisfaction of Woodmen prior to the date of delivery, then Horton shall instead deliver Good Funds into an escrow account in the full amount of the required Letter of Credit, under an agreement that entitles Woodmen to withdraw said funds to pay for the activities contemplated under this Agreement. Horton may be permitted to replace the same with an irrevocable Letter of Credit, provided the form of Letter of Credit is approved by Woodmen prior to such replacement. After Horton's payment of any invoice for Horton's Allocable Share of any Phase of the Expansion pursuant to Paragraph 7.2 above, and upon Horton's request, the face value of the corresponding Letter of Credit for such Phase shall be reduced by an amount equal to such payments made by Horton to date. Any reduction of the Letter of Credit shall be accompanied by a reduction

certificate executed by Woodmen and/or any other necessary parties, and delivered to Horton within thirty (30) days after Horton's request for the same; provided, that Horton shall not request such reduction in any Letter of Credit more frequently than quarterly.

7.3.2 The face amount of each Letter of Credit shall be as follows:

(i) Phase 1 Letter of Credit: Ten percent (10%) of Horton's Allocable Share of the then-current Updated CEC and Total Cost Allocation.

(ii) Phase 2 Letter of Credit: Twenty percent (20%) of Horton's Allocable Share of the then-current Updated CEC and Total Cost Allocation.

(iii) Phase 3 Letter of Credit: The remaining balance of Horton's Allocable Share of the then-current Updated CEC and Total Cost Allocation.

7.4 Final Accounting. Within six (6) months of the completion of all construction of the Expansion, Woodmen shall provide to Horton a final accounting of the Total Cost and Total Cost Allocation and the Parties shall, within sixty (60) days, reconcile any respective overpayments or underpayments reflected in the final accounting.

7.5 Horton Failure to Fund Its Allocable Share.

7.5.1 Phases 1-2. Except as provided by Paragraphs 7.5.2 and 22.4 below, and subject to Grandview's right to cure provided in Paragraph 16 below, if at any time Horton fails to deliver a Letter of Credit as required hereunder or gives Woodmen written notice that it intends to cease funding of the Expansion, this Agreement shall terminate, and neither party shall have any remaining liability or obligation to the other except that Horton shall be liable to Woodmen for all actual costs, expenditures and financial liabilities that Woodmen has incurred or made towards the permitting, design and construction of the Expansion ("Woodmen's Reliance Costs") up to the date of termination, it being acknowledged by the Parties that those permits, designs and construction may, absent the Expansion, be worthless to Woodmen and Woodmen may have to re-permit, re-design and re-construct the Plant to reflect Plant capacities much smaller than the Expansion, which decision shall solely be in Woodmen's discretion. In the event Horton fails to pay Woodmen's Reliance Costs within thirty (30) days of being invoiced, Woodmen may seek such payment of Woodmen's Reliance Costs under the effective Horton Letter of Credit and pursue all available remedies under Paragraph 15 below, including but not limited to seeking damages for the balance owed by Horton. Under no circumstances, including in the event Horton or its successor terminates the Agreement under this Paragraph 7.5.1, shall Horton be entitled to any reimbursement of its costs or payments made prior to its termination, including but not limited to Tap Fees for the Horton Reserved Taps or subsequently issued Taps; except, however, Horton may assign or transfer any purchased Taps as provided for in Paragraph 4.5.

7.5.2 Phase 3. Once Woodmen initiates the Phase 3 activities, neither Horton nor its assignees shall have any right to terminate this Agreement or to refuse to participate in the funding of the Expansion.

8. Capacity Allocation. Woodmen shall reserve sufficient treatment capacity in the Plant and, when constructed, the Expansion, to serve 900 Taps within the Horton Property for a

period based on the later of: (a) seven (7) years from the date on which the WQCD issues site location approval for the Lift Station to be constructed pursuant to Paragraph 9.3, or (b) five (5) years from the date on which Horton terminates the Agreement under Paragraph 7.5.1. Woodmen shall reserve sufficient treatment capacity in the Expansion to serve an additional 2,600 Taps (for a total maximum of 3,500 Taps) within the Horton Property for a period of twenty (20) years from the date on which Horton purchases the last of the 900 Horton Reserved Taps, provided, however, that said reservation shall terminate automatically in the event Horton or its successors or assigns terminates this Agreement under Paragraph 7.5.1 or defaults in its obligations under this Agreement. After expiration of any period in which Woodmen must reserve treatment capacity for the Horton Property, Woodmen may provide to a third party the balance of the capacity in the Plant or the Expansion represented by the remaining Taps. Subject to this reservation, Woodmen may in its sole discretion enter into agreements, or expand its service area, to provide sewer treatment at the Plant and Expansion to properties in addition to the Horton Property.

9. **Sanitary Sewer Facilities.** As a condition to Woodmen's obligation to extend sewer service to the Horton Property, Horton shall design and install, subject to review and approval by Woodmen, the Wastewater Facilities.

9.1 **Wastewater Service Lines.** Horton shall design and construct all Wastewater Service Lines within the Horton Property pursuant to the Woodmen Regulations and the Woodmen Standards and Specifications. Subject to warranty and acceptance procedures under the Woodmen Standards and Specifications, Woodmen shall own and operate all sanitary sewer facilities constructed pursuant to this Agreement.

9.2 **Local Sanitary Sewer Collection Systems.** All Local Sanitary Sewer Collection Systems shall be constructed by Horton in accordance with the Woodmen Standards and Specifications, including but not limited to Woodmen's review, inspection, approval, and acceptance processes. Local Sanitary Sewer Collection Systems shall not be eligible for reimbursement under Paragraph 9.5 unless the Parties otherwise agree in writing.

9.3 **Regional Sanitary Sewer Systems.**

9.3.1 The Parties anticipate that a regional Lift Station and Force Main, the estimated locations of which are depicted on **Exhibit G**, will be necessary to serve the Horton Property pursuant to this Agreement, and that the Force Main will be a double barrel pipeline with each pipeline sized at no less than eight (8) inches in diameter.

9.3.2 All Regional Sanitary Sewer Systems must be adequately sized to serve the Horton Property and any other extraterritorial service areas approved by Woodmen in the future according to Paragraph 9.5. Such Regional Sanitary Sewer Systems shall be located, constructed, and warranted by Horton as required by this Agreement and in conformance with the Woodmen Standards and Specifications. At Woodmen's own expense, Woodmen may direct installation of additional conduits to trenches associated with construction of Regional Sanitary Sewer Systems.

9.3.3 Horton shall use commercially reasonable efforts to acquire all necessary lands, easements, rights of way, or other interests in real property necessary to construct

the Regional Sanitary Sewer Systems and, if unable to do so, agrees to compensate Woodmen to the extent Woodmen seeks to acquire such necessary lands, easements, rights of way, or other interests in real property. To the extent Horton acquires the lands, easements, rights of way, or other interests in real property necessary to construct Regional Sanitary Sewer Systems, Horton shall convey such real property interests to Woodmen in accordance with the Woodmen Regulations. Grandview represents that it has an option to purchase the real property on which the Lift Station and Force Main depicted on Exhibit G are to be located. Grandview agrees, that after its closing on the property it will convey such portion of that real property as reasonably necessary, but not to exceed 5.0 acres, for the construction of the Lift Station and Force Main to Woodmen in advance of Horton's construction of said Lift Station and Force Main, subject to reversion in the event Woodmen fails to construct the Expansion or issue taps for the Horton property as contemplated under this Agreement.

9.3.4 Horton shall obtain all necessary governmental approvals necessary for any proposed Regional Sanitary Sewer Systems, including but not limited to site location approval, design and plan approvals, basis-of-design approval, and any other required local, state, and or federal approvals. No permit request, submittals, and/or applications may be made without Woodmen's approval and signature. All permits shall name Woodmen as the ultimate owner and operator of the facility.

9.3.5 Any Lift Station and Force Main constructed by Horton under this Agreement shall be conveyed to Woodmen, subject to Woodmen's warranty and acceptance procedures under the Woodmen Standards and Specifications. Upon Conditional Acceptance, Woodmen shall allow connection of Taps to the Woodmen wastewater collection and treatment system for wastewater service, though Horton retains the responsibility for correcting and repairing any deficiencies identified during the Warranty Period before Final Acceptance in a manner satisfactory to Woodmen. This Agreement shall constitute a License from Woodmen to Horton over any portion of the Licensed Premises necessary for Horton to correct or repair any deficiencies in the Wastewater Facilities during the Warranty Period.

9.3.6 Horton's conveyance of the Lift Station and Force Main depicted on Exhibit G shall be subject to a covenant that provides that in the event Woodmen fails to construct the Expansion or issue taps for the Horton Property as contemplated under this Agreement, ownership of the Lift Station and Force Main and the underlying property shall automatically revert to Grandview for its use in obtaining alternative sewer service for the Horton Property, subject, however, to the preservation of capacity in the Lift Station and Force Main necessary to allow Woodmen to provide sewer service in the Plant for any previously-issued Horton Reserved Taps. In the event of reversion of the Lift Station, Force Main and the underlying property, Woodmen shall promptly execute and deliver appropriate conveyance documents evidencing same to Grandview.

9.4 Costs of Review and Inspection. Prior to submitting any applications for governmental approvals of any Wastewater Facilities, Horton shall submit draft applications, plans, and specifications to Woodmen for review and comment. Woodmen shall submit any comments to Horton's applications, plans or specifications within thirty (30) days of receipt thereof. Woodmen may invoice Horton, and Horton shall, within thirty (30) days, pay such invoices for the reasonable costs of Woodmen's review of such applications, plans, and

specifications, as well as inspection of, all Wastewater Facilities within the Horton Property in accordance with the Woodmen Regulations. Woodmen's invoices may include reasonable charges for the internal costs to Woodmen of time spent by Woodmen's staff on such review and inspection, in addition to the reasonable costs charged by any outside consultants, together with any amounts charged for out-of-pocket costs and administrative fees.

9.5 Reimbursement for Oversizing. Woodmen may require any Regional Sanitary Sewer Systems to be sized larger than would be required to serve only the Horton Property, in which case Woodmen shall require, as a condition to allowing any third party to connect to the oversized facility, that the third party pay to Woodmen a pro rata share of the costs incurred by Horton to design, permit, entitle and construct the facility (the "Horton Facility Costs"), which Woodmen shall remit to Horton, less a two percent (2%) administrative fee that Woodmen shall retain, within thirty (30) days of receipt thereof. Upon completion of the Regional Sanitary Sewer Systems, Horton shall provide Woodmen with documentation, in reasonable detail, establishing the Horton Facility Costs applicable to each Regional Sanitary Sewer System. Each third-party's pro-rata share of the Horton Facility Costs shall be calculated based on the relative capacity of the Regional Sanitary Sewer System facility to be utilized by the third party. The obligation to repay its pro-rata share of the Horton Facility Costs shall be recited in a written agreement between the applicable third party and Woodmen, and Woodmen shall be solely responsible for the collection and remittance to Horton of such pro-rata share. In the event a third party is permitted to connect to the Regional Sanitary Sewer Systems without paying its pro-rata share of the Horton Facility Costs, Woodmen shall be in default of this Paragraph. This right of reimbursement shall expire ten (10) years from the date on which the oversized sewer facility is accepted by Woodmen.

9.6 Underdrains. Underdrains are not part of the Wastewater Facilities, and Woodmen shall have no responsibility for, nor shall it take ownership of, any underdrains or any associated augmentation or replacement requirements. For underdrains that are proposed to be located in the same trench as any Wastewater Service Line or other sanitary sewer system component for the purpose of dewatering the trenches in which such lines or components are located, Horton shall first submit and obtain Woodmen's approval of the designs of such underdrains depicted on the same plans as the proposed Wastewater Service Line or other sanitary sewer system component, and Horton shall allow Woodmen the opportunity to inspect and approve such underdrains after installation and before they are covered with soil to ensure their installation is consistent with approved designs and are otherwise in conformance with the Woodmen Regulations.

9.7 Flow Measurement: Horton shall design and install metering facilities internal to the Lift Station that monitor and transmit wastewater flows electronically in real-time to Woodmen via Supervisory Control and Data Acquisition ("SCADA") or comparable system. Woodmen also may require Horton to design and install metering within manholes in certain interceptors and Local Sanitary Sewer Collection Systems if necessary to confirm design capacities are not exceeded or to monitor wastewater flows. All meters shall be conveyed to Woodmen as provided in the Woodmen Regulations and the Woodmen Standards and Specifications.

## 10. Applicable Wastewater Rates, Fees and Charges.

10.1 Wastewater Service Fees. Except as otherwise provided in this Agreement, customers within the Horton Property receiving wastewater service from Woodmen (“Customers”) shall pay the same wastewater service rates, fees, charges, surcharges, and assessments or other financial liabilities however termed required for Woodmen’s wastewater services as Woodmen’s in-district residents, as they are modified from time to time, in accordance with the Woodmen Regulations. Billing, collection and administration of service fees shall be performed by Woodmen, in accordance with the Woodmen Regulations. Neither Horton nor Grandview shall have any responsibility to collect service fees, or any liability with respect to Customers’ failure to pay such service fees, or failure to comply with the Woodmen Regulations. Woodmen acknowledges that additional mills may be levied by Grandview.

10.2 Pursuant to Paragraph 4 above, Horton shall pay Tap Fees for each Tap served by the Plant or the Expansion.

11. **Water Rights, Return Flows, and Water Quality; Conditions of Service.**

11.1 Water Service Within Horton Property. As of the Effective Date, it is anticipated that Grandview will be the water provider to the Horton Property. Nothing in this Agreement requires Woodmen to provide water service of any kind to the Horton Property; however, if requested by Grandview, Woodmen may in its sole discretion and pursuant to a future agreement provide water service to some or all of the Horton Property. Horton shall, as a condition of receiving sewer service from Woodmen, cause Grandview and any other water provider to agree to the following provisions.

11.1.1 Return Flows. Grandview, or other water providers to the Horton Property, shall retain ownership of any reusable effluent associated with the first uses of the water rights supplying the Horton Property, based on Woodmen’s tracking and accounting for wastewater treated and released from the Plant and Expansion, subject to the following conditions:

(i) Woodmen has no responsibility to measure or account for the first 50.4 acre-feet per year of any water provider’s reusable return flows discharged from the Plant or Expansion (based on inflow at 50,000 GPD annual average flow and 10% system losses); rather, ownership of those return flows is ceded to Woodmen, and Woodmen may in its sole discretion account for and take credit for those return flows in its own replacement plan(s).

(ii) After the minimum threshold of 50.4 acre feet per year of return flows is met by any water provider, such water provider may claim up to 75% of any remaining reusable return flows to which the provider is entitled under its water rights determinations that are discharged from the Plant or Expansion, calculated and allocated on a monthly basis. Woodmen has the right to reuse the remaining 25% of said reusable return flows. As an example, if a water provider’s measured influent at the Plant or Expansion is 75,000 gallons per day (on an average annual basis) of fully reusable water, which results in 67,500 gallons per day of reusable return flows (assuming a 10% system loss), then that provider would be entitled to claim 75% of 67,500 minus 45,000, or  $22,500 \times .75$  which equals 16,875 gallons per day of reusable effluent. Woodmen would own and claim reuse credit for the balance, which equals 5,625 gallons per day of reusable effluent (in addition to the 45,000 gallons per day). To the

extent Horton's return flows exceed the threshold above, Woodmen shall track and report such return flows on a monthly basis.

(iii) Any water provider seeking to claim the right to reuse a portion of the effluent attributable to their influent into the Plant or Expansion must install adequate metering for their influent pursuant to Paragraph 9.7. Any reusable return flows associated with flows into the Woodmen sewer system that are not metered shall be deemed relinquished and may be claimed by Woodmen.

(iv) Credit for reusable effluent shall be calculated on a water year basis (November 1 through October 31).

11.1.2 Future Reclaim or Reuse Facilities. If in the future Woodmen seeks to construct facilities to physically capture and reuse effluent from the Plant and Expansion, water providers serving the Horton Property whose wastewater is discharged into Woodmen's sewer system will be offered to participate in such facilities at a proportionate cost. Horton agrees to and shall not oppose any Woodmen water replacement plans, aquifer storage projects, and/or other future cases involving the reusable effluent attributable to water supplied to the Horton Property that Woodmen owns pursuant to Paragraphs 11.1.1(i)-(iii). Woodmen agrees to and shall not oppose any Horton replacement plans and/or other future cases involving Horton's water rights except to the extent that Horton risks causing material injury to Woodmen's water rights, infrastructure, or ability to serve Woodmen customers. Each Party shall confer and attempt to resolve issues in good faith before opposing any water rights proceeding in which the other Party is an applicant or project participant, whether solely or in conjunction with other parties.

11.1.3 Exempt Wells Subject to Woodmen's Approval. Grandview shall provide Woodmen notice of any proposed connection to Woodmen's wastewater collection system from an exempt well. Woodmen shall be entitled to review such connection and approve, condition or deny such connection based on the concentration of total dissolved solids and other quality parameters of the water delivered by the exempt well.

11.1.4 Water Quality. The Parties acknowledge that the quality of wastewater delivered into the Plant and the Expansion from the Horton Property may affect Woodmen's ability to comply with governmental approvals associated with the Plant and the Expansion, including discharge permits, and may affect Woodmen's and other water providers' ability to claim return flow credit for reusable effluent. The Parties therefore agree to the following with respect to the total dissolved solids ("TDS") concentration in the wastewater delivered from the Horton Property into Woodmen's sewer system:

(i) Once the regional Lift Station constructed pursuant to Paragraph 9.3 above ("Horton Lift Station") is in operation and receiving wastewater from at least 250 SFEs ("Threshold Level"), Woodmen will sample, at Woodmen's sole expense, the TDS concentration in the wastewater at the Horton Lift Station once each month. Once Woodmen has taken a full year's worth of TDS samples at the Horton Lift Station, during the sampling period extending from November through October (the "Sampling Period") beginning after the Threshold Level is met, Woodmen shall calculate prior to the end of the calendar year the annual average of the TDS concentration in the wastewater at the Horton Lift Station for that Sampling Period, which will be

considered representative of the TDS concentrations in the wastewater discharged from the Horton Property (“Horton TDS Concentration”).

(1) Woodmen also will sample once each month during the initial Sampling Period the TDS concentration in the wastewater at its existing Falcon Lift Station and calculate prior to the end of the calendar year an annual average of the TDS concentration, which will be considered representative of the TDS concentrations in wastewater discharged from the areas delivering wastewater into the Falcon Lift Station (“Woodmen TDS Concentration”). In the event Woodmen ceases use of the Falcon Lift Station in the future, or if it constructs an additional lift station to serve additional properties outside of the Horton Property, Woodmen will change and/or add to its sampling location(s) any new lift station(s), recalculate the Woodmen TDS Concentration, and notify Horton accordingly. If Woodmen samples at multiple locations, it will develop a flow-weighted mean TDS concentration as the Woodmen TDS Concentration. The Woodmen TDS Concentration, once established after the initial Sampling Period, shall not be subject to change except to the extent Woodmen ceases use of the Falcon Lift Station or constructs an additional lift station to serve additional properties outside of the Horton Property.

(2) Woodmen will maintain all sampling data for at least five (5) years and annually notify Horton in writing of the prior Sampling Period’s data and the calculated Horton TDS Concentration and Woodmen TDS Concentration. Woodmen will provide any sampling data to Horton at Horton’s request.

(3) Beginning in the January following the first Sampling Period in which Woodmen has calculated the Horton TDS Concentration and the Woodmen TDS Concentration, and for each successive calendar year, Woodmen may assess all Customers discharging to the Horton Lift Station a monthly surcharge for the succeeding calendar year following the Sampling Period to offset the costs associated with excess treatment, risk of noncompliance, risk of jeopardizing use of wastewater effluent for water rights purposes, and related administrative and legal costs (“TDS Surcharge”), on the following terms:

a. For every 30 mg/l that the Horton TDS Concentration exceeds the Woodmen TDS Concentration, the TDS Surcharge will be \$1.20/month per SFE, assessed to each customer within the Horton Property, for the first year in which said TDS concentrations are calculated and compared. The amount of the surcharge will be increased, but not decreased, thereafter annually based on the CPI. Any applicable TDS Surcharge will be assessed monthly throughout the year after the determination and will be adjusted based on subsequent annual recalculations of the Horton TDS Concentration. For example, if the Horton TDS Concentration exceeds the Woodmen TDS Concentration by 61 mg/l during the initial Sampling Period extending from November, 2026 through October, 2027, each Customer discharging to the Horton Lift Station in calendar year 2028 will be assessed a TDS Surcharge of \$2.40/month per SFE. Woodmen will continue its monthly TDS sampling during the November, 2027–October, 2028 Sampling Period and will recalculate the Horton TDS Concentration for that Sampling Period and compare it to the Woodmen TDS Concentration to determine the TDS Surcharge, if any, to be assessed during calendar year 2029.

b. Woodmen may not impose any TDS Surcharge until the Expansion is complete, in operation, and its discharge permit contains a TDS limit. In the



event the Horton TDS Concentration is less than the Woodmen TDS Concentration, Woodmen is not obligated to impose a TDS Surcharge on any of its customers outside of the Horton Property.

c. As a condition of allowing any other properties to connect to the Horton Lift Station, Woodmen shall require the sampling of TDS from the wastewater stream discharged from such other properties so that their TDS concentrations can be distinguished from the Horton TDS Concentration, or Woodmen shall waive the TDS Surcharge for the Horton Property until the sampling for such other properties can be accomplished. Woodmen shall not impose a TDS Surcharge on Customers on account of TDS concentrations from customers outside the Horton Property that discharge into the Horton Lift Station.

(ii) Customers are prohibited from utilizing ion exchange, water softener systems, or any other in-home water treatment system that discharges concentrated brine wastes into Woodmen's sanitary sewer system; provided, however, that Horton shall not be liable to Woodmen for any damage or costs arising from any Customers' failure to comply with this Paragraph except to the extent caused by Horton.

(iii) Customers are subject to the Woodmen Regulations, as may be amended, including but not limited to Woodmen's Pretreatment Regulations for all non-residential customers, sewer use resolutions, and any restrictions or prohibitions otherwise approved by Woodmen.

12. **Restrictive Covenants.**

12.1 The terms of Paragraphs 10.1 and 11.1.3–11.1.4 shall burden, attach to and, run with the Horton Property and shall be binding upon Horton, its successors and assigns, and any other persons or entities that may acquire an ownership or leasehold interest in all or any portion of Horton Property and shall inure to the benefit of Woodmen. Upon full execution of this Agreement, Horton shall promptly execute and deliver to Woodmen the Restrictive Covenant Agreement in the form attached hereto as **Exhibit H** corresponding to the portion of the Horton Property that Horton owns as of the Effective Date, and thereafter, at Horton's closing of additional portions of the Horton Property, Horton shall promptly execute and deliver to Woodmen additional Restrictive Covenant Agreements in the form of Exhibit H corresponding to each such portion of the Horton Property. Woodmen shall promptly execute and record in the real property records of El Paso County, Colorado any Restrictive Covenant Agreement executed and delivered to Woodmen. In the event Horton's purchase of the Horton Property is subject to a deed(s) of trust, Horton shall provide the lender's subordination of its deed(s) of trust to be recorded with the Restrictive Covenant Agreement against each.

13. **Representations and Warranties.**

13.1 **Representations and Warranties by Woodmen.** Woodmen represents and warrants as follows:

13.1.1 Woodmen is a quasi-municipal corporation and political subdivision of the State of Colorado formed pursuant to Title 32 of the Colorado Revised Statutes and has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations.

13.1.2 To the knowledge of Woodmen, Woodmen knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of Woodmen or its officials with respect to this Agreement that has not been disclosed in writing to Horton.

13.1.3 To the knowledge of Woodmen, the execution and delivery of this Agreement and the documents required and the consummation of the transactions contemplated by this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to Woodmen or to its governing documents; (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which Woodmen is a party or by which it may be bound or affected; or (iii) permit any Party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of Woodmen.

13.1.4 This Agreement constitutes a valid and binding obligation of Woodmen, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

13.1.5 Reference to Woodmen's "knowledge" and similar phrases means the current, actual (as opposed to constructive or imputed) knowledge of the Board of Directors of Woodmen, Wally Eaves, and Carter Bullion, without any duty or investigation or inquiry. The fact that reference is made herein to Woodmen's Board of Directors, Wally Eaves, and Carter Bullion shall not render them personally liable in any manner whatsoever under this Agreement, including, without limitation, liability for any breach of the representations or warranties in this Paragraph 13.

13.2 Representations and Warranties by Horton. Horton represents and warrants as follows:

13.2.1 Horton is a Delaware corporation in good standing and authorized to do business in the State of Colorado and has the power and the authority to enter into and perform in a timely manner its obligations under this Agreement.

13.2.2 The execution and delivery of this Agreement has been duly and validly authorized by all necessary action on its part to make this Agreement valid and binding upon Horton.

13.2.3 To the knowledge of Horton, the execution and delivery of this Agreement will not (i) conflict with or contravene any law, order, rule or regulation applicable to Horton or to Horton's governing documents; (ii) result in the breach of any of the terms or provisions or constitute a default under any agreement or other instrument to which Horton is a party or by which it may be bound or affected; or (iii) permit any Party to terminate any such agreement or instruments or to accelerate the maturity of any indebtedness or other obligation of Horton.

13.2.4 To the knowledge of Horton, there is no litigation, proceeding, initiative, referendum, or investigation or threat or any of the same contesting the powers of Horton

or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to Woodmen.

13.2.5 This Agreement constitutes a valid and binding obligation of Horton, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

13.2.6 Reference to Horton's "knowledge" and similar phrases means the current, actual (as opposed to constructive or imputed) knowledge of Bill Carlisle without any duty of investigation or inquiry. The fact that reference is made herein to Mr. Carlisle shall not render him personally liable in any manner whatsoever under this Agreement, including, without limitation, liability for any breach of the representations or warranties in this Paragraph 13.

14. **Notices.** Any notice or demand under this Agreement shall be in writing and shall be hand delivered, sent by a nationally recognized overnight delivery service, sent by registered or certified mail, postage prepaid, return receipt requested, or sent electronically, to the following address:

TO WOODMEN:

Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Falcon, CO 80831  
Attn: Wally Eaves, Water and Wastewater Enterprise Director  
Email: wallyeaves@whmd.org

with copy to:

Brownstein Hyatt Farber Schreck, LLP  
410 17th Street, Suite 2200  
Denver, CO 80202-4432  
Attn: Wayne Forman and Michael Smith  
Email: wforman@bhfs.com; msmith@bhfs.com

TO HORTON:

Melody Homes, Inc.  
9555 S. Kingston Court  
Englewood, CO 80112-5943  
Attn: Bill Carlisle  
Email: wmcarlisle@drhorton.com

with copy to:

Davis & Ceriani, P.C.  
1600 Stout Street, Suite 1710  
Denver, CO 80202  
Attn: Nicholas Dooher and John Baker  
Email: ndooher@davisandceriani.com;  
jbaker@davisandceriani.com

and:

Melody Homes, Inc.  
9555 S. Kingston Court  
Englewood, CO 80112-5943  
Attn: Robert Coltin, Regional Counsel  
Email: rcoltin@drhorton.com

TO GRANDVIEW:

Spencer Fane, LLP  
1700 Lincoln St, Suite 2000  
Denver, Colorado 80203  
Attn: Russ Dykstra      Email: rdykstra@spencerfane.com

Either Party and Grandview may change its address by written notice to the other provided for above. Notices shall be effective (i) the next day following the date sent by an established express delivery service which maintains delivery records requiring a signed receipt, (ii) upon receipt by the addressee of a hand delivery, (iii) three days following the date of mailing via certified or registered mail, postage prepaid, return receipt requested, or (iv) the date upon which the notice has been sent electronically.

15. **Default and Remedies.** Except as otherwise provided in this Agreement, including Horton's Failure to Pay under Paragraph 7.2.2 and deliver Letters of Credit under Paragraph 7.3, in the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall deliver written notice of such default, which includes reasonable detail of the nature of such default (the "Default Notice"), and the defaulting Party shall be afforded fifteen (15) days after written notice of such default to cure the same; provided, however, that if the default or breach is non-monetary and cannot reasonably be cured within such period, the non-defaulting Party shall have fifteen (15) days to commence the cure thereof and diligently pursue the same thereafter. In the

event of any uncured default (or the defaulting Party's failure to commence the cure thereof subject to the preceding sentence), the non-defaulting Party shall be entitled to recover its respective damages (excluding any consequential, special or punitive damages) incurred as a result of such default and shall have full power and authority to (i) enforce compliance with this Agreement, subject to the negotiation provisions below, in any manner provided for by law or in equity, including, but not limited to, (a) filing an action for such damages, (b) filing an action for injunctive relief, whether to enjoin any violation or to specifically enforce the provisions of this Agreement, or (ii) terminate this Agreement by written notice to the defaulting Party.

15.1 Negotiation Before Litigation. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation. Any Party may give the other party written notice of any dispute not resolved in the normal course of business. Within twenty-one (21) days after delivery of the notice, the receiving Party shall submit to the other a written response. The notice and response shall include with reasonable particularity a statement of each Party's position and a summary of arguments supporting that position. Within thirty-five (35) days after delivery of the notice, the Parties shall meet at a mutually-acceptable time and place. Unless otherwise agreed in writing by the negotiating Parties, the above-described negotiation shall end at the close of the first meeting described above ("First Meeting"). Such closure shall not preclude continuing or later negotiations, if desired. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the Parties, their agents, employees, experts, and attorneys are confidential, privileged, and inadmissible for any purpose, including impeachment, in any legal proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation. At no time prior to the First Meeting shall either side initiate litigation related to this Agreement except to pursue a provisional remedy that is authorized by law or by agreement of the Parties and except if a Party refuses to engage in negotiation. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures in this Paragraph are pending and for twenty-one (21) calendar days thereafter. The Parties will take such action, if any, required to effectuate such tolling.

## 16. Grandview's Cure Right.

16.1 Right to Cure Termination. If Horton fails to timely deliver to Woodmen an LOC or if Horton delivers to Woodmen a notice of termination under preceding Paragraph 7.5.1, this Agreement shall not terminate notwithstanding the terms of Paragraph 7.5.1, until Woodmen delivers to Grandview a written notice of the right to cure termination (the "Termination Cure Notice"), stating the basis for Horton's termination of the Agreement. Grandview shall have thirty (30) days from receipt of said notice to deliver to Woodmen a written acknowledgement and agreement by which Grandview agrees to assume in full all of Horton's rights and obligations under the Agreement, except for the receipt of previously-issued Horton Reserved Taps under the preceding Paragraph 4 (the "Assumption Agreement"), and 45 days thereafter shall provide the required LOC if the basis of Horton's termination was the failure to timely deliver an LOC. If Grandview timely delivers the Assumption Agreement and, if applicable, the LOC, then this Agreement shall continue in full force and effect and Grandview shall have all of Horton's rights and obligations under this Agreement, and Horton shall have no further rights or obligations under this Agreement except for previously-issued Horton Reserved Taps. If Grandview fails to timely deliver the Assumption Agreement and, if applicable, the LOC, then this Agreement shall

immediately terminate and Woodmen's rights to recover Woodmen's Reliance Costs from Horton under preceding Paragraph 7.5.1 shall apply.

16.2 **Right to Cure Default.** Contemporaneously with the delivery of a Default Notice to Horton under preceding Paragraph 15, Woodmen shall deliver a copy of the Default Notice to Grandview. If Horton fails to cure said default or initiate a cure as provided under Paragraph 15, Woodmen shall deliver to Grandview a written notice of the right to cure Horton's default or to initiate a cure, as the case may be (the "**Default Cure Notice**"). Within thirty (30) days of its receipt of the Default Cure Notice, Grandview shall have the right to deliver to Woodmen an Assumption Agreement and to cure or initiate a cure of Horton's default, as the case may be. If Grandview timely delivers an Assumption Agreement and cures or initiates a cure, as the case may be, of Horton's default, then this Agreement shall continue in full force and effect and Grandview shall have all of Horton's rights and obligations under this Agreement, and Horton shall have no further rights or obligations under this Agreement except for previously-issued Horton Reserved Taps. If Grandview fails to timely deliver the Assumption Agreement or to cure or initiate a cure of Horton's default, as the case may be, then Grandview shall have no right to cure or initiate a cure of Horton's default and Woodmen may exercise all of its remedies for such a default against Horton under preceding Paragraph 15.

17. **Attorneys' Fees and Costs.** If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing Party shall be entitled to recover reasonable attorneys' fees, consultants' fees, and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled; provided, however, the Parties agree to and hereby waive and release any claims for special, consequential, or punitive damages.

18. **Venue, Governing Law, and Waiver of Jury Trial.** Venue for any and all legal actions regarding this Agreement shall lie in the District Court in and for the County of El Paso, State of Colorado, or if federal court, then in the Federal District Court in and for Colorado in Denver, Colorado. This Agreement and the rights and obligations of the Parties shall be governed by the laws of the State of Colorado. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY: (A) CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE AFOREMENTIONED COURTS; (B) WAIVES ANY OBJECTION TO THAT CHOICE OF FORUM BASED ON VENUE OR TO THE EFFECT THAT THE FORUM IS NOT CONVENIENT; AND (C) WAIVES ANY RIGHT TO TRIAL BY JURY.

19. **Insurance.**

19.1 Both Parties agree to acquire and maintain throughout the life of this Agreement, statutory workers' compensation insurance coverage, comprehensive general liability insurance coverage and automobile liability insurance coverage, in the minimum amounts set forth below.

19.1.1 **Workers compensation insurance:** in accordance with applicable law, including employers' liability.

19.1.2 Comprehensive general liability insurance: in the amount of \$1,000,000.00 combined single limit bodily injury and property damage, each occurrence; and \$2,000,000.00 general aggregate. Coverage shall include all major divisions of coverage and be on a comprehensive basis including premises operations; personal injury liability without employment exclusion; blanket contractual; broad form property damages, including completed operations; medical payments; products and completed operations; independent contractors coverage; and contractors limited pollution coverage.

19.1.3 Automobile liability insurance: in the amount of \$1,000,000.00 combined single limit bodily injury and property damage, each accident covering any auto.

19.2 Additional Insured. Woodmen shall be named an additional insured under Horton's insurance policies.

19.3 Subcontractors Insured. If the Parties contracts any portion(s) of the work described herein, such contractor shall be required to furnish certificates evidencing statutory workers' compensation insurance and comprehensive general liability insurance coverage in the same minimum amounts. If the coverage required under this paragraph expires during the term of this Agreement, the Parties and/or the contractor shall provide replacement certificate(s) evidencing the continuation of the required policies.

20. Relationship of Parties. Nothing contained herein shall be construed or interpreted as (a) creating a joint venture, partnership or other similar relationship between the Parties or any of them; (b) entitling any person or entity not a Party to this Agreement to any benefits of this Agreement; (c) appointing one of the Parties as the agent of the other Party or authorizing one of the Parties to enter into contracts in the name of the other Party except as permitted by this Agreement; or (d) creating, establishing or imposing a fiduciary duty owed by a Party to the other Party hereunder or in any way creating a fiduciary relationship between the Parties.

21. No Third-Party Beneficiaries. No customer or other person or entity other than the Parties shall be deemed to be a third-party beneficiary under this Agreement, and nothing in this Agreement, express or implied, is intended to, and shall not be deemed to, confer upon any customer or other person or entity, other than the Parties and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement. It is the express intention of the Parties that any person or entity other than the Parties that may receive services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

22. Headings and Titles. Paragraph headings and titles contained in this Agreement are intended for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.

23. Assignment and Associated Limitations.

23.1 Except as provided herein, Horton shall not assign, sell or transfer its rights and obligations under this Agreement without Woodmen's prior written consent, which may be withheld or conditioned in Woodmen's sole discretion.

23.2 Without Woodmen's prior written consent, Horton may assign the entirety of its rights and obligations under this Agreement to a single parent, subsidiary, or affiliate of Horton, or its single parent or any entity which controls, is controlled by, or is under common control with Horton.

23.3 Except as provided in Paragraph 23.2, any assignment, sale, or transfer of Horton's rights and obligations under this Agreement may only be made to an entity to which Horton assigns its ownership and rights to purchase all of the Horton Property to a single assignee, provided that the assignee agrees in writing to assume Horton's obligations hereunder with respect to the entire Horton Property, and provided that, consistent with Paragraph 23.1, Woodmen provides prior written consent, which may be withheld or conditioned in Woodmen's sole discretion.

23.4 In the event Horton assigns its interest in this Agreement with respect to the Horton Property:

23.4.1 Neither Horton nor its assigns may exercise the right to terminate this Agreement, in whole or in part, as provided in preceding Paragraph 7.5.1. On the contrary, the failure of Horton or its assigns to timely fund any Phase or deliver a required Letter of Credit shall constitute a default of this Agreement under Paragraphs 7.2.2 and 15; and.

23.4.2 In the event Horton or its assigns defaults under this Agreement, Woodmen, in addition to the remedies available under Paragraph 15, shall be entitled to maintain this Agreement in full force and effect, with Woodmen assuming the defaulting party's portion of Horton's Allocable Share without waiving its right to hold the defaulting party liable for damages hereunder. In the alternative, Woodmen may deem this Agreement terminated as to all parties, which decision shall be communicated to Horton's assignee(s) within thirty (30) days. In either case, the defaulting party shall be liable to Woodmen for all damages related to such default, including but not limited to payment to Woodmen of Woodmen's Reliance Costs up to the date of the default.

23.5 From and after assignment and assumption as provided above, Horton shall be relieved from all obligations assumed thereunder.

24. **Miscellaneous Provisions.**

24.1 This Agreement shall be binding on the Parties and their respective successors and assigns.

24.2 The above and foregoing constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and no additional or different oral representation, promise or agreement shall be binding upon any of the Parties hereto with respect to the subject matter of this Agreement.

24.3 No Party shall be excused from complying with any provision of this Agreement by the failure of the other Party to insist upon or to seek compliance. No assent, expressed or implied, to any failure by a Party to comply with a provision of this Agreement shall be deemed or taken to be a waiver of any other failure to comply by said Party. No extension of



time for the performance of any obligation or act will be deemed an extension of time for the performance of any other obligation or act.

24.4 Nothing in this Agreement shall be construed as a waiver of the notice requirements, defenses, immunities and limitations the Parties may have under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, or to any other defenses, immunities, or limitations of liability available to the Parties against third parties by law.

24.5 Except as otherwise expressly provided in this Agreement, this Agreement may be amended, modified, or changed, in whole or in part, only by written agreement executed by both Parties in the same manner as this Agreement.

24.6 Time is of the essence of this Agreement.

24.7 Neither Party shall be liable for delay or failure to perform hereunder, despite best efforts to perform, if such delay or failure is the result of *force majeure*, and any time limit expressed in this Agreement shall be extended for the period of any delay resulting from any *force majeure*. Timely notices of the occurrence and the end of such delay shall be provided by the Party asserting *force majeure* to the other Party. “*Force majeure*” shall mean causes beyond the reasonable control of a Party such as, but not limited to, adverse weather conditions, acts of God or the public enemy, pandemic, strikes, work stoppages, unavailability of or delay in receiving labor or materials, faults by contractors, subcontractors, utility companies or third parties, fire or other casualty, or action of government authorities other than the Parties.

24.8 The Parties acknowledge that they both participated in the drafting of this Agreement and this Agreement shall not be construed against either one of them based on the interpretative rule that contracts should be construed against the drafter.

24.9 This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the same instrument.

25. **Condition Precedent.** Grandview and the Cherokee Metropolitan District (“Cherokee”) have entered into an agreement entitled “Cherokee Metropolitan District and Grandview Reserve Metropolitan District No. 1 Intergovernmental Agreement,” dated December 21, 2021, under which Cherokee has agreed to provide sewer service to Grandview (the “Grandview/Cherokee IGA”). As a condition precedent to the effectiveness of this Agreement, on or before December 31, 2023 (the “Condition Deadline”), Grandview must provide Woodmen with evidence that the parties to the Grandview/Cherokee IGA have mutually agreed either to terminate that agreement, or that Cherokee will provide service under the Grandview/Cherokee IGA only if Woodmen fails to construct the Expansion as provided in this Agreement. If Grandview fails to provide Woodmen with evidence that this condition precedent has been satisfied by the Condition Deadline, then this Agreement shall automatically terminate and be of no further force or effect and none of the Parties shall have any further rights or obligations under this Agreement.

IN WITNESS WHEREOF, the Parties have set their hands and seals, effective the day and year first above written.

WOODMEN HILLS METROPOLITAN DISTRICT, ACTING BY AND THROUGH ITS WASTEWATER ENTERPRISE

By: [Signature]

Name: TROY D. STANSON

Its: President

ATTEST:

[Signature]

MELODY HOMES, INC., A DELAWARE CORPORATION, D/B/A DR HORTON

By: [DocuSigned by: Doug Brown]

Name: Doug Brown

Its: Region President

ATTEST:

[DocuSigned by: [Signature]]

GRANDVIEW RESERVE METROPOLITAN DISTRICT NO. 1

By: [Signature]

Name: Paul Howard

Its: President

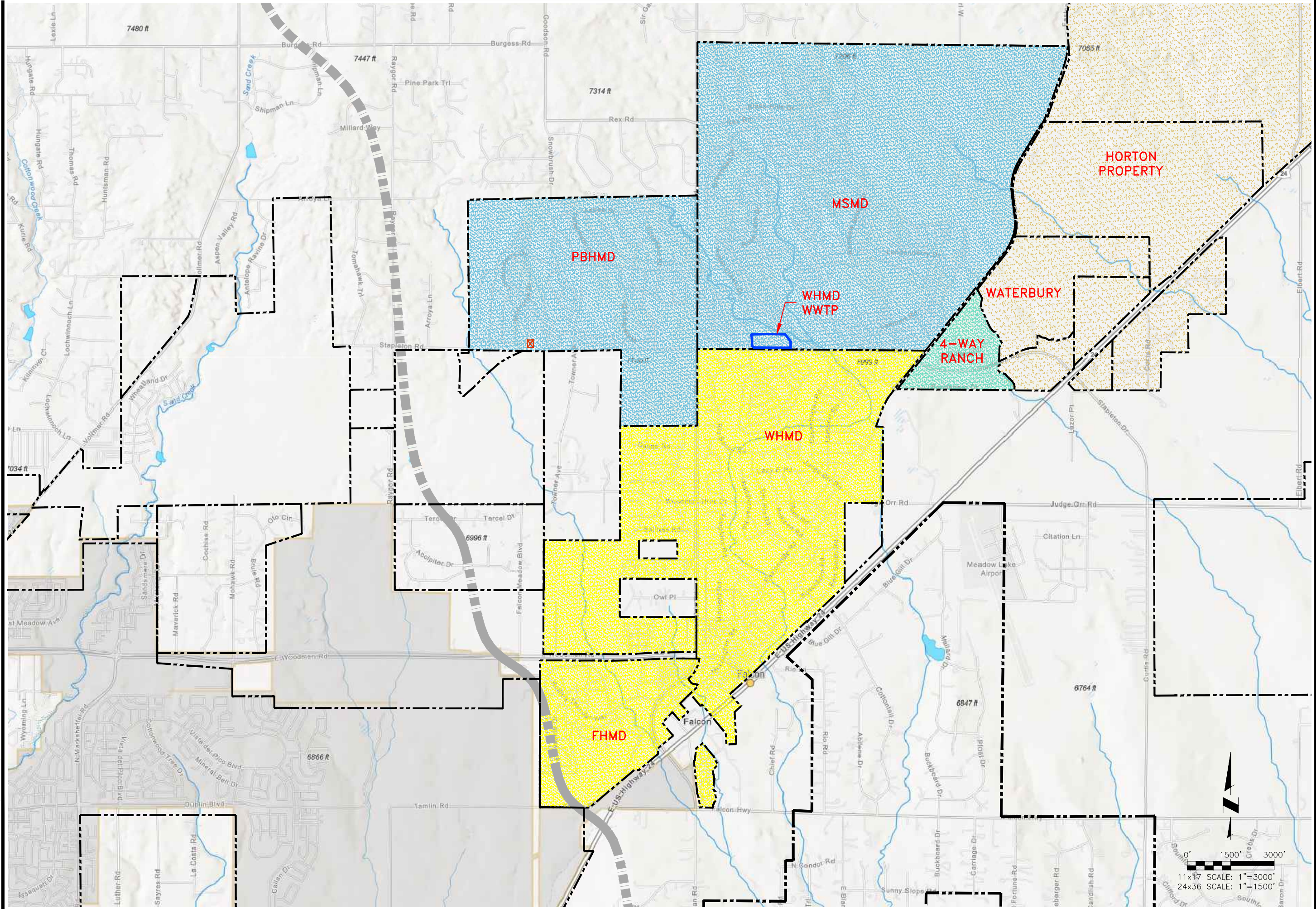
ATTEST:

Amuel D Howard

**EXHIBIT A**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**Woodmen Metropolitan District's Wastewater Service Area**

(See Attached)



**JDS-HYDRO** CONSULTANTS, INC.  
 5640 TECH CENTER DR., SUITE 100  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 227-0072

DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS. ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO JDS-HYDRO CONSULTANTS, INC. JDS-HYDRO ASSUMES NO LIABILITY FOR UNAUTHORIZED CHANGES AND/OR REVISIONS MADE TO PLANS.

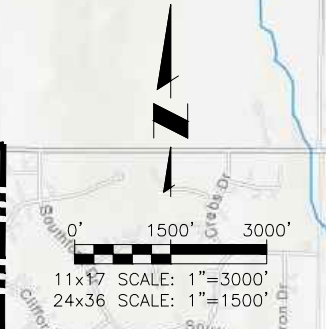
**EXHIBIT A**  
 EXISTING SERVICE AREA  
 EXHIBIT

NO.	DESCRIPTION	BY	APP.	DATE
1				
2				
3				
4				
5				
6				
7				

Project No.: 112.122  
 Date: 12/01/22  
 Design: RMM  
 Drawn: RMM  
 Check: JPM

**A**  
 SHEET OF

2022/12/01 1:24 PM By: Jeffrey Broy N:\Projects\112 Woodmen Hills\112.122 Grandview WW Agreement\Drawings\Exhibits\112.122\_Service\_Area.dwg

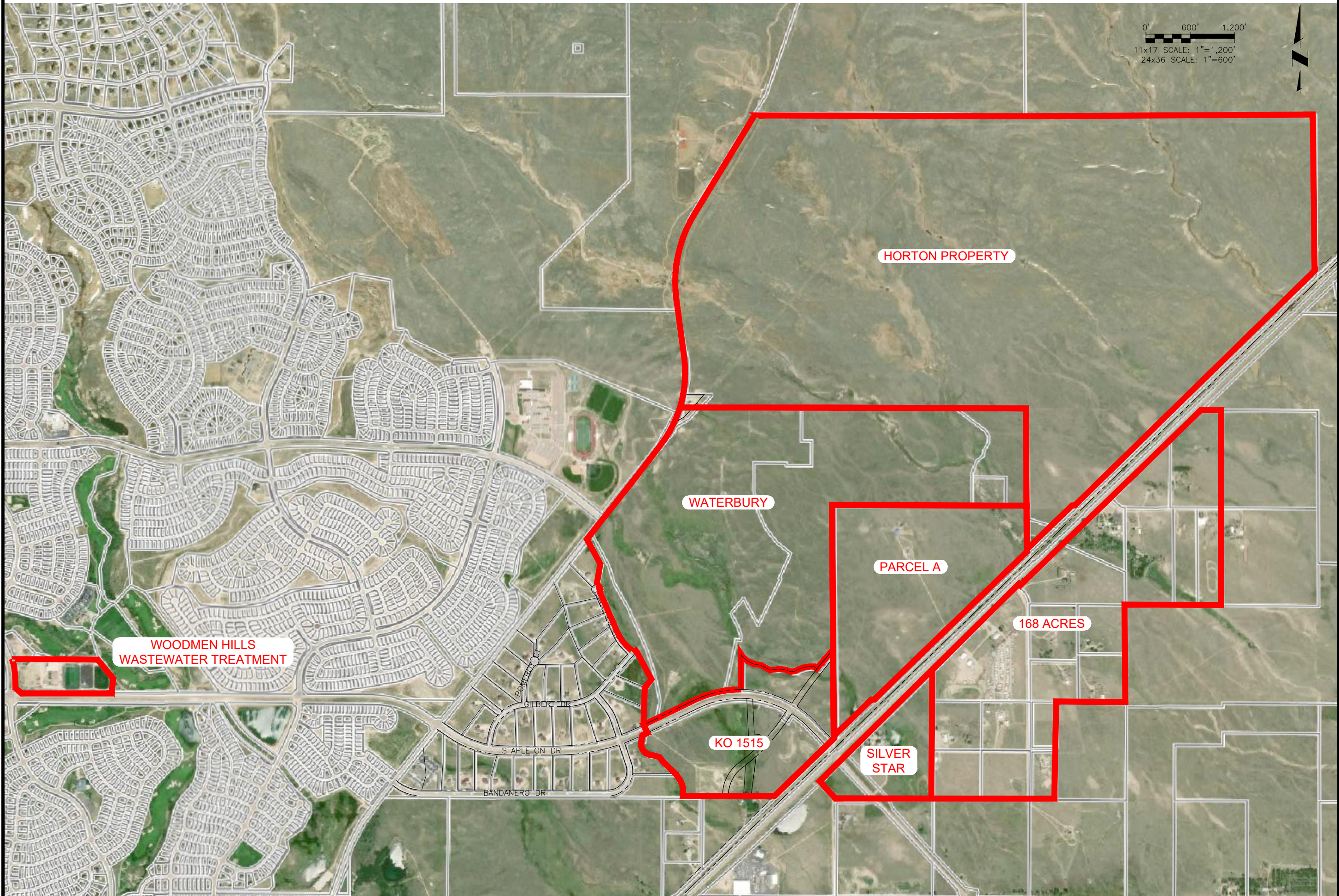


**EXHIBIT B**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**DR Horton Property**

(See Attached)

2022/12/01 1:26 PM By: Jeffrey Broy N:\Projects\112 Woodmen Hills\112.122 Grandview WW Agreement\Drawings\Exhibits\112122\_SS\_Basins.dwg



0' 600' 1,200'

11x17 SCALE: 1"=1,200'

24x36 SCALE: 1"=600'



**JDS-HYDRO** CONSULTANTS, INC.  
 5640 TECH CENTER DR., SUITE 100  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 227-0072

DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS. ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO JDS-HYDRO CONSULTANTS, INC. JDS-HYDRO ASSUMES NO LIABILITY FOR UNAUTHORIZED CHANGES AND/OR REVISIONS MADE TO PLANS.

**EXHIBIT B**  
**PARCEL OUTLINE**

NO.	DESCRIPTION	BY	APP.	DATE
1				
2				
3				
4				
5				
6				
7				

Project No.: 112.122  
 Date: 12/01/22  
 Design: JLB  
 Drawn: JLB  
 Check: JPM

**EXHIBIT C**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**Woodmen Metropolitan District's Wastewater Treatment Plant Expansion - Technological  
Upgrades**

(See Attached)





ACTUAL IMPROVEMENTS REQUIRED FOR THE EXPANSION AND UPGRADE OF THE WOODMEN HILLS WASTEWATER TREATMENT PLANT MAY VARY SOMEWHAT FROM THOSE CONTEMPLATED HEREIN DUE TO FINAL REGULATORY REQUIREMENTS, BUT AS CONCEIVED WITHIN THIS AGREEMENT THOSE IMPROVEMENTS ARE EXPECTED TO BE GENERALLY OUTLINED AS FOLLOWS.

NEW EXPANDED HEADWORKS INCLUDES;

- COARSE SCREENING
- FINE SCREENING
- GRIT REMOVAL
- LIFT PUMPING

CHANGES TO MAIN BASINS OR BIO-PLANT INCLUDES;

- CONVERSION TO MEMBRANE BIO-REACTOR MODE IN MAIN BASIN AREA
- ADDITIONAL CHEMICAL FEED SYSTEMS APPLIED GENERALLY TO THE MAIN BASIN AREA
- ADDITIONAL SLUDGE STORAGE AND HANDLING
- DEWATERING

CHANGES WITHIN THE EXISTING SUPERSTRUCTURE ENCLOSURE INCLUDES;

- MODIFICATION TO CLARIFIERS AND EQ
- REVERSE OSMOSIS AND CIP SYSTEMS
- DEWATERING
- NEW UV DISINFECTION

OFFSITE IMPROVEMENTS INCLUDES;

- BRINE LINE
- BRINE DISPOSAL

**EXHIBIT C**  
CAPACITY AND TECHNOLOGICAL UPGRADES

**JDS-HYDRO** a Division of **RESPEC**  
5540 TECH CENTER DR., SUITE 100  
COLORADO SPRINGS, COLORADO 80919  
(719) 227-0072

DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS. ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO JDS-HYDRO, A DIVISION OF RESPEC. JDS-HYDRO ASSUMES NO LIABILITY FOR UNAUTHORIZED CHANGES AND/OR REVISIONS MADE TO PLANS.

REVISIONS				
NO.	DESCRIPTION	BY	APP.	DATE
1				
2				
3				
4				
5				
6				
7				

**EXHIBIT**

Project No.: 112.122  
Date: 12/08/22  
Design: JPS  
Drawn: AMY  
Check: JPS

**EXHIBIT D**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**Woodmen Metropolitan District's Wastewater Treatment Plant Expansion – Current  
Estimate of Total Cost**

(See Attached)

**Exhibit D-1****Summary of Cost Estimate****Project:****Cost Estimate Summary****Woodmen Hills Plant Expansion****Owner:****Woodmen Hills Metro****Engineer:****JDS-Hydro RESPEC****Component:****Current Estimated Cost Summary****Contractor:**

<u>Category</u>	<u>Cost</u>
Headworks	\$4,652,870
Bio-Plant Upgrades	\$11,797,525
Reverse Osmosis System	\$9,878,325
Disinfection	\$1,845,145
Site and General Improvements	\$790,500
<b>Subtotal</b>	<b>\$28,964,365</b>
Contingency 15%	\$4,344,654.75
<b>Subtotal</b>	<b>\$33,309,019.75</b>
Soft Costs 14%	\$4,663,262.77
<b>Current Estimated Costs</b>	<b>\$37,972,282.52</b>

*D-2 Headworks Estimate**D-3 Bio Plant Estimate**D-4 R-O System Estimate**D-5 Disinfection Estimate**D-6 Site and General Estimate*

## Exhibit D-2

## Summary of Cost Estimate

**Cost Estimate--****Preliminary Class 4****Project:** *Woodmen Hills Plant Expansion***Owner:** *Woodmen Hills Metro***Engineer:** *JDS-Hydro RESPEC***Component:** *Headworks Systems***Contractor:**

<u>Item #</u>	<u>Item Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Amount</u>
<b>Coarse Screening (2)</b>					
1	Move New Existing Screen/Compactor--6 mil	1	LS	\$43,000.00	\$43,000
2	Add Second New Screen --6 mil	1	LS	\$373,500.00	\$373,500
3	Add new Washer Compactor	1	LS	\$170,570.00	\$170,570
4	Channels (Concrete)	100	CY	\$ 1,200.00	\$120,000
5	Electrical/SCADA	1	LS	\$51,000.00	\$51,000
6	Unused	0	LS	\$0.00	\$0
7	Unused	0	LS	\$0.00	\$0
8	Unused	0	SF	\$0.00	\$0
<b>Coarse Screening Sub total</b>					<b>\$758,070</b>
<b>Fine Screening Single</b>					
1	Fine Drum Screen	1	EA	\$891,500.00	\$891,500
2	Channels	1	LS	\$393,500.00	\$393,500
3	Washing/Receiving	1	EA	\$272,300.00	\$272,300
4	Electrical SCADA	1	LS	\$83,000.00	\$83,000
5	Unused	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Fine Screening Subtotal</b>					<b>\$1,640,300</b>
<b>Grit Removal</b>					
1	Pista Grit--Single Channel	1	EA	\$296,000.00	\$296,000
2	Main Grit Structure (Concrete)	410	LS	\$1,200.00	\$492,000
3	Classifier/Receiving	1	EA	\$273,000.00	\$273,000
4	Electrical SCADA	1	LS	\$67,000.00	\$67,000
5	Unused	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Grit Removal Subtotal</b>					<b>\$1,128,000</b>
<b>Lift Station</b>					
1	Pumping Units W VFDs	3	EA	\$67,000.00	\$201,000
2	Suction Header	1	LS	\$19,000.00	\$19,000
3	Discharge Header	1	LS	\$46,200.00	\$46,200
4	Wet Well (Concrete)	125	EA	\$1,200.00	\$150,000
5	Electrical SCADA	1	LS	\$92,000.00	\$92,000
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Lift Station Subtotal</b>					<b>\$508,200</b>
<b>Superstructure Site</b>					
1	Site Improvments--grading-finish	1	LS	\$25,000.00	\$25,000
2	Structure (40 X 25)	1,000	LS	\$250.00	\$250,000
3	Additional Concrete	45	LS	\$1,200.00	\$54,000
4	HVAC	1	EA	\$187,300.00	\$187,300
5	Electrical SCADA	1	LS	\$102,000.00	\$102,000
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Superstructure Subtotal</b>					<b>\$618,300</b>
<b>Headworks Total</b>					<b>\$4,652,870</b>

*JDS-Hydro Consultants a Division of Respec*

## Exhibit D-3

## Summary of Cost Estimate

Cost Estimate--Preliminary Class 4

**Project:** *Woodmen Hills Plant Expansion*  
**Owner:** *Woodmen Hills Metro*  
**Engineer:** *JDS-Hydro RESPEC*  
**Component:** *Bio-Plant Upgrade Systems*  
**Contractor:**

<u>Item #</u>	<u>Item Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Amount</u>
<b>MBR Equipment Upgrades</b>					
1	Membranes (Each Side)	2	LS	\$913,000.00	\$1,826,000
2	Suction Pumping System	1	LS	\$402,100.00	\$402,100
3	Piping Reconfiguration	1	LS	\$382,000.00	\$382,000
4	Demo RAS Pumping	1	LS	\$150,000.00	\$150,000
5	Air Systems	1	LS	\$378,570.00	\$378,570
6	Electrical and Controls	1	LS	\$ 462,000.00	\$462,000
7	Miscellaneous	1	LS	\$200,000.00	\$200,000
8	Unused	0	SF	\$0.00	\$0
<b>MBR Upgrade Equipment Sub total</b>					<b>\$3,800,670</b>
<b>Aeration Basin Modifications</b>					
1	Demo --Cleanup Basins	3	EA	\$100,000.00	\$300,000
2	Concrete Walls--Basin	160	CY	\$1,200.00	\$192,000
3	Modify Aeration System Water Side	1	LS	\$1,112,300.00	\$1,112,300
4	Modify Air Piping Valving	1	LS	\$493,000.00	\$493,000
5	Electrical and Controls	1	LS	\$342,050.00	\$342,050
6	Unused	1	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Aeration Basin Modifications Subtotal</b>					<b>\$2,439,350</b>
<b>Chem Feed Systems</b>					
1	Alum Storage Feed	1	LS	\$383,500.00	\$383,500
2	Carbon Source Storage and Feed	1	LS	\$574,600.00	\$574,600
3	Misc Chemical Lines	1	LS	\$172,500.00	\$172,500
4	Electrical and Controls	1	LS	\$147,555.00	\$147,555
5	Unused	1	LS	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Chem Feed Systems Subtotal</b>					<b>\$1,278,155</b>
<b>Dewatering Add One Unit</b>					
1	Second Screw Press	1	EA	\$1,134,000.00	\$1,134,000
2	Filtrate Capture Return	1	LS	\$303,700.00	\$303,700
3	Transfer Belts to existing	1	LS	\$478,450.00	\$478,450
4	Add second Feed Pump/Piping	1	EA	\$253,000.00	\$253,000
5	Equipment Relocation	1	LS	\$237,000.00	\$237,000
6	Electrical and Controls	1	LS	\$93,200.00	\$93,200
7	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Dewatering Subtotal</b>					<b>\$2,499,350</b>
<b>Additional Sludge Holding</b>					
1	Excavation	1	LS	\$223,000.00	\$223,000
2	Concrete	810	CY	\$1,200.00	\$972,000
3	Aeration/Mixing	1	LS	\$277,000.00	\$277,000
4	Misc Metals	1	LS	\$36,000.00	\$36,000
5	Electrical SCADA	1	LS	\$172,000.00	\$172,000
6	Miscellaneous	1	EA	\$100,000.00	\$100,000
7	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Additional Sludge Holding Subtotal</b>					<b>\$1,780,000</b>

Bio Plant Total

\$11,797,525

*JDS-Hydro Consultants a Division of Respec*

## Exhibit D-4

## Summary of Cost Estimate

**Cost Estimate--****Preliminary Class 4**

**Project:** Woodmen Hills Plant Expansion  
**Owner:** Woodmen Hills Metro  
**Engineer:** JDS-Hydro RESPEC  
**Component:** R-O System  
**Contractor:**

Item #	Item Description	Quantity	Unit	Unit Cost	Amount
<b>EQ Basin Mods And Clarifier</b>					
1	Demo Clarifier 2/fill with revetment	1	LS	\$273,000.00	\$273,000
2	Demo Clarifier 1 Equipment	1	LS	\$73,500.00	\$73,500
3	New Concrete Dividers	150	CY	\$1,200.00	\$180,000
4	Piping Changes	1	LS	\$ 150,000.00	\$150,000
5	Electrical/SCADA	0	LS	\$0.00	\$0
6	Unused	0	LS	\$0.00	\$0
7	Unused	0	LS	\$0.00	\$0
8	Unused	0	SF	\$0.00	\$0
<b>EQ Basin Mods And Clarifier Sub total</b>					<b>\$676,500</b>
<b>R-O Feed Pumping</b>					
1	Duplex/Standby Feed Station with VFDs	3	EA	\$147,550.00	\$442,650
2	Skid Mount System	1	LS	\$185,000.00	\$185,000
3	Piping	1	LS	\$72,000.00	\$72,000
4	Electrical SCADA	0	LS	\$0.00	\$0
5	Unused	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>R-O Feed Pumping Subtotal</b>					<b>\$699,650</b>
<b>Cartridge Filters</b>					
1	Cartridge Units	2	EA	\$113,000.00	\$226,000
2	Piping	1	LS	\$85,000.00	\$85,000
3	Unused	0	EA	\$0.00	\$0
4	Unused	0	LS	\$0.00	\$0
5	Unused	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Cartridge Filters Subtotal</b>					<b>\$311,000</b>
<b>R-O Membranes</b>					
1	500 GPM Full R-O Membrane Skids	2	EA	\$1,150,000.00	\$2,300,000
2	Piping	1	LS	\$42,000.00	\$42,000
3	Unused	0	LS	\$0.00	\$0
4	Unused	0	EA	\$0.00	\$0
5	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>R-O Membranes Subtotal</b>					<b>\$2,342,000</b>
<b>Chemical Feed --CIP Systems</b>					
1	Three Chemical/Storage Feed Systems	3	LS	\$75,700.00	\$227,100
2	Piping	1	LS	\$35,000.00	\$35,000
3	Unused	0	LS	\$0.00	\$0
4	Unused	0	EA	\$0.00	\$0
5	Unused	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
<b>Chemical Feed Systems Subtotal</b>					<b>\$262,100</b>
<b>Brine Disposal</b>					
1	Phase One Ponds Grading	1	LS	\$891,000.00	\$891,000
2	Liners	1	LS	\$2,484,000.00	\$2,484,000
2	Piping	1	LS	\$1,380,000.00	\$1,380,000
3	Distribution	1	LS	\$125,000.00	\$125,000
4	Fencing	1	LS	\$126,000.00	\$126,000
5	Unused	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
<b>Brine Disposal Subtotal</b>					<b>\$5,006,000</b>
<b>Electrical and SCADA</b>					
1	EQ Basin and Clarifier	0	LS	\$0.00	\$0
2	RO Feed System	1	LS	\$81,700.00	\$81,700
2	Cartridge Filters	0	LS	\$0.00	\$0
3	RO Membranes	1	LS	\$273,000.00	\$273,000
4	Chemical Feed --CIP	1	LS	\$226,375.00	\$226,375
5	Brine Disposal	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
<b>Electrical and SCADA Subtotal</b>					<b>\$581,075</b>

Total R-O

\$9,878,325

**Exhibit D-5****Summary of Cost Estimate****Cost Estimate--****Preliminary Class 4**

**Project:** *Woodmen Hills Plant Expansion*  
**Owner:** *Woodmen Hills Metro*  
**Engineer:** *JDS-Hydro RESPEC*  
**Component:** *General Site Improvements*  
**Contractor:**

<u>Item #</u>	<u>Item Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Amount</u>
<b>Site Work</b>					
1	Demo Existing Disinfection Building and Equipment	1	LS	\$250,000.00	\$250,000
2	Grading	1	LS	\$150,000.00	\$150,000
5	Unused	0	LS	\$0.00	\$0
6	Unused	0	SF	\$0.00	\$0
<b>Site Work Sub total</b>					<b>\$400,000</b>
<b>Ultraviolet System</b>					
1	UV Equipment	4	EA	\$167,500.00	\$670,000
2	Flow Measurement	1	LS	\$15,500.00	\$15,500
3	Misc Metals/Covers	1	LS	\$38,000.00	\$38,000
4	Instrumentation	1	LS	\$53,200.00	\$53,200
5	Sampling	1	EA	\$17,900.00	\$17,900
6	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>UV System Subtotal</b>					<b>\$794,600</b>
<b>Electrical and Controls</b>					
1	Electrical	1	LS	\$113,000.00	\$113,000
2	Controls/SCADA	1	LS	\$37,500.00	\$37,500
3	Unused	0	EA	\$0.00	\$0
4	Unused	0	EA	\$0.00	\$0
5	Unused	0	EA	\$0.00	\$0
<b>Electrical and Controls Subtotal</b>					<b>\$150,500</b>
<b>Structure</b>					
1	Concrete Channels	150	CY	\$1,200.00	\$180,000
2	Wash Racks	1	LS	\$42,000.00	\$42,000
3	Plumbing and Return	1	LS	\$29,745.00	\$29,745
4	Unused	0	EA	\$0.00	\$0
5	Unused	0	EA	\$0.00	\$0
7	Unused	0	EA	\$0.00	\$0
<b>Structure Subtotal</b>					<b>\$251,745</b>
<b>Non-potable Systems</b>					
1	Fill Pump	1	LS	\$17,500.00	\$17,500
2	2000 Gallon Storage	1	LS	\$35,000.00	\$35,000
3	Direct Feed Pumping System	1	LS	\$78,000.00	\$78,000
4	Piping	1	LS	\$117,800.00	\$117,800
5	Unused	0	EA	\$0.00	\$0
6	Unused	0	EA	\$0.00	\$0
<b>Non-Pot Systems Subtotal</b>					<b>\$248,300</b>

**\$1,845,145***JDS-Hydro Consultants a Division of Respec*

**Exhibit D-6****Summary of Cost Estimate****Cost Estimate--****Preliminary Class 4****Project: Woodmen Hills Plant Expansion****Owner: Woodmen Hills Metro****Engineer: JDS-Hydro RESPEC****Component Site and General Systems****Contractor:**

<u>Item #</u>	<u>Item Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Cost</u>	<u>Amount</u>
<b><i>General and Site Improvements</i></b>					
1	Grading, Access, and Landscaping Improvements	1	LS	\$450,000.00	\$450,000
2	Laboratory Upgrades	1	LS	\$110,000.00	\$110,000
3	Central PLC and Telemetry Upgrades	1	LS	\$147,500.00	\$147,500
3	Other Equipment-Instrumentation	1	LS	\$83,000.00	\$83,000
4	Unused	0	SF	\$0.00	\$0
<b><i>Site and General Sub total</i></b>					<b>\$790,500</b>
	15% Contingency				\$118,575
	Subtotal				\$909,075
	14% Soft Costs				\$127,271
	<b>Total</b>				<b>\$1,036,346</b>

**JDS-Hydro Consultants a Division of Respec**



**EXHIBIT E**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**Woodmen Metropolitan District's Wastewater Treatment Plant Expansion – Total Cost  
Allocations**

(See Attached)

**Exhibit E-1****Summary of Cost Allocation****Comprehensive Summary Sheet****Allocation of Costs via Major Line Item Categories****WHMD and Grandview Allocation**

Major Cost Category	WHMD	GMD	Total
Headworks	\$4,332,065	\$1,767,847	\$6,099,913
Bio-Membrane Plant Conversion	\$9,211,656	\$6,254,900	\$15,466,555
R-O System	\$9,832,008	\$3,118,477	\$12,950,484
Disinfection	\$1,520,977	\$898,008	\$2,418,985
	<b>\$24,896,706</b>	<b>\$12,039,231</b>	<b>\$36,935,937</b>
	67.41%	32.59%	
Site/General Improvements	\$698,550	\$337,796	\$1,036,346
<b>Total</b>	<b>\$25,595,255</b>	<b>\$12,377,027</b>	<b>\$37,972,283</b>
	<b>67.41%</b>	<b>32.59%</b>	<b>100.00%</b>

Sheet E-2 Allocation Ratio Analysis

Sheet E-3 Headworks Allocation

E-4 Bio Plant Upgrades Allocation

E-5 R-O System Allocation

E-6 Disinfection System Allocation

*Allocation of Site and General Improvements is allocated on the overall cost allocation of all other improvements*

**Exhibit E-2****Summary of Cost Allocation****Allocation of Costs per Flow****WHMD and Grandview Allocation**

Capacity		MGD
Woodmen Hills Metropolitan District (Existing Capacity)		1300000
Paint Brush Hills		
Falcon Highlands		
Meridian Service Metropolitan District		
4-Way Existing		
Total Plant Expansion Capacity		2500000
Horton Expansion SFE	3500	
Horton Expansion Flow	602000	602000
Net Woodmen Expansion Flow		598000
Net Woodmen Expansion SFE	3477	
<b>Total Plant Capacity</b>		<b>2500000</b>
Woodmen Ratio of Capacity Expansion		49.83%
Grandview Ratio of Capacity Expansion		50.17%
Woodmen Ratio of Regulatory Upgrades		75.92%
Grandview Ration of Regulatory Upgrades		24.08%

**Exhibit E-3****Summary of Cost Allocation****Comprehensive Summary Sheet****Allocation of Costs via Major Line Item Categories****WHMD and Grandview Allocation****Headworks Allocation**

Item	Associated Cost 2.5 MGD	WHMD		GMD		Allocation Basis
		Ratio	Value	Ratio	Value	
Coarse Screening	\$ 758,070	0.49833	\$ 377,772	0.50167	\$ 380,298	<b>Capacity Regulatory Regulatory Regulatory</b>
Fine Screening	\$ 1,640,300	0.7592	\$ 1,245,316	0.2408	\$ 394,984	
Grit Removal	\$ 1,128,000	0.7592	\$ 856,378	0.2408	\$ 271,622	
Lift Station	\$ 508,200	0.7592	\$ 385,825	0.2408	\$ 122,375	
<b>Subtotal</b>	<b>\$ 4,034,570</b>		<b>\$ 2,865,290</b>		<b>\$ 1,169,280</b>	<b>Sub Total</b>
			<b>71.02%</b>		<b>28.98%</b>	
Superstructure/Site work	\$ 618,300	<b>71.02%</b>	\$ 439,107	<b>28.98%</b>	\$ 179,193	<b>Joint</b>
<b>Subtotal</b>	<b>\$ 4,652,870</b>		<b>\$3,304,398</b>		<b>\$1,348,472</b>	
Contingency (15%)	\$697,931		\$495,660		\$202,271	
<b>Subtotal</b>	<b>\$5,350,801</b>		<b>\$3,800,057</b>		<b>\$1,550,743</b>	
Soft Costs (14%)	\$749,112		\$532,008		\$217,104	
<b>Total</b>	<b>\$6,099,913</b>		<b>\$4,332,065</b>		<b>\$1,767,847</b>	<b>Total</b>

**Regulatory**

GMD 24.08%

WHMD 75.92%

**Capacity**

GMD 50.17%

WHMD 49.83%

Combined GMD 0.742466667 37.12%

Combined WHMD 1.257533333 62.88%

2.000

**Exhibit E-4****Summary of Cost Allocation****Comprehensive Summary Sheet****Allocation of Costs via Major Line Item Categories****WHMD and Grandview Allocation****Bio-Plant Allocation**

Item	2.5 MGD	WHMD		GMD		Allocation Basis
		Ratio	Value	Ratio	Value	
MBR Equipment	\$ 3,800,670	0.62877	\$ 2,389,735	0.37123	\$ 1,410,935	Combined
Aeration Basin Modifications	\$ 2,439,350	0.62877	\$ 1,533,782	0.37123	\$ 905,568	Combined
Additional Sludge Basins	\$ 1,780,000	0.49833	\$ 887,033	0.50167	\$ 892,967	Capacity
Chemical Feed Systems (Alum/Carbon)	\$ 1,278,155	0.75920	\$ 970,375	0.24080	\$ 307,780	Regulatory
Dewatering	\$ 2,499,350	0.49833	\$ 1,245,509	0.50167	\$ 1,253,841	Capacity
<b>Subtotal</b>	<b>\$ 11,797,525</b>	<b>0.596</b>	<b>\$ 7,026,435</b>	<b>0.404</b>	<b>\$ 4,771,090</b>	
Contingency (15%)	\$ 1,769,629		\$ 1,053,965		\$ 715,664	Joint
Subtotal	\$ 13,567,154		\$ 8,080,400		\$ 5,486,754	
Soft Costs (14%)	\$ 1,899,402		\$ 1,131,256		\$ 768,146	
<b>Total</b>	<b>\$ 15,466,555</b>		<b>\$ 9,211,656</b>		<b>\$ 6,254,900</b>	<b>Total</b>

## Regulatory

GMD 24.08%

WHMD 75.92%

## Capacity

GMD 50.17%

WHMD 49.83%

Combined GMD 0.742466667 37.12%

Combined WHMD 1.257533333 62.88%

2.000

**Summary of Cost Allocation****Comprehensive Summary Sheet****Allocation of Costs via Major Line Item Categories****WHMD and Grandview Allocation**

Reverse Osmosis Summary

**R-O Systems are entirely Regulatory Improvements**

Item	WHMD			GMD	
	2.5 MGD	Ratio	Value	Ratio	Value
EQ Basin Mods and clarifier Demo/Backfill	\$ 676,500	0.7592	\$ 513,599	0.2408	\$ 162,901
RO Feed Pumps	\$ 699,650	0.7592	\$ 531,174	0.2408	\$ 168,476
Cartridge Filters	\$ 311,000	0.7592	\$ 236,111	0.2408	\$ 74,889
RO Membrane Skids	\$ 2,342,000	0.7592	\$ 1,778,046	0.2408	\$ 563,954
Chemical Feed Systems	\$ 262,100	0.7592	\$ 198,986	0.2408	\$ 63,114
Brine Disposal	\$ 5,006,000	0.7592	\$ 3,800,555	0.2408	\$ 1,205,445
Electrical and Controls	\$ 581,075	0.7592	\$ 441,152	0.2408	\$ 139,923
Subtotal	\$ 9,878,325		\$ 7,499,624		\$ 2,378,701
Contingency 15%	\$ 1,481,749		\$ 1,124,944		\$ 356,805
Subtotal	\$ 11,360,074		\$ 8,624,568		\$ 2,735,506
Soft Costs 14%	\$ 1,590,410		\$ 1,207,440		\$ 382,971
<b>Total</b>	<b>\$ 12,950,484.08</b>		<b>\$9,832,008</b>		<b>\$ 3,118,477</b>

**Regulatory**

GMD 24.08%

WHMD 75.92%

**Capacity**

GMD 50.17%

WHMD 49.83%

Combined GMD 0.742466667 37.12%

Combined WHMD 1.257533333 62.88%

2.000

**Exhibit E-6**  
**Summary of Cost Allocation**

**Comprehensive Summary Sheet**  
**Allocation of Costs via Major Line Item Categories**  
**WHMD and Grandview Allocation**

*Disinfection System Improvements are entirely Combination Allocation*

**Disinfection System Allocation**

Item	Associated Cost 2.5 MGD	WHMD		GMD	
		Ratio	Value	Ratio	Value
Site Work	\$400,000	0.6288	\$ 251,506.67	0.371	\$ 148,493.33
Equipment	\$794,600	0.6288	\$ 499,617.99	0.371	\$ 294,982.01
Electrical and Controls	\$150,500	0.6288	\$ 94,629.38	0.371	\$ 55,870.62
Structure	\$251,745	0.6288	\$ 158,288.86	0.371	\$ 93,456.14
Non-pot system	\$248,300	0.6288	\$ 156,122.76	0.371	\$ 92,177.24
Subtotal	\$ 1,845,145.00		\$ 1,160,165.67		\$ 684,979.33
Construction Contingency (15%)	\$ 276,772		\$ 174,025		\$ 102,747
Subtotal	\$ 2,121,917		\$ 1,334,191		\$ 787,726
Soft Costs (14%)	\$ 297,068		\$ 186,787		\$ 110,282
<b>Total</b>	<b>\$ 2,418,985.10</b>		<b>\$ 1,520,977.19</b>		<b>\$ 898,007.90</b>

**Regulatory**

GMD 24.08%  
 WHMD 75.92%

**Capacity**

GMD 50.17%  
 WHMD 49.83%

Combined GMD 0.742466667 37.12%  
 Combined WHMD 1.257533333 62.88%

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2.000

**EXHIBIT F**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**DR Horton Form Letter of Credit**

(See Attached)



**IRREVOCABLE STANDBY LETTER OF CREDIT**

Issue Date: [\_\_\_\_\_]

Letter of Credit No. [\_\_\_\_\_]

Beneficiary:  
Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Peyton, CO 80831

Original Letter of Credit Delivered To:

Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Peyton, CO 80831  
Attention: Carter Bullion

Expiration Date: [\_\_\_\_\_]

Ladies and Gentlemen:

We hereby issue this Irrevocable Standby Letter of Credit No. [\_\_\_\_\_] (this "Letter of Credit") in your favor for the account of [\_\_\_\_\_], a [\_\_\_\_\_] ("Applicant") up to an aggregate amount of US \$[\_\_\_\_\_] ([\_\_\_\_\_] and [\_\_\_\_]/100 United States Dollars).

The purpose of this Letter of Credit is to secure the obligations of Applicant under that certain AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION AND EXTRATERRITORIAL WASTEWATER SERVICE, dated [\_\_\_\_\_], by and between Applicant and Beneficiary.

You are hereby authorized to draw at sight by any (but not more than one) of the following methods: (1) upon presentation of the original Letter of Credit at our address set forth below; or (2) upon presentation of the original Letter of Credit by courier, Federal Express, UPS (or other similar nationally recognized overnight courier), or priority or first class United States mail to us at the address set forth below:

[\_\_\_\_\_  
[\_\_\_\_\_  
[\_\_\_\_\_  
[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

The undrawn portion of this Letter of Credit shall be available until 5:00 p.m. [\_\_\_\_\_] Time on the Expiration Date (as extended, if applicable), upon presentation of:

1. Your drawing certificate, marked, "Drawn under Irrevocable Standby Letter of Credit No. [\_\_\_\_\_]" and delivered to us as directed by this Letter of Credit;
2. A statement on your stationery addressed to [\_\_\_\_\_] signed by your

purportedly authorized representative stating: “The undersigned is an authorized representative of Woodmen Hills Metropolitan District, and certifies that the following fact is true:”

- a. “WOODMEN HILLS METROPOLITAN DISTRICT (“BENEFICIARY”) HAS SUBMITTED A DELINQUENT PAYMENT NOTICE TO [\_\_\_\_\_] (“APPLICANT”) IN ACCORDANCE WITH THE PROVISIONS OF THAT CERTAIN AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION AND EXTRATERRITORIAL WASTEWATER SERVICE, DATED [\_\_\_\_\_], BY AND BETWEEN APPLICANT AND BENEFICIARY (THE “AGREEMENT”) STATING THAT (I) APPLICANT HAS FAILED TO DELIVER A PROGRESS PAYMENT FOR HORTON’S ALLOCABLE SHARE (AS DEFINED IN THE AGREEMENT) DUE AND PAYABLE IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT, ON THE DATE UPON WHICH THE SAME WAS DUE AND PAYABLE UNDER THE AGREEMENT, (II) THE CURE PERIOD SPECIFIED IN THE AGREEMENT FOR SAID PROGRESS PAYMENT OF THE SAME HAS EXPIRED, AND (III) SUCH PAYMENT REMAINS UNPAID. THEREFORE, BENEFICIARY IS ENTITLED TO DRAW UNDER THE LETTER OF CREDIT AND DISBURSE THE PROCEEDS AS PROVIDED IN THE AGREEMENT.”

OR

- b. “WOODMEN HILLS METROPOLITAN DISTRICT (“BENEFICIARY”) HAS RECEIVED A TERMINATION NOTICE FROM [\_\_\_\_\_] (“APPLICANT”) AND THE OBLIGATION OF APPLICANT TO PAY BENEFICIARY’S RELIANCE COSTS UNDER THAT CERTAIN AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION AND EXTRATERRITORIAL WASTEWATER SERVICE, DATED [\_\_\_\_\_], BY AND BETWEEN APPLICANT AND BENEFICIARY (THE “AGREEMENT”) SECURED BY THE LETTER OF CREDIT REMAINS OUTSTANDING.

OR

- c. “WOODMEN HILLS METROPOLITAN DISTRICT (“BENEFICIARY”) HAS RECEIVED A NOTICE OF NON-EXTENSION FROM ISSUER AND (I) IT IS LESS THAN THIRTY (30) DAYS PRIOR TO THE SCHEDULED EXPIRATION DATE OF THE LETTER OF CREDIT, AS THE EXPIRATION DATE OF THE LETTER OF CREDIT MAY HAVE BEEN EXTENDED PURSUANT TO ITS TERMS, (II) THE OBLIGATIONS OF APPLICANT UNDER THAT CERTAIN AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION AND EXTRATERRITORIAL WASTEWATER SERVICE, DATED [\_\_\_\_\_], BY AND BETWEEN APPLICANT AND BENEFICIARY (THE “AGREEMENT”) SECURED BY THE LETTER OF CREDIT REMAIN OUTSTANDING, AND (III) APPLICANT HAS FAILED TO DELIVER TO BENEFICIARY EITHER (X) A REPLACEMENT LETTER OF CREDIT IN THE AMOUNT REQUIRED UNDER THE AGREEMENT, OR (Y) REPLACEMENT FUNDS (AS DEFINED IN AND REQUIRED BY THE AGREEMENT), WHICH FAILURE CONSTITUTES A DEFAULT UNDER THE AGREEMENT. THEREFORE,

BENEFICIARY IS ENTITLED TO DRAW UNDER THE LETTER OF CREDIT AND DISBURSE THE PROCEEDS AS PROVIDED IN THE AGREEMENT.”; and

- 3. The original of this Letter of Credit and each amendment to this Letter of Credit (except in the event of facsimile presentation).

If a conforming presentation is delivered to us on a business day on or before 10:00 a.m. [\_\_\_\_\_] Time, we will satisfy the drawing request within three (3) businesses days of presentation. If the conforming presentation is received after 10 a.m. [\_\_\_\_\_] Time, or on a day that is not a business day, we will satisfy the drawing request within three (3) business days of the next business day.

This Letter of Credit shall be deemed automatically extended, without amendment, for an additional period of one (1) year from the Expiration Date (or the extended Expiration Date then in effect, if applicable), unless not less than sixty (60) days prior to the Expiration Date (or the extended Expiration Date then in effect, if applicable), we notify you in writing, by registered mail, courier service, overnight delivery, or hand delivery, at the Beneficiary address above, that we elect not to extend this Letter of Credit.

Multiple, partial drawings are permitted and we warrant that we will honor each draft under this Letter of Credit, up to the undrawn portion of the face amount, upon your complying presentation to us on or prior to the Expiration Date (as extended, if applicable).

Except as otherwise expressly stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, the International Chamber of Commerce Publication No. 600 (UCP600), and (except to the extent of any inconsistency with UCP600) shall be governed by Article 5 of the Uniform Commercial Code as in effect in the State of Colorado.

[ISSUER]

By: \_\_\_\_\_

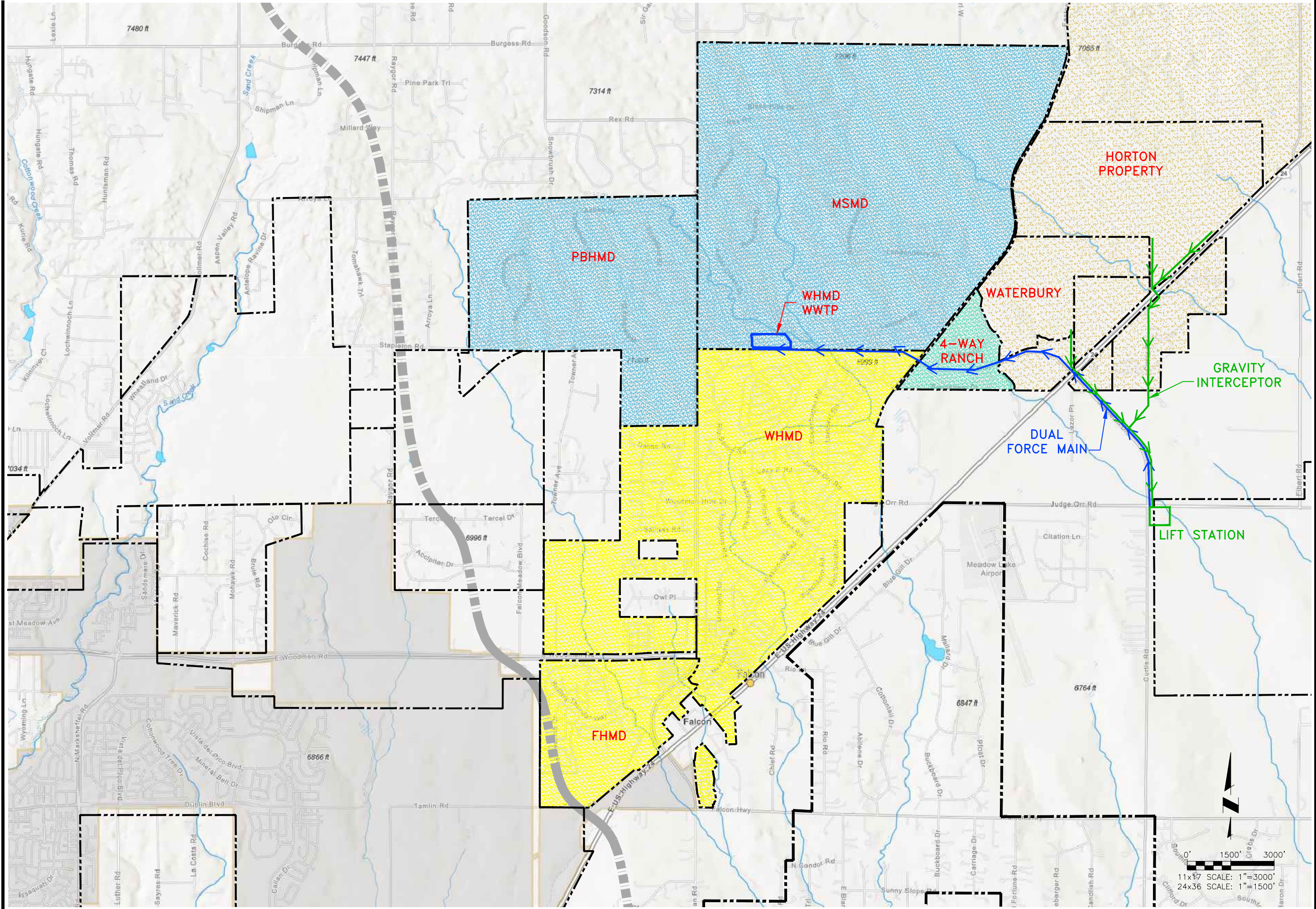
Its: \_\_\_\_\_

24496730

**EXHIBIT G**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**Estimated Locations of Regional Lift Station and Force Main**

(See Attached)



**JDS-HYDRO** CONSULTANTS, INC.  
 5640 TECH CENTER DR, SUITE 100  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 227-0072

DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS. ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO JDS-HYDRO CONSULTANTS, INC. JDS-HYDRO ASSUMES NO LIABILITY FOR UNAUTHORIZED CHANGES AND/OR REVISIONS MADE TO PLANS.

**EXHIBIT G**  
 MAJOR SEWER IMPROVEMENTS  
 EXHIBIT

NO.	DESCRIPTION	BY	APP.	DATE
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Project No.: 112.122  
 Date: 12/01/22  
 Design: JLB  
 Drawn: JLB  
 Check: JPM

2022/12/01 1:54 PM By: Jeffrey Broy N:\Projects\112 Woodmen Hills\112.122 Grandview WW Agreement\Drawings\Exhibits\112.122\_Service\_Area.dwg

**EXHIBIT H**  
**TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION**  
**AND EXTRATERRITORIAL WASTEWATER SERVICE**

**Restrictive Covenant Agreement**

(See Attached)

## RESTRICTIVE COVENANT AGREEMENT

THIS RESTRICTIVE COVENANT AGREEMENT (“Agreement”), dated for reference purposes this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, is made and entered into by and between WOODMEN HILLS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the state of Colorado, acting by and through its Wastewater Enterprise (“Woodmen”), and MELODY HOMES, INC., a Delaware corporation, D/B/A DR HORTON, its successors and assigns (“Horton”). Woodmen and Horton are sometimes referred to in this Agreement individually as a “Party” and jointly as the “Parties”.

### RECITALS

A. Woodmen is a quasi-municipal corporation and political subdivision of the state of Colorado formed pursuant to Title 32 of the Colorado Revised Statutes. Among other things, Woodmen provides sewer service within its service area, as well as the service areas of Paint Brush Hills Metropolitan District, Falcon Highlands Metropolitan District, and portions of the 4-Way Ranch Metropolitan District and Meridian Service Metropolitan District, all located in El Paso County, Colorado. To provide this service, Woodmen owns and operates a 1.3-million gallons per day (“MGD”) wastewater treatment plant commonly known as the Woodmen Hills Regional Water Reclamation Facility (the “Plant”).

B. Horton is a private developer of residential communities and has purchased portions of, and is under contract to purchase the remaining, 768.23 acres of real property located in El Paso County, Colorado, legally described on **Exhibit 1** attached hereto (the “Horton Property”).

C. The Parties have determined that having Woodmen expand its wastewater service to include the Horton Property and other nearby properties likely to develop, and having the Parties jointly fund an expansion of Woodmen’s wastewater treatment plant (the “Expansion”) will benefit the Parties and future residents of Woodmen and the Horton Property and the Parties have therefore entered into an Agreement for Wastewater Treatment Plant Expansion and Extraterritorial Wastewater Service, effective \_\_\_\_\_, 2023 (“Extraterritorial Wastewater Service Agreement”).

D. In connection with the Extraterritorial Wastewater Service Agreement, Horton has agreed to the imposition of certain covenants, conditions and restrictions associated with the Horton Property, as described in this Agreement.

### AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained herein and for other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agrees as follows:

1. **Recitals and Exhibits.** The Recitals above and all Exhibits referenced herein are incorporated into and made a part of this Agreement.

2. **Effective Date.** The “Effective Date” of this Agreement shall be the date the fully signed Agreement is recorded in the El Paso County Clerk & Recorder’s Office.

3. **Definitions**

3.1 **CPI** means the Consumer Price Index for All Urban Consumers, All Items, for the Denver-Aurora-Lakewood area, as published by the U.S. Department of Labor, Bureau of Labor Statistics, or successor index should publication of the Index cease. Adjustments based on the CPI shall be equal to the percentage increase or decrease in the CPI issued for the calendar year in which such adjustment is to be made (or if the CPI for such year is not yet publicly available, the CPI for the most recent calendar year for which the CPI is publicly available) as compared to the CPI issued for the year in which the Effective Date occurred.

3.2 **Single-Family Residential Equivalent (“SFE”)** means each single-family connection or connections equivalent to one single-family residence. Currently, one SFE is equal to: one “detached” single-family unit, which means a building or structure used or designed to be used as only one residential unit; each separate residential unit within an “attached” building, such as a duplex or paired lot; and each separate residential unit within a “multifamily” building, such as a townhome or apartment building.

3.3 **Woodmen Regulations** means Woodmen’s Bylaws, Rules, and Regulations dated January 27, 2022, as they may be amended.

4. **Restrictive Covenants.**

4.1 **Wastewater Service Fees.** Except as otherwise provided herein, customers within the Horton Property receiving wastewater service from Woodmen (“Customers”) shall pay the same wastewater service rates, fees, charges, surcharges, and assessments or other financial liabilities however termed required for Woodmen’s wastewater services as Woodmen’s in-district residents, as they are modified from time to time, in accordance with the Woodmen Regulations. Billing, collection and administration of service fees shall be performed by Woodmen, in accordance with the Woodmen Regulations.

4.2 **Exempt Wells Subject to Woodmen’s Approval.** Any proposed water service within the Horton Property utilizing an exempt well is subject to review and approval by Woodmen. Under the Extraterritorial Wastewater Service Agreement, Grandview Reserve Metropolitan District No. 1 is required to provide Woodmen notice of any proposed connection to Woodmen’s wastewater collection system from an exempt well. Woodmen shall be entitled to review such connection and approve, condition or deny such connection based on the concentration of total dissolved solids and other quality parameters of the water delivered by the exempt well.

4.3 **Water Quality.** The Parties acknowledge that the quality of wastewater delivered into the Plant and the Expansion from the Horton Property may affect Woodmen’s ability to comply with governmental approvals associated with the Plant and the Expansion, including discharge permits, and may affect Woodmen’s and other water providers’ ability to claim return flow credit for reusable effluent. The Parties therefore agree to the following with respect to the



total dissolved solids (“TDS”) concentration in the wastewater delivered from the Horton Property into Woodmen’s sewer system:

(i) As set forth in Paragraph 9.3 of the Extraterritorial Wastewater Service Agreement, the Parties anticipate that a regional Lift Station and Force Main will be necessary to serve the Horton Property pursuant to said agreement, and that the Force Main will be a double barrel pipeline with each pipeline sized at no less than eight (8) inches in diameter. Once said regional Lift Station (“Horton Lift Station”) is in operation and receiving wastewater from at least 250 SFEs (“Threshold Level”), Woodmen will sample, at Woodmen’s sole expense, the TDS concentration in the wastewater at the Horton Lift Station once each month. Once Woodmen has taken a full year’s worth of TDS samples at the Horton Lift Station, during the sampling period extending from November through October (the “Sampling Period”) beginning after the Threshold Level is met, Woodmen shall calculate prior to the end of the calendar year the annual average of the TDS concentration in the wastewater at the Horton Lift Station for that Sampling Period, which will be considered representative of the TDS concentrations in the wastewater discharged from the Horton Property (“Horton TDS Concentration”).

(ii) Woodmen also will sample once each month during the initial Sampling Period the TDS concentration in the wastewater at its existing Falcon Lift Station and calculate prior to the end of the calendar year an annual average of the TDS concentration, which will be considered representative of the TDS concentrations in wastewater discharged from the areas delivering wastewater into the Falcon Lift Station (“Woodmen TDS Concentration”). In the event Woodmen ceases use of the Falcon Lift Station in the future, or if it constructs an additional lift station to serve additional properties outside of the Horton Property, Woodmen will change and/or add to its sampling location(s) any new lift station(s), recalculate the Woodmen TDS Concentration, and notify Horton accordingly. If Woodmen samples at multiple locations, it will develop a flow-weighted mean TDS concentration as the Woodmen TDS Concentration. The Woodmen TDS Concentration, once established after the initial Sampling Period, shall not be subject to change except to the extent Woodmen ceases use of the Falcon Lift Station or constructs an additional lift station to serve additional properties outside of the Horton Property.

(iii) Woodmen will maintain all sampling data for at least five (5) years and annually notify Horton in writing of the prior Sampling Period’s data and the calculated Horton TDS Concentration and Woodmen TDS Concentration. Woodmen will provide any sampling data to Horton at Horton’s request.

(iv) Beginning in the January following the first Sampling Period in which Woodmen has calculated the Horton TDS Concentration and the Woodmen TDS Concentration, and for each successive calendar year, Woodmen may assess all Customers discharging to the Horton Lift Station a monthly surcharge for the succeeding calendar year following the Sampling Period to offset the costs associated with excess treatment, risk of noncompliance, risk of jeopardizing use of wastewater effluent for water rights purposes, and related administrative and legal costs (“TDS Surcharge”), on the following terms.

(1) For every 30 mg/l that the Horton TDS Concentration exceeds the Woodmen TDS Concentration, the TDS Surcharge will be \$1.20/month per SFE, assessed to each customer within the Horton Property, for the first year in which said TDS

concentrations are calculated and compared. The amount of the surcharge will be increased, but not decreased, thereafter annually based on the CPI. Any applicable TDS Surcharge will be assessed monthly throughout the year after the determination and will be adjusted based on subsequent annual recalculations of the Horton TDS Concentration. For example, if the Horton TDS Concentration exceeds the Woodmen TDS Concentration by 61 mg/l during the initial Sampling Period extending from November, 2026 through October, 2027, each Customer discharging to the Horton Lift Station in calendar year 2028 will be assessed a TDS Surcharge of \$2.40/month per SFE. Woodmen will continue its monthly TDS sampling during the November, 2027–October, 2028 Sampling Period and will recalculate the Horton TDS Concentration for that Sampling Period and compare it to the Woodmen TDS Concentration to determine the TDS Surcharge, if any, to be assessed during calendar year 2029.

(2) Woodmen may not impose any TDS Surcharge until the Expansion is complete, in operation, and its discharge permit contains a TDS limit. In the event the Horton TDS Concentration is less than the Woodmen TDS Concentration, Woodmen is not obligated to impose a TDS Surcharge on any of its customers outside of the Horton Property.

(3) As a condition of allowing any other properties to connect to the Horton Lift Station, Woodmen shall require the sampling of TDS from the wastewater stream discharged from such other properties so that their TDS concentrations can be distinguished from the Horton TDS Concentration, or Woodmen shall waive the TDS Surcharge for the Horton Property until the sampling for such other properties can be accomplished. Woodmen shall not impose a TDS Surcharge on Customers on account of TDS concentrations from customers outside the Horton Property that discharge into the Horton Lift Station.

(v) Customers are prohibited from utilizing ion exchange, water softener systems, or any other in-home water treatment system that discharges concentrated brine wastes into Woodmen’s sanitary sewer system; provided, however, that Horton shall not be liable to Woodmen for any damage or costs arising from any Customers’ failure to comply with this Paragraph except to the extent caused by Horton.

(vi) Customers are subject to the Woodmen Regulations, as may be amended, including but not limited to Woodmen’s Pretreatment Regulations for all non-residential customers, sewer use resolutions, and any restrictions or prohibitions otherwise approved by Woodmen.

5. **Covenants Run With Land.** This Agreement and the covenants, conditions and restrictions contained in the foregoing Paragraph 4 (the “Covenants”) shall burden and run with the Horton Property for the benefit of Woodmen.

6. **Remedies.** Woodmen shall have the right to enforce the terms and conditions of the Covenants, including but not limited to by seeking and obtaining temporary and/or permanent injunctive relief against Horton or any Customer who has violated or threatens to violate any of the Covenants. All of the remedies permitted or available to Woodmen shall be cumulative and not alternative to any other remedies available at law or in equity, and an invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy.

7. **Notices.** Any notice or communication required or permitted herein shall be given in writing, sent by (i) personal delivery; (ii) expedited delivery service with proof of delivery; (iii) United States mail, postage prepaid, registered or certified mail; or (iv) electronic mail, addressed to the respective addresses set forth below, or to such other address or to the attention of such other persons as hereafter shall be designated in writing by the applicable Party sent in accordance herewith. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of delivery service or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or in the case of electronic mail, upon receipt, and addressed as follows:

To Horton:

Melody Homes, Inc.  
9555 S. Kingston Court  
Englewood, CO 80112-5943  
Attn: Bill Carlisle  
Email: wmcarlisle@drhorton.com

with copy to:

Davis & Ceriani, P.C.  
1600 Stout Street, Suite 1710  
Denver, CO 80202  
Attn: Nicholas Dooher and John Baker  
Email: ndooher@davisandceriani.com; jbaker@davisandceriani.com

and

Melody Homes, Inc.  
9555 S. Kingston Court  
Englewood, CO 80112-5943  
Attn: Robert Coltin, Regional Counsel  
Email: rcoltin@drhorton.com

To Woodmen:

Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Falcon, CO 80831  
Attn: Wally Eaves  
Water and Wastewater Enterprises  
Email: wallyeaves@whmd.org

with copy to:

Brownstein Hyatt Farber Schreck, LLP  
410 17th Street, Suite 2200  
Denver, CO 80202-4432  
Attn: Wayne Forman and Michael Smith  
Email: wforman@bhfs.com; msmith@bhfs.com

8. **Electronic Mail.** The Parties agree that: (i) any notice or communication transmitted by electronic mail shall be treated in all manner and respects as an original written document; (ii) any such notice or communication shall be considered to have the same binding and legal effect as an original document; and (iii) at the request of either Party, any such notice or communication shall be re-delivered or re-executed, as appropriate, by the Party in its original form. The Parties further agree that they shall not raise the transmission of a notice or communication by electronic mail as a defense in any proceeding or action in which the validity of such notice or communication is at issue and hereby forever waive such defense. For purposes of this Agreement, the term “electronic mail” means email.

9. **Term.** The Covenants shall continue in effect in perpetuity, unless and until they are unilaterally terminated by Woodmen in its sole discretion.

10. **Severability.** If any clause, sentence or other portion of this Agreement shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portion hereof shall remain in full force and effect and the court shall construe this Agreement as much as possible to give rise to the intent to the language hereof.

11. **Amendment to Agreement.** No representations, promises, terms, conditions or obligations regarding the subject matter of this Agreement, other than those expressly set forth herein, shall be of any force and effect. No modification, change or alteration of this Agreement shall be of any force or effect, unless it is in writing, and signed by the Parties.

12. **Counterparts.** This Agreement may be executed in counterparts, and upon full execution thereof, such copies taken together shall be deemed to be a full and complete agreement between the Parties.

13. **Venue, Governing Law, and Waiver of Jury Trial.** Venue for any and all legal actions regarding this Agreement shall lie in the District Court in and for the County of El Paso, State of Colorado, or if federal court, then in the Federal District Court in and for Colorado in Denver, Colorado. This Agreement and the rights and obligations of the Parties shall be governed by the laws of the State of Colorado. EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY: (A) CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE AFOREMENTIONED COURTS; (B) WAIVES ANY OBJECTION TO THAT CHOICE OF FORUM BASED ON VENUE OR TO THE EFFECT THAT THE FORUM IS NOT CONVENIENT; AND (C) WAIVES ANY RIGHT TO TRIAL BY JURY.

*(Remainder of Page Intentionally Blank)*

IN WITNESS WHEREOF, the Parties have set their hands and seals, effective the day and year first above written.

WOODMEN HILLS METROPOLITAN DISTRICT, ACTING BY AND THROUGH ITS WASTEWATER ENTERPRISE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: President

ATTEST:

\_\_\_\_\_

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_.

WITNESS my hand and official seal.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

MELODY HOMES, INC., A DELAWARE CORPORATION, D/B/A DR HORTON

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:  
\_\_\_\_\_  
\_\_\_\_\_

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_\_, by \_\_\_\_\_.

WITNESS my hand and official seal.  
My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

**EXHIBIT 1**  
**TO RESTRICTIVE COVENANT AGREEMENT**

**Legal Description of DR Horton Property**

(See Attached)

24663945





**Exhibit 3**

# WOODMEN HILLS

## METROPOLITAN DISTRICT

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January 13, 2023

Riley Hillen, PE

DR Horton

9555 S Kingston Ct

Englewood, Colorado 80112

**Re: Will-serve for wastewater service for Grandview Reserve Development**

Dear Mr. Hillen,

The above-named development encompasses 768.23 acres of land outside WHMD boundaries in El Paso County that will be a mixed-use residential community of approximately 3,500 single family residential equivalents.

The above said development has approached WHMD for wastewater services. This letter is a notice of "will-serve" for the Grandview Reserve. At present, WHMD can only take on a partial capacity of the wastewater treatment needed by Grandview Reserve (900 SFE's). Through the negotiation of an IGA between WHMD and Grandview Reserve (DR Horton), full ability to treat the total 3,500 SFE's can be obtained.

A full Commitment Letter will be granted upon signing and approval of an IGA between WHMD and DR Horton.

If you have any questions, please do not hesitate to call.

Sincerely,



Wally Eaves, Wastewater Enterprise Director, Woodmen Hills Metropolitan District

Cc: John P. McGinn, District Engineer

JD Shivers, Water Enterprise Director