

STERLING RANCH METROPOLITAN DISTRICT

December 4, 2020

TimberRidge Development Group, LLC c/
o Doug Stimple
2138 Flying Horse Club Drive
Colorado Springs, CO 80921

RE: Water/Wastewater Service Commitment for the Retreat at Timber Ridge
Urban Lots

Dear Mr. Stimple:

Please be advised that Sterling Ranch Metropolitan District No. 1 (the "District") is willing to provide water and wastewater services to the proposed development known as the Retreat at Timber Ridge, as previously advised by letters dated January 19, 2017 and January 7, 2019, and as more particularly set out herein. The property to be served is described on the attached Exhibit A. Because the Property is adjacent to the District, these services involve a logical extension of District infrastructure

This commitment is to serve 164 urban sized lots and 3 larger rural-sized lots as noted in the revised Water reports prepared by JDS-Hydro Consultants, Inc. Therefore, water service is for 167 total single-family homes, but wastewater services are for 164 single-family lots, as the 3 larger rural-sized lots will treat their own wastewater with Individual Septic Disposal Systems.

The District was formed in February 8, 2011, and has developed and continues to develop central water system and sewer facilities. The District commits to serve the urban lot water and wastewater needs of 59 lots in the Retreat at TimberRidge Filing No. 1 of 20.82 Acre-Feet of annual water supply. It is our understanding that the anticipated urban lot water and wastewater needs for the entire Retreat are as follows:

Annual Water Supply
Average Daily Wastewater Flows
58.95 Acre-Feet 28,208 Gallons/Day

The District system includes sources of supply, treatment, storage, and water rights sufficient to supply the needs of the urban lots within the proposed Retreat at Timber Ridge residential development.

I understand that you have organized a special district to provide services to the Retreat at Timber Ridge project, The Retreat Metropolitan District, and we have been working to finalize an intergovernmental agreement ("IGA") with the Retreat Metropolitan District to define the relationships between the districts. TimberRidge Development Group, or the Retreat Metropolitan District will Deed to the District Denver Basin groundwater rights in the Laramie Fox Hills, Arapahoe and Denver formations underlying the Retreat, and SRMD will in turn will provide adequate water resources on a 300 year basis to make up for any shortfall in supply out of SRMD overall sources of

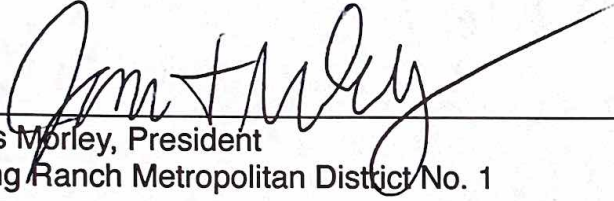
water supply.

The Sterling Ranch Metropolitan District hereby commits to providing water and wastewater service to the above described development area in the volumes listed above.

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

Sincerely,

Sterling Ranch Metropolitan District

A handwritten signature in black ink, appearing to read "James Morley", is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

James Morley, President
Sterling Ranch Metropolitan District No. 1