

IGA Between Cherokee Metropolitan
District and Grandview Reserve
Metropolitan District No. 1

**CHEROKEE METROPOLITAN DISTRICT
AND GRANDVIEW RESERVE METROPOLITAN DISTRICT NO. 1
INTERGOVERNMENTAL AGREEMENT**

This Intergovernmental Agreement ("Agreement") is made and entered into effective this 21st day of December, 2021 ("Effective Date") by and between Cherokee Metropolitan District, a Colorado Title 32 Special District ("Cherokee") and Grandview Reserve Metropolitan District No. 1, _____, a Colorado Title 32 Special District ("Grandview"). Cherokee and Grandview are referred to herein collectively as "Parties" and individually as a "Party".

RECITALS

- A. The Parties are both quasi-municipal corporations and political subdivisions of the State of Colorado formed pursuant to Title 32, Colorado Revised Statutes.
- B. The Parties supply or will supply a variety of municipal services to their residents and landowners within their respective boundaries and service areas, including water and wastewater services.
- C. Cherokee owns and operates a wastewater collection and treatment system, including a wastewater pipeline ("Cherokee Wastewater Line") that conveys wastewater from its service area to a wastewater treatment plant ("Cherokee WWTP"), located at 19174 Drennan Road, Colorado Springs, CO 80928, with a capacity to treat 4.8 million gallons per day of wastewater. The Cherokee WWTP is rated for a total discharge of 4.8 million gallons per day ("MGD"), of which Cherokee has a right to 2.6 MGD of wastewater treatment capacity. The Cherokee WWTP and the related Cherokee-owned wastewater facilities are referred to herein as the "Cherokee Wastewater System".
- D. Cherokee does not currently utilize its full 2.6 MGD of wastewater treatment capacity at the Cherokee WWTP. Cherokee has 0.5 MGD of wastewater treatment capacity at the Cherokee WWTP available for use by Grandview.
- E. Cherokee operates a recharge facility ("Cherokee Recharge Facility") located at the northeast corner of Bar 10 Road and Henderson Lane in Ellicott, Colorado, at which treated effluent from the Cherokee WWTP is discharged into a series of rapid infiltration basins ("RIBs") for recharge of the alluvial aquifer.

F. Cherokee is currently prosecuting a replacement plan before the Ground Water Commission, which replacement plan seeks approval of new groundwater withdrawals based on the recharge of the alluvial aquifer at the Cherokee Recharge Facility.

G. Grandview desires to contract for wastewater treatment capacity in the Cherokee WWTP and the associated wastewater delivery infrastructure, as more specifically described herein, in the amount of one-half (0.5) million gallons per day (MGD).

H. Subject to the terms set forth below, Grandview will construct certain improvements in connection with the wastewater treatment capacity to be provided by Cherokee under this Agreement. Grandview must obtain the funds necessary to complete such improvements pursuant to a separate promissory note or other agreement between Grandview and a third party (the "Grandview Financing").

I. Cherokee is willing to provide wastewater treatment capacity in the Cherokee WWTP and the associated wastewater delivery infrastructure to Grandview subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the foregoing recitals, which are incorporated herein, and the mutual benefits and obligations set forth herein, the Parties agree as follows:

1. **TERM OF AGREEMENT.** This Agreement shall become effective on and as of the date first written above and shall remain in effect until terminated in accordance with its terms.

2. **OWNERSHIP AND CONTROL OF CHEROKEE WWTP.** Cherokee will maintain a 100% ownership interest in and sole control of all Cherokee facilities, including without limitation the Cherokee Wastewater Line, the Cherokee WWTP, the Cherokee Recharge Facility, and the Cherokee Wastewater System. A map of Cherokee's current facilities and system is attached as **Exhibit A**. Service provided under this Agreement shall be subject to Cherokee's then-current rules, regulations, and standards, and then-current costs and fees, all as may be amended from time to time.

3. **CONNECTION AND TRANSMISSION.** Grandview shall design and construct a wastewater lift station, wastewater peak flow equalization system, wastewater emergency storage system, wastewater force main and all necessary

appurtenances (the "Grandview Delivery System") to connect Grandview's sanitary sewer system to the Cherokee Wastewater System at one of the potential locations shown on the attached Exhibit A as agreed upon by the Parties prior to the time of connection. The location at which Grandview's wastewater is delivered into the Cherokee Wastewater System is the "Connection Point". In the event the Parties do not agree, Cherokee will determine the Connection Point, in its sole discretion. Grandview, at its sole cost and expense, shall obtain Cherokee and all other necessary state and local government and agency approvals to make such connection. Grandview is the sole owner and operator of the Grandview Delivery System and shall be responsible for all aspects of the Grandview Delivery System, including without limitation design, construction, operation, maintenance, and replacement.

3.1 Grandview Connection to MSMD Facilities. The Parties acknowledge that Grandview may elect to connect the Grandview Delivery System to the wastewater facilities of Meridian Service Metropolitan District ("MSMD") at the MSMD Lift Station Possible Connection Point shown on Exhibit A ("Grandview-MSMD Connection"), and that such connection may allow Grandview to comply with several of the requirements of this Agreement, including without limitation peak flow equalization, wastewater emergency storage, and pretreatment. Prior to construction of the Grandview-MSMD Connection or any related facilities, Grandview shall, at its sole cost and expense provide Cherokee with design drawings of the proposed connection and any related facilities, as well as an engineering report explaining how the proposed connection will comply with the terms of this Agreement. If Grandview elects to pursue the Grandview-MSMD Connection, then Grandview shall design and construct the connection such that Grandview's wastewater is metered prior to the Grandview-MSMD Connection. Grandview, at its sole cost and expense, shall obtain Cherokee and all other necessary federal, state, local government, and agency approvals of the Grandview-MSMD Connection and any related facilities, including without limitation any upgrades or upsizing of the existing MSMD facilities. Cherokee's approval of the Grandview-MSMD Connection shall not be unreasonably withheld or delayed. Grandview's wastewater shall be subject to all terms and conditions in this Agreement regardless of whether it elects to construct the Grandview-MSMD Connection.

4. DELIVERY/TREATMENT/DISCHARGE/EQUALIZATION /EMERGENCY STORAGE.

4.1 Delivery. Grandview will deliver its wastewater to the Connection Point and the Grandview wastewater will then be conveyed via the Cherokee Wastewater Line to the Cherokee WWTP, as shown on the attached Exhibit A.

4.2 Pretreatment: Grandview shall, at its sole cost and expense, design and construct pretreatment facilities, including without limitation screening, grit removal, flow equalization and emergency storage, as further described below. All such pretreatment facilities shall be constructed at a location such that Grandview's wastewater is or can be subjected to such pretreatment prior to the delivery of said wastewater to the Connection Point. Grandview, at its sole cost and expense, shall obtain Cherokee and all other necessary federal, state, local government, and agency approvals of such pretreatment facilities. Grandview shall solely own and control such pretreatment facilities and shall be solely responsible for all aspects of the operation and maintenance of its pretreatment facilities, including without limitation screening, grit removal, flow equalization and emergency storage, as further described below.

4.2.1 Screening. Grandview shall, at its sole cost and expense, design, permit, and construct a facility that screens its wastewater through a 6 millimeter mechanical screen with redundancy.

4.2.2 Grit Removal. Grandview shall, at its sole cost and expense, design, permit, and construct a facility for grit removal that includes without limitation a concentrator, pump, washer/classifier, dewatering, and disposal for particles with a specific gravity greater than 2.65. This removal shall be 95% efficient for particles 75 microns and larger at average daily flow and 95% efficient for particles 106 microns and larger at peak hour flow.

4.2.3 Flow Equalization. Grandview shall equalize wastewater flow rates in order to reduce the wastewater flow peaking impacts at the Connection Point. Grandview shall install a wastewater flow equalization system so that Grandview wastewater flows into the Connection Point at any time do not exceed a range of 0.5 to 1.5 times Grandview's design average daily wastewater flow. Grandview shall size accordingly and install such wastewater peak flow equalization system and companion pumping facilities, as necessary, at its sole cost and expense. Grandview shall obtain Cherokee and all other necessary federal, state, local government, and agency approvals to make such installation of its wastewater peak flow equalization system and companion pumping facilities.

4.2.4 Emergency Storage. Grandview shall, at its sole cost and expense, design, permit, and construct a wastewater emergency storage system to meet all Cherokee, federal, state, local government, and agency specifications, rules and regulations. Grandview shall install such wastewater pumping facility and emergency storage system at its sole cost and expense, prior to any Grandview wastewater being delivered into the Cherokee Wastewater Line. Grandview shall, at its sole cost and

expense, obtain Cherokee and all other necessary federal, state, local government, and agency approvals to make the installation of its wastewater emergency storage system.

4.2.5 Pretreatment Program. Grandview shall adopt, implement, and enforce a Pretreatment Program if required to do so by federal and/or state regulation. Grandview shall be solely responsible for compliance with all pretreatment requirements under federal and/or state regulation, including enforcement activities against users within Grandview's service area who violate requirements of the Pretreatment Program. In addition to Grandview's responsibility for such pretreatment compliance, Grandview hereby authorizes Cherokee to conduct enforcement activities as described in Cherokee Ordinance 83-0100, as amended from time to time, against users within Grandview's service area, with authority to disconnect users who violate requirements of the Pretreatment Program. Grandview shall submit an annual report documenting Pretreatment Program activities on an annual basis on forms provided by Cherokee to Cherokee by email to Cherokee's Pretreatment Coordinator and Cherokee's General Manager, and provided to Cherokee at the address given herein.

4.3 Treatment: Grandview wastewater will receive wastewater treatment at the Cherokee WWTP. Cherokee shall be responsible for compliance with the discharge permit for the Cherokee WWTP. Grandview is not a third-party beneficiary to Cherokee's discharge permit. Except in the event of Cherokee's failure to deliver the wastewater treatment contemplated herein or breach of this Agreement, violation of applicable law or negligence or willful misconduct, Cherokee shall have no liability to Grandview regarding any treated wastewater or the discharge thereof.

4.4 Discharge: Unless otherwise agreed pursuant to Section 8.3.7 herein, Grandview treated wastewater will be discharged from the Cherokee WWTP to the RIBs, as shown on Exhibit A, and allowed to infiltrate into the ground water table of the Upper Black Squirrel Creek Designated Groundwater Basin (the "UBS Basin").

4.5 Wastewater Delivery and Treatment Capacity. Subject to Grandview's compliance with all the terms and conditions of this Agreement, and so long as Grandview is not in default of this Agreement and this Agreement is not otherwise terminated, Cherokee will reserve wastewater delivery capacity from the Connection Point to the Cherokee WWTP and wastewater treatment capacity at the Cherokee WWTP for up to one-half million gallons per day (0.5 MGD) or 19.2% of the 2.6 MGD wastewater treatment capacity that Cherokee is currently entitled to use at the Cherokee WWTP ("Grandview Dedicated Capacity"). Such amount constitutes the maximum rate of dedicated wastewater treatment capacity that Cherokee is obligated to provide hereunder during any time period. Cherokee represents and warrants to

Grandview that, subject to the terms of this Agreement including without limitation the Parties acknowledgement of the Compliance Order on Consent described in Section 7.8 herein, to the best of Cherokee's knowledge and subject to satisfaction of Grandview's obligations herein, Cherokee is willing and able to provide the wastewater treatment capacity contemplated herein and that Cherokee's obligation to accept or treat Grandview's wastewater is not materially impacted by any currently existing injunction, order, or judgment of any court, state or federal agency action. Should Grandview elect to construct the Grandview-MSMD Connection, any such connection shall be pursuant to a separate agreement with MSMD and/or an amendment to this Agreement, and the dedication of the Grandview Dedicated Capacity described herein does not grant Grandview the right to connect to or use any MSMD structures or facilities.

4.5.1 Interruption. Cherokee shall not be liable to Grandview for failure to accept or treat Grandview's wastewater when such failure is the result of any injunction, order, or judgment of any court, state or federal agency action, or when such failure is the result of a strike, casualty, upset condition, mechanical or power failure, weather or flood condition, or other cause beyond Cherokee's reasonable control which arise after the Effective Date. Cherokee shall have the right to interrupt service and require Grandview to temporarily store and contain wastewater flows to the extent of Grandview's storage capabilities in the event of a malfunction of any wastewater delivery or treatment systems, including without limitation the Cherokee Wastewater Line, the Cherokee WWTP, and the RIBs. In the event of maintenance to any wastewater delivery or treatment systems which will prevent Cherokee from delivering Grandview's wastewater to the Cherokee WWTP, a 48-hour notice will be given to Grandview after which Grandview will temporarily store and contain wastewater to the extent of Grandview's storage capabilities. Nothing in this Section or Agreement shall be construed to limit, alter, or effect Cherokee's 100% ownership and operational control of any Cherokee facilities, including without limitation the Cherokee Wastewater Line, the Cherokee WWTP, the Cherokee Recharge Facility, and the Cherokee Wastewater System.

4.6 Chemical Treatment. Grandview understands and hereby acknowledges that it may be necessary to add chemical treatment to its wastewater prior to any Grandview wastewater being delivered into the Cherokee Wastewater Line in order to comply with this Agreement. Grandview shall obtain Cherokee and all other necessary federal, state, local government, and agency approvals of such chemical treatment prior to installation or modification of any chemical addition systems and/or pretreatment systems.

4.7 Meter Installation and SCADA System. Grandview shall purchase and install discharge meter systems approved by Cherokee that will provide totalized flows together with a corresponding continuous flow chart to measure all of Grandview's wastewater flows. If Grandview does not elect to construct the Grandview-MSMD Connection, then Grandview shall install the wastewater discharge meter system at the Connection Point. If Grandview does elect to construct the Grandview-MSMD Connection, then Grandview shall design and construct the connection such that Grandview's wastewater is metered prior to the Grandview-MSMD Connection. Grandview shall read the discharge meter(s), provide monthly reports of such metering and wastewater flows to Cherokee, and provide Cherokee access to digital readouts of the wastewater flow meters. Grandview shall be responsible, at its sole cost and expense, to install a Cherokee-approved supervisory control and data acquisition ("SCADA") system to allow Cherokee to view and read Grandview wastewater flow data at all times. Grandview shall, at its sole cost and expense purchase, install, maintain and replace the meter and SCADA system. Grandview shall obtain Cherokee and all other necessary federal, state, local government, and agency approvals for the installation of such meter and SCADA system.

5. Payment.

5.1 Capital Payments. Grandview shall pay Cherokee for the Grandview Dedicated Capacity in five (5) installments, each of which shall constitute twenty percent (20%) of the capital costs associated with the Grandview Dedicated Capacity as determined by Cherokee pursuant to sections 5.4 and 5.5 of this Agreement ("Capital Payments"). The amount of each Capital Payment is currently calculated as one million four hundred forty-four thousand four hundred forty-eight dollars and eighty cents (\$1,444,448.80).

5.2 First Capital Payment. Grandview shall appropriate sufficient funds and provide the first Capital Payment to Cherokee upon the earlier of: (i) the date on which Grandview receives funds from the Grandview Financing; (ii) within 90 days of approval of Grandview's Site Plan by El Paso County, or (iii) December 31, 2023. A copy of all documents pertaining to the Grandview Financing shall be provided to Cherokee prior to the execution thereof. Upon Grandview's payment of the first Capital Payment, Cherokee shall issue a binding "Will Serve" letter to Grandview.

5.3 Subsequent Capital Payments. The four (4) Capital Payments due after the first Capital Payment shall be made on or before December 31 of each calendar

year after the year in which the first Capital Payment is made, until such time as Grandview has paid Cherokee a total of seven million two hundred twenty-two thousand two hundred and forty-four dollars (\$7,222,244.00) in total Capital Payments. The amount of such Capital Payments, including the total amount of all Capital Payments due to Cherokee, may be adjusted by Cherokee as provided herein.

5.4 Adjustment of Capital Payments Based on Metered Grandview Influent. The amount of the Capital Payments is based on the assumption that Grandview will experience an annual growth rate of less than 20% and will achieve buildout of the property in its service area in five (5) years or more. However, if Grandview experiences a higher growth rate than that assumed herein, Cherokee retains the sole discretion to adjust the Capital Payments in direct proportion to the metered amount of Grandview's wastewater (either at the Connection Point or prior to the Grandview-MSMD Connection, as provided in Section 4.7 herein) relative to its total allocated capacity of 0.5 MGD in the Cherokee WWTP. The intent of this Section is to provide for an increase in the Capital Payments only, and there shall be no reduction of any Capital Payments in the event of a slower-than-assumed growth rate.

5.5 Adjustment of Capital Payments Based on Costs. The Parties acknowledge that there will be additional capital costs, including capital costs in excess of and beyond the amount of the Capital Payments, that are necessarily incurred for the Cherokee Wastewater System and the provision of wastewater service hereunder. Those additional capital costs may be in the form of additions, modifications, repairs or other necessary costs. Cherokee shall have the sole discretion to approve and expend such additional capital costs, to adjust the Capital Payments due hereunder, and/or to require additional Capital Payments, based on an increase or decrease in costs associated with the Cherokee Wastewater System that are reasonably related to the services provided to Grandview pursuant to this Agreement.

5.6 Operations, Maintenance, and Replacement Costs. Grandview shall pay Cherokee a monthly service fee ("Grandview Service Fee") based on its pro-rata share of all operation, maintenance, replacement, and associated costs for the Cherokee WWTP, the Cherokee Recharge Facility, including without limitation all costs and expenses associated with or incurred as a result of any order by federal, state, county, local government, or other regulatory agency to bring the Cherokee WWTP and/or the Cherokee Recharge Facility into compliance with applicable Rules and Regulations, as they exist today or as the same may be hereafter amended or enacted ("O&M Costs"). The Grandview Service Fee shall be allocated by Cherokee to Grandview in direct proportion to Grandview's metered influent flows transmitted to the Cherokee WWTP and the total amount of metered influent. The fees allocated to Grandview pursuant to

this Agreement will also include any surcharges charged under Section 7.5 herein, where appropriate, and any Replacement Water Fees charged under Section 8.3.6, if applicable. The Grandview Service Fee shall be established by Cherokee and notice given to Grandview of the amount of the fee no later than October 1 of each year.

5.6.1 Billing and Payments. The Grandview Service Fee will be invoiced once a month and is due and payable within 30 days of receipt of invoice. Grandview shall budget and appropriate sufficient funds for payment of the Grandview Service Fee. Cherokee will provide Grandview with the monthly metered influent sewage flow data and the calculation of the Grandview Service Fee. If Grandview is over six (6) months in arrears for payment of the Grandview Service Fee, Cherokee may, but is not required to, invoice all Grandview customers directly for all current and future Grandview Service Fees, including any and all additional processing and collection fees and/or costs incurred by Cherokee for such direct billing. Grandview shall include in its service contracts with its customers a provision which provides for Cherokee's right to invoice Grandview customers directly, as set forth in the previous sentence.

5.7 Annual Audit. Cherokee shall perform an annual audit of all metered influent sewage flow data and shall invoice Grandview annually for any related annual adjustment of O&M Costs ("Annual Adjustment"). Upon request by Grandview, Cherokee will also provide reasonable documentation supporting the Annual Adjustment. Further, no more than once each calendar year, and at its own expense, Grandview may audit the operations, maintenance and capital improvement records of Cherokee for the purpose of verifying the Grandview Service Fee and Capital Payments and the allocation to Grandview. Grandview must provide at least 30-days advanced notice of its request to review Cherokee's records for such purpose. Cherokee shall cooperate in good faith to facilitate such audit, and the parties shall work in good faith to resolve any discrepancies or issues resulting therefrom. Nothing herein shall be interpreted to require Cherokee to disclose privileged, confidential, or sensitive information.

5.8 Interest/Service Charges. Any fee or charge due hereunder and not timely paid shall accrue interest at 8% annually.

6. PLANT EXPANSION.

6.1 Expansion. The Parties acknowledge and agree that statutes and regulations imposed and propounded by the applicable regulatory authorities as in existence or hereafter amended may require that Cherokee commence the planning for

expansion of the Cherokee WWTP when the Cherokee WWTP reaches 80% of capacity and that construction must be underway when the facility reaches 95% of capacity. Cherokee, in its sole discretion, shall determine the need for any such expansion based, in part, on the need for future capacity of Cherokee, Meridian Service Metropolitan District ("MSMD"), Grandview, and any other entity receiving or projected to receive wastewater treatment at the Cherokee WWTP. Should Cherokee determine the need for any such expansion of the Cherokee WWTP, it shall provide notice of such determination to Grandview, and afford Grandview the opportunity to determine if Grandview will participate in the expansion. Nothing in this Agreement obligates Cherokee to expand the Cherokee WWTP, so long as Cherokee can provide the services required under this Agreement without such expansion. Ownership and control of any expansion shall be solely vested in Cherokee unless otherwise agreed.

6.2 Expansion Costs. Cherokee shall define the payment responsibilities for such expansion prior to initiation of same. If Grandview desires additional capacity (*i.e.* beyond 0.5 MGD) in an expanded Cherokee WWTP, it shall pay its adjusted pro-rata share of any capital costs associated with such expansion. If Grandview does not project the need for additional capacity beyond the initial 0.5 MGD allocation of capacity made herein, Grandview shall not be required to fund any expansion of the Cherokee WWTP. However, if modifications are undertaken during any expansion of the Cherokee WWTP that are the result of regulatory requirements and/or needed infrastructure replacement or capital improvements to the Cherokee WWTP, Grandview shall pay its pro-rata share of any capital costs associated with such modifications, regardless of whether Grandview elects to use any additional capacity over its 0.5 MGD allocation made herein. In connection with any future expansion and/or modification of the Cherokee WWTP, the estimated costs of the same shall be fully funded by Grandview prior to commencement of construction of the expansion.

6.3 Expansion Timeline. In the event Cherokee elects to proceed with an expansion and/or modification to the Cherokee WWTP, Cherokee shall provide notice to Grandview of its intent to proceed no later than 24 months prior to the proposed start-of-construction date. Cherokee will pursue the expansion and/or modification with reasonable diligence; however, nothing herein guarantees that the expansion will be completed on any specific timeline.

6.4 Growth Projections. Grandview shall give Cherokee reasonable notice of growth projections and capacity needs on an annual basis so that Cherokee can adequately plan and obtain the necessary governmental approvals. Grandview shall give Cherokee rolling five-year growth projections of capacity needs no later than March 15 of each year.

6.5 Additional Capacity. Grandview may request additional capacity (over 0.5 MGD) at any time, including prior to an expansion of the Cherokee WWTP, and Cherokee agrees to cooperate with Grandview to determine whether such excess capacity is available. Cherokee is under no obligation to provide any additional capacity to Grandview. The Parties shall amend this Agreement or enter into a new written agreement to set forth the terms on which Cherokee will provide excess capacity available to Grandview.

7. Regulatory Compliance.

7.1 Cherokee and Grandview Rules and Regulations. Grandview shall adopt discharge rules and regulations prohibiting certain classes of pollutants and controlling certain classes of discharges as stringent as, or more restrictive than those rules and regulations of Cherokee as they may be amended from time to time. Cherokee shall notify Grandview of a proposed amendment to Cherokee's rules, regulations, and standards regarding wastewater treatment no less than sixty (60) days prior to enactment. Grandview's discharge rules and regulations shall maintain these regulations to be in compliance with Cherokee's rules and regulations. If a dispute arises regarding Grandview's adoption of rules and regulations pursuant to this Agreement, Cherokee and Grandview shall work in good faith to resolve any such dispute. Grandview shall submit a copy of Grandview's rules and regulations annually to Cherokee by January 15 and shall submit a copy of any amendments to such rules and regulations within thirty (30) days following adoption. Such rules and regulations and amendments thereto shall be submitted by registered mail to Cherokee at the address contained herein.

7.2 Regulatory Controls. Grandview understands that the Cherokee WWTP, the Cherokee Wastewater System, the Cherokee Recharge Facility, the Cherokee water production and distribution system, and all related facilities are publicly owned treatment works and water systems, and Cherokee is required by law to control wastewaters introduced by all users into the system, and to comply with laws related to the provision of water service. Grandview also understands that Cherokee is subject to present and continuing federal, state, county, local government, and agency statutory and regulatory controls which may, subsequent to the date of this Agreement, be changed, amended, or added to, which controls, changes, amendments or additions are presently unforeseen by the parties hereto and which may result in additional costs for capital improvements, operations, maintenance, repair, inspection, and administration of its system. Such regulatory controls expressly include without limitation any permits or other administratively-implemented controls for the Cherokee Wastewater System, the Cherokee WWTP, the Cherokee Recharge System, the

Cherokee water production and distribution system, and any other facilities related to or described herein, notwithstanding any change to the underlying laws, rules, or regulations. Grandview acknowledges that Cherokee may incur added costs that may increase Grandview's capital and/or O&M Costs as a result of statutory, regulatory, or administrative requirements. Grandview agrees that it will comply with, and cause to be complied with by their users, all federal and state laws and regulations applicable to Cherokee, including without limitation the Clean Water Act of 1977. Cherokee, as the Party with 100% ownership and control of all facilities hereunder, shall retain sole discretion as to compliance with any regulatory controls, and sole discretion to adjust Grandview's Capital Payments and/or the Grandview Service Fee due hereunder to account for any increase in such costs related to regulatory controls and/or requirements.

7.3 Enforcement. Grandview shall meet and require its customers to meet the Cherokee wastewater standards, now current and as amended or updated in the future and including without limitation the standards in this Agreement. Grandview shall be responsible for all costs or penalties associated with its and its customers' failure to meet wastewater standards, and/or causing a violation of the discharge permit for the Cherokee WWTP, for the State of Colorado site approval(s), and/or permit(s) for the Grandview Delivery System.

7.4 Conventional Pollutants. Cherokee's obligation to provide wastewater treatment hereunder is limited to the acceptance for treatment of conventional pollutants. No Significant Industrial User (SIU), as defined in Cherokee's Ordinance 83-0100, as it may be amended from time to time, shall be permitted to connect to Grandview's wastewater system, and no industrial wastes or any other non-conventional pollutants shall be permitted to enter the system without the prior written consent of Cherokee. "Industrial user" and "Industrial wastes" shall be as defined in Cherokee Ordinance 83-0100 as it may be amended from time to time. "Conventional pollutants" shall include biochemical oxygen demand (BOD5), total suspended solids (TSS), fecal coliform, pH, oil and grease, and any additional pollutants that are designated as conventional pollutants under the Clean Water Act, including any amendments thereto, and rules and regulations promulgated by the Environmental Protection Agency and/or the Colorado Department of Public Health and Environment. Grandview shall, at its sole cost and expense, provide Cherokee twice per year (due on January 15, and July 15), an updated inventory of all non-residential users connected to Grandview's wastewater system. Such inventory shall include the user's name, address, business, activity performed and/or materials manufactured by said user, and average daily water usage for previous quarter. The inventory list shall be sent to Cherokee by

email to Cherokee's Pretreatment Coordinator and Cherokee's General Manager and provided to Cherokee at the address given herein. Cherokee will provide Grandview with notice of any changes to the email addresses for purposes of the notice described in this Section.

7.5 Strength of Wastewater Standards. Grandview's wastewater shall not exceed the following standards:

7.5.1 Five-day Biochemical Oxygen Demand (BOD5) - 400 milligrams per liter (mg/l)

7.5.2 Total Suspended Solids (TSS) - 400 mg/l

7.5.3 Total Dissolved Solids (TDS) - 600 mg/l

7.5.4 Hydrogen Sulfide - Beginning at the time when Grandview's wastewater influent (as sampled prior to the Grandview-MSMD Connection and/or the Connection Point) reaches an instantaneous rate of one hundred thousand (100,000) gallons per day, Grandview must maintain an average hydrogen sulfide concentration below 1 mg/L as averaged from weekly grab samples in any month ("Hydrogen Sulfide Limit"). If hydrogen sulfide levels rise above the Hydrogen Sulfide Limit in any month, CMD will issue a written warning to Grandview. If hydrogen sulfide levels rise above the Hydrogen Sulfide Limit for two consecutive months, CMD will provide notice to Grandview, and Grandview will immediately undertake chemical treatment to comply with the Hydrogen Sulfide Limit. If Grandview does not comply with the Hydrogen Sulfide Limit as provided herein, Cherokee may assess Grandview a unit surcharge consistent with Section 7.7 herein.

7.5.5 Non-Conventional Pollutants - Except as pre-authorized by Cherokee, any amount of industrial waste or any other non-conventional wastes associated with industrial wastewater discharges that are inconsistent with Section 7.5 herein.

7.5.6 Additions or Modifications - Cherokee may add to or modify the standards described in this Section 7.5 and subsections as necessary, in its sole discretion, to satisfy all regulatory requirements imposed on the Cherokee WWTP and any other component of the Cherokee Wastewater System. In the event Cherokee determines that it is necessary to add to or modify a standard, Cherokee shall provide to Grandview no less than three (3) months written notice of the change.

7.6 Monitoring. Grandview shall test its wastewater a minimum of once a week prior to it entering the Cherokee sewer system at the Grandview-MSMD Connection and/or the Connection Point or any other point per the Cherokee wastewater standards and provide the test results to Cherokee. Such weekly testing shall include without limitation those specific wastewater constituents described in this Agreement. At all points of connection to the Cherokee Wastewater System, Grandview shall install a manhole with a sample port with a composite sampler such that the water quality of Grandview's wastewater can be monitored by Cherokee to ensure that all required standards are being satisfied.

7.7 Surcharges. If Grandview's wastewater exceeds the standards set forth in Section 7.5 above and subject to compliance with Section 7.5.4 (if applicable), the Grandview Service Fee shall be increased to include an extra-strength surcharge(s). In such case, Cherokee shall calculate, in its sole discretion, the extra-strength surcharge(s) to reflect operational costs reasonably related to the exceedance of the values described above. Cherokee may adjust these surcharges from time to time to account for any changes in regulatory requirements.

7.8 Compliance Order on Consent; TDS Reduction Project. Grandview specifically acknowledges that the Colorado Department of Public Health and Environment, Water Quality Control Division (the "Division"), issued the Cherokee WWTP a Compliance Advisory - Notice Of Significant Noncompliance, CDPS Number COX-048348, dated March 25, 2011. The State of Colorado issued a Compliance Order on Consent, Number: MC-140514-1, on June 23, 2014, ("Compliance Order on Consent") to resolve all violations cited by the Division and to establish compliance requirements and criteria for the continued operation of the Cherokee WWTP. This Agreement is subject to all terms and conditions of the Compliance Order on Consent. Grandview also acknowledges that in order to achieve compliance with the Compliance Order on Consent, Cherokee has undertaken the TDS Reduction Project, which includes the conversion of the Cherokee WWTP to membrane bioreactor wastewater treatment and the addition of reverse osmosis treatment, as well as related upgrades. Grandview acknowledges and agrees that its responsibility to pay capital costs associated with the Cherokee WWTP includes the TDS Reduction Project and the related upgrades.

8. RETURN FLOWS AND REPLACEMENT WATER.

8.1 No Representations or Warranties. Cherokee makes no representations or warranties regarding the availability of return flow water from the treated wastewater or the availability of treated wastewater that is released from the Cherokee WWTP. This Agreement is based on the condition that no return flow water

from the Cherokee WWTP may or will be available for re-use through the Replacement Plan (defined below), or any amended Replacement Plan, or new replacement plan and that no treated wastewater from the Cherokee WWTP may or will be available to be diverted, to be taken dominion and control of, or to be used for any other purpose.

8.2 Potential for Availability of Return Water. Treated wastewater from the Cherokee WWTP is currently released to the RIBs located at the Cherokee Recharge Facility. Without making any representations or warranties, Cherokee anticipates that a portion of the released treated wastewater will be able to be re-used as ground water through a yet to be approved, pending Replacement Plan, or an amended Replacement Plan, or a new replacement plan.

8.3 Replacement Plan.

8.3.1 Background. In 2008, pursuant to the June 26, 2003 Chico Basin Wastewater Treatment Facility and Black Squirrel Basin Recharge Facility Intergovernmental Agreement between Cherokee and MSMD, as amended ("Cherokee-Meridian IGA"), Cherokee and MSMD jointly applied for a replacement plan with the Colorado Ground Water Commission (the "Commission") to obtain the ability to withdraw additional ground water from the Upper Black Squirrel Creek Designated Ground Water Basin based on the recharge of return flows from the Cherokee WWTP at the Cherokee Recharge Facility (the "Return Flows"), under Case No. 08GW71 (the "Replacement Plan"). The Replacement Plan was the subject of litigation between the Upper Black Squirrel Creek Ground Water Management District ("UBS"), Cherokee and MSMD under both Case No. 08GW71 and Water Court Case No. 98CW80 ("Water Case"). All filings in each case are publicly available. Cherokee and MSMD are currently in the process of updating and amending the Replacement Plan.

8.3.2 Replacement Water. "Replacement Water" is that amount of additional water that the Parties and MSMD are allowed to divert from the Upper Black Squirrel Creek Designated Ground Water Basin as a result of the Replacement Plan. Specifically, this Replacement Water shall include water derived from any new diversion points as well as water derived from existing Cherokee diversion points which result in an increase of productivity over and above the historic amounts produced or authorized for diversion, whichever is greater, from said existing Cherokee diversion points.

8.3.3 Incorporation of Grandview's Water Rights. If Grandview provides written notice to Cherokee of its election to participate in the Replacement Plan and pays its allocable costs as set forth in this Section 8, then, subject to all rules and regulations, Cherokee and Grandview shall cooperate as necessary to incorporate Grandview's water rights and the return flows therefrom ("Grandview Return Flows") into the Replacement Plan, and Grandview may be able to receive a portion of the Replacement Water derived from its treated wastewater ("Grandview Replacement Water"). Notwithstanding the foregoing, Cherokee shall continue to have the sole authority to prosecute the Replacement Plan, including without limitation the right to claim Grandview Return Flows as a source of Replacement Water. If the Replacement Plan utilizing, in part, Grandview's water rights and the Grandview Return Flows is approved ("Approved Plan") and subject to the terms of this Agreement, Grandview shall be entitled to claim an ownership interest in the Grandview Return Flows and/or Grandview Replacement Water (if any); however, the precise amount, rate, and conditions of use of this water is unknown as of the date of this Agreement. The Parties agree to enter into an agreement(s) to establish Grandview's ownership interest of the Grandview Replacement Water and any terms and conditions associated with the operation and use of that water under the Approved Plan after final approval of that plan by the Colorado Ground Water Commission. Cherokee shall have the right to use all of the Grandview Replacement Water until such time as the Parties have reached such agreement establishing Grandview's ownership interest of the Grandview Replacement Water and any terms and conditions associated with the operation and use of that water under the Approved Plan, and Grandview has constructed the facilities necessary to receive delivery of the Grandview Replacement Water.

8.3.4 200 Acre-Foot Commitment; Allocation of Grandview Replacement Water. Pursuant to the Cherokee-Meridian IGA and as further hereby agreed upon by the Parties, Cherokee is entitled to receive the first 200 acre-feet of the Return Flows on an annual basis (the "200 Acre-Foot Commitment"). After the 200 Acre-Foot Commitment is fulfilled, Grandview agrees to share the remaining portion of the Grandview Replacement Water from its treated wastewater with Cherokee at a proportion of 80% of the Grandview Return Flows for Grandview and 20% of the Grandview Return Flows for Cherokee.

8.3.5 Payment of Costs. If Grandview elects to join the Replacement Plan, Grandview shall pay Cherokee its pro-rata share of the cost to prepare, litigate, and process the Replacement Plan and the cost of any facilities and/or infrastructure required to be constructed to implement and operate the Approved Plan, based on Grandview's percentage share of Cherokee's capacity in the Cherokee WWTP,

which percentage is nineteen and twenty-three hundredths (19.23%) (0.5 MGD/2.6 MGD = 19.23%). Grandview shall not be entitled to any Replacement Water until such time as such payment has been made to Cherokee.

8.3.6 Replacement Water Service Fee. If Grandview elects to join the Replacement Plan and if the Replacement Plan is approved, in addition to the payment described in Section 8.3.5 above, then the Grandview Service Fee shall be adjusted to include a monthly Replacement Water Service Fee equal to Grandview's pro-rata costs based on the proportion of the total amount of Replacement Water delivered to Grandview, of Cherokee's actual costs and expenses to produce, treat, store, and deliver the Grandview Replacement Water to the Cherokee water tank at Tamlin Road and Marksheffel Road (the "Cherokee Water Tank") including, but not limited to, costs of operation, maintenance, repairs and replacement to provide such delivery, treatment and storage of Grandview Replacement Water, and any related costs and expenses. Grandview, at its sole cost and expense, will be responsible for conveyance of the Grandview Replacement Water from the Cherokee Water Tank to wherever it desires to deliver the Grandview Replacement Water, including any and all costs to connect to the Cherokee Water Tank, pump system, water lines and all necessary approvals and permits from federal, state and local governments and all applicable agencies, including Cherokee. The Parties may mutually agree upon a delivery location other than the Cherokee Water Tank for delivery of the Grandview Replacement Water, and in such instance the alternative location shall supplant all references to the Cherokee Water Tank in this Section 8. The Replacement Water Service Fee shall be established and adjusted annually on January 31 by Cherokee, in its sole discretion. Billings for conveying the Grandview Replacement Water will be submitted monthly based upon the metered volume of water conveyed. Billings for this activity carry the same payment provisions as that of the monthly O&M Costs described herein.

8.3.7 Control of Wastewater and Replacement Water. Subject to all terms and conditions herein, as well as any other required Cherokee and federal, state, local government, and other agency approvals, Grandview may elect to divert and take dominion and control of and all responsibility for the Grandview Return Flows at the Cherokee WWTP prior to it entering the Cherokee Recharge Facility, or other wastewater discharge point, and the UBS Basin. All costs and expenses of such treated wastewater diversion shall be borne by Grandview, and Grandview shall obtain all other necessary federal, state, local government, and agency approvals and permits to make such diversion. Until such time as Grandview is allowed to and elects to take its treated wastewater, Grandview hereby grants Cherokee the right to control and use

the Grandview wastewater and Grandview Return Flows ("License"), which License is terminable at any time, upon written notice to Cherokee. Until such time as Grandview elects to take the Grandview Return Flows under this Section 8.3.7, the Parties agree to cooperate in the processing of the Replacement Plan, and any amended or new Replacement Plan.

8.3.8 Replacement Water Availability and Use. The Parties acknowledge that there are various known and unknown factors that may affect the amount of Replacement Water that becomes available pursuant to the Approved Plan, including without limitation wastewater treatment losses at the Cherokee WWTP, evaporative losses, delivery losses, the physical ability to divert Replacement Water, and the like. It is also anticipated that, in any approved replacement plan, a portion of the available treated wastewater may be required to be left in the UBS Basin groundwater aquifer and not be allowed to be recovered as Return Flows. The amount of any Replacement Water available will be subject to the future restrictions at the Cherokee WWTP, the Cherokee-Meridian IGA as well as any terms and conditions of the Approved Plan. Grandview acknowledges that these various factors can and will result in less Grandview Replacement Water than influent from Grandview's wastewater. At no time shall Cherokee be required to reduce its water withdrawals below those to which it has been historically entitled to under its water rights. Except as provided above, nothing in this Agreement obligates Cherokee to provide any Return Flows and/or Replacement Water to Grandview.

9. Additional Provisions.

9.1 Existing and Future IGAs. Grandview acknowledges that Cherokee has entered into the Cherokee-Meridian IGA, as amended and which may be further amended from time to time without notice or approval by Grandview. Grandview further acknowledges that MSMD has and likely will in the future enter into agreements with other third-parties for use of capacity at the Cherokee WWTP. Grandview is not a third-party beneficiary to any aforesaid agreements.

9.2 Service to Grandview Service Area. Grandview has issued a will-serve letter for the benefit of certain property identified as the Waterbury parcel and may serve that property in addition to all of the area identified as its service area in its approved Service Plan. Grandview may not provide wastewater service to properties other than the Waterbury property and those within its service area without the prior written consent of Cherokee, which consent shall not be unreasonably withheld so long as Grandview remains in compliance with this Agreement. Nothing herein shall be construed to limit or affect Cherokee's discretion to amend this Agreement.

9.3 Service Area Changes. Any significant changes in service area and/or political boundary limits, additions, expansions or deletions of Grandview's wastewater collection system service area, defined as the property currently or to be included within the Grandview Reserve Metropolitan District Nos. 1-4, shall be reported to Cherokee. Grandview must maintain current maps of its wastewater collection system and provide a copy of the documents by registered mail to Cherokee on an annual basis to the address contained herein.

9.4 Grandview System. Cherokee does not own, control, or operate Grandview's water and sanitary sewer system above the Connection Point. However, Grandview shall provide access to any and all such facilities reasonably related to the quality and quantity of wastewater influent. Cherokee shall provide at least 24 hours notice of its intent to access such facilities; however, Cherokee need not provide notice in the event of an emergency, as determined in Cherokee's sole discretion. Further, Grandview shall notify Cherokee within 24 hours of any failure of Grandview's sanitary sewer system that could affect the quality of wastewater influent at the Grandview-MSMD Connection and/or the Connection Point. Cherokee shall have access to Grandview's operations, maintenance, or billing records, as necessary to ensure compliance with the terms of this Agreement. Except as part of Grandview's obligations to pay Cherokee hereunder, which obligations rely upon Grandview's revenue sources, Cherokee shall have no right or claim to any service charges, fees or revenues imposed and collected by Grandview.

10. TERMINATION, DEFAULT, AND REMEDIES.

10.1 Termination After Capital Payments. Except as otherwise expressly set forth herein, after Grandview has made a Capital Payment to Cherokee as required herein, the Parties agree that no default or breach of this Agreement shall justify or permit termination of the continuing obligations of this Agreement as applicable to the proportionate amount of Capital Payments made by Grandview at that time and the proportionate wastewater service capacity therefor; provided, however, that this Section 10.1 does not prohibit termination or suspension of service to a customer as permitted by the Cherokee Rules and Regulations, as they may be revised or amended from time to time. Notwithstanding the foregoing, this Agreement may be terminated for default as provided herein, as applicable to the proportionate wastewater treatment capacity for which Capital Payments have not been timely made as required herein.

10.2 Default. The occurrence of any of the following events not cured within thirty (30) days of receipt of written notice from the non-defaulting Party by the defaulting Party constitutes a default under this Agreement:

10.2.1 failure to pay any fee, charge or other sum when due; or

10.2.2 failure to perform any other term, condition, covenant, representation or warranty; or

10.2.3 The appointment of a receiver, general assignment for the benefit of creditors, or any declaration of filing under any insolvency or bankruptcy act.

10.3 Remedies.

10.3.1 Upon default, the non-defaulting Party may elect to terminate this Agreement by written notice of termination to the defaulting Party, subject to the provisions of Section 10.1, and seek appropriate relief, including without limitation specific performance and/or damages, as may be available under the laws of the State of Colorado. Cherokee may also refuse to allow the addition of any new wastewater taps or connections beyond those being served on the date of default.

10.3.2 In addition to any other remedy provided herein or at law, Grandview shall be solely responsible for, and liable to Cherokee for all costs associated with any damages, fines or additional clean up due to or resulting from the wastewater quality, flows or overflows from Grandview that do not satisfy the terms of this Agreement.

11. MISCELLANEOUS PROVISIONS.

11.1 Warranties and Representations. In addition to the other warranties, covenants and representations, the Parties make the following warranties, representations, and covenants to each other:

11.1.1 Each Party has full right, power, and authority to enter into, perform and observe this Agreement.

11.1.2 Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the compliance with the terms and conditions of this Agreement by either Party will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under any agreement,

instrument, indenture, order or decree to which either Party is a party or by which either Party is bound.

11.1.3 This Agreement is a valid and binding obligation of each of the Parties and is enforceable in accordance with its terms.

11.1.4 The Parties shall keep and perform all of the covenants and agreements contained herein and, except in the event of an uncured default, shall not take any action which could have the effect of rendering this Agreement unenforceable in any manner.

11.1.5 The facilities, systems and Replacement Plan shall not be utilized in any manner which would jeopardize the tax exempt status of any bonds or debt issued by either of the Parties.

11.1.6 Each of the Parties is a duly constituted and validly existing political subdivision of the State of Colorado.

11.1.7 Each Party has, or reasonably believes, it can obtain adequate financial resources to fulfill the obligations of this Agreement.

11.2 Liability of Parties. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon each Party, nor the breach thereof, shall constitute or create an indebtedness of the other Party within the meaning of any Colorado constitutional provision or statutory limitation. Neither Party shall have any obligation whatsoever to repay any debt or liability of the other Party.

11.3 Indemnification. Subject to the provisions of the Colorado Governmental Immunity Act, and without waiving the same, to the extent permitted by law, each Party agrees to indemnify, protect and hold harmless the other Party from any claims or damages to persons or property resulting from the actions or inactions of the indemnifying Party. Said indemnification shall include, but not be limited to, court costs, damages, and attorneys fees.

11.4 Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by both Parties. No consent of any third party shall be required for the negotiation and execution of any such agreement.

11.5 Waiver. No failure by either Party to insist upon the strict performance of any agreement, term, covenant, or condition hereof or to exercise any

right or remedy consequent upon default, and no acceptance of full or partial performance during the continuance of any such default, shall constitute a waiver of any such default of such agreement, term, covenant, or condition. No agreement, term, covenant or condition hereof to be performed or complied with by either Party, and no default thereof, shall be waived, altered, or modified except by a written instrument executed by the non-defaulting Party. The waiver of any breach or default of any of the provisions of this Agreement by either Party shall not constitute a continuing waiver or a waiver of any subsequent breach by the other Party of the same or another provision of this Agreement.

11.6 Integration. This Agreement contains the entire agreement between the Parties and no statement, promise or inducement made by either Party or the agent of either Party that is not contained in this Agreement shall be valid or binding. Each Party agrees that it has not relied upon any prior negotiations, representations, warranties, or understandings, whether oral or written.

11.7 Effect of Invalidity. If any provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction as to either Party, or as to both Parties, such invalidity or unenforceability shall not cause the entire Agreement to be terminated, so long as the primary purposes of this Agreement remain viable.

11.8 Access to Records. Each party shall have the right to inspect the books and records of the other party relating to this Agreement at reasonable times upon reasonable notice.

11.9 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

11.10 Venue. The Parties agree and stipulate the proper venue for any court action that might occur in connection with or as a result of this Agreement is the District Court in and for the County of El Paso, Colorado.

11.11 Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the provisions of this Agreement.

11.12 Notices. Any notices or other communications required or permitted by this Agreement or by law to be served on, given to or delivered to either Party, by the other Party, shall be in writing and shall be deemed received on the date personally delivered to the Party to whom it is addressed, on the date received via e-

mail with confirmation of receipt, or, upon receipt in the United States mail, by certified mail, return receipt requested, addressed to the following:

To Cherokee: General Manager
Cherokee Metropolitan District
6250 Palmer Park Blvd.
Colorado Springs, CO 80915

With copy to: Pete Johnson
Vranesh & Raisch, LLP
5303 Spine Road, Suite 202
Boulder, CO 80301

To Grandview:
 Russ Dykstra

 Spencer Fane, LLP
 1700 Lincoln St. Suite 2000
 Denver, CO 80203

Either Party may change its address for the purpose of this Section by giving written notice of such change to the other Party in the manner provided in this Section.

11.13 Government Authority. The Parties shall comply with any and all valid state, federal or local laws or regulations covering the subject of this Agreement, and any and all valid orders, regulations or licenses issued pursuant to any federal, state or local law or regulation governing the subject of this Agreement. Grandview shall comply with all terms and conditions of the Cherokee-Meridian IGA and the terms and conditions of the Cherokee Rules and Regulations applicable to sanitary sewer service.

11.14 Force Majeure. Either Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, or strike; acts of God; acts of the Government; war or civil disorder; violence or the threat thereof; severe weather; commandeering of material, products, plants, or facilities by the federal, state, or local government; national fuel

shortage; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is beyond the reasonable control of, and is not due to the fault or negligence of the Party not performing.

11.15 Perpetuity. Insofar at this Agreement affects water and water rights it is the intention of the parties that it be perpetual in nature according to the Colorado Supreme Court's decision in Cherokee v. City of Colorado Springs. Therefore, the parties forever waive any and all arguments in defense to the effect that this Agreement violates the Rule Against Perpetuities.

11.16 Authority to Execute Agreement. The individuals signing this Agreement expressly affirm and represent that they have the authority to enter this Agreement and to bind the Party they represent.

11.17 Fair Dealing. In all cases where the consent or approval of one Party is required before the other may act, or where the agreement or cooperation of either or both Parties is separately or mutually required as a legal or practical matter, then in that event the Parties agree that each will act in a fair and reasonable manner with a view to carrying out the intents and goals of this Agreement as the same are set forth herein, subject to the terms hereof. Grandview will not be bound by or subject to any rules or regulations of the Cherokee that are not also applicable and enforced in the same manner against similarly situated properties and users of Services within Cherokee boundaries, except as otherwise specifically set forth herein or in Cherokee's Rules and Regulations. All references in this Agreement to Cherokee's standards, policies, rules or regulations, or similar references, shall mean the same as adopted and applied by Cherokee within its boundaries, but as the same may be amended from time to time.


11.18 Recording. This Agreement or a summary thereof, with the consent of all parties, may be recorded in the real property records of El Paso County with an attachment thereto setting forth the legal descriptions and containing a Map of Facilities.

11.19 Enterprise. Each Party may establish and operate pursuant to an enterprise as provided by Article X, Section 20 of the Colorado Constitution. Any rights or responsibilities under this Agreement may be assigned to said enterprise provided that such assignment shall not relieve the Parties of their responsibilities hereunder.


IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

[remainder of page left blank intentionally, signature page follows]


CHEROKEE METROPOLITAN DISTRICT

By: 
Name: Steve Hasbrouck
Title: President
December 21, 2021

ATTEST:

By: 
Name: Dennis Daniels
Title: Secretary
December 21, 2021

GRANDVIEW RANCH METROPOLITAN DISTRICT NO. 1

By: 
Name: Paul J. Howard
Title: PRESIDENT

ATTEST:

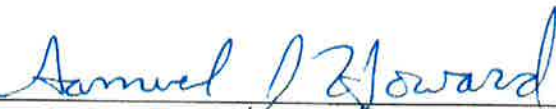
By: 
Name: Samuel Howard
Title: Treasurer

Exhibit A – Map of Facilities

Agreement for Wastewater Treatment
Plant Expansion and Extraterritorial
Wastewater Service

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 _____, 2022 (the “Effective Date”), 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 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 is under contract to purchase 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** (the “Horton Property”). The Grandview Reserve Metropolitan District No. 1 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.

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 KO1515 (68 acres), Silver Star (32 acres), Parcel A (116 acres), and other parcels (collectively, 168 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 million gallons per day (“**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 **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.

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

2.6 **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.

2.7 **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.

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

2.9 **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.

2.10 **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.

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

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

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

2.14 **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.

2.15 **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.

2.16 **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.

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

2.18 **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.

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

2.20 **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.

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

2.22 **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”). Woodmen shall make available and Horton shall purchase on a nonrefundable basis the Horton Reserved Taps at Woodmen’s current 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, in the first calendar year following completion of the Expansion, Horton shall pay to Woodmen \$5,250 for each Tap. In the following calendar year, Horton shall pay Woodmen a Tap Fee equal to 70% of \$8,750 adjusted based on the CPI.¹ Said discount shall be available for Horton’s purchase of the 2,600 Taps following completion of the Expansion for a period of twenty 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 the Expansion has 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

¹ (\$8,750 * Index Adjustment) * 0.70.

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 22.1. 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. 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 less 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 the adjustment to each Party's Allocable Share is equal to or less than 5% of each Party'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: Within thirty (30) days of the Effective Date, Horton shall deliver to Woodmen the Phase 1 Letter of Credit (defined below). 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 Phase 2 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) The Issuance of Requests for Bids to Construct the Expansion and Receipt and Review of Bids. 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 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, 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 funds to Woodmen in the amount necessary to cover the difference provided such delivery of 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.

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 refer the matter to arbitration as provided in Paragraph 15 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 with 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 a 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 a Letter of Credit, provided the form of Letter of Credit is approved by Woodmen prior to such replacement.

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 Paragraph 22.4 below, if at any time during Phases 1 or 2 of development of the Expansion 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. 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.

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.

9.4 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 Reserve Metropolitan District No. 1 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 Reserve Metropolitan District No. 1.

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 Reserve Metropolitan District No. 1 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 Horton, 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 Reserve Metropolitan District No. 1 and any other water provider to agree to the following provisions.

11.1.1 Return Flows. Grandview Reserve Metropolitan District No. 1, 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). Horton will retain adequate return flow credits for any required 2% and/or 4% depletion returns.

(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 may claim 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. 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 Woodmen seeks to construct in the future 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. 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. Any proposed water service within the Horton Property utilizing an exempt well is subject to review and approval by Woodmen.

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 cost and 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 in excess of 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.** 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 which may acquire an ownership or leasehold interest in all or any portion of them and shall inure to the benefit of Woodmen. At Horton’s closing of the Horton Property, Horton shall promptly execute and deliver to Woodmen the Restrictive Covenant Agreement attached hereto as **Exhibit H**, with respect to each of the properties, which Woodmen shall then promptly execute and record in the real property records of El Paso County, Colorado. 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 of Woodmen, 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

Either Party 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 (including reasonable detail of the nature of such default), 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 parties 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. **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.

17. **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.

18. **Insurance.**

18.1 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.

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

18.1.2 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.

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

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

18.3 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.

19. **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.

20. **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.

21. **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.

22. **Assignment and Associated Limitations.**

22.1 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.

22.2 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.

22.3 Except as provided in Paragraph 22.2, 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 rights to purchase all of the Horton Property, 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 22.1, Woodmen provides prior written consent, which may be withheld or conditioned in Woodmen's sole discretion.

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

22.4.1 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.

22.4.2 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.

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

23. **Miscellaneous Provisions.**

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

23.2 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.

23.3 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.

23.4 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.

23.5 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.

23.6 Time is of the essence of this Agreement.

23.7 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.

23.8 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.

23.9 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.

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

(Remainder of Page Intentionally Blank)

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

By: _____

Name: _____

Its: President

ATTEST:

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

By: _____

Name: _____

Its: _____

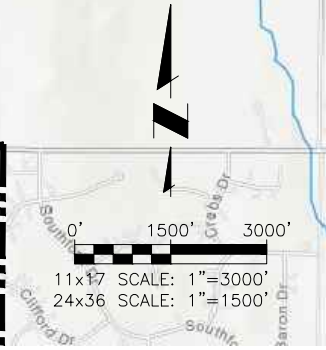
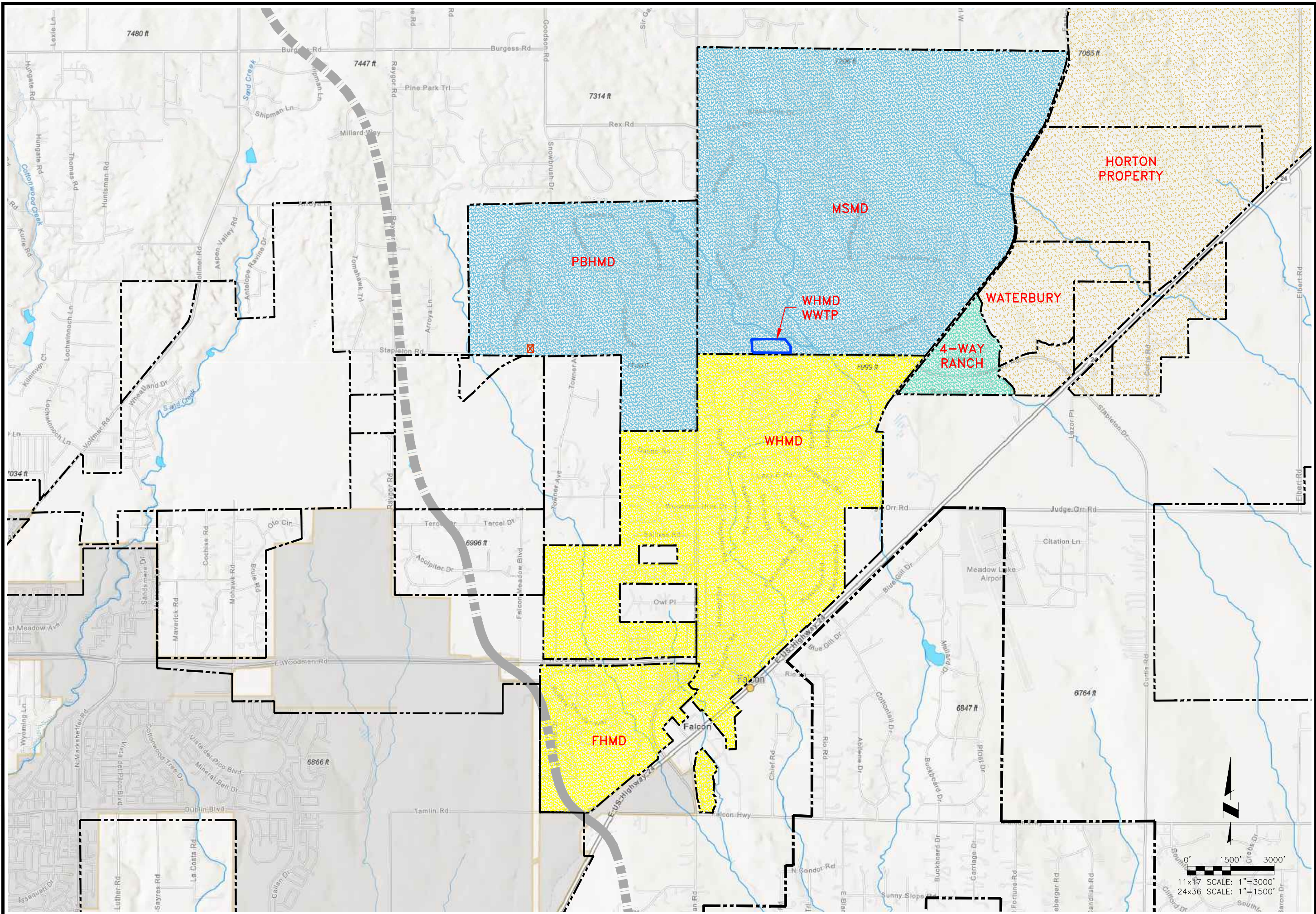
ATTEST:

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

Woodmen Metropolitan District's Wastewater Service Area

(See Attached)

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



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

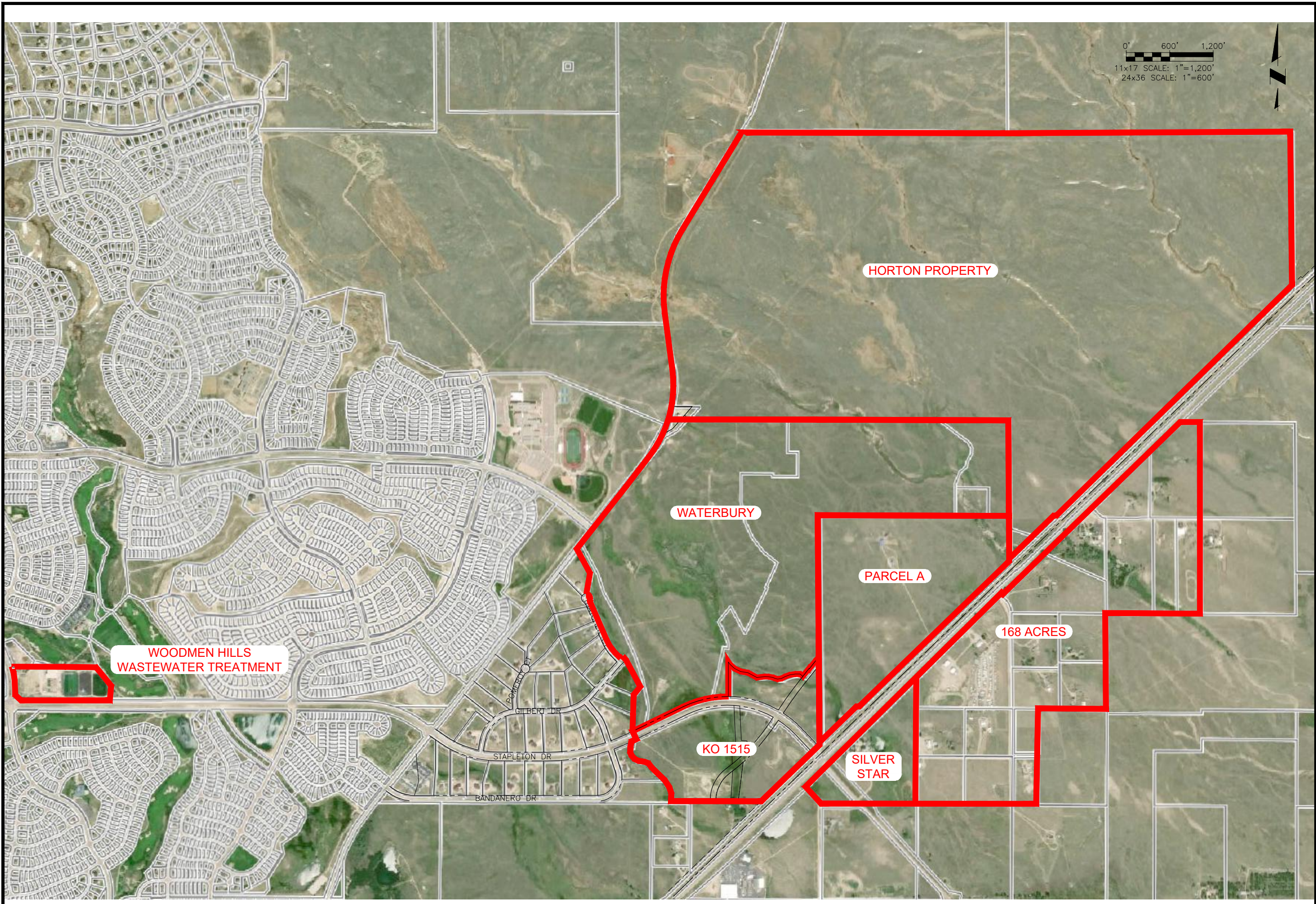
A
SHEET OF

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)

2022/12/08 11:50 AM By: Alexis (Lex) Yoder\Projects\112 Woodmen Hills\112.122 Grandview WW Agreement\Drawings\Exhibits\112122_Exhibit.dwg



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

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

EXHIBIT

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

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: *Woodmen Hills Plant Expansion*
Owner: *Woodmen Hills Metro*
Engineer: *JDS-Hydro RESPEC*
Component: *Current Estimated Cost Summary*
Contractor:

Cost Estimate Summary

<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
Subtotal	\$28,964,365
Contingency 15%	\$4,344,654.75
Subtotal	\$33,309,019.75
Soft Costs 14%	\$4,663,262.77
Current Estimated Costs	\$37,972,282.52

- 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

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>
Coarse Screening (2)					
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
Coarse Screening Sub total					\$758,070
Fine Screening Single					
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
Fine Screening Subtotal					\$1,640,300
Grit Removal					
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
Grit Removal Subtotal					\$1,128,000
Lift Station					
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
Lift Station Subtotal					\$508,200
Superstructure Site					
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
Superstructure Subtotal					\$618,300
Headworks Total					\$4,652,870

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:

Item #	Item Description	Quantity	Unit	Unit Cost	Amount
MBR Equipment Upgrades					
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
MBR Upgrade Equipment Sub total					\$3,800,670
Aeration Basin Modifications					
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
Aeration Basin Modifications Subtotal					\$2,439,350
Chem Feed Systems					
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
Chem Feed Systems Subtotal					\$1,278,155
Dewatering Add One Unit					
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
Dewatering Subtotal					\$2,499,350
Additional Sludge Holding					
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
Additional Sludge Holding Subtotal					\$1,780,000

Bio Plant Total

\$11,797,525

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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
EQ Basin Mods And Clarifier					
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
EQ Basin Mods And Clarifier Sub total					\$676,500
R-O Feed Pumping					
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
R-O Feed Pumping Subtotal					\$699,650
Cartridge Filters					
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
Cartridge Filters Subtotal					\$311,000
R-O Membranes					
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
R-O Membranes Subtotal					\$2,342,000
Chemical Feed --CIP Systems					
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
Chemical Feed Systems Subtotal					\$262,100
Brine Disposal					
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
Brine Disposal Subtotal					\$5,006,000
Electrical and SCADA					
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
Electrical and SCADA Subtotal					\$581,075

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>
Site Work					
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
Site Work Sub total					\$400,000
Ultraviolet System					
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
UV System Subtotal					\$794,600
Electrical and Controls					
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
Electrical and Controls Subtotal					\$150,500
Structure					
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
Structure Subtotal					\$251,745
Non-potable Systems					
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
Non-Pot Systems Subtotal					\$248,300

\$1,845,145

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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>
General and Site Improvements					
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
Site and General Sub total					\$790,500
	15% Contingency				\$118,575
	Subtotal				\$909,075
	14% Soft Costs				\$127,271
	Total				\$1,036,346

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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
	\$24,896,706	\$12,039,231	\$36,935,937
	67.41%	32.59%	
Site/General Improvements	\$698,550	\$337,796	\$1,036,346
Total	\$25,595,255	\$12,377,027	\$37,972,283
	67.41%	32.59%	100.00%

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	
Total Plant Capacity		2500000
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	Capacity Regulatory Regulatory Regulatory
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	
Subtotal	\$ 4,034,570		\$ 2,865,290		\$ 1,169,280	Sub Total
			71.02%		28.98%	
Superstructure/Site work	\$ 618,300	71.02%	\$ 439,107	28.98%	\$ 179,193	
Subtotal	\$ 4,652,870		\$3,304,398		\$1,348,472	
Contingency (15%)	\$697,931		\$495,660		\$202,271	Joint
Subtotal	\$5,350,801		\$3,800,057		\$1,550,743	
Soft Costs (14%)	\$749,112		\$532,008		\$217,104	
Total	\$6,099,913		\$4,332,065		\$1,767,847	Total

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
Subtotal	\$ 11,797,525	0.596	\$ 7,026,435	0.404	\$ 4,771,090	
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	
Total	\$ 15,466,555		\$ 9,211,656		\$ 6,254,900	Total

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	
Total	\$ 12,950,484.08		\$9,832,008		\$ 3,118,477	

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
Total	\$ 2,418,985.10		\$ 1,520,977.19		\$ 898,007.90

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 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) business 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: _____

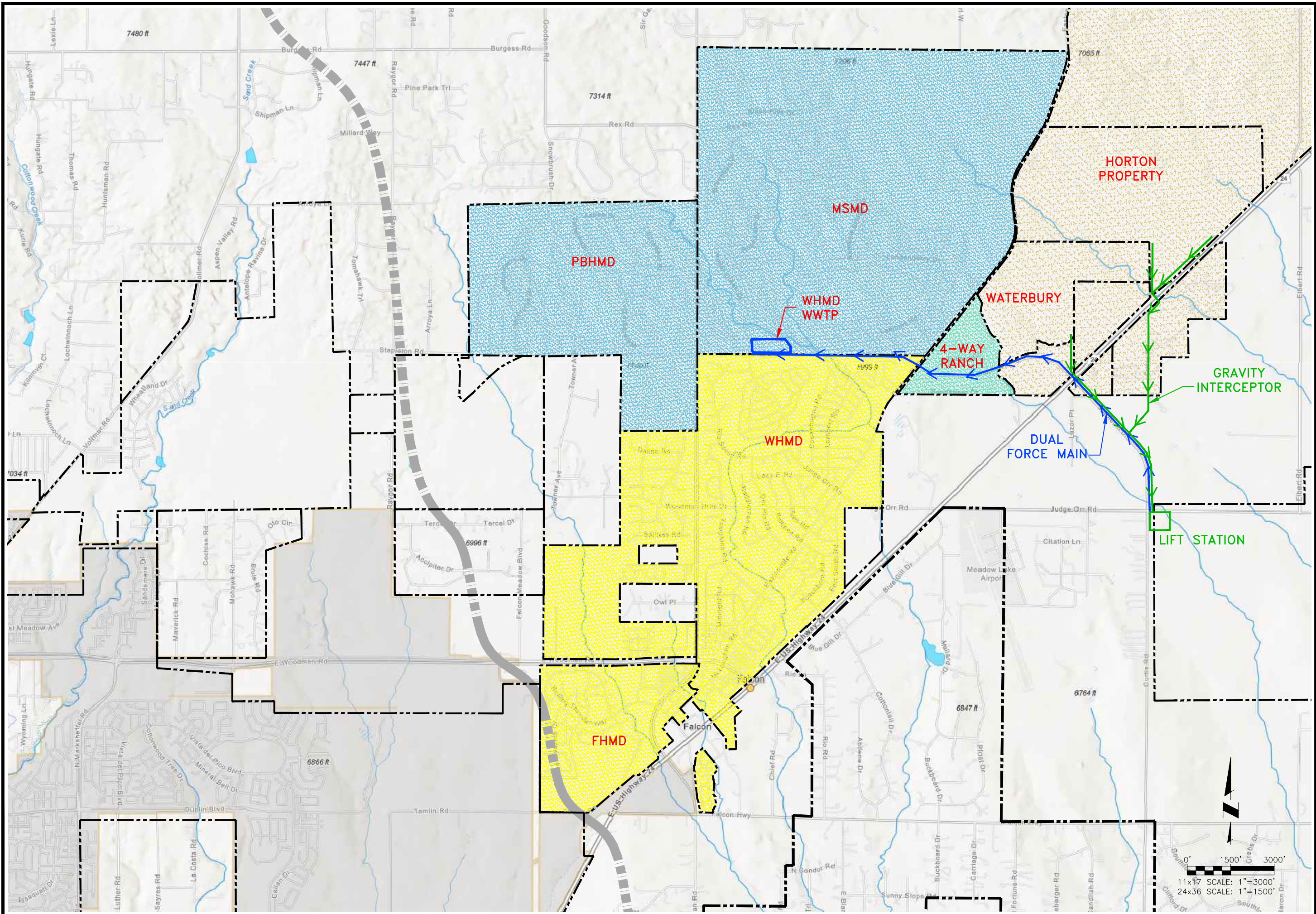
24496730

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

Estimated Locations of Regional Lift Station and Force Main

(See Attached)

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



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
1				
2				
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5				
6				
7				

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

G
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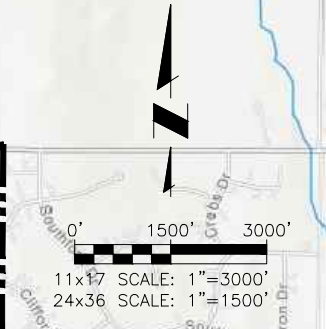


EXHIBIT H
TO AGREEMENT FOR WASTEWATER TREATMENT PLANT EXPANSION
AND EXTRATERRITORIAL WASTEWATER SERVICE

Restrictive Covenant Agreement

(See Attached)

24963150

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 is the fee title holder of that certain real property located in El Paso County, Colorado, legally described on **Exhibit 1** attached hereto (the “Horton Property”).

C. The Parties 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 _____, 2022 (“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.

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 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 cost and 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 in excess of 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

EXHIBIT 1
TO RESTRICTIVE COVENANT AGREEMENT

Legal Description of DR Horton Property

(See Attached)

24663945

Exhibit A

PROPOSED PLAT OF GRANDVIEW RESERVE FILING NO. 1

A TRACT OF LAND BEING A PORTION OF SECTION 21, AND A PORTION OF THE NORTH HALF OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHERLY END BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, AND BEING MONUMENTED AT THE NORTHERLY END BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS30087, BEING ASSUMED TO BEAR N00°52'26"W, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°52'26"W ON THE EAST LINE OF SAID SECTION 21, A DISTANCE OF 2,645.09 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21;

THENCE N89°50'58"W, ON SAID NORTHERLY LINE, A DISTANCE OF 2,934.88 FEET TO THE POINT OF BEGINNING;

THENCE S11°05'24"W, A DISTANCE OF 24.40 FEET;
THENCE S78°54'36"E, A DISTANCE OF 185.19 FEET;
THENCE S26°50'16"W, A DISTANCE OF 203.39 FEET TO A POINT OF CURVE,

THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 32°15'55", A RADIUS OF 250.00 FEET, A DISTANCE OF 140.78 FEET TO A POINT OF TANGENT;

THENCE S05°25'39"E, A DISTANCE OF 185.30 FEET TO A POINT OF CURVE,

THENCE ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 11°17'04", A RADIUS OF 1,140.00 FEET, A DISTANCE OF 224.52 FEET TO A POINT OF TANGENT;

THENCE S05°51'25"W, A DISTANCE OF 481.83 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING DELTA OF 55°09'30", A RADIUS OF 550.00 FEET, A DISTANCE OF 529.48 FEET TO A POINT OF TANGENT;

THENCE S49°18'05"E, A DISTANCE OF 342.14 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 29°29'59", A RADIUS OF 1,050.00 FEET, A DISTANCE OF 540.61 FEET TO A POINT OF TANGENT;

THENCE S19°48'06"E, A DISTANCE OF 438.38 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 08°00'18", A RADIUS OF 1,950.00 FEET, A DISTANCE OF 272.44 FEET TO A POINT OF TANGENT;

THENCE S27°48'24"E, A DISTANCE OF 779.86 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 61°56'07", A RADIUS OF 190.00 FEET, A DISTANCE OF 205.39 FEET TO A POINT OF TANGENT;

THENCE S89°44'32"E, A DISTANCE OF 289.03 FEET;

THENCE S00°12'52"W, A DISTANCE OF 111.41 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28;

THENCE N89°47'08"W, ON SAID SOUTH LINE, A DISTANCE OF A DISTANCE OF 2,630.21 FEET;
THENCE N00°12'52"E, A DISTANCE OF 25.00 FEET;

THENCE N89°47'08"W, A DISTANCE OF 679.35 FEET;

THENCE N44°47'01"W, A DISTANCE OF 42.37 FEET;
THENCE N41°52'38"E, A DISTANCE OF 21.11 FEET;
THENCE N41°03'22"E, A DISTANCE OF 139.03 FEET; THENCE S89°58'12"W, A DISTANCE OF 288.62 FEET TO A POINT ON CURVE, SAID POINT BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF EXISTING EASTONVILLE ROAD (60.00 FOOT WIDE);

THENCE ON SAID EASTERLY RIGHT-OF-WAY AS DEFINED BY CERTIFIED BOUNDARY SURVEY, AS RECORDED UNDER DEPOSIT NO. 201900096, THE FOLLOWING SEVEN (7) COURSES:

1. ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS N79°27'48"W, HAVING A DELTA OF 18°12'30", A RADIUS OF 1,630.00 FEET; A DISTANCE OF 518.00 FEET TO A POINT OF TANGENT;
2. N07°40'18"W, A DISTANCE OF 777.34 FEET TO A POINT OF CURVE;
3. ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 39°01'10", A RADIUS OF 1,770.00 FEET, A DISTANCE OF 1,205.40 FEET TO A POINT OF TANGENT;
4. N31°20'52"E, A DISTANCE OF 1,517.37 FEET TO A POINT OF CURVE;
5. ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 2°07'03", A RADIUS OF 1,330.00 FEET, A DISTANCE OF 49.15 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21;
6. THENCE CONTINUING ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 09°53'50", A RADIUS OF 1,330.00 FEET, A DISTANCE OF 229.74 FEET TO A POINT OF TANGENT;
7. N19°19'59"E, A DISTANCE OF 81.04 FEET;

THENCE S74°09'13"E, A DISTANCE OF 47.53 FEET;
THENCE S27°01'36"E, A DISTANCE OF 35.92 FEET;
THENCE S71°02'24"E, A DISTANCE OF 160.69 FEET TO A POINT OF CURVE;

THENCE ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 07°52'12", A
RADIUS OF 1,150.00 FEET, A DISTANCE OF 157.96 FEET TO A POINT OF TANGENT;

THENCE S78°54'36"E, A DISTANCE OF 237.75 FEET; THENCE S11°05'24"W, A DISTANCE OF 105.60 FEET TO THE POINT OF
BEGINNING.

INFORMATIONAL NOTE ONLY:
CALCULATED AREA OF 8,253,692 SQ. FEET
OR 189.479 ACRES MORE OR
LESS.

PREPARED BY :
JONATHAN W. TESSIN, PROFESSIONAL LAND SURVEYOR
COLORADO PLS NO. 33196 FOR AND ON
BEHALF OF EDWARD-JAMES SURVEYING, INC.
926 Elkton Drive 4732 Colorado Springs, CO 80907