



# WASTEWATER DISPOSAL REPORT

## WATERBURY PUD DEVELOPMENT AND PRELIMINARY PLAN

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## 1.0 WASTEWATER DISPOSAL

### A. Summary of the Proposed Subdivision and Collection System

The purpose of this report is to discuss the specific wastewater needs of the proposed Waterbury development in El Paso County, Colorado.

This report will cover the Waterbury PUD Development Plan and Preliminary Plan, Filings 1 and 2. There are 198 proposed detached single-family lots, open space, floodplain and parks within the roughly 62-acre subdivision.

4 Way Ranch Metropolitan District #2 (4WRMD) currently owns and operates a Denver Basin well system that collects raw water, treats, stores, and distributes to the Waterbury development.

Lands within the subject area have been planned as residential development.

Waterbury wastewater is planned to flow into the proposed Grandview Reserve Metropolitan District (GRMD) trunkline along Curtis Road. GRMD is planning to construct two lift stations to convey wastewater to the Cherokee Metropolitan District (CMD) Water Reclamation Facility (WRF). GRMD has signed an IGA with CMD to secure 0.5 MGD of capacity in the CMD WRF (see Exhibit 1). GRMD has provided a will-serve letter (Exhibit 2) to provide wastewater conveyance and treatment for Waterbury Filing 1 and 2. The projected wastewater loading from Waterbury Filing 1 and 2 would account for approximately 6.8% of the capacity GRMD has secured in the CMD WRF.

The system is proposed to be a gravity sewer system located along Stapleton Road, crossing highway 24 and connecting to the GRMD system at Curtis Road.

Only the proposed residential units are included in the wastewater report as the existing large lot residential units currently use a septic system.

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

Refer to Exhibit 3.

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

Refer to Exhibit 4.

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

Projected Wastewater Loads: Wastewater projections are based on similar districts' historical use in this area. It is expected that each SFE in Waterbury will generate an average of 172 gallons/day of wastewater. Table 1 below summarizes the projected wastewater loads for Waterbury Filing 1 and 2.



**Table 1: Project Wastewater Loads**

Description	SFE's	Average Base (GPD)	Average Day (GPD)
Single Family Residences	198	172	34,056
<b>Grand Totals</b>	<b>198</b>		<b>34,056</b>

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

Cherokee Metropolitan District (CMD) has allocated 500,000 GPD of wastewater treatment capacity to GRMD under the terms of IGA. The capacity is sufficient to serve between 2900-2950 SFE's based on the wastewater loading typical of developments in the area.

The CMD wastewater treatment plants permitted capacity is 4.8 MGD and the current loading is approximately 2.0 MGD.

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

No treatment plants are proposed to be constructed to serve the proposed development. The existing CMD WRF has sufficient capacity to serve the project as described above.

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

Refer to Exhibit 2 for the Service Commitment letter.

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

Refer to Exhibit 2 for the Service Commitment letter.

**I. Estimate of Construction Costs**

Refer to the Improvement Guarantee Estimate (not part of this report). GRMD is projected to complete construction of the conveyance system (lift stations, force mains and gravity interceptors) along Curtis Road in 2024. The interceptor to connect the Waterbury Development to the GRMD conveyance system will be constructed prior to that time.



**Exhibit 1**

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

This Intergovernmental Agreement ("Agreement") is made and entered into effective this 21<sup>st</sup> 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.

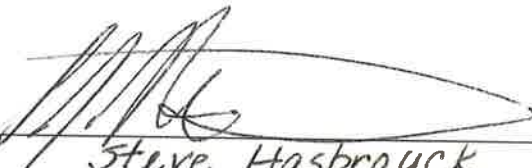
11.18 Recording. This Agreement or a summary thereof, with the consent of all parties, may be recorded in the real property records of El Paso County with an attachment thereto setting forth the legal descriptions and containing a Map of Facilities.

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.

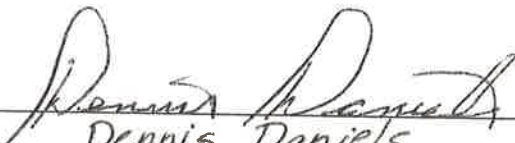
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

*[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:

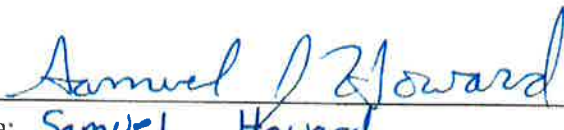
By:   
Name: Samuel Howard  
Title: Treasurer

Exhibit A – Map of Facilities





**Exhibit 2**

# GRANDVIEW RESERVE METROPOLITAN DISTRICT NO. 1

c/o Spencer Fane LLP  
1700 Lincoln Street, Suite 2000  
Denver, Colorado 80203

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January 1, 2022

4 Way Ranch Joint Venture, LLC  
P.O. Box 50223  
Colorado Springs, CO 80949


To Whom It May Concern:

Grandview Reserve Metropolitan District No. 1 (the "District"), subject to the conditions below, under and pursuant to the Special District Act (Section 32-1-101, C.R.S., *et seq.*) and any applicable rules and regulations adopted by the District and its sanitary sewer treatment provider, Cherokee Metropolitan District, is able to furnish sanitary sewer services for the development allowed within Waterbury Filing No. 1 and Filing No. 2 in the County of El Paso, State of Colorado ("Property"). The District has or will, prior to the time of service being required, available sanitary sewer transmission and treatment capacity of not less than 0.50 MGD and has available capacity to serve the Property of not less than 0.035 MGD.

This commitment to provide sanitary sewer services to the Property is subject to and contingent upon (1) the District or the Property owner(s) having or constructing adequate sanitary sewer service and transmission facilities to support the Property; (2) the District having adequate access to the Property to provide for sanitary sewer transmission; (3) compliance with all applicable rules and regulations of the District and Cherokee Metropolitan District regarding the transmission and treatment of the sanitary sewer and any other sanitary sewer transmission and treatment entities with whom the District contracts for such services, including, without limitation, the payment of all applicable fees, rates, tolls, and charges of the District; and (4) compliance with any and all federal, state, and local laws, rules, and procedures as are applicable to providing sanitary sewer service to the Property.

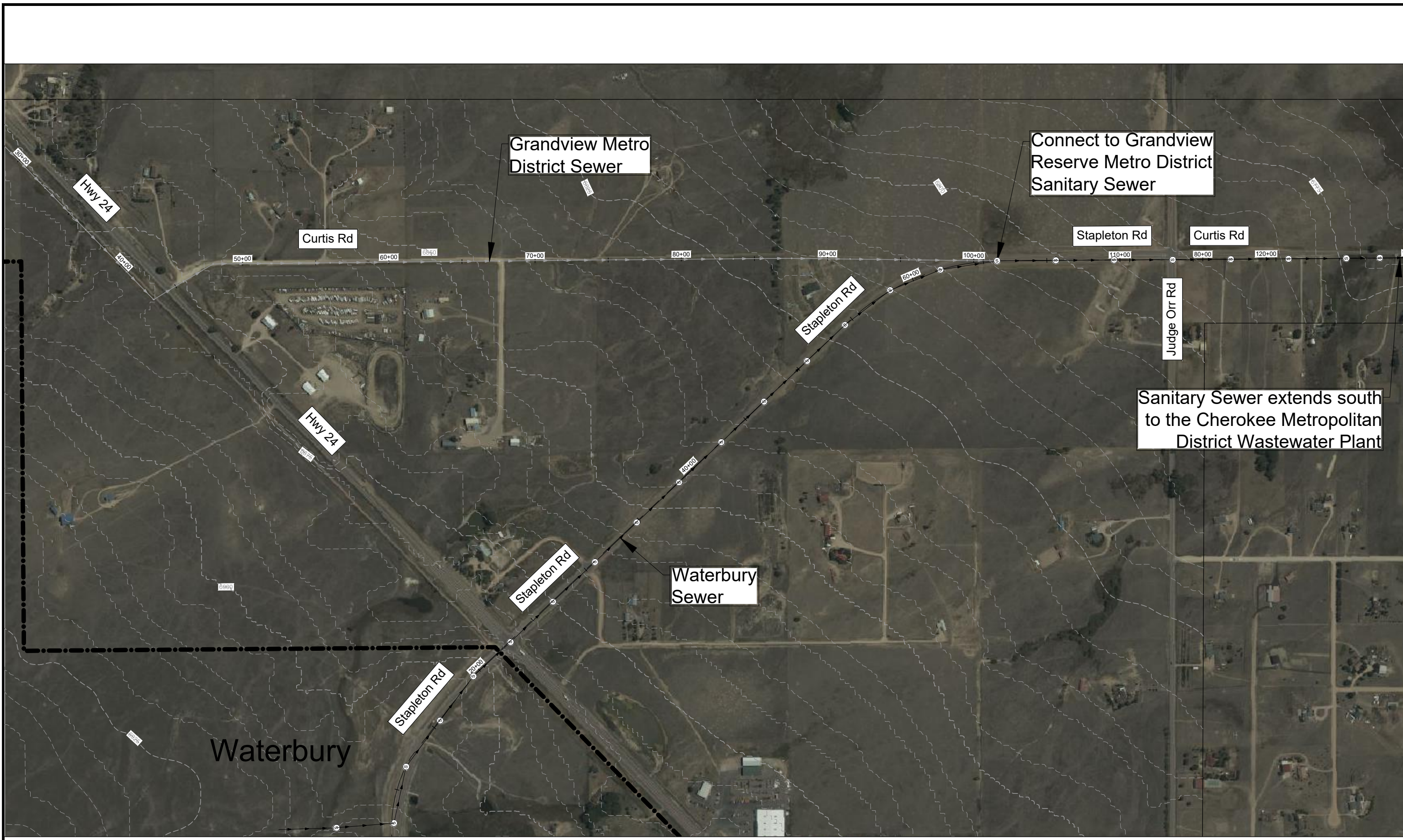
Sincerely,

GRANDVIEW RESERVE METROPOLITAN DISTRICT NO. 1

  
Pam S. Howard  
President



**Exhibit 3**



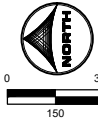

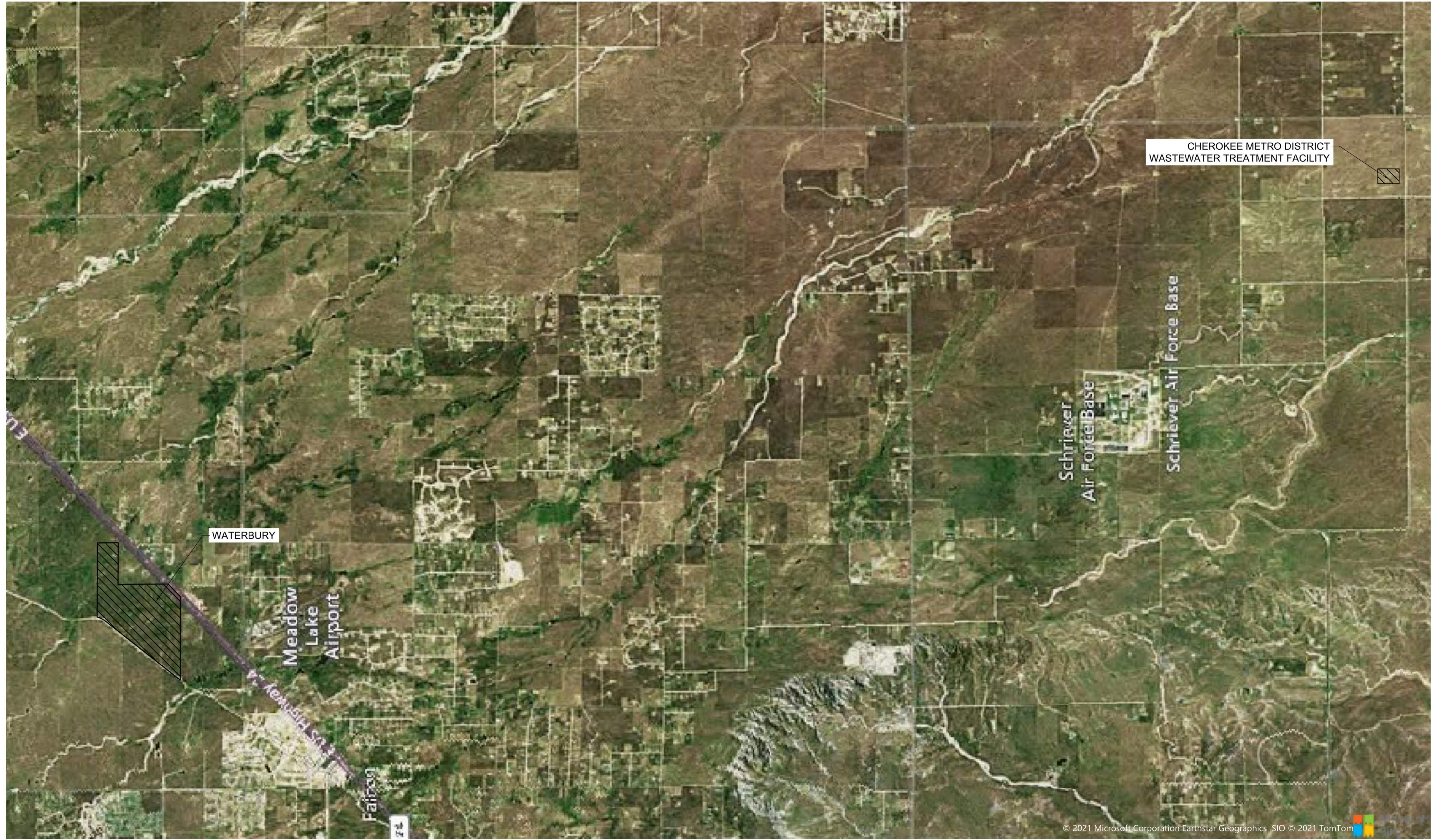
	Job No.: 200089		<b>SANITARY ALIGNMENT WATERBURY</b>
	Prepared By: AGC		
	Date: 8/11/2021		

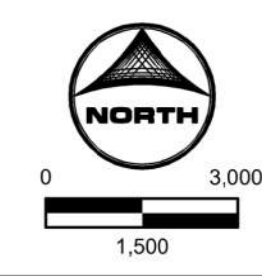
FIG.3



**Exhibit 4**



© 2021 Microsoft Corporation Earthstar Geographics SIO © 2021 TomTom



Job No.:	201662
Prepared By:	SJF
Date:	8/13/2021

OVERALL AREA EXHIBIT