



Sterling Ranch Metropolitan District 1

January 19, 2017

Paul Howard  
Arroya Investments, LLC  
1283 Kelly Johnson Boulevard  
Colorado Springs, CO 80920

Re: Water & Wastewater Services

Dear Mr. Howard:

Please be advised that Sterling Ranch Metropolitan District No. 1 is willing to provide water and wastewater services to your proposed development. The property to be served is described on Attachment A hereto. Because your development is contiguous to Sterling Ranch, these services would involve a logical extension of the District's infrastructure.

It is our understanding that it is your intent to organize a special district to provide services to your project. The preferred mechanism for the provision of water and wastewater services would be through an intergovernmental agreement between Sterling Ranch Metropolitan District No. 1 and your new district. We will be happy to work with you and your new district on such an agreement and look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James F. Morley', is written over the word 'Sincerely,'.

President  
Sterling Ranch Metropolitan District No. 1