

# EL PASO COUNTY



## OFFICE OF THE COUNTY ATTORNEY CIVIL DIVISION

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SF-19-9      Retreat at TimberRidge Filing No. 1  
Final Plat

Reviewed by: Lori L. Seago, Senior Assistant County Attorney *LS*  
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### **FINDINGS AND CONCLUSIONS:**

1. This is a proposal by TimberRidge Development Group, LLC ("Applicant"), for a final plat to subdivide approximately 68.135 acres into 70 single-family residential lots ("Property"). The subdivision is comprised of 11 lots that will utilize individual wells (of the 41 approved in the preliminary plan) and 59 lots served by a central water system (of the 164 lots approved in the preliminary plan). Applicant's property is zoned PUD (Planned Unit Development).

### **LOTS 1-11 INDIVIDUAL WELLS**

2. The Applicant has provided for the source of water for Lots 1-11 to derive from individual wells. As described in the Water Supply Information Summary ("WSIS"), the Applicant estimates its annual water requirements to serve 11 single-family lots at 3.88 acre-feet ("AF") annually (0.353 AF per lot). The water demand includes indoor household use of 0.18 AF and outdoor use of 0.173 AF. The Applicant would need to provide a supply of 1,164 AF of water (3.88 acre-feet/year x 300 years) to meet El Paso County's 300-year water supply requirement. Applicant is claiming more water than is allowed under the augmentation decree in District Court Water Division 2, 18CW3002, which only allows 0.32 acre-feet/year.

3. The Property is a portion of the property subject to the decree issued by District Court Water Division 2 in 17CW3002. The following allocations were decreed in that case:

Dawson Aquifer	12,202 AF
Denver Aquifer	11,909 AF
Arapahoe Aquifer	9,796 AF
Laramie-Fox Hills Aquifer	6,440 AF

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4. In 18CW3002, the Water Court authorized the use of Dawson Aquifer water decreed in 17CW3002 and approved an augmentation plan therefor. The decree approves 29 wells for the identified property, a portion of which includes the proposed 11 lots at issue here. The decree authorizes each well to pump up to 0.32 AF/year, for a total annual withdrawal from the Dawson Aquifer of 9.32 AF for all 29 wells. Depletions during pumping will be replaced by residential return flows from non-evaporative septic systems. The decree further requires that 2,796 AF of water in the Laramie-Fox Hills Aquifer be reserved to provide for replacement of injurious post-pumping depletions.

5. Based upon the decree in 18CW3002, Applicant must provide a supply of **1,056 AF of water from the Dawson Aquifer** (.32 AF/lot x 11 lots x 300 years) for the 11 lots to be served by individual wells. Applicant must also reserve **2,796 AF of water in the Laramie-Fox Hills Aquifer** to replace injurious post-pumping depletions.

6. The State Engineer's Office ("SEO") provided their comments regarding this proposal on May 13, 2019, which were confirmed in a letter dated November 1, 2019. The letter states that, "...pursuant to CRS 30-28-(1)(h)(I), it is our opinion that the proposed water supply can be provided without causing material injury to decreed water rights, and is **adequate**, so long as the plan for augmentation is operated according to its decreed terms and conditions."<sup>1</sup>

7. Though Applicant will have to correct its WSIS, based on the information and documents identified in paragraphs 2-6 above, it appears that the proposed water supply for Lots 1-11 will be sufficient to meet the needs of the proposal.

8. The water quality requirements of Section 8.4.7.B.10 of the El Paso County Land Development Code must be satisfied regarding Lots 1-11.

### **LOTS 12-70 CENTRAL WATER SYSTEM**

9. Subtracting the water needed to serve the 11 lots in individual wells, the following amounts decreed in 17CW3002 remain:

Dawson Aquifer	11,146 AF
Denver Aquifer	11,909 AF
Arapahoe Aquifer	9,796 AF
Laramie-Fox Hills Aquifer	3,644 AF

10. The Applicant has provided for the source of water for Lots 12-70 to derive from a central water system – Sterling Ranch Metropolitan District No. 1 ("District") – through an agreement between the District and The Retreat Metropolitan Districts. As

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<sup>1</sup> The SEO used different numbers than those relied on herein to reach its conclusion. It stated that, in 18CW3002, the Division 2 Water Court limited on-lot wells to .321 AF/year, for a total annual withdrawal from the Dawson Aquifer of 3.53 AF/year for 11 lots.

described in the Water Supply Information Summary, the Applicant estimates its annual water requirements to serve 59 single-family lots at 20.83 acre-feet annually (0.353 acre-feet per lot). The water demand includes indoor household use of 0.18 acre-feet and outdoor use of 0.173 acre-feet. The Applicant will need to provide a supply of **6,249 acre-feet of water (20.83 acre-feet/year x 300 years)** to meet El Paso County's 300-year water supply requirement.

11. The *Water Resources and Wastewater Report for Sterling Ranch Service Area* by JDS-Hydro dated April 4, 2019 ("Report") details the source of the water supply for the District. The District's water supply originates from Arapahoe and Laramie-Fox Hills aquifer wells through 3 decrees granted in District Court Water Division 2:

Case No. 86CW18	575 AF/year (191.67 AF/year for 300 years);
Case No. 86CW19	539 AF/year (179.67 AF/year for 300 years); and
Case No. 08CW113	0.4 AF/year (0.13 AF/year for 300 years).

Therefore, the total water allocation available to the District from those three decrees is 371.47 AF/year based on El Paso County's 300-year rule. Per the Report, the District has already committed 255.96 AF/year to 6 subdivisions within the boundaries of the District, leaving 115.51 AF/year of uncommitted water supply, not including The Retreat Filing 1.

12. The Report also notes that The Retreat at TimberRidge will convey 14,619 AF of water from the Arapahoe and Laramie-Fox Hills aquifers to SRMD for use exclusively within the Retreat development, providing an additional water allocation of 48.73 AF/year based on El Paso County's 300-year rule.

13. In a letter dated April 16, 2020, James Morley, District President, states that the District "is willing to provide water and wastewater services to the proposed residential development known as the Retreat at TimberRidge, which includes 167<sup>2</sup> lots on approximately 200 acres ...." The commitment letter states that The Retreat at TimberRidge will convey 12,828 AF of water from the Arapahoe and Laramie-Fox Hills aquifers (42.76 AF/year for 300 years) to the District. (Note the discrepancy with the reported conveyance from the Report, in paragraph 9 above).

14. The commitment letter further states that the "District is in the process of developing a central water system and public wastewater facilities, including wells, treatment, storage and water rights sufficient to supply the needs of the 167 urban lots within the proposed development." The 59 lots of the Retreat at TimberRidge Filing No. 1 are included in the 167 urban lots noted. The District President further states that the water needs for the 167 lots are "58.95 acre-feet" which equates to 0.353 acre-feet/lot (20.83 acre-feet for the 59 lots of Filing 1). The District further notes that it is their understanding that the Applicant intends to organize a special district to provide services to the subdivision through an intergovernmental agreement with the District.

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<sup>2</sup> Note that The Retreat at TimberRidge preliminary plan approved 164 lots to be served by central water.

15. The finding of the SEO set forth in paragraph 6 above also applies to the 59 lots to be served by a central water system.<sup>3</sup>

16. On March 3, 2020, the Colorado Department of Public Health and Environment issued its approval of the Sterling Ranch Metropolitan District No. 1's Assessment of Technical, Managerial and Financial Capacity. On April 1, 2020, the County received a professional engineer's certification that the District's drinking water system has been constructed consistent with CDPHE-approved design documents.

17. In an Agreement dated February 21, 2019, the Applicant agreed to construct the water system infrastructure necessary for the District to extend central water service to The Retreat at TimberRidge, including Filing No. 1.

18. Though Applicant will need to correct its Water Resources Report and obtain a corrected Commitment Letter, based on the information and documents identified in paragraphs 9-17 above, it appears that the proposed water supply for Lots 12-70 will be sufficient to meet the needs of the proposal.

19. Section 8.4.7(B)(10)(g), of the El Paso County Land Development Code allows for the presumption of acceptable water quality for projects such as this project (Lots 12-70) where water is supplied by an existing Community Water Supply operating in conformance with Colorado Primary Drinking Water Regulations unless there is evidence to the contrary.

## **Conclusion**

20. Based upon the finding of sufficiency and no injury by the State Engineer, the water supply available pursuant to Colorado District Court Water Division 2 Case Nos. 17CW3002 and 18CW3002 to serve Lots 1-11, the District's commitment to serve Lots 12-70, and pursuant to the requirements below, the County Attorney's Office recommends a finding that the proposed water supply is **sufficient** in terms of quantity and dependability. The El Paso County Health Department must provide a recommendation as to water quality regarding Lots 1-11.

## **REQUIREMENTS:**

### **ALL LOTS**

A. Prior to plat recording, Applicant shall provide an updated Water Supply Information Summary that corrects the Water Requirements for Lots 1-11 in Section 9

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<sup>3</sup> The SEO used different numbers than those relied on herein to reach its conclusion. Rather than the 3,032 AF of Laramie-Fox Hills water that the Applicant agreed to convey to the District in the Agreement described in paragraph 18 herein, the SEO calculated that 3,644 of such water would be conveyed.

based upon the limitation decreed in 18CW3002, corrects the corresponding total Water Requirements, and removes the reference to Case No. 16CW3095 as inapplicable to this plat.

#### LOTS 12-70 CENTRAL WATER SYSTEM

B. Prior to plat recording, Applicant shall provide a copy of the Intergovernmental Agreement between Sterling Ranch Metropolitan District No. 1 and The Retreat Metropolitan District regarding the provision of central water service.

C. Prior to plat recording, Applicant shall provide an update to the Water Resources Report for Sterling Ranch Metropolitan District that corrects in Table 2 the amount of Laramie-Fox Hills water available onsite for The Retreat, based on the agreement to convey water in paragraph 2.1 of the Development and Infrastructure Agreement dated February 21, 2019, and that corrects the amount of Sterling rights committed to the Retreat Service Area identified in Section 3.2.

D. Prior to plat recording, Applicant shall provide an updated Commitment Letter from the Sterling Ranch Metropolitan District No. 1 that corrects the number of lots committed to be served to 164 corrects the corresponding water demand for 164 lots total, and provides the specific amount of water committed to be served for the 59 urban lots in this Filing 1.

E. Prior to plat recording, Applicant shall provide proof of conveyance of water rights to Sterling Ranch Metropolitan District No. 1.

F. Prior to plat recording, Applicant shall provide a professional engineer's certification that all offsite water infrastructure necessary to serve the subdivision has been constructed in accordance with CDPHE construction approval and final design plans and specifications.

G. Applicant and all future owners of lots within this filing shall be advised of, and comply with, any conditions, rules, regulations, limitations, and specifications set by the Sterling Ranch Metropolitan District No. 1.

#### LOTS 1-11 INDIVIDUAL WELLS

H. Applicant shall take all necessary steps to ensure that if and when Applicant conveys the property for this subdivision, that the appropriate water rights and obligations of the decree and augmentation plan are conveyed to the successor purchaser. These Requirements shall apply to the Applicant and its successors and assigns. Applicant shall create a Homeowners' Association ("HOA") and advise the HOA and all future owners of these lots of all applicable requirements of the decree and augmentation plan entered in District Court Water Division 2 Case Nos. 2017CW3002

and 2018CW3002, as well as their obligations to comply with the decree and augmentation plan, including but not limited to, costs of operating the augmentation plan, including the costs for constructing and pumping the Laramie-Fox Hills aquifer wells for replacing post-pumping depletions, and the responsibility for metering and collecting data regarding water withdrawals from all wells.

J. Applicant shall reserve and convey by warranty deed to the HOA, Applicant's interests, rights, and obligations with respect the pro-rata share per lot of the 2,796 acre-feet of Laramie-Fox Hills aquifer groundwater to be used for replacing post-pumping depletions. Applicant shall create restrictive covenants upon and running with the Property which shall obligate individual lot owners and the HOA to carry out the requirements of the plan for augmentation. The conveyance instruments and/or deeds shall provide that these water rights shall be appurtenant to the land to be used for replacing depletions to the applicable stream systems, shall not be separated from the transfer of title to the land, and shall not be separately conveyed, bartered, or encumbered. Such conveyance instruments and/or deeds shall be reviewed and approved by both the Planning and Community Development Department and the County Attorney's Office prior to recording the final plat.

The covenants shall address the following:

- 1) Identify the water rights associated with the property. The Covenants shall reserve 1,056 acre-feet of not nontributary Dawson aquifer water pursuant to the augmentation plan, District Court Water Division 2, Case No. 18CW3002, to satisfy El Paso County's 300-year water supply requirement for the 11 lots of the Retreat at TimberRidge Filing No. 1 Subdivision.
- 2) Require non-evaporative septic systems and reserve return flows from the same. The Covenants shall require each lot owner to use non-evaporative septic systems to ensure that return flows from such systems are made to the stream system to replace actual depletions during pumping, shall reserve said return flows to replace depletions during pumping, and shall state that said return flows shall not be separately sold, traded, assigned, or used for any other purpose. The Covenants more specifically shall require that each lot served by the Dawson aquifer wells have an occupied single-family dwelling that is generating return flows from a non-evaporative septic system before any irrigation or animal watering is allowed from the well. The Covenants shall also include the following or similar language to ensure that such return flows shall only be used for replacement purposes: "Return flows shall only be used for replacement purposes, shall not be separated from the transfer of title to the land, and shall not be separately conveyed, sold, traded, bartered, assigned or encumbered in whole or in part for any other purpose."

3) The following or similar language shall be included in the Covenants to address future conveyances of the lots subsequent to the initial conveyance made by Applicant/Declarant: "The water rights referenced herein shall be explicitly conveyed; however, if a successor lot owner fails to so explicitly convey the water rights, such water rights shall be intended to be conveyed pursuant to the appurtenance clause in any deed conveying said lot, whether or not the plan for augmentation in District Court Water Division 2, Case No. 18CW3002, and the water rights therein are specifically referenced in such deed. The water rights so conveyed shall be appurtenant to the lot with which they are conveyed, shall not be separated from the transfer of title to the land, and shall not be separately conveyed, sold, traded, bartered, assigned or encumbered in whole or in part for any other purpose. Such conveyance shall be by special warranty deed, but there shall be no warranty as to the quantity or quality of water conveyed, only as to the title."

4) The Covenants shall advise future lot owners of this subdivision, their successors and assigns, of their responsibility for any metering and data collecting that may be required regarding water withdrawals from wells in the Dawson aquifer and future wells to be constructed in the Laramie-Fox Hills aquifer for post-pumping depletions.

5) The Covenants shall address amendments using the following or similar language:

"Notwithstanding any provisions herein to the contrary, no changes, amendments, alterations, or deletions to these Covenants may be made which would alter, impair, or in any manner compromise the water supply for the Retreat at TimberRidge Subdivision pursuant to the plan for augmentation in District Court Water Division 2, Case No. 18CW3002. Further, written approval of any such proposed amendments must first be obtained from the El Paso County Planning and Community Development Department, and as may be appropriate, by the Board of County Commissioners, after review by the County Attorney's Office. Any amendments must be pursuant to a Determination from the Division 2 Water Court approving such amendment, with prior notice to the El Paso County Planning and Community Development Department for an opportunity for the County to participate in any such adjudication."

6) The Covenants shall address termination using the following or similar language:

"These Covenants shall not terminate unless the requirements of the plan for augmentation in District Court Water Division 2, Case No. 18CW3002, are also terminated by order of the Division 2 Water Court, and a change of

water supply is approved in advance of termination by the Board of County Commissioners of El Paso County.”

K. Applicant and its successors and assigns shall reserve in the Covenants and in any deeds of the Property the decreed amount of 3.52 acre-feet annually for the 11 rural lots of the subdivision (0.32/acre-feet/lot/year) for a period of 300 years for a total of 1,056 acre-feet for the 11 lot subdivision for 300 years. Said reservation shall recite that this water shall not be separated from transfer of title to the Property and shall be used exclusively for primary and replacement supply. Applicant shall convey by recorded warranty deed these reserved Dawson aquifer water rights to the individual lot owners. Applicant shall provide copies of said Covenants or other such reservation and conveyance instruments that shall be reviewed and approved by both the Planning and Community Development Department and the County Attorney’s Office prior to recording the final plat.

Any and all conveyance instruments shall recite as follows:

For the water rights and return flows conveyed for the primary supply (Dawson aquifer): “These water rights conveyed, and the return flows therefrom, are intended to provide a 300-year supply, and replacement during pumping, for each of the 11 lots of the Retreat at TimberRidge Subdivision, The water rights so conveyed, and the return flows therefrom, shall be appurtenant to each of the respective lots with which they are conveyed, shall not be separated from the transfer of title to the land, and shall not be separately conveyed, sold, traded, bartered, assigned or encumbered in whole or in part for any other purpose. Such conveyance shall be by special warranty deed, but there shall be no warranty as to the quantity or quality of water conveyed, only as to the title.”

L. Applicant and its successors and assigns shall reserve in the Covenants and in any deeds of the Property the pro-rata share for each lot of 2,796 acre-feet of water in the Laramie-Fox Hills aquifer for use in the augmentation plan to replace post-pumping depletions. Pursuant to the decree and plan for augmentation, Applicant shall recite that this water shall not be separated from transfer of title to the Property and shall be used exclusively for augmentation supply. Applicant shall convey by recorded warranty deed these reserved Laramie-Fox Hills aquifer water rights to the HOA or to the individual lot owners (with appropriate deed restrictions) for use in the augmentation plan. Applicant shall provide copies of such reservation and conveyance instruments that shall be reviewed and approved by both the Planning and Community Development Department and the County Attorney’s Office prior to recording the final plat.

M. Applicant and its successors and assigns at the time of lot sales, shall convey by warranty deed to individual lot owners sufficient water rights in the Dawson aquifer, pursuant to District Court Water Division 2, Case No. 18CW3002, underlying the respective lots to satisfy El Paso County’s 300 year water supply requirement. Dawson

aquifer requirements are 96 acre-feet (0.32 acre-feet/year x 300 years). Said conveyance instruments shall recite that this water shall not be separated from transfer of title to the Property and shall be used exclusively for the primary supply and replacement during pumping for the respective lots. Applicant shall provide form deeds for such conveyances that shall be reviewed and approved by both the Planning and Community Development Department and the County Attorney's Office prior to recording the final plat.

N. Applicant, its successors and assigns, shall submit a Declaration of Covenants, Conditions, and Restrictions and any plat notes required herein to the Planning and Community Development Department and the County Attorney's Office for review, and the same shall be approved by the Planning and Community Development Department and the County Attorney's Office prior to recording the final plat. Said Declaration shall cross-reference District Court Water Division 2, Case No. 17CW3002 (decree) and 18CW3002 (augmentation plan) and shall identify the obligations of the individual lot owners thereunder.

O. Applicant, its successors and assigns, shall record all applicable documents, including, but not limited to, the decree and augmentation plan in District Court Water Division 2, Case Nos. 17CW3002 and 18CW3002, and agreements, assignments, and warranty deeds regarding the water rights, and Declaration of Covenants in the land records of the Office of the Clerk and Recorder of El Paso County, Colorado.

P. The following plat note shall be added that addresses the State Engineer's admonition to advise landowners of potential limited water supplies in the Denver Basin:

"Water in the Denver Basin aquifers is allocated based on a 100-year aquifer life; however, for El Paso County planning purposes, water in the Denver Basin aquifers is evaluated based on a 300-year aquifer life. Applicants and all future owners in the subdivision should be aware that the economic life of a water supply based on wells in a given Denver Basin aquifer may be less than either the 100 years or 300 years used for allocation indicated due to anticipated water level declines. Furthermore, the water supply plan should not rely solely upon non-renewable aquifers. Alternative renewable water resources should be acquired and incorporated in a permanent water supply plan that provides future generations with a water supply."

cc: Kari Parsons, Project Manager/Planner III

**INTERGOVERNMENTAL AGREEMENT  
WATER and WASTEWATER SERVICE – THE RETREAT**

This Intergovernmental Agreement regarding the provision of central water and wastewater services to real property commonly referenced as the Retreat at TimberRidge (“IGA”) is made and entered into as of the 6<sup>th</sup> day of November, 2020, by and between the Sterling Ranch Metropolitan District No. 1 (“SRMD”), a quasi-municipal corporation and political subdivision of the State of Colorado (acting by and through its Utility Enterprise), and the Retreat Metropolitan District No. 1 (“RMD”), a quasi-municipal corporation and political subdivision of the State of Colorado.

**Recitals**

WHEREAS, the parties hereto, being political subdivisions of the State of Colorado as described at C.R.S. §29-1-202(2), are authorized to enter into intergovernmental agreements pursuant to Colo. Const., Art. XVI, §18(2), and C.R.S. §§29-1-203, 32-1-1001(d); and

WHEREAS, C.R.S. §29-20-105 specifically authorizes and encourages local governments to contract with other units of government for the purposes of planning or regulating the development of land, including but not limited to the joint exercise of planning, zoning, subdivision, building and related regulations; and

WHEREAS, SRMD owns certain municipal water rights, water infrastructure, water treatment facilities and water distribution systems (“SRMD Water Infrastructure”), as may in the future be supplemented with other water and water rights and infrastructure; and

WHEREAS, SRMD owns certain wastewater collection infrastructure and treatment facilities, or contractual rights to the use thereof, as may be supplemented with other infrastructure in the future (“SRMD Wastewater Infrastructure”); and

WHEREAS, RMD was formed to assist in the development of municipal utility infrastructure associated with real property commonly referenced as the Retreat at TimberRidge (the “Retreat”), as more particularly described on the attached **Exhibit A**, including water delivery infrastructure and wastewater collection infrastructure (collectively “On-Site Infrastructure”) to facilitate the timely development of the Retreat; and

WHEREAS, RMD and SRMD have jointly identified off-site infrastructure necessary for connection of the SRMD Water Infrastructure and SRMD Wastewater Infrastructure to the RMD On-Site Infrastructure, as necessary for SRMD’s provision of water and wastewater service under this agreement to RMD (the “Local Infrastructure”); and

WHEREAS, RMD desires to utilize existing SRMD water and water rights, and existing SRMD infrastructure, along with additional off-site water delivery infrastructure

to be constructed by RMD and conveyed to SRMD consistent with the provisions herein, and additional on-site water delivery infrastructure to be constructed and maintained by RMD for the provision of water to municipal uses within the Retreat, and SRMD desires to provide such water and water rights to RMD and its residential and/or commercial customers; and

WHEREAS, RMD and SRMD desire to enter into this IGA to establish the terms and conditions by which they shall cooperatively provide and deliver municipal water supplies and service to the residents and water users of the Retreat.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

## AGREEMENT

### I. RMD Requirements and Obligations.

A. Conveyance of Denver Basin Groundwater. Coincident with the execution of this IGA, RMD, as the successor to TimberRidge Development Group, LLC, a Colorado limited liability company, has delivered to SRMD the Quitclaim Deed attached hereto as **Exhibit B**, conveying to SR Water, LLC the following water and water rights as previously quantified and decreed in Case No. 17CW3002, which in addition to in-lieu-of fees paid to SRMD by a predecessor in title to the Retreat property consistent with that Development and Infrastructure Agreement dated February 21, 2019 (the "Infrastructure Agreement") to which RMD is a successor/assignee, results in conveyance of sufficient water and resources to SRMD as consideration for SRMD's provision of water service to the Retreat:

Aquifer	Sand Thickness (Feet)	Total Ground Water Storage (Acre Feet)
Denver (NNT)	310	11,909
Arapahoe (NT)	255	9,796
Laramie-Fox Hills (NT)	190	3,032

### B. Construction of Water and Wastewater Infrastructure.

1. On-Site Infrastructure. RMD shall construct, at RMD's sole expense, all On-Site Infrastructure, including both water distribution and wastewater collection infrastructure, as specifically set forth in **Exhibit C** for provision of water and wastewater services by SRMD to the Retreat, without any right or claim to cost recovery under the Infrastructure Agreement or this IGA. All such On-Site Infrastructure shall be designed and engineered to meet SRMD specifications, constructed in conjunction with such designs, inspected and approved by SRMD prior to acceptance, and conveyed to SRMD and warranted for such period as consistent with applicable SRMD policies, resolutions, rules and regulations.

2. Local Infrastructure. Further, RMD shall construct all Local Infrastructure, being off-site from the Retreat but within the boundaries of SRMD and on property owned or controlled by SRMD, as necessary for delivery of water and wastewater services to the Retreat. All such Local Infrastructure shall be designed and engineered to meet SRMD specifications, constructed in conjunction with such designs, inspected and approved by SRMD prior to acceptance, and conveyed to SRMD and warrantied for such period as consistent with applicable SRMD policies, resolutions, rules and regulations. Said Local Infrastructure is generally described on the attached **Exhibit D**. The Parties agree that such Local Infrastructure is necessary in order to connect municipal central water and wastewater supplies from SRMD and its existing municipal utility infrastructure to the On-Site Infrastructure at the Retreat.

a. Engineering, Design, Construction and Funding of Local Infrastructure. The engineering, design, permitting and construction of the Local Infrastructure shall be the responsibility of RMD, though compliant with all applicable SRMD rules, regulations, policies and resolutions, and subject to prior approval by the SRMD's engineering consultants. The Local Infrastructure shall be funded by and the responsibility and obligation of RMD, as described herein.

b. Dedication and Acceptance of Sewer Improvements. RMD agrees and acknowledges that though funded and constructed by RMD, all components and phases of Local Infrastructure shall be dedicated to and accepted by SRMD in accordance with the procedures provided in the SRMD's rules, regulations, policies and resolutions.

c. Local Infrastructure Construction Costs/Recovery. The costs of construction of the Local Infrastructure shall include all reasonable design, construction and engineering fees, inspection fees, the actual and direct costs of construction including labor and material pursuant to construction contracts, expenses related to any easement or right-of-way acquisition, and including reasonable attorney's fees incurred (the "Construction Costs"). The Local Infrastructure shall be designed and sized to accommodate SRMD's provision of water and wastewater service to other properties and developments reasonably served thereby, and RMD shall coordinate and cooperate with SRMD in the design of such Local Infrastructure. Incremental costs resulting from such oversizing of Local Infrastructure by RMD shall be fully recoverable consistent with the provisions this IGA, and the Infrastructure Agreement. The Local Infrastructure Construction Costs are estimated on the attached **Exhibit D**, and will be adjusted periodically to reflect actual Local Infrastructure Construction Costs. RMD agrees that the Local Infrastructure Construction Costs will be documented for certification by SRMD upon completion of the Local Infrastructure, for purposes of determining amounts recoverable by RMD under the Cost-Recovery terms provided herein.

i. Carrying Costs. There will be certain carrying costs associated with funds advanced by RMD for the Construction Costs associated with the Local Infrastructure. The ultimate Cost Recovery of advanced funds, shall include interest accruing at a rate of 4.5% annually from the date such funds are advanced by RMD to compensate RMD for the costs of money for such advanced funds.

ii. Reimbursement and Cost-Recovery Rights. Following completion of the Local Infrastructure by RMD, RMD may recover Construction Costs funded in advance by means of SRMDs imposition of a Cost Recovery Fee upon "Property Owners" within SRMD who will benefit from the Local Infrastructure but did not participate in the costs of its construction, pursuant to the procedures described in this IGA and the Infrastructure Agreement. SRMD agrees to impose and collect the Cost Recovery Fee to the fullest extent allowed by law and to reimburse RMD with the funds derived thereby.

iii. Certification of the Local Infrastructure Costs. Upon final completion of the Local Infrastructure, the final costs of thereof shall be certified by the RMD and delivered to SRMD. Said certified costs shall form the basis for cost recovery by RMD against other Property Owners benefitted by the Local Infrastructure, consistent with the Cost Recovery Procedures described in Paragraph 2.C., below.

3. Cost Recovery Procedures. SRMD and RMD agree that the cost recovery by SRMD on RMD's behalf, against future Property Owners benefitted by the Local Infrastructure of the certified Construction Costs shall be substantially in accordance with the following procedures:

a. Cost Recovery. In addition to SRMDs other typical fees and charges, as a prerequisite to the issuance of water and sewer taps which connect to SRMD's infrastructure, and specifically the Local Infrastructure as described herein, SRMD shall collect a "Cost Recovery Fee" from the applicable Property Owner(s) of the such benefitted property, as provided herein, due upon recording by the El Paso County Board of County Commissioners of the 1<sup>st</sup> final plat within any such Property Owner(s)' developed properties. Such Cost Recovery Fee shall be commensurate with a *pro rata* portion of the Certified Costs allocated amongst all benefitted properties, including the Retreat, for the Local Infrastructure, and shall be calculated by and payable to SRMD. SRMD shall, as applicable, escrow such Cost Recovery Fee(s) and promptly distribute and remit such fees to RMD, until RMD is fully reimbursed and all advanced costs for the Local Infrastructure, excepting its own *pro rata* allocation of the Local Infrastructure Construction Costs associated with the Retreat.

b. Remittance of Collected Cost Recovery Fee. SRMD shall remit to RMD its allocated portion of the Cost Recovery Fee within thirty (30) days from the date of its collection. SRMD shall not collect Cost Recovery Fees in excess of the non-RMD allocated certified Construction Costs. Should such excess funds be inadvertently collected by SRMD, such funds will be refunded to the party so paying.

c. Duration of Cost Recovery Obligation/Renewal. SRMD's obligations to collect and remit the Cost Recovery Fee(s) shall terminate twenty (20) years from the date of the RMD's certification of Construction Costs. The term of the Cost Recovery obligations pursuant to this IGA may be extended upon the mutual written agreement of the parties.

d. Third Party Use of Excess Capacity. In the event SRMD

determines, in its exclusive but reasonable discretion, that there is excess capacity in the Local Infrastructure, or some portion thereof, beyond what is needed to serve the projected development within SRMD and at the Retreat, then SRMD may make such excess capacity available to third parties upon the payment of applicable fees to be determined in SRMD's reasonable discretion, provided RMD has first recovered all advanced costs excepting RMD's own *pro rata* allocation of the costs of the Local Infrastructure associated with the Retreat. In the event that RMD has not fully recovered such advanced funds, SRMD shall, in its reasonable discretion, calculate an appropriate Cost Recovery Fee and impose the same upon such benefitted Third Party, distributing and remitting such fees when collected to RMD until such advanced costs are completely recovered.

## II. SRMD Requirements and Obligations.

A. Provision of Municipal Water Service. By service commitment letters dated April 12, 2018, January 9, 2019 and most recently November 2, 2020, SRMD has committed to the provision of municipal water service to the residential development on the Retreat property, now represented by the service area of RMD. SRMD, consistent with the terms and conditions of this IGA and in consideration of RMD's requirements and obligations hereunder, shall provide municipal water service to up to 167 single family equivalents ("SFEs") to be developed on the Retreat property, expressly including the 59 SFEs currently pending final plat approval before El Paso County as "Retreat at TimberRidge Filing No. 1".

1. SRMD has developed certain well, treatment, and water delivery infrastructure on lands owned or controlled by SRMD for provision of central municipal water delivery and service to development occurring within the SRMD boundaries, as well as for service to properties outside of the boundaries of SRMD, such as RMD, subject to contractual provisions or inter-governmental agreements, such as this IGA. With the addition of the Local Infrastructure and On-Site Infrastructure to be constructed by RMD, as described above, SRMD will have infrastructure in place sufficient to allow for municipal water service to the Retreat.

2. SRMD has acquired and developed certain water and water rights for use in its municipal water supply system, which when combined with the water rights to be deeded by RMD consistent with Paragraph I.A., above, are in excess of and sufficient to meet the maximum water supply demand for development at the Retreat. SRMD has contracted for and continues to supplement its water rights portfolio, and can and will have sufficient water rights to serve the Retreat development with municipal water service in perpetuity.

B. Provision of Municipal Wastewater Service. SRMD has constructed certain wastewater treatment and collection infrastructure, including but not limited to collection pipelines and lift stations. SRMD has contracted with the Meridian Metropolitan District ("MMD") for the use of excess capacity in MMD's system including at the Waste Water Treatment Facility MMD co-owns with the Cherokee Metropolitan District. With the addition of the Local Infrastructure and On-Site Infrastructure to be constructed by RMD, as described above, SRMD will have infrastructure in place

sufficient to allow for municipal waste water service to the Retreat. SRMD has sufficient contractual interests to provide municipal wastewater service to the residential development at the Retreat, and consistent with the terms and conditions of this IGA and in consideration of RMD's requirements and obligations hereunder, shall provide municipal waste water service to up to 167 single family equivalents ("SFEs") to be developed on the Retreat property, expressly including the 59 SFEs currently pending final plat approval before El Paso County as "Retreat at TimberRidge Filing No. 1".

C. Terms of Service and Rates. SRMD shall provide the municipal water and wastewater services described above to the residential development at the Retreat in a manner consistent with provision of similar services to residential customers actually included within SRMD, and further consistent with all policies, resolutions, rules and regulations of SRMD applicable to municipal water service, municipal wastewater service, and service outside of the District's boundaries, both as may exist today and as may be promulgated or enacted by SRMD in the future. Notwithstanding the foregoing, rates for water and wastewater services provided by SRMD for residential customers in the Retreat shall not exceed 110% of the rates applicable to in-District residential customers of SRMD, absent documentation satisfactory to all parties that the cost of providing such services to the Retreat are in excess of such 10% surcharge. SRMD shall bill each residential customer within the Retreat in the same manner as in-District residential customers, and all residential customers of the Retreat shall be subject to and bound by applicable rules, regulations, policies and resolutions of SRMD as applies to water and wastewater services, billing, collections, termination of service, or otherwise.

### III. General Provisions.

A. Term. This IGA is a contract in perpetuity granting present vested rights. The term of this IGA is perpetual as is deemed lawful under the cases entitled Cherokee Water Dist. v. Colorado Springs, 519 P.2d 339 (Colo. 1974) and City and County of Denver v. Consolidated Ditches Company of Dist. No. 2, 807 P.2d 23 (Colo. 1991). If this perpetual IGA is determined to be invalid for any reason, then the IGA term shall be considered as 99 years with the option of RGA to extend the IGA within the existing term for four successive and additional 99 year terms.

B. Limitation on Damages. Neither RMD nor SRMD shall be liable for consequential or special damages for any breach of this IGA. Such consequential or special damage claims are hereby waived by each party against the other for a full, fair and adequate consideration. This IGA may, however, be specifically enforced by either party.

C. Third Party Beneficiaries. This IGA is for the sole benefit of the parties hereto and their permitted assigns and no third parties are intended to be or shall be benefitted by this IGA.

D. Assignment. The rights, entitlements, responsibilities and obligations of either party to this IGA may be assigned in full or in part only to a successor municipal or quasi-municipal entity with authority and capability to fully perform the duties

assigned, and only with the express written consent of the other party to this IGA, which consent shall not be unreasonably withheld.

E. Termination. Either party may terminate this Agreement upon 180-day's written notice to the other party if, and only if: (1) alternate municipal or quasi-municipal water and wastewater service has become available to the residential development within the Retreat at comparable cost, and connection to and provision of such services has been accomplished; and (2) all On-Site and Local Infrastructure has been constructed and all applicable costs recovered.

F. Cooperation. The Parties agree to take all reasonable measures, whether specified herein or not, to carry out and ensure the satisfactory performance of the provisions and intents of this IGA, for the benefit of customers mutually served by RMD and SRMD. Neither Party shall take actions which directly or indirectly frustrate the purposes of this IGA.

G. Nonappropriation/TABOR. It is the express intention of each Party that this IGA is entered into and to be performed by any utility enterprise of SRMD or RMD. To the extent this IGA may be interpreted otherwise, reasonable available funding sources to RMD and SRMD may require such special districts to incur multi-year debt obligations, and such multi-year debt obligations are subject to the provisions of the Colorado Tax-Payers Bill of Rights (TABOR), as codified in the Colorado Constitution at Article X, Section 20. In order to incur such multi-year debt obligations, it may be necessary for RMD and/or SRMD to obtain voter approval from the eligible voters of such district(s). Failure of the eligible voters of RMD and/or SRMD to approve the incurrence of multi-year debt obligations shall not automatically result in a default under this IGA, unless such failure to approve such multi-year debt obligation(s) results in the overall frustration of the purpose of this IGA. To the extent RMD and/or SRMD is able to make annual appropriations in sufficient amounts to satisfactorily fund performance of the terms of this IGA, no breach shall be deemed to have occurred.

H. Governmental Immunity. Notwithstanding any other provisions herein to the contrary, none of this IGA's terms or conditions shall be construed or interpreted as a waiver, either express or implied, of any of the immunities, rights, benefits, or protections provided to RMD and SRMD under the Colorado Governmental Immunities Act, C.R.S. §24-10-101, *et seq.*, as amended, or as it may be amended (including, without limitation, any amendments to such statute or under any similar statute which may be subsequently enacted).

I. Waiver. The failure of either Party to insist in one or more cases upon the strict observation or performance of any of the terms of this IGA shall not be considered a waiver or relinquishment of any rights, entitlements, obligations or responsibilities under the terms of this IGA.

J. Regulatory Compliance. The Parties hereto agree to observe and comply with all applicable federal, state and local laws, codes, regulations and ordinances in the performance of this IGA.

K. Default. The Parties shall each have a period of 30 days from written notice of default in which to cure any non-performance under the terms of this IGA, or such longer period of time up to 90 days if such non-performance cannot be cured with due diligence within such initial period of time. In the event of any non-performance that is not cured as provided above, the non-defaulting party shall be entitled to enforce the IGA through legal action for damages, specific performance or both.

L. Mediation/Attorney Fees. In the event of any dispute between the parties concerning this IGA which the Parties are unable to amicably resolve, the Parties shall submit such dispute to mediation before a neutral arbiter. Following mediation, in the event of any action to enforce this IGA or to collect damages as a result of any breach of the obligations herein, excepting the mediation described above, the prevailing party shall be entitled to recover from the other party all costs and expenses, including reasonable attorney fees incurred in such action as well as all additional costs of enforcing and collecting any judgment rendered in such action.

M. Integration. This Agreement sets forth the entire agreement and understanding of the parties with respect to the specific matters addressed in this IGA and the parties acknowledge that no oral or other agreements, understandings, representations, or warranties exist with respect to the subject matter of this IGA. All negotiations and any prior agreements relating to the subject matter of this IGA are merged herein.

N. Authority. Each party represents and warrants that it has the full power and authority to enter into and perform this IGA, and that each parties Board of Directors has specifically authorized the signatory below to enter into and perform this IGA.

O. No Conflict. The parties represent to each other that this IGA does not violate or conflict with any agreement, contract, law, judgment, order, rule or regulation by which the Parties may be bound or affected.

P. Modification. This IGA may be supplemented or modified only by writing signed by both parties.

Q. Applicable Law. This IGA shall in all respects be governed, construed, and enforced in accordance with the laws of the State of Colorado.

R. Venue. Proper venue shall be in the District Court of El Paso County, Colorado, except for water matters that are within the exclusive jurisdiction of the District Court for Water Division 2, State of Colorado.

S. Severability. If any clause or provision of this IGA shall be adjudged to be invalid or unenforceable by a court of competent jurisdiction, or by operation of any law, the invalidity or unenforceability of such clause or provision shall not affect the validity of this IGA as a whole, or of the remaining clauses and provisions of this IGA, provided that the invalid or unenforceable clause or provision does not affect the fundamental consideration flowing to either party under this IGA.

T. Notices. Any notice required to be given under this IGA shall be deemed to have been given upon receipt of delivery and shall be addressed to the respective parties as follows:

If to SRMD:

Sterling Ranch Metropolitan District No. 1  
c/o James Morley, District President  
20 Boulder Crescent  
Colorado Springs, CO 80903

If to RMD:

Retreat Metropolitan District  
c/o Russ Dykstra  
Spencer Fane, LLP  
1700 Lincoln Street, Suite 2000  
Denver, CO 80203

Any party may change the names and addresses of its representatives to receive such notice by providing written notice to the other party in accordance with this paragraph.

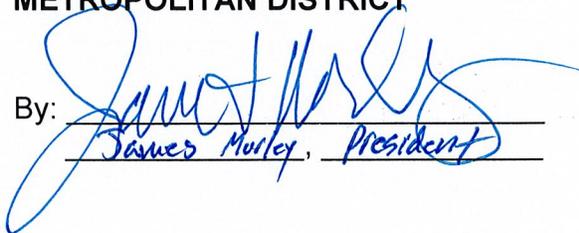
U. Binding Effect. The covenants, agreements, and obligations contained herein shall extend to, bind, and inure to the benefit of the parties hereto, as well as their respective personal representatives, heirs, successors, and assigns.

V. Captions. The captions utilized in this IGA are for convenience and reference only, are not a part of this IGA, and do not define or limit any of the terms of this IGA. Unless context clearly requires otherwise, the singular includes the plural and vice versa.

W. Counterparts. This IGA may be executed in counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument.

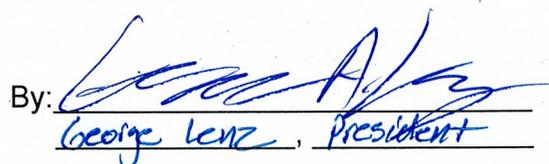
**STERLING RANCH  
METROPOLITAN DISTRICT**

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

  
James Morley, President

**RETREAT METROPOLITAN DISTRICT**

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

  
George Lenz, President



## EXHIBIT A

619 North Cascade Avenue, Suite 200  
Colorado Springs, Colorado 80903  
(719)785-0790 (719)785-0799(fax)

JOB NO. 1185.00-17  
SEPTEMBER 24, 2020  
PAGE 1 OF 3

### **LEGAL DESCRIPTION: IGA BOUNDARY**

A PARCEL OF LAND BEING A PORTION OF SECTIONS 22, 27 AND 28, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BASIS OF BEARINGS:** THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE WEST END WHICH IS THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28, BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED "ESI PLS 10376, 2006" AND AT THE EAST END, WHICH IS A 30' WITNESS CORNER TO THE EAST OF THE EAST QUARTER CORNER OF SAID SECTION 28, BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED "ESI 10376, 2006", IS ASSUMED TO BEAR S89°08'28"W A DISTANCE OF 1356.68 FEET.

COMMENCING AT THE EAST QUARTER CORNER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO SAID POINT BEING THE POINT OF BEGINNING;

THENCE S89°08'28"W, ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 176.41 FEET;  
THENCE N00°51'32"W, A DISTANCE OF 271.57 FEET;  
THENCE N38°51'24"W, A DISTANCE OF 132.99 FEET;  
THENCE N00°50'00"W, A DISTANCE OF 607.94 FEET;  
THENCE N90°00'00"E, A DISTANCE OF 543.99 FEET;  
THENCE N33°00'00"E, A DISTANCE OF 157.65 FEET;  
THENCE N16°00'00"E, A DISTANCE OF 294.34 FEET;  
THENCE N10°00'00"W, A DISTANCE OF 566.77 FEET;  
THENCE N26°00'00"W, A DISTANCE OF 431.96 FEET;  
THENCE N09°30'00"W, A DISTANCE OF 265.91 FEET;  
THENCE N01°21'05"W, A DISTANCE OF 72.63 FEET TO A POINT ON A LINE 30.00 FEET NORTH OF AND PARALLEL TO THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 12 SOUTH, RANGE 5 WEST OF THE SIXTH PRINCIPAL MERIDIAN;

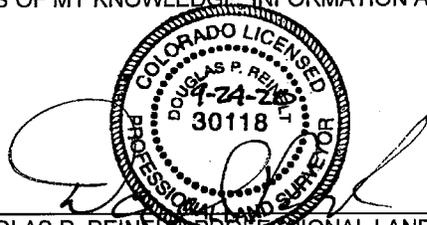
THENCE N88°38'56"E, ON SAID PARALLEL LINE A DISTANCE OF 331.70 FEET TO A POINT ON THE WESTERLY BOUNDARY OF A PARCEL OF LAND DESCRIBED IN A DOCUMENT RECORDED UNDER RECEPTION NO. 219150438;  
THENCE S47°35'42"W, ON SAID WESTERLY BOUNDARY A DISTANCE OF 60.91 FEET TO THE SOUTHWESTERLY CORNER OF SAID PARCEL OF LAND DESCRIBED IN A DOCUMENT RECORDED UNDER RECEPTION NO. 219150438 BEING A POINT ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 27;  
THENCE N88°38'56"E, ON THE SOUTHERLY BOUNDARY OF SAID PARCEL OF LAND DESCRIBED IN A DOCUMENT RECORDED UNDER RECEPTION NO. 219150438 AND THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 27 A DISTANCE OF 898.52 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 27;  
THENCE S00°54'30"E, ON THE EAST LINE OF THE NORTHWEST QUARTER AND THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 27, A DISTANCE OF 3925.63 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 27;

THENCE S87°35'00"W, ON THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE  
SOUTHWEST QUARTER OF SECTION 27, A DISTANCE OF 1332.78 FEET TO THE  
SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHWEST  
QUARTER OF SECTION 27;  
THENCE N00°53'18"W ON THE WEST LINE OF SAID NORTHWEST QUARTER OF THE  
SOUTHWEST QUARTER OF SECTION 27, A DISTANCE OF 1316.78 FEET TO THE EAST  
QUARTER CORNER OF SAID SECTION 28 SAID POINT BEING THE POINT OF  
BEGINNING;

CONTAINING A CALCULATED AREA OF 113.256 ACRES.

**LEGAL DESCRIPTION STATEMENT:**

I, DOUGLAS P. REINELT, A LICENSED PROFESSIONAL LAND SURVEYOR IN THE STATE  
OF COLORADO, DO HEREBY STATE THAT THE ABOVE LEGAL DESCRIPTION AND  
ATTACHED EXHIBIT WERE PREPARED UNDER MY RESPONSIBLE CHARGE AND ON THE  
BASIS OF MY KNOWLEDGE, INFORMATION AND BELIEF, ARE CORRECT.



DOUGLAS P. REINELT, PROFESSIONAL LAND SURVEYOR  
COLORADO P.L.S. NO. 30118  
FOR AND ON BEHALF OF CLASSIC CONSULTING  
ENGINEERS AND SURVEYORS

SEPT 24, 2020  
DATE



**QUITCLAIM DEED**  
(water rights)

**Exhibit B**

**THIS DEED**, made this \_\_\_ day of \_\_\_\_\_, 2020, between Retreat Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado ("Grantor") and Sterling Ranch Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado ("Grantee"):

**WITNESS**, that the Grantor, for and in consideration of the sum of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, QUITCLAIMED, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto the Grantee, their heirs, successors and assigns forever, all the right, title, interest, claim and demand, if any, which the Grantor may have in and to the real property, together with improvements, if any, situate, lying and being in the County of El Paso and State of Colorado, described as following water rights:

Water rights, and rights to use and extract groundwater associated with and appurtenant to that real property more particularly described in **Exhibit A** hereto (the "Overlying Land"), commonly referenced as "The Retreat", specifically including only the following groundwater rights:

The following described groundwater in the Denver, Arapahoe and Laramie-Fox Hills aquifers underlying the Overlying Land as adjudicated in Case No. 17CW3002:

<u>Denver (not-nontributary):</u>	11,909 acre feet
<u>Arapahoe (nontributary):</u>	9,796 acre feet
<u>Laramie-Fox Hills (nontributary):</u>	3,644 acre feet

These rights to extract and use groundwater granted herein may be subject to re-quantification by the Division 2 Water Court and/or the State Engineer's Office to reflect actual aquifer conditions, as provided in Case No. 17CW3002. All other water rights and rights to extract and use groundwater decreed in Case No. 17CW3002 not expressly conveyed herein are reserved to Grantor, specifically including the entirety of the not-nontributary Dawson aquifer, a 2,796 acre foot portion of the nontributary Laramie-Fox Hills aquifer not included in the above description, and the plan for augmentation utilizing such reserved groundwater decreed in Case No. 18CW3002, Water Division No. 2.

**TOGETHER**, with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

**TO HAVE AND TO HOLD** the said premises above bargained and described, with the appurtenances, unto the Grantee, their heirs and assigns forever. The Grantor, for itself, its heirs, personal representatives, successors and assigns does hereby quitclaim all interests, if any, in said premises to Grantee, their heirs, personal representatives and assigns.

*(remainder of page intentionally blank, signatures follow)*

**IN WITNESS WHEREOF**, the Grantor has executed this deed on the date set forth above.

\_\_\_\_\_  
By: Douglas Stimple, as \_\_\_\_\_  
of Retreat Metropolitan District No. 1

STATE OF COLORADO        )  
  ) ss.  
COUNTY OF \_\_\_\_\_  )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020, by Douglas Stimple, as \_\_\_\_\_ of Retreat Metropolitan District No. 1.

My commission expires: \_\_\_\_\_

(Seal)

Witness my hand and official seal.

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

EXHIBIT A – LEGAL DESCRIPTION  
(Attached)

## EXHIBIT A

### LEGAL DESCRIPTION – RETREAT (overlying land for water rights)

A PARCEL OF LAND LOCATED IN A PORTION OF THE SOUTHEAST ONE-QUARTER (SE1/4) OF SECTION 21 AND A PORTION OF THE SOUTHWEST ONE-QUARTER OF SECTION 22, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A LINE BETWEEN THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27 AND THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SAID SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST, MONUMENTED AT THE NORTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND MONUMENTED AT THE SOUTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND IS ASSUMED TO BEAR S00°54'30"E, A DISTANCE OF 3925.63 FEET;

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27;  
THENCE S88°38'56"W ALONG THE NORTH LINE OF SAID NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4), A DISTANCE OF 1047.88 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED;

THENCE S88°38'56"W CONTINUING ALONG SAID NORTH LINE, A DISTANCE OF 283.03 FEET TO THE NORTHWEST CORNER OF SAID SECTION 27 SAID POINT ALSO BEING A POINT ON THE EASTERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN BOOK 2678 AT PAGE 431 OF THE RECORDS OF THE EL PASO COUNTY CLERK AND RECORDER;

THENCE ALONG THE EASTERLY AND NORTHERLY RIGHT-OF-WAY LINES OF SAID DEED THE FOLLOWING TWO (2) COURSES:

1. N00°37'14"W SAID LINE ALSO BEING THE WEST LINE OF THE SOUTHWEST ONE-QUARTER (SW1/4) OF SAID SECTION 22, A DISTANCE OF 30.00 FEET;
2. S89°40'23"W, A DISTANCE OF 736.82 FEET TO THE POINT OF INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN BOOK 2678 AT PAGE 430 OF SAID COUNTY RECORDS;

THENCE N21°41'10"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1798.07 FEET;

THENCE N59°58'50"E, A DISTANCE OF 694.83 FEET;  
THENCE S14°30'58"E, A DISTANCE OF 567.09 FEET;  
THENCE N69°36'18"E, A DISTANCE OF 603.87 FEET;  
THENCE S30°23'46"E, A DISTANCE OF 264.58 FEET;  
THENCE S61°52'38"W, A DISTANCE OF 227.40 FEET;

THENCE S79°15'47"W, A DISTANCE OF 276.17 FEET;  
THENCE S89°39'18"W, A DISTANCE OF 356.07 FEET;  
THENCE S40°09'47"W, A DISTANCE OF 310.61 FEET;  
THENCE S09°56'46"W, A DISTANCE OF 270.03 FEET;  
THENCE S35°00'25"W, A DISTANCE OF 167.38 FEET;  
THENCE S57°24'01"W, A DISTANCE OF 235.36 FEET;  
THENCE S27°23'34"E, A DISTANCE OF 611.29 FEET TO THE POINT OF BEGINNING;

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SAID PARCEL OF LAND CONTAINS A CALCULATED AREA OF 35.08 ACRES OF LAND, MORE OR LESS.

Along With:

A PARCEL OF LAND BEING THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27, THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (SW1/4 NW1/4) OF SECTION 27, THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SECTION 27, A PORTION OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 28 AND A PORTION OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (NE1/4 NE1/4) OF SECTION 28, ALL IN TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A LINE BETWEEN THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27 AND THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SAID SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST, MONUMENTED AT THE NORTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND MONUMENTED AT THE SOUTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND IS ASSUMED TO BEAR S00°54'30"E, A DISTANCE OF 3925.63 FEET;

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED;

THENCE S00°54'30"E ALONG THE EAST LINE OF THE WEST ONE-HALF (W1/2) OF SAID SECTION 27, A DISTANCE OF 3925.63 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SAID SECTION 27;

THENCE S87°35'00"W ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4), A DISTANCE OF 1332.78 FEET TO THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4);

THENCE N00°53'18"W ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4), A DISTANCE OF 1316.78 FEET TO THE NORTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4);

THENCE S89°08'28"W ALONG THE SOUTH LINE OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (SE1/4 NE1/4) OF SECTION 28, A DISTANCE OF 1326.68 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (SE1/4 NE1/4);

THENCE N00°30'49"W ALONG THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (SE1/4 NE1/4), A DISTANCE OF 1270.77 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN

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BOOK 2678 AT PAGE 430 OF THE RECORDS OF THE EL PASO COUNTY CLERK AND RECORDER;  
THENCE N21°41'10"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1450.84 FEET TO THE POINT OF INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN BOOK 2678 AT PAGE 431 OF SAID COUNTY RECORDS;

THENCE ALONG THE SOUTHERLY AND EASTERLY RIGHT-OF-WAY LINES OF SAID DEED THE FOLLOWING TWO (2) COURSES:

1. N89°40'23"E, A DISTANCE OF 761.52 FEET TO A POINT ON THE EAST LINE OF SAID NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (NE1/4 NE1/4);
2. N00°52'58"W ALONG SAID EAST LINE, A DISTANCE OF 30.00 FEET TO THE NORTHWEST CORNER OF SAID SECTION 27;

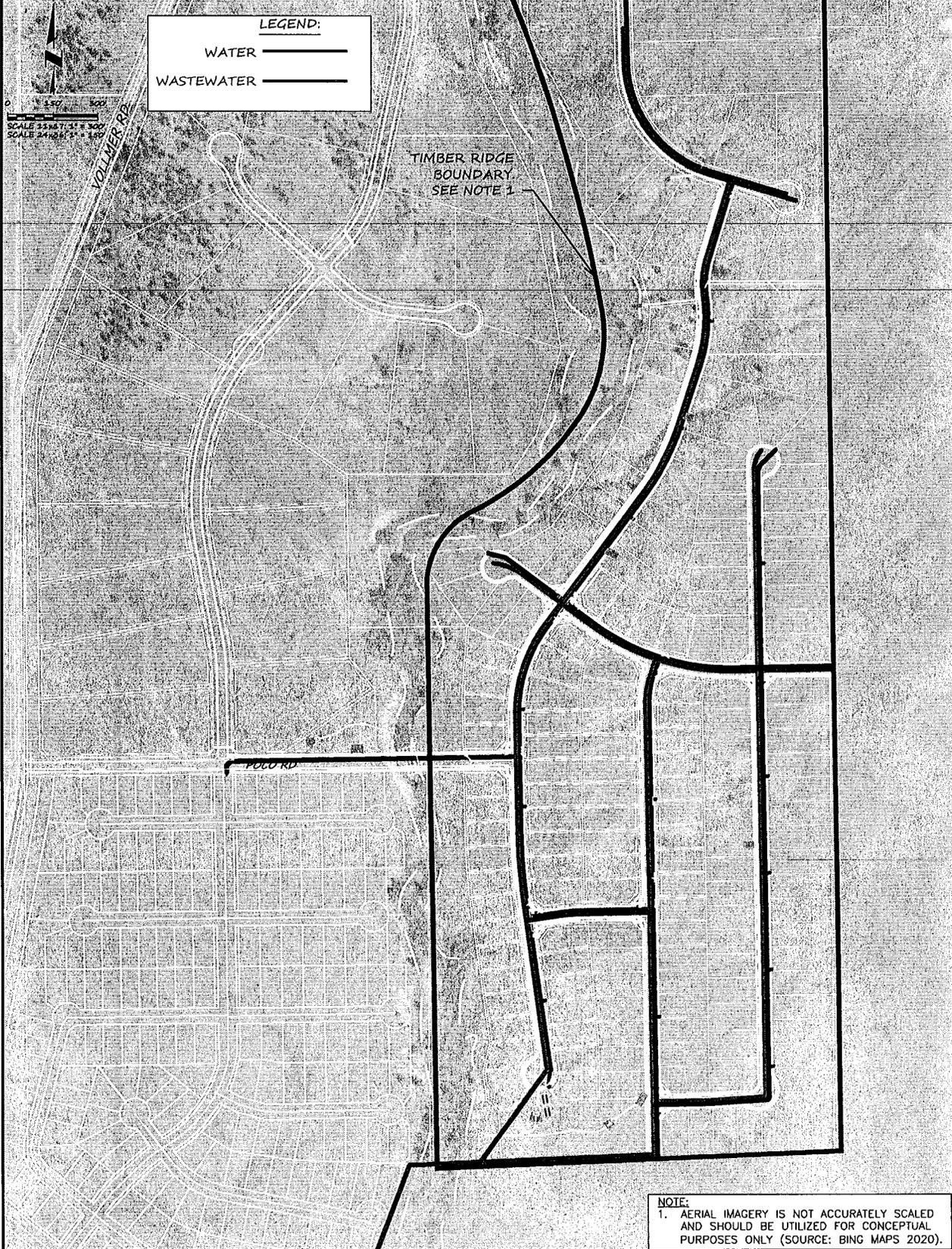
THENCE N88°38'56"E ALONG THE NORTH LINE OF SAID NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4), A DISTANCE OF 1330.91 FEET TO THE POINT OF BEGINNING;

SAID PARCEL OF LAND CONTAINS A CALCULATED AREA OF 190.89 ACRES OF LAND, MORE OR LESS.

---

**EXHIBIT C ONSITE WATER AND SEWER INFRASTRUCTURE**

1. THIS INCLUDES GRAVITY SEWER LINES AND WATER DISTRIBUTION LINES LAID OUT GENERALLY AS SHOWN ON THIS EXHIBIT. THESE ON-SITE LINES WILL GENERALLY BE 8 INCH WATER AND 8 INCH SANITARY SEWER LINES.



**LEGEND:**

WATER ———

WASTEWATER - - - - -

SCALE 3538.77' = 1" @ 300'

SCALE 2442.65' = 1" @ 150'

**NOTE:**

1. AERIAL IMAGERY IS NOT ACCURATELY SCALED AND SHOULD BE UTILIZED FOR CONCEPTUAL PURPOSES ONLY (SOURCE: BING MAPS 2020).

PROJECT NO. 300.02
DATE 11/06/20
DRAWN BY
CHECKED BY
APPROVED BY
DATE

**EXHIBIT C**

RMD ONSITE INFRASTRUCTURE

RETREAT AT TIMBER RIDGE

**IDS-HYDRO** CONSULTANTS, INC.

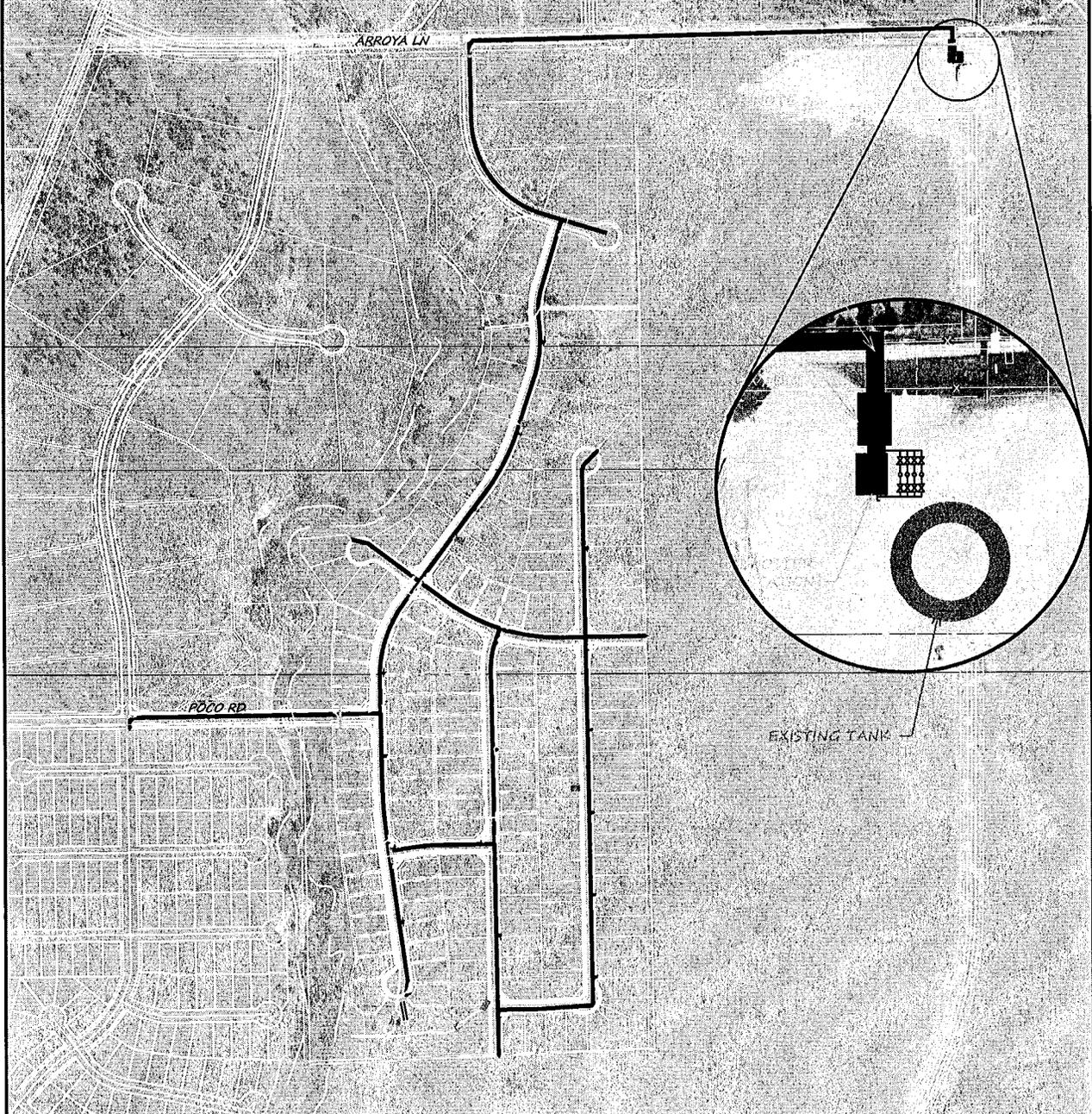
5540 TECH CENTER DR., SUITE 100  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 227-0072

DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND ERRORS OF THIS DRAWING OR REPORTED TO THE DESIGN CONSULTANT. THE CONTRACTOR SHALL BE LIABLE FOR DIMENSIONAL CHANGES AND/OR REVISIONS MADE TO PLANS.

OFFSITE WATER INFRASTRUCTURE

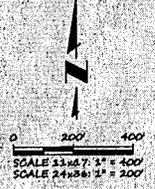
EXHIBIT D-1

1. OFFSITE WATER INFRASTRUCTURE INCLUDES A PUMP STATION SITUATED ON THE STERLING RANCH METROPOLITAN DISTRICT (SRMD) TANK SITE WHICH INCLUDES 12 INCH PIPING FROM THE SRMD TANK CONNECTION TO THE PUMP STATION AND 12 INCH DISCHARGE PIPING NORTHERLY OUT OF THE PUMP STATION TO ARROYA ROAD.
2. OFFSITE WATER INFRASTRUCTURE ALSO INCLUDES 12 INCH PIPING ALONG ARROYA ROAD ROUGHLY 1585 FEET TO THE ENTRANCE INTO THE RETREAT ROADWAYS AS SHOWN. FROM THIS POINT WATER INFRASTRUCTURE IS CONSIDERED ON-SITE AND IS FURTHER DESCRIBED ON EXHIBIT C.
3. OFF-SITE WATER INFRASTRUCTURE ALSO INCLUDES AN 8 INCH PIPELINE WESTERLY OUT OF THE RETREAT SUBDIVISION WESTERLY ROUGHLY 615 FEET, ALONG POCO ROAD AND STUBBED TO THE SOUTH AS SHOWN ON THIS EXHIBIT.



**LEGEND:**  
 WATER ———

**NOTE:**  
 1. AERIAL IMAGERY IS NOT ACCURATELY SCALED AND SHOULD BE UTILIZED FOR CONCEPTUAL PURPOSES ONLY (SOURCE: BING MAPS 2020).



<p><b>EXHIBIT</b></p> <p><b>D-1</b></p> <p>SHEET 1 OF 3</p>	Project No. 30002
	Date: 11/06/20
	Design: JAH
	Drawn: ASH
	Checked: JAH
	Reviewed:

**EXHIBIT D-1**  
 RMD OFFSITE INFRASTRUCTURE  
 RETREAT AT TIMBER RIDGE

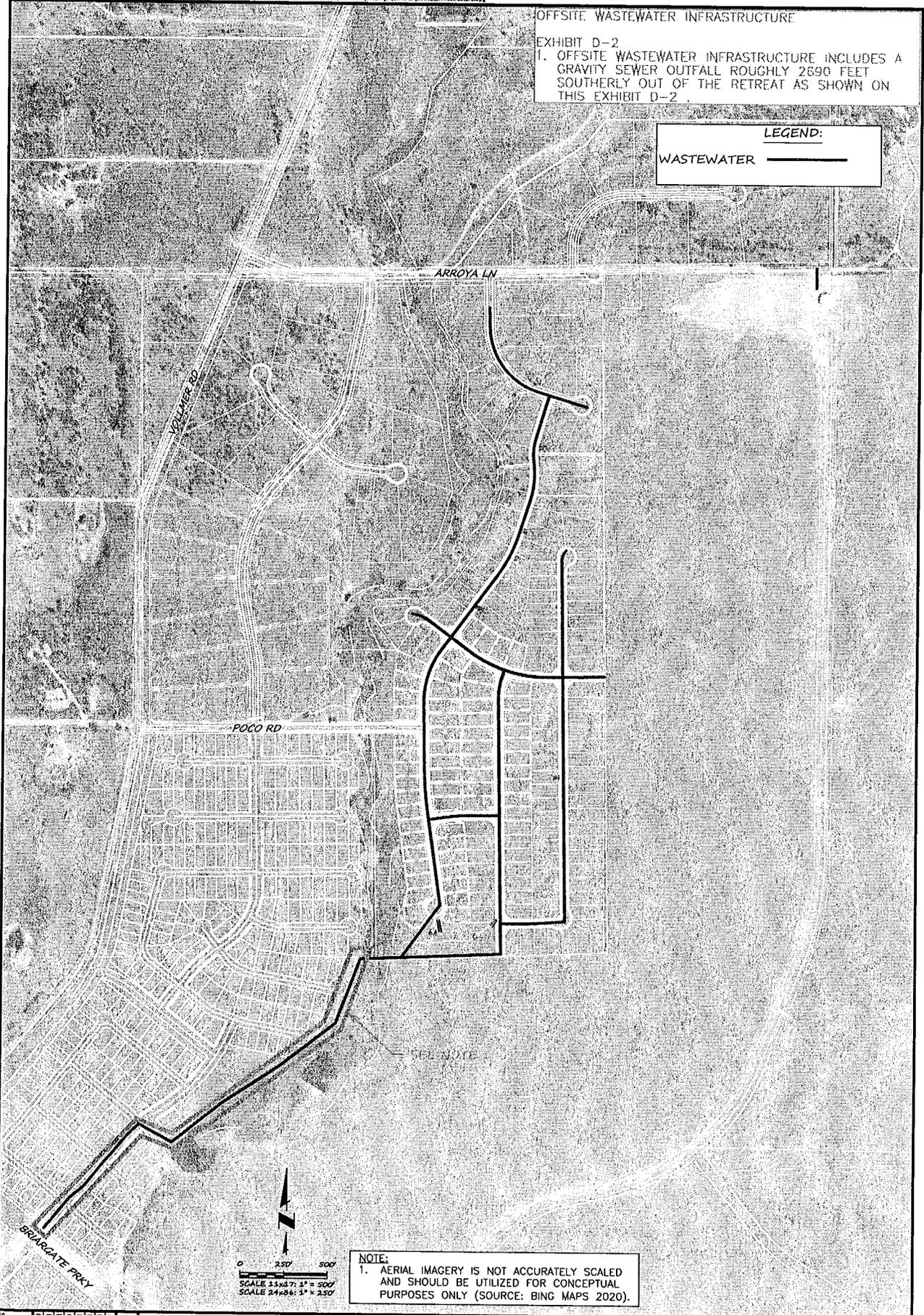
**JDS-HYDRO** CONSULTANTS, INC.  
 6540 TECH CENTER DR., SUITE 100  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 227-0072

THE USER OF THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF EXISTING UTILITIES OR STRUCTURES TO BE REMOVED OR MODIFIED. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO ANY EXCAVATION WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO ANY EXCAVATION WORK.

OFFSITE WASTEWATER INFRASTRUCTURE

EXHIBIT D-2  
 1. OFFSITE WASTEWATER INFRASTRUCTURE INCLUDES A GRAVITY SEWER OUTFALL ROUGHLY 2690 FEET SOUTHERLY OUT OF THE RETREAT AS SHOWN ON THIS EXHIBIT D-2.

**LEGEND:**  
 WASTEWATER 



**NOTE:**  
 1. AERIAL IMAGERY IS NOT ACCURATELY SCALED AND SHOULD BE UTILIZED FOR CONCEPTUAL PURPOSES ONLY (SOURCE: BING MAPS 2020).

PROJECT NO. 200172	EXHIBIT
DATE: 11/06/20	
DRAWN: JPH	
CHECKED: ADH	
DATE: 11/06/20	
REVISION:	
DATE:	
BY:	
APPROVED:	

SHEET 1 OF 3  
**D-2**

**EXHIBIT D-2**  
 RMD OFFSITE WASTEWATER INFRASTRUCTURE  
 RETREAT AT TIMBER RIDGE

**JDS-HYDRO** CONSULTANTS, INC.  
 5540 TECH CENTER DR., SUITE 100  
 COLORADO SPRINGS, COLORADO 80919  
 (719) 227-0072

DISCLAIMER: THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS. ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO JDS-HYDRO IMMEDIATELY. THE JDS-HYDRO WILL BE LIABLE FOR UNAUTHORIZED CHANGES AND/OR REVISIONS MADE TO PLANS.

**QUITCLAIM DEED**  
(water rights)

**THIS DEED**, made this 3<sup>rd</sup> day of November, 2020, between TimberRidge Development Group, LLC, a Colorado limited liability company ("Grantor") and The Retreat Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 2138 Flying Horse Club Drive, Colorado Springs, Colorado 80921 ("Grantee"):

**WITNESS**, that the Grantor, for and in consideration of the sum of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, QUITCLAIMED, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto the Grantee, their heirs, successors and assigns forever, all the right, title, interest, claim and demand, if any, which the Grantor may have in and to the real property, together with improvements, if any, situate, lying and being in the County of El Paso and State of Colorado, described as following water rights:

Water rights, and rights to use and extract groundwater associated with and appurtenant to that real property more particularly described in **Exhibit A** hereto (the "Overlying Land"), commonly referenced as "The Retreat at TimberRidge", specifically including only the following groundwater rights:

The following described groundwater in the Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifers underlying the Overlying Land as adjudicated in Case No. 17CW3002:

<u>Dawson (not-nontributary):</u>	11,602 acre feet
<u>Denver (not-nontributary):</u>	11,909 acre feet
<u>Arapahoe (nontributary):</u>	9,796 acre feet
<u>Laramie-Fox Hills (nontributary):</u>	5,828 acre feet

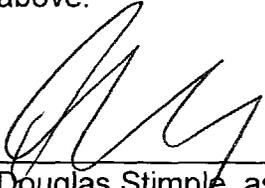
These rights to extract and use groundwater granted herein may be subject to re-quantification by the Division 2 Water Court and/or the State Engineer's Office to reflect actual aquifer conditions, as provided in Case No. 17CW3002. All other water rights and rights to extract and use groundwater decreed in Case No. 17CW3002 not expressly conveyed herein are reserved to Grantor.

**TOGETHER**, with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

**TO HAVE AND TO HOLD** the said premises above bargained and described, with the appurtenances, unto the Grantee, their heirs and assigns forever. The Grantor, for itself, its heirs, personal representatives, successors and assigns does hereby quitclaim all interests, if any, in said premises to Grantee, their heirs, personal representatives and assigns.

(REMAINDER OF PAGE INTENTIONALLY BLANK, SIGNATURES FOLLOW)

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.



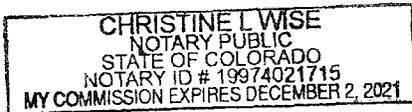
By: Douglas Stimple, as CEO of the  
Manager of TimberRidge  
Development Group, LLC

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

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of November, 2020, by Douglas Stimple, as CEO of the Manager of TimberRidge Development Group, LLC.

My commission expires: 12-02-2021

(Seal)



Witness my hand and official seal.

Christine L. Wise  
Notary Public

**Exhibit A**  
(The Retreat at TimberRidge Legal Description)

A PORTION OF SECTION 21, 22, 27 AND 28, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A LINE BETWEEN THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27 AND THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SAID SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST, MONUMENTED AT THE NORTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND MONUMENTED AT THE SOUTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND IS ASSUMED TO BEAR S00°54'30"E, A DISTANCE OF 3925.63 FEET;

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 5TH P.M., SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE S00°54'30"E ON THE EAST LINE OF THE WEST HALF OF THE WEST HALF OF SAID SECTION 27, A DISTANCE OF 3925.63 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 27; THENCE S87°35'00"W ON THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 1332.78 FEET TO THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE N00°53'18"W ON THE WEST LINE OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, A DISTANCE OF 1316.78 FEET TO THE NORTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHWEST QUARTER; THENCE S89°08'28"W ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, A DISTANCE OF 1326.68 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER; THENCE N00°30'49"W ON THE WEST LINE OF SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, A DISTANCE OF 1270.77 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE AS RECORDED IN BOOK 2678 AT PAGE 430 OF THE RECORDS OF THE EL PASO COUNTY CLERK AND RECORDER; THENCE N21°41'10"E ON SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1450.84 FEET TO THE POINT OF INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE AS DESCRIBED IN A DEED RECORDED IN BOOK 2678 AT PAGE 431 OF SAID COUNTY RECORDS; THENCE ON THE SOUTHERLY, EASTERLY AND NORTHERLY RIGHT-OF-WAY LINES OF SAID DEED THE FOLLOWING FOUR COURSES:

1. N89°40'23"E, A DISTANCE OF 761.52 FEET TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28;
2. N00°52'58"W ON SAID EAST LINE, A DISTANCE OF 30.00 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 21;
3. N00°37'14"W ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 22, A DISTANCE OF 30.00 FEET;
4. S89°40'23"W, A DISTANCE OF 736.82 FEET TO THE POINT OF INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE AS DESCRIBED IN A DEED RECORDED IN BOOK 2678 AT PAGE 431 OF SAID COUNTY RECORDS;

THENCE N21°41'10"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 113.82 FEET; THENCE S68°18'50"E, A DISTANCE OF 145.93 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 560.00 FEET, A CENTRAL ANGLE OF 22°00'47" FOR A LENGTH OF 215.15 FEET TO A POINT OF TANGENT; THENCE N89°40'23"E ON A LINE THAT IS 40.00 NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 21, A DISTANCE OF 348.92 FEET; THENCE N88°38'56"E ON A LINE THAT IS 40.00 NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 477.80 FEET; THENCE S47°35'42"W, A DISTANCE OF 60.90 FEET; THENCE N88°38'56"E ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 22, A DISTANCE OF 898.51 FEET TO THE POINT OF BEGINNING.

CONTAINING A CALCULATED AREA OF 8,354,696 SQ. FEET, OR 191.797 ACRES.

## QUITCLAIM DEED

(water rights)

**THIS DEED**, made this 23<sup>rd</sup> day of November, 2020, between Retreat Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado ("Grantor") and Sterling Ranch Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado ("Grantee"):

**WITNESS**, that the Grantor, for and in consideration of the sum of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, QUITCLAIMED, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto the Grantee, their heirs, successors and assigns forever, all the right, title, interest, claim and demand, if any, which the Grantor may have in and to the real property, together with improvements, if any, situate, lying and being in the County of El Paso and State of Colorado, described as following water rights:

Water rights, and rights to use and extract groundwater associated with and appurtenant to that real property more particularly described in **Exhibit A** hereto (the "Overlying Land"), commonly referenced as "The Retreat", specifically including only the following groundwater rights:

The following described groundwater in the Denver, Arapahoe and Laramie-Fox Hills aquifers underlying the Overlying Land as adjudicated in Case No. 17CW3002:

Denver (not-nontributary): 11,909 acre feet

Arapahoe (nontributary): 9,796 acre feet

Laramie-Fox Hills (nontributary): 3,644 acre feet

These rights to extract and use groundwater granted herein may be subject to re-quantification by the Division 2 Water Court and/or the State Engineer's Office to reflect actual aquifer conditions, as provided in Case No. 17CW3002. All other water rights and rights to extract and use groundwater decreed in Case No. 17CW3002 not expressly conveyed herein are reserved to Grantor, specifically including the entirety of the not-nontributary Dawson aquifer, a 2,796 acre foot portion of the nontributary Laramie-Fox Hills aquifer not included in the above description, and the plan for augmentation utilizing such reserved groundwater decreed in Case No. 18CW3002, Water Division No. 2.

**TOGETHER**, with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

**TO HAVE AND TO HOLD** the said premises above bargained and described, with the appurtenances, unto the Grantee, their heirs and assigns forever. The Grantor, for itself, its heirs, personal representatives, successors and assigns does hereby quitclaim all interests, if any, in said premises to Grantee, their heirs, personal representatives and assigns.

*(remainder of page intentionally blank, signatures follow)*

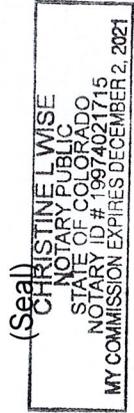
IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

  
By: Douglas Stimple, as Secretary  
of Retreat Metropolitan District No. 1

STATE OF COLORADO )  
  ) ss.  
COUNTY OF El Paso )

The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of November, 2020, by Douglas Stimple, as Secretary of Retreat Metropolitan District No. 1.

My commission expires: 12-02-2021



Witness my hand and official seal.  
Christine L. Wise  
Notary Public

EXHIBIT A – LEGAL DESCRIPTION  
(Attached)

# EXHIBIT A

## LEGAL DESCRIPTION – RETREAT (overlying land for water rights)

A PARCEL OF LAND LOCATED IN A PORTION OF THE SOUTHEAST ONE-QUARTER (SE1/4) OF SECTION 21 AND A PORTION OF THE SOUTHWEST ONE-QUARTER OF SECTION 22, TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A LINE BETWEEN THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27 AND THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SAID SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST, MONUMENTED AT THE NORTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND MONUMENTED AT THE SOUTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND IS ASSUMED TO BEAR S00°54'30"E, A DISTANCE OF 3925.63 FEET;

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27;  
THENCE S88°38'56"W ALONG THE NORTH LINE OF SAID NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4), A DISTANCE OF 1047.88 FEET TO THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED;

THENCE S88°38'56"W CONTINUING ALONG SAID NORTH LINE, A DISTANCE OF 283.03 FEET TO THE NORTHWEST CORNER OF SAID SECTION 27 SAID POINT ALSO BEING A POINT ON THE EASTERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN BOOK 2678 AT PAGE 431 OF THE RECORDS OF THE EL PASO COUNTY CLERK AND RECORDER;

THENCE ALONG THE EASTERLY AND NORTHERLY RIGHT-OF-WAY LINES OF SAID DEED THE FOLLOWING TWO (2) COURSES:

1. N00°37'14"W SAID LINE ALSO BEING THE WEST LINE OF THE SOUTHWEST ONE-QUARTER (SW1/4) OF SAID SECTION 22, A DISTANCE OF 30.00 FEET;
  2. S89°40'23"W, A DISTANCE OF 736.82 FEET TO THE POINT OF INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN BOOK 2678 AT PAGE 430 OF SAID COUNTY RECORDS;
- THENCE N21°41'10"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1798.07 FEET;
- THENCE N59°58'50"E, A DISTANCE OF 694.83 FEET;
- THENCE S14°30'58"E, A DISTANCE OF 567.09 FEET;
- THENCE N69°36'18"E, A DISTANCE OF 603.87 FEET;
- THENCE S30°23'46"E, A DISTANCE OF 264.58 FEET;
- THENCE S61°52'38"W, A DISTANCE OF 227.40 FEET;
- THENCE S79°15'47"W, A DISTANCE OF 276.17 FEET;
- THENCE S89°39'18"W, A DISTANCE OF 356.07 FEET;
- THENCE S40°09'47"W, A DISTANCE OF 310.61 FEET;
- THENCE S09°56'46"W, A DISTANCE OF 270.03 FEET;
- THENCE S35°00'25"W, A DISTANCE OF 167.38 FEET;
- THENCE S57°24'01"W, A DISTANCE OF 235.36 FEET;
- THENCE S27°23'34"E, A DISTANCE OF 611.29 FEET TO THE POINT OF BEGINNING;

SAID PARCEL OF LAND CONTAINS A CALCULATED AREA OF 35.08 ACRES OF LAND, MORE OR LESS.

Along With:

A PARCEL OF LAND BEING THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27, THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (SW1/4 NW1/4) OF SECTION 27, THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SECTION 27, A PORTION OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER OF SECTION 28 AND A PORTION OF THE NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (NE1/4 NE1/4) OF SECTION 28, ALL IN TOWNSHIP 12 SOUTH, RANGE 65 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: A LINE BETWEEN THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27 AND THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SAID SECTION 27, TOWNSHIP 12 SOUTH, RANGE 65 WEST, MONUMENTED AT THE NORTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND MONUMENTED AT THE SOUTHERLY END BY A 3-1/4" ALUMINUM CAP STAMPED "2006 ESI PLS 10376" AND IS ASSUMED TO BEAR S00°54'30"E, A DISTANCE OF 3925.63 FEET;

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4) OF SECTION 27, SAID POINT ALSO BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND HEREIN DESCRIBED;

THENCE S00°54'30"E ALONG THE EAST LINE OF THE WEST ONE-HALF (W1/2) OF SAID SECTION 27, A DISTANCE OF 3925.63 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4) OF SAID SECTION 27;

THENCE S87°35'00"W ALONG THE SOUTH LINE OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4), A DISTANCE OF 1332.78 FEET TO THE SOUTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4);

THENCE N00°53'18"W ALONG THE WEST LINE OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4), A DISTANCE OF 1316.78 FEET TO THE NORTHWEST CORNER OF SAID NORTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER (NW1/4 SW1/4);

THENCE S89°08'28"W ALONG THE SOUTH LINE OF THE SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (SE1/4 NE1/4) OF SECTION 28, A DISTANCE OF 1326.68 FEET TO THE SOUTHWEST CORNER OF SAID SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (SE1/4 NE1/4);

THENCE N00°30'49"W ALONG THE WEST LINE OF SAID SOUTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (SE1/4 NE1/4), A DISTANCE OF 1270.77 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN

BOOK 2678 AT PAGE 430 OF THE RECORDS OF THE EL PASO COUNTY CLERK AND RECORDER;  
THENCE N21°41'10"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1450.84 FEET TO THE POINT OF INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY LINE AS DESCRIBED IN THE DEED, AS RECORDED IN BOOK 2678 AT PAGE 431 OF SAID COUNTY RECORDS;

THENCE ALONG THE SOUTHERLY AND EASTERLY RIGHT-OF-WAY LINES OF SAID DEED THE FOLLOWING TWO (2) COURSES:

1. N89°40'23"E, A DISTANCE OF 761.52 FEET TO A POINT ON THE EAST LINE OF SAID NORTHEAST ONE-QUARTER OF THE NORTHEAST ONE-QUARTER (NE1/4 NE1/4);
2. N00°52'58"W ALONG SAID EAST LINE, A DISTANCE OF 30.00 FEET TO THE NORTHWEST CORNER OF SAID SECTION 27;

THENCE N88°38'56"E ALONG THE NORTH LINE OF SAID NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (NW1/4 NW1/4), A DISTANCE OF 1330.91 FEET TO THE POINT OF BEGINNING;

SAID PARCEL OF LAND CONTAINS A CALCULATED AREA OF 190.89 ACRES OF LAND,  
MORE OR LESS.