



CHEROKEE METROPOLITAN DISTRICT

6250 Palmer Park Blvd., Colorado Springs, CO 80915-2842

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August 3, 2018

Mr. Heath Herber
c/o Mule Deer Investments
31 N. Tejon Street
Suite 532
Colorado Springs, CO 80903

Re: Residential Development – The Gardens at North Carefree
Commitment Letter #2018-07 (revision of Commitment Letter #2018-03)

Dear Mr. Herber

As requested, this letter is being provided as a formal Letter of Commitment by the Cherokee Metropolitan District (District) to provide municipal water and sewer service for the above-mentioned development. Since the development has been revised from 125 townhomes to 71 single family homes, this commitment letter is a revision of Commitment Letter #2018-03 that was issued on April 20, 2018 by Kurt Schlegel. The parcel of land is located within the District's service boundary and, therefore, the District stands ready and willing to provide water and sewer service for the specific property and uses detailed herein.

As of October 2015, the State Engineer's Office has given the District a favorable opinion on the District's quantification of water supplies available for new subdivisions and commercial developments. The State Engineer confirmed, through a Technical Memorandum prepared by Forsgren Associates, that the District had a surplus of 453 acre feet per year of water available for new developments as of May 18, 2016. Since that time, the District has issued 83.829 acre feet per year of water commitments leaving a balance of 369.171 acre feet per year of water for future developments. The Gardens at North Carefree development requires 22.010 acre feet per year of water leaving the District with a water balance of 347.161 acre feet per year for future developments.

Regarding the wastewater capacity, the District's Water Reclamation Facility (WRF) has the required capacity to meet the sewer demand for this development. The WRF is rated for 4.8 million gallons per day (MGD), of which 2.6 MGD is owned by the District and reserved for District's customers. The District's current contribution to the WRF is 1.560 MGD with a committed capacity of 1.593 MGD, therefore, there is an excess of 1.040 MGD of treatment capacity available and 1.007 MGD of

available capacity for future commitments. Based on the information received in the "Engineering Study for The Gardens at North Carefree Wastewater System Improvements" report dated July 2018 by Stantec, this development is estimated to discharge 15,718 gallons of wastewater per day which equates to 1.56% of the available capacity of the WRF leaving 0.991 MGD of capacity available for future developments.

This water commitment is hereby made exclusively for this specific development project at this site, within the District, and must achieve appropriate zoning and a final plat land use entitlement from El Paso County Development Services within 12 months from the date of this letter; otherwise, the District may use this allocation for other developments requesting a water commitment for growth that stands ready to develop.

The District and I trust that you find this letter adequate for your needs and land use applications. If I may be of further assistance, please contact me at your convenience.

Best Regards,



Jonathon Smith
Water & Wastewater Collections Manager

Encl: Water Balance and Water Commitments (Cherokee Metropolitan District)
Commitment Letter #2018-03 for Mule Deer Villas (dated April 20, 2018)
Water Supply Information Summary for The Gardens at North Carefree
Water System Improvements for The Gardens at North Carefree; pages #1 and #9
Wastewater System Improvements for The Gardens at North Carefree; pages #1 and #4
Vicinity Map for The Gardens at North Carefree
Site Utilities Plan for The Gardens at North Carefree

Ec: Brian Beaudette, Interim General Manager, Cherokee Metropolitan District
Charles Cothern, Senior Project Manager, Stantec
Erin Ganaway, Project Engineer, N.E.S. Inc.

Water Balance and Water Commitments (Cherokee Metropolitan District)

Development	Business Name	Address	Commitment Letter	Date	Acre Feet	
SEC Marksheffel Road and Constitution Avenue Phase #2	SEC Marksheffel Road and Constitution Avenue Phase #2	SEC Marksheffel Road and Constitution Avenue	Letter #	2015-01	Expired	-4,460
Windermere Filing #1	Windermere Subdivision Filing #1	NEC Anteloper Ridge Drive and N. Carefree Circle		2015-02	Expired	-22,210
Constitution Apartment Complex	Constitution Apartments	6855 Constitution Avenue		2016-01	Expired	-19,000
Meadowbrook Crossing Subdivision	Meadowbrook Crossing	Meadowbrook Parkway and Highway 24		2017-01	5/4/2017	36,270
Kum & Go Store #692	Kum & Go	6809 Space Village Avenue		2017-02	9/8/2017	2,072
Freedom Springs Apartment Complex	Freedom Springs	734 Western Drive		2018-01	2/22/2018	14,500
Covert Ops Paintball	Covert Ops Paintball	6425 E. Platte Avenue		2018-02	3/22/2018	0,150
Mule Deer Villas Subdivision	Mule Deer Villas	SEC Akers Drive and N. Carefree Circle		2018-03	4/20/2018	36,250
Mule Deer Villas Subdivision	Mule Deer Villas	SEC Akers Drive and N. Carefree Circle		2018-03	Revised	-36,250
Appaloosa Highway 24 Subdivision Filing #2	Appaloosa Highway 24 Subdivision Filing #2	SEC Amelia Street & Terminal Avenue		2018-04	6/13/2018	1,247
SEC Marksheffel Road and Constitution Avenue Phase #2	SEC Marksheffel Road and Constitution Avenue Phase #2	SEC Marksheffel Road and Constitution Avenue		2018-05	7/6/2018	4,460
Windermere Subdivision	Windermere	NEC Anteloper Ridge Drive and N. Carefree Circle		2018-06	7/6/2018	70,800
Gardens at North Carefree Subdivision (Mule Deer Villas)	Gardens at North Carefree	SEC Akers Drive and N. Carefree Circle		2018-07	8/3/2018	22,010

Water Balance Beginning as of May 18, 2016 (AFY) 453,000

Water Committed since May 18, 2016 (AFY) 105,839

Water Balance Remaining for Future Commitments (AFY) 347,161