



Sterling Ranch Metropolitan District 1

July 20, 2020

Cole Emmons
County Attorney's Office
27 East Vermijo Avenue
Colorado Springs, Colorado 80903

Re: Commitment Letter for Preliminary Plan Sterling Ranch Phase Two

Dear Cole:

This commitment is for the above Preliminary Plan known as Sterling Ranch Phase Two. The Sterling Ranch Metropolitan District #1 will provide central water and sewer to the above named subdivision which includes approximately 212 single family lots and a lift station site. The annual water committed is 75.719 acre-feet/year and the wastewater commitment is for 36,894 gal/day.

The District acknowledges the following: The District has an intergovernmental agreement with Meridian Service Metropolitan District for the provision of wastewater treatment services. The District has also entered into an intergovernmental agreement with the City of Colorado Springs and Colorado Springs Utilities which provides for temporary wastewater treatment services while the District completes its connection to the Meridian system. The agreement with the City provides for interim treatment services for a period of up to one year from execution of the agreement, or August 12, 2020. Financial Assurance Estimates and collateral in the amount of \$212,712.13 have been provided to the County to assure completion of the interim connection to the City. Financial Assurance Estimates and collateral in an amount satisfactory to the County to assure the completion of the connection to the Meridian system (the "Meridian Line Collateral") is also being provided to the County. It is agreed by the parties hereto that if the connection to the Meridian system is not substantially completed by April 30, 2020, or if the City of Colorado Springs has not extended the interim wastewater agreement beyond the August 12, 2020, date, the County may draw on the Meridian Line Collateral to complete the District's wastewater connection to the Meridian system. ***An extension of the April 30, 2020 deadline has been issued to July 31, 2020.*** It is also agreed that should it become necessary to draw on the Meridian Line Collateral to complete the connection, the County may impose a moratorium on the issuance of additional building permits on lots located in all recorded final plats at Sterling Ranch.

Sincerely,

Sterling Ranch Metropolitan District #1

A handwritten signature in blue ink, appearing to read 'Jim Morley', is written over a white background.

Jim Morley, District Board President

C: Erin Ganaway, NES