

**INTERGOVERNMENTAL AGREEMENT REGARDING WASTEWATER  
TREATMENT SERVICES**

This Intergovernmental Agreement Regarding Wastewater Treatment Services ("Agreement") is made and entered into this 15 day of October 2014 (the "Effective Date") by and between **Woodmen Hills Metropolitan District** acting by and through its Wastewater Enterprise ("Woodmen Hills") and **4-Way Ranch Metropolitan District No. 1** ("4-Way Ranch") (Woodmen Hills and 4-Way Ranch are individually referred to as "Party" and collectively referred to as the "Parties").

**RECITALS**

A. WHEREAS, the Woodmen Hills is organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide municipal services within its jurisdictional boundaries, which boundaries are located within El Paso County, Colorado; and

B. WHEREAS, the 4-Way Ranch is organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide municipal services within its jurisdictional boundaries as shown on the attached **Exhibit A** ("4-Way Ranch Service Area"), which boundaries are located within El Paso County, Colorado; and

C. WHEREAS, pursuant to Colorado Constitution, Article XIV, Section 18(2)(a) and Section 29-1-203, Colorado Revised Statutes, the Parties may cooperate and contract with each other to provide any function, services, or facilities lawfully authorized to each; and

D. WHEREAS, Woodmen Hills owns and manages the Woodmen Hills Regional Waste Water Treatment Facility ("WWTF") which is located in Woodmen Hills; and

E. WHEREAS, Woodmen Hills provides wastewater treatment services at the WWTF to property within its boundaries, and within the boundaries of surrounding jurisdictions, including Paint Brush Hills Metropolitan District, Falcon Highlands Metropolitan District, and Meridian Service Metropolitan District, pursuant to the terms and provisions of respective contractual agreements with such entities; and

F. WHEREAS, the WWTF is projected to have a capacity of 6,134 SFEs, subject to completion of certain planned capital improvements and treatment enhancements following CDPHE approval; and

G. WHEREAS, the treatment enhancements include a pilot project planned by Woodmen Hills to install bio structures placed on the bottom of the lagoon(s), to assist the WWTF in meeting regulatory discharge standards on a year-round basis (the "2014 Pilot Project"); and

H. WHEREAS, in addition, Woodmen Hills is preparing to expand the capacity of the WWTF facilities with a project that includes permitting, design and construction activities in accordance with the anticipated schedule as shown on the attached **Exhibit B** (the "WWTF Expansion"); and

I. WHEREAS, the current used and useful value of the WWTF has been calculated at \$2,614,250.00 ("Useful Value"); and

J. WHEREAS, the current cost of the WWTF Expansion is estimated at \$6,995,539.00 as provided in the attached Exhibit C, but is expected to change as the initial permitting and design costs are incurred, permit and discharge requirements are known, bids for construction are received, and construction is completed ("Facility Cost"); and

K. WHEREAS, 4-Way Ranch desires to contract with Woodmen Hills for wastewater treatment services for current and future planned development within 4-Way Ranch up to a maximum of 500 single family equivalents ("SFEs") within the 4-Way Ranch Service Area through an up-front payment of its relevant portion of the Useful Value to Woodmen Hills and participation in the WWTF Expansion; and

L. WHEREAS, at this time, Woodmen Hills is willing to allocate certain hydraulic capacity sought by 4-Way Ranch for wastewater treatment services at the rate of Woodmen Hills' in-district tap fee in accordance with 4-Way Ranch's participation in funding the Facility Cost and payment of its relative share of the Useful Value; and

M. WHEREAS, 4-Way Ranch and Woodmen Hills acknowledge that the WWTF Expansion project is subject to permitting by State of Colorado and El Paso County regulatory agencies, and therefore the risks of delays or denial of a permit for the WWTF Expansion due to the actions of such agencies are shared by 4-Way Ranch and Woodmen Hills in direct proportion to their respective capital contributions or payments toward the permitting, design and construction phases of the WWTF Expansion.

NOW THEREFORE, IN CONSIDERATION of the above recitals, the mutual covenants, considerations and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties agree as follows:

1. **Commitment to Provide Sewer Treatment Services.**

a. As of the Effective Date of this Agreement, Woodmen Hills agrees to make available capacity for wastewater treatment services to 4-Way Ranch for current and future planned development within the 4-Way Ranch Service Area up to a maximum of 500 SFEs in accordance with the terms contained within this Agreement. The term "tap" as used herein shall equate to one (1) SFE.

b. Woodmen Hills acknowledges that the facilities that make up the existing WWTF should have the hydraulic capacity to provide such services as certain treatment enhancements, upgrades, modifications or other improvements are implemented in the coming months and years enabling compliance with applicable discharge standards, regulations and laws.

c. As of the Effective Date of this Agreement, Woodmen Hills has initiated the Pilot Project to enable improved compliance of the WWTF with regulatory discharge standards on a year-round basis under the current and expected renewal of its NPDES discharge permit.

d. Capacity shall be allocated to properties in the 4-Way Ranch Service Area on a per tap basis in accordance with the allocated payments made by 4-Way Ranch to Woodmen Hills for the Useful Value and the 4-Way Ranch Project Costs (as defined in paragraph 3.f) of the Facility Cost. In return for the allocated payments required to be made by 4-Way Ranch as of the Effective Date of this Agreement, 4-Way Ranch may obtain a maximum of eighty-four (84) taps ( $\$287,579/\$3,409 = 84$ ) in accordance with the schedule of payments detailed in **Exhibit D** to this Agreement. As additional 4-Way Ranch Project Cost payments are made by 4-Way Ranch under paragraph 3.f of this Agreement, a proportional number of additional taps will be made available to properties in the 4-Way Ranch Service Area ((net payment/ $\$3,409$ ) – 4-Way taps connected = number of taps available). Woodmen Hills agrees to use best efforts to make capacity available at the time of request for service in proportion to the payments made as described in this paragraph.

2. **Commitment and Consent to Be Served by Woodmen Hills.** Except as provided herein, 4-Way Ranch agrees to be served with wastewater collection and treatment services exclusively from Woodmen Hills on a perpetual basis pursuant to this Agreement and the rules and regulations of Woodmen Hills, as such may be amended from time to time by Woodmen Hills. 4-Way Ranch hereby grants consent to Woodmen Hills to provide wastewater services to properties located within the 4-Way Ranch Service Area as required by Section 32-1-1006(1.5)(a)(II), C.R.S. Notwithstanding this provision, property within the 4-Way Ranch Service Area may seek wastewater treatment service from, and/or may be served by, another entity, for which a final plat has been approved if Woodmen Hills is unable to commit to serve such property, or for property for which a building permit has been approved if Woodmen Hills is unable to issue sewer taps to service such property at the time a tap connection application is made to Woodmen Hills. Seeking and obtaining wastewater treatment service from another entity shall not effect a termination of this Agreement.

3. **4-Way Ranch Obligations.**

a. **Payment of Useful Value.** 4-Way Ranch agrees to pay its proportional share of the Useful Value, in the amount of \$213,000.00, as of the Effective Date of this Agreement, calculated as shown on **Exhibit D**.

b. **Off-Site / On-Site Facilities.** 4-Way Ranch shall be responsible for, or shall otherwise cause, the financing, design, development and construction of all off-site and on-site wastewater collection, conveyance and measurement facilities, including, but not limited to, lift station, force main, meters, pipelines, manholes and related appurtenances (the "Wastewater Facilities") that are necessary to provide wastewater treatment services to the proposed development within 4-Way Ranch, to measure effluent and to connect to the wastewater treatment facilities owned and operated by Woodmen Hills, and further, to convey the 4-Way Ranch wastewater to the WWTF via the Wastewater Facilities. The Wastewater Facilities shall be designed, constructed, and inspected in accordance with the current standards and specifications of Woodmen Hills. Designs of the Wastewater Facilities shall be submitted to Woodmen Hills for review and subject to its approval. The Wastewater Facilities will not be permitted to connect to the Woodmen Hills treatment system including the WWTF if Woodmen Hills has not provided design and inspection approvals.

c. **Woodmen Hills Rules and Regulations.** The design, construction and installation of the Wastewater Facilities shall be subject to the rules and regulations of Woodmen Hills. All rules and regulations of Woodmen Hills pertaining to the use of the Wastewater Facilities including any prohibitions shall be applicable within the 4-Way Ranch Service Area.

d. **Ownership of Wastewater Facilities.** After construction, and upon commencement of use of the Wastewater Facilities, such Wastewater Facilities shall be dedicated to Woodmen Hills for perpetual ownership and maintenance responsibilities.

e. **Easements.** 4-Way Ranch shall be responsible for providing all rights-of-way and easements necessary for the installation, construction and maintenance of the Wastewater Facilities. All such real property interests shall be dedicated to Woodmen Hills, and/or 4-Way Ranch as appropriate, for perpetual ownership after wastewater service commences.

f. **Participation in WWTF Expansion.** 4-Way Ranch agrees to pay to Woodmen Hills its portion of the Facility Cost of the WWTF Expansion at a ratio of 21.322% of the actual cost of the project (the "4-Way Ranch Project Costs"), based on an allocation of 500 taps to 4-Way Ranch out of an estimated 2,345 total new tap capacity created by the WWTF Expansion. The 4-Way Ranch Project Costs shall be made in the amounts and per the schedule shown on **Exhibit D**. The Parties agree that the schedule shown on **Exhibit D**, including the WWTF Expansion benchmarks and their projected dates and costs, are estimates that constitute the best information available to Woodmen Hills as of the Effective Date. Woodmen Hills shall provide 4-Way Ranch with an updated schedule and costs as it may be revised over the permitting and construction period for the WWTF Expansion. All 4-Way Ranch Project Costs shall only be used to pay for any Facility Cost of the WWTF Expansion.

g. **Wastewater Inflow Monitoring.** 4-Way Ranch agrees that wastewater from the point of connection to the WWTF shall meet or exceed Woodmen Hills' standards. Woodmen Hills agrees to measure infiltration ("I & I") and to take steps to cure any exceedence; 4-Way Ranch may be subject to payment of a surcharge for measured I & I that is not cured.

4. **Woodmen Hills Obligations.**

a. Woodmen Hills shall be responsible for the design, bid, construction and installation of the WWTF Expansion. Woodmen Hills agrees to enforce the terms and provisions of the construction contracts for the WWTF Expansion in order to ensure its completion per such contract. Woodmen Hills agrees to provide periodic reports to 4-Way Ranch as requested by 4-Way Ranch on the progress of the construction of the WWTF Expansion and expenditure of the construction funds.

b. Woodmen Hills agrees to provide 4-Way Ranch with a notice of each Project Benchmark and an associated invoice for 4-Way Ranch's payment of the 4-Way Project Costs pursuant to the project schedule shown on **Exhibit D**. Payment shall be due within 60 days of the receipt of the notice or the date of Project Benchmark, whichever occurs later.

c. Following completion of the WWTF Expansion, an accounting of the final Facility Cost, which identifies the 4-Way Ranch Project Costs, shall be certified by Woodmen

Hills and delivered to 4-Way Ranch. In the event the final 4-Way Ranch Project Costs are less than the amounts deposited, Woodmen Hills shall reimburse 4-Way Ranch its pro-rata share of the surplus.

d. Woodmen Hills acknowledges that by its capital participation, 4-Way Ranch is relying on the completion of the WWTF Expansion for the provision of wastewater treatment services to development of 500 SFEs within the 4-Way Ranch Service Area. 4-Way Ranch's capital participation as contemplated in this Agreement and completion of the WWTF Expansion will make 500 SFEs available to properties located within 4-Way Ranch as of the Project Completion Date.

e. Woodmen Hills is responsible for assuring adequate funding for the WWTF Expansion.

5. **Tap and Connection Fees.**

a. Properties within the 4-Way Ranch Service Area shall be charged the applicable Woodmen Hills wastewater tap and connection fees for in-district property for each SFE tap equivalent at the rates in existence at the time a tap is connected to Woodmen Hills' wastewater system. Taps which are allocated from the WWTF will be credited \$3,409.00 each against the then existing in-district tap and connection fees until the total of such credits received equals the amount of the 4-Way Portion of the WWTF Expansion plus 4-Way Ranch's payment toward the Useful Value. Such properties will pay the difference between the credit and the then existing in-district tap and connection fees for each SFE tap equivalent before each tap is connected. Once all credits have been exhausted and 4-Way Ranch has paid the entire 4-Way Ranch Project Costs to Woodmen Hills, any additional properties located in the 4-Way Ranch Service Area for which Woodmen Hills determines (in its sole discretion) that wastewater treatment capacity is available, shall pay the full then existing in-District tap fee for each SFE tap equivalent before each tap is connected up to the maximum 500 SFEs contemplated by this Agreement.

b. Pursuant to Section 32-1-1006(1)(g), C.R.S., properties located within 4-Way Ranch shall be subject to Woodmen Hills power to increase or decrease tap and connection fees.

c. To facilitate cooperation and planning for wastewater treatment capacity for 4-Way Ranch that exceeds the 500 SFEs contemplated by this Agreement, the Parties agree that negotiations for providing 4-Way Ranch additional SFEs should begin when 4-Way Ranch has connected 400 SFEs (80% of 500) pursuant to the terms of this Agreement. Timely commencement of negotiations for additional capacity will allow the Parties to properly assess the pace of development and plan for necessary capacity accordingly. 4-Way Ranch agrees to initiate negotiations with Woodmen Hills at the time that SFE connections by properties within the 4-Way Ranch service area total 400.

6. **Wastewater Service Customers; Billing; Charges, Rate, Tolls and Other Fees.** Properties within 4-Way Ranch for which tap connections have been made shall become customers of Woodmen Hills for wastewater collection and treatment services. Billing for such

services will be performed by Woodmen Hills directly to the customer. Service charges, rates, tolls and other fees shall be assessed at the same rate as for other customers within Woodmen Hills being provided wastewater collection and treatment services subject to Woodmen Hills powers as provided by Section 32-1-1006(1)(b), C.R.S., and with regard to any changes in such service charges, rates, tolls or fees subject to Section 32-1-1001(2), C.R.S.

7. **WWTF Return Flows.** All WWTF return flows shall be owned by each Party in direct proportion to the amount of effluent delivered to the WWTF minus losses experienced in system. However, Woodmen Hills will not track volumes until flows from 4-Way Ranch exceed ten (10) acre-feet on an annual basis. The amount of effluent delivered by customers located within the 4-Way Ranch Service Area shall be determined at a wastewater metering station to be located at the point of connection between the Wastewater Facilities and the wastewater treatment facilities owned and operated by Woodmen Hills. All facilities necessary for return flow treatment, capture and return to 4-Way Ranch shall be the responsibility of 4-Way Ranch whether wastewater treatment occurs at the location of the existing WWTF or the location of an supplemental or replacement wastewater treatment facilities owned and/or operated by Woodmen Hills.

8. **Future Projects.** The Parties recognize and expect that expansions and upgrades in addition to those contemplated by the WWTF Expansion, and potentially supplemental or replacement facilities, will occur in the future as may be required to meet Colorado Department of Public Health and Environment, state and federal regulations. The Parties agree that their respective costs for such future projects will be calculated in accordance with the ratio of the number of SFEs being provided with wastewater services within their respective boundaries to the total number of SFEs being provided with wastewater services by Woodmen Hills, and based on "in-district" rates. 4-Way Ranch further agrees that such future project funding will be provided in accordance with a schedule prepared for such future project similar to the schedule shown on Exhibit D of this Agreement, unless the Parties agree otherwise.

9. **Delinquent or Non Payment of Fees by Customers.** As customers of Woodmen Hills, properties within the 4-Way Ranch Service Area that are provided wastewater service through this Agreement shall be subject to the powers of Woodmen Hills granted by operation of Section 32-1-1006(1)(d), C.R.S. Such customers shall also be subject to the lien power of Woodmen Hills as created by operation of Section 32-1-1001(1)(j), C.R.S., for the non or late payment of service charges, fees, rates, tolls and penalties for services, programs and facilities provided by Woodmen Hills, and to collect such delinquent fees, rates, tolls, penalties, charges or assessments as provided by Section 32-1-1101(1)(e), C.R.S.

10. **Term of Agreement.** Except as otherwise provided herein, this Agreement shall become effective upon execution and shall be perpetual.

11. **Default and Termination.**

a. Should 4-Way Ranch fail to make the payments required under paragraph 3, except with regard to those sewer taps already connected and in service to 4-Way Ranch, Woodmen Hills shall have no obligation to provide wastewater services to properties within 4-Way Ranch, nor to refund any payments for treatment enhancements or capital improvements

received from 4-Way prior to the termination date. In such event, Woodmen Hills shall have no obligation to provide notice of default and may immediately discontinue service and terminate the Agreement.

b. Should Woodmen Hills be unable to make 500 SFEs available to 4-Way Ranch at such time as 4-Way Ranch has completely made all payments contemplated by this Agreement, 4-Way Ranch shall have all remedies available at law for its damages resulting therefrom.

c. Notwithstanding any other provision in this Agreement to the contrary, should the CDPHE, El Paso County or any other federal, state or local regulatory body deny or otherwise fail to issue any permit necessary for the WWTF Expansion to become operational, Woodmen Hills' and 4-Way Ranch's obligations in this Agreement, except with regard to those sewer taps already connected and in service to 4-Way Ranch, shall terminate without fault attributable to either Party. At the time of such event, any payments made by 4-Way Ranch to Woodmen Hills that remain unallocated or unspent shall be refunded to 4-Way Ranch by Woodmen Hills, and such refund, if any, shall be 4-Way Ranch's sole remedy. For the purpose of this subparagraph, a payment by 4-Way Ranch to Woodmen Hills will be considered unallocated if it has not been earmarked to pay the Useful Value or Facility Cost including services that have been provided or approved but not yet billed to Woodmen Hills. Furthermore, in the event any permit necessary for the WWTF Expansion to become operational is denied, the calculation to determine the number of taps available to properties in the 4-Way Ranch Service Area described in Section 1.d. shall be adjusted downward and determined as if 4-Way Ranch had prepaid the then existing tap fee. For example, if 4-Way Ranch pays \$287,579 to Woodmen Hills who spends those funds as provided in this Agreement and the permit described herein is denied before any taps are made available to properties in the 4-Way Ranch Service Area, instead of eighty-four (84) taps being available to 4-Way Ranch, only forty-two (42) taps would be available ( $\$287,579/\$6,818=42$  vs.  $\$287,579/\$3,409=84$ ).

12. **Notices.** All notices required or permitted to be given hereunder between the Parties shall be in writing and shall be Effective upon personal delivery, e-mail, or three (3) business days following deposit of the notices in the United States Mail, postage prepaid and addressed as follows, or to such other address designated by a District upon notice as hereinabove provided:

To Woodmen Hills:

Woodmen Hills Metropolitan District  
8046 Eastonville Road  
Falcon, Colorado 80831  
Attn: Water and Wastewater Enterprise Director  
Telephone: (719) 495-2500



To 4-Way Ranch:

4-Way Ranch Metropolitan District No. 1  
c/o Seter & Vander Wall, P.C.  
7400 E. Orchard Rd. #3300  
Greenwood Village, CO 80111  
Phone: 303-770-2700

13. **Amendment.** This Agreement cannot be amended or modified except by a writing executed by the Parties.

14. **Applicable Law.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado. Nothing herein shall serve as a waiver of the protections afforded either District pursuant to the Colorado Governmental Immunity Act.

15. **Waiver.** No failure by any District to insist upon the strict performance of any agreement, term, covenant or condition hereof or the exercise of any right or remedy consequent upon any default and no acceptance of full or partial performance during the continuance of any such default, shall constitute a waiver of any such default of such agreement, term, covenant or condition.

16. **Remedies.** In the event of a breach of this Agreement, the Parties shall have such legal and equitable remedies as may then be available under the laws of the State of Colorado and also as may be expressly set forth in this Agreement. Venue for any litigation brought under this Agreement shall be in El Paso County, Colorado District Court.

17. **Attorney Fees.** In the event of any dispute between the Parties arising out of this Agreement, each Party shall be responsible for its own attorney fees.

18. **Assignment; Delegation.** Except as expressly set forth herein or as contemplated hereby, neither this Agreement, nor any of the Parties' rights, obligations, duties or authorities hereunder may be assigned or delegated in whole or in part by either District without the prior written consent of the other District, which consent shall not be unreasonably withheld. Any attempted assignment or delegation in violation of the foregoing shall be deemed void.

19. **No Third Party Beneficiaries.** None of the terms, conditions or covenants in this Agreement shall give or allow any claim, benefit or right of action by any person or entity other than the signatory Parties hereto. Any other person or entity affected by this Agreement shall be deemed an incidental beneficiary with no rights under this Agreement.

20. **Severability.** If this Agreement, or any portion of it, is for any reason held invalid by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions hereof.



21. **Counterpart Execution.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which, when taken together shall constitute a single agreement.

22. **Recording.** A Memorandum of Agreement generally describing the content of this Agreement, and with Exhibit A referenced therein and attached thereto, shall be recorded with the Clerk and Recorder for the County of El Paso, State of Colorado.

23. **Entire Agreement.** This Agreement constitutes the entire understanding between the Parties with respect to the matters set forth herein, and all prior agreements or understandings with respect to the subject matter hereof are deemed merged herein.

Made and entered into the year and date first above written.

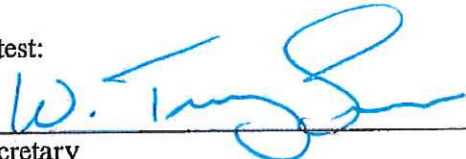
WOODMEN HILLS METROPOLITAN  
DISTRICT

By: *Lynne Bliss*  
Lynne Bliss, President

Attest:  
*Walter Porter*  
Walter Porter, Secretary

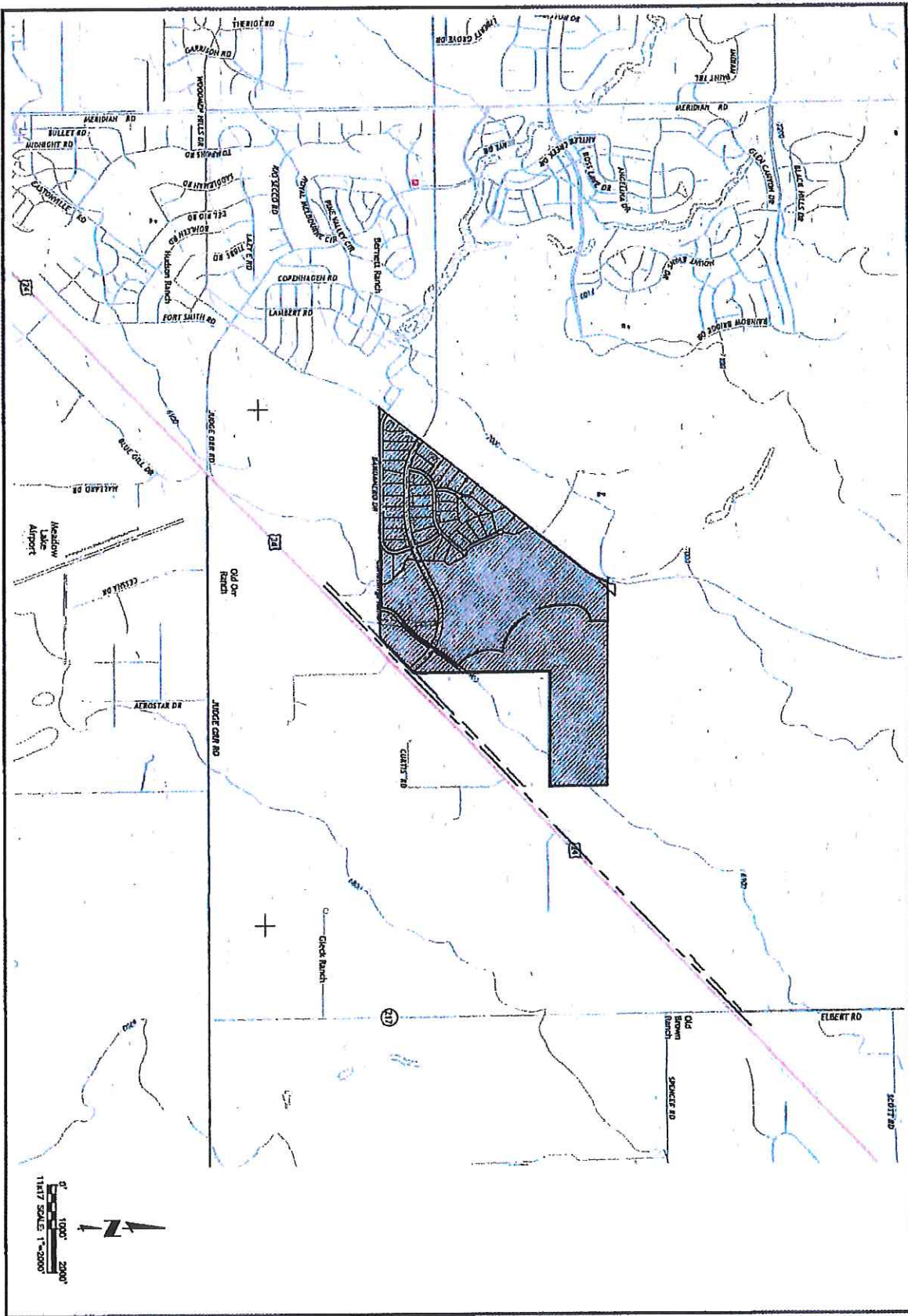
4-WAY RANCH METROPOLITAN DISTRICT  
NO. 1

By:   
President

Attest:  
  
Secretary

**EXHIBIT A**

**4-WAY RANCH JURISDICTIONAL BOUNDARIES AND SERVICE AREA**



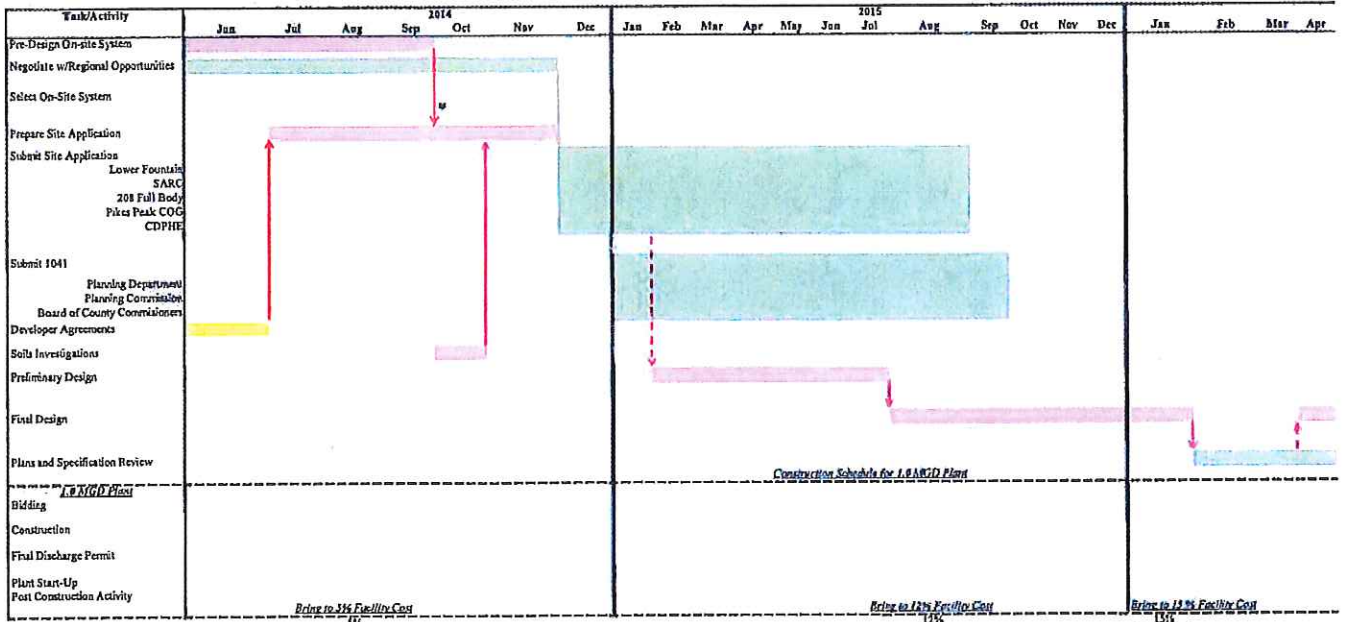
Project No. 111222
Scale: AS SHOWN
Date: 02/27/14
Drawn: ERM
Checked: JRM
Approved:

**4-WAY RANCH METROPOLITAN DISTRICT  
DISTRICT #1 BOUNDARY  
EXHIBIT A**

**JDS-HYDRO** CONSULTANTS, INC.  
 545 EAST PIKES PEAK AVENUE, SUITE 300  
 COLORADO SPRINGS, COLORADO 80903  
 (719) 227-0072

**EXHIBIT B**  
**ESTIMATED CONSTRUCTION SCHEDULE**

**Exhibit B -- Estimated Project Chart for Woodmen Hills Major Plant Upgrade**

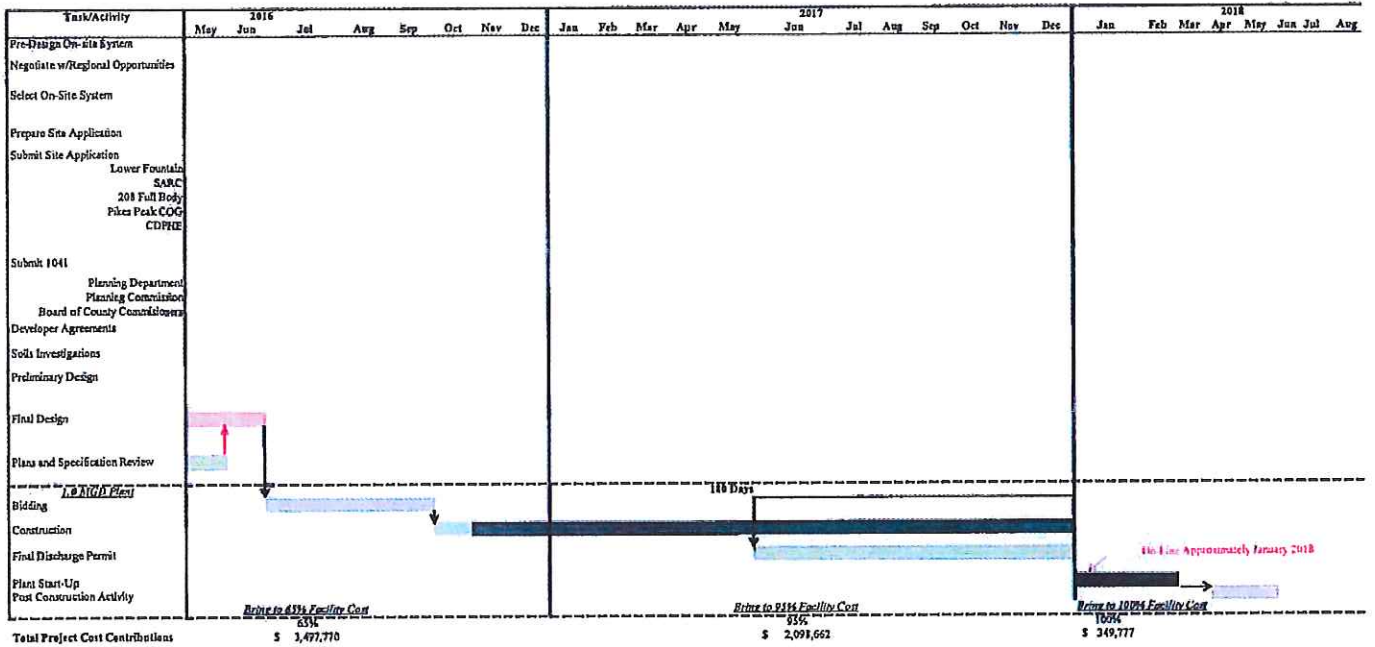


Total Project Cost Contributions

	\$ 349,777	\$ 469,688	\$ 209,866
	5%	15%	15%
	25-Aug		

500	-	SFEs	
\$ 6,995,519	-	Expansion	\$ 2,983,117
\$ 2,614,250	-	Existing Used and Useful	\$ 426,191
\$ 9,609,789	-	Facility Cost	\$ 3,409,308
			- 4-Way Ranch contribution for treatment enhancements and capital improvements on a per SFE basis
\$ 1,704,585			Total 4-Way Ranch contribution for treatment enhancements and capital improvements

**Exhibit B – Estimated Project Chart for Woodmen Hills Major Plant Upgrade**





**EXHIBIT C**  
**ESTIMATED PROJECT COSTS**

Exhibit C

**Base Plant Cost Estimate**

**Client: Woodmen Hills WWTP**

**Project: Conventional Extended Aeration 1 MGD Plant Master-planned for Nutrient Removal**

**Summary Sheet**

Major Item	Construction Cost	Contingency %	Planning Permitting	Engineering Total	Item Total
1 Basin Package	\$850,875	\$ 85,087.50	\$23,399.06	\$67,155	\$1,026,516.87
2 Pumping Room	\$691,000	\$ 69,100.00	\$19,002.50	\$54,537	\$833,639.68
3 Clarifier Package	\$576,250	\$ 57,625.00	\$15,846.88	\$45,481	\$695,202.41
4 Main Building/ Aeration	\$2,752,500	\$ 275,250.00	\$75,693.75	\$217,241	\$3,320,684.81
5 RAS/WAS Superstructure	\$470,000	\$ 47,000.00	\$12,925.00	\$37,095	\$567,019.75
6 Site Work	\$245,000	\$ 24,500.00	\$6,737.50	\$276,238	\$552,475.00
7 Unused	0	\$ -	\$0.00	\$0	
8 Unused	0	\$ -	\$0.00	\$0	
9 Unused	0	\$ -	\$0.00	\$0	
10 Unused	0	\$ -	\$0.00	\$0	
11 Unused	0	\$ -	\$0.00	\$0	
<b>Total</b>	<b>\$5,585,625</b>	<b>\$558,563</b>	<b>\$153,605</b>	<b>\$697,746</b>	<b>\$6,995,539</b>
<p><b>Summary Sheet based on unit process estimates</b>  <b>Construction Engineering not included</b></p>					

Since the Engineer has no control over the cost of labor, materials or equipment, or over the Contractor's method of determining prices, or over competitive bidding or market conditions, his opinions of probable construction cost provided for herein are made on the basis of his experience and qualifications. These opinions represent his best judgement as a design professional familiar with the construction industry. However, the Engineer cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by him.

**EXHIBIT D**

**SCHEDULE OF PROJECT BENCHMARKS AND PAYMENTS DUE**

**EXHIBIT D**

**4-Way Ranch Project Cost: Schedule of Project Benchmarks and Payments Due**

I. Useful Value Payment. Payment for 4-Way Ranch portion of the "Useful Value" of the WWTF is \$213,000:

Value of existing WWTF =	\$2,380,000
Pilot Project Costs =	\$ 234,250
<b>TOTAL "Useful Value" =</b>	<b>\$2,614,250</b>

Divided by Total No. of Taps in Expanded WWTF: 6,134 = \$426 in costs/SFE tap

**\$426 x 500 taps = \$213,000 for 4-Way Ranch "Useful Value" payment**

4-Way Ranch Useful Value payment is due as of date of execution of IGA.

II. WWTF Expansion Project Estimated Participation Payments. Estimated Payment for 4-Way Ranch portion of the WWTF Expansion Project is \$1,491,585 calculated as follows:

Project Total Cost Estimate: \$6,995,539

Divided by the Total No. of Taps created for 4-Way Ranch by the Project: 2,345 = \$2,983 in participation costs/SFE tap.

**\$2,983 x 500 SFE Taps = \$1,491,585 for 4-Way Ranch estimated cost portion of participating in funding the "WWTF Expansion"**

III. WWTF Expansion Project Estimated Payment Schedule.

Estimated Date	Project Benchmark	% Total Expansion Project Costs Due	Est. Payment	Est. Cumulative Pmts.
IGA Effective Date	Initiation of Project Design	5%	\$74,579	\$74,579
Aug, 2015	Site Approval rec'd from State	12%	\$104,411	\$178,990
January, 2016	at 75% Final Design Completion	15%	\$44,748	\$223,738
July, 2016	at Publication of Notice of Bid	65%	\$745,792	\$969,530
June, 2017	at 50% Construction of Project	95%	\$447,476	\$1,417,006
January, 2018 ("Est. Project Compl. Date")	at 100% Final Completion and Operation of WWTF Expansion Project	100%	\$74,579	\$1,491,585
		<b>Total 4-Way Ranch Project Costs:</b>		<b>\$1,491,585</b>