

**AMENDED AND RESTATED
INTERGOVERNMENTAL AGREEMENT FOR
EXTRA-TERRITORIAL SEWER SERVICE**

This Amended and Restated Intergovernmental Agreement for Extra-Territorial Sewer Service (the "Agreement") is entered into as of the 11th day of ~~NOVEMBER~~ 2014, by and between the GREEN MOUNTAIN WATER AND SANITATION DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado ("Green Mountain") and FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and a political subdivision of the State of Colorado ("Fossil Ridge"), collectively referred to as the "Parties."

RECITALS

WHEREAS, Green Mountain is a special district organized and operating under Title 32 of the Colorado Revised Statutes for purposes including providing sewer services inside and outside its boundaries; and

WHEREAS, Fossil Ridge is a special district organized and operating under Title 32 of the Colorado Revised Statutes for purposes including providing sewer services within and without its boundaries; and

WHEREAS, the Parties entered into that certain Intergovernmental Agreement for Extra-Territorial Sewer Service, dated January 15, 2008, which is recorded with the County Clerk and Recorder for Jefferson County at reception number 2008012085 (the "Service Agreement"); and

WHEREAS, pursuant to the Service Agreement, Fossil Ridge intends to collect wastewater from the Service Area and deliver the wastewater to Green Mountain for conveyance to the Metropolitan Denver Wastewater Reclamation District ("Metro") for disposal; and

WHEREAS, Green Mountain is a party to a Special Connectors Sewage Treatment and Disposal Agreement with Metro, its sole source for sewer disposal services; and

WHEREAS, Fossil Ridge has requested that Green Mountain provide sewer services to Fossil Ridge by accepting delivery of the wastewater produced within the Service Area and delivering the wastewater to Metro for disposal; and

WHEREAS, the Parties intend by this Agreement to amend and restate the Service Agreement as set forth herein; and

WHEREAS, Green Mountain is authorized to establish fees, rates, tolls and charges for services and facilities associated with the sewer services it provides; and

WHEREAS, Green Mountain is willing to provide sewer services to Fossil Ridge without including the Service Area into the boundaries of Green Mountain, but does not currently have all facilities in place to provide such services; and

WHEREAS, Fossil Ridge desires to finance the design and construction of facilities outside the Service Area which are necessary to allow Green Mountain to provide sanitation services to the wastewater produced within the Service Area; and

WHEREAS, Fossil Ridge desires and intends to design and construct the facilities within the Service Area which are necessary to collect the wastewater within the Service Area and deliver it to Green Mountain, including lift stations and monitoring stations as described herein; and

WHEREAS, Green Mountain's sole source of water for distribution to its customers is the Denver Board of Water Commissioners which, through a contract with Green Mountain, permits water service by Green Mountain only within a designated service area boundary (the "Blue Line"); and

WHEREAS, the Service Area is located outside of the Blue Line, which precludes Green Mountain from providing water service to the Service Area under its contract with the Denver Board of Water Commissioners; and

WHEREAS, the Parties do not intend for Green Mountain to provide any water services to the Service Area, and the Parties understand that the Service Area will receive water service from Consolidated Mutual Water Company; and

WHEREAS, the Parties desire to enter into this Agreement to establish the terms and conditions under which Green Mountain will provide sewer services to Fossil Ridge; and

WHEREAS, Fossil Ridge and Green Mountain find that the terms and conditions of this Agreement are reasonable and in the best interests of their respective residents, customers and taxpayers.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and the mutual promises and covenants contained herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows:

I. Definitions

- 1.1 "Actual Costs" has the meaning set forth in section 4.1.
- 1.2 "EPA" means the United States Environmental Protection Agency.
- 1.3 "EQR" shall have the following meaning: One EQR is equal to 270 gallons per day times a peaking factor, as set forth in the City and County of Denver's Wastewater Management

Division's Sanitary Sewer Design Technical Manual, or other peaking factor as determined appropriate by Green Mountain.

1.4 "The Districts" means collectively Fossil Ridge, Fossil Ridge Metropolitan District No. 2, and Fossil Ridge Metropolitan District No. 3.

1.5 "Fossil Ridge" means Fossil Ridge Metropolitan District No. 1.

1.6 "Fossil Ridge Operations Fee" shall have the meaning set forth in Section 6.3 of this Agreement.

1.7 "Fossil Ridge Sewer System" means a system of infrastructure provided by Fossil Ridge, to provide sewer service to its customers by the collection of wastewater arising within the Service Area for delivery of the wastewater to Green Mountain for conveyance to Metro for disposal.

1.8 "Future Development Area" means that area depicted in **Exhibit B**.

1.9 "Future Development Area System" means a system of infrastructure provided by an entity within the Future Development Area in order to connect to the Fossil Ridge Sewer System, to provide sewer service to its customers by the collection of wastewater arising within such property within the Future Development Area for delivery of the wastewater to Green Mountain for conveyance to Metro for disposal.

1.10 "GM Improvements" has the meaning set forth in Section 4.1.

1.11 "Green Mountain" means the Green Mountain Water and Sanitation District.

1.12 "Green Mountain Rules & Regulations" means the Green Mountain Rules & Regulations adopted by the Board of Directors of Green Mountain on October 11, 2005, and revised on April 28, 2014, as amended from time to time.

1.13 "Green Mountain Wastewater Collection System" means the sanitary sewer and other sanitation facilities owned or to be constructed, installed, and otherwise acquired for ownership by Green Mountain and necessary for the performance by Green Mountain of its obligations under this Agreement.

1.14 "Metro" means the Metropolitan Denver Wastewater Reclamation District.

1.14 "Monitoring Stations" mean monitoring stations to be located at each point where Fossil Ridge wastewater main lines connect to the Green Mountain Wastewater Collection System to include primary flow measuring devices and equipment necessary for metering the rate and quantity of flow, and sampling the wastewater for analyses.

1.15 "Reserved Capacity" shall have the meaning set forth in Section 2.2 of this Agreement.

1.16 "Service Area" means that area legally described in **Exhibit A**, as it may be expanded pursuant to Section 2.5.

1.17 "Service Fee" shall have the meaning set forth in Section 6.2(A) of this Agreement.

1.18 "System Development Fee" or "SDF" shall have the meaning set forth in Section 6.1(A) of this Agreement.

1.19 "Tamarisk Lift Station Surcharge" shall have the meaning set forth in Section 6.4 of this Agreement.

1.20 "User" shall mean a customer of Fossil Ridge who owns property connected to the Fossil Ridge Sewer System with respect to which Fossil Ridge or another entity has been granted a permit by Green Mountain for discharge of Wastewater.

1.21 "Wastewater" means liquid wastes, solid wastes, night soil, industrial wastes, any other allowed substance, whether it is liquid, solid, in suspension, or in solution, in the Fossil Ridge Sewer System or in the Green Mountain Wastewater Collection System, or in both such systems.

II. Wastewater Collection Service

2.1 Wastewater Collection Services. Green Mountain hereby agrees to accept Wastewater from Fossil Ridge, which is collected from and generated within the Service Area and does not exceed 1,727 equivalent residential units ("EQRs"), pursuant to all of the terms contained herein. Flow must be within current infiltration and inflow limits and strength limits for domestic flow, as set by Metro and the EPA. The service commitment by Green Mountain is subject to all restrictive provisions and conditions of the Special Connectors Agreement between Green Mountain and Metro.

2.2 Reserved Capacity. Green Mountain will reserve sufficient capacity in its Green Mountain Wastewater Collection System to accommodate 1,727 EQRs received from Fossil Ridge (the "Reserved Capacity") for a period of fifteen (15) years from January 15, 2008, provided that Fossil Ridge is in compliance with the terms and conditions of this Agreement. The Parties may mutually agree, in writing, to extend the period of time such capacity will be reserved by additional 5 year periods.

2.3 Connection of Users to Fossil Ridge Sewer System. Before connecting any new customer to the Fossil Ridge Sewer System, Fossil Ridge shall submit to Green Mountain a written application for a permit to discharge Wastewater from the specific property, shall pay any system development fee or other required fees and shall receive approval by Green Mountain of the permit. A permit is required for each and every building discharging Wastewater. Neither permits nor the associated system development fees are transferable to other properties. If, at any time after any such permit is granted, any User expands or changes its use so that the number of equivalent units specified in the permit will be increased, Fossil Ridge must apply for a modified permit, whether or not the actual size of the service line is increased. In these cases, Fossil Ridge shall pay an incremental system development fee(s), which is equal to the system

development fee in effect at the time the modified permit is granted minus the amount previously paid for the applicable User. No such modification will be granted if it would cause the total EQRs served under this Agreement to increase beyond the Reserved Capacity.

2.4 Service Area. The Service Area is defined as that area, more specifically described in **Exhibit A** attached hereto, which is presently within or will be included into the boundaries of one of the Districts. Green Mountain does not by this Agreement, agree to accept any Wastewater which is produced or collected outside of the Service Area, as the same may be specifically expanded pursuant to the provisions of Section 2.5.

2.5 Expansion of the Service Area. Fossil Ridge may apply in writing to Green Mountain to have additional property added into the Service Area, provided that: 1) the property to be added to the Service Area has been included into the boundaries of one of the Districts; 2) the property to be added to the Service Area is located within the boundaries of the City of Lakewood as of the date of this Agreement or Green Mountain otherwise specifically consents to service outside of the City's current boundaries; 3) Fossil Ridge provides a legal description and map of the area to be added; 4) Fossil Ridge provides the number of EQRs needed for the area to be added; and 5) Green Mountain agrees, in its discretion, to increase the Reserved Capacity. Green Mountain may, in its discretion, require Fossil Ridge to upsize or upgrade the Fossil Ridge Sewer System or GM Improvements (as defined in Section 4.1 below) , at Fossil Ridge's sole expense, before granting any request for expanding the Service Area.

2.6 Future Development Area. Green Mountain has anticipated providing sanitary sewer service to all of the area in the Rooney Valley within the boundaries of the City of Lakewood as of the date of this Agreement, and may also provide sanitary sewer service to the proposed Rooney Property (collectively the "Future Development Area" as depicted in **Exhibit B** attached hereto). Therefore, Fossil Ridge agrees to size the Fossil Ridge Sewer System sufficiently large to accommodate anticipated flow from the Future Development Area, as more specifically set forth in Section 3.2(C) of this Agreement. To the extent that sufficient oversize capacity is available in the Fossil Ridge Sewer System to accommodate the anticipated additional flows from any one of more properties in the Future Development Area, as a condition precedent to Green Mountain accepting Wastewater from any such properties, the property owner(s) must enter into an agreement with Fossil Ridge providing for, among other things, equitable and proportionate cost recovery for Fossil Ridge's expense in oversizing the Fossil Ridge Sewer System and the manner in which water will be provided to such area. Further, the Future Development Area Improvements shall not be owned, operated or maintained by Fossil Ridge but by a homeowners' association or Title 32 special district or other governmental entity subject to the requirements of an agreement with Green Mountain as provided in Section 3.7. Green Mountain does not, by this Agreement, agree or represent that it will accept Wastewater from any property within the Future Development Area. The Parties recognize and agree that Green Mountain may be required to obtain the consent of the City of Lakewood, the Town of Morrison, and/or the Mount Carbon Metropolitan District before providing sanitary sewer service to any portions of the Future Development Area which are not located within the boundaries of the City of Lakewood as of the date of this Agreement.

2.7 No Water Service. Green Mountain makes no agreement, promise or representation that water service will ever be available from Green Mountain to Fossil Ridge or the Service Area. The Parties recognize that Fossil Ridge has secured water service from Consolidated Mutual Water Company, and that neither Fossil Ridge nor its successors and assigns will ever request water service from Green Mountain. The Service Area is located outside of the Blue Line service area established by the Denver Board of Water Commissioners; which precludes Green Mountain from providing water service to the Service Area under its contract with the Denver Board of Water Commissioners. Nonetheless, Fossil Ridge agrees that it will not request water service from Green Mountain in the event that the Blue Line moves to include the Service Area in the future.

2.8 Consent by Metro. To the extent required, this Agreement shall not take effect until Metro has consented to Green Mountain providing sewer service to the Service Area. In the event that the Service Area is expanded by amendment to this Agreement, Green Mountain shall not be required to provide service to the expanded Service Area or portions of the Future Development Area until Metro has consented to Green Mountain providing sewer service to the expanded Service Area or portions of the Future Development Area.

III. Design and Construction of the Fossil Ridge Sewer System

3.1 Fossil Ridge Obligation to Design/Construct the Fossil Ridge Sewer System. As a condition precedent to Green Mountain fulfilling its sewer service obligation set forth in Section II, Fossil Ridge shall design and construct, or contract for the design and construction of the Fossil Ridge Sewer System, in accordance with all terms of this Agreement and all rules and regulations and design standards, criteria and specifications of Green Mountain. It is understood and agreed that unless specifically set forth herein, Green Mountain shall not be responsible for any costs associated with the Fossil Ridge Sewer System. Rather, all such costs shall be the responsibility of Fossil Ridge or other entity pursuant to a contract with Fossil Ridge. The Fossil Ridge Sewer System shall consist of: (1) the sewer main lines which will run from the boundaries of Green Mountain to the service lines for the homes within the Service Area; (2) any new lift stations needed to deliver the Wastewater to the Green Mountain Wastewater Collection System; (3) monitoring stations to be located at each point where Fossil Ridge sewer lines connect to the Green Mountain Wastewater Collection System, including flow monitoring equipment necessary to measure, at minimum, velocity and flow (the "Monitoring Stations"); and (4) any other facilities outside the boundaries of Green Mountain deemed necessary by Fossil Ridge to deliver the Wastewater to the Green Mountain Wastewater Collection System.

3.2 Design of the Fossil Ridge Sewer System.

A. Generally. Fossil Ridge shall submit preliminary and final design plans for the Fossil Ridge Sewer System, which have been prepared by an engineer registered in Colorado, to Green Mountain for review and approval or disapproval. Fossil Ridge shall submit preliminary design plans and specifications, which are substantially complete, to Green Mountain at least one week (7 days) prior to a regular meeting of the Board of Directors of Green Mountain, at which meeting the Board will consider first reading of a resolution approving the design plans. Fossil Ridge shall submit complete final design plans and specifications to Green Mountain's District

Engineer, for approval prior to any commencement of construction on the Fossil Ridge Sewer System. The final plans and specifications that have been approved by the District Engineer shall be submitted to Board for approval, ratification and second reading at the next regular Board meeting following approval by the District Engineer. Final design approvals are valid for six (6) months from the date of approval by the Green Mountain Board of Directors. If construction is not initiated by that time, re-submittal of the plans may be required and new construction may not be initiated without specific approval by Green Mountain's Manager. Fossil Ridge agrees that it will not begin construction of the Fossil Ridge Sewer System prior to receiving written approval of the final design plans from Green Mountain's District Engineer. Fossil Ridge agrees to make any changes to the design plans reasonably requested by Green Mountain's District Engineer or Board of Directors.

B. Green Mountain Design and Liability. Alternatively, at the written request of Fossil Ridge, Green Mountain will agree to design all or a portion of the Fossil Ridge Sewer System, at the sole expense of Fossil Ridge with the estimated design costs paid in advance. Green Mountain's design or approval of designs for the Fossil Ridge Sewer System shall not relieve Fossil Ridge of any responsibility under this Agreement. To the extent permitted by law, Fossil Ridge shall defend, indemnify and hold Green Mountain harmless for any damages or liability arising from Green Mountain's design or approval of designs for the Fossil Ridge Sewer System.

C. Oversizing. The Fossil Ridge Sewer System shall be sized to accommodate anticipated flow from the Service Area and the Future Development Area, as reasonably determined by Green Mountain, and shall be designed to accommodate a minimum of 2,925 equivalent residential units (which includes the Reserved Capacity).

D. Lift Station Requirements. Any lift stations which are a part of the Fossil Ridge Sewer System will be designed in accordance with Green Mountain requirements and to avoid peak flow rates that could overload the Green Mountain Wastewater Collection System. Such lift stations shall include flow leveling facilities, if determined necessary by Green Mountain in its discretion.

E. Monitoring Station Requirements. Notwithstanding anything to the contrary, Green Mountain shall design the Monitoring Stations, at the expense of Fossil Ridge, and shall determine what flow monitoring equipment is necessary to measure and sample the Wastewater. Green Mountain has the right, but not the obligation, to impose an additional fee on Fossil Ridge to recover the costs associated with monitoring and measuring the Wastewater.

3.3 Construction of the Fossil Ridge Sewer System.

A. At its sole expense, Fossil Ridge shall construct the Fossil Ridge Sewer System in accordance with the design plans and specifications that have been prepared by or approved by Green Mountain as set forth in Section 3.2 and in accordance with all rules and regulations of Green Mountain. Fossil Ridge shall notify Green Mountain, in writing, within forty-eight (48) hours of any departure from the approved design plans and specifications or from the rules and regulations of Green Mountain.

B. Prior to commencing construction, Fossil Ridge shall provide Green Mountain with a schedule for construction of the Fossil Ridge Sewer System. Fossil Ridge shall promptly notify Green Mountain, in writing, of any material departures from that schedule.

C. Connection of sewer lines within the Fossil Ridge Sewer System into Green Mountain Wastewater Disposal System shall comply with standard details presented by Green Mountain.

3.4 Testing of the Fossil Ridge Sewer System. Fossil Ridge shall, at a minimum, conduct those tests on the Fossil Ridge Sewer System required pursuant to Section 4.3.5 of the Green Mountain Rules and Regulations, at its sole expense. The test results shall be provided to Green Mountain, which may verify the results.

3.5 Inspection of Construction.

A. At all times during construction of the Fossil Ridge Sewer System, Green Mountain has the right, in its discretion and without obligation, to inspect the Fossil Ridge Sewer System to ascertain that the materials and workmanship conform to the approved plans, standards and specifications. Fossil Ridge shall reasonably cooperate with and assist Green Mountain in gaining access to the areas designated for inspection.

B. Fossil Ridge shall provide a written notice to Green Mountain at least seventy-two (72) hours prior to the time it begins backfilling or covering any new, upsized or upgraded main lines within the Fossil Ridge Sewer System. Green Mountain, or its employee or agent, may inspect the lines within the next seventy-two (72) hours following receipt of the notice. If Fossil Ridge fails to provide notice to Green Mountain at least seventy-two (72) hours prior to the time it begins backfilling or covering any new, upsized or upgraded main lines and to allow inspection during that 72 hour period, Green Mountain reserves the right to direct Fossil Ridge to remove and/or uncover such portions of the Fossil Ridge Sewer System for inspection, and all costs associated with the removal and/or uncovering of such portions of the Fossil Ridge Sewer System for the examination and restoration of the Fossil Ridge Sewer System shall be at Fossil Ridge's sole expense.

C. Fossil Ridge shall use reasonable efforts to ensure that anyone constructing/installing a service line for connection to the Fossil Ridge Sewer System provides a written notice to Green Mountain that it has completed construction of the service line, at least seventy-two (72) hours prior to filling or covering any new, upsized or upgraded service line for connection to the Fossil Ridge Sewer System. Green Mountain, or its employee or agent, may inspect the service lines within the next seventy-two (72) hours following receipt of the notice. If Green Mountain does not receive notice at least seventy-two (72) hours prior to the filling or covering of any new, upsized or upgraded service lines to allow inspection during that 72 hour period, Green Mountain reserves the right to direct the owner or contractor constructing/installing the service line to remove and/or uncover such service lines for inspection, and all costs associated with the removal and/or uncovering of such service lines for the examination and restoration thereafter shall be at the sole expense of the owner of such lines. Green Mountain may withhold issuance of a permit, or suspend a permit, for any connection if

Green Mountain has not been provided an opportunity to inspect the relevant service line, pursuant to this Section 3.5(C). Green Mountain's inspection of service lines or other improvements is one in furtherance of the general public health, safety and welfare and no specific relationship with, or duty of care to Fossil Ridge, any customer of Fossil Ridge, any property owner, or any third parties is created by such review and approval. Inspection of the service lines or other improvements by Green Mountain shall not relieve the builder, owner or other parties of any responsibility.

D. Fossil Ridge shall make any improvements or alterations required by Green Mountain in order to bring the Fossil Ridge Sewer System into conformance with the approved design plans, rules and regulations of Green Mountain or other reasonable standards required by Green Mountain's engineer. Any changes ordered by Green Mountain's inspector shall be completed and reinspected before any backfilling is done. Non-compliance may result in uncovering service lines and re-inspection at the expense of Fossil Ridge.

E. Inspection of the Fossil Ridge Sewer System by Green Mountain shall not relieve Fossil Ridge of any responsibility under this Agreement.

F. Fossil Ridge acknowledges that Green Mountain's review of the design plans and inspection of improvements, pursuant to this Agreement, is one in furtherance of the general public health, safety and welfare and that no specific relationship with, or duty of care to Fossil Ridge, any customer of Fossil Ridge, any property owner, or any third parties is created by such review and approval.

3.6 Green Mountain Access to Fossil Ridge Sewer System. Fossil Ridge hereby grants to Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Service Area which contains improvements constituting the Fossil Ridge Sewer System at all reasonable times for the purposes of inspecting the Fossil Ridge Sewer System and any other purposes ancillary to the performance of this Agreement. Fossil Ridge shall use its best efforts to ensure that Brookfield Colorado LLC and any other owners of portions of the Fossil Ridge Sewer System shall also grant Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Service Area which contains improvements constituting the Fossil Ridge Sewer System at all reasonable times for the purposes of inspecting the Fossil Ridge Sewer System and any other purposes ancillary to the performance of this Agreement.

3.7 Ownership of the Fossil Ridge Sewer System. No part of the Fossil Ridge Sewer System will be dedicated or conveyed to Green Mountain without the express written consent of Green Mountain. The Fossil Ridge Sewer System shall be owned and maintained by Fossil Ridge a validly organized homeowners' association. It is specifically contemplated that the Future Development Area Improvements shall be owned, operated and maintained by or through , a validly organized homeowners' association or Title 32 special district or other governmental entity, provided that the homeowners' association or special district has entered into a contract with Green Mountain to allow access to the Fossil Ridge Sewer System, in addition to other terms and conditions concerning construction approvals, fees, billing, reporting, rules and regulations and other matters generally addressed herein that govern the construction, financing and operations of the infrastructure. The Fossil Ridge Sewer System shall be maintained,

repaired and replaced consistent with all laws and rules of Green Mountain. Green Mountain assumes no liability under this Agreement for the Fossil Ridge Sewer System or for any of the matters or items set forth in Section 11.1 and 11.2, below.

IV. GM Improvements.

4.1. Design/Construction of GM Improvements. Fossil Ridge recognizes and agrees that certain public improvements and infrastructure within the boundaries of Green Mountain must be acquired, installed, constructed, upgraded or upsized in order to accommodate the Wastewater flow from Fossil Ridge (collectively the "GM Improvements"), including without limitation the improvements set forth in the "Feasibility Study to Provide Sewer Service to Springfield Green" dated January 2006, attached hereto as **Exhibit C**. Fossil Ridge agrees to finance, at its sole cost, the actual costs incurred by Green Mountain in planning, designing, constructing, acquiring, installing, upgrading or upsizing the GM Improvements which Green Mountain reasonably determines are necessary to accept Fossil Ridge's Wastewater, including without limitation, planning, design, inspection, administrative, legal, management, land acquisition, equipment and materials and construction costs (the "Actual Costs"). Fossil Ridge agrees that the planning, design, construction, acquisition, installation, upgrading or upsizing of the GM Improvements, including without limitation the Tamarisk Lift Station, are necessary for acceptance of Fossil Ridge's Wastewater, and that it is reasonable for Fossil Ridge to bear 100% of such expenses. Green Mountain agrees to design and construct, or contract for the design and construction of, the GM Improvements, assuming the costs are advanced by Fossil Ridge, pursuant to Section 4.3.

4.2 Phasing of Construction. Fossil Ridge agrees that not all GM Improvements will be required initially and that Green Mountain may phase in facilities necessary to service immediately proposed development. A schedule of anticipated development, and associated Wastewater EQRs, within the Service Area is attached hereto as **Exhibit D**. Fossil Ridge shall provide Green Mountain with notice at least eighteen (18) months in advance of any change in the development schedule that would lead to increased EQRs or Wastewater flow from a different portion of the Service Area. If not already provided, Green Mountain shall provide Fossil Ridge with a construction schedule for the GM Improvements, within two (2) months of signing this Agreement and shall provide prompt notice to Fossil Ridge of any changes to its construction schedule. Green Mountain agrees to fully cooperate with Fossil Ridge to ensure that the proposed construction schedule is coordinated with development requirements of the Service Area. Fossil Ridge agrees that Green Mountain may curtail the connection of additional taps until GM Improvements required for the particular connection are completed.

4.3 Advance of Estimated Hard Costs.

A. Fossil Ridge shall advance to Green Mountain the estimated Hard Costs of constructing, acquiring, upgrading and upsizing the GM Improvements, as needed to accommodate the Fossil Ridge Wastewater, according to the procedure set forth in Section 4.3(B), below. The Hard Costs shall be defined as including without limitation the following: 1) all costs incurred under a construction contract for the GM Improvements and 2) any costs

associated with acquiring land necessary for construction of the GM Improvements (collectively the "Hard Costs").

B. Green Mountain shall provide to Fossil Ridge notice of advertisement for bid for a construction contract for the GM Improvements approximately fifteen (15) calendar days prior to the scheduled bid opening date for the construction contract. Such notification shall include a copy of the bid documents, the anticipated bid opening date and the amount of the engineer's estimate for the construction project. Green Mountain shall award contracts to the lowest, qualified, responsible bidder. Determination of which bidder is the lowest, qualified and responsible bidder shall be made by Green Mountain, in its sole discretion. Green Mountain shall notify Fossil Ridge of the amount of the contract to be awarded and to whom the award shall be made. Fossil Ridge shall advance the estimated Hard Costs to Green Mountain within fifteen (15) days after Green Mountain's notice of the amount of the contract, and prior to Green Mountain's award of the contract. Green Mountain shall have no obligation to construct the GM Improvements or to provide sewer service to Fossil Ridge unless such Hard Costs are advanced by Fossil Ridge. Green Mountain shall notify Fossil Ridge of each change order approved by Green Mountain under the construction contract and shall provide notice of each request for change order approval which is submitted to the Board of Directors of Green Mountain prior to consideration by the Board. Fossil Ridge shall advance to Green Mountain additional funds equal to the contract amount increase associated with any change order no later than seven (7) business days after receiving notice of Green Mountain's approval of such change order.

C. The advanced funds shall be deposited in an interest bearing account (the "GM Improvement Account"), from which Green Mountain may withdraw funds, without advance notice to Fossil Ridge, to pay the Actual Costs of the GM Improvements.

4.4 Accounting for Advanced Funds. Green Mountain shall provide Fossil Ridge, on a monthly basis, with a copy of the contractor's current pay estimates, which lists payments made from the GM Improvement Account to the contractor during the previous month as well as any update or modification to the construction schedule.

4.5 Payment of Soft Costs. Any Actual Costs incurred by Green Mountain in designing, constructing, acquiring, installing, upgrading or upsizing the GM Improvements, other than the costs advanced pursuant to Section 4.3, including without limitation any and all legal fees and costs, administrative costs, inspection costs, management costs, and engineering costs, shall be billed to Fossil Ridge on a monthly basis, after they are incurred, and paid in accordance with the billing and payment procedure set forth in Section VII of this Agreement. Fossil Ridge shall pay bills for such Actual Costs no later than twenty (20) calendar days after receipt of each bill.

4.6 Completion of Construction.

A. Following completion of construction of the GM Improvements, Green Mountain shall provide an accounting to Fossil Ridge of the total Actual Costs for the GM Improvements, along with documentation supporting the disbursements.

B. If the total Actual Costs of the GM Improvements exceed the amount advanced pursuant to Section 4.3, Fossil Ridge shall pay to Green Mountain the difference between the Actual Costs and the amount advanced within thirty (30) days of receiving an invoice from Green Mountain.

C. If the Actual Costs of the GM Improvements are less than the amount advanced pursuant to Section 4.3, Green Mountain shall refund the amount remaining in the GM Improvement Account to Fossil Ridge, including any accrued interest, within thirty (30) days following Green Mountain's initial acceptance of the GM Improvements from a contractor, as defined in the contract with the contractor, which initial acceptance shall occur at minimum after all work on the GM Improvements has been completed and Green Mountain has conducted a video inspection of all new, upgraded or upsized lines.

4.7 Maintenance. Green Mountain shall be responsible for the maintenance, repair and replacement of the Green Mountain Wastewater Collection System, at a level sufficient to allow Green Mountain to accept the Wastewater flows and transmit the Wastewater.

V. Design and Construction of Other Improvements

5.1 Metro Facilities. If Metro determines that any lines or facilities need to be upsized or upgraded due, in whole or in part, to the Fossil Ridge's Wastewater flows, Fossil Ridge will be responsible for financing its proportionate share of the costs of designing, constructing, acquiring, installing, upsizing or upgrading the Metro lines or facilities, at the time such costs are billed to Green Mountain or Fossil Ridge by Metro.

5.2 Outfall Sewer Lines to Bear Creek. If Green Mountain or the Bear Creek Water and Sanitation District determine that the Outfall Sewer Lines to Bear Creek, between its connection to the Morrison Road Trunk Sewer and its connection to Metro's Bear Creek Interceptor, need to be upsized or upgraded due, in whole or in part, to Fossil Ridge's Wastewater flows, Fossil Ridge will be responsible for financing its proportionate share of the costs of designing, constructing, acquiring, installing, upsizing or upgrading the Outfall Sewer Lines Bear Creek, which may be 100% of the costs if the reason for upsizing or upgrading is solely to accommodate Fossil Ridge's needs. The estimated costs of such improvements will be advanced by Fossil Ridge, subject to a later accounting and payment of the Actual Costs of the improvements to the Outfall Sewer Lines to Bear Creek. The Parties understand and agree that they will be required to obtain consent from Bear Creek Water and Sanitation District before upsizing or upgrading the Outfall Sewer Lines to Bear Creek. In the event that the Parties are unable to obtain such consent, Green Mountain may limit its provision of sewer service to Fossil Ridge, based on available capacity in the Outfall Sewer Lines to Bear Creek.

VI. Fees

6.1 System Development Fees.

A. Fossil Ridge shall pay a System Development Fee ("SDF") to Green Mountain for each new User connected to the Fossil Ridge Sewer System, in the amount of the current Sewer

SDF as set by the Board of Directors of Green Mountain. Additionally, Fossil Ridge shall pay the then-current system development fee, or similar fee, imposed by Metro (the “Metro Development Fee”) for each new User connected to the Fossil Ridge Sewer System. The Metro Development Fee shall be paid to the City of Lakewood until such time, if any, that the Service Area is included into Metro’s Green Mountain Service Area. Following such inclusion, the Metro Development Fee shall be paid to Green Mountain. The SDF and the Metro Development Fee shall be paid concurrent with or in advance of Green Mountain approving the connection of a new User, pursuant to Section 2.3 of this Agreement. Fossil Ridge shall furnish to Green Mountain copies of its subdivision plats and shall, at the time of paying SDFs, provide a list of all lots for which SDFs are being paid.

B. Green Mountain shall rebate 50% of SDFs paid by Fossil Ridge on a monthly basis, not later than the 15th of each month for all amounts paid in the previous month, until the earlier of (1) the amount rebated to Fossil Ridge totals the Actual Costs of the GM Improvements paid by Fossil Ridge pursuant to section 4.1, without interest, as of the date of the rebate, or (2) the expiration of ten (10) years from the date the first SDF is paid by Fossil Ridge to Green Mountain.

6.2 Service Fee.

A. Fossil Ridge shall pay a residential service fee and a commercial/multifamily service fee to Green Mountain on a quarterly basis, in advance (collectively the “Service Fee”). The Service Fee shall be separately calculated for residential and commercial/multi-family EQRs. The quarterly Service Fee shall be based on each EQR connected or authorized to be connected to the Fossil Ridge Sewer System shall initially be calculated with the following equation:

$\frac{\text{(Bimonthly sewer service charge per 1000 gallons) (1.25) (Total EQRs) (Average water use per EQR per quarter) (1.5)}}{1000}$

“Average water use per EQR” in the above equation shall, at Green Mountain’s discretion, be determined by the Board of Directors on an annual basis to be equal to either (1) the average winter number of gallons of water used per in-district EQR (for commercial/multi-family or residential EQRs, as applicable) served by Green Mountain during the prior year or (2) the average winter number of gallons of water used by each EQR (for commercial/multi-family or residential EQRs, as applicable) within the Service Area over at least one (1) winter consumption season, as certified to Green Mountain by Consolidated Mutual Water Company. Sewer service charge in the above equation shall mean the bimonthly current sewer service charge imposed by Green Mountain for commercial/multi-family or residential EQRs, as applicable. In the event that Green Mountain approves a new connection during a quarter, Fossil Ridge shall be billed, in the next billing cycle, for the portion of the quarter following approval of the new connection.

B. At the discretion of Board of Directors of Green Mountain, Green Mountain may elect to use a different billing method to calculate the Service Fee, other than that set forth in Section 6.2(A), provided that the alternative billing method is reasonably calculated to bill Fossil Ridge according to its use of sewer services provided by Green Mountain.

C. Fossil Ridge shall be responsible for its proportionate share of Service Charges, Annual Charges or other charges or fees imposed by Metro, to the extent not included in the Service Fee.

6.3 Fossil Ridge Operations Fee. For each EQR connected to or approved for connection to the Fossil Ridge Sewer System Fossil Ridge shall pay a "Fossil Ridge Operations Fee" to Green Mountain on a quarterly basis, in advance. The Fossil Ridge Operations Fee per EQR shall equal the then-current in-District operations fee (bimonthly) multiplied by 1.25 multiplied by 1.5 (to convert from bimonthly to quarterly) multiplied by 0.36 (or other percentage deemed by Green Mountain to be the percentage of the operations fee attributable to sanitation services costs). In the event that Green Mountain approves a new connection during a quarter, Fossil Ridge shall be billed, in the next billing cycle, for Fossil Ridge Operations Fee due for the new connection(s) prorated for the portion of the quarter following approval of the new connection. At the discretion of Board of Directors of Green Mountain, Green Mountain may elect to use a different billing method to calculate the Fossil Ridge Operations Fee, other than that set forth in this Section 6.3, provided that the alternative billing method is reasonably calculated to bill Fossil Ridge according to its use of sewer services provided by Green Mountain.

6.4 Tamarisk Lift Station Surcharge. If any User within the Service Area is served by the Tamarisk Lift Station, Fossil Ridge shall pay for each EQR so served a "Tamarisk Lift Station Surcharge" to Green Mountain on a quarterly basis, in advance, to cover the extra costs associated with operating, maintaining and replacing the Tamarisk Lift Station or its component parts or equipment. The Tamarisk Lift Station Surcharge shall equal the then-current Tamarisk Lift Station Surcharge (charged on a bimonthly basis) multiplied by 1.25 multiplied by 1.5 (to convert from bimonthly to quarterly). In the event that Green Mountain approves a new connection in the middle of a quarter for a unit to be served by Tamarisk Lift Station, Fossil Ridge shall be billed, in the next billing cycle, for the Tamarisk Lift Station Surcharge due for the new connection(s) prorated for the portion of time following approval of the new connection.

6.5 Fees Cumulative. All fees set forth in this Section VI shall be cumulative.

6.6 Fee Schedule of Fossil Ridge. Fossil Ridge may, in its sole discretion, adopt and impose such fee schedule upon its users as it deems reasonable. Fossil Ridge shall be responsible for billing, collecting and enforcing payment of such fees, unless the Parties agree by separate agreement that Green Mountain will bill the Users on behalf of Fossil Ridge.

6.7 Notice of Fee Increase. Green Mountain shall send Fossil Ridge notice of any increase in fees adopted by its Board of Directors and prior notice of any proposed change in fees or change to the structure of such fees which is placed on the agenda of a meeting of the Board of Directors, which increase shall be effective as to the date approved by Green Mountain's Board; provided however, that failure to provide such notice shall not relieve Fossil Ridge of the obligation to pay the increased fees.

VII. Billing and Payment of Fees

7.1 Billing Fossil Ridge. On a quarterly basis, Green Mountain shall send an invoice to Fossil Ridge for all fees due and owing under this Agreement for sewer services to be provided in the following fiscal quarter ("Bill"). Fossil Ridge shall be solely responsible for payment of the fees as set forth in a Bill.

7.2 Payment. Fossil Ridge shall pay Green Mountain the amount billed within twenty (20) days of receiving a Bill from Green Mountain (the "Due Date"), unless Fossil Ridge protests the Bill, according to the procedure set forth in Section 7.3. Failure to pay a Bill within five days after the Due Date, or protest the Bill pursuant to Section 7.3, shall result in a five percent (5%) delinquent charge being assessed. Additionally, any Bill which is not paid by the Due Date, and any other amount due from Fossil Ridge to Green Mountain pursuant to this Agreement which is not paid by the date due, shall accrue interest at a rate of three (3%) per annum from the date due until the date paid.

7.3 Dispute of Bill. If Fossil Ridge disputes the amount owed according to a Bill, Fossil Ridge will submit a written objection within ten (10) days of receiving the Bill to the Manager of Green Mountain, setting forth the basis for disputing the amount owed. Fossil Ridge and the Manager of Green Mountain will then attempt to negotiate in good faith to resolve the dispute. In the event that no resolution is reached by the time the payment is due, Fossil Ridge shall place the disputed amount into escrow in an interest bearing escrow account pending resolution by alternative dispute resolution, a court, or agreement of the Parties.

7.4 Liability for Collection Costs. If Fossil Ridge is tardy in payment of its account, Green Mountain shall have the right to assess to Fossil Ridge all legal, court and other costs necessary to or incidental to collection of the amount owed by Fossil Ridge to Green Mountain, including without limitation reasonable attorney's fees.

VIII. Reporting and Monitoring

8.1 Monitoring. Fossil Ridge hereby grants to Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Service Area which contains improvements constituting the Fossil Ridge Sewer System at all reasonable times for the purposes of monitoring the Wastewater and any other purposes ancillary to the performance of this Agreement. This right of access shall attach to and run with the land. Green Mountain may conduct such monitoring of the Wastewater flow from the Service Area as it deems necessary. Fossil Ridge shall use its best efforts to ensure that any other owners of property containing portions of the Fossil Ridge Sewer System shall also grant Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Service Area which contains improvements constituting the Fossil Ridge Sewer System at all reasonable times for the purposes of monitoring the wastewater and any other purposes ancillary to the performance of this Agreement.

8.2 Records, Accounts and Audits. Fossil Ridge shall keep proper books of record and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of its transactions relating to the Fossil Ridge Sewer System or any part thereof and which, together with all other books and papers of Fossil Ridge, shall at all reasonable times

be subject to the inspection by any member of the Board of Directors of Green Mountain or any employee or agent thereof or any municipal officer. Fossil Ridge shall cause its books and accounts to be audited annually by an independent accountant selected by Fossil Ridge, and a copy of the audit shall be provided to Green Mountain. On a quarterly basis, Fossil Ridge shall provide Green Mountain with an updated customer inventory, in substantially the form of Green Mountain's EQR schedule, an example of which is attached hereto as **Exhibit E**.

8.3 Independent EQR Inventory. Green Mountain may conduct an independent EQR inventory once every five years, at the sole expense of Fossil Ridge, the costs of which may be billed to Fossil Ridge in accordance with Section 7.1. Additionally, Green Mountain may, in its discretion, conduct an annual audit of Fossil Ridge's customer inventory.

IX. Prohibited Discharges and Enforcement of Rules and Regulations

9.1 Prohibited Discharges. The Fossil Ridge Sewer System shall be used only for the disposal of water contaminated by biodegradable wastes. No wastes shall be discharged in violation of Section 2.4, 2.4.1, 2.4.2, 2.4.3, 2.4.4, 2.4.5 and/or 2.4.6 of the Green Mountain Rules and Regulations, as amended, or any other Rules and Regulations of Green Mountain or any laws, or regulations or orders of the EPA. In addition to the foregoing requirements, the Users shall also comply with the Rules and Regulations of Metro regarding Discharge Prohibitions and Regulations.

9.2 Rules and Regulations. Fossil Ridge shall pass rules and regulations incorporating applicable provisions of the Green Mountain present (and future if modified) rules and regulations, including permissible waste flows, pretreatment requirements and EQR definitions and requiring compliance with all laws and regulations or orders of the EPA. This requirement may be satisfied if Fossil Ridge adopts by reference the applicable rules and regulations of Green Mountain regarding sewer service. Fossil Ridge shall enforce such rules and regulations against violators. Green Mountain shall send Fossil Ridge notice of any amendment to its rules and regulations or any such proposed amendment which is placed on the agenda of a meeting of the Board of Directors; provided however, that failure to provide such notice shall not relieve Fossil Ridge of any obligation under this Agreement.

9.3 Notice of Violation. Whenever Green Mountain determines that any User has violated or is violating any provision of this Agreement, any provision of the Rules and Regulations of Green Mountain, Fossil Ridge, Metro, or the EPA, any orders or permits issued hereunder, or any law, Green Mountain will submit a written request that Fossil Ridge issue a notice of violation to the User, requiring the User to either correct the violation(s) or submit a plan for the satisfactory correction of such violation(s), within a specified time frame. Green Mountain may also provide notice of the violation to the City of Lakewood. Within forty-eight (48) hours of receiving a request from Green Mountain, Fossil Ridge shall serve a notice of violation ("Notice of Violation") to such User. The Notice of Violation shall be served to the User at the address to which service is being provided and shall state the nature of the violation and require the User to either correct the violation(s) or submit a plan for the satisfactory correction of such violation(s) within a time frame specified in the Notice of Violation. The Notice of Violation shall also describe possible penalties for failure to correct the violation, including without limitation,

disconnection and termination of water service of the User, termination of sewer service of the User, imposition of a fine against the User in a specified amount per day of violation, imposition of a lien against the property, and the collection of actual costs of any damages, fines, penalties or costs incurred by Green Mountain or Fossil Ridge. The Notice of Violation shall also state that additional penalties may be imposed to the User by Metro, Colorado Department of Public Health and the Environment or the EPA.

9.4 Enforcement. If the User has not corrected the violation(s) or submitted a plan for the satisfactory correction of such violation(s), within a time frame specified in the Notice of Violation, Fossil Ridge shall take appropriate enforcement actions against the User, as determined by Green Mountain and Fossil Ridge. Within forty-eight (48) hours (or such other time as is indicated by Green Mountain) of Green Mountain requesting that Fossil Ridge enforce the failure to correct a violation following a Notice of Violation, Fossil Ridge shall take an enforcement action against the violating User(s). The enforcement action by Fossil Ridge may include, without limitation, disconnection and termination of water service of the User, termination of sewer service of the User, imposition of a fine against the User in a specified amount per day of violation, imposition of a lien against the User's property and/or collection of actual costs of any damages, fines, penalties or costs incurred by Green Mountain or Fossil Ridge, including without limitation any fines or penalties paid to Metro or the EPA. If Fossil Ridge fails to send a Notice of Violation pursuant to Section 9.3 and/or take an appropriate enforcement action against a User, Green Mountain may take such action and bill any actual expenses incurred, including without limitation attorney fees, to Fossil Ridge.

9.5 Emergency Remedies. Where a discharge to the Fossil Ridge Wastewater System reasonably appears to present an imminent endangerment to the health or welfare of persons, or presents or may present an endangerment to the environment, or threatens to interfere with the operation of Green Mountain, Green Mountain may immediately initiate investigative procedures to identify the source of the discharge, and take any steps necessary to halt or prevent the discharge. If necessary, Green Mountain may seek injunctive relief against Fossil Ridge to prevent the specific discharge posing a threat and against any User contributing significantly to the emergency condition. Green Mountain may bill any actual expenses incurred in response to an emergency situation resulting from a discharge to the Fossil Ridge Wastewater System, including without limitation attorney fees, to Fossil Ridge.

9.6 Expenses and Costs for Enforcement of Rules and Regulations. Fossil Ridge agrees to bill any User found to be violating the Rules and Regulations of Fossil Ridge or Green Mountain or any law or rule or regulation of Metro or the EPA for any expense, loss, or damage incurred by Green Mountain by reason of such violation, including without limitation any fines or penalties paid to Metro or the EPA and any legal and/or collection fees and court costs which Green Mountain may incur in the process of collecting monies or taking an enforcement action, and to rebate such amount recovered from the User to Green Mountain. In the event that the full amount billed to the User is not collected by Fossil Ridge and remitted to Green Mountain within sixty (60) days of Green Mountain requesting that Fossil Ridge bill a User, Fossil Ridge shall pay to Green Mountain the difference between the amount collected and the actual expenses, losses or damages incurred by Green Mountain. If Fossil Ridge fails to bill a User for the expenses, losses or damages described in this Section 9.6, Green Mountain may bill such amounts directly to the User.

9.7 Green Mountain's Suspension of Permit. Any permit to discharge Wastewater may be suspended by Green Mountain without obligation to refund or repay any consideration which may have been given for the issuance of such permits, for any of the following reasons.

- (a) Failure by the User to pay proper charges when due.
- (b) Discharge by the User of prohibited wastes to the Fossil Ridge Sewer System.
- (c) Failure of the User to comply with any of the Rules and Regulation of Green Mountain or Fossil Ridge or any law, rule, regulation or order of the EPA or Metro.
- (d) Maintaining unauthorized cross-connections within the piping system of any premises.

Charges for chemical analysis, disconnect and reconnect will be assessed against the property owner or Fossil Ridge.

9.8 Metro Enforcement. Green Mountain has assigned the monitoring, sampling and reporting of nondomestic strength wastewater to Metro. Metro may directly assess penalties to non-conforming contributors in accordance with the Clean Water Act.

X. Remedies

10.1 Remedies. In addition to the remedy set forth in Section 10.2, but subject to the provisions of Section 12.11, any Party may seek monetary damages or an order for specific performance, declaratory or injunctive relief in the event of a breach of any provision of this Agreement. Additionally, if Fossil Ridge is unable or unwilling to pay the Service Fee, Fossil Ridge Operations Fee or Tamarisk Lift Station Surcharge, if applicable, Fossil Ridge hereby consents to Green Mountain billing individual Users for the services provided to them.

10.2 Termination.

A. Green Mountain may terminate this Agreement if an Event of Default is committed which is not cured within thirty (30) days following written notice from Green Mountain to Fossil Ridge sent by registered, certified mail, which shall be cumulative to any other remedies. Such termination shall not be effective until ninety (90) days after the end of the thirty (30) day correction period.

B. The following shall constitute Events of Default under this section 10.2:

- 1) Failure by Fossil Ridge to pay any costs, fees or charges due under this Agreement or to dispute payment in accordance with Section 7.3 and place the amount due into escrow, which failure continues for a period of thirty (30) days after receipt of written notice thereof.
- 2) Failure by Fossil Ridge to issue a Notice of Violation or enforce any violation by a User of the rules and regulations of Fossil Ridge, Green Mountain or Metro or any law or regulation of the EPA, in accordance with Sections 9.3 and/or 9.4 of this Agreement, which failure continues for a period of thirty

(30) days after receipt of written notice by Green Mountain of Fossil's Ridge failure to issue a Notice of Violation or take an enforcement action.

C. Notwithstanding anything to the contrary, Green Mountain may terminate this Agreement in the event that its Special Connectors Agreement with Metro is terminated or expires and is non-renewed or may suspend this Agreement in the event that Metro will not accept the Wastewater produced within the Service Area, for any or no reason. Green Mountain shall immediately give notice to Fossil Ridge in the event that it receives any notification indicating the termination or anticipated termination of the Special Connectors Agreement.

10.3 Force Majeure. If at any time during the term of this Agreement, any Party is unable to perform its respective obligations or services hereunder, other than the payment of money, due to a Force Majeure Event, then the Party shall not be in default hereof and the time within which Party is required to perform shall be extended for a period of time equivalent to the delay caused by the Force Majeure Event. A Force Majeure Event is defined as any one or more of the following events that alone or in combination prevents the performance by the Parties of obligations under this Agreement and that is beyond the reasonable control of such Parties: war; rebellion; riots; acts of terrorism; civil unrest; criminal acts; lockouts; labor interruptions; utility interruption; acts of nature; weather; unavailability of labor or materials; damage to work in progress by fire or other casualty; and acts of God.

10.4 Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty or condition of this Agreement, or to exercise any right or remedy upon a breach of this Agreement, shall constitute a waiver of any such covenant, duty or condition. Any Party, by giving written notice to the other Party, may but shall not be required to waive any of its rights to any conditions hereunder. No waiver shall affect or alter the remainder of this Agreement, and each and every covenant, duty, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach.

XI. Insurance and Indemnification

11.1 General Indemnification. To the extent permitted by law, if at all, Fossil Ridge shall defend, indemnify and hold Green Mountain, and its directors, officers, employees, contractors and consultants, harmless from all claims or suits for damages to property and injuries to persons, including death, which may be caused by or related to the design, construction, maintenance, repair, replacement, ownership, use or inspection of the Fossil Ridge Sewer System, or which may be caused by or related to Wastewater produced by the Users or which is located in or has flowed through the Fossil Ridge Sewer System, whether such damage shall accrue or be discovered before or after termination of this Agreement. Fossil Ridge shall bear all costs of investigation and litigation, including reasonable attorney fees, incurred by Green Mountain in defending such claims.

11.2 General for Fines and Penalties. To the extent permitted by law, if at all, Fossil Ridge shall defend, indemnify and hold Green Mountain, and its directors, officers, employees, contractors and consultants, harmless from all fines, penalties or damages imposed by any court or governing body due to an actual or alleged violation of the law which results in whole or in part from the Wastewater flow received from Fossil Ridge or from the Fossil Ridge Sewer

System. Fossil Ridge shall bear all costs of investigation and litigation, including reasonable attorney fees, incurred by Green Mountain in defending such claims.

11.3 Liability Insurance. Fossil Ridge shall at all times hereunder have and maintain in full force and effect comprehensive liability insurance providing coverage to Fossil Ridge and its directors, agents and employees, providing general liability, professional liability and comprehensive automobile liability and builder's risk insurance in an amount equal to 100% of the replacement value of the Fossil Ridge Sewer System during its construction. Additionally, Fossil Ridge's insurance policies shall name Green Mountain and its directors, agents, officials and employees as additional insureds and shall provide coverage for the liability risks identified at Sections 11.1 and 11.2 of this Agreement, and shall not be less than the minimum amounts per occurrence as set forth in the Colorado Governmental Immunity Act, sections 24-10-101, *et seq.*, C.R.S., as that Act may from time to time be amended. Fossil Ridge shall submit to Green Mountain certificates of insurance in compliance with the standards as set forth above, before beginning any work on the Fossil Ridge Sewer System. Nothing herein shall be construed to relieve or discharge Fossil Ridge of its liability to Green Mountain under the terms of this Agreement should Fossil Ridge, for any reason, fail to procure and maintain any required insurance in sufficient amounts. The policies of insurance required under this Section 11.3 shall be reasonably satisfactory to Green Mountain, placed with financially sound and reputable insurers and require the insurer to give at least thirty (30) days advance written notice to Green Mountain in the event of cancellation or change in coverage.

11.4 Property Insurance. Fossil Ridge, or any homeowners' association owner or special district owning any portion of the Fossil Ridge Sewer System, shall at all times have and maintain in full force and effect property insurance in at least the full value of the improvements constituting the Fossil Ridge Sewer System. In the event that any portion of the Fossil Ridge Sewer System is damaged or destroyed, Fossil Ridge, or any special district or homeowners' association owner of the Fossil Ridge Sewer System, shall use the proceeds from the property insurance policy to repair or reconstruct the Fossil Ridge Sewer System. Any such repair or reconstruction shall be subject to the design and construction requirements set forth in this Agreement, including without limitation design approval and inspection by Green Mountain.

XII. Miscellaneous

12.1 Costs of Drafting this and other Agreements. Fossil Ridge shall be responsible for all of the costs incurred by Green Mountain related to negotiating and drafting this Agreement, an intergovernmental agreement for maintenance of the Fossil Ridge Sewer System and an intergovernmental agreement for billing the Users for sewer service, or any amendments to the foregoing (the "Drafting Costs"). The Drafting Costs shall include, but not be limited to, engineering, legal, accounting, administrative review, management, inspection and recording fees. In accordance with this responsibility, Fossil Ridge has deposited \$15,000 with Green Mountain. Fossil Ridge agrees to Green Mountain's dispersal of the deposited funds to cover the Drafting Costs. Fossil Ridge shall provide such additional funds, as may be deemed necessary by Green Mountain to cover the Drafting Costs. Fossil Ridge shall remit these additional funds to Green Mountain within 3 business days of Green Mountain's request for the same, which shall be accompanied by an accounting of funds expended to date. Failure by Green Mountain to

request additional funds shall not relieve Fossil Ridge from the obligation to pay same. When Green Mountain, in its sole discretion, determines that no other Drafting Costs will be incurred, Green Mountain shall submit to Fossil Ridge a final accounting of the funds expended and refund to the Fossil Ridge any unexpended amounts on deposit with Green Mountain, along with any accrued interest.

12.2 Inclusion. The owners of property within the Service Area may seek to include their property into Green Mountain's boundaries pursuant to § 32-1-401, *et seq.*, C.R.S.; however, Green Mountain makes no commitment or representation to grant such a petition.

12.3 Recording of Agreement. This Agreement shall be recorded in the real property records of Jefferson County.

12.4 No Third-Party Beneficiaries. No third-party beneficiary rights are created in favor of any person not a Party to this Agreement.

12.5 Assignment. Neither Party shall have the right or power to assign this Agreement or parts thereof, or its respective duties, without the express written consent of the other.

12.6 Notices. Any notices or other communications required or permitted by this Agreement or by law to be served on, given to or delivered to either Party hereto, by the other Party shall be in writing and shall be deemed duly served, given or delivered when personally delivered to the Party to whom it is addressed or in lieu of such personal service, upon receipt in the United States' mail, first-class postage prepaid, addressed as follows:

To Green Mountain: Green Mountain Water and Sanitation District
Attn: Dave Hartkopf
13919 West Utah Avenue
Lakewood, CO 80228
Facsimile: 303-985-0680

with a copy to: Icenogle Seaver Pogue, P.C.
4725 S. Monaco Street, Suite 200
Denver, CO 80207
Attn: Jennifer L. Ivey
Facsimile: 303-292-6401

To Fossil Ridge: Chris Bremner
Assistant Secretary, Fossil Ridge Metropolitan District
188 Inverness Drive West
Suite 150
Englewood, CO 80112
Facsimile: 303-706-9453

with a copy to: Kristen D. Bear
White, Bear & Ankele, P.C.

1805 Shea Center Dr, Ste 100.
Highlands Ranch, CO 80129
Facsimile: 303-858-1801

Either Party may change its address for the purpose of this Section by giving written notice of such change to the other Party in the manner provided in this Section.

12.7 Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

12.8 Entire Agreement. Other than the Intergovernmental Agreement for Repair and Maintenance of Sewer System between the Parties dated September 19, 2008 and the Intergovernmental Agreement for Temporary Sewer Main Construction between the Parties dated March 11, 2008 (collectively the "Other Agreements"), this Agreement constitutes the entire Agreement between the Parties and sets forth the rights, duties and obligations of each to the other as of this date. Any prior agreements, promises, negotiations or representations not expressly set forth in this Agreement or the Other Agreements are of no force and effect. To the extent that there is any conflict between the terms of this Agreement and the Other Agreements, the terms of this Agreement shall prevail. This Agreement may not be modified except by a writing executed by both Parties.

12.9 Binding Agreement. This Agreement shall inure to and be binding on the heirs, executors, administrators, successors and permitted assigns of the Parties hereto.

12.10 Incorporation. All Exhibits to this Agreement are hereby incorporated into this Agreement as if fully set forth herein.

12.11 No Waiver of Governmental Immunity. Nothing contained in this Agreement shall be construed as a waiver, in whole or in part, of the protection afforded Green Mountain or Fossil Ridge under the Colorado Governmental Immunity Act, 24-10-101 et seq., C.R.S., as the same may be amended from time to time.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written. By the signature of its representative below, each party affirms that it has taken all necessary action to authorize said representative to execute this Agreement.

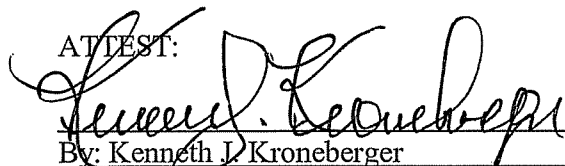
GREEN MOUNTAIN WATER AND
SANITATION DISTRICT



By: Lewis E. Short

Its: President

ATTEST:



By: Kenneth J. Kroneberger

Its: Secretary

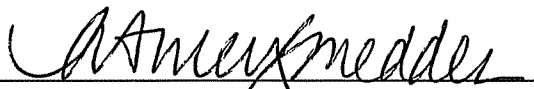
FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1



By: Christopher Bremner

Its: President

ATTEST:



By: Ashley Snedden

Its: Secretary/Treasurer

GREEN MTN WATER & SAN/AGRT
CRS1535
1002.0202

EXHIBIT A

LEGAL DESCRIPTION AND MAP OF SERVICE AREA

EXHIBIT A

SHEET 1 OF 5

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PART OF SECTION 25, TOGETHER WITH LOTS 2 AND 3, BLOCK 1, ALL OF BLOCKS 2, 3, 5 AND 6, SPRINGFIELD GREEN, THE PLAT OF WHICH IS RECORDED IN PLAT BOOK 88 AT PAGES 40-45 OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER, TOGETHER WITH PART OF VACATED WEST EVANS AVENUE, PART OF VACATED SOUTH INDIANA STREET, VACATED WEST VASSAR DRIVE, VACATED WEST ILIFF DRIVE AND VACATED WEST ILIFF AVENUE, LOCATED IN SECTION 25, TOWNSHIP 4 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, CITY OF LAKEWOOD, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 25, AND CONSIDERING THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 25 TO BEAR SOUTH 00°08'06" EAST, WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 00°08'06" EAST ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 25, A DISTANCE OF 2644.13 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 25;

THENCE SOUTH 89°09'07" WEST ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 25, A DISTANCE OF 1349.06 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 25;

THENCE SOUTH 89°09'21" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 25, A DISTANCE OF 1348.76 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION 25;

THENCE SOUTH 89°09'07" WEST ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 25, A DISTANCE OF 36.78 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF WEST YALE AVENUE OF SAID SPRINGFIELD GREEN;

THENCE ALONG THE BOUNDARY OF SAID RIGHT-OF-WAY LINE OF WEST YALE AVENUE AND TRACT A OF SAID SPRINGFIELD GREEN THE FOLLOWING TWO (2) COURSES:

1. THENCE NORTH 36°59'42" WEST, A DISTANCE OF 680.05 FEET;
2. THENCE SOUTH 48°34'50" WEST, A DISTANCE OF 56.22 FEET TO A POINT ON A CURVE ON THE EASTERLY RIGHT OF WAY LINE OF SOUTH MCINTYRE STREET;

THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE THE FOLLOWING SEVEN (7) COURSES

1. THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 19°44'49", A RADIUS OF 550.00 FEET, AN ARC LENGTH OF 189.56 FEET, AND A CHORD WHICH BEARS NORTH 51°58'21" WEST A DISTANCE OF 188.62 FEET;;



Carroll & Lange PC
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
(303) 980-0200

EXHIBIT A

SHEET 2 OF 5

2. THENCE NORTH 61°50'45" WEST, A DISTANCE OF 179.71 FEET TO A POINT OF CURVATURE;
3. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 24°51'03", A RADIUS OF 1504.99 FEET, AN ARC LENGTH OF 652.76 FEET, AND A CHORD WHICH BEARS NORTH 49°25'14" WEST A DISTANCE OF 647.66 FEET;
4. THENCE NORTH 36°59'42" WEST, A DISTANCE OF 1092.20 FEET;
5. THENCE NORTH 12°44'19" WEST, A DISTANCE OF 2069.45 FEET TO A POINT ON A CURVE;
6. THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 01°54'39", A RADIUS OF 1216.85 FEET, AN ARC LENGTH OF 40.58 FEET, AND A CHORD WHICH BEARS NORTH 07°26'19" WEST A DISTANCE OF 40.58 FEET, TO A POINT OF COMPOUND CURVATURE;
7. THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 25°24'53", A RADIUS OF 1210.83 FEET, AN ARC LENGTH OF 537.09 FEET, AND A CHORD WHICH BEARS NORTH 06°13'27" EAST A DISTANCE OF 532.70 FEET, TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 25;

THENCE NORTH 89°11'47" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 246.83 FEET;
THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 793.23 FEET TO THE BOUNDARY OF THAT PARCEL OF LAND RECORDED UNDER RECEPTION NO. 84088063 OF THE RECORDS OF THE JEFFERSON COUNTY CLERK AND RECORDER;

THENCE ALONG THE BOUNDARY OF SAID PARCEL THE FOLLOWING THREE (3) COURSES:

1. THENCE SOUTH 61°13'56" WEST, A DISTANCE OF 144.00 FEET;
2. THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 156.00 FEET;
3. THENCE NORTH 61°13'56" EAST, A DISTANCE OF 144.00 FEET;

THENCE SOUTH 28°46'04" EAST, A DISTANCE OF 182.58 FEET TO A POINT ON THE WESTERLY BOUNDARY OF SAID SPRINGFIELD GREEN;

THENCE SOUTH 00°34'04" EAST, ALONG SAID WESTERLY BOUNDARY, A DISTANCE OF 979.87 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 25;

THENCE NORTH 89°08'00" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 1210.85 FEET TO THE SOUTHEAST CORNER OF LOT 3, BLOCK 6, OF SAID SPRINGFIELD GREEN;



Carroll & Lange ^{LLC}

Professional Engineers & Land Surveyors
105 South Union Blvd., Suite 156
Lakewood, Colorado 80228
(303) 980-0200

EXHIBIT A

SHEET 3 OF 5

26

~~THENCE ALONG THE EASTERLY LINES OF SAID LOT 3 THE FOLLOWING THREE (3) COURSES:~~

1. THENCE NORTH 00°33'29" WEST, A DISTANCE OF 1278.15 FEET;
2. THENCE NORTH 36°10'18" WEST, A DISTANCE OF 713.77 FEET;
3. THENCE NORTH 53°48'26" EAST, A DISTANCE OF 203.78 TO A POINT ON THE BOUNDARY OF SAID SPRINGFIELD GREEN;

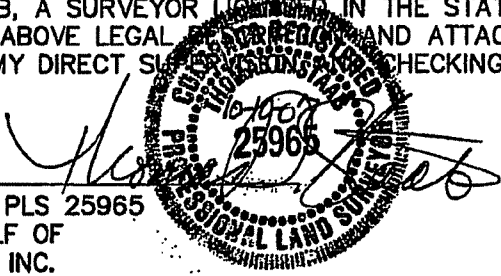
THENCE ALONG THE BOUNDARY OF SAID SPRINGFIELD GREEN THE FOLLOWING TWO (2) COURSES:

1. THENCE NORTH 89°11'47" EAST, A DISTANCE OF 576.19 FEET;
2. THENCE SOUTH 00°21'31" EAST, A DISTANCE OF 659.36 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 25;

THENCE NORTH 89°12'15" EAST ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION 25, AND ALONG THE NORTHERLY BOUNDARY OF SAID SPRINGFIELD GREEN, A DISTANCE OF 2713.71 FEET TO THE NORTHEASTERLY CORNER OF SAID SPRINGFIELD GREEN;

THENCE SOUTH 00°07'58" EAST ALONG THE EASTERLY BOUNDARY OF SAID SPRINGFIELD GREEN, A DISTANCE OF 1315.23 FEET TO THE POINT OF BEGINNING;
SAID PARCEL CONTAINS A CALCULATED GROSS AREA OF 367.62 ACRES, MORE OR LESS;

I, THOMAS D. STAAB, A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.



THOMAS D. STAAB, PLS 25965
FOR AND ON BEHALF OF
CARROLL & LANGE, INC.

10-10-07
DATE



Carroll & Lange
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 155
Lakewood, Colorado 80226
(303) 980-0200

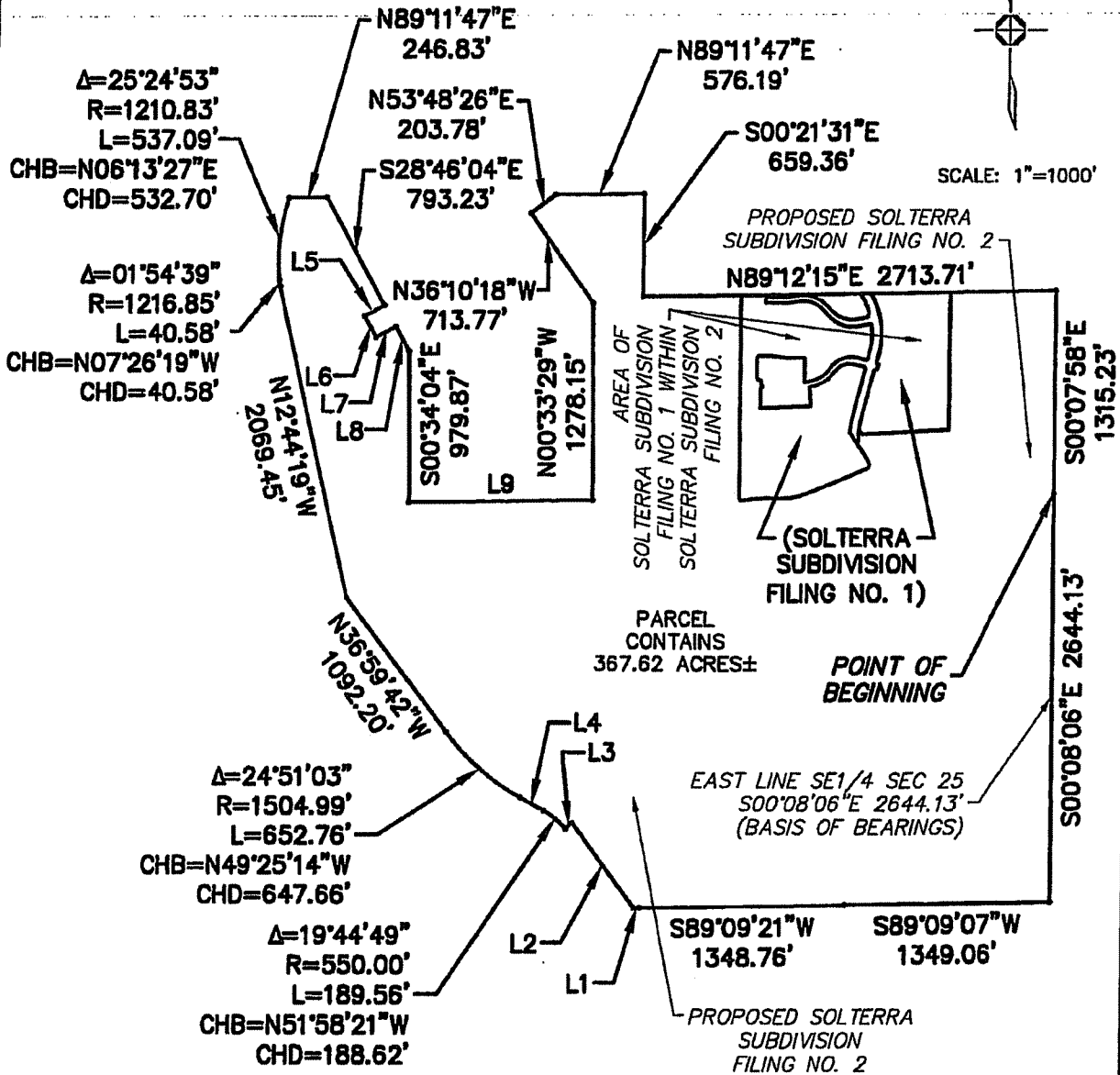
27

EXHIBIT A

SHEET 4 OF 5



SCALE: 1"=1000'



(SEE SHEET 5 OF 5 FOR LINE TABLE DATA)

• - INDICATES A CHANGE IN COURSE ONLY.

THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE ATTACHED LEGAL DESCRIPTION.



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Professional Engineers & Land Surveyors
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Lakewood, Colorado 80228
(303) 980-0200

28

EXHIBIT A
SHEET 5 OF 5

LINE TABLE		
LINE	BEARING	LENGTH
L1	S89°09'07"W	36.78'
L2	N36°59'42"W	680.05'
L3	S48°34'50"W	56.22'
L4	N61°50'45"W	179.71'
L5	S61°13'56"W	144.00'
L6	S28°46'04"E	156.00'
L7	N61°13'56"E	144.00'
L8	S28°46'04"E	182.58'
L9	N89°08'00"E	1210.85'



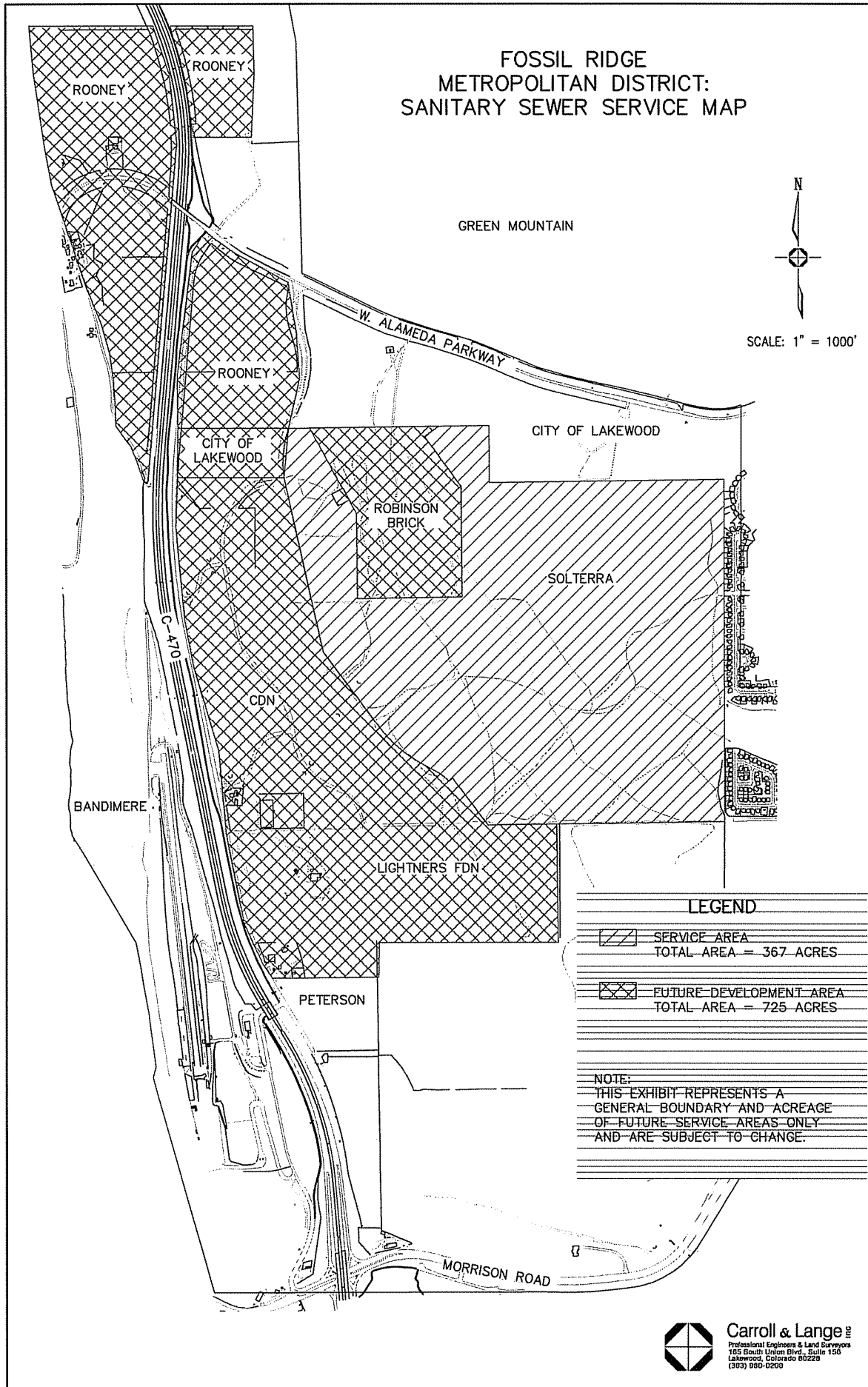
Carroll & Lange INC.
Professional Engineers & Land Surveyors
165 South Union Blvd., Suite 156
Lakewood, Colorado 80228
(303) 980-0200

EXHIBIT B

MAP OF FUTURE DEVELOPMENT AREA

EXHIBIT B

FOSSIL RIDGE
METROPOLITAN DISTRICT:
SANITARY SEWER SERVICE MAP



P:\3259\Exhibits\20080107-FRMD Sanitary Sewer Service Map.dwg, 1/7/2008 11:53:58 AM, e2-19, 1:1.5814, Carroll & Lange, Inc.

EXHIBIT C

FEASIBILITY STUDY TO PROVIDE SEWER SERVICE TO SPRINGFIELD GREEN

31

GREEN MOUNTAIN WATER & SANITATION DISTRICT
FEASIBILITY STUDY TO
PROVIDE SEWER SERVICE TO
SPRINGFIELD GREEN



January 2006
03-53-06



32

January 31, 2006

Board of Directors
Green Mountain Water & Sanitation District
c/o Dave Harkopf, Manager
13919 W. Utah Avenue
Lakewood, Colorado 80228

Re: Feasibility Study to Provide Sewer Service to Springfield Green

Gentlemen:

Attached is our Feasibility Study to provide sanitary sewer service to the proposed Springfield Green development.

This is a sizeable development which could ultimately add more than 784,000 gallons design day wastewater flow to the District's collection system. The study area is contiguous to the present Green Mountain District boundaries and the District is the logical choice to provide lowest cost service.

A service plan for the resulting improvements is illustrated on Drawings No. 1, at the back of the Report. Hydraulic modeling of the projected wastewater flows, and the resulting impacts on sewer capacities was completed for two possible development densities, and are included in the Appendix. Firm estimates of build-out densities should be finalized and agreed to as part of negotiations of an Intergovernmental Agreement (IGA). Final determination of required improvements will not be possible until these are completed. For purposes of this report, it has been assumed that the lower projections will more closely represent the ultimate build-out.

A preliminary capital budget for improvements needed to serve the proposed developments, based on the low density projection, has been estimated at \$940,000. All of the estimated capital requirements are a result of increased service that would be required.

Previous, preliminary work has been completed on cost allocation, institutional arrangements, and key points for an Intergovernmental Agreement. It is suggested that a separate report be later prepared addressing these issues, and more detailed preliminary design - after review and approval of this Service Plan.

Respectfully submitted,
McLaughlin Rincon, Ltd.

Terrence P. Kenyon, P.E.

Jacob W. James, E.I.T.

Attachment: Feasibility Study



TABLE OF CONTENTS

33

<u>Section</u>	<u>Page No.</u>
I INTRODUCTION	
BACKGROUND.....	I-1
PURPOSE.....	I-1
II STUDY AREA AND DESIGN CRITERIA	
EXISTING SERVICE AREA AND FLOWS	II-1
District Boundaries.....	II-1
Current and Ultimate Flows.....	II-1
PROPOSED DEVELOPMENT	II-1
Development Boundaries.....	II-1
Projected Flows.....	II-2
III SEWER SYSTEM ANALYSIS	
CAPACITIES EVALUATION	III-1
Existing System.....	III-1
Hydraulic Analyses.....	III-1
Green Mountain Water and Sewer District.....	III-1
Connections to the District.....	III-1
Capacities.....	III-2
Pumped Service Area.....	III-3
Bear Creek Water and Sanitation District.....	III-3
Metro Wastewater.....	III-4
ESTIMATED COSTS	III-4
IV CONCLUSIONS	
LIST OF TABLES AND FIGURES	
Figure II-A: Public Improvement Agreement Exhibit.....	insert
Table II-A: Estimated Build-out of Properties within Study Area.....	II-2
Table III-A: Existing and Estimated Replacement Sewer Sizes.....	III-2
APPENDIX A	
Lower and Higher Density Sewer Analyses	
APPENDIX B	
Drawing 1: Springfield Green/Green Mountain Sewer Service Plan	

34

I. INTRODUCTION

35

BACKGROUND

Green Mountain Water and Sanitation District (District) owns and operates water and wastewater systems that have been designed to accommodate the customers living within the existing service area, and any potential growth within the District Service Area.

There are currently plans for substantial developments on approximately 696 acres to the west of the existing District service area. The proposed development lies outside the Denver Water Board's service area, and will receive treated water from The Consolidated Mutual Water Company. The District would be the logical provider for wastewater service.

One of the major developers, Carma, approached the District to investigate options for providing wastewater service. Accepting this new flow will impact the existing wastewater system; therefore, the District recognized the need for a detailed system analysis to determine existing sewer capacities and projected flow increases as a result of the proposed development.

PURPOSE

Because of the size of the proposed development, it is clear that the District will have to increase its sewer capacity to provide service.

The purpose of this study was to analyze the District's existing sanitary sewer facilities that would likely serve the proposed developments, and determine what improvements may be needed to accept the additional flows. It includes determination of existing and probable future flows, analysis of sanitary flow routing, likely connection points, existing sewer capacities, and necessary improvements needed to adequately provide service.

The District's extension policies are similar to those of other entities in the Denver Metropolitan area, i.e., the District plans and constructs regional or "wholesale" utility facilities. These typically include trunk sewers, lift stations, and

treatment facilities; in this case it would include facilities within the District boundaries. Developers are required to construct local, or "retail" facilities (the collection sewers). The required "retail" facilities have been laid out schematically herein; however, actual routing would be based on final development plans. Cost estimates pertain only to the District's "wholesale" improvements.

36

37

II. STUDY AREA AND DESIGN CRITERIA

38

EXISTING SERVICE AREA AND FLOWS

District Boundaries

The District is located in the City of Lakewood, Jefferson County, Colorado, bounded on the north by 6th Avenue, on the south by Morrison Road, on the east by Garrison Street and Union Boulevard, and on the west by Indiana Way. Only the southern areas of the District will be affected by the proposed development.

Current and Ultimate Flows

Two sanitary sewer basins would be impacted by flows from the study area, the Iliff and the Morrison Basins. Metro Wastewater Reclamation District (MWRD) meters all flows from the District at two meter stations. One is just downstream of the limit of residences along Morrison Road, the other meters flows downstream of development along Iliff Avenue before entering Bear Creek Water and Sanitation District. These are illustrated on Drawing No. 1, bound at the back of the Report. Metering records were obtained from MWRD to analyze the historical flows from the District.

Sewers from the Morrison and Iliff basins flow south and east where they connect to the Bear Creek Sewer Interceptor near Morrison Road and Kipling Street, and on to the Metro Wastewater Reclamation District (MWRD) interceptor and treatment. Green Mountain and Bear Creek Water and Sanitation District share capacity in this interceptor.

The southern sanitary basins for the District are essentially "built-out", and will be subject to limited future development, predominantly infill. Previous master planning has identified an additional 250 residential homes for ultimate build-out of the two basins. These projections are still considered reasonable.

PROPOSED DEVELOPMENT

Development Boundaries

Carma Colorado, Inc. proposes to develop residential and commercial properties on vacant land west of Indiana Way, east of McIntyre Boulevard, and between

39

Alameda Avenue and Yale Avenue extended. The City of Lakewood has requested that projected buildout from other owners/developers within this area, including land between McIntyre Boulevard and C-470, be included in any plans for service. Figure II-A, taken from a report prepared by Design Studios West, Inc., illustrates the study area boundaries, individual parcel ownership, and projected phasing for Carma's development. This area is in the City of Lakewood.

Projected Flows

Carma originally provided projected ultimate build-out information for the study area as shown in the following Table II-A, based on the recommendations of the 2002 Rooney Valley Joint Master Plan-revised June 27, 2005.

**Table II-A
Estimated Build-out of Properties within Study Area**

Property Owner	Acres of Land	# of DU's	Office/Commercial (ft.)²
Carma	288	1350	0
Westwind LLC	43	97	191,700
Simon	14	65	0
Springfield Green Partners	23	107	0
Robinson Brick	58	272	0
Extendacare Holdings Inc.	26	61	152,900
CDN Development LP	144	0	1,693,600
The Lightner S. Foundation	100	84	964,400
TOTAL	696	2,036	3,002,600

The development as proposed above would consist of 2,036 dwelling units and 255 acres (3,002,600 square feet) of commercial/office space, base on the assumptions for Floor Area Ratio (FAR) and mix of retail/office presented in the Plan. This is equivalent to approximately 4,290 EQR (Equivalent Residential Units), with a projected design day wastewater flow of 1,200,000 gallons per day.

Public Improvements Agreement Exhibit

NOV 28 2007

PLANS

PLAN 1

PLAN 2

PLAN 3

PLAN 4

PLAN 5

PLAN 6

PLAN 7

PLAN 8

PLAN 9

PLAN 10

PLAN 11

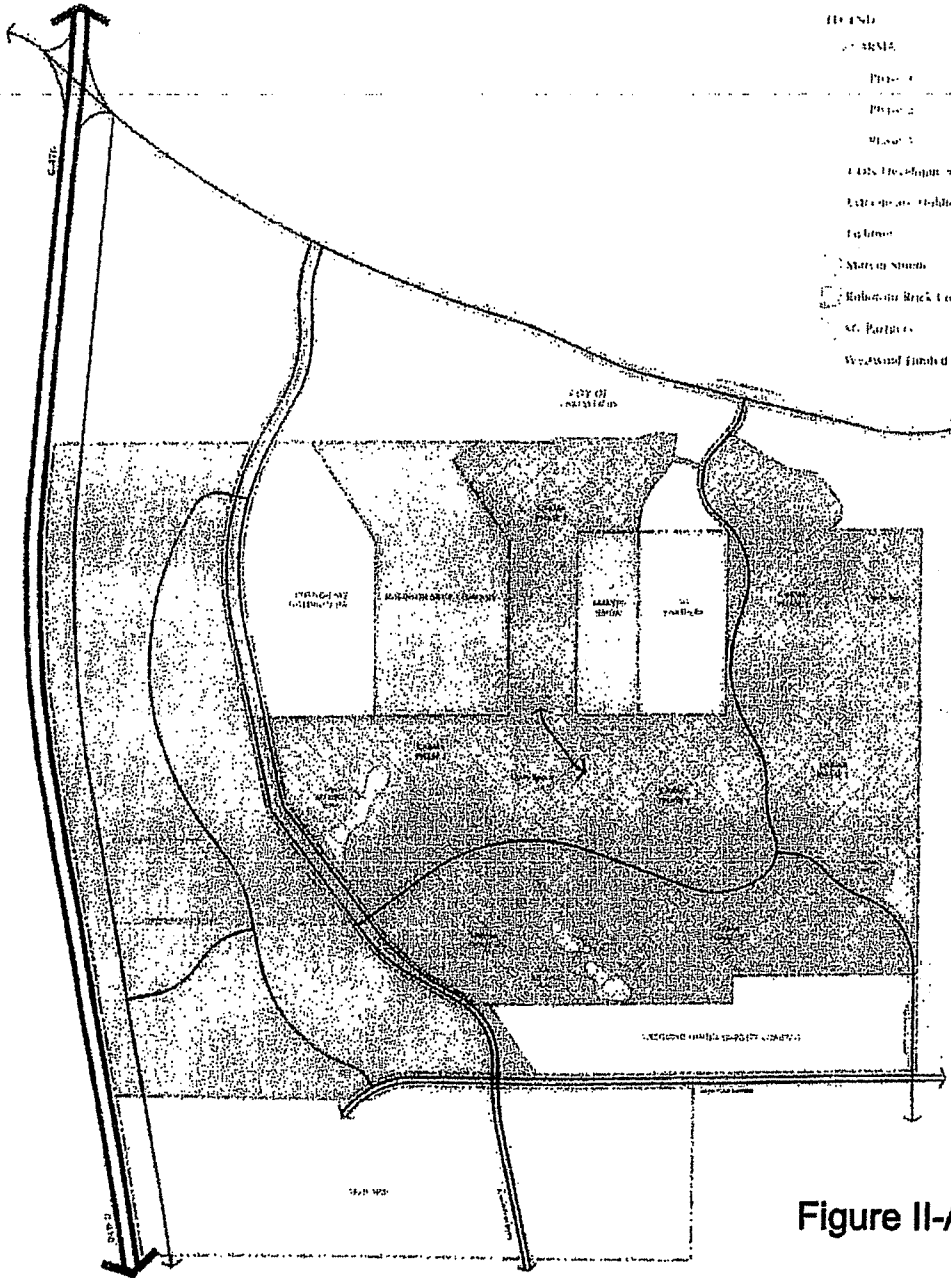


Figure II-A

Lakewood Parcel
The City of Lakewood, Colorado



D&W
CONSULTING ENGINEERS

40

According to Carma, development projections have since been reduced to approximately 2,800 EQR. These lower projections represent significant reductions of development potential for the CDN and Lightner properties, and reduced projections for most of the other properties.

According to Consolidated Mutual Water Company, 1,200 acre feet of water has been committed to the overall study area. This could result in approximately 3,000 EQR, assuming a total water use of 0.4 af/yr/EQR.

The possible range of development density will, of course, affect the resulting wastewater flows, and the downstream sewers requiring replacement. It will be necessary to agree to a firm estimate of development buildout before final negotiation of an Intergovernmental Agreement (IGA) can be completed. Hydraulic analyses were completed for the two development projections described above. For the purposes of this report, it has been assumed that the lower projections more closely represent the ultimate buildout.

Preliminary wastewater flows have been approximated using a design day flow rate of 280 gpd per EQR for residential developments, and 2,400 gpd/acre for commercial/retail properties. Peaking factors for determining instantaneous peak flows were taken from Denver Wastewater Management Division Design Criteria. It is accepted practice to design 12 inch and smaller sewers at about 50 percent capacity (safety factor of 2), and about 70 percent capacity for larger sewers. For evaluation of the existing sewers, judgment has been used in applying safety factors.

42

III. SEWER SYSTEM ANALYSIS

43

CAPACITIES EVALUATION

Existing System

The impacted District service area was segregated into basins, and subbasins, so as to define tributary loads for trunk sewer segments. Existing sewer reaches were evaluated by comparing estimated flows to actual capacities. For all critical reaches, size, slope, and type of pipe were determined from District record drawings. In some cases, field checks by District personnel were used to verify information.

Hydraulic Analyses

Sewer capacity was evaluated using a computer spreadsheet model. The model presents the results for cumulative design day and peak flows at existing and ultimate development conditions. Two development scenarios were analyzed; one for the original (higher) build-out projections, the second for the reduced (lower) build-out projections. The model presents manhole elevations; pipe sizes, lengths, and slopes; assumed Manning's roughness coefficients; the load points; and capacities for the impacted sewer reaches. Limiting reaches of sewer, and the estimated replacement sizes, are highlighted in yellow. The modeling results for both scenarios are presented in Appendix A. As mentioned previously, the lower density projections have been assumed appropriate for this report.

Green Mountain Water and Sanitation District

Connections to the District

The proposed development area can be segregated into three logical sanitary basins. The southern basin is divided into two sub-basins, both requiring pumping. Ultimately it is projected that approximately 80 EQR will flow to connection point 1 in South Holman Circle, approximately 2,514 EQR will flow to connection point 2 in West Yale Avenue, and approximately 206 EQR will flow to connection point 3 in South Indiana Street.

44

Based on topographic mapping for the area, Basins 1 and 2 can provide gravity service, while Basin 3 requires pumping. Basin 3 is further segregated into two sub-basins; the western portion of the basin will require a new lift station and pumping into Basin 2, the eastern portion can be served by the existing Tamarisk lift station in the south-west corner of the District. Flow monitoring/measurement stations would be constructed at all connection points. Drawing No. 1 illustrates the projected basin boundaries, the three possible connection points to the District, and other required facilities.

Note that approximately 66 acres of Colco property immediately south of the Westwind property, and bordering the District's boundary, was considered in the evaluation because the sewers serving this area will necessarily be routed through this property. It seems reasonable that this area might be interested in inclusion, and they could logically be served through the District. We do not have any firm development densities for this area.

Capacities

Modeling results show that a number of reaches of the existing sewers cannot handle the estimated additional flow without improvements. Sewer reaches requiring replacement are shown in red on Drawing No. 1, and the length and estimated size for the replacements are indicated in Table III-A, following.

**Table III-A
Existing and Estimated Replacement Sewer Sizes**

Location	Length (ft.)	Existing Size	Recommended Size
W. Yale Ave.	576	8"	15"
	215	12"	18"
	1833	15"	18"
	285	16"	18"
S. Bear Creek Blvd.	1273	12"	15"
Morrison Rd.	158	18"	21"
S. Indiana St.	901	8"	12"

45

Pumped Service Area

As noted above, properties in proposed Basin 3 are too low in elevation for gravity service, and will require pumping. A new lift station, conceptually located on Drawing No. 1, will serve the majority of the western portions of Basin 3 (CDN and Lightner properties). The western portion of the Westwind property can be served using the District's existing Tamarisk Lift Station. Wastewater flows from this this area would be conveyed by the existing gravity sewer in S. Indiana Street to the lift station. This sewer has a relatively flat slope below manhole TH-4, just upstream of the lift station, and has limited excess capacity. The model shows available excess for about 50 EQR. Additional loading beyond this would require replacement of approximately 900 feet of sewer with new 12 inch. This 12 inch replacement may have sufficient excess capacity to also service the Colco property, depending on the density of its development. This reach of replacement is shown in red on the Drawing No. 1.

The Tamarisk Lift Station wetwell has sufficient capacity for estimated flows from the Westwind parcel, and may also be able to accommodate additional loading from the Colco property, again depending on development densities. The existing pumps could serve an additional 70 to 90 EQR with minimal improvements. These would include installing new sheaves and belts to increase the pump speed and capacity. An approximate estimate for these improvements is \$2,000. Providing capacity beyond this would require replacement of the pumps, and evaluation of the existing electrical service and standby generator. Based on our preliminary evaluation, it appears that the electrical service and generator may have sufficient capacity for the total additional loading; however, more detailed preliminary design would be necessary to confirm this.

The existing 8 inch force main is adequate to handle the increased loadings.

Bear Creek Water and Sanitation District

All existing and projected flows below the two metering stations are conveyed through the the Bear Creek Interceptor. Existing capacities were obtained from the Bear Creek Water and Sanitation District, based on master planning prepared by Merrick. As previously stated, the two Districts share capacity in this

46

interceptor. For the low density projections, Green Mountain's share of capacity is exceeded for one reach of the interceptor, as shown on the model, Appendix A. The spreadsheet also sets forth the excess capacities that the District is entitled to. Because significant design factors, such as actual future development densities and resulting peak flow rates, cannot be predicted precisely, and are normally conservative (high), it is possible that this reach's capacity may not be exceeded. The need for replacements would likely be based on actual flow monitoring at the two Meter Stations. If higher development densities do occur, more reaches of this interceptor will need replacement, as shown on the Higher Density Build-Out Model.

Metro Wastewater

Information as to the design capacity of the sewers downstream of the Bear Creek Interceptor is based on information from Metro Wastewater Reclamation District staff. They indicated that previous evaluations of available capacity accounted for future flows from developments in the Rooney Valley, and that there were no identified capacity issues. Although these facilities are owned and operated by Metro, any need for increased capacity would likely have to be financed by Green Mountain and Bear Creek.

ESTIMATED COSTS

Approximate capital preliminary budgets for the sanitary sewer improvement program are presented following. These values include an allowance for contingencies, engineering, inspection, legal, and miscellaneous costs. Possible costs for improvements to the Bear Creek Interceptor or Metro Wastewater facilities haven't been estimated at this time.

Proposed Improvement	Estimated Cost
1. Replacement Sewer in W. Yale Avenue Approximately 2,910 lf. of 15/18" PVC	\$440,000
2. Replacement Sewer in S. Bear Creek Blvd. Approximately 1,270 l.f. of 15" PVC	\$190,000

3.	Replacement Sewer in Morrison Road Approximately 160 l.f. of 21" PVC	\$20,000
4.	Replacement Sewer in S. Indiana Street Approximately 900 l.f. of 12" PVC	\$100,000
5.	Improvements to Tamarisk Lift Station	\$100,000
6.	Flow Monitoring/Metering Stations, 3 ea.	<u>\$90,000</u>
	Total Estimated Wholesale Sewer Budget	\$940,000

219

48

SECTION IV: CONCLUSIONS

Based on evaluation of the District's existing sewer system capacity, the following conclusions regarding providing service to the proposed Springfield Green development were reached:

- The District provides the logical, and most cost effective, means of providing wastewater service to the proposed development.
- A substantial portion of the study area, approximately north of W. Yale Avenue and east of S. McIntyre Blvd., can be served by gravity sewers. The areas south and west of these streets will require pumping for service by the District.
- Three logical drainage basins, and corresponding connection points to the District, were identified.
- Assuming that Springfield Green establishes itself as a separate utility owner (special district or other entity), the District will construct flow monitoring/measuring stations at the connection points.
- Substantial reaches of the existing system (e.g., the Morrison Road Trunk Sewer) have sufficient excess capacity to provide service without any, or minimal, required improvements.
- The projected first phases of the Carma development can be served by gravity at Connection Points 1 and 2 by the existing system, without improvements, assuming that final design grades and locations for the retail sewers are determined to be compatible with the long term replacements. The existing sewer in S. Holman Circle (for Connection Point 1) has excess capacity for approximately 80 EQR. The sewer in W. Yale Avenue (Connection Point 2) has capacity for approximately 430 additional EQR.
- Excess capacity at the lift station is limited to approximately 50 to 70 EQR by the upstream gravity sewer and the pumping capacity. Additional loading will require replacement of the sewer and pumps.
- Probable improvements necessary to provide capacity for the projected build-out of the study area have been identified, and preliminary opinion of probable costs estimated.

- More detailed preliminary design for the required District wholesale improvements should be completed concurrent, and coordinated, with design of retail facilities within the development to ensure that the excess capacity can be effectively utilized.
- The final number of equivalent dwelling units, including commercial/retail square footage, for the developments needs to be firmly established.

50

51

APPENDIX A

EXHIBIT D

**SCHEDULE OF ANTICIPATED FOSSIL RIDGE DEVELOPMENT AND
WASTEWATER EQRs**

EXHIBIT D

COMMUNITY - Solterra

Development Schedule	Development Schedule					Anticipated Wastewater Flow Schedule							
	2007	2008				2007	2008						
	3&4	01/08	02/08	03/08	04/08	2009	2010	2011	2012	2013	2014	2015	2016
Units													
PA 3 - Filing 1, 2 Rec Center	163												
Single Family Detached													
PA 2 - Filing 3			71										
Single Family Detached													
PA 1 - Filing 4													
Single Family Detached													
PA 4					74								
Single Family Detached													
PA 1					70								
Single Family Detached													
PA 6					64								
Single Family Detached													
PA 5 - Richmond Ranch (with Ceanna controls)					46								
Single Family Detached													
PA - 9													
Single Family Detached													
PA 10													
Single Family Detached													
PA 7													
Single Family Detached													
PA 8													
Row-Townhomes													
PA 11 - Row-Townhomes													
Row-Townhomes													
PA 12													
Commercial													
Total	193			207		263	227	430	67				

Units	Development Schedule					Anticipated Wastewater Flow Schedule							
	2007	2008				2009	2010	2011	2012	2013	2014	2015	2016
	3&4	01/08	02/08	03/08	04/08	2009	2010	2011	2012	2013	2014	2015	2016
Units													
PA 3 - Filing 1, 2 Rec Center													
Single Family Detached													
PA 2 - Filing 3													
Single Family Detached													
PA 1 - Filing 4													
Single Family Detached													
PA 4													
Single Family Detached													
PA 1													
Single Family Detached													
PA 6													
Single Family Detached													
PA 5 - Richmond Ranch (with Ceanna controls)													
Single Family Detached													
PA - 9													
Single Family Detached													
PA 10													
Single Family Detached													
PA 7													
Single Family Detached													
PA 8													
Row-Townhomes													
PA 11 - Row-Townhomes													
Row-Townhomes													
PA 12													
Commercial													
Total	193			207		263	227	430	67				

Notes:
 1. Units except Commercial assume 347 EOPs.
 2. Lot Development Assumed as of 4th Quarter 2007.
 3. Number of units are less than total number of zoned/denominable units per City approved Official Development Plan.
 4. Units are subject to change up to allowable uses.

58

EXHIBIT E
SAMPLE EQR SCHEDULE

**GREEN MOUNTAIN WATER AND SANITATION DISTRICT
SEWER SYSTEM DEVELOPMENT FEES AND CURRENT SDC STRUCTURE**

Class of User	Units	EQR	Total EQR's	Dollar
A. RESIDENTIAL CLASSIFICATIONS				
1	\$2,464.00	0	0	\$0.00
<p>Base Charge</p> <p>Single-Family Residential Units (per each)</p> <p>Single-family Homes, Duplexes, Individually billed mobile homes, mobile homes on single lots, mobile homes established permanent residences</p> <p>NOTE: Rental privileges of all kinds are prohibited</p>				
2	0	0	0	\$0.00
<p>Multi-Family Residential Units</p> <p>(MUST KNOW NUMBER OF DWELLING UNITS)</p> <p>Apartments, condominiums, townhouses, and similar facilities in the same complex, small cabins in courts not associated with motels, all units intended for long-term rental</p>				
3				
<p>Transient Residential Units</p> <p>Hotels, motels, mobile homes parts, dormitories and similar facilities</p> <p>NOTE: Includes: laundry facilities in mobile homes; swimming pools and laundry facilities (except those in mobile home) are additive; room counts shall include rooms furnished to employees; each billing unit shall have a minimum of one billing unit shall have a minimum of one Manager's Unit.</p> <p>a. Manager's Unit (per each) 0 0.8 0.0 \$0.00</p> <p>b. Motels, hotels and rooming houses w/o kitchens - with not more than 2 bed spaces per room (per each rental room) 0 0.2 0.0 \$0.00 - with more than 2 bed spaces per room (per each room) 0 0.35 0.0 \$0.00</p> <p>c. Motels with kitchen facilities - with not more than 2 bed spaces per room (per each rental unit) 0 0.3 0.0 \$0.00 - with more than 2 bed spaces per room (per each room) 0 0.4 0.0 \$0.00</p> <p>d. Dormitories (per each rental bed space) 0 0.1 0.0 \$0.00</p> <p>e. Add for laundry facilities (or available hookup) in each building, % of total EQR served. 0 0.2 0.0 \$0.00</p>				
B. COMMERCIAL CLASSIFICATION				
1				
<p>Restaurant, bars, lounges, banquet rooms and drive-ins</p> <p>a. Restaurants and bars (per 10 seats) 0 1 0.0 \$0.00</p> <p>b. Banquet Rooms (per 10 seats) 0 0.4 0.0 \$0.00</p> <p>c. Drive-ins (per car stall) 0 0.3 0.0 \$0.00</p> <p>d. Drive thru take out service window 0 0.5 0.0 \$0.00</p>				
2				
<p>Commercial Buildings</p> <p>Office buildings, retail sales buildings, multiple use buildings, laundromats, service stations, shops, garages & similar buildings.</p> <p>NOTE: No process water will be allowed to enter the sewer.</p> <p>a. Office and office buildings (per 1,000 s.f. gross floor area) 0 0.5 0.0 \$0.00</p> <p>b. Retail Sales area (per 1,000s.f. of gross sales and display area) 0 0.3 0.0 \$0.00</p> <p>c. Laundromats (per washing machine) 0 1.2 0.0 \$0.00</p> <p>d. Service stations (a set of pumps is defined as 2 pumps regardless of the number of hoses)</p> <p>- first set of pumps 0 1.2 0.0 \$0.00</p> <p>- each additional set of pumps 0 0.8 0.0 \$0.00</p>				

60

* add for each bay/rack where cars can be washed	0	1.4	0.0	\$0.00
e. Non-retail work areas such as garages, machine shops. (per each 10 employees)	0	0.7	0.0	\$0.00

C. CHURCH AND SCHOOL CLASSIFICATIONS

1 Church (per 100 seats) NOTE: Rectories, social areas w/ kitchen facilities are additive	0	1	0.0	\$0.00
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2 Schools

Day care centers, public and private day schools NOTE: Includes teachers, librarians, custodians, and administrative personnel associated w/ the school function; administrative centers, warehouse equipment (such as buses) repair and/or storage centers, swimming pools and similar facilities are additive	0	1.4	0.0	\$0.00
a. Without gym and without cafeteria (per 50 students)	0	1.75	0.0	\$0.00
b. Without gym and with cafeteria or with gym and without cafeteria (per 50 students)	0	2.1	0.0	\$0.00
c. With gym and with cafeteria	0	2.1	0.0	\$0.00

D. MISCELLANEOUS CLASSIFICATIONS

1 Swimming pools and wading pools NOTE: A permanent sign must be placed prominently at all pool filter installations stating that pools are not to be drained w/o permissions from the District Manager, that pool draining rates will be subject to approval to the District, and that draining shall be subject to the hours between 11 p.m. to 6 a.m. the next day.	0	0.4	0.0	\$0.00
a. Private pools associated w/ single family and transient residential units (per 40,000 gallons of pool volume)	0	0.8	0.0	\$0.00
b. Pools associated w/ multi-family and transient residential units (per 40,000 gallons of pool volume)	0	1.05	0.0	\$0.00
c. Commercial and public pools. Total EQR to be computed from pool volume and per capital capacity as follows: - first 40,000 gallons of pool volume	0	0.75	0.0	\$0.00
- each additional 40,000 gallons of pool volume	0	0.75	0.0	\$0.00

2 Recreational Vehicle Disposal Stations

This will be done on a case by case basis, talk w/ the mgr	0	0.6	0.0	\$0.00
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3 Medical Hospital

NOTE: Includes staff and administrative personnel associated with the hospital function	0	0.2	0.0	\$0.00
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4 Public Restrooms

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E. OTHER CLASSIFICATIONS

Equivalent shall be established on an individual basis for all users other than those identified in Classifications A,B,C, and D, above. Industrial users will be subject to the requirements of the Environmental Protection Agency as those requirements pertain to the to the assessment of users charges and cost recovery (refer to 40 CFR, Part 35)	0	0.2	0.0	\$0.00
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F. GENERAL NOTES:

1 Each customer of the system will be charged a minimum of	1			\$0.00
1 EQR for purposes of establishing fixed costs				

0

61