

INTERGOVERNMENTAL AGREEMENT FOR EXTRA-TERRITORIAL SEWER SERVICE

This Intergovernmental Agreement for Extra-Territorial Sewer Service (the "Agreement") is entered into as of the 8th day of May, 2018 (the "Effective Date") 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 **BIG SKY METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and a political subdivision of the State of Colorado ("Big Sky"), 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, Big Sky 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, Green Mountain is a party to a Special Connectors Sewage Treatment and Disposal Agreement with Metropolitan Denver Wastewater Reclamation District ("Metro"), its sole source for sewer disposal services; and

WHEREAS, Big Sky has requested that Green Mountain provide sewer services to Big Sky by accepting delivery of the wastewater produced within the Big Sky Service Area and Big Sky Expanded Service Area, subject to the terms hereof, and delivering the wastewater to Metro for disposal; 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 Big Sky without including the Big Sky Service Area or the Big Sky Potential Expanded Service Area into the boundaries of Green Mountain; and

WHEREAS, Big Sky desires that Green Mountain design and construct the facilities outside the Big Sky Service Area and Big Sky Potential Expanded Service Area which are necessary to allow Green Mountain to provide sanitation services to the wastewater produced within the Big Sky Service Area and Big Sky Potential Expanded Service Area, and the lift station(s), flow equalization and force mains which are in the Big Sky Service Area; and

WHEREAS, Big Sky desires and intends to design and construct the facilities within the Big Sky Service Area and Big Sky Potential Expanded Service Area which are necessary to collect the wastewater within the Big Sky Service Area and Big Sky Potential Expanded Service Area,

with the exception of the lift station(s), flow equalization and force mains and deliver it to Green Mountain; and

WHEREAS, Green Mountain's sole source of water for distribution to its customers is the Denver Board of Water Commissioners ("Denver Water") 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 Big Sky Service Area and Big Sky Potential Expanded Service Area is located outside of the Blue Line, which precludes Green Mountain from providing water service to the Big Sky Service Area and Big Sky Potential Expanded Service Area under its contract with the Denver Water; and

WHEREAS, the Parties do not intend for Green Mountain to provide any water services to the Big Sky Service Area or the Big Sky Potential Expanded Service Area, and the Parties understand that the Big Sky Service Area and the Big Sky Potential Expanded 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 Big Sky; and

WHEREAS, on September 1, 2017, Big Sky and Green Mountain, as plaintiffs, commenced suit against Fossil Ridge Metropolitan District No. 1 ("Fossil Ridge"), Jefferson County District Court, Case No. 2017CV031368 (the "Lawsuit"); and

WHEREAS, Big Sky, CDN Red Rocks, LP ("CDN"), and Fossil Ridge have entered into the Reimbursement Agreement, which provides, among other things, that upon performance by Big Sky and CDN of their obligations under the Reimbursement Agreement, Fossil Ridge waives and releases any and all claims that it may have for reimbursement from Green Mountain, Big Sky, CDN or from the present and future owners of property within the Future Development Area pursuant to Section 2.6 of the Amended Green Mountain/Fossil Ridge IGA; and

WHEREAS, on April 5, 2018, the Jefferson County District Court entered its Order in the Lawsuit approving the parties' proposed Declaratory Judgment and Decree, holding, among other things, that "the Reimbursement Agreement satisfies the condition precedent to Green Mountain's accepting Wastewater from the Future Development Area set forth in Section 2.6 of the (Amended Green Mountain/Fossil Ridge IGA) that, as a condition precedent to accepting Wastewater from properties located in the Future Development Area, the property owners in the Future Development Area to be served by Green Mountain enter into an agreement with Fossil Ridge 'providing for, among other thing, the equitable and proportionate cost recovery for Fossil Ridge's expenses in oversizing the Fossil Ridge Sewer System and the manner in which water will be provided to such area'; and

WHEREAS, Big Sky 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 of this Agreement.
- 1.2 “Amended Green Mountain/Fossil Ridge IGA” means the Amended and Restated Intergovernmental Agreement for Extra-Territorial Sewer Service dated November 11, 2014 by and between the Fossil Ridge Metropolitan District No. 1 and the Green Mountain Water and Sanitation District.
- 1.3 “Big Sky” means Big Sky Metropolitan District No. 1.
- 1.4 “Big Sky Service Fee” shall have the meaning set forth in Section 6.3 of this Agreement.
- 1.5 “Big Sky Sewer System” means a system of infrastructure provided by Big Sky in compliance with all applicable Green Mountain rules, regulations, standards, specifications and requirements, to provide sewer service to its customers by the collection of wastewater arising within the Big Sky Service Area and Big Sky Potential Expanded Service Area and delivery of the wastewater to Green Mountain for conveyance to Metro for disposal.
- 1.6 “Big Sky Service Area” means that that area depicted on the map attached hereto as **Exhibit A**, as it may be expanded pursuant to Section 2.6 of this Agreement to include all or any portion(s) of the Big Sky Potential Expanded Service Area.
- 1.7 “Big Sky Potential Expanded Service Area” means that additional area depicted on Exhibit A.
- 1.8 “CDN” means CDN Red Rocks, LP, a limited partnership which, as of the date of this Agreement, is the principal owner and developer of property within the boundaries of Big Sky.
- 1.9 “Effective Date” means the date this Agreement is effective as set forth above.
- 1.10 “EPA” means the United States Environmental Protection Agency.
- 1.11 “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 in effect as of the Effective Date, or other peaking factor as determined appropriate by Green Mountain.

- 1.12 “Denver Water” means Denver Board of Water Commissioners.
- 1.13 “The Districts” means collectively Big Sky, Big Sky Metropolitan District No. 2, Big Sky Metropolitan District No. 3, Big Sky Metropolitan District No. 4, and Big Sky Metropolitan District No. 5, Big Sky Metropolitan District No. 6, and Big Sky Metropolitan District No. 7.
- 1.14 “Fossil Ridge” means Fossil Ridge Metropolitan District No. 1.
- 1.15 “Future Development Area” means that area defined in the Amended Green Mountain/Fossil Ridge IGA and depicted in **Exhibit B** attached hereto.
- 1.16 “GM Improvements” has the meaning set forth in Section 4.1 of this Agreement.
- 1.17 “Green Mountain” means the Green Mountain Water and Sanitation District.
- 1.18 “Green Mountain Rules and Regulations” means the Green Mountain Rules and Regulations adopted by the Board of Directors of Green Mountain on June 14, 2016, as amended from time to time.
- 1.19 “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.
- 1.20 “Metro” means the Metropolitan Denver Wastewater Reclamation District.
- 1.21 “Monitoring Stations” mean monitoring stations to be located at the lift station described herein to include primary flow measuring devices and equipment necessary for metering the rate and quantity of flow and allowing for sampling the wastewater for analyses.
- 1.22 “Reimbursement Agreement” means the “Intergovernmental Agreement Regarding Reimbursement for Rooney Valley Sanitary System Improvements” entered into among Big Sky, CDN Red Rocks, LP and the Fossil Ridge Metropolitan District No. 1 and dated March 23, 2018.
- 1.23 “Reserved Capacity” shall have the meaning set forth in Section 2.3 of this Agreement.
- 1.24 “Sewer Service Charge” shall have the meaning set forth in Section 6.2(A) of this Agreement.
- 1.25 “System Development Fee” or “SDF” shall have the meaning set forth in Section 6.1(A) of this Agreement.
- 1.26 “User” shall mean a customer of Big Sky who owns property connected to the Big Sky Sewer System with respect to which Big Sky has been granted a permit by Green Mountain for discharge of Wastewater.

1.27 “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 Big Sky Sewer System or in the Green Mountain Wastewater Collection System, or in both such systems.

II. Wastewater Collection Service

2.1 Solterra/Fossil Ridge Metropolitan District. Green Mountain is currently providing extra-territorial sewer service to the Solterra development (as depicted **Exhibit A** attached hereto) in accordance with the Amended Green Mountain/Fossil Ridge IGA. In accordance with Section 2.6 of the Amended Green Mountain/Fossil Ridge IGA, as a condition precedent to Green Mountain accepting Wastewater from any properties within the Future Development Area, 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 (as defined in the Amended Green Mountain/Fossil Ridge IGA) and the manner in which water will be provided to such area. Portions of the Big Sky Service Area and/or the Big Sky Potential Expanded Service Area are within the Future Development Area and thus subject to the foregoing condition precedent. The Parties agree that execution by CDN of the Reimbursement Agreement satisfied the requirements of Section 2.6 of the Amended Green Mountain/Fossil Ridge IGA with regard to the property owned by CDN, and that upon execution of the Reimbursement Agreement by the owner of any property in the Future Development Area other than CDN, the condition precedent to accepting Wastewater from any such properties set forth in Section 2.6 of the Amended Fossil Ridge/Green Mountain IGA shall be satisfied with respect to that property owner. As such, it shall be a condition precedent to Green Mountain accepting Wastewater from any property in the Big Sky Service Area or the Big Sky Potential Expanded Service Area that are within the Future Development Area that the property owner is a party to the Reimbursement Agreement.

2.2 Wastewater Collection Services. The Amended Green Mountain/Fossil Ridge IGA contemplated serving an additional 1,198 EQR from the Future Development Area. Neither the boundaries of the Big Sky Service Area nor the Big Sky Potential Expanded Service Area are the same as the full boundaries of the Future Development Area. In addition, flows from the Big Sky Service Area and the Big Sky Potential Expanded Service Area will be attenuated by flow equalization. As a result, references in this Agreement are made to both connected EQR and to the resulting peak hour flow therefrom due to flow equalization which is measured in million gallons per day (“MGD”). Subject to satisfaction of the conditions precedent in Sections 2.1, 2.7, 3.1, and 3.6, Green Mountain hereby agrees to accept Wastewater from Big Sky, which is collected from and generated within the Big Sky Service Area and Big Sky Expanded Service Area and does not exceed a peak hour flow rate of 1.267 MGD, 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. Wastewater from Big Sky will be delivered to the Green Mountain Wastewater Collection System for conveyance to Metro for disposal.

2.3 Reserved Capacity. Green Mountain will reserve sufficient capacity in its Green Mountain Wastewater Collection System to accommodate a peak hour flow rate of 1.267 MGD received

from Big Sky, which is collected from and generated within the Big Sky Service Area and Big Sky Potential Expanded Service Area (the "Reserved Capacity") for a period of fifteen (15) years from the Effective Date, provided that Big Sky 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.

2.4 Big Sky Service Area. The Big Sky Service Area is specifically depicted in **Exhibit A** attached hereto (which is comprised of the property owned by CDN, property owned by Cardel Homes, U.S., property owned by Tharaldson Motels of Las Vegas (lots 4, 5, and 7), property owned by Terry Bartholomew (lot 6), and the 3 Dinos LLC properties). Green Mountain does not by this Agreement, agree to accept any Wastewater which is produced or collected outside of the Big Sky Service Area. Green Mountain may agree, pursuant to Sections 2.5 and 2.6, to accept Wastewater which is produced or collected within the Big Sky Potential Expanded Service Area. As a condition precedent to Green Mountain accepting Wastewater from any properties in the Big Sky Service Area other than those within the CDN boundaries, as depicted in **Exhibit A** and a legal description of which is attached hereto as part of **Exhibit A**, the property owner(s) and/or a title 32 special district of appropriate jurisdiction must enter into an agreement with Big Sky satisfying the requirements of Section 2.7 of this Agreement.

2.5 Big Sky Potential Expanded Service Area. Subject to the provisions of Sections 2.5 and 2.6 of this Agreement, Green Mountain may also provide sanitary sewer service to the Big Sky Potential Expanded Service Area as depicted in **Exhibit A** attached hereto (which is comprised of the Bandimere and General Shale properties). Therefore, Big Sky agrees to size the Big Sky Sewer System sufficiently large to accommodate anticipated flow from the remaining property in the Big Sky Potential Expanded Service Area as more specifically set forth in Section 3.2 (C) of this Agreement. Green Mountain does not, by this Agreement, agree or represent that it will accept Wastewater from any property within the Big Sky Potential Expanded Service 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, Metro Wastewater Reclamation District Number One, and/or the Mount Carbon Metropolitan District before providing sanitary sewer service to any portions of the Big Sky Potential Expanded Service Area which are not located within the boundaries of the City of Lakewood as of the date of this Agreement. The Parties agree to initiate and complete the process of obtaining the requisite approvals at the earliest possible date.

2.6 Expansion of the Big Sky Service Area. Big Sky may apply in writing to Green Mountain to have additional property which is part of the Big Sky Potential Expanded Service Area added into the Big Sky Service Area, provided that: (1) the property to be added to the Big Sky 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 of Lakewood's current boundaries; (2) Big Sky provides a legal description and map of the area to be added; (3) Big Sky provides the number of EQRs needed for the area to be added and any additional projections and data that allows Green Mountain to determine the resulting peak hour flow rate; (4) to the extent that any of the property to be added is within the Future Development Area, the property owner for the area to be added to the Big Sky Service Area is a party to the Reimbursement Agreement; and (5) Green Mountain agrees, in its discretion, to increase the Reserved Capacity, if necessary. Green Mountain may, in its discretion, require Big Sky to upsize

or upgrade the Big Sky Sewer System or GM Improvements (as defined in Section 4.1 below), at Big Sky's sole expense, before granting any request to expand the Big Sky Service Area. Any sewer system improvements within the Big Sky Potential Expanded Service Area shall be owned, operated and maintained by a homeowners' association or Title 32 special district or other governmental entity subject to the requirements of an agreement with Green Mountain to allow access to the sewer system improvements, 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. To the extent that sufficient oversize capacity is determined to be available in the Big Sky Sewer System to accommodate the anticipated additional flows from any one or more properties in the Big Sky Potential Expanded Service Area, as a condition precedent to Green Mountain accepting Wastewater from any such properties, the property owner(s) and/or a title 32 special district of appropriate jurisdiction must enter into an agreement with Big Sky satisfying the requirements of Section 2.7 of this Agreement.

2.7 Cost Recovery. The Parties acknowledge that Big Sky will expend public resources to construct the Big Sky Sewer System and that it has already spent considerable sums to fund the Lawsuit, successfully conclude the Reimbursement Agreement, and to negotiate this Agreement. To date, these efforts by Big Sky have been funded through advances from CDN subject to reimbursement by Big Sky. Therefore, as a condition precedent to Green Mountain accepting Wastewater from any properties in the Big Sky Service Area or the Big Sky Potential Expanded Service Area, other than those within the CDN boundaries, as depicted in **Exhibit A** and a legal description of which is attached hereto as part of **Exhibit A**, the property owner(s) and/or a title 32 special district of appropriate jurisdiction must enter into an agreement with Big Sky providing for: (1) equitable and proportionate cost recovery for all costs related to the construction and installation of the Big Sky Sewer System and bringing it into service, including without limitation engineering costs associated with the design of the Big Sky Sewer System and the associated lift station(s), flow equalization, and force main(s) that will be owned and maintained by Green Mountain; legal fees and expenses incurred in the drafting of this Agreement and the Reimbursement Agreement; and legal fees and costs incurred by Big Sky in connection with the Lawsuit, the total cost of which shall be provided by Big Sky to Green Mountain (along with any requested invoices or substantiating records) for review and approval, in its reasonable discretion, and thereafter shall be attached to this Agreement as **Exhibit C**, which approval shall be a condition precedent to service to any property within the Big Sky Service Area, which shall be calculated as a pro rata share based on the ratio of the number of EQRs to be served in each non-CDN property to the total EQRs generated by all properties within the Big Sky Service Area and the Big Sky Potential Expanded Service Area, which, the Parties agree for purposes of this calculation is 2057 EQR, for the avoidance of confusion, the cost recovery owned by any property owner shall be calculated as follows:

| | | |
|---------------------------------------|---|----------------------------------|
| EQRs needed to serve non-CDN property | | |
| ----- | * | Total Cost from Exhibit C |
| 2057 EQR | | |

and (2) furnishing verification that water service will be provided to the area through an established municipal, quasi-municipal, or private entity other than Green Mountain.

2.8 No Water Service. Green Mountain makes no agreement, promise or representation that water service will ever be available from Green Mountain to the Big Sky Service Area or the Big Sky Potential Expanded Service Area. The Parties recognize that Big Sky has secured water service from Consolidated Mutual Water Company, and that neither Big Sky nor its successors and assigns will ever request water service from Green Mountain. The Big Sky Service Area and Big Sky Potential Expanded Service Area are 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 Big Sky Service Area and Big Sky Potential Expanded Service Area under its contract with the Denver Water. Nonetheless, Big Sky 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.

2.9 Connection of Users to Big Sky Sewer System. Big Sky agrees that it shall enact and enforce rules and regulations providing that before connecting any customer to the Big Sky Sewer System, subject to prior approval by Big Sky, the customer shall submit to Green Mountain a written application for a permit to discharge Wastewater from the specific property to be connected, 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, Big Sky must approve an application to Green Mountain for a modified permit, whether or not the actual size of the service line is increased, and the User must apply to Green Mountain for a modified permit. In these cases, the User 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 peak hour flow rate served under this Agreement to increase beyond the Reserved Capacity. Big Sky agrees to pay a reasonable administrative fee to Green Mountain for Green Mountain's service in processing these permit applications and collecting all fees imposed by Big Sky as well as those imposed by Green Mountain. The administrative fee would be collected from the customer and remitted to Green Mountain at the time the application is filed.

2.10 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 Big Sky Service Area. In the event that the Big Sky Service Area is expanded by amendment to this Agreement or addition of all or portion(s) of the Big Sky Expanded Service Area as set forth herein, Green Mountain shall not be required to provide service to the properties that were subject to the expansion or amendment until Metro has consented.

III. Design and Construction of the Big Sky Sewer System

3.1 Big Sky Obligation to Design/Construct the Big Sky Sewer System. As a condition precedent to Green Mountain fulfilling its sewer service obligation set forth in Section II, Big Sky

shall design and construct, or contract for the design and construction of the Big Sky Sewer System, with the exception of lift station(s), flow equalization and force mains, in accordance with all terms of this Agreement and all rules and regulations and design standards, criteria and specifications of Green Mountain. Green Mountain may, in its sole discretion, accept some of the existing sewers originally installed as part of the Mt. Carbon Metropolitan District ("Mt. Carbon Sewers"). Acceptance of the Mt. Carbon Sewers shall be based on field surveys, video inspection and other assessments determined necessary to verify that the Mt. Carbon Sewers are in acceptable condition and have sufficient capacity for their intended purpose. It is understood and agreed that unless specifically set forth herein, Green Mountain shall not be responsible for any costs associated with the Big Sky Sewer System. Rather, all such costs shall be the responsibility of Big Sky or other entity pursuant to a contract with Big Sky. The Big Sky Sewer System shall consist of: (1) the sewer main lines which will run to the service lines for the homes within the Big Sky Service Area; (2) any new lift station(s) and force mains needed to deliver the Wastewater to the Green Mountain Wastewater Collection System; (3) provisions for monitoring to be located within the lift station(s) including monitoring equipment necessary to measure, at minimum, flow and strength (the "Monitoring Stations"); and (4) any other facilities outside the boundaries of Green Mountain deemed necessary by Big Sky or Green Mountain to deliver the Wastewater to the Green Mountain Wastewater Collection System. A list of the anticipated improvements constituting the Big Sky Sewer System, along with an estimate of the construction and installation costs of these improvements, is attached to this Agreement as part of **Exhibit D** and will be updated from time to time by mutual agreement of the Parties.

3.2 Design of the Big Sky Sewer System.

A. Generally. Big Sky shall submit preliminary and final design plans for the Big Sky Sewer System, with the exception of the lift station, flow equalization and force mains, and appurtenant facilities, which will be designed and constructed by Green Mountain, which have been prepared by an engineer registered in Colorado, to Green Mountain for review and approval or disapproval. Big Sky shall submit preliminary design plans and specifications, which are substantially complete, to Green Mountain at least four weeks (28 days) prior to a regular meeting of the Board of Directors of Green Mountain, at which meeting the Board will consider approval of the preliminary design plans. Big Sky shall submit complete final design plans and specifications to Green Mountain's District Engineer, for approval prior to any commencement of construction on the Big Sky Sewer System. The final plans and specifications that have been approved by the District Engineer shall be submitted to the Board of Directors of Green Mountain for final approval 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 Board of Directors of Green Mountain. 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. Big Sky agrees that it will not begin construction of the Big Sky Sewer System prior to receiving written approval of the final design plans from Green Mountain's District Engineer. Big Sky 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 Big Sky, Green Mountain will agree to design all or a portion of the Big Sky Sewer System, at the sole expense of Big Sky with the estimated design costs paid in advance. Green Mountain's design or approval of designs for the Big Sky Sewer System shall not relieve Big Sky of any responsibility under this Agreement. To the extent permitted by law, Big Sky 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 Big Sky Sewer System.

C. Oversizing. The Big Sky Sewer System shall be sized to accommodate anticipated flow from the Big Sky Service Area and the Big Sky Potential Expanded Service Area, as reasonably determined by Green Mountain, and shall be designed to accommodate the minimum peak hour flow resulting from a total EQR of 2,057 or incremental peak hour flow as appropriate.

D. Lift Station Requirements. Any lift stations which are a part of the Big Sky Sewer System will be designed and constructed by Green Mountain and are to include flow equalization, to avoid peak flow rates that could overload the Green Mountain Wastewater Collection System.

E. Monitoring Station Requirements. Green Mountain shall include provisions in the lift station(s) design for flow monitoring and sampling, to determine flow rate and wastewater strength, to be located in the lift station(s), at the expense of Big Sky, 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 Big Sky to recover the costs associated with monitoring and measuring the Wastewater.

3.3 Construction of the Big Sky Sewer System.

A. At its sole expense, Big Sky shall construct the Big Sky 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. Big Sky 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, Big Sky shall provide Green Mountain with a schedule for construction of the Big Sky Sewer System. Big Sky shall promptly notify Green Mountain, in writing, of any material departures from that schedule.

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

3.4 Testing of the Big Sky Sewer System. Big Sky shall, at a minimum, conduct pipeline flushing, video inspection, visual inspection of manholes and testing on the Big Sky Sewer System in accordance with Green Mountain rules, regulations, standards, specifications and requirements, 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 Big Sky Sewer System, Green Mountain has the right, in its discretion and without obligation, to inspect the Big Sky Sewer System to ascertain that the materials and workmanship conform to the approved plans, standards and specifications. Big Sky shall reasonably cooperate with and assist Green Mountain in gaining access to the areas designated for inspection. All costs associated with inspections shall be at Big Sky's sole expense.

B. Big Sky 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 Big Sky 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 Big Sky 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 seventy-two (72) hour period, Green Mountain reserves the right to direct Big Sky to remove and/or uncover such portions of the Big Sky Sewer System for inspection, and all costs associated with the removal and/or uncovering of such portions of the Big Sky Sewer System for the examination and restoration of the Big Sky Sewer System shall be at Big Sky's sole expense.

C. Big Sky shall use reasonable efforts to ensure that anyone constructing/installing a service line for connection to the Big Sky 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 Big Sky 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 Big Sky, any customer of Big Sky, 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. Big Sky shall make any improvements or alterations required by Green Mountain in order to bring the Big Sky 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 re-inspected before any backfilling is done. Non-compliance may result in uncovering service lines and re-inspection at the expense of Big Sky.

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

F. Big Sky 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 Big Sky, any customer of Big Sky, any property owner, or any third parties is created by such review and approval.

3.6 Green Mountain Access to Big Sky Sewer System. Big Sky hereby grants to Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Big Sky Service Area and Big Sky Potential Expanded Service Area which contains improvements constituting the Big Sky Sewer System at all reasonable times for the purposes of inspecting the Big Sky Sewer System and any other purposes ancillary to the performance of this Agreement. As a condition precedent to Green Mountain fulfilling its sewer service obligation set forth in Section II, Big Sky shall deliver to Green Mountain easement agreements from CDN Red Rocks, LP and any other owners of portions of the Big Sky Sewer System granting Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Big Sky Service Area and Big Sky Potential Expanded Service Area which contains improvements constituting the Big Sky Sewer System at all reasonable times for the purposes of inspecting the Big Sky Sewer System and any other purposes ancillary to the performance of this Agreement.

3.7 Ownership of the Big Sky Sewer System. No part of the Big Sky Sewer System will be dedicated or conveyed to Green Mountain without the express written consent of Green Mountain. The Big Sky Sewer System shall be owned and maintained by Big Sky. The Big Sky Sewer System shall be maintained, repaired and replaced consistent with all applicable local, state and federal rules, regulations, orders and laws, including, without limitation the Green Mountain Rules and Regulation. Green Mountain assumes no liability under this Agreement for the Big Sky 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. Big Sky recognizes and agrees that certain new public improvements and infrastructure, located both within the boundaries of Green Mountain and outside of those boundaries, may need to be acquired, installed, constructed,

upgraded or upsized in order to accommodate the Wastewater flow from Big Sky (collectively the "GM Improvements"). In addition, because of the long detention time in the flow equalization basin and force main(s), Big Sky recognizes and agrees that there may be a potential for odors in the Green Mountain sewer system. Big Sky 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 Big Sky's Wastewater and mitigate odors, including without limitation, planning, design, inspection, administrative, legal, management, land acquisition, equipment and materials and construction costs, but which shall not include any costs originally paid by Fossil Ridge pursuant to the Amended Green Mountain/Fossil Ridge IGA and which are subject to the Reimbursement Agreement entered into between Fossil Ridge and Big Sky in satisfaction of Section 2.6 of the Amended Green Mountain/Fossil Ridge IGA (the "Actual Costs"). Big Sky agrees that the planning, design, construction, acquisition, installation, upgrading or upsizing of the GM Improvements are necessary for acceptance of Big Sky's Wastewater, and that it is reasonable for Big Sky 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 Big Sky, pursuant to Section 4.3. A list of the anticipated GM Improvements is included as part of **Exhibit E** attached hereto and will be updated from time to time by mutual agreement of the Parties.

4.2 Phasing of Construction. Big Sky agrees that to the extent GM Improvements are required, that is it possible that not all GM Improvements will be required initially, and that Green Mountain may phase in facilities necessary to service immediately proposed development. Big Sky 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 Big Sky Service Area and Big Sky Potential Expanded Service Area. If not already provided, Green Mountain shall provide Big Sky with a construction schedule for the GM Improvements, within two (2) months of signing this Agreement and shall provide prompt notice to Big Sky of any changes to its construction schedule. Green Mountain agrees to fully cooperate with Big Sky to ensure that the proposed construction schedule is coordinated with development requirements of the Big Sky Service Area and Big Sky Potential Expanded Service Area. Big Sky 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. Big Sky shall advance to Green Mountain the estimated Hard Costs of constructing, acquiring, upgrading and upsizing the GM Improvements, as needed to accommodate the Big Sky 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 Big Sky 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 Big Sky of the amount of the contract to be awarded and to whom the award shall be made. Big Sky 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 Big Sky unless such Hard Costs are advanced by Big Sky. Green Mountain shall notify Big Sky 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. Big Sky 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 Big Sky, to pay the Actual Costs of the GM Improvements.

4.4 Accounting for Advanced Funds. Green Mountain shall provide Big Sky, 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 Big Sky 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. Big Sky 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 Big Sky 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, Big Sky 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 Big Sky, including any accrued interest, within thirty (30) days following Green Mountain's final acceptance of the GM Improvements from a contractor, as defined in the contract with the contractor, which final acceptance shall occur at minimum after all work on the GM Improvements has been completed, Green Mountain has conducted a video inspection of all new, upgraded or upsized lines, and complete "As-constructed" drawings in digital format are received.

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 Big Sky's Wastewater flows, Big Sky will be responsible for 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 Big Sky 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 Big Sky's Wastewater flows, Big Sky 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 Big Sky's needs. The estimated costs of such improvements will be advanced by Big Sky, 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 may 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 such consent is required and the Parties are unable to obtain such consent, Green Mountain may limit its provision of sewer service to Big Sky, based on available capacity in the Outfall Sewer Lines to Bear Creek.

VI. Fees

6.1 System Development Fees.

A. Big Sky shall pay a System Development Fee ("SDF") to Green Mountain for each new User connected to the Big Sky Sewer System, in the amount of the current Sewer SDF for extraterritorial users as set by the Board of Directors of Green Mountain. Additionally, Big Sky shall pay the then-current SDF, or similar fee, imposed by Metro (the "Metro Development Fee") for each new User connected to the Big Sky Sewer System. The Metro Development Fee shall be paid to the City of Lakewood until such time, if any, that the Big Sky Service Area and Big Sky Potential Expanded 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 2.9 of this Agreement. Big Sky 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 Big Sky 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 Big Sky totals the Actual Costs of the GM Improvements paid by Big Sky 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 Big Sky to Green Mountain.

6.2 Sewer Service Charge.

A. Big Sky shall pay a residential sewer service charge and a commercial/multifamily service charge to Green Mountain on a quarterly basis, in advance (collectively the "Sewer Service Charge"). The Sewer Service Charge shall be separately calculated for residential and commercial/multi-family EQRs. The quarterly Sewer Service Charge shall be based on each EQR connected or authorized to be connected to the Big Sky Sewer System and shall initially be calculated with the following equation:

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

"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 Big Sky 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 current bimonthly sewer service charge imposed by Green Mountain for commercial/multi-family or residential EQRs, as applicable, within the Green Mountain boundaries. In the event that Green Mountain approves a new connection during a quarter, Big Sky 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 Sewer Service Charge, other than that set forth in Section 6.2(A), provided that the alternative billing method is reasonably calculated to bill Big Sky according to its use of sewer services provided by Green Mountain.

C. Big Sky 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 Sewer Service Charge.

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

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

6.5 Fee Schedule of Big Sky. Big Sky may, in its sole discretion, adopt and impose such fee schedule upon its users as it deems reasonable. Big Sky 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 Big Sky, subject to appropriate terms, conditions, and compensation to be agreed upon by the Parties.

VII. Billing and Payment of Fees

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

7.2 Payment. Big Sky shall pay Green Mountain the amount billed by the due date specified on the Bill from Green Mountain (the "Due Date"), unless Big Sky disputes the Bill, according to the procedure set forth in Section 7.3. Failure to pay a Bill by the Due Date may result in a Late Fee as specified in the Green Mountain Rules and Regulations. Additionally, any Bill which is not paid by the Due Date, and any other amount due from Big Sky 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 Big Sky disputes the amount owing according to a Bill, Big Sky 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. Big Sky and the Manager of Green Mountain will then negotiate in good faith in an attempt to resolve the dispute. In the event that no resolution is reached by the time payment is due, Big Sky 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 Costs. If Big Sky is tardy in payment of its account, Green Mountain shall have the right to assess to Big Sky all legal, court and other costs necessary to or incidental to collection of the amount owed by Big Sky to Green Mountain, including without limitation reasonable attorney's fees.

VIII. Reporting and Monitoring

8.1 Monitoring. Big Sky hereby grants to Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Big Sky Service Area and Big Sky Potential Expanded Service Area which contains improvements constituting the Big Sky 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 Big Sky Service Area and Big Sky Potential Expanded Service Area as it deems necessary. Big Sky shall use its best efforts to ensure that any other owners of property containing portions of the Big Sky Sewer System shall also grant Green Mountain, and its agents, employees, contractors and/or consultants, the right to enter upon the property within the Big Sky Service Area and Big Sky Potential Expanded Service Area which contains improvements constituting the Big Sky 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. Big Sky 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 Big Sky Sewer System or any part thereof and which, together with all other books and papers of Big Sky, 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. Big Sky shall cause its books and accounts to be audited annually by an independent accountant selected by Big Sky, and a copy of the audit shall be provided to Green Mountain. On a quarterly basis, Big Sky 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 F**.

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

IX. Prohibited Discharges and Enforcement of Rules and Regulations

9.1 Prohibited Discharges. The Big Sky Sewer System shall be used only for the disposal of water contaminated by biodegradable wastes. No wastes shall be discharged in violation of any local, state and federal rules, regulations, orders or laws, including, without limitation the Green

Mountain Rules and Regulation. 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. Big Sky shall adopt rules and regulations incorporating all applicable provisions of the Green Mountain Rules and Regulations, including permissible waste flows, pretreatment requirements and EQR definitions and requiring compliance with all local, state and federal rules, regulations, orders and laws, including, without limitation, the Green Mountain Rules and Regulation. Big Sky shall enforce such rules and regulations against violators.

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, Big Sky, Metro, or the EPA, any orders or permits issued hereunder, or any law, Green Mountain will submit a written request that Big Sky 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, Big Sky 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, 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 Big Sky. 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, Big Sky shall take appropriate enforcement actions against the User, as determined by Green Mountain and Big Sky. Within forty-eight (48) hours (or such other time as is indicated by Green Mountain) of Green Mountain requesting that Big Sky enforce the failure to correct a violation following a Notice of Violation, Big Sky shall take an enforcement action against the violating User(s). The enforcement action by Big Sky may include, without limitation, disconnection and 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 Big Sky, including without limitation any fines or penalties paid to Metro or the EPA. If Big Sky 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 Big Sky.

9.5 Emergency Remedies. Where a discharge to the Big Sky 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 Big Sky 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 Big Sky Wastewater System, including without limitation attorney fees, to Big Sky.

9.6 Expenses and Costs for Enforcement of Rules and Regulations. Big Sky agrees to bill any User found to be violating the Rules and Regulations of Big Sky 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 Big Sky and remitted to Green Mountain within sixty (60) days of Green Mountain requesting that Big Sky bill a User, Big Sky shall pay to Green Mountain the difference between the amount collected and the actual expenses, losses or damages incurred by Green Mountain. If Big Sky 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 Big Sky Sewer System;
- (c) Failure of the User to comply with any of the Rules and Regulation of Green Mountain or Big Sky or any law, rule, regulation or order of the EPA or Metro; or
- (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 Big Sky.

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 Big Sky is unable or unwilling to pay the Sewer Service Charge, or Big Sky

Service Fee, if applicable, Big Sky 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 Big Sky 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 Big Sky 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; and

2) Failure by Big Sky to issue a Notice of Violation or enforce any violation by a User of the rules and regulations of Big Sky, 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 Big Sky's failure to issue a Notice of Violation or take and 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 Big Sky Service Area and Big Sky Potential Expanded Service Area, for any or no reason. Green Mountain shall immediately give notice to Big Sky 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 Big Sky General Indemnification. To the extent permitted by law, if at all, Big Sky 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 Big Sky 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 Big Sky Sewer System, whether such damage shall accrue or be discovered before or after termination of this Agreement. Big Sky shall bear all costs of investigation and litigation, including reasonable attorney fees, incurred by Green Mountain in defending such claims. The obligation of Big Sky to indemnify and hold Green Mountain harmless shall be limited to claims based upon the actions of Big Sky and its directors, officers, employees, contractors and consultants and not those based exclusively upon the actions of Green Mountain and its directors, officers, employees, contractors and consultants.

11.2 General Hold Harmless Provision for Fines and Penalties. To the extent permitted by law, Big Sky 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 Big Sky or from the Big Sky Sewer System. Big Sky shall bear all costs of investigation and litigation, including reasonable attorney fees, incurred by Green Mountain in defending such claims. The obligation of Big Sky to indemnify and hold Green Mountain harmless shall be limited to actual or purported violations based upon the actions of Big Sky and its directors, officers, employees, contractors and consultants and not those based exclusively upon the actions of Green Mountain and its directors, officers, employees, contractors and consultants.

11.3 Liability Insurance. Big Sky shall at all times hereunder have and maintain in full force and effect comprehensive liability insurance providing coverage to Big Sky 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 Big Sky Sewer System during its construction. Additionally, Big Sky'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. Big Sky shall submit to Green Mountain certificates of insurance in compliance with the standards as set forth above, before beginning any work on the Big Sky Sewer System. Nothing herein shall be construed to relieve or discharge Big Sky of its liability to Green Mountain under the terms of this Agreement should Big Sky, 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. Big Sky, or any homeowners' association owner or special district owning any portion of the Big Sky 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 Big Sky Sewer System. In the event that any portion of the Big Sky Sewer System is damaged or destroyed, Big Sky, or any special district or homeowners' association owner of the Big Sky Sewer System, shall use the proceeds from the property insurance policy to repair or reconstruct the Big Sky 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. Big Sky 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 Big Sky 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, Big Sky has deposited \$15,000 with Green Mountain. Big Sky agrees to Green Mountain's dispersal of the deposited funds to cover the Drafting Costs. Big Sky shall provide such additional funds, as may be deemed necessary by Green Mountain to cover the Drafting Costs. Big Sky 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 Big Sky 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 Big Sky a final accounting of the funds expended and refund to the Big Sky any unexpended amounts on deposit with Green Mountain, along with any accrued interest.

12.2 Inclusion. The owners of property within the Big Sky Service Area and Big Sky Potential Expanded Service Area may seek to include their property into Green Mountain's boundaries pursuant to Sections 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: Nina Cudahy
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 360
Denver, CO 80207
Attn: Jennifer L. Ivey
Facsimile: 303-292-6401

To Big Sky: Big Sky Metropolitan District No. 1
c/o White Bear Ankele Tanaka & Waldron
Attn: Kristen D. Bear, Esq.
2154 E. Commons Ave., Suite 2000
Centennial, CO 80122
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. The Parties intend to enter into an Intergovernmental Agreement for Repair and Maintenance of Sewer System (the "Other Agreements") prior to the Big Sky Sewer System coming into service. With the exception of the Other Agreements and the terms, covenants, and conditions contained therein, 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 Big Sky under the Colorado Governmental Immunity Act, Sections 24-10-101 *et seq.*, C.R.S., as the same may be amended from time to time.

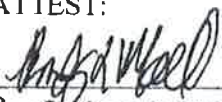
[Remainder of page intentionally left blank.]

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.

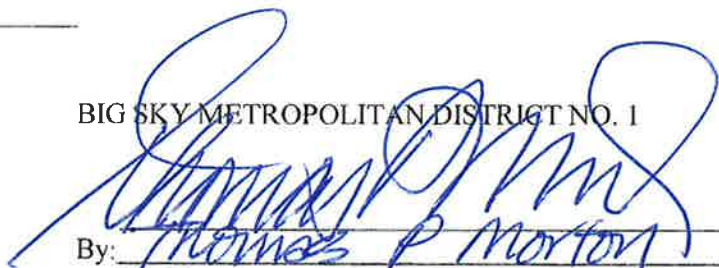
GREEN MOUNTAIN WATER AND
SANITATION DISTRICT


By: CARL MULAY
Its: President

ATTEST:


By: RINO NORRELL
Its: SECRETARY

BIG SKY METROPOLITAN DISTRICT NO. 1


By: Thomas P Norton
Its: President

ATTEST:


By: Eric A. Johnson
Its: Secretary/Treasurer

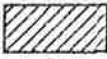


EXHIBIT A

**LEGAL DESCRIPTION AND MAP OF BIG SKY SERVICE AREA AND BIG SKY
POTENTIAL EXPANDED SERVICE AREA**

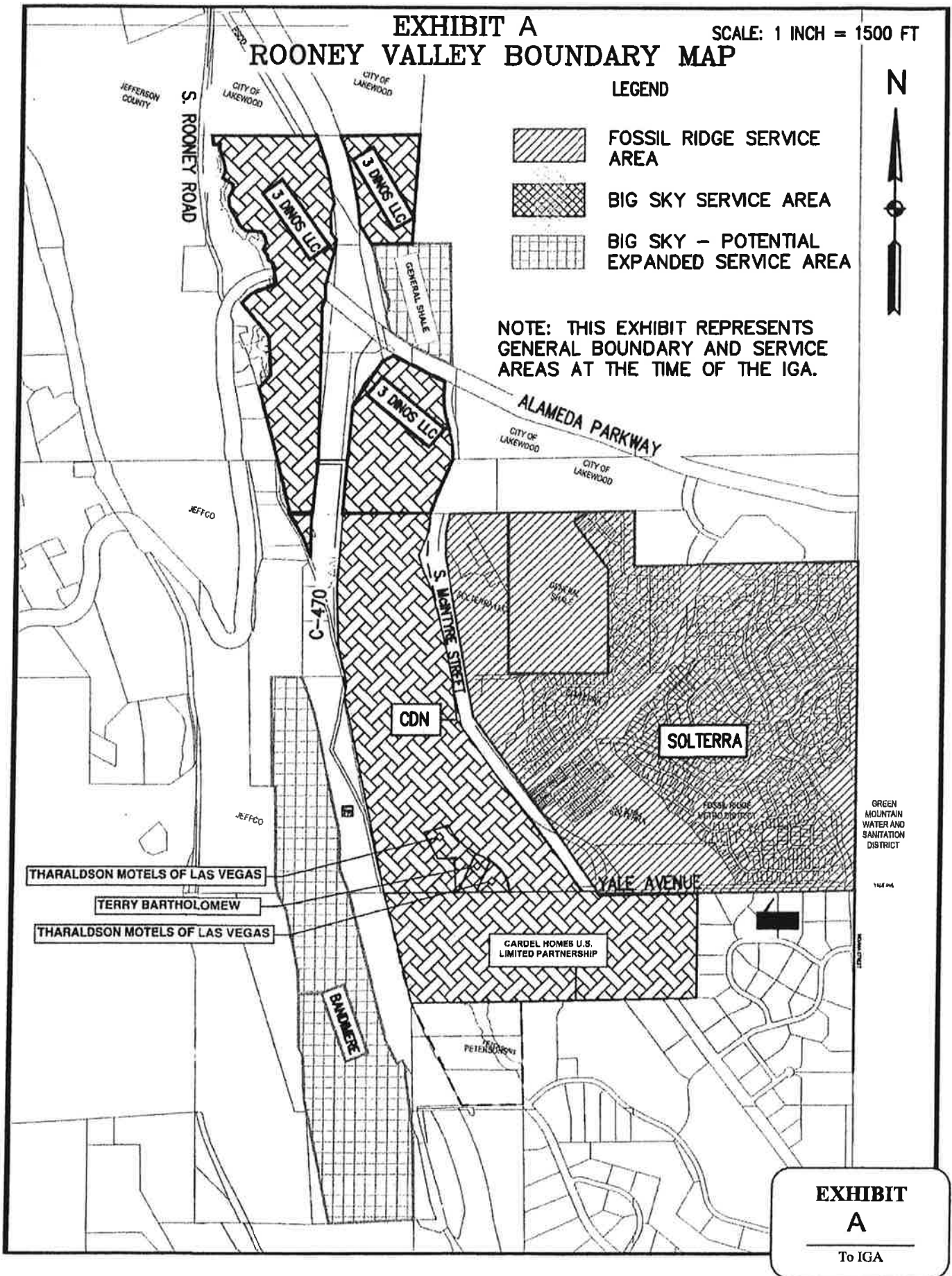
EXHIBIT A ROONEY VALLEY BOUNDARY MAP

SCALE: 1 INCH = 1500 FT

LEGEND

-  FOSSIL RIDGE SERVICE AREA
-  BIG SKY SERVICE AREA
-  BIG SKY - POTENTIAL EXPANDED SERVICE AREA

NOTE: THIS EXHIBIT REPRESENTS GENERAL BOUNDARY AND SERVICE AREAS AT THE TIME OF THE IGA.



**EXHIBIT
A**

To IGA

EXHIBIT B

MAP OF FUTURE DEVELOPMENT AREA



EXHIBIT B

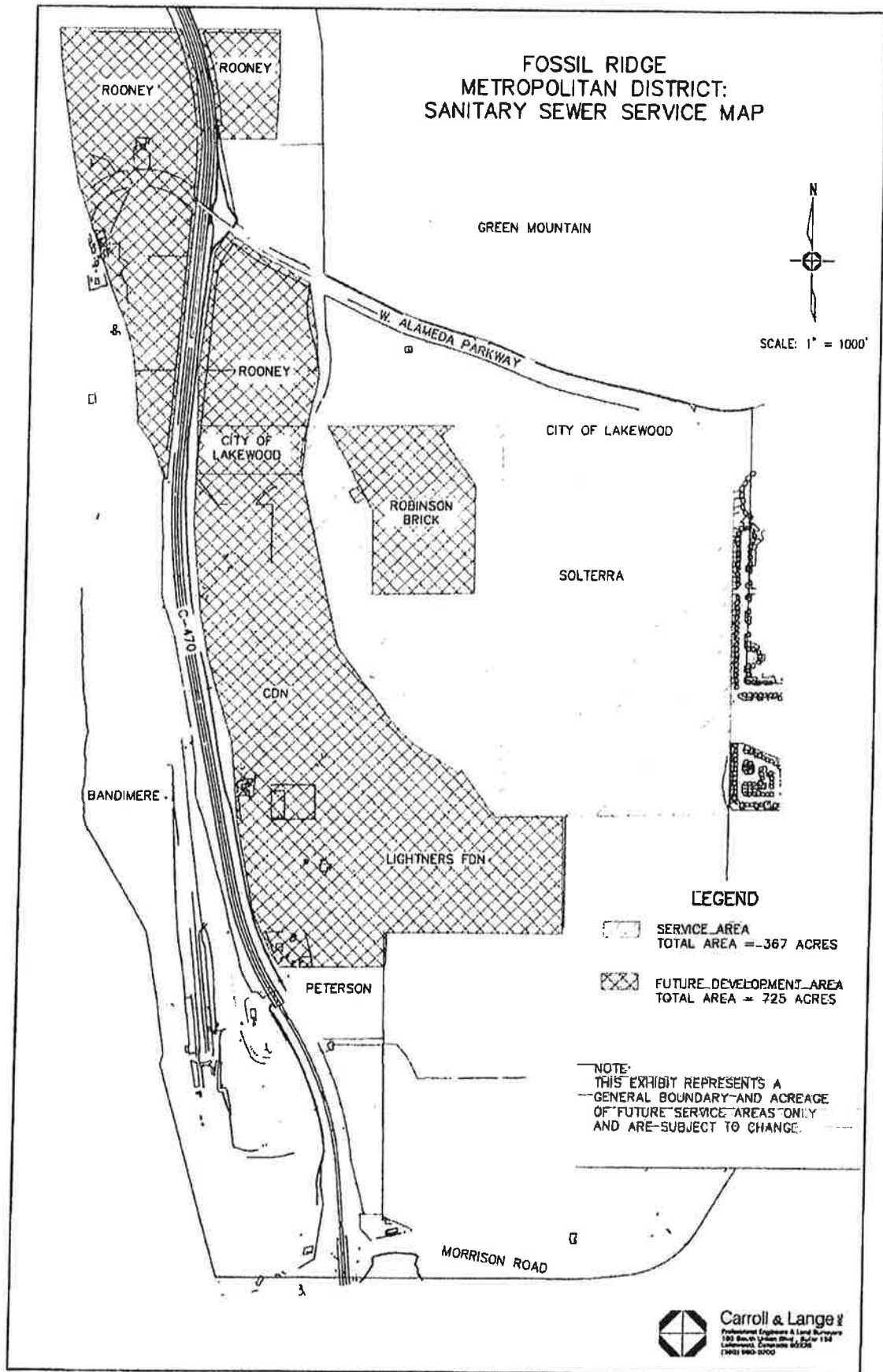


EXHIBIT C

BIG SKY TOTAL COSTS

[To be attached prior to commencement of Service to Big Sky Service Area]

EXHIBIT D

BIG SKY SEWER SYSTEM

Exhibit D

Big Sky Sewer System

May 8, 2018

| Item | Description | Quantity | Unit | Unit Cost | Total |
|--------------------|---|----------|------|--------------|--------------|
| Demolition | Existing facilities | 8,000 | LS | \$ 35.00 | \$ 280,000 |
| 8" Sanitary Sewer | CIP (Manholes, Pipe, Bedding, etc) | 1,100 | LF | \$ 49.00 | \$ 53,900 |
| 12" Sanitary Sewer | CIP (Manholes, Pipe, Bedding, etc) | 3,500 | LF | \$ 63.00 | \$ 220,500 |
| 15" Sanitary Sewer | CIP (Manholes, Pipe, Bedding, etc) | 2,800 | LF | \$ 72.00 | \$ 201,600 |
| Lift Station | CIP (Station, Metering, Appertenances, etc) | 1 | LS | \$ 1,875,000 | \$ 1,875,000 |
| Forcemain | CIP (Manholes, Pipe, Bedding, etc) | 3,500 | LF | \$ 66.00 | \$ 231,000 |
| Soft Costs | Design, Permitting, Testing, CM | 12% | LS | \$ 2,862,000 | \$ 343,440 |
| | | | | | |
| | Subtotal | | | | \$ 3,205,440 |
| | Contingency | 20% | LS | | \$ 641,088 |
| | Projected Total | | | | \$ 3,846,528 |

The purpose of this document is to provide a conceptual projection of construction cost. Actual costs will change. In addition, final engineering has not been completed, and this projection of costs excludes a number of items such as carry cost, phasing, legal, administration, and others that must be taken into account in order to determine project feasibility. The user of this document should be aware that it is not intended as a complete report and Calibre assumes no liability for the financial performance of this project.

EXHIBIT E
GM IMPROVEMENTS

EXHIBIT E

The following is a list of the currently anticipated improvements to the Green Mountain Wastewater Collection System needed to accommodate the Wastewater flow from the Big Sky Service Area and the Big Sky Potential Expanded Service Area¹:

1. Morrison Road Trunk Sewer: Approximately 158 l. f. of 18-inch sewer between manholes BS5 and BS6.
2. Outfall Sewer Lines to Bear Creek: Approximately 359 l.f. of 18-inch sewer between manholes BN23 and MH 6.
3. Modifications to the Metro Green Mountain-Morrison Metering Station. These involve removing the 6-inch Parshall flume which is “nested” in a 12-inch Parshall flume and making the necessary modifications to the flow monitoring equipment.

¹ This exhibit is current as of May 8, 2018 and addresses only those GM Improvements that are known as of that date. Green Mountain is currently completing a survey of the Green Mountain Wastewater Collection System the results of which may lead to more GM Improvements being required. In addition, Green Mountain is working with Bear Creek Water and Sanitation District to determine if the Outfall Sewer Lines to Bear Creek require any improvements.

EXHIBIT F
SAMPLE EQR SCHEDULE

EQUIVALENT RESIDENTIAL UNIT (EQR) SCHEDULE: For the setting of certain fees the District has adopted an Equivalent Residential Unit Schedule. The base for this schedule is an average detached single-family residence, or its equivalent. The schedule is given in the following table.

| <u>Class of User</u> | <u>EQR</u> |
|---|------------|
| A. RESIDENTIAL CLASSIFICATIONS | |
| 1. Single-family Residential Units (per each) | 1.0 |
| Single –family homes, individually billed mobile homes, mobile homes on single lots, mobile homes established for permanent residences. | |
| Note: Rental privileges of all kinds are prohibited. | |
| 2. Multi-family Residential Units | 1.0 |
| 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 or ownership. | |
| <ul style="list-style-type: none"> • Small sized unit. Shall not have more than 1 bedroom and 1 bathroom. • Medium sized unit. Shall not have more than 2 bedrooms or 2 bathrooms. • Large sized unit. Shall not have more than 3 bedrooms and 2-1/2 bathrooms. • Any larger single unit. | |
| 3. Transient Residential Units | |
| Hotels, motels, mobile home parks, dormitories and similar facilities. | |
| Note: Includes: laundry facilities in mobile homes; swimming pools and laundry facilities (except those in mobile homes) are additive; room counts shall include rooms furnished to employees. Each billing unit shall have a minimum of one Manager's unit. | |
| a. Manager's Unit (per each) | 0.80 |
| b. Motels, hotels and rooming houses without kitchen facilities | |

| | |
|--|------------|
| - with not more than 2 bed spaces per room (per each rental room) | 0.20 |
| - with more than 2 bed spaces per room (per each room) | 0.35 |
| c. Motels with kitchen facilities | |
| - with not more than 2 bed spaces per unit (per each rental unit) | 0.3 |
| - with more than 2 bed spaces per unit (per each rental unit) | 0.4 |
| d. Dormitories (per each rental bed space) | 0.1 |
| e. Add for laundry facilities (or available hookup) in each building, % of total EQR served. | 20% |
| f. Mobile homes in park – with laundry | 0.80/space |

B. COMMERCIAL CLASSIFICATION

1. Restaurants and Bars

Restaurants, bars, lounges, banquet rooms and drive-ins

| | |
|--|-----|
| a. Restaurants and bars (per 10 seats) | 1.0 |
| b. Banquet Rooms (per 10 seats) | 0.4 |
| c. Drive-ins (per car stall) | 0.3 |
| d. Drive thru take out service window | 0.5 |

2. Commercial Buildings

Office buildings, retail sales buildings, multiple use buildings, Laundromats, service stations, shops, garages and similar facilities.

Note: No process water will be allowed to enter the sewer.

| | |
|---|------|
| a. Offices and office buildings (per 1,000 s.f. of gross floor area) | 0.50 |
| b. Retail sales area (per 1,000 s.f. of gross usable area, includes sales, storage and support areas, but not including food service (which is separately assessed) | 0.30 |

| | | |
|----|------------------------------------|------|
| c. | Laundromats (per washing machines) | 1.20 |
|----|------------------------------------|------|

Class of User

EQR

| | | |
|----|--|--|
| d. | Service Stations (a set of pumps is defined as 2 pumps regardless of the number of hoses) | |
|----|--|--|

| | | |
|--|----------------------|-----|
| | - first set of pumps | 1.2 |
|--|----------------------|-----|

| | | |
|--|--|-----|
| | - each additional set of pumps (per set) | 0.8 |
|--|--|-----|

| | | |
|--|--|-----|
| | - add for each bay/rack where cars can be washed | 1.4 |
|--|--|-----|

| | | |
|----|---|-----|
| e. | Non-retail work areas such as garages, machine shops. (per each 10 employees) | 0.7 |
|----|---|-----|

| | | |
|----|------------------------------------|-----|
| f. | Movie theaters (per each 50 seats) | 1.0 |
|----|------------------------------------|-----|

C. CHURCH AND SCHOOL CLASSIFICATIONS

| | | |
|----|--------------------------|-----|
| 1. | Churches (per 100 seats) | 1.0 |
|----|--------------------------|-----|

Notes: Rectories, social areas with kitchen facilities are separately assessed additive.

| | | |
|----|---|--|
| 2. | Day care centers, public and private day schools. | |
|----|---|--|

Notes: Includes teachers, librarians, custodians, and administrative personnel associated with the school function; administrative centers, warehouses equipment (such as buses) repair and/or storage centers, swimming pools and similar facilities are separately assessed additive.

| | | |
|----|---|------|
| a. | Without gym and without cafeteria (per 50 students) | 1.40 |
|----|---|------|

| | | |
|----|--|------|
| b. | Without gym and with cafeteria or with gym and without cafeteria (per 50 students) | 1.75 |
|----|--|------|

| | | |
|----|--|------|
| c. | Without gym and with cafeteria (per 50 students) | 2.10 |
|----|--|------|

D. MISCELLANEOUS CLASSIFICATIONS

| | | |
|----|---------------------------------|--|
| 1. | Swimming pools and wading pools | |
|----|---------------------------------|--|

Notes: A permanent sign must be placed prominently at all pool filter installations stating that pools are not to be drained without permission from the District Manager, that pool draining rates will be subject to approval of the

District, and that draining shall be limited to the hours between 11 p.m. and 6 a.m. the next day.

| | <u>Class of User</u> | <u>EQR</u> |
|----|--|------------|
| 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 | 1.05 |
| | - each additional 40,000 gallon capacity | 0.75 |
| 2. | Recreational Vehicle Waste Disposal Stations | |
| | The operator of the disposal facility shall provide a means acceptable to the District of counting the number of times the disposal facilities are used. | |
| | The District shall review and approve charges made to users of dumping facilities by facility owners; no system development fees will be assessed for camper dump facilities, and the District reserves the right to cease service to such facilities at any time. | |
| 3. | Medical Hospital | |
| | Note: Includes staff and administrative personnel associated with the hospital function. | |
| | - per bed | 0.60 |
| 4. | Assisted Living Facility – per unit | 0.40 |
| 5. | Public Restrooms (per toilet or urinal) | 0.20 |
| E. | OTHER CLASSIFICATIONS | |

Equivalents 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 assessment of users charges and cost recovery (refer to 40 CFR, Part 35). (1987)

Class of User

F. GENERAL NOTES:

1. Each customer of the system will be charged a minimum of 1 EQR for purposes of establishing fixed costs.
2. Any customers who do not fit any of the previously mentioned classifications will be determined by the District.