

ASSIGNMENT OF WATER AND WASTEWATER SERVICE SFE - BELFORD SOUTH 204

THIS ASSIGNMENT OF WATER AND WASTEWATER SERVICE SFE – BELFORD SOUTH 204 (this “**Assignment**”) is entered into to be effective as of the 4th day of January, 2016 (the “**Effective Date**”), by and among **STONEGATE VILLAGE METROPOLITAN DISTRICT**, acting by and through its Water and Sewer Enterprise Funds (“**SVMD**”), **COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT** f/k/a E-470 Business Metropolitan District, in a limited capacity (“**CBCMD**” or “**Assignor**”) and **BELFORD SOUTH METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado (“**Assignee**”), each individually, a “**Party**,” and collectively, the “**Parties**.”

DEFINITIONS

1. “**1997 Regional Facilities Agreement**” – the December 4, 1997 Regional Facilities Agreement between SVMD and E-470 Business Metropolitan District as amended by that certain First Amendment to Regional Facilities Agreement dated August 31, 1998, by that certain Second Amendment to Regional Facilities Agreement dated March 15, 1999, by that certain Third Amendment to Regional Facilities Agreement dated August 15, 2001, and by that certain Fourth Amendment to Regional Facilities Agreement dated July 3, 2008.
2. “**Agreement**” – the Amended and Restated Regional Water and Wastewater Service Agreement between SVMD and CBCMD dated October 11, 2016, as amended from time to time.
3. “**Annual Update**” – the annual update, revision, supplement, or review of the SVMD Water and Wastewater Master Plan to reflect the best available information on the Water System and Wastewater System, including the basis and timing of anticipated Capital Costs, as determined appropriate or necessary at the sole discretion of SVMD.
4. “**Assigned SFEs**” – the Two Hundred Four (204) SFEs of CBCMD’s excess wastewater service capacity, defined as “CBCMD’s Excess Wastewater Service Capacity” in the Agreement, and water service capacity, defined as “CBCMD’s Excess Water Service Capacity” in the Agreement, transferred to Assignee pursuant to this Assignment.
5. “**Assignee**” or “**BSMD**” – Belford South Metropolitan District, a metropolitan district organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide services to a portion of Compark South, including water and wastewater services, whose jurisdictional boundaries are the same as “Assignee’s Service Area,” as shown on **Exhibit A** attached hereto and incorporated herein.
6. “**Assignee’s Constructed Facilities**” – water distribution and supply lines, pump stations, facilities, sewage collection lines, lift stations, irrigation lines, storage facilities, effluent land application facilities, storage or disposal areas and facilities, meters and data acquisition systems necessary for tele-monitoring, and any other facilities necessary, in the reasonable opinion of the SVMD, to be constructed by Assignee and connected to the Wastewater System or

Water System, Pursuant to Section 4.6 of this Assignment, to connect to the Water System and Wastewater System to provide service to Assignee's Service Area.

7. **"Assignee's Wastewater Service Ratio Portion"** – the 3.98% portion of the Wastewater Service Ratio assigned to Assignee based on the Assigned SFEs to the SVMD Service Area. The Wastewater Service Ratio is currently calculated as 23.5%, inclusive of such 3.98%.

8. **"Assignee's Water Service Ratio Portion"** – the 3.83% portion of the Water Service Ratio assigned to Assignee based on the Assigned SFEs to the SVMD Service Area. The Water Service Ratio is currently calculated as 23.25%, inclusive of such 3.83%.

9. **"Assignee's Service Area"** – the area that will receive water or wastewater service through the Water System or Wastewater System pursuant to this Assignment, as shown on Exhibit A attached hereto and incorporated herein.

10. **"Assignment"** – this Assignment of Water and Wastewater Service SFE – Belford South 204.

11. **"BNMD"** – Belford North Metropolitan District, a metropolitan district anticipated to be organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide services to a portion of Compark South.

12. **"Bonds"** – Collectively the Wastewater Bonds and the Water Bonds.

13. **"Capital Costs"** - Any costs incurred by SVMD necessary to meet requirements of state or federal laws and regulations, to acquire, develop or maintain a water supply, including costs associated with continued development of a renewable water supply, and for improvements, upgrades, or expansions to the Wastewater System and Water System necessary or appropriate to provide service within the SVMD Service Area. Capital Costs include previous and future payments on Debt or other financial obligations used for the same purposes. Capital Costs do not include the cost of Assignee's Constructed Facilities; which costs are the sole responsibility of Assignee. Capital Costs include, but are not limited to costs of materials, components, labor costs, change orders, design engineering, construction engineering, landscape architecture, soil testing and inspection, line and systems testing and inspection, site and right of way acquisition costs, and all legal, accounting, and other professional costs incurred in connection with the Capital Costs.

14. **"Capital Cost Share"** – Assignee's share of a Capital Cost, calculated as a Capital Cost associated with Wastewater System multiplied by Assignee's Wastewater Service Ratio Portion or a Capital Cost associated with the Water System multiplied by the Assignee's Water Service Ratio Portion.

15. **"Capital Cost True-Up Payment"** – A payment made by Assignee calculated by multiplying the Capital Costs by the difference between the Assignee's Wastewater Service Ratio Portion or the Assignee's Water Service Ratio Portion and ratio of the actual SFEs in service, as illustrated in the chart on Exhibit C attached hereto and incorporated herein, as amended from time to time.

16. **“CBCMD”** - Compark Business Campus Metropolitan District f/k/a E- 470 Business Metropolitan District, a metropolitan district organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide services, including water and wastewater services, whose jurisdictional boundaries are shown on **Exhibit A** attached hereto and incorporated herein.

17. **“CHMD”** – Collectively, one or more metropolitan districts to be named the Chambers High Point Metropolitan District and anticipated to be organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide services to a portion of Compark South, including water and wastewater services.

18. **“CBCMD’s Excess Wastewater Service Capacity”** – a portion of the Wastewater System Capacity within the CBCMD Wastewater Service Ratio that is in excess of that needed to provide service within the boundaries of CBCMD and PMD and available for assignment to serve Compark South under this Agreement.

19. **“CBCMD’s Excess Water Service Capacity”** – a portion of the Water System Capacity within the CBCMD Water Service Ratio that is in excess of that needed to provide service within the boundaries of CBCMD and PMD and available for assignment to serve Compark South under this Agreement.

20. **“Compark Service Area”** – an area previously described as the “Property” by the RFA, located in Douglas County, Colorado, and which includes Compark South, and is limited to the area described in **Exhibit B**, attached hereto and incorporated herein.

21. **“Compark South”** – A portion of the Compark Service Area as shown on the attached **Exhibit B**. Compark South includes the area within the District boundaries of BSMD, and the areas anticipated to be included within the District boundaries of BNMD and CHMD, when those Districts are organized.

22. **“Connection Charge”** – a rate, fee, toll, charge or combinations thereof, for a service user to have the right to make a physical connection between a service line and the Water System or Wastewater System. Connection Charges are imposed each time a connection is made to pay the cost associated with SVMD making, inspecting, or administering the physical connection. A connection charge is imposed in addition to usage fees or charges and System Access Fees.

23. **“Debt”** – the Bonds, future bonds or other debt obligations.

24. **“Effective Date”** – the effective date of this Assignment, January 4, 2016.

25. **“Notice of Disagreement”** – a written notice given by one Party to another Party if a dispute arises under this Assignment, explaining the dispute and at least one alternative for a solution.

26. **“Party”** and **“Parties”** – individually or collectively the signatories to this Assignment.

27. **“PMD”** – E-470 Potomac Metropolitan District, a metropolitan district organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide services, including water and wastewater services, whose jurisdictional boundaries are shown on **Exhibit A** attached hereto and incorporated herein.

28. **“Projected Buildout”** – projected demand for service from the Water System or Wastewater System expressed in SFEs, determined from the land use approvals and existing planning and use data in effect from the applicable municipal or county government.

29. **“Resolution Committee”** – the President of the Board of Directors of SVMD, CBCMD and the authorized representative of the Assignee involved in a Notice of Disagreement, or designees thereof, and a Colorado registered professional engineer jointly appointed by agreement of the other members of the Board of Directors of SVMD and the appropriate persons of Assignee, which engineer shall have knowledge of the subject matter of the dispute (i.e., if a water facility is the subject of the dispute, the engineer shall have some knowledge of water systems engineering).

30. **“Rules and Regulations”** – the Rules and Regulations of SVMD adopted, amended and enforced pursuant to §32-1-1001(1)(m), C.R.S.

31. **“Service Area”** – An area provided water or wastewater service through the Water System or Wastewater System. As of the effective date of the Assignment, the SVMD Service Area comprises the property within the boundaries of SVMD, the boundaries of Lincoln Park Metropolitan District, and the Compark Service Area.

32. **“Service Charges”** – reoccurring periodic charges for service provided through the Water System and Wastewater System. Service charges currently are set by SVMD 2015 Resolution dated August 19, 2015 and include water and wastewater monthly usage fees and a WISE Renewable Water Fee, as may be amended from time to time.

33. **“SFE”** – the equivalent water or sewer service demand associated with a single family residential unit, as from time to time set forth and revised in the Rules and Regulations. As of the Effective Date, for purposes of planning and considering water treatment plant capacity and wastewater treatment plant capacity, one SFE of Water Service corresponds to approximately 1,053 gallons per day of treated water and one SFE of wastewater service corresponds to approximately 242.4 gallons per day of wastewater treatment. The number of SFEs associated with any specific use will be determined based on a standard conversion table or Rules and Regulations adopted by SVMD and amended from time to time.

34. **“SVMD”** – Stonegate Village Metropolitan District, a metropolitan district organized and operated pursuant to the provisions of Article 1, Title 32, C.R.S., to provide services, including water and wastewater services, acting by and through its Water Utility Enterprise Fund and Sewer Utility Enterprise Fund, whose jurisdictional boundaries are shown on **Exhibit A**, attached hereto and incorporated herein.

35. **“SVMD Water and Wastewater Master Plan”** – a master plan of the Water System and the Wastewater System that is under development by SVMD at the time of the Effective Date and which is anticipated to be adopted by SVMD in 2016. The SVMD Water and

Wastewater Master Plan will include, but not be limited to, a renewable water capital plan to identify infrastructure and water rights necessary to provide renewable water supplies within the Service Area.

36. **“System Access Fee”** – a fee imposed by SVMD on an individual service user within the Assignee’s Service Area prior to connection to enable the service user to receive service from the Water System and Wastewater System. The System Access Fee as of the Effective Date is \$2,975.70 per SFE combined water and sewer tap. The System Access Fee shall be adjusted annually on September 1 of each year by the percentage increase or decrease in inflation as defined in Art. X, Sec. 20 of the Colorado Constitution, as determined by SVMD.

37. **“Termination Notice”** – written notice provided by SVMD to Assignee of SVMD's intent to terminate or suspend additional water and wastewater connections utilizing capacity in the Water System or Sewer System by Assignee, which shall contain at least:

- a. the specific cause for the proposed termination or suspension, including a demonstrated justification therefor;
- b. the duration of the proposed termination or suspension;
- c. at least one reasonable cure that Assignee may implement that would be acceptable to SVMD to avoid the termination or suspension, if possible. SVMD shall use best efforts to suggest a cure that will allow continued availability of service and new taps to Assignee at all times, and shall, if not prohibited by law, continue to make continued service and taps available without interruption up to the Assigned SFEs if the suggested cure is actually implemented, and assuming compliance with the Rules and Regulations by the individual customer;
- d. the method to be used by SVMD to continue service to taps within Assignee’s Service Area previously connected to the Water System or Wastewater System, assuming continued adherence to the SVMD Rules and Regulations by the owners of such taps;
- e. the name of a person who can provide more information; and
- f. the effective date for commencement of the termination or suspension.

38. **“Unused Assigned SFEs”** – any Assigned SFE’s not connected to and being served by the Water System and Wastewater System.

39. **“Wastewater Bonds”** – Wastewater Enterprise Revenue Bonds, Series 2014 issued by SVMD to improve and expand the Wastewater System.

40. **“Wastewater Service Capacity”** – the capacity of the Wastewater System, which may change from time to time, but which currently is estimated at 1,100,000 gallons per day (1.1 mgd).

41. **“Wastewater Service Ratio”** – the ratio of wastewater SFEs based on the Projected Buildout of the Compark Service Area to the SVMD Service Area, currently calculated as 23.5% (1,205 SFEs Compark Service Area; 5,130 SFEs SVMD Service Area).

42. **“Wastewater System”** – the SVMD wastewater treatment plant, as well as related wastewater collection, conveyance, measurement, and discharge facilities, lift stations, force mains, meters, pipelines, manholes and other related appurtenances.

43. **“Water Bonds”** – Water Enterprise Revenue Bonds, Series 2015 issued by SVMD to improve or expand the Water System.

44. **“Water Service Capacity”** – the capacity of the Water System, which may change from time to time, but currently is estimated at 5,760,000 gallons per day (5.76 mgd).

45. **“Water Service Ratio”** – the ratio of water SFEs based on the Projected Buildout of the Compark Service Area to the SVMD Service Area, currently calculated as 23.25% (1,237 SFEs Compark Service Area; 5,321 SFEs total SVMD Service Area).

46. **“Water System”** – the SVMD water treatment plant, as well as related water collection, storage, pipelines, conveyance and measurement facilities, meters, wells, and pump stations, storage and storage rights, ground and renewable water and water rights.

RECITALS

A. SVMD and CBCMD’s predecessor, E-470 Business Metropolitan District, entered into the 1997 Regional Facilities Agreement whereby SVMD allocated 1205 SFEs of capacity in its Wastewater System and Water System to CBCMD to serve portions of the Compark Service Area.

B. CBCMD and SVMD entered into the Amended and Restated Regional Water and Wastewater Service Agreement whereby CBCMD may assign a portion of CBCMD’s Excess Wastewater Service Capacity and CBCMD’s Excess Water Service Capacity.

C. CBCMD desires to assign certain rights, title, interests and obligations it may have under the Agreement, to Assignee, and Assignee desires to assume such rights, title, interests and obligations from CBCMD.

D. Specifically, CBCMD desires to transfer the Assigned SFEs in the SVMD Water and Wastewater System to Assignee and Assignee desires to assume the same.

E. Assignee agrees to construct the Assignee’s Constructed Facilities and pay the pro-rata share of the Capital Cost Share associated with the Assigned SFEs.

F. SVMD and Assignee desire to set forth the rights, obligations, and procedures for the assignment of the SFEs in the SVMD Water and Wastewater System from CBCMD’s Excess Wastewater Service Capacity and CBCMD’s Excess Water Service Capacity.

COVENANTS

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

ARTICLE I INCORPORATION

1.1 **Incorporation of Definitions and Recitals.** The definitions and recitals set forth above are incorporated into the terms of this Assignment.

1.2 **SVMD Rules and Regulations.** Assignee agrees to comply with SVMD's Rules and Regulations, as such is required by Section 1.2 of the Agreement.

ARTICLE II ASSIGNMENT AND TERM OF ASSIGNMENT

2.1 **Assignment; Assumption.** As of the Effective Date, CBCMD hereby transfers the Assigned SFEs to Assignee. As of the Effective Date, Assignee hereby accepts the Assigned SFEs and assumes and agrees to be bound by the terms of this Assignment and SVMD's Rules and Regulations related thereto.

2.1.1 **Restrictions on Assigned SFEs.** Assignee shall not sell, pledge, assign, encumber or alienate any Assigned SFEs for use outside of BSMD's boundaries without the prior consent of both SVMD and CBCMD.

2.2 **Unused Assigned SFEs.**

2.2.1 **Reverter of Unused Assigned SFEs.** Any Unused Assigned SFEs shall revert back to CBCMD pursuant to the terms of this Section 2.2. Upon the determination of the existence of any Unused Assigned SFEs, Assignee shall provide CBCMD notice of the number of Unused Assigned SFEs. Upon thirty (30) days of receipt of such notice, the unused SFEs shall revert back to CBCMD, unless either Assignee or CBCMD object to such reverter. If such objection exists, Assignee and CBCMD will resolve the dispute in accordance with Section 6.5 of this Assignment.

2.2.2 **Determination of Unused Assigned SFEs.** Unused Assigned SFEs shall be determined at the following time: (i) for residential property when the property is fully platted, and (ii) for commercial property when all the area within the property has been included in one or more site plans. Notwithstanding the above provision, if Assignee forfeits its Assigned SFEs under this Assignment pursuant to Section 5.8 or Section 6.4, any Unused Assigned SFEs shall be determined as of the date of dissolution or the date SVMD terminates service, respectively.

2.3 **Limited Party.** CBCMD is a limited party for the purpose of this Assignment. CBCMD agrees only to transfer the Assigned SFEs to Assignee and to accept any Unused

Assigned SFEs pursuant to Section 2.2, if applicable, and has no other responsibility or obligation under this Agreement to either Assignee or SVMD.

2.4 **Release.** The Parties agree that effective upon the transfer of the Assigned SFEs, CBCMD is released of any and all liability relating to Assignee's use of the Assigned SFEs and Assignee's compliance with SVMD's Rules and Regulations. In addition, CBCMD's Wastewater Service Ratio and Water Service Ratio are reduced as set forth in Section 3.1.4 hereof, and may be adjusted in the future as provided for in Section 3.1.4. Such release terminates either upon the connection of all the Assigned SFEs to the Water System and Wastewater System or upon any Unused Assigned SFEs reverting back to CBCMD pursuant to the terms of Section 2.2, at which time the rights and obligations of CBCMD and SVMD will be determined in accordance with the Agreement.

2.5 **Consent.** SVMD's execution of this Assignment shall constitute SVMD's consent to allow CBCMD to transfer the Assigned SFEs to Assignee.

2.6 **Term of Assignment.** This Assignment shall become effective upon execution and shall continue until all Assigned SFEs have been connected to and are being served by SVMD's Water System and Wastewater System or until all Unused Assigned SFEs revert back to CBCMD pursuant to the terms of Section 2.2.

ARTICLE III WATER AND WASTEWATER CAPACITY AND SERVICE

3.1 Service Capacity Allocations.

3.1.1 **Projected Service Needs.** Based on the Projected Buildout, SVMD is anticipated to provide wastewater service to 5130 SFEs and water service to 5321 SFEs. Of those totals, the Compark Service Area is projected to require 1205 SFEs of wastewater service and 1237 SFEs of water service, with 638 SFEs of wastewater service and 670 SFEs of water service projected to be served within the CBCMD and PMD boundaries, and Compark South requiring 567 SFEs of water and wastewater service. The area within Compark South is anticipated to be included within the district boundaries of BNMD, BSMD, and/or CHMD.

3.1.2 **Service Capacity.** The Water Service Capacity and Wastewater Service Capacity are currently limited primarily by the treatment capacity of the SVMD water treatment plant and wastewater treatment plant, though other portions of the Wastewater System and Water System may, from time to time, require upgrades, improvements, enlargements and other modifications to maintain or increase Water Service Capacity and Wastewater Service Capacity.

3.1.3 **Service Commitment.** Contingent on satisfaction of conditions and payments as provided in this Assignment, SVMD shall make available Wastewater System Capacity in the amount of the Assignee's Wastewater Service Ratio Proportion and Water System Capacity in the amount of the Assignee's Water Service Ratio Proportion, to provide wastewater and water service to Assignee's Service Area.

3.1.4 **Service Ratios.** CBCMD acknowledges that after the transfer of the Assigned SFEs to Assignee, the Wastewater Service Ratio and the Water Service Ratio for CBCMD will be adjusted to 19.51% and 19.41%, respectively, unless and until forfeiture and the Unused Assigned SFEs revert back to CBCMD pursuant to Section 2.2 of this Assignment, at which time the Wastewater Service Ratio and the Water Service Ratio for CBCMD shall be adjusted accordingly.

3.1.5 **Service Ratio Revisions.** The Wastewater Service Ratio and Water Service Ratio may be revised, resulting in a revision to the Assignee's Wastewater Service Ratio Proportion and Assignee's Water Service Ratio Proportion, in SVMD's reasonable discretion, without amendment of this Agreement in the event that the Projected Buildout or actual development changes. SVMD shall provide Assignee with written notice of and the opportunity to be heard prior to any changes to the Wastewater Service Ratio and Water Service Ratio.

3.2 **No Guarantee of Service, Limitations.**

3.2.1 **Service Capacity Uncertainties.** The Parties acknowledge that there is currently Water Service Capacity sufficient to serve the Projected Buildout of the SVMD Service Area, including all of the Compark Service Area, which includes Assignee's Service Area. Based on Projected Buildout, currently, there may not be sufficient Wastewater Service Capacity now existing to serve the Service Area. Historic development has generally been less than Projected Development, which may result in sufficient Wastewater Service Capacity to serve Compark South. Assignee also acknowledges that while the Compark Service Area Wastewater Service Ratio and Water Service Ratio are calculated from Projected Buildout expressed in terms of SFEs of wastewater or water service demand, until System Access Fees have been paid by Assignee and accepted by SVMD there is no guarantee that the Wastewater Service Capacity or Water Service Capacities can be converted to any specific number of SFEs. Further, Water Service Capacity or Wastewater Service Capacity may change based on the age of facilities, regulatory changes imposed by third parties, operational changes, facility upgrades, actual development and other factors. Therefore, there is no guarantee that SVMD will have at any point in time sufficient Wastewater Service Capacity or Water Service Capacity to provide service to the Compark Service Area, Compark South, or any other user with the SVMD Service Area when requested without system improvements or expansions as provided in the Agreement.

3.2.2 **Water Supply.** Water supply for the Water System is dependent upon natural resources and sources from which the quantity is variable and beyond the control of SVMD. Similarly, the provision of water and wastewater services is subject to various local, state and federal agencies. No liability shall attach to SVMD for any failure to accurately anticipate availability of the water supply, the availability of sewage treatment capacity, or the need to incur Capital Costs due to occurrences beyond the reasonable control of SVMD.

3.2.3 **Tap Curtailment.** If conditions develop such that it becomes apparent to SVMD that all areas outside SVMD's boundaries for which such services have been committed cannot be supplied adequately pursuant to this and similar agreements, SVMD reserves the right to discontinue the granting of additional taps; provided, however, SVMD shall be obligated to exercise this right of discontinuance uniformly outside and inside SVMD.

3.2.4 **Access to Service.** Access to wastewater and water service shall be on a first come first served basis, based on payment of all System Access Fees.

3.2.5 **Insufficient Capacity.** SVMD may deny connection to the Wastewater System or Water System if it determines, in its reasonable discretion, that Wastewater or Water Service Capacity are insufficient, until such time as additional Wastewater or Water Service Capacity is made available as provided in this Assignment.

3.2.6 **Shortages and Limitation on Service.** SVMD may, in order to comply with any applicable law, rule, directive, or order, and to enable it to provide adequate services to the SVMD Service Area, as well as other customers of SVMD in times of shortage or other practical or legal limitations on the ability of SVMD to provide the services contemplated under this Assignment, limit the delivery of water and sewer services, and/or restrict the use of water delivered under this Assignment. The extent to which limitation of services may be necessary to enable SVMD to provide adequately for all users of Water System and Wastewater System is a fact to be determined by SVMD as the occasion may require. The current determination by SVMD on this subject, which will not be changed without good reason, is as follows:

“The welfare of SVMD and its inhabitants requires stable water and sewer services not only for them but also that part of the adjacent area dependent on SVMD for the delivery of water and sewer services. While it is the purpose of SVMD to maintain systems and supplies adequate to meet the needs of all dependent upon SVMD for water and sewer services, there are many elements which make it uncertain whether such services can always be adequate for all, and therefore, in times of shortage or other practical or legal limitation, water use and use of SVMD's water and wastewater systems will be curtailed on the following basis, the first listed curtailment being adopted to meet the least serious situation and the succeeding curtailment being adopted in addition to prior listed curtailments, and the last curtailment to meet the gravest possible situation and one which every reasonable precaution must be taken to avoid, to-wit:

1. Restriction of uses (such as irrigation), which can be accomplished without serious injury to person or property and prohibition of non-essential uses.
2. Prohibition of irrigation except for commercial greenhouses.
3. Prohibition of every use except for domestic use and for essential commercial enterprises and industry.
4. Prohibition of all use except domestic uses.
5. In order to enable SVMD to provide an adequate supply of water to the people of SVMD without impairment of

essential deliveries of water under this and similar agreements, SVMD will impose any restrictions or prohibitions contemplated by Item 1. through 4., above, uniformly inside and outside SVMD.”

3.3 **Nature of Water Use.** All water furnished by SVMD is on a leasehold basis for users within the Assignee’s Service Area, which is within the Compark Service Area, for all the purposes for which SVMD has been decreed the right to appropriate water. Use of SVMD water does not include any right to make a succession of uses of such water. Upon completion of the primary use by a water user, all dominion over the water reverts completely to SVMD. All property rights to the water to be furnished by SVMD are reserved in SVMD. Nevertheless, there is no obligation on Assignee or on the water users within Assignee’s Service Area to create any particular volume of return flow from water delivered pursuant to this Assignment.

ARTICLE IV CONSTRUCTION AND COSTS OF SYSTEM FACILITIES, AND SERVICE

4.1 **Capital Cost Share.** To provide its proportional funding of Capital Costs associated with the Water System and Wastewater System, Assignee shall pay SVMD Assignee’s Capital Cost Share.

4.2 **Future Capital Costs.** Assignee is responsible for paying for future Capital Costs incurred by SVMD, including future payments on Debt or other financial obligations, in the amount of Assignee’s Capital Cost Share. Future Capital Costs shall be paid by Assignee by one or a combination of the following methods, at the discretion of SVMD:

4.2.1 **Capital Costs Paid without Rate Funding.** If SVMD funds Capital Costs without including the Assignee’s Capital Cost Share within its water and wastewater rates, fees, tolls, or charges applied within Assignee’s Service Area, Assignee shall pay the full amount of Assignee’s Capital Cost Share directly to SVMD. Subject to Section 5.4, Assignee shall pay its Capital Costs Share not less than thirty (30) days prior to SVMD incurring the obligation resulting in the Capital Cost, or if the Capital Cost is financed not less than thirty (30) days prior to the due date for SVMD to make its financing payment.

4.2.2 **Rate Refunding and True-Up Payment.** Assignee acknowledges that active service to SFEs may not be in proportion to projected SFEs at buildout, which is used to calculate the Wastewater Service or Water Service Ratios, and further calculate the Assignee’s Wastewater Service Ratio Proportion and the Assignee’s Water Service Ratio Proportion. Therefore, if SVMD includes a charge for Assignee’s Capital Cost Share within its water and wastewater rates, fees, tolls and charges applied within the Assignee’s Service Area, Assignee will also make a Capital Cost True-Up Payment to SVMD. The Capital Cost True-Up Payment shall be made not less than thirty (30) days prior to the due date for SVMD to make its Capital Cost payment, or annually by December 31, whichever occurs first.

4.3 **Capital Cost Share Funding.** Assignee shall have the discretion to fund its Capital Cost Share in any method determined by Assignee, including any legally available

revenue of the Assignee, within Assignee's Service Area. SVMD agrees to collect such fees, subject to an administrative fee reasonably designed to defray SVMD's actual collection and administrative costs related to said fees, to be deducted from the amounts remitted to Assignee.

4.4 **System Access Fee.** A System Access Fee shall be paid prior to connecting any service line to the Water System or Wastewater System. The System Access Fee shall be in lieu of a tap fee or system development charges and in recognition of Assignee's obligation to also pay Assignee's Capital Cost Share.

4.5 **No Offset.** No revenue received by SVMD from the assessment of service and/or Connection Charges for service within Assignee's Service Area or as allowed by the Rules and Regulations shall afford Assignee any right of offset, rebate or refund for or against any obligation created by this Assignment.

4.6 **Assignee's Constructed Facilities.**

4.6.1 **Responsibility.** At its sole cost and expense, Assignee shall be responsible for, or shall otherwise cause, the financing, design, development, construction and connection to the Wastewater System or Water System of all Assignee's Constructed Facilities that are necessary to extend service by the Wastewater System and Water System to serve customers within the Assignee's Service Area. Assignee may enter into agreements with other entities to fulfill its obligations regarding Assignee Constructed Facilities, but such delegation of responsibility shall not relieve Assignee of its obligations under this Article IV.

4.6.2 **Construction Obligations.** With respect to the construction of the Assignee's Constructed Facilities, Assignee agrees as follows:

4.6.2.1 To obtain approval of SVMD of all design and construction plans and specifications;

4.6.2.2 To design, construct, and inspect all Assignee's Constructed Facilities in accordance with the Rules and Regulations, approved plans and specifications, and standards of SVMD;

4.6.2.3 To the extent permitted by law, to hold harmless and indemnify SVMD for any and all losses or damages it may suffer or may be called upon to pay as a result of said construction;

4.6.2.4 To provide performance and payment bonds warranting the construction, installation, and operation of the Assignee's Constructed Facilities, and guaranteeing, at Assignee's sole cost and expense to make all needed and necessary repairs and replacements due to defective materials, design or workmanship, or failure to abide by approved design or construction plans, but not associated with ordinary and normal wear and tear. The performance and payment bonds will also hold SVMD harmless for payment to the contractor and any subcontractors, and guarantee one (1) year's maintenance on all Assignee's Constructed Facilities commencing on the date of transfer of the Assignee's Constructed Facilities to SVMD. If, within one (1) year from transfer the Assignee's Constructed Facilities appear to be defective or cease to operate as intended, then Assignee shall promptly replace the defective or improperly

operating portion or portions of such Assignee's Constructed Facilities at its cost and expense. If within ten (10) days after receipt of notice, Assignee has not undertaken repairs and/or replacement or if circumstances require immediate repairs, SVMD may, without further notice to Assignee, undertake the repairs and/or replacement at Assignee's expense;

4.6.2.5 To permit SVMD to observe and inspect any and all of the construction and notify Assignee's engineer of any improper construction;

4.6.2.6 To give SVMD reasonable notification (in any event not less than 24 hours including one business day) of the time proposed to make connections to the Water System or Wastewater System, and not connect the Assignee's Constructed Facilities to the Water System or Wastewater System until inspected and approved;

4.6.2.7 To acquire all necessary governmental approvals and contract for work and materials in accordance with Colorado and any other applicable laws, rules, regulations, and orders;

4.6.2.8 To make available to SVMD copies of any and all designs, plans, construction drawings, construction contracts, and related documents as SVMD may request from time to time;

4.6.2.9 To diligently and continuously prosecute to completion construction of the Assignee's Constructed Facilities in such manner as SVMD may reasonably determine to be in the best interests of both SVMD and Assignee; and

4.6.2.10 To reimburse SVMD for all engineering fees, inspection and approval fees, and other costs incurred by SVMD as a result of the construction of the Assignee's Constructed Facilities.

4.6.3 **Transfer of Facilities.** Within thirty (30) days after the date of completion of the construction of each phase of Assignee's Constructed Facilities, Assignee shall:

4.6.3.1 Deliver to SVMD a certificate from a registered professional engineer certifying that all Assignee's Constructed Facilities have been built for the phase and are operating in accordance with the plans and specifications approved by SVMD.

4.6.3.2 Execute and deliver to SVMD a good and sufficient bill of sale describing all of the components and personal property relating to such Assignee's Constructed Facilities, which bill of sale shall warrant that conveyance of the property described therein to SVMD is made free from any lien, claim, or demand.

4.6.3.3 Execute and deliver to SVMD a good and sufficient easement deed acceptable to SVMD conveying rights at least equal to rights it would enjoy in a dedicated street, including the right to ingress and egress necessary to operate and maintain the Assignee's Constructed Facilities.

4.6.3.4 Provide SVMD with surveyed, as-built drawings of the Assignee's Constructed Facilities, certified by a registered, professional engineer.

4.6.4 **Acceptance of Facilities.** In no event shall the SVMD be required to allow connection of the Assignee's Constructed Facilities to the Water System or Wastewater System or provide service to the Assignee's Constructed Facilities until such time as it, in its reasonable discretion, determines that the Assignee's Constructed Facilities have been properly completed and transferred to SVMD.

4.6.5 **Construction Claims.** Assignee agrees that it shall, to the extent practical and cost-effective as reasonably determined by Assignee, assert against any contractor involved in constructing any portion of the Assignee's Constructed Facilities which are contemplated by this Assignment, any claim that SVMD or Assignee may have against the contractor according to the terms of any construction contract and/or construction guarantee and/or warranty. SVMD specifically agrees that it will enforce such guarantees, promises, and warranties of a contractor whenever requested to do so by Assignee if (i) such request presents a plausible claim under the terms of the construction contract, construction guarantee, or warranty, and (ii) Assignee agrees in writing to individually bear any costs associated with such enforcement.

4.6.6 **Budget Report.** By October 15 of each year, Assignee shall provide to SVMD a report which shall include: (1) an itemized annual budget and schedule for construction of any Assignee's Constructed Facilities to be constructed in the upcoming year, (2) a summary description of development that occurred within Assignee's Service Area during the current year, and (3) a summary projection of development within Assignee's Service Area anticipated in the upcoming year. Any material change made to such budget by Assignee shall be provided to SVMD as soon as possible.

4.6.7 **Cost Recovery.** In the event Assignee is required by SVMD to oversize the Assignee's Constructed Facilities to allow SVMD to provide water or sewer service outside Assignee's Service Area, then the costs incurred by Assignee which are directly attributable to such over-sizing shall be reimbursed to Assignee prior to making any connections to the oversized Assignee's Constructed Facilities to provide service outside Assignee's Service Area. Provided, however, any cost recovery payments shall be paid only pursuant to a cost-recovery agreement to be entered into at the time of construction of the oversized Assignee's Constructed Facilities. Absent such a cost-recovery agreement, unless otherwise required by law, Assignee shall have no obligation to construct oversized Assignee's Constructed Facilities or receive reimbursement.

ARTICLE V OWNERSHIP AND OPERATION OF WATER AND WASTEWATER SYSTEM AND FACILITIES

5.1 **SVMD Ownership and Operation.** SVMD shall own the Water System and Wastewater System, and upon transfer to and acceptance by SVMD, the Assignee's Constructed Facilities, and shall be responsible for operating and maintaining the same.

5.2 **Service Obligation.** Contingent upon Assignee performing its obligations under this Assignment, SVMD shall incur Capital Costs as necessary to provide water and wastewater service to Assignee's Service Area. Except as specifically permitted by this Assignment, such service shall be of a quality and in quantity and pursuant to the same policies and standards as provided within the SVMD boundaries. SVMD shall maintain the Water System and Wastewater System with reasonable and normal care necessary to furnish the water and sewer service.

5.3 **Master Plan.** SVMD currently has under development the Water and Wastewater Master Plan. SVMD anticipates finalizing and adopting the Water and Wastewater Master Plan prior to 2017 and, upon adoption, shall provide a copy to Assignee. SVMD shall prepare and provide to Assignee the Annual Update no later than September 1 of each year, commencing in 2017. SVMD's manager and engineer shall meet with managers and engineers of Assignee semi-annually in the first quarter and third quarter of each year to review the Annual Update and Capital Costs assumptions. Assignee may submit comments on the Annual Update to SVMD by October 1 of the year of receipt, and shall consider the Annual Update in drafting its budget. SVMD shall consider Assignee's comments and make such modifications as it deems appropriate in its sole discretion, and report any modifications to the Annual Update to Assignee by November 15, to allow Assignee the opportunity to consider further adjustments to Assignee's budget. Additionally, with each Annual Update, SVMD shall provide Assignee with a list of Capital Costs anticipated to be incurred during the following year.

5.4 **Notice of Capital Costs.** Payment of Assignee's Capital Cost Share may require Assignee to issue bonds or obtain other financing that may need to meet certain statutory and constitutional requirements, including debt authorization elections. SVMD shall strive to give Assignee no less than 12 months' notice before incurring a Capital Cost that will require payment of Assignee's Capital Cost Share. Assignee recognizes that such notice may not be feasible. If such notice is not feasible, SVMD shall notify Assignee of the upcoming Capital Cost as soon as SVMD believes that the expenditure is likely to be made. In the event that Assignee cannot pay Assignee's Capital Cost Share when due, SVMD and Assignee will work together on interim funding solutions, or on Capital Cost revisions that recognize the funding limitations. To the extent SVMD and Assignee are not able to agree to solutions or modifications that allow Assignee to pay Assignee's Capital Cost Share when due, SVMD may incur the Capital Cost, and SVMD may impose a fee on all connected taps in Assignee's Service Area in an amount necessary to reasonably pay Assignee's Capital Cost Share. In that event, Assignee's Wastewater Service Ratio Proportion or Assignee's Water Service Ratio Proportion may be revised and Assignee's right to Wastewater or Water Service Capacity reduced until Assignee's Capital Cost Share has been paid; provided, however, that no connected tap shall be disconnected as a result.

5.5 **Wastewater Service Customers; Billing; Charges, Rate, Tolls and Other Fees.**

5.5.1 **SVMD Customers.** Properties provided water or wastewater service under this Assignment for which tap connections have been made shall become direct customers of SVMD. Billing for ongoing services will be performed by SVMD. SVMD shall have sole authority to read meters for the purpose of imposing and collecting Service Charges.

5.5.2 **Rates, Fees, Tolls, Penalties, and Charges.** SVMD may establish, revise, impose and collect Service Charges, Connection Charges, turn on fees, turn off fees, meter setting fees, penalties for damage to system components, bill collection fees, penalties, and similar rates, fees, tolls, and charges for individual customers receiving service from the Water System or Wastewater System. Such rates, fees, tolls and charges may be adopted and revised from time to time, and shall be applied uniformly among users similarly situated. With regard to any changes in fees, rates, tolls, penalties or charges, SVMD shall provide notice pursuant to Section 32-1-1001(2), C.R.S.

5.5.3 **Proportionality of Charges.** Rates, fees, tolls, penalties, and charges within Assignee's Service Area will be proportional to charges for similar uses within the SVMD boundaries; provided, however that SVMD may take into account differentials in the cost of providing services within Assignee's Service Area as compared to the cost of providing the same services within the SVMD boundaries, and as provided by Section 32-1-1006(1)(b), C.R.S. Where differential rates or charges are proposed for Assignee's Service Area, SVMD shall provide notice and an opportunity to be heard by Assignee prior to adoption of such rates or charges. SVMD may also take into account the fact that some portion of SVMD's cost of providing services within its own boundaries may be offset by ad valorem taxes. SVMD shall at all times have reasonable discretion to establish and apply criteria for determining, as to both without and within SVMD, appropriate fees, rates, tolls, penalties, and charges.

5.5.4 **Rate Studies.** To confirm that rates, tolls and charges for wastewater and water service, including any differential rates and charges established pursuant to Section 5.5.2, are reasonably related to SVMD's operation, maintenance, and Capital Costs, are uniform as applied to similarly situated users, SVMD shall annually review rates and periodically perform and update a rate study. Costs of such rate study shall be included in water and wastewater service fees and charges.

5.5.5 **Assignee Surcharges.** Upon adoption by Resolution of Assignee, if applicable, and at Assignee's request, SVMD shall impose and collect for Assignee's benefit reasonable surcharges for the purpose of supplementing Assignee's revenues for meeting covenants contained within, or payment of any general obligation bonds, or for the provision of capital reserves to fund Assignee's Constructed Facilities. SVMD may include a reasonable administrative fee for such collection service. Surcharges to fund Assignee's Constructed Facilities collected, less the additional administrative fee, shall be remitted to Assignee.

5.5.6 **Delinquent or Non Payment of Fees by Customers.** Properties provided water or wastewater service under this Agreement shall be subject to the powers of SVMD pursuant to Section 32-1-1006(1)(d), C.R.S., regarding delinquencies. Such customers shall also be subject to the lien power of SVMD pursuant to Section 32-1-1001(1)(j), C.R.S., and collection as provided by Section 32-1-1101(1)(e), C.R.S.

5.6 **Change of Method of Providing Service.** Notwithstanding the allocation of Wastewater Service Capacity and Water Service Capacity to Assignee and service by SVMD, nothing in this Assignment shall restrict SVMD from disposing of the Wastewater System or Water System, or changing its method by which it provides service to Assignee so long as SVMD continues to provide or arranges to provide Assignee with the services set forth in this

Assignment. If SVMD sells any of its Wastewater or Water System, SVMD shall still have the obligation to furnish substantially similar or better service to Assignee, but Assignee shall have no rights to the proceeds of the sale of such infrastructure; provided, however, that SVMD shall not sell a portion of the Wastewater System or Water System that necessitates additional funding from Assignee without SVMD's contribution of its proceeds from the sale of the Water System and/or the Wastewater System.

5.7 **Service Provided by Assignee.** Assignee will neither directly nor indirectly furnish, nor authorize the furnishing, of any water or sewer service within or without Assignee's Service Area through the Water System or Wastewater System. Nothing herein shall be construed as limiting Assignee's power to provide an independent source of water and sewer services not connected to the Water System or Wastewater System.

5.8 **Assignee Dissolution.** In the event Assignee seeks to dissolve pursuant to §32-1-701, *et. seq.*, C.R.S., if applicable, or pursuant to any other means, including, but not limited to bankruptcy, written notification of the filing or application for dissolution shall be provided to SVMD concurrently with any such filing, if applicable, or Assignee shall provide written notification to SVMD of its intention to dissolve as soon as possible. The plan for dissolution shall include provision for continuation of this Assignment, with a responsible entity acceptable to SVMD and CBCMD being substituted for Assignee as Party to this agreement. If no such provision is made for assumption of contractual obligation, then immediately upon dissolution of Assignee, this Assignment shall be null, void and of no further force or effect and any unused Assigned SFEs shall revert back to CBCMD pursuant to Section 2.2. Notwithstanding the foregoing, the dissolution of Assignee shall not affect the obligations of SVMD to continue to serve customers in Assignee's Service Area.

ARTICLE VI BREACH AND NON-BREACH

6.1 **Non-Termination.** Subject to SVMD's rights provided by law and its rules, regulations, policies, and procedures pertaining to violations or delinquent payments by individual service customers, the SVMD and Assignee agree that no breach of this Assignment shall justify or permit termination of the continuing obligations of this Assignment.

6.2 **Breach, Remedies.** In the event of breach of any provision of this Assignment, in addition to contractual remedies, either SVMD or Assignee may ask a court of competent jurisdiction for such legal and equitable remedies as may be available under the laws of Colorado, including entering a writ of mandamus to compel the Board of Directors of the defaulting Party to perform its duties under this Agreement, if applicable, and either Party may seek from a court of competent jurisdiction temporary and/or permanent restraining orders, or orders of specific performance, to compel the other to perform in accordance with the obligations set forth under this Assignment including, without limitation, its obligations with respect to issuing bonds or otherwise incurring indebtedness or obtaining financing in order to raise funds required for payments hereunder.

6.3 **Non-Breach, Non-Default.** In the event that the trustee, identified in any trust indenture, trust agreement or similar instrument providing for the use of a trustee to enforce and

defend the rights of the holders of general obligation bonds or other bonds of Assignee, if applicable, has the authority, in the event of default in the debt service payments for such bonds, to direct the utilization of Assignee's funds in a manner that causes Assignee's obligations under this Assignment not to be paid in a timely manner, then such failure by Assignee to pay such amounts as they come due shall not be a default or breach of this Assignment. During such time as such trustee undertakes the foregoing actions, the operations of this Assignment shall be temporarily suspended, but all amounts otherwise payable by Assignee hereunder shall be deemed to be critical capital projects that the trustee shall pay in accordance with the priorities provided in the trust agreement or similar document. The Assignment shall continue in full force and effect immediately after the trustee ceases to perform such actions following default in the payment of Assignee's bonds.

6.4 **Termination Notice, Opportunity for Cure.** Notwithstanding any other provision of this Assignment to the contrary and except as may be required by law, if a dispute arises which would authorize or permit SVMD to terminate or suspend service to Assignee including termination of the right held by Assignee for continuing service or the connection of additional water and sewer taps utilizing capacity in the Water System or Wastewater System that has been assigned to Assignee pursuant to the Agreement, then SVMD shall provide a Termination Notice to Assignee and CBCMD. If Assignee does not comply with the suggested cure provided in the Termination Notice or an alternative cure reasonably acceptable to SVMD, or if Assignee commences a cure that will reasonably require more than thirty (30) days to complete but fails to diligently prosecute the cure to completion, then SVMD shall, after thirty (30) days following Assignee's receipt of such Termination Notice or cessation of diligent prosecution, terminate or suspend service as provided in the Termination Notice and all Unused Assigned SFEs shall revert back to CBCMD pursuant to Section 2.2 of this Assignment. No default by Assignee shall result in termination of service to a customer within Assignee's Service Area connected to the Water System or Wastewater System.

6.5 **Dispute Resolution.** Except as provided in Section 6.4 (Termination Notice, Opportunity for Cure), if a dispute arises under this Assignment, the complaining Party shall provide a written Notice of the Disagreement to the other Parties. If direct negotiation between the Parties fails to resolve the dispute within thirty (30) days of receipt of the Notice of Disagreement, and one Party requests the organization of a Resolution Committee, then:

6.5.1 Forthwith, the Resolution Committee shall meet to review such information as may be presented to the Resolution Committee, make such independent investigations, and decide the dispute by majority vote of the Resolution Committee at a meeting following reasonable notice at which all are present;

6.5.2 In its review of the dispute, the Resolution Committee shall review the facts, the technical objections, and any other materials deemed appropriate by the Resolution Committee, and shall make a determination that shall resolve all of the issues concerning the dispute. The standards that the Resolution Committee shall use in the determination of any dispute shall include (1) whether the technical operation and maintenance characteristics of the Water System or Wastewater System or the Assignee's Constructed Facilities conform to this Assignment, (2) whether the Water System or Wastewater System or the Assignee's Constructed Facilities will overburden the Water or Wastewater Service Capacities or are likely to result in a

violation of any permit, water right, or law, (3) the reasonableness of the Party's position, and (4) the language of the Agreement and goals that the Parties sought to achieve in this Assignment;

6.5.3 The Resolution Committee shall, promptly upon making its decision, inform the Board of Directors or other authorized representative of the Parties in writing of such decision.

6.5.4 The decision of the Resolution Committee may be appealed to the Courts or, if the Resolution Committee fails to render a decision within thirty (30) days of its organization, then either Party may seek such other remedies as may be allowed by law. The Resolution Committee decision is not to be deemed a final, binding decision by arbitration.

ARTICLE VII MISCELLANEOUS

7.1 **Relationship of the Parties.** This Assignment does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the Parties.

7.2 **Liability of Parties.** No provision, covenant or agreement contained in this Assignment, nor any obligations herein imposed upon each Party, nor the breach thereof, nor the issuance and sale of any bonds by a Party, shall constitute or create an indebtedness of the other Party within the meaning of any Colorado constitutional provision or statutory limitation. No Party shall have any obligation whatsoever to repay any debt or liability of the other Party.

7.3 **Assignment.** Neither this Assignment, nor any Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment. A reversion pursuant to Section 2.2 is not deemed an assignment for purposes of this Section 7.3.

7.4 **Amendment and Modification.** This Assignment may not be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, except by an agreement in writing duly authorized and executed by all Parties. No consent of any non-Party shall be required for the negotiation and execution of any such agreement.

7.5 **Waiver.** No waiver or failure by any Party to insist upon the strict performance of any agreement, term, covenant or condition hereof, or failure to exercise of any right or remedy consequent upon any default, and no acceptance of full or partial performance during the continuance of any such default, shall constitute a waiver of any such default of such agreement, term, covenant or condition, or a waiver of any subsequent breach of the same or any other provision of this Assignment.

7.6 **Integration.** This Assignment contains the entire agreement between the Parties and no statement, promise or inducement made by either Party or the agent of either Party that is not contained in this Assignment shall be valid or binding.

7.7 **Severability.** Invalidation of any of the provisions of this Assignment or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Assignment.

7.8 **Survival of Obligations.** Unfulfilled obligations of any Assignee and SVMMD arising under this Assignment shall be deemed to survive the expiration or termination of this Assignment and the completion of the Water System or Wastewater System and the Assignee's Constructed Facilities which are the subject of this Assignment, and shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Further, any obligations of Assignee and CBCMD arising under Section 2.2 of this Assignment shall survive the expiration or termination of this Assignment. In order to provide notice to all property owners of the rights and obligations under this Assignment, the Parties agree that upon execution this Assignment shall be recorded against all property described in **Exhibit A.**

7.9 **Fair Dealing.** In all cases where the consent or approval of one Party is required before the any other may act, or where the agreement or cooperation of one or more Parties is separately or mutually required as a legal or practical matter, then in that event the Parties agree that each will act in a fair and reasonable manner with a view to carrying out the intents and goals of this Assignment as the same are set forth herein, subject to the terms hereof; provided, however, that nothing herein shall be construed as imposing on either Party any greater duty or obligation to the other than that which already exists as a matter of Colorado law, including but not limited to any fiduciary duty or other responsibility greater than that of reasonable Parties contracting at arms-length.

7.10 **Force Majeure.** Any Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, or strike; acts of God; acts of the Government; war or civil disorder; violence or the threat thereof; severe weather; commandeering of material, products, plants, or facilities by the federal, state, or local government except for the Party to be excused; national fuel shortage; when satisfactory evidence of such cause is presented to the other Parties, and provided further that such nonperformance is beyond the reasonable control of, and is not due to the fault or negligence of the Party not performing.

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

To SVMMD:

Stonegate Village Metropolitan District
c/o District Manager
10252 Stonegate Parkway
Parker, CO 80134

With a Copy To

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203-4358
Phone: 303-839-3800
Email: mdalton@spencerfane.com
Attn: Matthew R. Dalton

To CBCMD:

Compark Business Campus Metropolitan
District
c/o CliftonLarsonAllen
8390 East Crescent Parkway, Suite 500
Greenwood Village, CO 80111
Phone: 303-779-5710
Email: bob.blodgett@claconnect.com
Attn: Bob Blodgett

With a Copy To:

Spencer Fane LLP
1700 Lincoln Street, Suite 2000
Denver, CO 80203-4358
Phone: 303-839-3800
Email: rkron@spencerfane.com
Attn: Rick Kron

With a Copy To:

McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203-1254
Phone: 303-592-4380
Email: mmcgeady@specialdistrictlaw.com
Attn: MaryAnn M. McGeady

To Developer:

470 Compark LLC
290 Fillmore St., Suite #2
Denver, CO 80206
Phone: 303-881-6292
Email: michaelvickers@mvpcompark.com
Attn: Michael Vickers

To Assignee:

Belford South Metropolitan District
c/o CliftonLarsonAllen
8390 East Crescent Parkway, Suite 500
Greenwood Village, CO 80111
Phone: 303-779-5710
Email: bob.blodgett@claconnect.com
Attn: Bob Blodgett

With a Copy To:

McGeady Becher P.C.
450 E. 17th Avenue, Suite 400
Denver, CO 80203-1254
Phone: 303-592-4380
Email: mmcgeady@specialdistrictlaw.com
Attn: MaryAnn M. McGeady

7.12 **Applicable Law.** This Assignment shall be construed and interpreted in accordance with the laws of the State of Colorado.

7.13 **Governmental Immunity Applies.** Nothing contained in this Assignment shall serve as a waiver of the protections afforded the Parties pursuant to the Colorado Governmental Immunity Act.

7.14 **Annual Appropriations.** The obligations of certain Parties under this Assignment, to the extent they require expenditure of funds, are subject to the annual appropriations of such funds by their Boards of Directors, in their sole authority. Notwithstanding the foregoing, once such funds are appropriated, such obligations shall become binding for the year of appropriation and may be enforced for the year of appropriation at any time subsequent to such appropriation. Further, those Parties shall include within their proposed annual budget for consideration by each of their Board of Directors sufficient funds to fulfill all obligations under this Assignment.

7.15 **Venue.** Venue for any litigation brought under this Assignment shall be in Douglas County, Colorado District Court.

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

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

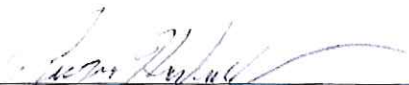
7.18 **Counterpart Execution.** This Assignment may be executed in one or more counterparts, each of which shall constitute an original, but all of which, when taken together shall constitute a single agreement.

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

**STONEGATE VILLAGE
METROPOLITAN DISTRICT**

By: 
President

Attest:


Secretary

**COMPARK BUSINESS CAMPUS
METROPOLITAN DISTRICT**

By: _____
President

Attest:

Secretary

**ASSIGNEE:
BELFORD SOUTH METROPOLITAN
DISTRICT**


By: _____
President

Attest:

Secretary

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

**STONEGATE VILLAGE
METROPOLITAN DISTRICT**

By: 
President

Attest:


Secretary

**COMPARK BUSINESS CAMPUS
METROPOLITAN DISTRICT**

By: _____
President

Attest:

Secretary

**ASSIGNEE:
BELFORD SOUTH METROPOLITAN
DISTRICT**

By: _____
President

Attest:

Secretary

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

**STONEGATE VILLAGE
METROPOLITAN DISTRICT**

By: _____
President

Attest:

Secretary

**COMPARK BUSINESS CAMPUS
METROPOLITAN DISTRICT**

By: Michael Vukob
President

Attest:

Secretary

**ASSIGNEE:
BELFORD SOUTH METROPOLITAN
DISTRICT**

By: Michael Vukob
President

Attest:

Secretary

EXHIBIT A

BSMD, CBCMD, PMD and SVMD Boundaries

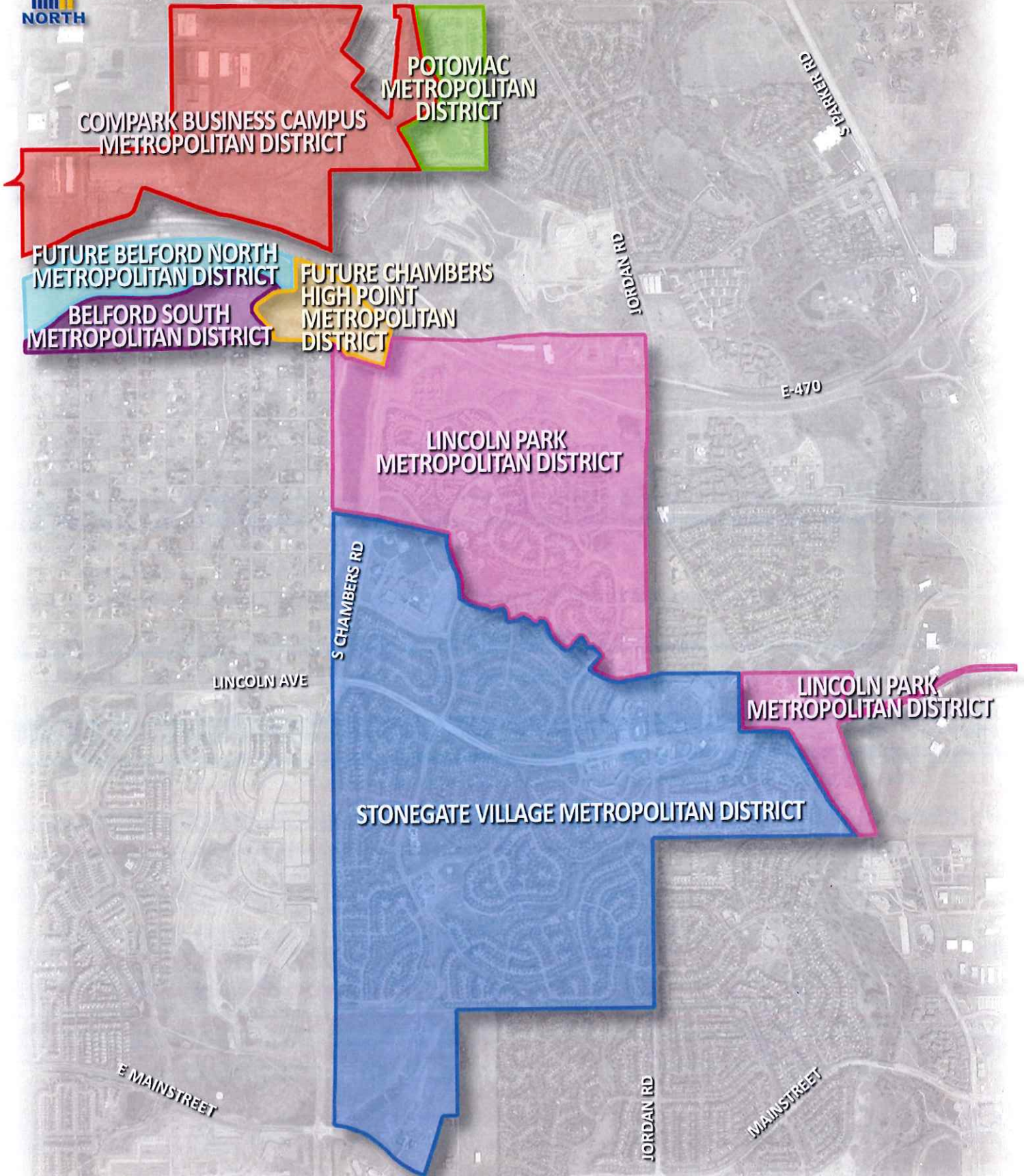




EXHIBIT B
Compark Service Area and Compark South

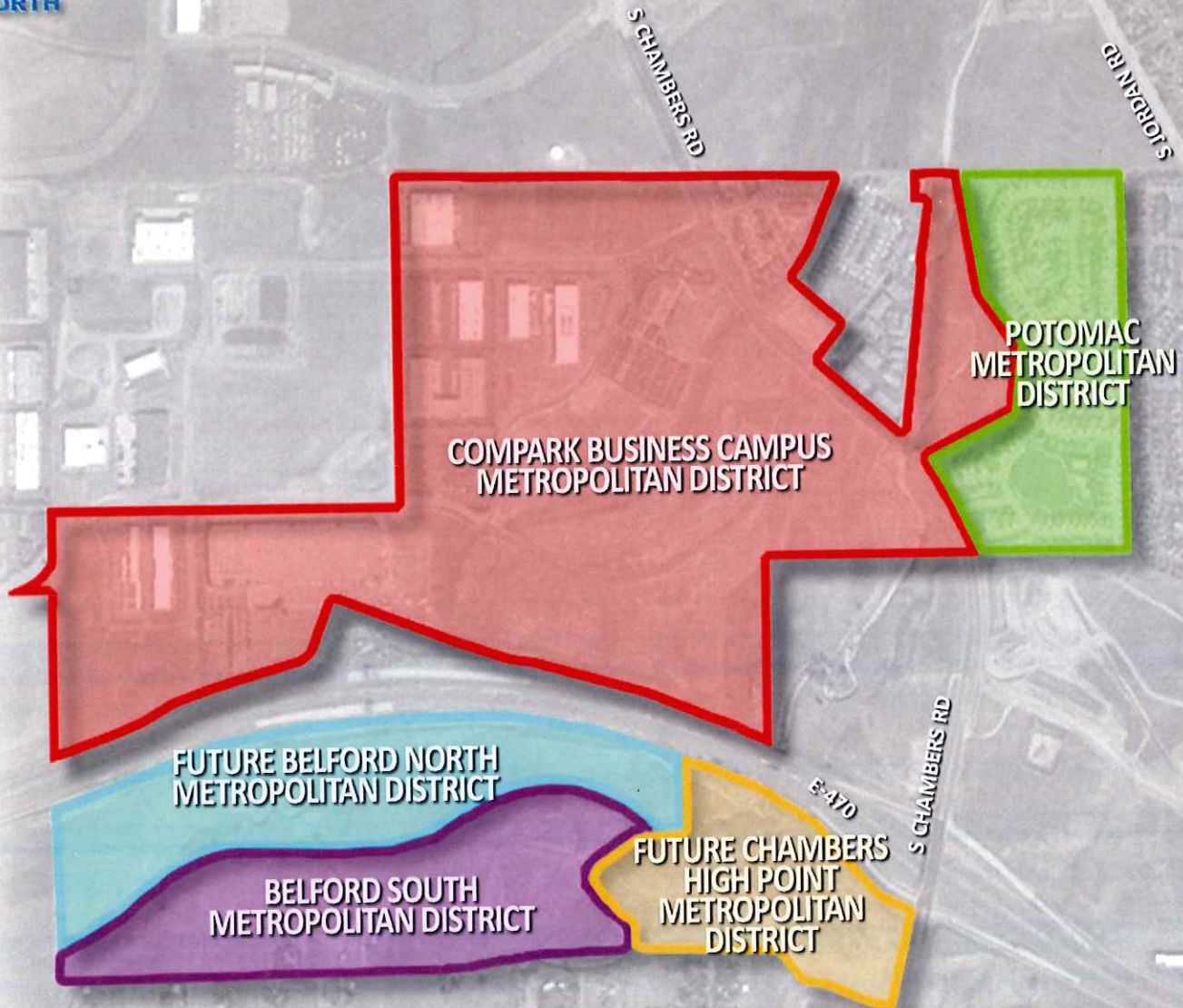


EXHIBIT C

CAPITAL COST TRUE-UP PAYMENT

	2014 Wastewater Revenue Bonds		2015 Water Revenue Bonds
Estimated System Capacity	5130		5321
Assigned SFEs (Belford)	192		204
Belford Portion of Capital Costs	3.74%		3.83%
<u>2016 Bond Costs</u>			
Principal	\$ 230,000.00		\$ 245,000.00
Interest	\$ 537,206.000		\$ 599,356.00
	\$ 767,206.00		\$ 844,356.00
	3.74%		3.83%
Belford Portion	\$ 28,714.14		\$ 32,371.48