

PARKER WATER AND SANITATION DISTRICT
REAL PROPERTY INCLUSION AGREEMENT

THIS AGREEMENT is made and entered into by and between PARKER WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, hereinafter referred to as "PWSD," and STONEGATE VILLAGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, hereinafter referred to as "Stonegate"; LINCOLN PARK METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, hereinafter referred to as "Lincoln Park"; COMPARK BUSINESS CAMPUS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, hereinafter referred to as "Compark", and E-470 POTOMAC METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, hereinafter referred to as "Potomac" (each party individually referred to herein as a "Party" and collectively referred to herein as the "Parties", Stonegate, Lincoln Park, Compark, and Potomac may be referred to as the "Including Districts").

WITNESSETH

A. WHEREAS, it is the statutory duty of PWSD to provide water and wastewater service to all property now in or hereafter included within PWSD that can reasonably and feasibly be served from the facilities and resources of PWSD as now constituted or as hereafter modified or expanded;

B. WHEREAS, PWSD, consistent with constitutional and statutory, as well as fiscal and physical, limitations is constantly undertaking the development, acquisition and expansion of water and water rights available for water service and the expansion and enhancement of facilities to provide additional capacity for sewage treatment in order to provide both water and wastewater service to properties now within PWSD, as well as properties that may subsequently be included within PWSD;

C. WHEREAS, Stonegate currently provides water and wastewater services to all property located within its boundaries, and via service agreements to all property located in the Including Districts as well as several parcels of land that were originally located within the Compark boundaries;

D. WHEREAS, after extensive discussions, the Parties agree that the interests of their constituents and customers are best served by the inclusion of the real property within their boundaries into PWSD (the "Proposed Inclusion");

E. WHEREAS, the Proposed Inclusion will facilitate the sustainable delivery of high quality water and wastewater service to customers of the Parties ;

F. WHEREAS, the Proposed Inclusion is intended to further benefit all customers of the Parties by: (1) providing economies of scale that could not be realized without the Proposed Inclusion; (2) consolidating administrative and capital resources and reducing the associated costs; (3) distributing operational and capital costs over a broader base of rate payers; and (4) minimizing environmental impacts by consolidating wastewater treatment plants and other related facilities;

G. WHEREAS, acting pursuant to C.R.S. § 32-1-401(2)(a)(II), PWSD has adopted a resolution for inclusion of the real property generally encompassed within the boundaries of the Including Districts, more specifically described in **Exhibit A** affixed hereto, which property is hereinafter referred to as the "Property";

H. WHEREAS, Stonegate owns certain water rights and capital facilities, which Stonegate shall transfer to PWSD in accordance with the terms and conditions of this Agreement and PWSD's Rules and Regulations;

I. WHEREAS, Compark owns certain water rights, which Compark shall transfer to PWSD in accordance with the terms and conditions of this Agreement and PWSD's Rules and Regulations;

J. WHEREAS, Stonegate owns a wastewater treatment plant, which Stonegate has agreed to allow PWSD to operate and maintain while PWSD expands its wastewater treatment capacity, and which shall then be decommissioned by Stonegate and PWSD as set forth in the WWTP License Agreement, defined below, and as required by Federal, State, and local statutes, ordinances, and regulations; and

K. WHEREAS, the Parties desire to proceed with the inclusion of the Property and therefore, PWSD shall seek the inclusion of the Property pursuant to the Colorado Special District Act, C.R.S. 32-1-101, *et seq.*, the terms and conditions of the PWSD's Rules and Regulations, and the terms and conditions of this Agreement, which require PWSD to prepare an order for filing with the Clerk of the District Court for Douglas County, and subsequent submission of the Proposed Inclusion to the eligible electors of the Property for approval.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and for the consideration hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

I. INCLUSION PROCESS

PWSD shall prepare the filings with the Douglas County District Court, the Douglas County Clerk and Recorder, and conduct the inclusion election pursuant to C.R.S. § 32-1-401. Stonegate shall pay all costs reasonably associated with the inclusion, including the notification and publication costs, and costs associated with conducting the election.

II. OWNERSHIP OF WATER AND WASTEWATER UTILITY FACILITIES

A. Water Rights. Immediately upon this Agreement becoming effective:

1. Stonegate shall irrevocably convey to PWSD by special warranty deed, free and clear of all liens and encumbrances, all water and water rights owned by Stonegate, which water and water rights are identified in **Exhibit B**. Such conveyance shall include the execution of such "Colo. Consent" Forms GSW-1, either concurrently with this Agreement or thereafter at the request of PWSD, as are desirable or necessary to conform to policies and requirements of the State Engineer.

2. Compark shall convey to PWSD by special warranty deed, free and clear of all liens and encumbrances, all water and water rights owned by Compark that are within the Property. Such conveyance shall include the execution of such "Colo. Consent" Forms GSW-1, either concurrently with this Agreement or thereafter at the request of PWSD, as are desirable or necessary to conform to policies and requirements of the State Engineer.

3. The Including Districts intend to convey all of their water rights within the Property to PWSD. In the event it is found, subsequent to the delivery of the deeds mentioned above in Subsections 1 and 2, that any such water rights were not conveyed, those water rights shall be promptly conveyed to PWSD by special warranty deed, free and clear of liens and encumbrances.

4. The Including Districts shall dismiss with prejudice, or withdraw, any statements of opposition to any PWSD water case or proceeding, if any, whether said case or proceeding is pending before the Colorado Water Court, any appellate court, or any administrative body or agency.

5. The Including Districts shall be deemed to have granted permission to PWSD to include the Property into PWSD's adjudicated well field and to incorporate Including Districts' plans for augmentation into PWSD's plans for augmentation.

6. The Including Districts shall convey to PWSD by special warranty deed ownership of all well sites, including those described in **Exhibit C**, free and clear of all liens. Stonegate shall provide PWSD an inventory of all well sites owned by Stonegate no later than August 31, 2011, which shall be included in Exhibit C. The special warranty deed shall contain a legal description and an attached plat map for each well site, which shall be prepared by a licensed surveyor at Stonegate's expense.

B. Stonegate Facilities. Stonegate shall irrevocably convey to PWSD, free and clear of all liens, ownership of the Stonegate water and wastewater facilities described in the attached **Exhibit D** via a special warranty deed for all real property and via a bill of sale for all personal property in substantial conformance with the documents attached hereto as **Exhibit E**. Stonegate shall retain ownership of its wastewater treatment plant, including the land, effluent storage pond and pump station, Stonegate's interest in the ECCV North/South water line, its irrigation facilities, and its storage rights in Chatfield Reservoir, all of which are more specifically described in the attached **Exhibit F**. PWSD shall install a meter at the inlet of the effluent storage pond for the purpose of metering water deliveries from either the raw water or potable water system, or both, to the effluent storage pond. Stonegate shall install all meters necessary to measure water deliveries from PWSD to the Stonegate irrigation systems currently serving areas not watered by the effluent irrigation system.

C. Water and Wastewater Easements. Stonegate shall irrevocably convey to PWSD all water and wastewater easements as set forth in **Exhibit G**, by special warranty deed free and clear of all liens.

III. STONEGATE WASTEWATER TREATMENT PLANT AND PWSD EXPANSION

A. Stonegate WWTP License. Stonegate shall grant a license pursuant to the terms of the license agreement attached hereto as **Exhibit H** (“WWTP License Agreement”) to PWSD for the purpose of operations, maintenance and use of its wastewater treatment plant and surrounding real property (“Stonegate WWTP”).

B. Diversion Facilities. At its own cost, immediately after the inclusion of the Property, PWSD shall commence designing facilities to divert wastewater flows from the Property to PWSD's North Plant wastewater treatment plant facility.

C. Interim Operation and Maintenance. Until PWSD completes the design and construction of the diversion facilities (currently anticipated to include a force main and lift station), PWSD shall operate the Stonegate WWTP to serve the Property. Influent from the Property unable to be treated at the Stonegate WWTP shall continue to be treated at the Arapahoe County Water & Wastewater (“ACWWA”) facility under the terms of the current agreements between Stonegate and ACWWA, Inverness Water & Sanitation District (“Inverness”) and Cottonwood Water & Sanitation District (“Cottonwood”), which agreements shall be assigned to PWSD by Stonegate. The Parties acknowledge that the foregoing agreements are terminable by ACWWA, Inverness, and/or Cottonwood. Stonegate and PWSD shall mutually agree to the location of the lift station, if needed, and such location shall benefit PWSD in a manner that is reasonable for the conveyance of wastewater and shall benefit Stonegate in a manner which recognizes the highest and best use of the WWTP site for any future development.

PWSD shall construct the diversion facilities within eighteen (18) months of the effective date of the inclusion (as set forth in Section X(O) of this Agreement). Discharges to ACWWA will cease no later than forty-five (45) days following completion of the diversion facilities, unless ACWWA consents to an extension of this time period.

D. PWSD Wastewater Treatment Plant Expansion. It is anticipated that wastewater treatment demands will require PWSD to increase its wastewater treatment capacity in the future. At such time as PWSD has expanded its wastewater treatment capacity to an appropriate level, all wastewater from the Property shall be diverted to PWSD's wastewater treatment facilities. The WWTP License Agreement shall terminate forty-five (45) days after the PWSD treatment plant expansion is completed and operational. PWSD agrees to diligently pursue approval and construction of the expansion, in accordance with PWSD's evaluation of its needs for such an expansion. Upon termination of the WWTP License Agreement, the terms of the Stonegate WWTP license shall govern the rights and responsibilities of the Parties.

E. Discharge Permit. Stonegate shall assign its discharge permit to PWSD. PWSD shall be responsible for compliance with the discharge permit.

IV. SYSTEM MAINTENANCE COST CONTRIBUTIONS

PWSD shall operate, maintain and repair the Stonegate WWTP and all water and wastewater facilities transferred to PWSD by Stonegate pursuant to Section II(B) at PWSD's sole cost; except that Stonegate shall contribute to the costs of maintenance and repair of all well pumps and motors, lift station pumps, Stonegate WWTP pumps and motors, Stonegate WTP/Booster Pump Station pumps and motors and all waterline leaks or breaks as set forth in an amount that shall decrease on a

monthly basis, pursuant to the schedule attached hereto as **Exhibit I**. Stonegate's contribution obligation shall be deemed to accrue on the date PWSD discovers the need for maintenance or repair work, not the date the work is contracted, performed, or completed. The amount of five hundred thousand dollars (\$500,000.00) shall be deposited by Stonegate into an escrow or restricted access account mutually agreed upon the Parties, which may be drawn upon by PWSD for maintenance and repair costs permitted by this Section. PWSD shall provide quarterly accounting of any funds withdrawn, with the first report due April 15, 2012. Ninety (90) days after expiration of the two-year contribution period, any funds, including interest, not withdrawn by PWSD shall be returned to Stonegate.

V. RUETER-HESS RESERVOIR STORAGE EASEMENT CREDIT

A. Stonegate purchased a storage easement for 1,200 acre feet of water storage capacity in Rueter-Hess Reservoir and additional discharge capacity as provided in the "Rueter-Hess Reservoir Storage Easement Deed" recorded August 28, 2008 at reception number 2008060222, records of Douglas County, for the consideration of Six Million Six Hundred Forty Four Thousand Three Hundred Forty Nine Dollars (\$6,644,349) (the "Storage Easement"). Upon the effective date, Stonegate shall convey the Storage Easement to PWSD by special warranty deed free and clear of all liens.

B. In consideration for the conveyance of the Storage Rights, Stonegate shall be entitled to delivery by PWSD of up to six thousand two hundred forty-two (6,242) acre feet of physical "wet" water over a number of years at a rate mutually agreed upon between Stonegate and PWSD (but not less than three hundred (300) acre feet per year) to be used by Stonegate for irrigating its parks and recreation facilities or for delivery to Lincoln Park and Compark under such terms as Stonegate and Lincoln Park and Compark shall agree. The water shall be nonpotable, but suitable for irrigation unless Stonegate requests otherwise, and PWSD can reasonably deliver potable water. If potable water is delivered, a charge of the then-current PWSD price less \$2.86 per 1000 gallons (the \$2.86 per 1000 gallons being the value agreed upon by the Parties for deliveries of nonpotable water in determining that 6,242 acre feet of water constitutes fair consideration for Stonegate conveying the Storage Easement to PWSD) shall be paid to PWSD.

C. PWSD shall use reasonable, good faith efforts to deliver water at the times and/or dates requested by Stonegate. Deliveries shall be made at the request of Stonegate; provided that the maximum annual quantity of water PWSD shall be obligated to deliver to Stonegate under this Section shall be the amount agreed upon pursuant to Section V.B., above; and provided further that amounts greater than the amount agreed upon pursuant to Section V.B. may be delivered upon mutual agreement of the Parties. Deliveries shall be made to Stonegate's irrigation pond; provided that Compark, Lincoln Park, and Stonegate have irrigation systems connected at certain locations to the potable water system, and they may request delivery at those locations subject to payment to PWSD of PWSD's then-applicable tiered rate for water delivered to those locations (provided that Stonegate shall be entitled to the \$2.86 per 1,000 gallons credit set forth in this Section V for potable water deliveries).

D. PWSD shall maintain an accounting of the quantity of water delivered to Stonegate pursuant to this Section, which shall be made available to Stonegate upon request. Certain landscaped areas located within Stonegate, Lincoln Park and Compark are currently irrigated with

potable water. Those areas served by potable water shall be subject to charges for the delivery of irrigation water in amount equal to the difference between the then current price, less \$2.86 per 1000 gallons. In no event, shall the sum of raw water and potable water delivered for irrigation purposes exceed 300 acre-ft per year in accordance with the above-described pricing unless otherwise agreed by the Parties. All irrigation water delivered above 300 acre-ft per year shall be subject to PWSD's then current water rate schedule for raw and potable irrigation water deliveries.

VI. USER FEES AND CHARGES AND WATER RESOURCE FEE CREDIT

A. Subject to Rules and Regulations. The Property shall be subject to the Rules and Regulations of PWSD as they may from time to time be amended, including allocation of tap and/or service rules that may in the future be adopted or thereafter amended. In the event of an inconsistency between the terms and conditions of this Inclusion Agreement and the Rules and Regulations, the provisions of the Inclusion Agreement shall control. The availability of wastewater treatment and water capacity for new service connections shall be at all times at the sole discretion of PWSD based on such appropriate information as the Board of Directors deems necessary.

B. Rates, Fees, Tolls, and Charges. The Property shall be subject to all rates, fees, tolls, charges, and other costs associated with the services provided by PWSD on equal terms with all other property within PWSD, including service fees, wastewater and water tap fees, and water development fees.

C. Water Resource Fee Credit. Notwithstanding the foregoing paragraph, in exchange for the water rights conveyed to PWSD by Stonegate, no water resource fee (currently set at \$5,000 per single family equivalent water tap (“SFE”)) shall be charged to new development until the total number of water taps serviced for the Property exceeds four thousand seven hundred sixty two (4,762) SFEs (currently, there are 4073 SFE taps being serviced for the Property, the existing 4073 SFE may be revised upward or downward based upon an audit by Stonegate of the number and size of taps actually serviced to be completed no later than March 31, 2012, and such audit shall be subject to review and approval by PWSD).

The Water Resource Fee Credit shall be allocated as follows:

	Stonegate	Lincoln Park	Compark	Potomac
Total	2,343	1457	738	239
Remaining	0	503	260	0

The Water Resource Fee Credit, for unconnected water taps, may be transferred between any two or more of the foregoing Including Districts upon written notice to PWSD from time to time. In no event shall any transfer among the Including Districts increase the total amount of SFEs available for the Water Resource Fee Credit.

Additionally, Compark's Water Resource Fee Credit shall be increased pursuant to the PWSD Rules and Regulation for the water rights it convey to PWSD pursuant to Paragraph II.A.2. The Parties acknowledge that the PWSD Rules and Regulations do not provide Water Resource Fee Credit for not non-tributary water and, as such, to the extent the water conveyed pursuant to Paragraph II.A.2 is not non-tributary water, no credit shall be given.

VII. TAXATION

A. Taxation. Upon inclusion, all property taxes levied by the Including Districts shall remain in effect for use by and in the sole discretion of their respective Boards of Directors.

B. PWSD Taxation. Upon inclusion, the Property shall become subject to property taxes levied by PWSD on the same basis as all property within the boundaries PWSD.

C. Fee in Lieu of Taxes. Because of statutory limitations on the timing of the Proposed Inclusion for tax year 2011, for the 2011 taxes due in 2012, PWSD will not collect taxes from the Property. Instead, the Including Districts shall pay PWSD a fee in lieu of such taxes generally equivalent to the amount that would have been payable to PWSD in 2012 if PWSD taxes were applicable to the Property for the tax year 2011. The amount payable to PWSD from each of the Including Districts shall be calculated as follows:

1. Within thirty (30) days of the effective date of the inclusion, each Including District shall calculate the taxes that would be owed for the territory or each property within its respective district had PWSD taxes been applicable to the territory or properties during the tax year 2011, which amount shall be reviewed by PWSD ("Fee In Lieu"). Each Including District may elect to pay PWSD a lump sum payment to PWSD of the Fee In Lieu no later than January 15, 2012 or to bill its customers for the Fee In Lieu. Unless such amounts are paid in a lump sum by the appropriate Including District, Stonegate shall bill the properties within the Compark Debt Service District (i.e., the condominiums and vacant land no longer in the Compark boundaries).
2. In the event that an Including District elects to bill its customers/landowners, Stonegate shall use its billing system to bill these properties for the amount so calculated, and shall remit all amounts collected to PWSD with an itemization of the amounts owed and paid for each property quarterly during 2012. In the event that specific customers do not pay the Fee In Lieu amounts to Stonegate, the Including Districts hereby assign all collection rights to PWSD for any unpaid amounts, and PWSD may pursue collection by any legal means available to it, including without limitation, shutting off service to the delinquent properties.

VIII. WATER INFRASTRUCTURE AND SUPPLY EFFICIENCY "WISE" PROJECT PARTICIPATION

PWSD and Stonegate are considering participation and commitments to South Metro Water Supply Authority's, Denver Water's and the Aurora Water's WISE project. These commitments include, but may not be limited to, take or pay water delivery contracts, subscription fees, design fees, capital costs, management fees, and legal and administrative fees. The Parties agree that costs that occur as a result of commitments to the WISE project that are due and payable prior to the

effective date shall be the responsibility of the Party obligated to pay such cost. However, following the effective date, PWSD shall be responsible for paying all costs associated with Stonegate's commitment to WISE. Stonegate shall not commit to any obligations under WISE without the written consent of the PWSD manager.

IX. TERMINATION OF SERVICE AGREEMENTS

The Including Districts agree that the water and wastewater service agreements (1) between Stonegate and Lincoln Park; (2) between Stonegate and Compark shall be terminated on the effective date of this agreement pursuant to separate termination agreements; and (3) for water and wastewater services only, between Potomac and Compark pursuant to a separate contract amendment.

X. INDEMNIFICATION

To the fullest extent permitted by law, each Including District shall indemnify and hold PWSD harmless from any claim, damage or obligation based on, arising from or otherwise related to the existing debt of the Including District, including by way of example and not by way of limitation, obligations to claims by any bondholders; provided further, that except as expressly provided herein, to the fullest extent permitted by law, each Including District shall indemnify and hold PWSD harmless from any claim, damage or obligation based on, arising from or otherwise related to any existing agreements to which the Including District is a party.

XI. WITHDRAWAL OF BALLOT QUESTION RIGHT

If, prior September 30, 2011, PWSD receives a written request from Stonegate to withdraw the ballot question placed on the November 1, 2011 ballot regarding the inclusion of the Property (the "Ballot Question"), then, pursuant to C.R.S. § 1-5-208(2), PWSD shall act to withdraw the Ballot Question. Further, PWSD shall have the right to withdraw the Ballot Question at its sole discretion pursuant to C.R.S. § 1-5-208(2).

XII. MISCELLANEOUS

A. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Douglas County, Colorado.

B. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by either Party shall not constitute a waiver of any of the other terms or obligation of this Agreement.

C. Integration. This Agreement and any attached exhibits constitute the entire Agreement between Parties, superseding all prior oral or written communications.

D. Third Parties. There are no intended third-party beneficiaries to this Agreement.

E. Notice. Any notices required or permitted to be delivered hereunder shall be in writing and shall be deemed to be delivered when personally delivered to the parties hereto at the

addresses hereafter stated or when deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the Parties hereto stated:

Parker Water and Sanitation District
19801 E. Mainstreet
Parker, Colorado 80138

Stonegate Village Metropolitan District
c/o Mulhern MRE, Inc.
2 Inverness Drive East, Suite 200
Englewood, CO 80112

Lincoln Park Metropolitan District
c/o Clifton Gunderson, LLC.
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111
Compark Business Campus Metropolitan District
c/o Clifton Gunderson, LLC.
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111
E-470- Potomac Metropolitan District
c/o Clifton Gunderson, LLC.
8390 E. Crescent Parkway, Suite 500
Greenwood Village, CO 80111

All notices shall also include a copy to:

Hayes, Phillips, Hoffmann & Carberry, PC
1530 Sixteenth Street, Second Floor
Denver, Colorado 80202

Grimshaw & Harring
1700 Lincoln Street, Suite 3800
Denver, Colorado 80203

F. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

G. Modification. This Agreement may only be modified upon written agreement of the Parties.

H. Successors and Assigns. It is mutually agreed that all the covenants and agreements contained herein shall extend to and be binding upon the successors, and assigns of the respective parties.

I. Governmental Immunity. The Parties, their officers, and employees, are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations (presently one hundred fifty thousand dollars (\$150,000) per person and six hundred thousand dollars (\$600,000) per occurrence) or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the Parties and their officers or employees.

J. Rights and Remedies. The rights and remedies under this Agreement are in addition to any other rights and remedies provided by law. The expiration of this Agreement shall in no way limit the Parties' legal or equitable remedies, or the period in which such remedies may be asserted.

K. Subject to Annual Appropriations. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligations of the Parties not performed during the current fiscal year are subject to annual appropriation, and thus any obligations of the Parties hereunder shall extend only to monies currently appropriated and shall not constitute a mandatory charge, requirement or liability beyond the current fiscal year.

L. Further Assurances. Upon a Party's request, the other Parties shall execute, acknowledge, and deliver such further assurances as are reasonably required for the purpose of evidencing, perfecting, or confirming the obligations set forth in this Agreement and transaction intended thereby. Upon a Party's request and direction, the other Parties shall execute and deliver, or cause to be executed and delivered, and where appropriate shall cause to be recorded or filed and thereafter to be re-recorded or refiled, such documents as a Party reasonably considers necessary or desirable to effectuate and complete the terms of this transaction.

M. Overlap Authorization. By execution of this Agreement, pursuant to Section 32-1-107, C.R.S., the Including Districts consent to the provision of water and sanitary sewer service within the Property by PWSD.

N. Limitation of Service. By execution of this Agreement, the Including Districts agree not to provide potable water and sanitary sewer service to wholesale or retail customers. Such limitation shall not limit the Including Districts from borrowing for and constructing water and sanitary sewer infrastructure for dedication to PWSD or from operating, maintaining and constructing a effluent irrigation system or other irrigation systems, ponds, fountains, drainage, or other landscaping design water features.

O. Condition Precedent and Effective Date. Other than Section I of this Agreement which shall become effective upon the last date executed by the Parties, this Agreement shall become effective only upon inclusion of the Property in the area of PWSD and upon recording of the Court Order of Inclusion. The Effective Date of this Agreement shall be the later of (i) January 1, 2012 or (ii) the date of the recording of the Court Order of Inclusion in the real property records of the Douglas County Clerk and Recorder.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first set forth above.

PARKER WATER & SANITATION DISTRICT

By _____
President
Date: _____

ATTEST:

By _____
Secretary

STONEGATE VILLAGE METROPOLITAN DISTRICT

By _____
President
Date: _____

ATTEST:

By _____
Secretary

LINCOLN PARK METROPOLITAN DISTRICT

By _____
President
Date: _____

ATTEST:

By _____
Secretary

COMPARK BUSINESS CAMPUS

METROPOLITAN DISTRICT

By _____

President

Date: _____

ATTEST:

By _____

Secretary

E-470 POTOMAC METROPOLITAN DISTRICT

By _____

President

Date: _____

ATTEST:

By _____

Secretary

EXHIBIT INDEX

Exhibit A – Legal description of the property to be included (includes Stonegate, Lincoln, Compark, and Dove Ridge)

Exhibit B – Stonegate water rights descriptions

Exhibit C - Well sites legal descriptions

Exhibit D – Real water and wastewater facilities to be conveyed

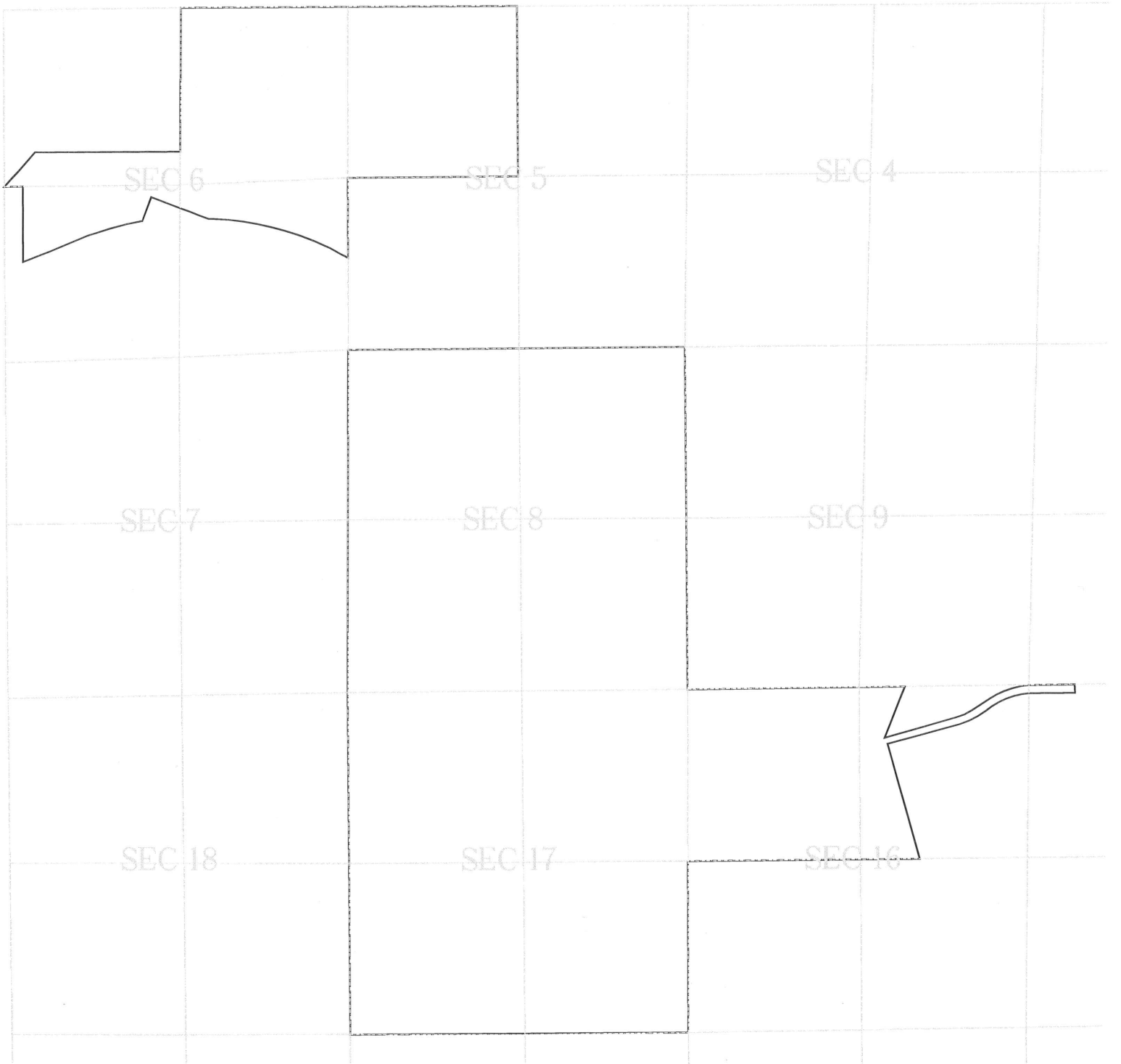
Exhibit E– Sample bill of sale

Exhibit F– Descriptions of effluent storage pond and pump station, the ECCV North/South water line, its irrigation facilities, and its storage rights in Chatfield Reservoir,

Exhibit G – Water and wastewater easements

Exhibit H - Stonegate WWTP License

Exhibit I – Warranty schedule



Stonegate Service Area Legal Description

Portions of land located within all or parts of sections 8, 15, 16, and 17, Township 6 South, Range 66 West of the Sixth principal meridian, County of Douglas, State of Colorado, and more particularly described as follows:

Beginning at the Southwest corner of Section 17;
thence East along the South line of Section 17 to the Southeast corner of Section 17, also being the Southwest corner of Section 16;
thence North along the East line of said Section 17, to the East Quarter corner of Section 17, also being the West Quarter corner of Section 16;
thence East along the South line of the North half of Section 16 to a point that is approximately 3,631 feet East of the West Quarter corner of Section 16;
thence North and West along a line to a point on the South Right-of-Way line of East Lincoln Avenue, being approximately 882 feet South of the North line and 3,130 feet East of the West line of Section 16;
thence East along the South Right-of-Way line of East Lincoln Avenue to a point that is approximately 724 feet East of the West line of Section 15;
thence North approximately 132 feet to a point on the North Right-of-Way line of East Lincoln Avenue also being a point on the the North line of Section 15 that is approximately 716 feet East of the Northwest corner of Section 15;
thence West along the North line of Section 15 to the Northwest corner of Section 15;
thence West along the North Right-of-Way line of East Lincoln Avenue to a point that is approximately 2,247 feet West of the East line and 789 feet South of the North line of Section 16;
thence North and East along a line to a point on the North line of section 16, being approximately 1,940 feet West of the Northeast corner of Section 16;
thence West along the North line of Section 16 to the Northwest corner of Section 16, also being the Northeast corner of Section 17 and the Southeast corner of Section 8;
thence North along the East line of Section 8 to the Northeast corner of Section 8;
thence West along the North line of Section 8 to the Northwest corner of Section 8;
thence South along the West line of Section 8 to the Southwest corner of Section 8, also being the Northwest corner of Section 17;
thence South along the West line of Section 17 to the Southwest corner of Section 17, also being the point of beginning and containing approximately 1,502.2 acres more or less.

AND

Portions of land located within all or parts of sections 5 and 6, Township 6 South, Range 66 West of the Sixth principal meridian, County of Douglas, State of Colorado, and more particularly described as follows:

Commencing at the Southeast corner of section 6, also being the Northwest corner of Section 8;
thence North along the East line of Section 6 approximately 1,427 feet to a point on the North Right-of-Way line of Colorado E-470, being the point of beginning;
thence North along the East line of Section 6 approximately 1,239 feet to the East Quarter corner of Section 6, also being the West Quarter corner of Section 5;
thence East along the South line of the North half of Section 5 to the Southeast corner of the Northwest Quarter of Section 5;
thence North along the East line of the Northwest Quarter of Section 5 to the Northeast corner of the Northwest Quarter of Section 5;
thence West along the North line of Section 5 to the Northwest corner of Section 5, also being the Northeast corner of Section 6;
thence West along the North line of Section 6 to the North Quarter corner of Section 6;
thence South along the West line of the Northeast Quarter of Section 6 approximately 2,233 feet to a point on the West line of the Northeast Quarter of Section 6;
thence West to a point that is approximately 475 feet East of the West line and 2,234 feet South of the North line of Section 6;
thence South and West approximately 715 feet to the West Quarter corner of Section 6;

thence East along the South line of the North Half of Section 6 approximately 282 feet to a point on the South line of the North Half of Section 6;
thence South to a point on the North Right-of-Way line of E-470 that is approximately 1,554 feet North of the South line and 277 feet East of the West line of Section 6;
thence North and East along the North line of E-470 to a point approximately 2,136 feet North of the South line and 2,151 feet East of the West line of Section 6;
thence North and East to a point approximately 2,497 feet North of the South line and 2,294 feet East of the West line of Section 6;
thence South and East to a point on the North Right-of-Way line of E-470 approximately 2,125 feet North of the South line and 2,172 feet West of the East line of Section 6;
thence East and South along the North Right-of-Way line of E-470 to the Point of Beginning and containing approximately 437 acres more or less.

EXHIBIT C

To be completed upon receipt inventory of all well sites from Stonegate

EXHIBIT D

The property described in Paragraph B of the Special Warranty attached hereto, more commonly known as the Stonegate Village Water Treatment Plant.

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SPECIAL WARRANTY DEED

DC9766368

(Water and Sewer Plant Sites)

Lincoln Park Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is c/o R.S. Wells Corporation, 6040 Greenwood Plaza Blvd., Suite 120, Greenwood Village, CO 80111-4801 County of Arapahoe, State of Colorado, ("Grantor") for the consideration of Ten Dollars and other good and valuable consideration as identified on that SECOND AMENDED AND RESTATED REGIONAL FACILITIES CONSTRUCTION AGREEMENT dated November 21, 1996, in hand paid, hereby sells and conveys to Stonegate Village Metropolitan District, a quasi-municipal corporation and political subdivision of the State of Colorado, whose legal address is c/o R.S. Wells Corporation, 6040 Greenwood Plaza Blvd., Suite 120, Greenwood Village, CO 80111-4801 County of Arapahoe, State of Colorado, ("Grantee") the following real property in the County of Douglas, State of Colorado, to wit:

A. That parcel of land (the "Parcel") recorded in Book 518 at Page 893 of the records of the Douglas County Clerk and Recorder, said Parcel being located in the Northeast quarter of Section 8, Township 6 South, Range 66 West of the Sixth Principal Meridian, County of Douglas, State of Colorado, together with the Sewage Treatment Plant Facility located thereon and all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all of the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or in equity, of, in and to the aforebargained premises, hereditaments and appurtenances, but reserving unto Grantor that Access Easement more particularly described on Exhibit A, attached hereto and incorporated herein by this reference;

B. Tract A, Stonegate Filing No. 2 County of Douglas, State of Colorado, together with that adjacent parcel described on Exhibit B, attached hereto and incorporated herein by this reference, the Water Treatment Plant Facility located thereon and all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all of the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or in equity, of, in and to the aforebargained premises, hereditaments and appurtenances, but reserving unto Grantor that Tract A Easement Reservation more particularly described on Exhibit C and D, attached hereto and incorporated herein by this reference;

In each case to have and to hold the said premises above bargained and described with the appurtenances, unto the Grantee, its successors and assigns forever. The Grantor, for itself, its successors and assigns does covenant and agree that it shall and will warrant and forever defend the above bargained premises in the quiet and peaceful possession of the Grantee, its successors and assigns against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor, its successors and assigns.

Signed and delivered this 20 day of August, 1997.

LINCOLN PARK METROPOLITAN DISTRICT

By: John B. Kempfle
President

STATE OF COLORADO)
) ss.
County of Arapahoe)

The foregoing instrument was acknowledged before me this 20 day of August, 1997,

by John B. Kemper as President of Lincoln Park Metropolitan District.

My commission expires March 25, 1999. Witness my hand and official seal.

Elizabeth A. Blain
Notary Public

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Exhibit A
Access Easement

This Access Easement is a part of that Special Warranty Deed (the "Deed") entered into by and between the Lincoln Park Metropolitan District and the Stonegate Metropolitan District pursuant to the SECOND AMENDED AND RESTATED REGIONAL FACILITIES CONSTRUCTION AGREEMENT dated November 21, 1996. References herein to any Exhibits shall be construed as references to Exhibits to the Deed. Unless otherwise indicated in this Exhibit B, capitalized terms shall have the same meaning as in the Deed.

The bargain and sale of the Parcel described in the Deed is made reserving unto Grantor an Access Easement over and across the north fifty (50) feet of the Parcel for the purpose of providing access for vehicular and pedestrian traffic by the public over and across the Access Easement, such access connecting Jordan Road to that property lying to the west of the Parcel. Grantor shall have the right to construct, reconstruct, operate, use, maintain, repair, replace and/or remove street improvements and appurtenances thereto (the "Improvements") in, to, through, over, under and across the Access Easement pursuant to the following terms and conditions:

1. The Grantor, its agents, successors and permitted assigns, including the Grantee, shall have and exercise the right of ingress and egress in, to, through, over, under and across the Access Easement for any purpose necessary for the construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements.

2. The Grantee shall not construct or place any structure or building, street light, power pole, yard light, mail box or sign, whether temporary or permanent, or plant any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature on any part of the Access Easement. Any structure or building, street light, power pole, yard light, mail box or sign, whether temporary or permanent, or shrub, tree, woody plant, nursery stock, garden or other landscaping design feature of any kind situated on the Access Easement as of the date of this Access Easement or subsequently placed thereon may be removed by the Grantor without liability for damages arising therefrom; Provided, however, that the Parties acknowledge and agree that there is presently located within the Access Easement an overflow pond that is an integral part of the operation of the Sewage Treatment Plant Facility located on the Parcel, and that prior to any use of the Access Easement by Grantor which shall conflict with the overflow pond, the Grantor shall provide Grantee with plans and specifications for the relocation of the overflow pond, or such other modification of the Sewage Treatment Plant Facility to compensate for the removal of the overflow pond, which plans and specifications shall be subject to approval by the Grantee in the exercise of its sole discretion. If the proposed relocation or modification is approved by the Grantee, the same shall be accomplished by the Grantor at Grantor's sole cost and expense and to the Grantee's satisfaction, as a condition to the exercise by Grantor of the Access Easement rights reserved hereunder.

3. Upon completion of the initial construction, the Grantor, to the extent practicable, shall restore the Access Easement and so much of the Parcel as may have been damaged or altered in any way, including the surface of the ground and all landscaping, to the condition it was in immediately prior to the initiation of construction, except as necessarily modified to accommodate the Improvements.

4. The Grantor shall have the right to enter upon the Access Easement and to survey, construct, reconstruct, operate, use, maintain, repair, replace, and remove the Improvements, and to remove objects interfering therewith, including but not limited to the trimming of trees and bushes. In addition, the Grantor shall have the right, subject to the Grantee's approval, to use so much of the adjoining premises of the Grantee during surveying, construction, reconstruction, use, maintenance, repair, replacement and/or removal of the Improvements as may be reasonably required.

5. It is expressly acknowledged and agreed that the Grantor shall have the right and authority to assign to Douglas County, Westerra Stonegate, LLC, or the Grantee, but no other, all rights to use, and all obligations associated with, the Access Easement as are reserved to the Grantor herein. In addition, the Grantor shall have the right and authority to grant temporary construction easements or license agreements for purposes of construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the

Improvements consistent herewith. Any assignment in violation of this Access Easement shall be null, void, and of no effect.

6. The Grantee, but not the Grantor, shall have the right to grant further easement interests in the Access Easement to other grantees so long as such interests and uses are not inconsistent with the use of the Access Easement by the Grantor, its successors and permitted assigns as described herein.

7. The Grantor agrees that the reservations contained herein are subject to the use of the Access Easement by the Grantor or its permitted assigns, and that at such time and in the event that the Access Easement described herein be abandoned by the Grantor or its permitted assigns, such Access Easement shall terminate and be of no further force or effect.

8. The Grantor hereby agrees to construct, reconstruct, operate, use, maintain, repair, replace and/or remove, as appropriate, any portion of the Improvements installed on the Access Easement by the Grantor in a manner consistent with its ordinary operation and maintenance program.

9. To the extent permitted under law, the Grantor, its successors and assigns shall hold the Grantee harmless from any and all loss, claims or damages arising from the use of the Access Easement by the Grantor, its successors and permitted assigns, the general public or any other party using the Access Easement.

10. Each and every one of the benefits and burdens of this Access Easement shall insure to and be binding upon the respective legal representatives, heirs, administrators, successors and permitted assigns of the Grantor and the Grantee.

11. The rights and responsibilities set forth in this Access Easement are intended to be covenants on the Premises and are to run with the land until this Access Easement is abandoned or terminated pursuant to the terms set forth herein.

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Exhibit B
Adjacent Parcel

UNOFFICIAL COPY

■ SURVEYING ■ PLANNING ■ ENGINEERING ■
2727 W. 8TH AVE. DENVER, COLORADO 80204 (303) 436-9233
FAX (303) 436-9235

9766368 - 11/19/97 10:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1485 - P1159 - \$50.00 - D.F. \$0.00 - 6/ 10

LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 6 SOUTH, RANGE 66 WEST, OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 17, WHENCE THE EAST LINE OF THE NORTHEAST QUARTER BEARS $S1^{\circ}42'36''E$; THENCE $S59^{\circ}50'10''W$, 731.68 FEET TO THE POINT OF BEGINNING BEING THE MOST NORTHERLY CORNER OF TRACT A, STONEGATE FILING NO. 2; THENCE $N25^{\circ}34'25''E$, 75.00 FEET; THENCE $S64^{\circ}25'35''E$, 305.90 FEET TO THE BOUNDARY OF SAID TRACT A; THENCE ALONG SAID BOUNDARY $S87^{\circ}14'31''W$, 158.04 FEET; THENCE ALONG SAID BOUNDARY $N64^{\circ}25'35''W$, 166.79 FEET TO THE POINT OF BEGINNING CONTAINING 17725 SQUARE FEET OR 0.4069 ACRES MORE OR LESS.

UNOFFICIAL COPY

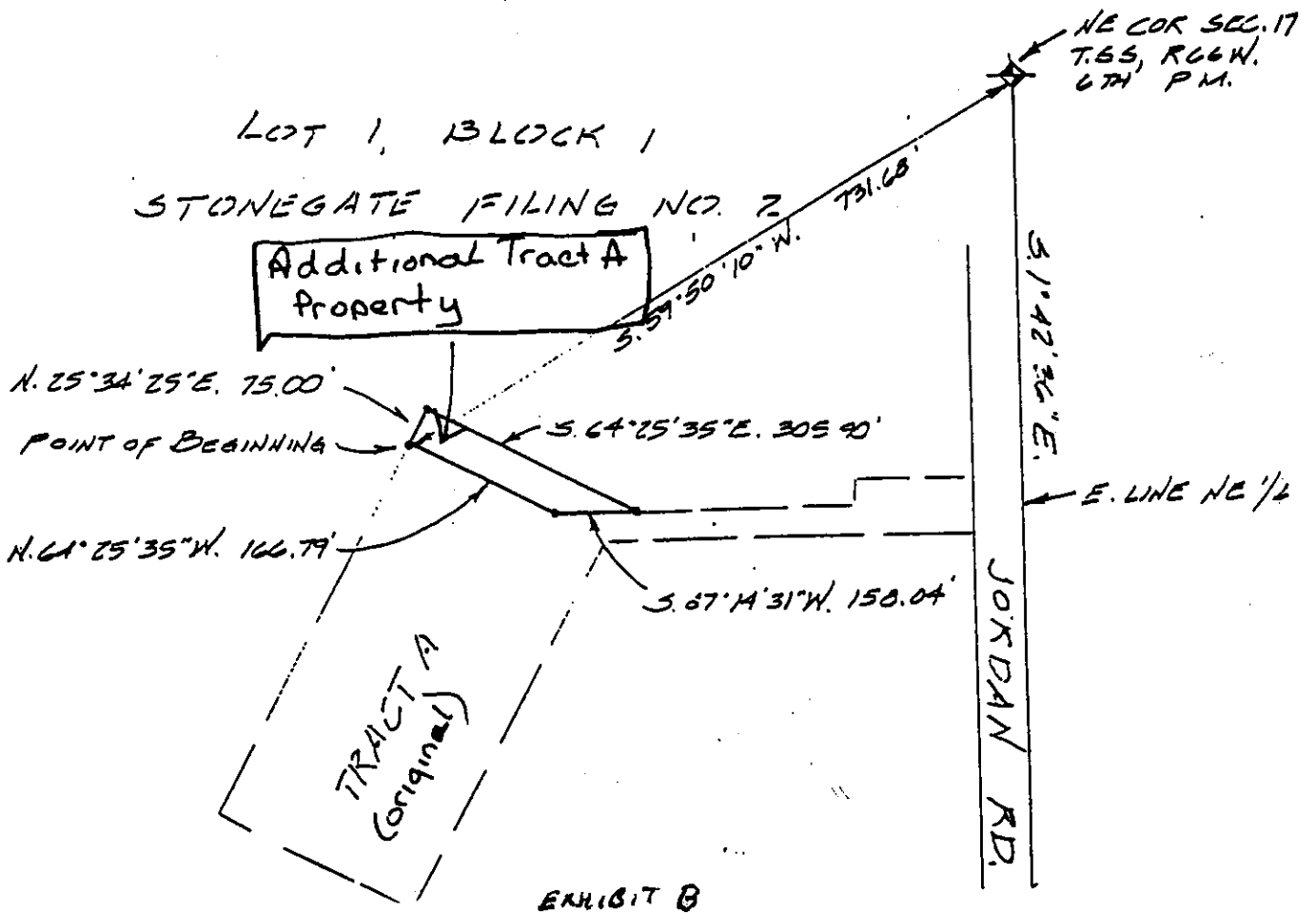


Exhibit C
Tract A Easement Reservation

This Tract A Easement Reservation is a part of that Special Warranty Deed (the "Deed") entered into by and between the Lincoln Park Metropolitan District and the Stonegate Metropolitan District pursuant to the SECOND AMENDED AND RESTATED REGIONAL FACILITIES CONSTRUCTION AGREEMENT dated November 21, 1996. References herein to any Exhibits shall be construed as references to Exhibits to the Deed. Unless otherwise indicated in this Exhibit C, capitalized terms shall have the same meaning as in the Deed.

The bargain and sale of Tract A, Stonegate Filing No. 2, as described in the Deed is made reserving unto Grantor an easement over and across that portion of Tract A as is shown on Exhibit D (the "Easement") for the purpose of providing access for vehicular and pedestrian traffic by the public over and across the Easement, such access connecting Jordan Road to that property lying to the north and south of the Easement. Grantor shall have the right to construct, reconstruct, operate, use, maintain, repair, replace and/or remove street improvements and appurtenances thereto (the "Improvements") in, to, through, over, under and across the Easement pursuant to the following terms and conditions:

1. The Grantor, its agents, successors and permitted assigns, including the Grantee, shall have and exercise the right of ingress and egress in, to, through, over, under and across the Easement for any purpose necessary for the construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements.

2. The Grantee shall not construct or place any structure or building, street light, power pole, yard light, mail box or sign, whether temporary or permanent, or plant any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature on any part of the Easement. Any structure or building, street light, power pole, yard light, mail box or sign, whether temporary or permanent, or shrub, tree, woody plant, nursery stock, garden or other landscaping design feature of any kind situated on the Easement as of the date of this Easement or subsequently placed thereon may be removed by the Grantor without liability for damages arising therefrom.

3. Upon completion of the initial construction, the Grantor, to the extent practicable, shall restore the Easement and so much of Grantee's adjoining property as may have been damaged or altered in any way, including the surface of the ground and all landscaping, to the condition it was in immediately prior to the initiation of construction, except as necessarily modified to accommodate the Improvements.

4. The Grantor shall have the right to enter upon the Easement and to survey, construct, reconstruct, operate, use, maintain, repair, replace, and remove the Improvements, and to remove objects interfering therewith, including but not limited to the trimming of trees and bushes. In addition, the Grantor shall have the right, subject to the Grantee's approval, to use so much of the adjoining premises of the Grantee during surveying, construction, reconstruction, use, maintenance, repair, replacement and/or removal of the Improvements as may be reasonably required.

5. It is expressly acknowledged and agreed that the Grantor shall have the right and authority to assign to Douglas County, Westerra Stonegate, LLC, or the Grantee, but no other, all rights to use, and all obligations associated with, the Easement as are reserved to the Grantor herein. In addition, the Grantor shall have the right and authority to grant temporary construction easements or license agreements for purposes of construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements consistent herewith. Any assignment in violation of this Easement shall be null, void, and of no effect.

6. The Grantee, but not the Grantor, shall have the right to grant further easement interests in the Easement to other grantees so long as such interests and uses are not inconsistent with the use of the Easement by the Grantor, its successors and permitted assigns as described herein.

7. The Grantor agrees that the reservations contained herein are subject to the use of the Easement by the Grantor or its permitted assigns, and that at such time and in the event that the Easement described herein be abandoned by the Grantor or its permitted assigns, such Easement shall terminate and be of no further force or effect.

8. The Grantor hereby agrees to construct, reconstruct, operate, use, maintain, repair, replace and/or remove, as appropriate, any portion of the Improvements installed on the Easement by the Grantor in a manner consistent with its ordinary operation and maintenance program.

9. To the extent permitted under law, the Grantor, its successors and assigns shall hold the Grantee harmless from any and all loss, claims or damages arising from the use of the Easement by the Grantor, its successors and permitted assigns, the general public or any other party using the Easement.

10. Each and every one of the benefits and burdens of this Easement shall insure to and be binding upon the respective legal representatives, heirs, administrators, successors and permitted assigns of the Grantor and the Grantee.

11. The rights and responsibilities set forth in this Easement are intended to be covenants on the Premises and are to run with the land until this Easement is abandoned or terminated pursuant to the terms set forth herein.

UNOFFICIAL COPY

Exhibit D
Tract A Easement Reservation Description

UNOFFICIAL COPY

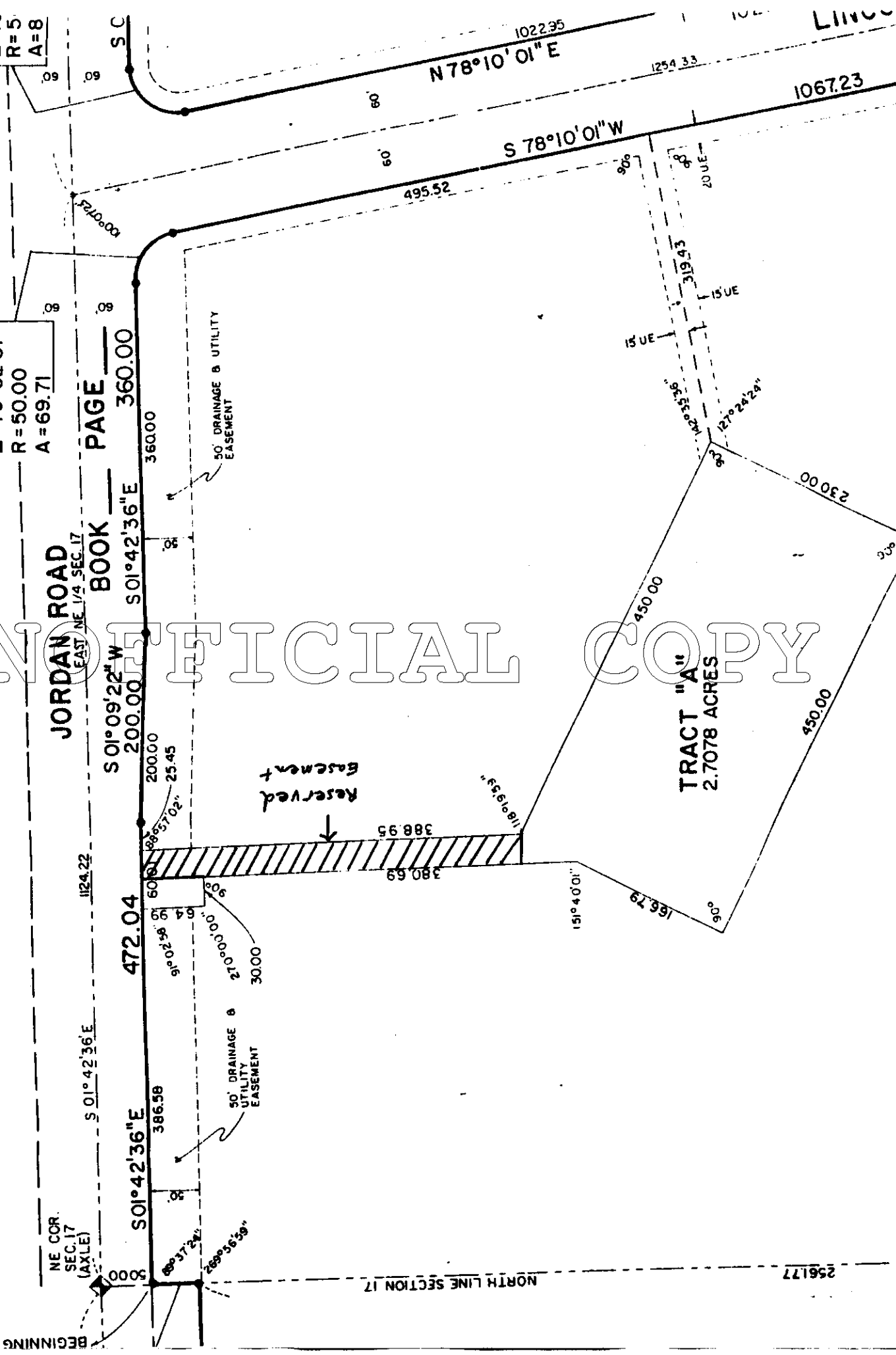
COUNTY OF DOUGLAS, STATE OF COLORADO

SHEET 3 OF 3

9766368 - 11/19/97 10:28 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
\$50.00 - D.F. \$0.00 - 10/ 10
B1485 - P1163 -

$\Delta = 79^{\circ}52'37''$
 $R = 50.00$
 $A = 69.71$

$\Delta = 1C$
 $R = 5$
 $A = 8$



JORDAN ROAD
EAST NE 1/4 SEC. 17

BOOK PAGE

TRACT "A"
2.7078 ACRES

UNOFFICIAL COPY

NORTH LINE SECTION 17

EXHIBIT D

BILL OF SALE

THIS BILL OF SALE ("Bill of Sale") is made this ____ day of November, 2011 by STONEGATE VILLAGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, hereinafter referred to as "Stonegate" in favor of the PARKER WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, hereinafter referred to as "PWSD".

WHEREAS, this Bill of Sale is being executed and delivered pursuant to the Inclusion Agreement between, inter alia, PWSD and Stonegate (the "Agreement") with respect to the inclusion of real property formerly serviced by Stonegate.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Stonegate does hereby absolutely and unconditionally give, grant, bargain, sell, transfer, set over, assign, convey, release, confirm and deliver to PWSD all property listed in the attached **Exhibit A**.

This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of Colorado.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the day and year first written above.

STONEGATE VILLAGE METROPOLITAN DISTRICT

By _____
President

ATTEST:

By _____
Secretary

STATE OF COLORADO)
) SS.
COUNTY OF)

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by _____, President of the Stonegate Village Metropolitan District, and attested to by _____, Secretary of the Stonegate Village Metropolitan District.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

All potable and raw water infrastructure owned by Stonegate, including, but not limited to, water mains, water pipelines, laterals, valves, pumps, etc.

All wastewater infrastructure owned by Stonegate, including, but not limited to, trunk lines, laterals, pumps, valves, etc.

EXHIBIT F
**Descriptions of Effluent Storage Pond and Pump Station, ECCV North/South Pipeline, the
Irrigation Facilities, and Storage Rights in Chatfield**

Effluent Storage Pond and Pump Station

Tract I,
Stonegate Filing 16,
County of Douglas,
State of Colorado

ECCV North/South Pipeline

The contractual right to capacity in the ECCV North/South Pipeline as evidenced by and described in:

- A. Agreement of Members of the South Metro Water Supply Authority Regarding the East Cherry Creek Valley Pipeline Enlargement with an effective date of May 18, 2005; and
- B. ECCV-SMWSA Barr Lake Pipeline Enlargement Agreement dated March 25, 2005 between East Cherry Creek Valley Water & Sanitation District and South Metro Water Supply Authority.

Irrigation Facilities

All effluent irrigation facilities, including, but not limited to, pump stations, valves, controllers, mains, filters, etc.

Storage Rights in Chatfield

The contractual right to capacity in the reallocation of storage space in the Chatfield Reservoir as evidenced by and described in:

- C. Letter of Commitment Related to The Reallocation of Storage Space in Chatfield Reservoir dated March 23, 2005 between the Colorado Water Conservation Board and South Metro Water Supply Authority; and
- D. South Metro Water Supply Authority Participation Agreement Regarding Reallocation of Chatfield Storage dated July 1, 2007 between various members of the South Metro Water Supply Authority.

Notary Public

Exhibit A

(to Special Warranty Deed between Stonegate Village Metropolitan District and Parker Water and Sanitation District)

Note: the following documents are recorded in the real property records of Douglas County Colorado at the corresponding Reception Numbers listed:

1. Stonegate East Filing No. 1, Reception No. 198712189
2. Stonegate Filing No. 1A, Reception No. 198601132
3. Stonegate Filing No. 1B, Reception No. 198611812
4. Stonegate Filing No. 1B, 1st Amendment, Reception No. 199117979
5. Stonegate Filing No. 1B, 2nd Amendment, Reception No. 199131632
6. Stonegate Filing No. 1C, Reception No. 198730716
7. Stonegate Filing No. 1C, Amended, Reception No. 199007603
8. Stonegate Filing No. 2, Reception No. 198601134
9. Stonegate Filing No. 2, 1st Amendment, Reception No. 199426006
10. Stonegate Filing No. 2, 2nd Amendment, Reception No. 199773900
11. Stonegate Filing No. 2, 3rd Amendment, Reception No. 1999015124
12. Stonegate Filing No. 2, 4th Amendment, Reception No. 199884551
13. Stonegate Filing No. 2, 5th Amendment, Reception No. 1999084288
14. Stonegate Filing No. 2, 6th Amendment, Reception No. 1999106546
15. Stonegate Filing No. 2, 7th Amendment, Reception No. 2001098163
16. Stonegate Filing No. 2, 8th Amendment, Reception No. 2001104131
17. Stonegate Filing No. 2, 9th Amendment, Reception No. 2004078581
18. Stonegate Filing No. 2, 10th Amendment, Reception No. 2009027364
19. Stonegate Filing No. 3A, Reception No. 198721657
20. Stonegate Filing No. 3B, Reception No. 199122378
21. Stonegate Filing No. 3B, 1st Amendment, Reception No. 199426352
22. Stonegate Filing No. 4, Reception No. 198721659
23. Stonegate Subdivision Filing No. 4, 1st Amendment, Reception No. 199856608
24. Stonegate Filing No. 4, 2nd Amendment, Reception No. 2001058341
25. Stonegate Filing No. 4, 3rd Amendment, Reception No. 2003089822
26. Stonegate Filing No. 4, 4th Amendment, Reception No. 2005089810
27. Stonegate Filing No. 4, 5th Amendment, Reception No. 2009098273
28. Stonegate Amendment 5 to Development Plan/Zoning Map, Reception No. 199621767
29. Stonegate Filing No. 5A, Reception No. 198721661
30. Stonegate Filing No. 5A, 1st Amendment, Reception No. 199014295
31. Stonegate Filing No. 5A, 2nd Amendment, Reception No. 199022745
32. Stonegate Filing No. 5A, 3rd Amendment, Reception No. 199117804
33. Stonegate Filing No. 5B, Reception No. 199129165
34. Stonegate Filing No. 5B, 1st Amendment, Reception No. 199209687
35. Stonegate Filing No. 5C, Reception No. 199307947
36. Stonegate Filing No. 6A, Reception No. 199333572
37. Stonegate Filing No. 6B, Reception No. 199333571
38. Stonegate Filing No. 6C, Reception No. 199348666
39. Stonegate Filing No. 6C, 1st Amendment, Reception No. 2001058342
40. Stonegate Filing No. 6D, Reception No. 199348665
41. Stonegate Subdivision Filing No. 6E, Reception No. 199603756
42. Stonegate Filing No. 7A, Reception No. 199010494
43. Stonegate Filing No. 7B, Reception No. 199114714
44. Stonegate Subdivision Filing No. 8A, Reception No. 199634988
45. Stonegate Filing No. 8A, 1st Amendment, Reception No. 199846319
46. Stonegate Filing No. 8A, 2nd Amendment, Reception No. 2002108609
47. Stonegate Filing No. 8B, Reception No. 199634989
48. Stonegate Filing No. 9, Reception No. 199213130
49. Stonegate Filing No. 9, 1st Amendment, Reception No. 199235190
50. Stonegate Filing No. 11, Reception No. 199222692
51. Stonegate Filing No. 12, Annexation Map, Reception No. 1999027606

52. Stonegate Filing No. 14A, Reception No. 2000091582
53. Stonegate Filing No. 14, Reception No. 2000091583
54. Stonegate Filing No. 15E, Reception No. 199359784
55. Stonegate Filing No. 15B, Reception No. 199337944
56. Stonegate Filing No. 15C, Reception No. 199345021
57. Stonegate Filing No. 15D, Reception No. 199345022
58. Stonegate Filing No. 15E, 1st Amendment, Reception No. 199439555
59. Stonegate Filing No. 15F, Reception No. 199363072
60. Stonegate Filing No. 15G, Reception No. 199360340
61. Stonegate Filing No. 16, Reception No. 2000091584
62. Stonegate Filing No. 17, Reception No. 199517106
63. Stonegate Filing No. 17, Lot 1, Annexation to the Town of Parker, Reception No. 2006098425
64. Stonegate Filing No. 19, Reception No. 199537419
65. Stonegate Filing No. 19, 1st Amendment, Reception No. 1998107647
66. Stonegate Filing No. 20, Reception No. 2000091585
67. Stonegate Filing No. 20, 1st Amendment, Reception No. 2002106894
68. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2003060584
69. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2003082849
70. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2003127162
71. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2003174377
72. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2003174378
73. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2004020076
74. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2004027281
75. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2004052295
76. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2004054887
77. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2004090471
78. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 1, Reception No. 2004105090
79. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005004200
80. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005004202
81. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005025004
82. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005045913
83. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005061779
84. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005079793
85. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005093325
86. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 3, Reception No. 2005104737
87. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2005122322
88. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2006013223
89. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2006026222
90. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2006036288
91. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2006056939
92. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2006090078
93. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2006104373
94. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2007011810
95. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2007047172
96. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2008020252
97. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2008054632
98. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2008068532
99. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2009020706
100. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2009047691
101. Stonegate Filing No. 20, 1st Amendment, Portion of Lot 2, Reception No. 2009072795
102. Stonegate Filing No. 21A, Reception No. 199711462
103. Stonegate Filing No. 21A, 1st Amendment, Reception No. 199846320
104. Stonegate Filing No. 21B, Reception No. 199711463
105. Stonegate Filing No. 21C, Reception No. 199711464
106. Stonegate Filing No. 21C, 1st Amendment, Reception No. 199804645
107. Stonegate Filing No. 21D, Reception No. 199711465
108. Stonegate Filing No. 22, Reception No. 2004084414
109. Stonegate Filing No. 22, 1st Amendment, Reception No. 2005005322
110. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2005056549

111. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2005068550
112. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2005102665
113. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006010918
114. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006030156
115. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006030249
116. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006033880
117. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006050744
118. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006063233
119. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006080042
120. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006098890
121. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2006109967
122. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2007052440
123. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2007099694
124. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2008030369
125. Stonegate Filing No. 22, 1st Amendment, Portion of Lot 1, Reception No. 2008045658
126. Stonegate Filing No. 22, 2nd Amendment, Reception No. 2006105861
127. Stonegate Filing No. 22, 3rd Amendment, Reception No. 2009041776
128. Stonegate Filing No. 22, 4th Amendment, Reception No. 2010084146
129. Stonegate Filing No. 24, Reception No. 2000045109
130. Stonegate Filing No. 27, Reception No. 2001058343
131. Stonegate Filing No. 27, 1st Amendment, Reception No. 2002092760
132. Stonegate Filing No. 33-A, Reception No. 199361147
133. Stonegate Filing No. 34, Reception No. 2000042781
134. Stonegate Filing No. 36, Reception No. 2000042782

LICENSE AGREEMENT

This LICENSE AGREEMENT ("License") is made this ____ day of November, 2011 by and between STONEGATE VILLAGE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 2 Inverness Drive East, Suite 200, Englewood, CO 80112 ("Stonegate"), and PARKER WATER & SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 19801 E. Mainstreet, Parker, Colorado 80138 ("Parker Water").

RECITALS

Stonegate owns certain real property on which is located Stonegate's wastewater treatment plant (WWTP). As part of the inclusion of the real property served by Stonegate into Parker Water and pursuant to the Inclusion Agreement between, among others Stonegate and Parker Water, Parker Water will use, operate and maintain the WWTP for a period of time following the inclusion. This License is entered to formalize the use, operation, and maintenance of the WWTP by Parker Water.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein, and for other good and valuable consideration, the receipt of which are hereby acknowledged, Stonegate does hereby license to Parker Water the WWTP on the terms and conditions set forth herein.

1. **PROPERTY LICENSED.** The property licensed for use hereby pursuant to the terms of this License is described as follows (as used herein "property licensed" includes the land and any improvements thereon):

The real property described in that certain Special Warranty Deed, dated April 18, 1984 and recorded on April 27, 1984 under Reception No. 326584 in Book 518 at Page 893 of the records of the Douglas County Clerk and Recorder and subsequently conveyed to Stonegate by Special Warranty Deed dated August 20, 1997 recorded on November 19, 1997 under Reception No. 9766368 in Book 1485 at Page 1154 of the records of the Douglas County Clerk and Recorder.

The property licensed for use is subject to all easements and rights-of-way of record. The property licensed is hereinafter referred to as the Property.

2. **USE.** Parker Water covenants and agrees that it shall utilize the Property for use, operation and maintenance of the WWTP located thereon and for no other purpose.

3. **LIMITATIONS ON USE.** Parker Water shall not cause or permit the Property to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, or which constitutes a nuisance or waste. Parker Water shall obtain and pay for all permits required for Parker Water's occupancy and use of the Property and shall promptly take all actions necessary to comply with all applicable statutes, ordinances, rules, regulations,

orders and requirements regulating the use by Parker Water of the Property.

4. MAINTENANCE, REPAIR AND ALTERATIONS. With the exception of the following items, Parker Water covenants and agrees not to make or permit to be made any alterations in, or additions to, the Property without the prior written consent of Stonegate:

a. alterations and additions necessary for the use, operation and maintenance of the WWTP and approved by Stonegate, which approval shall not be unreasonably withheld, delayed, or denied;

b. the construction of diversion facilities/lift station to allow wastewater to be conveyed to other Parker Water facilities. Parker Water shall construct the diversion facilities/lift station within eighteen (18) months of the effective date of this License. Stonegate and Parker Water shall mutually agree to the location of the diversion facilities/lift station with such location to benefit PWSD in a manner that is reasonable for the conveyance of wastewater and shall benefit Stonegate in a manner which recognizes the highest and best use of the Property for any future development.

Parker Water shall keep the governmental permits for the WWTP current and shall keep all improvements on the Property in a similar condition as of the date of this License at the expense of Parker Water.

5. TERM. This License shall automatically terminate forty-five (45) days after the Parker Water expansion of its north wastewater treatment plant is completed and operational. Parker Water agrees to diligently pursue approval and construction of the expansion, in accordance with Parker Water's evaluation of its needs for such an expansion. In the event that Parker Water is in breach of the terms of this License, Stonegate may terminate this License upon 60 days notice.

7. DECOMMISSIONING. Upon the termination of the License, Parker Water shall surrender the Property to Stonegate. Prior to surrender, Parker Water shall decommission the WWTP and related improvements, which are located on the Property. The decommissioning shall be in accordance with all applicable laws and regulations and the generally accepted best practices in the industry, including, disconnecting the WWTP from the Parker Water system, draining the tanks, and removing the chemicals from the WWTP.

6. DISCHARGE PERMIT. Stonegate shall assign its wastewater discharge permit to Parker Water and Parker Water shall be responsible for compliance with the discharge permit.

7. COSTS. Parker Water shall be responsible for all real estate taxes and/or assessments on the Property, if any, insurance policies, and maintenance and repairs, except as limited by the Inclusion Agreement.

8. HAZARDOUS MATERIALS. As used in this License, the term "Hazardous Materials" means any flammable items, explosives, radioactive materials, hazardous or toxic

substances material or waste or related materials, including any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable or federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. Parker Water shall not cause or permit any Hazardous Material to be generated, produced, brought upon, used, stored, treated or disposed of in or about the Property without having obtained all applicable permits.

9. COVENANT OF TITLE AND QUIET POSSESSION. Stonegate covenants that it has good right to license the Property and hereby warrants and agrees to defend the title thereto and to hold Parker Water harmless from any loss by reason of any defect in title. Stonegate shall not make use of or permit others to make use of the Property in a manner that interferes with Parker Water's use of the Property as set forth in this License.

10. ASSIGNMENT OR SUB-LEASE. This License is personal to Parker Water, cannot be extended in time or effect, and Parker Water covenants and agrees not to assign this License or to sublet any part of the Property without first obtaining the written consent of Stonegate. Any attempt to assign or sublet this License in violation of its terms shall be null, void, and of no force or effect. This License shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto.

11. PROPERTY LICENSED TAKEN "AS IS". Parker Water understands and agrees that the Property is licensed "as is" and is subject to all recorded matters, laws, ordinances, and governmental regulations and orders. Except as provided herein, Parker Water acknowledges that Stonegate has not made any representation as to the condition of the Property or the suitability of the Property for Parker Water's intended use.

12. LIABILITY AND INDEMNIFICATION. Stonegate shall not be liable for any loss, injury, death, or damage to any person or personal property which may arise from the use or condition of the Property during the term of this License. To the extent permitted by law, Parker Water hereby expressly agrees to defend, indemnify and hold harmless Stonegate, its officers, agents, employees and insurers against any liability, loss, damage, demand, action, cause of action or expense of whatever nature (including court costs and attorney's fees) which may result from any loss, injury, death or damage allegedly sustained by any person, firm, corporation or other entity which arises out of or is caused by reason of Parker Water's use of the Property or Parker Water's failure to fulfill the terms and conditions of this License. No provision of this License shall be construed as a waiver or release of the immunities, limitations, or defenses afforded to Stonegate and Parker Water under the Colorado Governmental Immunity Act.

13. NO RECORDING. This License shall not be recorded.

A copy of this license may be executed by each party, separately, and when each party

has executed a copy thereof, such copies taken together shall be deemed to be a full and complete agreement between the parties.

PARKER WATER & SANITATION DISTRICT

By _____
President

ATTEST:

By _____
Secretary

**STONEGATE VILLAGE METROPOLITAN
DISTRICT**

By _____
President

ATTEST:

By _____
Secretary

Exhibit I

PWSD/SVMD Warranty Period Replacement Cost Share

	PWSD Replacement Cost Share	SVMD Replacement Cost Share
Jan-12	0.00%	100.00%
Feb-12	4.17%	95.83%
Mar-12	8.33%	91.67%
Apr-12	12.50%	87.50%
May-12	16.67%	83.33%
Jun-12	20.83%	79.17%
Jul-12	25.00%	75.00%
Aug-12	29.17%	70.83%
Sep-12	33.33%	66.67%
Oct-12	37.50%	62.50%
Nov-12	41.67%	58.33%
Dec-12	45.83%	54.17%
Jan-13	50.00%	50.00%
Feb-13	54.17%	45.83%
Mar-13	58.33%	41.67%
Apr-13	62.50%	37.50%
May-13	66.67%	33.33%
Jun-13	70.83%	29.17%
Jul-13	75.00%	25.00%
Aug-13	79.17%	20.83%
Sep-13	83.33%	16.67%
Oct-13	87.50%	12.50%
Nov-13	91.67%	8.33%
Dec-13	95.83%	4.17%
Jan-14	100.00%	0.00%

Notes

- 1) SVMD total cost share not to exceed \$500,000 during the 24 month warranty period.
- 2) Commencing on January 1, 2014, PWSD will be responsible for all replacement costs.