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INTERGOVERNMENTAL AGREEMENT FOR  
MAINTENANCE AND REPAIR OF SEWER SYSTEM

This Intergovernmental Agreement for Maintenance and Repair of Sewer System (the "Agreement") is entered into effective as of the 19th day of September, 2008, by and between the GREEN MOUNTAIN WATER AND SANITATION DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado ("Green Mountain") and FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1. a quasi-municipal corporation and a political subdivision of the State of Colorado ("Fossil Ridge"), collectively referred to as the "Parties."

**RECITALS**

WHEREAS, Fossil Ridge is a metropolitan district organized and operating under Title 32 of the Colorado Revised Statutes for purposes including constructing, operating and maintaining public sewer facilities and improvements; and

WHEREAS, to effectively implement these functions, Fossil Ridge has determined that it will require the performance of various services including general maintenance and repair services for its sewer system; and

WHEREAS, Fossil Ridge desires to engage Green Mountain to render the maintenance and repair services described herein; and

WHEREAS, Green Mountain desires to render said services, as set forth in this Agreement; and

WHEREAS, the Parties have entered into that certain Intergovernmental Agreement for Extra-Territorial Sewer Service, dated January 15, 2008, which is record $\square$  with the County Clerk and Recorder for Jefferson County at reception number 2008012085 (the "Service Agreement"), pursuant to which Green Mountain has agreed to provide certain sewer service to an area defined as the Service Area, which at the time of this Agreement consists only of property within the boundaries of Fossil Ridge, Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3; and

WHEREAS, Fossil Ridge represents and agrees that it owns the sewer mains and other public sewer infrastructure located within Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 and that Fossil Ridge is authorized to own, maintain and repair such sewer system and to enter into agreements regarding the sewer system on its behalf and on behalf of Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3; and

WHEREAS, pursuant to the terms of the Service Agreement, the Service Area may be amended to include real property located within an area identified *as* the Future Development Area, as discussed therein and as depicted in Exhibit B to the Service Agreement; and

WHEREAS, Fossil Ridge has proposed to amend the Service Agreement to expand the Service Area to include land within the boundaries of Green Tree Metropolitan District No. 1 and Green Tree Metropolitan District No. 2, which lies within the contemplated Future Development Area, but the Parties have not yet agreed on the terms of such an amendment; and

WHEREAS, if the Service Agreement is amended to expand the Service Area to include land within the boundaries of Green Tree Metropolitan District No. 1 and Green Tree Metropolitan District No. 2, the Parties desire that Green Mountain also provide maintenance services within the boundaries of the Green Tree Districts pursuant to the terms contained herein.

## **TERMS AND CONDITIONS**

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

### **I. Definitions**

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

1.2 "Fossil Ridge Sewer System" means a system of infrastructure owned by Fossil Ridge used to provide sewer service to its customers by the collection of wastewater arising within the Service Area for delivery of the wastewater to Green Mountain for conveyance to Metro for disposal. The Fossil Ridge Sewer System includes without limitation sewer mains, manholes, lift stations, monitoring stations and appurtenances to any of the preceding but does not include service lines extending from and including the tap at the sewer mains in the streets to the properties of the individual end-users. The Fossil Ridge Sewer System also includes, without limitation, the temporary sewer main installed or constructed by Fossil Ridge on Green Mountain property pursuant to that certain Intergovernmental Agreement for Temporary Sewer Main Construction between the Parties.

1.3 "Green Mountain" means the Green Mountain Water and Sanitation District

1.4 "Green Tree" shall mean collectively Green Tree Metropolitan District No. 1 and Green Tree Metropolitan District No. 2.

1.5 "Green Tree Sewer System" shall mean a system of infrastructure owned by Green Tree to provide sewer service to their customers by the collection of wastewater arising within the Service Area for delivery of the wastewater to Fossil Ridge for delivery to Green Mountain for conveyance to Metro for disposal. The Green Tree Sewer System includes without limitation sewer mains, manholes, lift stations, monitoring stations and appurtenances to any of the preceding but does not include service lines extending from and including the tap at the sewer mains in the streets to the properties of the individual end-users.

1.6 "Metro" means the Metro Wastewater Reclamation District.



1.7 "Service Agreement" means that certain Intergovernmental Agreement for Extra-Territorial Sewer Service, dated January 15, 2008, which is recorded with the County Clerk and Recorder for Jefferson County at reception number 2008012085, and includes any amendments thereto.

1.8 "Service Area" means that area legally described in **Exhibit A** of the Service Agreement, as amended from time to time.

1.9 "Sewer System" means the Fossil Ridge Sewer System, and will also include the Green Tree Sewer System only if and after all of the following have occurred: 1) the Service Agreement has been amended by agreement of the Parties to add land within the boundaries of Green Tree into the Service Area, 2) Green Mountain has entered into a separate agreement with Green Tree in form and substance acceptable to Green Mountain and 3) Green Mountain has received from Fossil Ridge a written notice to proceed with providing maintenance services to the Green Tree Sewer System.

## II. **Maintenance and Repair Services**

### 2.1 Scope of Services.

A. Basic Services. Green Mountain shall perform the maintenance and repair services for the Sewer System which are set forth as the Basic Services in **Exhibit A** attached hereto and incorporated herein (the "Basic Services"). Except as set forth in Section 2.1(E) of this Agreement, the Basic Services shall be performed in the intervals indicated in **Exhibit A** or as otherwise agreed in writing by the Parties. Green Mountain does not accept or assume any responsibility for damages arising from an incorrect locate or mapping of the Sewer System by Green Mountain.

B. Additional Services. Fossil Ridge may request, in writing, that Green Mountain provide Fossil Ridge with additional services not covered in the Basic Services (the "Additional Services"). Within ten (10) days after delivery of the written request for Additional Services, Green Mountain shall consider whether it is **willing** to provide such services, and if so, the terms and conditions under which it would provide such services. If it is so willing, it shall communicate this to Fossil Ridge, and the Parties shall negotiate the scope of the relevant Additional Services, and the terms and conditions of their being furnished, which shall be subject to the mutual written agreement of Fossil Ridge and Green Mountain.

### C. Emergency Services.

1. Fossil Ridge or Green Tree may request that Green Mountain provide maintenance or repair services to the Sewer System, as may be appropriate in the event of emergencies (the "Emergency Services"). Emergency Services shall be defined as those which, in the discretion of Fossil Ridge or, as to the Green Tree Sewer System only, Green Tree, require immediate attention to respond to situations which threaten the public health and safety of a community, and may include without limitation services provided to avoid injury or damage to person or property

or to restore service. Fossil Ridge or Green Tree may request Emergency Services by calling Green Mountain offices at (303) 985-1581 and reporting the emergency to the District during normal business hours or to the on-call attendant after hours, which telephone call shall be followed by a written description regarding the emergency sent as soon as possible to the Green Mountain offices by facsimile at the number contained in Section 4.6 and also sent to the Fossil Ridge offices by facsimile or e-mail, at the number or e-mail address contained in the Addendum attached hereto and incorporated herein, *as* may be amended from time to time.

2. Upon receipt of a request for Emergency Services, Green Mountain shall determine whether it is able to provide the requested Emergency Services, in light of all relevant circumstances at the time, including without limitation its obligations to provide services to Green Mountain residents and customers. If Green Mountain determines it is able to provide Emergency Services, it shall provide Emergency Services in substantially the same manner and timeframe as it would provide emergency services to residents of Green Mountain. The Parties acknowledge that the availability of Emergency Services depends upon some matters beyond the reasonable control of Green Mountain, including, but not limited to, delays in receipt of or unavailability of equipment, materials, or supplies and delays caused by Fossil Ridge, Green Tree or other third parties, and that Green Mountain shall not be liable for matters beyond its reasonable control.

3. If Green Mountain determines that it is unable to provide Emergency Services for any reason, Green Mountain shall notify Fossil Ridge promptly upon making such determination, by telephone, followed by a written confirmation sent by facsimile or e-mail within a reasonable period of time, at the numbers or e-mail address contained in the Addendum attached hereto and incorporated herein, as may be amended from time to time. In that event, Fossil Ridge shall be responsible for arranging for a third-party contractor to respond to the emergency, and Green Mountain shall have no liability for failure to respond. Green Mountain may, in its sole discretion, assist Fossil Ridge in locating a third-party contractor to respond to the emergency, without incurring any liability for acts or omissions by the third-party contractor.

4. In the event that Green Mountain agrees to provide Emergency Services, Green Mountain shall apprise Fossil Ridge as to the details of the emergency and the extent of the Emergency Services performed, including any unusual circumstances or costs, in a timely manner.

D. The Services.

1. The Basic Services, the Additional Services and the Emergency Services shall be collectively referred to as the "Services." Green Mountain shall be responsible for providing all management, supervision, labor, materials, administrative support, supplies and equipment necessary to perform the Services as described herein, all in accordance with this Agreement.

2. Unless the Parties explicitly agree in writing to the contrary, Green Mountain has no obligation to provide: 1) maintenance or repair services for service lines extending from and

including the tap at the sewer mains in the streets to the properties of the individual end-users; or 2) clean-up of any damage to property owned by anyone other than Fossil Ridge or Green Tree or to service lines, regardless of whether such damages result from a blockage, break or other damage to the Sewer System.

3. Notwithstanding anything to the contrary, if Green Mountain chooses, in its discretion, to perform maintenance or repair services for service lines extending from and including the tap at the sewer mains in the streets to the properties of the individual end-users or clean-up of any damage to property owned by anyone other than Fossil Ridge or Green Tree or to service lines in response to a situation which in Green Mountain's discretion threatens public health, safety or property, Green Mountain may include all costs of performing such services in its Invoice and Fossil Ridge shall be responsible for paying such costs.

E. Schedule of Service. Prior to December 31 of each year, Green Mountain will strive to provide to Fossil Ridge a schedule of which Basic Services are planned to be performed in each quarter of the following year. Thereafter, Green Mountain shall use its reasonable efforts to advise Fossil Ridge of any deviations from the schedule. Fossil Ridge may provide written notice to Green Mountain that it does not want Green Mountain to perform a particular Basic Service in the coming year. Green Mountain shall have no liability for any damages resulting from to failure to perform Basic Services at the request of Fossil Ridge. If the schedule as described herein has not been provided by December 31, no Basic Services shall be performed by Green Mountain without specific prior notice to Fossil Ridge or a submission of a schedule of services to be performed before such services are performed, other than weekly inspection of the lift stations, maintenance of records and reports, and Basic Services requested by Fossil Ridge, Fossil Ridge Metropolitan District No. 2, Fossil Ridge Metropolitan District No. 3 or Green Tree.

2.2 Designation of Representatives. Fossil Ridge hereby designates Chris Bremner, or such other individual designated in writing to Green Mountain, and Green Mountain hereby designates its District Manager, or his designee, who are each hereby authorized to make decisions relating to this Agreement and to bind the Parties on administration of this Agreement, subject to limitations which may be established by the Parties. Fossil Ridge hereby represents and agrees that prior to giving notice to proceed with providing maintenance to Green Tree, Fossil Ridge will secure authorization to make decisions regarding the performance of maintenance and repair of the Green Tree Sewer System.

2.3 Compensation.

A. Fossil Ridge shall compensate Green Mountain for time spent by employees or contractors of Green Mountain related to performance of the Services, based on the rate schedule attached hereto as **Exhibit B** and incorporated herein (the "Rate Schedule"), for the actual costs plus fifteen percent for any materials used in the performance of the Services, and for any other actual costs associated with performance of the Services. At the discretion of Board of Directors of Green Mountain, Green Mountain may elect to revise the Rate Schedule, with delivery of notice of the new Rate Schedule to Fossil Ridge at least thirty (30) days in advance of the effective date of the new Rate Schedule. Also, Green Mountain reserves the right, in its discretion, to impose a standby fee for the opportunity costs and actual costs associated with

being available to provide the Services in an amount determined by Green Mountain in its discretion, and Green Mountain will deliver notice of the standby fee to Fossil Ridge at least thirty (30) days in advance of the effective date of the standby fee.

B. Additionally, Fossil Ridge shall compensate Green Mountain for any actual expenses incurred by Green Mountain for services provided by an attorney or engineer of Green Mountain or any other contractor who is not described on the Rate Schedule, for work related to providing the Services or related to this Agreement. Green Mountain shall use its reasonable efforts to apprise Fossil Ridge of the need for any extraordinary contract services other than those legal or engineering costs related to day-to-day performance of the Services. Legal costs related to day-to-day performance of the Services may include, without limiting the generality of the foregoing, costs associated with providing advice to Green Mountain regarding contract interpretation, billing for the Services, provision of the Services, agreement to perform Additional Services or commencement of service to Green Tree; costs associated with responding to inquiries from representatives of or customers of Fossil Ridge or Green Tree regarding this Agreement; and costs associated with providing advice in the event of an emergency. Invoices will set forth a description of which contractor performed services, the amount billed by each contractor and a general description of the work performed, except that Green Mountain has no obligation to provide any information which may constitute attorney/client privilege.

#### 2.4 Method of Payment.

A. On a monthly basis, Green Mountain shall deliver an invoice to Fossil Ridge for the amounts due under this Agreement (an "Invoice"). The failure to include any amount due on an Invoice shall not constitute a waiver of Fossil Ridge's obligation to pay such amount when ultimately included on an Invoice to Fossil Ridge; however, Fossil Ridge shall not be required to pay any amounts invoiced for costs incurred more than twelve (12) months prior to the date of the subject Invoice which first includes the costs. This period will be subject to reasonable extension if the reason such amount was not invoiced within the period is due to an act or omission by Fossil Ridge. „

B. Fossil Ridge shall pay Green Mountain the amount so invoiced within twenty (20) days after delivery of such Invoice from Green Mountain (the "Due Date"), unless Fossil Ridge protests the Invoice, according to the procedure set forth in Section 2.4(C). Failure to pay an Invoice within ten (10) days after the Due Date, or to timely protest an Invoice pursuant to Section 2.4(C), shall result in a five percent (5%) delinquent charge being assessed. Additionally, any Invoice which is not paid by the Due Date, shall accrue interest at a rate of six percent (6%) per annum from the Due Date until the date paid,

C. If Fossil Ridge disputes the amount owed according to an Invoice, Fossil Ridge will deliver a written objection to the Manager of Green Mountain within ten (10) days after delivery of the Invoice, setting forth the basis for disputing the amount owed. Fossil Ridge and the Manager of Green Mountain will then attempt to negotiate in good faith to resolve the dispute. In the event that no resolution is reached by the time the payment is due, Fossil Ridge

shall place the disputed amount into escrow in an interest bearing escrow account established by

Fossil Ridge with a Colorado bank or title company acting as escrow agent for Fossil Ridge and Green Mountain pending resolution by alternative dispute resolution, a court, or agreement of the Parties.

D. If Fossil Ridge is late in payment of its account, Fossil Ridge shall pay all legal, court and other costs necessary to or incidental to collection of the amount owed by Fossil Ridge to Green Mountain, including without limitation reasonable attorney's fees.

E. Fossil Ridge may, in its sole discretion, adopt and impose such fee schedule upon Green Tree and it's other customers as it deems reasonable. Fossil Ridge shall be responsible for billing, collecting and enforcing payment of such fees, unless the Parties agree by separate agreement that Green Mountain will bill the customers on behalf of Fossil Ridge. Fossil Ridge shall not be relieved of any obligations to make payments due under this Agreement due to a failure of any customer, including without limitation Green Tree, to make any payment when due.

## 2.5 Green Mountain Access to Sewer System.

A. Fossil Ridge hereby grants to Green Mountain, and its agents, employees, contractors or consultants, the right to enter upon any property owned, in fee or in easement, by Fossil Ridge which contains improvements constituting the Fossil Ridge Sewer System, as it may exist from time to time, at all reasonable times for the purposes of inspecting, maintaining and repairing the Fossil Ridge Sewer System and any other purposes ancillary to the performance of this Agreement. Green Mountain may, in its discretion, require Fossil Ridge to use its best efforts to secure a similar right of access from Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3, if Green Mountain determines such a right of access is necessary.

B. Fossil Ridge shall use its best efforts to ensure that Green Tree shall similarly grant to Green Mountain, and its agents, employees, contractors or consultants, the right to enter upon any property which it owns which contains improvements constituting the Green Tree Sewer System at all reasonable times for the purposes of inspecting, maintaining and repairing the Green Tree Sewer System and any other purposes ancillary to the performance of this Agreement. Green Mountain shall have no obligation to provide any of the Services to the Green Tree Sewer System prior to receiving grant of such a right of access, in form and substance acceptable to Green Mountain's attorney.

C. If Green Mountain's right of access to any of the Sewer System is denied or revoked by any person or entity, Green Mountain shall be excused from its obligations to perform the Services with respect to that portion of the Sewer System, and shall not be liable for any damages resulting from failure to perform the Services with respect to the portion of the Sewer System for which access was denied or revoked, but shall not be relieved of such obligations and liabilities for portions of the Sewer Systems where access remains open to Green Mountain.

D. Fossil Ridge agrees that no structures or buildings, street lights, power poles, yard lights, signs, trees, or woody plants may be located on rights-of-way containing improvements constituting the Fossil Ridge Sewer System. If any structures or buildings, street lights, power poles, yard lights, signs, trees, or woody plants are located on rights-of-way containing

improvements constituting the Fossil Ridge Sewer System, Green Mountain may remove them to provide the Services, without any liability for damages. Green Mountain may also remove or disturb grass or other landscaping, and right of way/street improvements, including without limitation, pavement, sidewalks, bikeways, curb and gutters, as deemed necessary by Green Mountain, in its reasonable discretion, to provide the Services, without any liability for damages.

## 2.6 Restoration of Property.

A. Except as set forth in Sections 2.6(B) and 2.6(C), if any property of Fossil Ridge or any other entity or person is altered or disturbed as a result of Green Mountain's performance of the Services, Green Mountain will correct and return any property that is altered or disturbed as a result of Green Mountain's performance of the Services to substantially its prior condition, and Fossil Ridge will pay all costs thereof, with the exception of any repairs or replacements required due to the negligence of Green Mountain in performing the Services.

B. Notwithstanding anything to the contrary, Green Mountain is not required to replace any structures or buildings, street lights, power poles, yard lights, signs, trees, or woody plants located on rights-of-way containing improvements constituting the Fossil Ridge Sewer System, which are removed by Green Mountain, in its reasonable discretion, to provide the Services.

C. Notwithstanding anything to the contrary, Green Mountain may, in its sole and absolute discretion, but is not required to, perform restoration on 1) service lines extending from and including the tap at the sewer mains in the streets to the properties of the individual end-users; or 2) clean-up of any damage to property owned by anyone other than Fossil Ridge or Green Tree or to service lines. If Green Mountain does elect to restore such property, Fossil Ridge will pay all costs thereof, with the exception of any repairs or replacements required due to the negligence of Green Mountain in performing the Services, which costs may be included in an Invoice to Fossil Ridge.

## 2.7 Requirements for Properties Used for Commercial or Industrial Purposes.

A. Fossil Ridge and Green Tree shall comply with Metro's requirements to perform an annual industrial waste survey, to be coordinated through Metro. Copies of the surveys shall be provided to Green Mountain within ten (10) days of receipt.

B. Grease, oil, and sand interceptors shall be provided when in the opinion of Green Mountain's Manager, they are necessary for the proper handling of liquid wastes containing greases or oil in excessive amounts, or any flammable wastes, sand and/or other harmful ingredient, except that such interceptors shall not be required for private living quarters or dwelling units. All interception shall be located as to be readily available and accessible for cleaning and inspection. Grease and oil interceptors shall be in an accessible location for maintenance and inspection and shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be watertight, and, if necessary, gastight and vented. Where installed, all grease, oil and sand interceptors shall be maintained by the Fossil Ridge, Green Tree, or their customers at no expense to Green Mountain, in continually efficient operation at all times. Fossil Ridge shall require a monthly or periodic

cleaning and pumping of any grease traps as approved by the Green Mountain Manager. Unless such requirements are met, a monthly premium sewer charge of \$250.00 will be assessed to Fossil Ridge per interceptor. For design of new grease, oil and sand traps, design flow numbers shall be submitted to and approved by Green Mountain and in no case shall be less than 750 gallons. Grease, oil and sand interceptors shall also comply with any other requirement of the Rules and Regulations of Green Mountain, as amended from time to time.

C. Fossil Ridge and Green Tree shall require that customers provide written reports to Green Mountain regarding any and all service work performed on grease, oil and sand interceptors within the Service Area.

2.8 Green Tree Sewer System. Notwithstanding anything to the contrary, Green Mountain has no obligation to provide any Services to the Green Tree Sewer System unless and until all of the following have occurred: 1) the Service Agreement has been amended to add the land within the boundaries of Green Tree into the Service Area, 2) Green Mountain has entered into a separate agreement with Green Tree in form and substance acceptable to Green Mountain including but not necessarily limited to specific grants of access, indemnification, payment assurance, and adoption of rules and regulations consistent with those of Green Mountain and Metro, and 3) Green Mountain has received a written notice from Fossil Ridge to proceed with providing maintenance services to the Green Tree Sewer System.

## ID. Remedies

3.1 Remedies. If any Party delivers written notice of a default under this Agreement and the other Party has not undertaken with due diligence to cure the default within thirty (30) days after delivery of such notice, the non-defaulting Party may seek monetary damages or an order for specific performance, declaratory or injunctive relief, subject to the provisions of Section 4.9.

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

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

3.4 General Indemnification. To the extent permitted by law, if at all, Fossil Ridge agrees that it shall defend, indemnify and hold harmless Green Mountain, and its directors, officers, employees, contractors and consultants, from all claims or suits for damage to property and/or injury to persons, including death, which may be caused by or related to the design, construction, maintenance, repair, replacement, ownership, use or inspection of the Sewer System or which may be caused by or related to wastewater produced by Fossil Ridge, Green Tree or their customers or which is located in or has flowed through the Sewer System, whether such damage shall accrue or be discovered before or after termination of this Agreement. Fossil Ridge shall bear all costs of investigation and litigation, including reasonable attorney fees, incurred by Green Mountain in defending such claims. Green Mountain will use its reasonable efforts to deliver prompt notice to Fossil Ridge of a claim or suit covered under this Section 3.4. Notwithstanding anything to the contrary, Fossil Ridge is not agreeing to defend, indemnify and hold harmless Green Mountain for damages or injuries arising solely from a negligent action or omission by Green Mountain. Fossil Ridge shall use reasonable efforts to ensure that Green Tree shall provide a similar indemnification to Green Mountain prior to Green Mountain providing Services to the Green Tree Sewer System.

#### IV. **Miscellaneous**

4.1 Term. This Agreement shall become effective on execution by both Parties and shall continue in full force and effect until December 31 of the same calendar year. The Term of this Agreement shall automatically renew for successive year-long periods unless any Party delivers notice of non-renewal no later than ninety (90) days before the end of the Term.

4.2 Termination. Any Party may terminate this Agreement at any time by giving written notice of non-renewal at least ninety (90) days before the termination date.

4.3 Costs of Drafting this Agreement. Fossil Ridge shall be responsible for all of the costs incurred by Green Mountain related to negotiating and drafting this Agreement, or any amendments hereto (the "Drafting Costs"). The Drafting Costs shall include, but not be limited to, legal, engineering, accounting, administrative review, management and recording fees. In accordance with this responsibility and the responsibility to pay the costs of drafting other agreements between the Parties, Fossil Ridge has deposited \$15,000 with Green Mountain. Fossil Ridge agrees to Green Mountain's disbursement of the deposited funds to cover the Drafting Costs. Fossil Ridge shall provide such additional funds, as may be deemed necessary by Green Mountain to cover the Drafting Costs. Fossil Ridge shall remit these additional funds to Green Mountain within three (3) business days of Green Mountain's request for the same, which shall be accompanied by a statement of funds expended to date. Failure by Green Mountain to request additional funds shall not relieve Fossil Ridge from the obligation to pay same. When Green Mountain, in its sole discretion, determines that no other Drafting Costs will be incurred for this Agreement or other agreements between the Parties, Green Mountain shall submit to Fossil Ridge a statement of the funds expended and refund to the Fossil Ridge any unexpended amounts on deposit with Green Mountain, along with accrued interest, if any.

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

4.5 Assignment. Neither Party shall have the right or power to assign this Agreement or part hereof, or the Party's respective duties, without the express written consent of the other Party. This Agreement shall inure to and be binding on the successors and permitted assigns of the Parties hereto.

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

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

with a copy to:                   Icenogle, Norton, Smith, Blieszner, Gilida & Pogue, P.C.  
821 17th Street, Suite 600  
Denver, CO 80202  
Attn: Carolyn R. Steffi, Esq.  
Facsimile: 303-292-6401

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

with a copy of notices  
other than Invoices to:           Kristen D. Bear  
White, Bear & Ankele, P.C.  
1805 Shea Center Dr, Ste 100.  
Highlands Ranch, CO 80129  
Facsimile: 303-858-1801

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

Notwithstanding anything to the contrary, Green Mountain's communication with Fossil Ridge in the event of an emergency will be conducted pursuant to Section 2.1(C) of this Agreement and the Addendum attached hereto, which contains additional contact information. Fossil Ridge hereby agrees that it shall submit updated Addenda to Green Mountain as needed to keep the contact information current at all times. If Fossil Ridge fails to keep current the contact

information, Green Mountain shall not be liable for resulting communication failures and/or resulting damages.

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

4.8 Entire Agreement. This Agreement constitutes the entire agreement between the Parties as to the subject matter hereof and sets forth the rights, duties and obligations of each to the other as of the date of this Agreement. Any prior agreements, promises, negotiations or representations; not expressly set forth in this Agreement, the Intergovernmental Agreement for Temporary Sewer Main Construction or the Service Agreement between the Parties are of no force and effect. This Agreement may not be modified except by a writing executed by both Parties.

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

4.10 Independent Contractor. Green Mountain is acting at all times in the capacity of an independent contractor of Fossil Ridge, and nothing contained in the Agreement shall be construed to create the relationship of employer□employee or of a partnership or joint venture between Green Mountain and Fossil Ridge or their respective successors in interest. None of Green Mountain's employees are or shall be deemed employees or agents of Fossil Ridge. The employees who assist Green Mountain in the performance of the Services shall at all times be under Green Mountain's exclusive direction and control. Fossil Ridge is concerned only with the results to be obtained.

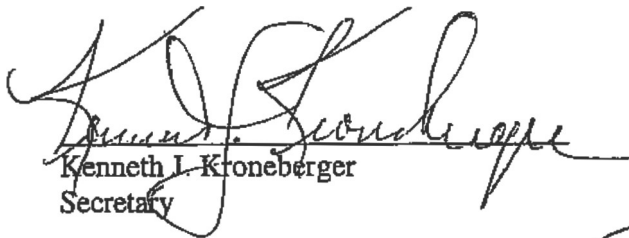
[Remainder of page intentionally left **blank.**]

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

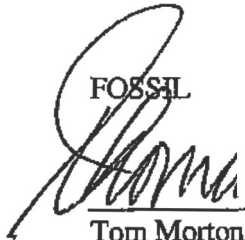

GREENMOUNTAIN WATER AND  
SANITATION DISTRICT

  
\_\_\_\_\_  
Michael Lantz  
President


ATTEST:

  
\_\_\_\_\_  
Kenneth I. Kroneberger  
Secretary

FOSSIL                      LITAN DISTRICT NO. 1

                        
\_\_\_\_\_  
Tom Morton  
President

ATTEST:

  
\_\_\_\_\_  
By: CHRIS BEAMAN  
Its: ASSISTANT SECRETARY

## EXHIBIT A

### TO INTERGOVERNMENTAL AGREEMENT FOR MAINTENANCE AND REPAIR SERVICES

for the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1

to be FURNISHED BY THE GREEN MOUNTAIN WATER AND SANITATION DISTRICT

June 10, 2008

#### SCOPE OF SERVICES

I. **Basic Services are:**

- A. Complete an initial video inspection of the sewer mains to establish a baseline condition and verify tap locations and provide Fossil Ridge with video DVDs and inspection logs. The initial video inspection will be coordinated with Fossil Ridge. Thereafter, televising work will be accomplished on an as-needed basis. *(If acceptable TV logs are made available by Fossil Ridge, the initial video inspection may not be necessary).*
- B. Annually jet clean approximately one-third of Fossil Ridge sewer mains. In addition, jet clean identified problem sewer mains on a schedule *as* determined necessary by Green Mountain.
- C. Inspect sand and grease traps once a year.
- D. Provide lift station maintenance and repair services, to include:
  - a. Weekly (minimum) inspections to confirm proper operation and clean screens.
  - b. Remove grease and debris from the wet well on a periodic basis *as* determined necessary (assumed to be approximately monthly).
  - c. Provide prescribed maintenance for pumps and other equipment substantially in accordance with manufacturers recommendations.
  - d. Periodic verification of electrical/controls, monitoring and alarm systems operation as determined to be necessary by Green Mountain.
  - e. Exercise standby generator substantially on schedule as recommended by the manufacturer.

- E. Inspect and maintain manhole covers and make adjustments determined by Green Mountain to be necessary (when covered by others) to ensure accessibility to the Sewer System.
  - F. Assist Fossil Ridge in maintaining accurate records of Sewer System. Maintain detailed logs of service tap locations based on inspections at time of installation, from televising activities, or from information provided by others, and provide copies to Fossil Ridge. The logs are to include departure angles of service lines if such were observed during construction. Periodically update the logs based on above inspections and observations.
  - G. Maintain copies of "Record Drawings", provided by others, of Sewer System.
  - H.** Provide locations of Sewer System to contractors performing construction within Fossil Ridge, Fossil Ridge Metropolitan District No. 2, Fossil Ridge Metropolitan District No. 3 or Green Tree. Locates shall be performed by means of video inspection of Fossil Ridge sewers, or reference to records and prior TV logs, and marking tap locations on the street assuming taps enter the main at a ninety-degree angle. Locates shall be documented and copies provided to Fossil Ridge.
  - I. At Fossil Ridge's request, provide inspection and observation services during construction activities which might impact the Sewer System to reasonably ensure that they are not damaged, and if damaged, fully repaired.
  - J. Make recommendations to Fossil Ridge for needed improvements to the Sewer System.
  - K. Provide technical assistance to Fossil Ridge in evaluating materials, construction methods and equipment.
  - L. Attend Fossil Ridge Board Meetings or Green Tree Board meetings, as requested.
  - M. Provide administrative services as necessary to maintain Fossil Ridge records and drawings and to support the provision of the Services. Fossil Ridge or its agent shall constitute the custodian of records pursuant to section 24-72-202(1.1), C.R.S. unless the parties explicitly agree in writing that Green Mountain will provide such services and Green Mountain will be adequately compensated.
- II. Additional Services and Emergency Services are those services not covered under the Basic Services above, and which may vary substantially in scope. Green Mountain may coordinate its maintenance or repair services with other contractors for anything beyond the scope of general maintenance, including without limitation use of major equipment and electrical services.



**EXHIBIT B**

**TO Intergovernmental AGREEMENT FOR MAINTENANCE AND REPAIR SERVICES**

**for the FOSSIL RIDGE METROPOLITAN DISTRICT NO. 1**

**to be FURNISHED BY THE GREEN MOUNTAIN WATER AND SANITATION DISTRICT**

**June 10, 2008**

**RATE SCHEDULE**

Basic Services and Emergency Services will be billed to Fossil Ridge at the unit prices set forth in Section I below, if applicable. For any Basic Services or Emergency Services not set forth in Section I below, the Services will be billed on an hourly rate for labor and equipment as set forth in Section II (as may be periodically revised), plus 115% of cost of materials plus any other actual expenses incurred by Green Mountain.

Labor and equipment rates set forth in Section II are for normal (non-overtime) work hours. Overtime (one and one-half times the hourly rate) will be charged for labor or crew and operators of equipment for work performed between 6:00 AM and 7:30 AM or between 4:00 PM and 10:00 PM. Double overtime (two times the hourly rate) will be charged for labor or crew and operators of equipment for work performed between 10:00 PM and 6:00 AM.

Charges for Additional Services will be separately negotiated by the Parties.

**I. Unit Prices**

**A. Sanitary Sewer**

- |  |                    |
|--|--------------------|
| 1. Scheduled Jet Cleaning and Annual Cleaning: | \$0.32/linear foot |
| 2. Mechanical Root Cutting:                    | \$0.65/linear foot |
| 3. Televising:                                 | \$0.50/linear foot |

**B. Sand/Grease Trap Inspections:** \$35 each

**C. Lift Station Maintenance** (*Rates to be established when lift station is put into operation*):

- |  |       |
|--|-------|
| 1. Weekly inspections.                         | \$TBD |
| 2. Remove grease and debris from the wet well. | \$TBD |

- |  |       |
|--|-------|
| 3. Routine pump and equipment maintenance. | \$TBD |
| 4. Electrical/controls maintenance.        | \$TBD |
| 5. Exercise standby generator.             | \$TBD |

II. **Basic Services Rate Schedule - Green Mountain Rate Sheet April 1, 2008**

<b>Labor</b>	<b>Regular Hourly Rate<sup>1</sup></b>
District Manager	\$60.00
Supervisor	\$50.00
Inspector	\$37.00
Equipment Operator	\$36.50
Mechanic	\$37.00
Skilled Laborer	\$28.00
Office Staff (research, mailings, etc.)	\$35.00

<b>Equipment</b>	<b>Regular Hourly Rate<sup>2</sup></b>
Vac Con Sewer Truck w/Crew	\$125
TV Van w/Crew	\$115
Penna Liner Trailer w/out Crew or Materials	\$25
Backhoe w/ Operator	\$75
Tandem Axle Dump Truck	\$40
Single Axle Dump Truck	\$25
Equipment Trailer	\$10
Repair Trailer w/ Tools	\$15
Service Truck	\$10
Pickup	\$10
F•650 (Shoring Box Transport)	\$17
Air compressor	\$10
Generator	\$10
Materials	(Cost plus 15 percent)

<sup>1</sup> Greeo Mountain may charge overtime or double overtime for labor provided within specified hours as set forth on page one of Rate Schedule.

Green Mount.a.in may charge overtime or double overtime for labor provided by crew or operators of equipment within specified hours as set forth on page one of Rate Schedule

Addendum Regarding  
Authorized Agents of Fossil Ridge and Green Tree and  
Emergency Contact information for Fossil Ridge and Green Tree

ADDENDUM TO INTERGOVERNMENTAL AGREEMENT FOR  
MAINTENANCE AND REPAIR OF SEWER SYSTEM

Between

Green Mountain Water & Sanitation District  
and

Fossil Ridge Metropolitan District No. 1

Addendum Date September 19, 2008

Contact Information:

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Fossil Ridge Metropolitan District Nos. 2 and 3, Jefferson  
County, Colorado  
188 Inverness Drive W, Suite 150  
Englewood, Colorado 80112

June 10, 2008

Board of Directors  
Green Mountain Water and Sanitation District  
1\_3919 W. Utah Avenue  
Lakewood, CO 80228

RE: Representation Letter Concerning Sewer Service and Maintenance Agreements

Fossil Ridge Metropolitan District No. 2 and Fossil Ridge Metropolitan District No. 3 (collectively the "Districts"), hereby represent, acknowledge and agree to the following:

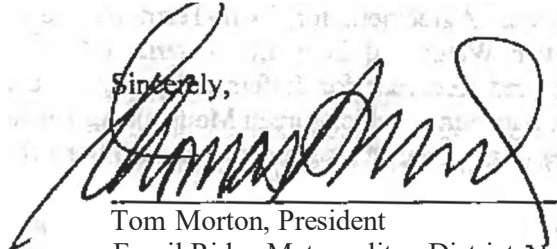
1. Fossil Ridge Metropolitan District No. 1 ("District No. I") has entered into that certain Intergovernmental Agreement for Extra-Territorial Sewer Service, dated January 15, 2008, with Green Mountain Water and Sanitation District ("Green Mountain"), which is recorded with the County Clerk and Recorder for Jefferson County at reception number 2008012085 (the "Service Agreement"), pursuant to which Green Mountain agrees to accept wastewater flows produced within the boundaries of the Districts, subject to the conditions contained in the Service Agreement.
2. District No. 1 and Green Mountain are planning to enter into that certain Intergovernmental Agreement for Maintenance and Repair of Sewer System (the "Maintenance Agreement"), pursuant to which Green Mountain agrees to maintain and repair the public sewer system located within the boundaries of the Districts, subject to the conditions contained in the Maintenance Agreement.
3. The Districts make the representations set forth in this letter to induce Green Mountain to enter into the Service Agreement, and amendments thereto, and the Maintenance Agreement.
4. The public sewer system, which includes without limitation sewer mains, manholes, lift stations, monitoring stations and appurtenances to any of the preceding, within the boundaries of the Districts (the "Sewer System"), has been constructed by District No. I on behalf of the Districts, with District No. I retaining ownership, operation and maintenance authority, and all incident access easements.
5. The Districts also acknowledge that District No. I is authorized to enter into agreements on behalf of the Districts for the construction, operation, maintenance and repair of the public infrastructure, including the Sewer System, and without limitation the Service Agreement, and amendments thereto, and the Maintenance Agreement.
6. Pursuant to a joint resolution adopted on February 12, 2008, the Districts have adopted and agree to comply with the Rules and Regulations of Green Mountain, as amended from time to time, and the Metropolitan Denver Wastewater Reclamation District, as amended from time to time.

7. The Districts agree to cooperate with District No. 1 and Green Mountain, to the extent requested, in the administration or amendment of the Service Agreement. as emended, or the Maintenance Agreement.

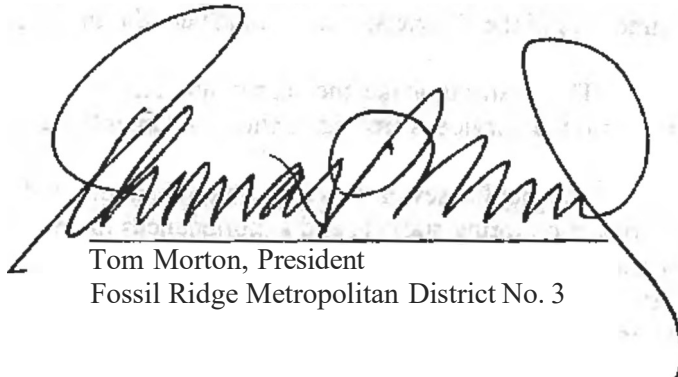
8. To the extent permitted by law, if at all, the Districts shall defend, indemnify and hold harmless Green Mountain, and its directors, officers, employees, contractors and consultants, from all damages or losses of any kind, which may be caused by, related to or arising from the inaccuracy of any representation(s) contained in this letter or Green Mountain's reliance on such representations or which may be caused by, related to or arising from the Service Agreement, the Maintenance Agreement. the Sewer System or wastewater which has entered the Sewer System. The Districts shall bear all costs of investigation and litigation, including reasonable attorney fees, incurred in defending any claims related to any such damages or losses.

9. The Districts have taken all necessary action to authorize their representatives to execute and deliver this letter.

Sincerely,

  
\_\_\_\_\_  
Tom Morton, President  
Fossil Ridge Metropolitan District No. 2

Attest:

  
\_\_\_\_\_  
Tom Morton, President  
Fossil Ridge Metropolitan District No. 3

Attest:

□□  
\_\_\_\_\_

Accepted By:

\_\_\_\_\_  
Michael Lantz, President

Green Mountain Water and Sanitation District