

SERVICE PLAN
FOR
FIRST CREEK METROPOLITAN DISTRICT

NOW EBERT

May, 1983

Prepared for:

ALPERT CORPORATION
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SERVICE PLAN FOR THE PROPOSED
FIRST CREEK METROPOLITAN DISTRICT

May, 1983

INTRODUCTION

It is intended that the proposed First Creek Metropolitan District could provide the following services and/or facilities: water, sanitary sewer, storm sewer and drainage, streets, parks and recreation, safety protection and transportation. This Service Plan is submitted in accordance with the provisions of the Special Districts Control Act, Part 2 of Article I, Title 32, Colorado Revised Statutes 1973, as amended, and consists of a financial survey and a preliminary engineering survey showing how the proposed services are to be provided and financed.

PROPOSED SERVICE AREA

The area to be served by the proposed District is located in the City and County of Denver, Colorado and has a northern boundary of 56th Avenue, southern boundary of the centerline of 48th Avenue with eastern and western boundaries of Piccadilly Road and Ensenada Way respectively. The area to be included in the proposed District contains approximately 1,120 acres. A map of the proposed District is attached hereto as Exhibit A.

PRESENT DEVELOPMENT

At the present time, the area to be included within the proposed District is undeveloped.

PROPOSED LAND USE

The proposed land use of the area to be included within the proposed District may be summarized as follows:

<u>TYPE</u>	<u>ACRES</u>
Single Family Detached	193.4
Single Family Clusters	164.6
Multi-Family	266.5
Neighborhood Business	22.0
Parks	54.6
Golf Course	185.9
Schools	66.0
Shopping Center	24.0
Civic Center	4.0
Other (Easements, Streets, Rights-of-Way, etc.)	<u>139.0</u>
TOTAL	1,120.0

Exhibit B attached hereto illustrates the proposed land use plan in the proposed District.

POPULATION PROJECTIONS

After consultation with the City and County of Denver Planning Department, the following densities were used to estimate the future population within the proposed District:

Single Family Detached	6.0 Units/Acre	2.9 Persons/Unit
Single Family Clusters	14.5 Units/Acre	2.9 Persons/Unit
Multi-Family	29.0 Units/Acre	1.9 Persons/Unit

The table below presents an estimate of the population within the planning area based upon the proposed land use plan and the above assumptions:

PRELIMINARY RESIDENTIAL DEVELOPMENT SCHEDULE

25 YEAR PROJECTION

YEAR	S.F. UNITS/ YEAR	M.F. UNITS/ YEAR	TOTAL UNITS/ YEAR	CUMULATIVE TOTAL UNITS/YEAR	TOTAL POPULATION
1983	0	0	0	0	0
1984	0	0	0	0	0
1985	717	0	717	717	2,079
1986	409	0	409	1,126	3,265
1987	228	0	228	1,354	3,927
1988	640	0	640	1,994	5,783
1989	631	0	631	2,625	7,612
1990	0	609	609	3,234	8,770
1991	1,117	383	1,500	4,734	12,737
1992	0	684	684	5,418	14,036
1993	0	394	394	5,812	14,785
1994	0	545	545	6,357	15,820
1995	0	545	545	6,902	16,856
1996	0	450	450	7,352	17,711
1997	0	450	450	7,802	18,566
1998	0	567	567	8,369	19,643
1999	0	567	567	8,936	20,720
2000	0	412	412	9,348	21,503
2001	0	412	412	9,760	22,286
2002	0	554	554	10,314	23,339
2003	0	554	554	10,868	24,391
2004	0	567	567	11,435	25,468
2005	0	567	567	12,002	26,546
2006	0	0	0	12,002	26,546
2007	0	0	0	12,002	26,546
2008	0	0	0	12,002	26,546

For planning purposes it is assumed that the 28 acres of shopping center and civic center land would be occupied with 30% buildings with 70% covered by parking, landscaping, internal streets and storage. The commercial land is not expected to sustain any permanent population.

ASSESSED VALUATION

The present assessed valuation of the property to be included within the proposed District is approximately \$180,200.00. The projected assessed valuation of the property to be included within the proposed District, based upon the land use plans and population projections heretofore noted, is attached hereto as Exhibit C.

FACILITIES TO BE CONSTRUCTED

The facilities to be constructed, installed or acquired by the proposed District in order to carry out its powers and purposes are described in Exhibit J attached hereto. An estimate of the costs of such facilities is also set forth in Exhibit J.

Following is a detailed summary, by specific purpose, of the facilities to be constructed, installed or acquired by the proposed District.

Water Facilities

The proposed District will acquire the required amounts of water to serve the property within the District. The Alpert Corporation, on behalf of the proposed District, has taken the initiative to execute a water Participation Agreement within the Denver Board of Water Commissioners, dated March 5, 1982. A copy of this Participation Agreement is attached hereto as Exhibit D.

A Total Service Contract will be executed by the proposed District with the Denver Board of Water Commissioners, whereby the Denver Board of Water Commissioners would own, maintain and repair all water facilities and would be responsible for customer service. A copy of an example of a Total Service Contract which would be executed between the Denver Board of Water Commissioners and the District after formation of the proposed District is attached hereto as Exhibit E.

At total build-out, the District will require an estimated total daily demand of approximately 3,800,000 gallons per day of treated water computed as follows:

Average Daily Demand:

150 gallons/capita day x 24,849 persons = 3,734,100 gallons per day.

Commercial/Business Demand:

1.02 GPM/acre x 28 acres x 60 minutes x 24 hours = 41,126 gallons per day

Residential Demand		Commercial/Business Demand		Total Demand
3,734,100 gal/day	+	41,126 gal/day	=	3,775,226 gal/day

The following table sets forth the projected average daily water demand within the proposed District:

AVERAGE DAILY WATER DEMAND SCHEDULE

25 YEAR PROJECTION

YEAR	S.F. UNITS/ YEAR	M.F. UNITS/ YEAR	TOTAL UNITS/ YEAR	CUMULATIVE TOTAL UNITS/YEAR	TOTAL POPULATION	AVERAGE DAILY DEMAND (MGD)
1983	0	0	0	0	0	0
1984	0	0	0	0	0	0
1985	717	0	717	717	2,079	0.312
1986	409	0	409	1,126	3,265	0.490
1987	228	0	228	1,354	3,927	0.589
1988	640	0	640	1,994	5,783	0.867
1989	631	9	631	2,625	7,612	1.142
1990	0	609	609	3,234	8,770	1.315
1991	1,117	383	1,500	4,734	12,737	1.910
1992	0	684	684	5,418	14,036	2.105
1993	0	394	394	5,812	14,785	2.218
1994	0	545	545	6,357	15,820	2.373
1995	0	545	545	6,902	16,856	2.528
1996	0	450	450	7,352	17,711	2.657
1997	0	450	450	7,802	18,566	2.785
1998	0	567	567	8,369	19,643	2.946
1999	0	567	567	8,936	20,720	3.108
2000	0	412	412	9,348	21,503	3.225
2001	0	412	412	9,760	22,286	3.343
2002	0	554	554	10,314	23,339	3.501
2003	0	554	554	10,868	24,391	3.659
2004	0	567	567	11,435	25,468	3.820
2005	0	567	567	12,002	26,546	3.982
2006	0	0	0	12,002	26,546	3.982
2007	0	0	0	12,002	26,546	3.982
2008	0	0	0	12,002	26,546	3.982

Units - (Built Per Year) Yearly Accumulative
 Million Gallons Daily - Amount of treated water that must be produced to service
 the District.

Does not include commercial/business and schools/parks contribution to total water
 demand.

Additional demands from the proposed schools and parks would have to be calculated as soon as more details are known, but these additional demands should add a minor amount to the total demand for water service and are not included in the previous table.

The agreement between Alpert Corporation and the Denver Board of Water Commissioners as outlined in this Service Plan provides for all the required water line facilities to be constructed by the Denver Board of Water Commissioners, particularly Conduits #93, #74 and #127 and future pumping and storage facilities.

Alpert Corporation has paid approximately \$1,500,000.00 to the Denver Board of Water Commissioners for these facilities to be constructed; a portion of such payments will be subject to reimbursement by the proposed District.

All developer or interior water lines shall be designed and constructed by the developer in accordance with the Denver Board of Water Commissioners standard specifications.

Exhibit F attached hereto sets forth the Master Water Plan of the proposed District.

Sewer Facilities

The proposed District is located within the boundaries of the City and County of Denver and as such sewer service will be provided by the Wastewater Management Division of the City and County of Denver. With the current projected developed build-out schedule within the District, it anticipated that the sewer lines proposed for installation by the proposed District will provide adequate capacity for flows from the District. The existing interceptor lines that provide sewer service to the District area were installed by the Wastewater Management Division based upon the preexisting zoning for the entire basin of which this District is a part.

Exhibit G attached hereto illustrates the proposed Master Sewage Collection Plan for the proposed District.

Street Facilities

The streets, together with necessary and appropriate appurtenant facilities, to be constructed by the proposed District are set forth in Exhibit H attached hereto.

Storm Sewer and Drainage

The proposed District will construct all necessary storm sewers and drainage infrastructure systems in conjunction within the construction and installation of streets and parks. A Master Storm Drainage Plan is set forth in Exhibit I attached hereto.

Parks and Recreation

Parks and recreational facilities may be constructed and developed by the proposed District in conjunction with the city and County of Denver.

Safety Protection

The City and County of Denver will construct or install all required signage and signalization in conjunction with the construction and installation of streets in accordance with their normal procedures.

STANDARDS OF CONSTRUCTION

The proposed District's water system will be constructed and maintained in accordance with the Denver Board of Water Commissioners' standards.

The wastewater collection facilities will be designed, constructed and maintained in accordance with the standards of the Wastewater Management Division of the City and County of Denver.

All streets and safety protection facilities will be constructed in accordance with the standards and specifications of the City and County of Denver.

All other facilities will be constructed to the prevailing standards of the industry.

ESTIMATED COSTS

The estimated costs of construction of the facilities to be constructed, installed or acquired by the proposed District are set forth in Exhibit J attached hereto. Land acquisition costs and engineering costs have been included therein.

The estimated costs of organization of the proposed District, including legal services, is \$15,000. These costs will be paid out of the proposed District's initial bond issue.

FIRST CREEK METROPOLITAN DISTRICT

FINANCIAL CONSIDERATIONS

General

After consultation with the engineers, and upon advice of Hanifen, Imhoff Inc., investment bankers to the proposed District, it has been decided that the improvements to be constructed by the proposed District will be financed by the issuance of general obligation bonds to be authorized and issued in accordance with the authorizing act approved by the Colorado Legislature. The bonds, when issued, will mature in not more than twenty years from date of issuance with the first maturity being not later than three years from their date as required by statute. The proposed maximum interest rate will be 18% and the maximum discount 5%. The exact interest rates and discounts will be established at the time the bonds are sold by the proposed District and will reflect market conditions at the time of sale.

It is proposed that a total of \$24 million of bonds for various purposes will be submitted to the electors of the proposed District for approval to fund the improvements. The amount to be voted exceeds the amount of bonds to be sold as shown in the attached schedules to allow for unforeseen contingencies and increases in construction costs not contemplated in this Service Plan. Based upon construction estimates as computed during the preparation of the Service Plan, it is anticipated that a total of \$18,710,000 of bonds will be issued based upon 1983 construction costs. The bonds will contain adequate call provisions to allow the prior redemption or refinancing of bonds sold by the proposed District. The amount of bonds sold will be based upon final engineering estimates or actual construction contracts. The authorization will include funds for park and recreation purposes and may be issued at the discretion of the Board of Directors.

The proposed District will have as its primary source of revenue to retire the bonded debt a mill levy which is estimated at 18 mills throughout the bond repayment period. This mill levy may vary depending upon the elected board's decision to fund the projects contemplated in the Service Plan. In addition, from the proceeds of the bonds, the proposed District will capitalize interest from the series of bonds to permit payment of interest during the time lapse between development of taxable properties and certification of this development

on the tax rolls. Additionally, this plan projects a tap fee to be charged for all water connections to the municipal water utility to provide additional income for the retirement of the indebtedness. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional income to meet operational expenses. Another alternative revenue source which could be made available upon the decision of the Board is a developers' fee but such fee is not anticipated in the accompanying schedules.

Cost Summary and Bond Development

The following schedules reflect the amount of bonds to be sold to finance construction costs, including related expenses of the sale of bonds. For the purpose of calculation, and upon advice of Hanifen, Imhoff Inc., interest rates have been assumed to be 10% on the projected bond issues.

Projection of Assessed Valuation

For purposes of developing the financial plan, it was assumed that living units and commercial development within the proposed District would be assessed at various percentages depending upon the year of construction. It is also assumed that the assessed valuation will be realized one year after construction and that tax collections will be realized two years after initial construction. The estimated assessed valuation on the properties within the proposed District's boundaries is currently minimal as new construction has not yet been placed on the tax rolls.

Operation and Maintenance Expenses

In that the operation and maintenance expense of the proposed District is dependent upon contracts to be entered into with the Denver Board of Water Commissioners and the City and County of Denver, the annual cost of operation and maintenance of the facilities has not been computed within the cash flow schedule. It is estimated, however, that the mill levy required to meet operation and maintenance expenses will be minimal, such costs to be offset by specific ownership taxes and other revenue receipts not projected in the cash flow schedule. It is anticipated that the Denver Water Board will operate and maintain the water system and that the streets, upon completion and acceptance, will be deeded to the city for operation and maintenance.

Cash Flow Schedule

The cash flow schedule projects the anticipated flow of funds and is based upon developer estimates of construction and projected needs for bond financing to finance the proposed District's improvements. The cash flow schedule indicated the best estimate of growth within the proposed District and flexibility is given the board of directors under the law to postpone construction of certain projects if necessitated by a slowdown in home construction or other economic factors. The schedule anticipates the financing and incurring of debt obligations under a phasing as determined later by the board of directors so that all debt is not incurred prior to a time when the facilities are needed to meet the growing population demands.

FIRST CREEK METROPOLITAN DISTRICT

Projected Schedule of Bond Sales

Year	1985	1986	1987	1989	1990
Construction & Engineering	\$4,968,865	\$3,591,115	\$2,680,515	\$1,768,966	\$3,094,199
Capitalized Interest (1 year)	577,500	417,500	311,000	205,500	359,500
Bond Discount (3%)	173,250	125,250	93,300	61,650	107,850
Legal	45,000	30,000	20,000	15,000	25,000
Miscellaneous	<u>10,385</u>	<u>11,135</u>	<u>5,185</u>	<u>3,884</u>	<u>8,451</u>
Total	\$5,775,000	\$4,175,000	\$3,110,000	\$2,055,000	\$3,595,000
Date of Issue	6-1-85	6-1-86	6-1-87	6-1-89	6-1-90
First Principal Payment	12-1-87	12-1-88	12-1-89	12-1-91	12-1-92
First Interest Payment	12-1-85	12-1-86	12-1-87	12-1-89	12-1-90

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WFI:jb
5-11-83

GREEN VALLEY RANCH
 FIRST CREEK METROPOLITAN DISTRICT
 ESTIMATED FINANCING PLAN
 MAY 4, 1983

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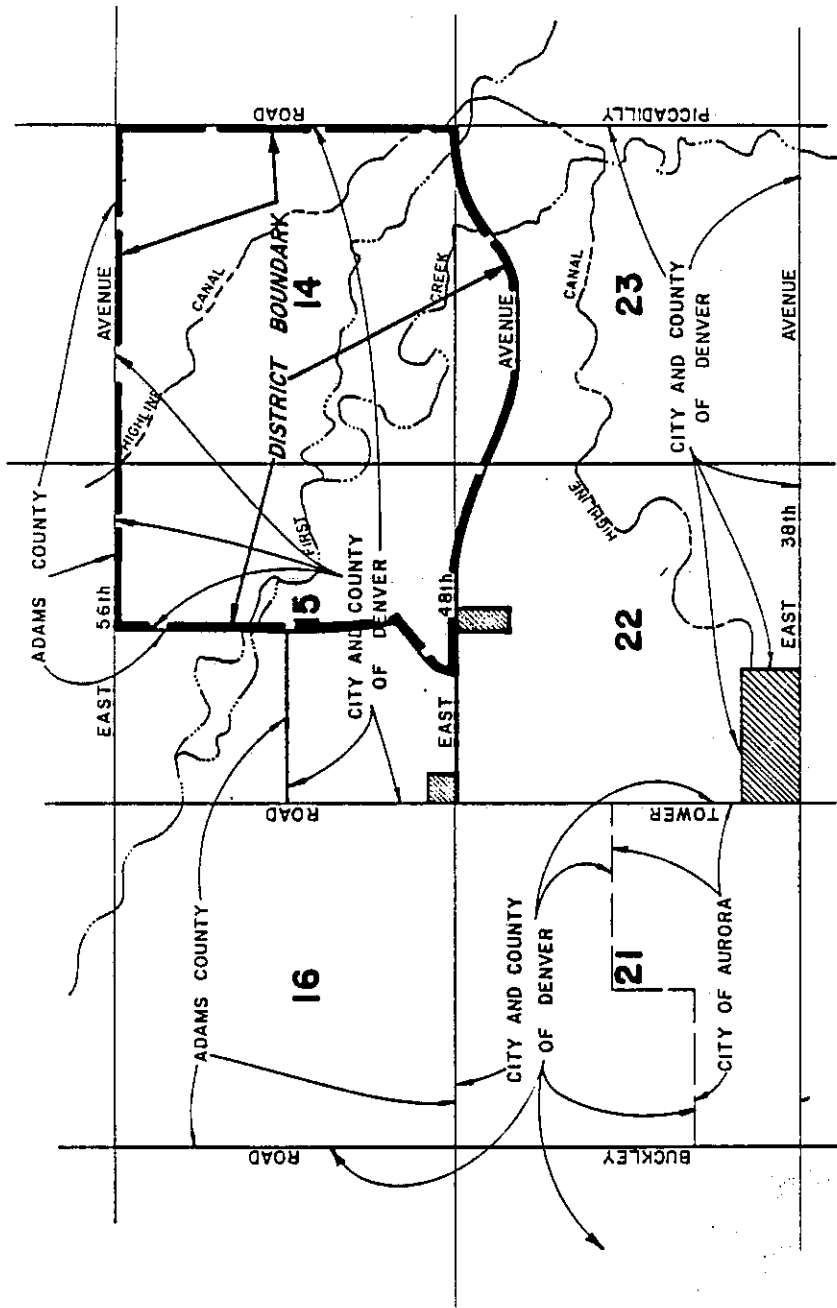
COLLECTION YEAR	ASSESSED VALUE	MILL LEVY	TAX REVENUE	INTEREST		TAP FEE SURCHG INCOME	INTEREST EARNED ON		TOTAL REVENUE	0,5,775,000 14,175,000 13,110,000 12,055,000 13,595,000						GRAND TOTAL DEBT SERVICE	TOTAL DEBT PAYMENTS	ANNUAL SURPLUS	CUMULATIVE SURPLUS	COLLECTION YEAR		
				CAPITL'D INTEREST	CAPITL'D CONST.FUND		TAP FEE SURCHG INCOME	TAX REVENUE		TAX CUMULATIVE SURPLUS	OPERATION MAINT.	ISSUE 1985 DEBT SERVICE	ISSUE 1986 DEBT SERVICE	ISSUE 1987 DEBT SERVICE	ISSUE 1989 DEBT SERVICE						ISSUE 1990 DEBT SERVICE	
1983	50000	0.00	0			0	0	0	0						0	0	0	0	1983			
1984	75000	0.00	0			0	0	0	0						0	0	0	0	1984			
1985	1000000	18.00	18000	288750	24544	316765	681150	28949	765	0	1358923	1000	288750		288750	289750	1069173	1069173	1985			
1986	1500000	18.00	27000	497500	30016	228933	450450	19144	1148	90880	1345070	2000	577500	208750	786250	788250	556820	1625993	1986			
1987	6272316	18.00	112902	364250	22090	170882	262200	11144	4798	138209	1086475	3000	582500		1155500	1158500	-72025	1553968	1987			
1988	11148860	18.00	200679	155500	6609	0	825000	35063	8529	132087	1363467	4000	587000	422500	311000	1320500	1324500	38967	1592935	1988		
1989	13475296	18.00	242555	102750	8734	112772	851850	36204	10309	135399	1500573	5000	591000	427000	316000	102750	1436750	1441750	58823	1651758	1989	
1990	21623059	18.00	389215	282500	19646	197255	471250	20028	16542	140399	1536835	6000	594500	431000	315500	205500	1726250	1732250	-195415	1456344	1990	
1991	29132941	18.00	524393	179750	7640		2053250	87263	22287	123789	2998372	7000	597500	434500	325000	210500	1927000	1934000	1064372	2520716	1991	
1992	35480161	18.00	638643				614400	26112	27142	214261	1520558	8000	600000	437500	328500	210000	369500	1945500	1953500	-432942	2087774	1992
1993	54326284	18.00	977873				354600	15071	41560	177461	1566564	9000	612000	445000	331500	214500	373500	1976500	1985500	-418936	1668838	1993
1994	63007669	18.00	1134138				517750	22004	48201	141851	1863944	10000	612500	446500	334000	218500	377000	1988500	1998500	-134556	1534282	1994
1995	67568872	18.00	1216240				545000	23163	51690	130414	1966506	11000	632500	452500	336000	227000	375000	2023000	2034000	-67494	1466788	1995
1996	74319799	18.00	1337756				472500	20081	56855	124677	2011869	12000	650000	472500	347500	229500	378000	2077500	2089500	-77631	1389158	1996
1997	81543291	18.00	1467779				495000	21038	62381	118078	2164276	13000	690000	490000	367500	236500	380500	2164500	2177500	-13224	1375934	1997
1998	87925147	18.00	1582653				652050	27712	67263	116954	2446632	14000	725000	530000	385000	242500	397500	2280000	2294000	152632	1528565	1998
1999	94753733	18.00	1705567				680400	28917	72487	129928	2617299	15000	855000	565000	400000	262500	417500	2500000	2515000	102299	1630864	1999
2000	103960032	18.00	1871281				515000	21888	79529	138623	2626321	16000	970000	595000	412500	280000	435000	2692500	2708500	-82179	1548685	2000
2001	113810772	18.00	2048594				535600	22763	87065	131638	2825660	17000	1170000	620000	422500	295000	450000	2957500	2974500	-148840	1399846	2001
2002	121469679	18.00	2186454				747900	31786	92924	118987	3178051	18000	1295000	790000	430000	307500	462500	3285000	3303000	-124949	1274897	2002
2003	129664710	18.00	2333965				775600	32963	99194	108366	3350088	19000	1350000	790000	435000	317500	472500	3365000	3384000	-33912	1240984	2003
2004	141455608	18.00	2546201				0	108214	105484	2759898	20000	1540000	785000	437500	325000	480000	3567500	3587500	-827602	413382	2004	
2005	141455608	18.00	2546201				0	108214	35137	2689552	21000		1375000	437500	330000	485000	2627500	2648500	41052	454434	2005	
2006	141455608	18.00	2546201				0	108214	38627	2693041	22000			1485000	332500	487500	2305000	2327000	366041	820476	2006	
2007	141455608	18.00	2546201				0	108214	69740	2724155	23000				632500	2337500	2970000	2993000	-268845	551631	2007	
2008	141455608	18.00	2546201				0	108214	46889	2701303	24000						0	24000	2677303	3228934	2008	
TOTALS			1871000	119279	1026607	12500950							15520750	11135250	8313000	5179750	9217750	49366500				TOTALS

CONCLUSION

This Service Plan for the proposed First Creek Metropolitan District meets the requirements of the Special District Control Act. It is further submitted that:

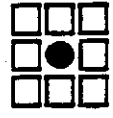
- (a) There is sufficient existing and projected need for organized service in the area to be serviced by the proposed District;
- (b) The existing service in the area to be served by the proposed District is inadequate for present and projected needs;
- (c) Adequate service will not be available to the area through other existing municipal or quasi-municipal corporations within a reasonable time and on a comparable basis;
- (d) The proposed District is capable of providing economical and sufficient service to the area within its proposed boundaries;
- (e) The area to be included in the proposed District does have, and will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
- (f) The facility and service standards of the proposed District are compatible with the facility and service standards of adjacent municipalities and special districts;
- (g) The proposal is in substantial compliance with a master plan adopted pursuant to Section 30-28-108, C.R.S. 1973; and
- (h) The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area.

Therefore, it is requested that the City Council of the City and County of Denver, Colorado adopt a Resolution approving the Service Plan for the proposed First Creek Metropolitan District as submitted.



**FIRST CREEK METROPOLITAN
DISTRICT BOUNDARY**

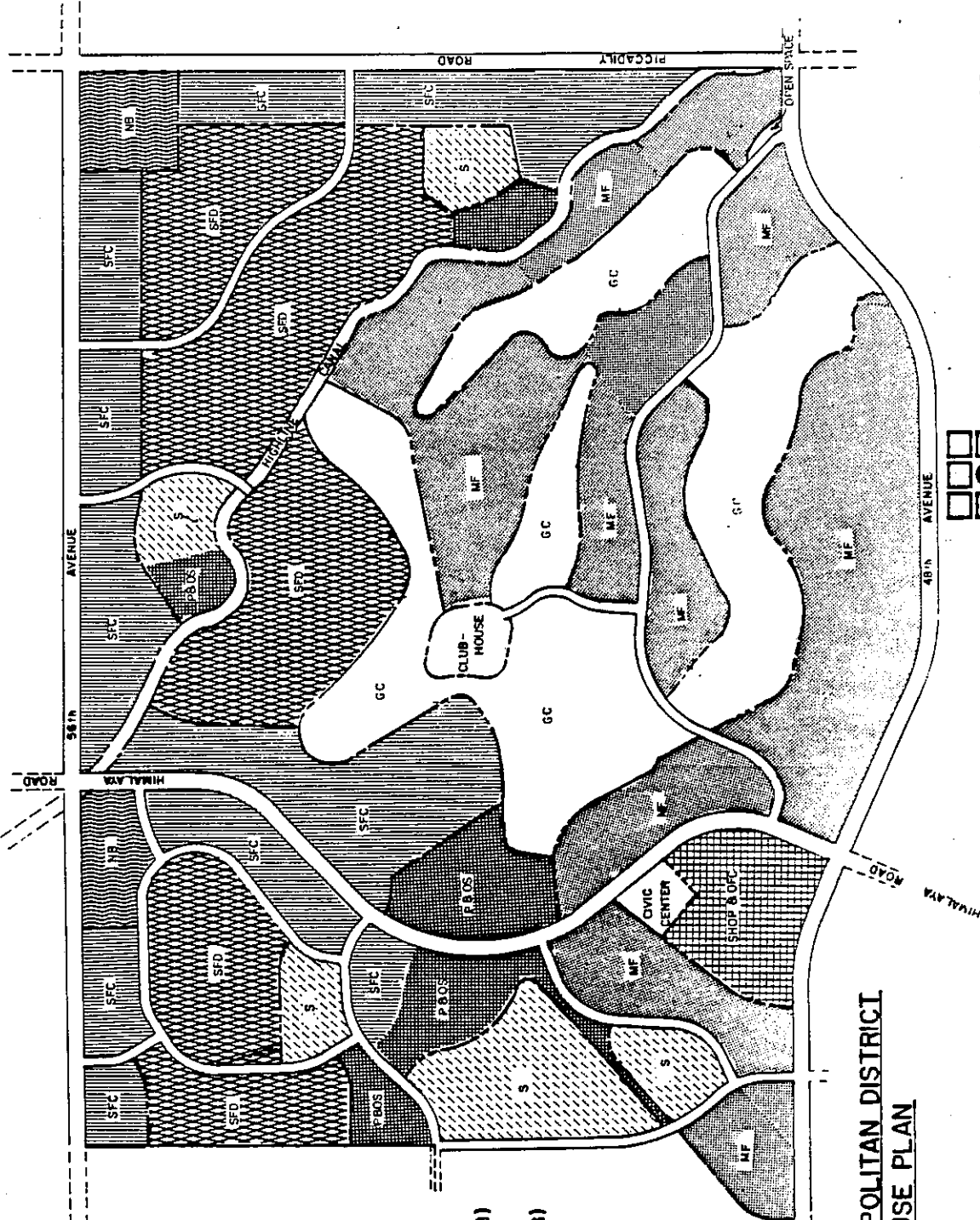
ADAMS COUNTY
(NOT part of this district)





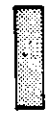
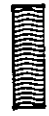


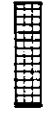

MERRICK

Merrick & Company
1985, East Broadway Drive
Denver, CO 80202

EXHIBIT A



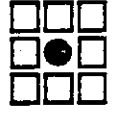
LEGEND

-  SINGLE FAMILY DETACHED (SFD)
-  SINGLE FAMILY CLUSTERS (SFC)
-  MULTI-FAMILY (MF)
-  NEIGHBORHOOD BUSINESS (NB)
-  PARKS & OPEN SPACE (P & OS)
-  SCHOOLS (S)
-  SHOPPING CENTER & OFFICE (SHOP & OFC)
-  GOLF COURSE (GC)



**FIRST CREEK METROPOLITAN DISTRICT
PRELIMINARY LAND USE PLAN**

EXHIBIT B



MERRICK

Merrick & Company
10855 East Redhawk Drive
Denver, CO 80231-0741

EXHIBIT "D"
PARTICIPATION AGREEMENT
COPY

PARTICIPATION AGREEMENT

THIS AGREEMENT, made and entered into as of this 5th day of MARCL, 1980, by and between the CITY AND COUNTY OF DENVER, a municipal corporation of the State of Colorado, acting by and through its BOARD OF WATER COMMISSIONERS, hereinafter referred to as "THE BOARD" and the ALPERT CORPORATION, a corporation formed under the laws of the State of Colorado, hereinafter referred to as "THE COMPANY,"

WITNESSETH:

WHEREAS, The Company owns certain property located in an area presently annexed to the City and County of Denver, Colorado, hereinafter referred to as "The Green Valley Ranch," as described in Exhibit "A," which is part of the North East Phases I and II Annexations to the City and County of Denver, which annexations are being contested in the Courts; and

WHEREAS, the North East Phases I and II Annexations to the City and County of Denver are presently subject to challenge and may be declared at some time in the future to be invalid, thus excluding a portion of or all of The Green Valley Ranch from the City and County of Denver; and

WHEREAS, in order to meet the water demands caused by development of The Green Valley Ranch, The Company will require water service from The Board; and

WHEREAS, under the participation policy of The Board, Developers, depending on project location and situation, are required to participate in the cost of the various facilities required to provide service; and

WHEREAS, to meet the demands arising from The Green Valley Ranch, additional facilities will be required as described in Exhibit "B" attached hereto and made a part hereof; and

WHEREAS, the parties hereto wish to set forth their respective rights and obligations with regard to service to The Green Valley Ranch and participation in the costs of construction of the facilities described in Exhibit "B."

NOW, THEREFORE, in consideration of the premises and promises hereinafter contained, the parties hereby mutually agree as follows:

1. The transmission facilities and appurtenances described in Exhibit "B" required to provide water service to The Green Valley Ranch under the terms of this contract shall be constructed by The Board or its contractor and shall be the property of The Board.

2. The Board agrees to provide water service to all of the property comprising The Green Valley Ranch even in the event of de-annexation of all or any portion of such property from the City and County of Denver, subject to performance by The Company of its obligations under this Agreement and in compliance with The Board's Operating Rules, Engineering Standards and tap allocation program UNLESS The Company terminates this Agreement under Paragraph 5.A. hereof.

3. The Company's participation obligation shall consist of various components which are detailed herein. It is agreed that any changes in the proposed land use which would require more than 9,275 equivalent 3/4-inch taps may require renegotiation of this Agreement. The sizes of the facilities described in this Agreement are an estimate only and may be enlarged at the sole discretion of The Board; provided, however: (1) The Company shall only be responsible for the cost of that portion of the transmission facilities required to provide sufficient capacity to The Green Valley Ranch, in accordance with this Agreement, and (2) the percent of estimated cost of such facilities to be paid by The Company, as described in Exhibit "C" hereto, shall be adjusted accordingly. Further, the location of transmission facilities may be modified by The Board to meet its Engineering Standards; provided, however, the general points of connection to Conduit No. 93, Phase II (approximately Buckley Road and 56th Avenue) and existing Conduit No. 74 (approximately Smith Road and Peoria Street) remain the same.

A. Water service to the entire Green Valley Ranch requires the installation of certain new facilities as described below:

- (1) Conduit No. 93, a 42-inch conduit in East 56th Avenue from 420 + feet east of Buckley Road to Tower Road (Phase III) and in East 56th Avenue from Tower Road to Picadilly Road (Phase IV), and in Picadilly Road from East 56th Avenue to

East 64th Avenue (Phase V), a total distance of approximately 20,700 feet. It is hereby agreed that The Company's obligation hereunder shall be 100% of the actual cost of Conduit No. 93, Phases III, IV and V, which 100% is estimated to be \$2,214,900.

- (2) Conduit No. 127, a 36-inch conduit in Tower Road from East 56th Avenue to East 38th Avenue, a total distance of approximately 10,560 feet. It is hereby agreed that The Company's obligation hereunder shall be 100% of the actual cost of Conduit No. 127, which 100% is estimated to be \$960,960.
- (3) A reservoir and pumping facility to be located in the vicinity of East 64th Avenue and Picadilly Road, which facility shall be adequately sized to enable The Board to meet the requirements of this Agreement. It is agreed that The Company shall not be obligated to participate in the cost of these facilities, except as provided in Paragraph 5.B.
- (4) Conduit No. 74, a 36-inch conduit in Smith Road from Peoria Street to Chambers Road, in Chambers Road from Smith Road to East 38th Avenue, in East 38th Avenue from Chambers Road to Picadilly Road, and in Picadilly Road from East 38th Avenue to East 56th Avenue, a total distance of approximately 46,170 feet. It is hereby agreed that The Company's obligation hereunder shall be 82.4% (the estimated per footage cost of a 30" conduit (\$75) divided by the estimated per footage cost of a 36" conduit (\$91)) of the actual cost of Conduit No. 74, which 82.4% is estimated to be \$3,462,011.

The actual costs of the facilities described above shall include, but are not limited to, such items as: The Board's costs for materials, contract negotiations, contract payments, design and engineering, land acquisition, consultant fees, inspection, administration and right-of-way acquisition.

- B. Water service to the entire Green Valley Ranch requires the utilization of certain existing facilities and The Company shall pay a per tap participation charge for utilizing said existing facilities: The Company shall pay a per tap participation charge as set forth in Paragraph 4.E. for Conduit No. 93, Phases I and II, a 42-inch conduit in East 56th Avenue from Quebec Street to Buckley Road.

4. The Company's participation obligation shall consist of a front end assessment for new facilities and a per tap participation charge for existing facilities. The Company shall pay to The Board, within 30 days of execution of this Agreement, an initial payment of \$995,681, representing 15% of The Company's estimated cost of the design and construction of approximately 20,700 feet of Conduit No. 93, Phases III, IV and V (42-inch), 10,560 feet of Conduit No. 127

(36-inch), and 46,170 feet of Conduit No. 74 (36-inch). These facilities and their estimated total costs are shown in Exhibit "C" attached hereto. The Board will, upon receipt of the 15% initial payment, commence design of Conduit No. 93, Phase III and Conduit No. 127.

A. As set forth above, The Company shall be responsible for 100% of the actual cost for the design and construction of Conduit No. 93, Phase III and Conduit No. 127. The Company may review the bids received by The Board for these facilities. In accordance with Paragraph 5.A. hereof, The Company may limit its obligations established in this Agreement should the low bid, which meets all specifications and alternatives thereto, exceed by more than 10% the then-current "Engineer's Estimate" (hereinafter referred to as "the Estimate"). The Estimate will be in The Board's sole discretion, developed by The Board upon completion of design of Conduit No. 93, Phase III and Conduit No. 127. In accordance with accepted procedure and custom, the Estimate shall be announced at the bid opening. If the low bid exceeds the Estimate by more than 10%, The Company shall notify The Board in writing, within 10 working days of the date of bid opening, of its decision to proceed or not to proceed with the contract awards. If the low bid does not exceed the Estimate by more than 10%, The Board may award the contract(s) at its discretion. Payment for Conduit No. 93, Phase III, and Conduit No. 127 shall be made as follows:

(1)	Within 30 days of execution of this Agreement	(15%)	\$ 222,147*
(2)	Within 30 days of notification of awarding the first contract for installation or materials for Conduit No. 93 Phase III or Conduit No. 127	(35%)	\$ 518,343**
(3)	Within 30 days of notification of 50% completion of Conduit No. 93, Phase III and Conduit No. 127	(30%)	\$ 444,294**
(4)	Within 30 days of notification of completion of Conduit No. 93, Phase III and Conduit No. 127	(20%)	\$ 296,196**
	TOTAL (Estimate)	(100%)	\$1,480,980
(5)	Final Billing Adjustment (+) based on actual cost established after closing of all work orders for Conduit No. 93, Phase III and Conduit No. 127		\$ _____***

*This payment a portion of the \$995,681 described in Paragraph 4. above

**Fixed payment amount based on the then-current Engineer's Estimate

***Payment to be adjusted on basis of actual cost

*Paid 7-16-81
AR 8542*

B. Upon completion of Conduit No. 93, Phase III and Conduit No. 127, The Company will be allowed to purchase and install up to 2778 equivalent 3/4 inch taps in The Green Valley Ranch, subject to all applicable Board Rules. A schedule of equivalent 3/4-inch taps is attached hereto as Exhibit "D" and all references herein to "taps" shall mean and refer to equivalent 3/4-inch taps. No later than 30 days after The Company has purchased (i.e., per tap participation charge and System Development Charge paid in full) 2778 taps, it shall notify The Board in writing to proceed with or not to proceed with the design of Conduit No. 93, Phases IV and V. The Board shall not initiate the design of Conduit No. 93, Phases IV and V, at The Company's expense, without written notification to proceed from The Company, (See Paragraph 6. herein). If in accordance with The Board's Engineering Standards, additional taps are allowed from Conduit No. 93 and Conduit No. 127, The Company will have first right, but not the obligation, to purchase (i.e., per tap participation charge and System Development Charge paid in full) all or a portion of such additional taps which right must be exercised, in writing, within thirty (30) days of the date of written notification by The Board. Any per tap participation charges for such additional taps will be determined at that time.

If The Company decides not to proceed with the design of Conduit No. 93, Phases IV and V, The Board shall refund the initial payment described in Exhibit "C" for Conduit No. 74. The refund procedure is more fully described in Paragraph 5. of this Agreement. If The Company decides to proceed with Conduit No. 93, Phases IV and V, The Company may review the bids received by The Board for these facilities. In accordance with Paragraph 5.B.(2) hereof, The Company may limit its obligation established in this Agreement, should the low bid, which low bid meets all specifications and/or alternatives thereto, exceed the Estimate by more than 10%. If the low bid exceeds the Estimate by more than 10%, The Company shall notify The Board in writing, within 10 working days of the date of bid opening, of its decision to proceed or not to proceed with the contract awards. If the low bid does not exceed the Estimate by more than 10%, The Board may award contracts at its sole discretion. Payments 2, 3 and 4 for Conduit No. 93, Phases IV and V will be adjusted on the basis of the Estimate.

Should contracts be awarded the following payment plan shall apply:

(1)	Within 30 days of execution of this Agreement (15%)	\$ 254,232*
(2)	Within 30 days of notification of awarding contract(s) for installation and materials for Conduit No. 93, Phases IV and V (35%)	\$ 593,208**
(3)	Within 30 days of notification of 50% completion of Conduit No. 93, Phases IV and V (30%)	\$ 508,464**
(4)	Within 30 days of notification of completion of Conduit No. 93, Phases IV and V (20%)	\$ 338,976**
TOTAL (January, 1980 Estimate) (100%)		\$1,694,880

(5) Final Billing Adjustment (+) based on actual cost established after closing of all work orders for Conduit No. 93, Phases IV and V \$ _____

- *This payment a portion of \$995,681 described in Paragraph 4. above
- **Fixed payment based on the then-current Engineer's Estimate
- ***Payment to be adjusted on basis of actual cost

C. Once notification is received by The Board from The Company to proceed with the Contract Awards for Conduit No. 93, Phases IV and V, The Board shall proceed with the design and installation of a reservoir and a pumping facility in the vicinity of East 64th Avenue and Picadilly Road. The cost of the reservoir and pumping facility shall be the responsibility of The Board.

D. Upon completion of Conduit No. 93, Phases IV and V, and the reservoir and pumping facility described in Paragraph 4.C. above, The Company will be allowed to purchase (i.e. per tap participation and System Development Charge paid in full) and install up to 6,667 taps, subject to all applicable Board Rules (this number includes the 2,778 taps discussed in Paragraph 4.B. above). No later than 30 days after The Company has purchased 6,667 taps, it shall notify The Board in writing to proceed with or not to proceed with the design of Conduit No. 74. The Board shall not initiate the design of Conduit No. 74, at The Company's expense, without written notification to proceed from The Company, (See Paragraph 6. herein).

If The Company decides not to proceed with the design of Conduit No. 74, The Board shall refund the initial payment described in Exhibit "C" for Conduit No. 74. The refund procedure is more fully described in Paragraph 5.B.(3) of this Agreement.

If The Company decides to proceed with Conduit No. 74, it is agreed that The Company may review the bids received by The Board for this facility. In accordance with Paragraph 5.B.(4) hereof, The Company may limit its obligation established in this Agreement should the low bid, which low bid meets all specifications and alternatives thereto, exceed the Estimate by more than 10%. If the low bid exceeds the Estimate by more than 10%, The Company shall notify The Board in writing, within 10 working days of the date of bid opening, to proceed with or not to proceed with the contract awards. If the low bid does not exceed the Estimate by more than 10%, The Board may award contracts at its discretion. Payments 2, 3 and 4 for Conduit No. 74, will be adjusted on the basis of the Estimate.

Should contracts be awarded, the following payment plan shall apply:

- | | | | |
|-----|--|-------|---------------|
| (1) | Within 30 days of the execution of this Agreement | (15%) | \$ 519,302* |
| (2) | Within 30 days of notification of awarding the first contract(s) for installation and materials for Conduit No. 74 | (35%) | \$1,211,704** |
| (3) | Within 30 days of notification of 50% completion of Conduit No. 74 | (30%) | \$1,038,603** |

	(4)	Within 30 days of notification of completion of Conduit No. 74	(20%)	\$ 692,402**
TOTAL		(January, 1980 Estimate)	(100%)	\$3,462,011
	(5)	Final Billing Adjustment (+) based on actual cost established after closing of all work orders for Conduit No. 74		\$ _____***

*This payment a portion of \$995,681 described in Paragraph 4. above
 **Fixed payment based on the then-current Engineer's Estimate
 ***Payment to be adjusted on basis of actual cost

E. The Company shall pay a per tap participation charge of \$700 for each of the first 2,778 taps installed within The Green Valley Ranch. This charge reflects the cost of providing water service from Conduit No. 93, Phases I (\$340) and II (\$360).

- (1) The per tap participation charge is due and shall be paid according to any of the following options:
- (a) The per tap participation charge and System Development Charge may be paid in full at the same time; or
 - (b) The Company may use The Board's then-current "stub-in" agreement, in which case the per tap participation charge will be due when the balance of the System Development Charge is paid; or
 - (c) The Company may prepay the per tap participation charge in advance of applying for taps, in which case the per tap participation charge will be credited towards taps subsequently purchased. This option is limited to 2778 taps.
- (2) Taps may be purchased (i.e., per tap participation charge and System Development Charge paid in full) singly or in such quantities as desired by The Company and shall be eligible for service subject to all applicable Board Rules regarding application, installation, activation and use of licenses and/or taps.
- (3) It is The Board's policy to reserve capacity in existing facilities only for taps for which the per tap participation charge has been paid and to sell remaining system capacity, if any, on a first come, first served basis.
- (4) The Board reserves the right to increase the per tap participation charge to reflect the impacts of inflation. Such adjustments will be based on recognized price indices which will be reviewed at least annually. The adjusted per tap participation charge will apply to all taps for which the per tap participation charge has not been previously paid.

- (5) If The Board establishes a standard per tap participation charge, such charge shall apply, in lieu of per tap participation charges herein described, to all taps for which the per tap participation charge has not been previously paid.

5. The Company may limit its obligations established in this Agreement at the times described below. The responsibilities of The Company and The Board are detailed as follows:

- A. The Company may decide not to proceed with this Agreement within ten (10) working days after the date of bid opening for Conduit No. 93, Phase III, and Conduit No. 127 if the low bid, which meets all specifications and alternatives thereto, exceeds the Estimate by more than 10%. Should The Company decide not to proceed with this Agreement, The Company agrees that The Board will have incurred expenditures and costs which are difficult to determine at this time but which are reasonably estimated by the parties to be \$476,379. Therefore, The Company agrees that The Board shall retain as liquidated damages the 15% initial payment for Conduit No. 93, Phases III, IV and V and Conduit No. 127 (totalling \$476,379), as described in Exhibit "C" and this Agreement shall terminate. If The Company decides not to proceed with Conduit No. 93, Phase III and Conduit No. 127 then, should a part or all of The Green Valley Ranch be de-annexed from the City and County of Denver, eligibility for water service to the de-annexed area from The Board shall be forfeited.
- B. If the contract(s) are let for Conduit No. 93, Phase III, and Conduit No. 127, The Company may limit its future obligations as hereinafter set forth.

Should the Company limit its obligations at any of the times described below, and a part of or all of the Green Valley Ranch has been de-annexed from The City and County of Denver, taps in excess of those previously purchased by The Company for service in the de-annexed area, shall be assessed pumping and storage costs.

- (1) The Company may choose to limit its future obligations under this Agreement any time after completion of Conduit No. 93, Phase III, and Conduit No. 127, but no later than thirty (30) days after the purchase (i.e. per tap participation charge and System Development Charge paid in full) of 2778 taps. If The Company chooses to limit its obligation for payment for the construction of Conduit No. 93, Phases IV and V, and Conduit No. 74, The Company agrees that The Board will have incurred expenditures and costs which are difficult to determine at this time but which are reasonably estimated by the parties to be \$254,232. Therefore, The Company agrees that The Board shall retain as liquidated damages the 15% initial payment for Conduit No. 93, Phases IV and V (totalling \$254,232), as described in Exhibit "C". The Board shall refund The Company's 15% initial payment for Conduit No. 74, (\$519,392) as described on Exhibit "C." If The Company chooses to limit its obligations, The Board shall be committed to serve no more than 2778 taps in The Green Valley Ranch.

- (2) The Company may choose to limit its future obligations under this Agreement after bids for Conduit No. 93, Phases IV and V, are received by The Board, if the low bid, which meets all specifications and alternatives thereto, exceeds the Estimates by more than 10%. Should the Company choose to limit its obligation, The Board shall be committed to serve no more than 2778 taps in The Green Valley Ranch.
- (3) The Company may choose to limit its future obligations for Conduit No. 74 under this Agreement after notification by the Company to The Board to proceed with Conduit No. 93, Phases IV and V, but no later than thirty (30) days after the purchase of 6667 taps. If The Company decides to limit its obligation for Conduit No. 74, The Board will refund the 15% initial payment described in Exhibit "C" for Conduit No. 74. The Board shall be committed to serve no more than 6667 taps in The Green Valley Ranch.
- (4) The Company may choose to limit its future obligations under this Agreement after bids for Conduit No. 74 are received by The Board if the low bid, which meets all specifications and alternatives thereto, exceeds the Estimate by more than 10%. Should the Company choose not to proceed with the construction of Conduit No. 74, The Board will refund The Company's 15% initial payment for Conduit No. 74, as described in Exhibit "C," less all design costs incurred by The Board and The Board shall be committed to serve no more than 6667 taps within The Green Valley Ranch.

6. The Board reserves the right to initiate the design and construction of any of the conduits described in Exhibit "B" and/or the reservoir and pumping facility described in Paragraph 3.A.(3) above without written notification from The Company, at the request of customers other than The Company. In the event that The Board designs and installs any facility prior to written notification from The Company, The Company shall not be obligated to participate in the cost thereof, except for those payments specified in Paragraph 4., until The Company desires use of the facilities.

In such event, The Company shall pay the balance of its share of the assessment for new conduits pursuant to Paragraph 4. hereof, as follows: should the conduits be installed at The Board's initiative prior to the time that The Company requires use of the same, The Company shall be obligated to pay its share of the assessment for such conduits pursuant to Paragraph 4.B. and/or 4.D. of this Agreement, whichever is applicable, before it shall be entitled to use the same. The Company shall pay such sums to The

Board within thirty (30) days of receipt of billings from The Board pursuant to Paragraph 4. Should the conduits be designed or under construction at the time The Company notifies The Board that The Company requires use of the same, The Board shall bill The Company at such time for its share of the assessments to the stage of design, bidding or construction of such conduits, per the payment schedules in Paragraphs 4.B. and/or 4.D. Thereafter, The Company shall be obligated to pay to The Board its proportionate share of the assessment(s) for the new conduit(s) per the payment schedule contained in Paragraphs 4.B. and/or 4.D., whichever is applicable, and The Company shall pay such billing within thirty (30) days of receipt thereof.

7. The construction times as set forth in Exhibit "B" are estimates only, and The Board makes no commitment or guarantee whatsoever in this regard. However, The Board will exercise reasonable diligence in completing all facilities required for water service to The Green Valley Ranch in accordance with said time periods. It is clearly understood that the decision to proceed with the construction of Conduit No. 93, Phases IV and V, and of Conduit No. 74, in order to serve The Company, is at the discretion of The Company. It is hereby agreed that any damages or delays to the orderly development of The Green Valley Ranch arising out of or resulting from The Company's failure to provide adequate notice to The Board which results in the unavailability of any of the facilities described herein, are the sole responsibility of The Company.

8. The participation costs specified herein do not include System Development Charges (SDC), costs of interior distribution mains or other water service costs; nor shall payment by The Company of any sums under the terms of this Agreement relieve The Company or its successors in interest, assigns and/or purchasers of property within The Green Valley Ranch from liability for such other charges and costs. Because the legality of the North East Phases I and II Annexations, which include The Green Valley Ranch, is being contested in Court, until such time as the final judicial determination(s) of the validity of the Annexations is made, the

provisions of a DEPOSIT AGREEMENT, executed concurrently herewith, shall govern the payment of System Development Charges by The Company, its successors in interest, assigns and/or purchasers of property within The Green Valley Ranch.

9. In the event of de-annexation from the City and County of Denver of all or part of The Green Valley Ranch, the following shall apply:

- A. The Company shall be allowed 1 year from the date of de-annexation in which; (1) to establish a legally constituted water district in the de-annexed area and enter into a Total Service Contract with The Board; or (2) to successfully petition an existing water district which is party to a distributor's contract with The Board, for inclusion of the de-annexed area. Upon inclusion of the de-annexed area into an existing district, The Board will amend its contract with that district to include the de-annexed area.
- B. The parties agree that failure of The Company to complete the actions required by Paragraph 9.A. above will result in damages to and expenditures by The Board, which damages and expenditures are presently difficult to determine, but which are reasonably estimated by the parties to be \$25,000. Said damages and expenditures, may include, but are not limited to legal fees, filing fees, administrative costs and system modification costs as required. Therefore, The Company agrees to post a bond or a letter of credit with The Board in the amount of \$25,000 within 30 days of execution of this Agreement, which bond or letter of credit may be recovered upon by The Board as liquidated damages should The Company fail to complete those actions required by Paragraph 9.A. above, within 1 year from the date of notification by The Board of the final judicial determinations of de-annexation; however, said 1 year period may be extended by The Board for good cause shown, which shall include refusal by Adams County or other regulatory agencies whose approvals are required to approve formation of a new district or inclusion into an existing district.
- C. From the date of de-annexation until the de-annexed area is served according to either of the options provided by Paragraph 9.A. above and not to exceed 1 year, The Board will maintain the water system in the de-annexed area and shall continue water service and charge the then-current rate for Total Service Contracts and all other applicable fees and charges.
- D. Upon inclusion of the de-annexed area into an existing water district or the formation of a new water district, The Board will sell all of its distribution facilities within the de-annexed area to the successor district. The purchase price of said distribution facilities (all mains 12 inches in diameter and smaller and appurtenances) shall be the amount, if any, by which The Board's costs for said distribution facilities exceed payments to The Board by The Company for installation of said facilities.
- E. From the date of de-annexation until such time as the area is included into an existing district or into a newly created district pursuant to Paragraph 9.A. herein, no taps may be purchased for use within the

As annexed area and no new construction shall be initiated by The Company within the de-annexed area except that The Company may have 1 year to complete any building sites for which taps have been previously purchased from The Board, i.e., System Development Charge and per tap participation charge paid in full; however, taps must be activated within 365 days from the date of payment of the System Development Charge.

- F. If de-annexation from the City and County of Denver of all or a part of the lands described in Exhibit "A" is a result of legal actions initiated by The Company, or in which The Company appears as a voluntary plaintiff, The Board shall have the right in its sole discretion to terminate this Agreement in which event The Board shall retain all funds paid by The Company to The Board.
- G. The Company shall be responsible for the costs of installing any system modifications that may be required to provide compatibility with the system of the successor District in accordance with plans approved by The Board prior to the installation thereof.
- H. (1) If the action required by Paragraph 9.A. has not been completed by The Company within said 1 year, The Board will maintain the water system in the de-annexed area for not more than 2 additional years and during this additional period shall charge the then-current rate for Total Service Contracts and all other applicable fees and charges.
- (2) If upon expiration of 3 years from the date of de-annexation, the actions required by Paragraph 9.A. have not been completed by The Company, The Board may at its sole discretion terminate all services in the de-annexed area including a cessation of water delivery, unless other terms and conditions for the continuation of water service to the de-annexed area are agreed upon.

10. Any other provision of this Agreement notwithstanding, the taps to be provided hereunder shall only be provided in conformity with and as allowed by The Board's tap allocation program, first adopted at The Board's meeting on May 31, 1977, as recessed to June 1, 1977, as the same may be amended from time to time.

11. This Agreement is made under and conformable to the Operating Rules of The Board and provisions of the Charter of the City and County of Denver which control the operation of the Denver Municipal Water System consisting of Sections C4.14 to C4.31 of the 1960 compilation adopted by the General City Election of May, 1959 and effective on and after May 28, 1959. Insofar as applicable, said Charter provisions and Operating Rules are incorporated herein, and made a part hereof, and shall supersede any conflicting provision otherwise contained in this Agreement.

12. This Agreement is and shall be deemed performable in the City and County of Denver and venue for any dispute arising hereunder shall be in the District Court in and for the City and County of Denver.

13. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors in interest, assigns and/or purchasers of property within the Green Valley Ranch. The Company shall notify its successors in interest, assigns and/or purchasers of property within The Green Valley Ranch, of the terms and conditions of this Agreement.

14. The Company shall indemnify and save harmless The Board, its officers and employees from any and all damages, costs and legal fees occasioned by any administrative or legal action by any third party successor in interest or assignee of The Company or purchaser of property within The Green Valley Ranch, which action arises out of any payment, refund or retention of funds made under the terms of this Agreement.

15. The Company and The Board hereby agree and state that a part of the consideration for this Agreement is receipt and guarantee of water service from The Board to The Green Valley Ranch without regard to the final judicial determination of the validity of the North East Phases I and II Annexations and payment by The Company, its successors in interest, assigns and/or purchasers of property within The Green Valley Ranch, of the difference between outside Denver and inside Denver System Development Charges under the terms set forth in the previously referenced DEPOSIT AGREEMENT. Said consideration is of such importance to each party that neither would have entered into this Agreement in the absence of said consideration. Because of this fact, The Company hereby covenants and agrees that it will not bring, nor cause to be brought, nor join in as party plaintiff, any legal action against The Board, its officers or employees concerning payment, refund or retention of the deposited System Development Charge funds; PROVIDED, HOWEVER, both The Company and The Board reserve the right to enforce compliance with the terms of this Agreement through legal action.

16. The Company shall notify The Board in writing of any change in ownership of the land herein described, or any part thereof, within 10 days after said change in ownership. The provisions of this Paragraph shall not include the sale of single lots or individual dwelling units.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ATTEST:

W. B. Miller
Secretary

CITY AND COUNTY OF DENVER
acting by and through its
BOARD OF WATER COMMISSIONERS

By: [Signature]
President

[Signature]
Engineering Division

REGISTERED AND COUNTERSIGNED
Charles D. Byrne, Auditor
CITY AND COUNTY OF DENVER

By: Charles D. Byrne

[Signature]
Planning Division

[Signature]
Legal Division

[Signature]
Administration Division

ATTEST:

[Signature]

ALPERT CORPORATION

By: [Signature]
Vice President

EXHIBIT "A"

All of Sections 11, 14, and 23, Section 15 except the NW1/4 thereof, and all of Section 22, Township 3 South, Range 66 West of the 6th P.M., except the following described tracts or parcels of land:

Commencing at a point 30 feet East of the Southwest corner of Section 22, Township 3 South, Range 66 West of the 6th P.M.; thence North and parallel with the West boundary line of said Section 22, a distance of 867 feet to a point; thence East and parallel with the South boundary line of said Section 22 a distance of 2,113.5 feet; thence South and parallel with the West boundary line of said Section 22, a distance of 867 feet; thence West along the South boundary line of said Section 22 a distance of 2,113.5 feet to the point of beginning;

AND

Commencing at a point 30 feet South of the Northwest corner of the NE1/4 of Section 22, Township 3 South, Range 66 West of the 6th P.M., being the point of beginning; thence South along the West boundary line of said NE1/4 a distance of 762.30 feet; thence East and parallel with the North boundary line of said Section 22 a distance of 400 feet; thence North and parallel with the West boundary line of said NE1/4 a distance of 762.30 feet to a point 30 feet South of the North boundary line of said Section 22; thence West and parallel with the North boundary line of said Section 22 a distance of 400 feet to the point of beginning;

AND

EXCEPT that part of the SW1/4 of Section 15 conveyed to Public Service Company of Colorado by deed recorded July 9, 1968 in Book 1410 at Page 390.

City and County of Denver,
State of Colorado

EXHIBIT "B"

DESCRIPTION OF FACILITIES AND
ESTIMATED CONSTRUCTION TIMES*

<u>Facility</u>	<u>Estimated Construction Time</u>
<p>1. <u>Conduit No. 93, Phase III</u></p> <p>A 42-inch conduit in East 56th Avenue from 420 + feet East of Buckley Road to Tower Road, approximately 4,860 feet</p>	<p>24 months after the execution of this Agreement subject to Paragraph 4.B.</p>
<p>2. <u>Conduit No. 127</u></p> <p>A 36-inch conduit in Tower Road from East 56th Avenue to East 38th Avenue, approximately 10,560 feet</p>	<p>24 months after the execution of this Agreement subject to Paragraph 4.B.</p>
<p>3. <u>Conduit No. 93, Phase IV</u></p> <p>A 42-inch conduit in East 56th Avenue from Tower Road to Picadilly Road, approximately 10,560 feet</p>	<p>24 months after the award of the contract for installation of the facility</p>
<p>4. <u>Conduit No. 93, Phase V</u></p> <p>A 42-inch conduit in Picadilly Road from East 56th Avenue to a reservoir and pumping facility to be located in the vicinity of East 64th Avenue and Picadilly Road, approximately 5280 feet</p>	<p>24 months after the award of the contract for installation of the facility</p>
<p>5. <u>Conduit No. 74</u></p> <p>A 36-inch conduit in Smith Road from Peoria Street to Chambers Road, in Chambers Road from Smith Road to East 38th Avenue, in East 38th Avenue from Chambers Road to Picadilly Road, in Picadilly Road from East 38th Avenue to East 56th Avenue, approximately 46,170 feet</p>	<p>36 months after the award of the contract for installation of the facility</p>

*The described facilities, sizes, locations and estimated construction times described above are estimates only and may be changed at the sole discretion of the Board.

EXHIBIT "C"

<u>Facility</u>	<u>Total Estimated Cost of Facilities</u>	<u>Percent Of Estimated Cost To Be Paid By Company¹⁾</u>	<u>Initial Payment By Company</u>
1. Conduit No. 93, Phase III	\$ 520,020	100%	\$ 78,003
2. Conduit No. 127	960,960	100%	144,144
3. Conduit 93, Phases IV and V	1,694,880	100%	254,232
5. Conduit No. 74	4,201,470	82.4% ²⁾	519,302
TOTALS	\$7,377,330		5995,681³⁾

- 1) If any of the conduits listed below (except Conduit No. 74) are constructed at a size other than the size indicated on Exhibit "B", the percent of estimated cost to be paid by The Company shall be determined by the following ratio: estimated per footage cost of the respective conduit as sized in Exhibit "B" divided by the estimated per footage cost of the conduit installed.
- 2) If Conduit No. 74 is constructed at a size other than 36 inches the percent of estimated cost to be paid by The Company shall be determined by the following ratio: estimated per footage cost of 30" conduit divided by estimated per footage cost of the size conduit installed.
- 3) All costs are January, 1980 estimates.

EXHIBIT "D"

Equivalent 3/4-Inch Taps
For Various Size Connections

<u>Connection Size</u>	<u>Equivalent 3/4-Inch Taps</u>
3/4"	1
1"	2
1-1/4"	3
1-1/2"	4
2"	8
3"	18
4"	36
6"	94
8"	200
10"	360
12"	600

EXHIBIT "E"
TOTAL SERVICE CONTRACT
EXAMPLE

Format Date: October 21, 1980
Prior Contract No.: _____
Date of Prior Contract: _____
Private Pipe Nos.: _____
Contract No.: _____

TOTAL SERVICE CONTRACT

This AGREEMENT, made and entered into as of the _____ day of _____, 19____, by and between the CITY AND COUNTY OF DENVER, acting by and through its BOARD OF WATER COMMISSIONERS, hereinafter sometimes called "Board," and _____ of the State of Colorado, hereinafter sometimes called "Distributor,"

W I T N E S S E T H:

THIS CONTRACT IS MADE UNDER AND SUBJECT TO THE FOLLOWING CONDITIONS:

A. This contract is made under and conformable to the Operating Rules of the Board as amended from time to time, and to the provisions of the Charter of the City and County of Denver which control the operation of the Denver Municipal Water System consisting of Sections C4.14 to C4.35 of 1960 Compilation, adopted by the General City Election of May 19, 1959, and effective on and after May 28, 1959. Insofar as applicable, said Operating Rules and Charter provisions are incorporated herein and made a part hereof and shall supersede any apparently conflicting provision otherwise contained in this contract.

B. This contract involves the use of water outside the territorial limits of the City and County of Denver from the water works system and plant owned by Denver and controlled by the Board, hereinafter referred to as "Denver Municipal Water System," under authority of the Charter of the City and County of Denver which provides, among other things, that, "The Board shall have power to lease water and water rights for use outside the territorial limits of the City and County of Denver, but such leases shall provide for limitation of delivery of water to whatever extent may be necessary to enable the Board to provide an adequate supply of water to the people of Denver. . ." As used in this contract "Inside Denver" refers to the area constituting the City and County of Denver which is furnished potable water from the Denver Municipal Water System at any given time.

C. Exhibit "A" attached hereto and made a part hereof describes the territory hereinafter referred to as the "Contract Service Area." The Distributor has the power to own, construct, acquire and operate a water system in the contract service area.

D. The Board has heretofore leased substantial amounts of water to distributors who carried the water to the ultimate consumer by a variety of pipes, pumps, tanks, and other devices with a resultant lack of adequate uniformity of service, rates, and metropolitan area planning.

E. The Distributor finds that the making of this contract will provide for the most satisfactory and dependable water supply and service available to furnish water for current use and continued development within the contract service area.

F. The making and performance of this and similar contracts, which provide for a more economical and complete water service, uniformly planned and operated, for the Denver metropolitan area is desirable to promote the development of the most adequate water system for Denver as it now exists and as it is reasonably expected to enlarge, and for the metropolitan area to which its welfare and growth are related.

G. The securing of an adequate water supply by the Board for the future growth of the Denver metropolitan area is necessary and of mutual advantage to the parties hereto and the users they serve.

NOW, THEREFORE, for and in consideration of the premises and the covenants and agreements to be kept and performed by the parties hereto as hereinafter set forth, it is agreed by and between the Board and the Distributor as follows:

1. The Board agrees to furnish water within the contract service area for all uses and purposes for which it has appropriate rights, of a quality, and in quantities so as to provide water service similar to that furnished inside Denver, without any discrimination against users in the contract service area as against the water service furnished users inside Denver, except as specifically permitted by the terms of this contract. Except as herein permitted, the water service so rendered by the Board shall be pursuant to the same policies and standards as if the contract service area were inside Denver.

2. The Distributor grants to the Board the right to use, connect, disconnect, modify, renew, extend, enlarge, replace, convey, abandon or otherwise dispose of any and all of the pipes and other devices including fire hydrants for distributing water to users within the contract service area, now owned, controlled, or hereafter acquired by the Distributor, to the fullest extent of the power, or powers of the Distributor to enable the Board to perform its obligations as set forth in paragraph one hereof. For purposes of this contract all pipes and other devices including fire hydrants used for distributing water to users within the contract service area shall hereinafter be referred to as "water service facilities." The Distributor agrees to provide the Board with a certified written inventory showing original plant value and accumulated depreciation of all of said water service facilities it now owns or controls prior to the date of assumption of rights and duties of service by the Board as set forth herein. The Distributor agrees that it will not, during the term of this contract, exercise any dominion whatsoever over any of such water service facilities, inconsistent with the exercise or performance by the Board of its rights and obligations hereunder. The Distributor grants to the Board the right to occupy any place, public or private, which the Distributor might occupy for the purpose of fulfilling the obligations of the Board as set forth in paragraph one hereof. The Distributor warrants that all water service facilities it owns or controls are in public rights-of-way or easements it now owns of sufficient size and free and clear of all liens and encumbrances; and the Distributor agrees to pay for the acquisition of such easements as may be required in such instances where the facilities are situate on private property or the easement is not of sufficient size to allow operation of the facility. To implement the purposes of this contract the Distributor agrees to exercise such authority, and to do such acts as may be requested by the Board, provided that any legal, engineering, technical or other services required for the performance of this obligation shall be performed by a person or persons in the employment of and paid by the Board.

3. Subject to receipt by the Board of appropriate rates, charges, fees, tolls, or combinations thereof, as set forth in paragraph four below, the Board agrees to maintain all water service facilities it owns or which come under its dominion hereunder with reasonable and normal care to the extent that such maintenance is necessary to the furnishing of the water service provided for hereunder and to construct, operate, maintain and keep a complete inventory of such additional physical facilities as are necessary or desirable to accomplish the obligations it has undertaken for the Distributor, as set forth in paragraph one hereof. The concept "maintain" is intended, for practical purposes, to include the concept of required replacement.

4. The Board may establish, revise, impose and collect charges for the water service it provides users in the contract service area hereunder, which charges shall be referred to as "water service charges." In addition, the Board may at any time impose or discontinue system development charges, participation charges, and such other rates, fees, tolls, charges or combinations thereof, which are utilized for any purpose, including granting a water user the right to take water through the water system the Board owns or controls in the contract service area which charges shall be referred to as "water connection charges." Water service charges and water connection charges are separate charges and one does not include the other or any part thereof. Water connection charges shall be uniform among members of each class of users within the contract service area. Water service charges and system development charges shall be as provided for in Exhibit "B" attached hereto and made a part hereof, and shall remain in full force and effect until the Board shall deem it necessary to raise or lower either or both of such charges. Methods of collection and schedules of charges for water service outside Denver may be applied uniformly among users similarly situated. Methods of collection and water connection charges for the right to take water in the contract service area outside Denver shall be determined by the Board from time to time as circumstances require. The Distributor grants to the Board all of the Distributor's power and authority for imposition and collection of charges for water service and water connections within the

contract service area to the extent necessary to enable the Board to impose and collect its charges for water connections and water service hereunder in the contract service area. It is understood that, due to the Board's mandate under the Charter of the City and County of Denver, water service charges and water connection charges and other appropriate charges in the contract service area will be higher than charges for comparable service inside Denver. Any other provision of this agreement notwithstanding, the taps to be provided hereunder shall only be provided in conformity with and as allowed by the Board's tap allocation program, first adopted at the Board's meeting on May 31, 1977, as recessed to June 1, 1977, as the same may be amended from time to time.

5. It is mutually agreed that the duration of this contract is such that the passage of time will require changes in the charges to be made for the water service to be rendered hereunder in the contract service area, and that the most feasible way to insure fairness will be to keep charges for the rendering of water service outside Denver uniformly related to charges for the rendering of water service inside Denver for similar service. It is therefore agreed that the Board may modify the schedule of charges for water service provided hereunder, from time to time, in its discretion, provided:

a. Such modification will become effective not earlier than three (3) months after any changed schedule of charges shall be adopted by the Board.

b. The Board will take reasonable steps to notify the Distributor and each water user in the contract service area of such change within a reasonable time after such change shall have been adopted.

c. The new charges will not be disproportionately greater for water service outside Denver than for similar water service inside Denver.

d. The charges under this and other like contracts shall not be deemed to be disproportionately greater to outside users under the reference in subparagraph 5c, if the rate of return (expressed as a percentage) from all the Board's potable water sales outside Denver shall be no more than six (6) percentage

points greater than the rate of return from all the Board's potable water sales in Denver. Rate of return shall be derived by dividing total revenue (total outside Denver or total inside Denver) in excess of the applicable costs and charges for operation, maintenance, and depreciation, by the value of the plant devoted to the furnishing of the water supply from which the revenue was derived. The Board shall have reasonable discretion to establish and apply criteria for determining, as to both outside and inside Denver, rate structure, necessary plant, plant value, and operation, maintenance and depreciation expense, provided the application of the criteria shall be made as if there were no differential between charges inside and outside Denver.

6. All the general rules and regulations and amendments thereto placed in force by the Board from time to time, concerning the operation of the Denver Municipal Water System and conditions of service from that system shall be as fully enforceable in the contract service area as inside Denver. The Distributor retains the full right to make and enforce rules not inconsistent with Board rules to govern uses in the contract service area. The Distributor agrees to exercise any rule making or police power it may have to assist the Board in enforcing the Board's rules and regulations including those made to protect purity and safety of the water supply and to prevent waste of water in the contract service area.

7. Both parties to this agreement recognize that the water supply for the Denver metropolitan area is dependent upon material resources from which the supply is variable in quantity and beyond the control of the Board. No liability shall attach to the Board hereunder on account of any failure to accurately anticipate availability of the water supply or because of an actual failure of the water supply due to inadequate run-off or occurrence beyond the reasonable control of the Board. Subject to receipt of appropriate rates, charges, fees, tolls, or combinations thereof, as set forth in paragraph four above, the Board agrees to provide adequate facilities to make available to the users within the contract service area a permanent water supply in view of historical

experience with water run-off, so far as reasonably possible. If conditions develop such that it becomes apparent to the Board that all areas outside Denver for which a water supply has been committed cannot be supplied adequately pursuant to this and similar contracts, the Board reserves the right to discontinue the granting of additional taps hereunder; provided, however, the Board shall be obligated to exercise this right of discontinuance uniformly outside Denver.

8. The parties agree that the Board may, in order to comply with the Charter of the City and County of Denver, and enable it to provide an adequate supply of water to the people of Denver in times of shortage, limit the delivery of water and restrict the use thereof hereunder. The extent to which limitation of water delivery outside Denver may be necessary to enable the Board to provide adequately for users inside Denver is a fact to be determined by the Board as occasion may require. The current determination by the Board on this subject, which will not be changed without good reason is as follows:

"The welfare of Denver and its inhabitants requires a stable water supply not only for them but also that part of the adjacent metropolitan area dependent on Denver for a water supply. While it is the purpose of Denver to maintain a water supply adequate to meet the needs of the metropolitan area dependent upon Denver for water supply, there are many elements which make it uncertain whether the supply can always be adequate for all, and therefore in times of shortage, water use outside Denver will be curtailed on the following basis, the first listed curtailment being adopted to meet the least serious situation and the succeeding curtailment being adopted in addition to prior listed curtailments, the last to meet the gravest possible situation and one which every reasonable precaution must be taken to avoid, to-wit:

a. Restriction of uses (such as irrigation), which can be accomplished without serious injury to person or property and prohibition of non-essential uses.

b. Prohibition of irrigation except for commercial greenhouses.

c. Prohibition of every use except for domestic use and for essential commercial enterprises, and industry.

d. Prohibition of all use outside the city except domestic uses.

e. Prohibition of all uses outside the city.

In order to enable the Board to provide an adequate supply of water to the people of Denver without impairment of essential deliveries of water under this and similar contracts, the Board will impose any restrictions or prohibitions contemplated by Item a. above, uniformly inside and outside Denver."

9. In order to reduce the likelihood of the limitation of delivery or restriction of use of water in the metropolitan area dependent upon Denver for a water supply, the Board may suspend the making of new main extensions and taps in the contract service area; provided, however, that the Board shall be obligated to exercise this right of suspension uniformly among all areas outside Denver which are similarly situated. The Board agrees to give six months written notice to the Distributor of such suspension, unless circumstances require a shorter period.

10. All water furnished by the Board in providing water service hereunder is on a leasehold basis for the use of water users in the contract service area for all the various purposes for which Denver has been decreed the right to appropriate water. Such right to use water by said water users does not include any right to make a succession of uses of such water and upon completion of the primary use by the water users all dominion over the water so leased reverts completely to the Board. Except as herein specifically otherwise provided, all property rights to the water to be furnished by the Board hereunder are reserved in the Board, provided, however, that nothing herein shall be deemed or construed as creating an obligation on the Board to separate said water from any material added to it in use by the water users or as creating any obligation on the Board regarding purification of the total mass after use by the water users. Nothing contained herein shall be deemed to impose on the Distributor or the water users any obligation by virtue of this contract for the purification of water after use by the water users, any such obligation, if it exists, being such as may arise

18. In the event all or part of the contract service area is annexed to the City and County of Denver, all water service facilities of the Distributor located within the geographical area annexed shall without cost to the Board become the sole property of the Board and the Distributor agrees to pay all liens and encumbrances to which said water service facilities may then be subject and to forthwith execute a conveyance of said facilities to the Board adequate to evidence the property interest so transferred by annexation.

19. This agreement supersedes _____ Contract Number _____, dated _____, all amendments thereto, and any other former water supply contract existing between the parties hereto.

20. The Distributor agrees that where the Board is directly or impliedly authorized to exercise its judgment under any of the provisions of this contract, its judgment shall not be questioned unless clearly unreasonable.

21. The Board agrees to save the Distributor harmless from the claims of third persons arising out of the Board's operation, maintenance, extension and enlargement of the Distributor's facilities under color of this contract and to defend, at its expense, all actions for damages arising out of such Board action which may be brought against the Distributor by third persons. In the event of an occurrence or loss out of which a claim arises or could arise, the Distributor agrees to transmit in writing, and at once any notice or information received or learned by the Distributor concerning such claim. Except at its own cost, the Distributor agrees not to voluntarily make any payment, assume any obligation or incur any expense in connection with the subject matter of this paragraph. No claim shall lie against the Board hereunder unless as a condition precedent thereto, the Distributor has fully complied with the provisions of this contract nor until the amount of the Distributor's obligation to pay shall have been fully determined.

22. The parties shall not be deemed to have agreed that the benefits and obligations created by this contract have been modified by any amendment hereafter made to the Constitution or laws of the

State of Colorado or the Charter of the City and County of Denver unless actually agreed to by the parties hereto.

23. In the event the Distributor seeks to dissolve pursuant to 1973 C.R.S. 32-1-601 et. seq. written notification of the filing or application for dissolution shall be provided to the Board concurrently with such filing. The plan for dissolution shall include provision for continuation of this agreement, with a responsible party (ies) acceptable to the Board being substituted for the Distributor as party to this agreement, said party to assume all obligations and rights of the Distributor hereunder. If no such provision is made for assumption of contractual obligation, then immediately upon dissolution of the Distributor, this agreement shall be null, void and of no further force or effect and the Board shall have no further obligation to provide water service pursuant to the terms hereof. In the event the Distributor should cease to function by operation of law, i.e. failure to elect a Board of Directors or if, despite making every reasonable attempt, the Board is unable to ascertain the whereabouts of any duly elected member of the Board of Directors or any other official of the Distributor and application to include additional service area under this contract is received, the Board may, at its option (1) refuse to authorize such amendment until such time as a responsible party (ies) acceptable to the Board has assumed by acceptance of an assignment of this contract all obligations imposed upon the Distributor by this contract or (2) unilaterally amend the contract as requested, provided that such amendment meets the then current Board criteria for amendment of contract service areas and would not adversely affect then existing customers within the contract service area boundaries. In the event the Board unilaterally authorizes an amendment, the applicant requesting the amendment shall indemnify and hold harmless the Board from and against any and all claims, causes of action or suits against the Board arising out of such action, including but not limited to litigation arising under 1973 C.R.S. 32-4-121 and 1973 C.R.S. 32-4-122. At the option of the Board, a bond in an amount satisfactory to the Board, may be required in conjunction with the foregoing indemnification.

24. No assignment by the Distributor of its rights under this contract shall be binding on the Board unless the Board shall have assented to such assignment with the same formality as employed in the execution of this contract.

25. SPECIAL PROVISIONS:

NONE

IN WITNESS WHEREOF, the parties have executed this agreement.

ATTEST:

Distributor

By _____

(SEAL)

Address of Distributor

Telephone Number

ATTEST:

CITY AND COUNTY OF DENVER,
ACTING BY AND THROUGH ITS
BOARD OF WATER COMMISSIONERS

By _____

President

(SEAL)

APPROVED:

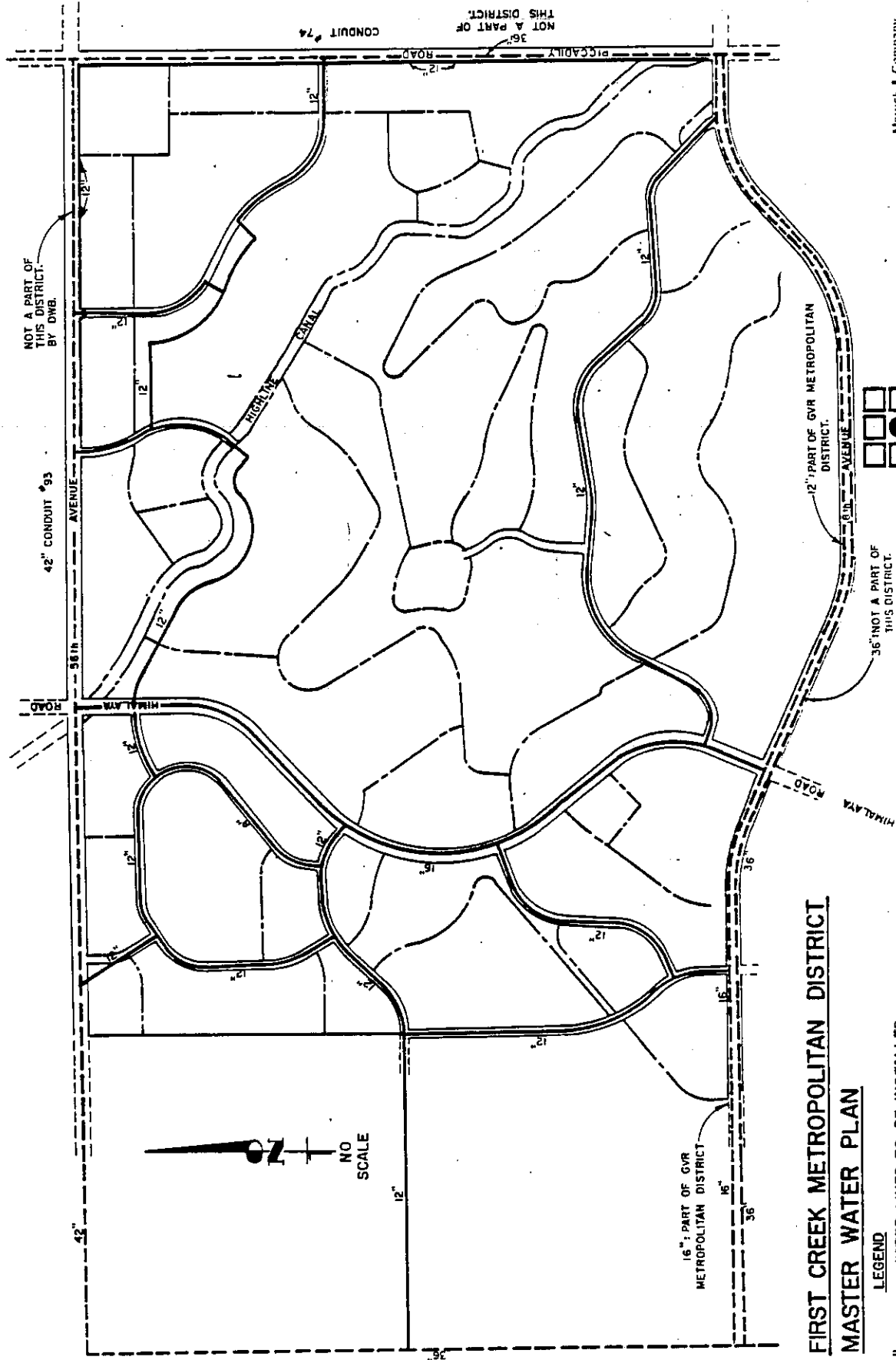
REGISTERED AND COUNTERSIGNED:
Auditor, City and County of Denver

By _____

Administration Division

Legal Division

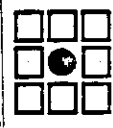
Planning Division



**FIRST CREEK METROPOLITAN DISTRICT
MASTER WATER PLAN**

LEGEND
 12" ——— WATER LINES TO BE INSTALLED AS A PART OF THIS DISTRICT.
 16" - - - - WATER LINES NOT A PART OF THIS DISTRICT.

EXHIBIT F



MERRICK

Merrick & Company
 10855 East Flatiron Drive
 Denver, CO 80231-0741

NOT A PART OF THIS DISTRICT BY DWB.

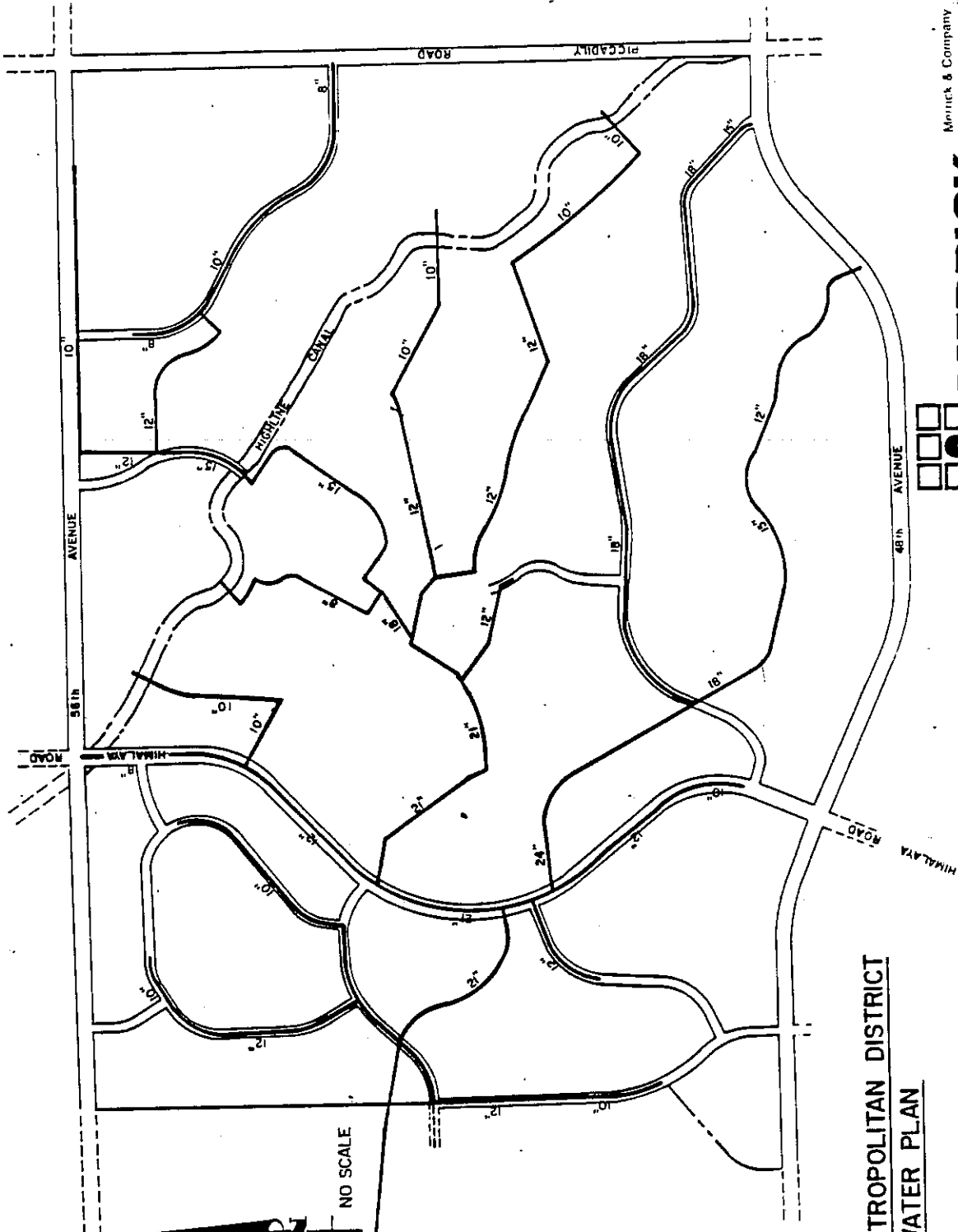
42" CONDUIT #93

NOT A PART OF THIS DISTRICT

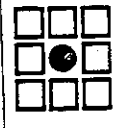
16" PART OF GVR METROPOLITAN DISTRICT

12" PART OF GVR METROPOLITAN DISTRICT

36" NOT A PART OF THIS DISTRICT BY DWB.



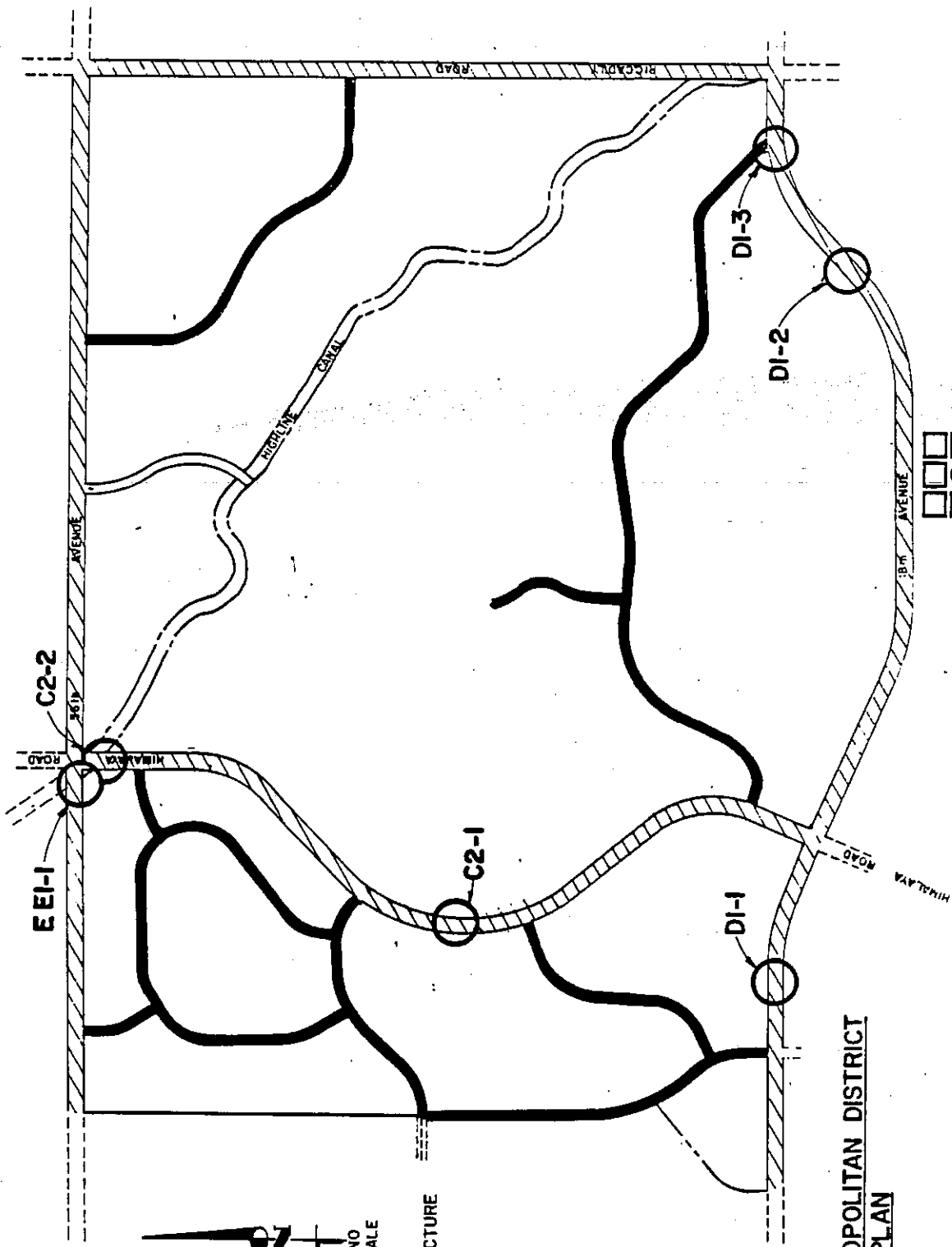
**FIRST CREEK METROPOLITAN DISTRICT
MASTER WASTEWATER PLAN**



Merrick & Company
11005 East Bellvue Drive
Denver, CO 80231-0741

MERRICK

EXHIBIT G



LEGEND
 ○ C2-1
 ▨ ARTERIAL
 ▩ COLLECTOR

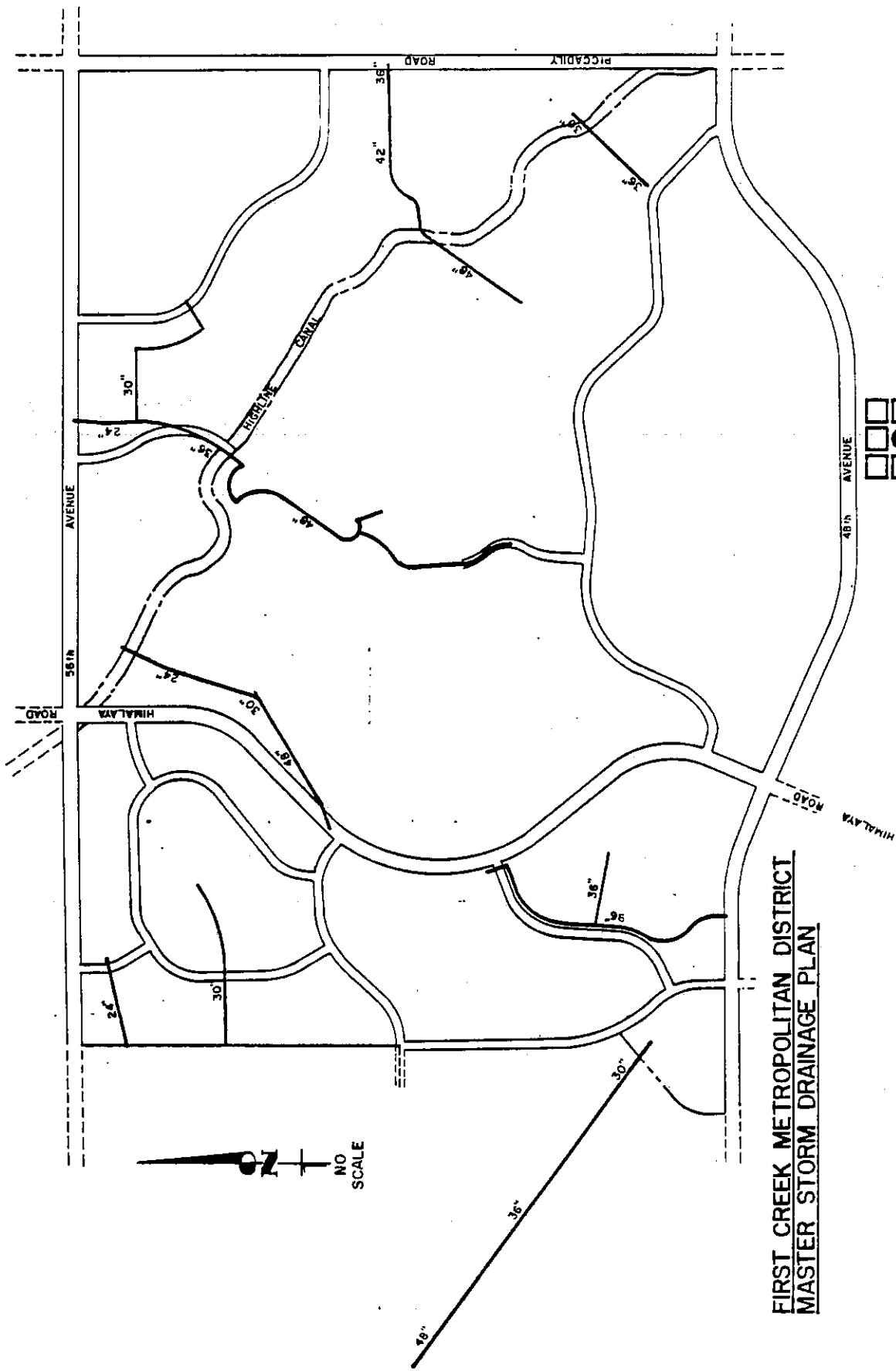
**FIRST CREEK METROPOLITAN DISTRICT
 MASTER ROADWAY PLAN**

EXHIBIT H



MERRICK

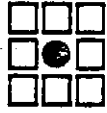
Merrick & Company
 10400 East Bothamby Drive
 Denver, CO 80231 751-0741



NO
SCALE

**FIRST CREEK METROPOLITAN DISTRICT
MASTER STORM DRAINAGE PLAN**

EXHIBIT I



Merrick & Company
10400 East Platte River Drive
Denver, CO 80231-0741

MERRICK

EXHIBIT J

ESTIMATED CONSTRUCTION COSTS

OF

PROPOSED DISTRICT FACILITIES

FIRST CREEK METROPOLITAN DISTRICT

Year	Sanitary Sewer	Water Distribution	Storm Sewer	Roads	Crossings and Bridges	Subtotal	Engineering	Total
1983	\$	\$	\$	\$106,608	\$	\$ 106,608	\$ 10,662	\$ 117,270
1984								
1985	316,355	554,715	234,596	60,276	2,195,325	3,902,255	585,341	4,487,596
1986	347,980	610,190	258,055	661,402	1,017,405	2,895,031	434,254	3,329,285
1987	382,736	671,205	283,861	727,543	-	2,065,388	309,807	2,375,195
1988	151,577	112,407	265,798	288,105	-	817,891	122,682	940,573
1989	166,734	123,649	292,378	316,917	-	899,679	134,955	1,034,634
1990	183,409	136,013	321,616	348,607	2,092,630	3,334,108	462,345	3,796,453
1991	201,750	149,616	353,777	383,468	-	1,088,611	163,291	1,251,902
1992	221,924	164,577	389,156	421,815	-	1,197,471	179,621	1,377,092

Notes:

1. Costs presented are 1983 Construction Costs with an inflation allowance of 10% per year from the 1983 base year.
2. Engineering Costs are compiled as 15% of the Construction Cost in any year.