STATE OF COLORADO

Bill Ritter, Jr., Governor
James B. Martin, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

May 5, 2009

Elizabeth Semptimphelter
Lion's Head Ranch, LLC
16750 Elk Ridge Road
Littleton, CO 80127

Certified Mail Number: 7007 0220 0001 0160 6372

RE: Expedited Settlement Agreement, Number: ES-090430-1
CDPS Permit No: COR-039195

Dear Ms. Semptimphelter:

Enclosed for your records you will find Lion's Head Ranch, LLC's copy of the recently executed Expedited Settlement Agreement ("ESA"). Please be advised that the first page of the ESA was changed in order to place the correct ESA Number on the final document. The ESA is now fully enforceable and constitutes a final agency action.

As specified in the enclosed ESA, Lion's Head Ranch, LLC must, within fifteen (15) calendar days, submit a certified or cashier's check for the amount specified in the ESA to the Water Quality Control Division in order for this matter to be resolved.

If you have any questions, please don't hesitate to contact me at (303) 692-3176 or by electronic mail at danelle.morgan@state.co.us.

Sincerely,

Danelle Morgan, Environmental Protection Specialist
Water Quality Protection Section
WATER QUALITY CONTROL DIVISION

ec: Aaron Urdiales, EPA Region VIII
Gary Beers, Permits Unit, CDPHE

Enclosure(s)

Colorado Department of Public Health & Environment
Water Quality Control Division

EXPEDITED SETTLEMENT AGREEMENT

Number: ES-090430-1

The Colorado Department of Public Health and Environment ("Department"), through the Water Quality Control Division ("Division"), issues this Expedited Settlement Agreement ("ESA"), pursuant to the Division's authority under §§25-8-602, 25-8-605 and 25-8-608, C.R.S. of the Colorado Water Quality Control Act (the "Act") §§25-8-101 to 703, C.R.S., and its implementing regulations, with the express consent of Lion's Head Ranch, LLC ("LHR"). The Division and LHR may be referred to collectively as "the Parties."

1. LHR is a "person" as defined under the Water Quality Control Act, §25-8-103(13), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2(73).

2. LHR is conducting construction activities to build a single family residential development, located in or near the Town of Pine, Park County, Colorado (the "Project").

3. LHR failed to comply with the provisions of its Colorado Discharge Permit System General Permit for Stormwater Discharges Associated with Construction Activity (the "Permit"), Certification Number COR-039195 as described in the attached inspection report.

4. The parties enter into this ESA in order to resolve the matter of civil penalties associated with the violation(s) alleged herein and in the attached inspection report for a penalty of $13,750.00.

5. By accepting this ESA, LHR neither admits nor denies the violations or deficiencies specified herein and in the attached inspection report.

6. LHR certifies that all deficiencies identified in the attached inspection report have been corrected and that the Project is currently in full compliance with the terms and provisions of the Permit. Additionally, LHR has attached to this ESA: (1) a written description detailing how the deficiencies were corrected; and (2) representative photographs documenting the current conditions and the associated BMPs implemented at the Project.

7. LHR agrees to the terms and conditions of this ESA. LHR agrees that this ESA constitutes a notice of alleged violation and an order issued pursuant to §§25-8-602, 25-8-605 and 25-8-608, C.R.S., and is an enforceable requirement of the Act. By signing the ESA, LHR waives: (1) the right to contest the finding(s) specified herein and in the attached inspection report; and (2) the opportunity for a public hearing pursuant to §25-8-603, C.R.S.

8. This ESA is subject to the Division's "Public Notification of Administrative Enforcement Actions Policy," which includes a thirty-day public comment period. The Division and LHR each reserve the right to withdraw consent to this ESA if comments received during the thirty-day period result in any proposed modification to the ESA.

9. This ESA constitutes a final agency order or action upon the date when the Executive Director or his designee signs the ESA and effectively imposes the civil penalty.

10. LHR agrees that within fifteen (15) calendar days of receiving the signed and final ESA from the Division, LHR shall submit a certified or cashier's check drawn to the order of the "Colorado Department of Public Health and Environment," for the amount specified in paragraph 4 above, to:

    Danelle Morgan
    Colorado Department of Public Health and Environment
    Water Quality Control Division
    Mail Code: WQCD-CADM-B2
    4300 Cherry Creek Drive South
    Denver, Colorado 80246-1530

11. Notwithstanding paragraph 5 above, the violations described in this ESA will constitute part of LHR's compliance history for purposes where such history is relevant. This includes considering the violations described above in assessing a penalty for any subsequent violations against LHR. LHR agrees not to challenge the use of the cited violations for any such purpose.

12. This ESA, when final, is binding upon LHR and its corporate subsidiaries or parents, their officers, directors, employees, successors in interest, and assigns. The undersigned warrant that they are authorized to legally bind their respective principals to this ESA.

ACCEPTED BY LION'S HEAD RANCH, LLC:

Signature: [signature] Date: 02/24/2009

Name (printed): Beth Semptimphelter Title: Lion's Head Ranch, LLC Manager

FOR THE COLORADO DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT:

Lori M. Gerzina Date: 4/30/09

Lori M. Gerzina, Section Manager
Compliance Assurance ~~and Data Management~~ Section
WATER QUALITY CONTROL DIVISION