SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into among the Cascade Public Service Company, Inc. ("CPSC"), a Colorado corporation; the Cascade Metropolitan District No. 1 ("CMD"), a Title 32 special district and political subdivision of the State of Colorado; Realty Management Group, LLC ("RMG"), a Colorado limited liability company; the City of Colorado Springs, a Colorado home rule city and municipal corporation and its enterprise Colorado Springs Utilities ("Utilities"); Philip J. Anderson ("Anderson"); and Chris Reimer, Diannia Wagner, Susan Soloyanis, Jim Borden, Robert Pennick, Janice Eder, Steve Spaulding, and Niente Smith (collectively "Intervenors"), all of whom are collectively referred to herein as the "Parties" and individually as a "Party".

INTRODUCTORY STATEMENT

A. CPSC was a wholly owned subsidiary of the Cascade Town Company, and operator of the Cascade Water System, as defined below. Upon the dissolution of the Cascade Town Company in 2005, CPSC succeeded to the interests of the Cascade Town Company in the Cascade Water Rights as defined below.

B. CMD was established in 2005 pursuant to the September 2, 2004, approval by the Board of County Commissioners of El Paso County and the November 8, 2004, order from the El Paso County District Court in Case No. 04CV3800. In 2005, CPSC conveyed all of its water system assets, except the Cascade Water Rights, to CMD, and since that time CMD has been responsible for providing water service to approximately 350 customers in the area of the unincorporated community of Cascade in El Paso County, Colorado.

C. RMG is an assignee of that certain Deed of Trust executed by CPSC, as mortgagor, and American National Bank, as beneficiary, dated May 6, 2009, and recorded on May 27, 2009, under Reception No. 209049849. The Deed of Trust was assigned to RMG by Assignment recorded on October 21, 2011, under Reception No. 21103514 of the public records of El Paso County ("RMG Deed of Trust"). The RMG Deed of Trust encumbers, *inter alia,* CPSC's interest in the Cascade Water Rights and its contractual water rights to water service under the 1990 Agreement, as defined below.

D. The City of Colorado Springs is a Colorado home rule city and municipal corporation, and Colorado Springs Utilities is an enterprise of the City. Utilities currently provides potable water service to CMD pursuant to the 1990 Agreement.

E. Philip J. Anderson is the owner of CPSC and was formerly President of CMD.

F. The Intervenors are residents of El Paso County who receive potable water service from CMD. Intervenors intervened in Case No. 11CW42, District Court Water Division 2, to ensure a permanent source of potable water at a reasonable price for the customers of CMD.

G. As more fully described in section 11, the Parties are entering into this Agreement to settle all claims that have arisen, or could arise, under the 1990 Agreement, and all claims that have been, or could have been asserted, in Case No. 2011CW42, District Court Water Division No. 2, Pueblo County, State of Colorado. By entering into this Agreement, neither CMD nor the Intervenors release Anderson from any claims against Terry Malcom or others related to or arising out of the alleged embezzlement of funds from CMD.

H. The Parties intend that this introductory statement may be relied upon in the interpretation of this Agreement.

AGREEMENT

In consideration of the foregoing introductory statement, the keeping and performance of the promises contained herein, and other valid consideration to each of the Parties, which is hereby acknowledged and confirmed, the Parties agree as follows:

1. Definitions

1.1. "1990 Agreement" means the agreement between the City of Colorado Springs, the Cascade Public Service Company, and the Cascade Town Company dated June 14, 1990.

1.2. "Cascade Water Rights" means 0.3533 c.f.s. out of the 2.65 c.f.s. decreed to the Harmes Ditch, Priority No. 2, and 1.7 c.f.s. out of the 9.5 c.f.s. decreed to the Harmes Ditch, Priority No. 33, originally adjudicated by decree entered on March 6, 1882, in the El Paso County District Court, Civil Action No. 07CV51, and subsequently changed, *inter alia*, by the decree entered in Case No. 91CW44 by the District Court, Water Division No. 2, Pueblo County, Colorado, on September 10, 1997.

1.3. "Cascade Water Works water right" means the water right for 6.3 c.f.s., decreed on February 8, 1954, in Case No. C.A. 13801, District Court, El Paso County, priority No. 67 A, with an appropriation date of May 1, 1887, for domestic and other municipal purposes within the Town of Cascade and its vicinity.

1.4. "CMD Water System" means the water distribution system conveyed by CPSC to CMD, and as maintained, expanded, and improved by CMD, and used by CMD to deliver potable water to its customers. The CMD system begins at the downstream side of the master meter described in paragraph 2 of the 1990 Agreement,

and includes all facilities related to the delivery, storage, treatment, and measurement of water provided to the customers of CMD, excluding Service Lines, as defined below.

1.5. "Cascade Metropolitan District No. 2" or "CMD#2" means the Title 32 special district approved by the Board of County Commissioners on September 2, 2004, and by the El Paso County District Court's November 8, 2004, Order in Case No. 04CV3800, as amended on April 22, 2014, to correct an error in the legal description of the lands within said District, which Case Number was subsequently bifurcated on May 16, 2014 by Order of the El Paso County District Court and a new Case No. 14CV214 established for CMD#2.

1.6. "Effective Date" means the latest date on which this Settlement Agreement has been signed by all of the Parties hereto, and approved by Ordinance adopted by the City Council of the City of Colorado Springs.

1.7. "Escrow Agent" means Land Title Guaranty Company.

1.8. "First Closing" means the closing described in section 9 below.

1.9. "Hazardous Environmental Condition" means the presence of asbestos, PCBs, petroleum, Hazardous Substances or Hazardous Materials, Hazardous Waste, or radioactive material as defined in sections 1.10, 1.11 and 1.12 below in such quantities or circumstances that may present a danger to persons or property.

1.10. "Hazardous Substances or Hazardous Materials" means any substance or material identified now or in the future as hazardous under any federal, state, or local law or regulation, or any other substance or material which may be considered hazardous or otherwise subject to a statutory or regulatory requirement governing handling, disposal, and/or cleanup. Hazardous Substances or Hazardous Materials may include, but are not limited to, petroleum products, radioactive materials, and all substances which are listed under 40 C.F.R. § 261, *et seq.*; 40 C.F.R. § 302, *et seq.*; 40 C.F.R. § 355, *et seq.*; 49 C.F.R. § 172, *et seq.*; and 29 C.F.R. § 1910.1000, as amended from time to time.

1.11. "Hazardous Waste" has the meaning set forth in Section 1004 of the Solid Waste Disposal Act (42 U.S.C. § 6903(5)), and implementing regulations, all as amended from time to time.

1.12. "Minimum Required Improvements" means the improvements determined by Utilities that must be made to the CMD Water System prior to Conversion (as defined in paragraph 6.2.1 below). The criteria to be used in identifying improvements include assets that: (a) are beyond the design or useful life of the asset as identified by American Water Works Association ("AWWA") criteria and standards; (b) are not in

compliance with Colorado Department of Public Health and Environment and Environmental Protection Agency regulations and standards; (c) are not in substantial compliance with Utilities' Water LESS and tariffs; (d) have failed, leak, or are in a state of disrepair; and (e) any information of record determined by Utilities to be reasonably necessary for Conversion. The Minimum Required Improvements may also be referred to in this Agreement as the "Required Improvements" and "Required Information of Record".

1.13. "Second Closing" means the closing described in section 10 below.

1.14. "Service Line" means the water line extending from the property, building, establishment, or grounds up to and including the connection to the distribution main.

1.15. "Water LESS" means the Utilities' Water Line Extension and Service Standards adopted May 1, 2014, as amended.

1.16. "Water Services IGA" means the Intergovernmental Agreement – Water Services entered into between CMD and CMD#2 dated May 24, 2005.

1.17. "Water Supply Assignment and Agreement" means the Assignment and Agreement entered into on June 1, 2005, between CMD and Cascade Public Service Company, whereby certain rights of the Cascade Public Service Company under the 1990 Agreement were assigned to the CMD.

2. Exhibits to Agreement

2.1. **Exhibit 1**: Motion for Dismissal of Claims with Prejudice in Case No. 2011CW42.

2.2. **Exhibit 2**: RMG Partial Release of Deed of Trust – Water Rights.

2.3. **Exhibit 3**: RMG Bargain and Sale Deed to Utilities – Water Rights.

2.4. **Exhibit 4**: CPSC Special Warranty Deed to Utilities – Water Rights.

2.5. **Exhibit 5**: Anderson, *et al.,* Quit Claim Deed to Utilities – Water Rights.

2.6. **Exhibit 6**: CMD Quit Claim Deed to Utilities – Water Rights.

2.7. **Exhibit 7**: CPSC Special Warranty Deed to CMD – Water Right.

2.8. **Exhibit 8**: Anderson, *et al.,* Quit Claim Deed to CMD – Water Right.

2.9. **Exhibit 9**: CPSC-CMD Termination of Water Supply Assignment and Agreement.

2.10. **Exhibit 10:** Water Service Agreement between Utilities and CMD.

2.11. **Exhibit 11**: Escrow Instructions.

3. Agreements Common to All Parties

3.1. Termination of the 1990 Agreement. The Parties agree that on the Effective Date the 1990 Agreement will terminate without further action by the Parties, and all rights and obligations under the 1990 Agreement will terminate and cease to exist.

3.2. Execution of Motion for Dismissal. At or before the First Closing, described below, counsel of record for each of the Parties must execute the Motion for Dismissal with Prejudice (the "Motion"), in Case No. 2011CW42, pending in Water Division 2, Pueblo County, Colorado ("District Court") attached hereto as Exhibit 1. Within 5 business days after the First Closing, counsel for Utilities will file the Motion with the District Court.

3.3. Execution of Water Service Agreement. The Parties agree that after the Effective Date and at or before the First Closing, CMD and Utilities will enter into the Water Service Agreement in the form attached hereto as Exhibit 10, as more fully described in paragraph 5.3 below.

3.4. The Parties agree that any communications between them regarding this Agreement and the Water Service Agreement including, but not limited to, communications between CMD's engineer and Utilities' staff regarding conversion of the Cascade Water System to a Utilities' owned and operated water system that occur prior to the Effective Date, will be considered statements made in compromise negotiations pursuant to C.R.E. 408.

4. Agreements between Utilities, CPSC, RMG, and Anderson

4.1. Deliveries by Utilities. As partial consideration for this Agreement, Utilities will pay RMG $800,000 in two separate payments, a first payment of $300,000 to be made at the First Closing, and a second payment of $500,000 to be made at the Second Closing.

4.2. Deliveries by RMG. At the First Closing, RMG will deliver to the Escrow Agent: (1) a fully executed partial release of the RMG Deed of Trust unconditionally releasing forever from that deed of trust the Cascade Water Rights and other interests in water in the form attached hereto as Exhibit 2; and (2) Bargain and Sale deed in the form attached hereto as Exhibit 3, conveying to Utilities any interest it has or may hereafter acquire in the Cascade Water Rights.

4.3. Deliveries by CPSC. At the First Closing, CPSC will deliver to the Escrow Agent a fully executed Special Warranty Deed in the form attached hereto as Exhibit 4, conveying to Utilities the Cascade Water Rights, and a fully executed

Special Warranty Deed in the form attached hereto as Exhibit 7, conveying to CMD the Cascade Water Works water right.

4.4. Deliveries by Anderson. At the First Closing, Anderson will deliver to the Escrow Agent a fully executed Quit Claim Deed in the form attached hereto as Exhibit 5, conveying to Utilities the Cascade Water Rights, and a fully executed Quit Claim Deed in the form attached hereto as Exhibit 8, conveying to CMD the Cascade Water Works water right.

4.5. After the Effective Date and at or before the First Closing, CPSC and CMD will execute the Termination of Assignment – Water Supply Assignment and Agreement in the form attached hereto as Exhibit 9.

5. Agreements between Utilities and CMD

5.1. Payment of Sums Due. CMD agrees that as of January 13, 2015, it owed Utilities $441,264.40 for potable water service under the 1990 Agreement through January 13, 2015, and $400,665.71 of such amount was past due as of January 7, 2015. CMD and Utilities anticipate that these sums will change by additional charges for potable water service and payments made by CMD after January 13, 2015, and prior to the Second Closing.

5.1.1. CMD agrees that its obligation to pay the sums due to Utilities for potable water service provided under the 1990 Agreement will survive the termination of the 1990 Agreement and remains a valid and binding obligation of CMD. That obligation will terminate when all sums due to Utilities for potable water service under the 1990 Agreement have been paid in full.

5.1.2. CMD agrees that despite the dismissal of Case No. 2011CW42 as provided in this Agreement, it will continue to pay Utilities the monthly amounts due for potable water service in accordance with the terms of the Agreement Concerning Continuance of Trial and Payment of Sums Past-Due attached as Exhibit 1 to and made part of the Order Vacating Trial, Approving Agreement, and Amending Pre-Trial Orders entered by the court on February 7, 2014, in Case No. 2011CW42, until the amounts due to Utilities under the 1990 Agreement are paid in full at which point the obligation to pay Utilities the monthly amounts due will have been satisfied and thereby terminated.

5.1.3. Utilities agrees that beginning on the Effective Date it will not charge CMD additional interest on any sums past due for potable water service provided under the 1990 Agreement.

5.1.4. CMD agrees to pay Utilities all amounts due for potable water service provided under the 1990 Agreement at or before the Second Closing.

5.1.5. Not less than ten days before CMD intends to pay Utilities all amounts due for potable water service provided under the 1990 Agreement, CMD will give Utilities notice of its intent to make the payment and request a final pay-off amount from Utilities. Notice of intent must be provided to Utilities as provided in paragraph 13 below, with an additional copy sent to Colorado Springs Utilities, attention: Barbara Rabideau, MC 1025, P. O. Box 1103, Colorado Springs, CO 80947-0010. The notice must state whether CMD intends to participate in eBilling and Autopay. If CMD does not intend to participate in these programs, then within five days of receipt of such notice, Utilities will provide CMD with the deposit amount needed at the Second Closing to make the final payment.

5.2. CMD Financing to Pay Sums Past Due. CMD agrees to use its best efforts to diligently pursue the issuance of bonds or other financing ("Debt Instruments") to obtain sufficient funds for CMD to pay Utilities all amounts due under the 1990 Agreement at or before the Second Closing and fund the improvements to the CMD Water System described in part 6.2 below. If CMD will not have the proceeds from the Debt Instruments available by the Second Closing to pay Utilities all amounts due under the 1990 Agreement, then it will enter into a loan with RMG as described in part 8.2 below, under which CMD will borrow the necessary funds from RMG to enable it to pay Utilities all amounts due under the 1990 Agreement as well as all costs associated with the loan at the Second Closing. All debts of CMD will be repaid in accordance with paragraph 6.2.12 below.

5.3. New Water Service Agreement. Utilities and CMD will execute the new Water Service Agreement attached as Exhibit 10 on or after the Effective Date and before or at the First Closing. Utilities and CMD agree that the new Water Service Agreement will commence and be binding on Utilities and CMD as of April 1, 2015, notwithstanding the date on which it is fully executed by both Utilities and CMD.

6. Utilities and CMD Agreements Concerning the Potential Conversion of the CMD Water System into a Utilities' Owned and Operated Water System

6.1. Conversion. Subject to CMD's complete performance of its obligations under this section 6, Utilities will convert the CMD Water System into a Utilities' owned and operated water system and will make the customers of CMD and CMD#2 outside the City limits retail customers of Utilities on the following terms and conditions.

6.2. General terms and conditions for system conversion.

6.2.1. "Conversion" means: (1) Utilities accepting ownership and assuming operation and maintenance of the CMD Water System; and (2) the Conversion

of each customer from CMD to Utilities' customers. In order for Conversion to occur: (a) all Minimum Required Improvements (defined in paragraph 6.2.4 below) to the CMD Water System must have been completed, inspected and accepted by Utilities; (b) all Required Information of Record must have been delivered to Utilities; (c) transfer by CMD to Utilities of the CMD water distribution system (after all Minimum Required Improvements have been made); (d) the assignment by CMD of all permits and licenses requested or needed by Utilities for the operation of the CMD Water System at the time of the transfer of the CMD Water System; and (e) the conveyance to Utilities of all easements, rights of way, and other real property of CMD necessary for operation of the CMD Water System. A property desiring water service from Utilities after Conversion will only receive water service after an application for water service for the property has been submitted to and approved by Utilities in accordance with the requirements of section 12.4.303 of the Colorado Springs City Code and Utilities' applicable rules and regulations contained in its tariffs. Utilities will not unreasonably withhold its approval. After Conversion, properties not then receiving water service and owners of undeveloped land within CMD#2 need not enter into water service agreements with Utilities unless and until the land is to be developed and needs water service.

6.2.2. Prior to Conversion, CMD must make the system improvements identified by Utilities in the manner described herein. CMD must provide Utilities with a comprehensive system inventory and analysis/report ("System Inventory and Assessment") of the CMD Water System, prepared by a registered professional engineer approved by Utilities, who evaluates the operations and infrastructure ("assets") of the CMD's Water System. Utilities will cooperate with CMD to provide such advice and consultation as CMD's engineer may reasonably require in the preparation of the System Inventory and Assessment. CMD will reimburse Utilities for any labor costs incurred for such cooperation, advice and assistance related to the System Inventory and Assessment. Utilities' estimated labor costs are set forth in Appendix B. Utilities will provide CMD with a timely invoice for all employee labor costs, to the CMD address set forth in section 13, and CMD shall make full payment of the invoice to Utilities within 30 days of its receipt of the invoice. CMD will be solely responsible for all costs it incurs in preparing the System Inventory and Assessment.

6.2.3. Except as agreed to by CMD and Utilities in writing, the System Inventory and Assessment must contain the information set forth in Appendix A and must be provided to Utilities on or before June 1, 2015.

6.2.4. Upon receipt of the System Inventory and Assessment, Utilities will promptly review it and within 30 days provide CMD with a list of information

not contained in CMD's System Inventory and Assessment that must be obtained in order for Utilities to be able to provide CMD with the Improvement Requirements Report. CMD will have 180 days thereafter within which to provide Utilities with the additional information required by Utilities in order to provide CMD the Improvement Requirements Report. Within 60 days after Utilities has received from CMD all of the necessary information for the System Inventory and Assessment, it will provide CMD with a report that identifies the Minimum Required Improvements that must be made to the CMD Water System and information of record that must be provided to Utilities in order for Utilities to take over operation of the system ("Improvement Requirements Report").

6.2.5. In creating the Improvement Requirements Report, Utilities will utilize the System Inventory and Assessment to evaluate the existing system condition and will consider the remaining useful life of the various components of the CMD Water System, all applicable regulatory requirements, and industry standards, and make a good faith effort to limit the required improvements to those necessary to enable Utilities to safely operate the system in compliance with all applicable regulatory requirements without assuming liability for unreasonably deferred system maintenance and improvements. In the event of a disagreement between Utilities and CMD over what Minimum Required Improvements are reasonably necessary, CMD and Utilities will select a third party qualified professional engineer familiar with the requirements and needs of large municipal water supply systems to review the System Inventory and Assessment and the Required Improvements Report and determine and identify the Minimum Required Improvements necessary for Conversion. CMD will be solely responsible for all costs it incurs in reviewing and implementing the Improvement Requirements Report. CMD and Utilities will share equally in all costs of the third-party engineer.

6.2.6. Within 90 days after receipt of the Improvement Requirements Report, CMD must determine whether it is willing to make the Minimum Required Improvements and must provide Utilities with notice of whether or not it intends to pursue system Conversion. If CMD gives notice that it does not intend to pursue system Conversion, then all rights, duties and obligations of Utilities and CMD to pursue system Conversion will terminate, except for CMD's obligation to pay Utilities' employee labor costs incurred in reviewing the System Inventory and Assessment and preparing the Improvement Requirements Report and its share of the costs of the third-party engineer. If CMD does not pursue Conversion, then Utilities will provide water service to CMD in accordance with the Water Service Agreement and Utilities' applicable tariffs.

6.2.7. If CMD intends to proceed with system Conversion, then CMD will be solely responsible for the design, permitting and construction of the Minimum Required Improvements in accordance with Water LESS and Utilities' tariffs, and for obtaining and delivering the Required Information of Record related thereto. Utilities will be given the opportunity to review and approve the design plans and specifications for all Minimum Required Improvements in accordance with the Utilities Water LESS and all reports, files, and documents containing Required Information of Record. After such review, Utilities will provide CMD with notice of whether the plans and specifications or reports, files, and documents are acceptable to Utilities and, if not, the reasons why such plans and specifications or reports, files, and documents, are not acceptable to Utilities. Such design, review, and approvals must be performed by Utilities in accordance with its Water LESS and its tariffs. So long as CMD is pursuing system Conversion, it will not make any improvements to the CMD Water System that are not in substantial compliance with the design plans and Water LESS approved by Utilities. Notwithstanding the foregoing, in the event of an emergency, CMD is entitled to make all necessary repairs to the CMD Water System as it deems fit provided, however, that such repairs must be subsequently modified to be in substantial compliance with the design plans and Water LESS approved by Utilities. CMD must notify Utilities of the emergency within 72 hours and provide as built drawings and specifications of the emergency repairs to Utilities within 45 days.

6.2.8. Utilities will be provided the opportunity to review, inspect and approve the final construction of any Minimum Required Improvements to ensure that all construction was performed in conformance with the approved design plans and specifications. Such review, inspection, and approval will be performed in accordance with Utilities' tariffs and Water LESS. Utilities will provide notice to CMD of whether it approves and accepts the final construction of each of the Minimum Required Improvements within 45 days of being notified of their completion. If all such improvements are not made or are not made in accordance with the approved design plans and specifications, Utilities will have no obligation to complete Conversion. All Minimum Required Improvements shall be covered by a 2-year Warranty by CMD or its contractor in accordance with the requirements set forth in the Water LESS.

6.2.9. CMD must complete the Minimum Required Improvements within five years of the date Utilities provides CMD the Improvement Requirements Report. If it fails to do so, Utilities will have no obligation to complete system Conversion. If CMD has substantially completed the Minimum Required Improvements within such five year period, and has demonstrated to Utilities that CMD has the funds and other necessary resources available to complete the

remaining Minimum Required Improvements within 24 months or less beyond the five year period, then the five year deadline to complete the Minimum Required Improvements may be extended for so long as is reasonably necessary to complete the necessary remaining Minimum Required Improvements, but such extension will not exceed more than 24 months beyond the original five year period. For purposes of this provision, substantially completed means the completion of at least 80 percent of the Minimum Required Improvements set forth in the Improvements Requirements Report based upon the projects' actual costs (including retainage) of the completed Minimum Required Improvements and the reasonably anticipated cost (including retainage) of the remaining Minimum Required Improvements.

6.2.10. CMD will reimburse Utilities for all employee labor costs it incurs in preparing the Improvement Requirements Report, reviewing, inspecting, and approving the design plans and specifications, and reviewing, inspecting and approving the final construction of the Minimum Required Improvements. Utilities will provide CMD with a timely invoice for all employee labor costs associated with these items, at the CMD notice address set forth in section 13, and CMD shall make full payment of the invoice to Utilities within 30 days of its receipt of the invoice.

6.2.11. Hazardous Materials.

6.2.11.1. If any Hazardous Environmental Condition is encountered, while CMD, CMD's contractors, subcontractors and suppliers, or anyone else for whom CMD is responsible are conducting activities related to preparing the System Inventory and Assessment or completing the items set forth in the Improvement Requirement Report, CMD must provide Utilities with notice of the Hazardous Environmental Condition within 5 days of its discovery. In addition, CMD will take timely steps, in compliance with OSHA and other federal, state and local laws and regulations, to secure or otherwise isolate, contain and clean up the Hazardous Environmental Condition using only contractors or subcontractors who have been properly trained in accordance with OSHA and other federal, state and local laws and regulations for Hazardous Substances or Hazardous Materials operations and response. CMD is solely responsible for making all notifications and complying with all regulatory requirements related to such a Hazardous Environmental Condition. Any waste generated as a result of a Hazardous Environmental Condition will become the property of CMD and must be disposed of in accordance with all applicable requirements. In addition to cleanup and disposal costs, CMD is responsible for all other costs, claims, losses, and damages including, but not limited to, fines and penalties, incurred as a result of any Hazardous Environmental Conditions discovered.

CMD must provide Utilities with the documentation Utilities deems necessary to demonstrate that any Hazardous Environmental Condition has been cleaned up in compliance with all applicable federal, state and local laws and regulations. Utilities has no obligation to complete conversion of the CMD Water System to a Utilities' owned and operated water system until it is satisfied that the Hazardous Environmental Condition has been cleaned up in compliance with all applicable federal, state and local laws and regulations.

6.2.11.2. If a Hazardous Substance or Hazardous Material is spilled, leaked, or otherwise released to the environment while CMD, CMD's contractors, subcontractors and suppliers, or anyone else for whom CMD is responsible are conducting activities related to preparing the System Inventory and Assessment or completing the items set forth in the Improvement Requirement Report, CMD will take immediate steps, in compliance with OSHA requirements, to secure or otherwise isolate such condition, notify Utilities, and contain and clean up any such Hazardous Substance or Hazardous Material using only contractors or subcontractors who have been properly trained in accordance with OSHA requirements for operations and emergency response. CMD is responsible for making all notifications and complying with all regulatory requirements related to such an incident. Any waste generated as a result of a spill, leak, or other release to the environment by CMD, CMD's contractors, subcontractors and suppliers, or anyone else for whom CMD is responsible, shall become the property of CMD and shall be disposed of in accordance with all applicable requirements. In addition to cleanup and disposal costs, CMD is responsible for all costs associated with demobilization, remobilization, medical examinations, and all other costs, claims, losses, and damages including, but not limited to, attorney fees and litigation costs as well as fines and penalties, incurred as a result of any Hazardous Substance or Hazardous Material that is spilled, leaked, or otherwise released to the environment. CMD must provide Utilities with the documentation Utilities deems necessary to demonstrate that any Hazardous Substance or Hazardous Material that is spilled, leaked, or otherwise released to the environment has been cleaned up in compliance with all applicable federal, state and local laws and regulations. Utilities has no obligation to complete conversion of the CMD Water System to a Utilities owned and operated water system until it is satisfied that any Hazardous Substance or Hazardous Material that is spilled, leaked, or otherwise released to the environment has been cleaned up in compliance with all applicable federal, state and local laws and regulations.

6.2.12. Upon final acceptance of all Minimum Required Improvements, CMD will transfer ownership of the CMD Water System, together with all appurtenances, to Utilities by bill of sale in a form acceptable to Utilities. At the time of conveyance, the CMD distribution system must be free of any liens or encumbrances. CMD will also convey all easements, rights of way, and other real property interests determined by Utilities to be necessary for operation and maintenance of the CMD Water System by Warranty Deed in a form acceptable to and approved by Utilities, in its sole discretion. CMD will also assign all licenses, permits, contracts and/or authorization determined by Utilities to be necessary for the operation of the CMD Water System.

6.2.13. CMD will remain solely responsible for any debt or other financial obligations it has as of the Effective Date or that it incurs thereafter. CMD, or an entity established pursuant to the District's dissolution proceeding, will remain in existence until all of CMD's outstanding financial obligations are paid, including any obligations incurred under the provisions of this Agreement. CMD, or the entity established pursuant to the District's dissolution proceeding, will be responsible for any billing and collection from its former customers related to the outstanding financial obligations of CMD.

6.2.14. Upon Conversion, Utilities will provide water service in accordance with Utilities' applicable Water LESS and tariffs, whether in existence at the Effective Date or developed at any time thereafter, to CMD's existing service area as set forth in the Water Service Agreement and existing customers therein. Water System development charges will not be charged to any actual customer being served by CMD at the time of the Effective Date. Such customers do not include owners of undeveloped property, or subdivisions of land effected after the Effective Date. Any new customers served after the Effective Date, upon Conversion, will be required to pay all rates, fees and charges in accordance with Utilities' tariffs.

6.2.15. After Conversion, Utilities will serve new customers within the service area described in the Water Service Agreement subject to Utilities' applicable service standards and tariffs, and payment by the customer for all system development charges and fees in effect at the time service for such properties is requested.

6.3. Prior to Conversion, CMD must obtain approvals including, but not limited to, all approvals necessary from its Board, and regulatory agencies to effectuate the Conversion.

6.4. The conversion of customers from CMD to Utilities may be completed, if feasible, in a phased approach for planned segments or designated areas, in

Utilities' sole discretion. Prior to customer Conversion, CMD and Utilities will jointly agree on the specific provisions, sequence and plan for the Conversion of CMD customers from CMD water service to Utilities' water service.

6.5. Upon completion of Conversion, CMD will abandon the water right for the Cascade Water Works.

6.6. So long as CMD is pursuing Conversion under this Agreement, then the following provisions will govern CMD's review and approval of Plans and Specifications submitted to CMD by CMD#2 as required by the Water Services IGA:

6.6.1. Upon receipt of any "Plans" from CMD#2 pursuant to the provisions of Article III of Water Services IGA, CMD will provide copies to Utilities for its review for the Plans compliance with Water LESS. CMD will consult with Utilities on whether and to what extent the Plans comply with Water LESS.

6.6.2. If the Plans are determine not to comply with Water LESS, then CMD must not approve the Plans and must advise CMD#2 of its disapproval within 45 days of the receipt of such Plans. For purposes of such disapproval Water LESS will be considered generally accepted engineering standards.

7. Agreements among CMD, Anderson, and Intervenors

7.1. Anderson qualified Steve Spaulding to be eligible to serve as a member of CMD's Board of Directors to fill the vacancy created by Anderson's resignation. CMD gave the required notice and Mr. Spaulding was appointed to the Board at its January 27, 2015 meeting. CMD will conduct an orientation with Mr. Spaulding and brief him on CMD matters after all necessary documentation is filed with the El Paso County District Court.

7.2. Anderson agrees not to seek future election to the Board of Directors of CMD or to seek future employment by CMD or CMD#2 in any capacity.

7.3. Anderson agrees not to qualify representatives of RMG, or anyone designated by RMG, to serve on the CMD Board of Directors prior to the inclusion election. If an additional CMD Board seat becomes vacant prior to the inclusion election (described in paragraph 7.5 below), a customer of CMD, other than Anderson, will have the right to fill the vacancy. Anderson will cooperate to qualify someone by option contract and CMD will cooperate to take appropriate steps to allow the appointment.

7.4. Intervenors agree not to raise issues of past conduct related to Anderson, the Board of Directors' alleged past mismanagement, or the alleged embezzlement by Terry Malcom at future CMD Board of Directors' meetings. This limitation does

not apply to members of Intervenors serving on the CMD Board acting within his or her Board member capacity or to requests by Intervenors for general updates on any criminal charges against Terry Malcom or the results of CMD investigations.

7.5. The CMD Board of Directors passed a resolution proposing to expand CMD's boundaries to include all of its existing customers except for lands within CMD#2 at the January 27, 2015 Board of Directors' meeting. CMD's engineer prepared a survey containing a legal description of the new boundaries and a map depicting the same. The public hearing on inclusion of the additional land was held at the January 27, 2015 Board of Directors' meeting with an additional public hearing at a February 17, 2015 public meeting. After the public hearing, CMD will use its best efforts to conduct the inclusion election in May 2015. CMD will present a detailed breakdown of the election costs as soon as possible and post the breakdown on the website of CMD or its attorneys.

7.6. To the extent they elect to participate, Intervenors agree to support the inclusion of the additional lands at the public hearings, in the election and in public forums and discussions surrounding the hearings and election.

7.7. CMD will post a detailed proposal for the use of any bond proceeds or other proposed financing on the website of CMD or its attorneys after CMD's engineer's preliminary System Inventory and Assessment Report is prepared and before the issuance of bonds or other financing for such improvements is approved by the CMD Board of Directors.

7.8. CMD will investigate potential claims against any third parties to recover any funds allegedly embezzled by Terry Malcom. Intervenors agree not to pursue individual legal actions against Mr. Malcom and/or Anderson pending the completion of CMD's investigation. Counsel for CMD will provide confidential updates on the investigation to counsel for Intervenors to the extent attorney-client privilege and confidences are not otherwise compromised or waived under the Colorado Governmental Immunity Act. CMD will notify Intervenors no later than August 31, 2015, if CMD elects not to pursue legal action against Anderson and/or Mr. Malcom. If CMD elects not to pursue claims against Anderson and/or Mr. Malcom, Intervenors may, at their expense, elect to pursue such claims. CMD will cooperate with Intervenors and provide confidential updates to the extent attorney-client privilege and confidences are not otherwise compromised or waived under the Colorado Governmental Immunity Act.

7.9. Anderson hereby waives and forever releases, and discharges the Parties from any rights or claims whether known or unknown, liquidated or unliquidated, that he, CPSC, or any other entity in which he has an interest, has to receive

proceeds from this Settlement Agreement or related in any manner to Case No. 2011CW42 of the Cascade Water Rights.

8. Agreements among CMD, CPSC, and RMG

8.1. CMD and CPSC agree to termination of the Water Supply Assignment and Agreement dated June 1, 2005 between CPSC and CMD on or before the Effective Date.

8.2. RMG agrees to make, and CMD agrees to accept, a loan from RMG if needed by CMD to make the required payment of sums past due to Utilities by the date of the Second Closing. The interest rate of the loan will be ninepercent (9%) per annum amortized over a period of five (5) years. No later than May 15, 2015, CMD shall provide RMG written notice confirming that CMD will not have the proceeds from the Debt Instruments available by the Second Closing to pay Utilities all amounts due under the 1990 Agreement. In the event such notice is provided to RMG by May 15, 2015, then CMD agrees to take all steps necessary to work with RMG in preparing the necessary documents for a loan from RMG and to obtain all necessary approvals for execution of those documents at or before the Second Closing. To repay the loan from RMG, CMD agrees to continue to assess the additional monthly fee in the amount of $25.00 per ¾ inch tap and pro-rated greater fee on larger tap sizes as provided in the Agreement Concerning Continuance of Trial and Payment of Sums Past Due signed by the parties on February 5 and 6, 2014; provided, however, that the proceeds from that fee shall be tendered to RMG rather than Utilities, as currently set forth under the Agreement Concerning Continuance of Trial and Payment of Sums Past Due. CMD agrees to apply all such additional monthly fees necessary, if any, for the sole purpose of repaying the RMG Loan and further agrees that such additional monthly fees shall remain in full force and effect until the RMG Loan is repaid in full.

9. First Closing. The First Closing will take place within 10 business days after the Effective Date at a date and time mutually acceptable to the Parties. At that closing, the following will occur: (1) Utilities will pay RMG the sum of $300,000 by cashier's check, wire transfer, or other immediately available funds; (2) the Parties will execute the Escrow Instructions in the form attached hereto as Exhibit 11; (3) RMG, CPSC, Anderson, and CMD will deliver to the Escrow Agent, fully executed originals of the deeds and releases described in paragraphs 4.2 to 4.3 above; (4) CPSC and CMD will execute and deliver to Utilities the fully executed Termination of Water Supply Assignment and Agreement in the form attached as Exhibit 9; and at or before that closing (5) CMD and Utilities will execute and deliver to Utilities the Water Service Agreement in the form attached as Exhibit 10.

10. Second Closing. The Second Closing will occur within 10 business days after payment by CMD to Utilities of all sums due for potable water service provided by Utilities to CMD, or June 15, 2015, whichever date occurs first.

10.1. At the Second Closing the following will occur: (1) if not previously paid, CMD will pay Utilities all amounts due for potable water service under the 1990 Agreement; (2) upon receipt of full payment by CMD, Utilities will pay RMG $500,000 by cashier's check, wire transfer, or other immediately available funds; and (3) RMG, CMD, CPSC and Utilities will execute written instructions authorizing and directing the Escrow Agent to record the escrowed documents in the public records of the office of the El Paso County Clerk and Recorder in order set forth in the Escrow Instructions, and upon completion or recordation, to deliver the recorded originals of each deed to the respective Grantee and deliver the recorded Termination of Water Supply Agreement and Assignment to CMD.

11. General Release of Claims. Except as to the obligations created by this Agreement, and reserving to the Parties the rights set forth in this Agreement, each Party hereby forever releases all of the other Parties, their heirs, successors and assigns, from all claims, liability, and damages of any kind that: (1) were asserted or could have been asserted in Case No. 2011CW42, District Court, Water Division No. 2; and/or (2) are based on or could have arisen under the 1990 Agreement. This release does not include claims, if any, by CMD or Intervenors against Anderson, Terry Malcom or others related to or arising out of the alleged embezzlement of funds from CMD, the hiring or retention of Malcom as the operator of CMD and the supervision of Malcom while he served as operator.

12. Representations and Warranties of the Parties

12.1. Each Party hereby warrants and represents that it has the full right and lawful authority to enter into this Agreement.

12.2. Each Party has carefully read this Agreement and knows the contents thereof and has signed the same as its free and voluntary act and after having the opportunity to have the same explained by counsel. Each Party expressly states that it has been advised of its right to consult additional professionals of its choice, including lawyers, and accountants, regarding any and all known and unknown, foreseen and unforeseen, damages, losses, injuries, costs, losses of services, expenses, liabilities, claims, and the consequences thereof, of whatever kind and nature, which the Party may have or will incur, whether suspected or unsuspected. Each Party further expressly understands and agrees that the signing of this Agreement shall be forever binding and no rescission, modification, or release of a Party from the terms of this Agreement will be made for any mistake.

12.3. Each Party understands and agrees that it is solely responsible for all tax obligations, including all reporting and payment obligations, that may arise as a consequence of this Agreement and the monetary consideration provided hereunder. Each Party agrees that no other Party has provided representation or advice as to how this consideration is to be characterized or allocated or as to the tax treatment or its tax reporting or payment obligations for the monetary consideration set out herein.

12.4. Each Party further warrants that it fully realizes that it may have sustained unknown and unforeseen losses, fees, costs or expenses and the consequences thereof which may be at this time, heretofore, and hereafter unknown, unrecognized, unawarded, and not contemplated by the Parties, which resulted or may or will result from Case No. 11CW42, District Court Water Division No. 2 or the 1990 Agreement and all matters incident or related thereto, and that no promise or inducement has been offered except as herein set forth and that all agreements and understandings between the Parties are expressed herein and that this Agreement was executed without reliance upon any statement or representation by the other Parties, and each Parties' representative who executes this Agreement is legally competent to execute this Agreement. Each Party accepts full responsibility and assumes the risk of any mistake of fact or law as to any damages, losses, or injuries, whether disclosed or undisclosed, known or unknown, sustained as a result of Case No. 11CW42, District Court Water Division No. 2, or under the 1990 Agreement and all matters incident and related thereto.

12.5. This Agreement is not intended to be an admission of any fact or issue alleged by any Party relating to Case No. 11CW42, District Court Water Division No. 2 and the 1990 Agreement, with the exception of a claim related to breach or enforcement of this Agreement, this Agreement is not intended to be evidence in any other matter.

13. Notice. All notices required under this Agreement must be provided by electronic mail, U.S. Mail or hand delivery to the e-mail or physical addresses listed below. Written notice is effective immediately upon sending an email or when hand delivered at the addresses noted below. If notice is sent by U.S. Mail, notice is effective two days after mailing. Any notice given under this Agreement will be copied to all Parties. If any Party wishes to modify the contact information contained below, notice must be provided to all Parties.

If to CPSC and/or Anderson:

Philip J. Anderson
31 North Tejon, Suite 500
Colorado Springs, CO 80903
(719) 331-2732

If to CMD: Cascade Metropolitan District No. 1
141 Union Boulevard, Suite 150
Lakewood, CO 80228
(303) 987-0835

With a copy to:
WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
ATTN: Jennifer Gruber Tanaka, Esq.
2154 East Commons Avenue, Suite 2000
Centennial, CO 80122
Phone: (303) 858-1800
Fax: (303) 858-1801
jtanaka@wbapc.com

If to RMG: John Knoeckel
3033 E. 1st Avenue
Suite 300
Denver, CO 80206

With a copy to:
Scotty P. Krob
Krob Law Office, LLC
8400 E. Prentice Ave, Penthouse
Greenwood Village, CO 80111

If to Intervenors:

James Miller
Paul Wood
Polsinelli, PC
1515 Wynkoop Street, Suite 600
Denver, CO 80202
(303) 572-9300
jmiller@polsinelli.com
pwood@polsinelli.com

If to Utilities:

i. Chief Water Services Officer: Gary Bostrom
Courier Service Address:
Colorado Springs Utilities

ATTN: Chief Water Services Officer
121 S. Tejon St., 5th Floor
Colorado Springs, CO 80903

United States Postal Service Address:
Colorado Springs Utilities
ATTN: Chief Water Services Officer
P.O. Box 1105
Colorado Springs, CO 80947-0950
Fax: (719) 668-4158.

ii. City Attorney's Office - Utilities Division
Courier Service Address:
Colorado Springs Utilities
ATTN: City Attorney's Office – Utilities Division
121 S. Tejon St., 4th Floor
Colorado Springs, CO 80903

United States Postal Service Address:

Colorado Springs Utilities
ATTN: City Attorney's Office – Utilities Division
P.O. Box 1104
Colorado Springs, CO 80947-0940
Fax: (719) 668-8048.

14. Force Majeure. No Party to this Agreement will be liable for any delay or failure to perform due solely to conditions or events of force majeure, as that term is defined in this section, provided that: (i) the non-performing Party gives the other Parties prompt written notice describing the particulars of the force majeure; (ii) the suspension of performance is of no greater scope and of no longer duration than required by the force majeure event or condition; and (iii) the non-performing Party proceeds with reasonable diligence to remedy its inability to perform. As used herein, "force majeure" means any delay or failure of performance under this Agreement caused by events beyond a Party's reasonable control and without the fault of the Party including, without limitation: (a) acts of God; (b) sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes; (c) sabotage; (d) vandalism beyond that which can be reasonably prevented by the Party; (e) terrorism; (f) war; (g) riots; (h) fire; (i) explosion; (j) insurrection; (k) strike, slow down or labor disruptions; (l) denial or revocation of any governmental or regulatory permit, license, or approval; and (m) governmental restriction, denial, or moratoria. To the extent that a Party's performance is postponed or excused by an event of force majeure, the other Party's corresponding obligation to perform is likewise postponed or excused.

15. Dispute Resolution/Remedies

15.1. Any dispute regarding the terms of this Agreement will be submitted to non-binding mediation, or other alternative dispute resolution procedure agreed to by the Parties. The mediator will be O. John Kuenhold, if he is willing and able to serve as the mediator. If Mr. Kuenhold is not available, the Parties will select a mediator by mutual agreement.

15.2. In the event that either Party defaults in the performance of any of its obligations under this Agreement, in addition to any and all other remedies provided in this Agreement or by law or equity, each Party will have the right of specific performance against the other.

15.3. In the event of litigation arising out of or related to this Agreement, the substantially prevailing Party as determined by the court will be entitled to its litigation costs, including reasonable attorney's fees.

16. Governmental Immunity. No term or condition of this Agreement is to be construed or interpreted as a waiver, express or implied, by Utilities, CMD, or CMD#2 of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as applicable now or hereafter amended.

17. Generally Applicable Provisions

17.1. Entire Agreement. This Agreement and its Exhibits constitute the entire agreement between the Parties with respect to the subject matter and supersede all prior agreements and understandings, written or oral, with respect to the subject matter.

17.2. Amendment - Interpretation. This Agreement cannot be modified orally, but only by an amendment in writing signed by all Parties. The captions of this Agreement are for convenience of reference only, are not a part of this Agreement, and do not define or limit any of the terms of this Agreement. The Exhibits to this Agreement are incorporated into the Agreement. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine, and neuter adjectives include one another.

17.3. Waiver. The failure of a Party to insist in one or more cases upon the strict observation of any of the terms of this Agreement is not a waiver or relinquishment in any future case of any of the terms of this Agreement.

17.4. Binding Effect and Assignability. This Agreement and the rights and obligations created hereby are binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns.

17.5. Governing Law and Venue. This Agreement is governed by the laws of the State of Colorado in all respects, including matters of validity, construction, performance, and enforcement. Jurisdiction and venue for any dispute arising out of or related to this Agreement is proper only in the District Court of El Paso County, Colorado. The Parties expressly and irrevocably waive any objections or rights which may affect venue of any such action including, but not limited to, *forum non-conveniens* or otherwise.

17.6. Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies whatsoever on any person or entity, other than the Parties hereto, and their respective heirs, successors, and assigns.

17.7. Time. Time is of the essence in this Agreement.

17.8. Legal Counsel. Each Party to this Agreement has engaged legal counsel or has been advised to seek legal counsel to negotiate, draft, and/or review this Agreement. Therefore, in the construction and interpretation of this Agreement, the Parties acknowledge and agree that it is not to be construed against any Party on the basis of authorship.

17.9. Signatures – Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. In the event that any signature is delivered by facsimile transmission or PDF, such signature shall create a valid and binding obligation of the Party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile or PDF signature page were an original itself.

17.10. Extension of 2015 Deadlines. Any of the deadlines set forth herein that occur in 2015 may be extend by mutual agreement of the parties. If the parties are willing to extend the deadline but cannot agree on a reasonable date for the extended deadline, then the parties will ask mediator O. John Kuenhold, or other mediator selected by mutual agreement, to determine the date for the extended deadline.

18. Termination of Agreement. If the Colorado Springs City Council fails to adopt an ordinance approving this Settlement Agreement on or before March 31, 2015, then this Agreement will be void and of no force and effect and all Parties will have all rights and duties that they had prior to their execution of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth opposite their respective signatures, said agreement to be Effective Date as defined herein.

COLORADO SPRINGS UTILITIES

Jerry Forte
Chief Executive Officer
Date: 3/27/2015

APPROVED AS TO FORM:

Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

Philip J. Anderson, President
Date: _____

Philip J. Anderson, individually
Date: _____

Janice Eder
Date: _____

Steve Spaulding
Date: _____

Niente Smith
Date: _____

Robert Pennick
Date: _____

CASCADE METROPOLITAN DISTRICT NO. 1

Michael Whittemore
President
Date: 3/24/2015

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

Chris Reimer
Date: _____

Diannia Wagner
Date: _____

Susan Soloyanis
Date: _____

Jim Borden
Date: _____

COLORADO SPRINGS UTILITIES

Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

Philip J. Anderson, President
Date: 4/3/15

Philip J. Anderson, individually
Date: 4/3/15

Janice Eder
Date:

Steve Spaulding
Date:

Niente Smith
Date:

Robert Pennick
Date:

CASCADE METROPOLITAN DISTRICT NO. 1

Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By:

Title: Officer/Mgr Manager
Date: 3/25/15

Chris Reimer
Date:

Diannia Wagner
Date:

Susan Soloyanis
Date:

Jim Borden
Date:

COLORADO SPRINGS UTILITIES

_____
Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

_____
Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

_____
Philip J. Anderson, President
Date: _____

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Philip J. Anderson, individually
Date: _____

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Janice Eder
Date: _____

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Steve Spaulding
Date: _____

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Niente Smith
Date: _____

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Robert Pennick
Date: _____

CASCADE METROPOLITAN DISTRICT NO. 1

_____
Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

_____
General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

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Chris Reimer
Date: _____

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Diannia Wagner
Date: _____

_____
Susan Soloyanis
Date: _____

Jim Borden
Jim Borden
Date: 3-18-2015

COLORADO SPRINGS UTILITIES

_____
Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

_____
Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

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Philip J. Anderson, President
Date: _____

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Philip J. Anderson, individually
Date: _____

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Janice Eder
Date: _____

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Steve Spaulding
Date: _____

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Niente Smith
Date: Niente Smith 3/18/15

_____
Robert Pennick
Date: _____

CASCADE METROPOLITAN DISTRICT NO. 1

_____
Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

_____
General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

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Chris Reimer
Date: _____

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Diannia Wagner
Date: _____

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Susan Soloyanis
Date: _____

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Jim Borden
Date: _____

COLORADO SPRINGS UTILITIES

_____
Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

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Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

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Philip J. Anderson, President
Date: _____

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Philip J. Anderson, individually
Date: _____

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Janice Eder
Date: _____

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Steve Spaulding
Date: _____

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Niente Smith
Date: _____

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Robert Pennick
Date: _____

CASCADE METROPOLITAN DISTRICT NO. 1

_____
Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

_____
General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

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Chris Reimer
Date: _____

Diannia Wagner
Diannia Wagner
Date: March 18, 2015

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Susan Soloyanis
Date: _____

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Jim Borden
Date: _____

E-MAILED MAR 18 2015 Paul Wood

COLORADO SPRINGS UTILITIES

Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

Philip J. Anderson, President
Date:

Philip J. Anderson, individually
Date:

Janice Eder
Date:

Steve Spaulding
Date: 03/19/2015

Niente Smith
Date:

Robert Pennick
Date:

CASCADE METROPOLITAN DISTRICT NO. 1

Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By:

Title:
Date:

Chris Reimer
Date:

Diannia Wagner
Date:

Susan Soloyanis
Date:

Jim Borden
Date:

COLORADO SPRINGS UTILITIES

_____
Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

_____
Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

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Philip J. Anderson, President
Date: _____

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Philip J. Anderson, individually
Date: _____

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Janice Eder
Date: _____

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Steve Spaulding
Date: _____

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Niente Smith
Date: _____

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Robert Pennick
Date: _____

CASCADE METROPOLITAN DISTRICT NO. 1

_____
Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

_____
General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

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Chris Reimer
Date: _____

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Diannia Wagner
Date: _____

Susan Soloyanis
_____
Susan Soloyanis
Date: 16 March 2015

_____
Jim Borden
Date: _____

COLORADO SPRINGS UTILITIES

_____
Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

_____
Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

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Philip J. Anderson, President
Date: _____

_____
Philip J. Anderson, individually
Date: _____

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Janice Eder
Date: _____

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Steve Spaulding
Date: _____

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Niente Smith
Date: _____

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Robert Pennick
Date: 3-16-15

CASCADE METROPOLITAN DISTRICT NO. 1

_____
Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

_____
General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

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Chris Reimer
Date: _____

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Diannia Wagner
Date: _____

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Susan Soloyanis
Date: _____

_____
Jim Borden
Date: _____

COLORADO SPRINGS UTILITIES

_____
Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

_____
Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

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Philip J. Anderson, President
Date: _____

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Philip J. Anderson, individually
Date: _____

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Janice Eder
Date: _____

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Steve Spaulding
Date: _____

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Niente Smith
Date: _____

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Robert Pennick
Date: _____

CASCADE METROPOLITAN DISTRICT NO. 1

_____
Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

_____
General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

Chris J Reimer
Chris Reimer
Date: 3/16/15

_____
Diannia Wagner
Date: _____

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Susan Soloyanis
Date: _____

_____
Jim Borden
Date: _____

COLORADO SPRINGS UTILITIES

_____
Jerry Forte
Chief Executive Officer
Date:

APPROVED AS TO FORM:

_____
Michael J. Gustafson
City Attorney`s Office – Utilities Division

CASCADE PUBLIC SERVICE COMPANY

_____
Philip J. Anderson, President
Date: _____

_____
Philip J. Anderson, individually
Date: _____

Janice M. Eder
_____
Janice Eder
Date: March 23, 2015

_____
Steve Spaulding
Date: _____

_____
Niente Smith
Date: _____

_____
Robert Pennick
Date: _____

CASCADE METROPOLITAN DISTRICT NO. 1

_____
Michael Whittemore
President
Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON, Attorneys at Law

_____
General Counsel to the District

REALTY MANAGEMENT GROUP, LLC

By: _____

Title: _____
Date: _____

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Chris Reimer
Date: _____

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Diannia Wagner
Date: _____

_____
Susan Soloyanis
Date: _____

_____
Jim Borden
Date: _____

Appendix A

Standards for Water System Inventory and Assessment

The following is a listing of all of the types of information CMD is to provide to Utilities as part of its System Inventory and Assessment Report. Utilities understands that CMD may not have all of the types of information requested and that some documentation, data and information will be provided after Utilities provides CMW with the Required Improvements Report and before Conversion, but it expects CMD to make a good faith effort to provide as much of the information requested below as is known to or can be reasonably determined by CMD in the preparation of its System Inventory and Assessment Report. CMD must provide a list to Utilities of the requested information that they do not have, the reasons why it is unavailable, and an estimate of time it would take to obtain that information. Topics on which CMD will be required to conduct specific investigations are identified below. The term "assets" is used below to refer to each individual component of the CMD Water System.

1. Inventory of CMD Water System assets including, but not limited to, the items listed below. As applicable, the inventory must be categorized by asset type and must include information regarding the asset installation date, material, size, type, operational direction of system valves, pressure class, manufacturer, and depth of bury and must be delivered in spreadsheet format and uniquely associated to the CAD/GIS information in the format described below.

    1.1. Water mains with individual pipe segments being defined by changes in material, size, or connection to valves, fittings or appurtenances.

    1.2. Easements and land owned or used by CMD in connection with the operation of the CMD Water System.

    1.3. Nonpublic access roads used by CMD in connection with the operation of the CMD Water System.

    1.4. Valves, including operating direction (opening right or left).

    1.5. Fire hydrants.

    1.6. Blow off assemblies.

    1.7. Pressure regulating valves.

    1.8. Pressure zones.

    1.9. Air and vacuum relief valves.

1.10. Pumping facilities.

1.11. Storage facilities.

1.12. Vaults and buildings, including means of ingress/egress thereto.

1.13. Post chlorination systems.

1.14. Cathodic protection for water mains and storage tanks.

1.15. Fire service lines.

1.16. Corporation stops, curb stops, and stop cocks.

1.17. Service lines (including any common or multi-unit service lines).

1.18. Pressure regulators for service lines.

1.19. Water meters and meter loops/setters.

1.20. Automated Water Meter Reading System.

1.21. Backflow prevention devices.

1.22. Any non-potable or grey water infrastructure.

1.23. SCADA and telemetry systems.

1.24. Abandoned assets (including date and method of abandonment).

2. Geospatial Information delivered in AutoCAD or ArcGIS format per Utilities' coordinate system, vertical datum, and software versions.

   2.1. Geospatial location of all of the assets listed above.

   2.2. Geospatial locations of boundaries that depict land lot/subdivision geometry for the service area as defined by the El Paso County plat maps and/or deeded boundary legal descriptions.

   2.3. Enumerated legal addressing associated with the lots/subdivision geometry identifying property and customer billing addresses.

3. CMD information of record, delivered in PDF format if possible, addressing:

   3.1. As-builts or record drawings and specifications for CMD Water System.

   3.2. Cathodic protection data collected over the past five years.

3.3. Standard operating procedures for CMD Water System including, but not limited to:

3.3.1. Hydrant flushing;

3.3.2. Valve exercising (including frequency);

3.3.3. Current position of valves and the reason for any closed valves;

3.3.4. Storage tank operating parameters;

3.3.5. Pump operating parameters; and

3.3.6. Seasonal operating conditions.

3.4. Identification of areas of the CMD Water System that are isolated and the reasons therefor.

3.5. Pressure reducing valve operating conditions including upstream and downstream pressure settings.

3.6. Chemical dosing.

3.7. Facilities operation and maintenance manuals.

3.8. Maintenance and inspection records by asset including preventative maintenance and identification of any inoperable or out of service assets.

3.9. Leak locations and repair history (including cause of leak).

3.10. Water meter replacement, testing, and calibration.

3.11. True copies of all agreements for providing water service to others, including any intergovernmental agreements with CMD #2.

3.12. Reports and studies of the CMD Water System including, but not limited to:

3.12.1. Engineering Reports;

3.12.2. Regulatory Compliance Reports; and

3.12.3. Financial information on the cost of operation and maintenance, excluding labor costs.

3.13. Active environmental permits and plans associated with the CMD Water System as a whole. Examples included, but are not limited to: Special Use Permits & Forest Management Plan(s) list with USFS/BLM/USBR; spill prevention and

countermeasure plans for facilities; stormwater permits and management plans list; UST and AST inventory list; Hazardous Materials Management Plan; hazard waste site inventory list;, risk management plans; chemical, product, materials use inventory list for operations; landfills location list; waste disposal sites & impoundments location disclosure list; Air/APEN state/county/federal construction permits; MINDI NPDES/CDPS permits and plans for operations; State/Federal operating permits; asbestos/lead paint management plans; soil and groundwater management plan; Migratory Bird Treaty Act – depredation permit and salvage permit; non-potable system disclosure; septic system inventory in and adjacent to easements; list of NEPA proposed actions within past 10 years to present; Endangered Species Act procedures and/or issues disclosure and the like.

3.14. Disclosure of any illicit discharges of non-potable, potable water, chemicals, oil, contaminant plumes disclosure list and environmental notices of violations and fines received for the system within the past 10 years.

3.15. Materials staging areas list, Gravel mining, reclamation, Borrow pit permits with location disclosure list, wildlife protection plan, service/maintenance facilities location list, and a complete list of all MSDS sheets for all chemicals used within operations of the CMD Water System.

3.16. Information related to easement rights and fee title lands for any property interest that Utilities would acquire as necessary to own and operate the CMD Water System.

3.16.1. Copies of grants of easements and fee lands for any property interests where CMD Water System facilities are located along with identification of what CMD Water System facilities are located within such easements or fee lands.

3.16.2. Identification of areas where CMD Water System facilities are located within rights-of-way along with identification of what CMD Water System facilities are located within such rights-of-ways.

3.16.3. Identification of areas where CMD Water System facilities are located but are not known to be within a written easement or within a granted or dedicated right-of-way along with identification of what CMD Water System facilities are located within such areas and when installed.

3.16.4. At Utilities' discretion, additional title work may be required.

3.17. All available water quality reporting including, but not limited to, the following:

3.17.1. Average water age or chlorine levels within the system.

3.17.2. Maximum or average water age (hours) within the distribution system, and what chlorine levels (free chlorine) are maintained at the water tanks.

3.17.3. Sampling stations, if any.

3.17.4. Annual flushing program.

3.17.5. Number of customer complaints and sample results.

3.17.6. Number of dead-end mains and main lengths.

3.17.7. Flushing water discharge locations.

3.17.8. 10 years of water quality data.

3.17.9. Compliance with TCR, lead & copper rule, disinfection byproducts

4. Asset assessment within the last five years delivered in digital photo, video, PDF, or spreadsheet formats as appropriate, uniquely associated to each asset.

4.1. Visual assessment (where accessible)

4.2. In consultation with Utilities, determine where and when to perform leak surveys of the entire CMD Water System with logger data and any leak correlation data. Such surveys would include, but not limited to, the following:

4.2.1. A minimum of seven continuous days of survey logging with full report of findings and leaks detected.

4.2.2. Leak pinpoint locations with verification of findings.

4.2.3. Potential leak locations that could not be pinpointed with report as to why.

4.2.4. Valve positioning throughout each survey zone at the time of the surveys.

4.2.5. Size, material and location of all leaks identified.

4.2.6. Known and/or estimated real loss due to leaks.

4.3. Exercising of each asset to ensure operability.

4.4. Condition rating for each asset based on a mutually agreed upon condition rating system.

4.5. Estimate of remaining service life for each asset based on a mutually agreed upon condition rating system.

4.6. Identification of all unaccounted water loss by year for the period 2005 to present including, but not limited to:

4.6.1. All known water loss from leaks, theft, and diversions.

4.6.2. Yearly totals of water supplied (using values previously agreed upon by J. McGinn and B. Rabideau).

4.6.3. Yearly totals of water metered/billed for comparison to supply.

4.6.4. Use of AWWA -M36 or WRF-4372 water system audit software programs would be preferred for analysis.

4.7. Assessment and identification of CMD Water System components that are vulnerable to damage from storm water flows, particularly the areas subject to increased storm water flows from the Waldo Canyon burn scar.

4.8. Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process or Environmental Review in accordance with the Real Estate Manual, or in Utilities' discretion, for any property interests that Utilities would acquire necessary to own and operate the CMD Water System.

4.9. Identification of any additional easements or other property interests necessary for Utilities to have full access to, and own and operate the CMD Water System.

4.10. Flow testing, vibration monitoring, equipment and electrical testing of major system components.

5. Backflow Prevention Information

5.1. In this section the following terms have the meaning stated here:

5.1.1. Commercial User means any person whose use of the utility supply system is in connection with the operation of a business, trade or occupation, whether or not for profit. The persons include, but are not be limited to, clubs, fraternities, sororities, lodges, hotels, apartment and rooming houses, tourist camps and cottages, multi-family dwellings where more than one dwelling unit is served through one meter, all common areas of multi-family dwellings when separately metered, schools, governmental buildings and churches.

5.1.2. Multi-Family dwelling means a single residential connection to the public water system's distribution system from which two or more separate dwelling units are supplied water.

5.1.3. Residential User means any person whose use of the utility supply system is exclusively for domestic purposes in a private home or individual dwelling unit where not more than one dwelling unit is served through one meter.

5.1.4. Cross-Connection means any connection that could allow any water, fluid, or gas that could present an unacceptable health and/or safety risk to the public, to flow from any pipe, plumbing fixture, or a customer's water system into a public water system.

For purposes of this part 5.1.4, an unacceptable health and/or safety risk can be biological, chemical, radiological or physical in nature. Risks to human health are assessed by the level of acute or toxic potential.

All industrial and many commercial and multi-family Cross-Connections present an unacceptable health and/or safety risk to the CMD Water System because of the nature of the activities that may take place at the site and the magnitude or volume of potential contamination.

Waterworks and domestic wastewater treatment works are considered Commercial Users for the purposes of identifying Cross-Connections. The public water system's distribution system must be protected from the service water of the waterworks.

5.1.5. Controlled means having a properly installed, maintained, and tested or inspected backflow prevention assembly or backflow prevention method that prevents backflow through a Cross-Connection.

5.1.6. Uncontrolled means not having a properly installed and maintained and tested or inspected backflow prevention assembly or backflow prevention method, or the backflow prevention assembly or backflow prevention method does not prevent backflow through a Cross-Connection.

5.2. Complete list of all violations and deficiencies identified in CMD's most recent two sanitary surveys (as such surveys are defined in Colorado's Primary Drinking Water Regulation 11.38) and all correspondence and corrective measures taken to resolve the violations and deficiencies.

5.3. Complete list of all confirmed or suspected backflow contamination events, the associated addresses impacted by the event, the source of the contamination and remedial events to clear the contaminant from the CMD Water System.

5.4. Complete list of all addresses served by CMD and the current water meter number associated with that address.

5.5. Designation whether the address served is a Commercial User or a Residential User;

5.5.1. For each Commercial User, list the date, name and qualifications of the person who last performed a survey to determine if the Commercial User's connection is a Cross-Connection and all specific hazards identified by the survey of that Commercial User's connection.

5.5.2. For each Residential User, indicate whether CMD is currently aware of any of the following Cross-Connections and if so which ones:

5.5.2.1. Dedicated irrigation lines (from the water main);

5.5.2.2. Dedicated fire suppression system lines and chemically enhanced fire suppression systems;

5.5.2.3. Multi-purpose fire suppression systems are not required to be controlled where each branch of the suppression system terminates at a regularly used fixture;

5.5.2.4. Auxiliary water sources, e.g. ,wells, ponds, lagoons, irrigation ditches, hot tubs or swimming pools piped with permanent plumbing, reclaimed water systems, graywater systems, or onsite water storage tanks with permanent plumbing; and

5.5.2.5. Home business and hobbies including, but not limited to: agricultural commerce and hydroponic systems, doctors' offices, photo laboratories, hide tanning operations, and metal plating operations.

5.6. If a Cross-Connection was identified at a given address, indicate whether the Cross-Connection has been controlled or remains uncontrolled as those terms are defined above.

5.7. For each address where a Cross-Connection has been identified and controlled, list the method used to control the Cross-Connection, or if a backflow prevention assembly is installed, the type, size, make, model, serial number and orientation of the backflow prevention assembly controlling that connection and describe with particular detail the location of the assembly or method at that address.

5.8. Each address where a Cross-Connection has been identified and controlled, provide all inspection, testing, maintenance and repair records for the most recent three year period.

5.9. A description of what actions will be necessary for the CMD Water System to be in full compliance with the Colorado Water Quality Control Commission's Primary Drinking Water Standards, Regulation 11.39 – Backflow and Cross-Connection Control Rule, at or before the time of Conversion.

6. The level of compliance with each asset to Utilities' Water LESS must be evaluated for the assets including, but not limited to:

6.1. CMD Water System modeling in accordance with the current Water LESS HAR process outlined in Utilities' Water LESS to demonstrate sufficient criteria and current standards of practice including evaluation of the following:

6.1.1. Pressure zones and any need for additional pressure zones.

6.1.2. Existing distribution system performance under Average Day Demand, Maximum Day Demand, Peak Hour, and Maximum Day Demand plus Fire flow with minimum residual pressures of 20 psi throughout the system.

6.1.3. Development of peaking factors.

6.2. Fire Flows

6.2.1. Identification of all improvements necessary to meet minimum requirements of the local fire flows and water main department or the International Fire Code, whichever is more restrictive (including storage, pressure, and flow).

6.2.2. Evaluation of the fire system (i.e., fire hydrants, sprinkler systems, etc.) per local jurisdiction or the International Fire Code, whichever is more restrictive, including flow tests of all fire hydrants and documentation of recorded flow and residual pressure.

6.3. Evaluation of water mains for adequate depth of bury and separation from other utilities and structures.

6.4. Evaluation of the CMD Water System to the looping requirements defined in the Water LESS.

6.5. Evaluation of easements and rights of way widths to allow for operation and maintenance of the CMD Water System.

6.6. Evaluation of CMD Water System access roads.

7. A professional engineer's opinion of the (1) recommended Minimum Required Improvements to the CMD Water System that are to be completed prior to Conversion, and the probable cost thereof; and (2) recommended improvements to be completed after Conversion, and the time for completion of the same.

8. Such other information as Utilities determines, in consultation with CMD's engineer, is reasonably necessary to enable it to fully understand and evaluate the CMD Water System.

APPENDIX B

Estimate of Hours to Complete System Evaluation and Preparation of Required Improvements List
See Appendix A of Cascade Settlement Agreement for Additional Information

	Project Management			Subject Matter Experts																		
	Gik Olds Project Management and Review	**Tara McGowan** Project Management Advisory	**Mike Trinity** Project Management and Review	**Al Juvera (tentative)** Comparing CMD assets to Water LESS	**Neal Ehrenfelt** SOPs, Leak History, Operational Maintainability	**Andrew Cripe** Leak Detection	**Darlene Garcia** Evaluate System Assessment, Remaining Life	**David Thresher** Corrosion	**Ron Sanchez** Water Modeling	**David Mora** Water Quality	**Dan Peterson** Master Meter, Service Meters, AMI	**Kevin Perrigo** Meter Loops	**Rob Smith** Backflow Devices	**Sean Higbee** Tanks, PRVs	**Tony Martinez** Environmental Health & Safety	**Jan Crosby** Easements, Land	**Mike Herrmann** GIS/CAD Files, Asset Management	**David Longrie** Stormwater Effects from Waldo Canyon Fire	**Scott Sheweyo** Accounting	**Angella Mora** Principal Operations Analyst	**Tara Kelly** Grey Water/Non-Potable Water	**Task Total**
Task 1 - Inventory of Water System																						
Various Tasks	16	24	80	80																	4	188
Task 2 - Geospatial Information CAD/GIS																						
Various Tasks																	24					24
Task 3 - Information of Record																						
3.1 - As-builts and record drawings				80													16					96
3.2 - Cathodic protection data of record								16														16
3.3 - Standard operating proceedures					16																	16
3.4 - Identification of isolated areas					8																	8
3.5 - PRV operating conditions														8								8
3.6 - Chemical dosing										8												8
3.7 - Operation and Maintenance Manuals					16																	16
3.8 - Maintenance and inspection records					16																	16
3.9 - Leak locations and repair history						16																16
3.10 - Water meter replacement, testing, calibration											4	4										8
3.11 - Agreements to provide water service to other entities			16																			16
3.12 - Reports and Studies			16																			16
3.13 - Active environmental permits and plans															12							12
3.14 - Disclosure of illicit discharges															12							12
3.15 - List of environmental sites															12							12
3.16 - Lists of easements and lands																8	8					16
3.17 - Water quality reporting										8												8
Task 4 - Asset Assessment																						
4.1 - Visual assessment		8	16		8																	32
4.2 - Leak survey within last 5 years						8																8
4.3 - Exercising of each asset to ensure operability					4																	4
4.4 - Condition rating for each asset							4															4
4.5 - Estimate of remaining service life							4															4
4.6 - Identification of water loss						4																4
4.7 - Assessment of assets vulnerable to stormwater flows from Waldo Canyon scar																		4				4
4.8 - EPA site assessments of lands															8							8
4.9 - Identification of any additional easements required																4	4					8
4.10 - Flow testing, vibration monitoring, and testing of major system components					4									4								8
Task 5 - Backflow Prevention Survey																						
Various Tasks													16									16
Task 6 - Level of Compliance to Water LESS																						
6.1 - Water System Modeling									40													40
6.2 - Fire Flows									8													8
6.3 - Evaluate water main depth and separation				8																		8
6.4 - Evaluation of looping				4					8	8												20
6.5 - Evaluation of easement widths																4	4					8
6.6 - Evaluation of access roads					4									2								6
Task 7 - Review CMD Recommended Improvements																						
Various Tasks	24	40	40	8	4		4															96
Prepare List of Required Improvements																						
Various Tasks	24	40	40	16	4	4		4	4	4	4		4		8	4	4		8	8		156
Total Estimated Hours	64	112	208	196	64	32	12	20	60	28	8	4	20	14	52	20	60	4	8	8	4	954
Total Cost with labor burden	$ 6,345.23	$ 8,986.31	$ 11,820.79	$ 10,118.21	$ 5,567.17	$ 1,885.08	$ 1,076.40	$ 1,098.22	$ 5,366.50	$ 1,890.72	$ 723.41	$ 292.31	$ 1,149.98	$ 856.46	$ 3,006.58	$ 1,661.77	$ 4,831.85	$ 258.07	$ 663.43	$ 822.97	$ 320.55	$ 68,350.80

EXHIBIT 1

DISTRICT COURT, WATER DIVISION 2, PUEBLO COUNTY, COLORADO Pueblo Judicial Building 501 North Elizabeth Street Pueblo, CO 81003	
Plaintiffs: CASCADE PUBLIC SERVICE COMPANY, INC., a Colorado Corporation and CASCADE METROPOLITAN DISTRICT NO. 1, a Colorado special district and municipal corporation, **Plaintiff-Intervenor:** REALTY MANAGEMENT GROUP, LLC. v. **Defendants:** THE CITY OF COLORADO SPRINGS, a Colorado home-rule city and municipal corporation, and COLORADO SPRINGS UTILITIES, an enterprise of the City of Colorado Springs.	▲COURT USE ONLY▲
Counsel for Plaintiffs Cascade Public Service Company, Inc., Cascade Metropolitan District No. 1, and Realty Management Group, LLC: Scotty Peck Krob, Reg. No. 10572 Nathan Lee Krob, Reg. No. 42649 Krob Law Office, LLC *8400 E. Prentice Ave., Penthouse* *Englewood, CO 80111* *Counsel for Defendants The City of Colorado Springs and Colorado Springs Utilities:* Wynetta P. Massey, City Attorney, Reg. No. 18912 Michael J. Gustafson, Reg. No. 37364 P.O. Box 1575, Mail Code 510 30 South Nevada Avenue, Suite 501 Colorado Springs, CO 80901 Telephone: (719) 385-5909 Fax: (719) 385-5535 mgustafson@springsgov.com	Case Number: 2011CW42 Courtroom 406

William A. Paddock, Reg. No. 9478
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Counsel for Intervenors Chris Reimer, Diannia Wagner, Susan Soloyanis, Jim Borden, Robert Pennick, Janice Eder, Steve Spaulding, Niente Smith:
James R. Miller, Reg. No. 5842
Paul R. Wood, Reg. No. 12578
Thomas H. Wagner, Reg. No. 38135
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JOINT MOTION TO DISMISS WITH PREJUDICE

Plaintiffs Cascade Public Service Company, Inc., Cascade Metropolitan District No. 1, and Realty Management Group, LLC; Defendants the City of Colorado Springs and its enterprise Colorado Springs Utilities; and Intervenors Chris Reimer, Diannia Wagner, Susan Soloyanis, Jim Borden, Robert Pennick, Janice Eder, Steve Spaulding, and Niente Smith; (collectively, "Parties") through their respective counsel, and pursuant to C.R.C.P. 41(a) move the Court as follows:

1. The Parties to this lawsuit have entered into a Settlement Agreement pursuant to which they have agreed, among other things, to jointly seek the dismissal of this lawsuit with prejudice and with each party bearing its own costs and fees.

2. Pursuant to C.R.C.P. 41(a), the Parties request that the Court enter an order dismissing this lawsuit with prejudice and with each part to bear its own cost and fees.

Dated: _____, 2015.

POLSINELLI PC

s/ _____
James R. Miller, Esq.
Paul R. Wood, Esq.
Thomas H. Wagner, Esq.

Counsel for Intervenors

KROBB LAW OFFICE, LLC

s/ _____
Nathan Lee Krob, Esq.
Scotty Peck Krob, Esq.

Counsel for Plaintiffs

CARLSON, HAMMOND & PADDOCK L.L.C.

s/ _____
William A. Paddock
Karl D. Ohlsen
Counsel for Defendants

EXHIBIT 2

Original Note and Deed of Trust Returned to: Robert A. Lynn, Senior Vice President, ANB Bank
WHEN RECORDED RETURN TO: 3033 East 1st Avenue, Denver, CO 80206
Prepared/Received by: Commercial /

REQUEST FOR FULL ☐ / PARTIAL ☒
RELEASE OF DEED OF TRUST AND RELEASE BY HOLDER OF THE EVIDENCE OF DEBT WITHOUT PRODUCTION OF EVIDENCE OF DEBT PURSUANT TO §38-39-102 (1) (a) AND (3), COLORADO REVISED STATUTES)

	Date
Cascade Public Service Company	Original Grantor (Borrow)
31 North Tejon,Suite 500, Colorado Springs, Colorado 80903	Current Address of Original Grantor,
Realty Management Group, LLC	Assuming Party, or Current Owner
☐ Check here if current address is unknown.	
ANB Bank, a Colorado state-chartered bank formerly known as American National Bank	Original Beneficiary (Lender)
May 6, 2009	Date of Deed of Trust
May 7, 2009	Date of Recording and/or Re-Recording of Deed of Trust
El Paso Rcpt. No. 209049849 Assigned: Rcpt. No. 21103514	Recording Information
County Rcpt. No. and/or Film No. and/or Book/Page No. and/or Torrens Reg. No.	

TO THE PUBLIC TRUSTEE OF EL PASO COUNTY (The County of the Public Trustee who is the appropriate Grantee to whom the above Deed of Trust should grant an interest in the property described in that Deed of Trust.)

PLEASE EXECUTE AND RECORD A RELEASE OF DEED OF TRUST DESCRIBED ABOVE. The indebtedness secured by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust has been fully or partially satisfied in regard to the property encumbered by the Deed of Trust as described therein as to a full release or, in the event of a partial release, only that portion of the real property described as:
(IF NO LEGAL DESCRIPTION IS LISTED THIS WILL BE DEEMED A FULL RELEASE.)
See Exhibit A attached hereto.

Pursuant to §38-39-102 (3), Colorado Revised Statutes, in support of this Request for Release of Deed of Trust, the undersigned, as the holder of the evidence of debt secured by the Deed of Trust described above, or a Title Insurance Company authorized to request the release of Deed of Trust pursuant to §38-39-102 (3) (c), Colorado Revised Statutes, in lieu of the production or exhibition of the original evidence of debt with this Request for Release, certifies as follows:

1. The purpose of the Deed of Trust has been fully or partially satisfied.
2. The original evidence of debt is not being exhibited or produced herewith.
3. It is one of the entities (check applicable box):
   a. ☒ The holder of the original evidence of debt that is a qualified holder, as specified in §38-39-102 (3) (a), Colorado Revised Statutes, that agrees that is obligated to indemnify the Public Trustee for any and all damages, cost, liabilities, and reasonable attorney fees incurred as a result of the action of the Public Trustee taken in accordance with this Request for Release;
   b. ☐ The holder of the evidence of debt requesting the release of a Deed of Trust without producing or exhibiting the original evidence of debt that delivers to the Public Trustee a Corporate Surety Bond as specified in §38-39-102 (3) (b), Colorado Revised Statutes; or
   c. ☐ A Title Insurance Company licensed and qualified in Colorado, as specified in §38-39-102 (3) (c), Colorado Revised Statutes, that agrees that it is obligated to indemnify the Public Trustee pursuant to statute as a result of the action of the Public Trustee taken in accordance with this Request for Release and that has caused the indebtedness secured by the Deed of Trust to be satisfied in full, or in the case of a Partial Release, to the extent required by the holder of the indebtedness.

ANB Bank, servicer for Realty Management Group, LLC., 3033 East 1st Avenue, Denver, CO 80206
Name and Address of the Holder of the Evidence of Debt Secured by Deed of Trust (Lender)
or name and address of the Title Insurance Company Authorized to Request the Release of Deed of Trust

Robert A. Lynn, Senior Vice President, ANB Bank as servicer for Realty Management Group ,
Name, Title and Address of Officer, Agent, or Attorney of the Holder of the Evidence of Debt Secured by Deed of Trust (Lender)
3033 EAST FIRST AVENUE, DENVER, CO 80202

Signature Signature

State of Colorado, County of _____
The forgoing Request for Release was acknowledged before me on _____(date) by*

_____ Date Commission Expires
*If applicable, insert title of officer and name of correct owner and holder

Notary Public Witness my hand and official seal

RELEASE OF DEED OF TRUST

WHEREAS, the Grantor(s) named above, by Deed of Trust, granted certain real property described in the Deed of Trust to the Public Trustee of the County referenced above, in the State of Colorado, to be held in trust to secure the payment of the indebtedness referred to therein; and

WHEREAS, the indebtedness secured by the Deed of Trust has been fully or partially paid and/or the purpose of the Deed of Trust has been fully or partially satisfied according to the written request of the holder of the evidence of debt or Title Insurance Company authorized to request the release of the Deed of Trust;

NOW THEREFORE, in consideration of the premises and the payment of the statutory sum, receipt of which is hereby acknowledged, I, as the Public Trustee in the County named above, do hereby fully and absolutely release, cancel and forever discharge said Deed of Trust or that portion of the real property described above in the Deed of Trust, together with all privileges and appurtenances thereto belonging.

Public Trustee

Deputy Public Trustee

(If applicable, Name and Address of Person Creating New Legal Description as Required by §38-35-106.5, Colorado Revised Statutes.)

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EXHIBIT A TO PARTIAL RELEASE OF DEED OF TRUST

The following described water rights:

1. Harmes Ditch, Priority No. 2, in the amount of 2.65 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. C.A. 16068, decreed on May 2, 1927, District Court, El Paso County, and as further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch is equal to 0.3533 c.f.s. of the total of 2.65 c.f.s.

2. Harmes Ditch Enlargement, Priority No. 33, in the amount of 9.35 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. 16068, decreed on May 2, 1927, District Court, El Paso County, and was further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch Enlargement is equal to 1.7 c.f.s. of the total 9.35 c.f.s.

3. Cascade Water Works, in the amount of 6.3 c.f.s., decreed on February 8, 1954, in Case No. C.A. 13801, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek.

Subject and subordinate in all respects to: (a) the laws of the State of Colorado and the regulations of the Colorado Public· Utility Commission (to be effective an assignment must comply with such laws and regulations); (b) and the provisions of an agreement between the City of Colorado Springs, the Cascade Public Service Company and The Cascade Town Company dated June 14, 1990 ("Agreement"), which Agreement requires that any encumbrance of the water rights shall be specifically subject to the rights of the City of Colorado Springs under the Agreement.

4. All water rights held by Granter as the successor in interest to the Cascade Town Company, including, but not limited to Grantor's rights under agreements with the City of Colorado Springs (the "City") dated July 12, 1934 and the Agreement (dated June 14, 1990), which water rights relate to the water rights described in paragraphs 1, 2, and 3 above, the water rights decreed pursuant to such agreements with the City, as well as certain water rights often described as the "Contractual .4 cfs" and the "Bypass Flow Obligation." The Bypass Flow Obligation is a contractual obligation pursuant to the agreements with the City which is referenced in the Judgment and Decree dated September 10, 1997 entered in Case No. 91CW44, District Court, Water Division, Colorado, and requires the City to limit its diversion of water from Cascade Creek above Cascade PSC's intake so that there will be water available for the domestic, irrigation or manufacturing uses of the Secured Water Rights in Cascade Creek at Mother's Rest of at least two (2) cubic feet per second (cfs) of water from June 15 to October 15 each year and one (1) cfs of water during the remaining portions of each year. The Contractual .4 cfs is a contractual water right which requires the City to supply to Cascade PSC an amount of water not to exceed .4 cfs.

EXHIBIT 3
BARGAIN AND SALE DEED
(WATER RIGHTS)

THIS DEED, made this ___ day of _____, 2015, Realty Management Group, LLC, whose address is 3033 East 1st. Ave, Denver, CO 80206 ("**Grantor**"), and the City of Colorado Springs, a home rule city and Colorado municipal corporation, on behalf of its enterprise, Colorado Springs Utilities, whose address is P.O. Box 1103, Colorado Springs, CO 80947-1015 ("**Grantee**").

WITNESSETH, that **Grantor**, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto **Grantee**, Grantee's successors and assigns forever, any interest it has in the following described water rights:

1. Harmes Ditch, Priority No. 2, in the amount of 2.65 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. C.A. 16068, decreed on May 2, 1927, District Court, El Paso County, and as further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch is equal to 0.3533 c.f.s. of the total of 2.65 c.f.s.

2. Harmes Ditch Enlargement, Priority No. 33, in the amount of 9.35 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. 16068, decreed on May 2, 1927, District Court, El Paso County, and was further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch Enlargement is equal to 1.7 c.f.s. of the total 9.35 c.f.s.

TOGETHER with all appurtenances thereto belonging.

TO HAVE AND TO HOLD the said Water Rights above-bargained and described, unto the **Grantee**, the Grantee's successors and assigns forever.

IN WITNESS WHEREOF, the **Grantor** has executed this **BARGAIN AND SALE DEED** on the date set forth above.

(*Signatures on following page*)

GRANTOR:

REALTY MANAGEMENT GROUP, LLC

By: _____

Name: _____

Title: _____

STATE OF }
}ss.
COUNTY OF_____ }

The foregoing **BARGAIN AND SALE DEED** was acknowledged before me this __ day of _____, 2015 by _____ as _____ of Realty Management Group, LLC.

Witness my hand and official seal.

My Commission Expires: _____

[SEAL]

_____
Notary Public

ACCEPTED BY GRANTEE

CITY OF COLORADO SPRINGS,
A Colorado home rule city and
Municipal corporation, on behalf of
its enterprise, Colorado Springs Utilities

By: _____
Name: Ron Carlentine

Title: Real Estate Services Manager

By: _____

Name: _____

Title: _____, Colorado Springs Utilities

APPROVED AS TO FORM

By: _____
City Attorney's Office

EXHIBIT 4
SPECIAL WARRANTY DEED
(WATER RIGHTS)

THIS DEED, made this ___ day of _____, 2015, Cascade Public Service Company, whose address is 31 North Tejon, Suite 500, Colorado Springs, CO 80903 ("**Grantor**"), and the City of Colorado Springs, a home rule city and Colorado municipal corporation, on behalf of its enterprise, Colorado Springs Utilities, whose address is P.O. Box 1103, Colorado Springs, CO 80947-1015 ("**Grantee**").

WITNESSETH, that **Grantor**, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto **Grantee**, Grantee's successors and assigns forever, the following described water rights:

1. Harmes Ditch, Priority No. 2, in the amount of 2.65 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. C.A. 16068, decreed on May 2, 1927, District Court, El Paso County, and as further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch is equal to 0.3533 c.f.s. of the total of 2.65 c.f.s.

2. Harmes Ditch Enlargement, Priority No. 33, in the amount of 9.35 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. 16068, decreed on May 2, 1927, District Court, El Paso County, and was further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch Enlargement is equal to 1.7 c.f.s. of the total 9.35 c.f.s.

3. All other water rights held by Grantor as the successor in interest to the Cascade Town Company, except the Cascade Water Works, in the amount of 6.3 c.f.s., decreed on February 8, 1954, in Case No. C.A. 13801, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek.

TOGETHER with all and singular, the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title interest, claim, and demand whatsoever of the **Grantor**, either in law or equity, of, in and to the above-bargained Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above-bargained and described with the appurtenances, unto the **Grantee**, the Grantee's successors and assigns forever. And the **Grantor**, for the Grantor, the Grantor's successors and assigns, does covenant and agree that

Grantor shall WARRANT AND FOREVER DEFEND the above-bargained Water Rights in the quiet and peaceable possession of the Grantee, the Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through, or under the **Grantor**.

IN WITNESS WHEREOF the **Grantor** has executed this **SPECIAL WARRANTY DEED** on the date set forth above.

GRANTOR:
CASCADE PUBLIC SERVICE COMPANY

By: _____
Philip J. Anderson, President

STATE OF }
}ss.
COUNTY OF_____ }

The foregoing **SPECIAL WARRANTY DEED** was acknowledged before me this __ day of _____, 2015 by Philip J. Anderson as President of Cascade Public Service Company.

Witness my hand and official seal.

My Commission Expires: _____

[SEAL]

_____
Notary Public

ACCEPTED BY GRANTEE

CITY OF COLORADO SPRINGS,
A Colorado home rule city and Municipal corporation, on behalf of its enterprise, Colorado Springs Utilities

By: _____
Name: Ron Carlentine
Title: Real Estate Services Manager

By: _____
Name:
Title: _____, Colorado Springs Utilities

APPROVED AS TO FORM

By: _____
City Attorney's Office

EXHIBIT 5
QUITCLAIM DEED
(WATER RIGHTS)

THIS DEED, made this ___ day of _____, 2015, Phillip J. Anderson, whose address is 31 North Tejon, Suite 500, Colorado Springs, CO 80903 ("**Grantor**"), and the City of Colorado Springs, a home rule city and Colorado municipal corporation, on behalf of its enterprise, Colorado Springs Utilities, whose address is P.O. Box 1103, Colorado Springs, CO 80947-1015 ("**Grantee**").

WITNESSETH, that **Grantor**, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, conveyed and quitclaimed, and by these presents does grant, bargain, sell, convey, and confirm and quitclaim unto **Grantee**, Grantee's successors and assigns forever, any interest it has in the following described water rights:

1. Harmes Ditch, Priority No. 2, in the amount of 2.65 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. C.A. 16068, decreed on May 2, 1927, District Court, El Paso County, and as further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch is equal to 0.3533 c.f.s. of the total of 2.65 c.f.s.

2. Harmes Ditch Enlargement, Priority No. 33, in the amount of 9.35 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. 16068, decreed on May 2, 1927, District Court, El Paso County, and was further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch Enlargement is equal to 1.7 c.f.s. of the total 9.35 c.f.s.

TOGETHER with all and singular, the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title interest, claim, and demand whatsoever of the **Grantor**, either in law or equity, of, in and to the above-bargained Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above-bargained and described with the appurtenances, unto the **Grantee**, the Grantee's successors and assigns forever.

IN WITNESS WHEREOF, the **Grantor** has executed this **QUITCLAIM DEED** on the date set forth above.

GRANTOR:

PHILIP J. ANDERSON

By: _____
Philip J. Anderson

STATE OF }
}ss.
COUNTY OF_____ }

The foregoing **QUIT CLAIM DEED** was acknowledged before me this __ day of _____, 2015 by Philip J. Anderson.

Witness my hand and official seal.

My Commission Expires: _____

[SEAL]

_____
Notary Public

ACCEPTED BY GRANTEE:

CITY OF COLORADO SPRINGS,
A Colorado home rule city and Municipal corporation, on behalf of its enterprise, Colorado Springs Utilities.

By: _____
Name: Ron Carlentine
Title: Real Estate Services Manager

By: _____
Name:
Title: _____, Colorado Springs Utilities

APPROVED AS TO FORM

By: _____
City Attorney's Office

EXHIBIT 6
QUITCLAIM DEED
(WATER RIGHTS)

THIS DEED, made this ___ day of _____, 2015, Cascade Metropolitan District No. 1, a Title 32 special district and political subdivision of the state of Colorado, whose address is 141 Union Boulevard, Suite 150, Lakewood, CO 80228 ("**Grantor**"), and the City of Colorado Springs, a home rule city and Colorado municipal corporation, on behalf of its enterprise, Colorado Springs Utilities, whose address is P.O. Box 1103, Colorado Springs, CO 80947-1015 ("**Grantee**").

WITNESSETH, that **Grantor**, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, conveyed and quitclaimed, and by these presents does grant, bargain, sell, convey, and confirm and quitclaim unto **Grantee**, Grantee's successors and assigns forever, any interest it has in the following described water rights:

1. Harmes Ditch, Priority No. 2, in the amount of 2.65 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. C.A. 16068, decreed on May 2, 1927, District Court, El Paso County, and as further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch is equal to 0.3533 c.f.s. of the total of 2.65 c.f.s.

2. Harmes Ditch Enlargement, Priority No. 33, in the amount of 9.35 c.f.s., decreed on March 6, 1882, in Case No. C.A. 751, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek, and as changed in Case No. 16068, decreed on May 2, 1927, District Court, El Paso County, and was further changed by the decree in Case No. 91CW44 entered on September 10, 1997, by the District Court for Water Division No. 2. Grantor's interest in the Harmes Ditch Enlargement is equal to 1.7 c.f.s. of the total 9.35 c.f.s.

TOGETHER with all and singular, the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title interest, claim, and demand whatsoever of the **Grantor**, either in law or equity, of, in and to the above-bargained Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above-bargained and described with the appurtenances, unto the **Grantee**, the Grantee's successors and assigns forever.

IN WITNESS WHEREOF, the **Grantor** has executed this **QUITCLAIM DEED** on the date set forth above.

GRANTOR:

CASCADE METROPOLITAN DISTRICT NO. 1

By: _____
Name: Michael Whittemore, President

STATE OF }
}ss.
COUNTY OF_____ }

The foregoing **QUITCLAIM DEED** was acknowledged before me this __ day of _____, 2015 by Michael Whittemore, President, Cascade Metropolitan District No. 1.

Witness my hand and official seal.

My Commission Expires: _____

[SEAL]

_____
Notary Public

ACCEPTED BY GRANTEE

CITY OF COLORADO SPRINGS,
A Colorado home rule city and
Municipal corporation, on behalf of
its enterprise, Colorado Springs Utilities

By: _____
Name: Ron Carlentine
Title: Real Estate Services Manager

By: _____
Name: **Insert Name**
Title: **Insert Title**, Colorado Springs Utilities

APPROVED AS TO FORM

By: _____
City Attorney's Office

EXHIBIT 7
SPECIAL WARRANTY DEED
(WATER RIGHTS)

THIS DEED, made this ___ day of _____, 2015, Cascade Public Service Company, whose address is 31 North Tejon, Suite 500, Colorado Springs, CO 80903 ("**Grantor**"), and the Cascade Metropolitan District No. 1, a Title 32 special district and political subdivision of the state of Colorado, whose address is 141 Union Boulevard, Suite 150, Lakewood, CO 80228 ("**Grantee**").

WITNESSETH, that **Grantor**, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto **Grantee**, Grantee's successors and assigns forever, the following described water right:

> The Cascade Water Works, in the amount of 6.3 c.f.s., decreed on February 8, 1954, in Case No. C.A. 13801, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek.

TOGETHER with all and singular, the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title interest, claim, and demand whatsoever of the **Grantor**, either in law or equity, of, in and to the above-bargained Water Right, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above-bargained and described with the appurtenances, unto the **Grantee**, the Grantee's successors and assigns forever. And the **Grantor**, for the Grantor, the Grantor's successors and assigns, does covenant and agree that Grantor shall WARRANT AND FOREVER DEFEND the above-bargained Water Right in the quiet and peaceable possession of the **Grantee**, the Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through, or under the **Grantor**.

IN WITNESS WHEREOF the **Grantor** has executed this **SPECIAL WARRANTY DEED** on the date set forth above.

GRANTOR:
CASCADE PUBLIC SERVICE COMPANY

By: _____
Name: Philip J. Anderson
Title: President

STATE OF }
}ss.
COUNTY OF_____ }

The foregoing **SPECIAL WARRANTY DEED** was acknowledged before me this __ day of _____, 2015 by Philip J. Anderson as President of Cascade Public Service Company.

Witness my hand and official seal.

My Commission Expires: _____

[SEAL]

_____
Notary Public

EXHIBIT 8
QUIT CLAIM DEED

THIS DEED, made this ___ day of _____, 2015, between Philip J. Anderson, whose address is 31 North Tejon, Suite 500, Colorado Springs, CO 80903 ("**Grantor**"), and the Cascade Metropolitan District No. 1, a Title 32 special district and political subdivision of the state of Colorado, whose address is 141 Union Boulevard, Suite 150, Lakewood, CO 80228 ("**Grantee**").

WITNESSETH, that **Grantor,** for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has sold and quit claimed, and by these presents does sell and quit claim unto **Grantee**, Grantee's successors and assigns forever, the following described water right:

> The Cascade Water Works, in the amount of 6.3 c.f.s., decreed on February 8, 1954, in Case No. C.A. 13801, District Court, El Paso County, the source of which is Cascade Creek, tributary to Fountain Creek.

TOGETHER with all and singular, the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title interest, claim, and demand whatsoever of the **Grantor**, either in law or equity, of, in and to the above-bargained Water Rights, with the hereditaments and appurtenances. **TO HAVE AND TO HOLD** the said Water Rights above-bargained and described with the appurtenances, unto the **Grantee**, the Grantee's successors and assigns forever.

IN WITNESS WHEREOF, the **Grantor** has executed this **QUIT CLAIM DEED** on the date set forth above.

GRANTOR:

_____
Philip J. Anderson

STATE OF COLORADO)
)ss
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2015, by Philip J. Anderson.

Witness my official hand and seal.

My commission expires: _____.

_____
Notary Public

EXHIBIT 9

TERMINATION OF ASSIGNMENT AND AGREEMENT

This Termination of Assignment and Agreement is made and entered into this ____ day of _____, 2015, between the Cascade Metropolitan District No. 1 ("CMD"), a Title 32 special district and political subdivision of the state of Colorado, and the Cascade Public Service Company, Inc. ("CPSC"), a Colorado corporation, collectively referred to herein as the "Parties".

RECITALS

A. The CMD was formed in 2004 in order to provide certain municipal services to the residents of Cascade, Colorado, and to own and operate the CPSC potable water system;

B. CPSC is the successor in interest to Cascade Town Company as the owner of various water rights, and the potable water system used to provide water to the residents of Cascade, Colorado;

C. The City of Colorado Springs, Cascade Town Company and CPSC entered into a Water Supply Agreement on June 14, 1990 ("1990 Agreement"), pursuant to which Utilities has provided treated water to CPSC and later to CMD;

D. CMD and the CPSC have entered into a Settlement Agreement with City of Colorado Springs and its enterprise Colorado Springs Utilities ("Utilities") and other parties, dated March ___, 2015 (the "Settlement Agreement"), pursuant to which the 1990 Agreement will be terminated and Utilities and CMD will entered into a new Water Supply Agreement; and in that Settlement Agreement Utilities and CMD have further agreed that upon the satisfaction of certain conditions precedent by CMD, Utilities will assume ownership and operation CMD's potable water distribution system that supplies Cascade, Colorado; and

E. As a condition of the Settlement Agreement with Utilities *et al.*, CMD and CPSC have agreed to terminate the Assignment and Agreement entered into between them on June 1, 2005 ("Water Supply Assignment and Agreement") and attached hereto as Exhibit A.

AGREEMENT

Now, therefore, in consideration for the mutual promises and considerations contained herein and in the Settlement Agreement with Utilities *et al.*, CMD and CPSC agree as follows:

1. CMD and CPSC agree that the Water Supply Assignment and Agreement between them is hereby terminated. This termination notwithstanding, CPSC agrees that CMD remains the sole owner of the water distribution system used to provide potable water to Cascade, Colorado, and CPSC has no right, title or interest therein.

2. The 1990 Agreement has been voluntarily terminated by Utilities, CPSC and CMD. Accordingly, all rights and obligations of CPSC thereunder, the assignment of CPSC's rights under the 1990 Agreement to CMD, and CMD's assumption of CPSC's obligations under the 1990 Agreement are likewise terminated.

3. The right of the future owners and residents of Cascade Metropolitan District No. 2 ("CMD #2") to receive potable water service from CMD under the Water Supply Assignment and Agreement are also terminated. Pursuant to the Settlement Agreement with Utilities *et al.*, potable water service for the future owners and residents of CMD #2 will be provided by the CMD pursuant to its new Water Supply Agreement with Utilities. At such time as Utilities becomes the owner and operator of CMD's water supply system, as set forth in the Settlement Agreement, Utilities has agreed to be the provider of potable water service to CMD #2.

4. Counterpart Execution. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the signatories hereto, and shall have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

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

Cascade Metropolitan District No. 1

By: _____
Michael R. Whittemore, President

Attest: _____
Secretary or Assistant Secretary

Cascade Public Service Company

By: _____
Philip J. Anderson

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

_____
General Counsel to the District

Acknowledgement and Acceptance of Termination by Cascade Metropolitan District No. 2:

The Cascade Metropolitan District No. 2, as an intended third party beneficiary of the Water Supply Assignment and Agreement, hereby acknowledges and agrees to the termination set forth herein and understands that potable water services will continue to be provided by CMD under the Water Supply Agreement with Utilities and, after acceptance by the system by Utilities, directly by Utilities.

_____
Officer of the Cascade Metropolitan District No. 2

Exhibit A to Termination of
Assignment and Agreement

ASSIGNMENT AND AGREEMENT (CASCADE METROPOLITAN DISTRICT NO. 1 AND CASCADE PUBLIC SERVICE COMAPNY)

THIS AGREEMENT (the Agreement") is made and entered into this 1st of June 2005 by and between Cascade Metropolitan District No. 1 (the "District") and Cascade Public Service Company ("CPSC").

RECITALS

A. The District is a quasi-municipal corporation and political subdivision of the State of Colorado formed in 2004 in order to provide certain municipal services to the residents of Cascade, Colorado and to own and operate a potable water system (the "System"). The District was formed in part in order to become eligible for state and/or federal grants in order to upgrade municipal water systems.

B. CPSC as a subsidiary of Cascade Town Company owns various water rights, the System, and is a party to an agreement with the City of Colorado Springs dated June 14, 1990 ("Water Delivery Agreement").

C. Pursuant to an El Paso County approved Service Plan, the District agreed to own and operate the System.

D. The District is in the process of receiving title to the System which assets have a value in excess of $1,000,000; however, the System is in need of improvements, upgrades, and repairs.

E. Pursuant to the terms of this Agreement, the parties desire to assign a portion of the rights under the Water Delivery Agreement from CPSC to the District.

NOW THEREFORE, based upon the mutual promises and considerations contained herein, the parties agree as follows:

1. **Assignment.** For and in consideration of the mutual promises and consideration set forth herein, CPSC does hereby assign, sell, quitclaim and transfer to the District the right to receive up to 300 acre feet ("AF") annually of the water to be delivered by the City of Colorado Springs to CPSC. The District. pursuant to the Water Delivery Agreement, shall be deemed to be a "customer" of CPSC.

2. **Obligations.** Pursuant to the Water Delivery Agreement, and to the extent necessary, the District shall assume, together with CPSC, the obligations of the Water Delivery Agreement. CPSC shall be primarily responsible for such assumption of obligations and compliance with said agreement; however, the District shall cooperate with the same.

Exhibit A to Termination of
Assignment and Agreement

3. **Consideration.** As partial consideration for this Assignment, the District agrees to accept title to the System and to own and operate the same for the benefit of the present customers of the District, the future residents of the District, and for the owners and residents of the Cascade Metropolitan District No. 2. It is recognized and agreed that there will be an intergovernmental agreement ("IGA") between the District and Cascade Metropolitan District No. 2.

4. **Obligations of CPSC.** CSPC agrees to provide the District with funds to cover operating losses until the earlier of such time as: a. the District receives grant and/or low interest funding in the amount of at least $500,000 to repair and replace its facilities; or b. the water losses due to waste and leakage are reduced below 40% of the actual water delivered by the City to the System for two consecutive months. To this end, the District agrees to maintain operating costs at the present level (plus inflationary costs) for the types of services provided and shall not intentionally incur extraordinary capital expenditures or expenses without the consent of CSPC.

5. **Voidance.** The District Agreement recognizes and acknowledges that CSPC has the right to terminate the Water Delivery ~~System~~ and has plans to do so. The District agrees to cooperate with this termination with the understanding that CSPC will make water and water rights available to the District so that it may continue to operate and supply its customers with potable water.

6. **Miscellaneous.**

a. Governing Law. The validity, meaning and effect of this Agreement shall be determined in accordance with the laws of the State of Colorado.

b. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

c. Captions. The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions hereof.

d. Assignability. Neither party may assign its rights under this Agreement without the prior written consent of the other.

e. Binding Effect. This Agreement shall he binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns.

f. Modifications; Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall he valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is sought.

Exhibit A to Termination of
Assignment and Agreement

g. Entire Agreement. This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded hereby.

h. Partial Invalidity. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would impair the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect.

i. No Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

j. Attorneys' Fees. In the event of any controversy, claim or dispute between the parties affecting or relating to the subject matter or performance of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all of its reasonable attorneys' fees and costs incurred in such action.

k. Dispute Resolution. The parties agree that should any dispute arise over this Agreement, the same shall be resolved by binding and mandatory arbitration to be held in El Paso County, Colorado before one mutually-agreed to arbitrator who shall make all decisions concerning procedure and discovery. Should the parties be unable to agree upon said arbitrator, the same shall be appointed by an El Paso County District Court Judge. The cost of the arbitrator shall be paid equally by the parties.

CASCADE METROPOLITAN DISTRICT NO. 1

BY: _____
Its President

ATTEST:
_____
Secretary

CASCADE PUBLIC SERVICE COMPANY

BY: _____

Exhibit 10

AGREEMENT FOR SHORT-TERM WATER SERVICE

THIS AGREEMENT ("Agreement") is made and entered into this ___day of_____, 2015, by and between Colorado Springs Utilities, an enterprise of the City of Colorado Springs, a Colorado home-rule city and municipal corporation, hereinafter called "UTILITIES," and the Cascade Metropolitan District No. 1, 141 Union Boulevard, Suite 150, Lakewood, CO 80228, hereinafter called the "DISTRICT."

RECITALS

A. DISTRICT is a Colorado metropolitan district with service boundaries located in Unincorporated El Paso County, Colorado to the northwest of the City of Colorado Springs. DISTRICT was formed in 2004 and serves approximately 350 customers with water service;

B. UTILITIES currently provides treated water to DISTRICT at a master meter ("Master Meter") pursuant to a water service agreement between the City of Colorado Springs, Cascade Public Service Company and the Cascade Town Company dated June 14, 1990 (the "1990 Agreement"), which 1990 Agreement was partially assigned to the DISTRICT by the Cascade Public Service Company on June 1, 2005 in the Assignment and Agreement (the "Water Supply Assignment and Agreement"). DISTRICT provides the treated water it receives from UTILITIES under the 1990 Agreement to its customers through a water distribution system operated and maintained by DISTRICT ("DISTRICT's Water System");

C. UTILITIES and DISTRICT desire to terminate the 1990 Agreement and replace it with a new agreement that sets forth the terms under which DISTRICT will receive treated water service from UTILITIES and the parties are entering into this Agreement to set forth the terms and conditions for UTILITIES to continue providing treated water to DISTRICT;

D. UTILITIES and DISTRICT are also executing a settlement agreement that, in part, sets forth the terms and conditions under which DISTRICT's Water System would be converted to a UTILITIES owned, operated, and maintained water distribution system and UTILITIES would provide retail water service to DISTRICT's customers ("Settlement Agreement");

E. The Settlement Agreement contains the consent of Cascade Public Service Company ("CPSC") to (1) termination of the 1990 Agreement; (2) termination of Water

Supply Assignment and Agreement ; and (3) other actions of CPSC and the DISTRICT done in connection with and to facilitate this Agreement;

F. Pursuant to Section 6-50 (Water Rights) of Article VI (Utilities) of the Charter of the City of Colorado Springs, as amended, the City of Colorado Springs has the authority to buy, exchange, augment, lease, own, and control water and water rights; and

G. UTILITIES has entered into this Agreement pursuant to Section 12.4.304 (Service; Special Contract) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended.

NOW, THEREFORE, for good and valuable consideration including the foregoing recitals, it is agreed as follows:

1. **Term:** This Agreement will be effective on April 1, 2015, and will remain in effect for a period of twenty-five (25) years. This Agreement will automatically renew for additional twenty-five (25) year terms unless otherwise terminated by the DISTRICT pursuant to Section 8, below. In no event will the term of this Agreement extend beyond a term of one hundred (100) years. Notwithstanding the foregoing, this Agreement will automatically terminate and cease to be effective on the date UTILITIES begins to provide retail potable water service to DISTRICT's customers pursuant to the Settlement Agreement.

2. **Replacement of 1990 Agreement:** DISTRICT and UTILITIES agree that upon its effective date, this Agreement takes the place of the 1990 Agreement and the Water Supply Assignment and Agreement in their entirety and the 1990 Agreement and the Water Supply Assignment and Agreement are voluntarily terminated.

3. **Potable Water Service:** During the term of this Agreement, UTILITIES agrees to convey, treat and deliver through UTILITIES' system to the Master Meter potable water in an annual volume not to exceed 200 acre-feet and at an average daily flow rate of not greater than 0.40 c.f.s. The water delivered to DISTRICT under this paragraph will be made up of UTILITIES' owned potable water.

4. **Metering for Potable Water Service:** The volume of potable water delivered under this Agreement will be measured by the Master Meter utilizing the Automatic Meter Reader ("AMR") technology installed on the Master Meter. Within thirty (30) days of the execution of this Agreement, and every year this Agreement is in effect thereafter, UTILITIES will verify the accuracy of the Master Meter and the AMR technology then in place utilizing industry standard testing methods. In the event of a discrepancy between the actual Master Meter readings and the AMR readings, the Master Meter readings shall

control. UTILITIES will have the right to change the type of meter and associated technology used to measure the volume of treated water delivered hereunder as necessary to meet industry standards and/or its operational requirements. UTILITIES shall provide DISTRICT with ninety (90) days advanced notice of such a change in metering or associated measurement technology. Notwithstanding the foregoing, if there is a failure of the Master Meter or AMR, Utilities may replace the Master Meter and/or AMR and will provide DISTRICT with notice of such replacement within fourteen (14) days of such replacement.

5. **Payment for Potable Water Service:** DISTRICT will pay UTILITIES the rate of $0.057 per cubic foot of potable water delivered under this Agreement. That amount is subject to adjustments in accordance with any changes to the outside the city limits potable water tariffs determined by the Colorado Springs City Council. UTILITIES will bill DISTRICT monthly for the monthly volume of potable water delivered, which volume will be determined by the Master Meter as of the last day of each month. DISTRICT will pay all monthly invoices within 30 days of receipt thereof. In lieu of a deposit, all accounts under the DISTRICT name will elect to participate in eBilling and Autopay. If the DISTRICT does not participate in Autopay or at any time during this agreement elects to be removed from the program, a deposit will be assessed as outlined in UTILITIES Rules and Regulations, which may be changed from time to time by the Colorado Springs City Council.

6. **Drinking Water Quality Regulatory Compliance:** The treated water provided by UTILITIES to DISTRICT under this Agreement will be potable water which complies with the Federal Safe Drinking Water Act and the applicable Colorado Primary Drinking Water Regulations. Pursuant to section 1.8 of the Colorado Primary Drinking Water Regulations, UTILITIES' responsibility regarding the quality of water furnished to DISTRICT extends only up to the Master Meter. DISTRICT agrees that its system constitutes a Consecutive System and, in accordance with section 1.9 of the Colorado Primary Drinking Water Regulations, DISTRICT is responsible for all monitoring and reporting requirements of water within DISTRICT's system. DISTRICT will be responsible for obtaining any applicable permits from any permitting authority or approvals from the Colorado Department of Public Health and Environment necessary to fulfill this Agreement. The DISTRICT must provide copies of such permits and approvals to UTILITIES.

6.1. In the event that DISTRICT fails to comply with the Colorado Primary Drinking Water Regulations, UTILITIES in its sole discretion may interrupt delivery of potable water under this Agreement without UTILITIES having any liability to DISTRICT or any third party, including DISTRICT's customers, until the DISTRICT

complies with those regulations. In the event that UTILITIES fails to comply with the Colorado Primary Drinking Water Regulations, UTILITIES must inform DISTRICT in the same manner as other customers, and DISTRICT will have the option of immediately terminating treated potable water service. The provisions of this paragraph 6 shall not apply after the date of DISTRICT's termination of potable water service under this Agreement.

7. **Right to Elect to Receive Raw Water:** Within five (5) years of the date that the DISTRICT notifies UTILITIES, pursuant to the Settlement Agreement, that the DISTRICT does not intend to pursue system conversion, or eight (8) years from the Effective Date of the Settlement Agreement, whichever occurs later, DISTRICT may elect to build its own water treatment plant and terminate is right to treated potable water service from UTILITIES under this Agreement. DISTRICT must give UTILITIES notice of its intent to build its own treatment plant and terminate its right to potable water service from UTILITIES. The notice must contain a date certain for termination of potable water service from UTILITIES and the date must be not less than one (1) year or more than two (2) years after the date notice is given. If the right to elect to build its own treatment plant and terminate treated potable water service from UTILITIES under this Agreement is not exercised by DISTRICT within the time provided above, then DISTRICT can only terminate treated water service from UTILITIES under this Agreement with UTILITIES' consent.

8. **Provision of Raw Water Upon District's Election to Terminate Potable Water Service:** If DISTRICT gives notice to UTILITIES of its election to build its own treatment plant and terminate its right to potable water service from UTILITIES under this Agreement, then on the effective date of the termination of potable water service, UTILITIES will provide up to 200 acre-feet annually, at rates of flow up to 0.4 c.f.s., of raw, untreated water available from its old North Slope pipeline at a location in the same general area as the former connection used by the Cascade Town Company in the NE 1/4 of Section 27, Township 13 South, Range 68 West of the 6th P.M. DISTRICT will be solely responsible for all costs for the connection to the pipeline and all costs associated with construction and maintenance of the structures necessary to deliver the raw water to its water system. DISTRICT will also be solely responsible for treating the raw water, complying with all applicable water quality regulations, and delivering water to its customers. The raw water will be furnished by UTILITIES without cost to DISTRICT and is delivered "as-is" without any warranty of any kind, express or implied, as to its quality or suitability for any particular use. Within ninety (90) days prior to the date for termination of treated water service, DISTRICT will work with representatives of UTILITIES to develop an annual schedule for delivery of the 200 acre-feet of raw water that will be binding on all parties. The schedule of delivery shall be reviewed and

amended in writing as needed by the parties at least sixty (60) days prior to the expiration of each calendar year during which UTILITIES is delivering raw water to DISTRICT under this Agreement.

8.1. The source of the raw water will be the following water rights owned by UTILITIES: 0.3533 c.f.s. of Harmes Ditch priority No. 2 and 1.7 c.f.s. of Harmes Ditch priority No. 33, originally decreed in Civil Action No. 16068, District Court, El Paso County, Colorado, and changed to a new point of diversion on Cascade Creek by the decree entered on September 10, 1997, in Case No. 91CW44, by the District Court for Water Division No. 2. If the amount of water available in-priority to those water rights is less than 200 acre-feet or 0.4 c.f.s., then UTILITIES will use other water rights it owns to provide enough additional water to ensure a total delivery of 200 acre-feet annually of raw water at rates of flow up to 0.4 c.f.s. to DISTRICT. In no event will UTILITIES be required to deliver more than 200 acre-feet of raw water to DISTRICT in any calendar year.

8.2. Alternate Supply: The DISTRICT understands that from time to time the old North Slope pipeline may be down for maintenance, both planned and unplanned, and UTILITIES may need to provide water through another pipeline or from a different source during such outages. UTILITIES will provide notice of such outages, the source of water to be provided during the outage, and the method by which the water will be delivered to the DISTRICT as soon as UTILITIES becomes aware of an unplanned outage and no less than 60 days before a planned outage is scheduled.

9. **Limitation on Place of Use:** The treated and raw water provided by UTILITIES under this Agreement may be used only to serve water to DISTRICT's customers located in Sections 22 and 23, the W ½ of the SW ¼ of Section 24, the portions of the NW ¼ of the SE ¼ and the NE ¼ of the SE ¼ of Section 26 lying North of U.S. Highway 24, the North ½ and the SW ¼ of Section 26, and the North ½ and the E ½ of the SE ¼ of Section 27, Township 13 South, Range 68 West of the 6th P.M.

10. **Limitations on Use of Water:** DISTRICT agrees not to use the treated or raw water provided pursuant to this Agreement, directly or indirectly, to furnish water outside the geographic area described in paragraph 9 above or to any entity or person other than the residential, commercial, and industrial customers of DISTRICT. DISTRICT agrees not to knowingly use the water provided pursuant to this Agreement, directly or indirectly, to furnish water for the commercial cultivation of marijuana without UTILITIES' prior written approval.

11. **No Reuse of Water:** Neither DISTRICT nor its customers have the right to recapture, reuse, or make a succession of uses of treated or raw water provided under this

Agreement; and upon completion of the first use, all control over the treated or raw water furnished hereunder reverts completely to UTILITIES. UTILITIES retains the legal ownership of and the right to use, reuse, successively use, and dispose of all reusable return flows, if any, resulting from the DISTRICT's one-time use of the treated or raw water provided by UTILITIES under this Agreement.

12. **Water Use Restrictions:** DISTRICT agrees to establish formal restrictions regarding the use of water by its customers that are no less restrictive than the water use restrictions UTILITIES imposes on its customers and to declare and enforce such restrictions as directed by UTILITIES at any time during the term of this Agreement, consistent with Section 12.4.602 of the City Code of the City of Colorado Springs.

13. **Compliance with Rules:** DISTRICT agrees to comply with all applicable ordinances, resolutions, regulations, rules, and policies concerning the use of UTILITIES' water system.

14. **Water Rights Unaffected:** No water rights are being transferred to or from UTILITIES or DISTRICT under this Agreement.

15. **Regional Cooperation:**

15.1. DISTRICT acknowledges and agrees to support the Fountain Creek Watershed, Flood Control, and Greenway District to the extent authorized under Colorado Revised Statutes § 32-1-1001, *et seq*.

15.2. DISTRICT irrevocably commits not to serve treated or raw water provided under this Agreement to property located outside of the place of use set forth in paragraph 9, which is in the natural drainage of the Arkansas River or to market, transfer, wheel, or otherwise provide water to properties or entities located outside the natural drainage of the Arkansas River Basin.

15.3. DISTRICT agrees to support and cooperate with the City of Colorado Springs, El Paso County, and other regional entities having jurisdiction over stormwater detention and retention on Fountain Creek and to take whatever actions that are within DISTRICT's legal authority to insure that stormwater in the Fountain Creek Basin does not increase above existing conditions, it being understood that DISTRICT has no express authority with respect to regulation or control of stormwater or funding of stormwater projects.

15.4. DISTRICT agrees not to oppose any studies of a flood control dam or dams on Fountain Creek, it being understood that this Agreement creates no obligation for the DISTRICT to fund or participate in any such projects.

15.5. DISTRICT agrees, upon UTILITIES' request, to support UTILITIES in its efforts to obtain any federal, state and local permits or approvals Utilities believes are necessary or beneficial for UTILITIES to provide DISTRICT with water service.

16. **Water Conservation Plan:** DISTRICT agrees to comply with any applicable laws that require it to prepare and/or implement a water conservation plan and to provide a copy to UTILITIES within six months of the adoption of the plan. DISTRICT agrees to abide by and enforce the water conservation plan to the extent required by law.

17. **No Assignment Without Consent; No Third Party Beneficiary:** The rights or obligations contained in this Agreement cannot be assigned by either party without the prior written consent by the other party. Notwithstanding anything herein to the contrary, upon written notice to DISTRICT, UTILITIES may assign this Agreement without consent to the City of Colorado Springs, Colorado. Nothing herein is to be construed to give any rights or benefits hereunder to anyone other than UTILITIES and DISTRICT.

18. **Legal Notice:** Notices under this Agreement, other than DISTRICT's requests for water and UTILITIES' responses to such requests, must be given in writing, signed by an authorized representative of the party giving notice. Telephonic or email notice is not acceptable. Notices must be delivered by facsimile, by courier service delivery (such as Federal Express), or by first-class mail postage prepaid to one of the two (2) people specified below at the following addresses and telephone numbers.

A. **For UTILITIES**

i. Chief Water Services Officer: Gary Bostrom
Courier Service Address:
Colorado Springs Utilities
ATTN: Chief Water Services Officer
121 S. Tejon St., 5th Floor
Colorado Springs, CO 80903

United States Postal Service Address:
Colorado Springs Utilities
ATTN: Chief Water Services Officer
P.O. Box 1105
Colorado Springs, CO 80947-0950
Fax: (719) 668-4158.

ii. City Attorney's Office - Utilities Division
Courier Service Address:

Colorado Springs Utilities
ATTN: City Attorney's Office – Utilities Division
121 S. Tejon St., 4th Floor
Colorado Springs, CO 80903

United States Postal Service Address:

Colorado Springs Utilities
ATTN: City Attorney's Office – Utilities Division
P.O. Box 1104
Colorado Springs, CO 80947-0940
Fax: (719) 668-8048.

B. **For DISTRICT**

i. Leon Gomes
Cascade Metropolitan District No. 1
141 Union Boulevard, Suite 150
Lakewood, CO 80228
(303) 987-0835

With a copy to:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
ATTN: Jennifer Gruber Tanaka, Esq.
2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
Phone: (303) 858-1800
Fax: (303) 858-1801
jtanaka@wbapc.com

If a party wishes to change the person(s) to receive notice, notice of such change must be provided to each party in accordance with this paragraph.

19. **Default:** If any party defaults in meeting the terms and conditions of this Agreement, the non-defaulting party must provide the defaulting party with written notice of the default. The notice of default must contain sufficient information to enable the defaulting party to identify and seek to cure the alleged default. The defaulting party will have thirty (30) days from the date it receives notice of default or such greater period as reasonably necessary to cure the specific default. If the default is not cured within the

applicable period, the non-defaulting party has the right to terminate this Agreement and will have all rights and remedies provided by law.

20. **Governing Law, Jurisdictional and Venue:** This Agreement must be construed in accordance with the laws of the State of Colorado (except for its conflict of law provisions) as well as the Colorado Springs City Charter and the City Code. The place of performance and transaction of business is the County of El Paso, State of Colorado. In the event of litigation, the exclusive venue and place of jurisdiction will be the State of Colorado and, more specifically, El Paso County, Colorado, and, if necessary, for exclusive federal questions, the United States District Court for the District of Colorado.

21. **Force Majeure:** Neither party is liable for delays in performing its obligations to the extent the delay is caused by an unforeseeable condition beyond its reasonable control without fault or negligence including strikes, riots, wars, floods, fires, explosions, acts of nature, acts of government, or labor disturbance.

22. **Entire Agreement; Modifications to be in Writing:** This Agreement, including any and all appendices and exhibits attached hereto, contains the entire understanding between the parties. No modification, amendment, notation, or other alteration to this Agreement is valid or of any force or effect unless mutually agreed to by the parties in writing as an addendum to this Agreement. At the time of the execution of this Agreement, there are no other terms, conditions, requirements, or obligations affecting this Agreement which are not specifically set forth herein. Email and all other electronic (including voice) communications from UTILITIES, except as otherwise specifically provided herein, in connection with this Agreement, are for informational purposes only. No such communication is intended by UTILITIES to constitute either an electronic record or an electronic signature or to constitute any agreement by UTILITIES to conduct a transaction by electronic means. UTILITIES hereby expressly disclaims any such intention or agreement.

23. **No Precedent; Severability:** The parties agree that this Agreement is based solely on unique conditions existing at the time of execution and does not constitute a precedent or standard for any future agreement, and does not vest any rights in either party or any third party for novation, renewal, modification, or addition of any other rights or services on account of this Agreement. Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations will be deemed stricken, and all remaining provisions will continue to be binding upon the parties, and the parties agree that this Agreement must/will be reformed to replace such stricken provision with a new provision that comes as close as possible to expressing the lawful purpose of the stricken provision.

24. **Utilities Performance Subject to Annual Appropriation of Funds:** In accord with the Colorado Springs City Charter, performance of UTILITIES' obligations under this Agreement is expressly subject to appropriation of funds by the City Council. In the event funds are not appropriated in whole or in part sufficient for performance of UTILITIES' obligations under this Agreement, or appropriated funds may not be expended due to City Charter spending limitations, then this Agreement will thereafter become null and void by operation of law, and UTILITIES will thereafter have no liability for compensation or damages to DISTRICT in excess of UTILITIES' authorized appropriation for this Agreement or the applicable spending limit, whichever is less. UTILITIES will notify DISTRICT as soon as reasonably practicable in the event of non-appropriation or in the event a spending limit becomes applicable.

25. **District's Performance Subject to Annual Appropriation and Budget.** The DISTRICT does not intend hereby to create a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever. The performance of those obligations of the DISTRICT pursuant to this Agreement requiring budgeting and appropriation of funds are subject to annual budgeting and appropriations. UTILITIES expressly understands and agrees that the DISTRICT's obligations under this Agreement shall extend only to monies appropriated for the purposes of this Agreement by the Board and does not constitute a mandatory charge, requirement or liability in any ensuing fiscal year beyond the then-current fiscal year. This Agreement is not intended to be and must not be construed or interpreted as a delegation of governmental powers by the DISTRICT, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the DISTRICT or statutory debt limitation including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. This Agreement must not be construed to pledge or to create a lien on any class or source of DISTRICT funds. The DISTRICT's obligations under this Agreement are subject to annual budgeting and appropriations, and will remain subject to the same for the entire term of this Agreement. Notwithstanding the forgoing, if the DISTRICT fails to appropriate sufficient funds to meet its obligations under this Agreement, at its sole discretion UTILITIES may unilaterally terminate this Agreement and will have no further obligation to perform hereunder.

26. **Governmental Immunity**. Nothing in this Agreement waives, limits, or otherwise modifies, in whole or in part, any governmental immunity that may be available by law to the DISTRICT or UTILITIES, their respective officials, employees, contractors, or agents, or any other person acting on behalf of the DISTRICT or UTILITIES and, in particular, governmental immunity afforded or available to either the DISTRICT or UTILITIES pursuant to the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101, *et seq.*.

27. **Counterpart Execution**. This Agreement may be executed in several counterparts, each of which will be deemed an original, but all of which together constitute one and the same Agreement. Executed copies hereof may be delivered by facsimile or email of the document, and, upon receipt, are deemed originals and binding upon the signatories hereto, and will have the full force and effect of the original for all purposes, including the rules of evidence applicable to court proceedings.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates sets forth below.

COLORADO SPRINGS UTILITIES

_____

Jerry Forte
Chief Executive Officer

Date:

APPROVED AS TO FORM:

_____

Michael J. Gustafson
City Attorney's Office – Utilities Division

CASCADE METROPLITAN DISTRICT NO. 1

_____

Michael Whittemore
President

Date:

APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

_____

General Counsel to the District

Exhibit 11

Escrow Agreement

Date: **Escrow Number:** **Closer:**

The undersigned deposit with Land Title Guarantee Company, a Colorado Corporation, as Escrow Holder (the "Escrow Holder"), the items set forth in Schedule A, to be held by Escrow Holder subject to the terms of this Escrow Agreement, the General Provisions to the Escrow Agreement and the Special Instructions in Schedule B (collectively, the "Escrow Agreement").

☐All cash deposits must be accompanied by a Form W-9 Request for Taxpayer Identification Number.

"Schedule A"
(List of Deposited Documents attached as Schedule A)

from

"Schedule B"
(Special Instructions attached as Schedule B)

☐Special Instruction No. 1 (Repairs) Attached
☐Special Instruction No. 1a (Completions) Attached
☐Special Instruction No. 2 (Lender Completion Instructions) Attached
☐Special Instruction No. 3 (Indemnity Agreement – Cash Deposit) Attached
☐Special Instruction No. 4 (Depository Instructions) Attached
☐Special Instruction No. 5 (F.I.R.P.T.A.)
☐Special Instruction No. 6 (Resolution of Miscellaneous Issues)
☒All others (See attached Schedule "B")

Schedule C
(Sample Joint Written Instructions)

The parties to the Escrow Agreement, by their signature below, acknowledge and agree that they have read, and will be bound by the Escrow Agreement, including the General Provisions to the Escrow Agreement, and the Special Instructions in Schedule B.

Colorado Springs Utilities (Buyer)

_____

_____

Address:_____
_____
Phone #:_____
Fax #: _____
Email: _____
Contact: _____

Cascade Metropolitan District No. 1 (Seller)

_____

_____

Address:_____
_____
Phone #:_____
Fax #: _____
Email: _____
Contact: _____

Cascade Public Service Company (Seller)

By: _____
Philip J. Anderson, President

Address:_____
_____
Phone #:_____
Fax #: _____

Realty Management Group, LLC (Seller)

By: _____

_____

Address:_____
_____
Phone #:_____

Email: _____
Contact: _____

_____
Philip J. Anderson, individually **(Seller)**

Address: _____
_____
Phone #: _____
Fax #: _____
Email: _____
Contact: _____

Any correspondence regarding this escrow shall be addressed to:

Land Title Guarantee Company
5975 Greenwood Plaza Blvd.
Greenwood Village, CO 80111
Attn: Escrow Coordinator
Phone: 303-321-1880
Fax: 303-399-8193

Fax #: _____
Email: _____
Contact: _____
Escrow Fees to be as Follows:

(a) Set up fee _____
(c) Miscellaneous _____

Note: After the issuance of four (4) checks, a fee of $10.00 per check will be made for each additional check.
Note: After the issuance of four (4) checks, a fee of $10.00 per check will be made for each additional check.

Receipted of the Escrow Deposit and acceptance of the Escrow Agreement hereby acknowledged by:
Land Title Guarantee Company-Escrow Holder

_____
By: _____

Land Title Guarantee Company
General Provisions to the Escrow Agreement

1. **Notices.**
   Any notices required or permitted to be given under the Escrow Agreement shall have been deemed to have been served:
   - **i.** one business day after the notice is hand delivered with proof of receipt by the addressee, or
   - **ii.** one business day after transmission by facsimile evidencing confirmation of receipt by the receiving facsimile machine, or
   - **iii.** one business day after transmission by email evidencing confirmation of receipt by the receiving email address, or
   - **iv.** if reputable overnight courier (such as United Parcel Service or Federal Express) is used, on the immediately following business day after notice is sent for overnight delivery, or
   - **v.** if the United States Mail is used, on the third business day after the notice is deposited in the United States Mail, postage prepaid;

   Provided in each case such notice is addressed to the parties at the addresses given on the first page of this Escrow Agreement.
2. **Reliance on Notice.**
   Escrow Holder may act in reliance upon any writing or instrument or signature which Escrow Holder, in good faith, believes to be genuine, and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized so to do.
3. **Laws Relating to Unclaimed Funds.**
   Seller and Buyer are hereby advised that unclaimed funds may be payable to the State at some future date pursuant to unclaimed property laws, and should Escrow Holder pay any such funds held in the Escrow Deposit, Escrow Holder shall be released from all further responsibility under the Escrow Agreement and shall not be liable to any party so long as such payment was made pursuant to applicable law.
4. **Escrow Deposit and Interest Earned on Escrow Deposit.**
   - **a.** In the event that the Escrow Deposit consists partly or entirely of money, then during the period the Escrow Holder is in possession of the Escrow Deposit, the money will be deposited in an FDIC insured institution (the "Institution").
   - **b.** Upon receipt or written direction of the parties along with a completed W-9, funds will be invested in an interest bearing account.
   - **c.** Deposits of $100,000.00 or more may be directed by the parties hereto to other types of investments, or the Escrow Holder may invest the Escrow Deposit in Repurchase Agreements for U.S. Treasury obligations or other Federal agency issued securities.
   - **d.** Escrow Holder shall not be responsible for maximizing the yield on the Escrow Deposit. Under no circumstances shall Escrow Holder be liable for loss of funds due to bank or other Institution failure, including employees or agents thereof, suspension or cessation of business, or any action or inaction on the part of the bank or other institution, or any delivery service transporting funds to and from the institution.
   - **e.** All parties hereto shall execute and deliver to Escrow Holder all forms required by federal, state or other governmental agencies relative to taxation matters and Escrow Holder will file appropriate 1099 or other required forms.
5. **Fees and Expenses of Escrow Holder.**
   - **a.** The Escrow Holder shall be entitled to reimbursement in full, or may demand payment in advance, for all costs, expenses, charges, fees or other payments made or to be made by Escrow Holder in the performance of Escrow Holder's duties and obligations under the Escrow Agreement.
   - **b.** The parties to the Escrow Agreement are jointly and severally liable for the payment to Escrow Holder of all fees and expenses. Escrow Holder is hereby authorized and directed to reimburse to itself in payment of fees or expenses from any funds in the Escrow Deposit, whether from principal or interest or both, at any time, and from time to time, as the same may be due and owing.
   - **c.** Escrow Holder is hereby authorized to withhold any fees or expenses from any disbursement or distribution of Escrow Deposit to any Party hereto or to the Clerk of the Court upon interpleader.
   - **d.** In the event that the Escrow Deposit shall consist of documents only and not funds, Escrow Holder may refuse to distribute any such documents or to otherwise act under this Agreement until all accrued but unpaid fees and expenses have been paid in full.

6. **Non-liability of Escrow Holder.**
   a. Escrow Holder shall not be liable for any mistakes of fact, or errors of judgment, or for any acts or omissions of any kind unless caused by the willful misconduct or gross negligence of Escrow Holder.
   b. Escrow Holder shall not be liable for any taxes, assessments or other governmental charges which may be levied or assessed upon the Escrow Deposit or any part thereof, or upon the income therefrom.
   c. Escrow Holder may rely upon the advice of counsel and upon statements of accountants, brokers or other persons reasonably believed by it in good faith to be expert in the matters upon which they are consulted, and for any reasonable action taken or suffered in good faith based upon such advice or statements.
7. **Indemnity of Escrow Holder.**
   The Seller and Buyer, to the extent allowed by law, agree to:
      i. indemnify Escrow Holder for, and hold it harmless against, any and all liability by the Escrow Holder by reason of this Escrow Agreement, or in connection with Escrow Agent's performance of its duties hereunder, except for Escrow Holder's own willful misconduct or gross negligence, and
      ii. reimburse Escrow Holder for all its expenses, including, but not necessarily limited to, attorneys' fees and court costs incurred pursuant to this Escrow Agreement.
8. **Request for Written Instructions.**
   a. Escrow Holder may at any time, and from time to time, request the Seller and Buyer to provide written instructions concerning the propriety of a proposed payment of the Escrow Deposit, distribution of documents, or other action or refusal to act by Escrow Holder.
   b. Should the Seller and Buyer fail to provide such written instructions within a reasonable time, Escrow Holder may take such action, or refuse to act, as it may deem appropriate and shall not be liable to anyone for such action or refusal to act.
   c. Notwithstanding the foregoing, should the terms of the Escrow Agreement be complied with, in the judgment of Escrow Holder, then the Escrow Holder may disburse any funds, distribute documents, or take such action without specific further written instructions from any Party.
9. **Disputes and Interpleader.**
   a. In the event of any dispute between the Parties as to either law or fact, or in the event any of the parties hereto fail, for any reason, to fully receipt and acquit the Escrow Holder in writing, Escrow Holder may refuse, in its discretion, to carry out said escrow instructions or to deliver any funds, documents, or property in its hand to anyone and in so doing shall not become liable to demand.
   b. Escrow Holder shall be entitled to continue, without liability, to refrain and refuse to act:
      i. until all the rights of the adverse claimants have been finally adjudicated by a court having jurisdiction over the Parties and the items affected hereby, after which time the Escrow Holder shall be entitled to act in conformity with such adjudication; or
      ii. until all differences shall have been adjusted by agreement and Escrow Holder shall have been notified thereof and shall have been directed in writing signed jointly or in counterpart by the parties and all persons making adverse claims or demand, at which time Escrow Holder shall be protected in acting in compliance therewith.
   c. Escrow Holder also has the right to interplead into a court of competent jurisdiction at the expense of the Parties.
10. **Resignation of Escrow Holder.**
   a. Escrow Holder may resign under this Agreement by giving written notice to all of the parties hereto, effective 30 days after the date of said notice.
   b. Upon the appointment by the parties of a new escrow holder or custodian, or upon written instructions to Escrow Holder for other disposition of the Escrow Deposit, Escrow Holder shall, after retention of its accrued escrow fees and expenses, if any, shall deliver the Escrow Deposit within a reasonable period of time as so directed, and shall be relieved of any and all liability hereunder arising thereafter.
11. **Applicable Law.**
   This Agreement shall be governed by the laws of the State of Colorado.
12. **Counterparts/Third Party Beneficiaries.**
   The Escrow Agreement may be executed in any number of counterparts, each of which when so executed shall constitute the entire agreement between the Seller and Buyer. The Seller and Buyer acknowledge and agree that there are no intended or unintended third party beneficiaries who may rely upon or benefit from the provisions of this agreement.
13. **Electronic Signature and Notices.**
   The execution of this Escrow Agreement, and any other notice required or permitted under this Escrow Agreement, may be given and transmitted by electronic means (including email, facsimile, or similar transmission) and shall be deemed effective for all purposes. Documents with original signatures are not required. If original signatures are required by any party, this request must be made prior to execution of this Escrow Agreement or any other notice, to ensure compliance with the request.

Exhibit 11

SCHEDULE A to Escrow Agreement
Documents Deposited with Escrow Agent

1. Realty Management Group, LLC Partial Release of Deed of Trust – Water Rights.
2. Realty Management Group, LLC Bargain and Sale Deed to the City of Colorado Springs and its enterprise Colorado Springs Utilities – Water Rights.
3. Cascade Public Service Company Special Warranty Deed to the City of Colorado Springs and its enterprise Colorado Springs Utilities – Water Rights.
4. Philip J. Anderson Quit Claim Deed to the City of Colorado Springs and its enterprise Colorado Springs Utilities – Water Rights.
5. Cascade Metropolitan District No. 1 Quit Claim Deed to the City of Colorado Springs and its enterprise Colorado Springs Utilities – Water Rights.
6. Cascade Public Service Company Special Warranty Deed to Cascade Metropolitan District No. 1 – Water Right.
7. Philip J. Anderson Quit Claim Deed to Cascade Metropolitan District No. 1 – Water Right.

SCHEDULE B – Special Instructions

The parties to this Escrow Agreement, excluding the Escrow Agent, are parties to a March 2015 Settlement Agreement entered into among the Cascade Public Service Company, Inc. ("CPSC"); the Cascade Metropolitan District No. 1 ("CMD"); Realty Management Group, LLC ("RMG"); the City of Colorado Springs and its enterprise Colorado Springs Utilities ("Utilities"); Philip J. Anderson ("Anderson"); and Chris Reimer, Diannia Wagner, Susan Soloyanis, Jim Borden, Robert Pennick, Janice Eder, Steve Spaulding, and Niente Smith (collectively "Intervenors"). This Escrow Agreement is part of the Settlement Agreement and is intended to effectuate agreements between certain of the parties set forth in the Settlement Agreement. The Intervenors are not parties to this Escrow Agreement.

The purpose of this Escrow Agreement is for the Escrow Agent to hold the documents identified in Schedule A, which documents will be delivered to the Escrow Agent at the First Closing as defined in the Settlement Agreement. The documents will be held by the Escrow Agent until receipt of written instruction from the parties to this Escrow Agreement, or until December 31, 2015, whichever occurs first.

Pursuant to the Settlement Agreement, by the Second Closing, as defined therein, the parties will have executed joint written instructions authorizing and directing the Escrow Agent to record the escrowed documents in the public records of the office of the El Paso County Clerk and Recorder in order set forth in Schedule A, and upon completion of recordation, to deliver (1) the recorded original of the Partial Release of Deed of Trust to Utilities; and (2) the recorded original of each deed to the respective Grantee. Utilities will be responsible for delivering the joint written instructions to the Escrow Agent. A sample form of joint written instructions is attached hereto a Schedule C, and by mutual agreement the parties hereto can modify the joint written instructions to the Escrow Agent.

If the Parties have not delivered joint written instructions to Escrow Agent on or before December 31, 2015, then the Escrow Agent must deliver documents 1 and 2 on Schedule A to RMG; documents 3 and 5 on Schedule A to CMD; and documents 4, 6 and 7 on Schedule A to Anderson.

SCHEDULE C – Sample Joint Written Instructions

Land Title Guarantee Company
5975 Greenwood Plaza Blvd.
Greenwood Village, CO 80111
Attn: Escrow Coordinator

Re: Joint Written Instructions to Escrow Agent for Escrow Number: _____

Dear Sir/Madam:

This letter is the Joint Written Instruction of Cascade Public Service Company, Inc.; the Cascade Metropolitan District No. 1; Realty Management Group, LLC; the City of Colorado Springs and its enterprise Colorado Springs Utilities; and Philip J. Anderson concerning the document held in escrow by you under Escrow Number ____. We hereby authorize and direct you to record the escrowed documents in the public records of the office of the El Paso County Clerk and Recorder in order set forth in Schedule A to the Escrow Agreement, and upon completion of recordation, to deliver the recorded original Partial Release of Deed of Trust to Colorado Springs Utilities, the recorded originals of each deed to the respective Grantee and deliver the recorded Termination of Water Supply Agreement and Assignment to Cascade Metropolitan District, all at the addresses set forth on the Escrow Agreement.

Thank you for your assistance.

COLORADO SPRINGS UTILITIES

_____
Jerry Forte, Chief Executive Officer
Date:

CASCADE METROPOLITAN DISTRICT NO. 1

_____
President
Date:

REALTY MANAGEMENT GROUP, LLC

_____
Date:

CASCADE PUBLIC SERVICE COMPANY

_____
Philip J. Anderson, President
Date:

_____
Philip J. Anderson, individually
Date: