

INTERGOVERNMENTAL AGREEMENT REGARDING WASTEWATER TREATMENT

THIS INTERGOVERNMENTAL AGREEMENT REGARDING WASTEWATER TREATMENT (the "Agreement") is made and entered into this 14 day of April 2009, by and between the CITY OF CREEDE, a statutory town of the State of Colorado (hereinafter "City"), and the DEEP CREEK WATER AND SANITATION DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (hereinafter "District") (collectively, the "Parties").

WHEREAS, the District was formed to provide sewage treatment services to properties located within and without the District; and

WHEREAS, the District's Service Plan contemplates this Agreement; and

WHEREAS, the City, the Colorado Department of Public Health and Environment and the Mineral County Board of County Commissioners have concluded that individual septic systems and the duplication of independent central sewage systems within Mineral County are contrary to the public interest and the protection of public health because such systems have the potential to increase the pollution of both ground and surface waters; and

WHEREAS, the Parties agree that eliminating septic tanks and sewage leeching fields within the Service Area of the District further protect the public health; and

WHEREAS, the City has an existing sewage treatment facility with a current permitted capacity of 0.56MGD or an organic capacity of 375 lbs. BOD 5/day (the "Wastewater Treatment Plant"); and

WHEREAS, the City and District entered into a twenty (20) year wastewater treatment agreement on May 22, 1989 (the "1989 Agreement") for the treatment of 300 EQR's; and

WHEREAS, the Parties desire to enter into a new agreement under which the District will continue to collect wastewater within its Service Area and transport the same to the Wastewater Treatment Plant for treatment and discharge by the City; and

WHEREAS, the Parties have entered into this Agreement in order to ensure that the City continues to treat and discharge wastewater delivered by the District to the City and to ensure that the City and District participate equitably in the future expansion, replacement, and/or other Capital Improvement Projects involving the Wastewater Treatment Plant; and

WHEREAS, the Parties have determined that this Agreement serves a public use and promotes the health, safety and general welfare of both the City and the District.

NOW, THEREFORE, in consideration of the mutual advantages accruing to the parties, the performance of promises contained herein and other good and valuable consideration, the Parties agree as follows:

ARTICLE I

1.1 Definitions. The following definitions shall apply throughout this Agreement.

- a. Capital Improvement Project – shall have that meaning set forth in Section 8.1 of this Agreement.
- b. City User – any property, regardless of use, that is connected to the City wastewater collection system, other than a property defined as a District User.
- c. District User – any property that is connected to the District's wastewater collection system.
- d. Equivalent Residential Unit (EQR) – EQR shall mean the amount and concentration of sewage that would normally be produced by an average single-family residence. For purposes of this Agreement, EQR shall be as defined in Ordinance No. 334, as the same may be amended from time to time. If the City changes its definition of EQR, the new definition will be considered applicable to this Agreement and controlling. However, at all times the new definition of EQR shall apply equally within the boundaries of the City and the Service Area.
- e. Expansion Project – shall have that meaning set forth in Section 8.1 of this Agreement.
- f. Ordinance No. 334 - City's Water, Wastewater & Drainage Regulations adopted on April 12, 2005, as the same may be amended from time to time.
- g. Service Area – There are essentially two service areas of the District: an "Outside Service Area" which are properties located outside of the boundaries of the District but which are serviced by the District facilities, and the "Inside Service Area" which are those properties now located or to be legally located within the boundaries of the District. When used alone, the term "Service Area" refers to the total Service Area of the District, both the Inside Service Area and the Outside Service Area. A map of the Service Area is attached to this Agreement as Exhibit A.
- h. SSDF – shall have the meaning set forth in Section 5.1 a), equal to the City's then-current Sewer System Development Fee.
- i. State – shall mean the State of Colorado.

ARTICLE II

2.1 Term. This Agreement shall supersede in its entirety the 1989 Agreement and shall become effective on and as of May 21, 2009. This Agreement shall remain in full force and effect thereafter unless and until terminated by either party, as provided herein. Either party may terminate this Agreement if there is a material breach of this Agreement which is not cured in accordance with the provisions of Section 10.9. Notwithstanding the above, the City may terminate this Agreement if the District is at any time dissolved or fails to maintain its legal status as a water and sanitation district under the laws of the State.

2.2 Purposes. The purposes of this Agreement are: (a) to permit the District to deliver wastewater generated by the estimated 754 EQR's to be located within the District at full build-out of the Service Area to the Wastewater Treatment Plant for treatment and discharge; and (b) to establish a fair and equitable cost sharing arrangement with respect to any Expansion Project or Capital Improvement Project related to the Wastewater Treatment Plant.

ARTICLE III

3.1 Service Area. The Service Area consists of an Inside Service Area and an Outside Service Area, as more specifically shown on Exhibit A, which is attached hereto and incorporated herein by reference. The Outside Service Area is the property platted and known as the Creede Haven No. 1 subdivision. The Inside Service Area is the area now located within the boundaries of the District, or to be legally located within the boundaries of the District pursuant to Sections 32-1-401 *et seq.*, C.R.S. Following mutual execution of this Agreement, the Board of Directors of the District shall act to approve the inclusion of the following property into the boundaries of the District, and shall submit a certified copy of said resolution or resolutions to the Mineral County District Court: (1) a parcel of land consisting of 66.97 acres, more or less, said parcel being a fraction of the SW1/4, Section 6, T41N, R1E, N.M.P.M., Mineral County, Colorado; (2) a parcel of land consisting of 21.13 acres, more or less, said parcel being located in the NW1/4, Section 7, T41N, R1E, N.M.P.M., Mineral County, Colorado; (3) a parcel of land consisting of 9.87 acres, more or less, said parcel being located in the SE1/4 SW1/4 SE1/4 of Section 1, T41N, R1W, N.M.P.M., Mineral County, Colorado; and (4) a parcel of land consisting of 3.93 acres, more or less, said parcel being located in the S1/2 NW1/4, Section 7, T41N, R1E, N.M.P.M., Mineral County, Colorado (together, the "Inclusion Property"). The District shall make best efforts to obtain an order or orders of the Mineral County District Court including the Inclusion Property within the boundaries of the District within ninety (90) days following mutual execution of this Agreement, and shall forward a copy of each recorded order of inclusion to the City Manager. The District may not expand the Service Area as shown on Exhibit A without the prior written consent of the City. The exclusion of any property from the Service Area shall create no automatic right to include other property into the Service Area. The

City will deal exclusively with the District with respect to this Agreement and the Parties agree that no third party shall have any right hereunder.

3.2 District's Compliance Obligation. Each and every provision of this Agreement that compels the District to take any action or directs the District to refrain from taking any action shall be imposed upon all District Users, developers of property within the Service Area and all other parties having an interest in the property within the Service Area. The District and all its customers shall comply with the applicable provisions of Ordinance No. 334.

ARTICLE IV

4.1 Connection. As set forth in the 1989 Agreement, the District has connected collection and transportation lines for the District Users to the City's main trunk line at the location more particularly described in the 1989 Agreement. If a Capital Improvement Project requires the relocation of the existing point or points of connection, the District will submit suitable plans and specifications showing the proposed relocation of the collection and transportation lines to the City for its review and approval. Any alternative point of connection of the District's collection and transportation lines to the City's main trunk line will be made in accordance with the City's applicable regulations pertaining thereto, including but not limited to Ordinance No. 334. All costs of design and construction, including standard review fees for the City's engineer, will be borne by the District.

The District will reimburse the City for its engineering and legal fees incurred in negotiating and finalizing this Agreement.

4.2 City Obligation. Upon full and timely satisfaction of all requirements of this Agreement by the District, the City will be obligated to provide wastewater treatment and disposal services for sewer connections within the defined Service Area upon the terms and conditions set forth in this Agreement. Nothing in this paragraph shall prohibit the City from adopting regulations not inconsistent herewith, dealing with any aspect of wastewater delivery and wastewater treatment, as more fully described elsewhere in this Agreement.

ARTICLE V

5.1 District Fees. As consideration for the provision of wastewater treatment and disposal service by the City, the following fees shall apply to District Users:

- a) **Connection Fee.** The District shall collect, from each new District User within the Service Area, a one-time Sewer System Development Fee ("SSDF") (currently \$2,750.00), which shall be paid to the City. The SSDF is established by resolution at the beginning of each year. Prior to the District allowing any party to tap into the District's wastewater collection system, the District: (1) shall receive notification from the City that the SSDF has been paid in full; and (2)

shall receive notification from the City that the waiver and release of liability form, in substantially the form attached as Exhibit B hereto, has been executed. The City shall notify the District that (1) and (2), above, have been completed by completing and delivering written or email (email preferred) notification to the District, which notification shall be given in substantially the form attached hereto as Exhibit C. From and after the effective date of this Agreement, the City shall continue to deposit all SSDFs received from District Users into a separate interest bearing account (the "Deep Creek Fund") and shall notify the District in writing on or before November 30th of each year of the current balance of the Deep Creek Fund as well as the current balance in the City's capital improvement fund existing as of the same date. The Parties agree that the current balance of the Deep Creek Fund, as of the date of mutual execution of this Agreement, is Thirty Three Thousand Two Hundred Sixty Three Dollars (\$33,263.00). The City may use funds deposited in the Deep Creek Fund only for an Expansion Project or a Capital Improvement Project, as set forth in Section 8.2 and 8.3 below. No portion of the Deep Creek Fund may be used to finance repairs or replacements to the City's wastewater collection system, for general fund expenses of the City, or for operation and maintenance of the Wastewater Treatment Plant. All interest earnings on the funds deposited in the Deep Creek Fund shall be retained therein and shall be used solely for the purposes set forth in this Agreement.

- b) Monthly User Fee. The District shall pay to the City a monthly user fee that is equal to the EQR wastewater billing system established for City residents for each connection the District has within the Service Area. The monthly user fees are established by resolution at the beginning of each year. The current monthly sewer fee is \$12.98 for one (1) EQR. In summary, the City will bill the District monthly, based on the total number of wastewater EQR's within the Service Area at the same rate City residents pay, including the fees for commercial development as set forth in Appendix A to Ordinance No. 334, as applicable. Monthly billing related to each new sewer connection within the Service Area will commence on the date of the final building inspection or two (2) months after the SSDF fee has been paid to the City, unless other arrangements are made with the City Manager. Except as specifically provided in this Agreement to the contrary, all City rates and regulations pertaining to sewer service shall remain applicable to the District. The City shall set the rates for the wastewater treatment/sewer service per EQR from time to time and the District agrees to remit said fees to the City in accordance with Section 5.1 c) below.
- c) Late Payments. The District shall be solely responsible for the collection of all payments from District Users, the enforcement of penalties and other related obligations as set forth in the District's Rules and Regulations, as the same may be amended from time to time. As set forth in Section 5.1 b), above, the City will bill the District monthly based on the total number of wastewater EQR's within the Service Area at a rate equal to one hundred percent (100%) of the EQR billing system established for City residents, and the said amount shall be due from the District within thirty (30) days. If the monthly fee is not received from the

District within forty-five (45) days of the applicable due date, penalty interest shall accrue at the rate of 12% per annum. This penalty interest is in addition to any and all remedies available to the City, including unilateral termination of this Agreement for any non-payment or non-performance of the District which non-payment or non-performance continues following the City providing notice as required by Section 10.9 of this Agreement, any or all which may be invoked at the City's option.

ARTICLE VI

6.1 City Operations. The City will operate the Wastewater Treatment Plant in conformity with applicable Federal, State and local laws, rules and regulations. Within such requirements, the City shall retain full discretion to determine the method and manner of its operation of the Wastewater Treatment Plant. The City may not interrupt service to the District unless ordered to do so by the Colorado Department of Public Health and Environment or unless required under applicable Federal or State regulations.

6.2 Applicable Law. In the event of any conflict between the City's regulations pertaining to the operation and maintenance of the Wastewater Treatment Plant and applicable Federal and State laws, rules or regulations, the more stringent laws, rules or regulations shall apply.

6.3 Testing. The City may, at any time, require the District to perform infiltration tests at the District's expense. In addition, the City may require quality or quantity tests at the District's expense. Such tests may be requested only if the City has reasonable belief that excessive infiltration is occurring in the District's lines or that the quality or quantity of District sewage is such that testing is necessary. All such tests shall be promptly performed and the results delivered to the City.

6.4 Monitoring of Flow. During the term of this Agreement the City shall monitor the amount of wastewater flowing to the City's main from the District's sewer collection system (flow data). If the City becomes aware of any anomalies in the flow data or other unusual occurrences, the City shall communicate the same to the District or its system operator, in order that the District may proceed to investigate the same.

6.5 Water Rights. With respect to discharges from the Wastewater Treatment Plant, the Parties agree that the City is entitled to any and all water rights created by such discharge, any and all irrigation rights and any and all sludge rights, subject to the terms of any decreed augmentation plan affecting the District's or the City's water rights.

ARTICLE VII

7.1 Facility Ownership and Responsibility. All facilities constructed, owned or maintained by the District within the Service Area, to the point or points of connection with the City's main trunk line, shall be the sole property and responsibility of the District and the City shall have no responsibility therefore of any kind or character. All

maintenance, repair and replacement of all facilities within the Inside Service Area and the Outside Service Area shall be the sole responsibility of the District. All the City's lines shall remain under the City's exclusive ownership, care and control of the City. Sections 7.2 through 7.10 set forth various responsibilities and obligations of the District created by this Agreement which may be reduced or expanded in a manner not inconsistent with this Agreement, at the City's discretion, by ordinance, resolution, rule or regulation adopted by the City after the effective date of this Agreement.

7.2 No Overload. The District will not, at any time, permit the District's sanitary sewer collection system to be overloaded.

7.3 Effluent Delivery. The District will, at all times, deliver the effluent generated by the Service Area to the City's main, at no cost to the City.

7.4 Conventional Pollutants. Section 4.3 of Ordinance No. 334 shall apply to all District Users, as if fully set forth herein, including Section 4.3.1 ("Specially Regulated Wastes") and Section 4.3.2 ("Prohibited Wastes").

7.5 Reporting Requirement. The District shall immediately report to the City any change or significant problem or failure of any kind involving the District's system and the City shall immediately report to the District any change or significant problem or failure of any kind related to the Wastewater Treatment Plant.

7.6 Tap Inspection. All sewer taps of District Users taps shall meet City specifications, including those set forth in Ordinance No. 334 and shall be inspected by the District before burial, at the District User's expense. For each new sewer tap installed within the defined Service Area, the District's system operator shall provide a written certification to the City that the sewer tap has been installed in accordance with applicable City specifications. Said certification shall also provide an estimated occupancy date for the residential or commercial structure, for purposes of assisting the City and District with determining the date that monthly billing related to the new sewer connection should commence, in accordance with Section 5.1 b), above.

7.7 Liability Insurance. The District shall maintain general liability insurance with respect to its operations throughout the term of this Agreement in accordance with Colorado statutory requirements or as otherwise agreed to in writing by the Parties. The City shall be named as an additional insured upon said policy and a copy will be supplied to the City annually.

7.8 Line Expansion. The District shall be fully responsible for all costs associated with repair or expansion of the lines within the Inside Service Area and the Outside Service Area.

7.9 No Unauthorized Users. The District will prevent unauthorized users and unlawful connections at all times during the term of this Agreement and will require all District

Users to comply with the District's rules and regulations as well as applicable City, County, State and Federal regulations.

7.10 Quantity Limitation. The District will never permit more sewage than an amount that will put the City's Wastewater Treatment Plant at 85% of permitted capacity without providing notice to the City in order that the City may initiate plans to undertake an Expansion Project.

7.11 Annual Report to District; Correspondence Regarding Wastewater Treatment Plant. The City shall be required to submit to the District on or before March 1 of each year, beginning with March 1, 2010, a report showing: (a) the aggregate annual flow data to the Wastewater Treatment Plant, including a breakdown of flow generated by all City Users and the flow generated by all District Users for the previous calendar year ended December 31; and (b) the annual operation and maintenance costs of the Wastewater Treatment Plant for the same period. Additionally, the City shall copy the District on any correspondence received from or sent to the Colorado Department of Public Health and Environment or any other governmental entity having jurisdiction over the operation of the Wastewater Treatment Plant. The District will reimburse the City for any actual out of pocket expenses incurred with copying and transmitting copies of said correspondence to the District. To the extent practicable, the City shall endeavor to forward copies of said correspondence to the District via email or other electronic delivery in order to limit the District's reimbursement obligation under this Section 7.11.

ARTICLE VIII

8.1 Wastewater Treatment Plant - Capital Projects. This Article VIII shall apply to any capital project or projects required to be undertaken to expand, replace, or make necessary repairs to the Wastewater Treatment Plant, including but not limited to: improvements required when the Wastewater Treatment Plant exceeds 85% of its hydraulic or organic capacity (referred to herein as an "Expansion Project"); or: (1) the Colorado Department of Public Health and Environment or the State requiring the Wastewater Treatment Plant to be replaced or modified, (2) functional obsolescence of the Wastewater Treatment Plant, or (3) necessary repairs to the Wastewater Treatment Plant (each of (1), (2) and (3) above constituting a "Capital Improvement Project"). In the event that an Expansion Project or Capital Improvement Project is required, the funding for the same shall be as set forth in Section 8.2 or 8.3 below, as applicable, and the City shall undertake the same in accordance with the provisions of Article IX.

8.2 Funding for an Expansion Project. The Parties acknowledge and agree that an Expansion Project shall refer to any capital project required to increase the capacity of the existing Wastewater Treatment Plant, based on growth within the Service Area or any areas annexed to the City on any date following the effective date of this Agreement ("Annexed Territory"). The District and the City shall share the costs of any Expansion Project based on their respective share of the addition of EQR's occurring within the Service Area and the Annexed Territory, with each party's respective share of the costs of the Expansion Project to be determined by comparing the rate of growth of EQR's within

the Service Area and the Annexed Territory which occurs on and after the date of mutual execution of this Agreement. For example, if it is determined that an Expansion Project is required in year 2015, and 30 EQR's have been added within the Service Area during the period 2009 through 2015 and 0 EQR's have been added within the Annexed Territory during that same period, the District would bear 100% of the costs associated with the Expansion Project. Similarly, if 30 EQR's have been added within the Service Area and 20 EQR's have been added within the Annexed Territory, the District would bear 60% of the costs associated with the Expansion Project (30 of 50 total new EQR's) and the City would bear 40% of the costs of the same (20 of 50 total new EQR's). Funds existing in the Deep Creek Fund shall be used to finance the District's share of the Expansion Project.

8.3 Funding for Capital Improvement Projects. The Parties acknowledge and agree that a Capital Improvement Project shall refer to any capital project included within the definition of Capital Improvement Project, as set forth in Section 8.1 above. The Parties further acknowledge and agree that if a Capital Improvement Project is undertaken, the City shall first be obligated to apply for State and Federal grants, including grants which may be available by or through Colorado Department of Public Health and Environment, in order to reduce the total project cost of the Capital Improvement Project. The City may finance any Capital Improvement Project through: (1) spending funds then existing in the Deep Creek Fund; (2) spending funds then existing in the City's water and sewer capital budget and appropriated for such Capital Improvement Project; (3) applying the proceeds of any grants awarded for the Capital Improvement Project; and (4) financing any remaining portion of the Capital Improvement Project through a loan or through proceeds of a revenue bond or bonds issued for the purpose of financing the Capital Improvement Project. If the City obtains a loan or issues revenue bonds to finance a Capital Improvement Project, and establishes a new temporary fee or fee structure to repay such loan or bond, the new fee shall apply equally to all City Users and District Users until such time as the loan is repaid or the revenue bond issued to fund the Capital Improvement Project has been fully defeased. The intent of this Section 8.3 is to ensure that each individual District User and City User bear an equal burden with respect to financing costs associated with any Capital Improvement Project required during the term of this Agreement. The District shall fully cooperate with the City in applying for any State or Federal grants, or in securing the financing required to undertake and complete a Capital Improvement Project.

ARTICLE IX

9.1 Ownership and Maintenance of the Wastewater Treatment Plant. The City owns, operates and maintains the Wastewater Treatment Plant at its sole cost and expense, for the benefit of all City Users and District Users, in accordance with applicable standards, policies, rules and regulations of the City, as the same now exist or may be amended from time to time. The City will retain complete ownership and control of the Wastewater Treatment Plant at the completion of any required Expansion Project

or Capital Improvement Project, and shall continue to be solely responsible for the maintenance and operation thereof.

9.2 New, Expanded or Improved Wastewater Treatment Plant. By execution of this Agreement, the Parties acknowledge that an Expansion Project or a Capital Improvement Project may be required at some point in the future. The overall time frame for planning and/or completion of the same is difficult to predict, given that there is no present need to expand, replace or repair the Wastewater Treatment Plant.

9.3 Cost Sharing. The District and the City will share in all costs associated with the design, permitting and construction of any Expansion Project or Capital Improvement Project required during the term of this Agreement, with such cost sharing to be as set forth in Sections 8.2 and 8.3 above.

9.4 Design and Construction Criteria and Detail. Design and construction of any Expansion Project or Capital Improvement Project shall comply with all applicable laws, regulations, codes and standards established by Federal, State and local agencies with approval or regulatory authority over wastewater treatment facilities, including but not limited to the Colorado Department of Public Health and Environment. The City shall have full authority of all designs, construction criteria, processes and detail.

ARTICLE X

10.1 Relationship of Parties. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners or employer-employee between the Parties.

10.2 Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an Agreement in writing duly authorized and executed by both Parties.

10.3 Waiver. The waiver of a breach of any of the provisions of this Agreement by either Party shall not constitute a continuing waiver or a waiver of any subsequent breach by the other Party of the same or another provision of this Agreement.

10.4 Integration. This Agreement contains the entire Agreement between the Parties and no statement, promise or inducement made by either Party or the agent of either Party that is not contained in this Agreement shall be valid or binding.

10.5 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then the legality, validity and enforceability of the remaining provision of this Agreement will not be affected thereby; and in lieu of each such illegal, invalid or unenforceable provision, there will be added automatically as part of this Agreement a provision as

similar in terms to such illegal, invalid or unenforceable provision as may be possible and which will be legal, valid and enforceable.

10.6 Governing Law and Venue. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado, and the Parties agree that the venue and jurisdiction over any claim arising from this Agreement shall lie in the District Court of Mineral County.

10.7 Headings for Convenience Only. The headings and captions contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the provisions of this Agreement.

10.8 Government Authority. The Parties shall comply with any and all valid Federal, State or local laws or regulations covering the subject of this Agreement and any and all valid orders, regulations or licenses issued pursuant to any Federal, State or local law or regulation governing the subject of this Agreement.

10.9 Default and Remedies. If either party believes the other is in default hereunder, a written notice specifying the default shall be sent from the non-defaulting party to the defaulting party and the defaulting party shall have thirty (30) days from the date the notice is mailed to respond to the default and ninety (90) days to cure the default, unless the Parties agree in writing to a different cure period under the circumstances then existing. The non-defaulting party shall be entitled to all remedies permitted at law or in equity.

10.10 Costs and Attorney's Fees. In the event of litigation arising out of this Agreement or an alleged default hereunder, in addition to any other remedies, the prevailing party shall be entitled to recovery of its costs and reasonable attorney's fees.

10.11 Force Majeure. Performance of this Agreement shall be delayed or excused to the extent that Acts of God, labor or material shortages, strikes, wars, insurrections or other circumstances beyond the control of the parties, including but not limited to adverse public finance market conditions or the inability of the parties to secure State or other available grant monies, either delay or prevent performance hereof.

10.12 Notice. Notices under this Agreement shall be by certified, return receipt requested mail and shall be effective and deemed received two (2) business days after deposit in the U.S. Mails. Notices shall be as follows:

If to the City: City of Creede
 Attn: City Manager
 P.O. Box 457
 Creede, Colorado 81130

If to the District: Deep Creek Water and Sanitation District
 c/o Grimshaw & Harring, P.C.
 1700 Lincoln Street, Suite 3800
 Denver, Colorado 80203

10.13 Indemnification. The District expressly states and agrees, to the maximum extent permitted by law, that it will indemnify and hold harmless the City, its Board members, officers, directors, agents, successors, assigns and representatives from any and all liability, damage, expense (including reasonable attorney fees, court costs, and all costs of investigation and discovery), causes of action, suits, claims or judgments arising from or relating in any way to the operation, maintenance or repair of the Wastewater Treatment Plant, injury to person or property or legal violations which occur on or about the Wastewater Treatment Plant and arise as a result of the maintenance, use, construction, repair and operation of the Wastewater Treatment Plant, except to the extent caused by the City's negligence or intentional acts or the negligence or intentional acts of third-parties.

10.14 Governmental Immunity. Nothing in this Agreement shall be deemed to waive or otherwise limit any and all defenses available to the Parties pursuant to the Colorado Governmental Immunity Act or as otherwise provided by law.

10.15 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts, each of which will constitute an original agreement, but all of which together will constitute a single agreement. A facsimile transmitted copy of this Agreement executed by one of the Parties hereto will be accepted as a copy of this Agreement originally executed by such Party.

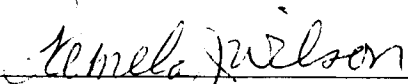
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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written, with an effective date of May 21, 2009.

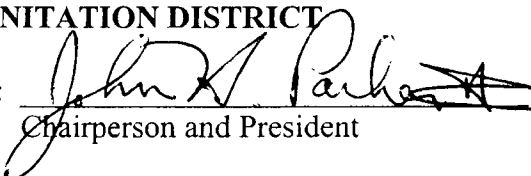
CITY OF CREEDE, COLORADO, a
Municipal Corporation of the State of
Colorado

By: 
Rex M. Shepperd, Mayor

ATTEST:


Pamela J. Wilson, City Clerk

**DEEP CREEK WATER AND
SANITATION DISTRICT**

By: 
Chairperson and President

ATTEST:


Secretary

Map of Service Area



WAIVER AND RELEASE OF LIABILITY

Subdivision: _____ Lot: _____ Block: _____
 Street Address: _____
 Owner Use: _____ Assigned EQR: _____ (may be amended by City)

IN WITNESS WHEREOF, we, (I), have hereunto set our (my) hand(s) and seal(s) this ____ day of _____, 20__.

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by _____.

My commission expires:

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EXHIBIT C

NOTIFICATION REGARDING PAYMENT OF
CITY SEWER SYSTEM DEVELOPMENT FEE AND RECEIPT OF WAIVER AND
RELEASE OF LIABILITY

Date: _____, 20____

To: Deep Creek Water and Sanitation District (*via email, email delivery preferred*)

From: City of Creede

The following address is within the Service Area of the Deep Creek Water and Sanitation District
and has applied for a sewer tap: _____

The City hereby notifies the District that (check all applicable boxes):

- ☐ The City has received the current Sewer System Development Fee ("SSDF") in the
amount of \$_____.
☐ The City has received an executed Waiver and Release of Liability.

In accordance with the intergovernmental agreement between the City and the District, the City
shall deposit the SSDF in the Deep Creek Fund, as that term is defined in the Agreement.

Certified this ____ day of _____, 20____.

Name: _____

Title: _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

SPECIAL DISTRICTS GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)

City of Creede

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage", "personal and advertising injury" or "special district professional activity liability" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:


- A. In the performance of your ongoing or completed operations; or
- B. In connection with your premises owned by or rented to you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change
Number: 1

POLICY NUMBER SDISSP 9150433-2	POLICY CHANGES EFFECTIVE 11/21/2008	COMPANY American Alternative Insurance Corporation
NAMED INSURED Deep Creek Water & Sanitation District		AUTHORIZED REPRESENTATIVE Mark Schmidt
<p style="text-align: center;">CHANGES</p> <p style="text-align: center;"><i>Limit to 1,000,000</i></p> <p style="text-align: center;">In consideration of the premium charged, it is hereby agreed that:</p> <p style="text-align: center;">Form SGL301 is made a part of the policy.</p>		


Authorized Representative Signature