

Exhibit A
STEAMBOAT LAKE WATER AND SANITATION DISTRICT
SANITARY REIMBURSEMENTS AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 2004 by and between the District of Steamboat Lake Water and Sanitation District, a Colorado special District (hereinafter referred to as ("District")), and _____ (hereinafter referred to as ("Owner")):

RECITAL

WHEREAS, the Owner desires to build a water/sewer extension through public rights of way and utility easements from the existing water line/sanitary sewer line to serve a certain area within the District, as that area is more particularly described on the plat attached hereto as Exhibit A and incorporated by reference; and

WHEREAS, the District has no plans for the installation of this proposed water/sewer extension, but is agreeable to such extension by Owner in accordance with plans and specifications approved by the District's Engineer and

WHEREAS, Owner has advanced the necessary funds for the installation of said water/sewer extension as an extension of the District's water/sewer system, such monies in the amount of \$ _____, which amount includes engineering, engineering review and any easement costs, and;

WHEREAS, the District, in consideration of the Owner advancing the necessary funds, including engineering and easement costs, for the installation of the aforesaid water/sewer extension, does hereby agree to charge and attempt to collect from the owners of land (other than the land owned by Owner) to be served by the aforesaid water/sewer extension, sums of money more specifically set forth hereinafter, which sums shall be paid to Owner, in order to reimburse Owner for that portion of the cost of the aforesaid water/sewer extension which exceeds Owner's (pro-rated) cost as determined by the method set forth hereinafter; and

WHEREAS, Owner has provided District with a list of all of Owner's lots which are to be served by the extension, and a list of all other lots which are to be directly served by such extension, on Exhibit B, attached hereto and incorporated herein, by reference.

WHEREAS, the parties acknowledge that the benefits of the installation of the said water/sewer extension will inure to both the District and the Owner, their heirs, successors, and/or assigns and to the owners of all other land to be served by said water/sewer extension; and

NOW, THEREFORE, this agreement witnesseth:

THAT for and in consideration of the premises contained herein the parties agree as follows, intending to be legally bound thereby:

- A. The foregoing recitals are incorporated by reference.
- B. Owner has installed and paid for the installation of the aforesaid water/sewer extension.
- C. Owner has document, through invoices, canceled checks and other accounting information as required by the District, its actual cost for installation of the aforesaid water/sewer extension which shall be used as the basis for determining the final eligible reimbursement fees.

The actual cost of the water/sewer will equal the total cost incurred by the Owner in connection with the construction of the water/sewer line and its acceptance by the District, including without limitation, the cost of design, engineering, substantiated ordinary overhead and construction.

- D. The amount to which the Owner shall be reimbursed shall not exceed its actual cost (including engineering and easement costs) for installation of the aforesaid water/sewer extension. For example, if the actual cost of the water/sewer extension is \$150,000.00, the maximum amount to which owner will be entitled to be reimbursed, plus interest shall be determined as follows:

$$\text{Actual cost} \div \text{number of lots with newly-created water/sewer access} = \text{per-lot cost.}$$

If there are ten (10) lots benefited and the developer owns seven (7), the maximum amount to be reimbursed to Owner would be \$45,000.00, assessed to the other three (3) individual lots (not owned by Owner) at \$15,000.00 each.

- E. The District agrees to charge and attempt to collect the applicable reimbursement amount, plus interest as set forth in Paragraph F hereinafter, as a surcharge on the TAP fee on a pro rata basis from landowners, upon their application to connect to or contribute sewage to the water/sewer extension. The Owner, its successors in title, is exempted from payment of the surcharge, with respect to such lots as are held by Owner.

- F. An interest rate of 8% per annum shall be computed and added to each pro rata payment to be made by a landowner. The interest on each pro rata payment of the pro rata surcharge fee is received by the District for the benefit of the District to defray the administration and collection costs; provided, however, that no interest shall accrue for any period occurring after the expiration of ten (10) years from the date of completion and acceptance of the water/sewer extension by the District. That is, if any pro rata payment is made after the tenth anniversary of the date of completion and acceptance of this water/sewer extension, interest will only be computed for the first ten (10) years.

- G. No reimbursement payments will be made to the Owner prior to the acceptance by the District of the water/sewer extension into the District's Water/Sewer System.

- H. Payments to Owner, its assignee or successor, will be made annually in January for not more than ten (10) years and shall be sent to the following address: _____
 _____ or as otherwise directed by owner, its

assignee or successor.

I. It is understood and agreed by the parties hereto that the Owner shall have no interest in or to the aforesaid water/sewer extension and it shall become the property of the District when it is accepted into the District's Water/Sewer System.

J. It is understood and agreed by the parties hereto that the District and its agents shall incur no liability for failure to collect the aforesaid sums of money, nor shall any sums collected for other purposes be subject to the claims by or against Owner. Furthermore, in the event that a lot owner, who is assessed a pro-rata share hereunder, brings legal action against the District related to the District's administration or enforcement of this Agreement, the Owner agrees to indemnify and defend the District and to reimburse the District for any costs, legal fees, expenses or awards against the District.

K. It is understood and agreed by the parties hereto that no modification of this Agreement shall be allowed for any reason except by the mutual agreement of both parties, executed by their respective duly authorized officers.

L. It is understood and agreed by the parties hereto that all obligations of the District hereunder shall commence only upon the District's receipt and acceptance of the Owner's improvements.

M. This Agreement shall become null and void ten (10) years from the date the aforesaid water/sewer extension is accepted into the District's Water/Sewer System. The District shall retain all right, title and interest to the aforesaid water/sewer extension.

N. It is understood and agreed by the parties hereto that the installation of the aforesaid water/sewer extension does not guarantee sewage treatment capacity by the District; nor guarantee, modify, restrict or change District policies for immediate or future provisions of sewage treatment capacity.

O. If any provision of this Agreement is held invalid for any reason whatsoever, such invalidity will not affect any other provision that can be given effect without the invalid provision and, to that end, provisions of this Agreement are declared to severable.

P. This Agreement will bind and inure to the benefit of the parties and their respective successors and assigns.

WITNESS the following signatures:

By: _____
(Authorized District Officer)
Steamboat Lake Water and

Attest: _____
Secretary to the District

By: _____
Its: _____

EXHIBIT A

(Plat, attached)

EXHIBIT B

List of Owner's Lots

List of Other Lots
