

MINTURN/GINN WATER SERVICE AGREEMENT
Summary of Terms

1. Water Service. The Town will provide water service to the Project, which may include a maximum of 1700 units, associated commercial development, employee housing, common areas and open space, and no more than 36 holes of golf.

2. Ginn Provides Water Rights. Ginn will provide water rights and water storage to the Town as necessary to allow the Town to provide this water service. The Town will own all the water rights so provided, but the Project will have the first claim on the water derived from those rights. Ginn will immediately convey to the Town the Bolts Ditch and Arminda Ditch water rights, and its contract with the Colorado River District for 18 acre feet of water from Eagle Park Reservoir.

3. Ginn will construct or fund the construction of:

a. Bolts Lake. Ginn will reconstruct Bolts Lake if required approvals and permits can be obtained. Ginn's best efforts are committed to obtaining these approvals. 160 acre feet of capacity will be dedicated to the Town.

b. New water treatment plant with capacity sufficient to serve the Project and the existing and future needs of the Town. The capacity funded by Ginn will include the capacity necessary for the Town's existing needs and 50% of the estimated needs of the Town for future growth. That equates to about 1,800 – 2,000 additional people in the Town, not counting the Ginn Project.

c. New Town water main from the new water treatment plant to the Turntable restaurant, and then to the end of Taylor Street, with extensions to the Pearson property and the public works building near the cemetery. The extension to the public works building will be sized to accommodate water service to future public development by the Town (for example, the new recreation center). The construction of the new main will occur in conjunction with the installation of sewage collection lines and the work on Main Street and sidewalks.

d. New potable water storage tank(s) with capacity sufficient to serve the Project and the existing and future needs of the Town.

4. Bolts Lake: Ginn will provide an easement for operation and use of Bolts Lake in the Town's water supply system. Storage capacity in Bolts Lake not being used by the Town will be leased to Ginn on a year-to-year basis for the cost of the pro rata share of operation and maintenance, plus a 10% markup. If Ginn is unable, despite best efforts, to obtain the necessary permits and approvals for Bolts Lake reconstruction, Ginn will provide 160 acre feet of comparable storage at an alternative location upstream of Dowd Junction. Water taps for development on property annexed into the Town or private development on the Forest Service parcels within the Town (excluding employee housing for Town and Ginn employees and for public service workers, and also excluding development on the Maloit Park property) will be

charged a cash-in-lieu fee and reimbursement for the pro rata cost of Bolts Lake used by the tap will be provided from that fee to Ginn.

5. Tap Fee Credits. Ginn will get credit against tap fees for the amounts it expends for the water treatment plant, the new Town main, the storage tank and other treated water facilities.

6. Subdivision Improvements Agreements. The water facilities necessary for each proposed phase of construction will be addressed in an SIA that will be approved in connection with each final plat.

7. Minturn Costs. Ongoing costs incurred by Minturn will be reimbursed by Ginn, including the costs of Water Court litigation.

8. Service Fees. The Agreement had previously provided that the residents of the Town outside the Ginn Property shall not be required to pay increased water service fees as a result of the provision of Water Service to the Project. We've now added a paragraph stating that in order to achieve that result, it may be necessary to allocate for some period of time a portion of the operation and maintenance costs for which Minturn is responsible to the Ginn Entities until service fees to Minturn are sufficient to fund such costs without adverse impact to the residents of the Town outside the Ginn Property. This issue will be addressed in future Subdivision Improvements Agreements.

9. Security. Security will be provided for the cost of construction of Bolts Lake, \$3 million immediately and 125% of the remaining cost of construction after the annexation is final. Ginn also provides a warranty and performance guaranty for Bolts Lake. Other Ginn obligations are secured by either a letter of credit, escrow, or performance bond as appropriate, for 125% of the estimated cost.