

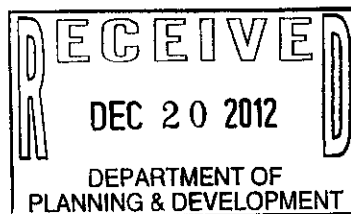


Colorado Springs Utilities

It's how we're all connected

December 18, 2012

Ms. Joan Armstrong
Director of Planning and Development
Pueblo County
229 w. 12th Street
Pueblo, CO 81003



Re: Road Rehabilitation Transfer

Dear Ms. Armstrong:

As you are aware, paragraph #2 on page two of the May 29, 2012 letter agreement between Colorado Springs Utilities (CSU), on behalf of the SDS participants, and Pueblo County (County) provides, in part, that:

“Colorado Springs Utilities will inform Pueblo County, in writing, when a road is no longer being used for project and reclamation construction activities; when maintenance of the road, as provided in Permit Mitigation Appendix CR-5, has been completed and when accepted in writing by the County, road maintenance responsibilities will then be terminated for that road.”

This correspondence is being provided to inform you of the fact that CSU is no longer utilizing the approved County haul roads located between the intersection of Purcell Boulevard and Interstate 25 to the north and Purcell Boulevard and U.S. Highway 50 to the south for project and reclamation construction activities subject to the exceptions noted below. Maintenance of these roadways, including Purcell Boulevard between I-25 and Hwy 50, Industrial Boulevard, Blythe Drive, Holiday Drive, Ranch Drive, Platteville Boulevard and Jaroso Drive, has been completed as identified in the attached haul route maintenance plan update report, and CSU awaits written acceptance of the roads by the County. It is CSU's understanding that the County may inspect the roads for visual verification of the representations set forth in the report.

CSU further requests that the County indicate, in writing, its acceptance of the remaining terms of this letter. In particular, it is our understanding that the County and CSU agree upon the following:

1. There will be some infrequent traffic along Purcell Boulevard associated with the inspection and maintenance of required revegetation activities. This traffic should have no impact on the roads over and above that occurring as a consequence of normal commercial traffic along the roadway, and therefore CSU will have no further road maintenance obligations on these roadways. Should CSU, for some unanticipated reason such as a total loss of newly planted vegetative cover, need to utilize the roads once again for project related activities involving

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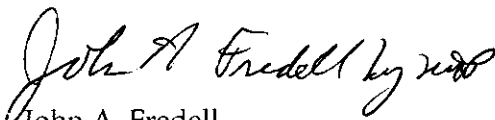
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the more frequent use of heavier pieces of equipment, notification will be provided to the County prior to use of the roadways and such use will be coordinated with the County.

2. CSU and its contractors remain responsible for all obligations arising under the two year road crossing warranties associated with previously obtained County right-of-way excavation permits for the life thereof notwithstanding acceptance of the roads for rehabilitation by the County.
3. In conjunction with SDS construction activities, the terms and conditions pursuant to Condition 13 of 1041 Permit No. 2008-002 and Mitigation Appendix CR-1 through CR-11 made a part of the Permit relating to maintenance and rehabilitation of haul roads applies only to County Roads.
4. It is the current intent of Pueblo County to utilize the \$15M of road rehabilitation monies to be paid under the May 29, 2012 letter agreement for road rehabilitation activities within Pueblo West on those County roadways included in the approved County haul route plan.

We look forward to your written concurrence with the terms of this letter and the County acceptance of the above-reference roads for rehabilitation purposes as provided under the May 29, 2012 agreement.

Regards,

A handwritten signature in black ink, appearing to read "John A. Fredell". The signature is fluid and cursive, with a stylized "J" and "F".

John A. Fredell
SDS Program Director

cc: Gary Raso