

LOT CONSOLIDATION AGREEMENT

THIS LOT CONSOLIDATION AGREEMENT (the "Agreement") is made and entered into by and between the persons and/or entities whose names, addresses, and signatures are set forth at the end of this Agreement (collectively herein referred to as "Owner"), and the Morrison Creek Metropolitan Water and Sanitation District, a Colorado special district located in Routt County, Colorado (the "District").

RECITALS

WHEREAS, Owner is the owner of the platted lots at Stagecoach, all of which are within the boundaries of the District, consisting of approximately _____ acres, as more particularly described as follows:

Lot(s) _____, _____ Subdivision at Stagecoach (hereinafter referred to as the "Consolidated Parcel"),

and such Consolidated Parcel is or will be the subject of a replatting by which the platted lots are or will be all consolidated into a single Consolidated Parcel as shown on such plat, which has been or will be filed for record with the Routt County Clerk and Recorder (the "Plat"); and

WHEREAS, the Owner or the successors in ownership of the Consolidated Parcel intends to construct an engineered septic system for such Consolidated Parcel when a residence is constructed thereon, and may apply for an exempt water well permit in the name of the Owner, and construct and use an exempt water well within the Consolidated Parcel, to provide domestic water service to such residence and Consolidated Parcel, in accordance with this agreement; and

WHEREAS, Owner acknowledges that there is no central distribution water main line or central sewage collection main line serving the Consolidated Parcel; and

WHEREAS, in the future, extensions of the District's sewage collection trunk lines and/or water supply trunk lines or appurtenances may become situated within a distance of 400 feet or less from the boundary of the Consolidated Parcel (such District-owned water and sewage collection trunk lines are hereinafter referred to as "main lines"); and

WHEREAS, the Owner or the successors in ownership of the Consolidated Parcel desires to construct a single-family dwelling on the Consolidated Parcel; and

WHEREAS, The District requires that the Owner enter into this Lot Consolidation Agreement as a condition to any consent from the District for such consolidation.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Owner and the District hereby agree as follows:

1. Every water well permit of any kind for a water well on the Consolidated Parcel, if obtained, shall be obtained by Owner and not by the District from the office of the State Engineer, at the expense of the Owner. The Owner is responsible for obtaining the well permit application form, completing the same, and delivering the permit application with the application fee to the State Engineer's Office ("SEO"). The District does not represent or warrant that the State Engineer will issue the well permit. The Owner will promptly provide such additional information, if any that the State Engineer's Office requests in connection with review of such permit application. The Owner will promptly notify the District Manager of the action taken by the State Engineer on such application. Any exempt well permit on the Consolidated Parcel, if issued, will be limited to in-house use only for one residence. The Owner may choose, in such Owner's sole discretion, to obtain a water augmentation contract with the Upper Yampa Water Conservancy District (the "UYWCD") to augment such exempt well. The Owner is solely responsible at his or her or its cost to negotiate and obtain such water augmentation contract from the UYWCD in the name of the Owner, and at all times and at Owner's expense to comply with and perform all terms and provisions thereof. The District has no responsibility to locate, construct, operate, maintain, repair, or replace any such water well on the Consolidated Parcel. The District does not represent or warrant that a water augmentation contract from the UYWCD is required or advantageous to Owner, and does not represent or warrant that any such contract can be obtained or will be helpful or useful for Owner. The District has no control over or influence upon the terms or conditions or fees in any such UYWCD water augmentation contract, all of which must be paid on a timely basis by Owner.
2. If there exists any water well of the District within 600 feet of the proposed exempt well location on the Consolidated Parcel, the District may take such actions as are prudent and protective of the District's municipal water supply.
3. After a well permit is obtained, the drilling, completing and installing of any water well of any kind, and any improvements to treat, store, transport, or pump any water from such well, shall be the sole responsibility of Owner, and the District has no responsibility to accomplish any of the foregoing or to pay for any costs of doing so. Promptly after completion of any such well, the Owner shall complete and sign and deliver to the SEO such well driller's reports and forms and such completion and beneficial use statements and other forms as are required by the SEO in order to complete the application process and the vesting of the rights in the well in the name of the Owner.
4. If, subsequent to the initial filing for the well permit by the Owner, the SEO or the Division Engineer requires any other action, form, filing, or cost in order to perfect or permit or retain or complete the well, then such action, form, filing, or cost shall be the sole responsibility of the Owner and not the District. The Owner acknowledges that there are deadlines imposed by the SEO for completion of a well after issuance of a well permit, and it is the responsibility of the Owner to know and comply with such deadlines. Owner will fully and timely comply at all times and at the Owner's sole cost with all of the conditions of the well permit.

5. All water court applications for conditional and absolute water rights for water produced or to be produced by any such water well on the Consolidated Parcel shall be applied and prosecuted to completion by and at the cost of the Owner, and shall be in the name of the Owner, and the District may through its counsel appear in such case and defend its interests.
6. The Owner shall be solely responsible and liable for the costs and expenses of complying with well regulations of the State Engineer and any Wellhead Protection Plan regulations of the District applicable to such well and the Consolidated Parcel. The District disclaims any representation or responsibility for quality, quantity or duration of water flow from any such well, or for the issuance of any well permit by the State Engineer's Office.
7. The Owner shall be solely responsible for installation, maintenance and testing of any chlorination or treatment system necessary to provide potable water from the well and for payment of the costs thereof. The Routt County Department of Environmental Health may from time to time test the potability of water from any well, but the District has no liability or obligation to Owner or any other person in the event water from any well is unsafe or not potable at any time. The Owner acknowledges that the well permit may require that the return flow from the use of such well must be through an individual waste water disposal system of the non-evaporative type where the water is returned to the same stream system in which the well is located, and if such requirement is included in such permit, the Owner, and not the District, will comply with such condition.
8. The Owner and the District agree that if either a water main line or sewer main line of the District is constructed and installed in the future, either by the District or by any other party, which is located within the boundaries of the Consolidated Parcel or within 400 feet of the boundary of such Parcel, then the Owner shall at Owner's sole cost promptly construct appropriate main line(s) and facilities to complete the District's trunk line(s) serving the Consolidated Parcel in conformance with an extension layout from the District Manager and rules and regulations and technical standards of the District, shall convey by deed and turn over to the District all such main lines upon their final acceptance by the District, and shall also construct appropriate service line(s) and facilities and interconnect the water and/or sewage disposal facilities in any dwelling(s) on said Consolidated Parcel to such applicable main line(s) of the District, in accordance with the Rules and Regulations of the District.
9. At the time of any main line(s) construction performed to serve said Consolidated Parcel as agreed to by the Owner per the above Paragraph 8, the Owner agrees to pay to the District a special line extension charge calculated on the same general basis as any prevailing special line extension charges or assessments levied on lots in the same general vicinity as the Consolidated Parcel, regardless of whether such charges or assessments on said lots in the same general vicinity are/were levied by the District, by any other duly constituted entity, or via a line extension agreement between the District

and a private party. Said special line extension charge may be reduced from the prevailing rate by the amount of properly documented main line extension costs incurred directly by the Owner while originally completing the well.

10. The Owner will pay, at the time of interconnection of any dwelling(s) on the Consolidated Parcel to the District's main line(s), water and/or sewage disposal tap-on fees to the District at the District's then existing rates, inclusive of any special tap-on fees prevalent in the general area of the Consolidated Parcel (unless the Owner is then entitled to any tap-on or special tap-on fee credits pursuant to policies and procedures of the District), shall pay for all costs of all service line(s), appurtenances, inspections, and connections(s), and hereby agrees to comply with the Rules and Regulations of the District in making such interconnections. Owner will thereafter promptly pay all municipal water and wastewater service charges and assessments of the District in accordance with its Rules and Regulations.
11. Owner understands that the District will require Owner to perform all necessary engineering, work, and inspections both to extend District main line(s) immediately and to install service line(s) whenever a dwelling exists in the event that a central system water main line or central system sewage collection main line of the District is constructed within the Consolidated Parcel or within 400 feet of the boundary of the Consolidated Parcel, regardless of the time or source of construction or payment for construction of such main line(s).
12. After connection of the potable water system of the dwelling on the Consolidated Parcel to a water main line of the District, the potable water system of the dwelling shall be disconnected from any water well constructed on such Parcel, any back-flow prevention device required by the District Manager shall be installed at Owner's cost, use of the exempt water well to provide potable water to and within any dwelling on the Consolidated Parcel shall automatically and wholly cease and terminate, such exempt water well shall be sealed, and the well permit for such exempt well shall be surrendered up to the SEO and cancelled and terminated. In the event Owner shall fail or refuse to connect to such District water main line, then the District may, within sixty days after written notice by the Board of Directors to do so, cause such connection to be made and the costs and expenses incurred in making such connection shall be promptly reimbursed by Owner or such successor owner of the Consolidated Parcel to the District. Such costs and expenses, and interest on the same at the rate of 12% per annum until paid, and attorney's fees incurred by the District by reason of such failure and to collect such reimbursable expenses, shall all be a perpetual lien on and against the Consolidated Parcel and may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics' liens.
13. Notwithstanding the foregoing, the District reserves the right, in its discretion, to construct and install water and sewage collection main lines and appurtenances and facilities on the Consolidated Parcel within easements and rights-of-way which the District now has or may become vested of record and entitled to use ("District

Easements”), and to access such main lines and appurtenances and facilities on, over and across such District Easements within the Consolidated Parcel, in the sole discretion of the District. The District may, in its sole discretion, choose to vacate and release any public utility or District easements located within the Consolidated Parcel at any time or times, but the Owner is not entitled to any such vacation or release unless specifically approved by favorable vote of the Board of Directors of the District.

14. In addition, Owner hereby conveys to the District a non-exclusive access license, coupled with an interest, 12 feet wide, on and over and across the Consolidated Parcel for vehicular ingress and egress from the nearest County-maintained County Road to any District main lines and appurtenances and facilities which may hereafter be installed within such District Easements on such Consolidated Parcel, provided that the District will use to the maximum extent practicable existing driveways and roads within the Consolidated Parcel, and will repair at its cost damages to the Consolidated Parcel by reason of use of such license outside of such District Easements. Upon request of Owner after installation of any District main lines and appurtenances within the District Easements, such access license may be limited by written agreement to a specific driveway location mutually agreed to.
15. Nothing herein shall obligate the District, directly or indirectly, to construct or finance or acquire any water or sanitary sewer main lines or facilities to or near the Consolidated Parcel.
16. The Owner and the heirs, representatives, successors and assigns of the Owner, agree to the inclusion of the Consolidated Parcel in any County Public Improvement District or Local Improvement District or District created Special Improvement District hereafter formed or proposed to be formed for the purpose of constructing or extending underground utility services including water and sanitary sewer main lines within an area which includes the Consolidated Parcel, and do further agree to execute any lawful petition for the formation of any such District when requested to do so.
17. If any provision of this Agreement shall be held by any court to be illegal, invalid, or unenforceable, the remainder of this Agreement shall not be affected thereby, and in lieu of each provision of this Agreement that is held to be illegal, invalid, or unenforceable, a provision shall be added as a part of this Agreement as similar in terms to such illegal, invalid, or unenforceable provision as may be possible but containing the minimal language change necessary to make such substitute provision legal, valid and enforceable.
18. This Agreement shall be binding upon the Owner, the heirs, representatives, successors and assigns of the Owner to the Consolidated Parcel, shall run with the Consolidated Parcel to the successive owners thereof, and shall inure to the benefit of the District. This Agreement shall be construed under Colorado Law. References to any pronoun or to the singular or plural herein shall include any other pronoun and the plural or singular as necessary for a reasonable understanding of this instrument. This Agreement is

