

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 ("Owner"), and the Morrison Creek Metropolitan Water and Sanitation District, a Colorado special district located in Routt County, Colorado ("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 on Exhibit "A" attached hereto (the "Consolidated Parcel"), and such Consolidated Parcel is the subject of a replatting by which the platted lots are all consolidated into a single Consolidated Parcel as shown on such plat, which is filed for record in the office of the Routt County Clerk and Recorder, File No. _____, Reception No. _____ (the "Plat"); and

WHEREAS, the Owner or the successors in ownership of the Consolidated Parcel intend to construct an engineered septic system for such Consolidated Parcel when a residence is constructed thereon, and may construct a water well within or adjacent to the Consolidated Parcel to provide water service to such 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 any point within the boundaries of the Consolidated Parcel (such District-owned water and sewage collection trunk lines are hereinafter referred to as "main lines"); and

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

WHEREAS, Owner acknowledges that there is no central distribution water main line or central sewage collection main line serving the Consolidated Parcel and that there is a possibility that the District or others may construct such a water main line or sewage collection main line within 400 feet of any point within the boundaries of the Consolidated Parcel in the future; and

WHEREAS, it is the policy of the District to encourage or require that all wells constructed within the boundaries of the District to be titled in the name of the District in order to enhance the water supply in the Stagecoach area by preserving and protecting all wells, domestic, exempt or otherwise; and

WHEREAS, Owner has shown on the plat the dimensions of a building envelope within the Consolidated Parcel, within which the single-family dwelling will be constructed.

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

1. 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 400 feet of any dwelling(s) on the Consolidated Parcel, then upon the written demand of the District, the Owner shall at Owner's sole cost promptly 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.

2. 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.

3. The Owner shall not cause, or knowingly permit or allow, any water well, whether a domestic well, exempt well, or otherwise, to be drilled or installed on the Consolidated Parcel, except in accordance with the following procedure and requirements:

a. Every water well permit application for a water well proposed to be used on the Consolidated Parcel shall be filed not by the Owner but by the District with the office of the State Water Engineer in the name of the District, at the expense of the Owner. The Owner is solely responsible for obtaining the well permit application form, completing the same to the best knowledge, information, and belief of the Owner, and delivering the completed permit application to the District Manager. If there exists any other water well within 600 feet of the proposed well location, the Owner will advise the District manager of such fact at time of delivery of the application. The District manager shall file such application in the name of the District with the State Engineer's office, and shall take reasonable steps to process and pursue finalization of such application in a timely and efficient manner, provided that:

(i) if any hearing or proceeding is held by the State Engineer or his designee on such application, the Owner shall appear and shall reimburse the District for any expenses and legal fees the District may incur in appearing at such hearing or proceeding;

(ii) if the State Engineer requires any further information or documents to support such application, then upon request of the District the Owner will at his cost provide such information and documents to the District;

(iii) the District does not warrant or guarantee that the State Engineer will act favorably on any such application, and the District shall have no liability in the event of any adverse decision on the application by the State Engineer, unless the District is grossly negligent or commits willful and knowing misconduct; and

(iv) the District will promptly notify the Owner of the action taken by the State Engineer on such application.

b. 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 responsibility of Owner, and District has no responsibility to pay for any costs of same. Promptly after completion of any such well, the Owner shall complete and file with the District manager, for filing with the State Engineer's office, such well driller's reports and forms and such completion and beneficial use statements and other forms required by the State Engineer in order to complete the application process and the vesting of the rights in the well. Owner will obtain such forms directly from the Division Engineer or State Engineer's office, but upon request of Owner, the District Manager will provide assistance in obtaining and completing such forms.

c. All conditional and absolute water rights for water produced or to be produced by any such water well shall be applied for by and at the cost of Owner but shall be in the name of and owned by the District. The District shall lease back to the Owner all or a portion of the water and water right of and from and such water well upon the following terms and conditions:

i) Rental shall be one dollar per year;

ii) The lease shall be non-exclusive (the District shall have the right to lease undivided portions of the water produced from such well to adjacent property owners), provided that the Owner at all times shall have an adequate supply of domestic water for in-house use in the dwelling on the Consolidated Parcel and, provided further, that any other property owner to whom a lease is given by the District for water from such well shall first reimburse to the Owner a pro-rata share of the cost and expense of construction and installation of the well, adjusted to take inflation into account. If any interest in such well is leased to adjacent property owners, Owner shall, without cost, permit such adjacent owners to install and use new water service lines connecting to such well or its appurtenances, at a reasonable location approved by the Owner, provided that no such service line shall interfere with the use and enjoyment of the dwelling and other improvements on the Consolidated Parcel; and

iii) Owner and the lessee of water from any well shall be jointly and severally responsible and liable for the costs and expenses of maintenance, repair, improvement and replacement of such well and its appurtenances. Owner and each person who install a water service line to deliver water from such well or appurtenances to a dwelling shall be separately responsible for the maintenance, repair, improvement and replacement of the service line to such person's dwelling, without right of contribution from any other person unless such other person also receives water out of such service line.

d. In the event Owner proposes to drill any water well on common area within Stagecoach, the Owner shall first obtain the written permission of the Stagecoach Property Owners' Association. Owner hereby conveys to the District a non-exclusive access easement, 20 feet wide, on and over the Consolidated Parcel for vehicular ingress and egress from the nearest County-maintained County Road to any well hereafter installed on such Consolidated Parcel, which easement shall be fracturable and interests therein may be leased to adjacent property owners in the event of lease by the District of undivided interests in the water from such well to any adjacent property owner. Upon request of Owner after installation of any such well, such access easement may be limited by written agreement to a specific location mutually agreed to.

e. Owner and all lessees of water from any such well shall be jointly and severally responsible for installation, maintenance and testing of any chlorination or treatment system necessary to provide potable water and for payment of the costs thereof. The District 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 lessee or any other person to make any such test, or to take any action whatsoever in the event water from any well is unsafe or not potable at any time.

4. The District disclaims any representation or responsibility for quality, quantity or duration of water pumped or flowing or which may be produced from any water well, the permit or water right for which is in the District's name. The District further disclaims any responsibility for the maintenance, repair, replacement or improvement of any water well in the name of the District or any appurtenance thereto or the treatment or manner of delivery of water therefrom. The Owner acknowledges and agrees with and consents to the disclaimers of the District contained in this paragraph.

5. Notwithstanding the foregoing, the District reserves the right, in its discretion, to provide municipal water and wastewater service to improvements on the Consolidated Parcel and to the Consolidated Parcel, and to construct and install water and sewage collection lines and facilities on the Consolidated Parcel within easements and rights-of-way which the District may become entitled to use, in the sole discretion of the District.

6. The District shall not be obligated directly or indirectly to construct or finance or acquire any water or sanitary sewer main lines or facilities to or near the Consolidated Parcel.

7. If any provision of this Agreement shall prove 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 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.

8. This Agreement shall be binding upon the Owner, his heirs, representatives, successors and assigns 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 irrevocable and binding upon Owner after Owner=s execution hereof and issuance of a building permit for a dwelling on the Consolidated Parcel, regardless of the time of execution hereof by the District. This Agreement may be executed by any director or attorney-in-fact for the District.

EXECUTED on the respective dates set forth below.

OWNER(S):

Date: _____

(Signature)

Print Name

Address

Address

Date: _____

(Signature)

Print Name

Address

Address

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this _____ day of _____, 200_____, by _____, as Owners of the Consolidated Parcel.

WITNESS my hand and official seal.

Notary Public

My Commission expires: _____

MORRISON CREEK METROPOLITAN
WATER AND SANITATION DISTRICT

Date: _____, 200 ____ By: _____
District Manager

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this _____ day of _____, 200_____, by _____, as District Manager of the Morrison Creek Metropolitan Water and Sanitation District, a Colorado special district.

WITNESS my hand and official seal.

Notary Public

My Commission expires: _____