

MORRISON CREEK METROPOLITAN WATER & SANITATION DISTRICT

24490 Uncompahgre Road Oak Creek, Colorado 80467

Phone (970) 736-8250 FAX (970) 736-0177

Email: gdromero@mcwater.org

January 28, 2021

Mr. Kris Reinsberger
1205 Hilltop Parkway
Steamboat Springs, CO 80487

RE: Commitment Letter for District Central Water & Sewer Service to Re-Subdivision of Filing 2 of Snokomo Estates

Dear Mr. Rainsberger:

You or an entity controlled by you are the owner and/or developer of Filing 2 Snokomo Estates in Stagecoach (the "Subject Property"), which is located within the boundaries of the Morrison Creek Metropolitan Water & Sanitation District (the "District"). Said Subject Property consists of 5+ acres currently consisting of 3 duplex lots. You are proposing to re-subdivide the Subject Property into 13 new single-family residential lots, and you are requesting central municipal water service and sanitary sewer collection service to all of the re-subdivided residential lots in the Subject Property.

This letter shall serve as the conditional agreement and commitment of the District that it will make available to the Subject Property the existing sewage disposal trunklines and water distribution trunklines and appurtenances of the District, and shall serve the Subject Property with central collection and treatment of raw sewage and central water service, PROVIDED, however, that this commitment is conditioned upon and subject to each of the following:

(a) As used in the letter, you are sometimes referred to as the "Developer," and the term "Engineer" shall be such person or firm as chosen by the District Manager of the District for consultation.

(b) Construction, maintenance and operation of water and sewer trunk lines, service lines and appurtenances on and to the Subject Property shall be subject to all terms, limitations and provisions of the District's rules and regulations, policies and specifications for mainline construction in effect from time to time.

(c) A District sewage collection trunk line and a District central water trunk line do not currently serve the Subject Property. A force-main sewage collection trunk line is located inside

and near the southern boundary of the Subject Property, but since it is a force-main delivering sewage eastward and uphill from a sewage pumpstation in Meadowgreen Subdivision, you are not permitted to connect to or intercept such force-main with any of your proposed re-subdivided lots. You, as developer, shall engage a licensed civil design engineer, at Developer's sole cost, to design appropriate extension of the District's sewage collection trunkline from manhole(s) within the Red Hawk Village property, and an extension of the District's water trunk line from its current terminus southerly of the Subject Property and within the County Road ROW. Such water and sewer trunkline extensions with appropriate service line extensions to lot lines shall be installed at the sole cost of the Developer, without reimbursement. The sewage collection trunkline extension from manhole(s) within the Red Hawk Village property will provide gravity sewer service for all of the re-subdivided lots.

(d) Prior to construction of any sewer trunk line or appurtenance on or to or within the Subject Property, the Developer shall prepare and submit, at Developer's sole cost two (2) copies of the final plans and specifications for the water and sewer improvements to the District Manager for written approval. The Manager shall engage an independent engineer as needed to aid in the review and approval of the plans and specifications for the project, and the costs to the District for such engineer's services to the District shall be reimbursed to the District by the Developer.

(e) Developer shall execute a subdivision improvement agreement with Routt County committing to complete the installation of the required water and sewer trunk lines to the Subject Property as described under paragraph (c) above, and within the Subject Property for availability to all re-subdivided lots, with appropriate service line lateral connections to the boundaries of all such lots. A copy of such agreement must be submitted to the District Manager for review and approval.

(f) Developer will be solely responsible for maintenance, repair and replacement of such water and sewer trunk line extensions and the service line connections, and shall promptly repair or replace defects in material or workmanship which occur or become apparent until final acceptance by written resolution duly and properly adopted by the Board of Directors of the District. Final acceptance may not occur until at least one year has passed after preliminary acceptance, and final acceptance is contingent upon satisfactory performance of the water and sewer facilities installed by Developer to and within the Subject Property. The District has no obligation or duty to accept the water or sewer system trunk line extensions and service line connections constructed by Developer until they have been completed, accepted on final inspection, and Developer has performed all requirements of this commitment letter.

(g) Prior to preliminary acceptance of the water and sewer trunk line extensions to and within the Subject Property, the Developer shall prepare and furnish to the District Manager, at Developer's sole cost, a complete set of reproducible as-built drawings showing all extended sewer lines, service line locations to stub-out, and manholes, and all extended water lines, service line extensions to stub-out, and fireplugs, along with three point location of the same, and showing the surveyed location of the utility easements to be dedicated to the District (if any), and

the recording data reference for any other utility easement proposed to be used by the Developer. Such information shall also be provided in appropriate electronic format.

(h) No central water or sewer service shall be supplied, or building permits approved, by the District to any re-subdivided lots within the Subject Property until and unless the water & sewer system extensions and service line connections and related appurtenances constructed to and within the Subject Property passes the inspection and testing by the Manager of the District, has received written preliminary acceptance by the Board of Directors of the District, and the District has received unencumbered utility easements in form and content acceptable to the District's attorney for the location of all trunk lines and appurtenances not located within dedicated and accepted Routt County road rights of way. Upon completion of the trunk line improvements to and within the Subject Property, the Developer shall advise the District Manager of the availability of the trunk lines and appurtenances for such testing and inspection, and shall coordinate a mutually convenient time for such inspection to take place. No testing or inspections shall take place between November 15 and the following June 1.

(i) The sewer trunk line extensions and water trunk line extensions to serve the Subject Property shall be located within deeded or dedicated public rights of way or within unencumbered utility easements granted of record to the District.

(j) Service lines to re-subdivided lots within the Subject Property shall be stubbed out at the time of construction to the vicinity each lot boundary where appropriate.

(k) Water and sewer service connection lines within the Subject Property shall each serve a single lot only. Service lines shall not be used to serve 2 or more lots and any line that serves 2 or more lots shall be a trunk line, meeting the specifications set by the District Manager, and situated within public rights-of-way or within an unencumbered utility easement granted of record to the District.

(l) Developer of the Subject Property shall convey all water distribution & sewage collection trunk line extensions and appurtenances, including specialty items to be maintained by the District, to the District, together with a perpetual and unencumbered easement 20 feet wide providing reasonable pedestrian and vehicular access of District employees and contractors to same, except to the extent any part of such water or sewer trunk line extensions and appurtenances and access thereto is located within existing public easements or rights-of-way or within private utility easements already owned by the District, all in the form prepared by counsel for the District. If requested by the District, the Developer shall provide to the District appropriate title insurance commitments by a reputable title insurer acceptable to the District's counsel showing that such deeds and conveyances will vest title in such water & sewer system trunk lines and appurtenance easements in the District, without lien or encumbrance of title defect, upon recording. Such conveyance shall occur prior to final acceptance of the new trunk lines and appurtenances by the District.

(m) All cost and expense, including engineering and design, permitting, construction and testing, of the water and sewage systems to and within the Subject property shall be borne and paid for solely by the Developer. The Developer shall reimburse to the District any costs incurred by the District in reviewing Developer's plans and construction, in inspections of the work of Developer, and in completing the transfer of title to the extensions and necessary easements. The Developer shall use only such contractors as are approved in advance by the Manager of the District, whose approval shall not be unreasonably withheld.

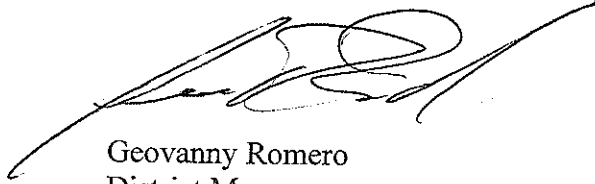
(n) This conditional commitment and agreement is subject to breakdown of facilities, accidents, acts of God, emergencies, and governmental intervention and termination of service beyond the control of the District.

Provision of service of water and sewage disposal by the Morrison Creek Metropolitan Water & Sanitation District is, of course, subject to all rules and regulations of the District now and hereafter adopted, and is contingent upon prompt payment of all tap fees, availability of service fees and user charges imposed from time to time by the District. At the present time, the District imposes service charges and tap-on fees, and the District reserves all rights and privileges to alter, increase, decrease, or delete any such charges and fees in the future. The District does not presently impose availability of service fees but intends to authorize and impose such fees in the very near future.

There are four prepaid water and sewer single family residential tap-on fees allocated to and benefitting the Subject Property, one of which is applicable to each of the 3 duplex lots now within the Subject Property and one of which is applicable to the Subject Property as a whole. The benefit of those 4 prepaid tap-on fees pass in title with the Subject Property, but in connection with the District review of the proposed re-subdivision of the Subject Property, the Developer must designate in writing to the Manager of the District the identify of the 4 single family lots to which such pre-paid tap-on fees will apply, in form acceptable to the Manager and the counsel for the District.

Please acknowledge your receipt of this letter and agreement to its terms by your signature below. This letter and agreement is not assignable by you to a successor owner of the Subject Property without the prior written consent of the District Manager, and this letter and agreement will terminate automatically if the trunk line extensions to and within the Subject Property as contemplated above are not completed within 24 months after the date of execution of this letter and agreement by the District Manager below.

Sincerely,

A handwritten signature in black ink, appearing to read 'Geovanny Romero', with a long, sweeping horizontal line extending to the right.

Geovanny Romero
District Manager

AGREED AND ACKNOWLEDGED:

Kris Rainsberger

cc: Kristy Winsor, Alan Goldich Routt County Planning Department
Board of Directors, MCMWSD