

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

April 24, 2023

Tailwaters at Stagecoach, LLC
ATTN: Mr. Nick Salter
5 Murray Road, Unit B-4
Edwards, CO 81632

RE: Commitment Letter for District Central Water & Sewer Service to Re-Subdivision Tailwaters At Stagecoach

Dear Mr. Salter:

You or an entity controlled by you are the owner and/or developer of property described by the Routt County Assessor as Lot Pin: 961052001, located in the SW1/4SW1/4 of Section 32, T4N, R84W of the 6th PM and in Lots 8 and 9 of Section 5, T3N, R84W of the 6th PM, as described in Deed recorded at Reception No. 844865, known or to be known as Tailwaters At 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 approximately 89.17 acres currently zoned high density residential (HDR). You are proposing to re-subdivide the Subject Property into multiple (approximately 200) new residential lots, and you are requesting central municipal water service and sanitary sewer collection service from the District 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, Tailwaters at Stagecoach, LLC, a Colorado limited liability company, is 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) Prior to construction of any water and sewer trunk lines 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.

(d) Developer shall execute a subdivision improvement agreement with Routt County (or the District if necessary) 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. Such improvement agreement will be secured by a Bank letter of credit in a form acceptable to the District Manager and the District's attorney, in an amount equal to not less than 125% of the estimated cost of completion of such required water and sewer trunk lines and appurtenances.

(e) 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.

(f) 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.

(g) 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.

(h) 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. The District recommends that such utility easements to the District be dedicated on the plat of the subdivision(s) of the Subject Property, using dedication and acceptance wording supplied by the District.

(i) Service lines to re-subdivided lots within the Subject Property shall be stubbed out at the time of construction to the vicinity of each lot boundary where appropriate, so that completion of service lines to a constructed residence will not require a road crossing.

(j) 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.

(k) 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.

(l) 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.


(m) 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.

(n) Additional water and sewer infrastructure may be required, whether inside or outside of the Subject Property, by the District after the Developer prepares and delivers to the District Manager its preliminary water and sewer facilities plans for the entirety of the Subject Property, and again after Developer prepares and delivers to the District its final plans and specifications pursuant to subsection (c) above, and after evaluation of the preliminary and final plans and specifications by the Engineer for the District pursuant to section (c) above.

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 also does presently impose availability of service fees to residential lots whose boundaries are within 100 feet of water and/or sewer main lines of the District, including such main lines as may be constructed by the Developer for the Subject Property. The District reserves all rights and privileges to alter, increase, decrease, or delete any such availability of service fees in the future.

Please acknowledge your receipt of this letter and agreement to its terms by your signature below. This letter and agreement is not assignable by Developer 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,


Geovanny Romero
District Manager

AGREED AND ACKNOWLEDGED:
TAILWATERS AT STAGECOACH, LLC,

By _____
Nick Saltbox, General Manager

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

Thomas R. Sharp, District counsel