

Well Augmentation Service Contract for New Customers

**Bar Star Land, LLC, d/b/a Bar Star Water Company
PO Box 1187 Golden, CO 80402**

All wells serving lots in the Indian Mountain subdivision must be enrolled in a water-court approved augmentation plan in order to operate. An augmentation plan serves to replace depletions to a stream or river caused by pumping a well by providing a replacement source of water to that stream or river in order to prevent injury to other senior water rights. Bar Star Land, LLC, d/b/a Bar Star Water Company ("Bar Star") owns and operates the augmentation plan decreed in Case No. W-7389, Water Division 1 ("W-7389 Plan"), which is specifically decreed to augment wells in the Indian Mountain Subdivision.

Description of Services

Application Fee - \$1500

This one-time Application Fee covers the initial cost of processing this contract for well augmentation service and provides admission into the W-7389 Plan and includes one year of augmentation service. After the first year of augmentation service, you must continue to pay the Annual Fee (described further below) every year to remain enrolled in the W-7389 Plan.

In some circumstances, the Application Fee may not cover all of Bar Star's administrative costs, legal fees, engineering fees, consulting fees, or other fees necessary to process your application, so in such circumstances Bar Star may charge an additional fee to cover these other costs and fees ("Additional Processing Fee").

Annual Fee

The yearly fee for Bar Star's augmentation service is currently \$300, which may be adjusted from time to time. Please note that Lot Owners will be required to start paying the Annual Fee after the first year of service to remain enrolled in the W-7389 Plan.

Re-Enrollment Fee

Lot owners who leave Bar Star's W-7389 Plan to join another augmentation plan but return to Bar Star's W-7389 Plan either voluntarily or as otherwise required are subject to a Return Fee in order to re-enroll in the W-7389 Plan. The Re-Enrollment Fee is currently \$2,500, which may be adjusted from time to time.

Lot Owner Information

Lot Owner (s): _____
(Lot Owner Name must match name on deed for Indian Mountain lot served by well, and copy of deed must be provided)

Colorado Division of Water resources (“DWR”) Well Permit Number: _____

Indian Mountain Street Address: _____

Indian Mountain Filing #: _____

Indian Mountain Lot #: _____

Mailing Address: _____

Email Address: _____

Best Phone Number: _____

Terms and Conditions

Please initial by each statement below that you understand and agree to the following Terms and Conditions:

___ 1.) Lot Owner understands and agrees that by signing this document, Lot Owner is entering into a Contract with Bar Star for Bar Star to provide water augmentation service for Lot Owner’s well serving Lot Owner’s lot in the Indian Mountain subdivision described above (“Property”), and agrees to pay the Application Fee, Additional Processing Fee, Annual Fee, and/or the Re-Enrollment Fee, as applicable.

___ 2.) Lot Owner understands and agrees that Lot Owner must pay the Annual Fee annually and the Annual Fee must be received by Bar Star within 30 days of invoicing.

___ 3.) Lot Owner understands and agrees that the Annual Fee and Re-Enrollment Fee may vary and that Bar Star may change the Annual Fee and Re-Enrollment Fee from year to year.

___ 4.) Lot Owner agrees to notify Bar Star if Lot Owner intends to enroll Lot Owner’s well in another augmentation plan and provide proof that it has enrolled the well in another augmentation plan. If Lot Owner does not provide proper proof prior to receipt of Bar Star’s invoice for the Annual Fee, Lot Owner will still owe the Annual Fee for the year invoiced and agrees to pay such Annual Fee within 30 days of invoicing. Bar Star’s sending of the invoice by email or U.S. Mail shall constitute receipt of the invoice by Lot Owner.

___ 5.) Lot Owner understands that if Lot Owner joins another augmentation plan but is removed from that other augmentation plan for any reason, DWR may then require Bar Star to provide augmentation water for Lot Owner’s well and if so, Lot

Owner will be charged the Re-Enrollment Fee at the then current-rate, as well as the Annual Fee at the then-current rate, and shall continue to be charged the Annual Fee thereafter on annual basis for so long as DWR may require Bar Star to provide augmentation water for Lot Owner's well, and Lot Owner agrees to pay Bar Star any such Re-Enrollment Fee and/or Annual Fee within 30 days of invoicing.

___ 6.) Lot Owner agrees that if in the future Lot Owner is no longer a customer of Bar Star, but DWR requires Bar Star to provide augmentation water for Lot Owner's well at any time, for any reason, even if Lot Owner has enrolled Lot Owner's well in another augmentation plan, Lot Owner will be charged the Re-Enrollment Fee at the then-current rate, as well as the Annual Fee at the then-current rate, and shall continue to be charged the Annual Fee thereafter on annual basis for so long as DWR may require Bar Star to provide augmentation water for Lot Owner's well, and Lot Owner agrees to pay Bar Star any such Re-Enrollment Fee and/or Annual Fee within 30 days of invoicing.

___ 7.) Lot Owner agrees that interest on any unpaid Application Fees, Additional Processing Fees, Annual Fees, Re-Enrollment Fees and all other unpaid fees, costs or assessments shall accrue interest of 18% per annum, compounded annually. In addition to the principal and interest owed, Lot Owner agrees that Bar Star shall be entitled to collect from Lot Owner all attorney fees and costs incurred by Bar Star in collecting payment of any fees or costs owed by Lot Owner and not timely paid, including all attorney fees and costs Bar Star incurs in any judicial or non-judicial proceedings pursued by Bar Star to enforce this Contract.

___ 8.) Lot Owner understands and agrees that by signing this Contract, Lot Owner and Bar Star intend that the Property is charged with Lot Owner's obligation to pay the Annual Fee on an annual basis, the Additional Processing Fee, if applicable, and the Re-Enrollment Fee if applicable, and thus this Contract constitutes and creates an equitable lien on the Property in favor of Bar Star in order to secure the payment of any Annual Fee, Additional Processing Fee, and/or Re-Enrollment Fee owed by Lot Owner to Bar Star now or in the future. Lot Owner hereby grants to Bar Star a lien on the Property as security for Lot Owner's obligations under this Contract, including Lot Owner's obligations to pay any Annual Fee, Additional Processing Fee, and/or Re-Enrollment Fee as required by this Contract, all interest thereon and all attorneys fees and costs incurred by Bar Star with respect to collection thereof. In the event that Lot Owner fails to pay any Annual Fee, Additional Processing Fee, and/or Re-Enrollment Fee or any parts thereof, as required pursuant to the terms of this Contract, the amount then owed by Lot Owner to Bar Star including all interest thereon and all attorneys fees and costs incurred by Bar Star with respect to collection thereof shall constitute the amount of the lien and shall relate back to the date of this Contract. Lot Owner also agrees that Bar Star shall record this Contract with the Park County Clerk and Recorder's Office to provide notice of such equitable lien against the Property created by this Contract. The lien shall remain as an encumbrance on the Property and shall run with the land until the amount owed to Bar Star now or in the future is paid in full. Bar Star shall not be required to

commence foreclosure of the lien within any statute of limitations to preserve or renew the lien. At its discretion, Bar Star may foreclose on the lien, and shall be entitled to all attorney fees and costs incurred by Bar Star in such foreclosure proceedings and/or any other judicial proceedings necessary to confirm the existence of the equitable lien created herein or otherwise.

___ 9.) Lot Owner understands that use of water from Lot Owner's well is for indoor use only.

___ 10.) Lot Owner recognizes that Bar Star's ability to provide augmentation water for Lot Owner's well pursuant to the terms of the W-7389 Plan is subject to many factors beyond Bar Star's control, including but not limited to: a) the terms and conditions of the W-7389 Plan; b) legal and physical availability of water rights included in the W-7389 Plan and other water rights, now or in the future; c) the physical availability of water in the South Platte River and its tributaries; and/or d) water administration by the State or Division Engineer. Lot Owner expressly agrees that Bar Star shall not be liable to Lot Owner in any manner whatsoever for any damages, claims, liabilities, personal injury or property damage that directly or indirectly results from Bar Star's inability to deliver augmentation water for Lot Owner's well.

___ 11.) Bar Star is not responsible for the operation of Lot Owner's well. Lot Owner's inability to divert water from Lot Owner's well for any reason, including but not limited to lack of physical water supply, lack of legal water supply, lack of power, or other mechanical, physical or legal issues with Lot Owner's well, do not relieve Lot Owner from paying the Application Fee, Additional Processing Fee, Annual Fee and Re-Enrollment Fee, all other fees, costs and assessments, as applicable.

___ 12.) Lot Owner agrees Bar Star has the right to supply augmentation water from any temporary or permanent source or supply.

___ 13.) Lot Owner agrees that if Lot Owner's contact information changes Lot Owner must notify Bar Star within 30 days.

___ 14.) Lot Owner understands that DWR may require Lot Owner to comply with additional requirements in order to operate Lot Owner's well.

___ 15.) Lot Owner agrees that if they sell or otherwise convey the Property, Lot Owner will notify Bar Star in writing at info@barstarwater.com and provide the new owner's contact information. New owner will be required to fill out a new Well Augmentation Service Contract in order for the well to remain enrolled in Bar Star's W-7389 Plan. Lot Owner shall remain jointly and severally liable for the performance of this Contract until Bar Star receives notification of the sale or conveyance of the Property and Bar Star confirms in writing to Lot Owner that no amount is due and owing to Bar Star under the terms of this Contract.

___ 16.) Lot Owner agrees that if Bar Star conveys or otherwise assigns the W-7389 Plan or operation thereof to another person or entity, Bar Star may assign its rights under this Contract to such person or entity ("Assignee"), and upon notice to Lot Owner of such assignment, Lot Owner's obligations under this Contract shall inure to the benefit of Assignee and Assignee may enforce the terms of this Contract.

___ 17.) This Contract shall be governed by the laws of Colorado.

___ 18.) If any provision or portion of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be declared invalid or unenforceable for any reason by a court of competent jurisdiction, and the basis of the bargain between the Parties hereto shall not be destroyed or rendered ineffective thereby, the remainder of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

___ 19.) Lot Owner acknowledges that this document has important legal consequences and that Lot Owner has obtained all legal or other counsel deemed necessary.

Lot Owner Name: _____

Lot Owner Signature: _____

Date: _____

Notary Public

State of _____ County of _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20____,

by _____

Witness my hand and official seal.

My commission expires: _____

Notary Public

Please return:

- (1) Completed and notarized Well Augmentation Service Contract.
- (2) Copy of deed for Indian Mountain lot to be served by well
- (3) Check for \$1500.
- (4) Copy of your well permit.

TO: Bar Star Water

P.O. 1187

Golden, CO 80402

If you have questions, please contact info@barstarwater.com