

WATER SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of the 5th day of February 2013, by and between the North Weld County Water District, acting by and through the North Weld County Water District Enterprise (hereinafter "District"), and the City of Greeley, a home rule municipality, acting by and through its Water Enterprise (hereinafter "Greeley")(collectively "Parties").

RECITALS

WHEREAS, the District is a statutory special district formed under the laws of the State of Colorado and is a quasi municipal corporation; and,

WHEREAS, Greeley is a home-rule municipal corporation; and,

WHEREAS, the North Weld County Water District Enterprise and the Greeley Water Enterprise are established and administered in compliance with the provisions of Section 20, Article X of the Colorado Constitution and Article 45.1 of Title 37 of the Colorado Revised Statutes, and the Greeley City Charter and Municipal Code, as applicable; and,

WHEREAS, the District (on its own or in cooperation with others) owns, maintains and operates a system for the storage and distribution of potable water within Weld County and Larimer County; and,

WHEREAS, Greeley owns, maintains and operates a separate and independent system for the storage and distribution of potable water to its residents and to other customers in Weld County and Larimer County; and,

WHEREAS, the District, as a non-profit quasi municipal statutory special district, must establish and provide water rates to cover the maintenance and operation, depreciation, replacement, and appropriate funding of capital costs of the District; and,

WHEREAS, Greeley's policy is to provide water service to all Greeley citizens; and,

WHEREAS, the District's policy is to provide water service within the boundaries of the District; and,

WHEREAS, the District has a master plan to serve a portion of its service area, lying north of the Poudre River, at densities between one and two dwelling units per five acres; and,

WHEREAS, portions of the District's service area overlap Greeley's Long-Range Expected Growth Boundary, which is outlined in Greeley's 2060 Comprehensive Plan; and,

WHEREAS, Greeley and the District have determined that it is in the best interest of the residents of Greeley and the District for the Parties to cooperate with each other in providing water services; and,

WHEREAS, by enacting Titles 31 and 32 and specifically § 31-35-402(1)(b) and § 32-1-502(2)(c) of the Colorado Revised Statutes and pursuant to Article XIV, Section 18 of the Colorado Constitution, the Legislature of the State of Colorado has: (a) determined that the State of Colorado has a valid interest in providing water for its citizens; (b) clearly articulated and affirmatively expressed the State of Colorado's policy to allow municipalities and special service districts to provide water by utilizing cooperative agreements and to eliminate competition in areas where each Party is capable of providing service; and (c) developed a structure to actively supervise municipalities and special service districts, if the Parties choose to utilize such agreements; and,

WHEREAS, taking into consideration the foregoing factors and the natural drainage basins and topography that affect the quality and cost of utility service in the overlapping service area, Greeley and the District desire to enter into a long-term contract for the treatment and delivery of potable water, to eliminate overlapping facilities, and to coordinate long-range planning prior to initiating costly capital expansion programs; and,

WHEREAS, Greeley and the District desire to craft this Agreement with the following guiding principles: to keep North Weld financially whole; to allow Greeley to maintain land use control of much denser, urban development in the overlapping service area; and to provide for flexible water sharing between the Parties; and,

WHEREAS, Greeley and the District enter into this Agreement pursuant to the provisions of § 29-1-203, C.R.S; and,

WHEREAS, the District and Greeley shall and will continue to own their own water rights individually and separately, with Greeley relying upon the yield of its own water rights to provide the raw water necessary for treatment proposed under this Agreement; and,

NOW, THEREFORE, in consideration of the premises and the covenants and agreements hereinafter set forth, it is agreed by and between the District and Greeley as follows:

ARTICLE 1 DEFINITIONS

1.1 "Delivery Point(s)" shall mean the point(s) at which the Furnishing Party delivers water to the Receiving Party's water system.

1.2 "Furnish" shall mean to treat, to the standards set forth in Section 3.4, and deliver water, which includes all of the intermediate steps necessary to provide water at the Delivery Point(s).

1.3 "Furnishing Party" shall mean the Party who treats, delivers, and performs all of the intermediate steps necessary to provide water at the Delivery Point(s).

1.4 "Master Meter" shall mean a meter at which the Furnishing Party will furnish water to the Receiving Party to enable the Receiving Party to provide water service to its customers.

1.5 "North Greeley Service Area" shall be that area identified within the Long-Range Expected Growth Boundary outlined in Greeley's 2060 Comprehensive Plan.

1.6 "Notice" shall mean the notice described in Section 10.12

1.7 "Raw Water Requirement" shall mean untreated water in an amount equal to 110% of Greeley's net potable water usage at the Master Meter(s) for the previous year plus any anticipated increases or decreases in net usage.

1.8 "Receiving Party" shall mean the Party who takes delivery of water from the Furnishing Party at a Master Meter.

1.9 "Uncontrollable Forces" shall mean any cause beyond the control of the obligated Party, including, but not limited to, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, riot, civil disturbance, labor disturbance, sabotage, breach of construction contract by a third party or restraint by court or public authority, which through due diligence and foresight, such Party could not have reasonably been expected to avoid.

1.10 Unless described as "raw water", "water" shall mean water treated to the standards set forth in Section 3.4, and shall have the same meaning as "potable" or "treated" water.

1.11 "Water Service" shall mean providing water directly to individual customers.

1.12 "Water Supply" shall include, but is not limited to, existing water supplies, future water supply projects, and development of existing and after-acquired water rights.

1.13 "Water System" shall mean the distribution system whereby a Party provides water service.

ARTICLE 2 GENERAL PROVISIONS

2.1 This Agreement defines the method by which the Parties shall furnish and provide water service to individual customers located within the North Greeley Service Area. It shall also determine the method of transferring the District's customers to Greeley; the transfer of infrastructure upon the exclusion of territory from the District's service area; the provisions for furnishing water to the Parties' respective water systems; and the method by which this Agreement may be amended to account for future growth, expansion, and development within the North Greeley Service Area.

2.2 To account for the transfer of customers to Greeley within the North Greeley Service Area and to track portions of the District's service area that are excluded there from, this Agreement may be amended, from time to time, through the use of exhibits. The exhibits shall contain the information required by Articles 3, 5, and 8 of this Agreement and shall be identified and generally contain the following:

2.2.1 Exhibit A of this Agreement shall contain the name of each Master Meter and its corresponding location; the annual minimum amount of water that Greeley must purchase through Master Meter(s); and the maximum gallons per minute of water that shall be delivered through a Master Meter based on Plant Investment Fees paid and credited. If any of the foregoing information is inapplicable to a Receiving Party, that portion of Exhibit A shall so reflect.

2.2.2 Exhibit B shall contain a complete list of all customers transferred from the District to Greeley.

2.2.3 Exhibit C shall be a map depicting the North Greeley Service Area and any property excluded from the District's service area.

2.3 The exhibits identified in paragraph 2.2 shall be amended prior to any relocation of a Master Meter, increase in peak demand, transfer of customer, or exclusion of territory from the District's service area. The exhibits shall be redefined as agreed to in writing by the Parties, or their respective designee, and made effective in accordance with the Parties' respective rules and procedures. Each amendment shall fully replace the prior exhibit and shall be effective upon the date specified therein.

2.4 The terms of this Agreement shall only apply to the North Greeley Service Area and shall not be extend to, or binding on, the Parties in any other geographical location.

2.5 This Agreement is not intended to provide for emergency water connections and supplies. If, at any time after the effective date of this Agreement, the Parties determine that an emergency interconnection is needed, then the Parties shall negotiate a separate agreement to determine the locations and facilities that will provide for emergency interconnections and the terms and conditions thereof.

ARTICLE 3 WATER SUPPLY

3.1 The District shall furnish potable water via Master Meter(s) for use in Greeley's water system at the locations and in the maximum and minimum annual amounts, peak demands in gallons per minute, and minimum and maximum pressures that shall be specified in Exhibit A.

3.2 Upon the District's written request, Greeley may furnish potable water via Master Meter(s) for use in the District's water system, subject to the terms of this Agreement, at the location(s) that shall be specified in Exhibit A.

3.3 The minimum and maximum pressures shown in Exhibit A shall be met by the Furnishing Party at the Master Meter(s) only. The Receiving Party is responsible for all pressures within its system following delivery from the Furnishing Party at the Master Meter(s). No promise or guarantee of pressure is made by the Furnishing Party or is to be implied from anything contained herein except as established in Exhibit A.

3.4 The furnished water shall be potable water, the quality of which shall be in accordance with the Federal Safe Drinking Water Act and all other applicable drinking water regulations and potable water law. The Parties shall conduct all testing necessary to assure that the water furnished under this Agreement complies with all Federal and State drinking water standards. The Furnishing Party agrees to provide the Receiving Party with the results of its annual testing, on or before April 1 of each year, as required by Colorado Primary Drinking Water Regulations, 5 CCR 1003.

3.5 Neither Party shall, by reason of this Agreement or by use of any water hereunder, acquire vested or adverse right or future right, in law or equity, in the water rights or water system owned by the other Party.

ARTICLE 4 RAW WATER

4.1 On an annual basis, Greeley shall provide raw water to the District, for treatment and delivery by the District through one or more Master Meters, in the amount of one hundred and ten percent (110%) of Greeley's estimated net demand ("Raw Water Requirement"). The Raw Water Requirement shall be calculated based on Greeley's net potable water usage at the Master Meter(s) for the previous year, plus any anticipated increases or decreases in Greeley's net usage. Not later than September 1 of each year, Greeley will supply the District with estimates of its projected Raw Water Requirement for the following year. The Raw Water Requirement made available to the District shall be provided on an actual gallon basis as measured at the intake station at the Soldier Canyon Filter Plant. The stated "one hundred and ten percent (110%)" shall mean one hundred percent (100%) plus an allowance of ten percent (10%) to cover the estimated shrinkage from the Soldier Canyon Filter Plant to the Master Meter(s).

4.2 Greeley's Raw Water Requirement shall be met from the following sources: Colorado-Big Thompson Project ("CBT"), the Windy Gap Project, the Water Supply and Storage Company, the North Poudre Irrigation Company, or from any other source capable of being delivered to and treated by the District's then existing water treatment system to the standards set forth in Section 3.4, and otherwise usable in the District's water system.

4.3 The District shall not be required to acquire, rent or own any additional raw water necessary to meet the Raw Water Requirement. Greeley is solely liable to make arrangements for the raw water necessary to make available the Raw Water Requirement.

4.4 In the event that Greeley does not make sufficient raw water available to the District, based on Greeley's net usage, the District shall notify Greeley as soon as possible but no later than thirty days prior to the time when such additional raw water will be necessary. If, after such notice, Greeley fails or refuses to provide sufficient raw water, the District may, in its sole and reasonable discretion, provide such raw water, at an additional fee to Greeley ("Water Surcharge"). The Water Surcharge shall be determined solely by the District dependant on the availability of raw water and shall be applied per one thousand gallons of water delivered to Greeley of District supplied raw water. The District shall maintain dominion and control over all raw water provided to Greeley under this Paragraph 4.4, and Greeley releases any right to the return flows that result from such water supplied by District, including any reuse rights associated with such water.

4.5 Greeley shall maintain dominion and control over any and all raw water provided to the District for treatment under this Agreement, and the District releases any right to the return flows that result from such water supplied by Greeley, including any reuse rights associated with such water.

ARTICLE 5 FACILITIES

5.1 The Furnishing Party shall take such actions and make such connections between the Receiving Party's system and the Furnishing Party's system necessary to furnish water to the Receiving Party as required by this Agreement at the Furnishing Party's sole cost.

5.2 The Furnishing Party shall install, replace, relocate, or add any necessary metering equipment and Master Meter vault(s) as required by this Agreement. The Furnishing Party shall design the Master Meter vault(s) and flow control device(s) in accordance with the specification of the Furnishing Party. Design shall consider system growth. The Furnishing Party shall submit all designs to the Receiving Party for review and approval prior to construction or installation. Following the Receiving Party's review and approval of such design plans, the Receiving Party shall reimburse the Furnishing Party for all reasonable and customary costs and expenses including design,

construction and installation of all necessary metering equipment and Master Meter vault(s) replaced, relocated, or added after the date of this Agreement.

5.3 The Furnishing Party shall install, own and operate a flow-restricting device(s) at the Master Meter vault(s). Said device(s) shall be capable of controlling the flow rate, if applicable, to the Receiving Party within the rates set forth in Exhibit A. The Receiving Party shall not be responsible for charges based on deliveries at flow rates greater than the flow rates directed by Receiving Party in writing or as stated in this Agreement.

5.4 The Furnishing Party shall own and maintain the Furnishing Party's water system, including but not limited to any interconnection facilities, water lines, pump station and treatment plant facilities necessary to serve the Receiving Party as required by this Agreement up to the Master Meter(s). The Furnishing Party shall own the Master Meter(s), Master Meter Vault(s), Backflow Prevention Assembly, and flow and pressure control facilities, which shall be managed, administered, operated and maintained exclusively by the Furnishing Party. For the purpose of determining operation and maintenance responsibility, the Furnishing Party shall be responsible up to and including the outlet valve(s) on the Receiving Party's side of the Master Meter(s).

5.5 The Receiving Party shall maintain complete and unilateral control over the Receiving Party's system operations. The Receiving Party agrees that it will, at all times, to the extent practicable in the Receiving Party's reasonable discretion operate its water distribution system on the Receiving Party's side of the Master Meter(s) so as not to unreasonably interfere with service to others dependent upon the Furnishing Party for a supply of water. The Receiving Party agrees that it will, to the extent practicable in the Receiving Party's reasonable discretion, operate its facilities, especially any pumping or storage facilities, in correlation with operation of the Furnishing Party's facilities and will install and use such devices, including telemetry, as are necessary to effectuate correlation; provided, however, that Greeley shall not be obligated to pay for the installation of any physical changes to its water distribution system that will benefit only District customers within the District's service area.

5.6 The Parties agrees to maintain all facilities within their respective water systems in good repair and to make such replacements as may be necessary to keep the facilities in proper operating condition at all times.

5.7 The Parties shall cooperate with each other in acquiring any easements and other permits or approvals necessary to accomplish and place into effect this Agreement and for the construction of any necessary facilities.

5.8 Nothing in this Agreement shall be interpreted as creating an "Integrated System" within the meaning of the Colorado Primary Drinking Water Regulations, 5 CCR 1003. Each Party owns its own water system and each is a separate and independent system from the other.

ARTICLE 6 MASTER METERS

6.1 The Furnishing Party shall read the Master Meter(s) at monthly intervals under its own meter reading schedule. If requested by the Receiving Party, the Furnishing Party shall give the Receiving Party notice of any Master Meter reading and allow a Receiving Party representative to be present and observe. For all Master Meter reads performed by Greeley, as the Furnishing Party, it shall deliver the Master Meter reads to the District, on or before a date mutually agreed to by the Parties, in order for the District to calculate the net monthly flow amount as provided in Section 7.1.

6.2 At least once every five years, the Furnishing Party shall test and calibrate the Master Meter(s) at the Furnishing Party's cost. At anytime, upon the Receiving Party's written request, the Furnishing Party shall make or cause to be made a special meter test at the Receiving Party's cost. The Furnishing Party shall notify the Receiving Party in advance of any Master Meter test and allow a Receiving Party representative to be present and observe.

6.3 The readings of any Master Meter, which has been disclosed by tests conducted pursuant to American Water Works Association standards to be inaccurate, shall be corrected from the beginning of the monthly billing period immediately preceding the billing period during which the tests are made in accordance with the percentage of inaccuracy found by such tests.

6.4 If any Master Meter shall fail to register for any period, the Receiving Party and the Furnishing Party shall agree as to the amount of water furnished during such period and the Furnishing Party shall render a bill therefore. If no agreement can be reached, the billing shall be based upon historical usage data.

6.5 If at any time the Receiving Party desires to change the location of any Master Meter vault(s), the Furnishing Party will attempt to accommodate such request if, in the reasonable opinion of the Furnishing Party, such relocation will not detrimentally affect the Furnishing Party's water system in any manner and only upon the condition that Receiving Party shall be responsible for any and all costs and expenses thereof.

ARTICLE 7 RATES AND CHARGES

7.1 The District shall bill Greeley, in monthly intervals, based on Greeley's net monthly water usage. The net monthly usage shall be determined by the difference between Greeley's total monthly water usage and the District's total monthly water usage. If Greeley's total monthly usage is less than the District's, Greeley shall be given a credit that shall be applied to the next monthly billing cycle. In the event that Greeley has a monthly credit on December 31st of any year this Agreement is in effect,

the same amount shall be paid in full by the District to Greeley by January 31st of the following calendar year.

7.2 The District will adopt water service rates sufficient to totally and fully reimburse the District for all costs of furnishing water under this Agreement. Any portion of the rate that is identified as a recovered return on investment shall be limited to 4.5%. The District may adjust the charges to be made for the use of water hereunder. The rates charged to Greeley shall be directly related and limited to the cost incurred by the District in furnishing water to Greeley as fairly determined by the District. The charges provided for in this paragraph shall remain in effect until the District deems it necessary to raise or lower the charges for the water, in accordance with section 7.3. In addition to any other rate or charge herein provided, Greeley shall pay all applicable fees, and such other rates, tolls, charges or combination thereof as the District may, from time to time, in the exercise of its lawful authority impose consistent with this Article and Article 1, Title 32 of the Colorado Revised Statutes.

7.3 The District will, not less than once, but not more than two times in each calendar year, review the Plant Investment Fee and the rates for potable water furnished hereunder. If necessary and consistent with Sections 7.1 and 7.2 hereof, the District shall adjust such rates based upon actual usage and audit figures to produce sufficient revenues to maintain and operate the system necessary to serve Greeley and to establish and maintain reasonable reserves for operation and maintenance.

7.4 The District shall provide Greeley written notice of any expected rate change or any projected operation, maintenance or capital improvement cost that will affect the rates to be paid by Greeley as follows:

7.4.1 The District shall notify Greeley of a proposal for an increase in the rate charged to Greeley at least thirty days prior to the Board Meeting at which formal action on such proposal is scheduled;

7.4.2 The District shall notify Greeley of any new rate within ten days after the District has adopted it; and

7.4.3 The new rate to be charged to Greeley shall not become effective sooner than thirty days after it has been adopted and shall not apply to water delivered by the District on or before the effective date.

7.5 Billing for each month shall be made on or about the last day of the month and payment is due on the tenth day of the following month. Any bill not paid within sixty days of the payment due date shall be delinquent, and Greeley shall pay an additional delinquent fee of one and one-half percent of the unpaid monthly billing per month. If Greeley refuses or fails to pay any bill within sixty days of the payment due date, the District may discontinue delivery of potable water hereunder upon ninety days written notice to Greeley.

7.6 If Greeley's annual water usage does not equal or exceed the total minimum annual amount of water, as stated in Exhibit A, for all Master Meters furnishing water to Greeley, the District shall bill Greeley for the balance due in January of the following year.

7.7 For water service customers within the North Greeley Service Area, Greeley and the District shall establish their own separate rates, fees, and raw water requirements in accordance with the legal procedures and policies applicable to each entity.

ARTICLE 8

INCREASES IN PEAK DEMAND; TRANSFER OF CUSTOMERS; AND EXCLUSION OF TERRITORY FROM THE DISTRICT'S SERVICE AREA

8.1 The Parties have consulted with each other concerning the North Greeley Service Area using the following criteria: natural drainage patterns, topography, existing installations of capital facilities, the probable future needs of customers, the most cost-efficient means for delivering water service, and considerations which reduce the cost of service or result in higher quality of service to the customer. Based on the foregoing, the Parties agree that Greeley shall be responsible for providing water service to new customers within the North Greeley Service Area and, except as provided in this Agreement, the District shall not provide water service to new customers in the North Greeley Service Area.

8.2 The District presently provides water service to a number of customers within the North Greeley Service Area. Existing customers will continue to be served by the Party presently providing water service, except as provided for herein or as otherwise mutually agreed upon in writing by the Parties.

8.3 The District shall refer to Greeley any request it receives for water service within the North Greeley Service Area. Upon receipt of the referral, Greeley will determine whether it intends, or has the infrastructure in place, to provide water service to the applicant. Greeley shall provide written notice of its determination to the applicant and to the District as soon as possible but no later than ninety days after receipt of the application. If Greeley declines to provide water service to the applicant, then the District may provide water service.

8.4 As Greeley extends water service to new development, but prior to annexation by Greeley, Greeley and District may transfer existing District customers to Greeley's water system within the North Greeley Service Area, if Greeley determines that it intends, or shall have infrastructure in place, to provide water service to the existing customer.

8.5 When existing District customers are transferred to Greeley, the District shall permanently transfer to Greeley one unit of CBT per equivalent three-quarter inch tap transferred. In addition, the District shall credit Greeley with one gallon per minute

Plant Investment Fee per equivalent three-quarter inch tap transferred. Greeley shall, in turn, purchase from the District the annual usage of that tap at a Master Meter. The annual usage shall be set at 120,000 gallons per equivalent three-quarter inch tap. Both the annual use and the Plant Investment Fee credit shall be reflected in Exhibit A.

8.6 If Greeley expects additional demand above the peak demand of the transferred customer(s) as established in section 8.5, Greeley shall make written request to the District for the furnishing of additional water to meet such additional expected demand. Upon receipt of such written request, the District shall have thirty days to notify Greeley in writing of its decision and terms to supply such additional water. If the District decides to furnish such additional water, Greeley shall provide the Raw Water Requirements and pay the then existing Plant Investment Fee adopted by the District for each additional one gallon per minute beyond the peak demand amount specified in Exhibit A.

8.7 If the District expects additional master meters, water usage, or demand above the peak demand identified in Exhibit A upon the effective date of this Agreement, the District shall make written request to Greeley for the furnishing of additional water to meet such additional demand. Upon receipt of such written request, Greeley shall have thirty days to notify the District in writing of its decision and terms to supply such additional water. If Greeley decides to furnish such additional water, the District shall provide Greeley a Plant Investment Fee credit for each additional one gallon per minute peak demand requested by the District. Greeley may, in turn, assign or apply such credit at any Master Meter, identified in Exhibit A, that is furnishing water to Greeley as Receiving Party.

8.8 Following annexation of property located within the North Greeley Service Area and upon receipt of notice of intent to exclude territory, the District shall transfer to Greeley, within one year from the date of notice, all of the District's customers and infrastructure within the annexed area. Such transfer shall include all facilities, which are owned or maintained by the District, necessary to provide such service from the Master Meter(s) to the point of connection at the customer's facilities, including but not limited to mains, local distribution lines, meters, meter pits, booster pumps, easements, permits, or rights of way and valves. Such transfer shall not include any transmission lines or associated facilities, distribution lines or associated facilities, easements, permits, or rights of way the District determines are necessary to serve other existing or potential customers of the District. As consideration for such transfer, the following provisions shall apply:

8.8.1 In accordance with the District's Master Plan, the District anticipates serving an average of two three-quarter inch equivalent taps per every five acres of its service area that is located within the North Greeley Service Area. The Parties agree that the District's anticipated annual usage shall equal an annual use of 240,000 gallons of water per five acres. Therefore, as Greeley excludes portions of the District's territory from the North Weld Service Area, Greeley shall compensate the District by purchasing a minimum annual amount of water from

the District at Master Meters. The minimum annual amount of water shall be calculated based on the greater of either (1) the product of 240,000 gallons of water per five acres of all territory excluded in accordance with this section 8.8 or (2) the total annual usage of each equivalent three-quarter inch tap transferred to Greeley in accordance with section 8.5. The minimum annual amount shall be reflected in Exhibit A.

8.8.2 Greeley shall provide the District fair compensation for all facilities transferred from the District to Greeley, taking into account depreciation. The value determination provisions set forth in C.R.S. § 32-1-502, as the same may be amended from time to time, shall govern such compensation.

8.8.3 Greeley shall be responsible for all reasonable costs, excluding attorney fees, associated with the transfer of customers from the District to Greeley within the North Greeley Service Area. However, in the event litigation is pursued against Greeley and/or the District by a transferred customer, the parties shall be responsible for their own costs, expenses, attorney fees and awards, if any.

8.8.4 Exclusion of land from North Weld's territory shall occur before any further subdivision of the property.

8.9. At the time of transfer of customers and facilities to Greeley, North Weld shall provide the best available and known information regarding locations of water lines, meters, appurtenances, and other associated facilities to the best knowledge of the District. Greeley and the District agree to cooperate in preparation and transfer of such information as the Parties deem necessary. North Weld maintains responsibility for locating any of their active or abandoned lines including all asbestos-cement pipe. Any North Weld line transferred to Greeley becomes Greeley's responsibility for One-Call locating. North Weld will for two years assist Greeley in location of any transferred lines, including potholing and establishing position with GPS.

ARTICLE 9 TAXES AND EXCLUSION

9.1 Portions of the North Greeley Service Area are within the District's service area. Pursuant to Colorado Law, the District has authority to assess property taxes by imposition of a mill levy upon property within the District; however, at the time of this Agreement, no such assessment or levy is in place.

9.2 The District agrees that there shall be no property tax assessment or mill levy on any properties within the boundaries of the District that may be located in the North Greeley Service Area and annexed by Greeley. If it is determined to be necessary and/or required by law, the District agrees to exclude from its service area all such property located in the North Greeley Service Area and annexed by Greeley.

ARTICLE 10 GENERAL TERMS AND REMEDIES

10.1 This Agreement shall be effective on the date first above written and remain in effect on a perpetual basis unless terminated as provided in this Article.

10.2 The Parties agree to act in good faith and to the best of their ability in taking all steps necessary to fully implement the terms and conditions of this Agreement, including the execution and delivery of such other documents, certificates, agreements and other writings and the taking of such other actions as may be necessary or desirable to consummate or implement this Agreement. The Parties agree that this Agreement shall be construed and enforced as the fully integrated expression of their contract with respect to the matters addressed herein. No express or implied covenants not specifically set forth shall be deemed to be a part of this Agreement. The Parties expressly aver that no representations other than those specifically set forth in this Agreement have been relied upon by either Party to induce it to enter into this Agreement.

10.3 The Parties shall use reasonable diligence to provide a constant and uninterrupted supply of water, except for interruption or reductions due to: (1) Uncontrollable Forces; (2) operations or devices installed for water system protection; and (3) maintenance, repair, replacement, installation of equipment, or investigation and inspection of the water system, which interruption or reductions are temporary, and in the opinion of the Furnishing Party, necessary. Excepting cases of emergency, the Receiving Party will be given reasonable advance notice of such interruptions. Neither Party shall be considered in default under this Agreement if prevented from fulfilling any obligations by reason of Uncontrollable Forces. A Party rendered unable to fulfill its obligation by reason of Uncontrollable Forces shall exercise due diligence to remove such inability with all reasonable dispatch.

10.4 The Parties have implemented their own respective water conservation plans and shall not be required to adopt the other Party's conservation plan in whole or in part.

10.5 The invalidity or un-enforceability of any provision of this Agreement shall not affect or impair any other provision unless material to the performance of either Party.

10.6 Neither Party may assign or transfer all or any part of this Agreement without the prior written consent of the non-assigning Party which consent will not be unreasonably withheld.

10.7 In the event of a material breach of any provision of this Agreement by any Party, which is not corrected within one year from the date of notice of the breach, the non-defaulting party may either terminate or pursue litigation for specific performance of this Agreement. However, if this Agreement is terminated by the District due to an uncorrected material breach of any provision of this Agreement by Greeley, the District

will not cease water service to Greeley until after two years from the written date of notice of the breach. In the event of an uncorrected material breach of any provision of this agreement by the District, Greeley may terminate this Agreement due to said material breach in which case termination shall be effective two years from the written date of the notice of the breach.

10.8 The Parties agree that, in addition to any other remedies allowed by law consistent with this Agreement, the provisions of this Agreement may be specifically enforced in a Court of competent jurisdiction and, in any judicial action, the unsuccessful party agrees to pay all reasonable costs of such action as actually incurred by the successful party, including attorney fees. Venue for any action shall be the District Court in and for Weld County, Colorado.

10.9 None of the remedies provided for under this Agreement need to be exhausted or exercised as a prerequisite to either party's pursuit of further relief to which it may be entitled. No Party shall waive its rights hereunder by failing to exercise its rights; any such failure shall not affect the right of such Party to exercise at some future time the rights not previously exercised.

10.10 In the event Greeley desires to terminate this Agreement, Greeley shall give written notice to the District of such intent in accordance with the notice provisions of this Agreement. Twenty years after the giving of such notice, District shall no longer furnish water to the North Greeley Service Area through the Master Meters. However, during this twenty year period Greeley shall be obligated to take and pay for, or in the alternative pay for, the minimum annual volume of water defined by Exhibit A. All other provisions and terms of this Agreement, including but not limited to the establishment and descriptions of the North Greeley Service Area, shall remain in effect.

10.11 It is expressly understood and agreed that the terms and the enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, are strictly reserved to the undersigned Parties and nothing in this Agreement shall give or allow any claim or right or cause of action whatsoever by any other person not included in this Agreement. It is the express intention of the undersigned Parties that no person and/or entity, other than the undersigned Parties, receiving services or benefits under this Agreement shall be deemed any more than an incidental beneficiary only.

10.12 Any notice, demand or request delivered by mail, in accordance with this Agreement shall be deemed given seventy-two hours after the same is deposited certified mail, in any post office or postal box regularly maintained by the United States Postal Service addressed to the District at P.O. Box 56, Lucerne, CO, 80646 and to Greeley, attention to the Director of the Water and Sewer Department, at 1100 10th Street, 3rd Floor, Greeley, CO, 80631. The addresses may be changed at any time by similar notice.

10.13 Nothing herein shall constitute a multiple fiscal year obligation pursuant to

Colorado Constitution Article X, Section 20. Notwithstanding any other provision of this Agreement, Greeley's obligations under this Agreement are subject to annual appropriation by the City Council of the City of Greeley. Any failure by the Greeley City Council to annually appropriate adequate monies to finance Greeley's obligations under this Agreement shall terminate this Agreement in accordance with paragraph 10.10 at such time as such then-existing appropriations are to be depleted. Notice shall be given promptly to the District of any failure to appropriate such adequate monies.

10.14 To the extent legally possible, each Party shall indemnify and hold the other Party harmless from and against any and all liability, loss, damages, costs and expenses, including reasonable attorney fees, arising from the identifying Party's negligence, including but not limited to, negligent delivery of water at rates or pressures which exceed the maximum pressure or do not meet the minimum pressure established on Exhibit A. By such agreement to indemnify and hold each other harmless, neither Party waives any defenses and immunities to third Parties, which it would otherwise be entitled under the Colorado Governmental Immunity Act.

10.15 This Agreement, along with all exhibits and addendums and amendments hereto, encompasses the entire agreement of the parties, and supersedes all previous understandings and agreements between the parties, whether oral or written. The terms of the Water Supply Agreement dated August 26th, 2011 ("August 26th, 2011, Agreement"), shall remain in effect, except that all exhibits attached to the August 26th, 2011, Agreement shall be incorporated and reflected in the corresponding exhibit that are attached hereto and thus superseded hereby. The parties hereby acknowledge and represent, by affixing their hands and seals hereto, that said parties have not relied on any representation, assertion, guarantee, warranty, collateral contract or other assurance, except those set out in this Agreement, made by or on behalf of any other party or any other person or entity whatsoever, prior to the execution of this Agreement. The parties hereby waive all rights and remedies, at law or in equity, arising or which may arise as the result of a party's reliance on such representation, assertion, guarantee, warranty, collateral contract or other assurance, provided that nothing herein contained shall be construed as a restriction or limitation of said party's right to remedies associated with the gross negligence, willful misconduct or fraud of any person or party taking place prior to, or contemporaneously with, the execution of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

ATTEST:

NORTH WELD COUNTY WATER DISTRICT

By: Robert Penbrecht
Secretary

By: Charles Ackman
President



City Clerk

APPROVED AS
TO SUBSTANCE:

By: _____
City Manager

APPROVED AS TO LEGAL FORM:

By: _____
City Attorney

APPROVED AS TO AVAILABILITY OF FUNDS:

By: _____
Director of Finance

APPROVED AS TO LEGAL FORM:
Lind & Ottenhoff LLP

By: _____
Kenneth F. Lind

CITY OF GREELEY, COLORADO

By: _____
Mayor

APPROVED:
Greeley Water & Sewer Board

By: _____
Chairperson

EXHIBIT A

**District Delivery Point 1:
(Knaus Master Meter)**

Meter Vault located at approximately 1,256 feet West of the centerline of 11th Avenue on O Street, Greeley, within the Northwest ¼ of Section 31, Township 6 North, Range 65 West of the 6th Prime Meridian, County of Weld, State of Colorado

*Minimum Annual Amount = 4,026,594 Gallons

**Peak Demand = 26 gallons per minute (gpm)

Maximum Pressure = 90 psi

Average Pressure Range = 80 to 85 psi

Minimum Pressure = 75 psi

***Minimum Annual Amount**

154,869 gallon average three year customer usage multiplied by 26 Net Transferred Customers identified in Exhibit B.

****Peak Capacity Available**

One gallon per minute for each 26 Net Transferred Customers identified in Exhibit B.

Plant Investment Fee

No Plant Investment Fee (purchased 26 gallons per minute equals 26 transferred taps)

**Greeley Delivery Point 1:
(Airport Master Meter)**

Meter Vault located North of the intersection of State Highway 263 and Fern Avenue, Greeley, within the Southwest $\frac{1}{4}$ of Section 2, Township 5 North, Range 65 West of the 6th Prime Meridian, County of Weld, State of Colorado

*Minimum Annual Amount = N/A

**Peak Demand = 3 gallons per minute (gpm)

Maximum Pressure = 85 psi

Average Pressure Range = 75 to 80 psi

Minimum Pressure = 60 psi

***Minimum Annual Amount**
N/A

****Peak Capacity Available**
Equals historical peak demand delivered through meter.

Plant Investment Fee
No Plant Investment Fee (no additional fee required for historical peak demand)

Exhibit B

GREELEY TRANSMISSION LINE CUSTOMERS

CUSTOMER NUMBER	SERVICE ADDRESS	CITY
070-776378-01	3501 E PROSPECT	FORT COLLINS
070-776386-01	1110 S SUMMIT VIEW DR	FORT COLLINS
070-776394-01	1101 S SUMMIT VIEW DR	FORT COLLINS
070-776408-01	1023 S SUMMIT VIEW DR	FORT COLLINS
070-776424-01	940 S SUMMIT VIEW DR	FORT COLLINS
070-776440-01	820 S SUMMIT VIEW DR	FORT COLLINS
070-776467-01	722 S SUMMIT VIEW DR	FORT COLLINS
070-776475-01	725 S SUMMIT VIEW DR	FORT COLLINS
070-776483-01	712 S SUMMIT VIEW DR	FORT COLLINS
070-776491-01	706 S SUMMIT VIEW DR	FORT COLLINS
070-776505-01	700 S SUMMIT VIEW DR	FORT COLLINS
070-776513-01	630 S SUMMIT VIEW DR	FORT COLLINS
070-776521-01	620 S SUMMIT VIEW DR	FORT COLLINS
070-776548-01	2919 PLEASANT ACRES DR	FORT COLLINS
070-776556-01	2941 PLEASANT ACRES DR	FORT COLLINS
070-776564-01	2932 PLEASANT ACRES DR	FORT COLLINS
070-776572-01	2914 PLEASANT ACRES DR	FORT COLLINS
070-776580-01	2933 E MULBERRY ST	FORT COLLINS
070-776599-01	2901 PLEASANT ACRES DR	FORT COLLINS
070-776602-01	2913 SUMMIT CT	FORT COLLINS
070-776610-01	556 SUMMIT VIEW DR	FORT COLLINS
070-776637-01	550 SUMMIT VIEW DR	FORT COLLINS
070-776645-01	542 SUMMIT VIEW DR	FORT COLLINS
070-776653-01	534 SUMMIT VIEW DR	FORT COLLINS
070-776688-01	2716 E MULBERRY ST	FORT COLLINS
070-776718-01	402 S SUMMIT VIEW DR	FORT COLLINS
070-776726-01	334 S SUMMIT VIEW DR	FORT COLLINS
070-776734-01	309 S SUMMIT VIEW RD	FORT COLLINS
070-776769-01	1924 E VINE DR	FORT COLLINS
070-776823-01	1727 RIDGECREST RD	FORT COLLINS
070-776866-01	423 SPAULDING LN	FORT COLLINS
070-776947-01	310 SPAULDING LN	FORT COLLINS
070-776955-01	204 SPAULDING LN	FORT COLLINS
TOTAL TAPS		33

Exhibit B

KNAUS SUBDIVISION

Premise/Account	Address	Water Class	PI Class	2008 Usage (K Gallons)	2009 Usage (K Gallons)	2010 Usage (K Gallons)	Average (K Gallons)
1523 000	1104 75th Ave.	1	1	92	61	76	76.33
1617 002	1105 75th Ave.	1	1	279	258	230	255.67
1533 000	1114 75th Ave.	1	2 (1GF)	228	219	249	232.00
1601 000	1107 75th Ave.	1	1	142	123	134	133.00
1614 000	1120 75th Ave.	1	2 (1GF)	283	199	265	249.00
1585 000	1119 75th Ave.	1	2 (1GF)	145	110	197	150.67
1600 000	1125 75th Ave.	1	1	158	98	132	129.33
1605 000	1126 75th Ave.	1	2 (1GF)	125	115	126	122.00
1587 000	7418 W 12th St.	1	2 (1GF)	237	144	221	200.67
1608 000	7412 W 12th St.	1	2 (1GF)	99	95	141	111.67
1540 000	1107 74th Ave.	1	2 (1GF)	161	165	197	174.33
1603 000	1102 74th Ave.	1	2 (1GF)	158	130	139	142.33
1559 000	1117 74th Ave.	1	2 (1GF)	242	214	254	236.67
1578 000	1118 74th Ave.	1	2 (1GF)	138	117	116	123.67
1602 005	1122 74th Ave.	1	1	202	127	72	133.67
222 000	1121 74th Ave.	1	3 (2GF)	456	373	394	407.67
1612 001	7317 W 12th St.	1	1	63	64	63	63.33
1583 001	1137 74th Ave.	1	1	329	178	244	250.33
1543 000	7404 W 12th St.	1	3 (2GF)	370	325	351	348.67
1598 000	7374 W 12th St.	1	2 (1GF)	133	128	156	139.00
1670 001	1103 73rd Ave.	1	2 (1GF)	122	56	131	103.00
2201 000	1106 73rd Ave.	1	1	178	169	112	153.00
1724 000	1112 73rd Ave.	1	1	122	119	107	116.00
1687 000	1111 73rd Ave.	1	2 (1GF)	212	198	244	218.00
1597 000	7308 W 12th St.	1	3 (2GF)	442	424	447	437.67
1711 000	1119 73rd Ave.	1	2 (1GF)	111	83	155	116.33
1736 002	1116 73rd Ave.	1	1	110	81	156	115.67
1744 002	7215 12th St.	1	1	147	143	176	155.33
1725 001	1125 73rd Ave.	1	2 (1GF)	208	183	215	202.00
1607 000	7216 W 12th St.	1	1	25	29	29	27.67
1662 001	7206 W 12th St.	1	1	159	112	163	144.67
1628 001	7110 W 12th St.	1	1	203	101	187	163.67
1899 004	7105 W 12th St.	1	1	167	116	208	163.67
1831 004	1155 72nd Ave.	1	1	167	25	174	122.00
1460 000	7111 12th St.	1	1	72	54	54	60.00
1843 000	7110 W 11th St. Pl.	1	2 (1GF)	247	163	198	202.67
1916 000	7104 11th St. Pl.	1	2 (1GF)	188	146	140	158.00
1863 002	7105 W 11th St. Pl.	1	1	207	138	162	169.00
1820 002	1149 72nd Ave.	1	2 (1GF)	53	47	51	50.33
1800 000	1133 72nd Ave.	1	1	39	34	68	47.00
1853 001	7104 11th St. Rd.	1	1	192	137	172	167.00
1871 002	7105 11th St. Rd.	1	1	42	43	37	40.67
1783 000	7111 W 11th St. Pl.	1	1	102	94	99	98.33
1911 001	7110 W 11th St. Rd.	1	1	168	149	179	165.33
2256 000	1129 72nd Ave.	1	3 (2GF)	291	253	273	272.33
1758 001	1109 72nd Ave.	1	2 (1GF)	178	131	138	149.00
1834 001	1114 72nd Ave.	1	1	107	110	62	93.00
1927 000	1104 72nd Ave.	1	1	206	181	252	213.00
1943 000	7201 11th Ave.	1	1	65	53	71	63.00

Exhibit B

Premise/Account	Address	Water Class	PI Class	2008 Usage (K Gallons)	2009 Usage (K Gallons)	2010 Usage (K Gallons)	Average (K Gallons)
2908 001	7217 11th Ave.	1	1	107	90	97	98.00
1751 001	7223 11th St.	1	1	61	61	27	49.67
1732 000	7307 11th St.	1	1	190	166	219	191.67
1660 004	7315 11th St.	1	1	22	104	189	105.00
1604 000	7403 11th St.	1	2 (1GF)	185	172	224	193.67
1534 002	7413 W 11th St.	1	1	30	26	27	27.67
1901 001	7104 W 12th St.	1	1	173	119	127	139.67
TOTAL		56		9338	7553	9127	154.87
TOTAL TAPS	56						

MISCELLANEOUS NORTH WELD TAP

<u>Meter#</u>	<u>Address</u>	<u>City</u>
446	1142 N. 11th Ave.	Greeley
880	1734 Holly Ave. (Dill Farm)	Greeley
1678	933 N. 11th Ave.	Greeley
TOTAL TAPS	3	

