

**WATER AND SEWER SERVICE AGREEMENT  
(LEDGE ROCK CENTER MULTI-FAMILY NORTH PHASE I & II)**

THIS WATER AND SEWER SERVICE AGREEMENT (“Agreement”) is made and entered into this \_\_\_ day of \_\_\_\_\_ 2023, by and between **LEDGE ROCK CENTER, LLC**, a Kansas limited liability company (“Developer”), and **THE TOWN OF JOHNSTOWN**, a Colorado municipal corporation (“Town”), collectively sometimes referred to as the “Parties” and singularly as “Party.”

WITNESSETH:

WHEREAS, Developer owns an interest in land known as Lots 6 and 7 of East Ledge Rock Center Subdivision Filing No. 2, located in the Northeast Quarter of the Northeast Quarter of Section 11, Township 4 North, Range 68 West of the 6th P.M., Town of Johnstown, County of Weld, State of Colorado, more fully described on **Exhibit A** attached hereto and incorporated herein by reference (“Subject Property”); and

WHEREAS, Developer is developing the Subject Property as the “Ledge Rock Center Multifamily North” development, consisting of 504 single family attached units and an 8,660 ft<sup>2</sup> clubhouse with 8.16 acres of xeric and 0.47 acres of spray-irrigated landscape (“Development”); and

WHEREAS, Developer desires to construct the Development in two construction phases, Phase I of the Development and Phase II of the Development, and dedicate the required water prior to commencing construction of each phase; and

WHEREAS, Developer and the Town desire to set forth their agreement concerning water rights dedication, preliminary projections of water and sewer demand and a current commitment by the Town for water and sewer service for the Subject Property.

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

**1. Water and Sewer Demand Studies.** In compliance with the Town Water Rights Dedication Ordinance (“Ordinance”), Developer submitted to the Town a preliminary water and sewer demand analysis for the Subject Property dated December 15, 2022. Said analysis is on file with the Town and, as modified by the Town’s Water Engineer by memoranda dated December 20, 2022, is hereby accepted by the Town. The analysis provides that the projected water and sewer demand for the Subject Property is as follows:

<b>PHASE I Development</b>	<b>Demand (AF/YR)</b>	<b>Consumption (AF/YR)</b>
Residential in-building (252 units + clubhouse)	74.05	3.70
Landscape irrigation	4.08	3.47
<b>Total</b>	<b>78.13</b>	<b>7.17</b>

<b>PHASE II Development</b>	<b>Demand (AF/YR)</b>	<b>Consumption (AF/YR)</b>
Residential in-building (252 units)	73.08	3.65
Landscape irrigation	5.25	4.46
<b>Total</b>	<b>78.33</b>	<b>8.11</b>

**2. Water Rights Dedication and Credits.** Developer dedicated twenty-six (26) shares of the Consolidated Home Supply Ditch & Reservoir Company (“Home Supply”) to the Town totaling 200 acre-feet, consisting of the following: 14 shares, represented by Certificate No. 7113 (112 acre-feet of raw water credit); 1 share, represented by Certificate No. 7114 (8 acre-feet of raw water credit); 5 shares, represented by Certificate No. 7115 (40 acre-feet of raw water credit based on a recorded dry-up covenant); 5 shares, represented by Certificate No. 7145 (32 acre-feet of raw water credit); and 1 share, represented by Certificate No. 7148 (8 acre-feet of raw water credit). Developer has also dedicated 1/3 share of Big Thompson Ditch and Manufacturing (“Big Thompson”) to the Town totaling 19 acre-feet. The Home Supply and Big Thompson water are collectively referred to herein as the “Water Shares.”

a. The dedication credit from the Water Shares totaled 219.00 acre-feet and was deposited into the Ledge Rock Center Water Bank (a water bank created by the Town’s Water Engineer to maintain an accounting of Developer’s raw water credits).

b. Developer allocated a portion of the raw water credit in the Ledge Rock Center Water Bank for other uses but retains a surplus dedication credit with the Town sufficient to supply the raw water demands of Phase I of the Development. Developer hereby desires to allocate, and the Town accepts such allocation of, raw water credit in the amount of 78.13 acre-feet for Phase I of the Development.

c. Prior to the release of building permits for Phase II of the Development, to satisfy the raw water demands of Phase II, Developer shall: (i) allocate raw water from the Ledge Rock Center Water Bank, if sufficient credit is available; (ii) dedicate additional raw water to the Town; or (iii) if acceptable to the Town, pay cash-in-lieu of water dedication at the rate set by the Town, at its discretion. Said allocation, dedication or payment shall be acceptable to the Town Manager and evidenced by execution of the Phase II Raw Water Authorization attached hereto and incorporated herein by reference as **Exhibit B**, which shall also include the required water court transfer fee for Phase II of the Development.

**3. Surplus dedication credit.** Subsequent to allocation of raw water credit from the Ledge Rock Center Water Bank for the Phase I of the Development, Developer shall have a surplus raw water credit with the Town. The raw water credit is calculated as follows:

Credit Balance:	112.81 acre-feet
Less estimated PHASE I demand:	<u>78.13 acre-feet</u>
<b>Net surplus credit:</b>	<b>34.68 acre-feet</b>

**4. Commitment to serve.** Subject to Developer’s performance of all the covenants contained herein and payment of all required fees, the Town commits to provide to the Subject Property up to 147.13 acre-feet per year of water supply for residential in-building use together with the corresponding sewer service and 9.33acre-feet per year for irrigation, as described above.

**5. Future review of water usage and dedication requirements.** In accordance with the Ordinance, the Town reserves the right to review actual water usage within the Subject Property at a point in time after water usage has been established to confirm the adequacy of the water demand projections made by the Developer, and to require additional water rights dedication and/or cash-in-lieu payments, if necessary, based on actual water usage.

**6. Payment of Water Court Transfer Fee.** Upon execution of this Agreement, Developer shall pay to the Town the water court transfer fee in amount of **Forty Thousand Two Hundred Dollars (\$40,200.00)** for the dedication of 78.13 acre-feet per year of estimated water demand and estimated consumptive use of 7.17 acre-feet per year, equivalent to 156 single family equivalent (“SFE”), for Phase I of the Development. The water court transfer fee for Phase II of the Development shall be set forth on, and payable at the time of execution of, the Phase II Raw Water Authorization.

**7. West Johnstown Water Tank.** Within ten (10) days of the execution of this Agreement, the Developer agrees to pay the Town a cash-in-lieu amount for a proportional share of the planned West Johnstown Water Tank at a calculated pro rata cost of \$970.00 per SFE, multiplied by the Development’s total demand of 313 SFEs, for a total of payment of Three Hundred Three Thousand, Six Hundred Ten Dollars (\$303,610.00).

**8. Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed given: (a) upon hand delivery, (b) upon deposit with Federal Express, UPS or other nationally recognized overnight courier service, receipt required, or (c) when transmitted via email, provided the sending party receives a read-receipt for the email or the receiving party acknowledge receipt thereof. All notices shall be addressed as follows:

TO DEVELOPER:

Ledge Rock Center, LLC  
Attn: Michael Schlup  
6909 W 135th Street Suite B13  
Overland Park, KS 66223  
[mikeschlup@corbinpark.com](mailto:mikeschlup@corbinpark.com)

with a copy to:

Allen D. Schlup, Esq.  
A.D. Schlup Law, LLC  
10950 W. 192<sup>nd</sup> PL

TO TOWN:

Town of Johnstown  
Attn: Town Manager  
450 S. Parish Avenue  
P.O. Box 609  
Johnstown, CO 80534  
[MLeCerf@JohnstownCO.gov](mailto:MLeCerf@JohnstownCO.gov)

with a copy to:

Avi S. Rocklin, Esq.  
Law Office of Avi S. Rocklin, LLC  
1437 N. Denver Avenue, #330

Spring Hill, KS 66083  
[allen.schlup@adschluplaw.com](mailto:allen.schlup@adschluplaw.com)

Loveland, CO 80538  
[avi@rocklinlaw.com](mailto:avi@rocklinlaw.com)

Peter Ampe, Esq.  
Hill & Robbins, P.C.  
3401 Quebec St., Suite 3400  
Denver, CO 80207  
[peterampe@hillandrobbsins.com](mailto:peterampe@hillandrobbsins.com)

The addresses for notices may be changed by written notice given to the other Party in the manner provided above.

**9. Default.** In the event of default by either Party hereunder, the non-defaulting Party shall notify the defaulting Party in writing of such default(s), specifying the nature and extent thereof. If such default is not cured within thirty (30) days, the non-defaulting Party shall be entitled to such remedies as are provided by law, including the Town's ordinances.

**10. Successors and assigns.** The benefits and burdens of this Agreement shall respectively inure to and be binding upon the successors and assigns of the Parties hereto. This agreement shall not be assigned without the prior written consent of the other Party, which shall not be unreasonably withheld.

**11. Amendment or modification.** No amendment or modification of this Agreement shall be of any force or effect unless in writing and executed by the Parties hereto with the same formality as this Agreement.

**12. Attorney's fees and costs.** If any judicial proceedings may hereafter be brought to enforce any of the provisions hereof, including an action for specific performance and/or damages, the Town, if the prevailing party, shall be entitled to recover the costs of such proceedings, including reasonable attorney's fees and reasonable expert witness fees.

**13. Waiver.** The waiver of any breach of any of the provisions of this Agreement by either Party shall not constitute a continuing waiver of any subsequent breach by said Party, concerning either the same or any other provision of this Agreement.

**14. Headings for convenience only.** Paragraph headings and titles contained herein are intended for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.

**15. Non severability.** Each paragraph of this Agreement is intertwined with the others and is not severable unless by mutual consent of the Parties hereto.

**16. Choice of laws and venue.** This Agreement and the rights and obligations of the Parties hereto shall be governed by the laws of the State of Colorado. Venue for any legal action shall be in the County of Weld, State of Colorado.

**17. Entire agreement.** This Agreement constitutes the entire agreement between the Parties related to the subject matter hereof and any prior agreements pertaining thereto whether oral or written have been merged or integrated into this Agreement.

**18. No Presumption.** Each Party acknowledges that it has carefully read and reviewed the terms of this Agreement. Each Party acknowledges that the entry into and execution of this Agreement is of its own free and voluntary act and deed, without compulsion. Each Party acknowledges that it has obtained, or has had the opportunity to obtain, the advice of legal counsel of its own choosing in connection with the negotiation and execution of this Agreement and with respect to all matters set forth herein. The Parties agree that this Agreement reflects the joint drafting efforts of all Parties and in the event of any dispute, disagreement or controversy arising from this agreement, the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship.

**19. Recordation.** This Agreement will be recorded by the Town at Developer's expense in the office of the Clerk and Recorder of Weld County, Colorado, shall run with the Subject Property, will be binding upon the Parties hereto and the permitted successors and assigns of the Developer and will constitute notice of this Agreement to all persons or entities not parties hereto.

*(Signature pages to follow)*

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

**LEDGE ROCK CENTER, LLC**

By: Michel Schlup  
Name: Michel Schlup  
Title: President

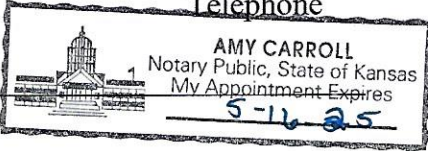
STATE OF KANSAS            )  
  ) ss  
COUNTY OF JOHNSON        )

SUBSCRIBED AND SWORN to before me this 1 day of February, 2023 by Michel Schlup as the president of Ledge Rock Center, LLC, a Kansas limited liability company.

Witness my hand and official seal.

Amy Carroll  
Notary Public  
137 NW 1501 Rd Urich, MO 64788  
Address  
913-633-3826  
Telephone

My Commission Expires: \_\_\_\_\_



**TOWN OF JOHNSTOWN, COLORADO,**  
a Colorado municipality

By: \_\_\_\_\_  
Gary Lebsack, Mayor

ATTEST:

By: \_\_\_\_\_  
Hannah Hill, Town Clerk

## **EXHIBIT A**

### **PROPERTY DESCRIPTION**

Lots 6 and 7 of the East Ledge Rock Center Filing No. 2 Subdivision (Rec. 4853717), situate in the NE 1/4 of Section 11, T4N, R68W, of the 6<sup>th</sup> P.M., Town of Johnstown, County of Weld, State of Colorado.

**EXHIBIT B**  
**Phase II Raw Water Authorization**

THIS PHASE II RAW WATER AUTHORIZATION supplements and is incorporated into the WATER AND SEWER SERVICE AGREEMENT (LEDGE ROCK CENTER MULTI-FAMILY NORTH PHASE I & II) (“WSSA”) made and entered into on \_\_\_\_\_, 20\_\_\_\_, by and between LEDGE ROCK CENTER, LLC, a Kansas limited liability company (“Developer”), and THE TOWN OF JOHNSTOWN, a Colorado municipal corporation.

1. Water Demand for Phase II of the Development. The preliminary raw water demand for Phase II of the Development is as follows:

<b>PHASE II Development</b>	<b>Demand (AF/YR)</b>	<b>Consumption (AF/YR)</b>
Residential in-building (252 units)	73.08	3.65
Landscape irrigation	5.25	4.46
<b>Total</b>	<b>78.33</b>	<b>8.11</b>

The raw water demand for Phase II of the Development shall be satisfied by \_\_\_\_\_. [Note: If the Developer pays cash-in-lieu of raw water dedication, the price of the water shall be added to, and payable upon execution of, this Phase II Raw Water Authorization.]

2. Water Court Transfer Fee. Pursuant to Paragraph 6 of the WSSA and the Johnstown Municipal Code, the water court transfer fee for Phase II of the Development is \$\_\_\_\_ dollars (\$\_\_\_\_.00) and shall be paid upon execution of this Phase II Raw Water Authorization.

Dated: \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Matthew LeCerf, Town Manager

Accepted by Ledge Rock Center, LLC  
By: \_\_\_\_\_  
\_\_\_\_\_, Authorized Member