

WATER & SEWER BOARD AGENDA

Wednesday, January 18, 2017
2:00 p.m.

DISTRICT 6
ADMINISTRATION BUILDING
1025 9th Avenue
Greeley, CO 80631

1. Roll Call: _____ Chairman Harold Evans _____ Vice Chairman Mick Todd
 _____ Mr. Bob Ruyle _____ Mr. Fred Otis
 _____ Mr. Joe Murphy _____ Mr. Tony Miller
 _____ Mr. Manuel Sisneros _____ Mayor Tom Norton
 _____ Mr. Roy Otto _____ Mrs. Victoria Runkle
2. Approval of Minutes
3. Approval of and/or Additions to Agenda
4. Action: Election of 2017 Officers
5. Action: Approve Acquisition of GIC Water Rights As Part of Culture, Parks, and Recreation Department's Acquisition of the Duran Property
6. Action: Approve Cash-In-Lieu
7. Action: Approve Acquisition of Interests in Real Property for the Ashcroft Draw Basin Sanitary Sewer Project and Recommend to Council
8. Action: Approve Resolution Regarding Watering Restrictions for Inside the City Single-Family Residential Customers on Water Budget Rate
9. Report: Water Court And Change Case Updates
10. Action: Approve Lebsack Farm Lease
11. Report: Cache La Poudre Water Infrastructure Projects Update
12. Executive Session
13. Action: Approve Purchase Price for Arnbrecht Farm and Associated Water Rights
14. Legal Report



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

15. Director's Report

- Poudre Runs Through It Forum
- Proposed Dates for 2017 Citizen and Board Tours

16. Such Other Business That May Be Brought Before The Board and Added to This Agenda by Motion of the Board



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

City of Greeley
Water and Sewer Board
Minutes of December 21, 2016
Regular Board Meeting

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:00 p.m. on Wednesday, December 21, 2016.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Bob Ruyle, Fred Otis, Tony Miller, Manual Sisneros, Joe Murphy and City Manager Roy Otto

Water and Sewer Department staff:

Water and Sewer Director Burt Knight, Deputy Director of Water Resources Eric Reckentine, Budget Analyst Erik Dial, Senior Administrative Specialist Shannon Metcalf and Administrative Specialist Angel Salazar

Legal Counsel:

Environmental and Water Resources Attorney Dan Biwer, Environmental and Water Resources Attorney Andy Nicewicz and Water and Sewer Board Counsel Jim Witwer

Other Guests:

2. Approval of Minutes

Mr. Ruyle moved and Mr. Miller seconded to approve the November 16, 2016 Water and Sewer Board meeting minutes as presented. The motion carried 7-0.

3. Approval of and/or Additions to Agenda

Executive Session Item 9 was moved to 6a.

4. Action: Approve Proposed 2017 Board Meeting Schedule

A motion was made by Mr. Otis and seconded by Mr. Todd to approve the proposed 2017 Water and Sewer Board meeting dates as presented. The motion carried 7-0.

5. Action: Approve Proposed 2017 Water and Sewer Rate Adjustments

Mayor Norton and Mrs. Runkle joined the meeting at 2:07 p.m.

Mr. Dial presented the 2017 Water and Sewer Rates. He noted that the rate increases are minimal and if residents of single family dwellings stay within the Water Budget, their monthly bill will decrease slightly. Mr. Dial also clarified that the term "Inside" in Part A of Appendix A to the rate resolution (2017 Water Rates) refers to customers located within Greeley (both their in-building and outside/irrigation uses). System wide the average combined water and sewer bill will increase by approximately \$0.55 per month. The plant investment fee for water is not changing and is decreasing for sewer by \$150. He noted that the Water Budget rates will become effective February 1, 2017 but the other rates will become effective January 1, 2017.

A motion was made by Vice-Chairman Todd and seconded by Mr. Murphy to approve the proposed 2017 Water and Sewer Rates (Resolution 3, 2016). The motion carried 7-0.

Chairman Evans noted that he joined Eric Reckentine and Donna Brosemer to meet with the governor's Special Advisor John Stulp this month. Mr. Reckentine gave a presentation on Greeley's water system and briefed Mr. Stulp on the Seaman project. Mr. Stulp was very impressed and complimentary about the water budget approach and efforts toward the water education campaign.

6. Action: Approve Resolution Regarding Enforcement of Watering Restrictions

The Board discussed the Resolution. Mr. Otis questioned whether "suspension" of enforcement was the best way to describe this. Mr. Ruyle made a motion to table this item until the January meeting, seconded by Mr. Miller. The motion passed 7-0.

6a. Executive Session:

At 2:38 p.m. Chairman Evans made a motion to move into executive session to address the following matters:

1. Purchase, acquisition, lease, transfer, or sale of property under C.R.S. §24-6-402(4)(a) and Greeley Municipal Code 2.04.020(1).
2. Determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, as authorized by C.R.S. §24-6-402(4)(e) and Greeley Municipal Code 2.04.020(5).

Chairman Evans identified the following topics for discussion:

1. Matters related to acquisition strategy for the Arnbrecht Farm and associated water rights.

Mr. Miller seconded the motion. The motion carried 7-0.

Present during the executive session were:

Chairman Harold Evans, Vice Chairman Mick Todd, Bob Ruyle, Fred Otis, Tony Miller, Manual Sisneros, Joe Murphy, Mayor Tom Norton, City Manager Roy Otto, Director of Finance Victoria Runkle, Director of Water and Sewer Burt Knight, Deputy Director of Water Resources Eric Reckentine, Environmental and Water Resources Attorney Dan Biwer, Environmental and Water Resources Attorney Andy Nicewicz, Water and Sewer Board Counsel Jim Witwer

The Executive Session ended at 2:53 p.m.

7. Action: Approve Acquisition of Arnbrecht Farm and Associated Water Rights

Mr. Reckentine explained that Staff is recommending that the Water and Sewer Board approve the Purchase and Sale Agreement between the City of Greeley and Robert R. Arnbrecht and Mary Noreen Arnbrecht. The Agreement is for the purchase of a parcel of real property, containing approximately seventy nine acres of land, located in Weld County and the water rights used to historically irrigate the Land. The water rights include the following ditch company stock shares: two shares of the Windsor Reservoir and Canal Company, and eight shares of the New Cache la Poudre Irrigating Company. The total purchase price for the Property is One Million and Nine Ninety-Five Thousand Dollars.

Vice-Chairman Todd Moved, seconded by Mr. Murphy that the Board authorize the Arnbrecht Farm Purchase and Sale Agreement, subject to appropriate modifications regarding the residential lease provisions of the Agreement and subject to the Board's subsequent approval of the purchase price after appraisal, and delegate authority to the Director of Water and Sewer or his designee to make minor amendments, including but not limited to revisions of property descriptions and extensions of contract deadlines. The motion passed 7-0.

8. Action: Approve JV Farm Lease

Mr. Reckentine stated that Staff is recommending that the Water and Sewer Board approve the Farm Lease Agreement between and the City of Greeley and JV Farms, Inc. The Agreement is for a ten year lease of real property, containing approximately one hundred and fifty-five acres of land, located in Weld County Colorado and the water rights used to historically irrigate the Land. The water rights include the following ditch company stock share: two shares of the Water Supply and Storage Company, two shares Lone Tree Lateral, two shares Collins Ditch Lateral and irrigation wells.

Mr. Otis moved, seconded by Mr. Murphy that the Board authorize the JV Farm Lease. The motion passed 7-0.

10. Legal Report

There were no items for the Legal Report.

11. Director's Report

Mr. Reckentine noted the following:

- Danielson Farm
The sale closed in early December.
- Poudre Runs Through It Forum
Greeley is hosting the Forum this year and it will be held at Island Grove on February 3rd.
- Northern Greeley Sewer
The project has been put on hold while further economic analysis and studies are completed.

There being no further business, Chairman Evans adjourned the meeting at 3:12 p.m.

Harold Evans, Chairman

Shannon Metcalf, Administrative Specialist

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 4

TITLE: ACTION: ELECTION OF OFFICERS

RECOMMENDATION: APPROVE 2016 OFFICERS

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 5

TITLE: ACTION: APPROVE ACQUISITION OF GIC
WATER RIGHTS AS PART OF CULTURE,
PARKS, AND RECREATION DEPARTMENT'S
ACQUISITION OF THE DURAN PROPERTY

RECOMMENDATION: APPROVE ACQUISITION OF GIC WATER
RIGHTS AS PART OF CULTURE, PARKS, AND
RECREATION DEPARTMENT'S ACQUISITION
OF THE DURAN PROPERTY

ADDITIONAL INFORMATION:

The Purchase and Sale Agreement is for the acquisition of a property at 300 N 21st Ave., also known as the Duran Property, for use by the Culture, Parks, and Recreation Department ("CPRD"). Along with the land itself, the Purchase and Sale Agreement also includes the acquisition of 5/6 shares of the Greeley Irrigation Company ("GIC Shares"), which historically were used to irrigate the land. \$65,000 of the total \$380,000 purchase price is for the acquisition of the GIC Shares. Board approval of the Purchase and Sale Agreement will authorize \$65,000 from Greeley's Water Enterprise Fund to be used for the acquisition of the GIC Shares.

Once it has acquired and been given the necessary approval from the Division 1 Water Court, Greeley will use the GIC Shares for general municipal purposes. The GIC Shares will not be used to irrigate the Duran Property. The Duran Property will be used for alternative access to Greeley's Island Grove Park and for on-site maintenance for the CPRD. This will allow Greeley to claim the property as "dried up" in water court, which is generally required when changing the use of water rights from agricultural irrigation to municipal uses.

PURCHASE AND SALE AGREEMENT

(Duran)

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into by and among ROBERT DURAN and JOANN CASTLE, as the Co-Personal Representatives of the Estate of ZULEMA DURAN a/k/a SALLY DURAN, whose address is: c/o Robert Duran at 2926 W. Harp Court, Greeley, Colorado 80634, (collectively "Sellers") and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, whose address is 1000 10th Street, Greeley, Colorado 80631 ("Buyer").

RECITALS

1. Zulema Duran a/k/a Sally Duran died on April 22, 2008 and Sellers were duly appointed co-Personal Representatives of said estate by the District Court in and for the County of Weld, State of Colorado, 2015 PR 30253, on July 28, 2015 and are now qualified and acting in said capacity pursuant to the powers conferred upon them by the Colorado Probate Code.

2. The Sellers are the owners of a parcel of real property containing approximately three (3.0) acres of land, located in Weld County Colorado, which is legally described on Exhibit "A", attached hereto and incorporated herein by reference ("Land"), also known as: 300 N. 21st Avenue, Greeley, Colorado.

3. The Sellers are the sole owners of five-sixths (5/6) shares of the Greeley Irrigation Company ("GIC"), represented by Stock Certificate No. 2397, which have been used to irrigate a portion of the Land (all of the foregoing water rights referred to as the "Water Rights").

4. The parties desire to set forth the terms and conditions pursuant to which the Sellers will sell and the Buyer will purchase the Water Rights and the Land, together with the appurtenant property rights and water rights associated therewith, as more fully provided hereinafter.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the Sellers and the Buyer hereby agree as follows:

AGREEMENT

ARTICLE 1 DEFINITIONS

For purposes of this Agreement, the following terms shall have the following meanings:

1.1 “Land” is defined as the real property referenced in Recital 2 above and legally described on Exhibit “A”, attached hereto and incorporated herein by reference.

1.2 “Effective Date” is defined as the date upon which the last party hereunder signs this Agreement. The date of execution of the supplemental signature pages herein shall not be used in calculating the Effective Date.

1.3 “Water Rights” is defined as the real property referenced in Recital 3 above.

ARTICLE 2 SALE OF PROPERTY

The Sellers agree to sell, and the Buyer agrees to buy, on the terms and conditions set forth in this Agreement, the Property (defined below). The “Property” includes, and the Sellers shall convey to the Buyer at Closing, the following:

2.1 Land. The Land, together with all right, title, and interest of the Sellers in and to reversions, remainders, easements, rights-of-way, appurtenances, licenses, tenements, and hereditaments appertaining to or otherwise benefiting or used in connection with the Land or the Improvements (defined below) located thereon.

2.2 Improvements. All existing improvements, structures, pipes, and fixtures placed, constructed, installed, or located on the Land and all fences, gates, plants, trees, landscaping, and other appurtenances, if any, upon, over, or under the Land (collectively, “Improvements”).

The Land and the Improvements are sometimes hereinafter jointly referred to as the “Real Property.”

2.3 Permits, Licenses, Etc. All right, title and interest of the Sellers, without warranty of any type, in and to all governmental permits, licenses, certificates, and authorizations relating to the construction, development, use, or operation of the Real Property and the Transferable Water Rights (defined below).

2.4 Other Rights. Any and all other rights, privileges, and appurtenances owned by the Sellers, without warranty of any type, which relate to or are used in connection with the Real Property and the Transferable Water Rights to the extent that they are assignable.

2.5 Water Rights. The following water rights to be transferred to the Buyer hereinafter referred to as the “Transferable Water Rights.”

A. All potable water taps associated with the Real Property.

B. The Water Rights described in Recital 3 above, represented by GIC Stock Certificate No. 2397 for five-sixths (5/6) shares.

C. All rights, title, and interest of the Sellers, if any, in and to any and all other water, water rights, ditches, ditch rights, wells, well rights, well permits, reservoirs, and reservoir rights appurtenant to, or used in connection with, the Real Property, whether tributary, nontributary, or not nontributary, including particularly, but not by way of limitation, all of Sellers' interest in the water and water rights, ditches and ditch rights, and reservoirs and reservoir rights represented by the Water Rights. The Transferable Water Rights also include all rights, title, and interest of the Sellers in and to any and all lateral ditches, easements, rights-of-way, and entitlements appurtenant to or used in connection with the Land and/or Water Rights.

2.6 Exclusions. The Property does not include, and the Sellers expressly except and reserve, the following: All rights, title, and interest of the Sellers in and to all oil and gas mineral rights located in, on, or under the surface of the Land (the "Reserved Mineral Rights"). The Reserved Mineral Rights do not include, and the Sellers shall convey to the Buyer at Closing, all rights, title, and interest of the Sellers in and to all sand, rock, gravel, coal, phosphate, uranium, precious metals, and all other minerals located in, on, or under the Land that require mining.

ARTICLE 3 PURCHASE PRICE

3.1 Total Purchase Price. The total purchase price for the Property is three hundred eighty thousand dollars (\$380,000.00) ("Total Purchase Price"). The Total Purchase Price is payable as follows:

3.2 Deposit and Release of Deposit. Within fourteen (14) days following the Effective Date, the Buyer shall cause the amount of twenty-five thousand dollars (\$25,000.00) ("Deposit") to be deposited with Land Title Guarantee Company, 4617 W. 20th Street, #B, Greeley, CO 80634 ("Title Company"). The Deposit will be held by the Title Company as an earnest money deposit in an interest-bearing account to be credited toward the Total Purchase Price. The Deposit is refundable to the Buyer if this Agreement is terminated by the Buyer pursuant to Section 4.4, Article 5, Section 11.3, or Article 12 below or if the City of Greeley Water and Sewer Board does not approve this Agreement pursuant to Section 16.17 below. Except as set forth in the preceding sentence or otherwise provided for in this Agreement, the Deposit is non-refundable to the Buyer.

3.3 Interest. All interest accrued on the Deposit prior to the release of the Deposit to the Sellers will be added to and constitute part of the "Deposit." The Deposit (including all interest accrued thereon prior to the release thereof to the Sellers) will be applied against the Total Purchase Price.

3.4 Closing. The Total Purchase Price (i) minus the Deposit (including interest accrued thereon prior to the release thereof to the Sellers); (ii) plus any other amounts required to be paid

by the Buyer at Closing; and (iii) plus or minus any prorations or credits, shall be paid at Closing by cashier's check, wire transfer, or other immediately available funds.

ARTICLE 4
TITLE

4.1 Title Commitment. Within the time periods set forth below, the Sellers shall provide to the Buyer for its review the following:

A. Within fourteen (14) days after the Effective Date, a commitment for an owner's policy of title insurance ("Title Commitment"), issued by the Title Company covering the Land and indicating the Title Company's willingness to issue to the Buyer at Closing the Title Policy (defined below) in the amount of three hundred eighty thousand and no/100 dollars (\$380,000.00), with such Title Commitment setting forth the status of title to the Land and showing all liens, claims, encumbrances, easements, rights-of-way, encroachments, reservations, restrictions, and other matters of record affecting title to the Land.

B. Within fourteen (14) days after the Effective Date, copies of all recorded documents referred to in the Title Commitment as exceptions to title to the Land ("Title Documents").

C. Within fourteen (14) days after the Effective Date, a completed lead-based paint disclosure.

D. Within twenty-eight (28) days after the Effective Date, to the extent they exist and are in the Sellers' possession or control, true and correct copies of all (i) governmental permits, licenses, certificates, and authorizations relating to the construction, development, use, or operation of the Property; (ii) well permits relating to the exposure of groundwater to evaporation and/or consumption, together with any "substitute water supply plans" describing methods used to replace evaporative and consumptive groundwater losses; (iii) documents that relate to the title, use, quantity, quality, and condition of the Transferable Water Rights, including, but not limited to, any deeds or other conveyances, assignments, permits, adjudications or court orders, any testing reports, and any records provided to or maintained by GIC concerning the Water Rights, including without limitation share certificate records, delivery records, and assessment records (or, in the alternative, the Sellers shall obtain for the Buyer the right to inspect and copy such records); (iv) copies of all contracts or other agreements relating to the operation, maintenance, or leasing of the Property or any portion thereof; and (v) any other agreements affecting the Property which are not included in the Title Documents provided by the Title Company.

4.2. ALTA/ACSM Land Title Survey. Not less than fourteen (14) days prior to the expiration of the Inspection Period, the Buyer shall have prepared a final ALTA/ACSM Land Title Survey of the Real Property ("Survey") containing the Minimum Standard Detail Requirements required by the Title Company to delete preprinted standard Title Exceptions 1 through 5 in the Title Commitment, which Survey shall be certified for the benefit of the Buyer and the Title Company.

4.3 Condition of Title. Sellers shall deliver title to the Property to the Buyer, and the Buyer agrees to accept such title free and clear of all liens and encumbrances subject only to each of the following ("Permitted Exceptions"):

A. All covenants, easements, agreements, restrictions, and other recorded documents set forth in the Title Commitment, except for mortgages, mechanic's liens, and other financial encumbrances which shall be discharged by the Sellers at Closing.

B. General property taxes for the year of Closing, provided that such taxes shall be prorated to the Closing Date.

C. Any state of facts as may be shown on the Survey.

D. Any matters created by or through the Buyer.

4.4 Vesting of Title. At Closing, the Sellers shall convey to the Buyer fee simple title to: (1) the Real Property by personal representatives deed, free and clear of all liens and encumbrances, subject only to the Permitted Exceptions and (2) the Transferable Water Rights by personal representatives deed free and clear of all liens and encumbrances. If the Sellers or the Title Company gives the Buyer notice of a title exception that is not a Permitted Exception and that arose subsequent to the Effective Date, or was not disclosed in the Title Commitment, then the Buyer may disapprove of such exceptions, if at all, by giving written notice of objection to the Sellers within fourteen (14) days after receiving notice from the Sellers or the Title Company. Any such exception not objected to in writing within such fourteen (14) day period is deemed an additional Permitted Exception. The Sellers may elect (but are not obligated) to remove, or cause to be removed at their expense, any such disapproved exceptions (collectively, "Disapproved Matters"), or, with the Buyer's approval, the Sellers may elect (but are not obligated) to obtain title insurance insuring against the effect of the Disapproved Matters. The Sellers shall notify the Buyer in writing within seven (7) business days after receipt of the Buyer's notice of Disapproved Matters if the Sellers elect to remove or obtain insurance for such matters. If the Sellers fail or are unable to remove or (with approval of the Buyer) cause the Title Company to endorse over any such Disapproved Matters prior to Closing, or if the Sellers elect not to remove one or more Disapproved Matters, or if the Buyer does not approve endorsing over such matter, the Buyer may, upon written notice to the Sellers, elect to terminate this Agreement. Upon termination of this Agreement and except as otherwise provided herein, the Deposit shall be returned to the Buyer, and neither the Sellers nor the Buyer shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

4.5 Title Insurance. At Closing, the Title Company shall issue to the Buyer an ALTA owner's form of title insurance policy, insuring that fee simple title to the Real Property is vested in the Buyer subject to the Permitted Exceptions ("Title Policy"). The Buyer is entitled to request that the Title Company delete preprinted standard Title Exceptions 1 through 5 from the Title Policy, the cost thereof to be paid for by the Sellers, and any other endorsements to the Title Policy as the Buyer may reasonably require, provided that such other endorsements are at the Buyer's sole cost and expense and at no cost or additional liability to the Sellers and that Closing is not

delayed as a result of the Buyer's request.

ARTICLE 5 INSPECTION PERIOD

5.1. Inspection Period. During the period which commences upon the Effective Date and continues until and including sixty-three (63) days from the Effective Date ("Inspection Period"), the Buyer and its authorized agents, representatives, and consultants are entitled to enter upon the Land at all reasonable times to inspect the Real Property for the purpose of making surveys, soils tests, permeability tests, test borings, engineering tests, environmental audits and tests, feasibility studies, and any other inspections, investigations, or analyses the Buyer deems necessary or appropriate in connection with its intended acquisition, use and development of the Property. The Buyer shall bear the costs of all such inspections and tests. The Sellers agree to reasonably cooperate with any such inspections, investigations, and surveys or studies made by or at the Buyer's direction so long as such cooperation is at no material expense to the Sellers.

5.2. Inspection. The Buyer and its authorized agents, representatives, and consultants (i) shall not unreasonably interfere with the operation and maintenance of the Real Property; (ii) shall comply with any reasonable requirements imposed upon them in connection with such inspection; (iii) shall not injure or otherwise cause bodily harm to the Sellers, their agents, contractors, or employees; (iv) shall promptly pay when due the costs of all tests, investigations, and examinations done with regard to the Real Property; (v) shall not permit any liens to attach to the Real Property by reason of the exercise of their rights hereunder; and (vi) shall restore the Real Property as nearly as practicable to substantially the same condition in which the Real Property was found before any such investigations or tests were undertaken. Notwithstanding any provision of this Agreement to the contrary, no termination of this Agreement will terminate the Buyer's obligations pursuant to this Article 5.

5.3. Termination due to Inspection. If during the Inspection Period, the Buyer, for any reason, in the Buyer's sole discretion, judgment, or opinion, disapproves of or is dissatisfied with any aspect of the Property or its investigations relating thereto, the Buyer shall be entitled to terminate this Agreement by giving written notice to the Sellers on or before the expiration of the Inspection Period. Upon termination of this Agreement prior to the expiration of the Inspection Period and except as otherwise provided herein, the Deposit shall be returned to the Buyer and neither the Sellers nor the Buyer shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

If written notice of termination is not given by the Buyer to the Sellers prior to the expiration of the Inspection Period, the Title Company is authorized to release the Deposit to the Sellers.

5.4. Continuing License. Following the Inspection Period, the Buyer is continually authorized to enter upon the Land at all reasonable times and subject to the terms and conditions of Section 5.2.

ARTICLE 6
CLOSING CONTINGENCIES; CLOSING

6.1 Closing. The closing of this transaction ("Closing" or "Closing Date") shall occur at 1:30 p.m. at the Title Company, fourteen (14) days after the expiration of the Inspection Period or by mutual agreement at an earlier date.

6.2 Transactions at Closing. On the Closing Date:

A. The Sellers shall deliver or cause to be delivered to the Buyer the following documents duly executed and acknowledged where appropriate:

(1) A personal representative deed conveying all of the Sellers' interest in the Real Property free and clear of all liens and encumbrances and subject only to the applicable Permitted Exceptions.

(2) An assignment, without warranty of any type, of the Sellers' right, title and interest in and to all governmental permits, licenses, certificates, and authorizations relating to the construction, development, use, or operation of the Property.

(3) A personal representative deed transferring all of the Sellers' right, title, and interest in and to the Transferable Water Rights free and clear of all liens and encumbrances, and all other documents necessary to transfer to the Buyer the Transferable Water Rights.

(4) The original GIC stock certificate, previously represented by Stock Certificate No. 2397, for five-sixths (5/6) share of GIC, together with all other documents necessary to transfer the Water Rights, including an assignment of the Water Rights represented by foregoing shares in a form and manner acceptable to GIC and the Buyer.

(5) An assignment, without warranty of any type, of all other rights, privileges and appurtenances owned by the Sellers which relate to or are used in connection with the Property to the extent that they are assignable.

(6) A certificate of non-foreign status to confirm that the Buyer is not required to withhold part of the Total Purchase Price pursuant to Section 1445 of the Internal Revenue Code of 1986, as amended, together with any certificates required pursuant to Colorado law.

(7) A mechanic's lien affidavit in favor of the Title Company in a form sufficient for the Title Company to delete preprinted standard Title Exceptions 1 through 5.

(8) Such other documents as may be reasonably necessary and appropriate to complete the Closing.

B. The Buyer shall deliver to the Sellers the following:

(1) The Total Purchase Price, subject to credits and adjustments as herein provided, and such additional sums as are necessary to pay the Buyer's share of closing costs, prorations, and any fees as more particularly set forth herein.

(2) Documentation in such form as may be satisfactory to the Sellers and the Title Company, evidencing the Buyer's full authority and capacity to purchase the Property.

(3) A mechanic's lien affidavit in favor of the Title Company in a form reasonably acceptable to the Buyer.

(4) A Real Property Transfer Declaration as required by Colorado law.

(5) Such additional documents as may be reasonably necessary and appropriate to complete the Closing.

ARTICLE 7 PRORATIONS; CLOSING COSTS

7.1 Prorations. All real estate taxes attributable to the Real Property for the calendar year in which the Closing occurs shall be prorated at Closing on the basis of the most recent mill levy for the Real Property and the current assessed value for the Real Property, unless the actual real estate taxes for the current year are known on the Closing Date. Any special assessments against the Real Property shall be paid in full by the Sellers at the time of Closing. Prorations of taxes and assessments at Closing shall be a final settlement.

7.2 Closing Costs. The Buyer shall pay for the cost of recording of all of the deeds, all title insurance endorsements (excluding the cost for deletion of preprinted standard Title Exceptions 1 through 5) and one-half (1/2) of the Title Company closing costs. The Sellers shall pay the basic premium for the Title Policy, the cost for deletion of preprinted standard Title Exceptions 1 through 5, and one-half (1/2) of the Title Company closing costs. Each party shall pay its own attorneys' fees, and the Buyer shall be solely responsible for the payment of any escrow fees to the Title Company. The Buyer shall pay all transfer fees for the water stock.

7.3 Utilities. Utilities, if any, serving the Real Property shall be prorated between the parties to the Closing Date.

ARTICLE 8 REPRESENTATIONS AND WARRANTIES OF SELLERS

The Sellers represent and warrant to the Buyer as follows:

8.1 Encumbrances. From the Effective Date until Closing, and except for the Permitted Exceptions, the Sellers shall not encumber the Property or any interest in any way nor grant any property or contract right relating to the Property or any other interests without the prior written

consent of the Buyer.

8.2 Compliance with Governmental Regulations. To the best of the Sellers' current actual knowledge, there are no orders or directives of any city, county, state, or federal authority, for repairs, maintenance work, or improvements to be performed on the Real Property. The Sellers have received no written notice from any municipal, state, or other authority relating to defects in any improvements, or non-compliance with any building code or restriction, applicable to the Property that has not been corrected, or any written notice of or impending expropriation or condemnation of the Property.

8.3 Litigation. To the best of the Sellers' current actual knowledge, there is no dispute, action, or litigation pending or threatened respecting the ownership or use of the Property or other interests related thereto.

8.4 Contracts, Leases, and Agreements. From the Effective Date until the Closing, unless accepted by the Buyer in writing, the Sellers shall not enter into any contracts, leases, licenses, commitments, or undertakings respecting the use or maintenance of the Property or the performance of services on the Real Property by which the Buyer would be obligated or liable to any third party.

8.5 Status. The Sellers have all requisite legal power and authority to own and convey the Property and other interests and perform all of the terms of this Agreement.

8.6 Compliance with Law. To the best of the Sellers' current actual knowledge, the Sellers have complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments, and decrees applicable to the Property, and the Sellers have no current actual knowledge of any proposed order, judgment, decree, governmental taking, or other proceeding applicable to the Sellers which might adversely affect the Property.

8.7 Zoning. The Sellers have not requested, applied for, or given their consent to, and to the best of the Sellers' current actual knowledge, there are no pending requests for, zoning variances or changes with respect to the Real Property or its zoning.

The Sellers shall provide the Buyer with a written certification at Closing confirming that the foregoing representations are true and correct as of the Closing Date.

ARTICLE 9 COVENANTS

The parties acknowledge and agree that changes of water rights and/or other water rights adjudications may be necessary to allow the Buyer use of the Transferable Water Rights for municipal and other uses. The Sellers agree that they shall not oppose and shall cooperate with the Buyer in any actions filed in Water Court or administrative or other proceedings for approval of the Buyer's use of the Transferable Water Rights. The Sellers' obligations pursuant to this Article 9 shall survive the Closing.

ARTICLE 10
ENVIRONMENTAL CONDITIONS

10.1 Definitions. For purposes of this Article 10, the following terms shall have the following meanings:

A. “Environment” means any water or water vapor, land surface or subsurface, air, fish, wildlife, biota, and all other natural resources.

B. “Environmental Laws” means all federal, state, and local environmental, land use, zoning, health, chemical use, safety, and sanitation laws, statutes, ordinances, and codes relating to the protection of the Environment or governing the use, storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substance and the rules, regulations, policies, guidelines, interpretations, decisions, orders, and directives of federal, state, and local government agencies and authorities with respect thereto.

C. “Environmental Permits” means all permits, licenses, approvals, authorizations, consents, or registrations required by any Environmental Laws in connection with the ownership, use, or operation of the Property for the storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substance or the sale, transfer, or conveyance of the Land.

D. “Hazardous Substance” means, without limitation, any flammable materials, explosives, radon, radioactive materials (including naturally occurring radioactive materials [“NORM”] that have been concentrated by industrial or commercial processes), asbestos, urea formaldehyde foam insulation, oil, polychlorinated biphenyls, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, including those defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.) (“CERCLA”), the Clean Water Act, as amended (33 U.S.C. Sections 1251 to 1387), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), and any other applicable Environmental Law and regulations adopted thereunder.

E. “Release” has the meaning given to that term in CERCLA and the regulations promulgated thereunder.

10.2 Representations and Warranties. The Sellers represent and warrant to the Buyer, to the best of their knowledge, as follows:

A. The Land is not being and has not been used for the storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substance, as a landfill or other waste disposal site, for military, manufacturing, or industrial purposes, or for the storage of petroleum or petroleum-based products.

B. No storage tanks for Hazardous Substances are, were, or will be located on,

in, or under the Land at any time prior to the Closing Date.

C. The soil, subsoil, bedrock, surface water, and groundwater of the Land are free of any Hazardous Substances, except for chemicals (including without limitation fertilizer, herbicides, and insecticides) applied in conformance with good farming methods, applicable rules and regulations, and the label directions of each chemical.

D. There has been no Release nor is there the threat of a Release on, at, or from the Land, or any facilities located thereon, and the Sellers have not received any form of notice or inquiry from any federal, state, or local government agency or authority, any operator, tenant, subtenant, licensee, or occupant of the Land, or any other person with regard to a Release or the threat of a Release on, at, or from the Land, or any facilities located thereon.

E. All required Environmental Permits have been obtained and are in full force and effect.

F. No event has occurred with respect to the Land which, with the passage of time, would constitute a violation of any currently applicable Environmental Law or non-compliance with any Environmental Permit.

G. There are no agreements, consent orders, decrees, judgments, license or permit conditions, or other orders or directives of any federal, state, or local court, or governmental agency or authority relating to the past, present, or future ownership, use, operation, sale, transfer, or conveyance of the Land which require any change in the present condition of the Land or any work, repairs, construction, containment, clean up, investigations, studies, removal, or other remedial action or capital expenditures with respect to the Land.

H. There are no pending actions, suits, claims, or proceedings which could cause the incurrence of expenses or costs or which seek money damages, injunctive relief, remedial action, or any other remedy that arise out of, relate to, or result from (i) a violation or alleged violation of any applicable Environmental Law or non-compliance or alleged non-compliance with any Environmental Permit, (ii) the presence of any Hazardous Substance or a Release or the threat of a Release on, at, or from the Land or any facilities located thereon, or (iii) human exposure to any Hazardous Substance, noises, vibrations, or nuisances of whatever kind to the extent the same arise from the condition of the Land or the ownership, use, operation, sale, transfer, or conveyance thereof.

I. The Sellers have not received notice that any treatment, storage, or disposal facility, or any other place to which Hazardous Substances generated from the Land by the Sellers or their agents were transported, delivered, or came to be located (i) has been, or is now, the subject of any Release or threatened Release; (ii) has been, or is now, subject to any threatened or pending federal, state, or local investigation relating to compliance with any Environmental Law; or (iii) has been, or is now, subject to any threatened or pending enforcement or remedial action.

J. There are no studies or surveys indicating the presence on the Land of any species listed as endangered or threatened pursuant to Section 4 of the Endangered Species Act

(16 U.S.C. Section 1533).

10.3 Covenants. During their period of ownership of the Land, the Sellers covenant and agree to and with the Buyer as follows:

A. The Sellers shall keep the Land free of all Hazardous Substances and shall not cause or permit the Land or any part thereof to be used for the management, storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substances, except for chemicals (including without limitation fertilizer, herbicides, and insecticides) applied in conformance with good farming methods, applicable rules and regulations, and the label directions of each chemical.

B. The Sellers shall comply with all applicable Environmental Laws and shall obtain and comply with all Environmental Permits.

C. The Sellers shall not cause or permit any change to be made in the present or intended use of the Land which would (i) involve the management, storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substances, the use of the Land as a landfill or other waste disposal site, for military, manufacturing, or industrial purposes, or for the storage of petroleum or petroleum-based products, (ii) violate any applicable Environmental Law, (iii) constitute non-compliance with any Environmental Permit, or (iv) increase the risk of a Release.

D. The Sellers shall promptly provide the Buyer with a copy of all written notifications given or received with respect to any past or present Release or the threat of a Release on, at, or from the Land or any facilities located thereon.

E. The Sellers shall at all times allow the Buyer and its officers, employees, agents, representatives, contractors, and subcontractors, upon reasonable notice and at reasonable times, access to the Land for the purpose of ascertaining site conditions, including, but not limited to, subsurface conditions.

10.4 Indemnification Provisions. The Sellers hereby covenant and agree, at their sole cost and expense, to indemnify, protect, defend, and save harmless the Buyer, its successors, and assigns, from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements, and/or expenses (including, without limitation, reasonable attorneys' fees) which may be imposed upon or incurred by the Buyer and its successors and assigns relating to, resulting from, or arising out of (a) the use of the Land for the management, storage, treatment, generation, transportation, processing, handling, production, discharge, or disposal of any Hazardous Substance, as a landfill or other waste disposal site, for military, manufacturing, or industrial purposes, or for the storage of petroleum or petroleum-based products, (b) the failure to promptly undertake all necessary investigative, containment, removal, clean-up, or other remedial actions with respect to a Release or the threat of a Release on, at, or from the Land or facilities located thereon during the Sellers' possession or use of the Land, (c) a violation of any applicable Environmental Law, (d) non-compliance with any Environmental Permit, (e) any remedial action of a treatment, storage, or

disposal facility or any other place to which Hazardous Substances generated by the Sellers or their agent, were transported, delivered, or came to be located, or (f) a material misrepresentation in any representation or warranty or a material breach of or failure to perform any covenant made by the Sellers in this Agreement.

10.5 Scope. Notwithstanding anything to the contrary contained herein, it is the intent of the parties hereto that the Sellers shall indemnify the Buyer and its successors and assigns against the matters described herein for all matters that arose or occurred prior to the Closing Date.

ARTICLE 11 CONDITIONS TO CLOSING; REMEDIES

11.1 Sellers' Conditions. The obligation of the Sellers to sell and convey the Property under this Agreement is subject to the satisfaction of the following conditions precedent or conditions concurrent (the satisfaction of which may be waived only in writing by the Sellers):

A. Delivery and execution by the Buyer of all monies, items, and other instruments required to be delivered by the Buyer to the Sellers.

B. Completion of all required actions by the Buyer contemplated by this Agreement.

C. There shall be no uncured default by the Buyer of any of its obligations under this Agreement.

11.2 Buyer's Conditions. The obligation of the Buyer to acquire the Property under this Agreement is subject to the satisfaction of the following conditions precedent or conditions concurrent (the satisfaction of which may be waived only in writing by the Buyer):

A. Approval of this Agreement by the City of Greeley Water and Sewer Board.

B. Delivery and execution by the Sellers of all items and other instruments required to be delivered by the Sellers to the Buyer.

C. Completion of all required actions by the Sellers contemplated by this Agreement.

D. There shall be no uncured default by the Sellers of any of their obligations under this Agreement.

E. The Sellers' covenants, warranties, and representations made by the Sellers as specifically set forth herein are true and correct as of the Closing Date and are not deemed waived in the event the Buyer elects to close pursuant to Section 11.3.A.(3) below.

11.3 Failure of Condition.

A. In the event of a failure of any condition contained in Section 11.2, the Buyer may in its sole discretion:

(1) Terminate this Agreement by notice to the Sellers, in which event: (a) all funds deposited by the Buyer under this Agreement and interest thereon as of such date shall be immediately returned to the Buyer and (b) all documents deposited by the Buyer or delivered to the Sellers by the Buyer shall be immediately returned to the Buyer, and all documents deposited by the Sellers or delivered to the Buyer by the Sellers shall be immediately returned to the Sellers;

(2) Waive by written notice to the Sellers such default or condition and close the transaction; or

(3) Elect to treat this Agreement as being in full force and effect, and the Buyer shall have the right to specific performance or damages, or both.

B. In the event of a failure of any condition contained in Section 11.1 above, the Sellers may in their sole discretion:

(1) Terminate this Agreement by notice to the Buyer, in which event the Sellers shall retain the Deposit as liquidated damages as described in Article 13 below, and all documents deposited by the Buyer or delivered to the Sellers by the Buyer shall be immediately returned to the Buyer, and all documents deposited by the Sellers or delivered to the Buyer by the Sellers shall be immediately returned to the Sellers; or

(2) Waive by written notice to the Buyer such default or condition and close the transaction.

ARTICLE 12 CONDEMNATION

If prior to Closing all or a Material Part (defined below) of the Property is subject to a proposed taking by any public authority, the Sellers shall promptly notify the Buyer of such proposed taking, and the Buyer may terminate this Agreement by notice to the Sellers within fourteen (14) days after written notice thereof. Upon termination of this Agreement and except as otherwise provided herein, the Deposit shall be returned to the Buyer and neither the Sellers nor the Buyer shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement. If the Buyer does not so terminate this Agreement, the Buyer may accept title to the Property subject to the taking without a reduction in the Total Purchase Price and shall receive at Closing an assignment of all of the Sellers' rights to any condemnation award, and the Buyer shall have the sole right after Closing to negotiate and otherwise deal with the condemning authority in respect to such matter. A "Material Part" of the Property for purposes of this Article 12 means a portion that would have a material adverse effect on the Buyer's use of the Property as determined by the

Buyer in its good faith judgment.

ARTICLE 13
LIQUIDATED DAMAGES

If the Buyer defaults in any of its obligations under this Agreement, the Sellers' exclusive remedy is to terminate this Agreement and retain the Deposit, including all accrued interest ("Specified Sum"), as liquidated damages. THE SELLERS AND THE BUYER ACKNOWLEDGE THAT THE SELLERS' DAMAGES WOULD BE DIFFICULT TO DETERMINE AND THAT THE SPECIFIED SUM IS A REASONABLE ESTIMATE OF THE SELLERS' DAMAGES.

ARTICLE 14
BROKERAGE

The Sellers and the Buyer hereby warrant to each other that there are no real estate agents or other brokers or finders involved in this transaction who are entitled to receive a brokerage or finder's fee. The Sellers agree to indemnify the Buyer and hold the Buyer harmless from any loss, liability, damage, cost, or expense (including, without limitation, reasonable attorneys' fees) paid or incurred by the Buyer by reason of any claim to any broker's, finder's, or other fee in connection with this transaction by any third party claiming by, through, or under the Sellers, excluding, however, any party claiming through the Buyer and its successors or assigns. This obligation shall survive the Closing.

ARTICLE 15
NOTICES

Any notice or other communication given by any of the parties hereto to another relating to this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date and at the time of delivery if delivered personally to the party to whom notice is given at the address specified below; (ii) on the date and at the time of delivery or refusal of acceptance of delivery if delivered or attempted to be delivered by an overnight courier service to the party to whom notice is given at the address specified below; (iii) on the date of delivery or attempted delivery shown on the return receipt if mailed to the party to whom notice is to be given by first-class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed as specified below; (iv) on the date and at the time shown on the facsimile if telecopied to the number specified below and receipt of such telecopy is acknowledged in writing by the intended recipient; or (v) on the date and at the time shown on the e-mail message if sent to the e-mail address specified below and receipt of such e-mail message is acknowledged in writing by the intended recipient:

If to the Sellers:

Robert Duran
2926 W. Harp Court
Greeley, CO 80634

With a copy to:

Lee J. Morehead
1812 56th Avenue
Greeley, CO 80634

If to the Buyer:

City of Greeley
Attention: Director, Culture, Parks, and Recreation
651 10th Ave.,
Greeley, CO 80631
Telephone: (970) 350-9425
Facsimile: (970) 350-9463
Email: andy.mcroberts@greeleygov.com

With a copy to:

City of Greeley
Attention: City Attorney
1100 10th Street, Ste. 401
Greeley, CO 80631
Telephone: (970) 350-9757
Facsimile: (970) 350-9763
Email: andy.nicewicz@greeleygov.com

ARTICLE 16 MISCELLANEOUS

16.1 No Waiver of Governmental Immunity/No Third Party Beneficiary. This Agreement does not create any duty of care or liability with respect to any person or entity not a party to this Agreement, or waive any of the privileges or immunities the Buyer or its officers, employees, successors, and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. Section 24-10-101, et seq., as amended.

16.2 Sellers 1031 Exchange. At the request of the Sellers, the Buyer will cooperate with the Sellers in the achievement of a tax-deferred real estate exchange pursuant to Section 1031 of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. A material part of the consideration to the Sellers is the Buyer's promise of cooperation. The Buyer shall not be required to incur any additional liability or expense in connection with the Sellers' tax-deferred exchange transaction nor shall the Buyer be required to accept title to any real property other than the Property described hereinabove.

16.3 Time. Time is of the essence as to each provision of this Agreement and the performance of each party's obligations hereunder.

16.4 Attorneys' Fees. If any legal action, arbitration, or other proceeding is commenced to enforce or interpret any provision of this Agreement or to enforce any indemnity, the prevailing party shall be awarded its reasonable attorneys' fees and expenses, in addition to any other relief granted. The phrase "prevailing party" shall include a party who receives substantially the relief desired whether by dismissal, summary judgment, judgment, or otherwise. This provision shall survive the termination of this Agreement.

16.5 No Waiver. No waiver by any party of the performance or satisfaction of any covenant or condition shall be valid unless in writing and shall not be considered to be a waiver by such party of any other covenant or condition hereunder.

16.6 Entire Agreement. This Agreement contains the entire agreement among the parties regarding the Property and supersedes all prior agreements, whether written or oral, among the parties regarding the same subject. This Agreement may only be modified by mutual written agreement duly authorized and executed by the parties.

16.7 Survival of Representations and Warranties. All representations, obligations, liabilities, warranties, covenants, agreements, and monetary obligations of the Sellers and the Buyer as set forth in this Agreement shall survive the Closing and consummation of this transaction contemplated by this Agreement until the complete discharge thereof.

16.8 Successors. Subject to Section 16.9, this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

16.9 Assignment. The Sellers and the Buyer have the right to assign all or any part of their interests in this Agreement and the Property as they determine without the prior written consent of the other party, provided that no such assignment shall relieve either of the parties from their respective obligations hereunder if such obligations are not properly discharged by the assignee of such party. In the event either of the parties elect to exercise their right of assignment as set forth in this Section 16.9, such party shall give not less than fourteen (14) days' prior written notice to the other party of such assignment and, without releasing the assignor from its liabilities hereunder, the assignee shall agree to assume and discharge any then remaining duties and obligations under this Agreement.

16.10 Relationship of the Parties. The parties acknowledge that neither party is an agent for the other party, and that neither party shall or can bind or enter into agreements for the other party.

16.11 Governing Law and Construction. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Colorado. The parties hereby agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

16.12 Possession. The Sellers shall deliver to the Buyer possession of the Property on the

Closing Date, subject to the Permitted Exceptions.

16.13 Review by Counsel. The parties acknowledge that each party and its legal counsel have reviewed and approved this Agreement.

16.14 Calendar Days. In the event any time period set forth in this Agreement commences, expires, or is determined from a date which falls on a Saturday, Sunday, legal holiday of the State of Colorado, or other non-business day, the date of such commencement, performance, expiration, or determination shall automatically be extended to the next business day which is not a Saturday, Sunday, legal holiday of the State of Colorado, or other non-business day.

16.15 Counterparts. This Agreement may be executed in any number of counterparts each of which, when taken together, shall constitute one agreement. This Agreement shall only be effective when counterparts are signed by both the Sellers and the Buyer.

16.16 Acceptance. Upon execution and delivery of this Agreement by the Sellers or the Buyer, this Agreement shall constitute an offer to purchase the Property on the terms and conditions set forth herein. The foregoing notwithstanding, any party may revoke its execution and delivery at any time prior to the execution and delivery by the other party(ies), by delivering oral or written notice (which need not conform with the requirements of Article 15 hereof) of such revocation to the other party(ies).

16.17 Supplemental Signatures Required. As provided in Section 1.2 above, the signatures of the Sellers, the Water and Sewer Director, and the Culture, Parks, and Recreation Director trigger the "Effective Date" hereunder and authorizes the Buyer to tender the Deposit and begin inspection of the Property. Otherwise, the obligations of the Buyer hereunder are expressly contingent upon the approval of this Agreement by the City of Greeley Water and Sewer Board. The supplemental signature page herein must be duly executed to confirm such approval. In the event that the Water and Sewer Board does not approve this Agreement, the Deposit shall be returned to the Buyer, and neither the Sellers nor the Buyer shall have any further obligation or liability to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

[Remainder Intentionally Left Blank; Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set opposite their respective signatures below.

SELLER:

ROBERT DURAN, as Co-Personal Representative of the Estate of Sally Duran.

By: Robert Duran Date: 1-13-17
Co-Personal Representative, Robert Duran.

JOANN CASTLE, as Co-Personal Representative of the Estate of Sally Duran.

By: Joann Castle Date: 1/13/17
Co-Personal Representative, Joann Castle.

BUYER:

CITY OF GREELEY, COLORADO, a
Municipal Corporation

By: _____ Date: _____
Director of Culture, Parks, &
Recreation

By: _____ Date: _____
Director of Water and Sewer Dept.

THE FOLLOWING SUPPLEMENTAL SIGNATURES PAGES SHALL BE EXECUTED BY
THE BUYER AFTER APPROVAL BY THE CITY OF GREELEY WATER AND SEWER
BOARD PURSUANT TO PARAGRAPH 16.17 ABOVE.

BUYER'S SUPPLEMENTAL SIGNATURE PAGE

BUYER: THE CITY OF GREELEY,
COLORADO, a Colorado home rule municipal
Corporation.

Date: _____

By: _____
Chairman of the Water & Sewer Board

APPROVED AS TO SUBSTANCE:

APPROVED AS TO LEGAL FORM:

By: _____
City Manager

By: _____
City Attorney

AVAILABILITY OF FUNDS:

By: _____
Director of Finance

**EXHIBIT A TO
PURCHASE AND SALE AGREEMENT**

The Land shall include the real property legally described as follows:

Lot Three (3) of the East Half (E1/2) of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4) of Section One (1), Township Five (5) North, Range Sixty-six (66) West of the 6th P.M., EXCEPT the West 50 feet thereof. Subject to right of way for driveway for ingress and egress to Lot Four (4) of the West Half (W1/2) of the Southeast Quarter (SE1/4) of the Northeast Quarter (NE1/4) over the North Fifteen (N 15) feet of Lot Three (3): and right of way to the City of Greeley, as granted by instruments recorded in Book 1444, page 452, and in Book 1444, page 454, Weld County records;

AND

A tract of land being a part of Lot D of the STROHAUER SUBDIVISION, a part of the Southwest Quarter (SW1/4) of the Southwest Quarter (SW1/4) of Section Thirty-one (31), Township Six (6) North, Range Sixty-five (65) West of the Sixth P.M., Weld County, Colorado, and being more particularly described as follows: Beginning at the Northeast Corner (NECor) of said Lot D, and considering the West Right-of-way Line of 21st Avenue to bear South 00°00'00" East and with all other bearings contained herein being relative thereto: Thence South 00°00'00" East, along the West Right-of-way Line of said 21st Avenue 71.71 feet; Thence South 90°00'00" West, 138.00 feet; Thence North 08°53'30" East, 108.69 feet to a point on the Southerly Right-of-way Line of the Colorado & Southern Railroad; Thence South 73°35'55" East, along said Southerly Right-of-way Line 126.34 feet to the Point of Beginning. Said tract of land contains 0.270 acres and is subject to any Rights-of-way or other Easements as granted or reserved by instruments of record or as now existing on said tract of land;

AND

Lot D, STROHAUER SUBDIVISION, EXCEPT parcel of land as conveyed by Deed recorded in Book 1069, Page 245, Weld County Records, and EXCEPT parcel of land as conveyed by Quit Claim Deed recorded July 24, 1970, in Book 630, under Reception No. 1551919, Weld County Records.

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 6

TITLE: ACTION: APPROVE CASH-IN-LIEU

RECOMMENDATION: APPROVE CASH-IN-LIEU POLICY AS RECOMMDED

ADDITIONAL INFORMATION:

Please see the attached memorandum for details.



MEMORANDUM

To: Water and Sewer Board

From: Danielle Snyder, Water Resources Analyst

Date: January 10, 2017

Re: Colorado Big Thompson (C-BT) project water applications for Change of Water Allotment Contracts

ISSUE:

The C-BT *Change of Water Allotment Contracts* for October, November, and December 2016 have been published. The average market price per C-BT unit over the last 36 months will be used as an indicator for the City of Greeley Water and Sewer Board at the January Board Meeting to set the City's cash in-lieu rate.

BACKGROUND:

In the month of **October 2016**, the NCWCD Board reviewed 5 applications for change of water allotment contracts, totaling 97 units. Transfers to cities, towns and rural domestic water providers totaled 93 units, of which 93 units were purchased.

Purchaser	Number of Units Purchased	Purchase Price per Unit	Total Purchase Price	Monthly Average Purchase Amount per Unit
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October 2016

Fort Collins-Loveland Water District	5	\$26,000.00	\$130,000.00	
Town of Frederick	50	\$26,500.00	\$1,325,000.00	
Fort Collins-Loveland Water District	38	\$26,500.00	\$1,007,000.00	
Oct Totals	93		\$2,462,000.00	\$ 26,473.12

SERVING OUR COMMUNITY • IT'S A TRADITION

We promise to preserve and improve the quality of life for Greeley through timely, courteous and cost effective service.

In the month of **November 2016**, the NCWCD Board reviewed 9 applications for change of water allotment contracts, totaling 281 units. Transfers to cities, towns and rural domestic water providers totaled 271 units, of which 271 units were purchased.

Purchaser	Number of Units Purchased	Purchase Price per Unit	Total Purchase Price	Monthly Average Purchase Amount per Unit
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November 2016

Left Hand Water District	5	\$26,500.00	\$132,500.00	
Fort Collins-Loveland Water District	50	\$25,500.00	\$1,275,000.00	
Fort Collins-Loveland Water District	34	\$26,000.00	\$884,000.00	
Town of Frederick	4	\$26,500.00	\$106,000.00	
Town of Windsor	37	\$26,250.00	\$971,250.00	
Fort Collins-Loveland Water District	136	\$26,250.00	\$3,570,000.00	
Fort Collins-Loveland Water District	4	\$26,000.00	\$104,000.00	
Town of Lyons	1	\$27,000.00	\$27,000.00	
November Totals	271		\$7,069,750.00	\$26,087.64

In the month of **December 2016**, the NCWCD Board reviewed 7 applications for change of water allotment contracts, totaling 115 units. Transfers to cities, towns and rural domestic water providers totaled 111 units, of which 111 units were purchased.

Purchaser	Number of Units Purchased	Purchase Price per Unit	Total Purchase Price	Monthly Average Purchase Amount per Unit
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December 2016

Fort Collins-Loveland Water District	60	\$25,500.00	\$1,530,000.00	
Fort Collins-Loveland Water District	6	\$26,000.00	\$156,000.00	
Fort Collins-Loveland Water District	5	\$26,000.00	\$130,000.00	
Fort Collins-Loveland Water District	40	\$26,000.00	\$1,040,000.00	
December Totals	111		\$2,856,000.00	\$25,729.73

Over the 36 month period from **January 2014 through December 2016**, the Northern Colorado Water Conservancy District (NCWCD) Board reviewed 227 applications for change of water allotment contracts, totaling 5,444 units. Transfers to cities, towns and rural domestic water providers totaled 3,146 units, of which 3,123 units were purchased.

RECOMMENDATIONS:

Cash-in-lieu is currently set at \$33,000 per acre-foot. The total average cost over the 36 month period from January 2014 through December 2016 was \$25,726 per unit or approximately \$34,000 per acre-foot. Staff recommends setting cash-in-lieu at \$34,000 per acre-foot.

SERVING OUR COMMUNITY • IT'S A TRADITION

We promise to preserve and improve the quality of life for Greeley through timely, courteous and cost effective service.

WATER & SEWER BOARD AGENDA January 18, 2017

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 7

TITLE: ACTION: APPROVE ACQUISITION OF
INTERESTS IN REAL PROPERTY FOR THE
ASHCROFT DRAW BASIN SANITARY SEWER
PROJECT AND RECOMMEND TO COUNCIL

RECOMMENDATION: APPROVE ACQUISITION AND RECOMMEND
TO COUNCIL

ADDITIONAL INFORMATION:

Greeley will need to acquire right of way and temporary construction easements of varying widths as part of the Ashcroft Draw Basin Sanitary Sewer project.

CITY OF GREELEY, ACTING BY AND THROUGH
ITS WATER AND SEWER BOARD

RESOLUTION NO._____, 2017

CONCERNING THE ACQUISITION OF INTERESTS IN REAL PROPERTY LOCATED IN WELD COUNTY, COLORADO FOR A SANITARY SEWER LINE BY PURCHASE OR EXERCISE OF THE POWER OF EMINENT DOMAIN PURSUANT TO SECTION 7 OF ARTICLE XVI, SECTION 15 OF ARTICLE II, AND SECTIONS 1 AND 6 OF ARTICLE XX OF THE COLORADO CONSTITUTION AND COLO. REV. STAT. § 38-1-101, et seq. (ASHCROFT DRAW BASIN SANITARY SEWER)

WHEREAS, the City of Greeley (“the City”) is a Colorado home-rule municipality empowered, pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution, to, inter alia, construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within or without its territorial limits, for the use of the City; and

WHEREAS, Section 15 of Article II and Section 7 of Article XVI of the Colorado Constitution further authorize the City to acquire sewer pipeline easements for domestic, irrigation, drainage, and other purposes; and

WHEREAS, Section 17-4 of the Charter of the City empowers and requires the City Water and Sewer Board (“the Board”) to acquire, develop, convey, lease, and protect water and sewer assets, supplies, and facilities; and

WHEREAS, the Board has determined that the development and use of additional sanitary sewer lines and associated facilities in the Ashcroft Draw Basin Area, generally depicted in Exhibit A, attached hereto and incorporated herein, are necessary for the operation of the water works and needed to increase the capacity of sanitary sewer service to the citizens of the City, and thereby, promote growth; and

WHEREAS, the Ashcroft Draw Basin Area where such additional sanitary sewer lines and associated facilities will be located is generally experiencing growth and redevelopment into more intensive land uses; and

WHEREAS, the City’s staff and counsel have determined that the sewer line will need to be installed in the ground at varying depths, and that, accordingly, real property is necessary to construct and maintain the sewer line within the Ashcroft Draw Basin Area; and

WHEREAS, the Board has determined that the acquisition of interests in real property, either through purchase or exercise of the City’s power of eminent domain, is necessary for the development and use of the sewer line within the Ashcroft Draw Basin Area.

WHEREAS, the Board supports the Water and Sewer Department working with other City departments when implementing water and sewer projects, where practicable.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board hereby determines that it is necessary for the City to acquire, either through purchase or exercise of the power of eminent domain, real property interests, including fee simple, permanent easements, and temporary construction easements, for the installation, operation, maintenance, repair, and replacement of sanitary sewer lines for the operation of the water works to increase the capacity of sanitary sewer service to the citizens of the City and thereby promote growth.
2. The Board hereby determines that the acquisition of real property for the above-described purposes is necessary.
3. The City's staff and counsel are hereby authorized and directed to continue with the acquisition of the above-described interests in real property, either through purchase or exercise of the power of eminent domain. The Board hereby ratifies any previous actions by City staff in attempting to negotiate acquisition of the real property.
4. The Board hereby authorizes the City Water and Sewer Department staff and counsel, to the extent practicable, to coordinate efforts to acquire interests in real property in a manner that will also permit other City departments to promote the development of City infrastructure.

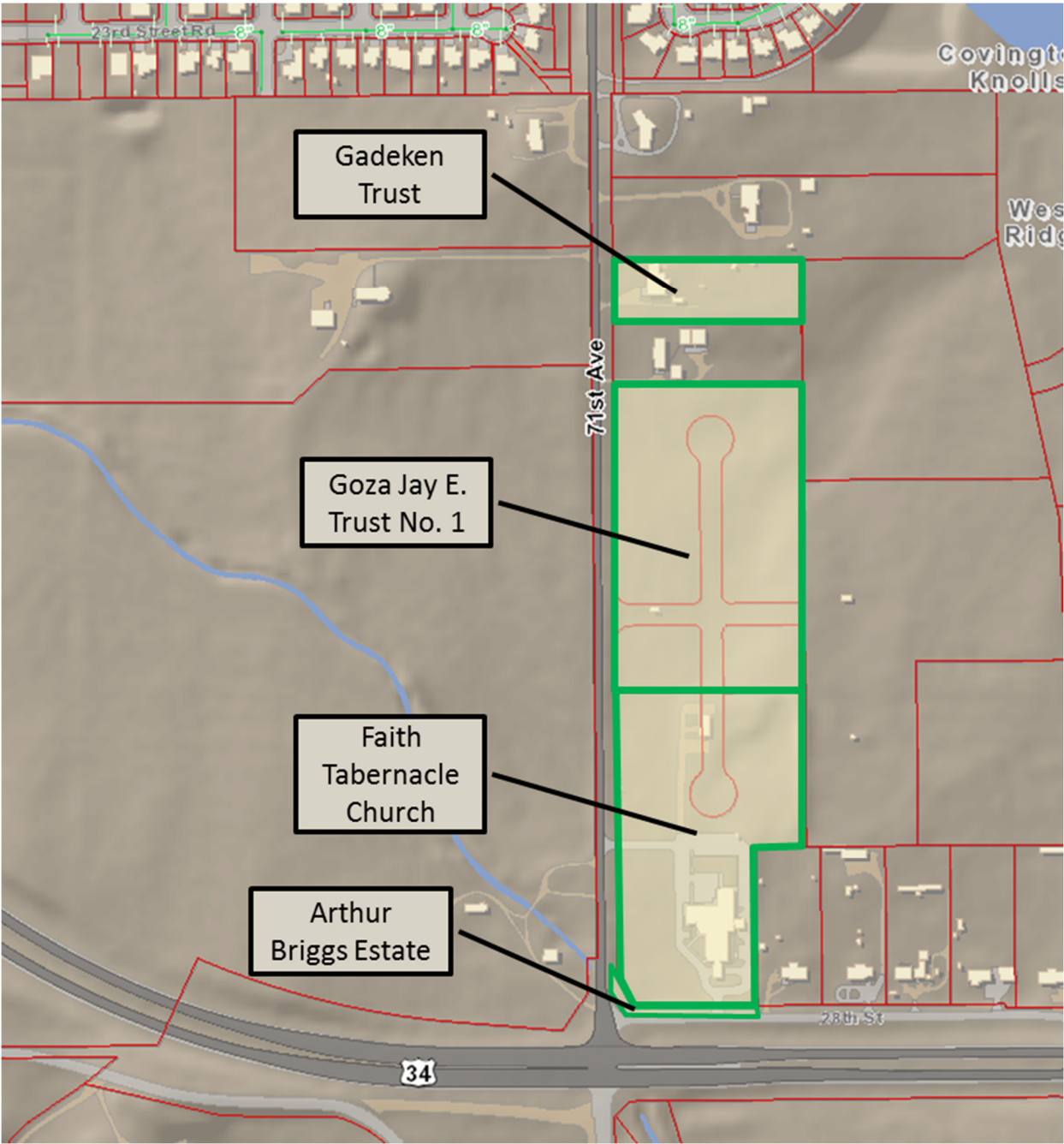
PASSED AND ADOPTED, SIGNED AND APPROVED this ____ day of January____, 2017.

ATTEST:

Secretary to the Board

Board Chairman

Exhibit A Property Locations



WATER & SEWER BOARD AGENDA JANUARY 18, 2016

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 8

TITLE: ACTION: APPROVE RESOLUTION
REGARDING WATERING RESTRICTIONS FOR
INSIDE THE CITY SINGLE-FAMILY
RESIDENTIAL CUSTOMERS ON WATER
BUDGET RATES

RECOMMENDATION: APPROVE RESOLUTION REGARDING
WATERING RESTRICTIONS FOR INSIDE THE
CITY SINGLE-FAMILY RESIDENTIAL
CUSTOMERS ON WATER BUDGET RATES

ADDITIONAL INFORMATION:

City of Greeley citizens are currently subject to the three-day-per-week watering restrictions appropriate to an adequate water supply, as defined by Section 14.08.290(c)(1) of the Code. The enclosed resolution is a recommendation of the Water and Sewer Board to the City Council, that the three-day-per-week watering restrictions be removed for the duration of the 2017 irrigation season for inside the City single-family residential customers who are on water budget rates.

**CITY OF GREELEY, COLORADO
ACTING BY AND THROUGH ITS WATER AND SEWER BOARD**

RESOLUTION ____, 2017

**A RESOLUTION REGARDING WATERING RESTRICTIONS FOR INSIDE THE CITY
SINGLE-FAMILY RESIDENTIAL CUSTOMERS ON WATER BUDGET RATES**

WHEREAS, the City of Greeley (“City”) is a Colorado home rule municipality empowered pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution to, *inter alia*, construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within or without its territorial limits, for use of the City; and

WHEREAS, Section 17-4 of the City Charter authorizes and requires the Water and Sewer Board (“Board”) to acquire, develop, convey, lease, and protect water and sewer assets, supplies, and facilities; and

WHEREAS, Section 14.08.290 of the Greeley Municipal Code prescribes the particular means by which City residents may irrigate their property during periods of adequate water supply and during periods of drought; and

WHEREAS, Section 14.08.290(c) of the Greeley Municipal Code permits the Greeley City Council to declare a set of watering restrictions for the City by resolution, based on the water supply adequacy determination made by the Board; and

WHEREAS, the City Council declared watering restrictions appropriate to an adequate water supply, as described in Section 14.08.290(c)(1), to be in effect via Resolution 15, 2005, which was passed and adopted on April 5, 2005; and

WHEREAS, such watering restrictions appropriate to an adequate water supply are still currently in effect for all City residents; and

WHEREAS, Sections 14.08.290(b)(4) and 14.08.290(c)(1) prescribe a watering schedule of three days per week for private residences and other properties between April 15 and the end of the irrigation season during a period of adequate water supply; and

WHEREAS, upon consideration of the studies and analysis conducted by the Water and Sewer Department, and after consultation with the Greeley City Council, the Board authorized and directed staff and counsel to implement a water budget rate structure for the inside the City single-family residential customer class in 2017; and

WHEREAS, a water budget rate structure for the inside the City single-family residential customer class was implemented by the Board, to take effect on February 1, 2017, via the Resolution Approving Water and Sewer Rates for 2017 approved at its December 21, 2016 regular board meeting; and

WHEREAS, inside the City single-family residential customers who are on water budget rates will need the flexibility to water their properties outside of a three-day-per-week watering schedule during this period of adequate water supply, in order to adequately respond to varying weather and levels of precipitation;

WHEREAS, the imposition of watering restrictions that are responsive to the adequacy of available water supply is in the best interests of the citizens of the City of Greeley for the preservation and protection of their health, property, and safety;

NOW THEREFORE, BE IT RESOLVED BY THE WATER AND SEWER BOARD OF THE CITY OF GREELEY, COLORADO, AS FOLLOWS.

1. The Board recommends to the City Council that it modify the three-day-per-week watering restrictions currently in place during this period of adequate water supply, which restrictions are described with more particularity in Sections 14.08.290(b)(4) and 14.08.290(c)(1) of the Greeley Municipal Code and in City of Greeley Resolution 15, 2005.
2. The Board recommends that the aforementioned three-day-per-week watering restrictions be removed for the duration of the 2017 irrigation season for inside the City single-family residential customers who are on water budget rates.

PASSED AND ADOPTED, SIGNED AND APPROVED THIS ____ DAY OF JANUARY 2017.

ATTEST

CITY OF GREELEY
WATER AND SEWER BOARD

Roy Otto
Secretary to the Board

Harold Evans
Chairman, Water and Sewer Board

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 9

TITLE: REPORT: WATER COURT AND CHANGE
 CASE UPDATES

RECOMMENDATION:

ADDITIONAL INFORMATION:

This item intends to update the Board on the current status of Greeley's Water Court cases including statements of opposition and cases where Greeley is the applicant or will soon be filing an application for change of water rights, as well as a summary of the Water Resources Division's legal costs.



Water & Sewer Department

MEMORANDUM

TO: Greeley Water & Sewer Board
FROM: Jen Petrzeka, Water Resource Administrator II
DATE: January 18th, 2017
RE: Water Court Cases Update, 4th Quarter

This memorandum is a quarterly review of the Water and Sewer Department's water court activities during the 4th quarter of 2016 (October, November, and December). The review includes an update on Greeley's current Water Court cases and a summary of the Water Resources Division's legal expenses.

STATEMENTS OF OPPOSITION

Since the last update in October, Greeley filed one statement of opposition, therefore the current number of pending Water Court cases where Greeley is an opposer is 19. This is a 30% decrease from the end of 2015 when Greeley was an opposer in 27 Water Court Cases.

Cases entered:
16CW3119 (Central Water Conservancy District)

GREELEY AS APPLICANT

A summary of Greeley's pending Water Court cases where Greeley is the applicant or seeking to be the applicant is as follows:

15CW3099 (application to make absolute, and for reasonable diligence, for 99CW234 conditional rights (Poudre Ponds))

Greeley filed its application for the 99CW234 (Poudre Ponds) conditional water right on August 31, 2015. Greeley is claiming 1300 acre-feet of absolute storage under its 1999 junior priority and a maximum absolute exchange rate of 10.34 cfs. All opposers comments were addressed and a final decree was entered on 12/7/16.

15CW3162 (Rockwell Reservoir)

SERVING OUR COMMUNITY • IT'S A TRADITION

We promise to preserve and improve the quality of life for Greeley through timely, courteous and cost-effective service.

Greeley owns a conditional storage right in the amount of 4,900 acre feet, originally decreed to the Rockwell Reservoir in Case No. W-8675. Greeley also owns certain conditional appropriative rights of exchange originally decreed to the Rockwell Reservoir from a number of other structures in Case No. W-9385-78.

In December 2015 Greeley filed its application seeking to make Milton Seaman Reservoir an alternate place of storage for the Rockwell Reservoir conditional storage right, as well as adding Milton Seaman Reservoir as an exchange-to point for certain associated rights of exchange.

Statements of Opposition were filed by:

- Water Supply and Storage Company
- Linda A. McMurry Trust and Murry R. McMurry Trust
- Lake Canal Reservoir Company
- City of Fort Collins
- CO Parks and Wildlife
- Cache La Poudre Water Users Association
- North Poudre Irrigation Company
- CO State Board of Land Commissioners
- City of Thornton
- Northern Colorado Water Conservancy District

Greeley amended the application to include the Fort Collins Pipeline diversion as an alternate point of diversion and exchange-to point for the Rockwell Reservoir water rights, which would allow Greeley to pump the Rockwell rights from the mainstem of the Poudre for storage in Milton Seaman Reservoir.

Opposers reviewed our first draft decree and engineering report and are requesting more detailed engineering that should be completed and circulated with a revised decree in May.

15CW3163 (GIC change case)

In December 2015 Greeley filed an application for the change of use for 77.8 of its Greeley Irrigation Company (GIC) shares. GIC owns 5/8ths of Greeley Canal No. 3 and its water rights (Greeley owns the other 3/8ths separate from its GIC share ownership). The application generally tracks Greeley's first GIC share change application (99CW232) and GIC change applications filed by others.

Statements of Opposition were filed by:

- East Cherry Creek Valley Water and Sanitation District
- Greeley Irrigation Company
- Martin Marietta Materials-stipulated
- United Water and Sanitation District
- City of Thornton
- North Poudre Irrigation Company

- Ogilvy Irrigating and Land Company
- Cache La Poudre Water Users Association
- City of Fort Collins-stipulated
- Central CO Water Conservancy District

We received stipulations from Martin Marietta Materials and the City of Fort Collins and are continuously working to resolve remaining opposers issues. At the last status conference on January 10th, we were given six more months in front of the referee to attempt settlement (not on trial track yet).

16CW3047 (application to make absolute, and for reasonable diligence, for 99CW231 conditional rights)

In March 2016 Greeley filed its application for a finding of reasonable diligence on the rights decreed in Case No. 99CW231, which include conditional groundwater rights, a conditional surface water right, and conditional exchanges. Greeley is claiming a number of groundwater rights and exchanges absolute, as well as the North Ridge Enlargement surface water right.

Statements of Opposition were filed by:

- Greeley Irrigation Company
- Cache La Poudre Water Users Association

We received comments on our first draft decree and are working with opposers to address their concerns.

Leprino

Greeley has been working with Leprino Foods, Inc. (“Leprino”) to prepare a water court application for quantification of reusable return flows and appropriative rights of substitution and exchange. Greeley sent a preliminary engineering report and draft application to Leprino for their review. Leprino provided comments that we are working to address so we can move forward with filing the application.

Larimer & Weld Irrigation Company change case

Greeley now owns and will seek to change its shares under the Larimer and Weld system. Greeley and the Companies entered into a cost reimbursement agreement in November and are cooperating to review their records in anticipation of a future change case.

LEGAL & ENGINEERING EXPENSES:

The Water Resource Division’s outside legal and engineering expenses for the 4th quarter of 2016 totaled \$113,906. The total spent for 2016 was \$408,896 which is 147% of the total spent in 2015 of \$276,449. This increase in costs was largely due to 1) we were the Applicant in three cases, 2) there were more acquisitions, and 3) one case almost went to trial.

2016 Water Resources Legal and Engineering Costs
1st quarter

Legal expenses	\$ 1,270
Engineering expenses	\$ 55,492
Total	\$ 56,762

2nd quarter

Legal expenses	\$ 27,669
Engineering expenses	\$113,567
Total	\$141,236

3rd quarter

Legal expenses	\$ 69,713
Engineering expenses	\$ 27,279
Total	\$ 96,992

4th quarter

Legal expenses	\$ 51,036
Engineering expenses	\$ 62,870
Total	\$ 113,906

2016 Total Costs	\$ 408,896
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OVERVIEW OF 2016

- As the Applicant in three cases, we have made steady progress throughout the year
- Entered final decree in 15CW3099 (diligence for 99CW234-Lower Poudre storage rights)
- Stipulated in 16 cases, decreasing the number of cases where Greeley is an opposer to

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 10

TITLE: ACTION: APPROVE LEBSACK FARM LEASE

RECOMMENDATION: APPROVE LEBSACK FARM LEASE

ADDITIONAL INFORMATION:

Staff is recommending that the Water and Sewer Board approve the enclosed Farm Lease Agreement ("Agreement") between and the City of Greeley ("Greeley") and Leland Lebsak. ("Lebsak"). The Agreement is for a ten year lease of real property, containing approximately three hundred and thirteen acres (313±) acres of land, located in Weld County Colorado ("Land") and the water rights used to historically irrigate the Land. The water rights include the following ditch company stock share: (3) three shares of the Water Supply and Storage Company.

FARM LEASE AGREEMENT

This FARM LEASE AGREEMENT ("Lease Agreement") is entered this 1st day of January, 2017, between the CITY OF GREELEY, COLORADO, c/o Burt Knight, Director of Water and Sewer, whose address is 1100 10th Street, Third Floor, Greeley, Colorado 80631 ("Greeley"), and LELAND LEBSACK, whose address is 21003 County Road 90, Pierce, Colorado 80650 ("Lebsack").

RECITALS

WHEREAS, Greeley owns agricultural property consisting of approximately three hundred thirteen (313) acres of irrigated cropland located in Weld County, Colorado, which is legally described on Exhibit "A", attached hereto and made a part hereof, (the "Real Estate"); and,

WHEREAS, the Greeley owns three (3) Shares of capital stock in the Water Supply & Storage Company represented by Stock Certificate No. _____ for one-half (½) share and Stock Certificate No. _____ for two and one-half (2 ½) shares ("Water Right"), which have been historically used to irrigate the cropland; and,

WHEREAS, Greeley desires to lease, under the terms of this Lease Agreement, the Water Rights and the Real Estate (collectively, "Property") to Lebsack for agricultural and residential purposes; and,

THEREFORE, for and in good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Greeley and Lebsack agree as follows:

LEASE AGREEMENT

1. **FARM LEASE.** Greeley does hereby lease to Lebsack the above-described Property, together with all Improvements (defined below) located thereon, for agricultural purposes, subject to the terms and conditions of this Lease Agreement.

2. **TERM OF LEASE.** This annual lease of the Property shall begin on the effective date this Lease Agreement, as stated above, and end on March 1, 2018 ("Lease Term"). Thereafter, the Lease Agreement shall automatically renew for a total of nine (9) subsequent Lease Terms, unless written notice of termination is given by Greeley or Lebsack to the other party on or before February 1st for following Lease Term or unless it is terminated for cause by Greeley under Section 11 of this Lease Agreement.

3. **ANNUAL LEASE AMOUNT.** Each year that this Lease Agreement is in effect, Lebsack shall pay to Greeley, Twenty-six Thousand, Six Hundred and Five Dollars (\$26,605.00) ("Annual Lease Amount") for the use and occupancy of the Property, which is equal to Eighty-five Dollars (\$85.00) per acre of approximately Three Hundred Thirteen (313) acres irrigated cropland. The Annual Lease Amount shall be due and payable in two installments every year this Lease Agreement is in effect. The first installment of Thirteen Thousand Three Hundred Two and 50/100th Dollars (\$13,302.50) shall be due March 31st and the same day every Lease Term thereafter. The second installment of Thirteen Thousand Three Hundred Two and 50/100th Dollars (\$13,302.50) shall be due December 15th and the same day every Lease Term thereafter.

4. **IMPROVEMENTS; CONDITION OF PROPERTY.** The Property includes all existing improvements, structures, and fixtures placed, constructed, installed or located on the Real Estate; all fences, gates, plants, trees, landscaping and other appurtenances, if any, upon, over or under the Real Estate; and all furnishings (including, but not limited to, storm windows, storm doors, window and porch

shades, awnings, blinds, screens, window coverings and treatments, curtain rods, drapery rods, fireplace inserts, fireplace screens fireplace grates, heating stoves, storage sheds, carbon monoxide alarms, smoke/fire detectors, and all keys), appliances, equipment, machinery and other items of personal property (including, but not limited to, two [2] center-pivot irrigation sprinkler systems and all associated pumps, motors, pipes, and fuel injection systems), if any, upon, over or under the Real Estate (collectively, "Improvements"). Prior to signing this Lease Agreement, Lebsack has inspected or caused to be inspected the Property, including all Improvements, and acknowledges that the Property is being leased "as-is." No additional representation, statement or warranty, express or implied, has been made by or on behalf of Greeley as to the condition of the Property or of any Improvement located thereon and used in connection with the Property. In no event shall Greeley be liable for any defect in the Property or the Improvements or for any limitation on the use of the Property's, including the Improvements, or any portion thereof, as a residence or irrigated cropland or pasture. In addition, Lebsack acknowledges that the minerals have been severed from the surface rights, and the surface rights are subject to the development of the mineral rights.

5. WATER RIGHTS.

a. Lebsack may, at no additional expense, use the Water Rights for agricultural irrigation of the Real Estate, subject to the terms and conditions of this Lease Agreement.

b. Lebsack shall deliver to Greeley a completed Historical Use Affidavit and Questionnaire, in the form attached hereto as Exhibit B, on or before December 15th every Lease Term this Lease Agreement is in effect. Lebsack acknowledges that Greeley may file an application to change the use of the Water Rights with the Division 1 Water Court for the State of Colorado during the term of this Agreement. Lebsack shall cooperate with Greeley and its agents or representatives in the review and analysis of the historical use of the Water Rights. Upon request from Greeley, Lebsack shall provide information regarding use of the Water Rights in preparation for any proceeding before the Division 1 Water Court.

c. Greeley shall be responsible for any ditch, reservoir, or augmentation company assessments or other charges and expenses attributable to the Water Rights.

d. Lebsack shall have no right to any rebates or other payments from Greeley for the lease of transmountain return flows associated with the Water Rights.

e. Lebsack agrees to use the Water Rights, and the water delivered pursuant to this Lease Agreement, only for agricultural irrigation of the Real Estate.

f. Lebsack agrees to take and use the water delivered pursuant to the Water Rights to the fullest extent possible, and shall undertake no action which could be construed as abandonment of the Water Rights. Lebsack shall provide advance written notice, on or before February 1, of any year, to Greeley if he no longer intends to irrigate the Real Estate, or a portion thereof, with the Water Rights the following Lease Term.

g. Lebsack shall not sublease or rent the Water Rights to others or allow others to use the Water Rights or water delivered pursuant to said Water Rights on lands or for uses other than those described in this Section 5.

h. Lebsack shall comply with all of the rules, regulations, and policies of the ditch and reservoir companies that delivers the Water Rights or augments the Irrigation Wells pursuant to the Augmentation Plans described herein.

i. Greeley makes no warranties or guarantees of, or representations about, the amount of water that will be yielded or delivered pursuant to the Water Rights.

j. Greeley shall not be liable for any failure of delivery of water pursuant to the Water Rights due to drought or other force of nature or failure of any ditch and/or reservoir delivery systems.

6. AUTHORIZED USE OF THE PROPERTY.

a. Lebsack shall occupy and use the Property solely for agricultural purposes.

b. Lebsack shall be responsible for the proper care of the Property consistent with sound agricultural practices.

c. Lebsack shall apply all weed control chemicals and fertilizers in compliance with applicable federal, state, and local regulations.

d. Lebsack shall irrigate the Property with the Water Rights and the water delivered pursuant to this Lease Agreement.

e. Lebsack shall furnish, at Lebsack's sole expense, all labor, machinery, fertilizer, weed spray, and other items needed for farming the Property.

7. LEBSACK'S COVENANTS AND AGREEMENTS.

a. Lebsack shall maintain and make any necessary repairs, at Lebsack's expense, to any lateral ditches, headgates, and other personal property necessary to deliver the Water Rights to the Real Estate and to the pivots, wells, siphons, and pumping lagoons used in connection with the Water Rights on the Real Estate.

b. Lebsack shall keep the Property, including any non-irrigated land, clear of weeds.

c. Lebsack shall not assign this Lease Agreement nor sublet the Property or any part thereof without the prior written consent of Greeley, which consent shall not be unreasonably withheld.

d. Lebsack shall not construct, nor permit construction of any structure, building or other improvement, temporary or otherwise, on the Property without Greeley's prior written consent, which consent shall be in the sole discretion of Greeley.

e. Lebsack shall not erect, paint, or maintain any signs on the Property without securing the prior written consent of Greeley, which consent shall be in the sole discretion of Greeley.

f. Lebsack shall not allow any noise, odors, fumes, or vibrations on the Property other than those caused by normal agricultural practices that would cause disruption of normal activities on adjacent properties.

g. Lebsack shall not use or permit to be used any insecticide, pesticide, rodenticide, herbicide, or other chemical substance on the Property for weed, pest, or rodent control or fertilization which is prohibited by any federal, state or local statute, ordinance, resolution, rule or regulation.

h. Lebsack shall not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Property.

i. Lebsack agrees, covenants, and warrants to maintain the Property throughout the term of the Lease in as good repair and condition as at the commencement of this Lease Agreement.

k. Lebsack agrees to deliver up and surrender to Greeley possession of the Property at the expiration or termination of this Lease Agreement.

l. Lebsack agrees to pay all utilities, including but not limited to, gas, water, electricity, and trash, that are used in connection with the Property.

8. INDEMNIFICATION.

a. Lebsack assumes the risk of loss or damage to any crops on the Property whether from windstorm, fire, earthquake, snow, water run-off, soil conditions, or any other causes whatsoever.

b. Lebsack releases and agrees to indemnify, defend and hold harmless Greeley, its agents, officers, employees, and volunteers from and against all damages, claims, actions, causes of action, demands, judgments, costs, expenses of every kind and nature, predicated upon injury to or death of any person or loss of or damage to any property, arising, in any manner, from Lebsack's operations or use of the Property under this Lease Agreement.

c. Nothing in this Lease Agreement is intended constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§24-10-101 et seq., as applicable now or hereafter amended.

9. HAZARDOUS WASTE.

a. Lebsack shall not cause or permit any "Hazardous Material" (defined below) to be brought upon, kept, or used in or about the Property by Lebsack, its agents, employees, contractors, or invitees without the prior written consent of Greeley. Greeley shall not unreasonably withhold consent so long as Lebsack demonstrates to Greeley's reasonable satisfaction that such Hazardous Material is necessary or useful to Lebsack's use of the Property for agricultural purposes, so long as any chemicals (including without limitation fertilizer, herbicides, insecticides) are applied in conformance with good farming methods, applicable rules and regulations and the label directions of each chemical and kept, and stored in a manner that complies with all laws regulating such chemicals.

b. If Lebsack breaches the obligations stated herein, or if the presence of Hazardous Material on the Property caused or permitted by Lebsack results in contamination of the Property, or if contamination of the Property by Hazardous Material otherwise occurs for which Lebsack is legally liable to Greeley for damage resulting therefrom, then Lebsack shall indemnify, defend, and hold Greeley harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses which arise during or after the lease term as a result of such contamination. This indemnification of Greeley by Lebsack includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal, or restoration work required by any federal, state, or local governmental agency or political subdivision because of Hazardous Material present in the soil or groundwater on or under the Property.

c. Without limiting the foregoing, if the presence of any Hazardous Material on the Property caused or permitted by Lebsack results in any contamination of the Property, Lebsack shall

promptly take all actions at its sole expense as are necessary to return the Property to the condition existing prior to the introduction of any such Hazardous Material to the Property; provided that Greeley's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse effect on the Property.

d. As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Colorado, or the United States Government. The term "Hazardous Material" includes, without limitation, any material or substance that is (i) defined as a "hazardous substance" under appropriate state law provisions; (ii) petroleum; (iii) asbestos; (iv) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321; (v) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6903; (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601; or (vii) defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. § 6991.

10. RESERVATIONS. Greeley reserves its rights under this Lease Agreement to (i) have its officers, employees, and representatives enter and inspect or protect the Property at any time; (ii) use any portion of the Property for public utilities and as ingress and egress for public use and rights of way; (iii) use, repair, install, replace, and maintain public utilities and rights-of-way on, over, or under the Property; and (iv) use any portion of the Property as a site for the application of digested biosolids.

11. TERMINATION FOR CAUSE.

a. Lebsack agrees to observe and perform the terms and conditions of this Lease Agreement. If Lebsack fails to make payment of the Annual Lease Amount, or any part thereof, or if Lebsack fails to observe or perform any term or condition of this Lease Agreement, then Greeley, upon written notice to Lebsack, may in its sole discretion terminate this Lease Agreement and re-enter and repossess the Property, with or without legal proceedings, using such force as may be necessary, and remove any property belonging to Lebsack without prejudice to any claim for rent or for the breach of covenants hereof. Lebsack agrees to indemnify and hold Greeley harmless from and against any costs for the removal and storage of Lebsack's property incurred by Greeley under the provisions of this section.

b. If Greeley determines that Lebsack has created a public safety hazard, then Greeley may immediately take action to secure the safe operation of the Property, including without limitation, terminating this Lease Agreement and/or removing Lebsack and any of Lebsack's equipment or crops from the Property.

c. If Lebsack, after the expiration or termination of this Lease Agreement, shall remain in possession of the Property without a written agreement, the holding over shall be a tenancy from month-to-month at a monthly rental rate equivalent to one-twelfth of the Annual Lease Amount, payable in advance on the first day of each month. No payments of money by Lebsack after the expiration or termination of this Lease Agreement shall reinstate, continue, or extend the terms of this Lease Agreement.

12. INSURANCE REQUIREMENTS.

a. Lebsack shall purchase and maintain for the full period of this Lease Agreement, including any additional extension periods, at Lebsack's sole expense, insurance policies providing coverage as follows:

i. Farm liability insurance, including coverage for bodily injury, property damage, contractual liability, and broad-form property damage and owner/contractor's protective coverage, with a minimum coverage of not less than \$1,000,000.00 or as approved by the City of Greeley Risk Manager; and

ii. Workers' compensation and employers' liability insurance, if applicable, which shall cover the obligations of Lebsack in accordance with the provisions of the Workers' Compensation Act of Colorado, as amended.

b. Before commencement of the lease term, Lebsack must present all applicable insurance policies, certificates of insurance, and endorsements, along with a signed copy of this Lease Agreement, to the City of Greeley Risk Manager, and receive the Risk Manager's written approval as to the adequacy of such insurance coverage.

c. The insurance policies shall contain an endorsement naming the City of Greeley, Colorado, a municipal corporation, and its council members, officers, agents, employees, and volunteers as additional insured parties with respect to all activities Lebsack may perform under this Lease Agreement. Moreover, such endorsement shall include a notice provision requiring 30 days written notice to Greeley before any cancellation.

d. Only insurance companies with authority to issue policies in the State of Colorado shall provide insurance coverage under this Lease Agreement.

e. For the term of this Lease Agreement, Lebsack shall not cancel, materially change, or fail to renew the insurance coverage, and Lebsack shall notify Greeley of any material reduction or exhaustion of aggregate policy limits. If Lebsack fails to purchase or maintain the insurance coverage stated in this Lease Agreement, Greeley shall have the right to procure such insurance coverage at Lebsack's expense.

f. Nothing in this Section 12 shall limit the extent of Lebsack's responsibility for payment of claims, liabilities, damages, fines, penalties, and costs resulting from Lebsack's occupancy, use, or control of the Property or Lebsack's performance or nonperformance under this Lease Agreement.

13. NO VESTED INTEREST IN SHARES OR JOINT VENTURE. Greeley grants no interest in the Property to Lebsack other than as explicitly set forth in this Lease Agreement. Lebsack shall make no claim to any rights, title, or interest in the Property other than as explicitly set forth in this Lease Agreement. This Lease Agreement does not create a partnership or joint venture of any kind between the Parties, and Lebsack shall bear the entirety of any loss, cost, or expense incurred through its use of the Property.

14. MISCELLANEOUS PROVISIONS.

a. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

b. No waiver or default by Greeley of any of the terms, covenants, warranties, or conditions hereof to be performed, kept, or observed by Lebsack shall be construed as, or operate as, a waiver by Greeley of any of the terms, covenants, warranties, or conditions herein contained, to be performed, kept, or observed by Lebsack.

c. Lebsack agrees that Greeley shall be under no obligation to maintain the Property in a particular condition or for a particular use, and Lebsack waives all claims for damages of any kind or nature, whatsoever, resulting therefrom.

d. Article and section headings shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this Lease Agreement.

e. The provisions of this Lease Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party of the language in question.

f. Lebsack shall perform all obligations under this Lease Agreement in strict compliance with all applicable laws, rules, charters, ordinances and regulations, as now exist or are later enacted or amended, of Greeley, and all county, state and federal entities having jurisdiction over the Property.

g. None of the terms, conditions, or covenants in this Lease Agreement shall give or allow any claim, benefit, or right of action by any third person not a party hereto. Any person other than Greeley or Lebsack receiving services or benefits under this Lease Agreement shall be only an incidental beneficiary.

h. Invalidation of any specific provisions of this Lease Agreement shall not affect the validity of any other provision of this Lease Agreement.

i. Lebsack acknowledges that this Lease Agreement may not be recorded.

j. This Lease Agreement shall extend to and be binding upon the heirs, successors, and permitted assigns of the parties. Notwithstanding the foregoing, Lebsack acknowledges and agrees that Greeley intends to sell the Real Estate and retain the Water Rights. In the event the Real Estate is sold, Greeley may assign or terminate, in full or in part, the Lease Agreement by providing notice to Lebsack of the assignment or termination in accordance with Section 2.

k. This Lease Agreement is an integration of the entire understanding of the parties with respect to the matters set forth herein. No representations, warranties, or certifications, expressed or implied, shall exist as between the parties, except as specifically set forth in this Lease Agreement. The parties shall only amend this Lease Agreement in writing with the proper official signatures attached thereto.

15. NOTICE. Any notice or payment required by this Lease Agreement shall be provided by U.S. mail or hand delivery to Greeley or to Lebsack at the addresses set forth above, unless the party to receive such notice or payment provides to other party written notice of a change of the address listed above.

EXHIBIT A
to
FARM LEASE AGREEMENT
(LESBACK)

The Land shall include the real property legally described as follows:

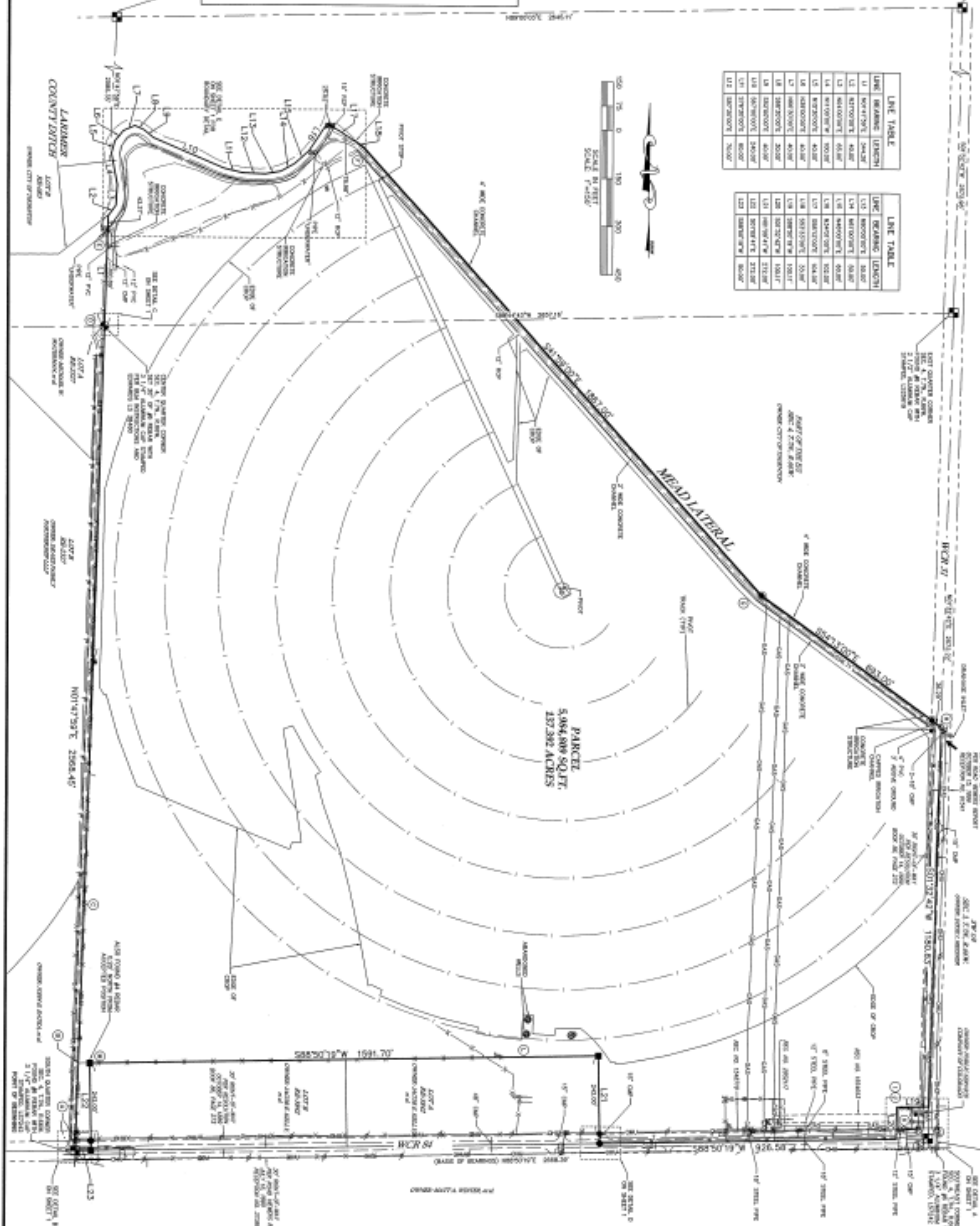
- Balmer Farm:** Lot B of Recorded Exemption 582, recorded April 27, 1983, in Book 0994, Reception No. 01924815, Weld County Records, being a part of the East Half (E1/2) of Section Four (4), Township Seven (7) North, Range Sixty-Six (66) West of the 6th P.M., Weld County, Colorado.
- McWilliams Farm:** Lot D of Recorded Exemption No. 0707-16-04 RECX15-0084, recorded October 21, 2015, at Reception No. 4151984, Weld County Records, being a part of the Southeast Quarter of Section 16, Township 7 North, Range 66 West of the 6th Principal Meridian, Weld County, State of Colorado.
- Henry Farm:** A tract of land located in the South Half (S1/2) of the Northeast Quarter (NE1/4) of Section Sixteen (16), Township Seven (7) North, Range Sixty-Six (66) West of the 6th P.M., being more particularly described as follows: COMMENCING at the East Quarter Corner (E1/4Cor) of Section 16, and considering the East line of said Section 16 as bearing North 00°09'27" West, with all other bearings contained herein relative thereto; thence North 00°09'27" West along said East section line, 402.90 feet to the true point of beginning; thence North 61°31'43" West, 655.95 feet; thence North 89°59'31" West, 269.82 feet; thence South 87°15'43" West 1785.40 feet, thence South 00°25'17" East, 662.15 feet, thence South 89°18'24" West, 34.10 feet; thence North 00°04'44" West, 1327.06 feet; thence North 89°18'24" East, 2658.50 feet to a point on the East line of said Section 16; thence South 00°09'27" East along said East section line, 924.14 feet to the true point of beginning.

Said described parcels being ~ 313 Acres, more or less.

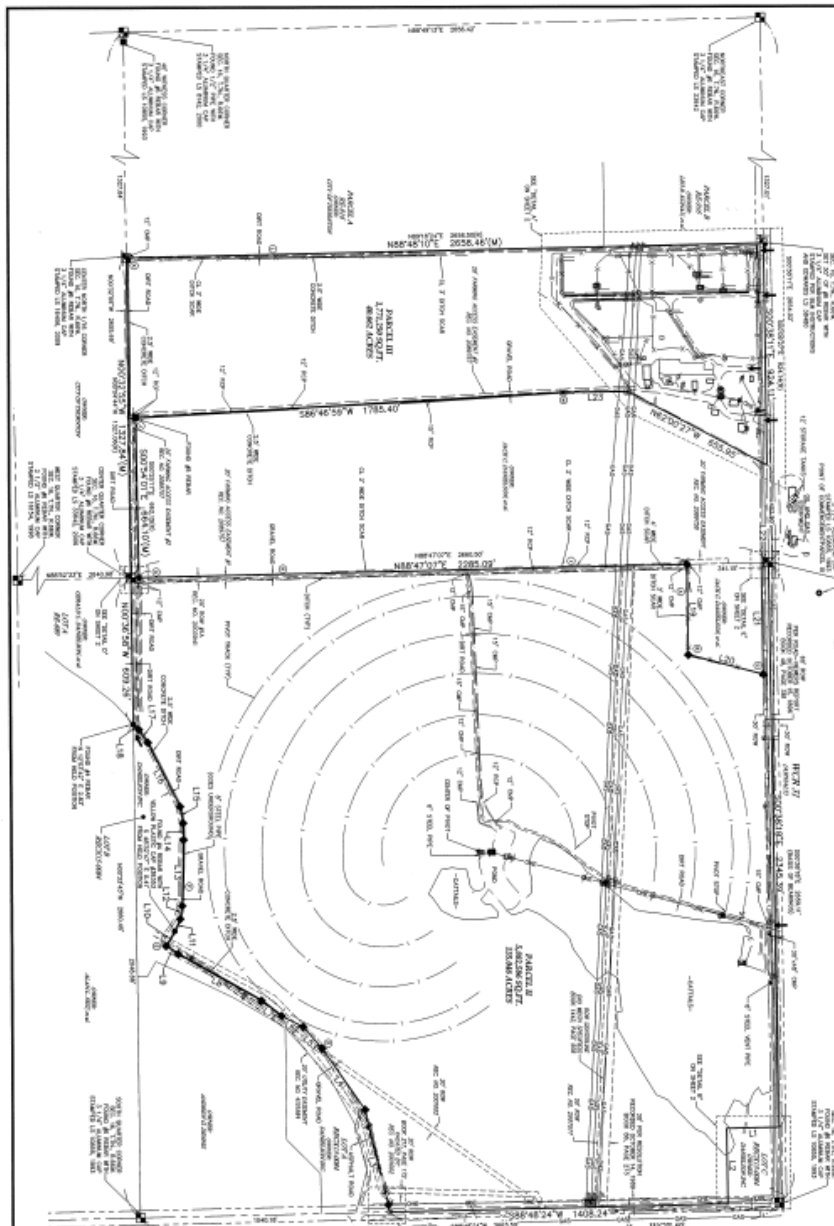
DATE	06/06/2016
FILE NAME	20160606T04.M
SCALE	
UNIT	MTS
STATION	LHC
LAB	Lab E3000
TIME	27:14:46

Lot B of Recorded Exemption No. 582
Section 4, Township 7 North, Range 66 West of the 6th P.M.
County of Weld, State of Colorado

FORM 1, EXEMPT - No Review
 FEDERAL BUREAU OF INVESTIGATION
 U.S. DEPARTMENT OF JUSTICE
 DATE: 10/20/2011
 TIME: 10:20 AM
 BY: [Signature]
 2 of 2



Situate in the East Half of Section 16, Township 7 North, Range 66 West of the 6th P.M.,
County of Weld, State of Colorado

[illegible][illegible]

MADE BY AMERICAN AIR LINEAL, 2007-2008/2009
According to the Book of Numbers 10, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843,

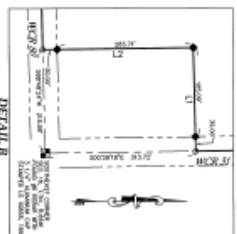


EXHIBIT B
to
FARM LEASE AGREEMENT
(LESBACK)

Historical Use Affidavit and Questionnaire

[see attached 5 pages]

AFFIDAVIT OF HISTORICAL USE OF WATER RIGHTS

WATER RIGHTS:

Ditch or Reservoir Company:

Water Supply & Storage

Shares or Interest:

3

Name and address of owner and user of water rights:

Owner:

City of Greeley

User(s):

Leland Lebseck

Year water rights were used as described: _____

IRRIGATED LAND:

Legal description and size/acreage of land irrigated by above-mentioned water rights:


See attached 220 +/- acres

Name and address of owner(s) of above-mentioned irrigated land if different from owner or user of the water rights: N/A

I have not intended to abandon the aforementioned water rights during my period of use. I state that the information contained here and in the attached Questionnaire Regarding Use of Water Shares, which is incorporated herein by reference, is known to me and is correct.

The undersigned Leland Lebseck, having personal knowledge of the irrigation of the above described lands by virtue of being the owner and/or person who has farmed and irrigated those lands, being first duly sworn, hereby states that the information provided in this statement is true and accurate.

Signed and dated this 11th day of January, 2017.



STATE OF COLORADO)

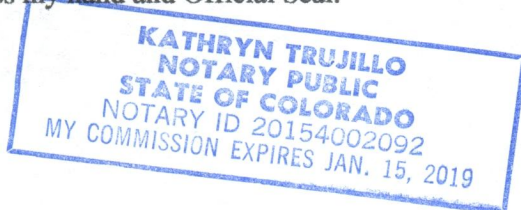
) ss.

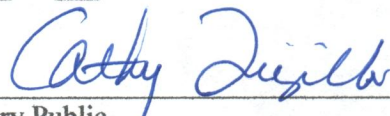
COUNTY OF Weld)

The foregoing Affidavit of Historical Use of Water Rights was acknowledged before me by

Leland Lebseck, this 11th day of January, 2017.

Witness my hand and Official Seal.




Notary Public
My commission expires: 1/15/19

QUESTIONNAIRE REGARDING USE OF WATER SHARES

The person completing this questionnaire need not necessarily be the Lessee, but must have personal knowledge of the information provided

1. Name of person completing this questionnaire: Leland Lebsack
Mailing Address: 21003 CR 90
Berco, CO 80650
Telephone: (770) 590-1446
Facsimile: _____
Email Address: lelandlebsack@yahoo.com
2. The information provided below pertains to 3 shares of the Water Supply & Storage Company, represented by Certificate No. _____ (hereinafter "Shares").
3. Did you use the Shares pursuant to a Lease Agreement? Yes
Date of the Lease: 20170301
Name of Lessee (if different from Question 1): _____
Name of Lessor: City of Greeley
4. The information in this questionnaire relates to my use of the Shares during the 2017 irrigation season (hereinafter "Lease Year").
5. Do you still own the farm or parcel irrigated by these Shares? N/A
6. Was your use of the Shares during the Lease Year consistent with all terms and conditions of the Lease Agreement and with the bylaws, rules, regulations, and policies of the ditch company?
Yes
7. What is the legal description of the farm or parcel on which these Shares were used? See attached
8. What is the total size of the farm or parcel? 313 acres.
9. What is the size of the area(s) on the farm or parcel that was irrigated? 220 acres.
10. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares? 220 acres.
11. Please provide the following information regarding how the water from these Shares is delivered.
 - Location and ID Number of the head gate at the main ditch: _____
 - Name and general location of any lateral(s) delivering the water to the land historically irrigated: _____

- Identification of any carrier or lateral ditch stock required to deliver these rights: _____.

- Approximate location of pumps, if used: _____.

- Approximate location and size of storage ponds or reservoirs, including tail water ponds, if used: _____.

12. How was water applied during the Lease Year? Sprinkler X Furrow _____ Flood X
Other/Combination (Describe): _____.

13. What was the irrigation season for the Lease Year? Start Date: 20170301 Stop Date: _____

14. During the Lease Year, did you divert and irrigate with all water available under the Shares? X.
If no, please explain the reason why all water was not taken, approximately how much was not taken, and for how long: _____

_____.

15. Other than the Shares leased, was any other water (including other shares that are in the same Company as the Shares that are the subject of this questionnaire) used to irrigate the farm or parcel on which the Shares are/were used during the Lease Year? If so, please provide the following information.

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
- _____
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
- _____
- Any other water used: _____
- Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____
_____.

16. During the Lease Year, what crops were grown on the land irrigated by the Shares?

- | | | | | | |
|------------|--------------------|-------------|-------|-----------|-------|
| i. Crop: | <u>Corn Silage</u> | Percentage: | _____ | Location: | _____ |
| ii. Crop: | <u>Sugar beets</u> | Percentage: | _____ | Location: | _____ |
| iii. Crop: | _____ | Percentage: | _____ | Location: | _____ |
| iv. Crop: | _____ | Percentage: | _____ | Location: | _____ |
| v. Crop: | _____ | Percentage: | _____ | Location: | _____ |
| vi. Crop: | _____ | Percentage: | _____ | Location: | _____ |

17. Were the lands on which the Shares were used subirrigated? No

18. If possible, please provide a map, sketch, or aerial photograph showing locations of (*check if included*):

- ☐ Farm or Parcel
- ☐ Areas irrigated by the Shares during the Lease Year
- ☐ Areas irrigated with other water
- ☐ Lateral ditches, wells, pumps, pipelines, storage reservoirs, or tail water ponds

I understand that I may be required to sign an affidavit attesting to the accuracy, to the best of my knowledge, of the information provided herein.

Signature: _____



Date: _____

1/11/17



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/11/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER J9 Insurance Agency PO BOX 1325 217 1st Street, Suite B Ault CO 80610-1325	CONTACT NAME: Donella Gertge PHONE (A/C, No, Ext): (970) 834-2009 FAX (A/C, No): (970) 834-2127 E-MAIL ADDRESS: dgertge@what-wire.com														
INSURED LELAND LEBSACK 21003 COUNTY ROAD 90 PIERCE CO 80650-9405	<table border="1"><thead><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A: Nationwide Agribusiness Ins Co</td><td>28223</td></tr><tr><td>INSURER B: Pinnacol Assurance</td><td>41190</td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Nationwide Agribusiness Ins Co	28223	INSURER B: Pinnacol Assurance	41190	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER: CL1711101659

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER	X		FPK3026804556	9/25/2016	9/25/2017	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$ 100,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$ 5,000</td></tr><tr><td>PERSONAL & ADV INJURY</td><td>\$ 1,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$ 2,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>\$ 2,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000	MED EXP (Any one person)	\$ 5,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ 2,000,000		\$
EACH OCCURRENCE	\$ 1,000,000																				
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GENERAL AGGREGATE	\$ 2,000,000																				
PRODUCTS - COMP/OP AGG	\$ 2,000,000																				
	\$																				
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	X		FPK3026804556	9/25/2016	9/25/2017	<table border="1"><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$ 1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr><tr><td>Medical payments</td><td>\$ 5,000</td></tr></table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$	Medical payments	\$ 5,000				
COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000																				
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A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ 1000	X		FPK3026804556	9/25/2016	9/25/2017	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr><tr><td>AGGREGATE</td><td>\$ 1,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 1,000,000	AGGREGATE	\$ 1,000,000		\$								
EACH OCCURRENCE	\$ 1,000,000																				
AGGREGATE	\$ 1,000,000																				
	\$																				
B	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	Y N/A	9369016	1/11/2016	1/11/2017	<table border="1"><tr><td><input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER</td><td></td></tr><tr><td>E.L. EACH ACCIDENT</td><td>\$ 100,000</td></tr><tr><td>E.L. DISEASE - EA EMPLOYEE</td><td>\$ 100,000</td></tr><tr><td>E.L. DISEASE - POLICY LIMIT</td><td>\$ 500,000</td></tr></table>	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER		E.L. EACH ACCIDENT	\$ 100,000	E.L. DISEASE - EA EMPLOYEE	\$ 100,000	E.L. DISEASE - POLICY LIMIT	\$ 500,000						
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E.L. DISEASE - POLICY LIMIT	\$ 500,000																				
		X																			

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The City of Greeley, Colorado, a municipal corporation, and its council members, officers, agents, employees, and volunteers as additional insured parties with respect to all activities Leland Lebsack may perform under this Least agreement.

CERTIFICATE HOLDER**CANCELLATION**

City of Greeley 110 10th Street, Suite 300 Greeley, CO 80631	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Terry Gertge/TG

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WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 11

TITLE: REPORT: CACHE LA POUDRE RIVER WATER
INFRASTRUCTURE PROJECTS UPDATE

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

Staff will update the board on the status of infrastructure projects on the Cache la Poudre River and provide a tentative schedule for future reports.

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 12

TITLE: EXECUTIVE SESSION

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 13

TITLE: ACTION: APPROVE PURCHASE PRICE FOR
 ARNBRECHT FARM AND ASSOCIATED
 WATER RIGHTS

RECOMMENDATION: APPROVE PURCHASE PRICE FOR
 ARNBRECHT FARM AND ASSOCIATED
 WATER RIGHTS

ADDITIONAL INFORMATION:

At the December 21, 2016 meeting, the Water and Sewer Board authorized the Arnbrecht Farm Purchase and Sale Agreement, subject to appropriate modifications regarding the residential lease provisions of the Agreement and subject to the Board's subsequent approval of the purchase price after appraisal. In light of the appraisal, Staff recommends that the Board approve the purchase price of \$1,995,000.00.

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE _____

NO ENCLOSURE __X__

ITEM NUMBER: 14

TITLE: LEGAL REPORT

POSSIBLE ACTION: STATEMENTS OF OPPOSITION, IF ANY

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 15

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Poudre Runs Through It Forum
- Proposed Dates for 2017 Board and Citizen Tours - Citizen Tour on Friday, June 30th and Board Tour on Friday, July 28th

WATER & SEWER BOARD AGENDA JANUARY 18, 2017

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 16

TITLE: SUCH OTHER BUSINESS THAT MAY BE
 BROUGHT BEFORE THE BOARD AND
 ADDED TO THIS AGENDA BY MOTION OF
 THE BOARD

RECOMMENDATION: TO BE DETERMINED

ADDITIONAL INFORMATION: