

WATER & SEWER BOARD AGENDA May 18, 2016

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 4

TITLE: ACTION: APPROVE ASSET TRANSFER
BASED ON EVALUATION AND FINDINGS OF
DUCKS UNLIMITED ON THE 59TH AVE
PROPERTY AND THE CITY-OWNED
TENNYSON PROPERTY AS POTENTIAL
WETLAND MITIGATION SITE.

RECOMMENDATION: PERFORM ASSET TRANSFER.

ADDITIONAL INFORMATION:

The Army Corps of Engineers (“COE”) has determined that ecosystem problems exist along the Cache la Poudre River in West Greeley including a declining quantity of riparian migratory bird habitat, wetland loss and degradation, a channelized stream, impingement of development upon the river corridor, loss of river/floodplain interaction, debris spoiled stream banks, and invasive species with low habitat value.

Over the last 9 years, the CEO, Greeley, and other local entities developed an integrated feasibility study and environmental assessment, which evaluated ecosystem restoration and related outdoor recreation components along the Cache la Poudre River in Greeley. The overall project reach extends from the confluence of the Cache la Poudre and South Platte Rivers to 17 miles upstream along the Poudre River.

The COE issued a Final Feasibility Report and Environmental Assessment entitled “Cache la Poudre River Ecosystem Restoration” in March, 2015 which recommended an ecosystem restoration project intended to restore riparian and wetland habitat, ultimately benefiting approximately 447.5 acres in eight areas along the Cache la Poudre River. A priority project has been identified by the COE that utilizes Greeley public lands already owned or actively being procured by the City (*between 83rd Avenue and “47th Avenue” and between C and O Streets*) to create specific designs for implementation.

In total, a recommended plan would ultimately expand connectivity and restores critical riparian and wetland habitats, greatly benefiting migratory birds and native species along the entire reach. The ecosystem restoration plan calls for excavation, grading, plantings, and seeding, at a first cost of \$26.1 million, including real estate interests.

The plan would be implemented as two projects under authority of the COE. The first

Project would include a design phase five on restoration sites upon approval of a Project Participation Agreement (Agreement). The second project would include three eastern restoration sites, and would be implemented at a later time.

Total shared costs for this Project (over the 5 identified locations) are estimated at \$15.2 million, with the federal share being \$9,854,000 and the City's share at \$5,377,000. The City's share will be primarily documented and matched as land value although a need for approximately \$162,000 in funding for the recreational component design and construction will be required. This cost will be vetted through the design process.

One of the five areas identified by the COE as being targeted for environmental restoration includes property which was obtained by the City through the Water Enterprise for wetlands mitigation (The 59th Ave property or also known as Sheep Draw Property). This area encompasses the majority of the Project design work and is a critical component in the initial ecological return analysis conducted by the COE.

The Agreement provides that lands required to be contributed by the City for the Poudre Ecosystem Restoration project may not be used as a wetlands bank or mitigation credit for any other project. This provision conflicted with the Water Enterprise's intended use of the Property. In response, staff identified a property outside the Project area, currently owned by the City, but an assets listed under the General Fund, which could be used for wetlands mitigation. To protect the assets of the Water Enterprise, City Council authorized execution of Agreement with the COE for Design and Construction of the Cache la Poudre, West Greeley, Colorado Project, subject to confirmation that a substitute property outside the project area can be utilized by the Water Enterprise for wetlands mitigation.

A report was presented to the Water and Sewer Board that provided more detail in December 2015. At that time, staff requested direction and delegation of authority from the Water and Sewer Board to investigate and confirm that the other property had a value to the Water Enterprise as a wetland mitigation site equivalent to the 59th Ave property and to perform an asset transfer that would allow 59th Ave. Property to remain as a target restoration site in the Agreement and to allow the grant process to move forward. The Water and Sewer Board authorized investigation but directed staff to present the findings to the Water and Sewer Board before authorizing the asset transfer.

As directed, staff hired a consultant, Ducks Unlimited, to determine if comparable mitigation credit can be developed on the substitute property at or above the possible wetland credits feasible at the 59th Ave property. The report, which will be provided to the Water and Sewer Board at the upcoming meeting, concludes that the total potential wetland credit is greater at the substitute property then compared to the 59th Ave property. Based on the findings, staff is requesting that the Water and Sewer Board authorize the asset transfer.

WATER & SEWER BOARD AGENDA MAY 18, 2016

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 5

TITLE: REPORT: WATER COURT CASE &
 OPPOSITION

RECOMMENDATION: INFORMATION ONLY

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.



Water & Sewer Department

MEMORANDUM

TO: Greeley Water & Sewer Board
FROM: Jen Petrzelka, Water Resource Administrator II
DATE: May 12, 2016
RE: Water Court Cases Update, 1st Quarter

This memorandum is a quarterly review of the Water and Sewer Department's legal activities during the 1st quarter of 2016 (January, February, and March). 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 January, Greeley has stipulated to four cases and filed two statements of opposition, therefore the current number of pending Water Court cases where Greeley is in opposition to is 24. This is an 11% decrease from the end of 2015 when Greeley was an opposer in 27 Water Court Cases.

Cases stipulated:

- 12CW304 Weld County: Geisert Pit
- 14CW3074 Town of Windsor: Kyger Reservoir
- 12CW5 Denver Water: LIRF case bifurcated with 04CW121 (withdrew SOO)
- 13CW3057 Lower Latham Reservoir Company: change of use

Cases entered:

- 15CW3169 CAC Timnath, LLC: change of Lake Canal ditch
- 16CW3008 Central CO Water Conservancy District: change of GIC

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))

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 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. We have received minor decree comments from opposers which we are working to address.

Statements of Opposition were filed by:

- Whitney Irrigation Company
- Ogilvy Irrigating and Land Company
- New Cache La Poudre Irrigating Company
- Greeley Irrigation Company
- Cache La Poudre Water Users Association

15CW3162 (Rockwell Reservoir)

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

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 applications filed by others.

Statements of Opposition were filed by:

- East Cherry Creek Valley Water and Sanitation District
- Greeley Irrigation Company

- Martin Marietta Materials
- 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
- Central CO Water Conservancy District

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 water rights decreed in Case No. 99CW231, including conditional groundwater rights, a conditional surface water right, conditional rights of exchange and a plan for augmentation. Greeley is claiming a number of groundwater rights and exchanges absolute, as well as the North Ridge surface water right. The deadline for filing statements of opposition is May 31, 2016.

Leprino

Greeley has been working with Leprino Foods, Inc. (“Leprino”) to prepare a water court application for quantification of reusable return flows and appropriate rights of substitution and exchange. Greeley has been actively working with Leprino staff to obtain the remaining data needed to complete the engineering report necessary before 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 has been cooperating with the various ditch companies to review their records in anticipation of a future change case. Additional review of records and data has occurred since the last Board update.

LEGAL & ENGINEERING EXPENSES:

The Water Resource Division’s outside legal expenses for the 1st quarter of 2016 totaled \$56,762 which is 21% of the total spent in 2015 of \$276,449.

2016 Costs to date

Leprino	\$1,270
Other Water Resources activities	\$55,492

WATER & SEWER BOARD AGENDA MAY 18, 2016

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 6

TITLE: APPROVE ACQUISITION VARRA FARM AND
 2 SHARES WATER SUPPLY AND STORAGE
 COMPANY

RECOMMENDATION: APPROVE ACQUISITION VARRA FARM AND
 2 SHARES WATER SUPPLY AND STORAGE
 COMPANY

ADDITIONAL INFORMATION:

Staff is recommending that the Water and Sewer Board approve the enclosed Purchase and Sale Agreement ("Agreement") between and the City of Greeley ("Greeley") and Roger Young, Sandra Kay Whitman, and the personal representatives of the Estate of Josephine Varra, ("Sellers"). The Agreement is for the purchase of a parcel of real property, containing approximately one hundred sixty (160±) acres of land, located in Weld County Colorado ("Land") and the water rights used to historically irrigate the Land. The water rights include several wells located on the Land as well as the following ditch company stock share: (1) two shares of the Water Supply & Storage Company ("WSSC"), (2) two shares of The Collins Ditch Company, and (3) two shares of The Lone Tree Lateral Company. The total purchase price for the Property is Two Million (\$2,000,000.00). The purchase price is subject to an appraisal. If the property's valuation is less than the purchase price, then the Greeley has the sole option and election to terminate the Agreement prior to the expiration of the Governmental Approval Period (i.e., thirty days after the expiration of the Inspection Period, which runs June 20, 2016). If the property's valuation is greater than the purchase price, Greeley has agreed to increase the purchase price accordingly.

EXHIBIT B
to
PURCHASE AND SALE AGREEMENT
(Varra Farms)

*See attached: Seller's Property Disclosure, Estoppel Statement, Lead-Based Paint Disclosure
and Green Disclosure.*

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

SELLER'S PROPERTY DISCLOSURE (ALL TYPES OF PROPERTIES)

THIS DISCLOSURE SHOULD BE COMPLETED BY SELLER, NOT BY BROKER.

Seller states that the information contained in this Disclosure is correct to Seller's CURRENT ACTUAL KNOWLEDGE as of this Date. **Any changes will be disclosed by Seller to Buyer promptly after discovery.** Seller hereby receipts for a copy of this Disclosure. **If the Property is part of a Common Interest Community, this Disclosure is limited to the Property or Unit itself, except as stated in Section L.** Broker may deliver a copy of this Disclosure to prospective buyers.

Note: If an item is not present at the Property or if an item is not to be included in the sale, mark the "N/A" column. The Contract to Buy and Sell Real Estate, not this Disclosure form, determines whether an item is included or excluded; if there is an inconsistency between this form and the Contract, the Contract controls.

Date: _____

Property Address: _____

Seller: _____

I. IMPROVEMENTS

If this box is checked, there are no structures or improvements on the Property; do not complete Sections A-G.

A.	STRUCTURAL CONDITIONS	Do any of the following conditions now exist or have they ever existed:				Yes	No	Do Not Know	N/A	Comments
1	Structural problems									
2	Moisture and/or water problems									
3	Damage due to termites, other insects, birds, animals or rodents									
4	Damage due to hail, wind, fire or flood									
5	Cracks, heaving or settling problems									
6	Exterior wall or window problems									
7	Exterior Artificial Stucco (EIFS)									
8	Any additions or alterations made									
9	Building code, city or county violations									

B.	ROOF	Do any of the following conditions now exist:				Yes	No	Do Not Know	N/A	Comments
1	Roof problems									
2	Roof material: _____ Age _____ Roof material: _____ Age _____									
3	Roof leak: Past									
4	Roof leak: Present									
5	Damage to roof: Past									
6	Damage to roof: Present									
7	Roof under warranty until _____. Transferable _____									
8	Roof work done while under current roof warranty									
9	Skylight problems									
10	Gutter or downspout problems									

		IN WORKING CONDITION					
C.	APPLIANCES Are the following now in working condition:	Yes	No	Do Not Know	Age If Known	N/A	Comments
1	Built-in vacuum system & accessories						
2	Clothes dryer						
3	Clothes washer						
4	Dishwasher						
5	Disposal						
6	Freezer						
7	Gas grill						
8	Hood						
9	Microwave oven						
10	Oven						
11	Range						
12	Refrigerator						
13	T.V. antenna: <input type="checkbox"/> Owned <input type="checkbox"/> Leased						
14	Satellite system or DSS dish: <input type="checkbox"/> Owned <input type="checkbox"/> Leased						
15	Trash compactor						

		IN WORKING CONDITION					
D.	ELECTRICAL & TELECOMMUNICATIONS Are the following now in working condition:	Yes	No	Do Not Know	Age If Known	N/A	Comments
1	Security system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased						
2	Smoke/fire detectors: <input type="checkbox"/> Battery <input type="checkbox"/> Hardwire						
3	Carbon Monoxide Alarm: <input type="checkbox"/> Battery <input type="checkbox"/> Hardwire						
4	Light fixtures						
5	Switches & outlets						
6	Aluminum wiring (110)						
7	Electrical: Phase _____ Voltage _____ Amps _____						
8	Telecommunications (T1, fiber, cable, satellite)						
9	Inside telephone wiring & blocks/jacks						
10	Abandoned communication cables: <input type="checkbox"/> Yes <input type="checkbox"/> No						
11	Ceiling fans						
12	Garage door opener						
13	Garage door control(s) # _____						
14	Intercom/doorbell						
15	In-wall speakers						
16	220 volt service						
17	Landscape lighting						

		IN WORKING CONDITION					
E.	MECHANICAL Are the following now in working condition:	Yes	No	Do Not Know	Age If Known	N/A	Comments
1	Air conditioning:						
	Evaporative cooler						
	Window units						
	Central						
	Computer room						
2	Attic/whole house fan						
3	Vent fans						

4	Humidifier						
5	Air purifier						
6	Sauna						
7	Hot tub or spa						
8	Steam room/shower						
9	Pool						
10	Heating system: Type _____ Fuel _____ Type _____ Fuel _____						
11	Water heater: Number of _____ Fuel type _____ Capacity _____						
12	Fireplace: Type _____ Fuel _____						
13	Fireplace insert						
14	Stove: Type _____ Fuel _____						
15	When was fireplace/wood stove, chimney/flue last cleaned: Date: _____ <input type="checkbox"/> Do not know						
16	Fuel tanks: <input type="checkbox"/> Owned <input type="checkbox"/> Leased						
17	Radiant heating system: <input type="checkbox"/> Interior <input type="checkbox"/> Exterior Hose Type _____						
18	Overhead door						
19	Entry gate system						
20	Elevator/escalators						
21	Lift/hoist/crane						

		IN WORKING CONDITION			Age If Known	N/A	Comments
F.	WATER, SEWER & OTHER UTILITIES Are the following now in working condition:	Yes	No	Do Not Know			
1	Water filter system: <input type="checkbox"/> Owned <input type="checkbox"/> Leased						
2	Water softener: <input type="checkbox"/> Owned <input type="checkbox"/> Leased						
3	Sewage problems: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know						
4	Lift station (sewage ejector pump)						
5	Drainage, storm sewers, retention ponds						
6	Grey water storage/use						
7	Plumbing problems: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know						
8	Sump pump						
9	Underground sprinkler system						
10	Fire sprinkler system						
11	Polybutylene pipe: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know						
12	Galvanized pipe: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Do not know						
13	Backflow prevention device: <input type="checkbox"/> Domestic <input type="checkbox"/> Irrigation <input type="checkbox"/> Fire <input type="checkbox"/> Sewage						
14	Irrigation pump						
15	Well pump						

		IN WORKING CONDITION			Age If Known	N/A	Comments
G.	OTHER DISCLOSURES – IMPROVEMENTS	Yes	No	Do Not Know			
1	Included fixtures and equipment now in working condition						

II. GENERAL

H.	USE, ZONING & LEGAL ISSUES Do any of the following conditions now exist :	Yes	No	Do Not Know	N/A	Comments
1	Current use of the Property					
2	Zoning violation, variance, conditional use, violation of an enforceable PUD or non-conforming use					
3	Notice or threat of condemnation proceedings					
4	Notice of any adverse conditions from any governmental or quasi-governmental agency that have not been resolved					
5	Violation of restrictive covenants or owners' association rules or regulations					
6	Any building or improvements constructed within the past one year from this Date without approval by the Association or the designated approving body					
7	Notice of zoning action related to the Property					
8	Notice of ADA complaint or report					
9	Other legal action					

I.	ACCESS, PARKING, DRAINAGE & SIGNAGE Do any of the following conditions now exist :	Yes	No	Do Not Know	N/A	Comments
1	Any access problems					
2	Roads, driveways, trails or paths through the Property used by others					
3	Public highway or county road bordering the Property					
4	Any proposed or existing transportation project that affects or is expected to affect the Property					
5	Encroachments, boundary disputes or unrecorded easements					
6	Shared or common areas with adjoining properties					
7	Cross-parking agreement, covenants, easements					
8	Requirements for curb, gravel/paving, landscaping					
9	Flooding or drainage problems: Past					
10	Flooding or drainage problems: Present					
11	Signs: <input type="checkbox"/> Owned <input type="checkbox"/> Leased					
12	Signs: Government or private restriction problems					

J.	WATER & SEWER SUPPLY Do any of the following conditions now exist :	Yes	No	Do Not Know	N/A	Comments
1	Water Rights: Type _____					
2	Water tap fees paid in full					
3	Sewer tap fees paid in full					
4	Subject to augmentation plan					
5	Well required to be metered					
6	Type of water supply: <input type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/> Well <input type="checkbox"/> Shared Well <input type="checkbox"/> Cistern <input type="checkbox"/> None If the Property is served by a Well, a copy of the Well Permit <input type="checkbox"/> Is <input type="checkbox"/> Is Not attached . Well Permit #: _____ <input type="checkbox"/> Drilling Records <input type="checkbox"/> Are <input type="checkbox"/> Are not attached. Shared Well Agreement <input type="checkbox"/> Yes <input type="checkbox"/> No . The Water Provider for the Property can be contacted at: Name: _____ Address: _____ Web Site: _____ Phone No.: _____ <input type="checkbox"/> There is neither a Well nor a Water Provider for the Property. The source of potable water for the Property is [describe source]: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.					
7	Type of sanitary sewer service: <input type="checkbox"/> Public <input type="checkbox"/> Community <input type="checkbox"/> Septic System <input type="checkbox"/> None <input type="checkbox"/> Other _____ If the Property is served by an on-site septic system, supply to buyer a copy of the permit.					

	Type of septic system: <input type="checkbox"/> Tank <input type="checkbox"/> Leach <input type="checkbox"/> Lagoon					
K.	ENVIRONMENTAL CONDITIONS Do any of the following conditions now exist or have they ever existed:	Yes	No	Do Not Know	N/A	Comments
1	Hazardous materials on the Property, such as radioactive, toxic, or biohazardous materials, asbestos, pesticides, herbicides, wastewater sludge, radon, methane, mill tailings, solvents or petroleum products					
2	Underground storage tanks					
3	Aboveground storage tanks					
4	Underground transmission lines					
5	Animals kept in the residence					
6	Property used as, situated on, or adjoining a dump, land fill or municipal solid waste land fill					
7	Monitoring wells or test equipment					
8	Sliding, settling, upheaval, movement or instability of earth or expansive soils on the Property					
9	Mine shafts, tunnels or abandoned wells on the Property					
10	Within governmentally designated geological hazard or sensitive area					
11	Within governmentally designated flood plain or wetland area					
12	Governmentally designated noxious weeds (within last 3 years only) If yes, see Section O.					
13	Dead, diseased or infested trees or shrubs					
14	Environmental assessments, studies or reports done involving the physical condition of the Property					
15	Property used for any mining, graveling, or other natural resource extraction operations such as oil and gas wells					
16	Endangered species on the Property					
17	Archeological features, fossils, or artifacts on the Property					
18	Interior of improvements of Property tobacco smoke-free					
19	Other environmental problems					

L.	COMMON INTEREST COMMUNITY – ASSOCIATION PROPERTY Do any of the following conditions now exist:	Yes	No	Do Not Know	N/A	Comments
1	Property is part of an owners' association					
2	Special assessments or increases in regular assessments approved by owners' association but not yet implemented					
3	Has the Association made demand or commenced a lawsuit against a builder or contractor alleging defective construction of improvements of the Association Property (common area or property owned or controlled by the Association but outside the Seller's Property or Unit).					

M.	OTHER DISCLOSURES – GENERAL Do any of the following conditions now exist:	Yes	No	Do Not Know	N/A	Comments
1	Any part of the Property leased to others (written or oral)					
2	Written reports of any building, site, roofing, soils or engineering investigations or studies of the Property					
3	Any property insurance claim submitted (whether paid or not)					
4	Structural, architectural and engineering plans and/or specifications for any existing improvements					
5	Property was previously used as a methamphetamine laboratory and not remediated to state standards					
6	Government special improvements approved, but not yet installed, that may become a lien against the Property					

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III. LAND

N.	CROPS, LIVESTOCK & LEASES Do any of the following conditions now exist :	Yes	No	Do Not Know	N/A	Comments
1	Crops being grown on the Property					
2	Seller owns all crops					
3	Livestock on the Property					
4	Any land leased from others: <input type="checkbox"/> State <input type="checkbox"/> BLM <input type="checkbox"/> Federal <input type="checkbox"/> Private <input type="checkbox"/> Other _____					

O.	NOXIOUS WEEDS Do any of the following conditions now exist :	Yes	No	Do Not Know	N/A	Comments
	The Colorado Noxious Weed Management Act (35-5.5-101-119 C.R.S) enables County and City governments to implement noxious weeds management programs to reclaim infested acres and protect weed-free land. For a directory of county weed supervisors call 303-239-4173 or see: www.colorado.gov/ag/weeds .					
	Have any of the following occurred to the Property:					
1	Have any noxious weeds on the Property been identified?					
2	Have there been any weed enforcement actions on the Property?					
3	Has a noxious weed management plan for the Property been entered into?					
4	Have noxious weed management actions been implemented?					
5	Have herbicides been applied?					

P.	OTHER DISCLOSURES – LAND Do any of the following conditions now exist :	Yes	No	Do Not Know	N/A	Comments
1	Any part of the Property enrolled in any governmental programs such as Conservation Reserve Program (CRP), Wetlands Reserve Program (WRP), etc.					
2	Conservation easement					

Seller and Buyer understand that the real estate brokers do not warrant or guarantee the above information on the Property. Property inspection services may be purchased and are advisable. This form is **not** intended as a substitute for an inspection of the Property.

ADVISORY TO SELLER:

Failure to disclose a known material defect may result in legal liability.

The information contained in this Disclosure has been furnished by Seller, who certifies to the truth thereof based on Seller's CURRENT ACTUAL KNOWLEDGE.

Seller

Date

Seller

Date

ADVISORY TO BUYER:

1. Even though Seller has answered the above questions to Seller's current actual knowledge, Buyer should thoroughly inspect the Property and obtain expert assistance to accurately and fully evaluate the Property to confirm the status of the following matters:

- a. the physical condition of the Property;
- b. the presence of mold or other biological hazards;
- c. the presence of rodents, insects and vermin including termites;
- d. the legal use of the Property and legal access to the Property;

The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission. (ES95-10-11) (Mandatory 1-12)

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

ESTOPPEL STATEMENT

Date: _____

Re: Lease Dated: _____
Premises: _____ (Premises)

Original Landlord: _____
Current Landlord: _____ (Landlord)

Current Landlord's Contact Address: _____

Telephone: _____

Tenant: _____
Tenant's Contact Address: _____

Telephone: _____

Tenant states and certifies to _____, buyer of the Premises (Buyer) and, if applicable, to _____, Buyer's lender, the following:

1. The copy of the Lease attached to this Estoppel Statement is a true, correct and complete copy, including modifications and amendments (collectively Lease).
2. The Lease is in full force and effect and there have been no modifications or amendments other than as attached to this Estoppel Statement.
3. The commencement date of the Lease was _____. The current scheduled termination date of the Lease is _____.
4. The amounts of any unused credits are as follows:
 - 4.1. \$ _____ as advance rentals paid;
 - 4.2. \$ _____ as other advance payments paid to Landlord; and
 - 4.3. \$ _____ as rent concessions given by Landlord.
5. Landlord **Is** **Is Not** in default under the terms of the Lease.
6. Tenant **Is** **Is Not** in default under the terms of the Lease.
7. Landlord holds \$ _____ as a security deposit under the terms of the Lease.
8. Additional Provisions.

Tenant: _____

Tenant: _____

Signature Date

Signature Date

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

LEAD-BASED PAINT DISCLOSURE (Sales)

Attachment to Contract to Buy and Sell Real Estate for the Property known as:

Street Address

City

State

Zip

WARNING! LEAD FROM PAINT, DUST, AND SOIL CAN BE DANGEROUS IF NOT MANAGED PROPERLY

Penalties for failure to comply with Federal Lead-Based Paint Disclosure Laws include treble (3 times) damages, attorney fees, costs, and a base penalty up to \$11,000 (plus adjustment for inflation). The current penalty is up to \$16,000 for each violation.

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure to Buyer and Real Estate Licensee(s) and Acknowledgment

1. Seller acknowledges that Seller has been informed of Seller's obligations. Seller is aware that Seller must retain a copy of this disclosure for not less than three years from the completion date of the sale.
2. Presence of lead-based paint and/or lead-based paint hazards (check one box below):
 - Seller has no knowledge of any lead-based paint and/or lead-based paint hazards present in the housing.
 - Seller has knowledge of lead-based paint and/or lead-based paint hazards present in the housing (explain):

3. Records and reports available to Seller (check one box below):
 - Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.
 - Seller has provided Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below):

Buyer's Acknowledgment

4. Buyer has read the Lead Warning Statement above and understands its contents.
5. Buyer has received copies of all information, including any records and reports listed by Seller above.
6. Buyer has received the pamphlet "Protect Your Family From Lead in Your Home".
7. Buyer acknowledges federal law requires that before a buyer is obligated under any contract to buy and sell real estate, Seller shall permit Buyer a 10-day period (unless the parties mutually agree, in writing, upon a different period of time) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.
8. Buyer, after having reviewed the contents of this form, and any records and reports listed by Seller, has elected to (check one box below):
 - Obtain a risk assessment or an inspection of the Property for the presence of lead-based paint and/or lead-based paint hazards, within the time limit and under the terms of § 10 of the Contract to Buy and Sell Real Estate; or
 - Waive the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Real Estate Licensee's Acknowledgment

Each real estate licensee signing below acknowledges receipt of the above Seller's Disclosure, has informed Seller of Seller's obligations and is aware of licensee's responsibility to ensure compliance.

Certification of Accuracy

I certify that the statements I have made are accurate to the best of my knowledge.

Seller _____ Date _____

Buyer _____ Date _____

Seller _____ Date _____

Buyer _____ Date _____

Real Estate Licensee (Listing) _____ Date _____

Real Estate Licensee (Selling) _____ Date _____

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

**GREEN DISCLOSURE
(Energy)**

THIS DISCLOSURE SHOULD BE COMPLETED BY SELLER, NOT BY BROKER.

Seller states that the information contained in this Disclosure is correct to Seller's CURRENT ACTUAL KNOWLEDGE as of this Date. Seller hereby receipts for a copy of this Disclosure. Broker may deliver a copy of this Disclosure to prospective buyers.

Note: If an item is not present at the Property, the Seller does not know the answer or if an item is not to be included in the sale, the applicable check box is not checked. The Contract to Buy and Sell Real Estate, not this Disclosure form, determines whether an item is included or excluded; if there is an inconsistency between this form and the Contract, the Contract controls.

Date: _____
Property Address: _____
Seller: _____

Property Address: _____
Street City State Zip

- 1. Home Performance Programs Home Performance with ENERGY STAR
- 2. Construction Type:
 - SIPS ICF Material Efficient Framing
 - Improved Insulation Straw Bale Earthen Build/Rammed Earth
 - Other _____
- 3. Heating, Cooling and Ventilation: (check box for each type)
 - Ground Source Heat Pump High Efficiency Furnace/Boiler (eg. >= 90% AFUE)
 - Tankless/On Demand Water Heater High Efficiency Water Heater (eg. >=90%, or EF>=.82 for gas)
 - Evaporative Cooling Whole House Fan Ceiling Fans
 - High SEER A/C SEER Rating: _____ Insulation Air Sealing Upgrades Completed
 - Home Orientation (South Facing Overhangs)
- 4. Water Efficient Features:
 - Low Flow Toilets Low Flow Fixtures/Shower Heads
 - Low Water sod Hot Water Recirculation Pump/Structured Plumbing
 - Xeriscaping Greywater System
 - WaterSense by ENERGY STAR
- 5. Indoor Air Quality:
 - Indoor Air Quality Plus by ENERGY STAR No or Low VOC Paint
 - Heat Recovery Ventilator/Fresh Air System Radon Mitigation System
 - Green Guard Certified Carpet / Flooring (documentation required)
 - No Formaldehyde Certified Cabinetry (documentation required)
- 6. Sustainable Materials:
 - FSC Certified Lumber FSC Certified Cabinets Recycled Content
 - Reclaimed Flooring Sustainable Flooring Regionally Harvested
- 7. Energy Features:
 - ENERGY STAR/Low E Windows (documentation required) Automated Lighting Controls
 - Orientation/Passive Solar Design High Efficiency Lighting
 - ENERGY STAR Rated Roof (documentation required) Programmable Thermostat

ENERGY&GREEN FEATURES ADDENDUM – GLOSSARY OF TERMS

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TERM	DEFINITION
AFUE	A central furnace or boiler's efficiency is measured by annual fuel utilization efficiency (AFUE).
Automated Lighting Controls	Automatic controls for lighting range from a simple outdoor light fixture with a built-in photo sensor to whole-house programmable controls that can activate lights for various scenarios.
Ceiling Fans	Fans, set to push warm air into living spaces, can reduce winter heating bills, & cut cooling costs when they are used in lieu of air-conditioners.
Earthen Built / Rammed Earth	A technique used in the building of walls using the raw materials of earth, chalk, lime & gravel.
ENERGYSTAR® / Low E Windows	In general, Colorado requires a U-factor of 0.35 or less to meet ENERGY STAR guidelines.
ENERGYSTAR® Rated Roof	ENERGY STAR qualified roof products reflect more of the sun's rays.
ENERGYSTAR® Refrigerator, Dishwasher, Clothes-Washer	ENERGY STAR qualified refrigerators are 20% more energy efficient than the minimum federal standard. ENERGYSTAR® qualified dishwasher models are, on average, 10% more energy efficient than non-qualified models. ENERGYSTAR® qualified clothes washers use about 30% less energy & use over 50% less water than regular washers.
Evaporative Cooling	AKA swamp cooler. A simple cooling system that operates by moving air across or through a wet pad.
FSC Certified Cabinets	Independent certification & labeling of forest products, such as lumber used for cabinets, administered by the Forest Stewardship Council.
FSC Certified Lumber	Independent certification & labeling of forest products, such as lumber used for framing, administered by the Forest Stewardship Council.
Green Guard Certified Carpet/Flooring	Third-party certification program for carpet & flooring.
Grey water System	Untreated wastewater resulting from lavatory wash basins, laundry & bathing. Waste water from kitchen sinks is often excluded because of the high food & grease content.
Ground Source Heat Pump (Geothermal heat pumps/geothermal heat exchange)	Ground source heat pumps (GSHPs) are electrically powered systems that tap the stored energy of the earth. These systems use the earth's relatively constant temperature to provide heating, cooling, & hot water.
High Efficiency Furnace / Boiler	The Federal Trade Commission requires new furnaces or boilers to display their AFUE so consumers can compare heating efficiencies of various models. AFUE is a measure of how efficient the appliance is in the energy in its fuel over the course of a typical year.
High Efficiency Lighting (CFLs, LED)	New lighting technologies use less energy, last longer, & give off the same amount of light as old incandescent technologies. Compact fluorescent lights (CFLs) use about a quarter of the energy while giving off the same amount of light & lasting up to 10 times longer. Light-emitting Diodes (LEDs) create light without releasing heat, last longer than CFLs & do not contain mercury.
High Efficiency Water Heater	High efficiency water heaters use 10 to 50 percent less energy than standard models. Models with an ENERGYSTAR rating are considered highly efficient.
High SEER Air Conditioning	Air conditioners manufactured after January 26, 2006 must achieve a Seasonal Energy Efficiency Ratio (SEER) of 13 or higher.
Home Orientation (South Facing Overhangs)	The home is located on the property to maximize solar gain in winter, & provide shade in summer. In general, a south-facing orientation, within 30° east or west of true south, will provide around 90% of the maximum static solar collection potential.
Home Performance with ENERGY STAR®	Home Performance with ENERGYSTAR is a national program administered by the U.S. Environmental Protection Agency (EPA) & the U.S. Department of Energy (DOE). It offers a comprehensive, "whole-house" approach to improving energy efficiency & comfort of existing homes.
Hot Water Recirculation Pump / Structured Plumbing	Hot water recirculation systems use a pump to move hot water through the plumbing system from the water heater to near the fixtures. Structured Plumbing is a method of designing the hot water plumbing layout to minimize hot water delivery times.
ICF	Rigid plastic foam forms that hold concrete in place during curing & remain in place afterwards to serve as thermal insulation for concrete walls. The foam sections are lightweight & result in energy efficient, durable construction.
Indoor air PLUS By ENERGYSTAR®	A variety of construction practices & technologies to decrease the risk of poor indoor air quality. The Environmental Protection Agency administers a builder program called Indoor air PLUS.
Improved Insulation	Building codes typically require a minimum insulation level for each component of the building envelope. Improved Insulation refers to increasing the insulation levels beyond the minimum code requirements.
Insulation Air Sealing Upgrades	For existing homes, Insulation & Air Sealing upgrades are typically implemented in conjunction with an energy audit. These steps help seal a home from drafts & leakage, & increase the insulation levels of the home.
Low Flow Fixtures / Shower Heads	A faucet with aerator installed to reduce the flow of water but not reduce water pressure. Low-flow shower heads use about 2 ½ gallons of water per minute compared to between four & five gallons per minute used by conventional heads.

TERM	DEFINITION
Low Flow Toilets	A toilet that uses less water per flush when compared to the current federal requirements. Such toilets often have the EPA's WaterSense label. In general, low-flow toilets use a maximum of 1.28 gallons of water per flush.
Low-water Sod	Landscaping that has significantly lower watering requirements than conventional turf. Most of these types come with certificates of installation in Colorado.
No Formaldehyde Certified Cabinetry	The Kitchen Cabinet Manufacturers Association (KCMA) created the Environmental Stewardship Program (ESP) to help cabinet manufacturers demonstrate their commitment to environmental sustainability & help consumers easily identify environmentally-friendly products.
No or Low VOC Paint	Paints that release no, or minimal Volatile Organic Compound (VOC) pollutants, & are virtually odor free.
Orientation / Passive Solar Design	Solar geometry, window technology & local climate are used to direct building design. Helps reduce or even eliminate the need for mechanical cooling & heating & daytime artificial lighting.
Programmable Thermostat	A thermostat that can be programmed to increase & decrease a home's temperature setting automatically.
Radon Mitigation System	A system that detects radon, a naturally occurring gas, colorless & odorless, that causes adverse health effects. Radon gas often enters a structure by seeping through cellar walls & floors.
Reclaimed Flooring	Material that is recovered for reuse or another purpose, such as wood barn siding that becomes flooring.
Recycled Content	Recycled-content products are made from materials that would otherwise have been discarded. These products are made totally or partially from material contained in recycled products, like aluminum soda cans or newspaper.
Regionally Harvested	Harvested within 500 miles of home.
SEER Rating	The rating & performance standard developed by the U.S. government & equipment manufacturer's to produce an energy consumption rating that is easy to understand by consumers. The lower the SEER rating, the more energy required to produce the desired effect.
SIPS	Panels made from a thick layer of foam sandwiched between two layers of Oriented Strand Board (OSB), plywood or fiber-cement. They are an alternative to the foam core & are available with a core of agriculture fibers (such as wheat straw) that provides similar thermal & structural performance.
Straw Bale	A construction method that uses waste straw left over from crops, such as wheat, oats, barley, rye, rice & flax, after all the food has been extracted. Straw is gathered, baled, compressed & tied together. Bales are placed over a "stemwall" to protect the straw from the ground soil & the straw bales are stuccoed & plastered over for finishing.
Sustainable Flooring	Sustainable flooring is produced from sustainable materials (& by a sustainable process) that reduces demands on ecosystems during its life-cycle. This includes harvest, production, use & disposal.
Tankless/On Dem & Water Heater	A system that delivers hot water at a preset temperature when needed, but without requiring the storage of water. The approach reduces or eliminates energy standby losses. Tankless water heaters can be used for supplementary heat, such as a booster to a solar hot water system, or to meet all hot water needs. Tankless water heaters have an electric, gas, or propane heating device that is activated by the flow of water.
Whole House Fan	A whole-house fan is a type of fan installed in a building's ceiling, designed to pull hot air out of the building.
Xeriscaping	A method of landscaping that promotes water conservation.

PURCHASE AND SALE AGREEMENT
(Varra Farm)

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into by and among THOMAS EDWARD VARRA and SANDRA KAY WHITMAN, the Co-Personal Representatives of the Estate of JOSEPHINE L. VARRA ("Co-Personal Representatives"), whose address is: c/o Thomas Edward Varra at 9080 CR 102, Nunn, Colorado 80648 and SANDRA KAY WHITMAN, individually and ROGER YOUNG, individually, (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. The Sellers are the owners of a parcel of real property containing approximately one hundred sixty (160±) acres of land, located in the Northeast Quarter (NE1/4) of Section 28, Township 8 North, Range 65 West, in Weld County Colorado, which is legally described on Exhibit "A", attached hereto and incorporated herein by reference ("Land"), also known as: 20658 County Road 90 Greeley, CO.

2. The Co-Personal Representatives own an undivided fifty-six percent (56%) interest in the Land. The remaining forty-four percent (44%) is owned by Roger Young and Sandra Kay Whitman and allocated as follows: Mr. Young as to an undivided twenty-two percent (22%) interest in the Land and Ms. Whitman as to an undivided twenty-two percent (22%) interest in the Land.

3. The Co-Personal Representatives are the sole owners of two shares of the Water Supply & Storage Company ("WSSC"), represented by Stock Certificate No. 6240, together with two shares of The Collins Ditch Company, represented by Stock Certificate No. 797, and two shares of The Lone Tree Lateral Company, represented by Stock Certificate No. 219, which have been used to irrigate a portion of the Land (all of the foregoing water rights referred to as the "WSSC Water Rights").

4. The parties desire to set forth the terms and conditions pursuant to which the Sellers shall sell and the Buyer shall purchase the WSSC 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" shall mean and refer to the real property referenced in Recital 1 above and legally described on Exhibit "A", attached hereto and incorporated herein by reference.

1.2 "Effective Date" shall mean and refer to 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 "WSSC Water Rights" shall mean and refer to the real property referenced in Recital 3.

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" shall include, 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, reserving and excepting, however, all minerals of whatsoever kind or character in, under, and upon or that might be produced from the Land.

2.2 Improvements. All existing improvements, structures, pipes and fixtures placed, constructed, installed or located on the Land; all fences, gates, plants, trees, landscaping and other appurtenances, if any, upon, over or under the Land; and all furniture, 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, irrigation sprinklers systems and all associated pumps, motors, pipes, and fuel injection systems), if any, upon, over or under the Land, except for following items which are expressly excluded: no exclusions (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. All 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 Seller's interest in the water and water rights, ditches and ditch rights, and reservoirs and reservoir rights represented by the WSSC Water Rights and all of Sellers' interest in the water and water rights, irrigation wells, well rights, and well permits identified as:

Varra Well #1 - #0101, together with the rights to tributary groundwater decreed on May 2, 1974, as Varra Well #1 - #0101, in Case No. W-4530, District Court, Water Division No. 1, Colorado, with an appropriation date of May 31, 1940, for irrigation in the amount of .769 cubic feet per second; and

Varra Well #2 - #04188-F, together with the rights to tributary groundwater decreed on May 2, 1974, as Varra Well #2 - #04188-F, in Case No. W-4530, District Court, Water Division No. 1, Colorado, with an appropriation date of May 15, 1963, for irrigation in the amount of .466 cubic feet per second; and

Varra Well #3 - #041313 - F, together with the rights to tributary groundwater decreed on May 2, 1974, as Varra Well #3 - #041313 - F, in Case No. W-4530, District Court, Water Division No. 1, Colorado, with an appropriation date of May 15, 1963, for irrigation in the amount of .308 cubic feet per second; and

Varra Well #4 - #5167 - F, together with the rights to tributary groundwater decreed on May 2, 1974, as Varra Well #4 - #5167 - F, in Case No. W-4530, District Court, Water Division No. 1, Colorado, with an appropriation date of March 15, 1964, for irrigation in the amount of .466 cubic feet per second.

The Transferable Water Rights shall also include any and all lateral ditches, easements, rights of way and entitlements appurtenant to or used in connection with the Land and/or WSSC Water Rights.

ARTICLE 3
PURCHASE PRICE

3.1 Total Purchase Price. The total purchase price for the Property shall be an amount equal to Two Million and no/100 Dollars (\$2,000,000.00) "Total Purchase Price." The Total Purchase Price shall be payable as follows:

3.2 Deposit and Release of Deposit. Within fifteen (15) days following the Effective Date of this Agreement, the Buyer shall cause the amount of Twenty-five Thousand Dollars (\$25,000.00) ("Deposit") to be deposited with Rocky Mountain Escrow & Title, Inc., 455 E. Wonderview Avenue, Suite B-2, Estes Park, Colorado 80517 ("Title Company"). The Deposit shall 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 shall be refundable to the Buyer at any time prior to the expiration of the Inspection Period (defined below) if the Buyer is not satisfied with the Property and shall be subject to return to the Buyer upon termination of this Agreement by the Buyer pursuant to Section 3.5, Section 4.4, Article 5, Section 6.1, Section 11.3 and Article 12 below. Except as set forth in the preceding sentence, the Deposit shall be non-refundable to the Buyer.

3.3 Interest. All interest accrued on the Deposit prior to the release of the Deposit to the Sellers shall be added to and constitute part of the "Deposit." The Deposit (including all interest accrued thereon prior to the release thereof to the Sellers) shall 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.

3.5 Appraisal. Within ten (10) days after the Effective Date of this Agreement, the Buyer shall request an appraisal of the Property to confirm that the Property's valuation is equal to or greater than the Total Purchase Price. The cost of the appraisal shall be paid for by the Buyer. If the Property's valuation is less than the Total Purchase Price, then the Buyer has the sole option and election to terminate this Agreement prior to the expiration of the Governmental Approval Period, unless (i) the Sellers agree to reduce the Total Purchase Price accordingly or (ii) the difference is approved and waived pursuant to Article 6.1. If the Property's valuation is greater than the Total Purchase Price, Buyer agrees to increase the Purchase Price accordingly. Upon termination of this Agreement by the Buyer pursuant to this Paragraph 3.5, and except as otherwise provided herein, the Deposit shall be returned to the Buyer and neither the Seller 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.

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 ten (10) 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 Two Million and no/100 Dollars (\$2,000,000.00), 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. The amount of the Title Insurance Commitment shall be updated after appraisal.

B. Within ten (10) days after the Effective Date of this Agreement, copies of all recorded documents referred to in the Title Commitment as exceptions to title to the Land ("Title Documents").

C. Within Ten (10) days after the Effective Date, completed disclosures under Exhibit "B", attached hereto and incorporated herein by reference.

D. Within thirty (30) days after the Effective Date, true and correct copies of all (i) all governmental permits, licenses, certificates and authorizations relating to the construction, development, use or operation of the Real 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) copies of all contracts or other agreements relating to the operation, maintenance or leasing of the Property or any portion thereof; and (iv) any other agreements affecting the Property which are not included in the Title Documents provided by the Title Company.

E. Within thirty (30) days after the Effective Date, to the extent they exist and are in Sellers' possession or control, true and correct copies of all:

(i) Copies of any 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 maintained by the various ditch companies concerning the WSSC Water Rights, including without limitation share certificate records, delivery records, and assessment records (or, in the alternative, Seller shall obtain for Buyer the right to inspect and copy such Company records); and

(ii) Copies of all contracts or other agreements relating to the operation, maintenance or leasing of the Property or any portion thereof, including without limitation any "First Use Agreements" with the City of Thornton.

4.2. ALTA/ACSM Land Title Survey. Not less than fifteen (15) days prior to the expiration of the Inspection Period, 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. Title to the Property shall be delivered 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.

E. Existing written Farm Lease.

4.4 Vesting of Title. At Closing, the Sellers shall convey fee simple title to the Real Property to the Buyer as follows: the Co-Personal Representatives shall convey an undivided fifty-six percent (56%) interest in the Real Property by a personal representatives deed and Roger Young and Sandra Kay Whitman shall each convey an undivided twenty-two percent (22%) interest (for a total undivided forty-four percent (44%) interest) in the Real Property by general warranty deed, free and clear of all liens and encumbrances, subject only to the Permitted Exceptions. 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 execution hereof, or was not disclosed in the Title Commitment, then the Buyer shall disapprove of such exceptions, if at all, by giving written notice of objection to the Sellers within fifteen (15) days after receiving notice from the Sellers or the Title Company. Any such exception not objected to in writing within such fifteen (15) day period shall be deemed an additional Permitted Exception. The Sellers may elect (but shall not be obligated) to remove, or cause to be removed at his expense, any such disapproved exceptions (collectively, "Disapproved Matters") or, with the Buyer's approval, the Sellers may elect (but shall not be 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 is 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 (1) or more Disapproved Matters, or if the Buyer does not approve endorsing over such matter, the Buyer may, upon seven (7) days' prior 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 shall be 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 shall be at the Buyer's sole cost and expense and at no cost or additional liability to the Sellers and that Closing shall not be delayed as a result of the Buyer's request.

4.6 Existing Farm Lease. The Land and the Transferable Water Rights are subject to an Existing Farm Lease, attached hereto as Exhibit C. Sellers state that the Farm Lease to be assigned to the Buyer at the time of Closing does not contain any rent concessions, rent reductions or rent abatements except as disclosed in the Farm Lease or other writing received by the Buyer. The Sellers will not amend, alter, modify, extend or cancel the Farm Lease nor will the Sellers enter into any new leases affecting the Property.

ARTICLE 5 INSPECTION PERIOD

5.1. Inspection Period. During the period which commences upon the Effective Date and continues until and including 4:00 p.m., Mountain Time, Monday, June 20, 2016 ("Inspection Period"), the Buyer and their authorized agents, representatives and consultants shall be entitled to enter upon the Real Property 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 their 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, his 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 shall terminate the Buyer's obligations pursuant to this Article 5.

5.3. Termination due to Inspection. If during the Inspection Period, the Buyer shall, for any reason, in the Buyer's sole discretion, judgment and opinion, disapprove or be dissatisfied

with any aspect of the Property or their 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 Deposit shall not be refunded to the Buyer if, for any reason other than as a result of a default by the Sellers or pursuant to Section 3.5, Section 4.4, Section 6.1, Section 11.3 or Article 12, the Closing of this transaction does not occur. The Title Company shall be authorized to release the Deposit to the Sellers after the expiration of the Inspection Period.

5.4. Continuing License. Following the Inspection Period, the Buyer shall continue to be authorized to enter upon the Real Property at all reasonable times and to inspect the Real Property for the purpose of making any tests and to install other improvements in anticipation of the purchase of the Property, provided that all such improvements shall be installed at the sole cost and risk of the Buyer and the Sellers shall have no responsibility therefor other than to avoid causing any damage or impairment to any such improvements. The Buyer shall be deemed to have a continuing license to enter upon the Real Property for the foregoing purposes until the Closing of this transaction or the earlier termination of this Agreement.

ARTICLE 6 CLOSING CONTINGENCIES; CLOSING

6.1 Closing Contingencies. The obligation of the Buyer to purchase the Property is subject to satisfaction of the following contingencies, either or both of which may be waived by the Buyer at its option:

A. Governing Body Approval. The approval of the Greeley Water and Sewer Board ("Board") and the appropriation of funds for the purchase of the Property within thirty (30) days following the expiration of the Inspection Period ("Governmental Approval Period"). In the event that the Board has not ratified and approved this Agreement and appropriated funds for the purchase of the Property by the Buyer prior to the expiration of the Governmental Approval Period, then, in such event, upon written notice by the Buyer to the Sellers, this Agreement shall terminate, whereupon the Deposit shall be returned to the Buyer and neither party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

B. Appraisal. The Property valuation being equal to or greater than the Total Purchase Price. In the event that the Property is appraised for less than the Total Property Purchase Price, and the difference between the valuation of the Property and the Total Purchase Price is not approved and this contingency is not waived by the Board before the expiration of the Governmental Approval Period, then, in such event, upon written notice by the Buyer to the

Sellers, this Agreement shall terminate, whereupon the Deposit shall be returned to the Buyer and neither party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

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

6.3 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 Co-Personal Representative's interest in the Real Property free and clear of all liens and encumbrances and subject only to the applicable Permitted Exceptions.

(2) A general warranty deed conveying all of Sandra Kay Whitman's interest in the Real Property free and clear of all liens and encumbrances and subject only to the applicable Permitted Exceptions.

(3) A general warranty deed conveying all of Roger Young's interest in the Real Property free and clear of all liens and encumbrances and subject only to the applicable Permitted Exceptions.

(4) 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 Real Property.

(5) A special warranty deed transferring all of the Co-Representatives' right, title and interest in and to the Transferable Water Rights, and all other documents necessary to transfer to Buyer the Transferable Water Rights, including an assignment of the portion of the WSSC Water Rights represented by shares in WSSC in a form and manner acceptable to WSSC.

(4) A bargain and sale deed transferring all of Sandra Kay Whitman's right, title and interest in and to the Transferable Water rights.

(5) A bargain and sale deed transferring all of Roger Young's right, title and interest in and to the Transferable Water rights.

(6) A bill of sale for the pivot sprinkler and any parts of the same.

(7) 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 Real Property to the extent that they are assignable.

(8) 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.

(9) 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.

(10) Assignment of the Farm Lease by the Co-Personal Representatives.

(11) Such other documents as may be reasonably necessary and appropriate to complete the Closing of the transaction contemplated herein.

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) Assignment of the Farm Lease.

(6) Such additional documents as may be reasonably necessary and appropriate to complete the Closing of the transaction contemplated herein.

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 the 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 and the stock in the laterals, as well as any charge to take Sellers' membership in the augmentation plan.

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 of this Agreement until the Closing, and except for the Permitted Exceptions defined, 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 has received no written notice from any municipal, state or other statutory 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 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 has 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 has complied in all material respects with all laws, rules, regulations, ordinances, orders, judgments and decrees applicable to the Property, and the Sellers has 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 his 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. Unless this Agreement is terminated pursuant to the provisions herein, the Sellers agrees that they shall not oppose the Buyer in any actions filed in Water Court or administrative or other proceedings for approval of Buyer's use of the Transferable Water Rights. In addition to the foregoing, Co-Personal Representative, Thomas Edward Varra shall cooperate with the Buyer in any actions filed in Water Court or administrative or other proceedings for approval of Buyer's use of the Transferable Water Rights.

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. Section 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 his 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 or as a landfill or other waste disposal site or 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, 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, 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. 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 his period of ownership of the Land, the Sellers covenants and agrees 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, 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 or the use of the Land as a landfill or other waste disposal site or 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 their 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, their 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, their 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 or as a landfill or other waste disposal site or 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 and 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 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 their 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. All of the actions by the Buyer contemplated by this Agreement shall have been completed.

C. There shall be no uncured default by the Buyer of any of their 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. Delivery and execution by the Sellers of all items and other instruments required to be delivered by the Sellers to the Buyer.

B. All of the actions by the Sellers contemplated by this Agreement shall have been taken.

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

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

11.3 Failure of Condition.

A. Except as set forth in subparagraph B below, in the event of a failure of any condition contained in Section 11.2, the Buyer may in their 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; or

(2) The Buyer may waive by written notice to the Sellers such default or condition and close the transaction; or

(3) If the failure of condition consists of a default by the Sellers which can be cured by action within the reasonable control of the Sellers, the Buyer may 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 his sole discretion:

(1) Terminate this Agreement by notice to the Buyer, in which event the Sellers shall retain the Deposit as liquidated damages the funds 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) The Sellers may 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 Real 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 fifteen (15) 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 shall accept title to the Real 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 the Closing to negotiate and otherwise deal with the condemning authority in respect of such matter. A "Material Part" of the Real Property for purposes of this Article 12 shall mean a portion that would have a material adverse effect on the Buyer's use of the Property as determined by the Buyer in their good faith judgment.

ARTICLE 13 LIQUIDATED DAMAGES

If the Buyer defaults in any of their obligations under this Agreement, the Sellers shall be entitled to terminate this Agreement and retain the amount of the Deposit described in Sections 3.2 and 3.3, 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 agrees 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, their successors or assigns. This obligation shall survive the Closing of this transaction.

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; or (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; or (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; or (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:

If to the Sellers:

Thomas Edward Varra
9080 WCR 102
Nunn, CO 80648

With a copy to:

Sandra Kay Whitman
112 Brigantine Circle
Norwell, MA 02061

Alden V. Hill, Esq.
Hill and Hill, LLC
160 W. Mountain Ave.
Fort Collins, CO 80524
Telephone: (970) 482-3683
Fax: (970) 482-7648
E-mail: aldenhill@webaccess.net

If to the Buyer:

City of Greeley
Attention: Director, Water and Sewer
1100 10th Street, 3rd Floor
Greeley, CO 80631

Telephone: (970) 350-9812
Facsimile: (970) 350-9805

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

ARTICLE 116
MISCELLANEOUS

16.1 No Waiver of Governmental Immunity/No Third Party Beneficiary. This Agreement shall 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 their officers, employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et seq., as amended.

16.2 Sellers 1031 Exchange. At the request of the Sellers, the Buyer shall 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 shall have the right to assign all or any part of their interests in this Agreement and the Property as they shall determine without the prior written consent of the other party, provided that no such assignment shall relieve either of the parties from its respective obligations hereunder if such obligations are not properly discharged by the assignee of such party. In the event either of the parties shall elect to exercise their right of assignment as set forth in this Section 16.9, such party shall give not less than ten (10) 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.

A. THE SIGNATURE OF THE WATER AND SEWER DIRECTOR ON THE FIRST PAGE AUTHORIZES BUYER TO MAKE THE DEPOSIT AND BEGIN INSPECTION OF THE PROPERTY. OTHERWISE, THE OBLIGATION OF THE BUYER HEREUNDER ARE EXPRESSLY CONTINGENT UPON THE APPROVAL OF THIS AGREEMENT BY THE CITY OF GREELEY WATER AND SEWER BOARD AT ITS MAY MONTHLY MEETING. THE SUPPLEMENTAL SIGNATURE PAGE HEREIN MUST BE DULY EXECUTED A PART OF 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.

B. THE SIGNATURE OF THOMAS EDWARD VARRA, CO-PERSONAL REPRESENTATIVE ON THE FIRST PAGE OBLIGATES SELLERS TO PROVIDE AND PERFORM THOSE MATTERS IDENTIFIED IN ARTICLE 4. OTHERWISE, THE OBLIGATION OF THE SELLERS HEREUNDER ARE EXPRESSLY CONTINGENT UPON THE SIGNATURE OF CO-PERSONAL REPRESENTATIVE SANDRA KAY WHITMAN AND AS AN INDIVIDUAL AS TO 22% OWNERSHIP OF THE LAND AND ROGER YOUNG AS AN INDIVIDUAL AS TO 22% OWNERSHIP OF THE LAND. THE SUPPLEMENTAL SIGNATURE PAGE HEREIN MUST BE DULY EXECUTED A PART OF SUCH APPROVAL. IN THE EVENT THAT THE CO-PERSONAL REPRESENTATIVE SANDRA KAY WHITMAN AND AS AN INDIVIDUAL AS TO 22% OWNERSHIP OF THE LAND AND ROGER YOUNG AS AN INDIVIDUAL AS TO 22% OWNERSHIP OF THE LAND DO 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:

THOMAS EDWARD VARRA, as Co-Personal Representatives of the Estate of Josephine L. Varra as 56% owner of the land and the sole owner of the water and ditch rights.

By: Thomas E Varra Date: 4/27/16
Co-Personal Representative, Thomas Edward Varra.
Thomas Edward Varra

BUYER:

CITY OF GREELEY, COLORADO, a Municipal Corporation, acting by and through its Water and Sewer Board

By: [Signature] Date: 4/28/16
Director of Water and Sewer Dept.

THE FOLLOWING SUPPLEMENTAL SIGNATURES PAGES SHALL BE EXECUTED BY SELLER AFTER APPROVAL PURSUANT TO PARAGRAPH 16.17 ABOVE.

SELLERS' SUPPLEMENTAL SIGNATURE PAGE

SELLERS: SANDRA KAY WHITMAN as Co-Personal Representatives of the Estate of Josephine L. Varra as 56% owner of the land and the sole owner of the water and ditch rights.

Date: _____

By: _____
Sandra Kay Whitman, Co-Personal Representative

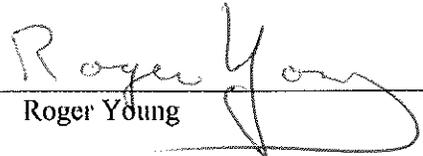
SELLERS: SANDRA KAY WHITMAN as as to 22% interest in the Land.

Date: _____

By: _____
Sandra Kay Whitman

SELLERS: ROGER YOUNG as to 22% interest in the Land.

Date: 5-10-16

By: 
Roger Young

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

SELLERS' SUPPLEMENTAL SIGNATURE PAGE

SELLERS: SANDRA KAY WHITMAN as
Co-Personal Representatives of the Estate of
Josephine L. Vavra as 56% owner of the
land and the sole owner of the water and
ditch rights.

Date: 4/28/2016

By: Sandra Kay Whitman
Sandra Kay Whitman, Co-Personal
Representative

SELLERS: SANDRA KAY WHITMAN as
as to 22% interest in the Land.

Date: 4/28/2016

By: Sandra Kay Whitman
Sandra Kay Whitman

SELLERS: ROGER YOUNG as to 22%
interest in the Land.

Date: _____

By: _____
Roger Young

THE FOLLOWING SUPPLEMENTAL SIGNATURE PAGES SHALL BE EXECUTED BY
BUYER AFTER APPROVAL BY THE CITY OF GREELY 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
(Varra Farms)

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

Northeast Quarter (NE1/4) of Section Twenty-eight (28), Township Eight (8), North, Range Sixty-five (65) West of the Sixth Principal Meridian.

WATER & SEWER BOARD AGENDA May 18, 2016

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 7

TITLE: ACTION: APPROVE ACQUISITION OF POND
4 (HILT PARCEL) OVERLAND POND
STORAGE FACILITY AND EXCHANGE
AGREEMENT AND RECOMMEND CITY
COUNCIL APPROVE THE EXCHANGE
AGREEMENT.

RECOMMENDATION: APPROVE AND RECOMMEND COUNCIL
APPROVE THE EXCHANGE AGREEMENT

ADDITIONAL INFORMATION:

Staff is recommending that the Water and Sewer Board approve the enclosed Purchase and Sale Agreement ("Purchase Agreement") by and among Kenneth C. Hilt and the City of Greeley ("Greeley"), as to an undivided Fifty Percent (50%) Interest; Fort Collins-Loveland Water District, as to an undivided Twenty-One Percent (21%) Interest; North Weld County Water District, as to an undivided Sixteen and Five/Tenths Percent (16.5%) Interest; and East Larimer County Water District, as to an undivided Twelve and Five/Tenths Percent (12.5%) Interest (the, "Tri-Districts"). The Purchase Agreement is for the purchase of land that contains an excavated and lined gravel pit. This is the fourth in a series of five parcels that have been mined by Martin Marietta for sand and gravel products and subsequently reclaimed as lined water storage. The estimated storage volume of the fourth pit is estimated at 250 acre feet, but the total volume will be verified by a survey. The final purchase price will be based on the actual surveyed storage volume. The Purchase Agreement has been signed by Mr. Hilt. The executed copies have been delivered to the Tri-Districts' attorney's office.

Staff is also recommending that the Water and Sewer Board approve, as part of this transaction but separate from the Purchase Agreement, the enclosed Exchange Agreement by and among the same parties. The Exchange Agreement is for the exchange of a three acre parcel of land owned by Mr. Hilt (described as the "Westerly Driveway Parcel") for a parcel of real property owned by Greeley and the Tri-Districts (described as the "Grazing Parcel"). The Westerly Driveway Parcel connects the fourth pit to the parameter of the fifth and final pit, but is also used to access land that Mr. Hilt will retain. The Grazing Parcel is comprised of residual acres acquired by Greeley and the Tri-Districts during the acquisition of the Warson parcel and the Triber parcel. The residual land identified as the Grazing Parcel, is not necessary or needed for the development of

the Overland Ponds Project. Mr. Hilt desires to convey the Westerly Driveway Parcel to Greeley and the Tri-Districts in exchange for the Grazing Parcel to graze a small amount of cattle. Greeley and the Tri-Districts desire to convey the Grazing Parcel in exchange for the Westerly Driveway Parcel in order to control and protect access to the water storage vessels. Mr. Hilt and Greeley and the Tri-Districts are cooperating in the platting of the Westerly Driveway Parcel and the Grazing Parcel owned by each of them to facilitate the simultaneous exchange of the parcels.

The Purchase Agreement has been drafted in accordance the terms and conditions of the Intergovernmental Agreement (“IGA”), by and between Greeley and the Tri-Districts, approved by City Council on August 10, 2011. The IGA sets out the policy and goals of the Overland Ponds Project as well as the terms and conditions of contracting and the obligation of cooperating with the Tri-Districts in the acquisition of land and development of the Project. The IGA does not, however, address or authorize conveyances such as the one contemplated in the Exchange Agreement or the conveyance of an access or utility easement that may be necessary for the development of the Project. Under Section 17-4 of the City Charter, a sale or exchange of land by the Water and Sewer Board requires City Council approval, and under Section 2.07.020 of the Municipal Code, the Mayor must sign all conveyances, including easements. If approved by the Water and Sewer Board, the Exchange Agreement must be authorized by City Council and signed by the Mayor. Staff recommends that the Water and Sewer Board recommend City Council approve the Exchange Agreement and authorize the Mayor to execute the same and similar or related conveyances of interests in real property that are necessary for or further the development of the Overland Ponds Project.

PURCHASE AND SALE AGREEMENT

(Hilt)

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into by and among KENNETH C. HILT ("Seller"), and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, acting by and through its Water and Sewer Board, as to an undivided fifty percent (50%) interest; FORT COLLINS-LOVELAND WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, as to an undivided twenty-one percent (21%) interest; NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, as to an undivided sixteen and five-tenths percent (16.5%) interest; and EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, as to an undivided twelve and five-tenths percent (12.5%) interest (collectively, "Buyers").

RECITALS

1. The Seller is the owner of approximately thirty-four (34) acres of real property legally described on Exhibit "A" attached hereto and incorporated herein by reference ("Hilt Parcel").

2. The Hilt Parcel has been mined pursuant to the Gravel Lease (defined below) with Martin Marietta (defined below).

3. Martin Marietta has constructed a lined water storage facility meeting the Tetra Tech Requirements (defined below) and complying with all requirements of the Regulatory Bodies (defined below).

4. The Hilt Parcel is the fourth (4th) in a series of five (5) parcels which have been or will be mined by Martin Marietta for sand and gravel products and subsequently reclaimed as water storage.

5. The Seller desires to sell, and the Buyers desire to purchase, part of the Hilt Parcel, 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 Seller and the Buyers hereby agree as follows:

AGREEMENT

ARTICLE 1
DEFINITIONS

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

1.1 "Actual Water Storage Capacity" shall mean and refer to the actual usable water storage capacity of the Reservoir (defined below) as determined by a survey from a qualified engineer selected by the Buyers certifying the actual usable water storage capacity of Pond 4 (defined below) located upon the Hilt Parcel, taking into account any physical limitations on such water storage capacity, such as the height of any proposed spillways constructed or to be constructed in connection with such Reservoir without regard to any requirement for freeboard.

1.2 "Easterly Driveway Parcel" shall mean and refer to the approximate forty-five/hundredths (.45) acre parcel of property owned by the Buyers, part of which is currently being used by the owner and occupants of the Improved Parcel to provide ingress and egress to and from the Improved Parcel.

1.3 "Effective Date" shall mean and refer to the date upon which the last party hereunder signs this Agreement.

1.4 "Gravel Lease" shall mean and refer to the Amended and Restated Gravel Property Lease dated December 6, 2004, and entered into by and between Seller, as lessor, and Martin Marietta (as successor in interest to Lafarge West, Inc.), as lessee, as amended by First Amendment to Lease dated October 30, 2012, between Seller and Martin Marietta, and Second Amendment to Lease dated July 31, 2013, between Seller and Martin Marietta.

1.5 "Hilt Parcel" shall mean and refer to the real property defined under Recital 1 above.

1.6 "Improved Parcel" shall mean and refer to that part of the Hilt Parcel upon which dwellings and agricultural structures and related improvements are located, the exact boundaries of which shall be agreed upon by the parties no later than thirty (30) days following the Effective Date of this Agreement.

1.7 "Martin Marietta" shall mean and refer to Martin Marietta Materials, Inc., a North Carolina corporation (successor in interest to Lafarge West, Inc., a Delaware corporation).

1.8 "Pond 4" shall mean and refer to "Pond 4" located upon the Land (defined below) and depicted on that certain map prepared by Water Management Consultants dated August 16, 2005, a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference.

1.9 "Regulatory Bodies" shall mean and refer to (i) the Colorado State Engineer; (ii) the Division of Minerals and Geology; and (iii) the County of Larimer, Colorado.

1.10 "Reservoir" shall mean and refer to that part of Pond 4 located on the Land completed as a lined water storage reservoir in accordance with the Tetra Tech Requirements and the requirements of the Regulatory Bodies.

1.11 "Retained Parcels" shall mean and refer to both the Westerly Driveway Parcel and the Improved Parcel which are not included within the boundaries of the Land.

1.12 "Special Use Permit" shall mean and refer to the Special Review Findings and Resolutions Approving the Petition of Overland Ponds by Larimer County Board of County Commissioners and the Development Agreement for Overland Ponds Special Review (File #02-Z1736) issued pursuant thereto for gravel and sand extraction activity upon the Land.

1.13 "Tetra Tech Requirements" shall mean and refer to the requirements for the construction of a slurry wall lined reservoir with respect to Pond 4, which are substantially similar to those requirements set forth in the Overland Ponds, Slurry Wall Alignments A and B (Ponds 3, 4, and 5) Design Memorandum dated January 30, 2013, prepared by Tetra Tech, including the plans and specifications produced by Tetra Tech referred to therein.

1.14 "Westerly Driveway Parcel" shall mean and refer to the approximate three and nineteen/hundredths (3.19) acre parcel of property located south of Pond 4 to the southerly boundary of the Hilt Parcel, having as its easterly boundary the former railroad right-of-way now owned by the City of Fort Collins, Colorado, and as its westerly boundary the Improved Parcel.

ARTICLE 2 SALE OF PROPERTY

2.1 Property. The Seller agrees to sell, and the Buyers agree to buy, on the terms and conditions set forth in this Agreement, the Property (defined below). The "Property" shall include, and the Seller shall convey to the Buyers at Closing, the following:

A. Land. A portion of the Hilt Parcel owned by the Seller, the exact boundaries of which shall be agreed upon by the parties no later than thirty (30) days following the Effective Date of this Agreement ("Land"). Subject to agreement as to the specific legal description of the Land to be prepared by a surveyor or engineer at the expense of the Seller, the boundaries of the Land are generally described as follows: (i) the northeasterly boundary shall be the northeasterly boundary of the Hilt Parcel; (ii) the westerly boundary shall be the westerly boundary of the Hilt Parcel, excluding the Improved Parcel; and (iii) the southerly boundary shall be the southerly boundary of the Hilt Parcel, excluding the Retained Parcels, which boundary is located south of the access driveway to and from the Improved Parcel. The Land shall include all right, title and interest of the Seller in and to the minerals and mineral rights, 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.

B. Improvements. All existing improvements, structures, pipes and fixtures placed, constructed, installed or located on the Land, if any, and all plants, trees, landscaping and

other appurtenances, if any, upon, over or under the Land, excluding, however, any improvements owned by Martin Marietta, if any (collectively, "Improvements").

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

C. Permits, Licenses, Etc. All right, title and interest of the Seller, 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.

D. Other Rights. Any and all other rights, privileges and appurtenances owned by the Seller, without warranty of any type, which relate to or are used in connection with the Real Property to the extent that they are assignable, including, but not limited to, the Gravel Lease. The Gravel Lease shall be assigned to Buyers at Closing in a form agreed upon by the parties not less than thirty (30) days prior to the expiration of the Inspection Period (defined below) or any extensions thereof.

E. Water Rights. All water and water rights, wells and well permits and rights, ditches and ditch rights, reservoirs and reservoir rights appurtenant to the Real Property, whether tributary, nontributary or not nontributary, including, but not limited to, irrigation wells and well permits located on or associated with the Land, if any, excluding, however, all water rights owned by the Seller in the Larimer County No. 2 Irrigating Company and Northern Colorado Water Conservancy District water ("Retained Water Rights"). All of the foregoing water rights to be transferred to the Buyers (excluding the Retained Water Rights) shall be hereinafter referred to as the "Transferable Water Rights."

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price. The total purchase price for the Property ("Purchase Price") shall be an amount equal to Three Thousand Six Hundred Twenty-Five Dollars and Seventy-Eight Cents (\$3,625.78) multiplied times the total number of acre feet of Actual Water Storage Capacity within the Reservoir. In the event that the Closing of this transaction shall occur on a date other than January 12, 2017, as specified in Section 7.1 below, then, in such event, the purchase price per acre foot of Actual Water Storage Capacity within the Reservoir shall be increased by Thirty Cents (\$.30) per day for each day that the Closing occurs after January 12, 2017, and decreased by Thirty Cents (\$.30) per day for each day that the Closing occurs prior to January 12, 2017. For purposes of determining the amount of the Title Commitment (defined below) pursuant to Section 4.1 below, the "Estimated Purchase Price" for the Property shall be computed by multiplying Three Thousand Six Hundred Twenty-Five Dollars and Seventy-Eight Cents (\$3,625.78) per acre foot times an estimated two hundred fifty-four (254) acre feet of Actual Water Storage Capacity within the Reservoir resulting in an Estimated Purchase Price for the Property in the amount of Nine Hundred Twenty Thousand Nine Hundred Forty-Eight Dollars and Thirty-Three Cents (\$920,948.33).

3.2 Deposit. Within fifteen (15) days following the Effective Date of this Agreement, the Buyers shall cause the amount of Ten Thousand Dollars (\$10,000.00) ("Deposit") to be deposited with Land Title Guarantee Company ("Title Company"). The Deposit shall be held by the Title Company as an earnest money deposit in an interest-bearing account to be credited toward the Purchase Price. The Deposit shall be refundable to the Buyers at any time prior to the expiration of the Inspection Period if the Buyers are not satisfied with the Property and shall be subject to return to the Buyers upon termination of this Agreement by the Buyers pursuant to Section 4.3, Article 5, Article 6, Section 12.3 and Article 14 below. Except as set forth in the preceding sentence, the Deposit shall be non-refundable to the Buyers.

3.3 Interest. All interest accrued on the Deposit shall be added to and constitute part of the "Deposit." The Deposit (including all interest accrued thereon) shall be applied against the Purchase Price.

3.4 Cash at Closing. At Closing, the Buyers shall pay to the Seller the Purchase Price computed in accordance with Section 3.1 above by cashier's check, wire transfer or other immediately available funds; plus (i) any other amounts required to be paid by the Buyers at Closing; and (ii) plus or minus any prorations or credits.

3.5 Agreement Contingency and Cross Default. Concurrently with the execution of this Agreement, the Seller and the Buyers have entered into an Exchange Agreement ("Exchange Agreement") providing for the transfer and conveyance by the Seller to the Buyers of the Westerly Driveway Parcel in exchange for the conveyance by the Buyers to the Seller of an approximate fifteen (15) acre parcel of property located west of the Improved Parcel and south of Pond 3 and Pond 4 ("Grazing Parcel"). The obligations of each of the parties to close the purchase and sale of the Property pursuant to this Agreement shall be contingent upon the simultaneous closing of the exchange of the Westerly Driveway Parcel and the Grazing Parcel pursuant to the Exchange Agreement. In the event that either party shall be in material default of any of its duties or obligations set forth in the Exchange Agreement, such default by such party under the Exchange Agreement shall be deemed a material default by such party under this Agreement. Upon material default by either party under the Exchange Agreement and in addition to any remedies available thereunder, the non-defaulting party may exercise all other remedies available pursuant to the terms of this Agreement as if such material default had occurred under this Agreement, including the return or retention of the Deposit, including any interest thereon, as applicable.

3.6 Access and Utility Easements. As further consideration for the purchase of the Property, the Buyers shall grant to the Seller a non-exclusive easement for ingress, egress, access, maintenance, repair, replacement, and improvement of the existing driveway located on the Westerly Driveway Parcel and the Easterly Driveway Parcel (jointly, "Combined Driveway Parcels") for the installation of utilities, excluding natural or liquid gas lines and sanitary sewer lines, in, over, across and upon the Combined Driveway Parcels. The easements over the Combined Driveway Parcels shall be the width required by Larimer County, Colorado, for the subdivision of the Improved Parcel currently estimated to be approximately sixty-five (65) feet in width. The exact location and specific legal description of the easements shall be acceptable to Seller and Buyers and shall be prepared by a surveyor or engineer and included on the

subdivision plat of the Retained Parcels at the Seller's expense and agreed upon by the parties no later than thirty (30) days following the Effective Date of this Agreement. Said grant of easement shall create an access and utility easement in, on, under, across and upon part of the Combined Driveway Parcels to provide ingress, egress and access to and from the Land; to permit the Seller to maintain, repair, replace and improve the existing driveway located thereon; and to allow for the installation, construction, maintenance, inspection, operation, replacement, relocation, removal and repair of all public and private utilities, including water lines, electrical lines, telecommunications lines, fiber optic lines, cable television lines and other "dry" utilities, but specifically excluding natural or liquid gas lines and sanitary sewer lines, together with appurtenances reasonably necessary or appropriate in connection therewith, provided that such appurtenances shall not unreasonably interfere with the use by the Buyers of the Combined Driveway Parcels to provide ingress, egress and access to and from the Land.

The easement document shall provide that neither the owner(s) and the occupants of the Improved Parcel nor the Buyers shall unreasonably interfere with the use of the access and utility easement by the other parties. The owner(s) of the Improved Parcel and the Buyers, their successors and assigns, shall have the right, but not the obligation, to maintain, repair and improve the driveway within the Combined Driveway Parcels as such party deems appropriate without the consent or participation of the other, provided that (i) any maintenance, repair or improvements authorized without the participation of the other party shall not unreasonably interfere with the non-participating party's use of the driveway for ingress and egress and (ii) the party authorizing any maintenance, repair or improvements without the participation of the other party shall be solely responsible for the payment of all costs and expenses incurred in connection with such maintenance, repair and improvements. Notwithstanding the foregoing, each party shall be responsible for and shall hold the other party harmless from any costs for damage to and repair of the driveway and utilities located in the Combined Driveway Parcels caused by (1) the installation of private service lines or utilities within the easement and (2) ingress and egress of heavy construction equipment upon the driveway.

ARTICLE 4
TITLE

4.1 Title Commitment. Except as otherwise provided below, within ten (10) days after the Effective Date of this Agreement, the Seller shall provide to the Buyers for their review the following:

A. A commitment for an owner's policy of title insurance ("Title Commitment"), issued by the Title Company covering the Hilt Parcel and indicating the Title Company's willingness to issue to the Buyers at Closing the Title Policy (defined below) in the amount of the Estimated Purchase Price, with such Title Commitment setting forth the status of title to the Hilt Parcel and showing all liens, claims, encumbrances, easements, rights of way, encroachments, reservations, restrictions and other matters of record affecting title to the Hilt Parcel.

B. Copies of all recorded documents referred to in the Title Commitment as exceptions to title to the Hilt Parcel ("Title Documents").

C. Not less than forty-five (45) days prior to the expiration of the Inspection Period, copies in substantially final form of the subdivision plat establishing the Land, the Westerly Driveway Parcel and the Grazing Parcel as three (3) or more separate lots, tracts or parcels of property; development agreements, if any; Declaration of Covenants, Conditions and Restrictions for the Improved Parcel, if any, and any other documents which the Seller intends to record in connection with the subdivision of the Hilt Parcel (collectively, "Subdivision Documents").

D. Notwithstanding the obligation to provide other Title Documents within ten (10) days after the Effective Date of this Agreement, the Seller shall provide the Buyers with copies of the final versions of all such documents to be recorded in connection with the subdivision of the Land, the Westerly Driveway Parcel and the Grazing Parcel as three (3) or more separate lots, tracts or parcels not less than forty-five (45) days prior to the expiration of the Inspection Period. Not less than twenty (20) days prior to the expiration of the Inspection Period, the Seller shall record the final version of all Subdivision Documents in connection with the subdivision of the Land, the Westerly Driveway Parcel and the Grazing Parcel as three (3) or more separate lots, tracts or parcels and shall provide an updated Title Commitment to Buyers reflecting all such documents recorded by the Seller.

4.2 Condition of Title. Title to the Real Property shall be delivered to the Buyers and the Buyers agree 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 Seller 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 ALTA Survey (defined below).

D. Any matters created by or through the Buyers.

E. The recorded Subdivision Documents described in Section 4.1.C above, excluding the Declaration of Covenants, Conditions and Restrictions for the Improved Parcel, if any.

4.3 Vesting of Title. At Closing, the Seller shall convey fee simple title to the Real Property to the Buyers by general warranty deed free and clear of all liens and encumbrances, subject only to the Permitted Exceptions. If the Seller or the Title Company gives the Buyers notice of a title exception that is not a Permitted Exception and that arose subsequent to the execution hereof, or was not disclosed in the Title Commitment, then the Buyers shall disapprove of such exceptions, if at all, by giving written notice of objection to the Seller within fifteen (15) days after receiving notice from the Seller or the Title Company. Any such exception not objected to in writing within such fifteen (15) day period shall be deemed an additional Permitted Exception. The Seller may elect (but shall not be obligated) to remove, or

cause to be removed at his expense, any such disapproved exceptions (collectively, "Disapproved Matters") or, with the Buyers' approval, the Seller may elect (but shall not be obligated) to obtain title insurance insuring against the effect of the Disapproved Matters. The Seller shall notify the Buyers in writing within seven (7) business days after receipt of the Buyers' notice of Disapproved Matters if the Seller elects to remove or obtain insurance for such matters. If the Seller fails or is unable to remove or (with approval of the Buyers) causes the Title Company to endorse over any such Disapproved Matters prior to Closing, or if the Seller elects not to remove one (1) or more Disapproved Matters, or if the Buyers do not approve endorsing over such matter, the Buyers may, upon seven (7) days' prior written notice to the Seller, elect to terminate this Agreement. Upon termination of this Agreement and except as otherwise provided herein, the Deposit shall be returned to the Buyers and neither the Seller nor the Buyers shall have any further obligation or liability to the other hereunder (with the exception of those obligations which by their nature are intended to survive the termination of this Agreement).

4.4 Title Insurance. As soon as reasonably practical after Closing, the Title Company shall issue to the Buyers an ALTA owner's form of title insurance policy, insuring that fee simple title to the Real Property is vested in the Buyers subject to the Permitted Exceptions ("Title Policy"). The Buyers shall be 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 Seller, and any other endorsements to the Title Policy as the Buyers may reasonably require, provided that such other endorsements shall be at the Buyers' sole cost and expense and at no cost or additional liability to the Seller and that Closing shall not be delayed as a result of the Buyers' request.

4.5 Extension of Inspection Period to Complete Subdivision. If the subdivision of the Land, the Westerly Driveway Parcel and the Grazing Parcel has not been approved and recorded in accordance with this Article 4 not less than twenty (20) days prior to the expiration of the Inspection Period, despite Seller's due diligence and good faith efforts, the parties may agree in writing to extend the date for such approval and recording of the Subdivision Documents in connection with the subdivision of the Land, the Westerly Driveway Parcel and the Grazing Parcel and the Inspection Period for up to an additional one hundred eighty (180) days. If the parties fail to agree to extend the Inspection Period before the expiration of the Inspection Period and the Subdivision Documents have not been recorded, any party may terminate this Agreement and the Deposit shall be refunded to the Buyers.

ARTICLE 5 INSPECTION PERIOD

During the period which commences upon the Effective Date and continues until 4:00 p.m., Mountain Time, on the one hundred fiftieth (150th) day thereafter ("Inspection Period"), the Buyers and their authorized agents, representatives and consultants shall, subject to the rights of the lessee under the Gravel Lease, if any, be entitled to enter upon the Real Property 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 Buyers deem necessary or

appropriate in connection with their intended acquisition, use and development of the Property. The Buyers shall bear the costs of all such inspections and tests. The Seller agrees to reasonably cooperate with any such inspections, investigations and surveys or studies made by or at the Buyers' direction so long as such cooperation is at no material expense to the Seller.

The Buyers and their authorized agents, representatives and consultants shall (i) 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 by the lessee under the Gravel Lease to the extent applicable; (iii) shall not injure or otherwise cause bodily harm to the Seller, his 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. To the extent permitted by law and without waiving the Buyers' rights under the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et seq., as amended, the Buyers agree to and shall indemnify and hold the Seller harmless from and against any and all liability, loss, damage, costs and expenses (including reasonable attorneys' fees and including payments made by the Seller to release mechanic's liens filed against the Real Property which the Seller may suffer as a result of claims, demands, costs and/or judgments against the Seller arising out of, or in any way connected with, the Buyers' inspection activities). Notwithstanding any provision of this Agreement to the contrary, no termination of this Agreement shall terminate the Buyers' obligations pursuant to this Article 5.

If during the Inspection Period, the Buyers shall, for any reason, in the Buyers' sole discretion, judgment and opinion, disapprove or be dissatisfied with any aspect of the Property or their investigations relating thereto, including, but not limited to, the following items, the Buyers shall be entitled to terminate this Agreement by giving written notice to the Seller on or before the expiration of the Inspection Period, whereupon the Deposit shall be returned to the Buyers and all provisions of this Agreement (with the exception of those obligations which by their nature are intended to survive the termination of this Agreement) shall terminate:

A. Title matters disclosed in an ALTA/ACSM Land Title Survey of the Real Property obtained by the Buyers ("ALTA Survey").

B. The ability of the Buyers to agree upon the boundaries of the Land, the boundaries of the Westerly Driveway Parcel, the boundaries of the Grazing Parcel, the Subdivision Documents and the legal description and form of the grant of access and utility easement over the Combined Driveway Parcels with Seller on or before the dates set forth herein.

C. The ability of the Buyers to verify or obtain appropriate easements for ingress, egress and utilities from third parties to and from the Real Property as deemed necessary or appropriate by the Buyers.

D. The suitability of the Property for the Buyers' intended use of the Real Property for municipal water storage.

E. The ability of the Buyers to secure other real property interests determined by the Buyers to be necessary for the use of the Real Property for municipal water storage.

F. The ability of the Buyers to enter into agreements in form and substance satisfactory to the Buyers with the Larimer County No. 2 Irrigating Company for the carriage of water to the Reservoir constructed upon the Land.

G. The ability of the Buyers to obtain approval satisfactory to the Buyers of any modifications to the existing reclamation plan for Pond 4 from the Regulatory Bodies deemed necessary or advisable by the Buyers as a result of their investigation of the Real Property.

If written notice of termination is not given by the Buyers to the Seller prior to the expiration of the Inspection Period, the Deposit shall not be refunded to the Buyers if, for any reason other than as a result of a default by the Seller or pursuant to Section 4.3, Article 5, Article 6, Section 12.3 and Article 14, the Closing of this transaction does not occur. The Title Company shall be authorized to release the Deposit to the Seller on the Closing Date or to the Seller upon the failure of the Buyers to close, provided that all contingencies under this Agreement have been first satisfied and the Seller shall not be in default hereunder.

ARTICLE 6 CLOSING CONTINGENCIES

The obligations of the Buyers to purchase the Property are subject to satisfaction of the following contingency, which may be waived by the Buyers at their option:

The approval of the Greeley Water and Sewer Board with respect to the City of Greeley, Colorado, and the Board of Directors with respect to the other Buyers under this Agreement and the appropriation of funds for the purchase of the Property within sixty (60) days following the expiration of the Inspection Period ("Governmental Approval Period"). In the event that the governing body of each of the Buyers has not ratified and approved this Agreement and appropriated funds for the purchase of the Property by each of the Buyers prior to the expiration of the Governmental Approval Period, then, in such event, upon written notice by the Buyers to the Seller, this Agreement shall terminate, whereupon the Deposit shall be returned to the Buyers and neither party shall have any further obligation to the other hereunder except for those obligations which, by their nature, are intended to survive the termination of this Agreement.

ARTICLE 7
CLOSING

7.1 Closing. The closing of this transaction ("Closing") shall occur at 1:30 p.m. at the Law Offices of Hasler, Fonfara and Goddard LLP, 125 South Howes, 6th Floor, Fort Collins, Colorado 80521, on January 12, 2017, or such earlier date as shall be designated by the Buyers, provided that the Buyers shall give the Seller not less than ten (10) days' prior written notice of such earlier date ("Closing Date").

7.2 Transactions at Closing. On the Closing Date:

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

(1) A general warranty deed conveying 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 Seller's right, title and interest in and to all governmental permits, licenses, certificates and authorizations relating to the construction, development, use or operation of the Real Property.

(3) A bargain and sale deed transferring all of the Seller's right, title and interest in and to the Transferable Water Rights to the Buyers.

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

(5) The Seller's Warranty to the Buyers in accordance with Section 9.1.D below.

(6) A certification as to representations in accordance with Article 10 below.

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

(8) 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.

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

(10) Such other documents as may be reasonably necessary and appropriate to complete the Closing of the transaction contemplated herein.

B. The Buyers shall deliver to the Seller the following:

(1) The Deposit, together with the cash to be paid at Closing pursuant to Section 3.4 above, subject to credits and adjustments as herein provided, and such additional sums as are necessary to pay the Buyers' share of closing costs, prorations and any fees as more particularly set forth herein.

(2) A grant of access and utility easement to the Seller in accordance with Section 3.6 above.

(3) Documentation in such form as may be satisfactory to the Seller and the Title Company, evidencing the Buyers' full authority and capacity to purchase the Property.

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

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

(6) Such additional documents as may be reasonably necessary and appropriate to complete the Closing of the transaction contemplated herein.

ARTICLE 8 PRORATIONS; CLOSING COSTS

8.1 Prorations. To the extent ascertained by the Larimer County Assessor's Office, all taxes shall be paid in full at Closing and the Larimer County Assessor's Office shall confirm that no taxes shall thereafter be assessed against the Real Property as a result of ownership of the Real Property by the Buyers. In the event the Larimer County Assessor's Office is unable or unwilling to confirm the exact amount of the taxes then due and owing, then, in such event, all real estate taxes attributable to the Real Property for the calendar year in which the Closing occurs shall be prorated as of the Closing on the basis of the most recent mill levy for the Real Property and the current assessed value for the Real Property. Any special assessments against the Real Property shall be paid in full by the Seller at the time of Closing. To the extent that prorations of taxes and assessments are made at Closing, such prorations shall be a final settlement.

8.2 Closing Costs. The Buyers shall pay for the cost of recording of both of the deeds to the Buyers, 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 escrow costs. The Seller shall pay for the cost of recording of the deed and the grant of access and utility easement to the Seller, 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 escrow costs. Each party shall pay its own attorneys' fees.

ARTICLE 9
COVENANTS

9.1 Continuing Covenants of Parties.

A. Lining of Reservoir. The Buyers acknowledge receipt of a letter dated March 6, 2015, from the Colorado State Engineer's Office stating that the Reservoir is now suitable for lined water storage in accordance with applicable legal requirements ("State Engineer's Completion Notice"). If the liner should fail as a result of faulty design, construction or installation during the period commencing upon the Closing Date and ending on March 5, 2017, the Seller shall cause Martin Marietta to be responsible for necessary repairs; provided, however, that the warranty described herein shall not apply to defects directly caused by outlet works or other devices installed by the Buyers or their agents, representatives or contractors. The Buyers shall cooperate with the Seller to the extent necessary to ensure Martin Marietta's compliance with the terms of the warranties set forth in the Gravel Lease, including, to the extent necessary to enforce the warranty, an assignment of the right to enforce the terms of the Gravel Lease against Martin Marietta.

B. Survey of Reservoir. To the extent necessary in order to properly survey the Reservoir, the Seller shall cause Martin Marietta to dewater the Reservoir so that the Actual Water Storage Capacity within the Reservoir may be accurately determined by a qualified engineer selected by the Buyers. To the extent necessary, the Seller shall obtain or shall cause Martin Marietta to obtain all permits necessary to dewater the Reservoir, including any temporary substitute supply plan as may be required by the State or Division Engineer. Within sixty (60) days following the Effective Date of this Agreement, the Buyers shall obtain, at their cost, a detailed survey from a qualified engineer selected by the Buyers certifying the Actual Water Storage Capacity within the Reservoir ("Water Storage Capacity Survey"). If the Actual Water Storage Capacity has not been obtained by the Buyers within the time provided above, the Seller may obtain the Water Storage Capacity Survey at the Buyers' cost. The Water Storage Capacity Survey shall contain a certification by the engineer of the Actual Water Storage Capacity of the Reservoir subsequent to the lining thereof, taking into account any physical limitations on such water storage capacity, such as the height of any proposed spillways, without regard to any requirement for freeboard. The Buyers will provide the Seller with a copy of the Water Storage Capacity Survey. The Purchase Price for the Property shall be recomputed at that time and shall be equal to the Actual Water Storage Capacity located within the Reservoir multiplied times Three Thousand Six Hundred Twenty-Five Dollars and Seventy-Eight Cents (\$3,625.78) per acre foot, subject to adjustment as set forth in Section 3.1 above in the event that the Closing occurs on a date other than January 12, 2017.

C. Reclamation. The Seller shall cause Martin Marietta to reclaim and restore the Real Property in accordance with the terms and provisions of the Gravel Lease. In the event Martin Marietta shall fail to do so, the Seller shall be responsible for causing the same to be reclaimed and restored in accordance with the terms and provisions of the Gravel Lease and the requirements of any applicable Regulatory Bodies.

D. Reservoir Warranty. The Seller shall grant to the Buyers a warranty on the completed Reservoir commencing on the Closing Date and ending on March 5, 2017, warranting that the Reservoir shall meet the minimum requirements set forth in Section 9.1.A above and that he shall repair and restore any defect resulting from the failure to comply with such minimum requirements ("Seller's Warranty"). Under the Gravel Lease, the Seller has obtained from Martin Marietta a two (2) year warranty on the completed Reservoir warranting that the Reservoir shall meet the minimum requirements set forth in Section 9.1.A above and that Martin Marietta shall repair and restore any defect resulting from the failure to comply with such minimum requirements ("Martin Marietta Warranty"). To the extent that the Martin Marietta Warranty covers any items within the Seller's Warranty, repair and restoration of any defects in the Reservoir by Martin Marietta shall be deemed to satisfy such obligations under the Seller's Warranty. At Closing, the Seller shall grant the Seller's Warranty to the Buyers.

E. Water Rights Adjudication. The parties acknowledge and agree that changes of water rights and/or other water rights adjudications may be necessary to allow use by the Buyers of the Property for their intended purpose of a water storage facility. Unless this Agreement is terminated pursuant to the provisions herein, the Seller agrees that he shall not oppose, but shall cooperate with the Buyers, in any actions filed in Water Court or administrative or other proceedings for approval of the Buyers' use of their water rights for storage purposes on the land, including, without limitation, change of water right, alternative point of diversion, appropriative rights of exchange, or other Water Court applications involving water stored in the Reservoir.

Notwithstanding any other provision herein to the contrary, all of the continuing obligations of the parties set forth in this Section 9.1 shall survive the Closing of this transaction until the satisfaction thereof.

9.2 Parties' Obligations Regarding Water Augmentation. The Seller shall have the responsibility of obtaining and maintaining all permits and approvals required concerning the replacement to the stream system for evaporation or other losses (including lagged depletions) required to be replaced on, or in connection with, the gravel mining operation on Pond 4 until Closing. Such replacement shall be carried out using water rights available to the Seller but at no expense, risk or responsibility to the Buyers. The Seller shall hold the Buyers harmless from any such expense or risk in the event responsibility for such replacement is sought to be imposed upon the Buyers by any agency or entity.

Except with respect to any lagged depletions for which the Seller shall continue to be responsible, following Closing, the Buyers shall be responsible for obtaining and maintaining all permits and approvals required concerning the replacement to the stream system for evaporation or other losses required to be replaced on, or in connection with, Pond 4. Any such replacement shall be carried out using water rights available to the Buyers but at no expense, risk or responsibility to the Seller. To the extent permitted by law, the Buyers shall hold the Seller harmless from any such expense or risk in the event responsibility for such replacement is sought to be imposed upon the Seller by any agency or entity.

9.3 No Waste Material. The Seller shall not place or allow to be placed any waste material (e.g., wash fines) in Pond 4. Any such waste material may only be placed and deposited outside of the boundaries of the Land.

9.4 Cooperation for Municipal Reservoir Usage. At the request of the Buyers, the Seller shall reasonably cooperate with the Buyers in obtaining modifications to any existing mining and reclamation permits, well permits and/or the Special Use Permit which are required to allow the use of the Reservoir for municipal reservoir purposes. The Buyers shall be responsible for satisfying any new or modified obligations in any mining and reclamation permit, well permit and/or Special Use Permit resulting from any modification of the reclamation plan for municipal usage and the Seller shall have no obligation for such modified obligations required for municipal usage.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES OF SELLER

The Seller represents and warrants to the Buyers as follows:

10.1 Encumbrances. From the Effective Date of this Agreement until the Closing, and except for the Permitted Exceptions defined herein, the Seller 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 Buyers.

10.2 Compliance with Governmental Regulations. To the best of the Seller's 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 Seller has received no written notice from any municipal, state or other statutory 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. Notwithstanding the foregoing, the parties acknowledge that the Land, together with the Westerly Driveway Parcel and the Grazing Parcel, will be subdivided as required under Article 4.

10.3 Litigation. To the best of Seller's 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.

10.4 Contracts, Leases and Agreements. From the Effective Date of this Agreement until the Closing, unless accepted by the Buyers in writing or provided to Buyers in accordance with Section 4.1.D, above, the Seller 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 Buyers would be obligated or liable to any third party.

10.5 Status. The Seller has all requisite legal power and authority to own and convey the Property and other interests and perform all of the terms of this Agreement.

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

10.7 Zoning. The Seller has not requested, applied for, or given his consent to, and to the best of the Seller's current actual knowledge, there are no pending requests for, zoning variances or changes with respect to the Real Property or its zoning.

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

ARTICLE 11 ENVIRONMENTAL CONDITIONS

11.1 Definitions. For purposes of this Article 11, 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 Hilt Parcel.

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. Section 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. "Equipment Fluids" mean diesel fuel, oil, hydraulic fluids, anti-freeze, used oil, lubricants and similar substances used and stored in the normal operation of vehicles and equipment by the lessee of the Gravel Lease in connection with its mineral extraction business operation on the Hilt Parcel.

F. "Release" has the meaning given to that term in CERCLA and the regulations promulgated thereunder.

11.2 Representations and Warranties. The Seller represents and warrants to the Buyers, to the best of his knowledge, as follows:

A. The Hilt Parcel is not being and has not been used for the storage, treatment, generation, transportation, processing, handling, production, discharge or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum-based products, except for Equipment Fluids used by the lessee of the Gravel Lease in connection with its mineral extraction business on the Hilt Parcel used and stored in accordance with applicable Environmental Laws and Environmental Permits.

B. No storage tanks for Hazardous Substances are, were, or will be located on, in or under the Hilt Parcel at any time prior to the Closing Date.

C. The soil, subsoil, bedrock, surface water and groundwater of the Hilt Parcel are free of any Hazardous Substances.

D. There has been no Release nor is there the threat of a Release on, at or from the Hilt Parcel, or any facilities located thereon, and the Seller has 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 Hilt Parcel or any other person with regard to a Release or the threat of a Release on, at or from the Hilt Parcel, 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 Hilt Parcel 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, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Hilt Parcel which require any change in the present condition of the Hilt

Parcel or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Hilt Parcel.

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 Hilt Parcel 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 Hilt Parcel or the ownership, use, operation, sale, transfer or conveyance thereof.

I. He has not received notice that any treatment, storage or disposal facility, or any other place to which Hazardous Substances generated from the Hilt Parcel by the Seller or his agent 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 Hilt Parcel of any species listed as endangered or threatened pursuant to Section 4 of the Endangered Species Act (16 U.S.C. Section 1533).

11.3 Covenants. During their period of ownership of the Hilt Parcel, the Seller covenants and agrees to and with the Buyers as follows:

A. The Seller shall keep the Hilt Parcel free of all Hazardous Substances and shall not cause or permit the Hilt Parcel 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 Equipment Fluids used by the lessee of the Gravel Lease in connection with its mineral extraction business on the Hilt Parcel which shall be utilized in compliance with applicable Environmental Laws and any Environmental Permits.

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

C. The Seller shall not cause or permit any change to be made in the present or intended use of the Hilt Parcel which would (i) involve the management, storage, treatment, generation, transportation, processing, handling, production, discharge or disposal of any Hazardous Substances or the use of the Hilt Parcel as a landfill or other waste disposal site or 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 Seller shall promptly provide the Buyers 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 Hilt Parcel or any facilities located thereon.

E. The Seller shall at all times allow the Buyers and their officers, employees, agents, representatives, contractors and subcontractors, upon reasonable notice and at reasonable times, access to the Hilt Parcel for the purpose of ascertaining site conditions, including, but not limited to, subsurface conditions.

11.4 Indemnification Provisions. The Seller hereby covenants and agrees, at his sole cost and expense, to indemnify, protect, defend and hold harmless the Buyers, their 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 Buyers, their successors and assigns, relating to, resulting from or arising out of (a) the use of the Hilt Parcel for the management, storage, treatment, generation, transportation, processing, handling, production, discharge or disposal of any Hazardous Substance or as a landfill or other waste disposal site or 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 and other remedial actions with respect to a Release or the threat of a Release on, at or from the Hilt Parcel or facilities located thereon during the Seller's possession or use of the Hilt Parcel, (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 Seller or his 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 Seller in this Agreement.

11.5 Scope of Environmental Provisions. Notwithstanding anything to the contrary contained herein, it is the intent of the parties hereto that the Seller shall indemnify the Buyers and their successors and assigns against the matters described in this Article 11 for all matters that arose or occurred prior to the Closing Date.

ARTICLE 12 CONDITIONS TO CLOSING; REMEDIES

12.1 Seller's Conditions. The obligation of the Seller 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 Seller):

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

B. All of the actions by the Buyers contemplated by this Agreement shall have been completed.

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

12.2 Buyers' Conditions. The obligation of the Buyers 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 Buyers):

A. Delivery and execution by the Seller of all items and other instruments required to be delivered by the Seller to the Buyers.

B. All of the actions by the Seller contemplated by this Agreement shall have been taken.

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

D. The Seller's covenants, warranties and representations made by the Seller as specifically set forth herein shall be true and correct as of the Closing Date and shall not be deemed waived in the event the Buyers shall elect to close pursuant to Section 12.3.A.(3) below.

12.3 Failure of Condition.

A. Except as set forth in subparagraph B below, in the event of a failure of any condition contained in Section 12.2, the Buyers may in their sole discretion:

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

(2) The Buyers may waive such default or condition and close the transaction; or

(3) If the failure of condition consists of a default by the Seller which can be cured by action within the reasonable control of the Seller, the Buyers may elect to treat this Agreement as being in full force and effect and the Buyers shall have the right to specific performance or damages, or both.

B. In the event of a failure of any condition contained in Section 12.1 above, the Seller may in his sole discretion:

(1) Terminate this Agreement by notice to the Buyers, in which event the Seller shall retain the Deposit as liquidated damages the funds described in Article 13 below

and all documents deposited by the Buyers or delivered to the Seller by the Buyers shall be immediately returned to the Buyers, and all documents deposited by the Seller or delivered to the Buyers by the Seller shall be immediately returned to the Seller; or

(2) The Seller may waive such default or condition and close the transaction.

C. Subject to the last sentence of Section 12.3.C, the Seller hereby waives any rights he may have to specific performance in the event of a default by the Buyers. Except for the giving of notices or the delivery of the Deposit or the Purchase Price, time being of the essence, neither party shall be deemed in default hereunder unless such party fails to cure such default within seven (7) days of written notice of default from the other party. Furthermore, notwithstanding any other provision hereof and in addition to any liquidated damages provision or right to specific performance, each party shall be entitled to recover from the other party under the indemnity set forth herein.

ARTICLE 13 LIQUIDATED DAMAGES

If the Buyers default in any of their obligations under this Agreement, the Seller shall be entitled to terminate this Agreement and retain the amount of the Deposit described in Sections 3.2 and 3.3, including all accrued interest ("Specified Sum"), as liquidated damages. THE SELLER AND THE BUYERS ACKNOWLEDGE THAT THE SELLER'S DAMAGES WOULD BE DIFFICULT TO DETERMINE AND THAT THE SPECIFIED SUM IS A REASONABLE ESTIMATE OF THE SELLER'S DAMAGES.

ARTICLE 14 CONDEMNATION

If prior to Closing all or a Material Part (defined below) of the Real Property is subject to a proposed taking by any public authority, the Seller shall promptly notify the Buyers of such proposed taking and the Buyers may terminate this Agreement by notice to the Seller within fifteen (15) days after written notice thereof. If the Buyers so elect, and following the return to the Buyers of the Deposit, this Agreement (with the exception of those obligations which by their nature are intended to survive the termination of this Agreement) shall be of no further force and effect. If the Buyers do not so terminate this Agreement, or if the taking is as to a non-Material Part of the Real Property, the Buyers shall accept title to the Real Property subject to the taking without a reduction in the Purchase Price and shall receive at Closing an assignment of all of the Seller's rights to any condemnation award and the Buyers shall have the sole right after the Closing to negotiate and otherwise deal with the condemning authority in respect of such matter. A "Material Part" of the Property for purposes of this Article 14 shall mean a portion that would have a material adverse effect on the Buyers' use of the Property for water storage as determined by the Buyers in their good faith judgment.

ARTICLE 15
BROKERAGE

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

ARTICLE 16
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; or (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; or (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; or (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:

If to the Seller:

Kenneth C. Hilt
1429 N. Taft Hill Road
Fort Collins, CO 80521
Telephone: (970) 484-3740
Facsimile: None

With a copy to:

Wolfe, Van Ackern & Cuypers LLP
Attention: Charles J. Cuypers
1008 Centre Avenue
Fort Collins, CO 80526
Telephone: (970) 493-8787
Facsimile: (970) 493-8788

If to the Buyers:

City of Greeley
Attention: Director, Water and Sewer
1100 10th Street, 3rd Floor
Greeley, CO 80631
Telephone: (970) 350-9812
Facsimile: (970) 350-9805

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

AND

Fort Collins-Loveland Water District
North Weld County Water District
East Larimer County Water District
c/o Soldier Canyon Filter Plant
Attention: Richard Raines
4424 LaPorte Avenue
Fort Collins, CO 80521
Telephone: (970) 482-3143
Facsimile: (970) 495-9845

With a copy to:

Hasler, Fonfara and Goddard LLP
Attention: Joseph H. Fonfara
125 S. Howes, 6th Floor (80521)
P.O. Box 2267
Fort Collins, CO 80522
Telephone: (970) 493-5070
Facsimile: (970) 493-9703

ARTICLE 17
MISCELLANEOUS

17.1 No Waiver of Governmental Immunity/No Third Party Beneficiary. This Agreement shall 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 Buyers or their officers,

employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et seq., as amended.

17.2 Seller 1031 Exchange. At the request of the Seller, the Buyers shall cooperate with the Seller 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 Seller is the Buyers' promise of cooperation. The Buyers shall not be required to incur any additional liability or expense in connection with the Seller's tax-deferred exchange transaction nor shall the Buyers be required to accept title to any real property other than the Property described hereinabove.

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

17.4 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 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.

17.5 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.

17.6 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.

17.7 Survival of Representations, Warranties and Indemnifications. All representations, obligations, liabilities, warranties, covenants, agreements, indemnifications and monetary obligations of the Seller and the Buyers as set forth in this Agreement shall survive the Closing and consummation of this transaction contemplated by this Agreement until the complete discharge thereof, provided, however, any and all environmental indemnifications pursuant to Article 11 above shall survive only for a period of two (2) years following the Closing of this transaction.

17.8 Successors. Subject to Section 17.9, this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, administrators, personal representatives, successors and permitted assigns.

17.9 Assignment. The Seller and the Buyers shall have the right to assign all or any part of their interests in this Agreement and the Property as they shall determine without the prior written consent of the other party, provided that no such assignment shall relieve either of the parties from its respective obligations hereunder if such obligations are not properly discharged

by the assignee of such party. In the event either of the parties shall elect to exercise their right of assignment as set forth in this Section 17.9, such party shall give not less than ten (10) 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.

17.10 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.

17.11 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.

17.12 Possession. The Seller shall deliver to the Buyers possession of the Property on the Closing Date, subject to the Permitted Exceptions.

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

17.14 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.

17.15 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 Seller and the Buyers.

17.16 Acceptance. Upon execution and delivery of this Agreement by the Seller or the Buyers, 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 16 hereof) of such revocation to the other party(ies).

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

Date: _____

KENNETH C. HILT ("Seller")

("Seller")

THE CITY OF GREELEY, COLORADO,
a Colorado home rules municipal
corporation ("Buyer").

Date: _____

By _____
Chairman of the Water & Sewer Board

ATTESTED AND APPROVED AS TO
SUBSTANCE:

APPROVED AS TO LEGAL FORM:

By _____
City Manager

By _____
City Attorney

AVAILABILITY OF FUNDS:

By _____
Director of Finance

RECOMMENDED:

By _____
Director of Water and Sewer

FORT COLLINS-LOVELAND WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado("Buyer")

Date: _____

By _____
Name: _____
Title: _____

NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado ("Buyer")

Date: _____

By _____
Name: _____
Title: _____

EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado ("Buyer")

Date: _____

By _____
Name: _____
Title: _____

(Collectively "Buyers")

EXHIBIT "A"

Legal Description of Hilt Parcel

A tract of land located in Larimer County, State of Colorado, described as follows:

Commencing at the Northwest corner of the Northeast Quarter (NE1/4) of Section 4, Township 7 North, Range 69 West of the 6th P.M., thence south 80 rods, thence East to line of the Greeley, Salt Lake and Pacific Railway, thence northwesterly along said right of way to the north line of said Section 4, thence west along said north line of said Section 4 to the place of beginning, being a part of the North Half (N1/2) of the Northeast Quarter (NE1/4) of Section 4, Township 7 North, Range 69 West of the 6th P.M.,

also right of way one rod wide in the Northeast Quarter of the Northeast Quarter (NE1/4 NE1/4) of said Section 4 described as follows: Commencing at the Southeast corner of Northeast Quarter of the Northeast Quarter (NE1/4 NE1/4) of said Section 4, thence west to line of railroad as now located, thence along said railroad to a point one rod north of beginning; thence east to the east line of said Section 4; thence south to beginning.

Also known by street and number as: 1429 North Taft Hill Road
Fort Collins, Colorado 80521

EXHIBIT "A"

Legal Description of Hilt Parcel

A tract of land located in Larimer County, State of Colorado, described as follows:

Commencing at the Northwest corner of the Northeast Quarter (NE1/4) of Section 4, Township 7

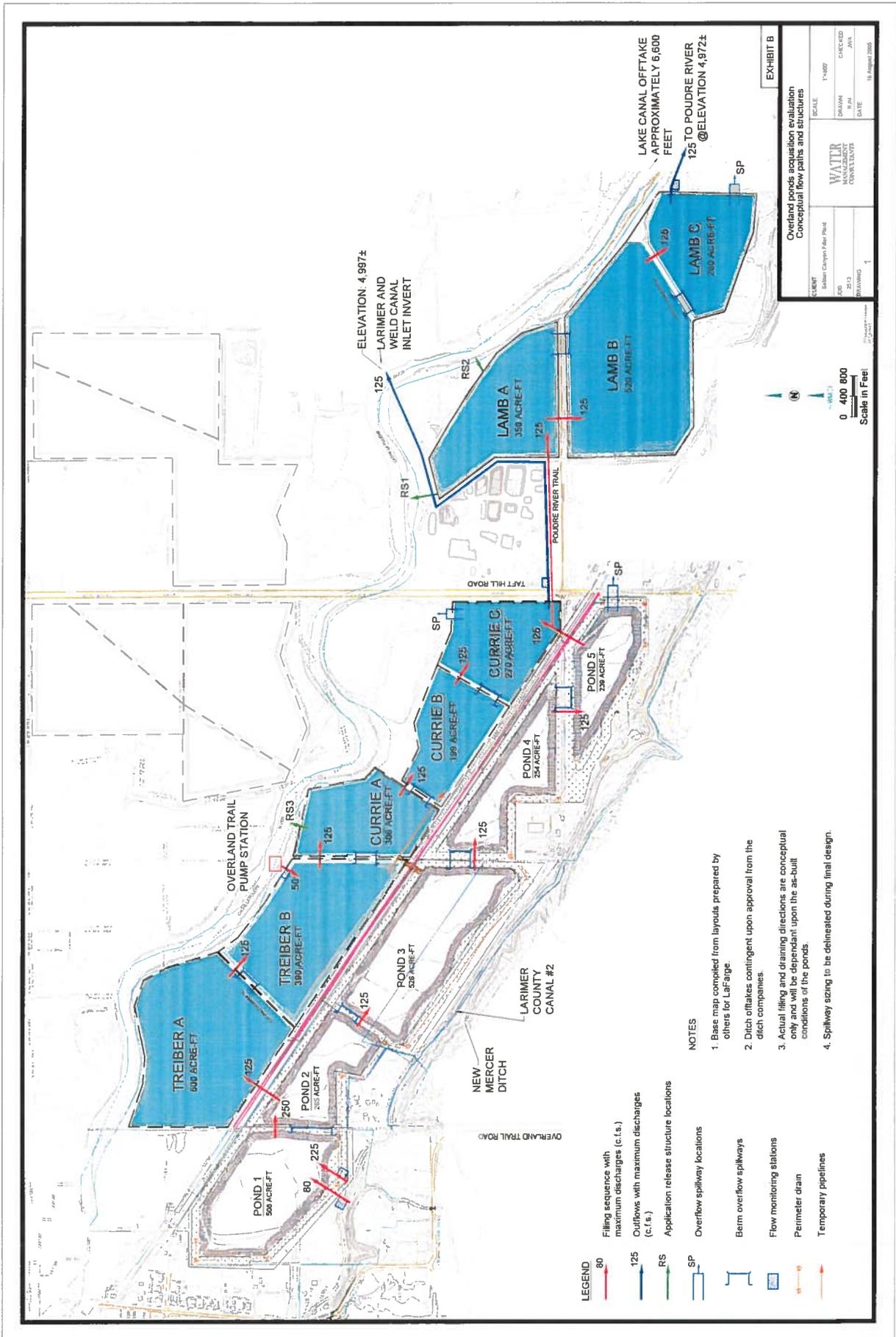
North, Range 69 West of the 6th P.M., thence south 80 rods, thence East to line of the Greeley, Salt Lake and Pacific Railway, thence northwesterly along said right of way to the north line

of said Section 4, thence west along said north line of said Section 4 to the place of beginning, being a part of the North Half (N1/2) of the Northeast Quarter (NE1/4) of Section 4, Township 7 North, Range 69 West of the 6th P.M.,

also right of way one rod wide in the Northeast Quarter of the Northeast Quarter (NE1/4 NE1/4) of said Section 4 described as follows: Commencing at the Southeast corner of Northeast Quarter of the Northeast Quarter (NE1/4 NE1/4) of said Section 4, thence west to line of railroad as now located, thence along said railroad to a point one rod north of beginning; thence east to the east line of said Section 4; thence south to beginning.

Also known by street and number as: 1429 North Taft Hill Road
Fort Collins, Colorado 80521

EXHIBIT B



EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT ("Agreement") is made and entered into by and among KENNETH C. HILT ("Hilt"), and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, acting by and through its Water and Sewer Board, as to an undivided fifty percent (50%) interest; FORT COLLINS-LOVELAND WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, as to an undivided twenty-one percent (21%) interest; NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, as to an undivided sixteen and five/tenths percent (16.5%) interest; and EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado, as to an undivided twelve and five/tenths percent (12.5%) interest (collectively, "Greeley/Districts").

RECITALS

1. Hilt owns a parcel of real property containing approximately three and nineteen/hundredths (3.19) acres as depicted upon Exhibit "A" attached hereto and incorporated herein by reference and hereinafter described as the "Westerly Driveway Parcel."

2. Greeley/Districts own a parcel of real property containing approximately fifteen (15) acres as depicted upon Exhibit "B" attached hereto and incorporated herein by reference and hereinafter described as the "Grazing Parcel."

3. Hilt and Greeley/Districts are cooperating in the platting of the Westerly Driveway Parcel and the Grazing Parcel owned by each of them to facilitate the simultaneous exchange of the parcels as provided herein.

4. Hilt desires to convey the Westerly Driveway Parcel to Greeley/Districts in exchange for the Grazing Parcel.

5. Greeley/Districts desire to convey the Grazing Parcel to Hilt in exchange for the Westerly Driveway Parcel.

NOW, THEREFORE, in consideration of their mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and adequacy of which are hereby confessed and acknowledged, the parties hereto agree to be legally bound whereby Hilt agrees to convey the Westerly Driveway Parcel to Greeley/Districts and Greeley/Districts agree to accept from Hilt the Westerly Driveway Parcel; and Greeley/Districts agree to convey the Grazing Parcel to Hilt and Hilt agrees to accept from Greeley/Districts the Grazing Parcel, all on the terms and conditions hereinafter set forth.

1. Westerly Driveway Parcel. The Westerly Driveway Parcel consists of an approximate three and nineteen/hundredths (3.19) acre parcel of property as generally depicted on Exhibit "A" attached hereto and incorporated herein by reference.

2. Grazing Parcel. The Grazing Parcel consists of an approximate fifteen (15) acre parcel of property as generally depicted on Exhibit "B" attached hereto and incorporated herein by reference.

3. Agreement Contingency and Cross Default. Concurrently with the execution of this Agreement, Hilt and Greeley/Districts have entered into a Purchase and Sale Agreement providing for the sale by Hilt to Greeley/Districts of a parcel of real property owned by Hilt upon which is located a reservoir commonly known as "Pond 4," together with additional lands more fully described therein ("Reservoir Agreement").

The obligations of each of the parties to close pursuant to this Agreement shall be contingent upon the simultaneous closing of the real property described in the Reservoir Agreement. In the event of the termination of the Reservoir Agreement pursuant to the terms thereof, such termination shall also be deemed the termination of this Agreement as of the effective date of such termination. Similarly, a termination of this Agreement by either party upon notice to the other party as provided herein shall constitute a termination of the Reservoir Agreement as of the effective date of such termination.

In the event that either party shall be in material default of any of its duties or obligations set forth in the Reservoir Agreement, such default by such party under the Reservoir Agreement shall be deemed a material default by such party under this Agreement. Upon material default by either party under the Reservoir Agreement and in addition to any remedies available thereunder, the non-defaulting party may exercise all other remedies available pursuant to the terms of this Agreement as if such material default had occurred under this Agreement, including termination of this Agreement.

4. Cooperation of Parties. Pursuant to the terms of the Reservoir Agreement, the parties have agreed to cooperate with each other in arriving at a mutually acceptable legal description for the Westerly Driveway Parcel and the Grazing Parcel. The southwesterly boundary of the Grazing Parcel shall be a minimum of twenty-five (25) feet from the subdrain surrounding the adjacent reservoir. In addition, the parties have further agreed to cooperate with each other in the subdivision of such parcels, such that the Westerly Driveway Parcel and the Grazing Parcel shall constitute two (2) or more separate lots, tracts or parcels in accordance with the Larimer County Land Use Code. In the event the parties are unsuccessful in mutually agreeing to the legal description of the Westerly Driveway Parcel and the Grazing Parcel or in the subdivision of the parcels as more fully provided in the Reservoir Agreement and within the time periods set forth therein, either party hereunder may terminate this Agreement upon written notice to the other in the same manner and in accordance with the deadlines set forth in the Reservoir Agreement.

5. Method of Conveyance and Title Exceptions. Title to the Westerly Driveway Parcel shall be conveyed to Greeley/Districts, and title to the Grazing Parcel shall be conveyed to Hilt, by the execution and delivery by the respective parties, at the time of the Closing of this transaction, of appropriate special warranty deeds and any other transfer documents reasonably required to consummate this transaction.

The Westerly Driveway Parcel shall be conveyed to Greeley/Districts, free and clear of all liens and encumbrances, except and subject to (i) the general taxes for the year of Closing and subsequent years and (ii) the Permitted Exceptions (defined below).

The Grazing Parcel shall be conveyed to Hilt, free and clear of all liens and encumbrances, except and subject to (a) the general taxes for the year of Closing, if any, and subsequent years and (b) the Permitted Exceptions.

6. Use Restrictions on Grazing Parcel. Greeley/Districts have agreed to transfer and convey the Grazing Parcel to Hilt pursuant to this Agreement based upon the agreement that use of the Grazing Parcel shall be restricted only to grazing of livestock consisting of cattle, horses, mules and/or burros not to exceed ten (10) "Animal Units" within the Grazing Parcel. For this purpose, an "Animal Unit" shall be defined to be a single animal except that a cow with a calf under the age of one (1) year shall be considered one (1) "Animal Unit." In addition to use of the Grazing Parcel for grazing purposes, improvements related to the grazing of cattle upon the Grazing Parcel, such as fences, corrals and loafing sheds, shall be permitted. All uses which are not permitted by this Section 6 shall be deemed prohibited uses, including, but not limited to, the installation of any permanent structures which require a certificate of occupancy, the storage of waste materials, use of the Grazing Parcel or any part thereof for a feed lot, dairy farm, veterinary facility, agribusiness, storage yard or storage of recreational vehicles, all of which are expressly prohibited. At all times during which livestock are permitted on the Grazing Parcel, a well-constructed four (4) strand barbed wire fence with substantial posts set at a distance of approximately twenty (20) feet apart sufficient to turn ordinary horses and cattle with gates equally as good as the fence or any other fence of equal or greater efficiency shall be required to be installed and maintained for the purpose of ensuring that livestock do not stray from the boundaries of the Grazing Parcel, which fence shall be at least twenty-five (25) feet from the subdrain surrounding the reservoir adjacent to the Grazing Parcel.

The parties hereto acknowledge and agree that the exchange valuation for the Grazing Parcel set forth in Section 7 below is based upon the assumption that the Grazing Parcel will be restricted as set forth in this Section. On or before the Closing Date, Greeley/Districts may cause to be recorded with the Clerk and Recorder of Larimer County, Colorado, a document requiring the installation and maintenance of a fence and containing a use restriction prohibiting the use of the Grazing Parcel as set forth in this Section in perpetuity or, at Greeley/Districts' option, the special warranty deed to be delivered by Greeley/Districts to Hilt at Closing may contain such restrictions and limitations and shall be deemed a "Permitted Exception" with respect to the Grazing Parcel.

7. Exchange Valuations. For purposes of this Agreement, the Westerly Driveway Parcel and the Grazing Parcel shall each be deemed to have a gross value of One Hundred Twenty-Five Thousand Dollars (\$125,000.00).

8. Earnest Money Deposits. No earnest money deposits shall be required in connection with this transaction, the mutuality of the promises of the parties hereto being deemed adequate consideration for this Agreement.

9. Title Insurance. With respect to the Westerly Driveway Parcel, promptly following the Closing, Hilt, at his sole cost and expense, shall cause to be delivered to Greeley/Districts an Owner's Title Insurance Policy insuring Greeley/Districts' title to the Westerly Driveway Parcel. Said Title Insurance Policy shall be in the amount of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) and shall be issued by Land Title Guarantee Company ("Title Company"). Hilt shall furnish to Greeley/Districts a Title Insurance Commitment issued by the Title Company within ten (10) days following the Effective Date of this Agreement ("Westerly Driveway Parcel Commitment") and Greeley/Districts shall have a period of one hundred fifty (150) days following the Effective Date of this Agreement within which to object to any title exceptions appearing in the Westerly Driveway Parcel Commitment. In the event that Greeley/Districts shall fail to object in writing to Hilt as to any matters appearing in the Westerly Driveway Parcel Commitment on or before the one hundred fiftieth (150th) day following the Effective Date of this Agreement, all title

exceptions appearing therein other than the standard preprinted title exceptions shall be deemed "Permitted Exceptions" with respect to the Westerly Driveway Parcel and title to the Westerly Driveway Parcel shall be conveyed subject to such Permitted Exceptions.

With respect to the Grazing Parcel, promptly following the Closing, Greeley/Districts, at their sole cost and expense, shall cause to be delivered to Hilt an Owner's Title Insurance Policy insuring Hilt's title to the Grazing Parcel. Said Title Insurance Policy shall be in the amount of One Hundred Twenty-Five Thousand Dollars (\$125,000.00) and shall be issued by the Title Company. Greeley/Districts shall furnish to Hilt a Title Insurance Commitment issued by the Title Company within ten (10) days following the Effective Date of this Agreement ("Grazing Parcel Commitment") and Hilt shall have a period of one hundred fifty (150) days following the Effective Date of this Agreement within which to object to any title exceptions appearing in the Grazing Parcel Commitment. In the event that Hilt shall fail to object in writing to Greeley/Districts as to any matters appearing in the Grazing Parcel Commitment on or before the one hundred fiftieth (150th) day following the Effective Date of this Agreement, all title exceptions appearing therein other than the standard preprinted title exceptions shall be deemed "Permitted Exceptions" with respect to the Grazing Parcel and title to the Grazing Parcel shall be conveyed subject to such Permitted Exceptions.

10. Inspection Period.

A. Hilt hereby authorizes Greeley/Districts and their agents and representatives to enter upon and inspect the Westerly Driveway Parcel for any purposes during the period which commences upon the mutual execution of this Agreement and continuing until 4:00 p.m., Mountain Time, on the one hundred fiftieth (150th) day thereafter ("Inspection Period"). Greeley/Districts and their authorized agents, representatives and consultants shall, subject to the rights of the tenant(s) under any existing lease(s), if any, be entitled to enter upon the Westerly Driveway Parcel at all reasonable times to inspect the Westerly Driveway Parcel 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 Greeley/Districts deem necessary or appropriate in connection with their intended acquisition and use of the Westerly Driveway Parcel. Greeley/Districts shall bear the costs of all such inspections and tests. Hilt agrees to reasonably cooperate with any such inspections, investigations and surveys or studies made by or at the direction of Greeley/Districts so long as such cooperation is at no material expense to Hilt.

B. Greeley/Districts hereby authorize Hilt and his agents and representatives to enter upon and inspect the Grazing Parcel for any purposes during the Inspection Period defined above. Hilt and his authorized agents, representatives and consultants shall, subject to the rights of the tenant(s) under any existing lease(s), if any, be entitled to enter upon the Grazing Parcel at all reasonable times to inspect the Grazing Parcel 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 Hilt deems necessary or appropriate in connection with his intended acquisition and use of the Grazing Parcel. Hilt shall bear the costs of all such inspections and tests. Greeley/Districts agree to reasonably cooperate with any such inspections, investigations and surveys or studies made by or at the direction of Hilt so long as such cooperation is at no material expense to Greeley/Districts.

C. Each of the parties ("Inspecting Party") and its authorized agents, representatives and consultants (i) shall not unreasonably interfere with the operation and maintenance of the inspected parcel by the other party ("Other Party") or existing tenants, if any; (ii) shall not injure or otherwise cause bodily harm to the Other Party, its agents, contractors, employees or existing tenants; (iii) shall promptly pay when due the costs of all tests, investigations, and examinations done with regard to the inspected parcel; (iv) shall not permit any liens to attach to the inspected parcel by reason of the exercise of its rights hereunder; and (v) shall restore the inspected parcel as nearly as practicable to substantially the same condition in which the same was found before any such investigations or tests were undertaken. To the extent permitted by law and without waiving the rights of Greeley/Districts under the Colorado Governmental Immunity Act,

C.R.S. 24-10-101, et seq., as amended, Greeley/Districts hereby agree to and shall indemnify and hold Hilt harmless from and against any and all liability, loss, damage, costs, and expenses (including reasonable attorneys' fees and including payments made by Hilt to release mechanic's liens filed against the Westerly Drive Parcel) which Hilt may suffer as a result of claims, demands, costs and/or judgments against Hilt arising out of, or in any way connected with, the inspection activities of Greeley/Districts. Hilt hereby agrees to and shall indemnify and hold Greeley/Districts harmless from and against any and all liability, loss, damage, costs, and expenses (including reasonable attorneys' fees and including payments made by Greeley/Districts to release mechanic's liens filed against the Grazing Parcel) which Greeley/Districts may suffer as a result of claims, demands, costs and/or judgments against Greeley/Districts arising out of, or in any way connected with, the inspection activities of Hilt. Notwithstanding any provision of this Agreement to the contrary, no termination of this Agreement shall terminate the obligation of the Inspecting Party pursuant to this Section 10.

D. If, during the Inspection Period, either party shall, for any reason, in such party's sole discretion, judgment and opinion, disapprove or be dissatisfied with any aspect of the parcel to be acquired by such party or with its investigations relating thereto, such party shall be entitled to terminate this Agreement by giving written notice to the other party on or before the expiration of the Inspection Period. In the event of the termination of this Agreement pursuant to this Section 10, all provisions of this Agreement (with the exception of those obligations which by their nature are intended to survive the termination of this Agreement) shall terminate. Upon such termination and except as otherwise provided herein, neither Hilt nor Greeley/Districts shall have any further obligation or liability to the other hereunder.

11. Closing. The closing of this transaction ("Closing") shall be held concurrently with the closing of the real property described in the Reservoir Agreement at the same time, date and place as the closing of the Reservoir Agreement ("Closing Date"). Closing services shall be provided by the Title Company.

12. Possession. Possession of the Westerly Driveway Parcel shall be delivered to Greeley/Districts at Closing. Possession of the Grazing Parcel shall be delivered to Hilt at Closing.

13. Prorations. Subject as hereinafter provided, general taxes for the year of Closing, based on the most recent mill levy and the most recent assessment shall be prorated as of the Closing Date except to the extent that the Grazing Parcel is exempt from real property taxation. Each party shall pay recording fees and documentary fees on the property being acquired. Closing fees charged by the Title Company shall be equally shared by the parties hereto.

14. No Real Estate Brokers. Each party hereby represents to the other that no real estate brokers are involved in this transaction. Each party shall indemnify the other party from any claims for real estate commissions, finder's fees or similar fees made as a result of the actions of such party.

15. Remedies Upon Default.

A. In the event this transaction fails to close by reason of a default by Hilt, Greeley/Districts shall have the following remedies which may be elected in their sole discretion:

(1) Terminate this Agreement by notice to Hilt, in which event all documents deposited by Greeley/Districts or delivered to Hilt by Greeley/Districts shall be immediately returned to Greeley/Districts; or

(2) Greeley/Districts may waive such default or condition and close the transaction; or

(3) If the failure of condition consists of a default by Hilt which can be cured by action within the reasonable control of Hilt, Greeley/Districts may elect to treat this Agreement as being in full force and effect and Greeley/Districts shall have the right to specific performance or damages, or both.

B. In the event this transaction fails to close by reason of a default by Greeley/Districts, Hilt shall have the following remedies which may be elected in his sole discretion:

(1) Terminate this Agreement by notice to Greeley/Districts, in which event all documents deposited by Hilt or delivered to Greeley/Districts by Hilt shall be immediately returned to Hilt; or

(2) Hilt may waive such default or condition and close the transaction; or

(3) Hilt may elect to treat this Agreement as being in full force and effect and Hilt shall have the right to recover damages up to a maximum of Five Thousand Dollars (\$5,000.00).

16. 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; or (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; or (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; or (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:

If to Hilt:

Kenneth C. Hilt
1429 N. Taft Hill Road
Fort Collins, CO 80521
Telephone: (970) 484-3740
Facsimile: None

With a copy to:

Wolfe, Van Ackern & Cuypers LLP
Attention: Charles J. Cuypers
1008 Centre Avenue
Fort Collins, CO 80526
Telephone: (970) 493-8787
Facsimile: (970) 493-8788

If to Greeley/Districts:

City of Greeley
Attention: Director, Water and Sewer
1100 10th Street, 3rd Floor
Greeley, CO 80631
Telephone: (970) 350-9812
Facsimile: (970) 350-9805

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

AND

Fort Collins-Loveland Water District
North Weld County Water District
East Larimer County Water District
c/o Soldier Canyon Filter Plant
Attention: Richard Raines
4424 LaPorte Avenue
Fort Collins, CO 80521
Telephone: (970) 482-3143
Facsimile: (970) 495-9845

With a copy to:

Hasler, Fonfara and Goddard LLP
Attention: Joseph H. Fonfara
125 S. Howes, 6th Floor (80521)
P.O. Box 2267
Fort Collins, CO 80522
Telephone: (970) 493-5070
Facsimile: (970) 493-9703

17. No Waiver of Governmental Immunity/No Third Party Beneficiary. This Agreement shall 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 Greeley/Districts or their officers, employees, successors and assigns may present pursuant to law, including, but not limited to, the Colorado Governmental Immunity Act, C.R.S. 24-10-101, et seq., as amended.

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

19. Attorneys' Fees. If any legal action, arbitration or other proceeding is commenced to enforce or interpret any provision of this Agreement, the prevailing party shall be awarded its 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.

20. 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.

21. [Intentionally Deleted]

22. Assignment. Hilt and Greeley/Districts shall have the right to assign all or any part of their respective interests in this Agreement and such parcel to be acquired by them as they shall determine without the prior written consent of the other party, provided that no such assignment shall relieve either of the parties from its respective obligations hereunder if such

obligations are not properly discharged by the assignee of such party. In the event either of the parties shall elect to exercise its right of assignment as set forth in this Section 22, such party shall give not less than ten (10) 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.

23. 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.

24. 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.

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

26. 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.

27. Terms Survive Closing. To the extent necessary to carry out all of the terms and provisions hereof, the said terms, obligations, and rights set forth herein shall be deemed not terminated at Closing; nor shall they necessarily merge into the various documents executed and delivered at such time.

28. Headings. Paragraph headings used herein are for convenience of reference and shall in no way define, limit, or prescribe the scope or intent of any provision under this Agreement.

29. Condition of Property. Except as otherwise provided herein, the Westerly Driveway Parcel shall be conveyed to Greeley/Districts in its present condition, "AS IS," and the Grazing Parcel shall be conveyed to Hilt in its present condition, "AS IS."

30. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.

31. 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 Hilt and Greeley/Districts.

32. Acceptance. Upon execution and delivery of this Agreement by Hilt or Greeley/Districts, this Agreement shall constitute an offer to exchange the Westerly Driveway Parcel and the Grazing Parcel 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 Section 16 hereof) of such revocation to the other party(ies).

33. Effective Date. The term "Effective Date" as used herein shall mean and refer to the date upon which the last party hereunder signs this Agreement.

[Remainder of Page Intentionally Blank]

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

Date: _____

KENNETH C. HILT ("Hilt")

("Hilt")

THE CITY OF GREELEY, COLORADO,
a Colorado home rule municipal
corporation ("Greeley")

ATTEST:

Name: _____
Title: City Clerk
Date: _____

By _____
Name: _____
Title: Mayor
Date: _____

APPROVED AS TO SUBSTANCE:

By _____
City Manager

APPROVED AS TO LEGAL FORM:

By _____
City Attorney

AVAILABILITY OF FUNDS:

By _____
Director of Finance

RECOMMENDED:

By _____
Director of Water and Sewer

RECOMMENDED:

By _____
Chairman

FORT COLLINS-LOVELAND WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado ("District")

Date: _____

By _____
Name: _____
Title: _____

NORTH WELD COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado ("District")

Date: _____

By _____
Name: _____
Title: _____

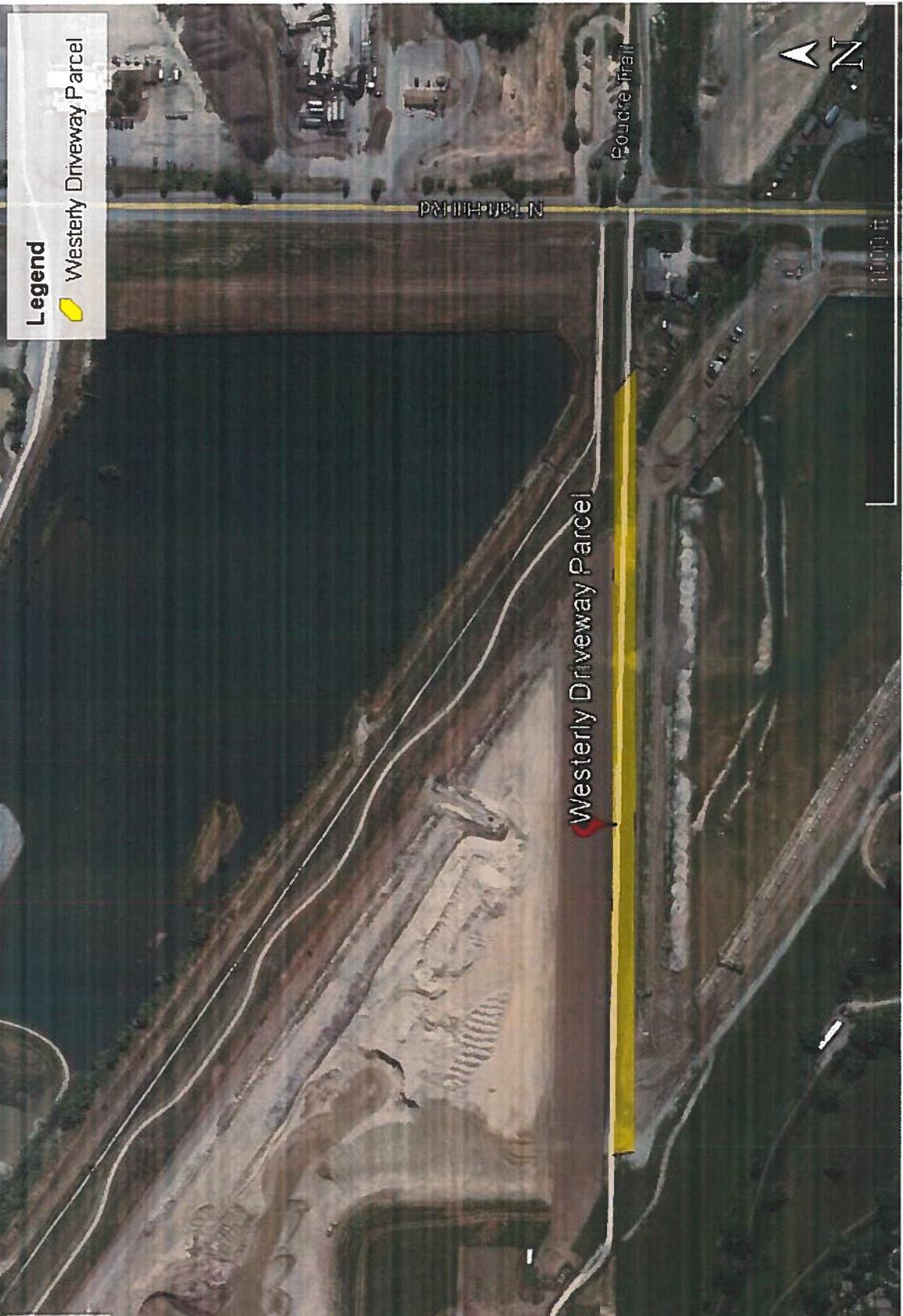
EAST LARIMER COUNTY WATER DISTRICT, a quasi-municipal corporation and a political subdivision of the State of Colorado ("District")

Date: _____

By _____
Name: _____
Title: _____

(Collectively "Greeley/Districts")

Exhibit A
Westerly Driveway Parcel



Legend
Westerly Driveway Parcel

Legend
 Grazing Parcel

19



1000 ft



Exhibit B
 Grazing Parcel

21

Survival
 Google earth
 © 2015 Google

WATER & SEWER BOARD AGENDA MAY 18, 2016

ENCLOSURE

NO ENCLOSURE X

ITEM NUMBER: 8

TITLE: EXECUTIVE SESSION

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA MAY 18, 2016

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 9

TITLE: LEGAL REPORT

POSSIBLE ACTION: STATEMENTS OF OPPOSITION, IF ANY

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA MAY 18, 2016

ENCLOSURE

NO ENCLOSURE X

ITEM NUMBER: 10

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Recovery Plan for Preble's Meadow Jumping Mouse
- Chimney Hollow Design Engineer Selection –MWH
- Milton Seaman Kick-off

WATER & SEWER BOARD AGENDA May 18, 2016

ENCLOSURE _____ NO ENCLOSURE __X__

ITEM NUMBER: 11

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: