

EXAMPLE DO NOT EXECUTE

RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, and in order to provide the City of Greeley, a Colorado municipal corporation (the "Greeley"), with the maximum benefit available from the present and future use of water pursuant to the water rights acquired or to be acquired by Greeley and described in Exhibit "1" attached hereto and made a part hereof (the "Water Rights"), _____ (the "Declarant"), agrees, warrants and covenants, and the undersigned leaseholder and lienholder, if any, acknowledge and approve, on Declarant's own behalf and on behalf of all successors in interest, that upon notice from Greeley, Declarant shall cease irrigation on the lands owned by Declarant and described in Exhibit "2" attached hereto and made a part hereof (the "Land").

Upon receipt of one hundred and eighty (180) days prior written notice from Greeley, thereafter Declarant and Declarant's successor in interest shall not irrigate the Land. These covenants shall not prohibit Declarant or Declarant's successor in interest from irrigating the Land (i) with other water rights which may in the future be transferred to such lands and judicially approved for such use through an appropriate Water Court proceeding, and in accordance with any future water rights applications filed by the City or a successor in interest to the Water Rights; (ii) with water from an existing well or wells to be constructed in the future which are authorized to pump pursuant to a Water Court-approved plan for augmentation; (iii) with water which is not tributary to the South Platte River or any of its tributaries; (iv) or with treated potable water supplied by a municipal or quasi-municipal government water provider ("Alternate Water Rights").

Unless so irrigated, then within two and one half (2½) years from the date Declarant ceases to irrigate the Land or any portion thereof with Alternate Water Rights, Declarant or Declarant's successors in interest shall establish, at Declarant's or Declarant's successors in interest's expense, a ground cover of plant life, as such is defined in C.R.S. § 37-92-103(10.5), on the previously irrigated portions of the Land to satisfy any applicable revegetation and noxious weed management provisions as may be required in a final decree obtained by the City, or a successor in interest to the Water Rights, from the District Court for Water Division No. 1, State of Colorado, or a successor court, changing certain water rights from agricultural irrigation purposes to other beneficial purposes, pursuant to C.R.S. § 37-92-305(4.5). Here, "previously irrigated portions of the Land" means portions of the Land not occupied by roads, buildings, or other structures, which was cultivated with crops in accordance with these covenants. Declarant, or Declarant's successors in interest, shall provide notice to Greeley when such revegetation of the Land has been established. Declarant agrees the Land subject to these covenants shall not be planted with crops which are capable of extending roots into the underlying groundwater, including but not limited to the growing of alfalfa.

Should Declarant or Declarant's successor in interest fail to comply with its obligations hereunder, Greeley shall have the right to come upon the Land and take all measures necessary to accomplish the Declarant's obligations hereunder, including but not limited to revegetation

and/or noxious weed management on the Land, provided that Greeley shall have the right to receive full reimbursement of all of its expenses of accomplishing such revegetation or weed management from Declarant or Declarant's successor in interest. Any and all fees and costs incurred in any necessary action to enforce these Restrictive Covenants by City, including reasonable attorney fees, shall be paid by Declarant. Additionally, Greeley shall have the right to come upon the Land to verify Declarant's compliance with its obligations hereunder, with any such inspections being at the sole expense of Greeley. All rights to enter upon the Land granted herein shall terminate upon a final determination by the District Court for Water Division No. 1, State of Colorado, under the court's retained jurisdiction, that no further actions will be necessary in order to satisfy Declarant's revegetation obligations.

The foregoing covenants shall burden, attach to, and run with the Land and shall be binding upon Declarant and Declarant's successors, assigns and any other person who acquires an ownership or leasehold interest in all or part of the Land; such covenants also shall benefit, attach to, and run with the Water Rights and shall inure to the benefit of Greeley's successors, assigns, and any other person who acquire an ownership interest in the Water Rights. Declarant warrants and represents such covenants shall entitle Greeley to the first and prior right to claim credit for the dry-up or non-irrigation of the Land.

The terms and provisions of these covenants shall not expire and shall be perpetual unless specifically released in writing by Greeley or its successors in interest. The terms and provisions of these covenants may not be terminated, modified, or amended without prior written consent of Greeley or its successors in interest. Any notice may be sent to the Declarant by prepaid U.S. Mail to the Declarant at: _____.

IN WITNESS WHEREOF, the Declarant have executed this instrument on the ____ day of _____, 20__.

Declarant:

By: _____

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 20__ by _____.

Witness my hand and official seal.

Notary Public
My commission expires: _____

EXHIBIT "1" TO RESTRICTIVE COVENANT (NO IRRIGATION AND REVEGETATION)
(Description of the Water Rights)

EXHIBIT "2" TO RESTRICTIVE COVENANT (NO IRRIGATION AND REVEGETATION)
(Description of the Land)

EXHIBIT “C” TO PURCHASE AND SALE AGREEMENT—WATER RIGHTS ONLY
(SELLER)

(See attached Historical Use Affidavit and Questionnaire)

The foregoing Affidavit of Historical Use of Water Rights was acknowledged before me
this _____ day of _____, 20__ by _____.

Witness my hand and official seal.

Notary Public

My commission expires: _____

QUESTIONNAIRE REGARDING USE OF WATER SHARES

The person completing this questionnaire must have personal knowledge of the information provided

1. Name: _____
Mailing Address: _____

Telephone: _____
Facsimile: _____
Email Address: _____

2. The information provided below pertains to _____ shares of the _____ Company, represented by Certificate No. _____ (hereinafter “Shares”).

- Did you use the Shares pursuant to a Lease Agreement? _____
- Date of the Lease: _____
- Name of Lessee (if different from above): _____
- Name of Lessor: _____

3. The information in this questionnaire relates to my use of the Shares from _____ to _____ (“Ownership Period”).

4. Do you still own the farm or parcel irrigated by these Shares? _____

5. Was your use of the Shares during the Ownership Period consistent with the bylaws, rules, regulations, and policies of the ditch company? _____

6. What is the legal description of the farm or parcel on which these Shares were used?

7. What is the total size of the farm or parcel? _____ acres.

8. What is the size of the area(s) on the farm or parcel that was irrigated? _____ acres.

9. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares? _____ acres.

10. Please provide the following information regarding how the water from these Shares is delivered:

- Location and ID Number of the head gate at the main ditch: _____
_____.

- Name and general location of any lateral(s) delivering the water to the land historically irrigated: _____.
- Identification of any carrier or lateral ditch stock required to deliver these rights: _____.
- Approximate location of pumps, if used: _____.
- Approximate location and size of storage ponds or reservoirs, including tail water ponds, if used: _____.
- How was water applied during the Ownership Period? Sprinkler ____ Furrow ____
Flood ____
- Other/Combination (Describe): _____.

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

_____.

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

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
_____.
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
_____.
- Any other water used: _____

13. Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____
_____.

14. During the Period of Ownership, what crops were grown on the land irrigated by the Shares?

1. Crop: _____ Percentage: _____ Location: _____

2. Crop: _____ Percentage: _____ Location: _____
 3. Crop: _____ Percentage: _____ Location: _____
 4. Crop: _____ Percentage: _____ Location: _____
 5. Crop: _____ Percentage: _____ Location: _____
 6. Crop: _____ Percentage: _____ Location: _____

15. Were the lands on which the Shares were used subirrigated? Yes _____ No _____

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

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

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

Signature: _____ Date: _____

EXHIBIT “D” TO PURCHASE AND SALE AGREEMENT—WATER RIGHTS ONLY

(SELLER)

[See attached Special Warranty Deed]

EXAMPLE DO NOT EXECUTE

WHEN RECORDED RETURN TO:

SPECIAL WARRANTY DEED
(Water Rights)

THIS DEED, made this ____ day of _____, 202_, between [NAME OF GRANTOR], whose address is _____ (“Grantor”), and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, whose address, for purposes of this Deed, is 1001 11th Avenue, 2nd Floor, Greeley, Colorado, 80631 (“Grantee”).

WITNESSETH, that Grantor, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, Grantee’s heirs and assigns forever all of the water rights described below (the “Water Rights”):

(a) The water rights represented by [NUMBER OF SHARES] share in the [NAME OF MUTUAL DITCH COMPANY] evidenced by Stock Certificate No. [____] (the “Shares”) and the water derived therefrom.

(b) All beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said Shares, and in addition, and in no way limited by the foregoing, any and all other right, title or interest in the [NAME OF MUTUAL DITCH COMPANY] represented by said Shares.

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above bargained and described with the appurtenances, unto the Grantee, the Grantee's heirs and assigns forever. And the Grantor, for the Grantor, the Grantor’s successors and assigns, does covenant and agree that Grantor shall WARRANT AND FOREVER DEFEND the above-bargained Water Rights in the quiet and peaceable possession of the Grantee, the Grantee’s successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor.

EXHIBIT “E” TO PURCHASE AND SALE AGREEMENT—WATER RIGHTS ONLY
(SELLER)

[See attached Stock Assignments]

EXHIBIT "H-1" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Restrictive Covenant – No Irrigation and Revegetation – Owl Creek Farm)

RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, and in order to provide the City of Greeley, a Colorado home rule municipal corporation (“Greeley”), with the maximum benefit available from the present and future use of water pursuant to the water rights described in Exhibit 1 attached hereto and incorporated herein (“Water Rights”), LONGS PEAK DAIRY, LLC, a Colorado limited liability company (“Declarant”), agrees, warrants and covenants on Declarant’s own behalf and on behalf of all successors in interest, that upon notice from Greeley, Declarant shall cease irrigation on the lands owned by Declarant and described in Exhibit 2 attached hereto and incorporated herein (“Land”).

Upon receipt of one hundred and eighty (180) days prior written notice from Greeley, thereafter Declarant and Declarant’s successors in interest shall not irrigate the Land. These covenants shall not prohibit Declarant or Declarant’s successors in interest from irrigating the Land (i) with other water rights which may in the future be transferred to such lands and judicially approved for such use through an appropriate Water Court proceeding, and in accordance with any future water rights applications filed by Greeley or a successor in interest to the Water Rights; (ii) with water from an existing well or wells to be constructed in the future which are authorized to pump pursuant to a Water Court-approved plan for augmentation; (iii) with water which is not tributary to the South Platte River or any of its tributaries; (iv) or with treated potable water supplied by a municipal or quasi-municipal government water provider (“Alternate Water Rights”).

Unless so irrigated, then within two and one half (2½) years from the date Declarant ceases to irrigate the Land or any portion thereof with Alternate Water Rights, Declarant or Declarant’s successors in interest shall also establish, at Declarant’s or Declarant’s successors in interest’s expense, a ground cover of plant life, as such is defined in C.R.S. § 37-92-103(10.5), on the previously irrigated portions of the Land to satisfy any applicable revegetation and noxious weed management provisions as may be required in a final decree obtained by Greeley, or a successor in interest to the Water Rights, from the District Court for Water Division No. 1, State of Colorado, or a successor court, changing certain water rights from agricultural irrigation purposes to other beneficial purposes, pursuant to C.R.S. § 37-92-305(4.5). Previously irrigated portions of the Land means portions of the Land not occupied by roads, buildings, or other structures, which land was cultivated with crops in accordance with these covenants. Declarant, or Declarant’s successors in interest, shall provide notice to Greeley when such revegetation of the Land has been established. Declarant agrees the Land subject to these covenants shall not be planted with crops that are capable of extending roots into the underlying groundwater, including, but not limited to, alfalfa.

Should Declarant or Declarant’s successors in interest fail to comply with its obligations hereunder, Greeley shall have the right to come upon the Land and take all measures necessary to accomplish the Declarant’s obligations hereunder, including but not limited to revegetation and/or noxious weed management on the Land, provided that Greeley shall also have the right to receive full reimbursement of all of its expenses of accomplishing such revegetation or weed management from Declarant or Declarant’s successor in interest. Any and all fees and costs incurred in any necessary action to enforce these covenants by Greeley, including reasonable attorney fees, shall be paid by Declarant. Additionally, Greeley shall have the right to come upon the Land to verify Declarant’s compliance with its obligations hereunder, with any such inspections being at the sole expense of Greeley. All rights to enter upon the Land granted herein shall terminate upon a final determination by the District Court for Water Division No. 1, State of Colorado, under the court’s retained jurisdiction, that no further actions will be necessary in order to satisfy Declarant’s revegetation obligations.

The foregoing covenants shall burden, attach to, and run with the Land and shall be binding upon Declarant and Declarant’s successors, assigns and any other person who acquires an ownership or leasehold interest in all or part of the Land; such covenants also shall benefit, attach to, and run with the Water Rights and shall inure to the benefit of Greeley’s successors, assigns, and any other person who acquires an ownership interest in the Water Rights. Declarant warrants and represents such covenants shall entitle Greeley to the first and prior right to claim credit for the dry-up or non-irrigation of the Land.

EXHIBIT 1
RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

(Description of the Water Rights)

All water and water rights, ditches and ditch rights, reservoirs and reservoir rights, and all other rights and interests represented by five and one-sixths (5-1/6) shares of capital stock in The Water Supply and Storage Company, evidenced by Stock Certificate No. 6576 (for two (2) shares), (Stock Certificate No. 6581 (for one-half (1/2) of a share), Stock Certificate No. 6603 (for five-twelfths (5/12) of a share), Stock Certificate No. 6614 (for two (2) shares), and Stock Certificate No. 6617 (for one-fourth (1/4) of a share).

EXHIBIT 2
RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

(Description of the Land)

PARCEL 1:

(Weld County Parcel No. 055135400002) – Lot D of Recorded Exemption No. 0551-35-4 RE-4888, recorded June 22, 2009 at Reception No. 3631749, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

(Weld County Parcel No. 055135400031) – Lot D of Recorded Exemption No. 0551-35-3 RE-4887, recorded June 22, 2009 at Reception No. 3631748, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

(Weld County Parcel No. 055135100008) – Lot D of Recorded Exemption No. 0551-35-2 RE-4692, recorded December 6, 2007 at Reception No. 3522044, being part of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

(Weld County Parcel No. 055135200025) – Lot D of Recorded Exemption No. 0551-35-2 RECX 15-0003, recorded May 14, 2015 at Reception No. 4107116, being part of the N ½ of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado; containing 121.57 acres more or less.

PARCEL 2:

Lots A, B and C of Recorded Exemption No. 0551-35-2 RE-4693 recorded December 6, 2007 at Reception No. 3522045, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

Lot A of Recorded Exemption No. 0551-35-2 RE-4692 recorded December 6, 2007 at Reception No. 3522044, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

Lot A of Amended Recorded Exemption No. 0551-35-4 AmRE-3698 recorded December 6, 2007 at Reception No. 3522043, being a portion of the South Half of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

EXHIBIT "H-2" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Restrictive Covenant – No Irrigation and Revegetation – Varra Farm)

RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, and in order to provide the City of Greeley, a Colorado home rule municipal corporation (“Greeley”), with the maximum benefit available from the present and future use of water pursuant to the water rights described in Exhibit 1 attached hereto and incorporated herein (“Water Rights”), LONGS PEAK DAIRY, LLC, a Colorado limited liability company (“Declarant”), agrees, warrants and covenants on Declarant’s own behalf and on behalf of all successors in interest, that upon notice from Greeley, Declarant shall cease irrigation on the lands owned by Declarant and described in Exhibit 2 attached hereto and incorporated herein (“Land”).

Upon receipt of one hundred and eighty (180) days prior written notice from Greeley, thereafter Declarant and Declarant’s successors in interest shall not irrigate the Land. These covenants shall not prohibit Declarant or Declarant’s successors in interest from irrigating the Land (i) with other water rights which may in the future be transferred to such lands and judicially approved for such use through an appropriate Water Court proceeding, and in accordance with any future water rights applications filed by Greeley or a successor in interest to the Water Rights; (ii) with water from an existing well or wells to be constructed in the future which are authorized to pump pursuant to a Water Court-approved plan for augmentation; (iii) with water which is not tributary to the South Platte River or any of its tributaries; (iv) or with treated potable water supplied by a municipal or quasi-municipal government water provider (“Alternate Water Rights”).

Unless so irrigated, then within two and one half (2½) years from the date Declarant ceases to irrigate the Land or any portion thereof with Alternate Water Rights, Declarant or Declarant’s successors in interest shall also establish, at Declarant’s or Declarant’s successors in interest’s expense, a ground cover of plant life, as such is defined in C.R.S. § 37-92-103(10.5), on the previously irrigated portions of the Land to satisfy any applicable revegetation and noxious weed management provisions as may be required in a final decree obtained by Greeley, or a successor in interest to the Water Rights, from the District Court for Water Division No. 1, State of Colorado, or a successor court, changing certain water rights from agricultural irrigation purposes to other beneficial purposes, pursuant to C.R.S. § 37-92-305(4.5). Previously irrigated portions of the Land means portions of the Land not occupied by roads, buildings, or other structures, which land was cultivated with crops in accordance with these covenants. Declarant, or Declarant’s successors in interest, shall provide notice to Greeley when such revegetation of the Land has been established. Declarant agrees the Land subject to these covenants shall not be planted with crops that are capable of extending roots into the underlying groundwater, including, but not limited to, alfalfa.

Should Declarant or Declarant’s successors in interest fail to comply with its obligations hereunder, Greeley shall have the right to come upon the Land and take all measures necessary to accomplish the Declarant’s obligations hereunder, including but not limited to revegetation and/or noxious weed management on the Land, provided that Greeley shall also have the right to receive full reimbursement of all of its expenses of accomplishing such revegetation or weed management from Declarant or Declarant’s successor in interest. Any and all fees and costs incurred in any necessary action to enforce these covenants by Greeley, including reasonable attorney fees, shall be paid by Declarant. Additionally, Greeley shall have the right to come upon the Land to verify Declarant’s compliance with its obligations hereunder, with any such inspections being at the sole expense of Greeley. All rights to enter upon the Land granted herein shall terminate upon a final determination by the District Court for Water Division No. 1, State of Colorado, under the court’s retained jurisdiction, that no further actions will be necessary in order to satisfy Declarant’s revegetation obligations.

The foregoing covenants shall burden, attach to, and run with the Land and shall be binding upon Declarant and Declarant’s successors, assigns and any other person who acquires an ownership or leasehold interest in all or part of the Land; such covenants also shall benefit, attach to, and run with the Water Rights and shall inure to the benefit of Greeley’s successors, assigns, and any other person who acquires an ownership interest in the Water Rights. Declarant warrants and represents such covenants shall entitle Greeley to the first and prior right to claim credit for the dry-up or non-irrigation of the Land.

EXHIBIT 1
RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

(Description of the Water Rights)

All water and water rights, ditches and ditch rights, reservoirs and reservoir rights, and all other rights and interests represented by two (2) shares of capital stock in The Water Supply and Storage Company, evidenced by Stock Certificate No. 6721.

EXHIBIT 2
RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

(Description of the Land)

The NE ¼ of Section 28, Township 28 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, EXCEPT that portion described in Deed Recorded April 11, 1910 in Book 270 at Page 543.

EXHIBIT "H-3" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Restrictive Covenant – No Irrigation and Revegetation – Hasbrouck Farm)

RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

FOR GOOD AND VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, and in order to provide the City of Greeley, a Colorado home rule municipal corporation (“Greeley”), with the maximum benefit available from the present and future use of water pursuant to the water rights described in Exhibit 1 attached hereto and incorporated herein (“Water Rights”), LONGS PEAK DAIRY, LLC, a Colorado limited liability company (“Declarant”), agrees, warrants and covenants on Declarant’s own behalf and on behalf of all successors in interest, that upon notice from Greeley, Declarant shall cease irrigation on the lands owned by Declarant and described in Exhibit 2 attached hereto and incorporated herein (“Land”).

Upon receipt of one hundred and eighty (180) days prior written notice from Greeley, thereafter Declarant and Declarant’s successors in interest shall not irrigate the Land. These covenants shall not prohibit Declarant or Declarant’s successors in interest from irrigating the Land (i) with other water rights which may in the future be transferred to such lands and judicially approved for such use through an appropriate Water Court proceeding, and in accordance with any future water rights applications filed by Greeley or a successor in interest to the Water Rights; (ii) with water from an existing well or wells to be constructed in the future which are authorized to pump pursuant to a Water Court-approved plan for augmentation; (iii) with water which is not tributary to the South Platte River or any of its tributaries; (iv) or with treated potable water supplied by a municipal or quasi-municipal government water provider (“Alternate Water Rights”).

Unless so irrigated, then within two and one half (2½) years from the date Declarant ceases to irrigate the Land or any portion thereof with Alternate Water Rights, Declarant or Declarant’s successors in interest shall also establish, at Declarant’s or Declarant’s successors in interest’s expense, a ground cover of plant life, as such is defined in C.R.S. § 37-92-103(10.5), on the previously irrigated portions of the Land to satisfy any applicable revegetation and noxious weed management provisions as may be required in a final decree obtained by Greeley, or a successor in interest to the Water Rights, from the District Court for Water Division No. 1, State of Colorado, or a successor court, changing certain water rights from agricultural irrigation purposes to other beneficial purposes, pursuant to C.R.S. § 37-92-305(4.5). Previously irrigated portions of the Land means portions of the Land not occupied by roads, buildings, or other structures, which land was cultivated with crops in accordance with these covenants. Declarant, or Declarant’s successors in interest, shall provide notice to Greeley when such revegetation of the Land has been established. Declarant agrees the Land subject to these covenants shall not be planted with crops that are capable of extending roots into the underlying groundwater, including, but not limited to, alfalfa.

Should Declarant or Declarant’s successors in interest fail to comply with its obligations hereunder, Greeley shall have the right to come upon the Land and take all measures necessary to accomplish the Declarant’s obligations hereunder, including but not limited to revegetation and/or noxious weed management on the Land, provided that Greeley shall also have the right to receive full reimbursement of all of its expenses of accomplishing such revegetation or weed management from Declarant or Declarant’s successor in interest. Any and all fees and costs incurred in any necessary action to enforce these covenants by Greeley, including reasonable attorney fees, shall be paid by Declarant. Additionally, Greeley shall have the right to come upon the Land to verify Declarant’s compliance with its obligations hereunder, with any such inspections being at the sole expense of Greeley. All rights to enter upon the Land granted herein shall terminate upon a final determination by the District Court for Water Division No. 1, State of Colorado, under the court’s retained jurisdiction, that no further actions will be necessary in order to satisfy Declarant’s revegetation obligations.

The foregoing covenants shall burden, attach to, and run with the Land and shall be binding upon Declarant and Declarant’s successors, assigns and any other person who acquires an ownership or leasehold interest in all or part of the Land; such covenants also shall benefit, attach to, and run with the Water Rights and shall inure to the benefit of Greeley’s successors, assigns, and any other person who acquires an ownership interest in the Water Rights. Declarant warrants and represents such covenants shall entitle Greeley to the first and prior right to claim credit for the dry-up or non-irrigation of the Land.

The terms and provisions of these covenants shall not expire and shall be perpetual unless specifically released in writing by Greeley or its successors in interest. The terms and provisions of these covenants may not be terminated, modified, or amended without prior written consent of Greeley or its successors in interest. Any notice may be sent to the Declarant by prepaid U.S. Mail to the Declarant at: 45490 County Road 39, Pierce, Colorado 80650.

IN WITNESS WHEREOF, the Declarant has executed this instrument on the _____ day of _____ 2021.

DECLARANT
Longs Peak Dairy, LLC,
a Colorado limited liability company

By: _____

Name: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 2021 by _____, as an authorized representative of Longs Peak Dairy, LLC.

Witness my hand and official seal.

Notary Public

My commission expires: _____

When recorded return to:

City of Greeley Water and Sewer Department
Attn: Water Resources Division
1001 11th Avenue, 2nd Floor
Greeley, Colorado 80631

EXHIBIT 1
RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

(Description of the Water Rights)

All water and water rights, ditches and ditch rights, reservoirs and reservoir rights, and all other rights and interests represented by two and one-quarter (2.25) shares of capital stock in The Water Supply and Storage Company, evidenced by Stock Certificate No. 6698.

EXHIBIT 2
RESTRICTIVE COVENANTS (NO IRRIGATION AND REVEGETATION)

(Description of the Land)

PARCEL 1

The East 1/3 of the Northwest ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, being 52.631 acres more or less.¹ With regard to Parcel 1 of the Land, Declarant is subject to a Dry-Up Covenant granted by his predecessor-in-interest to the City of Thornton dated Aug. 1, 2008 and recorded at Reception No. 7372054 of the Weld County Clerk and Recorder's office; and

PARCEL 2

Lot B of Recorded Exemption No. 0551-22-4-RE 620, recorded June 15, 1983 in Book 999 at Reception No. 01930309, being a part of the Southeast ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, being 151.967 acres more or less; and

PARCEL 3

Lot B of Amended Recorded Exemption No. 0551-22-3-AMRE 1907, recorded February 26, 2001 at Reception No. 2827884, being a part of the East ½ of the Southwest ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado;

Also described as: The East Half of the Southwest Quarter of Section 22, Township 8 North, Range 65 West of the 6th Principal Meridian, County of Weld, State of Colorado, EXCEPT that parcel described as Lot A of Amended Recorded Exception No. 0551-22-3-AMRE 1907 recorded February 26, 2001 at Reception No. 2827884, being a part of the E ½ of the SW ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., and EXCEPT that parcel described as Subdivision Exemption No. 593, recorded July 10, 1996 in Book 1555 at Reception No. 2500336, County of Weld, State of Colorado. Said described parcel being 75.623 acres, more or less.

¹ Parcel 1 and 10 acres in Parcel 2 are subject to a dry up covenant dated August 1, 2008 granted to the City of Thornton by Hasbrouck Holdings, LLC and recorded in the Weld County Clerk and Recorder's Office at Reception No. 7372054 ("Thornton Dry-Up Covenant). At the time the City gives notice to the Declarant to cease irrigation, the Declarant shall cease irrigation on all land described herein, including, if applicable, those lands subject to the Thornton Dry-Up Covenant. However, the City shall not claim the lands subject to the Thornton Dry-Up Covenant in any future water court application to change the subject Water Rights.

EXHIBIT "I-1" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached 20 – Year Water Rights Leaseback for Shares Associated with the Owl Creek Farm)

IRRIGATION WATER LEASE AGREEMENT
(Owl Creek Farm WSSC Rights)

This IRRIGATION WATER LEASE AGREEMENT (“Agreement”) is entered into this ____ day of _____ 2021, by and between the CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water Enterprise, whose address is 1001 11th Avenue, Second Floor, Greeley, Colorado 80631 (“Greeley”), and LONGS PEAK DAIRY, LLC, a Colorado limited liability company whose address is 45490 County Road 39, Pierce, Colorado 80650 (“Lessee”).

RECITALS

WHEREAS, Greeley owns those certain water rights, including the transmountain return flows associated with such rights, represented by five and one-sixths (5-1/6) shares of capital stock in The Water Supply and Storage Company, previously evidenced by (i) Stock Certificate No. 6576 (for two (2) shares), (ii) Stock Certificate No. 6581 (for one-half (1/2) of a share), (iii) Stock Certificate No. 6603 (for five-twelfths (5/12) of a share), (vi) Stock Certificate No. 6614 (for two (2) shares), and (v) Stock Certificate No. 6617 (for one-fourth (1/4) of a share); five and one-sixth (5-1/6) shares of capital stock in The Lone Tree Lateral Company, previously evidenced by Stock Certificate No. 230 (for five and one-sixth (5-1/6) shares of the total represented six (6) shares); and five and one-sixth (5-1/6) shares of stock in The Collins Ditch Company, previously evidenced by Stock Certificate No. 844 (for five and one-sixth (5-1/6) shares of the total represented six (6) shares) (collectively “Water Rights”); and

WHEREAS, Lessee desires to lease the Water Rights from Greeley for agricultural irrigation on certain parcels of real property consisting of approximately ____ acres and more particularly described on Exhibit A, attached hereto and incorporated herein by reference (“Property”); and

WHEREAS, Lessee also desires to utilize the transmountain return flows associated with the Water Rights to augment out-of-priority depletions, as is allowed and more particularly described by the 2003CW089 decree entered by the District Court, Water Division No. 1, on January 14, 2009 (“LOMAC Decree”); and

WHEREAS, Greeley is willing to lease the Water Rights to Lessee for agricultural irrigation on the Property and augmentation of out-of-priority depletions in accordance with the LOMAC Decree;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Greeley and Lessee agree as follows.

AGREEMENT

1. Water Rights Lease. Greeley hereby leases to Lessee, and Lessee hereby leases from Greeley, the above-described Water Rights for the purpose of agricultural irrigation on the Property and augmentation of out-of-priority depletions in accordance with the LOMAC Decree.

2. Term of Lease. The term of this Agreement begins on the date of mutual execution and ends after a period of twenty (20) years (“Initial Term”). At the end of this Initial Term, this Agreement shall renew automatically on an annual basis for five (5) subsequent terms of one (1) year each (“Renewal Terms”), unless Greeley or Lessee transmits written notice of nonrenewal on or before November 1 of the preceding calendar year. Lessee may terminate this Agreement during the Initial Term, prior to any irrigation season, for any reason by delivering two years’ advance written notice to Greeley. Greeley may terminate this Agreement during the Initial Term, prior to any irrigation season, by delivering advance written notice to Lessee on or before November 1 of the preceding calendar year, if Greeley determines in its sole discretion that the Water Rights are needed for any municipal purpose, or if Greeley is required to cease irrigation with the Water Rights by the terms and conditions

of a water court decree. Refer to Section 12 for provisions relating to termination for cause, and to Section 14 regarding good faith negotiations to renew after this Agreement expires.

3. Annual Lease Amount and Administrative Fee. Lessee shall pay to Greeley an Annual Lease Amount equal to all assessments, charges, and other expenses due and attributable to the Water Rights paid by Greeley to The Water Supply and Storage Company. Lessee is entitled to use of the transmountain return flows associated with the Water Rights under this Agreement, but the Annual Lease Amount shall not be reduced to reflect rebates or other credits attributable to leasing the transmountain return flows associated with the Water Rights. Lessee shall also pay to Greeley an Annual Administrative Fee equal to ten percent of that year's Annual Lease Amount, provided, however, that the Annual Administrative Fee shall not exceed five-hundred dollars (\$500.00). Greeley will provide an invoice of the Annual Lease Amount and Annual Administrative Fee to Lessee, and Lessee shall deliver payment of that total amount to Greeley no later than (i) May 15 of the then current irrigation year, or (ii) within fifteen days of receipt of such invoice from Greeley. Lessee shall also remit to Greeley an additional charge equal to fifteen percent of the Annual Lease Amount for every thirty days that payment required under this Agreement is late.

4. Use of Water Rights. Lessee shall use the water delivered pursuant to the Water Rights only for agricultural irrigation on the Property and augmentation of out-of-priority depletions in accordance with the LOMAC Decree. Lessee shall not use the Water Rights for any other uses. Lessee shall not use the water delivered pursuant to the Water Rights on any land other than the Property. Lessee shall use the Water Rights in accordance with all rules, regulations, bylaws and policies of The Water Supply and Storage Company, Collins Ditch Company, and Lone Tree Lateral Company. Lessee shall comply with Title 14 (or any successor section) of the Greeley Municipal Code, and all rules, regulations, and laws of the State of Colorado pertaining to use of the Water Rights. Lessee shall take and use the water delivered pursuant to the Water Rights to the fullest extent possible, and shall undertake no action that could be construed as abandonment of the Water Rights or could cause in part or in whole a reduction in the use of the Water Rights. Lessee shall provide advance written notice to Greeley of at least thirty days if they no longer intend to irrigate the entirety of the Property with the Water Rights. Absent written consent from Greeley, Lessee shall not use any water, water rights, ditches, ditch rights, wells, well rights, well permits, carriage rights, reservoirs, or reservoir rights to irrigate the Property, other than water yielded pursuant to the Water Rights.

5. Affidavit of Beneficial Use and Water Court Proceedings. Lessee agrees to deliver to Greeley, on or before May 15 of each calendar year, a completed Beneficial Use Affidavit and Questionnaire, in the form attached hereto as Exhibit B. Lessee acknowledges that Greeley may file an application to change the use of the Water Rights with the Division 1 Water Court for the State Colorado during the term of this Agreement. Lessee agrees to cooperate with Greeley and its agents or representatives in the review and analysis of the historical use of the Water Rights. Upon request from Greeley, Lessee shall provide information regarding use of the Water Rights and reasonable access to the Property during and in preparation for any proceeding before the Division 1 Water Court.

6. Restriction on Sublease and Assignment. Lessee shall not rent, sublet, or otherwise convey the right to use the Water Rights. Lessee shall not assign this Agreement, except to a successive owner or operator of the Property for agricultural irrigation of the Property, and only with written consent from Greeley. Lessee shall request consent from Greeley prior to any purported assignment of this Agreement by advance written notice of at least thirty days. Such consent may be given or withheld in the sole discretion of Greeley.

7. No Vested Interest in Shares or Joint Venture. This Agreement is made expressly subject to Section 17-4 of the Charter of the City of Greeley. Greeley grants no interest in the Water Rights to the Lessee other than as explicitly set forth in this Agreement. Lessee shall make no claim to any rights, title, or interest in the Water Rights other than as explicitly set forth in this Agreement. This Agreement does not create a partnership or joint

venture of any kind between the parties, and the Lessee shall bear the entirety of any loss, cost, or expense incurred through their use of the Water Rights on the Property.

8. No Guarantee of Yield. Lessee is entitled to receive the amount of water yielded by the Water Rights, subject to the terms and conditions in this Agreement. Greeley makes no warranty, guarantee, or representation of any kind regarding the quality or physical yield of water to be delivered pursuant to the Water Rights. Lessee shall not hold Greeley liable for any failure in delivery of the water pursuant to the Water Rights, including, but not limited to, that caused by force of nature or failure of water supply infrastructure.

9. Maintenance of Infrastructure. Lessee shall maintain the lateral ditches, headgates, and other personal property necessary to deliver water pursuant to the Water Rights at Lessee's own cost and expense. Lessee shall make all repairs and restorations necessary to keep the lateral ditches, headgates, and other personal property in good working condition during the term of this Agreement.

10. Indemnification; Immunity. Lessee agrees to exercise Lessee's rights under this Agreement at Lessee's own risk. Lessee shall indemnify and hold harmless Greeley from and against any cost, expense, or liability arising out of or relating to Lessee's exercise of its rights or obligations under this Agreement, including, without limitation, the use of the Water Rights. Nothing in this Agreement is intended to constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq., as applicable now or hereafter amended.

11. Notice. All notices to be given under this Agreement shall be (1) sent by certified or registered mail, return receipt requested, or (2) hand-delivered at the addresses set forth above. Lessee shall provide written notice to Greeley if the appropriate contact information changes.

12. Default and Termination. If either Greeley or Lessee fails to comply with a term or condition herein, such failure constitutes a default of this Agreement. The non-defaulting party may declare the default by providing written notice to the defaulting party in accordance with Paragraph 11 above. Upon receipt of this notice of default, the defaulting party will have fifteen days within which to cure the default. If, in the sole discretion of the non-defaulting party, the default remains uncured after the aforementioned fifteen-day cure period, or after any written extension thereof mutually agreed upon by the parties, the non-defaulting party may declare the Agreement terminated by written notice in accordance with Paragraph 11 above.

(a) Notwithstanding the above, failure by the Lessee to comply with the terms and conditions of Paragraphs 3, 4 or Paragraph 6 of this Agreement constitutes a material breach. In the event that the Lessee commits a material breach, Greeley may immediately terminate this Agreement by written notice to Lessee.

(b) The failure of either party to declare a default or material breach does not establish a precedent or constitute an implied waiver of any subsequent breach of the terms and conditions in this Agreement.

13. Cessation of Irrigation. Upon expiration or termination of this Agreement, Lessee shall immediately cease agricultural irrigation of the Property with the Water Rights.

14. Good Faith Negotiation of Lease Renewal upon Expiration. Greeley acknowledges that it will be open to discussing new or renewal leases in good faith after the expiration of the Initial Term and all subsequent Renewal Terms, if the Water Rights are available for continued irrigation use at that time. Lessee understands and acknowledges that this representation is non-binding, but intended to represent the desire of Greeley and Lessee to negotiate a new or renewal lease in good faith after this Agreement expires. Nothing in this paragraph shall be interpreted to create an obligation on the part of Greeley or Lessee to renew this Agreement after its expiration or termination.

15. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies upon any parties other than Lessee and Greeley, or their respective permissible successors in interest.

16. Recovery of Costs and Fees. In addition to any remedies otherwise available, a party that is successful in a legal action commenced against the other due to a default or material breach of this Agreement may recover from the defaulting party reasonable costs and attorneys' fees incurred during the course of such legal action.

17. Governing Law and Venue. This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. Proper venue for any action arising out of this Agreement is the District Court for Weld County, Colorado, or the Division 1 Water Court for the State of Colorado.

18. Severability. In the event a provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any other provision herein, and the remainder of the Agreement should be interpreted in accordance with the intent of the parties.

19. Integration. This Agreement constitutes a complete integration of the understanding and agreement between Greeley and Lessee with respect to the subject matter herein, and supersedes all other lease agreements regarding the Water Rights. No representations, negotiations, or warranties, express or implied, exist between Greeley and Lessee except as explicitly set forth in this Agreement. This Agreement may only be modified in a written form duly authorized, approved, and executed by Greeley and Lessee.

20. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by electronic means. The parties agree to accept and be bound by signatures hereto delivered by electronic means.

21. Recording. Lessee shall not record this Agreement in the real property records of any jurisdiction. This Agreement is not intended to run with the land as a covenant burdening real property.

IN WITNESS WHEREOF, the undersigned parties have executed this Irrigation Water Lease Agreement on the date first set forth above.

LESSEE
LONGS PEAK DAIRY, LLC

By: _____

Date: _____

Name: _____

Title: _____

EXHIBIT A
IRRIGATION WATER LEASE AGREEMENT
(Description of the Property)

Owl Creek Farm

PARCEL 1:

(Weld County Parcel No. 055135400002) – Lot D of Recorded Exemption No. 0551-35-4 RE-4888, recorded June 22, 2009 at Reception No. 3631749, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

(Weld County Parcel No. 055135400031) – Lot D of Recorded Exemption No. 0551-35-3 RE-4887, recorded June 22, 2009 at Reception No. 3631748, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

(Weld County Parcel No. 055135100008) – Lot D of Recorded Exemption No. 0551-35-2 RE-4692, recorded December 6, 2007 at Reception No. 3522044, being part of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

(Weld County Parcel No. 055135200025) – Lot D of Recorded Exemption No. 0551-35-2 RECX 15-0003, recorded May 14, 2015 at Reception No. 4107116, being part of the N ½ of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado; containing 121.57 acres more or less.

PARCEL 2:

Lots A, B and C of Recorded Exemption No. 0551-35-2 RE-4693 recorded December 6, 2007 at Reception No. 3522045, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

Lot A of Recorded Exemption No. 0551-35-2 RE-4692 recorded December 6, 2007 at Reception No. 3522044, being a portion of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

Lot A of Amended Recorded Exemption No. 0551-35-4 AmRE-3698 recorded December 6, 2007 at Reception No. 3522043, being a portion of the South Half of Section 35, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado.

EXHIBIT B
IRRIGATION WATER LEASE AGREEMENT
(Beneficial Use Affidavit and Questionnaire)

ANNUAL AFFIDAVIT OF BENEFICIAL USE OF WATER RIGHTS

DESCRIPTION OF WATER RIGHTS:

Ditch or Reservoir Company: _____
Shares or Interest: _____

Name and address of owner and user of water rights:

Owner: City of Greeley
Water and Sewer Department
1001 11th Avenue, Second Floor
Greeley, Colorado 80631

User(s): _____

Year water rights were used as described: _____

DESCRIPTION OF IRRIGATED LAND:

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

_____.

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

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

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

Signed and dated this ____ day of _____, 20__.

[AFFIANT]

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 20__ by _____.

Witness my hand and official seal.

Notary Public

My commission expires: _____

QUESTIONNAIRE REGARDING USE OF WATER SHARES

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

1. Name: _____
Mailing Address: _____

Telephone: _____
Facsimile: _____
Email Address: _____

2. The information provided below pertains to ____ shares of the _____ Company, represented by Certificate No. _____ (hereinafter "Shares").

3. Did you use the Shares pursuant to a Lease Agreement? _____
Date of the Lease: _____
Name of Lessee (if different from Question 1): _____
Name of Lessor: _____

4. The information in this questionnaire relates to my use of the Shares during the [20__] irrigation season (hereinafter "Lease Year").

5. Do you still own the farm or parcel irrigated by these Shares? _____

6. Was your use of the Shares during the Lease Year consistent with all terms and conditions of the Lease Agreement and with the bylaws, rules, regulations, and policies of the ditch company? _____

7. What is the legal description of the farm or parcel on which these Shares were used?

8. What is the total size of the farm or parcel? _____ acres.

9. What is the size of the area(s) on the farm or parcel that was irrigated? _____ acres.

10. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares? _____ acres.

11. Please provide the following information regarding how the water from these Shares is delivered.

- Location and ID Number of the head gate at the main ditch: _____
_____.
- Name and general location of any lateral(s) delivering the water to the land historically irrigated: _____.
- Identification of any carrier or lateral ditch stock required to deliver these rights: _____.
- Approximate location of pumps, if used: _____
_____.
- Approximate location and size of storage ponds or reservoirs, including tail water ponds, if used: _____
_____.

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

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

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

_____.

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

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
_____.
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
_____.
- Any other water used: _____

16. Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____
_____.

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

1. Crop: _____ Percentage: _____ Location: _____
2. Crop: _____ Percentage: _____ Location: _____

3. Crop: _____ Percentage: _____ Location: _____
4. Crop: _____ Percentage: _____ Location: _____
5. Crop: _____ Percentage: _____ Location: _____
6. Crop: _____ Percentage: _____ Location: _____

18. Were the lands on which the Shares were used subirrigated? Yes _____ No _____

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

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

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

Signature: _____ Date: _____

EXHIBIT "I-2" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Leaseback for Shares Associated with the Varra Farm)

IRRIGATION WATER LEASE AGREEMENT
(Varra Farm WSSC Rights)

This IRRIGATION WATER LEASE AGREEMENT (“Agreement”) is entered into this ____ day of _____ 2021, by and between the CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water Enterprise, whose address is 1001 11th Avenue, Second Floor, Greeley, Colorado 80631 (“Greeley”), and LONGS PEAK DAIRY, LLC, a Colorado limited liability company whose address is 45490 County Road 39, Pierce, Colorado 80650 (“Lessee”).

RECITALS

WHEREAS, Greeley owns those certain water rights represented by two (2) shares of capital stock in The Water Supply and Storage Company (“WSSC”) (Stock Certificate No. 6721), two (2) shares of capital stock in the Collins Ditch Company (Stock Certificate No. 858), and two (2) shares of capital stock in the Lone Tree Lateral Company (Stock Certificate No. 252) (collectively “Water Rights”); and

WHEREAS, Lessee desires to lease the Water Rights from Greeley for agricultural irrigation on a parcel of real property consisting of approximately 156 acres and more particularly described as:

The NE ¼ of Section 28, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, EXCEPT that portion described in Deed recorded April 11, 1910 in Book 270 at Page 543 (“Property”); and

WHEREAS, Greeley is willing to lease the Water Rights to Lessee for agricultural irrigation on the Property;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Greeley and Lessee agree as follows.

AGREEMENT

1. Water Rights Lease. Greeley hereby leases to Lessee, and Lessee hereby leases from Greeley, the native component of the above-described Water Rights for the purpose of agricultural irrigation on the Property.

2. Term of Lease. The term of this Agreement begins on the date of mutual execution and ends after a period of ten (10) years (“Initial Term”). At the end of this Initial Term, this Agreement shall renew automatically on an annual basis for five (5) subsequent terms of one (1) year each (“Renewal Terms”), unless Greeley or Lessee transmits written notice of nonrenewal on or before November 1 of the preceding calendar year. Lessee may terminate this Agreement during the Initial Term, prior to any irrigation season, for any reason by delivering two years’ advance written notice to Greeley. Greeley may terminate this Agreement during the Initial Term, prior to any irrigation season, by delivering advance written notice to Lessee on or before November 1 of the preceding calendar year, if Greeley determines in its sole discretion that the Water Rights are needed for any municipal purpose, or if Greeley is required to cease irrigation with the Water Rights by the terms and conditions of a water court decree. Additionally, refer to Section 12 for provisions relating to termination for cause.

3. Annual Lease Amount and Administrative Fee. Lessee shall pay to Greeley an Annual Lease Amount equal to all assessments, charges, and other expenses due and attributable to the Water Rights paid by Greeley to The Water Supply and Storage Company. The Annual Lease Amount shall not be reduced to reflect rebates or other credits attributable to the transmountain return flows associated with the Water Rights. Lessee shall also pay to Greeley an Annual Administrative Fee equal to ten percent of that year’s Annual Lease Amount, provided, however, that the Annual Administrative Fee shall not exceed five-hundred dollars (\$500.00). Greeley will provide an invoice of the Annual Lease Amount and Annual Administrative Fee to Lessee, and Lessee shall

deliver payment of that total amount to Greeley no later than (i) May 15 of the then current irrigation year, or (ii) within fifteen days of receipt of such invoice from Greeley. Lessee shall also remit to Greeley an additional charge equal to fifteen percent of the Annual Lease Amount for every thirty days that payment required under this Agreement is late.

4. Use of Water Rights. Lessee shall use the water delivered pursuant to the Water Rights only for agricultural irrigation on the Property. Lessee shall not use the Water Rights for any other uses. Lessee shall not use the water delivered pursuant to the Water Rights on any land other than the Property. Lessee shall use the Water Rights in accordance with all rules, regulations, bylaws and policies of The Water Supply and Storage Company, Collins Ditch Company, and Lone Tree Lateral Company. Lessee shall comply with Title 14 (or any successor section) of the Greeley Municipal Code, and all rules, regulations, and laws of the State of Colorado pertaining to use of the Water Rights. Lessee shall take and use the water delivered pursuant to the Water Rights to the fullest extent possible, and shall undertake no action that could be construed as abandonment of the Water Rights or could cause in part or in whole a reduction in the use of the Water Rights. Lessee shall provide advance written notice to Greeley of at least thirty days if they no longer intend to irrigate the entirety of the Property with the Water Rights. Absent written consent from Greeley, Lessee shall not use any water, water rights, ditches, ditch rights, wells, well rights, well permits, carriage rights, reservoirs, or reservoir rights to irrigate the Property, other than water yielded pursuant to the Water Rights.

5. Affidavit of Beneficial Use and Water Court Proceedings. Lessee agrees to deliver to Greeley, on or before May 15 of each calendar year, a completed Beneficial Use Affidavit and Questionnaire, in the form attached hereto as Exhibit A. Lessee acknowledges that Greeley may file an application to change the use of the Water Rights with the Division 1 Water Court for the State Colorado during the term of this Agreement. Lessee agrees to cooperate with Greeley and its agents or representatives in the review and analysis of the historical use of the Water Rights. Upon request from Greeley, Lessee shall provide information regarding use of the Water Rights and reasonable access to the Property during and in preparation for any proceeding before the Division 1 Water Court.

6. Restriction on Sublease and Assignment. Lessee shall not rent, sublet, or otherwise convey the right to use the Water Rights. Lessee shall not assign this Agreement, except to a successive owner or operator of the Property for agricultural irrigation of the Property, and only with written consent from Greeley. Lessee shall request consent from Greeley prior to any purported assignment of this Agreement by advance written notice of at least thirty days. Such consent may be given or withheld in the sole discretion of Greeley.

7. No Vested Interest in Shares or Joint Venture. This Agreement is made expressly subject to Section 17-4 of the Charter of the City of Greeley. Greeley grants no interest in the Water Rights to the Lessee other than as explicitly set forth in this Agreement. Lessee shall make no claim to any rights, title, or interest in the Water Rights other than as explicitly set forth in this Agreement. This Agreement does not create a partnership or joint venture of any kind between the parties, and the Lessee shall bear the entirety of any loss, cost, or expense incurred through their use of the Water Rights on the Property.

8. No Guarantee of Yield. Lessee is entitled to receive the amount of water yielded by the Water Rights, subject to the terms and conditions in this Agreement. Greeley makes no warranty, guarantee, or representation of any kind regarding the quality or physical yield of water to be delivered pursuant to the Water Rights. Lessee shall not hold Greeley liable for any failure in delivery of the water pursuant to the Water Rights, including, but not limited to, that caused by force of nature or failure of water supply infrastructure.

9. Maintenance of Infrastructure. Lessee shall maintain the lateral ditches, headgates, and other personal property necessary to deliver water pursuant to the Water Rights at Lessee's own cost and expense. Lessee shall make all repairs and restorations necessary to keep the lateral ditches, headgates, and other personal property in good working condition during the term of this Agreement.

10. Indemnification; Immunity. Lessee agrees to exercise Lessee's rights under this Agreement at Lessee's own risk. Lessee shall indemnify and hold harmless Greeley from and against any cost, expense, or liability arising out of or relating to Lessee's exercise of its rights under this Agreement, including, without limitation, the use of the Water Rights. Nothing in this Agreement is intended to constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq., as applicable now or hereafter amended.

11. Notice. All notices to be given under this Agreement shall be (1) sent by certified or registered mail, return receipt requested, or (2) hand-delivered at the addresses set forth above. Lessee shall provide written notice to Greeley if the appropriate contact information changes.

12. Default and Termination. If either Greeley or Lessee fails to comply with a term or condition herein, such failure constitutes a default of this Agreement. The non-defaulting party may declare the default by providing written notice to the defaulting party in accordance with Paragraph 11 above. Upon receipt of this notice of default, the defaulting party will have fifteen days within which to cure the default. If, in the sole discretion of the non-defaulting party, the default remains uncured after the aforementioned fifteen-day cure period, or after any written extension thereof mutually agreed upon by the parties, the non-defaulting party may declare the Agreement terminated by written notice in accordance with Paragraph 11 above.

(a) Notwithstanding the above, failure by the Lessee to comply with the terms and conditions of Paragraphs 3, 4 or Paragraph 6 of this Agreement constitutes a material breach. In the event that the Lessee commits a material breach, Greeley may immediately terminate this Agreement by written notice to Lessee.

(b) The failure of either party to declare a default or material breach does not establish a precedent or constitute an implied waiver of any subsequent breach of the terms and conditions in this Agreement.

13. Cessation of Irrigation. Upon expiration or termination of this Agreement, Lessee shall immediately cease agricultural irrigation of the Property with the Water Rights.

14. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies upon any parties other than Lessee and Greeley, or their respective permissible successors in interest.

15. Recovery of Costs and Fees. In addition to any remedies otherwise available, a party that is successful in a legal action commenced against the other due to a default or material breach of this Agreement may recover from the defaulting party reasonable costs and attorneys' fees incurred during the course of such legal action.

16. Governing Law and Venue. This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. Proper venue for any action arising out of this Agreement is the District Court for Weld County, Colorado, or the Division 1 Water Court for the State of Colorado.

17. Severability. In the event a provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any other provision herein, and the remainder of the Agreement should be interpreted in accordance with the intent of the parties.

18. Integration. This Agreement constitutes a complete integration of the understanding and agreement between Greeley and Lessee with respect to the subject matter herein, and supersedes all other lease agreements regarding the Water Rights. No representations, negotiations, or warranties, express or implied, exist between

Greeley and Lessee except as explicitly set forth in this Agreement. This Agreement may only be modified in a written form duly authorized, approved, and executed by Greeley and Lessee.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by electronic means. The parties agree to accept and be bound by signatures hereto delivered by electronic means.

20. Recording. Lessee shall not record this Agreement in the real property records of any jurisdiction. This Agreement is not intended to run with the land as a covenant burdening real property.

IN WITNESS WHEREOF, the undersigned parties have executed this Irrigation Water Lease Agreement on the date first set forth above.

LESSEE
LONGS PEAK DAIRY, LLC

By: _____
Name: _____
Title: _____

Date: _____

CITY OF GREELEY,
a Colorado home rule municipal corporation
acting by and through its Water Enterprise

By: _____
Mayor

Date: _____

ATTEST

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 2021
by _____, as _____ of the Lessee, Longs Peak Dairy, LLC.

Witness my hand and official seal.

Notary Public
My commission expires: _____

EXHIBIT A
IRRIGATION WATER LEASE AGREEMENT
(Beneficial Use Affidavit and Questionnaire)

ANNUAL AFFIDAVIT OF BENEFICIAL USE OF WATER RIGHTS

DESCRIPTION OF WATER RIGHTS:

Ditch or Reservoir Company: _____
Shares or Interest: _____

Name and address of owner and user of water rights:

Owner: City of Greeley
Water and Sewer Department
1001 11th Avenue, Second Floor
Greeley, Colorado 80631

User(s): _____

Year water rights were used as described: _____

DESCRIPTION OF IRRIGATED LAND:

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

_____.

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

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

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

Signed and dated this ____ day of _____, 20__.

[AFFIANT]

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 20__ by
_____.

Witness my hand and official seal.

Notary Public

My commission expires: _____

QUESTIONNAIRE REGARDING USE OF WATER SHARES

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

1. Name: _____
Mailing Address: _____

Telephone: _____
Facsimile: _____
Email Address: _____

2. The information provided below pertains to _____ shares of the _____ Company, represented by Certificate No. _____ (hereinafter "Shares").

3. Did you use the Shares pursuant to a Lease Agreement? _____
Date of the Lease: _____
Name of Lessee (if different from Question 1): _____
Name of Lessor: _____

4. The information in this questionnaire relates to my use of the Shares during the [20__] irrigation season (hereinafter "Lease Year").

5. Do you still own the farm or parcel irrigated by these Shares? _____

6. Was your use of the Shares during the Lease Year consistent with all terms and conditions of the Lease Agreement and with the bylaws, rules, regulations, and policies of the ditch company? _____

7. What is the legal description of the farm or parcel on which these Shares were used?

8. What is the total size of the farm or parcel? _____ acres.

9. What is the size of the area(s) on the farm or parcel that was irrigated? _____ acres.

10. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares? _____ acres.

11. Please provide the following information regarding how the water from these Shares is delivered.

- Location and ID Number of the head gate at the main ditch: _____
_____.
- Name and general location of any lateral(s) delivering the water to the land historically irrigated: _____.
- Identification of any carrier or lateral ditch stock required to deliver these rights: _____.
- Approximate location of pumps, if used: _____
_____.

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

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

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

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

_____.

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

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
_____.
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
_____.
- Any other water used: _____

16. Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____
_____.

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

1. Crop: _____ Percentage: _____ Location: _____
2. Crop: _____ Percentage: _____ Location: _____
3. Crop: _____ Percentage: _____ Location: _____
4. Crop: _____ Percentage: _____ Location: _____
5. Crop: _____ Percentage: _____ Location: _____
6. Crop: _____ Percentage: _____ Location: _____

18. Were the lands on which the Shares were used subirrigated? Yes ____ No ____

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

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

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

Signature: _____ Date: _____

EXHIBIT "I-3" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Leaseback for Shares Associated with the Hasbrouck Farm)

IRRIGATION WATER LEASE AGREEMENT
(Hasbrouck Farm WSSC Rights)

This IRRIGATION WATER LEASE AGREEMENT (“Agreement”) is entered into this ____ day of _____ 2021, by and between the CITY OF GREELEY, a Colorado home rule municipal corporation acting by and through its Water Enterprise, whose address is 1001 11th Avenue, Second Floor, Greeley, Colorado 80631 (“Greeley”), and LONGS PEAK DAIRY, LLC, a Colorado limited liability company whose address is 45490 County Road 39, Pierce, Colorado 80650 (“Lessee”).

RECITALS

WHEREAS, Greeley owns those certain water rights represented by two and one-quarter (2.25) shares of capital stock in The Water Supply and Storage Company (“WSSC”) (Stock Certificate No. 6698), two (2) shares of capital stock in the Collins Ditch Company (Stock Certificate No. 855), and two (2) shares of capital stock in the Lone Tree Lateral Company (Stock Certificate No. 251) (collectively “Water Rights”); and

WHEREAS, Lessee desires to lease the Water Rights from Greeley for agricultural irrigation on a parcel of real property consisting of approximately 270 acres and more particularly described on Exhibit A, attached hereto and incorporated herein by reference (“Property”); and

WHEREAS, Greeley is willing to lease the Water Rights to Lessee for agricultural irrigation on the Property;

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Greeley and Lessee agree as follows.

AGREEMENT

1. Water Rights Lease. Greeley hereby leases to Lessee, and Lessee hereby leases from Greeley, the native component of the above-described Water Rights for the purpose of agricultural irrigation on the Property.

2. Term of Lease. The term of this Agreement begins on the date of mutual execution and ends after a period of ten (10) years (“Initial Term”). At the end of this Initial Term, this Agreement shall renew automatically on an annual basis for five (5) subsequent terms of one (1) year each (“Renewal Terms”), unless Greeley or Lessee transmits written notice of nonrenewal on or before November 1 of the preceding calendar year. Lessee may terminate this Agreement during the Initial Term, prior to any irrigation season, for any reason by delivering two years’ advance written notice to Greeley. Greeley may terminate this Agreement during the Initial Term, prior to any irrigation season, by delivering advance written notice to Lessee on or before November 1 of the preceding calendar year, if Greeley determines in its sole discretion that the Water Rights are needed for any municipal purpose, or if Greeley is required to cease irrigation with the Water Rights by the terms and conditions of a water court decree. Additionally, refer to Section 12 for provisions relating to termination for cause.

3. Annual Lease Amount and Administrative Fee. Lessee shall pay to Greeley an Annual Lease Amount equal to all assessments, charges, and other expenses due and attributable to the Water Rights paid by Greeley to The Water Supply and Storage Company. The Annual Lease Amount shall not be reduced to reflect rebates or other credits attributable to the transmountain return flows associated with the Water Rights. Lessee shall also pay to Greeley an Annual Administrative Fee equal to ten percent of that year’s Annual Lease Amount, provided, however, that the Annual Administrative Fee shall not exceed five-hundred dollars (\$500.00). Greeley will provide an invoice of the Annual Lease Amount and Annual Administrative Fee to Lessee, and Lessee shall deliver payment of that total amount to Greeley no later than (i) May 15 of the then current irrigation year, or (ii) within fifteen days of receipt of such invoice from Greeley. Lessee shall also remit to Greeley an additional charge

equal to fifteen percent of the Annual Lease Amount for every thirty days that payment required under this Agreement is late.

4. Use of Water Rights. Lessee shall use the water delivered pursuant to the Water Rights only for agricultural irrigation. Lessee shall not use the Water Rights for any other uses. Lessee shall not use the water delivered pursuant to the Water Rights on any land other than the Property without prior written consent from Greeley. Lessee shall request such consent from Greeley prior to using the Water Rights on any other property by advance written notice of at least thirty days. Such consent may be given or withheld in the sole discretion of Greeley. Lessee shall use the Water Rights in accordance with all rules, regulations, bylaws and policies of The Water Supply and Storage Company, Collins Ditch Company, and Lone Tree Lateral Company. Lessee shall comply with Title 14 (or any successor section) of the Greeley Municipal Code, and all rules, regulations, and laws of the State of Colorado pertaining to use of the Water Rights. Lessee shall take and use the water delivered pursuant to the Water Rights to the fullest extent possible, and shall undertake no action that could be construed as abandonment of the Water Rights or could cause in part or in whole a reduction in the use of the Water Rights. Lessee shall provide advance written notice to Greeley of at least thirty days if they no longer intend to irrigate the entirety of the Property with the Water Rights. Absent written consent from Greeley, Lessee shall not use any water, water rights, ditches, ditch rights, wells, well rights, well permits, carriage rights, reservoirs, or reservoir rights to irrigate the Property, other than water yielded pursuant to the Water Rights.

5. Affidavit of Beneficial Use and Water Court Proceedings. Lessee agrees to deliver to Greeley, on or before May 15 of each calendar year, a completed Beneficial Use Affidavit and Questionnaire, in the form attached hereto as Exhibit B. Lessee acknowledges that Greeley may file an application to change the use of the Water Rights with the Division 1 Water Court for the State Colorado during the term of this Agreement. Lessee agrees to cooperate with Greeley and its agents or representatives in the review and analysis of the historical use of the Water Rights. Upon request from Greeley, Lessee shall provide information regarding use of the Water Rights and reasonable access to the Property during and in preparation for any proceeding before the Division 1 Water Court.

6. Restriction on Sublease and Assignment. Lessee shall not rent, sublet, or otherwise convey the right to use the Water Rights. Lessee shall not assign this Agreement, except to a successive owner or operator of the Property for agricultural irrigation of the Property, and only with written consent from Greeley. Lessee shall request consent from Greeley prior to any purported assignment of this Agreement by advance written notice of at least thirty days. Such consent may be given or withheld in the sole discretion of Greeley.

7. No Vested Interest in Shares or Joint Venture. This Agreement is made expressly subject to Section 17-4 of the Charter of the City of Greeley. Greeley grants no interest in the Water Rights to the Lessee other than as explicitly set forth in this Agreement. Lessee shall make no claim to any rights, title, or interest in the Water Rights other than as explicitly set forth in this Agreement. This Agreement does not create a partnership or joint venture of any kind between the parties, and the Lessee shall bear the entirety of any loss, cost, or expense incurred through their use of the Water Rights on the Property.

8. No Guarantee of Yield. Lessee is entitled to receive the amount of water yielded by the Water Rights, subject to the terms and conditions in this Agreement. Greeley makes no warranty, guarantee, or representation of any kind regarding the quality or physical yield of water to be delivered pursuant to the Water Rights. Lessee shall not hold Greeley liable for any failure in delivery of the water pursuant to the Water Rights, including, but not limited to, that caused by force of nature or failure of water supply infrastructure.

9. Maintenance of Infrastructure. Lessee shall maintain the lateral ditches, headgates, and other personal property necessary to deliver water pursuant to the Water Rights at Lessee's own cost and expense. Lessee shall make all repairs and restorations necessary to keep the lateral ditches, headgates, and other personal property in good working condition during the term of this Agreement.

10. Indemnification; Immunity. Lessee agrees to exercise Lessee's rights under this Agreement at Lessee's own risk. Lessee shall indemnify and hold harmless Greeley from and against any cost, expense, or liability arising out of or relating to Lessee's exercise of its rights under this Agreement, including, without limitation, the use of the Water Rights. Nothing in this Agreement is intended to constitute a waiver, express or implied, of any of the immunities, rights, benefits, protections or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 et seq., as applicable now or hereafter amended.

11. Notice. All notices to be given under this Agreement shall be (1) sent by certified or registered mail, return receipt requested, or (2) hand-delivered at the addresses set forth above. Lessee shall provide written notice to Greeley if the appropriate contact information changes.

12. Default and Termination. If either Greeley or Lessee fails to comply with a term or condition herein, such failure constitutes a default of this Agreement. The non-defaulting party may declare the default by providing written notice to the defaulting party in accordance with Paragraph 11 above. Upon receipt of this notice of default, the defaulting party will have fifteen days within which to cure the default. If, in the sole discretion of the non-defaulting party, the default remains uncured after the aforementioned fifteen-day cure period, or after any written extension thereof mutually agreed upon by the parties, the non-defaulting party may declare the Agreement terminated by written notice in accordance with Paragraph 11 above.

(a) Notwithstanding the above, failure by the Lessee to comply with the terms and conditions of Paragraphs 3, 4 or Paragraph 6 of this Agreement constitutes a material breach. In the event that the Lessee commits a material breach, Greeley may immediately terminate this Agreement by written notice to Lessee.

(b) The failure of either party to declare a default or material breach does not establish a precedent or constitute an implied waiver of any subsequent breach of the terms and conditions in this Agreement.

13. Cessation of Irrigation. Upon expiration or termination of this Agreement, Lessee shall immediately cease agricultural irrigation of the Property with the Water Rights.

14. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies upon any parties other than Lessee and Greeley, or their respective permissible successors in interest.

15. Recovery of Costs and Fees. In addition to any remedies otherwise available, a party that is successful in a legal action commenced against the other due to a default or material breach of this Agreement may recover from the defaulting party reasonable costs and attorneys' fees incurred during the course of such legal action.

16. Governing Law and Venue. This Agreement shall be governed by and enforced in accordance with the laws of the State of Colorado. Proper venue for any action arising out of this Agreement is the District Court for Weld County, Colorado, or the Division 1 Water Court for the State of Colorado.

17. Severability. In the event a provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, such holding will not invalidate any other provision herein, and the remainder of the Agreement should be interpreted in accordance with the intent of the parties.

18. Integration. This Agreement constitutes a complete integration of the understanding and agreement between Greeley and Lessee with respect to the subject matter herein, and supersedes all other lease agreements regarding the Water Rights. No representations, negotiations, or warranties, express or implied, exist between

Greeley and Lessee except as explicitly set forth in this Agreement. This Agreement may only be modified in a written form duly authorized, approved, and executed by Greeley and Lessee.

19. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Executed copies of this Agreement may be delivered by electronic means. The parties agree to accept and be bound by signatures hereto delivered by electronic means.

20. Recording. Lessee shall not record this Agreement in the real property records of any jurisdiction. This Agreement is not intended to run with the land as a covenant burdening real property.

IN WITNESS WHEREOF, the undersigned parties have executed this Irrigation Water Lease Agreement on the date first set forth above.

LESSEE
LONGS PEAK DAIRY, LLC

By: _____
Name: _____
Title: _____

Date: _____

CITY OF GREELEY,
a Colorado home rule municipal corporation
acting by and through its Water Enterprise

By: _____
Mayor

Date: _____

ATTEST

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____ 2021
by _____, as _____ of the Lessee, Longs Peak Dairy, LLC.

Witness my hand and official seal.

Notary Public
My commission expires: _____

EXHIBIT A
IRRIGATION WATER LEASE AGREEMENT
(Description of the Property)

PARCEL 1

The East 1/3 of the Northwest ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, being 52.631 acres more or less; and

PARCEL 2

Lot B of Recorded Exemption No. 0551-22-4-RE 620, recorded June 15, 1983 in Book 999 at Reception No. 01930309, being a part of the Southeast ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, being 151.967 acres more or less; and

PARCEL 3

Lot B of Amended Recorded Exemption No. 0551-22-3-AMRE 1907, recorded February 26, 2001 at Reception No. 2827884, being a part of the East ½ of the Southwest ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado;

Also described as: The East Half of the Southwest Quarter of Section 22, Township 8 North, Range 65 West of the 6th Principal Meridian, County of Weld, State of Colorado, EXCEPT that parcel described as Lot A of Amended Recorded Exception No. 0551-22-3-AMRE 1907 recorded February 26, 2001 at Reception No. 2827884, being a part of the E ½ of the SW ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., and EXCEPT that parcel described as Subdivision Exemption No.593, recorded July 10, 1996 in Book 1555 at Reception No. 2500336, County of Weld, State of Colorado. Said described parcel being 75.623 acres, more or less.

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

Witness my hand and official seal.

Notary Public

My commission expires: _____

QUESTIONNAIRE REGARDING USE OF WATER SHARES

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

1. Name: _____
Mailing Address: _____

Telephone: _____
Facsimile: _____
Email Address: _____

2. The information provided below pertains to ____ shares of the
_____ Company, represented by Certificate No. _____ (hereinafter "Shares").

3. Did you use the Shares pursuant to a Lease Agreement? _____
Date of the Lease: _____
Name of Lessee (if different from Question 1): _____
Name of Lessor: _____

4. The information in this questionnaire relates to my use of the Shares during the [20__] irrigation season (hereinafter "Lease Year").

5. Do you still own the farm or parcel irrigated by these Shares? _____

6. Was your use of the Shares during the Lease Year consistent with all terms and conditions of the Lease Agreement and with the bylaws, rules, regulations, and policies of the ditch company? _____

7. What is the legal description of the farm or parcel on which these Shares were used?

8. What is the total size of the farm or parcel? _____ acres.

9. What is the size of the area(s) on the farm or parcel that was irrigated? _____ acres.

10. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares?
_____ acres.

11. Please provide the following information regarding how the water from these Shares is delivered.

- Location and ID Number of the head gate at the main ditch: _____
_____.
- Name and general location of any lateral(s) delivering the water to the land historically irrigated:
_____.
- Identification of any carrier or lateral ditch stock required to deliver these rights:
_____.
- Approximate location of pumps, if used: _____
_____.
- Approximate location and size of storage ponds or reservoirs, including tail water ponds, if used:
_____.

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

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

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

_____.

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

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
_____.
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
_____.
- Any other water used: _____

16. Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____
_____.

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

1. Crop: _____ Percentage: _____ Location: _____
2. Crop: _____ Percentage: _____ Location: _____

3. Crop: _____ Percentage: _____ Location: _____
4. Crop: _____ Percentage: _____ Location: _____
5. Crop: _____ Percentage: _____ Location: _____
6. Crop: _____ Percentage: _____ Location: _____

18. Were the lands on which the Shares were used subirrigated? Yes _____ No _____

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

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

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

Signature: _____ Date: _____

EXHIBIT "J-1" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Historical Use Affidavit and Questionnaire – Owl Creek Farm)

AFFIDAVIT OF HISTORICAL USE OF WATER RIGHTS

DESCRIPTION OF WATER RIGHTS:

Ditch or Reservoir Company: The Water Supply and Storage Company
Shares or Interest: (i) Stock Certificate Nos. 6576 (for two (2) shares), (ii) Stock Certificate No. 6581 (for one-half (1/2) of a share), (iii) Stock Certificate Nos 6603 (for five-twelfths (5/12) of a share), (vi) Stock Certificate No. 6614 (for two (2) shares), and (v) Stock Certificate No. 6617 (for one-fourth (1/4) of a share)

Name and address of owner and user of water rights:

Owner(s): _____

User(s): _____

Year water rights were used as described: _____

DESCRIPTION OF HISTORICALLY IRRIGATED LAND:

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

_____.

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

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

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

Signed and dated this _____ day of _____, 20__.

[SELLER]

By: _____

QUESTIONNAIRE REGARDING USE OF WATER SHARES

The person completing this questionnaire must have personal knowledge of the information provided

1. Name: _____
Mailing Address: _____

Telephone: _____
Facsimile: _____
Email Address: _____

2. The information provided below pertains to ____ shares of the _____ Company, represented by Certificate No. _____ (hereinafter "Shares").

- Did you use the Shares pursuant to a Lease Agreement? _____
- Date of the Lease: _____
- Name of Lessee (if different from above): _____
- Name of Lessor: _____

3. The information in this questionnaire relates to my use of the Shares from _____ to _____ ("Ownership Period").

4. Do you still own the farm or parcel irrigated by these Shares? _____

5. Was your use of the Shares during the Ownership Period consistent with the bylaws, rules, regulations, and policies of the ditch company? _____

6. What is the legal description of the farm or parcel on which these Shares were used?

7. What is the total size of the farm or parcel? _____ acres.

8. What is the size of the area(s) on the farm or parcel that was irrigated? _____ acres.

9. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares? _____ acres.

10. Please provide the following information regarding how the water from these Shares is delivered:

- Location and ID Number of the head gate at the main ditch: _____
_____.
- Name and general location of any lateral(s) delivering the water to the land historically irrigated: _____.
- Identification of any carrier or lateral ditch stock required to deliver these rights: _____.
- Approximate location of pumps, if used: _____
_____.

- Approximate location and size of storage ponds or reservoirs, including tail water ponds, if used:
_____.
- How was water applied during the Ownership Period? Sprinkler ____ Furrow ____ Flood

- Other/Combination (Describe): _____.

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

_____.

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

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
- Any other water used: _____

13. Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____

_____.

14. During the Period of Ownership, what crops were grown on the land irrigated by the Shares?

- | | | |
|----------------|-------------------|-----------------|
| 1. Crop: _____ | Percentage: _____ | Location: _____ |
| 2. Crop: _____ | Percentage: _____ | Location: _____ |
| 3. Crop: _____ | Percentage: _____ | Location: _____ |
| 4. Crop: _____ | Percentage: _____ | Location: _____ |
| 5. Crop: _____ | Percentage: _____ | Location: _____ |
| 6. Crop: _____ | Percentage: _____ | Location: _____ |

15. Were the lands on which the Shares were used subirrigated? Yes ____ No ____

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

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

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

Signature: _____ Date: _____

EXHIBIT "J-2" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Historical Use Affidavit and Questionnaire – ROFR Rights)

AFFIDAVIT OF HISTORICAL USE OF WATER RIGHTS

DESCRIPTION OF WATER RIGHTS:

Ditch or Reservoir Company: _____
Shares or Interest: _____

Name and address of owner and user of water rights:

Owner(s): _____

User(s): _____

Year water rights were used as described: _____

DESCRIPTION OF HISTORICALLY IRRIGATED LAND:

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

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

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

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

Signed and dated this _____ day of _____, 20__.

[SELLER]

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing Affidavit of Historical Use of Water Rights was acknowledged before me this _____ day of _____, 20__ by _____.

Witness my hand and official seal.

Notary Public

My commission expires: _____

QUESTIONNAIRE REGARDING USE OF WATER SHARES

The person completing this questionnaire must have personal knowledge of the information provided

17. Name: _____
Mailing Address: _____

Telephone: _____
Facsimile: _____
Email Address: _____

18. The information provided below pertains to ____ shares of the _____ Company, represented by Certificate No. _____ (hereinafter "Shares").

- Did you use the Shares pursuant to a Lease Agreement? _____
- Date of the Lease: _____
- Name of Lessee (if different from above): _____
- Name of Lessor: _____

19. The information in this questionnaire relates to my use of the Shares from _____ to _____ ("Ownership Period").

20. Do you still own the farm or parcel irrigated by these Shares? _____

21. Was your use of the Shares during the Ownership Period consistent with the bylaws, rules, regulations, and policies of the ditch company? _____

22. What is the legal description of the farm or parcel on which these Shares were used?

23. What is the total size of the farm or parcel? _____ acres.

24. What is the size of the area(s) on the farm or parcel that was irrigated? _____ acres.

25. What is the size of the area(s) on the farm or parcel that was irrigated using water from the Shares? _____ acres.

26. Please provide the following information regarding how the water from these Shares is delivered:

- Location and ID Number of the head gate at the main ditch: _____
_____.
- Name and general location of any lateral(s) delivering the water to the land historically irrigated: _____.
- Identification of any carrier or lateral ditch stock required to deliver these rights: _____.
- Approximate location of pumps, if used: _____
_____.

- Approximate location and size of storage ponds or reservoirs, including tail water ponds, if used: _____.
- How was water applied during the Ownership Period? Sprinkler ____ Furrow ____ Flood ____
- Other/Combination (Describe): _____.

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

_____.

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

- Number of shares: _____
- Ditch Company: _____
- Number of any Irrigation Wells: _____
- Identification and Permit No. of any Irrigation Wells: _____
- Capacity of Irrigation Wells: _____
- Approximate location of Irrigation Wells: _____
- Any other water used: _____

29. Describe how the water has been used, including the estimated percentage of the total irrigation supply provided by such water: _____

_____.

30. During the Period of Ownership, what crops were grown on the land irrigated by the Shares?

- | | | |
|----------------|-------------------|-----------------|
| 1. Crop: _____ | Percentage: _____ | Location: _____ |
| 2. Crop: _____ | Percentage: _____ | Location: _____ |
| 3. Crop: _____ | Percentage: _____ | Location: _____ |
| 4. Crop: _____ | Percentage: _____ | Location: _____ |
| 5. Crop: _____ | Percentage: _____ | Location: _____ |
| 6. Crop: _____ | Percentage: _____ | Location: _____ |

31. Were the lands on which the Shares were used subirrigated? Yes ____ No ____

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

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

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

Signature: _____ Date: _____

EXHIBIT “K” TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Special Warranty Deed – Water Rights)

DRAFT - DO NOT EXECUTE

Exempt from State Documentary Fee

C.R.S. § 39-13-104(a)

Consideration - \$_____

SPECIAL WARRANTY DEED **(Water Rights)**

This SPECIAL WARRANTY DEED is made this ____ day of _____ 2021, by and between LONGS PEAK DAIRY, LLC, a Colorado limited liability company whose address is 45490 County Road 39, Pierce, Colorado 80650 (“Grantor”), and THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, whose address for purposes of this deed is 1001 11th Avenue, 2nd Floor, Greeley, Colorado, 80631 (“Grantee”).

WITNESSETH, that Grantor, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee and Grantee’s heirs and assigns forever all of the water rights described in (a) and (b) below (collectively “Water Rights”):

- (a) The water rights represented by five and one-sixths (5-1/6) shares of capital stock in The Water Supply and Storage Company, evidenced by Stock Certificate No. 6576 (for two (2) shares), (Stock Certificate No. 6581 (for one-half (1/2) of a share), Stock Certificate No. 6603 (for five-twelfths (5/12) of a share), Stock Certificate No. 6614 (for two (2) shares), and Stock Certificate No. 6617 (for one-fourth (1/4) of a share); five and one-sixth (5-1/6) shares of stock in The Collins Ditch Company, evidenced by Stock Certificate No. 844 (for five and one-sixth (5-1/6) shares of the total represented six (6) shares); and five and one-sixth (5-1/6) shares of stock in The Lone Tree Lateral Company, evidenced by Stock Certificate No. 230 (for five and one-sixth (5-1/6) shares of the total represented six (6) shares) (collectively “Shares”), and the water derived therefrom; and
- (b) All beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said Shares, and in addition, and in no way limited by the foregoing, any and all other right, title or interest in The Water Supply and Storage Company, The Collins Lateral Company, and The Lone Tree Lateral Company, represented by said Shares.

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above bargained Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above bargained and described with the appurtenances, unto the Grantee and the Grantee's heirs and assigns forever. And the Grantor, for the Grantor and its successors and assigns, does covenant and agree that Grantor shall WARRANT AND FOREVER DEFEND the above-bargained Water Rights in the quiet and peaceable possession of the

Grantee, and the Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor.

IN WITNESS WHEREOF, the Grantor has executed this deed on this ____ day of _____ 2021.

GRANTOR
Longs Peak Dairy, LLC, a Colorado limited liability company

By: _____

Name: _____

Title: _____

ACKNOWLEDGMENT

STATE OF COLORADO)

) ss.

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____ 2021 by _____, as an authorized representative of Longs Peak Dairy, LLC.

Witness my hand and official seal.

Notary Public
My commission expires: _____

When recorded return to:

City of Greeley Water and Sewer Department
Attn: Water Resources Division
1001 11th Avenue, 2nd Floor
Greeley, Colorado 80631

EXHIBIT "L-1" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Special Warranty Deed – Varra Farm)

DRAFT - DO NOT EXECUTE

Exempt from State Documentary Fee
C.R.S. § 39-13-104(a)
Consideration - \$ _____

**SPECIAL WARRANTY DEED
(C.R.S. 38-30-113(1)(b))**

THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, whose street address is 1000 10th Street, Greeley, Colorado 80631 (“Grantor”), for the consideration of ***Ten and 00/100*** dollars (\$10.00) in hand paid, hereby sells and conveys to LONGS PEAK DAIRY, LLC, a Colorado limited liability company, whose address is 45490 County Road 39, Pierce, Colorado 80650, the following real property in the County of Weld and State of Colorado, to wit:

The NE ¼ of Section 28, Township 28 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, EXCEPT that portion described in Deed Recorded April 11, 1910 in Book 270 at Page 543 (“Property”);

TOGETHER with the appurtenances and warrants title to the same against all persons claiming under the Grantor, but subject to the Statutory Exceptions attached hereto as Exhibit A, EXPRESSLY EXCLUDING AND RESERVING TO THE GRANTOR all water, water rights, ditches, ditch rights, wells, well rights, reservoirs, and reservoir rights, including any and all lateral ditches, easements, rights of way and entitlements appurtenant to or used in connection therewith, represented by two (2) shares of stock in The Water Supply and Storage Company, evidenced by Stock Certificate Number 6721, two (2) shares of stock in The Collins Ditch Company, evidenced by Stock Certificate Number 858, and two (2) shares of stock in The Lone Tree Lateral Company, evidenced by Stock Certificate Number 251, all issued to and in the name of Grantor.

Dated this ____ day of _____ 2021.

THE CITY OF GREELEY, COLORADO
a Colorado home rule municipal corporation

ATTEST:

By: _____
Mayor

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____ 2021, by John Gates as Mayor of The City of Greeley, Colorado, a Colorado home rule municipal corporation, whose signature appears above.

Witness my hand and official seal.

Notary Public
My commission expires: _____

When recorded return to:

Longs Peak Dairy, LLC,
a Colorado limited liability company
45490 County Road 39
Pierce, Colorado 80524

EXHIBIT A
Exceptions

EXHIBIT "L-2" TO PURCHASE AND SALE AGREEMENT
(Longs Peak Dairy)

(See attached Special Warranty Deed – Hasbrouck Farm)

DRAFT - DO NOT EXECUTE

Exempt from State Documentary Fee
C.R.S. § 39-13-104(a)
Consideration - \$_____

**SPECIAL WARRANTY DEED
(C.R.S. 38-30-113(1)(b))**

THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, whose street address is 1000 10th Street, Greeley, Colorado 80631 (“Grantor”), for the consideration of ***Ten and 00/100*** dollars (\$10.00) in hand paid, hereby sells and conveys to LONGS PEAK DAIRY, LLC, a Colorado limited liability company, whose address is 45490 County Road 39, Pierce, Colorado 80650, the three parcels of real property in the County of Weld and State of Colorado legally described on Exhibit A, attached hereto and incorporated herein by reference (collectively “Property”);

TOGETHER with the appurtenances and warrants title to the same against all persons claiming under the Grantor, but subject to the Statutory Exceptions attached hereto as Exhibit B, EXPRESSLY EXCLUDING AND RESERVING TO THE GRANTOR all water, water rights, ditches, ditch rights, wells, well rights, reservoirs, and reservoir rights, including any and all lateral ditches, easements, rights of way and entitlements appurtenant to or used in connection therewith, represented by two and one-fourth (2-1/4) shares of stock in The Water Supply and Storage Company, evidenced by Stock Certificate Number 6698, two (2) shares of stock in The Collins Ditch Company, evidenced by Stock Certificate Number 855, and three (3) shares of stock in The Lone Tree Lateral Company, evidenced by Stock Certificate Number 251, all issued to and in the name of Grantor.

Dated this ____ day of _____ 2021.

THE CITY OF GREELEY, COLORADO
a Colorado home rule municipal corporation

ATTEST:

By: _____
Mayor

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____ 2021, by John Gates as Mayor of The City of Greeley, Colorado, a Colorado home rule municipal corporation, whose signature appears above.

Witness my hand and official seal.

Notary Public
My commission expires: _____

When recorded return to:

Longs Peak Dairy, LLC,
a Colorado limited liability company
45490 County Road 39
Pierce, Colorado 80524

EXHIBIT A
Legal Description of the Property

PARCEL 1

The East 1/3 of the Northwest ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, being 52.631 acres more or less; and

PARCEL 2

Lot B of Recorded Exemption No. 0551-22-4-RE 620, recorded June 15, 1983 in Book 999 at Reception No. 01930309, being a part of the Southeast ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, being 151.967 acres more or less; and

PARCEL 3

Lot B of Amended Recorded Exemption No. 0551-22-3-AMRE 1907, recorded February 26, 2001 at Reception No. 2827884, being a part of the East ½ of the Southwest ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado;

Also described as: The East Half of the Southwest Quarter of Section 22, Township 8 North, Range 65 West of the 6th Principal Meridian, County of Weld, State of Colorado, EXCEPT that parcel described as Lot A of Amended Recorded Exception No. 0551-22-3-AMRE 1907 recorded February 26, 2001 at Reception No. 2827884, being a part of the E ½ of the SW ¼ of Section 22, Township 8 North, Range 65 West of the 6th P.M., and EXCEPT that parcel described as Subdivision Exemption No. 593, recorded July 10, 1996 in Book 1555 at Reception No. 2500336, County of Weld, State of Colorado. Said described parcel being 75.623 acres, more or less.

EXHIBIT B
Exceptions

EXHIBIT "M-1" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Stock Assignment – WSSC Shares)

EXHIBIT "M-2" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Stock Assignment – Collins Shares)

EXHIBIT "M-3" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Stock Assignment – Lone Tree Shares)

EXHIBIT "N-1" TO PURCHASE AND SALE AGREEMENT

(Longs Peak Dairy)

(See attached Bargain and Sale Deed – Varra Farm Wells)

DRAFT - DO NOT EXECUTE

Exempt from State Documentary Fee
C.R.S. § 39-13-104(a)
Consideration - \$_____

BARGAIN AND SALE DEED FOR WATER RIGHTS
(C.R.S. § 38-30-115)

THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, whose street address is 1000 10th Street, Greeley, Colorado 80631, for the consideration of Ten and 00/100 dollars (\$10.00) in hand paid, hereby sells and conveys to LONGS PEAK DAIRY, LLC, a Colorado limited liability company, whose address is 45490 County Road 39, Pierce, Colorado 80650, the following groundwater wells and associated water rights and interests located in the NE 1/4 of Section 28, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, as represented by the following court decrees and Well Permits from the Colorado Division of Water Resources:

- a. Varra Well #1: Permit No #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
- b. Varra Well #2: Permit No #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
- c. Varra Well #3: Permit No #04313 - F, together with the rights to tributary groundwater decreed on May 2, 1974, as Varra Well #3 - #04313-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
- d. Varra Well #4: Permit No #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.

And any and all other water rights and related ditches, pipelines, fixtures, easements, appurtenances and other rights and interests associated with such water rights.

Dated this ____ day of _____ 2021.

THE CITY OF GREELEY, COLORADO
a Colorado home rule municipal corporation

ATTEST:

By: _____

Mayor

By: _____

City Clerk

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____ 2021, by John Gates as Mayor of The City of Greeley, Colorado, a Colorado home rule municipal corporation, whose signature appears above.

Witness my hand and official seal.

Notary Public
My commission expires: _____

When recorded return to:

Longs Peak Dairy, LLC,
a Colorado limited liability company
45490 County Road 39
Pierce, Colorado 80524

EXHIBIT "N-2" TO PURCHASE AND SALE AGREEMENT
(Longs Peak Dairy)

(See attached Bargain and Sale Deed – Hasbrouck Farm Wells)

DRAFT - DO NOT EXECUTE

Exempt from State Documentary Fee

C.R.S. § 39-13-104(a)

Consideration - \$_____

BARGAIN AND SALE DEED FOR WATER RIGHTS

(C.R.S. § 38-30-115)

THE CITY OF GREELEY, COLORADO, a Colorado home rule municipal corporation, whose street address is 1000 10th Street, Greeley, Colorado 80631, for the consideration of ***Ten and 00/100*** dollars (\$10.00) in hand paid, hereby sells and conveys to LONGS PEAK DAIRY, LLC, a Colorado limited liability company, whose address is 45490 County Road 39, Pierce, Colorado 80650, the following groundwater wells and associated water rights and interests located in Section 22, Township 8 North, Range 65 West of the 6th P.M., County of Weld, State of Colorado, as represented by the following court decrees and well permits from the Colorado Division of Water Resources:

- a. Roseberry Well No. 1-11260, together with the rights to tributary groundwater decreed on July 28, 1976, as Roseberry Well No. 1-11260 in Case No. W-2109, District Court, Water Division No. 1, Colorado, with an appropriation date of April 30, 1936, for irrigation in the amount of 1.01 cubic feet per second;
- b. Roseberry Well No. 2-11261, together with the rights to tributary groundwater decreed on July 28, 1976, as Roseberry Well No. 2-11261 in Case No. W-2109, District Court, Water Division No. 1, Colorado, with an appropriation date of April 30, 1930, for irrigation in the amount of 0.444 cubic feet per second; and,
- c. Roseberry Well No. 3-11262, together with the rights to tributary groundwater decreed on July 28, 1976, as Roseberry Well No. 3-11262 in Case No. W-2109, District Court, Water Division No. 1, Colorado, with an appropriation date of April 30, 1950, for irrigation in the amount of 0.70 cubic feet per second.
- d. Dill Well No. 1-9303F, together with the rights to tributary groundwater decreed on December 23, 1975, as Dill Well No. 1-9303F in Case No. W-4379, District Court, Water Division No. 1, Colorado, with an appropriation date of April 27, 1965, for irrigation in the amount of 0.222 cubic feet per second;
- e. Dill Well No. 2-9304F, together with the rights to tributary groundwater decreed on December 23, 1975, as Dill Well No. 2-9304F in Case No. W-4379, District Court, Water Division No. 1, Colorado, with an appropriation date of April 28, 1965, for irrigation in the amount of 0.222 cubic feet per second;
- f. Dill Well No. 3-9305F, together with the rights to tributary groundwater decreed on December 23, 1975, as Dill Well No. 3-9305F in Case No. W-4379, District Court, Water Division No. 1, Colorado, with an appropriation date of April 30, 1965, for irrigation in the amount of 0.433 cubic feet per second;
- g. Dill Well No. 4-9306-F, together with the rights to tributary groundwater decreed on December 23, 1975, as Dill Well No. 4-9306-F in Case No. W-4379, District Court, Water

Division No. 1, Colorado, with an appropriation date of April 29, 1965, for irrigation in the amount of 0.433 cubic feet per second;

- h. Dill Well No. 5, together with the rights to tributary groundwater decreed on December 23, 1975, as Dill Well No. 5 in Case No. W-4379, District Court, Water Division No. 1, Colorado, with an appropriation date of December 31, 1944, for irrigation in the amount of 0.222 cubic feet per second;
- i. Dill Well No. 6, together with the rights to tributary groundwater decreed on December 23, 1975, as Dill Well No. 6 in Case No. W-4379, District Court, Water Division No. 1, Colorado, with an appropriation date of December 31, 1944, for irrigation in the amount of 0.222 cubic feet per second;
- j. Henry Dill Pumping System Plant No. 1, together with the rights to tributary groundwater decreed on September 10, 1953, as Henry Dill Pumping System Plant No. 1 (15361R) in Case No. CA11217, District Court, Water Division No. 1, Colorado, with an appropriation date of December 31, 1945, for irrigation in the amount of 1.12 cubic feet per second; and
- k. Henry Dill Pumping System Plant No. 2, together with the rights to tributary groundwater decreed on September 10, 1953, as Henry Dill Pumping System Plant No. 2 (15362R) in Case No. CA11217, District Court, Water Division No. 1, Colorado, with an appropriation date of December 31, 1925, for irrigation in the amount of 0.55 cubic feet per second; and
- l. Henry Dill Pumping System Plant No. 3, together with the rights to tributary groundwater decreed on September 10, 1953, as Henry Dill Pumping System Plant No. 3 (15363R) in Case No. CA11217, District Court, Water Division No. 1, Colorado, with an appropriation date of June 30, 1951, for irrigation in the amount of 0.77 cubic feet per second.

And any and all other water rights and related ditches, pipelines, fixtures, easements, appurtenances and other rights and interests associated with such water rights.

Dated this ____ day of _____ 2021.

THE CITY OF GREELEY, COLORADO
a Colorado home rule municipal corporation

ATTEST:

By: _____
Mayor

By: _____
City Clerk

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this ____ day of _____ 2021, by John Gates as Mayor of The City of Greeley, Colorado, a Colorado home rule municipal corporation, whose signature appears above.

Witness my hand and official seal.

Notary Public

My commission expires: _____

When recorded return to:

Longs Peak Dairy, LLC,
a Colorado limited liability company
45490 County Road 39
Pierce, Colorado 80524



**Water Rights Acquisition:
Longs Peak Dairy
Water Supply and Storage**

May 19th, 2021



Purchase & Sale Overview

- Water Only Purchase
 - 5 1/6 shares of Water Supply and Storage Company (WSSC)
 - 5 1/6 share of The Collins Ditch Company
 - 5 1/6 share of The Lone Tree Lateral Company
 - Potable supply
- Right of First Refusal (ROFR) for sellers 7 remaining shares of WSSC along with running rights
- Dry-up and revegetation covenants included

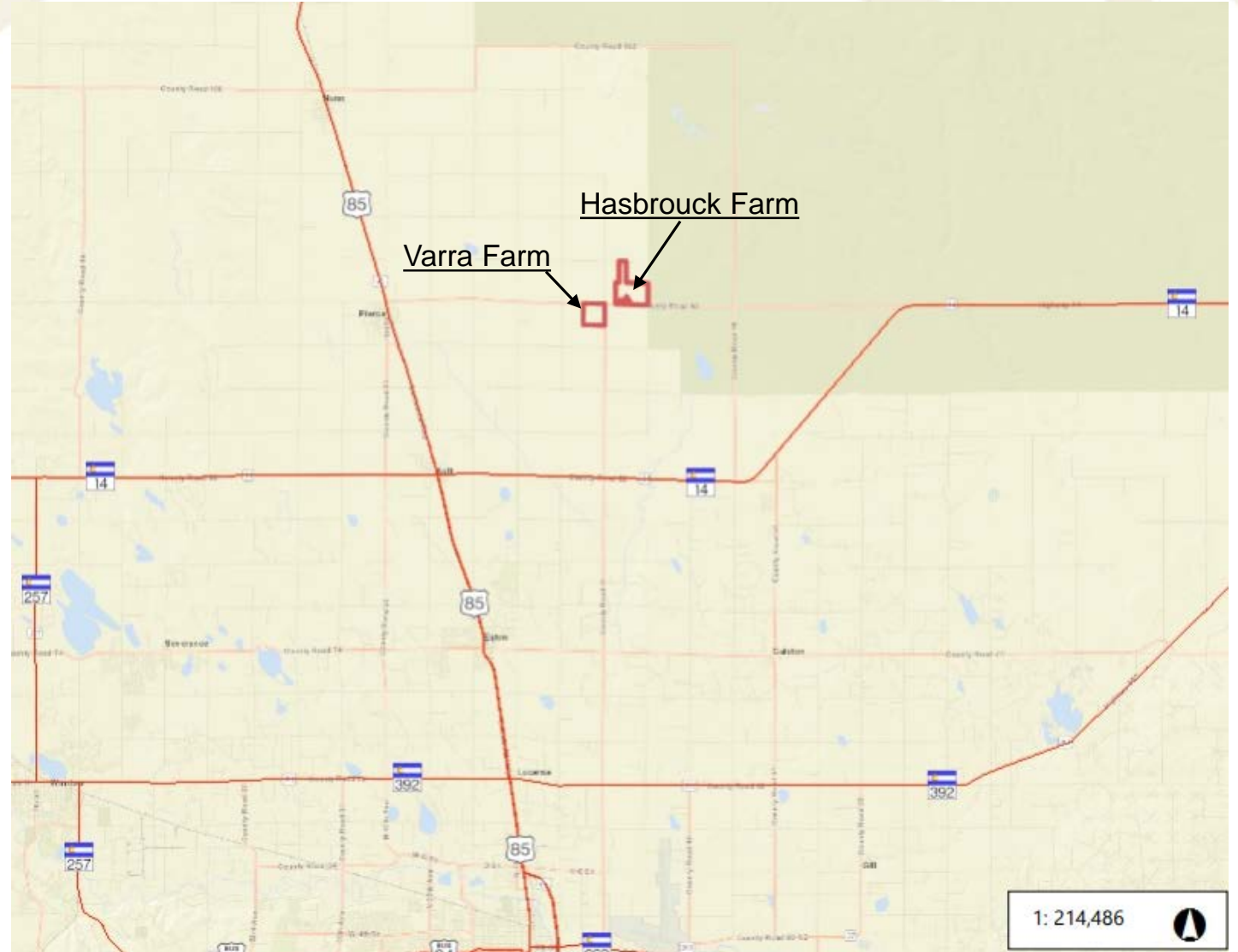


Purchase & Sale Overview

- Purchase price of \$10,900,000 plus exchange of two Greeley-owned farms (Hasbrouck and Varra Farms)
 - Farms purchased in 2016 for WSSC water; exchange will be for dry land and water lease
 - Farm value: \$2,000,000
- Total compensation - \$12,900,000
- 20 year primary lease back of the 5 1/6 shares
 - Lease may be extended for up to 5, 1-year terms by mutual agreement

Hasbrouck & Varra Farms

- Hasbrouck Farm:
 - 282 +/- acres
 - \$1,100,000
- Varra Farm:
 - 160 +/- acres
 - \$900,000



Farm Divestment

- Longs Peak Dairy will continue to use the farms for agriculture
- Buyer Pays for diligence on water rights only, no brokerage
- City obtains dry-up and revegetation covenants
- Leaseback for both farms
 - 10-year primary lease of water rights
 - Lease may be extended for up to 5, 1-year terms
 - Buyer will honor the current leases for the 2021 crop year



Due Diligence & Path Forward

- 60 days due diligence
- Closing on or before 90 days of mutual execution of contract
- Longs Peak Dairy will inspect farms, Greeley will inspect water rights
(including shares covered under right of first refusal)
 - Title review
 - Confirmation of dry-up adequacy
 - Historical consumptive use analysis



Recommendation

W&S staff recommend the acquisition of 5 1/6 shares of WSSC along with the divestment of the Varra Farm and the Hasbrouck Farms in accordance with the water acquisition strategies set forth in the Department's Master Plan and Future Water Account Plan





Questions?



WATER & SEWER BOARD AGENDA MAY 19, 2021

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 9

TITLE: NON-POTABLE DEVELOPMENT POLICY
UPDATE

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

Greeley has a long history of utilizing non-potable water to irrigate turfed areas using the extensive ditch systems within the City. Meeting Greeley's long-term water resource needs will require further expansion of non-potable use. Staff are finalizing a Non-Potable Master Plan that outlines the significant capital investment needed to build out its non-potable system. The proposed non-potable policy will require the installation of non-potable infrastructure in new development in most cases. Board feedback is requested on this proposal before staff begins communicating the policy with other stakeholders.



Non-Potable Water Supply
Program Policies
May, 2021

Non-Potable Supply Required

For residential developments only, the development shall use non-potable water for irrigation of:

- Common spaces unless the residential development has less than 2 acres of irrigated common space
- Individual lots unless the average lot size of the residential development is less than 0.33 acres

For commercial or industrial developments only, the development shall use non-potable water for irrigation unless the commercial or industrial development has less than 2 acres of common space irrigation

For developments that are not feasible to immediately connect to the City's non-potable system, but that the City has identified as being feasible for non-potable service with 5 years, land will be identified and set aside for the installation of non-potable infrastructure when the City deems it feasible.

Special consideration may be made for development projects where engineering limitations make including infrastructure for non-potable water infeasible. The evaluation and all calculations must be provided to the City of Greeley for approval in order to waive the requirement.

Cash-In-Lieu (CIL)

Non-potable CIL is equal to potable CIL.

- New single-family residential non-potable requirements are calculated on the pervious area of the lot and the lot size minus the footprint of the house and other impervious areas. The development HOA or Metro District will be served by master meters as determined by the City of Greeley.

Credit for Irrigation Company Shares

Non-potable credits for dedicated shares on land that has been historically irrigated are:

- Greeley Loveland Irrigation Company: 12 AF/share
- Loveland and Greeley Reservoir Company: 40 AF/share
- Seven Lakes Reservoir Company: 20 AF/share
- Greeley Irrigation Company: 10.3 AF/share (With Dry up Covenant/Agreement)

Cost of Connection & Cost Sharing

The cost of developing non-potable infrastructure shall be borne by the developer.

- Furthermore, the City, at the discretion of the Water and Sewer Director, shall pay to upsize non-potable facilities in cases when the non-potable system can be used to serve more areas than a single development.
- No non-potable Plant Investment Fees (PIF) will be charged
- Potable PIFs will be reduced by 30% if non-potable is used for irrigated common areas
- Potable PIFs will be reduced by 50% if non-potable is used for house to house irrigation and irrigated common areas

Water Budget

All newly installed non-potable accounts shall be assigned a Water Budget.

Drought Restrictions

During times of drought declaration, non-potable developments will be subject to the same watering restrictions and surcharges as potable, Water Budget accounts.

Public Ownership of Non-Potable Systems

No private ownership of non-potable systems in new development is allowed south of the Poudre River.

Private non-potable systems north of the Poudre River will be allowed if the City chooses not to be the non-potable provider, however the non-potable system shall be constructed according to City of Greeley construction standards. The City, at the discretion of the Water and Sewer Director, shall become the owner and operator of the non-potable system when financially prudent and desirable to do so.

Shoulder Season Taps

The City shall furnish, without raw water fees or PIFs, potable water taps to supply the non-potable irrigation system during times when the non-potable supply is unavailable (i.e., early spring and late fall shoulder seasons). Shoulder taps will be removed or retired from service if the non-potable system is expanded to serve shoulder seasons. Shoulder season taps are generally provided for parks, large HOAs, and large commercial customers. It is not intended for residential use.

- If potable water is used during periods when non-potable supplies are available, the potable supplies will be subject to the potable raw water surcharge.

Water Rates

Each non-potable system is provided a tiered annual water budget. (Implemented when new utility billing software is live.)

- Water tier volumes for non-potable systems will be the same as the potable water budget program.
 - Water Budget tier = up to 100% of water budget
 - Inefficient Use tier = 101%-130% of water budget
 - Excessive Use tier = 131%-150% of water budget
 - Unsustainable Use tier = >150% of water budget

- Tiered rates for use of non-potable water supplies will be 70% of the residential water budget rates, which are determined annually by the Water & Sewer Board.

Raw Water Dedication

Type of Water Use*	Vegetation Type
High Water Use	Bluegrass, Turf, Annuals, Willow Trees, etc.
Medium Water Use	Drip Irrigation, Fruit Trees, Common Ornamentals, etc.
Low Water Use	Native Plants, Succulents, Drought Tolerant Plants, etc.
*Refer to water use information for plant watering needs from “Greeley WaterWise Landscaping Criteria”	

Type of Water Use	Dedication Requirement
High Water Use	3.0 acre feet/acre
Medium Water Use	2.3 acre feet/acre
Low Water Use	1.6 acre feet/acre

- A service commitment will be recorded with the Weld County Clerk and Recorder that specifies the volume of raw water dedicated (or paid through cash-in-lieu) for the non-potable water use.
 - Because the establishment of landscaping may require extra watering, exceeding the service commitment during the first full calendar year of water service for the new non-potable customer will not be considered as an overage and no raw water surcharge payment will be due.
- If water use for a new non-potable customer exceeds its service commitment in any calendar year, the owner will be required to pay a raw water surcharge for the volume of water exceeding the service commitment.
- If water use in a new non-potable customer exceeds its service commitment in any two consecutive years, the owner will be required to purchase additional water through a Cash-in-Lieu payment.
 - The Cash-in-Lieu payment will be for the two-year average volume of water used above the service commitment.
 - Service commitment pricing is based on the current Cash-in-Lieu of water prices for Greeley.



Non-Potable Development Policy

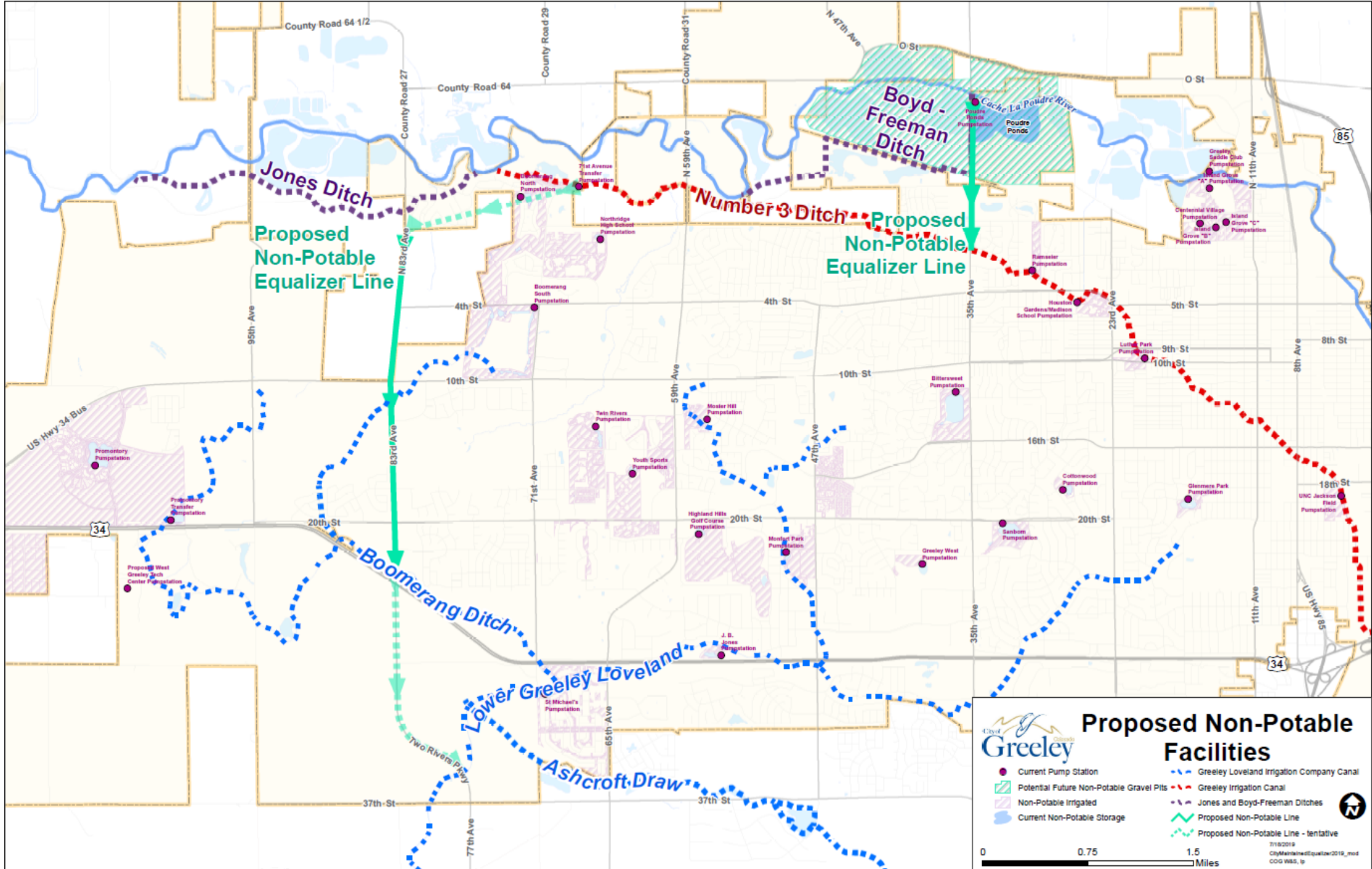
Water and Sewer Board | May 19, 2021



Background and Need

- Current non-potable system
 - 40 pump stations and 9 miles of pipeline
 - Primarily serves city-owned properties (parks, golf courses, and cemeteries), with some adjacent private customers
 - Constructed by city to reduce peak treatment demands in late 1990s and 2000s
 - No new non-potable systems build 2008-2019
- Sources of supply: GIC, GLIC, exchanged wastewater effluent, Poudre Ponds





City of Greeley, Colorado

Proposed Non-Potable Facilities

- Current Pump Station
- Potential Future Non-Potable Gravel Pits
- Non-Potable Irrigated
- Current Non-Potable Storage
- Greeley Loveland Irrigation Company Canal
- Greeley Irrigation Canal
- Jones and Boyd-Freeman Ditches
- Proposed Non-Potable Line
- Proposed Non-Potable Line - tentative

0 0.75 1.5 Miles

7/18/2019
City/Map/Inland/Equalizer/2019_mod
COG W&S, lp

Background and Need

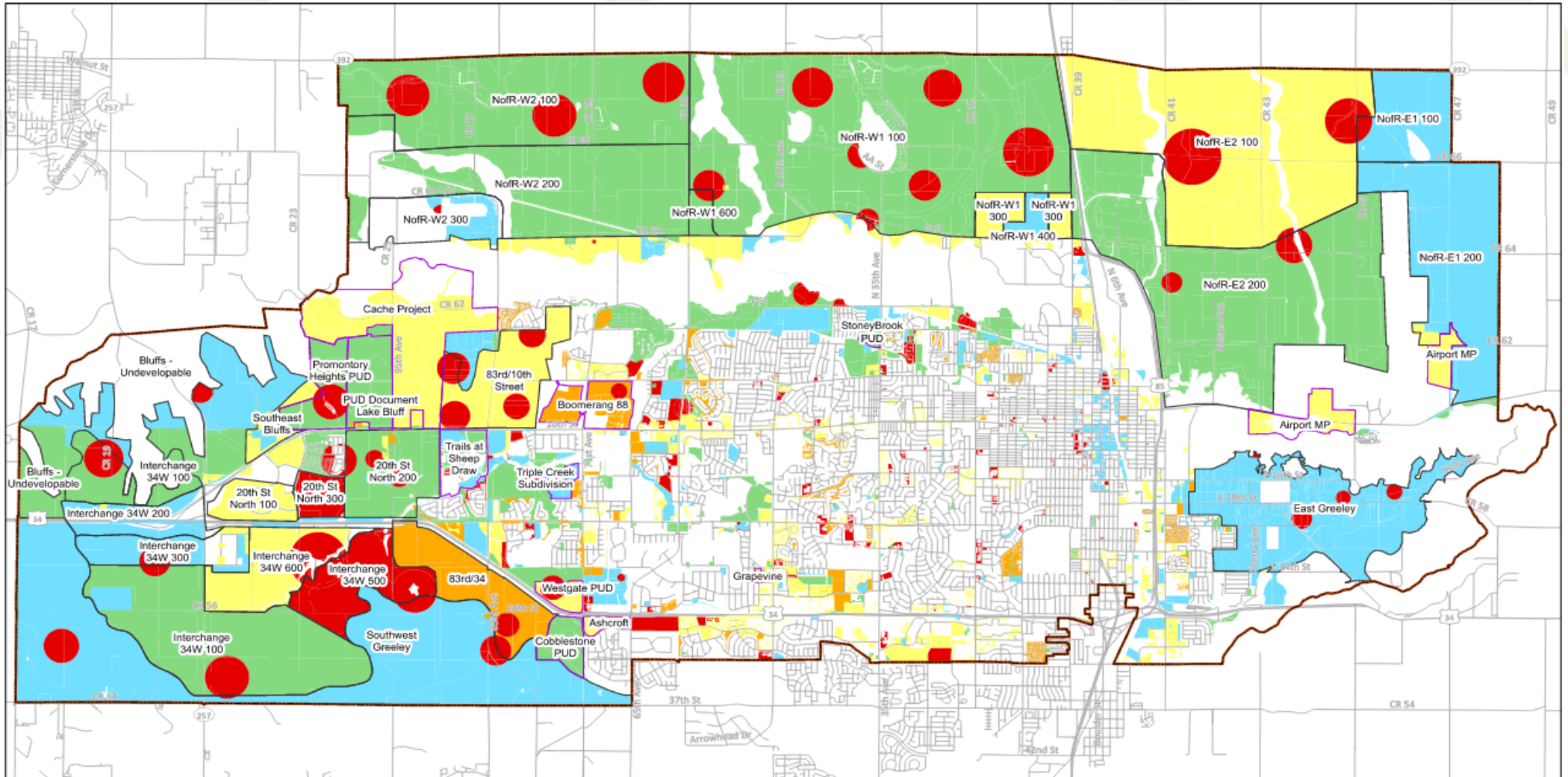
- Potable water prices are rapidly escalating. Non-potable water sources are \$25,000 to \$40,000 cheaper per acre-foot
- Expanding the non-potable system is far more cost effective than purchasing new potable sources to serve irrigation demands
- Non-potable is used (required) elsewhere in Northern Colorado because the economics work
- Need non-potable supply to meet Greeley's long term water demand
 - Current NP demand: 2,500 AF
 - Master Plan volume: 9,000 AF
- **New policy needed to expand non-potable adoption**










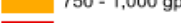

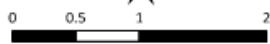


Non-Potable Development Policy Goals

- Cost-effectively facilitate the expansion of the non-potable system as development occurs
 - Allows use of sources currently impracticable to treat for potable use (e.g lower Poudre rights, wastewater effluent)
 - Installing non-potable infrastructure during development cheaper and more effective than retrofitting
 - Rate payers will benefit from less potable infrastructure investment and less potable supplies purchased
 - Non-potable customers pay lower rates for their use
 - Developers benefit from less raw water and plant investment fee cost escalation

New Non-Potable Potential



 City of Greeley <small>Great. From the Ground Up.</small>  CDM Smith <small>November 12, 2020</small>	Legend  LREGA  Tier 1 (PUDs)  Tier 2 (Comprehensive Plan)	NP Water Parcels Density (gpd/ac)  <250 gpd/ac  250 - 500 gpd/ac  500 - 750 gpd/ac  750 - 1,000 gpd/ac  >1,000 gpd/ac	  0 0.5 1 2 Miles	City of Greeley Demand Density (Peak Month, Buildout) Figure 6 Greeley Non-Potable Water System Master Plan
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City Non-Potable Infrastructure Costs

- 20 year projection ~ \$150 million (net present value)
 - Reflects the backbone infrastructure and projected city contributions to oversizing or new development incentives
 - *The proposed policy would reduce the City's non-potable infrastructure commitments in the CIP*
 - Does **not** reflect the cost for converting developed areas identified in the master plan to non-potable



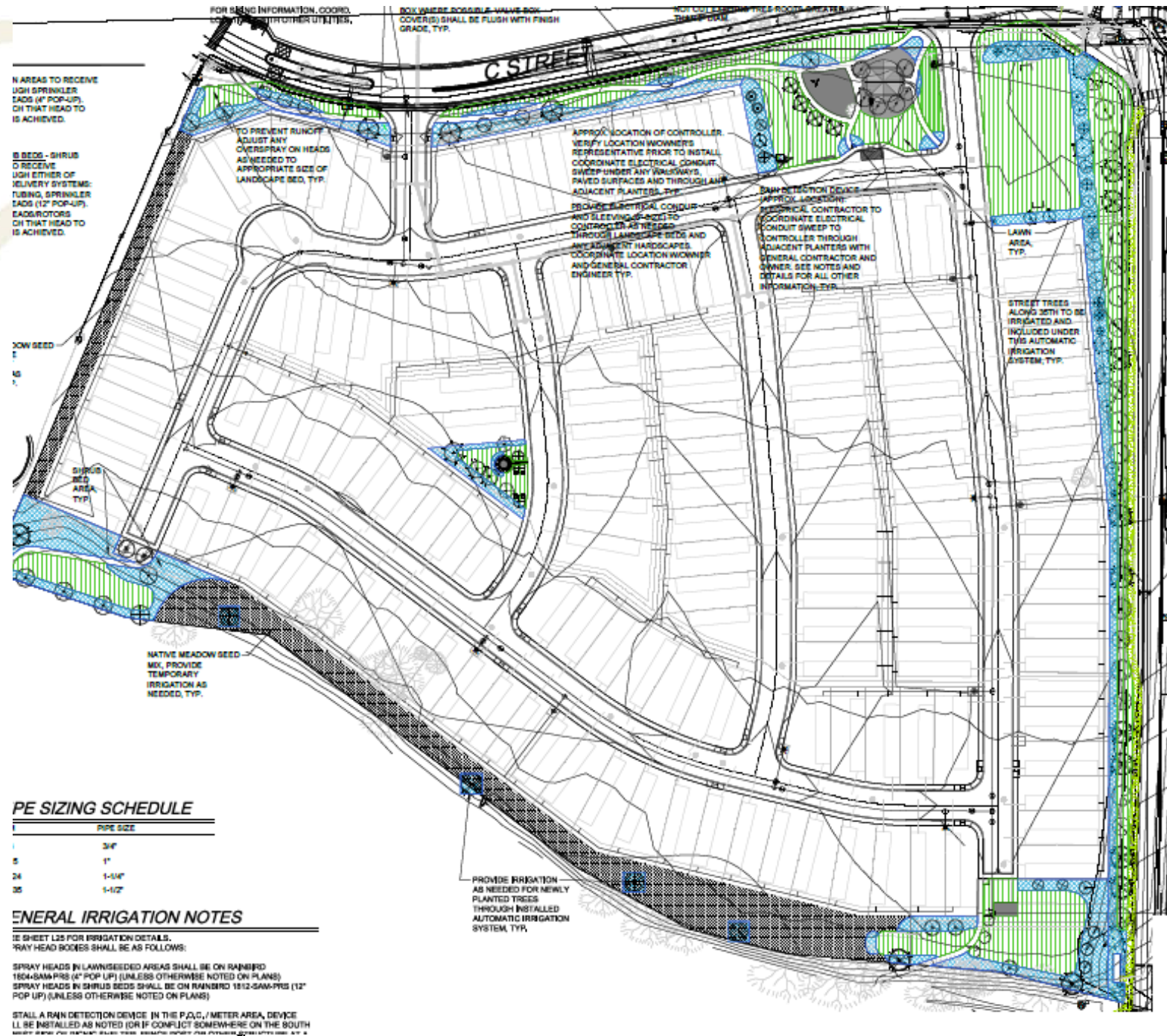
Development Non-Potable Costs

- Likely additional costs for developers
 - Pump station – biggest additional cost
 - On-site water storage
 - Possible additional piping



Stoneybrook Example

- 4 acres of landscaping
 - Under new policy would be required to install non-potable
- After initial agreement, developer refused to install non-potable
- Under current policies, City cannot force non-potable installation



Previous Proposal

- Non-potable expansion mandatory for new development if cost neutral or positive for developers
 - Would require financial analysis comparing potable only vs. dual systems with every development review process
 - Every development site is different – proved challenging when trying to model how this would work with current examples



New Policy Details

- Non-Potable is mandatory
 - For all developments with > 2 acres of irrigated common area
 - House to house if lot size > 0.33 acre
- No non-potable plant investment fees
- Increased yield for dedicating certain water shares
- Greeley Irrigation Company shares can only be dedicated for non-potable
- Acceptance of other water sources historically used to irrigate developed area



Proposal Options

- Option 1 – ***Not the preferred option***
 - Developer pays for 1/2 of the pump station costs for their development
 - City pays remaining 1/2 plus any oversizing costs
 - Developer installs all non-potable piping
 - Developer contributes land for pond, if needed
 - Should the developer's cost be capped? If so, at what?

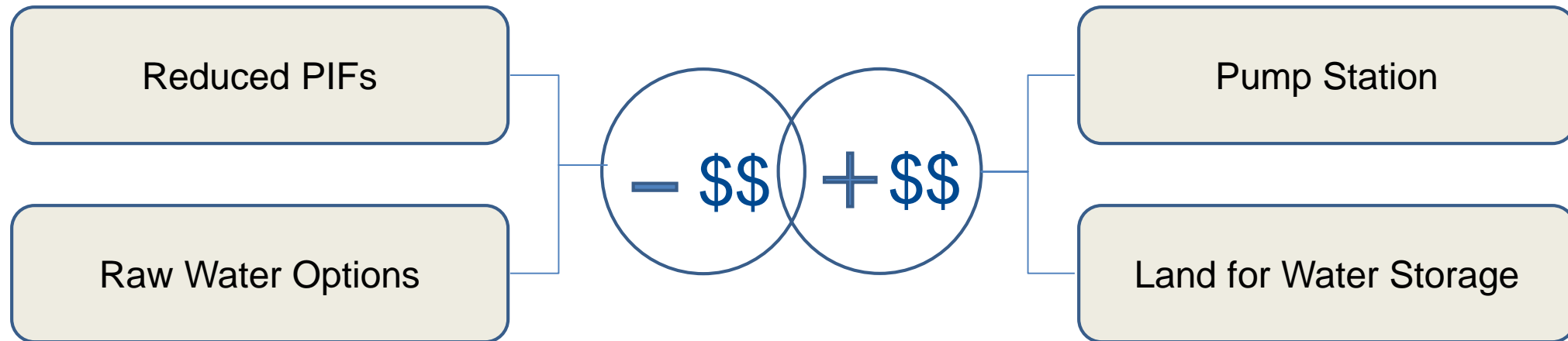


Proposal Options

- Option 2 - ***Preferred***
 - Developer pays for all non-potable infrastructure
 - Reduce potable plant investment fees by either 30% (only common areas) or 50% (house to house) for new taps in the development
 - Most common solution in the region
 - Windsor, ELCO, North Weld, Evans, and Brighton all reduce potable PIFs (varying percentages) if a non-potable system is installed

	2016	2017	2018	2019	2020	Total
PIFs Collected	\$4,669,958	\$2,563,714	\$6,027,277	\$4,450,604	\$1,903,192	\$19,614,745
50% Reduction	\$2,334,979	\$1,281,857	\$3,013,639	\$2,225,302	\$951,596	\$9,807,373
30% Reduction	\$3,269,971	\$1,794,600	\$4,219,094	\$3,115,423	\$1,332,234	\$13,730,322

Savings & Costs For Development

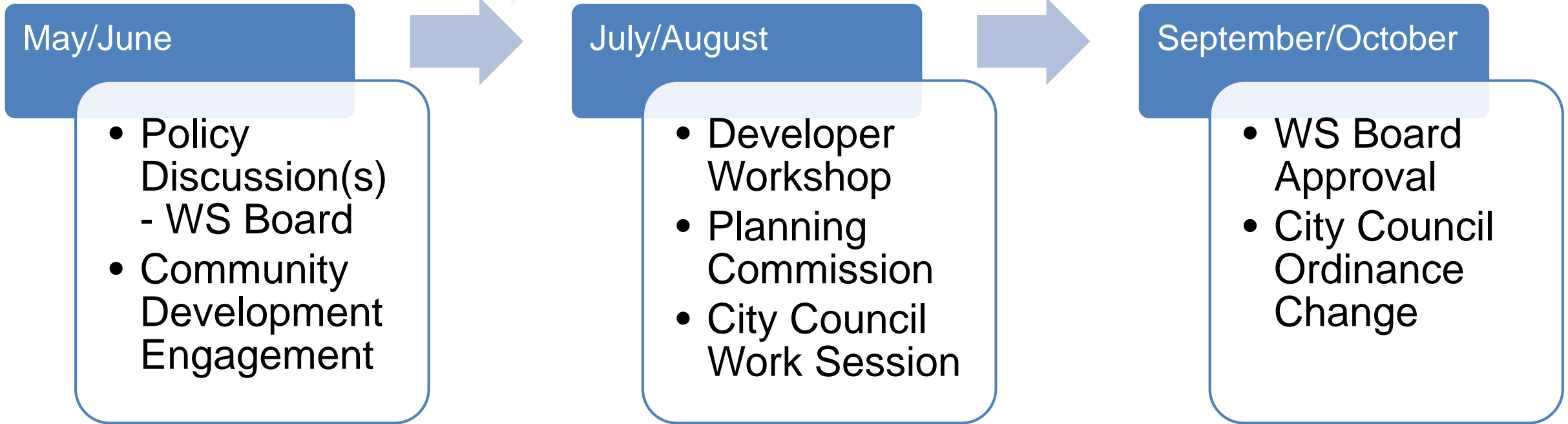


Water Development Policy Refinement

- Non-potable policy changes a part of the ongoing effort to “right size” fees and requirements related to water
 - Changed raw water dedication requirements to exclude non-irrigated outlots (2016)
 - Changed the calculation for cash-in-lieu to water portfolio value & storage (2018)
 - Changed the multi-family PIF to be based on meter size rather than units (2018)
 - Changed the yields of Greeley Loveland Irrigation Company, 7 Lakes, and Lake Loveland shares to firm yields rather than average (2019)
 - Revised raw water requirements for multi-family and non-residential (2019)
 - Only accept Greeley Irrigation Company shares for non-potable (2020)



Process Forward



Non-Potable Conversion Policy

- When the City brings non-potable lines to a developed area
 - The landowner can convert their irrigation system to non-potable and they can realize the full reduction in rates (70% of potable)
 - The landowner can allow the City to hire a contractor to convert their irrigation system to non-potable and they will realize half of the reduction of rates (85% of potable)





Questions?



WATER & SEWER BOARD AGENDA MAY 19, 2021

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 10

TITLE: UTILITY RATE AFFORDABILITY PROGRAM
UPDATE

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

In late 2020, staff presented background material relating to the need and potential options for creating a utility bill assistance program. Staff has built a pilot program proposal that will build upon Greeley's Food Tax rebate program. Staff will present the proposal that will be a supplemental request for the 2022 operating budget.



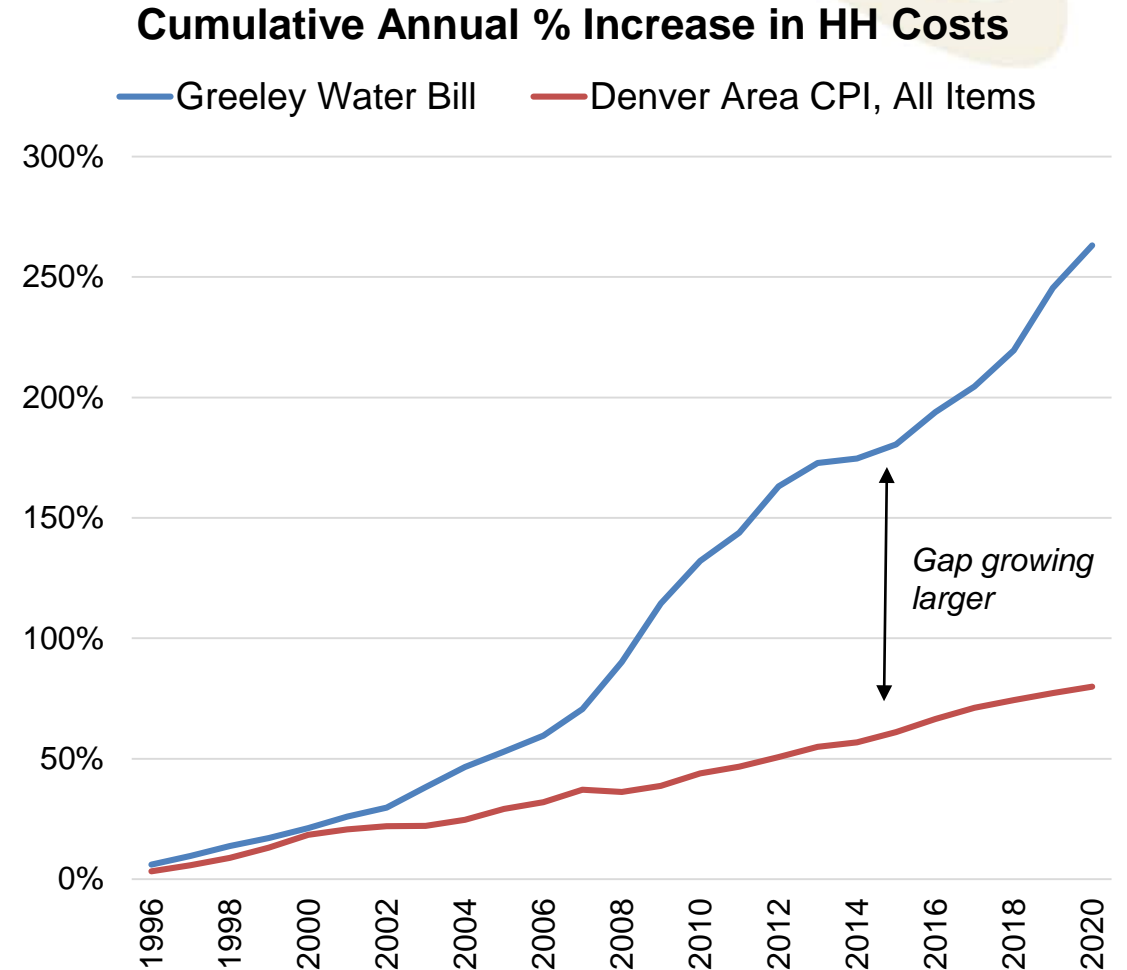
Utility Bill Affordability Proposed Pilot Program

Water & Sewer Board | May 19, 2021



Recap: Why Create a Utility Assistance Program?

- W&S rates rising faster than inflation (see chart →)
- Few assistance options for low-income W&S customers in need
- Ratings agencies consideration
- Emerging Fed and State funding opportunities
 - Recent legislation set to establish LIHWAP
 - Having a program in place allows Greeley to quickly convey grant dollars to those in need



Greeley's Existing Programs

Payment Assistance

- Payment extensions
- Payment arrangements
 - Customer must pay half of past-due amount to start the arrangement

Food Tax Rebate

- \$65 per family member per year
- Eligibility: Income \leq 50% of HUD's median family income
- Applications accepted March-June
- Temporary employee hired each year to process applications

Food Tax Rebate Income Criteria	
Family Members	2020 Income Limits
1	\$29,550
4	\$42,150
8	\$55,650

Proposed Pilot Program 2022-2024

Add-on to existing rebate program:

- Income eligibility = same as food tax rebate
- \$45 credit applied to utility bills in June/July
- 2022 budget commitment = \$50,000



Benefits of this model:

- Establishes a utility bill assistance framework that future Fed/State funding can be added to
- Builds upon an existing administrative process
- Starting small allows for easy adjustments and incremental, sustainable growth of the program

Known Challenges:

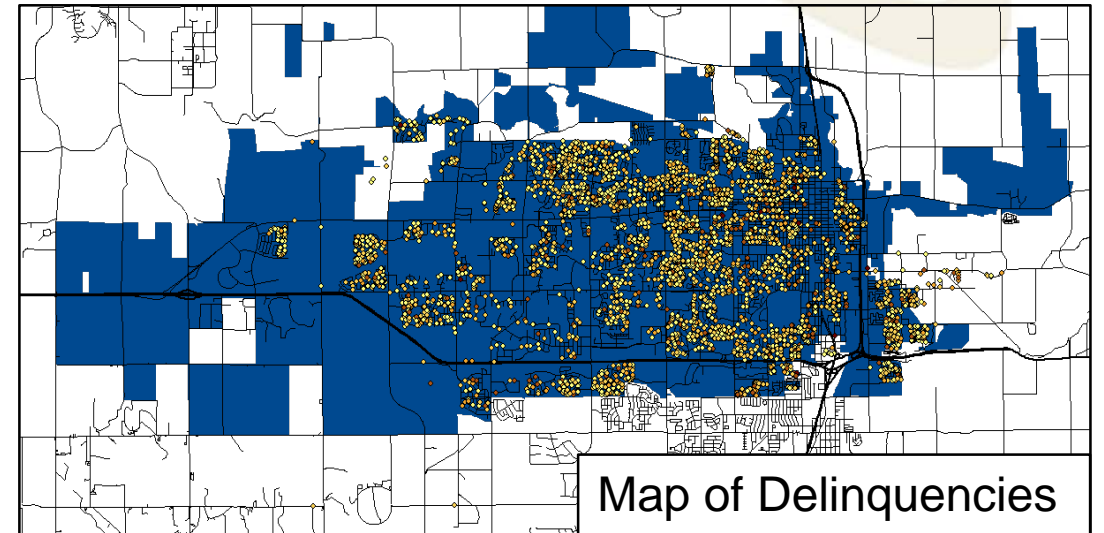
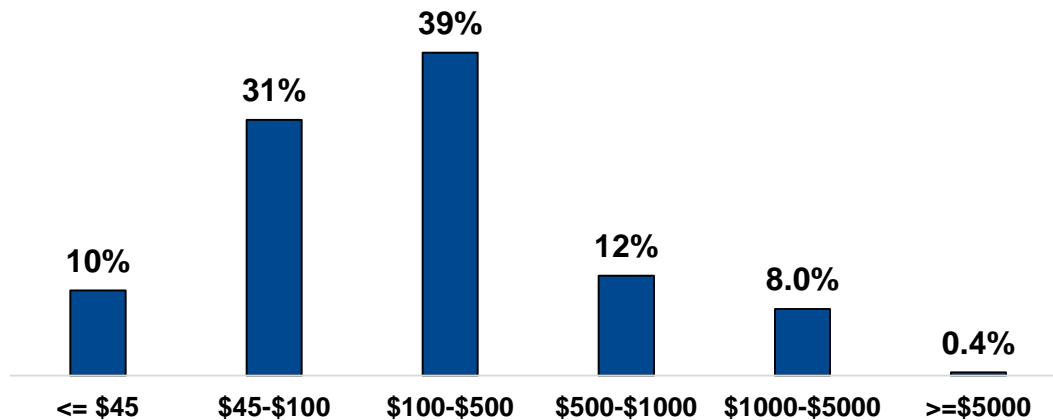
- Application timeframe won't always align with customer need
 - Following year one, staff will explore the feasibility of year-round applications with credits issued on a rolling schedule.
- Exclusively targets those named on the utility bill, missing renters in need
 - This is a known challenge among utility providers and policy groups. Staff will continue exploring how best to reach multi-family customers.

A Look at Delinquency

Greeley's Residential Delinquency Stats:

Total Accounts with a delinquent balance	3,333
Percentage of residential customer base	13%
Average past due balance	\$344

Distribution of Delinquent Amount



- The proposed water rebate will mitigate delinquency for those who meet the income qualification.
- Delinquency status is not part of the eligibility criteria being proposed.

Next Steps: 2021 Work Plan

- Submit a \$50,000 supplemental request for the Pilot Program
- Develop business processes
 - Marketing/outreach
 - Application materials and procedures
 - Utility billing coordination and staff training
- Partner with Conservation team to plan for targeted programming towards those who utilize the water rebate.
- Remain engaged with legislation around Low Income Water Assistance Program (LIHWAP)
- Continue to recognize the need for a 5th water tier “lifeline rate” with the City’s new Customer Information System (est. implementation 2023)

Board Discussion & Questions

Water & Sewer Board | May 19, 2021





WATER & SEWER BOARD AGENDA MAY 19, 2021

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 11

TITLE: LEGAL REPORT

RECOMMENDATION:

ADDITIONAL INFORMATION:



Legal Report
Greeley Water and Sewer Board Meeting
May 19, 2021

- I. **Statement of Opposition:** Based on a review of the March, 2021 Water Court Resume, staff and water counsel recommend that the Board file a statement of opposition in the following case:
 - a. Case Number: **21CW3023:** Application of the Town of Berthoud for a change of water rights for 34 shares (out of 100) in the Ryan Gulch Reservoir Company for municipal uses. Ryan Gulch Reservoir releases water to the Big Thompson River. This application also includes two exchange rights on the Big Thompson River in the same stream reach as Greeley's exchanges. Staff and counsel recommend that Greeley file a statement of opposition to ensure that Applicant's claims do not cause injury to Greeley's Big Thompson River water rights and exchanges.

- II. **Proposed Motion Language:** "I move that the Board authorize the filing of a statement of opposition in Case No. 21CW3023 and for staff and legal counsel to seek resolution of issues raised by this case consistent with Water and Sewer Board Resolution No. 3-15."



WATER & SEWER BOARD AGENDA MAY 19, 2021

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 12

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- Windy Gap Firing Project Activity Update
- Wildfire Mitigation Update



WATER & SEWER BOARD AGENDA MAY 19, 2021

ENCLOSURE _____ NO ENCLOSURE X

ITEM NUMBER: 13

TITLE: SUCH OTHER BUSINESS AS NECESSARY

RECOMMENDATION:

ADDITIONAL INFORMATION:

