

WHEREAS, the Town has capacity to provide water from its well field and water supply facilities, which capacity is available to serve the District pursuant to the terms of this Agreement; and

WHEREAS, the District desires to obtain all or some portion of its water supply from the Town through a Master Meter arrangement; and

WHEREAS, the provisions of this Agreement will benefit the residents and property owners of both the Town and the District; and

WHEREAS, the District and the Town are empowered to enter into intergovernmental agreements pursuant to the Colorado Constitution and statutes (see Col. Const., Article XIV, §18; §29-1-201, et seq; and §32-1-1001, C.R.S.).

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the District and the Town agree as follows:

Upon the execution of this Agreement and the payments herein described, the Town agrees to sell the District treated water as a Master Meter distributor for the uses required by the residents of the District pursuant to the following conditions:

- a. The District shall have purchased and paid for sufficient $\frac{3}{4}$ -inch equivalent taps to meet the Districts existing requirements as more fully described in paragraph 4 below.
- b. The District shall have constructed facilities, pursuant to paragraph 3 below, sufficient to allow the Town to deliver the treated water to the District.
- c. The District shall agree to pay for any water delivered pursuant to the terms of this Agreement on a quarterly basis at the rate of $1\frac{1}{2}$ times the then current in-town rate for water of the quality and quantity sold to the Towns other residential customers.
- d. The District shall have agreed by enforceable resolution, regulation or ordinance which resolution, regulation or ordinance is approved by the Town, to enforce all terms, conditions and restrictions imposed by the Town on its residents concerning the use of the Towns water system, including but not limited to a requirement that the Districts residents comply with any conservation measures or water rationing requirements necessitated by drought conditions.
- e. The conveyance by the District of any water rights upon which it relies for the operation of its domestic water system to the Town pursuant to the provisions of paragraph 10 below.

The District agrees to purchase treated water from the Town in accordance with the terms of this Agreement on a Master Meter basis and to pay for all water delivered on a quarterly basis. Master Meter means that a single water meter installed between the Town water system and the District water system will measure the total amount of Town water that is delivered to all District customers.

The District has the responsibility for designing, constructing, and maintaining the permanent interconnection facilities necessary to convey the water to be delivered

to the Districts residents pursuant to this Agreement from the Towns existing facilities to the Districts facilities.

a. The design and construction of the interconnection facilities, including any water mains, pumps, water meters, back-flow valves, or the like, shall be in accordance with then-current Town standards and specifications for such facilities and shall be subject to review and approval by the Town and its engineering staff

b. Only upon acceptance of the facilities by the Town may the same be used to convey treated water from the Town to the District.

The District agrees to immediately purchase sufficient $\frac{3}{4}$ -inch water taps (a $\frac{3}{4}$ -inch equivalent tap is hereinafter referred to as a "tap") as determined by the Town's "Use Classification Schedule" for purposes of securing water service to the District's current twenty-eight (28) residential customers at the current cost of \$2,800 per tap.

a. The total purchase price for these taps shall be \$2,800 times the number of taps needed to serve the District's twenty-eight customers. The District shall be entitled to pay this charge, at its discretion, either:

i. as a lump sum at the time of execution of this Agreement; or,

ii. in five equal payments, the first payment being made upon the execution of this Agreement, and four additional payments to be made annually on or before the first of March of each successive year.

b. After the date of execution of this Agreement the District agrees to pay to the Town, at the Town's then-existing published rates for Silverthorne residents, a water tap fee for every additional tap permitted to be added to the Districts system after the date of this Agreement, said tap fee or fees shall be calculated according to the Towns then current "Use Classification Schedule" and shall be paid in the manner prescribed by Town ordinances before the connection is permitted to the District's system. The District may ultimately purchase water taps for the development of up to 42 additional residentially zoned building sites.

c. Failure to make any of the payments herein specified shall constitute a breach of this Agreement.

As a Master Meter customer of the Town pursuant to the terms hereof, the District shall be solely responsible for the construction, operation, and maintenance of the water system necessary to serve the Districts customers, and the Town shall have no obligation to the District or its customers concerning the construction, operation, and maintenance of said system. The District shall design, construct, and maintain a single interconnection facility to convey water to be delivered to it pursuant to this Agreement. The District shall pay the Town for water delivered through the Master Meter installed at the interconnection between the Towns system and the Districts system at the rate of $1\frac{1}{2}$ times the rate for residential water customers then applicable to the Towns residents. All responsibility for reading customer meters within the District and billing customers for water used shall be the Districts. The District shall be obligated to pay for all water measured at the Master Meter without regard to its collections from its customers. Bills shall be rendered to the District quarterly for each quarter (or portion thereof) of the calendar year during which water is actually delivered to the District.

The Town agrees to deliver water to the District of sufficient quality to meet applicable federal and State drinking water standards and to undertake whatever steps are necessary to insure that the same can be met. The Towns obligations shall cease at the Master Meter and changes in quality or pressure resulting from the operation of the Districts system shall be solely the responsibility of the District.

As long as the District operates its own wells to provide all or part of its water supply, the District shall be solely responsible to comply with all federal, State, and local water quality standards applicable to public drinking water supplies from such wells. It is further agreed that the Districts obligation in this regard shall only cease at such time as the District disconnects all of its ground water wells from its system and purchases all of its water supply from the Town pursuant to the terms of this Agreement, in which case the Town shall become responsible for compliance with the federal, State, and local water quality requirements.

It is recognized that because of drought or other circumstances outside the Towns control, it may be necessary from time to time to impose water use restrictions upon the residents of the Town and customers of the Towns water utility. It is also understood and agreed that federal and State governmental action may require the Town to adopt certain water conservation standards applicable to residents of the Town and the customers of the Towns water utility. The District agrees to adopt enforceable rules, regulations, ordinances or standards ("standards") no less strict than the Towns requiring the District to enforce upon its customers simultaneously any water conservation requirements imposed by the Town upon its residents or any water-rationing requirements necessitated by limitations in the Towns physical water supply.

a. Failure on the part of the District to adopt such standards shall constitute a breach of this Agreement.

b. Failure to timely enforce any adopted standards shall constitute a breach of this Agreement.

c. If the District fails to adopt or enforce a standard, the Town may seek, at its discretion, to enforce its ordinances upon the residents of the District and continue to provide water service and the District hereby grants full authority to the Town to enforce such ordinances outside the municipal boundaries and within the District for this purpose; or

Until such time as the District has fully paid for the water taps in the manner described in paragraph 4 above, the Town shall have no obligation whatsoever to deliver water to the District. Upon the Districts fulfillment of the payment obligations described in paragraph 4 above, the Town shall then be obligated to provide treated water service to the District in the amounts requested by the District. If the District desires to obtain the quantity necessary to provide full service to the then-existing taps within the District, then the District must first accomplish the conveyance of the water rights as provided in paragraph 10 below. Full service means that all of the water needed for all of the Districts customers will be secured from the Town with no water provided under the Districts water rights.

The District agrees, prior to making a request for full water service from the Town, to convey the water rights upon which the District currently relies for the provision of domestic water service to its residents in an amount equal to 1½ times

the amount needed to serve the water taps that have been purchased from the Town. Said conveyance is to be by Quit Claim Deed.

a. The District agrees to cooperate fully with the Town in the examination of the District's title to the water rights. The Town shall exercise its right to examine and accept or reject title on or before receiving the final payment identified in paragraph 4 above. Should the Town reject title to the water rights, the District shall have one year from the notice of rejection to correct such title deficiencies. Title deficiencies may be corrected by conveying additional water rights to the Town, by making a cash payment to the Town, or, by other remedies acceptable to both parties. The Town shall have at its sole discretion the right to accept or reject the District's corrections for any such deficiencies. If the Town does not accept the District's water rights then this agreement becomes null and void and all water tap payments that have been made to the Town will be immediately returned to the District including any actual interest earned.

b. Upon acceptance of the District's water rights, the Town agrees to provide full service to all of the Districts customers, according to the terms of this Agreement in perpetuity.

Inasmuch as damages are not an adequate remedy at law and the nature of the rights and duties herein are sui generis, each and every term of this entire Agreement shall be specifically enforceable by either party. In the event of breach of the provisions of this Agreement by the District, the Town shall first provide written notice of the breach and afford the District at least seven (7) days in which to cure the breach. Failure to cure the breach in that time will permit the Town to immediately terminate water service to the District as long as the Town has not yet accepted the District's water rights under paragraph 10 above.

This Agreement is an integrated agreement and hereby declared inseverable. In the event a court of competent jurisdiction should hold one provision hereof illegal or unenforceable, the entire agreement shall be considered void. This Agreement shall be construed according to the laws of the State of Colorado. This Agreement shall bind the successors and assigns of the parties.

The term of this Agreement is indefinite and it shall continue in effect until modified by mutual written agreement of the parties, or terminated as set forth above. Any notices required or given under this Agreement shall be given as follows:

If to the Town:

Public Works Director
Town of Silverthorne
P.O. Box 1309
601 Center Circle
Silverthorne, CO 80498

If to the District:

President

Willow Brook Metropolitan District
P.O. Box 2870
524 Ruby Road
Silverthorne, CO 80498