AGREEMENT TO MODIFY DITCH AND DITCH EASEMENT BETWEEN ERIE COAL CREEK DITCH AND RESERVOIR COMPANY AND THE TOWN OF ERIE

1. PARTIES. The parties to this Agreement to Modify Ditch and Ditch Easement ("Agreement") are the ERIE COAL CREEK DITCH AND RESERVOIR COMPANY (the "Company"), a Colorado nonprofit corporation, and the TOWN OF ERIE (the "Town"), a Colorado municipal corporation. The Company and the Town are each a "Party" and are jointly referred to as the "Parties."

2. RECITALS.

- 2.1. The Town is the owner of real property located in Weld County, Colorado, and described in **EXHIBIT A** ("Property"). The Town plans to construct a road and sidewalk over the Erie Coal Creek Ditch (the "Ditch"), which is owned by the Company, in the southeast quarter of the southeast quarter of Section 18, Township 1 North, Range 67 West of the 6th PM, Weld County, Colorado.
- 2.2 The Town acquired the Property by Plat recorded at Reception No. 3935455 in the Weld County Clerk and Recorder on May 29, 2013.
- 2.3. The Company owns the Ditch and an appurtenant easement for the operation, maintenance, repair and replacement of the Ditch ("Ditch Easement"), which is located on the Property. An approximate eighty (80) foot segment of the Ditch on the Property is proposed to be piped (the "Pipe"). The Pipe will connect to the outfall of an existing pipe going under Erie Parkway (also known as Weld County Road 8) as shown on the plans attached as **EXHIBIT B** ("Plans"). As depicted on the Plans, the Pipe will allow the Town to construct a road and a sidewalk over the Ditch. The initial construction and installation of conduit to enclose and pipe the Ditch for this approximately eighty-foot segment is referred to in this Agreement as the "Project."
- 2.4 The Company agrees to allow the Project to proceed subject to the terms and conditions below.

NOW THEREFORE THE PARTIES COVENANT AND AGREE AS FOLLOWS:

3. CONSTRUCTION.

- 3.1 The Town shall be responsible for the construction of the Project pursuant to the Plans.
- 3.2 The Town agrees that the piping of the Ditch on the Property shall proceed expeditiously and with reasonable diligence from the commencement of construction to its completion. The Town shall commence construction of the Project no earlier than November 1, 2018, and shall complete the Project no later than December 31, 2022. If the Project is not completed by December 31, 2022, then this Agreement shall expire and be

of no further force and effect as to any of the structures not constructed and the license to construct granted hereunder shall terminate unless otherwise agreed to in writing by the Company. However, in the event the Project is not completed by December 31, 2022, this Agreement shall apply to any portions of the Project installed prior to December 31, 2022, and the Town shall have: 1. the ability to negotiate an extension of this Agreement to allow completion; the right to abandon the Project in place; and the right to remove the portions of the Project already completed.

- 3.3 The Project shall be constructed in such a manner so as not to interfere with the flow of water through the Ditch to the Company's shareholders. The Town shall be responsible for the carriage of water, including drainage water, across the Property while the Project is being constructed. The Town shall pay as liquidated damages one thousand dollars (\$1,000) per day for any day that the Company has a request for water from a shareholder or shareholders, is willing and able to provide such water, but cannot deliver water to the shareholder or shareholders only as a direct result of the construction agreed to herein.
- 3.4 Upon completion of the Project, the Town shall notify the Company in writing, and the Company shall accept or reject the Project in writing no later than thirty (30) days after the receipt of the notice. However, the Company shall not be required to accept the Project until and unless all fees billed to the Town have been paid pursuant to Paragraphs 6 and 9. The Company shall not unreasonably withhold or delay its acceptance. The Company's acceptance or rejection of the Project shall be in writing. If the Project is rejected, then the Company shall specify the reasons for rejection, the Town shall correct the errors, and the above process shall repeat.
- 3.5 The Company's review and approval of the Plans is solely for its own benefit and creates no benefit or right in the Town or any third party. By reviewing and approving the Plans, the Company is not warranting that the Project, if constructed in accordance with the Plans, will comply with applicable laws, engineering standards or safety standards. The Company shall not be liable for any defects in the Plans. Notwithstanding any consents or approvals given to the Town by the Company, the Town and its consultants shall be solely responsible for the accuracy, completeness and all other aspects of the Plans.
- **PERMITS AND LICENSES**. It is not known whether the Town's construction of the Project requires any local, state or federal permits or approvals. It is the Town's obligation to investigate and to determine what, if any, such permits or approvals are needed. Prior to beginning work on the Project, the Town shall be responsible, at its own expense, for obtaining all applicable local, state and federal permits or approvals for the construction of the Project and for complying with all associated local, state and federal laws and regulations. Permits or approvals may include, but are not limited to, land use and environmental laws and regulations.
- **5. CONVEYANCE OF EASEMENT DEED.** The Town shall grant to the Company a thirty foot (30') wide permanent, non-exclusive easement ("Easement"), centered on the Pipe, for the Company's operation, maintenance, repair and replacement of the Ditch upon, over and across the Property. The Town shall accomplish this grant by executing an easement deed ("Easement

Deed") as shown in **EXHIBIT** C. The Easement Deed shall be executed and delivered to the Company within thirty (30) days of the execution of this Agreement. The Easement shall not be affected by and shall be superior to the dedication of any roads, improvements or other parcels or lands to the Town. The Town's grant of the Easement to the Company shall not affect the Town's obligation to maintain, repair, or replace the Pipe.

6. RELOCATION AND LICENSE FEE. As consideration for the Company agreeing to the Project, the Town shall pay to the Company \$2,500 within forty-five days of the mutual execution of this Agreement.

7. MAINTENANCE.

- 7.1. The Town specifically agrees and pledges to clean, maintain, repair, and replace the Pipe unless such cleaning, maintenance, repair or replacement is made necessary by the Company's negligence or willful misconduct.
- 7.2. Except in the event of an emergency as defined below, if the Town fails to maintain, repair, or replace any portion of the Pipe within ten (10) days' notice from the Company, then the Company may, at its own option, conduct its own maintenance, repair or replacement. The Town shall reimburse the Company for the reasonable cost of such work within forty-five (45) days of receipt of an invoice with supporting evidence of charges incurred. In the event that the Town fails to maintain, repair or replace the Pipe, then the Town shall be held liable for any loss, damage or injury to the Company that is directly caused by said failure to maintain, repair or replace the Pipe. If the Company conducts its own maintenance, repair or replacement, the Company does not waive the right to hold the Town liable for damages directly caused by the Town's failure to maintain, to repair and to replace the Pipe.
- 7.3. In the event of an emergency, the Company and the Town may conduct immediate maintenance or repair of the Pipe but must give notice as soon as possible to the maintenance contacts identified in Paragraph 12. If the Company conducts the emergency work on the Pipe, the Town shall reimburse the Company for the reasonable cost of work within thirty (30) days of billing with supporting evidence of charges incurred. The Company shall not be responsible or held liable for damages to the Property resulting from such maintenance or repair, unless such damages are the result of the Company's negligence or willful misconduct.
- 7.4. For the purposes of this Paragraph 7, an emergency is: a) a situation that impacts the ability of the Company to take delivery of water when such water is legally available under the laws of the State of Colorado; or b) as a situation that presents an immediate threat to the public health or safety.
- 7.5. The Town shall at all times maintain with the Company the name, address and telephone number of people who shall be responsible for fulfilling the maintenance responsibilities set forth in this Agreement. The initial contacts are listed in Paragraph 12.2 for regular operation maintenance and Paragraph 12.3 for emergency maintenance.

7.6. The Town shall place no additional structures or landscaping on or over the Ditch or the Ditch Easement other than as shown on the Plans and as permitted by the Easement Deed without the Company's prior written approval. The Company shall not be liable for damage to roads or other improvements on the Property that result from the proper operation, maintenance, repair or replacement of the Ditch.

8. INSPECTION.

- 8.1. The Town shall notify the Company at least three (3) days prior to commencing the Project and prior to any construction of, or any replacement or repair of, the Pipe permitted by this Agreement, except for emergency repairs provided for in Paragraphs 7.2 and 7.3 of this Agreement. Such notice shall be given by e-mail to the operational contact in Paragraph 12.2. If the Town fails to give this notice prior to any construction or any replacement or repair, upon request of the Company, the Town shall excavate soil or any other fill material at its own expense so that the work that it failed to give notice of may be inspected, and, upon request of the Company, the Town shall remove the construction so that the construction may be inspected by the Company in real time.
- 8.2. The Company is permitted to inspect the Project, or replacement and repairs of the Project and the Pipe during and after construction. The Company's right to inspect in no way relieves the Town of its liability for improper construction or maintenance. The Company's inspection is solely for the benefit of the Company and creates no obligation to the Town or any third party.

9. REIMBURSEMENT.

- 9.1. The Town shall reimburse the Company (or pay directly) for the following costs and expenses: all reasonable attorney fees incurred by the Company in preparing, approving and insuring compliance with this Agreement; all reasonable engineering fees incurred by the Company reviewing the Plans; all inspection fees incurred by the Company; and all costs associated with billing and collecting these amounts for the Company.
- 9.2. Costs chargeable to the Town shall be paid within forty-five (45) days of the billing date. If payment has not been received by the Company within forty-five (45) days, then the Town shall have breached this Agreement, and the Company may institute legal proceedings to collect the amount due and owing. In such proceeding, the Company shall be entitled to its costs and reasonable attorney fees from the Town.
- 10. LIABILITY AND INDEMNIFICATION. By virtue of entering into this Agreement, the Company, except as otherwise provided in this Agreement: a) assumes no liability for use, operation or existence of the Project or the Pipe; b) assumes no liability for the Town's construction of the Project and maintenance, repair, and replacement of the Project or Pipe as set forth in Paragraphs 3 and 7; and c) assumes no additional responsibilities or obligations related to the Town's future or additional activities on the Property that are required or permitted by this Agreement except for damages or injury caused by negligent acts or omissions or by intentional acts of the Company, its agents, assigns or employees.

11. TERM. This Agreement shall be perpetual unless modified by court order, modified by written consent of the Parties, or if expired pursuant to Paragraph 3.2.

12. NOTICES.

12.1 Any written notice required or permitted by this Agreement shall be in writing. Notice shall be deemed to have been sufficiently given for all purposes when: a) sent by certified or registered mail, postage and fees prepaid, addressed to the Party at the address listed below; or b) when hand-delivered to the Party at the address listed below or when delivered by electronic means (e-mail) to the Party at the email address listed below.

COMPANY:

Angie Swanson, Secretary Erie Coal Creek Ditch and Reservoir Co. P.O. Box 119

Longmont, CO 80502-0119

E-mail: angie@dangrantbookeeping.com

COPY TO:

Lyons Gaddis Attn: Jeffrey J. Kahn

P.O. Box 978

Longmont, CO 80502-0978 E-mail: jkahn@lyonsgaddis.com

TOWN:

Todd Fessenden
Town of Erie Public Works Director
P.O. Box 750
645 Holbrook Street

Erie, CO 80516

E-mail: tfesssenden@erieco.gov

COPY TO:

Kendra L. Carberry Hoffmann, Parker, Wilson & Carberry, P.C. 511 Sixteenth Street, Suite 610 Denver, CO 80202

12.2 For operational contacts, the following persons are designated as the Parties' contacts:

Town: Company:

Jody Lambert Wolfgang Paul, Ditch Rider

E-mail: jlambert@erieco.gov Cell: 303-828-3864

Office: 303-926-2882 Cell: 303-591-8600

12.3 In the event of an emergency, Lower Boulder, Northern Water, or the Town may conduct maintenance or repair immediately, giving notice to the other Party as soon as practicable at the emergency contacts identified in this Paragraph.

EMERGENCY CONTACTS:

COMPANY: Wolfgang Paul Cell: 303-828-3864

If Mr. Paul or his successor is not available:

Mike Schmidt: Cell 303-881-3822

TOWN: On Call Number: 303-926-2858

- 12.4 The Parties may change the personnel and addresses to which notice is given by written notice to the other Party at the addresses listed in Paragraph 12.1 above.
- **13. BINDING EFFECT.** This Agreement shall inure to the benefit of, and be binding upon, the Parties, their legal representatives, successors, and assigns.
- **14. RECORDATION.** This Agreement shall be recorded in the real property records of Weld County, Colorado, at the Town's expense.
- 15. ATTORNEY FEES. If any Party breaches this Agreement, the breaching Party shall pay all of the non-breaching Party's reasonable attorney fees and costs in enforcing this Agreement whether or not legal proceedings are instituted.
- **16. WAIVER OF BREACH.** Any Party's waiver of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any Party.
- **17. EXHIBITS.** All exhibits referred to in this Agreement are, by reference, incorporated in this Agreement for all purposes and include the following:

Exhibit A: Legal Description of Property

Exhibit B: Project Plans

Exhibit C: Form of Easement Deed

- **18. SEVERABILITY.** If any clause, sentence, term, condition, covenant or provision of this Agreement is held to be illegal, null or void by a court of competent jurisdiction, then the remaining portions of this Agreement shall remain in full force and effect.
- 19. CAPTIONS FOR CONVENIENCE. All headings and captions are for convenience only and have no meaning in the interpretation or effect of this Agreement.
- **20. MODIFICATIONS.** This Agreement can only be amended or modified in writing by the Parties.
- **21. FACSIMILES AND COUNTERPARTS.** For purposes of this Agreement, electronically transmitted signatures shall be considered original signatures. This Agreement may be executed in counterparts. All counterparts shall, when taken together, be deemed as one Agreement for all purposes.
- **22. GOVERNING LAW.** This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Weld County, Colorado.

Dated:	
	ERIE COAL CREEK DITCH AND RESERVOIR COMPANY, a Colorado nonprofit corporation
ATTEST:	By:Mike Schmidt, President
Angela R. Swanson, Secretary	
ATTEST:	THE TOWN OF ERIE a Colorado municipal corporation
	By:
	Print name:Title:
By:	

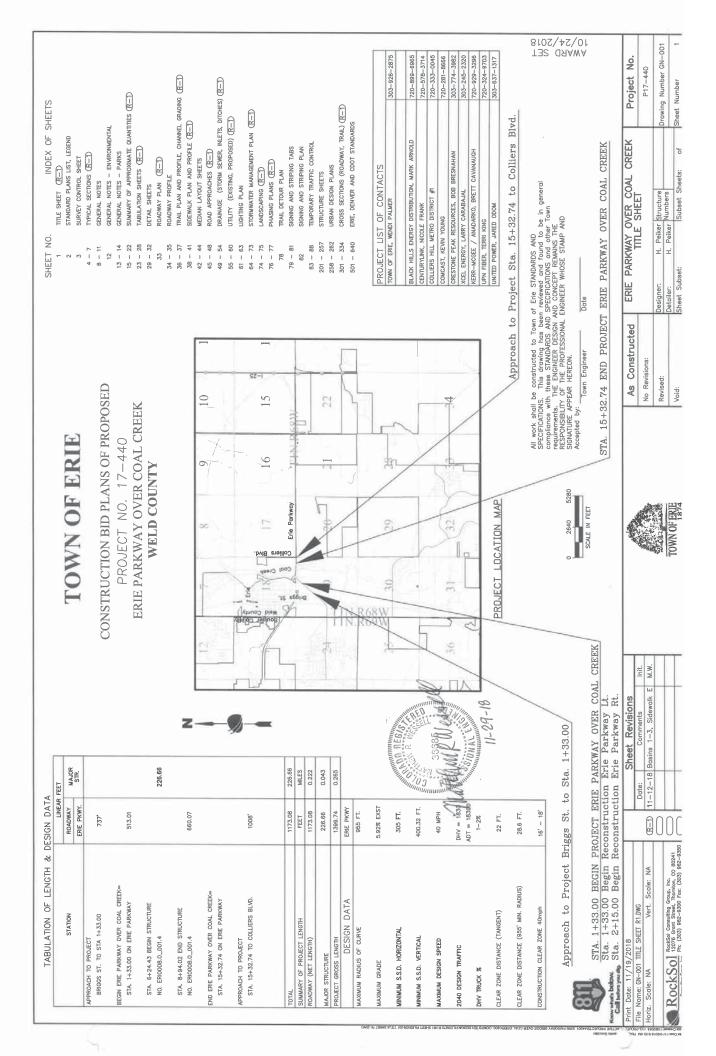
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

TRACT C, OF DAYBREAK FILING NO 1A, LOCATED IN THE SOUTHEAST QUARTER OF SECTION 18, TOWNSHIP 1 NORTH, RANGE 68 WEST OF THE 6^{TH} P.M., TOWN OF ERIE, COUNTY OF WELD, COLORADO

EXHIBIT B

PROJECT PLANS



T3S GAAWA 10\24\2018 Drawing Number DT-002 30 Project No. P17-440 Cost of sleeve will not be paid for separately, but will be included in the cost of Median Cover Maderial. Location of posts are as shown on tabulation of signs and delineator tabulation. Sheet Number Median Cover Material Radius $A = \frac{1}{2}$ " Details Subset Sheets: 2 of 4 ERIE PARKWAY OVER COAL CREEK DETAIL SHEET 2 Curb at Trailhead Access Sleeve for Sign Post or Delineator Post in Concrete H. Peiker Structure Numbers 4" x 4" Tubular Square Post Base Designer: Detailer: Sheet Subset: -Existing Ground Compacted Embankment Material As Constructed Notes:

1. Coloreste shall be formed with phywood (Remove prior to backfill).

2. Concrete shall be vibrated during placement.

3. Pipe shall be cleaned of loose dirt etc.

4. Rebar 3' clear of formed surface the maximum permissible pull at the joint, as specified by the Manufacturer; is exceeded.

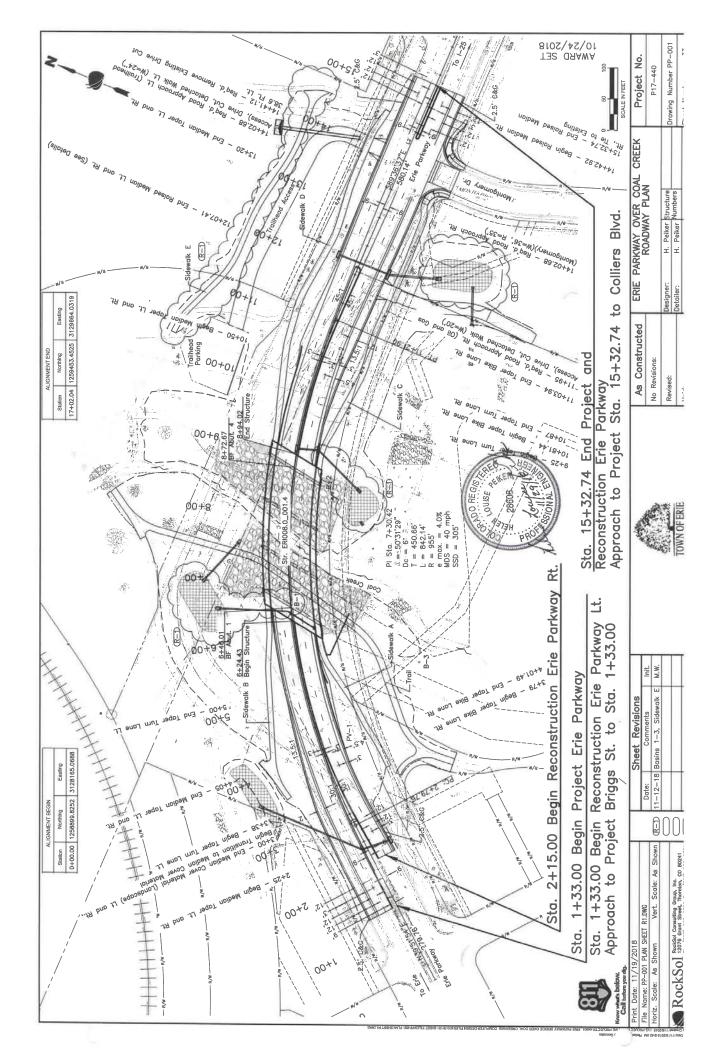
5. A Concrete Pipe Coloris shall not be used for pipes.

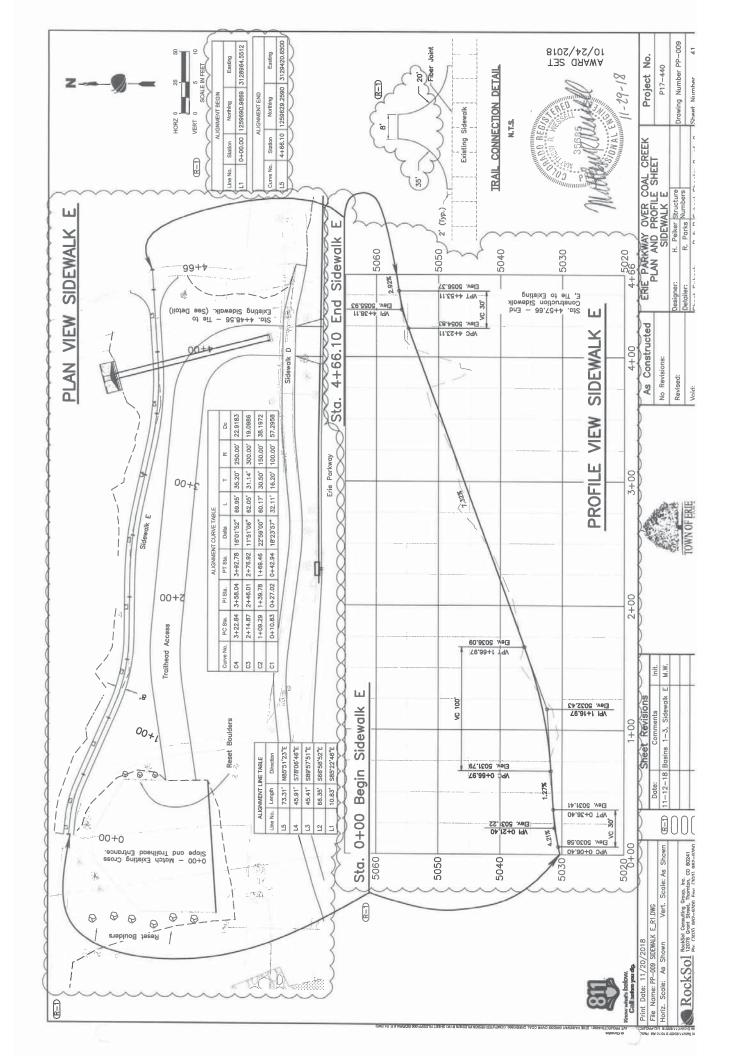
6. Concrete Pipe Coloris shall not be used for pipes with different diameters.

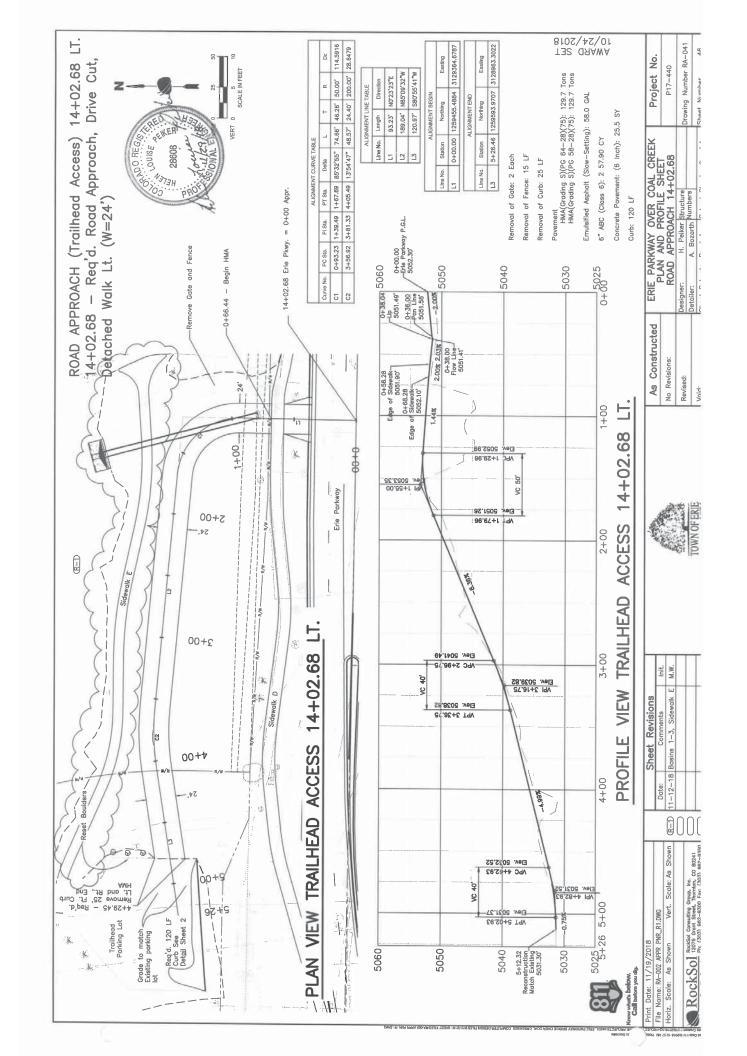
7. For Pipe sizes not listed, use next size larger.

8. Omit reinforcing on all pipes less than 24" in diameter with minimum 2' cover and absolute with where mesh.

9. Concrete Pipe Coloris will not be paid for separately but shall be included in the work per Coloris will not be paid for separately but shall be included in the work per Coloris will not be paid for separately but shall be included in the valid pipe surfaces. If the proposed pipe deflection creates a gap which prohibits a smooth interior finish, a mittered cut to each pipe shall be required. No Revisions: Revised: Void: NEW OR EXISTING CONCRETE PIPE -3 #4 CIRCULAR TIES #4 @ 12" D.C. TOWN OF ERIE Concrete Collar N.T.S. 1'-6" TYP. #4 @ 12" D.C. 12" 8€ NEW OR EXISTING CONCRETE PIPE į; Riprap Rundown and Overflow Weir Detail Sheet Revisions 0.75 Hydraulic Waterstop (Adeka KBA-ISIOFP) 12" 12" Min. N.T.S Date: 4.5 New Pipe 0.75 Concrete Collar N.T.S ROCKSOI 12076 Grant Street, Thornton, CD 80241 0.75 File Name: DT-002 DEAL SHEET 2.DWG 1-#4 Longitudinal BAR @ 1'-0" Existing Pipe 3-#4 Circular Ties @ 1'-3" 0.C. Geotextile Class 1 Firm Foundation Material Print Date: 9/6/2018







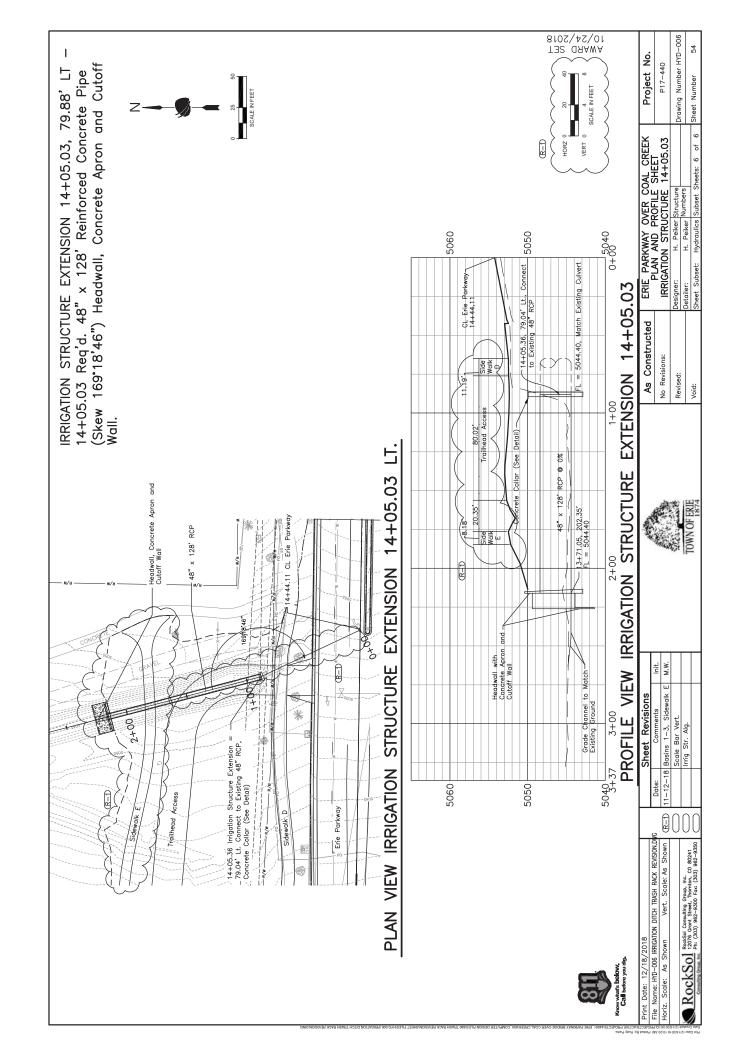


EXHIBIT C

FORM OF EASEMENT DEED

EASEMENT DEED

The Town of Erie (Grantor), a Colorado municipal corporation, whose address is 645 Holbrook Street, Erie, Colorado 80516, for the consideration of ten and 00/100 DOLLARS, in hand paid, hereby sells and conveys to **Erie Coal Creek Ditch and Reservoir Company** (Grantee), a Colorado nonprofit corporation, whose legal address is c/o Dan Grant, Secretary, P.O. Box 119, Longmont, Colorado 80502-0119,

the following real property in the County of Weld and State of Colorado, to wit:

A thirty foot (30') wide permanent non-exclusive easement more fully described in the attached **EXHIBIT 1** for the operation, maintenance, repair and replacement of the Erie Coal Creek Ditch ("Ditch").

Grantee shall have the right to use the easement for the purposes of installing, constructing, using, operating, maintaining, inspecting, repairing, altering, removing and replacing the Ditch in whole or in part, and all necessary subsurface and surface appurtenances for the transportation of water and the operation and control of a water pipeline on the property described in **EXHIBIT 1**; and of cutting and clearing trees, brush, debris and other obstructions that might interfere with the operation and maintenance of the Ditch or the Ditch's facilities.

The Grantor shall not place any improvements or structures including fences, berms, walls, trees or bushes in the easement that interfere with the operation, maintenance, repair and replacement of the Ditch. Provided, however, that Grantor shall be allowed to place, maintain and use a recreational trail and an access drive in and over the easement. Placements are done so at the risk of the persons or entities placing the improvements or the structures on the property described in **EXHIBIT 1**. Grantee may demand the removal of such improvements or structures and may remove them at any time for the purposes of operating, maintaining, repairing or replacing the Ditch; provided, however, the Grantee shall not be entitled to demand removal of improvements for which Grantee has granted written permission to Grantor or to others to install. Any property damage incurred as a result of normal operation, maintenance, replacement or repair within the easement including removal of any improvements which interfere with the use of the easement except for those described above shall be the responsibility of the Grantor, its successors and assigns, and not the responsibility of Grantee.

with all its appurtenances, and wa	nrrant(s) the title to the same.
DATED:	
	THE TOWN OF ERIE a Colorado municipal corporation
	By:
ATTEST:	Print name:Title:
By:Print name:	
Town Clerk	

EXHIBIT 1 TO EASEMENT DEED TOWN OF ERIE TO ERIE COAL CREEK DITCH AND RESERVOIR COMPANY

[EASEMENT DESCRIPTION TO BE ADDED PRIOR TO EXECUTION OF DEED]