EAGLE PARK RESERVOIR STOCK AGREEMENT

This Agreement dated this ______________________, is between the Board of County Commissioners of Eagle County, Colorado (the “County”) and the Upper Eagle Regional Water Authority (the “Authority”).

Recitals

A. The County is the owner of 874.3976 shares of Class A Series 2 stock of the Eagle Park Reservoir Company which entitles the County to 87.43976 acre feet of water from Eagle Park Reservoir (the “Reservoir Company stock”).

B. The County acquired the Reservoir Company stock to meet water service obligations of affordable housing developments in Eagle County, water conservation goals in Eagle County, and stream and river health in the Eagle River basin.

C. The Authority is the municipal water provider for the area from Eagle-Vail to Edwards (the “Authority service area”) and, with the Eagle River Water & Sanitation District (the “District”), has been a community leader in developing affordable employee housing, conserving water, and developing projects that have enhanced the health of the streams and rivers in Eagle County.

D. The County believes that the best means of supporting the development of affordable housing, water conservation in Eagle County, and healthy streams and rivers in the Eagle River basin is to convey the Reservoir Company stock to the Authority subject to the terms and conditions of this Agreement.

Agreement

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Conveyance. Simultaneous with the execution of this Agreement, the County shall execute and deliver to the Authority the Stock Assignment for the Reservoir Company stock attached hereto as Exhibit A.

2. Assessment Payment. The Authority shall pay to the Eagle Park Reservoir Company the sum of $68,029.31, which is the amount of the County’s current unpaid assessment for the Reservoir Company stock.

3. Use of Reservoir Company Stock. The Reservoir Company stock shall be used by the Authority to satisfy the water rights dedication requirements of developments in the
Authority service area that provide affordable, employee, or workforce housing units as defined by Eagle County’s adopted Affordable Housing Guidelines and conserve water, or projects that promote healthy streams and rivers in the Eagle River basin.

(a) To ensure that the Reservoir Company stock is utilized for these intended purposes, the parties shall undertake the following procedure for any development that seeks to use a portion of the Reservoir Company stock:

i. When the Authority receives a request to provide water service to a proposed development within the Authority service area which will include affordable, employee or workforce housing that conserves water, or a project that enhances stream and river health (the “proposed project”), the Authority will determine how much of the Reservoir Company stock will be required to serve the proposed project. Once that determination is made, the Authority will send to the Eagle County Attorney and the Eagle County Housing Director a letter that sets forth (1) a description of the proposed project, (2) the amount of the Reservoir Company stock that will be required to serve the proposed project, (3) whether and how the proposed project conserves water or how the proposed project enhances stream and river health, and (4) the amount of in-basin storage water that will be required to serve the entire proposed project.

ii. After receiving the foregoing letter, the General Manager of the Authority or the General Manager’s designee and the employees of the County designated by the Eagle County Attorney shall meet to determine what amount, if any, of the Reservoir Company stock can be used for the proposed project, and whether the cash in lieu fee for the Reservoir Company stock should be waived in whole or in part. In making these determinations for a housing development, the parties shall consider the guidelines attached hereto as Exhibit C. The County shall have the final decision making authority on these matters.

iii. To be considered an affordable, employee or workforce housing unit, the unit shall comply with the County’s adopted Affordable Housing Guidelines, as amended from time to time.

iv. The Authority will provide an annual accounting to the County of the Reservoir Company stock until the entire amount has been dedicated to qualifying proposed projects.

(b) The County may use up to 100 shares of the Reservoir Company stock for its own projects at no cost. The Authority will notify Eagle County in the event that the balance of the Reservoir Company stock is 25 acre-feet (250 shares).
4. **Use of Cash in Lieu Fee.** Any cash in lieu fee obtained by the Authority for the Reservoir Company stock shall be used by the Authority to pay for the development of additional in-basin storage.

5. **Notice.** Any letters or notices provided hereunder shall be addressed as follows:

   For the County:  
   Eagle County Attorney  
   P.O. Box 850  
   500 Broadway  
   Eagle, Colorado 81631  

   with a copy to:  
   Eagle County Housing Director  
   P.O. Box 850  
   500 Broadway  
   Eagle, Colorado 81631  

   For the Authority:  
   Upper Eagle Regional Water Authority  
   846 Forest Road  
   Vail, Colorado 81657  
   c/o General Manager

6. **Press Release.** The parties shall issue the joint press release attached hereto as Exhibit B.

7. **Specific Performance.** The terms of this Agreement shall be specifically enforced.

8. **Modifications.** The parties agree that any modifications of this Agreement shall be effective only when made in writing signed by both parties.

9. **Entire Agreement.** This Agreement and any other documents made or given in connection herewith or therewith constitute the entire understanding and agreement between the parties with respect to the matters provided for herein and supersedes all prior written or oral understandings and agreements between the parties with respect thereto.
Executed as of the date first set forth above.

COUNTY OF EAGLE, STATE OF COLORADO,
By and Through Its BOARD OF COUNTY
COMMISSIONERS

By: ________________________________
Kathy Chandler-Henry, Chair

Attest:

By: __________________________________
Regina O'Brien, Clerk to the Board

Upper Eagle Regional Water Authority

By ________________________________
George Gregory, Chair

Attest:

By: ________________________________
Catherine L. Hayes, Secretary to the Board
Exhibit A

SPECIAL WARRANTY DEED AND ASSIGNMENT

For ten dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Board of County Commissioners of Eagle County, Colorado ("Grantor") hereby sells, grants, transfers, and assigns to the Upper Eagle Regional Water Authority ("Grantee"), whose address is 846 Forest Road, Vail, Colorado 81657, 874.3976 shares of Class A Series 2 stock (the "Subject Shares") in the Eagle Park Reservoir Company ("Company"), which are represented by Certificate No. 56 and 60 (copy attached as Exhibit 1), together with all associated water rights, rights for the use of water, and other rights represented by the Subject Shares, and warrants title to the same against all persons claiming under Grantor. Grantor does hereby irrevocably constitute and appoint the Secretary of the Company to transfer said Subject Shares upon the books of the Company with full power of substitution in the premises.

Executed as of this _____ day of ______________, 2020.

GRANTOR:

BOARD OF COUNTY COMMISSIONERS OF
EAGLE COUNTY, COLORADO

____________________________________
Kathy Chandler-Henry, Board Chair

Attest:
By: _________________________________
Regina O’Brien, Clerk to the Board
The shares represented by this Certificate are subject to provisions on the reverse side.

INCORPORATED UNDER THE LAWS OF

COLORADO

Number 56

Shares 760

EAGLE PARK RESERVOIR COMPANY

Shares are with $1.00 par value

This Certifies that Board of County Commissioners of Eagle County, Colorado is the owner of

760 Class A, Series 2 Shares of the Capital Stock of

Eagle Park Reservoir Company

transferrable only on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 22nd day of April A.D. 2010

Secretary

President
The shares represented by this Certificate are subject to Article 11.2 of the Articles of the Incorporation of the Eagle Park Reservoir Company.

No shareholder shall object to another shareholder’s use of water from Eagle Park Reservoir or other water to which such other shareholder is entitled by virtue of its ownership of common stock in the Corporation by direct use, augmentation, exchange, replacement or substitution.
County to convey water rights to support affordable housing; water authority to hold 87-acre feet of water for suitable projects

Kim Bell Williams
Eagle County Housing Department
Eagle County Housing and Development Authority
970-328-8773

Linn Brooks
ERWSD General Manager
970-476-7480

July 28, 2020 - Eagle County Government will convey approximately 87 acre feet of water rights it owns in Eagle Park Reservoir to the Upper Eagle Regional Water Authority to be allocated to affordable housing projects or to projects that promote river health in Eagle County. The current value of the water is just over $3.45 million.

The county owns shares in the Eagle Park Reservoir Company and has decided to convey the stock to help further some of its strategic goals. Specifically, the stock shall be used by the authority to satisfy the water rights dedication requirements of developments within its service area that provide affordable, employee or workforce housing units as defined by the Eagle County Affordable Housing Guidelines and Administrative Procedures and that achieve water conservation goals, or for projects that enhance the health of streams and rivers in the Eagle River basin.

The Eagle Board of County Commissioners continues to identify quality workforce housing and river health as strategic areas of focus. The authority provides water service to properties from Eagle Vail to Cordillera; and also owns shares in Eagle Park Reservoir Company to allot water to new development within its service area. The newly conveyed shares from Eagle County will only be allocated to projects that meet the criteria outlined in the agreement between the county and the authority.

Officials say the county and the authority were natural fits for the partnership as both organizations are leaders in the efforts to bring affordable housing and water efficiency and conservation projects to fruition in Eagle County. The Eagle River Water & Sanitation District, which manages the authority, has created 58 housing units since 1996, including the 21-unit Stillwater project they completed last year in Edwards. Eagle County has partnered to create and currently oversees over 700 workforce and senior housing units including Miller Ranch, Lake Creek Village, Seniors on Broadway, Golden Eagle Apartments and Riverview Apartments.
Additionally, the county anticipates opening Two10 @ Castle Peak, a 22-unit LEED gold certified apartment complex, to tenants in August.

“We are excited to enter into this partnership and collaboration to support the expansion of new high quality housing options for our local workforce and to improve river health in the Eagle River basin,” said Linn Brooks, ERWSD General Manager.

“In these times of economic uncertainty, we believe the conveyance of the Reservoir Company stock is a creative solution to lowering the barrier to attainable housing, achieving water conservation goals, and promoting river health in Eagle County,” said Eagle County Commissioner Kathy Chandler-Henry.

Eagle County Commissioner Jeanne McQueeney noted the need to make all investments go further. “We feel the dedication of the Reservoir Company stock is a way to do that. It encourages public/private partnerships to address community needs and some of our most critical strategic priorities.”

“We are hopeful and confident that this program will be a catalyst and incentive for developers to pursue affordable housing projects that achieve water conservation goals and improve stream health,” said Eagle County Commissioner Matt Scherr.

For more information, contact Linn Brooks at 970-476-7480 or the Eagle County Commissioners at 970-328-8605.
Exhibit C

Guidelines

1) The Reservoir Company stock will be utilized to meet the water dedication requirements of the Upper Eagle Regional Water Authority for proposed projects proportionate with the number of deed restricted units (i.e. a development providing 35% of deed restricted units will obtain water service utilizing the Reservoir Company stock for 35% of that development’s water requirements) under the following cost tiers:

   a) 100% of the cash in lieu fee for in-basin storage water of the Upper Eagle Regional Water Authority shall be waived if the units are price capped for sale at or below 100% of Area Median Income (“AMI”) and/or if units are price capped rental at or below 80% AMI;
   b) 75% of the cash in lieu fee for in-basin storage water of the Upper Eagle Regional Water Authority shall be waived if the units are price capped for sale at 101-120% of AMI and/or if units are price capped rental at 81-100% AMI;
   c) 50% of the cash in lieu fee for in-basin storage water of the Upper Eagle Regional Water Authority shall be waived if the units are price capped for sale at 121-140% of AMI.

2) The proposed projects that receive water service utilizing the Reservoir Company stock may be either “for sale” or rental projects.

3) All proposed projects that receive water service utilizing the Reservoir Company stock must also comply with and be ranked according to priorities for water conservation or river health as established by the Upper Eagle Regional Water Authority.

4) Modifications to the AMI percentages above may only be done through agreement of Eagle County and the Upper Eagle Regional Water Authority, in writing.

5) In the event a proposed project does not meet the criteria to receive water service utilizing the Reservoir Company stock, on a case-by-case basis, the parties can determine together if such proposed project should receive water service utilizing the Reservoir Company stock.