

REIMBURSEMENT AGREEMENT

This Reimbursement Agreement is made this ____ day of _____, 2001, by and between _____ (“Customer”) and EAST BOULDER COUNTY WATER DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado (“the District”).

RECITALS

WHEREAS, Customer constructed at its sole cost and expense a water main extension of approximately ___ feet extending from the District’s existing main at the _____, within the boundaries of the District;

WHEREAS, the total costs of such construction and installation thereof have been determined to be _____ and

WHEREAS, such extended line has been conveyed to and accepted by the District for operation and maintenance pursuant to District Rules and Regulations and System Specifications; and

WHEREAS, Customer has requested the District to reimburse it for the costs of such line extension less the costs attributable to that portion of the line capacity used by Customer, and the District has determined that such request should be granted; and

WHEREAS, the purpose of this Reimbursement Agreement is to set forth the terms and conditions agreed by the parties with respect to such reimbursement.

NOW THEREFORE, for in consideration of the mutual promises and undertakings herein set forth, the parties agree as follows:

A. The District shall establish and impose a special Reimbursement Charge of \$_____ pursuant to Resolution of the Board of Directors, incorporated herein by reference, for the purpose of collecting reimbursement funds pursuant to this Agreement.

B. The District will collect the Reimbursement Charge in full at the time application is made for service to property which is to be serviced from the extended line, and remit the net amount of such charges so collected to Customer within 30 days of such collection. The clear and unequivocal intent of this Agreement is that the District will exercise its best efforts to ensure that no connection is made to the Line unless the Reimbursement Charge provided for herein is first paid. District shall utilize its good faith efforts to maintain internal systems and controls designed to achieve this purpose, but the District will not be liable to any person for any Reimbursement Charges not

actually collected by the District, or for any alleged damages resulting from such failure to collect.

C. For the purposes of this Agreement, the term “net amount” means the amount of Reimbursement Charge collected by the District, less an administrative fee of \$100.

D. In the case that the District desires to further extend the extended line for the general benefit of the District, the District agrees to repay the Customer's total costs of construction less any prior Reimbursement Charges collected by the district and forwarded to the Customer.

E. Each party hereto will notify the other of any proposed new main line extension that would be subject to the Reimbursement Charge as soon as they become aware of the same.

F. Any right to receive distributions of Reimbursement Charge proceeds is personal to Customer, but Customer may assign such right to any third person by written instrument delivered to the District. Any unclaimed or undeliverable distribution shall revert to and become the sole property of the District one year after attempted delivery to the person entitled thereto. For the purposes of this Paragraph, the term “delivery” shall mean deposited in the United States mail, first class postage prepaid, return receipt requested, addressed to the Customer thereto at the address furnished in writing by such Customer to the District.

G. Customer will indemnify and hold harmless the District, its officers, agents, and employees, from any and all claims, expenses and demands arising out of or in any way involving (i) the District's collection or attempted collection of the Reimbursement Charge, or (ii) the District's calculation of reimbursement payment to Customer so long as such calculations conform to this Agreement.

H. The District and Customer will cooperate fully with each other in responding to any challenge to or refusal to pay the Reimbursement Charge, but Customer will pay in advance all of the costs and expenses associated therewith, and the District shall be released from any obligation under this Section 7 in the event of Customer's default in payment.

I. Notwithstanding any other provision of the Reimbursement Agreement, the District shall have no liability to Customer in any case in which the Reimbursement Charge is, or has been, determined by a court of competent jurisdiction for any reason to be invalid or unenforceable.

J. This Agreement and any and all obligations of the District to collect the Reimbursement Charge provided for herein and to account for any undistributed proceeds thereof shall terminate and be of no further force or effect on and after the

sooner of 10 years from the date of this Agreement, or upon collection and reimbursement as provided for herein. The parties may mutually decide to renew this Agreement if they so desire.

K. This Agreement supercedes and replaces the Reimbursement Agreement between these parties dated _____.

IN WITNESS WHEREOF, the parties have set their hands and seals effective as of the day and year first above written.

EAST BOULDER COUNTY WATER DISTRICT

By: _____
President

ATTEST:

Secretary

Customer

Customer