

GREELEY IRRIGATION COMPANY
SHARE TRANSFER AND CHANGE OF USE POLICIES

The Poudre Prairie decree (“PPD”), as amended, entered in Case No. 96CW658, Water Division No. 1, was based on a ditch-wide analysis of the Greeley Irrigation Company (“the Company” or “GIC”) water rights, and the findings and rulings in the decree are binding on all shares in GIC.

In order to maintain the integrity of the PPD for transfers and changes of shares in GIC, the GIC Board of Directors adopted the following policies effective April 26, 2012, and amended on December 3, 2020.

General Policies for GIC Shares

1. When shares are being used under a Substitute Water Supply Plan (SWSP), a copy of the SWSP request must be provided to the Company for the Company’s review and approval before submitting the SWSP request to the State Engineer. A copy of the approved SWSP must be provided to the Company within ten (10) days after approval by the State Engineer.
2. Water Court change and augmentation applications and decrees must include the following provision: “Return flow and augmentation water may be delivered to the river at any of the following locations at the Company’s sole discretion: (1) the F Street structure, (2) the 23rd Avenue structure, (3) the 16th Street structure, or (4) any other structure approved by the Company. The Company will determine the delivery location for return flow and augmentation purposes at any given time based on operations of the ditch, with consideration being given to the delivery location requested by the shareholder and the needs of the Company and its shareholders. Deliveries of return flow and augmentation water will be coordinated with the Water Commissioner.”
3. Water Court change applications must include the current share certificate number(s), the number of share(s) shown on the certificate(s), and the table (“Table”) in the PPD the shares are shown on, and, if applicable, the associated parcel number on the PPD Tables and maps, the number of acres claimed as dry-up from the parcel on the PPD maps, the number of acres claimed from the dry-up pool (“Dry-Up Pool”) as defined below, and a copy of any dry-up covenants for the acres irrigated by the shares and claimed as dry-up.
4. The Tables and the maps associated with the PPD will be updated by the Company Secretary from time-to-time as requested by the Board of Directors.
5. If the Company has actual knowledge that any shareholder is using GIC shares contrary to the requirements of the PPD, any Water Court decree, or the

Company's Bylaws or policies, the Company will notify that shareholder that the practice is not allowed under the PPD, any Water Court decree, or the Company's Bylaws or policies, demand that the shareholder discontinue any such unlawful use practices, and may, in its discretion, refuse to deliver water to that shareholder.

6. A legend identifying the case name, case number, the applicable PPD Table, and the PPD parcel, if applicable, will be placed on the face of share certificates and certificate stubs for shares that are changed under a Water Court decree. Certificates must be provided to the Company for notation of the legend within sixty (60) days after issuance of the final decree. Certificates for which shares have been previously changed through Water Court must be brought in for notation of the legend within sixty (60) days after request by the Company. The Company will not deliver water under the share certificates for the changed uses until the certificates have been presented to the Company for notation as provided in this policy.
7. Any dry-up covenant shall specify the number of acres being dried up and the parcel identified in the PPD that is located within the area included in the dry-up covenant. If the entire parcel identified in the PPD map and Table is not being dried up, the dry-up covenant must include a metes and bounds description and a map of the dry-up acreage prepared by a licensed surveyor, and, if available, a GIS shape file that includes the physical dry-up acreage and/or the de facto dry-up acreage along with any accompanying metadata. The shapefile must be in NAD83 datum, UTM projection, Zone 13 North.
8. When property identified in the PPD as currently or historically irrigated by GIC shares is sold to a third party and any of the shares are retained by the owner, a dry-up covenant satisfactory to the Company and for at least the pro rata number of irrigated acres in the PPD must be recorded in the Weld County records prior to the sale of the property. The shareholder must provide a recorded copy of the dry-up covenant to the Company within ten (10) days after the sale is complete.
9. In a proceeding to change shares in Water Court, dry-up credit will only be given for up to 6.74 acres per share (the ditch-wide average). In evaluating applications for change of use under the provisions of Article X of the Bylaws, the Company will always enforce the PPD requirement of demonstrating at least 6.74 acres per share of dry-up.
10. Shareholders who seek to change the use of their GIC shares are expected to demonstrate dry-up consistent with the requirements of the PPD Tables and these Policies. Where there are sub-parcels listed on the PPD Tables, each sub-parcel will be evaluated as a separate parcel for purposes of determining the dry-up requirements in a manner that the GIC Board determines is fair and reasonable under the PPD.

11. Change of GIC shares through the Water Court must be done in accordance with the Company's Bylaws and these Policies. The Change of Use Policies section, below, describes the Company's procedures and requirements to change GIC shares.
12. The Company's failure or delay in enforcing any provisions of these Policies against one or more GIC shareholder will not be a waiver and will not estop the Company from enforcing that provision or any other provision of these Policies against any GIC shareholder in the future.
13. To the extent allowed by law, shareholders who seek to transfer or change the use of their GIC shares shall be required to defend, indemnify, and hold harmless the Company, its Board of Directors, agents, and employees from any and all claims against the Company that may arise from the Company's approval of the transfer of shares or change of use. However, nothing herein shall constitute a waiver of any defenses or immunities which may be available to a shareholder pursuant to the Colorado Constitution or the Colorado Governmental Immunity Act.

Share Transfer Policies

The following policies apply when there is a change of ownership of GIC shares and the purchaser is requesting issuance of a new share certificate.

1. The original certificate or certificates must be submitted to the Company Secretary for transfer. Refer to the Company's Bylaws for procedures that apply when the original share certificate has been lost.
2. Originals of all share assignments must be submitted with the transfer documents.
3. Share transfers will be considered only at regularly scheduled meetings of the GIC Board of Directors. Transfer documents must be received by the Company Secretary at least seven (7) days before the Board meeting.
4. A shareholder requesting to transfer GIC shares must deposit with the Secretary a fee of \$1,500, \$300 of which per certificate being issued is non-refundable. If the requesting shareholder does not complete the actions required for the Company to issue a new share certificate within six months thereof, the Company will return the deposit, less the \$300 non-refundable fee per certificate being issued and the Company's actual expenses incurred in reviewing the transfer, if any. For any transfers that are completed, the Company shall be reimbursed from the deposit its actual expenses including attorney, engineering, and administrative fees, related to the Company's review of the share transfer, and shall return to the shareholder any remaining balance less the \$300 non-

refundable fee per certificate being issued. In the event the Company's expenses exceed the deposit, the Company will require as a pre-condition to approving the transfer and issuing the new share certificate, payment up to its full, actual expenses related to the review.

5. All assessments and other amounts owing to the Company must be paid prior to any transfer being approved.
6. Certificates will not be issued in less than one-quarter (1/4) share increments. Certificates currently issued in other than one-quarter (1/4) share increments may be reissued in the current increment, but will not be split further.
7. In the event that a single certificate is issued in the name of multiple owners, the owners shall designate a single party as the primary contact for billing and administrative purposes.
8. A completed, original Share Transfer Information Sheet, in the form approved by the GIC Board from time-to-time and maintained by the Company Secretary, is required to be submitted with each transfer.
9. When a dry-up covenant is obtained as part of a share transfer, a recorded copy must be submitted to the Company with the transfer documents. On subsequent transfers of the share(s), a recorded assignment of the dry-up covenant to the new owner of the share certificate being transferred must be submitted to the Company with the transfer documents, along with a recorded copy of the original dry-up covenant and any previous assignments. It is the purchaser's responsibility to abide by the conditions of the dry-up covenant.
10. If a parcel identified in the PPD is dried up due to development, a notation to that effect should be made on the Share Transfer Information Sheet and will be confirmed by the Company.
11. If shares are being transferred to a new owner along with real property, a copy of the deed must be submitted with the transfer documents.
12. The share certificate must be titled in the same name(s) as the property being irrigated by the share(s), the property must be subject to a dry-up covenant, or documentation must be provided showing the property has been dried up due to development. When submitting transfer documents, an original assignment for each transfer in the chain of title to the land must be submitted; addition or deletion of a lien is not considered a transfer in the chain of title. In the event transfer documents include multiple requested transfers, the Secretary will issue and cancel all certificates in the chain of title except for the last transfer in the chain of title. Each certificate in such a transfer is considered a new certificate for purposes of determining the transfer fee.

Documentation showing the authority to sign transfer documents must be submitted with the transfer documents (e.g., Certificate of Authority or Statement of Authority for partnerships, limited liability companies, or trusts; Letters for Personal Representatives; death certificate of any deceased joint tenant).

13. If a share certificate has a lien on it and the lien is to be released, release documentation must be submitted with the transfer documents (i.e., copy of the deed of trust and release by the Public Trustee; original assignment from the lienholder back to the equity owner).
14. No transfer of GIC shares will be approved by the GIC Board of Directors if it will result in (a) a transfer of water to lands outside the historically irrigated acres as shown on the maps under the PPD; (b) more than seven (7) acres being irrigated per share (acreage will be reviewed on all transfers to ensure these requirements are met); (c) a transfer of water to lands identified on Table C of the PPD; or (d) a transfer of water to lands previously dried up under the PPD, a dry-up covenant of record, or change of use decree.
15. If shares are being moved to a new location on Canal No. 3, the new place of use must be approved by the GIC Board of Directors.

Change of Use Policies

1. GIC "Catlin Bylaw" – Pursuant to Article X of the GIC Bylaws, shareholders seeking to change their GIC shares shall provide to the Company a copy of the Water Court application and related engineering before a change application is filed in Water Court. If, in the opinion of the GIC Board of Directors, the change can be made without injury to the canal, the Company, and other shareholders, the change request shall be granted, with such terms and conditions as may be necessary to prevent injury. Refer to Article X of the Bylaws for additional information.
2. Catlin Bylaw Procedures - The following general procedures shall be followed by the Company in reviewing change applications. The Board shall act on the change of use request within a reasonable period. Applicants may be required to make a formal presentation to the Board to explain their proposed change of use. Applicants are required to reimburse the Company for the Company's reasonable costs and expenses for its review and evaluation of the application and for its participation in any judicial litigation that follows as more fully explained in Article X of the Bylaws. The Board will not approve any change application until all such expenses are fully reimbursed. No application will be approved until all assessments and other amounts owed to the Company are paid in full. If the application is not submitted to the Board for review before the application is filed in Water Court, the Company may file a motion to dismiss the application for failure to comply with the Company's Bylaws. If the application is approved by

the Board, the Board reserves the right to enter a statement of opposition to monitor the status of the proposed decree.

3. Standards for Company Approval of Change Applications: All change applications are required to comply with the provisions of the GIC Bylaws, the terms and conditions of the PPD, the GIC Transfer and Change of Use Policies, and such other terms and conditions as the GIC Board determines are necessary to prevent injury to the canal, the Company, and other shareholders, including the following specific terms and conditions:
 - a. Dry-Up Pool. The PPD found that 3,501 acres were historically irrigated under the GIC system. The Dry-Up Pool consists of the total number of acres in the GIC system that were removed from irrigation, as originally identified in the PPD and as may be updated from time-to-time by GIC. The number of acres claimed for dry-up from the Dry-Up Pool will continue to increase as each subsequent GIC change decree is entered which claims acres from the Dry-Up Pool. The Company will provide a Change of Use Summary table to be appended to the proposed decree in each case. The Company will provide an updated table to the applicant for inclusion with the final decree.
 - b. Dry-Up Requirements. The PPD listed each of the 519.7 outstanding shares on Table A, Table B, Table C, Table D, or Appendix 1 based on the status of irrigation at the time of the PPD. The Tables impose specific dry-up requirements for the GIC shares listed on the Tables. Shareholders who seek to change the use of their GIC shares, which have not previously been changed, are required to provide dry-up consistent with the requirements set forth below for the Table with which their shares were associated at the time of the PPD. The Company's approval of a shareholder's demonstrated dry-up does not guarantee approval by the Water Court of the same.
 - i. Tables A, B, and C. Tables A, B, and C of the PPD are lists of shares and lands irrigated or capable of being irrigated by those shares as of June 1999. It is GIC's policy that for all shares listed on Tables A, B, and C, the applicant must have demonstrated dry-up for the pro rata acreage of a parcel or sub-parcel listed in Tables A, B, or C. Where there are sub-parcels listed on the PPD Tables, each sub-parcel must have been evaluated as a separate parcel for purposes of determining the dry-up requirements. In addition, for purposes of evaluating shares in Tables A, B, and C, the Company shall require the following.
 1. Demonstration of Physical Dry-Up. Physical dry-up of a parcel may be demonstrated by a dry-up covenant, pursuant to the GIC's General Policy for dry-up covenants, above, or by a showing of de facto dry-up through development of the parcel. Dry-up demonstrated by a covenant is preferred. To the extent that the parcel has been developed and it is not possible to obtain a dry-up covenant(s), the Company shall accept a

showing of dry-up through development so long as the physical dry-up can be confirmed by the Company and subject to the following further limitations:

- a. Any demonstration of dry-up must not include lands claimed or dried up in a previous GIC change decree.
- b. No credit for dry-up resulting from development shall be given for any lands that were included in a recorded dry-up covenant that was transferred to someone other than the current owner of the share(s) or fractional share(s) being changed.
- c. No credit for dry-up shall be given for lands not associated in the PPD with the share(s) or fractional share(s) being changed.
- d. Applicants may demonstrate dry-up of acres in excess of the pro rata acreage of a parcel or sub-parcel associated in the PPD with the share(s) or fractional share(s) being changed up to the number of acres listed in the Tables for that parcel. However, no credit shall be given for such additional dry-up unless the applicant forfeits the use of a like number of acres from the Dry-Up Pool to which they would have otherwise been entitled as described below. Additional dry-up not exchanged for Dry-Up Pool acres may be utilized to demonstrate dry-up in subsequent changes of use for shares associated, by the Tables, with lands on the same parcel, but only up to the pro rata amount of a parcel or sub-parcel that was associated, by the Tables, with the share(s) or fractional share(s) being changed in that subsequent change.
- e. Demonstrated dry-up for one parcel that is not needed for the change of shares for that parcel may not be used to demonstrate dry-up for shares associated, by the Tables, with another parcel or carried over for use in a different change case except as described above or as approved in a prior Water Court decree.
- f. If an applicant fails to obtain a dry-up covenant or demonstrate physical dry-up by development for the pro rata amount of a parcel or sub-parcel that was associated, by the Tables, with the share(s) being changed, the applicant shall notify GIC before submitting a Catlin Bylaw request and coordinate with GIC to identify alternatives, if any, that may be available to

satisfy dry-up requirements consistent with the PPD. The GIC Board retains sole discretion to approve any alternatives, as long as they will ensure no future expansion of use to GIC's system. The applicant must reimburse the Company for its reasonable costs incurred in evaluating dry-up alternatives as provided in the GIC Bylaws.

2. Use of the Dry-Up Pool for Tables A, B, and C Shares: After the applicant has demonstrated to the satisfaction of the Company the appropriate dry-up for any share(s) or fractional share(s) being changed pursuant to Paragraph 3(b)(i)(1), above, the applicant may claim dry-up from the Dry-Up Pool as follows:
 - a. Table A Shares: 6.74 acres per share less the pro rata number of acres of a parcel or sub-parcel that was historically irrigated by the share(s) or fractional share(s) being changed. If the applicant demonstrates dry-up of more than the pro rata number of acres of a parcel or sub-parcel that was historically irrigated by the share(s) or fractional share(s) being changed, the applicant may claim 6.74 acres per share less the total number of acres of dry-up demonstrated.
 - b. Table B Shares: No acreage may be claimed from the Dry-Up Pool.
 - c. Table C Shares: 6.74 acres per share being changed.
- ii. Table D Shares: Table D of the PPD is a list of shares that were not associated with specific irrigated lands at the time of the PPD (the so-called "Floating Shares"). The Floating Shares do not require a demonstration of dry-up through covenant or by development. The applicant may claim 6.74 acres of dry-up per share required under the PPD from the Dry-Up Pool in its change case.
- iii. Appendix 1 Shares: Appendix 1 of the PPD is a list of shares that were changed before the PPD was entered and those shares are subject to the policy addressing previously changed shares, below.
- c. Previously Changed Shares: GIC shares which were changed before the PPD may rely upon the dry-up provided by the prior change of use. Applicants should identify in their application and any Water Court decree, in addition to the information requirements of General Policy 3, the prior decree and the number of shares or fractional share(s) from the prior change being changed in the current change of use.