

NORTHERN COLORADO WATER CONSERVANCY DISTRICT

POLICY REGARDING NAME CHANGE TRANSFER FEES

In December of 2007, the Board of Directors (Board) of the Northern Colorado Water Conservancy District (Northern Water) instructed staff and legal counsel to initiate measures that would more closely examine the ownership of Colorado-Big Thompson (C-BT) Project allotment contracts to prevent investor speculation in the C-BT allotment contract market. As part of this effort, the Board has directed that it review and approve all applications involving the change of ownership of Class D Allotment Contracts (hereinafter referred to as "Name Change"). A Name Change results when the ownership of an allotment contract, and the tract of land to which an allotment contract attaches, is conveyed in whole. To transfer ownership of an allotment contract to the new assignees, all of the original assignors, as well as the assignees, must submit an application for approval to the Board of Northern Water.

The Board of Northern Water, at its 2008-2009 Budget Hearing held on July 31, 2008, voted to increase the transfer fee for water allotment contracts from \$70 to \$200 effective October 1, 2008. The transfer fee is intended to cover Northern Water's out-of-pocket expenses in administering these transfers, including Northern Water sending the approved application to the appropriate County Clerk & Recorder for recording after approval of the application by the Board.

In those situations involving a death in the family that results in the ownership of the land and allotment contract being conveyed to a family member as directed by a probate court, will, or other legally-binding document, or in those situations where the ownership of the land and allotment contract are being changed to ownership by a trust or other entity for estate planning purposes, the transfer fee assessed shall be determined annually by the Board during its annual budget hearing. Effective October 1, 2008, the ownership transfer fee for transfer of ownership of a C-BT Allotment Contract within a family or to a trust or other entity for estate planning purposes shall be \$70. This fee shall be subject to change at the discretion of the Board of Northern Water.

For all other transfer applications, the \$200 transfer fee shall apply.