

**2026 WATER LEASE AGREEMENT BETWEEN THE TOWN OF
CASTLE ROCK AND SUBLETTE, INC.**

THIS WATER LEASE AGREEMENT (“Agreement”) is entered into on June 2, 2026, by and between the Town of Castle Rock, a home rule municipal corporation, acting by and through the Town of Castle Rock Water Enterprise (“Town”), as Lessor, whose address is 100 N. Wilcox Street, Castle Rock, Colorado 80104 and Sublette, Inc., as Lessee (“Lessee”), whose address is 770 N. High St. Denver, Colorado 80218. Lessor and Lessee are collectively referred to herein as the “Parties” and may be individually referred to as a “Party.”

RECITALS

WHEREAS, pursuant to the decree in Case No. 89CW27, District Court, Water Division No. 1 (the “Decree”), the Town and others are owners and operators of the Sublette Recharge Project (the “Project”), which diverts water from the South Platte River at the Riverside Canal into recharge ponds that accrete water to the South Platte River to generate recharge credits (the “Project Recharge Credits”); and

WHEREAS, the Town owns the right to up to 770 acre-feet of the first 1,500 acre-feet of Project Recharge Credits pursuant to the Decree (the “Town Recharge Credits”); and

WHEREAS, Project Recharge Credits are used by the Town and the other owners to augment depletions from alluvial wells pursuant to the Decree; and

WHEREAS, the Decree authorizes the lease of excess Project Recharge Credits to third parties for use in judicially approved plans for augmentation; and

WHEREAS, at present, the Town does not have any available means by which to use the Town Recharge Credits within its water system over the next year; and

WHEREAS, a lease with the Lessee will allow the Town to generate revenue from the Town Recharge Credits that it would not otherwise be able to realize; and

WHEREAS, a lease with the Town will allow Lessee to use excess Town Recharge Credits to offset shortages in Lessee’s augmentation plan: and

WHEREAS, accordingly, the Town and the Lessee desire to enter into a water lease agreement by which the Lessee may lease up to and including eleven (11) AF of excess Town Recharge Credits.

AGREEMENT

NOW THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and Lessee agree as follows:

1. Lease of Town Recharge Credits. The Town hereby leases to the Lessee up to and including eleven (11) AF in excess Town Recharge Credits for the period effective from June 3, 2026, through and including October 31, 2026 (“Leased Credits”).

2. Lease Price. The Lessee shall pay to the Town an amount equal to \$140.00 per AF of Leased Credits, up to a maximum amount of \$1,540.00. The Lessee shall make payment for any Leased Credits used by the Lessee within thirty (30) days following the issuance of an invoice from the Town.

3. Lease Term. The term of this Agreement shall commence upon its execution and expire October 31, 2026. By mutual written agreement of the Parties, this Agreement may be renewed on the same or on different terms.

4. Lessee Obligations. The decreed uses of the Leased Credits include augmentation as set forth in Case No. 89CW27. It shall be the responsibility of the Lessee to obtain any additional approvals necessary to use the Leased Credits for the Lessee’s intended purposes, including but not limited to the approvals by the Colorado Division of Water Resources and the District Court, Water Division No. 1. The Town shall cooperate with the Lessee in obtaining any required additional approvals. The Town makes no warranties or guarantees that such approvals can be obtained.

5. Town Obligations.

a. The Town shall deliver the Leased Credits to Lessee in accordance with the following monthly schedule:

Delivery Date	Amount (AF)
June 2026	1.8
July 2026	2.2
August 2026	2.1
September 2026	2.1
October 2026	2.8

b. The Town will make the Leased Credits available to the Lessee on an “as is” basis. By entering into this Agreement and using the Leased Credits, the Lessee acknowledges that the Leased Credits are suitable for its purposes and will accept the same as meeting the terms of this Agreement.

6. Accounting. Beginning on the first of each month, Lessee shall provide the Town with a monthly accounting of the water it uses from this supply as a replacement source. Lessee shall supply the Town its augmentation accounting on a monthly basis, no later than the fifteenth day of the month following the month of accounting, or on a more frequent basis and at the times required to report to the water commissioner or division engineer as required by the Division of Water Resources.

TOWN:

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director of Castle Rock Water

LESSEE – SUBLETTE, INC.:

By: *Peter H Coors*
(Signature)

PETER H COORS
(Print Name)

Its: PRESIDENT
(Title)

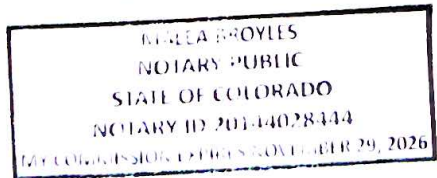
STATE OF Colorado)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 29th day of May, 20 20 by Peter H. Coors, as president for Sublette, Inc.

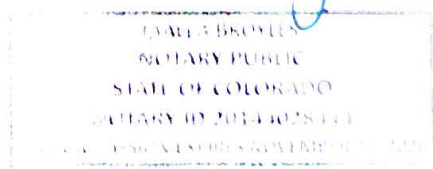
Witness my official hand and seal.

My commission expires: 11.29.26

(SEAL)



Marea Broyles
Notary Public



PAC