



TOWN OF CASTLE ROCK AND SUBLETTE, INC. 2023 WATER LEASE AGREEMENT

THIS WATER LEASE AGREEMENT ("Agreement") is entered into _____, 2023, by and between the Town of Castle Rock, a home rule municipal corporation, acting by and through the Town the Castle Rock Water Enterprise ("Town"), as Lessor, whose address is 100 N. Wilcox Street, Castle Rock, Colorado 80104 and Sublette, Inc. ("Sublette"), as Lessee, whose address is PO Box 21, Orchard, Colorado 80649, collectively referred to as the Parties.

RECITALS

WHEREAS, pursuant to Case No. 89CW27, the Town and other owners operate the Rothe-Sublette Recharge Project ("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 ("Recharge Credits"); and

WHEREAS, the Town owns 60.4 percent of the first 1,275 acre-feet (AF), up to 770 AF annually, of recharge credits decreed in Case No. 89CW27, District Court, Water Division No. 1, ("Town Recharge Credits"); and

WHEREAS, the Town is currently leasing 600 AF of Town Recharge Credits to the Town of Wiggins for augmentation of Wiggins' tributary well pumping pursuant to Case No. 11CW131; and

WHEREAS, Case No. 89CW27 authorizes the lease of excess Recharge Credits to other parties; and

WHEREAS, Sublette seeks to lease from the Town 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 Sublette agree as follows:

1. Lease Credits and Price. The Town hereby leases to Sublette one hundred and thirty-four (134) AF in excess Town Recharge Credits in 2023 ("Leased Credits"). Sublette shall pay to the Town four thousand eight hundred and ninety-one dollars (\$4,891), which is thirty-six dollars and fifty cents (\$36.50) per AF of Leased Credits. Sublette's lease payment shall be due thirty (30) days following the execution of this Agreement.

2. Lease Term. The term of this Agreement shall commence upon its execution and expire December 31, 2023. By mutual written agreement of the Parties, this Agreement may be renewed on the same or on different terms.



3. Sublette's Obligations. It shall be the responsibility of Sublette to obtain any approvals necessary to use the Leased Credits for Sublette's intended purposes, and the Town makes no warranties or guarantees that such approvals can be obtained. Sublette shall provide the Town with accounting showing the monthly volume of the Leased Credits actually used by Sublette.

4. Town's Obligations. The Town shall make the Leased Credits available to Sublette on an "as is" basis.

5. Notice. All notices which may be required to be given by either Party to the other shall be made in writing and either hand delivered or sent by first class United States mail, postage prepaid, addressed as follows, or via email:

If to Town: Town of Castle Rock (Castle Rock Water)
Attn: Water Resources Manager (Matt Benak)
mbenak@crgov.com
175 Kellogg Court
Castle Rock, CO 80109

with copy to: Town of Castle Rock
Attn: Town Attorney (Mike Hyman)
mhyman@crgov.com
100 N. Wilcox Street
Castle Rock, CO 80104

If to Sublette: Sublette, Inc.
Attn: Manager (Sheldon Skovgaard)
drylakesranch@gmail.com
PO Box 21
Orchard, CO 80649

6. Entire Agreement. This Agreement represents the entire Agreement between the Parties on the matters set forth herein and supersedes all prior negotiations, representations or agreements respecting said matters whether written or oral.

7. Binding Effect. The execution of the Agreement by the Town as Lessor and Sublette as Lessee constitutes the execution of a binding lease agreement by the Parties on the terms and conditions contained herein and may not be modified except in writing signed by both Parties. This Agreement shall be binding on the Parties' respective successors and assigns.

8. Enforcement. In the event either Party commences any action to enforce the terms and provisions of this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and all costs incurred in connection with such action, including, but not limited to, expert witness fees.

9. Controlling Law. This Agreement shall be governed under, and construed pursuant to the laws of the State of Colorado.

(signature page to follow)



LESSOR:

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 Castle Rock
Water

LESSEE:

Sublette, Inc.

By: _____

Its: _____

STATE OF COLORADO)

COUNTY OF WELD) ss.
)

The foregoing instrument as acknowledged before me this ____ day of _____,
2023 by _____ as _____ of the Sublette, Inc.

Witness my official hand and seal.

My commission expires:

Notary Public