

ASSUMPTION

Of Rights and Obligations of the State of Colorado, Acting By and Through the Colorado Water Conservation Board by the Town of Castle Rock (2026 Installment Acquisition of Chatfield Reservoir Reallocation Project Shares)

This Assumption of Rights and Obligations of the State of Colorado, acting by and through the Colorado Water Conservation Board (“CWCB”) by the Town of Castle Rock, a Colorado home rule municipal corporation, by and through the Town of Castle Rock Water Enterprise (“Purchaser”) (“Assumption”) is executed, delivered, and consummated by the Purchaser pursuant to the terms of the Modified Agreement for Acquisition of Chatfield Reservoir Reallocation Project Shares from the State of Colorado dated November 9, 2018 (“Modified Purchase Agreement”).

1 Recitals

1.1 On November 9, 2018, the CWCB and Purchaser entered into the Modified Purchase Agreement. The recitals in section 1 of the Modified Purchase Agreement inform the parties to this Assumption. Any term defined in the Modified Purchase Agreement shall apply to this Assumption.

1.2 The Modified Purchase Agreement sets forth the agreement between the CWCB and the Purchaser that the Purchaser has the option to acquire 1,626 acre-feet in the Reallocation Project (“Optioned Storage Space”). The Purchaser may acquire the Optioned Storage Space by a 2018 Acquisition and subsequent Installment Acquisitions as described in the Modified Purchase Agreement.

1.3 Prior to this Assumption, Purchaser acquired 474 acre-feet of the Optioned Storage Space. Prior to this Assumption, Purchaser had the option to acquire up to an additional 1,152 acre-feet of Optioned Storage Space.

1.4 This Assumption reflects the 2026 Installment Acquisition by which Purchaser is acquiring 129 acre-feet of Storage Space for \$1,070,825.13.

1.5 By this Assumption, the Purchaser expressly assumes all of the CWCB’s rights and corresponding obligations under the CWCB Water Provider Agreement and effects a partial novation of the CWCB Water Provider Agreement with respect to that portion of the Storage Space assumed herein as required by the Modified Purchase Agreement.

1.6 By this Assumption, Purchaser expressly assumes as of the date of this Assumption all of the CWCB’s rights, title, interest, and corresponding obligations under the CWCB Membership Certificate in the Chatfield Reservoir Mitigation Company, Inc. (“CRMC”) with respect to the portion of Storage Space assumed herein as required by the Modified Purchase Agreement.

2 Assumption of Rights and Obligations Under the Water Storage Agreement.

2.1 This Assumption shall satisfy the Purchaser's obligation in paragraph 3.2.2.2 of the Modified Purchase Agreement to provide a duly executed written assumption, by which the Purchaser expressly assumes the rights and obligations of the CWCB pursuant to the Water Storage Agreement corresponding to this 2026 Installment Acquisition and effects a partial novation of the Water Storage Agreement at this Installment Acquisition Closing.

2.2 For good and valuable consideration, including the transfer and assignment of 129 acre-feet of Storage Space in the Chatfield Reservoir Reallocation Project, and in fulfillment of the mutual promises and undertakings in the Modified Purchase Agreement, the Purchaser hereby assumes from the CWCB all of the CWCB's rights and obligations under the Water Storage Agreement relating to, and comprising 129 acre-feet of Storage Space.

3 Assumption of O&M-RRR&R Costs and CRMC Assessments Associated with this Installment Acquisition.

3.1 This Assumption shall satisfy the Purchaser's obligation in paragraph 3.2.2.2 of the Modified Purchase Agreement to provide a duly executed written acceptance and assumption of the responsibility to pay to the CRMC the O&M-RRR&R costs and CRMC Assessments associated with this Installment Acquisition as and when such costs are quantified and become due.

3.2 For good and valuable consideration, including the transfer and assignment of 129 acre-feet of Storage Space and in fulfillment of the mutual promises and undertakings in the Modified Purchase Agreement, the Purchaser hereby accepts, assumes, and agrees to pay to the CRMC the O&M-RRR&R costs and CRMC Assessments for the interest in the Storage Space assigned to Purchaser during the term of the Modified Purchase Agreement.

4 Assumption of Responsibility to Pay O&M-RRR&R Costs and CRMC Assessments for Optioned Storage Space to the CWCB.

4.1 This Assumption shall satisfy the Purchaser's obligation in paragraph 3.2.2.2 of the Modified Purchase Agreement to provide a written specific undertaking and acceptance of responsibility to pay to the CWCB all O&M-RRR&R costs and CRMC Assessments attributable to the remainder of the Optioned Storage Space as and when such costs are quantified and become due.

4.2 For good and valuable consideration, including the transfer and assignment of 129 acre-feet of Storage Space and in fulfillment of the mutual promises and undertakings in the Modified Purchase Agreement, the Purchaser hereby accepts, assumes, and agrees to pay to the CWCB all O&M-RRR&R costs and CRMC Assessments attributable to the remainder of the Optioned Storage Space as and when such costs are quantified and become due.

5 Other.

5.1 Terms defined in the Modified Purchase Agreement shall have the meanings assigned therein.

5.2 The Modified Purchase Agreement shall survive the execution, delivery, and consummation of this Assumption.

Dated: June 2, 2026.

ATTEST:

TOWN OF CASTLE ROCK by and
Through the TOWN OF CASTLE
ROCK WATER ENTERPRISE

Lisa Anderson, Town Clerk

Jason E. Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director, Castle Rock Water