

**FIRST AMENDMENT
TO THE AGREEMENT FOR ACQUISITION OF CHATFIELD RESERVOIR
REALLOCATION PROJECT SHARES FROM THE STATE OF COLORADO**

This FIRST AMENDMENT TO THE AGREEMENT FOR ACQUISITION OF CHATFIELD RESERVOIR REALLOCATION PROJECT SHARES FROM THE STATE OF COLORADO (“Amendment”) is made and entered into effective this ____ day of _____, 2016 by and between the State of Colorado, acting by and through the Department of Natural Resources, Colorado Water Conservation Board (“CWCB”) and the Town of Castle Rock, a Colorado home rule municipal corporation, by and through the Town of Castle Rock Water Enterprise, 100 N. Wilcox Street, Castle Rock, Colorado 80104 (“Purchaser”)

RECITALS

Whereas, the CWCB and the Town entered into an Agreement (“Agreement”) on July 22, 2015 wherein the Town has an option to acquire up to 1,300.339 acre-feet from the Orphan Shares held by the CWCB in the Project by means of an initial acquisition of 87 acre-feet of Orphan Shares, and subsequent acquisitions of additional increments of no less than the lesser of 87 acre-feet, or the difference between 1,300.339 and the quantity, in acre-feet, of Orphan Shares previously acquired by Purchaser.

Whereas, the Town acquired an additional 87 acre-feet of Project Shares on December 21, 2015 bringing the Town’s total shares to 287 acre-feet.

Whereas, the Town provided correspondence to CWCB on March 10, 2016 indicating that CWCB consider amending the Agreement to increase the total quantity of shares under option to 2,000 acre-feet.

NOW THEREFORE, in consideration of the promises and good and valuable consideration, including the payments, terms, covenants and promises herein, the parties agree as follows:

2. Definitions.

2.4 *Optioned Orphan Shares* means the 1,713 acre-feet of Orphan Shares that are the subject of this Agreement.

3. Acquisition

3.2 Installment Option. ...up to a cumulative total of 1,713 acre-feet of Orphan Shares.

3.2.1.1. Notice of Intent to Exercise. ...Provided that the increment of Optioned Orphan Shares to be acquired shall be no less than the lesser of 122 acre-feet, or the difference between 1,713 acre-feet and the quantity, in acre-feet, of Optioned Orphan Shares previously acquired by Purchaser pursuant to this Agreement.

5. Rights to Portion of Orphan Shares Not Acquired by Purchaser. The CWCB shall retain all interest and claim to any portion of the 1,713 acre-feet of Optioned Orphan Shares that is the subject of this Agreement...

6. Right of First Refusal. If Purchaser has not acquired the entire 1,713 acre-feet of the Optioned Allocation from CWCB...

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the day and year first set forth above.

SIGNATURES TO FOLLOW

DRAFT

Colorado Water Conservation Board

Director

ATTEST:

**TOWN OF CASTLE ROCK, by and
through the Town of Castle Rock Water
Enterprise**

Sally A. Misare, Town Clerk

Paul Donahue, Mayor

Approved as to form:

Approved as to Content:

Robert J. Slentz, Town Attorney

Mark Marlowe, Utilities Director