

## **AGREEMENT FOR ACQUISITION OF CHATFIELD RESERVOIR REALLOCATION PROJECT SHARES FROM THE STATE OF COLORADO**

THIS AGREEMENT is entered into as of the last date any party signs this Agreement, 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”).

### **1. Recitals**

1.1. Section 204 of the Flood Control Act of 1950 (Public Law 81-516), as modified by Section 88 of the Water Resources Development Act of 1974 (Public Law 93-251), authorized the construction, operation, and maintenance of the Chatfield Dam and Reservoir Project, Colorado (hereinafter the “Chatfield Reservoir”) for flood control and other purposes, and Chatfield Reservoir has been constructed and is operational.

1.2. Chatfield Reservoir is located in Sections 1, 2, 11, 12, 13, 14 and 23, Township 6 South, Range 69 West, 6th P.M. and Sections 6, 7 and 18, Township 6 South, Range 68 West, 6th P.M. in Douglas and Jefferson Counties, Colorado. It is owned by the United States of America, was constructed for flood control and other purposes, and is operated by the Department of the Army represented by the Assistant Secretary of the Army (Civil Works) (“Government”).

1.3. Section 808 of the Water Resources Development Act of 1986 (Public Law 99-662), as amended by Section 3042 of the Water Resources Development Act of 2007 (Public Law 110-114), authorized the reallocation of storage space in Chatfield Reservoir for joint flood control-conservation purposes, including storage for municipal and industrial water supply, agriculture, environmental restoration, and recreation and fishery habitat protection and enhancement, upon a finding of feasibility and economic justification by the Chief of Engineers, and, in accordance with the provisions of the Water Supply Act of 1958 (Title III of Public Law 85-500) as amended (43 U.S.C. 390b), the Federal Water Project Recreation Act (16 U.S.C. 4601-12 *et seq.*), and such other federal laws as the Secretary determines appropriate, upon agreement of non-Federal interests to repay the cost allocated to such storage.

1.4. The State of Colorado by and through the CWCB and the Government entered into the Chatfield, Cherry Creek and Bear Creek Feasibility Study (Contract No. C153882) on September 2, 1999 to study the feasibility of reallocating existing storage space in Chatfield Reservoir.

1.5. The CWCB entered into a series of “Letters of Commitment” with more than a dozen water provider entities (“Water Providers”) during the feasibility study.

1.6. The Letters of Commitment allocated storage space in Chatfield Reservoir that will be made available by the Chatfield Reservoir Reallocation Project (“Reallocation Project”) as “shares” in the Reallocation Project. The Letters of Commitment specified that a Water Provider may opt out of its share of storage space in Chatfield Reservoir at any time, provided that the Water Provider allows other participating entities an opportunity to purchase the relinquished shares as required by provisions 5.a through 5.c of the Letters of Commitment. Any relinquished portion of the shares not acquired by other entities (also known as and herein referred to as “Orphan Shares”) may be retained by the Water Provider or conveyed to the CWCB, which holds the Orphan Shares of storage space for later redistribution. The Letters of Commitment authorized the CWCB to develop methods for distributing or selling the Orphan Shares to the water community.

1.7. The Government has issued its Chatfield Reservoir Storage Reallocation Final Integrated Feasibility Report and Environmental Impact Statement dated July 2013, Addendum No.1, dated March 2014, and Addendum No.2, dated September, 2014, (collectively the “Reallocation Report”) evaluating the Reallocation Project. On May 29, 2014, the Government issued its Record of Decision determining that the reallocation of 20,600 acre-feet of storage space from the exclusive flood control pool to a joint-use flood control-conservation pool for municipal and industrial water supply and other purposes is feasible and economically justified, provided that certain recreation modifications and compensatory mitigation features are undertaken pursuant to the Reallocation Report.

1.8. The Government and the Colorado Department of Natural Resources (“CDNR”) have entered into an “Agreement Between the Department of the Army and the Colorado Department of Natural Resources for Reallocation of Water Storage Space, Recreation Modifications, and Compensatory Mitigation Features at the Chatfield Dam and Reservoir, Colorado” dated October 9, 2014 (“Water Storage Agreement”), by which CDNR acquired the right to use for water storage purposes the 20,600 acre-feet of storage space referenced above, subject to the terms stated therein. The Water Storage Agreement contemplates that CDNR will enter into agreements with Water Providers for the use of storage space in Chatfield Reservoir to store water supplies owned or used by them, and for the performance of the recreation modifications and the compensatory mitigation features.

1.9. Section 116 of Division C, Omnibus Appropriations Act, 2009 (Public Law 111-8), as amended by Section 4013(f) of the Water Resources Reform and Development Act of 2014 (Public Law 113-121), authorizes the Colorado Department of Natural Resources (or a designee of the Department) to perform

facility modifications and any required mitigation for the reallocation of storage space in the Chatfield Project.

1.10. The Colorado General Assembly provided the CWCB the authority and ability to hold storage space in the Chatfield Project and to contract with, and allocate storage to, local entities who will utilize the reservoir storage space among other powers and duties established in section 37-60-120.1, C.R.S. Over time, the Colorado General Assembly has appropriated approximately \$62 million for the CWCB to retain Orphan Shares in the Reallocation Project.

1.11. The implementation costs for the Reallocation Project are 100% non-federal. The current estimate of all project implementation costs is approximately \$134,000,000 ("Total Project Costs").

1.12. The non-Federal sponsor, CDNR, is responsible for construction and operational costs associated with the Reallocation Project. The Colorado Division of Parks and Wildlife currently operates and manages Chatfield State Park and associated facilities around the reservoir. The Water Providers, working collaboratively with the CDNR, will bear all costs of the mitigation and modification, and will take the lead role in design and construction. The Government's involvement in these efforts will be limited to oversight, review, and approval.

1.13. The annual Operation, Maintenance, Repair, Rehabilitation, Reconstruction and Replacement (O&M-RRR&R) payments for the project are based on estimates by the Government for a present worth total amount of \$59,262,600 for the full 20,600 acre-feet over the 50 year Reallocation Project life. A portion of the payments will go to the U.S. Treasury for normal operations based on the Reallocation Project storage space calculated as 8.99% of the total storage space available in Chatfield Reservoir. Other portions will be directed to a separate escrow account, managed by the State and the Water Providers, for maintaining the environmental mitigation work and recreation infrastructure related to the Reallocation Project. O&M-RRR&R payments will be evaluated and adjusted every five years based on actual need and expenditures.

1.14. Purchaser has relinquished a total of 1,300.339 acre-feet in the Reallocation Project to the CWCB pursuant to paragraph 5.a of the Letter of Commitment. Purchaser relinquished 913.158 acre-feet held in its own name and 387.181 acre-feet held by the South Metro Water Supply Authority, of which Purchaser is a member. Purchaser retained 200 acre-feet in the Reallocation Project.

1.15. Purchaser wishes to acquire long term future storage for its renewable water supplies.

1.16. By this Agreement, the parties provide for the Purchaser's option to acquire up to 1,300.339 acre-feet from the Orphan Shares held by the CWCB in the Reallocation Project ("Optioned Orphan Shares"), 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.

For and in consideration of the premises and the mutual covenants, conditions, and promises herein, the parties agree as follows:

## 2. Definitions.

2.1. *Base Water Charge* means the base cost per acre-foot of Optioned Orphan Shares in this Agreement. The Base Water Charge shall be \$7,000 per acre-foot of Orphan Shares. The Base Water Charge is estimated by dividing the Total Project Costs (\$134,000,000) by the total number of acre-feet (shares) in the Reallocation Project (20,600) and rounding the result up to the nearest thousand.

2.2. *Reconciled Payment Obligation* means the full cost of the Reallocation Project determined following final completion of the Reallocation Project. The full cost will be compared to the Base Water Charge and the balance shall constitute the Reconciled Payment Obligation. The Reconciled Payment Obligation shall include interest during construction charges if such interest charges are incurred by the CDNR.

2.3. *Orphan Shares* means those shares which represent storage volume in acre-feet in the Reallocation Project which are transferred and assigned to the CWCB pursuant to paragraph 5.b of the Letters of Commitment. Orphan Shares does not refer to a specific water right, rather, the term refers to the right to storage space in the Reallocation Project wherein the Purchaser may store its own water rights.

2.4. *Optioned Orphan Shares* means the 1,300.339 acre-feet of Orphan Shares that are the subject of this Agreement.

2.5. *O&M-RRR&R* means the operations, maintenance, repair, rehabilitation, reconstruction, and replacement costs of Chatfield Reservoir.

2.5.1. *Specific RRR&R* means specific repair, rehabilitation, reconstruction, and replacement costs as those costs are defined in the Water Storage Agreement and for which CDNR shall pay 100 percent of the costs to the Government.

2.5.2. *Joint-use RRR&R* means the joint-use repair, rehabilitation, reconstruction, and replacement costs of Chatfield Reservoir as those costs are

defined in the Water Storage Agreement and for which CDNR shall pay 8.99 percent of the costs to the Government. The percentage of Joint-use RRR&R costs constitutes a proportionate share of the Reallocation Project storage space to the total usable storage in Chatfield Reservoir.

2.5.3. *Specific O&M* means specific annual operation and maintenance expenses as those expenses are defined in the Water Storage Agreement and for which CDNR shall pay 100 percent of the costs to the Government.

2.5.4. *Joint-use O&M* means the joint-use annual operation and maintenance expenses of Chatfield Reservoir as those expenses are defined in the Water Storage Agreement and for which CDNR shall pay 8.99 percent of the costs to the Government. The percentage of Joint-use O&M costs constitutes a proportionate share of the Reallocation Project storage space to the total usable storage in Chatfield Reservoir.

2.6. *Water Storage Agreement* means the Agreement Between the Department of the Army and the Colorado Department of Natural Resources for Reallocation of Water Storage Space, Recreation Modifications, and Compensatory Mitigation Features at the Chatfield Dam and Reservoir, Colorado dated October 9, 2014, by which CDNR acquired the right to use for water storage purposes the 20,600 acre-feet of storage space referenced above, subject to the terms stated therein.

3. Acquisition. Purchaser will acquire the Optioned Orphan Shares as follows:

3.1. Initial Acquisition. In accordance with the further terms and conditions of this Agreement, the CWCB will execute, and Purchaser will assume and accept, a partial assignment of the CWCB's rights and obligations pursuant to the Water Storage Agreement corresponding to 87 acre-feet of Orphan Shares (the "Initial Acquisition") at the Initial Closing, as set forth in Paragraph 3.1.2, below:

3.1.1. Initial Payment Amount. The total cost of the Initial Acquisition as of the date of this Agreement is \$609,000, comprising the Base Water Charge for the Initial Acquisition. The parties recognize that the Reallocation Project has not been completed and therefore the Total Project Cost has not yet been determined and therefore the amount set forth in this paragraph does not include the Reconciled Payment Obligation. The parties agree that if the Reconciled Payment Obligation for the Reallocation Project is determined prior to the Initial Closing herein, then the total cost of the Initial Acquisition will be adjusted prior to closing to reflect any Reconciled Payment Obligation required for the Initial Acquisition. If the Reconciled Payment Obligation is not determined before closing, then after closing the Purchaser will be responsible to pay any Reconciled Payment Obligation attributable to the Initial Acquisition when such Reconciled Payment Obligation is quantified and becomes due.

3.1.2. The Initial Closing of the Initial Acquisition will be held ten (10) business days after Purchaser has signed its Water Provider Agreement.

3.1.2.1. At the Initial Closing, the Purchaser will deliver to the CWCB: (1) the Initial Payment Amount in cash, certified funds, or by electronic transfer; (2) a duly executed written acceptance and assumption of responsibility to pay to the CWCB the O&M-RRR&R costs associated with the Initial Acquisition as and when such costs are quantified and become due; and (3) a written specific undertaking and acceptance of responsibility to pay to the CWCB all O&M-RRR&R costs attributable to the Optioned Orphan Shares as and when such costs are quantified and become due. The Parties acknowledge that O&M-RRR&R costs will not be assessed by the Government until construction on the Reallocation Project is complete.

3.1.2.2. At the Initial Closing, the CWCB will deliver to the Purchaser: (1) a duly executed assignment assigning to Purchaser the CWCB's rights to 87 acre-feet of Orphan Shares corresponding to the Initial Acquisition.

3.2. Installment Option. For and in consideration of the sum of \$10.00 in hand paid and other good and valuable consideration, including the specific undertaking and acceptance of responsibility to pay to the CWCB all O&M-RRR&R costs attributable to the Optioned Orphan Shares, as and when such costs are quantified and become due, the receipt of which the CWCB acknowledges, the Purchaser shall have an option to purchase additional increments of the Optioned Orphan Shares, up to a cumulative total of 1,300.339 acre-feet of Orphan Shares:

3.2.1. Exercise. Beginning in 2015, and thereafter at least once in each calendar year until the earlier of the expiration of the Term of the Installment Option herein, or termination of this Agreement in accordance with Paragraph 4 herein, the Purchaser may exercise its option to purchase additional increments of the Optioned Orphan Shares, as follows:

3.2.1.1. Notice of Intent to Exercise. Purchaser shall notify the CWCB in writing, as provided in Paragraph 8.1 herein, on or before September 15 of each year during the option term: (a) if it intends to exercise an Installment Option during that calendar year; and (b) if so, the amount of Optioned Orphan Shares it will acquire in that year. Provided that the increment of Optioned Orphan Shares to be acquired shall be no less than the lesser of 87 acre-feet, or the difference between 1,300.339 acre-feet and the quantity, in acre-feet, of Optioned Orphan Shares previously acquired by Purchaser pursuant to this Agreement.

3.2.1.2. Installment Acquisition Payment Amount. The amount to be paid by Purchaser to the CWCB for each Installment Acquisition ("Installment Acquisition Payment Amount") shall be: (1) the Base Water Charge for the Orphan Shares to be acquired; plus (2) if the Reconciled Payment Obligation

has been determined prior to the Installment Closing, any amount due for the Reconciled Payment Obligation for the portion of Orphan Shares to be acquired.

3.2.1.3. The parties agree that if the Reconciled Payment Obligation is not determined prior to the Installment Acquisition Closing, then Purchaser will be responsible to pay to the CWCB any Reconciled Payment Obligation attributable to that portion of the Orphan Shares acquired at each Installment Acquisition Closing.

3.2.2. Installment Acquisition Closing. Each Installment Acquisition Closing will be held on or before December 31 of the calendar year in which Purchaser has provided the CWCB with its Notice of Intent to Exercise

3.2.2.1. At each Installment Acquisition Closing, Purchaser will deliver to the CWCB: (1) the Installment Acquisition Payment Amount in cash, certified funds, or by electronic transfer; (2) a duly executed written acceptance and assumption of responsibility to pay to the CWCB the O&M-RRR&R costs associated with the Installment Acquisition as and when such costs are quantified and become due; and (3) a written specific undertaking and acceptance of responsibility to pay to the CWCB all O&M-RRR&R costs attributable to the remaining Optioned Orphan Shares as and when such costs are quantified and become due.

3.2.2.2. At each Installment Acquisition Closing, the CWCB will deliver to the Purchaser: (1) a duly executed assignment assigning to Purchaser the CWCB's rights to the number of acre-feet of Orphan Shares corresponding to the Installment Acquisition.

3.2.3. Term of Installment Option. The Installment Option term shall expire on the earlier of the 15<sup>th</sup> anniversary of the effective date of this Agreement, or the date when Purchaser has acquired the right to a cumulative total of 1,300.339 acre-feet of Orphan Shares, inclusive of the Initial Acquisition; unless earlier terminated pursuant to the terms of this Agreement or deferred pursuant to the terms of this Agreement.

3.2.3.1. Deferment. The Installment Option term may be deferred by the Purchaser for no more than five years, but no such deferment shall be allowed in two consecutive years. Purchaser must notify the CWCB that Purchaser is electing to defer the Installment Option for that year no later than September 15 of the deferred year. Purchaser shall remain obligated to pay to the CWCB the O&M-RRR&R costs attributable to all Optioned Orphan Shares for the deferred year as and when such costs are quantified and become due.

3.2.4. Failure to Close. Purchaser's failure to close the Initial Acquisition, or any Installment Acquisition, shall not constitute a forfeiture or waiver of Purchaser's Installment Option pursuant to this Agreement to acquire the Optioned Orphan Shares through a subsequent Installment Acquisition during the

term of the Installment Option, subject to the CWCB's right to terminate this Agreement pursuant to Paragraph 4 herein, or any other exercise of law or equity allowing for the termination of this Agreement.

4. Termination. This Agreement may be terminated under the conditions provided in this Paragraph.

4.1. Failure to Exercise/Close for Two Consecutive Years. If Purchaser fails to exercise its Installment Option, or fails to close an Installment Acquisition, for any period of two (2) consecutive years subsequent to the Initial Closing but prior to the expiration of the term of the Installment Option, then this Agreement may be terminated by the CWCB at its sole discretion. If the CWCB exercises its right to terminate pursuant to this Paragraph 4.1, the CWCB shall retain any sum paid to it pursuant to this Agreement and this Agreement shall be terminated and of no further force and effect. Termination pursuant to this Paragraph 4.1 shall be effective as of the date written notice of the CWCB's election to terminate is provided to Purchaser pursuant to Paragraph 8.1 herein.

4.1.1. If this Agreement is terminated pursuant to Paragraph 4.1 herein, the Purchaser shall retain all rights and interests it then holds to any portion of the Orphan Shares previously acquired, pursuant to the Initial Closing or any Installment Acquisition Closing, and the CWCB shall retain its rights and interests in any proceeds paid to it by or on behalf of the Purchaser for the same.

5. Rights to Portion of Orphan Shares Not Acquired by Purchaser. The CWCB shall retain all interest and claim to any portion of the 1,300.339 acre-feet of Optioned Orphan Shares that is the subject of this Agreement that is not acquired by the Purchaser on or before the expiration of the term of the Installment Option or of this Agreement, free and clear of any and all claims and interests of the Purchaser, except for the right of first refusal set forth in Paragraph 6 herein.

6. Right of First Refusal. If Purchaser has not acquired the entire 1,300.339 acre-feet of the Optioned Allocation from the CWCB on or before the expiration of the term of the Installment Option or the termination of this Agreement, the CWCB shall thereafter, for a period of 10 years from the date of expiration or termination, hold the portion of the Optioned Allocation not acquired by Purchaser subject to the following Right of First Refusal in the Purchaser:

6.1. If, during the term of the Right of First Refusal, the CWCB: (1) receives an offer for the purchase of any Optioned Orphan Shares not acquired by Purchaser from a party other than the Purchaser that the CWCB determines to accept ("Purchase Offer"); or (2) makes an offer for the sale of any of the Optioned Orphan Shares not acquired by Purchaser to a party other than the Purchaser that is accepted by the offeree ("Sale Offer"); then the CWCB shall, within fifteen (15) business days of determining to accept a Purchase Offer or receiving an acceptance



of a Sale Offer, whichever is applicable, provide written notice of the offer to Purchaser, pursuant to Paragraph 8.1 herein.

6.2. Purchaser shall have forty-five (45) days from the date of the written notice to exercise the Right of First Refusal by delivering written notice, pursuant to Paragraph 8.1 herein, of acceptance of the offer. If the Purchaser accepts the offer, then the Purchaser will be obligated to purchase that portion of the Orphan Shares covered by the offer strictly in accordance with the terms of the offer. If, after having accepted the offer, the Purchaser then fails to consummate the transaction, then the Right of First Refusal herein shall terminate.

6.3. If the Purchaser does not exercise the Right of First Refusal, then the CWCB shall be free to consummate the sale of that portion of the Orphan Shares that is covered by the offer substantially in accordance with the terms of the offer disclosed to the Purchaser. If, however, the transaction is not consummated, then the Right of First Refusal herein shall continue to apply subject to its terms.

6.4. Any Purchase Offer or Sale Offer for any of the Optioned Orphan Shares not acquired by Purchaser shall be expressly made subject to the Right of First Refusal herein.

7. Effect of Partial Assignment of Rights – Water Supply Agreement. Upon acceptance of the CWCB's partial assignment of all rights attributable to the portion of the Orphan Shares acquired pursuant to Paragraphs 3.1.2 or 3.2.2 herein, Purchaser shall succeed to all rights of the CWCB with respect to the portion of the Orphan Shares acquired by the Purchaser, including, without limitation, the rights to utilize the storage space associated with the Orphan Shares acquired and to store Purchaser's water rights in the Reallocation Project. Purchaser shall have the right to withdraw water from Chatfield Reservoir stored in the acquired Orphan Shares, to request releases by the Colorado State Engineer's Office to be made through the Chatfield Reservoir outlet works or through the ditch outlet works pursuant to paragraph II.B.2 of the Water Storage Agreement. Purchaser acknowledges that it does not succeed to any rights or obligations in the Water Storage Agreement and that its use of the Orphan Shares acquired pursuant to this Agreement is subject to the limitations of the Water Storage Agreement, including but not limited to those in paragraph II.B.1, II.B.2, and II.C.

## 8. Other

8.1. Notice. Whenever any notice is required to be provided under this Agreement, such notice shall be provided to the parties in writing or by electronic mail at the following addresses, or such other addresses as may be designated by a party through written notice. Notices shall be deemed received when personally delivered, when transmitted electronic mail, three (3) days after being deposited in a U. S. Postal Service depository, to be sent by certified mail, return receipt

requested by the addressee, with all required postage prepaid, or one (1) business day after having been sent by overnight courier. Initial addresses for notices are as follows:

Purchaser:

Town of Castle Rock  
Attention: Town Attorney  
100 N. Wilcox Street  
Castle Rock, Colorado 80104  
Telephone: 303-660-1398  
E-mail: [bslentz@crgov.com](mailto:bslentz@crgov.com)

With copy to:

Attention: Utilities Director  
175 Kellogg Court  
Castle Rock, Colorado 80109  
Telephone: 720-733-6001  
E-mail: [mmarlowe@crgov.com](mailto:mmarlowe@crgov.com)

CWCB:

Colorado Water Conservation Board  
Attention: Director  
1313 Sherman Street  
Denver, CO 80203  
Telephone: 303-866-3441  
Fax: 303-294-8954  
E-mail: [james.eklund@state.co.us](mailto:james.eklund@state.co.us)

8.2. Effect of Water Supply Agreement. The parties recognize and agree that this Agreement is made pursuant to and in reference to the Water Supply Agreement, and is subject to its terms. In case of any conflict between the terms of this Agreement and the Water Supply Agreement, the Water Supply Agreement shall control.

8.3. Authorization. The individuals executing this Agreement on behalf of their respective entities are authorized by those entities to execute this Agreement and, by their signatures, certify that all steps or actions required to ensure such authorization have been taken.

8.4. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the parties as to the subject matter hereof, and there are no further or other agreements or understandings, written or oral, in

effect between the parties relating to its subject matter unless expressly set forth in this Agreement.

8.5. Amendment. Modification of this Agreement by the parties may be made only by a writing duly authorized and executed by every party hereto.

8.6. No Waiver. No term or condition of this Agreement shall be deemed to have been waived, nor shall there be an estoppel against the enforcement of any provision of this Agreement, except by a signed written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated as such in its terms. Each such waiver shall operate only as to the specific term or condition waived, and shall not constitute a waiver of such term or condition for the future as to any act other than that specifically waived.

8.7. Assignment. Neither party may assign this Agreement or the rights, benefits, burdens, or obligations hereunder to any other person or entity, unless such assignment is of the entirety of this Agreement, and is made with the prior written approval of the other party, which approval may be granted or withheld by such party in its sole and absolute discretion. Any assignee under an assignment approved by both parties shall assume in writing all obligations and burdens imposed by this Agreement upon the assigning party. Any purported assignments not approved in advance in writing by the non-assigning party shall be void.

8.8. No Merger. The rights and obligations of the parties hereunder shall not be merged into any deeds of conveyance, and shall be fully enforceable until such time as any and all terms and conditions of this Agreement are completely fulfilled.

8.9. Third Party Beneficiaries. There are no third party beneficiaries of this Agreement. The parties hereto state and agree that they do not intend that any other person or entity shall have any interest in, or rights or duties under, this Agreement.

8.10. Counterparts. This Agreement may be executed in counterparts and all counterparts so executed shall constitute one agreement binding upon both parties, notwithstanding that both parties are not signatories to the original or to the same counterpart.

8.11. Controlling Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

8.12. Binding Effect. The terms of this Agreement shall be binding upon the respective parties hereto, their successors, and permitted assigns.

8.13. Effective Date. The parties agree that the Effective Date of this Agreement as between the parties hereto shall be the date when the Agreement has been executed by both parties.

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# Colorado Water Conservation Board

Director, James Eklund

Date

ATTEST:

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

Sally A. Misare, Town Clerk

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Paul Donahue, Mayor

Approved as to form:

Approved as to content:

Robert J. Slentz, Town Attorney

Mark Marlowe, Director of Utilities

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2015 by Sally A. Misare as Town Clerk and Paul Donahue as Mayor of the Town of Castle Rock, Colorado.

Witness my official hand and seal.

My commission expires: \_\_\_\_\_

[SEAL]

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Notary Public