

PURCHASE AND SALE AGREEMENT WATER RIGHTS

THIS PURCHASE AND SALE AGREEMENT (this “Agreement”) dated as of March 22, 2023 (the “Agreement Date”), is between RANCHVIEW INVESTMENTS, LLC, a Colorado limited liability company (the “Seller”), and the TOWN OF CASTLE ROCK, a Colorado home rule municipality, acting by and through the CASTLE ROCK WATER ENTERPRISE (the “Buyer”).

RECITALS

WHEREAS, Seller owns or will own prior to closing of the specified purchase and sale, certain water rights, together with all appurtenances and easements, that are more fully described and defined in this Agreement.

WHEREAS, Buyer desires to acquire additional water and water rights for use within its municipal water and utility systems and, to this end, Buyer seeks to acquire the water rights.

WHEREAS, Seller is willing to sell the water rights to Buyer and Buyer is willing to purchase the Water Rights on and subject to the terms and conditions in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows.

AGREEMENT

1. Agreement to Purchase. On and subject to the terms and conditions provided herein, Buyer agrees to purchase from Seller and Seller agrees to sell to Buyer the following:

a. Water Rights: The “Water Rights” are more particularly described in Exhibit A and include any and all of Seller’s interests and obligations in the Meadow Ditch and Lambert Reservoir No. 3.

b. Easements and Agreements: Seller’s interest in any easements pertaining in any way to the Water Rights (“Easements”).

c. Agreements: Seller will assign to Buyer and/or terminate all Seller’s rights and obligations arising in and under that Easement and Operating Agreement, between Valley Development Group, LLC, and Roxborough Park Metropolitan District, dated January 11, 2005, and recorded at Rec. 2005004308, on January 12, 2005, in the records of Douglas County, Colorado (“Operating Agreement”); that Easement Deed and Agreement, between Valley Development Group, LLC, and Roxborough Park Metropolitan District, dated January 11, 2005, and recorded at Rec. 2005004309, on January 12, 2005, in the records of Douglas County, Colorado (“Easement Agreement”); and any other contracts, agreements, or instruments pertaining in any way to the Water Rights (collectively, “Agreements”).

2. Seller's interests. For purposes of this Agreement, references to "Seller's interests" and "Seller's rights and obligations" include those interests in the Water Rights Easements, and Agreements as presently held by Seller and any interest in the Water Rights, Easements, and Agreements as may be held by the Valley Development Group, LLC ("Valley") at the time of execution of this Agreement. Prior to Closing under this Agreement, Seller will cause Valley to convey its interests in the Water Rights, Easements, and Agreements, as applicable, to Buyer. In the event Seller is unable to convey or cause to be conveyed Valley's interests to the Town at Closing, at any time prior to the Closing Date, Buyer may elect: to terminate this Agreement in its entirety and all Earnest Money shall be returned to Buyer; or to terminate as to Valley's interests in the Water Rights, Easements, and Agreements, and proceed to Closing as to those interests in Water Rights, Easements, and Agreements held by Seller as of the Agreement Date. Upon Closing, all rights and obligations of Seller to the Water Rights and Easements and Agreements shall cease and terminate and shall become the rights and obligations of Buyer. This provision shall survive Closing.

3. Purchase Price. The purchase price for the Water Rights, Easements, and Agreements will be \$828,000.00 (eight hundred and twenty eight thousand dollars) ("Purchase Price").

4. Payment of Purchase Price; Earnest Money Deposit. The Purchase Price will be paid by Buyer to Seller in full, adjusted for the Closing Adjustments as set forth in this Agreement, in cash or by wire transfer or other immediately available funds at Closing. Within ten (10) business days after the Agreement Date, Buyer shall tender the sum of Twenty Thousand Dollars (\$20,000) to Land Title Guarantee Company (the "Title Company"), as escrow holder, for deposit into an interest-bearing account. This deposit, together with any interest earned thereon, is collectively referred to as the "Earnest Money." Title Company's receipt of the Earnest Money shall be acknowledged in writing provided to both parties. At Closing, the Earnest Money will be paid to Seller as a part of the Purchase Price.

5. Water Rights Opinion.

a. Issuance of Opinion; Buyer's Objections. At Buyer's expense, Buyer shall obtain a water rights title opinion from a water rights attorney, in a form acceptable to Buyer in its sole discretion (the "Water Rights Opinion"). The Water Rights Opinion shall state that Seller and/or Valley has marketable title to the Water Rights, free of all liens and encumbrances. Within forty-five (45) calendar days after the Agreement Date, Buyer shall provide to Seller: (1) a copy of the Water Rights Opinion and electronic copies of all information reviewed and relied on by the attorney; and (2) notification of Buyer's objections to any items impacting marketable title to the Water Rights (the "Water Title Objection Notice"), if any. Any items impacting marketable title to the Water Rights that are not objected to within the forty-five (45) calendar day period will be deemed accepted by Buyer.

b. Seller's Rights. Seller shall have until fifteen (15) calendar days after receipt of Buyer's Water Title Objection Notice (the "Seller's Water Title Cure Period") to elect, at its sole option and discretion, to (i) cure any or all items to which Buyer has objected, (ii) cause such items to be modified in a manner which is satisfactory to Buyer, or (iii) not to cure any or all such items.

c. Buyer's Rights. If, during Seller's Water Title Cure Period, Seller fails to cure to the satisfaction of Buyer any objection in the Water Title Objection Notice, or elects not to cure, then Buyer may elect, as its exclusive remedy with respect to the objections in the Water Title Objection Notice, either to (i) waive the objections by written notice to Seller and proceed to Closing, or (ii) terminate this Agreement by giving written notice to Seller within three (3) business days after Seller's Water Title Cure Period, in which case the Earnest Money will be returned to Buyer, and thereafter the parties will have no further rights and will be released from all obligations hereunder other than those rights and obligations that expressly survive termination of this Agreement. If Buyer fails to give timely notice of termination or if Buyer elects to proceed to Closing, Buyer will be deemed to have waived all objections and accepted all of the items in the Water Rights Opinion. The Closing Date established in Section 9 below shall be extended on a day-for-day basis to accommodate the notice and cure time periods outlined in this Section 5.

6. Inspection.

a. Inspection Period. Buyer shall have a period of forty-five (45) calendar days from the Agreement Date in which Buyer and Buyer's agents, contractors, employees and permittees (collectively, the "Buyer Permittees") shall verify and ascertain the suitability of the Water Rights and Easements for Buyer's intended use, in Buyer's sole and absolute discretion (the "Inspection Period"). Buyer may, at any time during the Inspection Period, enter upon the property for the purpose of inspecting the Water Rights, Easements, and appurtenant facilities, including making surveys, reports and investigations, conducting soils, water availability and other tests, and undertaking such other investigation as Buyer shall deem necessary for its intended uses of the Water Rights and Easements.

b. Diligence Documents. Within seven (7) calendar days after the Agreement Date, Seller shall make available to Buyer and its consultants and representatives, copies of its files and records related to the Water Rights, Easements, and Agreements including the following documents in the possession or control of the Seller: all documents relating to the Water Rights, Easements, and Agreements (including, but not limited to, documents related to title to and liens or encumbrances on the Water Rights, Easements, and/or related facilities; previous title opinions; water decrees and well permits; water rights engineering reports, technical reports and correspondence, including those related to the use and historical consumptive use of the Water Rights for irrigation; diversion records and accounting; reports, invoices, and estimates regarding infrastructure condition and improvements; maps, aerial photos and as-built drawings; and any correspondence with federal, local or state agencies, including the Division of Water Resources and Colorado Department of Health and the Environment, concerning water rights, water supply or water quality issues), environmental reports and studies, environmental notices received by Seller, permits (including 404 and 402 permits from the Army Corps of Engineers), topographical and other maps, engineering plans and reports, easement agreements, and all other information and documentation pertaining to the Water Rights, Easements, and Agreements in the possession of or known to Seller or Seller's agents (collectively, the "Diligence Documents"). Buyer acknowledges that it shall be solely responsible for verifying all information contained in the Diligence Documents, including the completeness, accuracy and applicability of all such documents.

c. Inspection Risk. Buyer will not make any permanent modifications to the property associated with the Water Rights and Easements, and will leave the property in substantially the same condition as existed at the time of entry upon the property by Buyer or Buyer Permittees. Any entry on the property by Buyer or Buyer Permittees shall be at the sole risk, cost, and expense of Buyer. Buyer shall pay when due all costs and expenses incurred in the performance of any such inspection or conducting such tests and investigations and, to the extent permitted and provided by law, shall reimburse, indemnify and hold harmless Seller from any loss from mechanic's liens, claims for nonpayment of such charges or for damages or injuries arising out of the acts or omissions hereunder by Buyer or Buyer Permittees relating to their entry onto the property, including those persons performing such inspections or conducting such tests and investigations. Notwithstanding any other provision of this Agreement, the obligations of Buyer under this Section 6(c) will survive the Closing or the termination of this Agreement by Buyer or Seller for any reason.

d. Termination. If Buyer fails to provide Seller with written notice that it will terminate this Agreement (the "Termination Notice") on or before the expiration of the Inspection Period, Buyer shall be deemed to have elected to accept the conditions of the Water Rights and Easements discovered in the Inspection Period. In the event Buyer provides Seller with the Termination Notice on or before the expiration of the Inspection Period, the Earnest Money shall be refunded to the Buyer, none of the Parties shall be further bound hereby, and this Agreement shall be of no further force or effect (subject to the provisions of this Agreement which expressly survive such termination). Seller shall have no right to cure if Buyer elects to terminate the Agreement pursuant to this Section 6.

7. Other Agreements and Covenants.

a. Historical Use Affidavit. At Closing, Seller will provide to Buyer a Historical Use Affidavit, in a form acceptable to the Buyer, that has been signed by Seller and/or any person having knowledge of the historical use of the Water Rights. The parties shall agree on the form of the Historical Use Affidavit in accordance with paragraph 9, below.

b. Pending Water Court Case. Buyer will file an application with the Division 1 Water Court seeking a change of water rights for its interest in the Meadow Ditch and Lambert Reservoir No. 3 water rights ("Town Water Rights") and the Water Rights for Buyer's purposes ("Change Case"). Seller confirms that it consented and continues to consent to the inclusion of the Water Rights in the Change Case. This provision shall survive Closing.

c. Statement of Opposition. Buyer agrees that Seller may file a statement of opposition and participate as a party in those water court applications, including the Change Case, that Buyer may file with respect to the Water Rights but only as expressly as limited herein. Seller acknowledges its participation in any cases, including any Change Case, shall support the permanent removal of the Water Rights from Seller's property as authorized in Case No. 06CW294, the ditch-wide historical consumptive use yield for Water Rights and Town's Water Rights as decreed in Case No. 00CW231 and confirmed in Case Nos. 06CW294 and 05CW30, and the Town's use of the full ditch-wide yield of the Water Rights and the Town's Water Rights

for the Town's municipal purposes. Notwithstanding the forgoing, Seller's statement of opposition may seek to protect Seller's right to divert in-priority the Nelson Reservoir water storage right, which is authorized to divert up to 11 af from Rainbow Creek as decreed in CA807, District Court, Douglas County, with a December 1, 1918 appropriation date ("Nelson Reservoir"). However, to protect the Nelson Reservoir, Seller shall not require Buyer to include any terms and conditions that would reduce in-priority diversions or historical consumptive use of the Water Rights or Town's Water Rights or otherwise impair Buyer's ability to obtain the full ditch-wide yield of the Water Rights and Town's Water Rights, including but not limited to requiring a no-call agreement, selective subordination, general subordination or any other similar agreement between the Buyer and Seller modifying the relative priority of the Water Rights/Town's Water Rights vis-à-vis the Nelson Reservoir. The parties agree that upon signature of Thomas Barenberg in his personal capacity, this provision shall also bind Thomas Barenberg and any entity owned, in whole or in part, by Thomas Barenberg existing now or in the future. This provision shall survive Closing.

d. Post-Closing Assistance. Following Closing, Seller will provide Buyer with reasonable assistance in the transition of the administration and the operation of the Water Rights, Easements, and Agreements, and in support of the Change Case, including but not limited to, providing testimony or an affidavit about the use and historical consumptive use of the Water Rights.

8. Closing. The closing of the purchase and sale (the "Closing") of the Property shall occur on such date as mutually agreed upon by Buyer and Seller, but in no event later than sixty (60) days after the Agreement Date (the "Closing Date"). The Closing will be held at the offices of the Title Company, or at such other location as mutually agreed upon by Buyer and Seller or, if the parties so agree, through an escrow-type closing with the Title Company acting as the closing agent.

9. Form of Closing Documents. No later than seven (7) calendar days prior to the Closing Date, the parties shall mutually agree on the form of all instruments necessary to complete the conveyances contemplated herein. Notwithstanding the foregoing, the Water Rights will be conveyed to Buyer through a special warranty deed(s).

10. Actions at Closing. The following will occur at Closing in a sequence prescribed in mutually agreeable Closing instructions all of which shall be mutually and concurrently dependent:

a. Seller shall execute and deliver to Buyer one or more special warranty deed(s) for the Water rights, free and clear of all liens and encumbrances.

b. Seller shall execute and deliver to Buyer one or more deeds or other instruments for conveyance of the Easements, free and clear of all liens and encumbrances.

c. Seller shall execute and deliver to Buyer one or more bill(s) of sale, assignment(s), and/or termination agreement(s) pertaining to the Agreements.

d. Seller shall fill out, execute, and deliver an Historical Use Affidavit detailing the use of the Water Rights.

e. Buyer shall deliver to the Title Company as the closing agent the Purchase Price, less the Earnest Money, in cash or by wire transfer or other immediately available funds.

f. The Purchase Price proceeds delivered by Buyer to the Title Company shall be delivered to Seller.

g. Seller and Buyer will execute and deliver to the Title Company the Settlement Statement(s), as necessary.

h. Each party will deliver to the other party and the Title Company such agreements, assignments, conveyances, instruments, documents, typical affidavits required by the Title Company, certificates and the like as may be reasonably required by either party or the Title Company to consummate the purchase and sale of the Water Rights, Easements, and Agreements in accordance with the terms of this Agreement.

i. The following adjustments (“Closing Adjustments”) will be made as of the Closing to the Purchase Price: Buyer will pay the recording fee for the deeds conveying the Water Rights and any other recorded documents. The parties will share closing fees of the Title Company and all documentary fees equally. Buyer will reimburse Seller for its documented attorney and consulting fees related to this Agreement, not to exceed ten thousand dollars (\$10,000). All other costs of Closing will be prorated between the parties as is customary in commercial closings in this State.

11. Representations of Seller. Seller represents to Buyer, to the best of its actual knowledge and without independent inquiry, that each of the following statements is true and correct as of the Agreement Date and will be true and correct as of the Closing Date:

a. Seller is a Colorado limited liability company duly formed and validly existing in the State of Colorado.

b. To the best of Seller’s actual knowledge and without independent inquiry, there is no litigation, condemnation or eminent domain action, or administrative, governmental or other proceeding, pending or threatened, against Seller and/or affecting the ownership or use of the Water Rights and Easements which, if decided or determined adversely, would have a material adverse effect on the ability of Seller to sell its interests pursuant to this Agreement.

c. Seller has full right, power and authority to enter into this Agreement and to perform the obligations hereunder, and this Agreement and all other documentation required by Buyer hereunder, when duly executed and delivered, shall constitute the valid and binding obligation of Seller, enforceable in accordance with such terms. The individual executing this Agreement on behalf of Seller is authorized to do so.

d. Seller has not retained any broker, agent or finder or agreed to pay any commissions or finders' fees in connection with this Agreement or the transfer of the Property. To the extent permitted and provided by law, Seller shall indemnify and hold harmless Buyer from liability for any fees or commissions owing pursuant to this transaction caused by breach of this representation.

e. To the best of Seller's actual knowledge and without independent inquiry, no other person has any legal or equitable right to use the Water Rights and Easements, except as described in the Agreements.

f. Seller, to the best of its actual knowledge and without independent inquiry, is unaware of any material Diligence Document in its possession that Seller has not produced or made available to Buyer.

g. To the best of Seller's actual knowledge and without independent inquiry, all of the Water Rights and any decrees therefor are in full force and effect and no portion of the Water Rights have been abandoned.

h. To the best of Seller's actual knowledge and without independent inquiry, (i) there has been no placement, generation, transportation, storage, release, treatment or disposal at situs of the Water Rights and Easements ("Property") of any "Hazardous Substances," as defined herein; and (ii) Seller has not received from or given to any governmental authority or other person or entity any notice or other communication or agreement relating in any way to the presence, generation, transportation, storage, release, treatment or disposal by Seller of any Hazardous Substances on the Property. In addition, to the best of Seller's actual knowledge and without independent inquiry, there is no pending, threatened litigation, proceedings or investigations before any administrative agency in which the reference, release, threat of release, placement, generation, transportation, storage, treatment or disposal in, on or under the Property, of any Hazardous Substances has been alleged. For purposes of this Agreement,

i. "Environmental Laws" means all federal, State and local laws, whether common laws, court or administrative decisions, statutes, rules, regulations, ordinances, court orders and decrees, and administrative orders and all administrative policies and guidelines concerning action levels of a governmental authority (federal, State or local) now or hereafter in effect relating to the environment, public health, occupational safety, industrial hygiene, any Hazardous Substance (including, without limitation, the disposal, generation, manufacture, presence, processing, production, release, storage, transportation, treatment or use thereof), or the environmental conditions on, under or about the Property, as amended and as in effect from time to time (including, without limitation, the following statutes and all regulations thereunder as amended and in effect from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 *et seq.*; the Superfund Amendments and Reauthorization Act of 1986, Title III, 42 U.S.C. §§ 11001 *et seq.*; the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*; the Safe Drinking Water Act, 42 U.S.C. §§ 300(f) *et seq.*; the Solid Waste Disposal Act, 42 U.S.C. §§ 6901 *et seq.*; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§ 1801 *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 *et seq.*; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 *et seq.*; the Toxic Substances Control Act of 1976, 15 U.S.C. §§ 2601 *et seq.*; and the Occupational Safety

and Health Act, 29 U.S.C. §§ 651 *et seq.*; and any successor statutes and regulations to the foregoing; and

ii. “Hazardous Substances” means (a) all chemicals, materials and substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants,” “contaminants” or “pollutants,” or words of similar import, under any applicable Environmental Law; and (b) all other chemicals, materials and substances, exposure to which is prohibited, limited or regulated by any governmental authority, including, without limitation, asbestos and asbestos-containing materials in any form, lead-based paint, radioactive materials, polychlorinated biphenyls (“PCBs”), and substances and compounds containing PCBs.

12. Buyer’s Representations and Warranties. Buyer represents and warrants to Seller that each of the following statements is true and correct as of the Agreement Date and will be true and correct as of the Closing Date:

a. Buyer is a governmental entity duly formed and validly existing in the State of Colorado.

b. Buyer has all requisite power, corporate and otherwise, to execute, deliver and perform its obligations pursuant to this Agreement, that the execution, delivery and performance of this Agreement and the documents to be executed and delivered pursuant to this Agreement have been duly authorized by it, and that upon execution and delivery, this Agreement and all documents to be executed and delivered pursuant to this Agreement will constitute its legal, valid and binding obligation, enforceable against it in accordance with their terms.

c. The individual executing this Agreement on behalf of Buyer is authorized to do so.

d. Buyer has not retained any broker, agent or finder or agreed to pay any commissions or finders’ fees in connection with this Agreement or the transfer of the Property. To the extent permitted and provided by law, Buyer shall indemnify and hold harmless Seller from liability for any fees or commissions owing pursuant to this transaction caused by Buyer’s breach of this representation.

e. If prior to Closing, Buyer obtains knowledge that any of the covenants, representations or warranties of Seller in this Agreement are not true or correct, and Buyer deems such inaccuracy to be material to Buyer, then Buyer shall promptly notify Seller in writing of the same in order to afford the Seller a reasonable opportunity to cure the same prior to Closing.

13. No Other Warranties. Buyer has made, and will make, its own independent inspection and investigation of the Water Rights, Easements, and Agreements, and, in entering into this Agreement and proceeding to Closing, Buyer is relying upon and will rely solely on such inspection and investigations. Except for the representations expressly set forth in (i) this Agreement, (ii) the Water Rights Opinion, and (iii) the documents executed by Seller at Closing, Buyer acknowledges and agrees that neither Seller nor anyone acting on behalf of Seller has not made, does not make and specifically negates and disclaims any representations whatsoever,

whether expressed or implied, oral or written, past, present or future concerning the Water Rights, Easements, and Agreements. Buyer acknowledges that the Purchase Price is based in part on the fact that there are no other representations and that if Seller were required to give any additional representations the Purchase Price would be materially higher.

14. Default, Remedy and Termination.

a. Buyer Default. It is hereby agreed that Seller's damages may be difficult to ascertain. The Earnest Money constitutes a reasonable liquidation of Seller's damages and is intended not as a penalty, but as liquidated damages. If the transaction contemplated herein is not consummated on or before the Closing Date solely as a result of the default by Buyer of its obligations hereunder, as Seller's sole and exclusive remedy, the Title Company shall pay the Earnest Money to Seller as liquidated damages and in full settlement of any claims for damages. Whereupon, Buyer shall have no further liability or obligation hereunder to Seller and no other remedy shall be available for Buyer's breach of this Agreement; provided, however, that Seller shall also be entitled to enforce Buyer's obligations that expressly survive the termination of this Agreement.

b. Seller's Default. If the transaction contemplated herein is not consummated on or before the Closing Date solely as a result of a default by Seller of its obligations hereunder, Buyer shall be entitled to one of the following remedies as its sole and exclusive remedy: (i) the right to cancel this Agreement, in which event this Agreement shall terminate and be of no further force or effect and the Title Company will refund to Buyer the Earnest Money; or (ii) seek specific performance of this Agreement; provided however, that unless Buyer has provided written notice to Seller and the Title Company no later than ninety (90) days from the Closing Date that Buyer has elected to commence an action for specific performance, Buyer shall be deemed to have irrevocably chosen the foregoing option (i). In the event of any such termination, Seller shall be entitled to enforce Buyer's obligations that expressly survive the termination of this Agreement.

15. Miscellaneous Provisions.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and applicable federal law.

b. Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute one and the same instrument.

c. Further Assurance. Each of the parties hereto, at any time and from time to time, will execute and deliver such further instruments and take such further action as may reasonably be requested by the other party hereto, in order to cure any defects in the execution and delivery of, or to comply with or accomplish the covenants and agreements contained in this Agreement and/or any other agreements or documents related thereto.

d. Notices. If under the terms of this Agreement, notice is to be provided to any party, said notice shall be deemed provided upon (i) personal delivery, (ii) three (3) business days after the mailing of the same by registered or certified mail, return receipt requested, (iii) when delivered

(and signed for) by an overnight delivery service, or (iv) when delivered by email transmission for which automatic confirmation or written acknowledgement has been received, addressed in each case as follows:

If to Seller: Ranchview Investments LLC
c/o Tom Barenberg
1745 Shea Center Dr., Ste. 370
Highlands Ranch, CO 80129
tom@srfence.com

With a copy to: Kent Holsinger
Holsinger Law, LLC
1800 Glenarm Pl., Ste. 500
Denver, CO 80202
kholsinger@holsingerlaw.com

If to Buyer: Town of Castle Rock
Attn: Director of Castle Rock Water
175 Kellogg Court
Castle Rock, CO 80109
mmarlowe@crgov.com

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

with a copy to: Lyons Gaddis. PC
Attn: Madoline Wallace-Gross and Alison Gorsevski
515 Kimbark Street, 2nd Floor
Longmont, CO 80501
mwg@lyonsgaddis.com
agorsevski@lyonsgaddis.com

Any party may change the address to which notices should be sent by giving the other parties written notice of the new address in the manner set forth in this paragraph. A party may give any notice, instruction or communication in connection with this Agreement using any other means (including facsimile or first class mail), but no such notice, instruction or communication shall be deemed to have been delivered unless and until it is actually received by the party to whom it was sent and such party acknowledges such receipt.

e. No Consideration of Drafter. This Agreement has been negotiated by all parties hereto and their counsel. It shall be given a fair and reasonable interpretation in accordance with its terms, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

f. Attorneys' Fees. In the event of any litigation or arbitration proceedings between the parties hereto concerning the subject matter of this Agreement, the prevailing party in such litigation or proceeding shall be awarded, in addition to the amount of any judgment or other award entered therein, the costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the litigation or proceeding.

g. Amendment. This Agreement may be amended, altered or revoked only by written instrument executed by all of the parties to this Agreement.

h. Survival. All representations and warranties of title to the Water Rights, Easements, and Agreements in this Agreement shall merge into the representations and warranties of title in the deeds and other instruments of conveyance made in connection with the Closing.

i. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

j. Expenses. Each party shall pay its own costs and expenses in connection with the operation under and administration of this Agreement.

k. Waivers and Consents. All waivers and consents given hereunder shall be in writing. No waiver by any party hereto of any breach or anticipated breach of any provision hereof by any other party shall be deemed a waiver of any other contemporaneous, preceding or succeeding breach or anticipated breach, whether or not similar, on the part of the same or any other party.

l. Entire Agreement. This Agreement represents the entire agreement between the parties and there are no oral or collateral agreements or understandings. If any other provision of this Agreement is held invalid or unenforceable, no other provision shall be affected by such holding and all of the remaining provisions of this Agreement shall continue in full force and effect.

m. Rights of Third Parties. All conditions of the obligations of the parties hereto, warranties and representations, and all undertakings herein, except as otherwise provided by a written consent, are solely and exclusively for the benefit of the parties hereto, their successors and assigns and their successors-in-interest. No other person or entity shall have standing to require satisfaction of such conditions or to enforce such undertakings in accordance with their terms or be entitled to assume that any party hereto will refuse to complete the transaction contemplated hereby in the absence of strict compliance with such conditions and undertakings. No other person or, entity shall, under any circumstances, be deemed a beneficiary of such conditions or undertakings, any or all of which may be freely waived in whole or in part, by mutual consent of the parties hereto at any time, if in their sole discretion they deem it desirable to do so.

n. Construction. Throughout this Agreement, the headings for paragraphs, section and articles used in this Agreement are included for purposes of convenience of reference only, and shall not affect the construction or interpretation of any of its terms; the singular shall include

the plural and the plural shall include the singular; all genders shall be deemed to include other genders, wherever the context so requires; and the terms “including,” “include” or derivatives thereof, unless otherwise specified, shall be interpreted in as broad a sense as possible to mean “including, but not limited to,” or “including, by way of example and not limitation.”

o. Exhibits. All schedules, exhibits and addenda attached to this Agreement and referred to herein shall for all purposes be deemed to be incorporated in this Agreement by this reference and made a part of this Agreement.

p. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

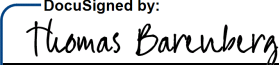
q. Time of Performance. If any deadline set forth in this Agreement falls on a Saturday, Sunday or national legal holiday, performance is due on the next business day.

r. Recordation. Neither this Agreement or any memorandum or extract hereof shall be recorded. Any recording by or on behalf of Buyer without the written consent of Seller will be a breach by Buyer for which there is no right to cure and for which Seller may terminate this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Agreement Date.

SELLER:

RANCHVIEW INVESTMENTS LLC

By: 
Thomas Barenberg, pres
Name Title

ATTEST:

BUYER:

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

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

**I HAVE READ AND I ACCEPT THE TERMS AND CONDITIONS IN PARAGRAPH
7.C. OF THIS AGREEMENT.**

DocuSigned by:
Thomas Barenberg

Thomas Barenberg

EXHIBIT A

Description of Water Rights:

Meadow Ditch. All of Seller's interests and obligations in twenty-five percent (25%) of the consumptive and nonconsumptive use of the Meadow Ditch surface water as decreed in the Decree of December 10, 1883, District Court of Douglas County, and as changed in Case Nos. 2000CW231 and 06CW294, Water Division 1, State of Colorado. Such water is tributary to Indian Creek, tributary to Plum Creek, tributary to the South Platte River. The original point of diversion of the Meadow Ditch is in Section 21; Township 7 South, Range 68 West of the 6th P.M., Douglas County, Colorado.

Lambert Reservoir No. 3. All of Seller's interests and obligations related to the right to store and use 5.68 acre feet per year out of 22.73 acre feet per year of water decreed to the Lambert Reservoir No. 3 from Indian Creek, tributary to Plum Creek, tributary to the South Platte River, for irrigation use, by decree of the District Court for Water Division No. 1, in Civil Action No. 3635, dated May 18, 1972, with appropriation date of July 17, 1896; as the same has been changed by the decree of the District Court for Water Division No. 1, in Case No. 2000CW231, dated July 1, 2003.