

RESOLUTION NO. 2020-

A RESOLUTION APPROVING THE THIRD AMENDMENT TO THE CONTRACT FOR PURCHASE AND SALE OF WATER ASSETS AND WATER LINE CAPACITY (LOST CREEK)

WHEREAS, the Town of Castle Rock (Town) and PV, LLC entered into the Contract for Purchase and Sale of Water Assets and Water Line Capacity (“Agreement”) dated February 4, 2020.

WHEREAS, the Town and PV, LLC entered into the First Amendment to Contract for Purchase and Sale of Water Assets and Water Line Capacity (“First Amendment”) dated February 7, 2020.

WHEREAS, the Town and PV, LLC entered into the Second Amendment to Contract for Purchase and Sale of Water Assets and Water Line Capacity (“Second Amendment”) dated March 6, 2020.

WHEREAS, the COVID-19 pandemic (“Pandemic”) has caused uncertainty as to whether the Town can or will close the transaction.

WHEREAS, the Town and PV, LLC seek to amend the Agreement to stay the parties’ deadlines to allow the Town to evaluate the economic impacts of the Pandemic.

WHEREAS, the Town and PV, LLC seek to amend the Agreement to provide contingencies regarding the easements for the Water Rights to be purchased by the Town.

WHEREAS, in conjunction with the Town’s previous acquisition of Lost Creek water rights for the Town’s Box Elder Creek long term renewable water project, the Town acquired an easement for a tank site (Tank Site Easement) as well as Water Line Capacity in a pipeline near Keenesburg, Colorado,

WHEREAS, the Town has determined that it will not use the Tank Site Easement or the Water Line Capacity for development of the Box Elder Creek project,

WHEREAS, the Town and PV, LLC seek to amend the Agreement to grant PV, LLC an option that will survive the termination of the Agreement to purchase the Water Line Capacity for \$2,200,000.00, as defined in Section 2.a. of the Agreement, if the Town terminates the Agreement.

WHEREAS, the Town and PV, LLC seek to enter into a separate Tank Site Easement Option Agreement to grant PV, LLC an option to purchase the Tank Site Easement, as defined in Section 2.b. of the Agreement, if the Town terminates the Agreement.

WHEREAS, the Water Line Capacity and the Tank Site Easement are interconnected components of a single system that operate together such that if PV, LLC purchases one component, PV, LLC must purchase the other component.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK AS FOLLOWS:

Section 1. Approval. The Third Amendment to the Contract for Purchase and Sale of Water Assets and Water Line Capacity, in the form attached as *Exhibit 1* is hereby approved. The Mayor and other proper Town officials are hereby authorized to execute the Amendment by and on behalf of the Town of Castle Rock, Colorado.

PASSED, APPROVED AND ADOPTED this 19th day of May, 2020, by the Town Council of the Town of Castle Rock, Colorado, on first and final reading by a vote of _____ for and _____ against.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Robert J. Slentz, Town Attorney

Mark Marlowe, Director