

TOWN OF CASTLE ROCK/~~CENTENNIAL-CENTRAL WATER AND SANITATION DISTRICT~~COLORADO WATER CONSERVANCY DISTRICT
SPOT WATER LEASE AGREEMENT

THIS SPOT WATER LEASE AGREEMENT ("Agreement") is entered into _____, 2022, by and between the Town of Castle Rock, a home rule municipal corporation, acting by and through the Town the Castle Rock Water Enterprise ("Town"), as Lessor, whose address is 100 N. Wilcox Street, Castle Rock, Colorado 80104 and ~~Centennial Water and Sanitation District~~Central Colorado Water Conservancy District - ("~~Centennial~~Central"), as Lessee, whose address is 3209 W 28th St, Greeley, CO 80634~~62 Plaza Drive, Highlands Ranch, Colorado 80129~~, collectively referred to as the Parties.

RECITALS

WHEREAS, the Town owns certain water in the Chatfield Basin that is reusable and fully consumable after its first use for municipal purposes by the Town. From time to time, a certain amount of this water is surplus to the needs and obligations of the Town ("Surplus Water"); and

WHEREAS, the Town anticipates it will have Surplus Water available from time to time in 2022~~2023~~; and

WHEREAS, ~~Centennial-Central~~ desires to lease a certain portion of the Surplus Water from the Town in accordance with the terms and conditions of this Agreement for municipal use.

AGREEMENT

NOW THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and ~~Centennial~~Central agree as follows:

1. Water Rights Lease. The Town hereby leases to ~~Centennial-Central~~ ~~a minimum of 200-acre feet (AF) of~~ Surplus Water ~~and~~ up to 1,000~~500~~ AF total ("Leased Spot Water"), which ~~may~~will be made available as follows:

A. Between ~~July 6, 2022~~January 1, 2023 and December 31, ~~2022~~2023 with no additional water released thereafter.

2. Deliveries.

A. Amount. The Town ~~has the~~may have water available within its Chatfield Storage Account to lease up to 1,000~~500~~ AF to ~~Centennial-Central~~ in ~~2022~~2023. The Leased Spot Water will be withdrawn from the Town's Storage Account upon coordination with the Colorado Department of Natural Resources – Division of Water Resources.

B. Location. Release will consist of a book-over from Castle Rock's Chatfield Storage Account into ~~Centennial~~Central's Chatfield Storage Account.

C. Delivery to CentennialCentral. CentennialCentral will take delivery of the Leased Spot Water within its Chatfield Storage Account. ~~The initial 200 AF will be delivered upon execution of this Agreement, by coordination between the Parties and the Colorado Department of Natural Resources—Division of Water Resources.~~ DSubsequent deliveries, ~~in minimum 100 AF increments,~~ will be made by mutual agreement of the Parties.

D. Accounting. CentennialCentral must provide the Town with a copy of the water accounting showing the date(s) and quantities of the release of Leased Spot Water. This information will also be used to confirm and update the Town's Chatfield accounting forms.

3. Lease Rate. ~~Centennial shall pay to the Town \$71,000.00 for the minimum lease of two hundred (200) AF of Leased Spot Water. Additional~~ Leased quantities shall be paid at the rate of ~~\$355.90 per acre for acre-foot.~~ ~~Payment for the minimum lease quantity shall be made within ten days following mutual execution of this Agreement and is non-refundable.~~ Payment for ~~other~~ quantities leased shall be made thirty (30) days following the issuance of an invoice from Castle Rock. The Town shall invoice CentennialCentral and payment shall be remitted to Castle Rock Water; 175 Kellogg Court; Castle Rock, CO 80129; ATTN: Matt Benak, Water Resources Manager.

4. Quality of Leased Spot Water. Leased Spot Water shall be delivered "as is," but shall be of a quality that meets all standards and effluent limitations specified in Colorado Discharge Permit System Permit No. CO-0038547, as amended, or in any other discharge permit issued by the Water Quality Control Division or by the U.S. EPA authorizing discharges from the Plum Creek Water Reclamation Authority (PCWRA) facility, such quality to be measured at the authorized discharge point(s) specified in any such discharge permit. By entering into this Agreement and utilization of the Leased Spot Water, CentennialCentral acknowledges that water meeting the requirements of this paragraph is suitable for its purposes and will accept such water as meeting the terms of this Agreement.

5. Lease Term. The term of this Agreement shall commence upon its execution and expire December 31, ~~2022~~ 2023. By mutual written agreement of the Parties, this Agreement may be renewed on the same or on different terms.

6. CentennialCentral's Obligations. CentennialCentral's obligations under this Agreement are limited to making the payments as described in paragraph 3 above.

7. Town's Obligations. The Town shall allow CentennialCentral to divert, store, use, reuse, and successively reuse to extinction and make all decreed uses of all Leased Spot Water, and shall confirm to CentennialCentral's satisfaction that all Leased Spot Water is decreed for all such uses and has been recognized and is administered by the Colorado State Engineer for all such uses.

8. Notice. All notices which may be required to be given by either Party to the other shall be made in writing and either hand delivered or sent by first class United States mail, postage prepaid, addressed as follows, or by facsimile, or via electronic means:

If to Town: Town of Castle Rock (Castle Rock Water)
Attn: Water Resources Manager (Matt Benak)
175 Kellogg Court
Castle Rock, CO 80109

with copy to: Town of Castle Rock
Attn: Town Attorney (Mike Hyman)
100 N. Wilcox Street
Castle Rock, CO 80104

If to ~~Centennial~~Central: _____ ~~Centennial~~Central Water and Sanitation
District

Attn: ~~Water Rights Administrator~~ Randy Ray, Executive
Director ~~(Swithin Diek)~~
3209 W 28th St
Greeley, CO 80634
62 Plaza Drive
Highlands Ranch, CO 80129

with copy to: _____ Collins Cole Flynn Winn & Ulmer PLLC
_____Attn Timothy Flynn
_____165 South Union Blvd. Suite 875
_____Lakewood CO 80228

9. Assignment. ~~Centennial~~Central may not assign its rights hereunder without the prior written consent of the Town, which may be withheld in the Town's sole discretion. In the event that the Town consents to an assignment of ~~Centennial~~Central's rights hereunder, the assignee shall execute an assumption agreement with the Town and ~~Centennial~~Central pursuant to which it shall assume ~~Centennial~~Central's obligations hereunder. The terms of such assumption agreement must be approved by the Town.

10. Entire Agreement. This Agreement represents the entire Agreement between the Parties on the matters set forth herein and supersedes all prior negotiations, representations or agreements respecting said matters whether written or oral.

11. Binding Effect. The execution of the Agreement by the Town as Lessor and ~~Centennial~~Central as Lessee constitutes the execution of a binding lease agreement by the Parties on the terms and conditions contained herein and may not be modified except in writing signed by both Parties. This Agreement shall be binding on the Parties' respective successors and assigns.

12. Enforcement. In the event either Party commences any action to enforce the terms and provisions of the Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees and all costs incurred in connection with such action, including, but not limited to, expert witness fees.

13. Controlling Law. This Agreement shall be governed under, and construed pursuant to the laws of the State of Colorado.

(signature page to follow)

LESSOR:

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Dir. of Castle Rock Water

LESSEE:

| ~~Centennial~~Central Water and Sanitation District

By:

| Randy Ray, Executive Director~~Sam Calkins, General Manager~~

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

| The foregoing instrument as acknowledged before me this ____ day of _____,
2022 by _____ as _____ of the ~~Centennial~~Central ~~Water and Sanitation Distriet~~Colorado Water Conservancy District.

Witness my official hand and seal.
My commission expires:

Notary Public