

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

THIS MODIFIED AGREEMENT is entered into as of the last date any party signs this Agreement as indicated on the signature pages hereto, 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. Any relinquished portion of the shares not acquired by other entities were conveyed to the CWCB, which holds the storage space for later redistribution. The Letters of Commitment authorized the CWCB to develop methods for distributing or selling the storage space to the water community.

1.7. The Government 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 authorizing 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.

1.8. The Government and the Colorado Department of Natural Resources (“CDNR”) 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. Article VI of the Water Storage Agreement contemplates that CDNR will grant portions of the storage space in Chatfield Reservoir to the Water Providers 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 CDNR (or a designee of CDNR) 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 more than \$62 million for the CWCB to retain Storage Space in the Reallocation Project. On October 15, 2015, the CWCB entered into a Water Provider Agreement with CDNR for 7,057 acre-feet of Storage Space in Chatfield Reservoir.

1.11. The implementation costs for the Reallocation Project are 100% non-federal. The October 2017 estimate of all project implementation costs is approximately \$171,000,000 (“Total Estimated 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 Chatfield Reservoir. The Water Providers entered into Water Provider Agreements with CDNR to work collaboratively with the CDNR and bear all costs of the mitigation and modification, and take the lead role in design and construction. The Water Providers formed the Chatfield Reallocation Mitigation Company (“CRMC”), a Colorado nonprofit corporation, in October 2015 to be responsible for implementation of the environmental mitigation and recreation modification activities necessary to implement the Reallocation Project. The Government’s involvement in these efforts is limited to oversight, review, and approval.

1.13. As described in Article II.F of the Water Storage Agreement, CDNR is responsible for annual Operation, Maintenance, Repair, Rehabilitation, Reconstruction and Replacement (“O&M-RRR&R”) payments to the Government in an amount proportionate to the Reallocation Project.

1.14. CRMC is funded by regular assessments collected from the Water Providers, its members. CRMC assessments are based on the number of membership units (“CRMC Units”) each member owns. Each CRMC Unit corresponds to one (1) acre-foot of Storage Space in the Reallocation Project.

1.15. On October 15, 2015, Purchaser entered into a Water Provider Agreement with CDNR. Purchaser acquired 200 acre-feet of Storage Space in Chatfield Reservoir.

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

1.17. Purchaser and the CWCB originally entered into this agreement on July 22, 2015. Pursuant to the original agreement, Purchaser acquired 174 acre-feet of Storage Space from the CWCB. The prior purchases pursuant to this agreement constituted an initial acquisition and a subsequent acquisition.

1.18. By this Agreement, the parties provide for the Purchaser's option to acquire up to an additional 1,626 acre-feet from the CWCB in the Reallocation Project ("Optioned Storage Space"), by means of annual acquisitions of increments of no less than the lesser of 129 acre-feet, or the difference between 1,626 and the quantity of acre-feet 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. Terms defined in Article I of the Water Storage Agreement and used in this Agreement shall have the same meaning as in the Water Storage Agreement unless further defined in this Section 2.

2.1. *Base Water Charge* means the base cost per acre-foot of Optioned Storage Space in this Agreement. The Base Water Charge shall be \$8,300.97 per acre-foot. The Base Water Charge is estimated by dividing the Total Estimated Project Costs (\$171,000,000) by the total number of acre-feet in the Reallocation Project (20,600).

2.2. *CRMC Assessments* means the amount charged by the CRMC to support the CRMC operations. CRMC Assessments are charged by the CRMC on a pro rata basis annually. CRMC Assessments may change over time as the CRMC's duties change based on the status of the Reallocation Project.

2.3. *Final Project Cost* means the total amount paid to implement the Reallocation Project in accordance with the Water Storage Agreement at the end of the period of construction of the Reallocation Project as defined in the Water Storage Agreement.

2.4. *Optioned Storage Space* means the 1,626 acre-feet in Chatfield Reservoir that are the subject of this Agreement.

2.5. *O&M-RRR&R* means the operations and maintenance and repair, rehabilitation, reconstruction, and replacement costs of Chatfield Reservoir as further defined in Article II.F of the Water Supply Agreement.

2.5.1. *Specific RRR&R* means specific 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 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 of Chatfield Reservoir 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. *Reconciled Payment Obligation* means the Final Project Cost of the Reallocation Project determined following final completion of the Reallocation Project. The Final Project Cost of the Reallocation Project 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 CWCB.

2.7. *Storage Space* means storage volume in acre-feet in Chatfield Reservoir. Storage Space does not refer to a specific water right, rather, the term refers to the right to storage space in Chatfield Reservoir wherein the Purchaser may store its own water rights.

2.8. *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.

2.9. *Water Provider Agreement* means the agreements entered into between the Colorado Department of Natural Resources and each Water Provider that has agreed to take on the responsibility to pay for some portion of the Reallocation Project and assume the rights and responsibilities of CDNR under the Water Storage Agreement in exchange for Storage Space in Chatfield Reservoir.

3. Acquisition. Purchaser will acquire the Optioned Storage Space as follows:

3.1. 2018 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

Provider Agreement corresponding to 87 acre-feet of Storage Space (the “2018 Acquisition”) at the 2018 Closing, as set forth in Paragraph 3.1.2, below:

3.1.1. 2018 Payment Amount. The total cost of the 2018 Acquisition as of the date of this Agreement is \$722,184.39, comprising the Base Water Charge for the 2018 Acquisition. The parties recognize that the Reallocation Project has not been completed and therefore the Final 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 2018 Closing herein, then the total cost of the 2018 Acquisition will be adjusted prior to closing to reflect any Reconciled Payment Obligation required for the 2018 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 2018 Acquisition to the CRMC when such Reconciled Payment Obligation is quantified and becomes due.

3.1.2. The 2018 Closing of the 2018 Acquisition will be held within thirty (30) days of the effective date of this Modified Purchase Agreement. The 2018 Closing may be facilitated by a title company, escrow agent, or in stages through counsel for the parties. Any party may request closing by a title company or escrow agent. Any such request must be made no less than ten (10) business days in advance of closing.

3.1.2.1. Payment to CWCB: At the 2018 Closing, the Purchaser will deliver to the CWCB the 2018 Payment Amount in certified funds or by electronic transfer.

3.1.2.2. Assignment and Assumption of Rights and Obligations:

3.1.2.2.1. At the 2018 Closing, the Purchaser will deliver to the CWCB a duly executed written acceptance and assumption of responsibility to pay to the CRMC the O&M-RRR&R costs and CRMC Assessments associated with the 2018 Acquisition as and when such costs are quantified and become due, and a written specific undertaking and acceptance of responsibility to pay to the CWCB all O&M-RRR&R costs and CRMC Assessments attributable to the Optioned Storage Space as and when such costs are quantified and become due.

3.1.2.2.2. At the 2018 Closing, the CWCB will deliver to the Purchaser a duly executed assignment assigning to Purchaser the CWCB's rights to 87 acre-feet of Storage Space corresponding to the 2018 Acquisition.

3.1.2.3. Water Provider Agreement Amendments: At the 2018 Closing, both Purchaser and CWCB shall execute amendments to their

respective Water Provider Agreements with CDNR to reflect the transfer of Storage Space.

3.1.2.4. CRMC Units and Escrow Transfer:

3.1.2.4.1. The Parties shall provide their Certificates of Membership to the CRMC along with the Water Provider Agreement Amendments and request that CRMC issue a new Certificates of Membership in accordance with any policies or procedures in effect by CRMC at the time of the 2018 Closing.

3.1.2.4.2. The CWCB shall provide a written request to CRMC that an amount equal to the 2018 Payment Amount be transferred from the CWCB's Escrow Account to Purchaser's Escrow Account.

3.2. Installment Option. For and in consideration of the 2018 Acquisition 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 and CRMC Assessments attributable to the Optioned Storage Space, 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 Storage Space, up to a cumulative total of 1,626 acre-feet of Storage Space in Chatfield Reservoir:

3.2.1. Exercise. Beginning in 2019, 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 Storage Space, 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 Storage Space it will acquire in that year. Provided that the increment of Optioned Storage Space to be acquired shall be no less than the lesser of 129 acre-feet, or the difference between 1,626 acre-feet and the quantity, in acre-feet, of Optioned Storage Space 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 Storage Space 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 Storage Space 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 its escrow account or the CRMC any Reconciled Payment Obligation attributable to that portion of the Storage Space 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. The Installment Acquisition Closing may be facilitated by a title company, escrow agent, or in stages through counsel for the parties. Any party may request closing by a title company or escrow agent. Any such request must be made no less than ten (10) business days in advance of closing.

3.2.2.1. Payment to the CWCB: At each Installment Acquisition Closing, Purchaser will deliver to the CWCB the Installment Acquisition Payment Amount in certified funds or by electronic transfer.

3.2.2.2. Assignment and Assumption of Rights and Obligations:

3.2.2.2.1. At each Installment Acquisition Closing, the Purchaser will deliver to the CWCB a duly executed written acceptance and assumption of responsibility to pay to the CRMC the O&M-RRR&R costs and CRMC Assessments associated with the Installment Acquisition as and when such costs are quantified and become due, and a written specific undertaking and acceptance of responsibility to pay to the CWCB all O&M-RRR&R costs and CRMC Assessments attributable to the remaining Optioned Storage Space as and when such costs are quantified and become due.

3.2.2.2.2. At each Installment Acquisition Closing, the CWCB will deliver to the Purchaser a duly executed assignment assigning to Purchaser the CWCB's rights to the number of acre-feet of Storage Space corresponding to the Installment Acquisition.

3.2.2.3. Water Provider Agreement Amendments: At each Installment Acquisition Closing, both Purchaser and CWCB shall execute amendments to their respective Water Provider Agreements with CDNR to reflect the transfer of Storage Space.

3.2.2.4. CRMC Units and Escrow Transfer:

3.2.2.4.1. The Parties shall provide their Certificates of Membership to the CRMC along with the Water Provider Agreement Amendments and request that CRMC issue a new Certificates of Membership in accordance with

any policies or procedures in effect by CRMC at the time of each Installment Acquisition Closing.

3.2.2.4.2. Until the period of construction as defined in the Water Storage Agreement is complete, when the CWCB requests a new Certificate of Membership the CWCB shall also provide a written request to CRMC that an amount equal to the Installment Acquisition Payment Amount be transferred from the CWCB's Escrow Account to Purchaser's Escrow Account. When the period of construction is complete and the CRMC is no longer paying for ongoing construction costs from the Water Providers' escrow accounts, this paragraph 3.2.2.4.2 shall no longer be required to complete an Installment Acquisition Closing.

3.2.3. Term of Installment Option. The Installment Option term shall expire on the earlier of the 13th anniversary of the effective date of this Agreement, or the date when Purchaser has acquired the right to a cumulative total of 1,626 acre-feet of Storage Space from the CWCB pursuant to this Agreement, 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 and CRMC Assessments attributable to all Optioned Storage Space for the deferred year as and when such costs are quantified and become due. Each deferred year shall add one additional year to the term of the Installment Option.

3.2.4. Failure to Close. Purchaser's failure to close the 2018 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 Storage Space 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 2018 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 2018 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 Storage Space Not Acquired by Purchaser. The CWCB shall retain all interest and claim to any portion of the 1,626 acre-feet of Optioned Storage Space 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 1,626 acre-feet of the Optioned Storage Space 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 Storage Space 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 Storage Space 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 Storage Space 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 Storage Space covered by the offer strictly in accordance with the terms of the offer. If, after having accepted the offer, the Purchaser then fails to complete 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 Storage Space 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 completed, 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 Storage Space 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 Storage Space acquired pursuant to Paragraphs 3.1.2.2.2 or 3.2.2.2.2 herein, Purchaser shall succeed to all rights of the CWCB with respect to the portion of the Storage Space acquired by the Purchaser, including, without limitation, the rights to utilize the Storage Space acquired and to store Purchaser's water rights in Chatfield Reservoir. Purchaser shall have the right to withdraw water from Chatfield Reservoir stored in the acquired Storage Space, 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 Storage Space 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

With copy to:

Attention: Director of Castle Rock Water
175 Kellogg Court
Castle Rock, Colorado 80109
Telephone: 720-733-6001
E-mail: 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: rebecca.mitchell@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, Rebecca Mitchell

Date _____

ATTEST:

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

Lisa Anderson, Town Clerk

Jennifer Green, Mayor

Approved as to form:

Approved as to content:

Robert J. Slentz, Town Attorney
Water

Mark Marlowe, Director of Castle Rock

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by Lisa Anderson as Town Clerk and Jennifer Green as Mayor of the Town of Castle Rock, Colorado.

Witness my official hand and seal.

My commission expires: _____

[SEAL]

Notary Public