

AGRICULTURAL LEASE AGREEMENT

THIS AGRICULTURAL LEASE AGREEMENT (“Lease Agreement”) is entered into as of this 24th day of March, 2026, (“Effective Date”), by and between the **TOWN OF CASTLE ROCK**, a Colorado home rule municipal corporation, acting by and through the **TOWN OF CASTLE ROCK WATER ENTERPRISE**, (“Lessor”), and **PM FARMING, LLC**, a Colorado limited liability company, (“Lessee”) (collectively, Lessor and Lessee are referred to as the “Parties”).

RECITALS:

A. Lessor is the owner of an approximately 640-acre parcel of land located in Weld County, Colorado, as more particularly described in the attached *Exhibit 1* (the “Property”).

B. Lessee desires to lease the Property for hunting, livestock grazing and related agricultural purposes.

C. Lessor desires to lease the Property to Lessor on the terms and conditions specified in this Lease 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 Parties agree as follows:

COVENANTS:

Section 1. Lease. Subject to the terms and conditions set forth herein, Lessor hereby leases to Lessee and Lessee leases from Lessor the Property for the purposes expressly stated herein. Lessee shall have quiet and peaceable possession of the Property for such purposes, provided that Lessee is and remains in compliance with the terms and conditions of this Lease Agreement.

Section 2. Term. The initial term of this Lease Agreement shall commence on March 24, 2026, and expire March 23, 2027 (the “Term”).

Section 3. Rent. Lessee shall pay rent in the amount of \$7,137.00. Payment shall be due upon the execution of this Lease Agreement.

Section 4. Permitted Uses. Lessor hereby grants to Lessee (to include Lessee’s partners, officers, directors, employees, their family members, and invitees), the exclusive and unrestricted right to occupy and utilize the Property for all lawful hunting, grazing, agricultural and recreational activities.

Section 5. Hunting; Compliance with Applicable Laws. Lessee may enter upon the lands at any time, without notice to Lessor, to lawfully hunt or to prepare for hunting. Lessor shall not lease, license, or give permission to any other party for hunting purposes on the Property during

the term of this Agreement, provided however, Lessor and their accompanied guests may hunt legal game on the property after obtaining specific permission for each hunting day or event from the Lessee. Lessee shall not cause damage to the Property and shall be liable to Lessor for any such damages. Lessee may use all roads as they may exist (or as they may be altered from time to time by mutual agreement) to access the Property. Lessee may construct temporary hunting blinds and pits, providing that all dug pits are not located on center pivot wheel tracks, over buried electrical or pipeline services, or on existing roadways; that such pits are marked appropriately with flagging and/or reflectors when not in use; and such pits will be closed and covered when not in use to help prevent potential accidents.

Lessee, and all individuals acting under Lessee's rights granted herein, shall comply with all applicable federal, state, and local laws, regulations, and ordinances governing hunting activities, firearm use, trespass, wildlife management, safety, and any other relevant requirements; provided, however, that any minor under the age of 18 participating in such activities must be accompanied by a responsible adult who is properly licensed to hunt in the State of Colorado. Failure to comply with such laws or regulations shall constitute a material breach of this Lease and may result in immediate termination of all hunting rights granted herein, at Lessor's discretion.

Section 6. Suitability for Hunting Purposes. Lessor makes no assurances or warranties as to the suitability and/or huntable conditions existing on the Property. Lessee may improve the suitability and/or condition of the Property for hunting with the consent of Lessor.

Section 7. Crops and Irrigation. Lessee may, at its sole expense plant and harvest non-irrigated agricultural crops (e.g., dryland wheat) to enhance the hunting conditions on the Property. In no event shall water owned or controlled by Lessor or from any other source, including the Lessee, be used on the Property for such agricultural purpose. Lessee shall use best land management practices at the end of each harvest season and comply with all local, State and Federal regulations in the application of any fertilizer on the Property.

Section 8. Lessor's Use of Property. Lessor reserves the right to utilize the Property for all other activities so long as such activities do not materially interfere with the permitted uses granted to Lessee under this Lease Agreement.

Section 9. Termination. This Lease Agreement shall terminate:

A. Upon 120 days prior written notice by Lessor for any or no reason. In such event, any Rents previously paid, shall be prorated through the date of termination and returned to Lessee upon such termination.

B. At any time by Lessee upon 30 days written notice to Lessor for any reason or no reason. In such event, any Rents previously paid, shall be prorated through the date of termination and returned to Lessee upon such termination.

C. Upon expiration of the term of this Lease Agreement.

Section 10. Insurance.

A. General Conditions: Lessee agrees to secure and maintain, at its own cost, at or before the time of execution of this Agreement, the following insurance. Lessee shall keep the required insurance coverage in force at all times during the term of the Agreement. The required insurance shall be underwritten by an insurer licensed or authorized to do business in Colorado and rated by A.M. Best Company as “A-VII” or better. Each policy shall require notification to Lessor in the event any of the required policies be canceled or non-renewed before the expiration date thereof. Such written notice shall be sent to Lessor. Said notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior. If such written notice is unavailable from the insurer, Lessee shall provide written notice of cancellation, non-renewal and any reduction in coverage to the parties identified in the Notices section by certified mail, return receipt requested within three (3) business days of such notice by its insurer(s). The insurance coverages specified in this Agreement are the minimum requirements, and these requirements do not lessen or limit the liability of the Lessee. The Lessee shall maintain, at its own expense, any additional kinds or amounts of insurance that it may deem necessary to cover its obligations and liabilities under this Agreement. All commercial and automobile liability policies shall have the following additional provisions:

- Severability of interests or separation of insureds provision;
- Provision that coverage is primary and non-contributory with other coverage maintained by Lessor;
- The underlying Agreement is an “insured contract” under the policy;
- Defense costs shall be outside the policy limits for liability coverage.

B. Proof of Insurance: Lessee may not take possession of the Property prior to placement of coverages required under this Agreement. Lessee certifies that the certificate of insurance attached hereto as ***Exhibit 2***, preferably an ACORD form, complies with all insurance requirements of this Agreement. Failure on the part of Lessee to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material breach of contract upon which at its sole discretion, Lessor may, in addition to and without limitation of any and all other remedies that may be available to Lessor, procure or renew any such policy or any extended connection therewith, and all monies so paid by Lessor shall be repaid by Lessee to Lessor upon demand. Lessor’s acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Agreement shall not act as a waiver of Lessee’s breach of this Agreement or of any of the Lessor’s rights or remedies under this Agreement. Each certificate shall identify the Property and shall provide that coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least 30 days prior written notice has been given to Lessor. If the words “endeavor to” appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. Lessor may require additional proof of insurance, including but not limited to policies and endorsements.

C. Additional Insureds: For Commercial General Liability and Automobile Liability, Lessee’s insurer(s) shall include Lessor, its elected and appointed officials, officers, employees, and agents acting within the course and scope of their duties for Lessor as additional insured.

D. Waiver of Subrogation: For all coverages required under this Agreement, Lessee's insurer shall waive subrogation rights against Lessor, its elected and appointed officials, officers, employees, and agents acting within the course and scope of their duties for Lessor.

E. Commercial General Liability: Lessee shall maintain a Commercial General Liability insurance policy with minimum limits of \$1,000,000 for each occurrence and \$2,000,000 products and completed operations aggregate, and \$2,000,000 general aggregate. The policy shall provide coverage for all claims for bodily injury, property damage (including loss of use), and contractual liability.

F. Automobile Liability Insurance: Lessee shall maintain an Automobile Liability insurance policy with minimum combined single limits for bodily injury and property damage of not less than One Million Dollars (\$1,000,000) each occurrence and One Million Dollars (\$1,000,000) aggregate with respect to each of Lessee's owned, hired and/or non-owned vehicles assigned to or used on the Property. The policy shall contain a "severability of interests" provision.

Section 11. Governmental Immunity. The Parties understand and agree that Lessor is relying on, and does not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, § 24-10-101, et seq., C.R.S., as from time to time amended, or otherwise available to Lessor, its officers and employees.

Section 12. Indemnification. Lessee shall indemnify and hold Lessor harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the use and occupancy of the Property by Lessee, its servants, agents or invitees, excepting, however, such claims or damages as may be due to or caused by the grossly negligent or willful and wanton acts or omissions of Lessor, its employees or agents.

Section 13. Warranties. Lessee and Lessor each acknowledge and represent that it is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Agreement and bind itself hereto through the party set forth as signatory for the party below.

Section 14. Default and Right to Cure.

A. The following will be deemed a default by Lessee and a breach of this Lease Agreement: (i) non-payment of Rent if such Rent remains unpaid for more than thirty (30) days after receipt of written notice from Lessor of such failure to pay; or (ii) Lessee's failure to perform any other term or condition under this Agreement within. If Lessee remains in default beyond any applicable cure period, Lessor will have the right to exercise any and all rights and remedies available to it under law and equity, to terminate the Lease, retake possession of the Property and recover damages and reasonable attorney's fees.

B. The following will be deemed a default by Lessor and breach of this Lease Agreement. Lessor's failure to perform any term, condition, or breach of any warranty or covenant under this Lease Agreement within thirty (30) days after receipt of written notice from Lessee

specifying the failure. If Lessor remains in default beyond the applicable cure period, Lessee will have the right to exercise any and all rights available to it under law and equity.

Section 15. Assignment. Any assignment of this Lease Agreement by Lessee shall require the prior written approval of Lessor, which approval shall be at the sole discretion of Lessor. However, Lessor acknowledges Lessee intends to use others to perform work and to manage such work at its sole expense.

Section 16. Notices. All notices, requests, demands, and communications hereunder will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid, to be effective when properly sent and received, refused or returned undelivered. Notice will be addressed as follows:

If to Lessor: Town of Castle Rock
 Castle Rock Water
 175 Kellogg Court
 Castle Rock, Colorado 80109
 Attn: Lauren Moore, Water Resources Manager

With a copy to: Town of Castle Rock
 100 N. Wilcox Street
 Castle Rock, Colorado 80104
 Attn: Michael J. Hyman, Town Attorney

If to Lessee: PM Farming, LLC
 770 N. High Street
 Denver, Colorado 80218

Either party may change the place for giving notice to it by thirty (30) days written notice to the other party as provided herein.

Section 17. Severability. If any term or condition of this Lease Agreement is found unenforceable, the remaining terms and conditions will remain binding upon the parties as though said unenforceable provision were not contained herein. However, if the invalid, illegal, or unenforceable provision materially affects this Lease Agreement, then the Lease Agreement may be terminated by either party on ten (10) days prior written notice to the other party.

Section 18. Casualty. Lessor will provide notice to Lessee of any casualty affecting the Property within forty-eight (48) hours of discovery of the casualty. If any part of the Property is damaged by fire or other casualty so as to render the Property unsuitable, in Lessee's sole determination, then Lessee may terminate this Lease Agreement by providing written notice to the Lessor, which termination will be effective as of the date of such damage or destruction. Upon such termination, Lessee will be entitled to collect all insurance proceeds payable to Lessee on account thereof and to be reimbursed for any prepaid Rent on a prorate basis.

Section 19. Taxes.

A. Lessee shall be solely responsible for and shall timely pay all personal property taxes levied and assessed against it or its personal property. Lessee shall be solely responsible for and shall timely pay all real property taxes levied and assessed against the Premises, if any, as a result of Lessee's use of the Property under this Agreement. At the request of Lessor, Lessee shall provide evidence of payment of taxes.

B. Lessee shall have the right to contest all taxes, assessments, charges and impositions assessed against its personal property or improvements, and Lessor agrees to join in such contest, if required by law, and to permit the Lessee to proceed with the contest in Lessors name, provided that the expense of the contest is borne by Lessee.

Section 20. Sale of Property. If, at any time during the terms of this Lease Agreement, Lessor decides to sell all or any of portion of the Property, Lessor shall notify Lessee of its intent to sell and Lessee shall have a ninety (90)-day exclusive period to negotiate a contract with the Lessor to purchase that portion of the Property being offered for sale. If, for whatever reason, the Parties are unable to successfully negotiate a purchase contract within this period of time, Lessor may proceed with such sale.

Section 21. Miscellaneous.

A. **Amendment/Waiver.** This Lease Agreement cannot be amended, modified or revised unless done in writing and signed by an authorized agent of the Lessor and an authorized agent of the Lessee. No provision may be waived except in a writing signed by both parties.

B. **Bind and Benefit.** The terms and conditions contained in this Lease Agreement will run with the Property and bind and inure to the benefit of the parties, their respective heirs, executors, administrators, successors and assigns.

C. **Entire Agreement.** This Lease Agreement and the exhibits attached hereto, all being a part hereof, constitute the entire agreement of the parties and will supersede all prior offers, negotiations, and agreements with respect to the subject matter of this Lease Agreement.

D. **Governing Law.** This agreement will be governed by the laws of the State of Colorado. Whenever possible, each provision of this Lease shall be interpreted so as to be effective and valid under Colorado law. If any provision of this Lease is, for any reason and/or to any extent, invalid or unenforceable, then neither the remainder of this Lease in with the provision appears or the application of the provision to other persons or other circumstances shall be affected by such invalidity or unenforceability.

E. **Interpretation.** Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (ii) use of the term "including" will be interpreted to mean "including but not limited to"; (iii) whenever a party's consent is required under this Lease Agreement, except as otherwise stated in this Lease Agreement or as same may be duplicative, such consent will not be unreasonably withheld, conditioned or delayed; (iv)

exhibits are an integral part of the Lease Agreement and are incorporated by reference into this Lease Agreement; (v) use of the terms “termination” or “expiration” are interchangeable; and (vi) reference to a default will take into consideration any applicable notice, grace and cure periods.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be effective as of the date written above.

ATTEST:

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

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2026, by Jason Gray, as Mayor, and Lisa Anderson, as Town Clerk, of the Town of Castle Rock, Colorado.

Witness my official hand and seal.

My commission expires: _____

[S E A L]

Notary Public

EXHIBIT 1
LEGAL DESCRIPTION OF THE PROPERTY

Parcel A:

The East 1/2 of Section 11 and the West 1/2 of Section 12, all in Township 4 North, Range 61 West of the 6th P.M., County of Weld, State of Colorado.

Parcel B:

Together with a non-exclusive easement for the purposes of ingress and egress for agricultural and hunting purposes over and across the North 30 feet of the Northeast 1/4 of Section 12, Township 4 North, Range 61 West of the 6th P.M., County of Weld, State of Colorado.

EXHIBIT 2
LESSEE'S CERTIFICATE OF INSURANCE
(to be inserted)