NOTICE OF COUNCIL MEETING

STUDY SESSION

AURORA ROOM
(Open to the Public)
Monday, November 23, 2026
2:20 PM

Members of the Aurora City Council will participate in the November 23, 2026 Study Session.

Members of the public and media may participate remotely through the options listed below:

View or listen live to the Study Session

Live streamed in the Paul Tauer Aurora City Council Chamber

www.AuroraTV.org

Youtube.com/TheAuroraChannel

Cable Channels 8 and 880 in Aurora

The city of Aurora is committed to the accessibility of our services and our responsibility to provide them in a non-discriminatory manner. The city recognizes the importance of effective and accurate communication with the community and values equal access to our programs, services and activities. If you seek a physical accommodation, or require the use of an auxiliary aid or device, or if you require an interpreter to help you access this event or service, please scan here to fill out a request form:

All requests must be submitted three days in advance of any scheduled event.
For additional information, please visit AuroraGov.org/Accessibility.

For other information regarding public meetings, please contact the Office of the City Clerk at (303) 739-7094, by email at CityClerk@auroragov.org, or visit www.auroragov.org.

AGENDA

Study Session of the Aurora City Council

Monday, November 23, 2026, 2:20 p.m.
Aurora Room
15151 E. Alameda Parkway
Aurora, CO 80012

		Pages
1.	PLANNING AND ZONING COMMISSION INTERVIEWS	4
	Estimated time: 1 hour and 30 mins	
2.	ITEMS FROM THE MAYOR	
2.a	Mayor's Update	
2.b	Issue Update	
3.	CONSENT CALENDAR	
3.a	Consideration to Appoint One (1) Member to the Judicial Performance Commission	45
	Cecilia Zapata, Deputy City Clerk, General Management / Britt Wirth, Assistant City Attorney	
4.	ITEMS FROM THE POLICY COMMITTEES	
4.a	DUAL LISTED: Land and Water Acquisition and Farm Lease from Hirakata Farm (Resolution)	60
	Waiver of reconsideration requested in order to complete acquisition and execute farm lease in a timely manner.	
	Alexandra Davis, Assistant General Manager of Water Supply and Demand, Aurora Water / Ian Best, Senior Assistant City Attorney	
	Estimated time: 15 mins	

4.b DUAL LISTED: Land and Water Acquisition and Farm Lease from Hanagan Farm (Resolution) 263

Waiver of reconsideration requested in order to close the acquisition and execute the farm lease in a timely manner.

Alexandra Davis, Assistant General Manager of Water Supply and Demand, Aurora Water / Ian Best, Senior Assistant City Attorney

Estimated time: 15 mins

4.c Proposition 130 (Resolution) 402

John Schneebeck, Deputy Director of Police Business Services, Police / Mandy MacDonald, Assistant City Attorney

Estimated time: 5 mins

5. ITEMS FROM THE COUNCIL APPOINTEES

6. ITEMS FROM THE CITY COUNCIL

6.a Rules of Order and Procedure: Amendments to Various Council Rules Regarding Voting, Special Roles, and Public Participation (Resolution) 407

Sponsor: Alison Coombs, Mayor Pro Tem

Jason Batchelor, City Manager / Peter Schulte, City Attorney

Estimated time: 15 mins

6.b DUAL LISTED: Imposing a Temporary Moratorium on New Data Centers in Defined Areas in the City of Aurora (Resolution) 417

Waiver of reconsideration requested to address significant concern regarding the location and development of new data centers in the community.

Sponsor: Mayor and Aurora City Council

Jason Batchelor, City Manager / Peter Schulte, City Attorney

Estimated time: 10 mins

6.c **DUAL LISTED: Support and Encouragement for the Relocation of the Vantage Data Center (Resolution)**

Sponsor: Mike Coffman, Mayor

Jason Batchelor, City Manager / Peter Schulte, City Attorney

Estimated time: 10 mins

7. CALL-UPS OF COUNCIL POLICY COMMITTEE ITEMS

8. MISCELLANEOUS ITEMS

9. ITEMS REMOVED FROM THE AGENDA, IF ANY

CITY OF AURORA
Council Agenda Commentary

Item Title: Planning and Zoning Commission Interviews
Item Initiator: Kadee Rodriguez, City Clerk, General Management
Staff Source/Legal Source: Kadee Rodriguez, City Clerk, General Management / Britt Wirth, Assistant City Attorney
Outside Speaker: N/A
Strategic Outcome: Economically Strong: Building a conducive development climate, a diverse mix of industries and housing options, and fostering economic growth so that our community thrives and remains resilient.

COUNCIL MEETING DATES:

Study Session: 11/23/2026

Regular Meeting: N/A

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☒ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

Kadee Rodriguez, City Clerk, General Management / Britt Wirth, Assistant City Attorney

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☐ Approve Item and Move Forward to Regular Meeting

☒ Information Only

☐ Approve Item with Waiver of Reconsideration
Reason for waiver is described in the Item Details field above.

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☐ Approve Item as Proposed at Regular Meeting

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval ☐ Does Not Recommend Approval

☐ Forwarded Without Recommendation ☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

The Planning and Zoning Commission shall exercise the functions and powers and perform the duties assigned to it by this Charter and the ordinances of the city. It shall prepare and submit to Council for its approval a master plan for the physical development of the city; it shall hold hearings relative to zoning and changes in the zoning ordinance and shall make recommendations thereon to Council; and it shall assist Council in considering and recommending a plan for capital improvements. Where not otherwise provided by Charter or ordinance, the Planning and Zoning Commission shall have the power, perform the functions, and follow the procedures set forth in the statutes of the State of Colorado.

The Planning and Zoning Commission is composed of seven (7) members appointed by Council. Each member is appointed for a term of three (3) years and may serve up to three (3) consecutive terms. Council has sole discretion and final approval concerning appointments. Council may appoint candidates seeking reappointment or approve the proposed interview and appointment schedule to initiate the interview process for additional applications.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

The Planning and Zoning Commission has two (2) upcoming vacancies. During the September 28, 2026 Study Session, Council approved the schedule to initiate the interview and appointment process to fill the vacanices. The online application remained open through October 23, 2026. Council ranked the applicants and during the November 9, 2026 council meeting, determined to interview the following top four (4) applicants:

Sonda 'Sunny' Banka – seeking reappointment
Raphael Chavez
Stephen Elkins
Sonya Shah

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☐ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☒ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

NON-BUDGETED EXPENDITURE IMPACT
Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

WORKLOAD IMPACT

Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

QUESTIONS FOR COUNCIL

Information only. Council will interview the top 4 ranked candidates.

LEGAL COMMENTS

All boards and commissions shall be appointed by City Council. (City Charter, art III, sec. 3-11 and art. IX, sec. 9-1) The Planning and Zoning Commission shall consist of seven members. All members shall be registered electors for at least one year immediately preceding their appointment. (City Code § 106-29; City Charter, art IX, sec. 9-5; and UDO §146.5.1.2) Commission members are appointed for a three-year term and may serve up to three consecutive terms. (City Code § 2-772 and Resolution R2025-78) City Council shall establish a procedure for interviewing applicants to the Commission. (R2025-78) A person selected to fill a vacant term of less than one-half the length of time of a full term of office shall not be considered to have completed one term of office. (R2025-78) City Council shall act only by ordinance, resolution, or motion. (City Charter, art. V, § 5-1) (Wirth)

TO: Mayor and Council Members

FROM: Kadee Rodriguez, City Clerk

DATE: September 14, 2026

RE: Planning & Zoning Commission Vacancy

Board Member Roster

Name	Term Ends
Sonda 'Sunny' Banka (seeking reappointment)	2026
Gayle Jetchick (term limited)	2026
Michael Riley	2027
Becky Hogan	2027
Garrett Walls	2027
Robin Becker	2028
Melvin Bush	2028

Commission Composition

- **Composition:** Seven (7) members
- **Term Length:** Three (3) year overlapping terms
- **Term Expiration Date:** December 31st
- **Term Limit:** Three (3) consecutive terms. Members who are term limited must wait one full term before reapplying.

References

City Code: https://aurora.municipal.codes/Code/106

Unified Development Ordinance (UDO): https://aurora.municipal.codes/UDO/146-5

City Charter: https://aurora.municipal.codes/Charter/9-5

Online application

Planning & Zoning Commission
Interview & Appointment Schedule

TO: Mayor and Council Members
FROM: Kadee Rodriguez, City Clerk
DATE: September 14, 2026

Planning and Zoning Commission Application open online.

9/28/2026	Proposed schedule presented to council (Study Session)
10/23/2026	Deadline to submit an application
10/30/2026	Deadline for council to submit rankings
11/9/2026	Council determines candidates to be interviewed (Council Meeting)
11/10/2026	Request for background checks submitted
11/23/2026	Council interviews candidates (Study Session)
12/7/2026	Council appoints commissioners (Council Meeting)

Sonda 'Sunny' Banka		Alloted Time (mins.)	**2:20 PM**
Introduction	Mayor Coffman	1	
Question 1	CM Andrews	2	
Question 2	CM Bergan	2	
Question 3	MPT Coombs	2	
Question 4	CM Gardner	2	
Question 5	CM Hancock	2	
Question 6	CM Horton	2	
Question 7	CM Jackson	2	
Question 8	CM Lawson	2	
Question 9	CM Medina	2	
Question 10	CM Wiles	2	
Final Comments	Mayor Coffman	1	
		22	

Sonya Shah		Alloted Time (mins.)	**2:42 PM**
Introduction	Mayor Coffman	1	
Question 1	CM Andrews	2	
Question 2	CM Bergan	2	
Question 3	MPT Coombs	2	
Question 4	CM Gardner	2	
Question 5	CM Hancock	2	
Question 6	CM Horton	2	
Question 7	CM Jackson	2	
Question 8	CM Lawson	2	
Question 9	CM Medina	2	
Question 10	CM Wiles	2	
Final Comments	Mayor Coffman	1	
		22	

Stephen Elkins		Alloted Time (mins.)	**3:04 PM**
Introduction	Mayor Coffman	1	
Question 1	CM Andrews	2	
Question 2	CM Bergan	2	
Question 3	MPT Coombs	2	
Question 4	CM Gardner	2	
Question 5	CM Hancock	2	
Question 6	CM Horton	2	
Question 7	CM Jackson	2	
Question 8	CM Lawson	2	
Question 9	CM Medina	2	
Question 10	CM Wiles	2	
Final Comments	Mayor Coffman	1	
		22	

Raphael Chavez		Alloted Time (mins.)	**3:26 PM**
Introduction	Mayor Coffman	1	
Question 1	CM Andrews	2	
Question 2	CM Bergan	2	
Question 3	MPT Coombs	2	
Question 4	CM Gardner	2	
Question 5	CM Hancock	2	
Question 6	CM Horton	2	
Question 7	CM Jackson	2	
Question 8	CM Lawson	2	
Question 9	CM Medina	2	
Question 10	CM Wiles	2	
Final Comments	Mayor Coffman	1	
		22	

Planning And Zoning Commission

Applicant Package - Ward IV

Planning And Zoning Commission - Ward IV

Term 01 Jan 2027 - 31 Dec 2029
Positions Available 2

Number of applicants in this package 1

- Banka, Sonda Sunny

Received: 07/31/2026
Ward IV Resident and Registered Voter
Arapahoe County
Vetted: 07/31/2026
Marcus Bond

Name: Banka, Sonda Sunny

Address: [redacted]

Email: [redacted]

Board Name: Planning and Zoning Commission

How long have you lived in Aurora?:

[redacted]

Home Phone Number:

[redacted]

Mobile Phone Number:

[redacted]

Are you registered to vote? :

Yes

Date of Birth (Month/Day/Year) (Required to Verify Voter Registration):**

[redacted]

Years of Education Completed :

13

Degree(s) Received:

none

College(s) Attended:

Arapahoe Community College

Employer Name:

Self, Sunny Homes and Associates, Inc

Employer Address:

16629 E Atlantic Pl, Aurora CO 80013

Current Position:

Broker, Owner, Realtor

Years with Current Employer:

46 years

1.Previous Employer Name:

American Paper Company

Position:

Fine Paper Buyer

Years with Previous Employer:

3

Reason for Leaving:

Got Married

2.Previous Employer Name:

Cherry Creek Schools

Position:

Purchasing Agent and Payroll

Years with Previous Employer:

3 years

Reason for leaving:

Better Job

3. Previous Employer Name:

High School in Boise Idaho

Position:

Student

Years with Previous Employer:

3

Reason for Leaving:

Graduated and moved to Denver

Do you presently serve in other appointed position(s) on any city of Aurora board, committee or commission?:

Yes

If yes, what board, committee or commission?:

CABC Citizens Advisory Budget Committee

Are you currently a member and seeking reappointment on the board you are applying for? :

Yes

Why do you desire this appointment? :

I am and have been a Realtor in Aurora for over 46 years. I love knowing what is going on in the City I work, play and serve in.

List your interests and activities.

:

Public Policy, Governmental Affairs, My Kids, grandkids, dogs, swimming, reading, learning.

List licenses, special training and certificates related to this board or that you would like to share with us. :

Realtor License since 1980

Do you have any conflicts of interest that should be disclosed?:

No

If yes, please explain. :

None

Full Name:

Nick Bakone [redacted]

Address:

[redacted]

Phone Number:

[redacted]

Full Name:

Mel Snook

Address:

[redacted]

Phone Number:

[redacted]

Full Name:

Robert "Bob" Legare

Address:

[redacted]

Phone Number:

[redacted]

How did you hear about us? :

Other

ACKNOWLEDGMENT I hereby acknowledge:

1. Any law enforcement agency, administrator, state, municipal or federal agency, motor vehicle agency, institution, school or university (public or private), information service bureau, employer, or insurance company may furnish any and all background information requested by Global Solution Services.

2. If I continue through this process, the report on my criminal background check may become public record subject to release under Colorado's Open Records Act. Additionally, my criminal history may be discussed in public meetings.:

I agree

DECLARATION

I declare that to be a Commissioner for the Planning & Zoning Commission I must meet the following requirements as outlined in Section 146-5.1.2 of the City Code:

• Be a "Registered Elector", as defined in Aurora City Code Section 54-2, for at least one year immediately preceding appointment

• Reside within the municipal boundaries of the City of Aurora, Colorado

• Not hold any paid office or position in the city administration:

I agree

By clicking APPLY and submitting this application, I certify that the foregoing information is true and correct:

I agree

Signature:

Sonda Y Banka

Date:

07-31-2026

Time of Submission: 07/31/26 3:51:59 PM

Attachments

- Get To Know Your REALTOR Sunny Banka (1).pdf

SUNNY HOMES
AND ASSOCIATES, INC

Know your REALTOR® Sonda "Sunny" Banka

I am a leader who understands the challenges and opportunities facing the real estate industry. I am an experienced Realtor having been licensed since 1980. I have seen many changes over the past 44 years and know that I would be a committed leader for the Colorado Association of Realtors. Here is Why:

EXPERIENCE

I bring over four decades of experience in the real estate industry, giving me a deep understanding of the needs and concerns of my fellow Realtors across Colorado.

As a seasoned Realtor I have navigated various market conditions and changes, demonstrating adaptability and resilience in the face of challenges.

VISION

I am committed to focusing on the future of the Realtor organization and the real estate industry in Colorado by looking to innovation, sustainability, and inclusivity. I have strong desire to make sure that this industry is a great business for future generations of Realtors, Leaders, home buyers and sellers. I will make it my mission to ensure that Colorado Realtors find value and stay ahead of the curve.

ADVOCACY

I am dedicated to advocating for the interests of Realtors and our homeowners at the local, state and national levels. I firmly believe that Advocacy is a significant part of the value that the Realtor organization provides. I am not aware of any other organization that works as hard as the Realtors for fair regulations and policies that promote homeownership and protection of our Realtor membership. I have had the opportunity to serve on the Legislative Policy Committee for over 20 years. I have given testimony on numerous issues over the past 20 years, including water, carbon monoxide detectors, commission issues, and landlord tenant issues. I have served on CARPAC as a trustee and the chair. I was also honored by President Natalie Davis to serve as her Governmental Division Vice President on the leadership Council. You can trust that I will continue to step up and work to protect your interests. I also serve as a volunteer on the Aurora Planning Commission as an appointed commissioner, I continue to serve on the Citizens Advisory Budget Committee for the City of Aurora, a position that I have been appointed to by the past five Aurora Mayors.

[redacted]

SUNNY HOMES
AND ASSOCIATES, INC

LEADERSHIP

I have a proven tract record of leadership, having served in various roles within the real estate community, including Chair of the Aurora Assoc. of Realtors in 1996 and 2016, CAR Treasurer, CAR Member Services Division Chair, and CAR Governmental Affairs Division Chair. I have also served on numerous committees including member services, finance, LPC, CARPAC, and I continue to serve as a spokesperson for the Colorado Association of Realtors.

COMMUNITY

I am actively engaged in the community serving as the Governmental Affairs vice chair for the Chamber of Commerce. I have served as a member of the Board of Directors for the Leadership Aurora BOD and currently serve on the Emerging leaders board for the Aurora Chamber. As mentioned previously, I am very involved in several areas of the City of Aurora and have a proven track record of bringing people together. I also serve in my Church working with the teenagers. I have a strong commitment to making a positive impact beyond the realm of real estate.

COMMITMENT

I am a dedicated, hardworking, high energy professional, who will do my best to help make your move as easy and simple as possible. I have built my business on referrals and my commitment to be a real estate advocate and resource for my clients, as well as their friends and family, not just during their home sale or purchase, but long after as well.

I currently serve in these industry related capacities:

South Metro Denver REALTOR Assoc.
- Colo. Assoc. of REALTORS® Appointed Director
- REALTOR Political Action Committee Chair
- Governmental Affairs Committee
- Statistics Committee

Colorado Association of REALTORS®
- Legislative Policy Committee
- Finance Committee
- Board of Director
- Spokesperson & Community Liason

National Association of REALTORS®
- Legal and Risk Management Committee

Kaplan Professional Schools (since 2005)
- Real Estate Pre-Licensing Instructor
- Real Estate Continuing Ed. Instructor

City of Aurora
- Planning Commissioner
- Citizens Advisory Budget Committee Member

Aurora Chamber of Commerce
- Vice Chair Governmental Affairs
- Emerging Leader Board Member
- Residential Real Estate Council
- State Leadership Team - Membership

SUNNY HOMES
AND ASSOCIATES, INC

Industry & Professional Recognition:

- 2024 recipient of the South Metro Denver REALTOR® Association's Oliver Frascona Award for Leadership & Excellence in Real Estate
- 2024 recipient of the Operation Circle Back Award for Outstanding Contributions to Our Nation's Veterans
- Distinguished Service Award Recipient (multiple times) with the Colorado Association of REALTORS®
- President of the Aurora Assoc. of REALTORS® 2016 and 1996
- Class of 2014 Aurora Chamber of Commerce Leadership Aurora Graduate
- Treasurer of the Colorado Assoc. of REALORS® 2010-2012
- 1998 Aurora REALTOR® of the Year
- Graduate REALTOR Institute (GRI)
- Certified Residential Specialist (CRS)
- Aurora Association of REALTORS® Masters Club Award Recipient for Top Production, Volunteerism and Education every year from 1992-2020 **The Aurora Association of REALTORS merged with the South Metro Denver REALTOR Association in 2020*
- 2002 Board President for MetroBrokers, Inc.
- Metrolist (aka REColorado) Director 1997-2002

Sonda "Sunny" Banka
Broker-Owner, GRI, CRS
Sunny Homes and Associates, Inc.
[redacted]
[redacted]



[redacted]

Planning And Zoning Commission

Applicant Package - Ward II

Planning And Zoning Commission - Ward II

Term 01 Jan 2027 - 31 Dec 2029
Positions Available 2

Number of applicants in this package 1

- Shah, Sonya

Received: 10/20/2026
Aurora Resident and Registered Voter
Adams County
Vetted: 10/21/2026



Name: Shah, Sonya

Address: [redacted]

Email: [redacted]

Board Name: Planning and Zoning Commission

How long have you lived in Aurora?:

3+ Years

Home Phone Number:

[redacted]

Mobile Phone Number:

[redacted]

Are you registered to vote? :

Yes

Date of Birth (Month/Day/Year) (Required to Verify Voter Registration):**

[redacted]

Years of Education Completed :

6+

Degree(s) Received:

Masters of Architecture; Bachelor of Science of Architecture

College(s) Attended:

Illinois Institute of Technology; Texas Tech University

Employer Name:

Denver Public Library

Employer Address:

10 W 14th Ave, Denver, CO 80204

Current Position:

Project Manager

Years with Current Employer:

less than a year

1.Previous Employer Name:

720 design

Position:

Project Architect

Years with Previous Employer:

3

Reason for Leaving:

Work Life Balance

2.Previous Employer Name:

BRW Architects

Position:

Project Architect

Years with Previous Employer:

9+

Reason for leaving:

Moved to Colorado

3. Previous Employer Name:

NA

Position:

NA

Years with Previous Employer:

NA

Reason for Leaving:

NA

Do you presently serve in other appointed position(s) on any city of Aurora board, committee or commission?:

No

If yes, what board, committee or commission?:

NA

Are you currently a member and seeking reappointment on the board you are applying for? :

No

Why do you desire this appointment? :

I am seeking an appointment to the City of Aurora Planning and Zoning Commission because I believe that meaningful public service begins with investing in the community we call home. As an architect with extensive experience in public, civic, and community-focused projects, I want to use my professional knowledge and leadership experience to give back to my community and contribute to thoughtful, responsible decisions that shape Aurora's future. Throughout my career, I have focused on creating spaces that strengthen communities, promote accessibility, and foster a sense of belonging. My work with public libraries, civic facilities, and community-centered design has reinforced my belief that the built environment has a lasting impact on how people live, connect, and thrive. I understand the importance of balancing long-term community needs, responsible development, and the diverse perspectives of the people these decisions affect. Beyond my professional experience, my involvement in architectural leadership, advocacy, and community engagement has strengthened my commitment to public service. I believe that effective planning requires not only technical knowledge but also a willingness to listen, ask thoughtful questions, and consider how today's decisions will influence future generations. As both a design professional and a community member raising a family in the Aurora area, I see this appointment as an opportunity to contribute in a meaningful and lasting way. I would be honored to bring my experience, collaborative approach, and passion for public service to the Commission while helping support a community that is welcoming, connected, and responsive to the needs of its residents.

List your interests and activities.

:

Outside of my professional career, I enjoy spending quality time with my husband and young son, exploring Colorado, and creating new experiences together as a family. We love spending time outdoors, hiking, traveling, and discovering new parks, trails, and community spaces. As a parent, I have developed an even greater appreciation for the importance of safe, accessible, and welcoming environments where families can gather, explore, and connect. I am also passionate about art and creative expression, particularly watercolor, gouache, painting, and mixed-media artwork. I enjoy exploring different artistic techniques, capturing landscapes, and finding inspiration through architecture, nature, and everyday experiences. Creativity has always been an important part of my life and influences how I see and engage with the built environment. I have a strong interest in architecture, historic preservation, cultural experiences, and exploring new places. I enjoy learning about different communities, their histories, and how public spaces contribute to a sense of identity and belonging. Giving back is equally important to me. I actively participate in community service and professional organizations, including the Junior League of Denver, AIA Colorado Board of Directors, and initiatives focused on mentorship, education, community engagement, and environmental stewardship. I have also volunteered with organizations supporting neighborhood improvement, food assistance, and opportunities for young people. Whether through volunteering, creating art, exploring the outdoors, or simply spending time with my family, I value opportunities to connect with others and contribute to the community I call home.

List licenses, special training and certificates related to this board or that you would like to share with us. :

State of Colorado - Licensed Architect

Do you have any conflicts of interest that should be disclosed?:

No

If yes, please explain. :

NA

Full Name:

Susannah Hills

Address:

--

Phone Number:

[redacted]

Full Name:

Andy Okonkwo

Address:

--

Phone Number:

[redacted]

Full Name:

Taylor Jackson

Address:

--

Phone Number:

[redacted]

How did you hear about us? :

City Publication (i.e. News Aurora or This is Aurora)

ACKNOWLEDGMENT I hereby acknowledge:

1. Any law enforcement agency, administrator, state, municipal or federal agency, motor vehicle agency, institution, school or university (public or private), information service bureau, employer, or insurance company may furnish any and all background information requested by Global Solution Services.

2. If I continue through this process, the report on my criminal background check may become public record subject to release under Colorado's Open Records Act. Additionally, my criminal history may be discussed in public meetings.:

I agree

DECLARATION

I declare that to be a Commissioner for the Planning & Zoning Commission I must meet the following requirements as outlined in Section 146-5.1.2 of the City Code:

• Be a "Registered Elector", as defined in Aurora City Code Section 54-2, for at least one year immediately preceding appointment

• Reside within the municipal boundaries of the City of Aurora, Colorado

• Not hold any paid office or position in the city administration:

I agree

By clicking APPLY and submitting this application, I certify that the foregoing information is true and correct:

I agree

Signature:

Sonya Shah, AIA

Date:

10/20/2026

Time of Submission: 10/20/26 5:44:51 PM

Attachments

- SONYA V SHAH, AIA.pdf

SONYA V SHAH, AIA, NOMA, NCARB

CONTACT
[redacted]

PORTFOLIO
upon request

EXPERIENCE

Denver Public Library
Planning, Design, and Construction
DENVER, COLORADO
JULY 2026 - PRESENT

Project Manager

- Lead planning, design, and construction coordination for capital improvement and modernization projects across Denver Public Library's facilities portfolio.
- Represent the owner's interests throughout project delivery, collaborating with multidisciplinary design teams, contractors, city departments, and library stakeholders to achieve project goals.
- Provide architectural oversight and technical review of design documents, specifications, and construction activities, emphasizing quality, accessibility, operational efficiency, and long-term performance.
- Establish and improve design standards, technical guidelines, and project delivery processes while advancing community-centered public architecture.

720 design, inc.
DALLAS, TEXAS
DENVER AREA, COLORADO
JUNE 2023 - JUNE 2026

Libraries

SENIOR PROJECT ARCHITECT - MANAGER | 2023 - PRESENT

- Collaborated with library staff, administrators, and stakeholders to define project requirements and design goals
- Conducted site assessments and analyzed existing library spaces to develop recommendations for improvements
- Developed detailed architectural plans including layout, interior design, lighting, and accessibility features
- Managed multiple library projects simultaneously, ensuring timely delivery and adherence to quality standards
- Led internal collaboration and provided mentorship to team members with varying technical expertise
- Solved complex design challenges by applying lessons learned, analyzing trends, and understanding specific client contexts

BRW ARCHITECTS
DALLAS, TEXAS
MARCH 2014 - JUNE 2023

Civic, Federal, Education, Commercial

PROJECT ARCHITECT [ASSOCIATE] | 2021- 2023
ARCHITECT | 2020 - 2021
PROJECT COORDINATOR | 2014 - 2020

- Leading the planning, production, and coordination of Contract Documents under the direction of the Director and Principal.
- Produced and delegated assignments associated with Programming, Concept Design, SD, DD, CDs, Bidding and Negotiation, and Construction Administration and client and consultant coordination.
- Led efforts in developing project standards and implementation of best practices for various project types and scale.
- Utilizing strong communication skills, closely coordinated cost estimating and project scheduling in collaboration with the Project Manager.
- Appointed to provide value in internal committees and Practice Teams which includes: Mentoring; Equity, Diversity, and Inclusion, BIM, Emerging Leaders Program, Community Outreach, and Sustainability.

EDUCATION

ILLINOIS INSTITUTE OF TECHNOLOGY

MASTERS OF ARCHITECTURE (PROFESSIONAL)
CHICAGO, ILLINOIS

TEXAS TECH UNIVERISITY

BACHELORS OF SCIENCE IN ARCHITECTURE
LUBBOCK, TEXAS

SONYA V SHAH, AIA, NOMA, NCARB

CONTACT
[redacted]

PROFICIENCIES

Autodesk Revit | AutoCAD | ProCore | Microsoft Office | ADOBE Creative Suite | Sketchup | Squarespace | Portrait and Architectural Photography

VOLUNTEER

FRANK LLOYD WRIGHT TRUST
ADOPT A SHORELINE
YOUNG WOMENS PREPERATORY NETWORK
bcWORKSHOP - LITTLE FREE LIBRARIES
CANSTRUCTION
HEARTS AND HAMMERS
ACE MENTOR
NATIONAL ORGANIZATION OF MINORITY ARCHITECTS
DESIGN LIKE A GIRL

LEADERSHIP AND ORGANIZATION

AMERICAN INSTITUTE OF ARCHITECTS | COLORADO

DENVER DIRECTOR | BOARD OF DIRECTORS | 2025 - 2027
CHRISTOPHER KELLEY LEADERSHIP DEVELOPMENT PROGRAM | SCHOLAR | 2024
JUSTICE, EQUITY, DIVERSITY, INCLUSION COMMITTEE | MEMBER 2024 - PRESENT

TEXAS SOCIETY OF ARCHITECT

TXA MENTORSHIP AWARD - 2022 RECIPIENT
COMMUNITY ENGAGED DESIGN COMMITTEE | MEMBER / ORGANIZER | JANUARY 2021 - 2023

AMERICAN INSTITUTE OF ARCHITECTS | DALLAS CHAPTER

AIA DALLAS PRESIDENTIAL CITATION - 2021 RECIPIENT
YOUNG PROFESSIONALS NETWORK - EMERGING PROFESSIONALS NETWORK | CHAIR 2021 | CO CHAIR 2020 | SUCCESS TEAMS DIRECTOR 2019
EMERGING LEADERS PROGRAM | CO CHAIR 2018 | GRADUATE - CLASS OF 2017
TECHNOLOGY IN ARCHITECTURE PRACTICE | CHAIR 2016 | MEDIA COORDINATOR
WOMEN IN ARCHITECTURE | MEMBER 2014 - 2023
COMMITTEE ON THE ENVIROMENT | MEMBER 2014 - 2018

JUNIOR LEAGUE DENVER

ACTIVE MEMBER - EQUITY, DIVERSITY, INCLUSION, AND BELONGING PLACEMENT | 2025 - PRESENT
NEW MEMBER | 2024 -2025

Planning And Zoning Commission

Applicant Package - Ward I

Planning And Zoning Commission - Ward I

Term 01 Jan 2027 - 31 Dec 2029

Positions Available 2

Number of applicants in this package 1

- Elkins, Stephen

Received: 10/22/2026
Aurora Resident and Registered Voter
Arapahoe County
Vetted: 10/22/2026



Name: Elkins, Stephen

Address: [redacted]

Email: [redacted]

Board Name: Planning and Zoning Commission

How long have you lived in Aurora?:

[redacted]

Home Phone Number:

[redacted]

Mobile Phone Number:

[redacted]

Are you registered to vote? :

Yes

Date of Birth (Month/Day/Year) (Required to Verify Voter Registration):**

[redacted]

Years of Education Completed :

6

Degree(s) Received:

Master of Community and Regional Planning / Bachelor of Arts - History, Religious Studies, and Political Science

College(s) Attended:

University of New Mexico / Indiana University-Bloomington

Employer Name:

STACK Infrastructure

Employer Address:

1700 Broadway, Ste. 1750, Denver, CO, 80202

Current Position:

Development Manager

Years with Current Employer:

7 Months

1.Previous Employer Name:

Prime Data Centers

Position:

Product Development Manager

Years with Previous Employer:

2

Reason for Leaving:

The opportunity to go to a larger company and expand my skillset

2.Previous Employer Name:

Boone County Area Plan Commission

Position:

Executive Director

Years with Previous Employer:

1

Reason for leaving:

The opportunity to return to Colorado and join the private sector.

3. Previous Employer Name:

City and County of Denver - Community Planning & Development Department

Position:

Associate Development Project Administrator; Senior City Planner; Associate City Planner

Years with Previous Employer:

7

Reason for Leaving:

The opportunity to lead a county planning and building department

Do you presently serve in other appointed position(s) on any city of Aurora board, committee or commission?:

No

If yes, what board, committee or commission?:

N/A

Are you currently a member and seeking reappointment on the board you are applying for? :

No

Why do you desire this appointment? :

I desire this appointment because I want to give back to our City on this Commission. I have served on two neighborhood organization boards of directors, spent over 10 years working in local and state government in increasingly responsible roles in community planning, and have worked for over 2 years in the private sector leading development for large projects. My graduate education in community and regional planning taught me the importance of community engagement and participation in the planning process. I understand the role of a Planning & Zoning Commissioner is to ensure projects meet or exceed our development criteria in the Unified Development Ordinance as well as serve in an advisory capacity on other planning and zoning matters. I look forward to not only sharing my knowledge, background, and experience but learning and understanding more about Aurora, the people who live here, and what is important for our shared future.

List your interests and activities.

:

Gardening, reading, travel, art

List licenses, special training and certificates related to this board or that you would like to share with us. :

Master of Community & Regional Planning

Do you have any conflicts of interest that should be disclosed?:

No

If yes, please explain. :

N/A

Full Name:

Russ Langbein

Address:

[redacted]

Phone Number:

[redacted]

Full Name:

Paula Schmitt

Address:

[redacted]

Phone Number:

[redacted]

Full Name:

Cynthia Bowen

Address:

[redacted]

Phone Number:

[redacted]

How did you hear about us? :

AuroraTV

ACKNOWLEDGMENT I hereby acknowledge:

1. Any law enforcement agency, administrator, state, municipal or federal agency, motor vehicle agency, institution, school or university (public or private), information service bureau, employer, or insurance company may furnish any and all background information requested by Global Solution Services.

2. If I continue through this process, the report on my criminal background check may become public record subject to release under Colorado's Open Records Act. Additionally, my criminal history may be discussed in public meetings.:

I agree

DECLARATION

I declare that to be a Commissioner for the Planning & Zoning Commission I must meet the following requirements as outlined in Section 146-5.1.2 of the City Code:

• Be a "Registered Elector", as defined in Aurora City Code Section 54-2, for at least one year immediately preceding appointment

• Reside within the municipal boundaries of the City of Aurora, Colorado

• Not hold any paid office or position in the city administration:

I agree

By clicking APPLY and submitting this application, I certify that the foregoing information is true and correct:

I agree

Signature:

Stephen E Elkins Jr

Date:

10/22/26

Time of Submission: 10/22/26 12:10:37 PM

Attachments

- Elkins P&Z Commission Submission.pdf

Mayor Coffman and City Councilmembers
City of Aurora
15151 E. Alameda Pkwy.
Aurora, CO, 80012

Dear Mayor Coffman and Councilmembers:

My name is Stephen Elkins, and I am excited to submit my application for the Planning & Zoning Commission. Since watching my first planning commission meeting in college, I have wanted to serve my community as a planning commissioner.

I started my path in community planning serving on the Board of Directors for the Nob Hill Neighborhood Association Board of Directors. In this role, we were often the starting point in the City's development review process as our neighbors brought forward projects for their homes and applicants requested new projects in our neighborhood's commercial district.

In 2011, I began my graduate education in community and regional planning at the University of New Mexico. I was drawn to this program because of its mission to center community-based practice in the community planning process. Community-based practice focuses on the participation of the public to ensure buy-in and feedback about planning and development in their communities. My capstone studio was a partnership between the University of New Mexico's Indigenous Design and Planning Institute (iDPi) and Ysleta del Sur Pueblo to provide economic development recommendations for the Pueblo's future growth and development. My graduate education formed the foundation of my career where I learned about the importance of responsible development that is grounded in authentic community engagement.

After graduating from the University of New Mexico is 2013, I served in various local and state governments in New Mexico, Colorado, and Indiana. My professional background includes planning positions at the New Mexico Department of Transportation, Weld County, the City of Northglenn, the City and County of Denver, and the Boone County Area Plan Commission. I gained a strong understanding of development regulations across multiple jurisdictions as well as what it takes for planning staff and commissions to implement them. I have been fortunate to work in rural, suburban, and urban planning contexts. I like to say I have worked on everything from signs to skyscrapers implementing not only development regulations but the long-range planning that served as the policy basis of those regulations.

My capstone position in the public sector--Executive Director of the Boone County Area Plan Commission--had me report to a seven-member citizen planning commission. In this position, I managed two employees as well as served as chief planner, chief building official, zoning enforcement officer, and flood plain administrator. I re-imagined a struggling development code update around community engagement which re-centered the project around feedback directly from the community.

By centering the project around community feedback, the project was ultimately unanimously approved the Area Plan Commission and the Board of County Commissioners. Finally, I managed a development moratorium for large scale solar and wind projects driven by the community's desire to update Boone County's development regulations for these projects to mitigate their impacts.

In 2024, I transitioned from the public sector to the private sector where I now work in the data center industry. My work continues to focus on development where I manage projects from the end of the land acquisition stage to the beginning of the construction stage. I have worked in communities from coast to coast across the United States focused on the core development function for new projects—i.e. land entitlement, project permitting, community engagement, and working with local, state, and federal governments. I understand that there is an intense interest in data centers whether that is in Aurora or in the communities where I work. In my day-to-day work, I continue to hold to my commitment to responsible development. I define responsible development as robust community engagement, partnering with local communities, and ensuring that projects I work on comply with or exceed all applicable local, state, and federal regulations. I also recognize that responsible development does not end when a project is operational. Responsible development continues through the operations of a project to ensure that off-site impacts are mitigated to the maximum extent possible.

I look forward to bringing my commitment to responsible development to my service on the Planning & Zoning Commission. I believe my background as a public sector planner as well as my experience working in the private sector gives me a unique ability to understand not only how to apply the Unified Development Ordinance's criteria but to work closely with the community, City staff, and applicants on this Commission's important work. I want to work with internal and external stakeholders on the implementation of the Unified Development Ordinance's development criteria so our City can realize Aurora Places' aspirational vision.

I appreciate the opportunity to be considered for this important role. Each time I have applied for this position, I have taken the opportunity to reflect on how I can improve to ensure that I can provide my best possible service for Aurora. I continue to focus on what I can do personally and professionally to understand and experience Aurora's planning and development issues.

I look forward to meeting with you for an interview. Thank you for your time and consideration.

Sincerely,



Stephen Elkins



STEPHEN ELKINS

CANDIDATE FOR PLANNING & ZONING COMMISSIONER

ABOUT

I am excited to apply for Planning & Zoning Commissioner. I bring over 10 years of experience as a public sector planner to this role including leading a planning and building department. Since early 2024, I have worked in the private sector managing large scale projects through the development process. I want to bring my strong expertise in the public and private sectors to my service on this important Commission. I am proud to be Auroran, and I would be honored to be chosen for this position.

EDUCATION

Master of Community & Regional Planning
Concentration: Physical Planning and Urban Design
University of New Mexico · 2011-2013

Bachelor of Arts
Majors: Political Science, Religious Studies, and History
Indiana University - Bloomington · 2001-2004

WORK EXPERIENCE

Development Manager | March 2026 - Present | STACK Infrastructure

Manage infrastructure development activities for data centers (hyperscale campus and infill) · Manage due diligence · Track market activity and manage data center land development transactions · Collaborate with internal and external stakeholders across multiple disciplines · Prepare and present complex analyses · Manage data center funding process

Product Development Manager | April 2024 - March 2026 | Prime Data Centers

Led nationwide entitlement, design, and pre-construction processes for national data center construction program · Managed and created budgets and schedules · Collaborated with internal and external stakeholders for the successful obtainment of entitlement and permits · Managed design process including direct oversight over external design teams · Projects included infill data centers and a hyperscale campus

Executive Director| March 2023 - April 2024 | Boone County Area Plan Commission

Led County Planning and Building Department (including 2 direct reports) · Project manager for zoning code update project · Managed $267K Department budget · Served as staff to Plan Commission and Board of Zoning Appeals · Managed industrial solar moratorium process · Served as Planner, Flood Plain Manager, and Chief Building Official

Associate Development Project Administrator | March 2020 - February 2023 | City and County of Denver

Development review for major industrial, commercial, and multi-family residential projects · Team work and building · Creating and implementing zoning code trainings · Drafted text amendments to Zoning Code

Senior City Planner / Associate City Planner | October 2015 - March 2020 | City and County of Denver

Development review for minor projects (changes of use, signs, telecommunications) · Team lead for telecom, group living, and residential care applications and zoning code text amendments · Managed rezoning pre-application meetings · Drafted text amendments to Zoning Code · Planner on call duty

City Planner | March 2015 - September 2015 | City of Northglenn

Development application case manager (hospital) · Served on project team for station area master plan (STAMP) · Project manager for code enforcement regulations update

Planner I | April 2014 - February 2015 | Weld County

Development application case manager (small business, industrial uses) · Planner on call duty assisting the public with planning and zoning questions · Presented Use by Special Review (USR) applications to Planning Commission and Board of County Commissioners

Urban & Regional Planner | May 2013 - March 2014 | State of New Mexico Department of Transportation

Managed Sections 5310 and 5311 rural and tribal mass transit grants · Assisted applicants in the grants management process · Made site visits and inspections of mass transit programs · Partnered with rural and diverse communities throughout New Mexico

Planning And Zoning Commission

Applicant Package - Ward II

Planning And Zoning Commission - Ward II

Term 01 Jan 2027 - 31 Dec 2029

Positions Available 2

Number of applicants in this package 1

- Chavez, Raphael

Received: 10/16/2026
Aurora Resident and Registered Voter
Adams County
Vetted: 10/19/2026



Name: Chavez, Raphael

Address: [redacted]

Email: [redacted]

Board Name: Planning and Zoning Commission

How long have you lived in Aurora?:

2 years

Home Phone Number:

[redacted]

Mobile Phone Number:

[redacted]

Are you registered to vote? :

Yes

Date of Birth (Month/Day/Year) (Required to Verify Voter Registration):**

[redacted]

Years of Education Completed :

6

Degree(s) Received:

Bachelor of Science in Architecture, Master of Architecture

College(s) Attended:

University of Illinois Urbana-Champaign

Employer Name:

HDR

Employer Address:

675 15th Street, Suite 1400, Denver, CO 80202

Current Position:

Associate Design Principal

Years with Current Employer:

12

1.Previous Employer Name:

Taniguchi Ruth Makio Architects

Position:

Architectural Designer

Years with Previous Employer:

2

Reason for Leaving:

School

2.Previous Employer Name:

NA

Position:

NA

Years with Previous Employer:

NA

Reason for leaving:

NA

3. Previous Employer Name:

NA

Position:

NA

Years with Previous Employer:

NA

Reason for Leaving:

NA

Do you presently serve in other appointed position(s) on any city of Aurora board, committee or commission?:

No

If yes, what board, committee or commission?:

NA

Are you currently a member and seeking reappointment on the board you are applying for? :

No

Why do you desire this appointment? :

As a new resident of Aurora, I am looking for meaningful ways to contribute to the community while applying my professional experience as an architect. Serving on the Planning and Zoning Commission would provide an opportunity to support thoughtful growth and help shape the future of the city. Through my background in architecture and community-focused design, I have developed an understanding of the relationship between planning, zoning, land use, and development. I believe my experience would allow me to provide practical insight and guidance as the City evaluates future projects and development proposals. After reviewing several recent developments throughout Aurora, it has become apparent that there is an opportunity to reexamine how available land is being planned and prepared for future growth. I am interested in helping ensure that development decisions balance long-term community needs, economic vitality, and quality of life for residents. Serving on the Commission would allow me to contribute to that conversation and help support a well-planned, sustainable future for Aurora.

List your interests and activities.

:

Various Community Engagement, Youth Sport Coaching, Certified Personal Trainer, Entrepreneur & Small Business Owner, DJ & MC

List licenses, special training and certificates related to this board or that you would like to share with us. :

Licensed Architect - Colorado - #00405037

Do you have any conflicts of interest that should be disclosed?:

No

If yes, please explain. :

NA

Full Name:

Julianne Scherer

Address:

[redacted]

Phone Number:

[redacted]

Full Name:

James Braam

Address:

[redacted]

Phone Number:

[redacted]

Full Name:

Kaylyn Kirby

Address:

[redacted]

Phone Number:

[redacted]

How did you hear about us? :

Word of Mouth

ACKNOWLEDGMENT I hereby acknowledge:

1. Any law enforcement agency, administrator, state, municipal or federal agency, motor vehicle agency, institution, school or university (public or private), information service bureau, employer, or insurance company may furnish any and all background information requested by Global Solution Services.

2. If I continue through this process, the report on my criminal background check may become public record subject to release under Colorado's Open Records Act. Additionally, my criminal history may be discussed in public meetings.:

I agree

DECLARATION

I declare that to be a Commissioner for the Planning & Zoning Commission I must meet the following requirements as outlined in Section 146-5.1.2 of the City Code:

• Be a "Registered Elector", as defined in Aurora City Code Section 54-2, for at least one year immediately preceding appointment

• Reside within the municipal boundaries of the City of Aurora, Colorado

• Not hold any paid office or position in the city administration:

I agree

By clicking APPLY and submitting this application, I certify that the foregoing information is true and correct:

I agree

Signature:

Raphael Chavez

Date:

10/16/2026

Time of Submission: 10/16/26 3:38:15 PM

Attachments

- rchavez_resume_2026.pdf

Raphael Chavez

Associate Design Principal | Project Architect | [redacted] | [redacted]

Education

Master of Architecture,
University of Illinois
Urbana-Champaign, 2014

Bachelor of Science in Architecture, University of Illinois Urbana-Champaign, 2010

Professional Experience

17 years

Years Licensed

9 years
CO (2017), MT (2023), KS (2026)

Registrations

AIA
NCARB

Awards

- AIA Colorado 2026 Firm of the Year (HDR)
- 2024 Healthcare Design Magazine Breaking Through Honorable Mention (HDR Denver)
- 2024 DPS Perennial Award
- 2019 DPS Gold Partner Award (HDR Denver)
- 2019 DPS Student First Award
- 2019 HDR Pathfinder Gold Award
- 2018 HDR Pathfinder Community Service Award

Publications

- Healthcare Design Magazine, Breaking Through Honorable Mention - *Weaving a Tapestry*, October 2024
- Healthcare Design Magazine, 2025 Healthcare Design Showcase Finalist, *Intermountain Health Lutheran Hospital*, August 2025
- Modern in Denver Magazine, AIA Colorado 2026 Design Honorable Mention - *Pitkin Scale House*, Fall 2026

Experience

2014 - current	**HDR** | Denver, CO Associate Design Principal | Project Architect Project Types - Healthcare, Civic, Federal, Higher Ed, Science + Tech
2025 - current	**Chavez+ LLC** | Aurora, CO Owner | Principal Architect Architectural Consulting | Client - Murphy Creek HOA
2010 - 2012	**Taniguchi Ruth Makio Architects** | Hagatna, Guam Architectural Designer Project Types - Commercial, Hospitality, Residential, Higher Ed
2009 (Summer)	**Laguana + Cristobal Architects** | Hagatna, Guam Summer Intern Project Types - Commercial, Residential
2008 (Summer)	**Danish Institute for Study Abroad (DIS)** | Copenhagen, Denmark Student Project - Danish Harbour Bath

Community Engagement + Leadership

2023 - 2026	**AIA Colorado** JEDI Committee Member, P&D Conference Speaker, Ascend Mentor
2021 - 2022	**American Heart Association** Program - STEM Goes Red
2020 - 2022	**Christopher Kelly Leadership Development Program (CKLDP)** Programs - Class of 2021, 2022 Marketing Chair
2019	**HDR BOOST** Program - Architecture leadership program at HDR
2018	**Downtown Denver Leadership Program (DDLP)** Program - Led an infill project with RTD at Civic Center Station
2015 - current	**Denver Public Schools (DPS) CareerConnects** Program(s) - CareerLaunch, CareerXplore
2014 - current	**Society of American Military Engineers (SAME)** Program - Industry Exploration Program
2014 - current	**Cleworth Architectural Legacy Project (CAL)** Program - Architecture activities in 2nd thru 4th grade classrooms
2012 - current	**Habitat for Humanity**

CITY OF AURORA
Council Agenda Commentary

Item Title: Consideration to Appoint One (1) Member to the Judicial Performance Commission
Item Initiator: Cecilia Zapata, Deputy City Clerk, General Management
Staff Source/Legal Source: Cecilia Zapata, Deputy City Clerk, General Management / Britt Wirth, Assistant City Attorney
Outside Speaker: N/A
Strategic Outcome: Connected and Engaged: Providing programming, learning resources, and amenities that reflect the rich history and contributions of our vibrant communities.

COUNCIL MEETING DATES:

Study Session: 11/23/2026

Regular Meeting: 12/7/2026

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☒ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

Cecilia Zapata, Deputy City Clerk, General Management / Britt Wirth, Assistant City Attorney

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☒ Approve Item and Move Forward to Regular Meeting

☐ Information Only

☐ Approve Item with Waiver of Reconsideration
Reason for waiver is described in the Item Details field above.

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☐ Approve Item as Proposed at Regular Meeting

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval ☐ Does Not Recommend Approval

☐ Forwarded Without Recommendation ☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

The Judicial Performance Commission presents evaluations and recommendations to the City Council in regard to the reappointments of Municipal Court judges.

All eligible applications received within the last year are forwarded to the Commission to be considered for interviews.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

The Judicial Performance Commission currently has five (5) vacancies. The Commission received two (2) applications and an interview was conducted on October 22, 2026.

Among the applicants were:

Seraphim Morningstar
Nick Podsiadilik

Upon conducting the interview, the Judicial Performance Commission respectfully recommends the appointment of the following candidate:

Nick Podsiadlik (attorney position) – 1st term beginning 09/1/2025 and ending on 08/31/2028

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☐ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☒ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

NON-BUDGETED EXPENDITURE IMPACT
Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

WORKLOAD IMPACT

Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

QUESTIONS FOR COUNCIL

Does council wish to appoint Nick Podsiadlik to an attorney position on the Judicial Performance Commission?

LEGAL COMMENTS

The Judicial Performance Commission shall be composed of seven voting members. Four members shall be residents of the City or individuals who are actively engaged in the ongoing conduct of business within the City, who are not licensed attorneys, and three of the members shall be previously or presently licensed attorneys engaged in the ongoing practice of law and who meet at least one of the following qualifications: (a) a practicing attorney who maintains or is regularly employed by a law office in the City; (b) a resident of the City who was licensed to practice law for a minimum of five years in any jurisdiction in the United States with no disciplinary record but who maintains a bar license in an active or inactive status; or (c) a retired judicial officer who is a resident of the City is eligible to be appointed as an attorney member; provided, that no retired judicial officer may be assigned or appointed to perform judicial duties while serving on the judicial performance commission. Regarding the members who are licensed attorneys, an effort shall be made to appoint one attorney whose employment relates to criminal prosecution and one attorney whose employment relates to the defense of criminal cases. Justices and judges actively performing judicial duties may not be appointed, although retired justices and judges are eligible. No member shall be an officer or employee of the City or be associated with the public defender for the City. No member shall be related by blood or marriage within the third degree to any other member. (City Code § 50-102) City Council retains the sole discretion to appoint, reappoint, and remove municipal court judges. The creation of the judicial performance commission shall not in any fashion abridge the authority possessed by City Council. The Commission serves as an advisory body only, and its evaluations shall be considered solely recommendations for the benefit of the City Council. (City Code § 50-106) The term length for each member is three years, and members may serve up to three consecutive terms. (City Code § 2-772 and Resolution R2025-78) A person selected to fill a vacant term of less than one-half the length of time of a full term of office shall not be considered to have completed one term of office. (R2025-78) City Council shall act only by ordinance, resolution, or motion. (City Charter, art. V, § 5-1) (Wirth)

TO: Mayor Coffman and Members of City Council

FROM: John Haien, Board Chair, Judicial Performance Commission

THROUGH: Candace Atkinson, Court Administrator

DATE: October 23, 2026

SUBJECT: Consideration for Commission Appointment

Current Commission Vacancies: 5

Interview Information:

Date of Interview: October 22, 2026
Applicant Name: Nick Podsiadlik, Seraphim Morningstar
Applicants Interviewed: Nick Podsiadlik

Recommendation:

Nick Podsiadlik is a three-year resident of Aurora. He is presently Assistant State Attorney General for Colorado specializing in civil and administrative affairs. He has also worked as a Colorado compliance and complaints investigator. His previous experience includes more than 5 years as a deputy public defender and felony trial attorney in Arizona.

Mr. Podsiadlik will bring to the Commission a unique courtroom perspective from both sides of the bench. He is very experienced in the challenges and concerns of attorneys and has an awareness of the patterns of conduct of judges. This will help the Commission continue to evaluate our judges and weigh compliments and concerns from an informed, neutral and objective perspective.

Respectfully Submitted,

John A. Haien

John Haien, Chair

Judicial Performance Commission

Applicant Package - Ward VI

Judicial Performance Commission - Ward VI

Term 01 Sep 2025 - 31 Aug 2028
Positions Available 5

Number of applicants in this package 1

- Morningstar, Seraphim

Received: 9/13/2026
Aurora Resident & Registered Voter
Arapahoe County
Vetted: 9/24/2026

Name: Morningstar, Seraphim

Address: [redacted]

Email: [redacted]

Board Name: Judicial Performance Commission

Date of Birth:
[redacted]

Home Phone Number:
[redacted]

Work Phone Number:
[redacted]

How long have you lived in Aurora?:
Over three years

Are you registered to vote?:

Yes

Years of Education Completed:
6

Degree(s) Received:
Certificate-based education and training; no degree reported.

College(s) Attended:
Independence Community College, Independence, Kansas; Spartan College of Aeronautics and Technology, Tulsa, Oklahoma.

Employer Name:
Colorado Department of Corrections

Employer Address:
Denver Women's Correctional Facility, 3600 Havana Street, Denver, CO 80239

Current Position:
Correctional Support Trades Supervisor I (Sergeant)

Years with Current Employer:
Since January 2024

Work Experience:
Correctional experience since January 2024, including policy enforcement, incident documentation, safety inspections, de-escalation, evidence-based decision-making, and food-service supervision as a Correctional Support Trades Supervisor I (Sergeant). Earlier experience includes dietary management, healthcare support, staff instruction, management, technology support, and volunteer coordination.

Certification(s):
Prior certificate-based training in healthcare, food service, and management. No current certifications in the state of Colorado.

How are you involved in your community?:

My volunteer coordination and instruction experience includes helping people navigate community and social-service resources, facilitating group discussions, providing technology support, and mentoring staff. My public-service work requires careful documentation, consistent policy application, respectful communication, and sound judgment.

List your interests and activities.:
Fair and impartial public service, evidence review, community education, library access, technology literacy, workforce development, and connecting residents with reliable information and resources.

Do you presently serve in any other appointed position on a board, commission or committee?:

No

If yes, enter the board name and position:
Not applicable.

Are you currently a member and seeking reappointment on the board you are applying for?:

No

Why do you desire this appointment?:
I want to help Aurora maintain trustworthy public institutions and expand residents' access to knowledge and useful community resources. As a non-attorney applicant, I would bring practical experience reviewing information, documenting incidents, applying policy consistently, and making fair decisions under pressure. My teaching, volunteer coordination, mentoring, and technology-support experience would also help the Library Board promote welcoming, accessible services for residents of every background.

How much time do you anticipate being able to spend on this appointment each month?:
20 hours per month, with meeting times coordinated around my work schedule.

Do you have any conflicts of interest that should be disclosed?:

No

If yes, please explain:
Not applicable; no conflicts of interest reported.

Reference 1: Full Name, Phone Number and Address:
Becky Blair, [redacted]

Reference 2: Full Name, Phone Number and Address:
Terrence Johnson, [redacted]

Reference 3: Full Name, Phone Number and Address:
Shardae Wilson, [redacted]

How did you hear about us?:

Other

By clicking APPLY and submitting this application, I certify that the forgoing information is true and correct:

Seraphim Morningstar

Time of Submission: 09/13/26 10:18:06 PM

Judicial Performance Commission

Applicant Package - Ward I

Judicial Performance Commission - Ward I

Term 01 Sep 2025 - 31 Aug 2028
Positions Available 5

Number of applicants in this package 1

- Podsiadlik, Nick

Received: 10/4/2026
Aurora Resident and Registered Voter
Adams County
Vetted: 10/6/2026



Name: Podsiadlik, Nick

Address: [redacted]

Email: [redacted]

Board Name: Judicial Performance Commission

Date of Birth:
[redacted]

Home Phone Number:
[redacted]

Work Phone Number:
[redacted]

How long have you lived in Aurora?:
3.5 years

Are you registered to vote?:

Yes

Years of Education Completed:
12 (high school) plus roughly 13 in higher education (1998-2011, some part-time)

Degree(s) Received:
BA, MA, JD

College(s) Attended:
Oakland County Community College, Wayne State University, Indiana University, University of Michigan

Employer Name:
Colorado Office of the Attorney General

Employer Address:
1300 Broadway, Denver, CO 80203

Current Position:
Assistant Attorney General

Years with Current Employer:
2.5

Work Experience:
15 years as an attorney, primarily in public service; see attached resume for details

Certification(s):
Licensed to practice law in Colorado and Arizona

How are you involved in your community?:
I'm not very involved right now. I'd like to help Aurora better serve its residents, and this role seems like a good fit for my professional experience.

List your interests and activities.:
Birdwatching, hiking, attending local theater and music productions.

Do you presently serve in any other appointed position on a board, commission or committee?:

No

If yes, enter the board name and position:
n/a

Are you currently a member and seeking reappointment on the board you are applying for?:

No

Why do you desire this appointment?:
I'd like to become more involved in my community, and particularly in helping my city better serve its residents. From my prior experience as a public defender and legal aid attorney, I understand that these encounters can have immense impact not just on an individual's life and prospects but on their spouse and children. It's critical that the judges are knowledgeable, fair, attentive, patient, and grounded. I have seen judging from several sides. I clerked on the Ninth Circuit and spent six years as a deputy public defender, trying felony cases and then handling appeals. As a State Complaints Officer at the Colorado Department of Education, I was the neutral decision-maker. At the Arizona Department of Economic Security, I trained administrative law judges. As an assistant attorney general, I now appear at administrative hearings and in district court for the Department of Revenue. That range lets me understand how a judge looks to each group the commission hears from: prosecutors, defense attorneys, police, probation officers, jurors, and court staff. It will help me weigh a criticism in the survey results. I can tell whether it reflects a pattern of conduct, a risk of wider repercussions, or ordinary frustration with an adverse ruling. I also understand the judges' side: their caseloads, their resources, and the limits of the information they often have when they rule.

How much time do you anticipate being able to spend on this appointment each month?:
8 hours per month on average, with additional availability as required (e.g., during the spring evaluation period)

Do you have any conflicts of interest that should be disclosed?:

No

If yes, please explain:
n/a

Reference 1: Full Name, Phone Number and Address:
Robert Dodd (supervisor), [redacted]

Reference 2: Full Name, Phone Number and Address:
Danny Rheiner (colleague), [redacted]

Reference 3: Full Name, Phone Number and Address:
Jenny Adler (colleague at client agency), [redacted]

How did you hear about us?:

News Aurora (water bill newsletter)

By clicking APPLY and submitting this application, I certify that the forgoing information is true and correct:
Nicholaus Podsiadlik

Time of Submission: 10/04/26 6:03:06 PM

Attachments

- Podsiadlik Resume Aug 2026.pdf

NICK PODSIADLIK

[redacted]

Licensure: Colorado [redacted], Arizona [redacted]

EDUCATION

- JD *magna cum laude*, Order of the Coif, University of Michigan Law (Ann Arbor, MI)
    - Contributing Editor, *Michigan Law Review*
- MA English Literature, Indiana University (Bloomington, IN)
- BA English (Honors), Wayne State University (Detroit, MI)

CLERKSHIP

United States Court of Appeals for the Ninth Circuit – Hon. Mary Schroeder

EXPERIENCE

Colorado Attorney General – Assistant Attorney General *4/25 – Present*

- Advise the Department of Revenue concerning federal and state legal requirements for state administrative programs, including rulemaking, policy development, and internal process improvements
- Litigate appeals from administrative decisions in the district court and Colorado Court of Appeals, with district court appeals conducted with the same rigor and under the same rules as at the appellate level
- Mentor attorneys from other units on administrative appeals and interns through their first hearings; edit other attorneys' briefs
- Represent the Department in district court litigation and at administrative hearings; research and develop team hearing templates; design a streamlined process for low-stakes hearings to minimize client legal costs; liaise with the court administrator's office to improve court procedures

Colorado Department of Education – State Complaints Officer *11/22 – 4/25*

- As a neutral fact-finder, issued decisions in individual and systemic complaints concerning school districts' compliance with federal and state laws governing special education and the restraint of students

Community Legal Services of Arizona – Staff Attorney *2/22 – 11/22*

- Represented clients in civil litigation and negotiations; provided brief advice in diverse areas of law and procedure; worked with court administration to increase access to justice

Arizona Department of Economic Security – Associate General Counsel *11/20 – 12/21*

- As one of only two senior in-house attorneys, advised this 8,500-employee agency's leadership across five "sub-agencies" regarding a wide range of matters, including policies and procedures, due process hearings, public records requests and redactions, legislative matters, discrimination complaints, compliance with federal and state law, and issues of constitutional, administrative, and employment law

- Reviewed and drafted contracts, agreements, and memoranda of understanding; drafted final agency decisions designed to withstand appellate review
- Developed training for and taught administrative law judges to ensure compliance with federal law; interviewed applicants for administrative law judge and Associate General Counsel positions; supervised a subordinate attorney

Maricopa County Public Defender – Deputy Public Defender *7/14 – 11/20*

- *Appellate attorney, 1/16 – 11/20:*
    - Argued seven times before the Arizona Supreme Court and Arizona Court of Appeals
    - Drafted opening briefs, reply briefs, appellate motions, and petitions for review; filed issue briefs (as opposed to no-issue declarations) in every appeal
    - Successfully opposed certiorari after an Arizona Supreme Court win, *Arizona v. Goodman*, 139 S. Ct. 917 (2019) (mem.)
    - Litigated post-conviction proceedings, including further factual investigation and preparation of expert testimony
    - Researched criminal, constitutional, administrative, and municipal law, and legislative history, to form creative, well-founded legal arguments
    - Developed and taught continuing legal education trainings for trial attorneys and at the annual state conference for public defenders
    - Supervised mitigation specialists, paralegals, investigators, and law clerks; advised trial attorneys and trial group supervisors; mentored trial attorneys in their own interlocutory and direct appeals; drafted template motions
- *Trial attorney, 7/14 – 1/16:*
    - Won three felony trials and lost two as sole counsel; argued legal and evidentiary issues in court almost daily
    - Interviewed witnesses; investigated factual backgrounds; negotiated with prosecutors; developed legal strategies; advised clients
    - Researched and drafted all trial documents, including disclosure and evidentiary motions, motions to suppress and dismiss, sentencing and settlement memoranda, and jury instructions; developed new facial challenges to two criminal statutes and one plea procedure; filed two interlocutory appeals

Perkins Coie – Commercial Litigation Associate *9/12 – 6/14*

- Represented a prisoner as lead counsel in a § 1983 action in the District of Arizona; conducted all pretrial tasks, including discovery, depositions, dispositive motion practice, and requests for jury instructions
- Drafted pleadings, motions for summary adjudication, correspondence with adversaries, discovery requests (interrogatories, requests for admission, document requests), responses, and objections; took and defended depositions; conducted in-depth research into obscure questions of law

Trainings/CLEs developed: *Common Issues in IDEA for Colorado ALJs*; *Everything You Should Know About Debt*; *Community Property & Criminal Restitution*; *Judicial Decision-Writing*; *Arizona Criminal Appeals*; *Ordinary Special Actions*; *Cell Phone Tracking Evidence*; *Fire Your Canons: Statutory Interpretation*; *Making the Record at Trial*

CITY OF AURORA
Council Agenda Commentary

Item Title: Land and Water Acquisition and Farm Lease from Hirakata Farm (Dual Listed)
Item Initiator: Richard Kienitz, Water Resources Manager, Aurora Water
Staff Source/Legal Source: Alexandra Davis, Assistant General Manager of Water Supply and Demand, Aurora Water / Ian Best, Senior Assistant City Attorney
Outside Speaker: N/A
Strategic Outcome: Healthy: Connecting natural and built environments with multimodal networks, ensuring access to parks and recreation, and preserving sustainable water supplies.

COUNCIL MEETING DATES:

Study Session: 11/23/2026

Regular Meeting: 11/23/2026

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☐ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

R2026-123 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL'S APPROVAL OF THREE RELATED PURCHASE AND SALE AGREEMENTS FOR WATER RIGHTS AND REAL PROPERTY AND AN ASSOCIATED LEASE AGREEMENT ALL BETWEEN THE CITY OF AURORA ACTING BY AND THROUGH ITS UTILITY ENTERPRISE AND OTERO COUNTY FARMERS, CARMEN, GLENN, AND MICHAEL HIRAKATA
Waiver of reconsideration requested in order to complete acquisition and execute farm lease in a timely manner.
Alexandra Davis, Assistant General Manager of Water Supply and Demand, Aurora Water / Ian Best, Senior Assistant City Attorney

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☒ Approve Item and Move Forward to Regular Meeting

☐ Information Only

☐ Approve Item with Waiver of Reconsideration
Reason for waiver is described in the Item Details field above.

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☐ Approve Item as Proposed at Regular Meeting

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval ☐ Does Not Recommend Approval

☐ Forwarded Without Recommendation ☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

N/A

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Aurora Water, working in conjunction with Real Property Services have negotiated with Sellers, Hirakata Farms (comprised of individuals Carmen, Glenn and Michael Hirakata), to acquire 667.1 acres of farm land (more or less) and 654.1 shares of capital stock in the Catlin Canal Company (and the water rights derived therefrom). The lands are depicted on the attached maps. This acquisition will be accomplished in three transactions necessistated by the sellers respective ownership interests. The total aggregate compensation to be paid to the Sellers will be $11,471,645.00 (subject to prorations and adjustments). The purchase is anticipated to close in December 2026 or January 2027. Funding fo this land and water acquisition will be from the Capital Improvement Program, Water Fund.

At or about the time of closing, Aurora Water intends to execute and enter into an agricultural lease ("Lease") by which Sellers will lease back from Aurora Water the right to use of the water rights and real property for a period of 10 years to continue Seller's farming operations (with the option to extend for two additional 10-year terms). The Lease will be subject to an "interruptible water supply agreement" provision allowing Sellers to conduct farming operations seven in ten years and Aurora Water to utilize the water rights for municipal supply and drought recovery up to three years in ten in accordance with Aurora Water's established intergovernmental agreements and the interruptible water supply agreement statutes (C.R.S. 37-92-309), as now existing or as hereafter amended.

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☒ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☐ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

N/A

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

Funding is available in the Capital Improvement Program, Water Fund in the amount of $11,471,645.00.

2026 - $5,666,795.00
2027 - $5,804,850.00

CC-52381 FD-505 PRJ-526655 SC-37300

NON-BUDGETED EXPENDITURE IMPACT

Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

N/A

WORKLOAD IMPACT

Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

N/A

QUESTIONS FOR COUNCIL

Does Council approve the Land and Water Acquisition and Farm Lease from Hirakata Farm?

LEGAL COMMENTS

Aurora Water is authorized to acquire water rights, construct, operate, maintain, improve, and extend water, wastewater, and storm drainage facilities within or without the corporate boundaries of the City of Aurora, and to make all contracts, acquire lands, and do all things that are necessary or convenient therefore (C.R.S. 37-45.1-103(1); Aurora City Code Section 138-28). The City (and Aurora Water) has the authority to acquire, hold, lease and dispose of property, both real and personal (C.R.S. 31-15-101(d)). (Best)

RESOLUTION NO. R2026- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL'S APPROVAL OF THREE RELATED PURCHASE AND SALE AGREEMENTS FOR WATER RIGHTS AND REAL PROPERTY AND AN ASSOCIATED LEASE AGREEMENT ALL BETWEEN THE CITY OF AURORA ACTING BY AND THROUGH ITS UTILITY ENTERPRISE AND OTERO COUNTY FARMERS, CARMEN, GLENN, AND MICHAEL HIRAKATA

WHEREAS, the City of Aurora, acting by and through its Utility Enterprise ("Aurora Water" or "City") desires to enter into three related Purchase and Sale Agreements for Water Rights and Real Property ("Agreements") with Carmen, Glenn and Michael Hirakata (each a "Seller" or collectively the "Sellers", as context requires) to purchase unencumbered marketable title to a total of 654.1 shares of capital stock in the Catlin Canal Company ("Subject Stock") and the water derived therefrom, including all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, title, or interests represented by the Subject Stock (collectively with the Subject Stock, hereinafter referred to as the "Water Rights"); and

WHEREAS, the Water Rights associated with the Subject Stock include a pro rata interest in all property of the Catlin Canal Company, including but not limited to all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, titles, or interests represented by the share certificates; and

WHEREAS, Sellers will also sell and convey to Aurora Water its unencumbered marketable title to approximately 667.1 acres of land, more or less, located in Otero County, Colorado used to farm the land together with Seller's interest in and to all rights, benefits, privileges, easements, tenements, hereditaments, reversions, remainders, rights-of-way and other appurtenances and improvements located on the land (collectively referred to hereafter as the "Real Property"); and

WHEREAS, Aurora Water intends to purchase the Water Rights and Real Property and has need for the water represented by the Water Rights for the purpose of supplying water for municipal uses in accordance with applicable law, including without limitation the interruptible water supply agreement statutes (C.R.S. 37-92-309), as amended, to the City's residents and Aurora Water customers; and

WHEREAS, the aggregate purchase price set forth in the Agreements is $11,471,645.00, to be paid by Aurora Water to Sellers at closing in accordance with the provisions of the Agreements; and

WHEREAS, at or about the time of closing, Aurora Water intends to execute and enter into an agricultural lease ("Lease") by which each of the Sellers will lease back from Aurora

Water the right to use of the Water Rights and Real Property for a period of 10 years to continue Sellers' farming operations (with the option to extend for two additional 10-year terms). The Lease will be subject to an "interruptible water supply agreement" provision allowing Seller to conduct farming operations seven in ten years and Aurora Water to utilize the Water Rights for municipal supply and drought recovery up to three years in ten in accordance with Aurora Water's established intergovernmental agreements in the Arkansas River Basin and the interruptible water supply agreement statutes (C.R.S. 37-92-309), as now existing or as hereafter amended; and

WHEREAS, Aurora Water is authorized to acquire water rights, construct, operate, maintain, improve, and extend water, wastewater, and storm drainage facilities within or without the corporate boundaries of the City of Aurora, and to make all contracts, acquire lands, and do all things that are necessary or convenient therefore (C.R.S. 37-45.1-103(1); Aurora City Code Section 138-28); and

WHEREAS, Aurora Water has the authority to acquire, hold, lease and dispose of property, both real and personal (C.R.S. 31-15-101(d)); and

WHEREAS, all water rights acquisitions of more than one million dollars ($1,000,000) and all real property acquisitions over five hundred thousand dollars or more ($500,000) must be approved by formal City Council action and signed by the Mayor (pursuant to Business Policy Memorandum No. 4-14); and

WHEREAS, the City Manager or the General Manager of Aurora Water, as designee, is authorized to approve and execute contracts on behalf of Aurora Water (Aurora City Code Section 2-62(c)).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. The Purchase and Sale Agreement for Water Rights and Real Property with Michael Hirakata as Seller is hereby approved and ratified by City Council.

Section 2. The Purchase and Sale Agreement for Water Rights and Real Property with Glenn and Michael Hirakata as co-owner Sellers is hereby approved and ratified by City Council.

Section 3. The Purchase and Sale Agreement for Water Rights and Real Property with Glenn and Carmen Hirakara as co-owner Sellers is hereby approved and ratified by City Council.

Section 4. The contemplated Lease agreement between Aurora Water and Sellers collectively (or their legal entity) to allow for continued farming by Sellers is hereby approved by City Council.

Section 5. City Council hereby directs staff and legal counsel to take all steps necessary to prosecute all water court and ancillary proceedings allowing for Aurora Water's use of the water rights as part of Aurora Water's municipal system.

Section 6. The Mayor and City Clerk are hereby authorized to execute the attached Agreements and Lease in substantially the form presented at this meeting with such technical additions, deletions, and variations as may be deemed necessary or appropriate by the City Attorney.

Section 7. The City Manager or designee is hereby authorized to execute agreements, amendments, or any other documents necessary to fully effectuate the intent of this resolution including, but not limited to, any amendments or modifications to the Agreements and/or Lease.

Section 8. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

Section 9. This resolution shall take effect immediately without reconsideration.

RESOLVED AND PASSED this _____ day of _____, 2026.

_____
MIKE COFFMAN, Mayor

ATTEST:

_____
KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:
PETER A. SCHULTE, CITY ATTORNEY

Ian J Best RLA
_____
By: IAN BEST, Sr. Assistant City Attorney

PURCHASE AND SALE AGREEMENT
(Water Rights and Real Property)
[Glenn / Carmen]

This Purchase and Sale Agreement (Water Rights and Real Property) ("Contract" or "Agreement") is entered into as of the Effective Date (as defined in Section 39 below), by and between Glenn R. Hirakata, an individual and Carmen R. Hirakata whose principal address is 26250 County Road 22 Rocky Ford, CO 81067 (collectively, "Seller"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 26791 E. Quincy Ave., Aurora, Colorado 80016 ("Buyer"). Seller and Buyer shall be referred to herein as "Party", and collectively as "Parties".

Recitals and Representations

A. Seller represents that it is the owner of unencumbered marketable title to 151 shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented by the following share certificate numbers (the "Subject Stock"), the water derived therefrom, and all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, title, or interests represented by the Subject Stock (collectively with the Subject Stock, hereinafter referred to as the "Subject Water Rights"):

Current Certificate Number	Shareholder on Certificate	Number of Shares
0179A	Glenn & Carmen Hirakata J.T. & The First National Bank as mortgagee	151

B. Seller is the owner of approximately 166.56 acres of land, located in Otero County, Colorado as described on Exhibit A attached hereto (the "Land"), together with Seller's interest in and to all rights, benefits, privileges, easements, tenements, hereditaments, reversions, remainders, rights-of-way and other appurtenances and improvements located on the Land, (the "Real Estate").

C. Seller represents that the water derived from the Subject Water Rights is and has been used to irrigate approximately 151.37 acres of the Land.

D. Seller represents that it is the owner of marketable title to the Real Estate (including any improvements thereon).

E. Buyer is a Colorado municipal corporation, and as such has a need and necessity for the Subject Water Rights and Real Estate for the purposes of supplying water for municipal and other uses to the inhabitants of the City of Aurora, Colorado and others.

F. Buyer is desirous of purchasing the Subject Water Rights and the Real Estate and any and all entitlements, approvals, licenses, plans, specifications or permits located on or related to the Real Estate including all equipment and permits related to the storage or conveyance of water and any water wells located on or historically used in connection with the Land including irrigation of the Land and those specific items and well permits identified on Exhibit F attached hereto (the "Personal Property") all upon the terms and conditions as hereinafter described.

G. The Parties have agreed to the purchase and sale of the Subject Water Rights and the Real Estate, including a lease back by Seller for the purposes of farming, on the terms and conditions set forth herein below.

NOW THEREFORE, in consideration of the foregoing recitals and representations and in consideration of the covenants, promises, payments and agreements herein set forth the adequacy, sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Sale and Purchase; Agricultural Lease.

1.1 Subject to the terms and conditions hereinafter provided, Seller hereby agrees to sell the Subject Water Rights, the Real Estate, including all appurtenances thereto, all improvements located thereon, and the Personal Property (collectively, the "Property"), subject to Seller's covenants and obligations hereunder to Buyer.

1.2 Agricultural Lease.

1.2.1 At the Closing, Buyer and Seller's designated farming entity as approved by Buyer, which approval shall not be unreasonably withheld, during Buyer's Due Diligence Period (the "Lessee Farmer"), shall enter into a farming lease for Seller's use of the Subject Water Rights substantially in the form of the Agricultural Lease attached hereto as Exhibit E (the "Agricultural Lease").

1.2.2 Buyer anticipates entering into two separate purchase and sale agreements (a) one with Michael C. Hirakata and (b) another with Michael C. Hirakata and Glenn R. Hirakata each for other shares of the Ditch Company and related Real Estate and each providing for a post-closing agricultural lease substantially similar to the Agricultural Lease (each a "Related Contract" and, collectively, the "Related Contracts").

(a) If Buyer closes on its purchase under one or both of the Related Contracts on the same date as this Contract and provided that the sellers under such Related Contract or Related Contracts have designated the same farming entity as the Lessee Farmer then the Parties will modify the form of Agricultural Lease attached to this Contract to reference all of the Real Estate and Subject Water

Rights under this Contract together with such Related Contract or Related Contracts and to reference the entirety of the irrigated acreage and such modified form of lease will serve as the Agricultural Lease under this Contract and the other Related Contract or Related Contracts then being closed. The modified terms of the form of Agricultural Lease attached to this Contract consist of the bracketed provisions and those exhibits describing the subject Premises.

(b) If Buyer closes on its purchase under one or both of the Related Contracts prior to the Closing Date of this Contract and entered into an Agricultural Lease pursuant to said Related Contract(s) with the same farming entity as the Lessee Farmer then Buyer may elect, in its discretion, to either (i) enter into a new Agricultural Lease pursuant to this Contract or (ii) amend the Agricultural Lease or leases previously executed with the seller(s) under the applicable Related Contract(s) to include and reference all of the Real Estate and Subject Water Rights under this Contract together with such Related Contract or Related Contracts and to reference the entirety of the irrigated acreage and such amended of lease will serve as the Agricultural Lease under this Contract. The modified terms of the form of Agricultural Lease attached to this Contract consist of the bracketed provisions and those exhibits describing the subject Premises.

2. Purchase Price.

2.1 The "Purchase Price" for the Property and Seller's covenants and obligations hereunder is $2,680,250.00 subject to prorations and adjustments and payment schedule as provided for herein.

2.2 Seller and Buyer acknowledge and agree that, for purposes of determining any sales or use taxes payable in connection with the conveyance of the Personal Property, (i) $1.00 of the Purchase Price shall be allocated to the Personal Property and (ii) the Personal Property shall be deemed to have a value of $1.00.

3. Title and Title Review.

3.1 The Parties agree that in order to consummate the transaction contemplated by this Contract, title to the Property must be unencumbered and marketable in Seller so the Real Estate (subject to the Permitted Exceptions (as defined below)) and the Personal Property and Subject Water Rights may be delivered free, clear and unencumbered in any way to Buyer and that Buyer's obligations under this Contract are specifically conditioned and contingent on Seller possessing such title prior to the Closing Date (as defined in Section 5.1 below). Notwithstanding any other provisions of this Contract, if Seller does not have such title in the Property on the Closing Date, Buyer may terminate this Contract, except for any provisions hereof which specifically survive termination of this Contract, in which case all

partial payments and any other funds placed in escrow, if any, with Escrow Agent (as defined in Section 5.1 below) by Buyer shall be immediately refunded to Buyer.

3.2 On or before the date that is five (5) business days after the Effective Date, Seller shall deliver to Buyer: (i) a complete copy of the certificate(s) for the Subject Stock (front and back); (ii) a copy of any and all leases or other possessory interests held by third parties in the Real Estate or the Subject Water Rights and written disclosure of any such other leases or possessory interests of which Seller has knowledge; and (iii) to the extent they exist and are in Seller's possession, a copy of Seller's most current title insurance information and survey of the Real Estate, including copies of agreements, easements, permits, licenses, contracts or ground leases; and (iv) any contracts affecting the Subject Water Rights and Real Estate to the extent such contracts are in Seller's possession. Buyer may obtain a current title insurance commitment (the "Commitment") for an American Land Title Association ("ALTA") easement holder's policy (the "Title Policy"), written by the Title Company (as defined in Section 5.1 below) in the amount of the Purchase Price, agreeing to insure good and marketable title in the Real Estate along with copies of any and all documents identified as exceptions in the Commitment. Upon Buyer's request, Seller shall provide to Buyer, written consent in a form acceptable to the Ditch Company from Seller consenting to Buyer's review of the Ditch Company records as relates to the ownership and status of the Subject Water Rights. Buyer agrees it will be responsible for the costs of any evaluation of any materials necessary to determine the status of the Property. Seller hereby further consents to Buyer's lawful actions in obtaining records and information from title companies, lenders, governmental agencies, ditch companies, and other third parties relating to title, ownership, liens, encumbrances, taxes, and assessments affecting the Subject Water Rights or Property, and agrees to provide to Buyer such other documents within Seller's possession as Buyer may reasonably request that are material to the transactions contemplated by this Agreement. Seller shall cause the Commitment to be updated by the Title Company prior to the Closing. Any exceptions on such updated Commitment that were not included on the initial Commitment reviewed and approved by Buyer and are not due to the actions of Buyer shall each be considered an impermissible encumbrance on Seller's marketable title to the Real Estate, in which case Buyer shall have the right, in its sole discretion, to either: either: (i) terminate this Contract; or, (ii) proceed to Closing and waive such objections or defects in writing.

3.3 Buyer may give written notice to Seller, or Seller's attorney, of its disapproval, in Buyer's sole discretion, of any matter contained in the Commitment and/or a survey of the Real Estate, if obtained by Buyer ("Objection Notice"). If Buyer provides an Objection Notice to Seller on or before the expiration date of the Due Diligence Period (as defined in Section 4 below), Seller shall have ten (10) days from the receipt of such Objection Notice to cure the objections or defects so specified (which cure may include the Title Company's commitment to issue a commercially reasonable endorsement over such defect and/or Seller's commitment to cause an encumbrance to be released at Closing, including through the use of proceeds from the Purchase Price), or notify Buyer that it does not intend to cure any such objections. If Seller (i) fails to cure any objection described in an Objection Notice to Buyer's satisfaction, (ii) notifies Buyer that it does not intend to cure an objection, or (iii) fails to respond within such ten (10) day period (which failure to respond shall operate the same as if Seller had notified Buyer that it does not intend to cure any objections), then Buyer shall have a five (5) business day period in which to either: (I) terminate this Agreement by delivery of written notice to Seller and to the Title Company so stating, whereupon any partial payments and

any other funds placed in escrow, if any, with Escrow Agent by Buyer shall be immediately refunded to Buyer and this Agreement shall thereafter be of no further force and effect, except for any provisions hereof which specifically survive termination of this Agreement, and Buyer shall return all information delivered to Buyer by Seller; or (II) waive such objections or defects in writing, in which event the parties shall proceed to Closing, any such uncured objection(s) shall thereafter be deemed a Permitted Exception, and this Agreement shall continue in full force and effect. Any taxes and assessments for the year of Closing and subsequent years, any building restrictions, zoning regulations and all other laws applicable to Property, and any matter of title shown on the Commitment other than those that the Title Company has agreed to remove or the Seller has agreed to remove or cure in response to an Objection Notice are referred to herein as a "Permitted Exception" and collectively, the "Permitted Exceptions" to title. Notwithstanding the foregoing, Permitted Exceptions shall not include any liens, or documents evidencing liens, securing any indebtedness or any mechanics' or materialmen's liens (other than for any work done by or on behalf of Buyer) or any claims therefor to which Seller is a party and covering the Property or any portion thereof ("Seller Liens"), each of which Seller Liens shall be paid in full by Seller and released at Closing.

3.4 Buyer shall cause a licensed surveyor to prepare a metes and bounds description and depiction of the Land consistent with the depictions attached to this Contract for use on the Deed and Title Policy prior to the end of the Due Diligence Period. Buyer and Seller shall agree upon the final legal description for the Land during the Due Diligence Period (as defined below). Neither Party shall unreasonably withhold its approval of the legal descriptions. If Seller does not agree to Buyer's proposed legal descriptions, Buyer may terminate this Contract prior to the end of the Due Diligence Period.

3.5 If the Parties have not agreed on a per-acre consideration for fallowed acres as provided for under Section 3.4.2.2 of the form of Agricultural Lease before execution of this Contract, the Parties shall use commercially reasonable efforts to make that determination during the Due Diligence Period.

3.6 If Buyer reasonably determines in good faith that Seller's title to the Subject Water Rights or the Real Estate is encumbered and not merchantable, Buyer shall give notice thereof in writing prior to expiration of the Due Diligence Period, as defined in Section 4, below. Seller will then have ten (10) business days to correct the defects. If at the end of such ten (10) business day period, title is not rendered unencumbered (except for the Permitted Exceptions) and merchantable, as reasonably determined by Buyer in good faith, then Buyer shall have the right, in its sole discretion to either: (i) terminate this Contract; or (ii) proceed to Closing and either, (A) waive such objections or defects in writing and/or (B) apply a portion of the Purchase Price to pay off or otherwise cure any such defect or encumbrance at Closing. Buyer shall make its election among the options described above on or before the tenth business day following the end of such ten (10) business day period. In the event that Buyer elects to proceed to Closing the date scheduled for the Closing shall be extended a reasonable number of days. No such defect or objection shall be deemed cured or waived unless Buyer so specifies in writing.

4. Due Diligence Period.

4.1 The Due Diligence Period runs beginning on the Effective Date until the date which is ninety (90) days thereafter (the "Due Diligence Period"). During the Due Diligence Period, Buyer may terminate this Contract for any reason or no reason.

4.2 To the extent not previously provided by Seller to Buyer, on or before the date that is ten (10) business days after the Effective Date, Seller will deliver to Buyer the following documents related to the Property to the extent they exist, are in Seller's possession and are not part of public records or included in the materials delivered under Section 3 above: existing surveys; engineering studies and reports; soils, flood, and geotechnical studies, reports, and tests; seismic reports; environmental surveys and reports; warranties and guarantees; all governmental and quasi-governmental permits, approvals, entitlements, zoning documents, notices, reports, citations, non-privileged correspondence (exclusive of invoices, billing information, and similar non-substantive documents); inspection reports; operating records; a copy of any and all leases or other possessory interests held by third parties in the Property (or written disclosure of any such leases or possessory interests if such agreement is not written), and copies of any contracts affecting the Property which would be binding upon Buyer following the Closing; all documents and information related to use of the Subject Water Rights, including historical irrigation records and dry-up reports; any other documents materially related to the Property, including any environmental assessments (collectively, the "Seller Deliveries").

4.3 If Buyer terminates this Contract pursuant to this Section, Buyer shall promptly return to Seller, or destroy, all non-public documents, records, reports, and other Seller Deliveries furnished by Seller, except for one archival copy retained by Buyer or Buyer's legal counsel solely for legal, regulatory, audit, or record-retention purposes.

4.4 Buyer shall, consistent with its obligations under the Colorado Public (Open) Records Act, maintain the confidentiality of all non-public information received from Seller provided that (i) the existence of this Contract and the proposed purchase and sale of the Property shall not be considered non-public information and (ii) Buyer may disclose such information: (a) to those of their respective officers, directors, employees, advisors, agents, members or affiliates, or any person acting on its behalf (its "Related Parties") who shall require access thereto for the purpose of evaluating the Property and the proposed transaction under this Contract and who are informed of the confidential nature of such information, (b) as may be required by law or to comply with a lawful judicial process, (c) as otherwise reasonably required in connection with obtaining approval and ratification of this Contract from City Council (as defined in Section 34 below) or (d) upon notice to Seller, as reasonably determined by Buyer as necessary to effectuate Buyer's use of the Water Rights and operation of the Agricultural Lease. The City will, consistent with its obligations under the Colorado Public (Open) Records Act treat any such proprietary information as confidential information and the City agrees to treat, and shall use good faith efforts to cause its Related Parties to treat this Contract and the Proposed Transaction as confidential information. The obligations of this Section shall survive any termination of this Contract.

5. Closing.

5.1 Closing Date. The closing on this Contract (the "Closing") is scheduled to occur on the day that is sixty (60) days following the end of the Due Diligence Period or such other date as mutually agreed to by the Parties as the same may be extended as provided for in this Contract (the "Closing Date") at the offices of ABC Title & Closing Services at 300 Main Street, Ste. A, Ordway, CO 81063 or such other company or location as selected by Buyer ("Escrow Agent" and "Title Company") or such other escrow agent or title company as the Parties may mutually agree.

5.2 Closing Deliveries.

5.2.1 On or before Closing, Buyer shall deliver or cause to be delivered to Escrow Agent: (1) the Purchase Price subject to prorations as provided for under this Contract; (2) an executed counterpart of the Agricultural Lease; (3) an executed counterpart of the Joint Instruction Letter; and (4) the closing statement, such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy.

5.2.2 On or before the Closing Date, Seller shall deliver to the Escrow Agent each of the following items:

(a) The original certificate(s) for the Subject Stock;

(b) A special warranty deed for the Subject Water Rights from Seller to Buyer with respect to the Subject Stock substantially in the form attached hereto as Exhibit B (the "Water Deed");

(c) One or more share assignment(s) for the Subject Stock from Seller to Buyer (collectively, "Share Assignment") and, to the extent that title to the Subject Stock is also held by a lender or other third party, an assignment from such third party either to Seller or Buyer, all in forms mutually agreed upon by the Parties and acceptable to the Ditch Company, which assignment shall include the appointment of an officer of the Ditch Company as attorney-in-fact with authority to change the ownership records of the Ditch Company with respect to the Subject Stock;

(d) A special warranty deed for the Real Estate from the Seller to the Buyer, substantially in the form attached hereto as Exhibit C, subject to the Permitted Exceptions (the "Deed");

(e) A bill of sale and general assignment, conveying good and marketable title to all Personal Property to Buyer in the form attached hereto as Exhibit D;

(f) A counterpart of the Agricultural Lease executed by the Lessee Farmer;

(g) Such documentation as required to effect the transfer of Seller's rights with respect to any augmentation plan applicable to water wells on the Land, including, if applicable, such transfer and change in use forms as may be required by the augmentation plan contracts identified during Buyer's Due Diligence Period, if any;

(h) An estoppel or other documentation from the Ditch Company in forms acceptable to Buyer and approved during Buyer's Due Diligence Period certifying that: (A) all assessments due with respect to the Subject Stock are paid in full; (B) the Subject Stock is validly issued and outstanding in the name of Seller; and (C) the Ditch Company shall permit the transfer of the Subject Stock to Buyer;

(i) A counterpart of a joint instruction letter from Buyer and Seller addressed to the Ditch Company providing for the issuance of a separate share certificate for the Hold-Back Share(s) to Seller (the "Joint Instruction Letter");

(j) Such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy to Buyer.

5.2.3 Each Party shall further execute and deliver such documentation as may be reasonably requested by Escrow Agent or Title Company. Seller shall, at Seller's expense, cause the Title Company to issue the Title Policy promptly after the Closing, and Title Company shall record the Water Deed and the Deed.

5.2.4 Buyer's obligation to close under the Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent (collectively, "Buyer's Closing Conditions"):

(a) The Title Company shall be prepared and irrevocably committed in writing to issue to Buyer the Title Policy subject only to the Permitted Exceptions and with all endorsements requested by Buyer or agreed to by Seller in satisfaction of Buyer's Objection Notice.

(b) Seller's cure of any title matters on or before Closing, if Seller has agreed to cure such title matters.

(c) Seller's representations and warranties in this Contract shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(d) Seller shall have timely performed all covenants and obligations and timely complied with all conditions required by this Contract to be performed or complied with by Seller on or before the Closing Date, including without limitation timely delivery of all of Seller's Closing Deliveries to the Title Company.

(e) There shall not be pending any threatened litigation which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Contract or declare illegal, invalid, or nonbinding any of the covenants or obligations of the Seller or adversely affect the Property or Buyer's use of the Property.

(f) Seller shall not be a debtor in any bankruptcy proceeding nor shall have been in the last 12 months a debtor in any bankruptcy proceeding.

(g) There shall be no parties in possession of the Property other than pursuant to the Agricultural Lease or as otherwise permitted under matters of record described in the Commitment.

(h) Buyer, acting reasonably and in good faith, shall determine that the transaction contemplated under this Contract complies with applicable laws, rules and regulations applicable to the Real Estate, Subject Water Rights, and Buyer, including the Intergovernmental Agreement between Buyer and the Southeastern Colorado Water Conservancy District dated October 3, 2003.

5.2.5 If any of Buyer's Closing Conditions are not met, Buyer may either, in Buyer's sole discretion: (i) waive the applicable Buyer's Closing Condition and proceed to Closing on the Closing Date, (ii) extend the Closing Date for up to thirty (30) days, or such longer period as the Parties mutually agree, (iii) terminate this Contract and receive a return of any funds deposited with Seller or the Escrow Agent, if any, or (iv) if such failure constitutes a default by Seller, exercise any or all of its rights and remedies set forth in this Contract.

6. Ditch Assessments; Prorations; Taxes.

6.1 Seller agrees to fully pay and continue to pay, or cause to be paid, any and all ditch assessments associated with and accruing to the Subject Stock through and including the

Closing Date. At Closing, Buyer agrees to assume any such future obligations for assessments incurred from and after the Closing Date.

6.2 All real and personal property taxes related to the Personal Property and Real Estate (if any) shall be prorated as of 11:59 PM on the day prior to the Closing. If the Closing shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. Seller shall pay at or before Closing all real and personal property taxes (including prorated property taxes of the current year) and special assessments, if any, which are attributable to the period before the Closing. Any amounts not paid as of the Closing Date shall be deducted from the Purchase Price and paid to the applicable taxing authorities. All such prorations shall be final as of the Closing Date.

6.3 All water rates, utility charges, and all other costs and income related to the Real Estate (if any) shall be prorated and adjusted as of 11:59 PM on the day prior to the Closing. All such prorations shall be final.

7. Commissions. Seller hereby warrants to Buyer and Buyer hereby warrants to Seller that neither of them has dealt with any broker, finder or other agent in connection with the transaction contemplated hereby. Seller hereby agrees to indemnify and hold Buyer harmless from and against any claim by a third party for brokerage commission, finder's or other fees relative to this Contract and any court costs, attorneys' fees or other costs or expenses arising therefrom and alleged to be due by authorization of the indemnifying party. The provisions of this section shall survive the closing or termination of this Contract.

8. Closing Costs/Escrow Charges. The Parties will each pay one-half of the closing costs of the Escrow Agent for the Closing and all recording costs. Seller shall pay the premiums for the Title Policy. Seller shall pay the transfer costs, if any, imposed by the Ditch Company with respect to the transfer of the Subject Stock at the Closing.

9. Status and Authority of Seller. Seller hereby represents and warrants the following: (a) Seller has full power and authority to enter into this Contract and to carry out the transactions contemplated by this Contract, and (b) this Contract and its execution and delivery to Buyer will not result in a breach of, or constitute a default under, any indenture, loan or credit agreement, mortgage, deed of trust or other agreement to which Seller is a party or otherwise bound.

10. Additional Representations and Warranties of Seller. In addition to Seller's other representations and warranties contained in this Contract, Seller hereby represents, warrants, and agrees that as of the Effective Date, and on the date of Closing, except as may be caused or created by Buyer:

10.1 Seller reaffirms the representations and warranties expressly set forth in this Contract;

10.1.1 Seller is, or as of Closing shall be, the owner of marketable title to the Subject Stock and Subject Water Rights and, subject to the Permitted Exceptions, marketable title to the Real Estate;

10.1.2 The water derived from the Subject Stock has been historically used to irrigate the Real Estate;

10.1.3 To Seller's knowledge, without duty of inquiry, there are no pending judicial, municipal, or administrative proceedings with respect to, or in any manner affecting the Property or in which Seller is a party, including proceedings for or involving condemnations, eminent domain, which in any manner affects the Property;

10.1.4 The execution and delivery of this Contract and the performance of all obligations hereunder by Seller do not and will not require any consent or approval of any third party, other than any notices, approvals, or consents expressly contemplated by this Agreement or the governing documents of the Ditch Company, and do not and will not result in a breach of, or constitute a default under, any indenture, loan agreement, credit agreement, mortgage, deed of trust, or other agreement.

10.1.5 Seller has received no written notice of any violations of any law, code, ordinance, rule or regulation or insurance policy affecting the Subject Stock or the Real Estate.

10.1.6 Except as disclosed to Buyer in writing there are no leases, subleases, licenses, contracts, unrecorded easements, or other agreements, written or oral, regarding the Subject Stock or the Real Estate, or granting to any party or parties the right to use or occupy all or any portion of the Subject Stock or the Real Estate that will be effective as of the Closing Date.

10.1.7 Except for the Agricultural Lease, there are no parties in possession of or entitled to possession of the Subject Stock or the Real Estate.

10.1.8 Other than any service contracts related to the Subject Stock or Real Estate provided to Buyer as part of the Due Diligence Materials and approved by Buyer, if any, there are no other such service contracts.

10.1.9 Seller is not bankrupt or insolvent, and has not filed for and is not involved in any voluntary or involuntary proceeding in bankruptcy under any applicable laws.

10.1.10 To Seller's knowledge, the Real Estate was not previously used as a methamphetamine laboratory.

10.1.11 To Seller's knowledge, Seller has provided to Buyer all Seller's Deliveries in Seller's possession and has not knowingly withheld or failed to disclose any Seller's Deliveries. Seller makes no representation or warranty, express, written, oral, statutory, or implied, with respect to the accuracy of any third-party documents or reports provided by Seller as Seller Deliveries.

11. Seller's Covenants.

11.1 Water Court Cooperation. After the Closing, Buyer may, at its own cost and expense: (a) seek use of the Subject Water Rights as an interruptible water supply pursuant to C.R.S. §37-92-309 or such subsequent applicable statute ("IWSA Approval"); or (b) submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Water Rights including, without limitation, for a change of the point of diversion and type, and place of use for Buyer's intended uses, including without limitation, for: storage, augmentation, replacement, direct municipal and industrial use, and exchange uses (each a "Change Case"). Upon reasonable advance notice, Seller shall, in connection with IWSA Approval or a Change Case, and with any approvals required of the Ditch Company in connection with Buyer's IWSA Approval or Change Case (including any so-called "Catlin" approval requirements), at no cost to Seller: (i) reasonably cooperate with Buyer to provide, to the extent in Seller's possession, information and records of water use concerning the Subject Water Rights; and (ii) testify truthfully on behalf of Buyer without subpoena or payment of witness or expert witness fees concerning Seller's historical use of the Subject Water Rights at any deposition, motions hearing, trial, or Ditch Company meeting involving the Subject Water Rights. Buyer shall reimburse Seller for reasonable out-of-pocket travel and lodging expenses incurred in providing such testimony. Seller agrees not to file a statement of opposition to Buyer's Change Case or object to any application for an IWSA Approval provided the same is substantially consistent with the Agricultural Lease. The provisions of this Section shall survive the Closing.

11.2 Duty to update representations between the Effective Date and Closing. Between the Effective Date and the Closing Date, Seller shall promptly (but prior to the Closing) notify Buyer in writing of any fact, event, circumstance or action known to Seller (i) which, if known on the Effective Date, would have been required to be disclosed or (ii) the existence or occurrence of which would cause any of Seller's representations or warranties under this Contract not to be correct and complete. Buyer may elect, within three (3) business days after receipt of Seller's notice but prior to the Closing, to terminate this Contract by giving written notice to Seller and Escrow Agent.

11.3 Seller shall not create or consent to the creation of any lien (other than liens arising in the ordinary course and released at Closing), encumbrance, or other matter affecting title to any part of the Property without Buyer's prior written consent, which may be withheld in Buyer's sole and absolute discretion.

12. Notices. All notices, requests, demands, or other communications (collectively, "Notices") hereunder shall be in writing and given by (i) established express delivery service that maintains delivery records requiring a signed receipt, (ii) hand delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested to the Parties at the following address, or at such other address as the Parties may designate by Notice in the above manner.

To Buyer:	City of Aurora 15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555 Attn: City Attorney
with copy to	City of Aurora 26791 E Quincy Ave Aurora CO 80016 Attn: General Manager, Aurora Water
with copy to	Brownstein Hyatt Farber Schreck, LLP 675 15th Street, Suite 2900 Denver, CO 80202-4432 Attn: Andrew Meyers
with copy to	City of Aurora c/o Real Property Services Manager 15151 E. Alameda Pkwy, Suite 3200 Aurora, CO 80012-1555 hreynoso@auroragov.org
To Seller:	Frascona Joiner Goodman & Greenstein PC 4750 Table Mesa Drive Boulder, CO 80305 Email address: jordan@frascona.com

Notices shall be effective (x) the next day following the date sent by an established express delivery service which maintains delivery records requiring a signed receipt, (y) upon receipt by the addressee of a hand delivery, or (z) three (3) days following the date of mailing via certified or registered mail, postage prepaid, return receipt requested.

13. No Warranty Concerning Tax Status. Although this Contract does not contemplate the payment of interest by Buyer, in the event that any interest would be paid, Buyer makes no warranty nor guarantee that any such interest paid as a result of any transaction would be excusable from gross income or federal, state or local income tax purposes.

14. Amendment. This Contract may be modified, amended, changed or terminated in whole or in part only by written agreement duly authorized and executed by each of the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety.

15. Waiver. Any waiver of any breach of any provision of this Contract by any Party shall not constitute a continuing waiver of any subsequent breach of said Party, for either breach of the same or any other provision of this Contract.

16. Entire Agreement. This Contract represents the entire agreement of the Parties and neither Party has relied upon any fact or representation not expressly set forth herein. All

prior and contemporaneous conversations, negotiations, possible alleged agreements, representations, covenants and warranties concerning the subject matter hereof, are merged in this Contract.

17. Headings for Convenience Only. Paragraph headings and titles contained herein are intended for convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Contract.

18. Binding Effect and Assignability. This Contract and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, if any. Seller may not assign its rights or delegate its duties hereunder without the prior written consent of Buyer, which Buyer may withhold in its sole discretion, except as provided for in Section 38. Any assignment of the Contract by Buyer shall be in writing duly authorized and executed by the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety memorialized by a restatement of this Contract in its entirety. Buyer shall be entitled to assign its rights and obligations hereunder without the consent of Seller.

19. Survival of Representations. Those representations and warranties set forth in Sections 9 and 10 of this Contract shall not merge in any deed, assignment, covenant, escrow agreement, easement, lease or any other document, but shall survive each nevertheless at the Closing, and be binding and obligatory upon each of the Parties for a period of one (1) year.

20. Governing Law and Venue. This Contract and its application shall be construed in accordance with the law of the State of Colorado. Should it be necessary to initiate court proceedings concerning this Contract, the Parties agree that venue shall be in the District Court for Otero County, Colorado.

21. No Recording. This Contract shall not be recorded. Notwithstanding this provision, at Closing, Title Company shall record the Deed and the Water Deed with the Otero County Clerk and Recorder's Office.

22. Multiple Originals. This Contract may be simultaneously executed in any number of counterparts, each of which shall be deemed an original, but all of which constitute the same agreement.

23. Definitions and Interpretations. Except as otherwise provided herein nouns, pronouns and variations thereof shall be deemed to refer to the singular or plural, and masculine or feminine, as the context may require. Any reference to a policy, procedure, law, regulation, rule or document shall mean such policy, procedure, law, regulation, rule or document as it may be amended from time to time.

24. No Construction Against Drafter. This Contract has been prepared by the combined efforts of Seller and Buyer and their respective legal counsel as Seller and Buyer so desired, accordingly the Parties agree there shall be no construction against the drafter of this Contract should any dispute arise.

25. Sole Obligation of Utility Enterprise.

25.1 This Contract shall never constitute a general obligation or other indebtedness of the City of Aurora (the "City"), or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City.

25.2 In the event of a default by the City's Utility Enterprise of any of its obligations under this Contract, Seller shall have no recourse for any amounts owed to it against any funds or revenues of the City except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Contract shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City.

26. Conveyance to City of Aurora. Seller hereby acknowledges and agrees that any deliveries required to be made to Buyer hereunder may, at Buyer's request, be modified to provide for delivery directly to and in the name of the City of Aurora, Colorado.

27. Specific Performance. Either Party shall be entitled to seek the remedy of specific performance to enforce the terms of this Contract.

28. No Attorney's Fees and Costs. In the event of any litigation, mediation, arbitration or other dispute resolution proceedings arising out of or related to this Contract, each Party agrees to be responsible for its own attorney's fees and other professional fees, costs and expenses associated with any such proceedings.

29. Non-Severability; Effect of Invalidity. Each Section in this Contract is intertwined with the others and are not severable unless by mutual consent of Buyer and Seller or as provided for below. If any provision or portion of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable for any reason by a Court of competent jurisdiction, and the basis of the bargain between the Parties is not destroyed or rendered ineffective thereby, the remainder of this Contract, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

30. Intent of Contract. This Contract is intended to describe the rights and responsibilities of and between Buyer and Seller and are not intended to, and shall not be deemed to, confer rights upon any person or entities other than signatories hereto, or to limit, impair, or enlarge in any way the powers, regulatory authority and responsibilities of Buyer or any other governmental entity not a party hereto.

31. Non-Business Days. If any date for any action under this Contract is on a Saturday, Sunday or a day that is a "holiday" as such term is defined in C.R.C.P. 6, then the relevant date shall be extended automatically until the next business day.

32. Further Assurances. Buyer and Seller will make, execute and deliver such documents and undertake such other and further acts in good faith as may be reasonably necessary to complete the transactions contemplated under this Contract.

33. Recitals and Exhibits. The recitals and exhibits attached hereto are hereby incorporated into this Contract.

34. Ratification by the City Council. The City Manager of the City of Aurora approves this Contract pursuant to Chapter 2, Article III, Section 2-62(b) of the Code of Ordinances of the City of Aurora, subject to the ratification of the City Council of the City of Aurora ("City Council"). Buyer's obligations under this Contract are expressly contingent and conditioned on such ratification of this Contract by City Council by way of an ordinance or such other means as Buyer determines is necessary in accordance with the Aurora City Code, Charter, or applicable policies.

35. Authority of the City Attorney. By its ratification of this Contract as provided for in Section 34 above, City Council authorizes the City Attorney of the City of Aurora, without further action by City Council, to (i) make any such amendments or other modifications of this Contract as City Attorney may deem necessary for the purpose of extending deadlines provided for in this Contract or effecting non-substantive administrative modifications to this Contract; and (ii) exercise any elections of Buyer as provided for under this Contract; provided, however, that City Attorney may not make any such amendment or modification which is reasonably expected to increase the amount of the Purchase Price payable by Buyer hereunder. This provision shall not entitle the City Attorney to unilaterally modify the Contract without the consent of Seller.

36. Signatures. The parties agree that Buyer may execute this Contract, the Agricultural Lease using a digital image (an image in the form of a PDF, JPEG, GIF file, DocuSign, SignNow or other e-signature), and the same shall be deemed as a true and correct original.

37. Joint and Several Liability. If Seller consists of two or more persons or entities, then such parties shall be jointly and severally liable for Seller's covenants, representations, warranties and other obligations under this Contract and requests or demands from any one person or entity comprising Seller shall be deemed to have been made of all such persons or entities.

38. 1031 Exchange. Seller may consummate the sale of the Subject Stock as part of a so-called like kind exchange (the "Exchange") pursuant to §1031 of the Internal Revenue Code of 1986, as amended, provided that: (a) the Closing shall not be delayed or affected by reasons of the Exchange, nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Seller's obligations under this Contract; (b) Seller shall effect the Exchange through an assignment of this Contract, or its rights under this Contract, to a

qualified intermediary, provided that such assignment shall not release Seller of its obligations hereunder; and (c) Buyer shall not be required to take an assignment of the purchase agreement for other property or be required to acquire or hold title to any real property for purposes of consummating the Exchange. Buyer shall reasonably cooperate in connection with the Exchange, but shall not be required to incur any additional expense or obligation (contingent or otherwise) in connection therewith. Seller shall indemnify, defend and hold harmless Buyer from and against any and all costs (including, without limitation, attorneys' fees), expenses, liabilities, losses and damages incurred by reason of the execution and/or delivery of any Exchange documents, or by reason of participating in the Exchange. The foregoing indemnity shall survive the Closing.

39. Effective Date. The "Effective Date" shall be the date on which this Contract is executed by Seller.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year indicated below.

BUYER:

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Marshall P. Brown, General Manager, Aurora Water — Date: Oct 26, 2026

APPROVED AS TO FORM FOR AURORA:

Ian Best, Assistant City Attorney — Date: Oct 26, 2026 — ACS#: 26.53

Andrew L. Meyers, Special Water Counsel — Date: Oct 23, 2026

REVIEWED FOR AURORA:

Hector Reynoso, Real Property & Survey Services Manager — Date: Oct 26, 2026

Richard Kienitz, Aurora Water Manager — Date: Oct 23, 2026

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 26th day of October, 2026, by Marshall P. Brown, General Manager, Aurora Water, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

Notary Public

My commission expires: 2/8/27

(SEAL)

ALEXANDER GAGLIARDI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234005206
MY COMMISSION EXPIRES 02/08/2027

Signature -1

Following ratification by the Aurora City Council:

City of Aurora, Colorado
acting by and through its
Utility Enterprise

_____ _____
Mike Coffman, Mayor Date

Attest:

_____ _____
Kadee Rodriguez, City Clerk Date

State of Colorado)
) ss
County of Arapahoe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by Mike Coffman, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(Seal)

SELLER:

By: _____
Glenn R. Hirakata, an individual

By: _____
Carmen R. Hirakata, an individual

STATE OF COLORADO)
) ss
COUNTY OF _____)

The foregoing Contract was acknowledged before me this 23rd day of October 2026 by Glenn R. Hirakata, an individual.

Witness my hand and official seal _____
Notary Public

My commission expires: 08/03/26

(SEAL)

ANN ELIZABETH REYES
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20184031177
MY COMMISSION EXPIRES AUG 3, 2030

STATE OF COLORADO)
) ss
COUNTY OF _____)

The foregoing Contract was acknowledged before me this 23rd day of October 2026 by Carmen R. Hirakata, an individual.

Witness my hand and official seal. _____
Notary Public

My commission expires: 08/03/26

ANN ELIZABETH REYES
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20184031177
MY COMMISSION EXPIRES AUG 3, 2030

(SEAL)

Signature -3

Exhibit – A
to
Purchase and Sale Agreement (Water Rights and Real Property)
Legal Description of Real Estate

PARCEL 1:
A tract of land lying in the NW1/4SW1/4 of Section 27, Township 23 South, Range 56 West of the 6th P.M., being more particularly described as follows:
Beginning at the Northeast corner of said NW1/4SW1/4 as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked PLS 12103 and considering the North line of said NW1/4SW1/4, (as monumented by a 2-1/2" aluminum pipe with 3-1/4" aluminum cap marked 12103 at its West end), bearing S.89°22'01"E., with all other bearings contained herein being relative thereto; thence S.0°14'59"W., along the East line of said NW1/4SW1/4, a distance of 1282.36 feet; thence N.89°12'12"W., 1073.63 feet; thence N.0°18'41"W., 1279.44 feet to a point on the North line of said NW1/4SW1/4; thence S.89°22'01"E., 1086.13 feet to the point of beginning. SUBJECT TO the North 20.00 feet of said tract for County Road CC.5 Right-of-Way purposes.
In the County of Otero, State of Colorado.
AND
A tract of land lying in the W1/2SW1/4SW1/4 of Section 27, Township 23 South, Range 56 West of the 6th P.M., being more particularly described as follows:
Beginning at the Southwest corner of the W1/2SW1/4SW1/4 of said Section 27 as monumented by a 2-1/2" aluminum pipe with 3-1/4" aluminum marked PLS 12103 and considering the West line of said W1/2SW1/4SW1/4, (as monumented by a similar pipe and cap at its North end), bearing N.0°15'33"E., with all other bearings contained herein being relative thereto; thence S.89°21'36"E., along the South line of said W1/2SW1/4SW1/4, a distance of 30.00 feet to the TRUE POINT OF BEGINNING; thence N.0°15'33"E., along the East Right-of-Way line of County Road 22, a distance of 1128.23 feet; thence S.88°04'36"E., 336.00 feet; thence S.65°05'42"E., 164.98 feet; thence S.50°47'01"E., 185.36 feet to a point on the East line of said W1/2SW1/4SW1/4; thence S.0°15'16"W., 937.31 feet to the Southeast corner of said W1/2SW1/4SW1/4; thence N.89°21'36"W., 630.05 feet to the True Point of Beginning. SUBJECT TO the South 30.00 feet of said tract for County Road CC Right-of-Way purposes.
In the County of Otero, State of Colorado

PARCEL 2:
Township 23 South, Range 56 West of the 6th P.M.
Section 28: All of the SE1/4, EXCEPT the N1/2N1/2SE1/4
In the County of Otero, State of Colorado.

Exhibit – B
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Special Warranty Deed

When recorded return to:

_____
_____
_____

Special Warranty Deed
(Water Rights)

This Special Warranty Deed, made this _____ day of _____, 202_, between _____, a _____, whose address is _____ ("Grantor"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Grantee").

WITNESSETH, that Grantor, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, Grantee's heirs and assigns forever all of the water rights described below (the "Water Rights"):

(a) The water rights represented by [____]shares of the capital stock of The Catlin Canal Company, a mutual ditch company organized and existing under the laws of Colorado, which share(s) are evidenced by the stock certificate numbers set forth below (collectively, the "Shares") and the water derived therefrom:

[____] Shares Represented by Stock Certificate Number [____].
[____] of the [_____] Shares Represented by Stock Certificate Number [____].
[_____]

(b) All beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said Shares, and in addition, and in no way limited by the foregoing, any and all other right, title or interest in The Catlin Canal Company represented by said Shares.

(c) The following well permits: [_____] [*See Exhibit F*]

TOGETHER with all and singular hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the above bargained Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above bargained and described with the appurtenances, unto Grantee and Grantee's heirs and assigns forever, and Grantor, for Grantor and Grantor's successors and assigns, does covenant and agree that Grantor shall WARRANT AND FOREVER DEFEND the above-bargained Water Rights in the quiet and peaceable possession of Grantee and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor.

IN WITNESS WHEREOF, Grantor has executed this Deed on the date set forth above.

By: _____
[_____], an individual

By: _____
[_____], an individual

STATE OF COLORADO)
) ss
COUNTY OF _____)

The foregoing Special Warranty Deed was acknowledged before me this ____ day of _____ 202__ by [_____], an individual.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(SEAL)

STATE OF COLORADO)
) ss
COUNTY OF _____)
The foregoing Special Warranty Deed was acknowledged before me this ____ day of _____ 202__ by [_____].

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(SEAL)
FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – C
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Special Warranty Deed – Real Estate

[see following page]

SPECIAL WARRANTY DEED

THIS DEED, dated this _____ day of _____, 202_, between, _____, a _____, whose address is _____, _____, County of _____ and State of Colorado, hereinafter referred to as "Grantor", and the **City of Aurora, Colorado**, a home rule municipal corporation of the Counties of Adams, Arapahoe and Douglas, acting by and through its Utility Enterprise, hereinafter referred to as "Grantee", whose legal address is 15151 E. Alameda Parkway, Aurora, Colorado 80012-1555.

WITNESS, that the Grantor(s), for and in consideration of the sum of One and no/100-------Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto the Grantee, Grantee's heirs, successors, and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Otero and State of Colorado, described as follows:

See Exhibit A wherein the description is more fully set forth. Said Exhibit A is attached hereto and incorporated herein by reference.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever of Grantor, either in law or equity, of, in, and to the above bargained Premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Premises above bargained and described, with the appurtenances, unto the Grantee, Grantee's heirs, successors, and assigns forever. The Grantor, for Grantor and Grantor's heirs, successors, and assigns, do covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained Premises in the quiet and peaceable possession of Grantee, Grantee's heirs, successors, and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by through or under the Grantor, subject only to those matters shown on Exhibit B attached hereto and incorporated herein.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

[SIGNATURES APPEARING ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

_____

a _____ _____ _____

By:_____

Title:_____

State of _____)
) §
County of _____)

The foregoing instrument was acknowledged before me this _____day of

_____202___, by _____, _____, of the _____

, a _____.

Witness my hand and official seal.
My commission expires:

SEAL

_____
Notary Public

SURVEYOR NAME, PLS #######, for and on behalf of NAME, ADDRESS, CITY, STATE, ZIP
Name and address of person creating newly created legal description (38-35-106.5, C.R.S.)

REVIEWED BY:

Hector Reynoso
Real Property Services – Manager

APPROVED AS TO FORM:

Stephen Cann
Senior Assistant City Attorney

REVIEWED BY:

Richard Kienitz
Arkansas Valley Resources Manager

FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – D
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Bill of Sale

BILL OF SALE

Effective this _____ day of _____, 202_, _____, whose address is _____ ("Seller") for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, bargains, sells, grants, and transfers to the City of Aurora, Colorado, a home-rule municipal corporation, acting by and through its Utility Enterprise of the counties of Adams, Arapahoe and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Buyer"), all of its interest in the following personal property, goods, and chattels:

1. All of the equipment, machinery, supplies, materials, entitlements, approvals, licenses, plans, specifications, personal property, goods, fixtures, equipment, improvements, ditches, pipelines, wells, headgates, and measuring devices located on or related to the real property described on Exhibit A attached hereto (the "Real Property"), including but not limited to those described in Exhibit B attached hereto.

2. All books, records, files, water rights accounting, documents, reports, permits, designs, plans, specifications, blueprints, drawings, manuals, service instructions, diagrams, data, and operating procedures associated with the construction, installation, operation and maintenance of any such property.

TO HAVE AND TO HOLD the same unto the Buyer its successors and assigns forever. Seller covenants and agrees to and with Buyer, its successors and assigns, to warrant and defend the title to the personal property, goods and chattels conveyed herein against all and every person or persons whomever claiming under Seller.

EXCEPT AS PROVIDED FOR ABOVE, THE PERSONAL PROPERTY, GOODS AND CHATTELS ARE CONVEYED TO BUYER "AS IS, WHERE IS" WITH ALL FAULTS, WITHOUT ANY REPRESENTATION OR WARRANTY, WHATSOEVER.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed and subscribed to by its duly authorized representative.

SELLER

_____,
a/an _____

By: EXHIBIT – DO NOT EXECUTE_____
Name:_____

Title: _____
Date: _____

Exhibit A
Legal Description of the Real Property

Exhibit B
Non-Exhaustive List of Personal Property

[*insert Exhibit F to Contract.*]

Exhibit – E
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Agricultural Lease
AGRICULTURAL LEASE [No. [_]]

This Agricultural Lease [No. [_]] ("Lease") is entered into as of _____, 202_ (the "Effective Date") between the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 15151 East Alameda Parkway, Suite 3200, Aurora Colorado 80012 ("Lessor") and _____ whose principal place of business is located at _____ ("Lessee"). Lessor and Lessee may be collectively referred to as the "Parties" or individually as a "Party."[*NTD: confirm which Lessee entity as provided for in the Contract*]

For good and valuable consideration, and in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1. LEASE GRANT AND PREMISES.

1.1. Lease. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, on the terms and conditions of this Lease including the Aurora IWSA as defined below, the following, which are hereinafter collectively referred to as the "Premises":

1.1.1. That certain real property currently consisting of (i) approximately [166.56] acres located in Otero County, Colorado, more specifically described in **Exhibit A-1** attached hereto; together with all appurtenances and related real property interests, including but not limited to easements, but excluding oil, gas, hydrocarbon and mineral rights (the "Farm"), and (ii) those certain improvements located on the Farm which are specifically described on **Exhibit A-2** attached hereto, if any (collectively, the "Improvements").

1.1.2. Certain water rights represented by shares in the Catlin Canal Company, a mutual ditch company as described on **Exhibit B-1** attached hereto, including all beneficial right, title and interest in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said shares (the "Subject Catlin Water Rights") historically used on the Irrigated Acreage (as defined below);

1.1.3. The water rights described on **Exhibit B-2** attached hereto ("Groundwater Rights"), consisting of three irrigation wells, together with any existing well augmentation contracts to further support the farming practices at the Farm.

1.1.4. The term "Irrigation Equipment" as used herein shall refer to that certain irrigation equipment owned by Lessor and installed or to be installed on the Premises, which Irrigation Equipment, as of the Effective Date, is described on **Exhibit C** attached hereto.

1.2. Term.

1.2.1. Initial Term. The term of this Lease (the "Term") shall commence on _____, 20__ (the "Commencement Date") and shall terminate at midnight on January 31, 20__ [insert date for a ten-year initial term] (the "Initial Term"), or as earlier terminated by the Parties, pursuant to the terms of this Lease (the "Termination Date").

1.2.2. Renewal Terms. Following expiration of the Initial Term, Lessee may request to extend the Term for up to two (2) successive ten (10)-year terms (each successive term shall be referred to as a "Renewal Term") by delivering written notice to Lessor not less than eighteen (18) months and not earlier than twenty four (24) months prior to expiration of the then current Term. If Lessee provides timely notice requesting extension of the Term for a Renewal Term pursuant to this Section, Lessor will provide written notice of Lessor's consent or rejection of Lessee's request no later than twelve (12) months prior to expiration of the then current Term. Lessor's consent shall not be unreasonably withheld; provided that Lessee acknowledges that it shall not be unreasonable for Lessor to withhold such consent if any of the following conditions exist: (a) Lessee is in Default beyond any applicable notice and cure period; (b) Lessee has been in Default beyond any applicable notice and cure period more than twice during the then-current Term (provided Lessor had provided notice of such default); (c) Lessee has failed to comply with the terms of this Lease, including Farming Standards (Section 3.3), the Water Accounting Responsibilities (Section 4.7) or to otherwise follow agricultural best management practices or comply with applicable agricultural, environmental, or water regulations; (d) Lessee has outstanding monetary obligations beyond normal billing cycles; (e) material changes in Lessee's operations that violate the permitted use or applicable law; or (f) a planned municipal use of the Premises or Water Rights inconsistent with a renewal of the Term. If Lessee fails to timely submit a request, a request for a Renewal Term, this renewal option shall terminate. If Lessor fails to timely respond to a Lessee request, Lessor will be deemed to have withheld its consent. If Lessor withholds consent to a Lessee request for a Renewal Term for any of causes (c), (d) or (e) above and provided such condition: (A) is capable of being cured within thirty (30) days; (B) has not or will not result in Lessor being in violation of any applicable laws, rules or regulations applicable to the Water Rights or any part of the Premises or liable for damages to any third party; and (C) Lessee does so cure such condition within thirty (30) days of Lessor's notice rejecting Lessee's renewal request, then it shall be unreasonable for Lessor to withhold its consent on the basis of such condition. Without limiting the terms of the foregoing process, at the request of either Party, the Parties shall meet within

twenty-four (24) months of the end of the Initial Term or the first Renewal Term to discuss terms and conditions for a potential Renewal Term.

1.3. Irrigated Acres: Irrigation Restrictions. The Farm includes approximately [151.37] historically irrigated acres (each, an "Irrigated Acre" and, collectively, the "Irrigated Acreage") depicted on **Exhibit D** and identified as *Irrigated Acres*. Lessee acknowledges and agrees that the Farm contains approximately [166.56] acres of land that historically have not been irrigated (the "Non-Irrigated Lands"), and that Lessee shall not cause or permit the irrigation of such land in the future (the "Non-Irrigated Acreage Restrictions"). [*Note: revise as necessary to accommodate land and water from the Related Contracts pursuant to Section 1.2.2 of the Contract, if applicable*]

1.4. Permitted Use; Acceptance. This Lease is made for the exclusive purpose of Lessee's farming of the Irrigated Acreage using the Premises including grazing and other activities normally associated with irrigated agriculture and for no other purposes. Any other uses must be pursuant to a separate agreement approved by Lessor in writing, in advance. This Lease is made subject to all governmental laws, ordinances, orders, regulations, codes, directives, variances, and all orders, permits, rules and regulations issued by or at the direction of any such governmental agency or authority or any board or instrumentality thereof, and all covenants, conditions, easements, and rights-of-way now or hereafter existing, whether or not of record. Lessee has inspected and hereby accepts the condition of the Premises and has made its own determination regarding the suitability of the Premises for Lessee's anticipated Farming Plan (as defined in Section 3.2 below) and use. Lessee is leasing the Premises "AS IS" and "WHERE IS" with all defects and defaults, latent or otherwise. Lessee accepts the Premises in its present condition and is not relying upon any representation or warranty by Lessor or any person acting on behalf of Lessor as to the condition or suitability of the Premises or Lessee's use thereof.

1.5. Surrender. At the end of the Term or the sooner termination of this Lease, Lessee agrees to quietly and peacefully surrender possession of the Farm in as good or better condition as at the inception of this Lease, along with possession of the Irrigation Equipment and any other Improvements on the Farm, all in good condition and working order, only reasonable wear and tear excepted.

2. RENT.

2.1. Rent. In each calendar year of the Term (each a "Lease Year"), Lessee will pay to Lessor rent in the amount of $170.00 per Irrigated Acre of the Premises on an annual basis (the "Base Rent"); provided, however, Lessee shall have no obligation to pay Base Rent on any Irrigated Acreage that is dried up pursuant to the Aurora IWSA during any IWSA Year. Accordingly, the Base Rent shall be $[25,732.90] (which represents $170 multiplied by the entire [151.37] Irrigated Acres) subject to reduction

during any IWSA year pursuant to the preceding sentence. During the Term, Lessee shall be entitled to retain all payments from U.S. Department of Agriculture ("USDA"), Farm Service Agency ("FSA"), or other government programs in which acreage constituting part of the Premises are enrolled, however, Lessee shall not enroll any acreage in such government programs if doing so may limit Lessor's ability to use water pursuant to the Aurora IWSA, or if doing so would result in restrictions on the Premises that would extend beyond the end of the Term, and Lessee shall bear responsibility for compliance with all provision and requirements of all programs in which such lands are enrolled. If, over any five-year period ditch company assessments for the shares representing the Subject Catlin Water Rights have increased by five percent or more, Lessor may raise the Base Rent by an amount sufficient to offset such increase in assessments. [*Note: calculate Base Rent to include Irrigated Acreage from the Related Contracts pursuant to Section 1.2.2 of the Contract, if applicable*]

2.2. Rent Payments. Base Rent payments for each Lease Year shall be due in installments as follows: (a) 20% of the Base Rent shall be due April 1, (b) 40% of the Base Rent shall be due July 1, and (c) the remaining 40% of the Base Rent shall be due November 1. Payment shall be made to City of Aurora Utilities Enterprise, Manager of Real Property, 15151 E. Alameda Pkwy., Ste. 3200, Aurora, CO 80012 (referencing Agricultural Lease [No. [_]]) or such other address as provided to Lessee pursuant to Section 10.11 below. Lessee shall also pay, as "Additional Rent" any and all sums of money or charges required to be paid by Lessee to Lessor under this Lease. Base Rent and Additional Rent are sometimes referred to herein collectively as "Rent." In addition to Base Rent and Additional Rent payable to Lessor, Lessee shall pay, at its sole cost, any and all sums of money or charges required to be paid by Lessee to third parties for Lessee's operations at the Premises pursuant to this Lease, including, without limitation, utilities (gas, domestic water, sewer, internet and television access, and electricity), all well pumping costs, maintenance and repair costs as provided in Section 3.7, Section 4.3 and elsewhere in this Lease. Lessee's lease of any ditch company shares or well augmentation water in addition to that described in **Exhibit B** must be consistent with the terms of this Lease. Insurance as required by Section 7.1 below, and taxes related to Lessee's operations other than real property taxes, shall be paid by Lessee. Annual assessments on all the ditch company shares identified on **Exhibit B-1** and all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** shall be at Lessor's cost pursuant to Section 4.3 below.

3. AGRICULTURAL OPERATIONS ON PREMISES; EXPENSES.

3.1. General. Lessee shall use the Premises for planting, growing and harvesting of alfalfa and/or other crops permitted to be grown under the laws of the State of Colorado, in each case, as approved in accordance with Section 3.2 below, and for uses normally incident to such purpose, and for no other purposes whatsoever.

3.2. Farming Plan. Commencing with the first full Lease Year after the Effective Date, Lessee and Lessor shall agree upon the crops to be planted during the applicable Lease Year. On or before November 1st of each Lease Year Lessee shall provide a farming plan describing Lessee's proposed cropping plans and maps showing planting and acreage designations for water use monitoring for the coming irrigation season and reflecting Lessor's preliminary IWSA Fallowing Terms provided pursuant to Section 3.4.1 below, and for longer term commitment consideration purposes (a "Farming Plan"). Lessor and Lessee shall cooperate to finalize Lessee's proposed Farming Plan and Lessor shall approve Lessee's draft Farming Plan or provide any comments on the same within twenty (20) days of Lessor's receipt. Lessor's approval of a Farming Plan shall not be unreasonably withheld; provided, that Lessee agrees that it shall be reasonable for Lessor to withhold approval of any Farming Plan that (a) is inconsistent with Lessor's preliminary IWSA Fallowing Terms or (b) that would limit Aurora's ability to use Subject Catlin Water Rights pursuant to the Aurora IWSA or (c) that would negatively affect the amount of historical consumptive use water available to Lessor from the Subject Catlin Water Rights under the Aurora IWSA. Following approval of the applicable Farming Plan, Lessee may proceed to plant crops on the Premises in accordance with such Farming Plan and Lessee shall furnish to Lessor copies of all forms submitted to the FSA or other U.S. Department of Agriculture agencies or offices pertaining to acreage, soils, crop usage and yields contemporaneously with such documents being filed with the FSA, or other agency, at no cost or expense to Lessor. Lessee shall keep, and provide to Lessor upon request, records of (i) all herbicides, insecticides, fungicides and fertilizers applied to the Premises, and (ii) the crop acreage and yield produced from the Premises.

3.3. Farming Standards. Lessee shall use commercially reasonable efforts to maintain the long-term productivity of the Farm. Lessee's operations shall be conducted in accordance with the best practices recognized by the agricultural industry in the geographical vicinity of the Premises, and in compliance with applicable laws, regulations, and the Non-Irrigated Acreage Restrictions. Lessee shall not commit or permit the commission by others of any waste on the Premises and shall not commit or permit any nuisance. Lessee agrees to repair any damage to the Premises caused by Lessee's activities, reasonable wear and tear excepted. Lessee shall not permit any hunting or other recreational activities on the Farm without the prior written consent of Lessor at Lessor's sole discretion except as and to the extent permitted under Section 3.14 below.

3.4. IWSA Terms. Lessee's use of the Premises is further subject to the following terms and conditions.

3.4.1. Interruptible Lease – Aurora IWSA. The Parties expressly contemplate, and Lessee acknowledges, that the Subject Catlin Water Rights will be the subject of an Interruptible Water Supply Agreement ("Aurora IWSA") and may be used by Lessor for non-agricultural uses (a) in up to three years out of any ten years or (b) for a portion of the Subject Catlin Water Rights attributable to

Irrigated Acreage consisting of no more than 30% of the Irrigated Acreage on average over any 10 consecutive years of the term of this Lease, as may be extended (which may include the initial calendar year term of this Lease) and no more than 35% in any given year (such terms the "IWSA Fallowing Terms" for the applicable IWSA Year). Lessee and Lessor each acknowledge their intent to do so in compliance with the provisions of C.R.S. § 37-92-309 and rules promulgated thereunder as such statute and rules may be amended over time. Alternatively, Lessor may submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Catlin Water Rights for alternative uses provided that any such change in use shall not expand the scope of Lessor's IWSA Fallowing Terms during the term of this Lease, as may be extended. Lessee's responsibilities in connection with the Aurora IWSA are described in this Lease. Lessor will be responsible for all costs and actions that may be necessary to obtain approval of, and to operate the Aurora IWSA except those assumed by Lessee pursuant to this Lease. Lessee agrees to support and participate in the Aurora IWSA approval process or Aurora's change case subject to this Section provided that no material out-of-pocket expense shall be required of Lessee.

3.4.1.1. Each year in which water from the Subject Catlin Water Rights will be used for purposes of the Aurora IWSA selected by Lessor shall be referred to herein as an "IWSA Year". By August 15 of any year, Lessor shall provide to Lessee a preliminary non-binding indication of whether the following year will be an IWSA Year as a courtesy to Lessee and identifying Lessor's anticipated IWSA Fallowing Terms; provided, however, that Lessor's failure to deliver such notice does not preclude Lessor from electing the following year as an IWSA Year pursuant to the following sentence. On or before November 30 of any year, Lessor shall provide to Lessee a written notice of Lessor's designation of the following year as an IWSA Year and finalizing the applicable IWSA Fallowing Terms.

3.4.1.2. Lessor shall not be required to compensate Lessee for the unavailability of water derived from the Subject Catlin Water Rights during IWSA Years, or costs or damages incurred by Lessee as a result thereof, except for the following reimbursements and payments which Lessee hereby agrees are full and sufficient consideration with respect to the fallowing of acreage containing alfalfa crops: (a) reimbursement to Lessee for the full costs and expenses reasonably and actually incurred by Lessee in killing the affected alfalfa and fallowing the acreage in which such alfalfa was planted subject to Lessee's submittal to Lessor of written documentation of such expenses, and (b) an alfalfa re-establishment payment in the amount of $350.00 per acre for all actually fallowed acres of alfalfa fields which amount shall be prorated during any 4-year alfalfa growing period as follows: (i) if the IWSA

Year commences during the period which is one to twelve (12) months following the date the alfalfa fields were planted, 100% of such $350/acre amount shall be due and payable to Lessee, (ii) if the IWSA Year commences during the period commencing on the first day of the thirteenth (13th) month and expiring on the last day of the twenty-fourth (24th) month following the date the alfalfa fields were planted, 75% of such $350/acre amount shall be due and payable to Lessee, (iii) if the IWSA Year commences during the period commencing on the first day of the twenty-fifth (25th) month and expiring on the last day of the thirty-sixth (36th) month following the date the alfalfa fields were planted, 50% of such $350/acre amount shall be due and payable to Lessee, and (iv) if the IWSA Year commences during the period commencing on the first day of the thirty-seventh (37th) month and expiring on the last day of the forty-eighth (48th) month following the date the alfalfa fields were planted, 25% of such $350/acre amount shall be due and payable to Lessee. The foregoing consideration shall apply only to acres planted with alfalfa and no other crop. The foregoing payments shall apply only upon the first year of fallowing and no consideration shall be owed for subsequent consecutive years of fallowing. The Parties acknowledge that for any given IWSA Year, the alfalfa planted in fallowed acres may have been planted in different years, in which case, the applicable alfalfa re-establishment payment amount shall be prorated at different rates reflecting actual years that the respective crops were planted.

3.4.2. Land Management Responsibilities.

3.4.2.1. During non-IWSA Years, Lessee shall, at Lessee's sole cost and expense, keep the Premises reasonably free from, and shall work diligently toward exterminating, all weeds on the Premises. Lessee shall make application of and pay all costs for purchase and application of the herbicides used in the control of annual weeds as well as noxious weeds included on the noxious weed list for Otero County, Colorado and such other authorities having jurisdiction over the same. Lessee shall pay all costs for the herbicide used to control annual weeds and pay all application costs.

3.4.2.2. During IWSA Years, Lessee shall have the same obligations to control weeds as provided above, however, Lessor will reimburse Lessee's reasonable, actual expenses for purchase and application of herbicides subject to Lessee's submittal to Lessor of written documentation of such expenses. During IWSA Years, Lessee shall fallow the Premises in the manner required pursuant to the Aurora IWSA and in compliance with all applicable rules and regulations related to the Farm as imposed by Otero County, Colorado and such other authorities having jurisdiction

over the same. In addition to the reimbursements provided for above, Lessor shall pay Lessee a fee during IWSA Years in the amount of $[_____][NTD: to be determined pursuant to Section 3.5 of the Contract] for each acre of Irrigated Acreage that Lessee fallows as required pursuant to the Aurora IWSA.

3.5. Access. Lessee hereby acknowledges and agrees that Lessor and Lessor's employees, agents, affiliates, related parties, or any other individuals or entities under permission from Lessor shall have the right to conduct activities on the Farm so long as such activities do not unreasonably and adversely interfere with the farming activities of Lessee. Lessor shall provide Lessee at least 24-hour advanced email notice of such access except in the case of an emergency in which case, Lessor will provide notice as soon as reasonably practical.

3.6. Lessee's Farming Machinery. Lessee may place on the Premises and use its own farming machinery (e.g. tractors and related implements, harvesting and baling equipment, vehicles, trailers, etc.) during the Term but shall remove all of such machinery prior to the expiration of the Term. Lessee shall be responsible for operating and maintaining its farming machinery at its sole cost and expense, and shall be responsible for the operation thereof, in compliance with the Environmental Addendum attached hereto as **Exhibit E**, and all Federal, state, local zoning, environmental, labor and all other applicable laws.

3.7. Expenses.

3.7.1. Lessor Expenses. During the Term, if maintenance of, repairs to and/or replacement of the below ground portions of the Irrigation Equipment on the Premises are needed that are caused by a failure or defect of such portions of the Irrigation Equipment, and that are not caused or contributed to by the negligence or willful misconduct of Lessee, then the obligation of Lessee is limited to giving Lessor written notice of such failure or defect within five (5) days of Lessee's discovery thereof, providing Lessor with a proposal for the completion of such maintenance, repairs and/or replacement at a reasonable cost. All expenses to be paid by, or reimbursed to Lessee by Lessor must be approved in advance in accordance with the sub-parts of this Section 3.7.1. Lessor shall reimburse Lessee for maintenance, repairs and replacement of any portions of the Equipment located below ground in accordance with such approvals. Lessor is a governmental entity and, accordingly, is not required to pay taxes with respect to the Premises. If and to the extent that Lessee's use of the Premises pursuant to this Lease or Lessee's leasehold interest hereunder results in the imposition of taxes with respect to any part of the Premises then Lessee shall be responsible for direct payment of such taxes directly to the applicable taxing authority. Lessor shall also pay for maintenance and repair of Improvements as required to be paid by Lessor

pursuant to Section 3.8 below and such other expenses as provided for and in accordance with the sub-parts of this Section 3.7.1 and Section 3.7.3.

3.7.1.1. Pre-Planned Expenses.

3.7.1.1.1. For any expense less than One Thousand Dollars ($1,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.2. For any expense in excess of One Thousand Dollars ($1,000) but less than Fifty Thousand Dollars ($50,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain at least two bids from qualified vendors within reasonable proximity to the Premises for the parts and labor required (unless there is only one qualified vendor within reasonable proximity to the Premises, in which event a single bid will be acceptable), Lessee shall seek written approval from Lessor allowing ten days for Lessor's approval, and shall obtain such written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.3. For any expense of Fifty Thousand Dollars ($50,000) or more for which Lessee will seek reimbursement from Lessor, Lessee shall notify Lessor of the need for the expense, and if Lessor agrees that the expense is necessary (which consent shall not be unreasonably withheld, conditioned or delayed), Lessor will either: (a) obtain bids in accordance with Lessor's procurement policies as quickly as practicable, will select and hire the contractor(s), and will pay the associated expense(s) directly; or (b) authorize Lessee to obtain bids and perform such work pursuant to the terms of Section 3.7.1.1.2 above.

3.7.1.2. Unplanned Expenses

3.7.1.2.1. In the event an unanticipated expense for the repair, and/or replacement of any Irrigation Equipment is required due to acts of God or similar circumstances, which Lessee and Lessor jointly agree in their reasonable judgment creates an emergency requiring immediate action in order to either (a) avoid, minimize or mitigate damage to the Premises (including the Improvements or any undamaged portion of the Irrigation Equipment), any real property or improvements adjacent to the Premises, or any crops growing at the Premises, or (b) to keep the Irrigation Equipment functioning for the purposes of Lessee's crop-growing activities on the Premises,

then Lessor and Lessee shall agree as quickly as reasonably practicable in writing (the Parties will make best efforts to do so within 48 hours) regarding the materials, parts and labor required and the cost of same, after which Lessee may proceed to incur such expenses, obtain such repairs and/or replacements, and Lessor shall reimburse Lessee for such expenses.

3.7.2. Lessee Expenses. Lessee shall pay for the following costs and expenses: (i) all costs of fieldwork, including without limitation, land preparation, irrigation, tilling, planting, chemical application and harvest of crops, and all associated labor expenses; (ii) maintenance and repair of Improvements as required to be paid by Lessee by Section 3.8 below and ordinary maintenance, repairs and replacement of the portions of the Irrigation Equipment located above ground (provided, however, that Lessor will be responsible for one-half of the cost of major repairs or replacement of Irrigation Equipment and drainage ditch cleaning (excluding well pumps) exceeding $2,000 in any instance unless caused by Lessee's negligence, pursuant to Section 3.7.2 below); (iii) standard farming maintenance or standard cultural practices, including ditch cleaning and field leveling; (iv) all taxes, licenses, fees and public charges levied, assessed or imposed during the Term upon Lessee's personal property; (v) all other costs and expenses of producing the crops which are not identified as Lessor Expenses or Shared Expenses herein; (vi) fertilizer and similar soil preparations, (vii) purchasing seeds, (viii) herbicides, insecticides, fungicides and similar chemical applications, (ix) electricity, (x) freight to deliver the crop yield to the purchaser, and (xi) miscellaneous other expenses of producing the crops from the Farm not included above in connection with the machinery, equipment, inputs, and labor required to plant, raise, harvest, sell and deliver crops, including maintenance, repairs, and replacement of any of the foregoing. Lessee will seek approval of the expenses described above to be borne by Lessor in accordance with Section 3.8 below and after obtaining such approval, Lessee may hire a contractor to complete the same, provided that: (i) such repairs, maintenance and/or replacements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (ii) Lessee shall require appropriate and reasonable insurance coverage and lien protections requested by Lessor; and (iii) Lessor may impose reasonable conditions to approving such work.

3.7.3. Shared Expenses. The Parties will share, on a 50/50 basis, cost on major repairs and replacement of Irrigation Equipment or drainage ditch cleaning (excluding well pumps) as provided for in Section 3.7.2 above. In the event this Lease is terminated by Lessor for reasons other than a material breach of its terms by Lessee, Lessor will reimburse Lessee one tenth of their portion of the costs of major repairs or replacement of Irrigation Equipment and drainage ditch cleaning (excluding well pumps) exceeding $2,000 in any

instance unless caused by Lessee's negligence each year for the remaining portion of the first ten years after the installation or major repair takes place.

3.8. Repair, Maintenance and Replacement of Improvements. Lessor shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to normal wear and tear or acts of God. Lessee shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to Lessee's negligence or for Lessee's failure to maintain the Improvements in accordance with this Lease. Lessee shall notify Lessor of the need for repair, maintenance and/or replacement of any such Improvements, regardless of the responsibility of Lessee or Lessor for the cost thereof, and shall obtain Lessor's approval for such repairs, maintenance or replacements of the Improvements in accordance with Section 3.7.1.1 and/or Section 3.7.1.2 above.

3.9. Alterations. Lessee shall have the right, at its sole cost and expense, to make alterations and improvements to the Improvements, provided that apart from repairs, maintenance and replacements of the Improvements: (i) such alterations and/or improvements are approved by Lessor in writing and in advance of any contractual commitments being made by Lessee, which approval shall not be unreasonably withheld, conditioned or delayed; (ii) such alterations and/or improvements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (iii) Lessee shall furnish appropriate insurance coverage and lien protections requested by Lessor; and (iv) Lessor may impose reasonable conditions to approving such work. All approved and completed alterations and improvements shall become part of the Premises and title shall vest in Lessor; provided that Lessor, at its sole discretion, may require that certain improvements (other than Irrigation Equipment) be removed at the end of the Term, at Lessee's cost. Lessee shall keep the Premises free and clear of any and all liens, claims and demands for work performed, materials furnished, and operations on the Premises.

3.10. Flooding Risk. Lessee acknowledges that the Premises may be subject to natural flooding. Lessor shall not be liable in any manner for any damage to Lessee's crops due to flooding.

3.11. Crop Insurance. Lessee is responsible, at its expense, for obtaining appropriate levels of crop insurance to cover crop failures and/or prevented planting situations. Lessor shall have no obligation to maintain crop insurance and any and all loss of crops shall be at the sole risk of Lessee. Further, Lessor, by granting this Lease to Lessee, makes no representation or warranty of any kind as to the quality or suitability of the soil of the Farm for growing any crops Lessee may be authorized to grow on the Farm under this Lease. Lessee represents and warrants to Lessor that Lessee has made an independent inspection of the Premises and is not relying upon any representation or warranty whatsoever from Lessor as to soil condition.

3.12. Soil Conservation. In order to conserve the soil, Lessee shall carry out soil conservation best management practices and measures recognized by the U.S. Department of Agriculture, Natural Resources Conservation Service (or its successor entity) and followed on similar farmland located in Otero County, Colorado.

3.13. Disallowed Uses. Uses of the Premises that are expressly disallowed are growing of marijuana, whether for commercial or non-commercial purposes, and use of the Premises and/or Improvements for political activism.

3.14. Lessee's Hunting Rights. Lessor hereby grants to the Lessee the right to hunt on the Premises during the Term. This right is granted solely and exclusively to the named Lessee and its invitees. Notwithstanding the foregoing, Lessee may not permit hunting or other recreational activities on the Premises on a commercial basis. The Lessee shall strictly observe and comply with all federal, state, and local laws, statutes, and regulations, including but not limited to all Colorado Parks and Wildlife (CPW) hunting regulations, licensing requirements, bag limits, and seasonal restrictions. Any unauthorized presence or hunting by anyone other than the Lessee or violation of wildlife laws or game regulations on the property shall constitute in an immediate, non-curable breach of this Lease, resulting in the automatic termination of the Lease

4. USE OF WATER RIGHTS

4.1. Use of Water Rights. Lessee shall not use any water other than that derived from the Subject Catlin Water Rights and the Groundwater Rights for the irrigation of the Irrigated Acreage without prior notice to and written approval from Lessor. In an IWSA year: (a) Lessee shall not irrigate with any of the Subject Catlin Water Rights; and (b) Lessee shall not irrigate with the Groundwater Rights except to the extent it is determined that such irrigation will not negatively affect the amount of historical consumptive use water available to Aurora under the Aurora IWSA.

4.2. Requirement to Maintain Structures. Lessee shall be responsible for the maintenance (but not replacement, which shall be Lessor's responsibility if required at any time during the Term unless replacement is required due to the negligence of Lessee) of any headgates and measuring devices necessary to divert the Subject Catlin Water Rights onto the Irrigated Acreage.

4.3. Water Rights Costs and Expenses. Lessor shall pay for annual assessments with respect to the Subject Catlin Water Rights each year. Lessor shall pay for all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** each year, but only within the volumetric pumping limits provided therein. Lessee shall pay any fees or penalties incurred as a result of Lessee pumping in excess of the volumetric pumping limits set forth in the well augmentation contracts,

and for additional augmentation water or supplemental leased water, if any, obtained by Lessee in any year.

4.4. Pledge or Encumbrance. Lessee shall not pledge or otherwise encumber this Lease for any purpose including, without limitation, securing debt, augmenting past, present or future well depletions, or repaying obligations to any third party.

4.5. Quantity of Water. Lessee agrees to take and put to beneficial use as much of the Subject Catlin Water Rights as possible, consistent with reasonably efficient irrigation practices, and to preferentially use the Subject Catlin Water Rights over any leased water to the greatest extent practical. Lessee acknowledges the risk that due to annual variations in hydrology and longer-term climatic changes, the Subject Catlin Water Rights may not be physically available to the same extent as they were historically. Lessor assumes no responsibility to Lessee for any water shortage from the Subject Catlin Water Rights.

4.6. Water Quality. Lessor makes no representations regarding the quality of the Subject Catlin Water Rights or the Groundwater Rights or their fitness for irrigation use.

4.7. Water Accounting Responsibilities. Lessee shall maintain records of its use of the Subject Catlin Water Rights and Groundwater Rights as required by the Colorado Division of Water Resources, the Catlin Canal Company and any other authority having jurisdiction over the same, including any applicable groundwater augmentation entities and report such irrigation usage to Lessor no later than November 15th of each year during the Term in such form as Lessor may reasonably require, the acres irrigated, the crops grown as well as any other matters as reasonably requested by Lessor in connection with the use of the Subject Catlin Water Rights and Groundwater Rights or supplementation of the same. If the installation of measuring devices is hereafter requested by the division or state engineer or required by any subsequent Water Court decree, such measuring devices shall be installed at Lessor's expense and upon the installation of such devices, Lessee shall further report to Lessor the amount of water diverted and used for irrigation on the Irrigated Acreage.

5. COMPLIANCE.

5.1. Governmental Regulations. Lessee shall, at its expense: (i) comply with all applicable laws and regulations concerning Lessee's use of the Premises; (ii) operate and farm the Premises in compliance with any and all safety regulations applicable to farming operations; (iii) comply with any land use, conservation requirements, and wetland protection requirements; (iv) apply any and all pesticides, fertilizers, and other materials in accordance with rules and regulations therefor; and (v) comply with applicable laws and regulations regarding the drainage and discharge of water from the Premises and with the Non-Irrigated Acreage Restrictions. All references to laws, regulations, or programs refer to those now in place or hereafter imposed during the Term.

5.2. Environmental Compliance. Lessee shall comply with the Environmental Addendum to this Lease attached as **Exhibit E**.

5.3. Water Rights. Lessee shall, at its expense, comply with all rules, regulations and requirements of the Catlin Canal Company with respect to the Subject Catlin Water Rights and Lessor's membership in AGRA.

6. **RIGHTS RETAINED BY LESSOR; CONSULTATION.** Lessor expressly reserves and excepts the following: (i) all oil, gas, hydrocarbon and mineral rights; (ii) ownership of all water and surface water rights pertaining to the Premises; (iii) the right to travel over the Premises for the purposes of inspection of the Premises and access to Lessor's adjacent properties; and (iv) all available hunting rights. Lessor and its agents shall have the right to enter the Premises at all reasonable times for the purpose of inspecting the Premises, posting notices of non-responsibility, ascertaining that the promises and covenants of Lessee herein contained are being kept, observed and performed, and to place thereon at any time during the Term "For Sale" and/or "For Rent" signs. Lessor reserves for itself and Lessor's mineral lessees, agents or licensees, a right of entry and right-of-way for ingress and egress in and to, over and on, the Farm during the Term for the exploration, drilling, and mining of minerals, oil, gas and other hydrocarbons on or under the Farm. Lessor and Lessor's employees and/or agents, may enter the Premises with advanced notice to Lessee of not less than 24 hours (except in the event of an emergency in which case Lessor shall give as much advance notice as reasonable) for the purpose of making any alterations, repairs or improvements to the Premises, which Lessor deems convenient or required for the maintenance or preservation thereof; provided, however, in the case of an emergency.

7. **INSURANCE; INDEMNIFICATION**

7.1. Insurance.

7.1.1. From the Effective Date through and including the Termination Date, Lessee shall maintain in force, at its expense, and naming Lessor as additional insured: (i) commercial general liability insurance, including property damage, against liability for bodily injury, personal injury, death and damage to property occurring on the Premises with combined single limit coverage of at least Five Hundred Thousand Dollars ($500,000) per occurrence and a general aggregate combined single limit of bodily injury and property damage liability of at least Five Hundred Thousand Dollars ($500,000), and excess umbrella liability insurance in the amount of Three Million Dollars ($3,000,000); (ii) workers' compensation insurance upon all persons employed by Lessee upon the Premises, and Lessee shall further cause all agents and contractors employed or invited by Lessee onto the Premises to carry workers' compensation insurance upon all persons employed by said agent or contractor upon the Premises; and (iii)

business automotive liability insurance covering liability arising out of any vehicle owned or leased by Lessee and any non-owned vehicle hired by Lessee with combined single limit coverage of at least Five Hundred Thousand Dollars ($500,000) combined bodily injury and property damage, each accident; and (iv) insurance against casualty loss of the Irrigation Equipment in the combined amount of Ten Thousand Dollars ($10,000). Renter's insurance for loss of Lessee's personal property while on the Premises, as well as for loss of crops (whether in the field or while stored in the Improvements) shall be at Lessee's expense. Each policy of insurance shall be issued by an insurance company reasonably acceptable to Lessor and authorized to do business in Colorado. Lessee's insurance policies shall provide that a ten (10) day notice of cancellation or modification of coverage shall be given to Lessor. Prior to the Commencement Date and upon the request of Lessor, Lessee shall deliver a certificate for each insurance policy to Lessor.

7.2. Indemnification of Lessor. Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, costs, damages, expense, and liability (including attorney's fees and costs incurred), arising directly or indirectly from any breach of this Lease by Lessee, from any acts or omissions of Lessee, its employees or agents, on or about the Premises, from any injury to the person or damage to any property occurring as a result of the acts of Lessee in regard to such property. For purposes of the indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee. The Environmental Addendum attached hereto as **Exhibit E** contains further provisions pertaining to indemnification.

8. DEFAULT.

8.1. Default. The occurrence of any of the following events shall be deemed a default under this Lease: (a) Lessee fails to pay any Rent(s) or other sum due hereunder when due; (b) Lessee files a petition for bankruptcy or is adjudicated bankrupt or insolvent, or files any petition for any reorganization, arrangement, composition or adjustment with creditors, and the same is not dismissed within thirty (30) days; (c) Lessee abandons the Premises for a period of thirty (30) days; or (d) either Party fails to perform or observe any covenant or representation required to be performed by it under this Lease, which failure is not cured within thirty (30) days following written notice from the other Party (provided that if the Party providing notice of default reasonably concludes that such default constitutes an emergency condition, then such Party may immediately correct such default).

8.2. Remedies.

8.2.1. In the event of any default by Lessor hereunder, Lessee may, following not less than thirty (30) days' written notice and right to cure, have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default.

8.2.2. In the event of any default by Lessee hereunder, Lessor may: (i) cancel and terminate this Lease as well as all right, title and interest of Lessee hereunder; (ii) re-enter the Premises without terminating this Lease to comply with any condition or agreement required to be performed, and thereupon have the right to claim and collect all expenses incurred thereby as Additional Rent due immediately hereunder; (iii) recover unpaid Rent resulting from such breach or default, and recover all costs and expenses incurred in any way or as a result of such default; and/or (iv) have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default. All of the rights and remedies in this section are cumulative and not in the alternative.

8.3. Late Payment. A two percent (2%) late fee shall be assessed for any payment made more than twenty (20) days past the due date. In addition, any past due amounts shall accrue interest monthly at one percent (1%) per month.

8.4. Security for Payment of Rent(s). Lessee grants Lessor a security interest in all crops planted or produced on the Farm as security for the payment of Rent hereunder and compliance by Lessee with the terms of this Lease. This paragraph shall be considered and deemed to constitute as between Lessor and Lessee a valid security agreement, which will allow the perfection of Lessor's security interest in Lessee's crops; provided, however, upon demand, Lessee agrees to execute and deliver to Lessor an additional security agreement or any other reasonable documentation in furtherance of such security interest. Lessee authorizes Lessor to file a financing statement evidencing the security interests granted hereunder in the records of Otero County and of the Colorado Secretary of State. Upon an uncured event of default, Lessee consents to the appointment of a receiver to enter onto the Premises and harvest the crops if necessary to protect Lessor's security interest therein.

9. RECORDING. This Lease, or a memorandum hereof, may be recorded by Lessor in the Otero County real property records.

10. MISCELLANEOUS

10.1. Counterparts. This Lease may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same agreement. The Parties intend that with respect to this Lease, electronic signatures (including signatures

delivered by email or electronic record) shall constitute original signatures and are binding on all Parties.

10.2. Amendment. This Lease may be amended, modified, changed, or terminated in whole or in part only by written agreement duly authorized and executed by the Parties. The General Manager of Aurora Water shall have the authority to approve and execute amendments to this Lease.

10.3. Waiver. Waiver by either Party of any of the covenants or agreements in this Lease shall not be construed as constituting a waiver of the same or of any other covenant as to breach or default subsequently arising, or as the waiver of a subsequent breach of any of the covenants hereunder.

10.4. Assignment. Lessee shall not encumber or assign this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the Improvements or Irrigation Equipment without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. For purposes of this Lease, any of the following shall be deemed an assignment of Lessee's interest in this Lease : (a) if Lessee is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of 50% or more of the partners, members or managers thereof, or transfer of 50% or more of partnership or membership interests therein, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (b) if Lessee is a corporation whose stock is not publicly held and not traded through an exchange or over the counter or any other form of entity, the dissolution, merger, consolidation or other reorganization of Lessee, the sale or other transfer of more than an aggregate of 50% of the voting shares or other interests of or in Lessee.

10.5. Sub-licensing. Lessee shall not sub-lease or sub-license all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises, without first obtaining Lessor's written consent, which consent may be withheld in Lessor's sole discretion; provided, however, Lessor hereby pre-approves the right of Lessee to sublicense that portion of the Improvements constituting grain bins to a third party for the purpose of using such Improvements for grain storage.

10.6. Successors and Assigns. This Lease and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns if any are allowed. The Parties intend that Lessor shall not incur any liability other than those liabilities directly running to Lessee or assigns permitted under this Lease, if any.

10.7. Waiver of Breach. Waiver of breach of any of the provisions of this Lease by either Party shall not constitute a continuing waiver of any subsequent breach by said Party of either the same or any other provision of this Lease.

10.8. [intentionally omitted].

10.9. Headings for Convenience. Headings and titles contained herein are intended for the convenience and reference of the Parties only and are not intended to confine, limit, or describe the scope of intent of any provision of this Lease.

10.10. Attorneys' Fees. In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of or related to this Lease each Party agrees to be responsible for its own attorneys' and other professional fees, costs and expenses associated with any such proceedings.

10.11. Notices. Any notice required by this Lease shall be sent in writing, postage prepaid by certified or registered mail, by nationally recognized overnight courier, or by hand delivery, addressed to the other Party as set forth below. Such notice shall be deemed given three (3) days after being mailed, one (1) day after sending by overnight courier, and upon hand delivery. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in this paragraph.

To Lessor: City of Aurora
26791 E Quincy Ave,
Aurora, CO 80016
Attn: Water Land Management Team
WSDLandManagement@auroragov.org

with copy to: City of Aurora
15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555
Attn: City Attorney

and copy to: City of Aurora
15151 East Alameda Parkway, Suite 3200 Aurora, CO 80012-1555
Attn: Manager of Real Property
publicworks@auroragov.org

To Lessee: ____
____
____
Attn: ____

with copy to [attorney]
____
____
Attn: ____

10.12. Communications by Email. For purposes of day-to-day communications regarding farming and water rights operations, but not formal notices contemplated by this Lease, a Party may communicate with the other Party via email to each of the persons identified below for the other Party at the email addresses listed below. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in Section 10.11.

To Lessor: Rick Kienitz rkienitz@auroragov.org
Ian Best ibest@auroragov.org
Jacob Bauer jdbauer@auroragov.org
leasing@auroragov.org
WSDLandManagement@auroragov.org

To Lessee: ____ __@___
____ __@___
____ __@___
____ __@___

10.13. No Construction Against Drafter. The Parties agree they jointly drafted this Lease with each having the opportunity to obtain the advice of legal counsel and equal opportunity to contribute to its content.

10.14. No Partnership Created. This Lease shall not be construed as creating a partnership, joint venture, or relationship of principal and agent between Lessor and Lessee; it being intended that this Lease shall be deemed to create no relationship other than Lessor and Lessee.

10.15. Entire Agreement. This Lease, the Exhibits and the Environmental Addendum contain the entire agreement of the Parties relating to the rights granted and obligations assumed. Any oral representations or modifications not contained herein shall be of no force or effect unless contained in writing, signed by both Parties.

10.16. Intent of Agreement. This Lease is intended to describe the rights and responsibilities of and between the Parties and is not intended to, and shall not be deemed to confer rights upon any persons or entities not named as Parties, nor to limit in any way the powers and responsibilities of Lessor, Lessee, or any other entity not a party hereto.

10.17. Estoppel Certificates. Lessee shall, upon ten (10) days' notice from Lessor, execute and deliver to Lessor, on a form prepared by Lessor, a written statement certifying that Lessee has accepted the Premises, that this Lease is unmodified and in full force and effect (or stating any modifications), that the Lessor is not in default hereunder, the date to which Rent and other charges have been paid, and such other accurate certifications as may be reasonably requested by Lessor. It is intended that

any such statement delivered may be relied upon by any lender or purchaser of the Premises.

10.18. Further Assurances. Lessor and Lessee agree to cooperate fully and execute any and all supplementary agreements, documents and instruments, and take all additional actions, which may be necessary or appropriate to give them full force and effect to the basic terms and intent of this Lease.

10.19. Enforcement. The Parties agree that this Lease may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including damages, as may be available according to the laws of the State of Colorado. It is specifically understood that by executing this Lease each Party commits itself to perform pursuant to the terms hereof, and that any breach hereof resulting in any recoverable damages shall not thereby cause the termination of any obligations created by this Lease unless such termination is requested by the Party not in breach.

10.20. Governing Law and Venue. This Lease and its application shall be construed according to the laws of the State of Colorado. Venue for the trial of any action arising out of any dispute hereunder shall be in the Otero County District Court.

10.21. Sole Obligation of Aurora.

10.21.1. This Lease shall never constitute a general obligation or other indebtedness of the City of Aurora, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City of Aurora within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City of Aurora.

10.21.2. In the event of a default by Lessor of any of its obligations under this Lease, Lessee shall have no recourse for any amounts owed to it against any funds or revenues of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Lease shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease on the date first written above.

LESSEE:
_____EXHIBIT – DO NOT EXECUTE_____

_____ Date: _____
[name / title]

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me _____, day of _____, 202__, by _____.

Witness my hand and official seal.

My commission expires:

_____
Notary Public

LESSOR:
City of Aurora, A Colorado home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, Acting by and through its Utility Enterprise

By: EXHIBIT – DO NOT EXECUTE _____
Marshall P. Brown
General Manager, Aurora Water

Reviewed by:

By: _____
Alexandra L. Davis,
Asst. GM Water Supply & Demand

Reviewed by:

By: _____
Hector Reynoso,
Manager- Real Property Services

APPROVED AS TO FORM:

By: _____
Ian Best,
Assistant City Attorney
ACS#: _____

Reviewed by:

By: _____
Rick Kienitz,
Water Resources Manager

List of Exhibits:

Exhibit A-1 –	Legal Description of Premises
Exhibit A-2 –	List of Improvements on the Premises
Exhibit B-1 –	Surface Water Rights Historically Used on the Premises
Exhibit B-2 –	Groundwater Rights Historically Used on the Premises
Exhibit C –	Description of Irrigation Equipment
Exhibit D –	Depiction of Irrigated Acreage
Exhibit E –	Environmental Addendum

Exhibit A-1
Legal Description of Premises

[insert Exhibit A from Contract]

Exhibit A-2
List of Improvements on the Premises

None

Exhibit B-1
Surface Water Rights Historically Used on the Premises

[_____] shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented by Share Certificate Number [____]

Exhibit B-2
Groundwater Rights Historically Used on the Premises

Well Permits
None

Exhibit C
Description of Irrigation Equipment

Irrigation Equipment

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

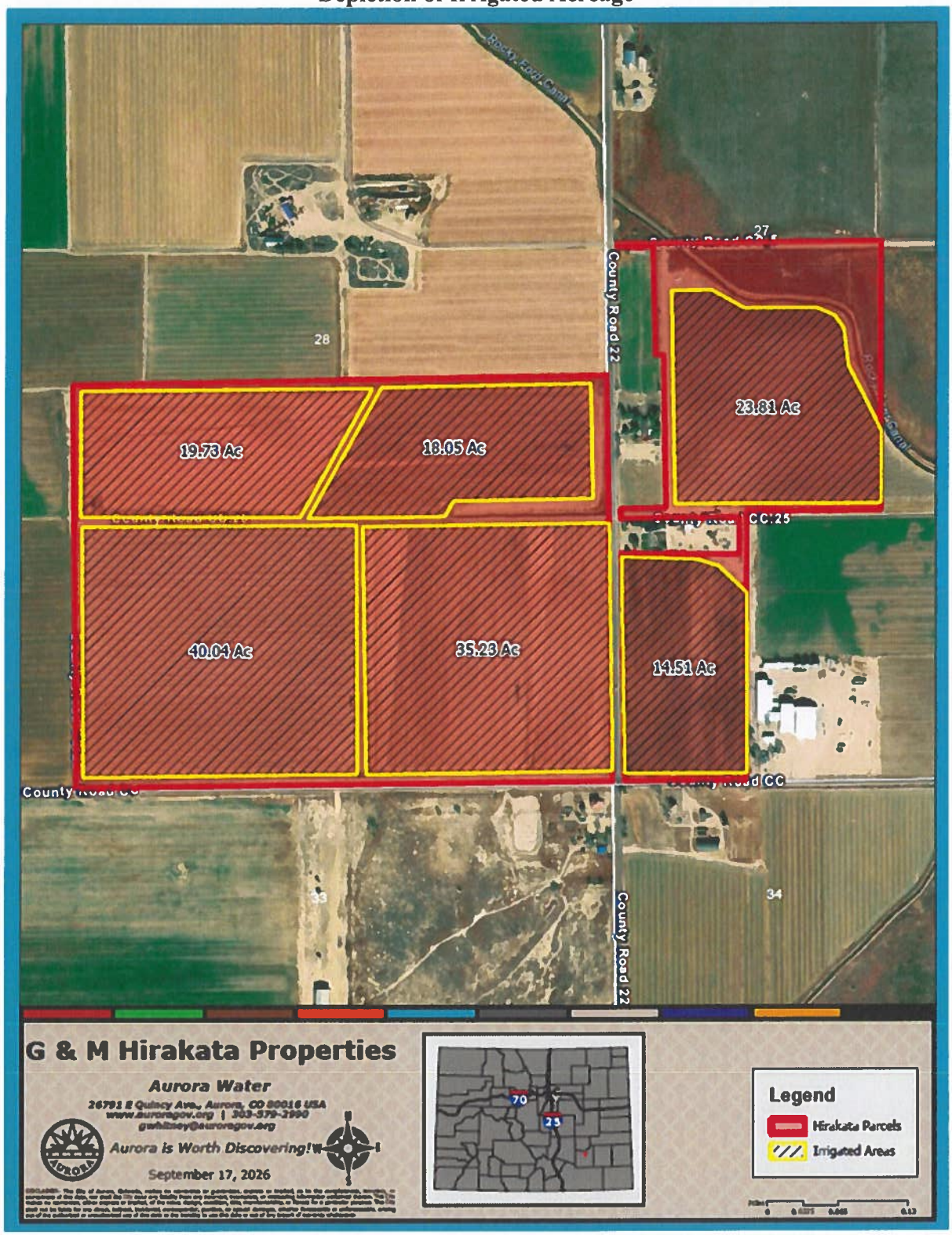
Wells

All Infrastructure associated with wells. Pumps, Utilities, etc.

a. State ID 1705809 permit # 10069R
b. State ID 1706637 permit # 87471F

[*Note: Wells are not located on the Farm*]

Exhibit D
Depiction of Irrigated Acreage



Ex D-1

Exhibit E
ENVIRONMENTAL ADDENDUM

This Environmental Addendum is incorporated into and made a part of the Agricultural Lease to which it is attached

(a) Lessee shall use and handle pesticides, fertilizers, petroleum products and industrial / mechanical fluids in compliance with all applicable federal, state and local laws, regulations, orders and manufacturer guidelines. Lessee shall indemnify and hold Lessor harmless from any claim, expense, fine, diminution in value of the Premises, enforcement costs or any injury or damage to persons and/or property that result from Lessee's use of such materials on or about the Premises.

(b) For purposes of this Lease, the term "Hazardous Substances" shall include: (i) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C., § 1251 et seq.; all as amended, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (ii) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court, (iii) petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles, and (iv) asbestos.

(c) Lessee shall not cause or permit any Hazardous Substances to be brought upon or kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees, unless (a) such Hazardous Substances are necessary for Lessee's farming operations and (b) Lessee first obtains the written consent of Lessor, which consent may be withheld in Lessor's sole discretion.

(d) Lessee shall at all times and in all respects comply with all local, state and federal laws, ordinances, regulations and orders (collectively "Hazardous Substances Laws") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Substances.

(e) Lessee shall at its cost and expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the Premises, including, without limitation, discharge of (appropriately treated) materials or wastes into the systems serving the Premises. Except as discharged in strict accordance and conformity with all applicable Hazardous Substances

Laws, Lessee shall cause any and all Hazardous Substances removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Lessee shall in all respects handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises in conformity with all applicable Hazardous Substances Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Lessee shall cause all Hazardous Substances to be removed from the Premises (except such Hazardous Substances, if any, as were located in the Premises prior to the commencement of Lessee's occupancy thereof) and to be transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Substances Laws; provided, however, that Lessee shall not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises, without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto.

(f) If at any time Lessee shall become aware or have reasonable cause to believe that any Hazardous Substance has come to be located on or beneath the Premises, Lessee shall, immediately upon discovering such presence or suspected presence of the Hazardous Substance, give written notice of that condition to Lessor. In addition, Lessee shall immediately notify Lessor in writing of (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Substances Laws, (b) any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances, and (c) any reports made to any local, state or federal environmental agency arising out of or in connection with any Hazardous Substances in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Lessee shall also supply to Lessor as promptly as possible and in any event within five (5) business days after Lessee first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Lessee's use thereof. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Premises.

(g) Lessee shall indemnify, protect and hold harmless Lessor and each of Lessor's partners, directors, officers, employees, agents, attorneys, successors and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses (including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises), costs or expenses (including attorney's fees, consultant fees and expert fees) for the death or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part by Lessee's violating its covenants as set forth herein that directly or indirectly results in (a) the presence in, on, under or about the Premises, or any discharge or release in or from the Premises, of any Hazardous Substances or Lessee's use, analysis, storage, transportation,

disposal, release, threatened release, discharge or generation of Hazardous Substances to, in, on, under, about or from the Premises, or (b) Lessee's violation of any Hazardous Substances Laws. Lessee's obligations under this paragraph shall include, without limitation and whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of site conditions and any and all costs of any required or necessary repair, cleanup, detoxification or decontamination of the Premises (including, without limitation, the soil and groundwater on or under the Premises) and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. Lessee's obligations under this paragraph shall survive the expiration or earlier termination of the term of this Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

Exhibit – F
to
Purchase and Sale Agreement (Water Rights and Real Property)

Personal Property and Well Permits

Personal Property

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

Wells

All Infrastructure associated with wells. Pumps, Utilities, etc.

a. State ID 1705809 permit # 10069R
b. State ID 1706637 permit # 87471F

[*Note: Wells are not located on the Land*]

Well Permits
None

Well Augmentation Contracts
None

53380327

PURCHASE AND SALE AGREEMENT
(Water Rights and Real Property)
[Michael / Glenn]

This Purchase and Sale Agreement (Water Rights and Real Property) ("Contract" or "Agreement") is entered into as of the Effective Date (as defined in Section 39 below), by and between Michael C. Hirakata, an individual whose principal address is 22161 County Road CC Rocky Ford, CO 81067 and Glenn R. Hirakata, an individual whose principal address is 26250 County Road 22 Rocky Ford, CO 81067 (collectively, "Seller"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 26791 E. Quincy Ave., Aurora, Colorado 80016 ("Buyer"). Seller and Buyer shall be referred to herein as "Party", and collectively as "Parties".

Recitals and Representations

A. Seller represents that it is the owner of unencumbered marketable title to 325.1 shares of capital stock in the Catlin Canal Company (the "Ditch Company") of which Seller desires to sell to Buyer 324.1 of such shares, as represented by the following share certificate numbers (the "Subject Stock"), the water derived therefrom, and all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, title, or interests represented by the Subject Stock (collectively with the Subject Stock, hereinafter referred to as the "Subject Water Rights"):

Current Certificate Number	Number of Shares to be conveyed	Shareholder on Certificate	Total Number of Shares on Certificate	Hold-Back Shares
0183A	129	Glenn Hirakata 1/2 int. & Michael Hirakata 1/2 int. E.O. & First National Bank as Mortgagee	130	1
0178A	30	Glenn & Michael Hirakata DBA Hirakata Farms E.O. and The First National Bank Colorado as mortgagee	30	None
0177A	86.1	Glenn &	86.1	None

		Michael Hirakata 1/2 Int. E.O. & The First national Bank Colorado as Mortgagee		
0176A	79	Glenn & Michael Hirakata & The First National Bank Colorado Mortgagee	79	None

B. Seller is the owner of approximately 328.6 acres of land, located in Otero County, Colorado as described on Exhibit A attached hereto (the "Land"), together with Seller's interest in and to all rights, benefits, privileges, easements, tenements, hereditaments, reversions, remainders, rights-of-way and other appurtenances and improvements located on the Land, (the "Real Estate").

C. Seller represents that the water derived from the Subject Water Rights is and has been used to irrigate approximately 295.44 acres of the Land.

D. Seller represents that it is the owner of marketable title to the Real Estate (including any improvements thereon).

E. Buyer is a Colorado municipal corporation, and as such has a need and necessity for the Subject Water Rights and Real Estate for the purposes of supplying water for municipal and other uses to the inhabitants of the City of Aurora, Colorado and others.

F. Buyer is desirous of purchasing the Subject Water Rights and the Real Estate and any and all entitlements, approvals, licenses, plans, specifications or permits located on or related to the Real Estate including all equipment and permits related to the storage or conveyance of water and any water wells located on or historically used in connection with the Land including irrigation of the Land and those specific items and well permits identified on Exhibit F attached hereto (the "Personal Property") all upon the terms and conditions as hereinafter described.

G. The Parties have agreed to the purchase and sale of the Subject Water Rights and the Real Estate, including a lease back by Seller for the purposes of farming, on the terms and conditions set forth herein below.

NOW THEREFORE, in consideration of the foregoing recitals and representations and in consideration of the covenants, promises, payments and agreements herein set forth the

adequacy, sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Sale and Purchase; Agricultural Lease.

1.1 Subject to the terms and conditions hereinafter provided, Seller hereby agrees to sell the Subject Water Rights, the Real Estate, including all appurtenances thereto, all improvements located thereon, and the Personal Property (collectively, the "Property"), subject to Seller's covenants and obligations hereunder to Buyer. With respect to any shares identified as "Hold-Back Shares" in Recital A above, the Water Deed and Share Assignment shall reference the applicable number of shares excluding such Hold-Back Shares.

1.2 Agricultural Lease.

1.2.1 At the Closing, Buyer and Seller's designated farming entity as approved by Buyer, which approval shall not be unreasonably withheld, during Buyer's Due Diligence Period (the "Lessee Farmer"), shall enter into a farming lease for Seller's use of the Subject Water Rights substantially in the form of the Agricultural Lease attached hereto as Exhibit E (the "Agricultural Lease").

1.2.2 Buyer anticipates entering into two separate purchase and sale agreements (a) one with Michael C. Hirakata and (b) another with Glenn R. Hirakata and Carmen R. Hirakata each for other shares of the Ditch Company and related Real Estate and each providing for a post-closing agricultural lease substantially similar to the Agricultural Lease (each a "Related Contract" and, collectively, the "Related Contracts").

(a) If Buyer closes on its purchase under one or both of the Related Contracts on the same date as this Contract and provided that the sellers under such Related Contract or Related Contracts have designated the same farming entity as the Lessee Farmer then the Parties will modify the form of Agricultural Lease attached to this Contract to reference all of the Real Estate and Subject Water Rights under this Contract together with such Related Contract or Related Contracts and to reference the entirety of the irrigated acreage and such modified form of lease will serve as the Agricultural Lease under this Contract and the other Related Contract or Related Contracts then being closed. The modified terms of the form of Agricultural Lease attached to this Contract consist of the bracketed provisions and those exhibits describing the subject Premises.

(b) If Buyer closes on its purchase under one or both of the Related Contracts prior to the Closing Date of this Contract and entered into an Agricultural Lease pursuant to said Related Contract(s) with the same farming entity as the Lessee Farmer then Buyer may elect, in its discretion, to either (i) enter into a new Agricultural Lease pursuant to this Contract or (ii) amend the Agricultural

Lease or leases previously executed with the seller(s) under the applicable Related Contract(s) to include and reference all of the Real Estate and Subject Water Rights under this Contract together with such Related Contract or Related Contracts and to reference the entirety of the irrigated acreage and such amended of lease will serve as the Agricultural Lease under this Contract. The modified terms of the form of Agricultural Lease attached to this Contract consist of the bracketed provisions and those exhibits describing the subject Premises.

2. Purchase Price.

2.1 The "Purchase Price" for the Property and Seller's covenants and obligations hereunder is $5,666,795.00 subject to prorations and adjustments and payment schedule as provided for herein.

2.2 Seller and Buyer acknowledge and agree that, for purposes of determining any sales or use taxes payable in connection with the conveyance of the Personal Property, (i) $1.00 of the Purchase Price shall be allocated to the Personal Property and (ii) the Personal Property shall be deemed to have a value of $1.00.

3. Title and Title Review.

3.1 The Parties agree that in order to consummate the transaction contemplated by this Contract, title to the Property must be unencumbered and marketable in Seller so the Real Estate (subject to the Permitted Exceptions (as defined below)) and the Personal Property and Subject Water Rights may be delivered free, clear and unencumbered in any way to Buyer and that Buyer's obligations under this Contract are specifically conditioned and contingent on Seller possessing such title prior to the Closing Date (as defined in Section 5.1 below). Notwithstanding any other provisions of this Contract, if Seller does not have such title in the Property on the Closing Date, Buyer may terminate this Contract, except for any provisions hereof which specifically survive termination of this Contract, in which case all partial payments and any other funds placed in escrow, if any, with Escrow Agent (as defined in Section 5.1 below) by Buyer shall be immediately refunded to Buyer.

3.2 On or before the date that is five (5) business days after the Effective Date, Seller shall deliver to Buyer: (i) a complete copy of the certificate(s) for the Subject Stock (front and back); (ii) a copy of any and all leases or other possessory interests held by third parties in the Real Estate or the Subject Water Rights and written disclosure of any such other leases or possessory interests of which Seller has knowledge; and (iii) to the extent they exist and are in Seller's possession, a copy of Seller's most current title insurance information and survey of the Real Estate, including copies of agreements, easements, permits, licenses, contracts or ground leases; and (iv) any contracts affecting the Subject Water Rights and Real Estate to the extent such contracts are in Seller's possession. Buyer may obtain a current title insurance commitment (the "Commitment") for an American Land Title Association ("ALTA") easement holder's policy (the "Title Policy"), written by the Title Company (as defined in Section 5.1 below) in the amount of the Purchase Price, agreeing to insure good and marketable title in the Real Estate

along with copies of any and all documents identified as exceptions in the Commitment. Upon Buyer's request, Seller shall provide to Buyer, written consent in a form acceptable to the Ditch Company from Seller consenting to Buyer's review of the Ditch Company records as relates to the ownership and status of the Subject Water Rights. Buyer agrees it will be responsible for the costs of any evaluation of any materials necessary to determine the status of the Property. Seller hereby further consents to Buyer's lawful actions in obtaining records and information from title companies, lenders, governmental agencies, ditch companies, and other third parties relating to title, ownership, liens, encumbrances, taxes, and assessments affecting the Subject Water Rights or Property, and agrees to provide to Buyer such other documents within Seller's possession as Buyer may reasonably request that are material to the transactions contemplated by this Agreement. Seller shall cause the Commitment to be updated by the Title Company prior to the Closing. Any exceptions on such updated Commitment that were not included on the initial Commitment reviewed and approved by Buyer and are not due to the actions of Buyer shall each be considered an impermissible encumbrance on Seller's marketable title to the Real Estate, in which case Buyer shall have the right, in its sole discretion, to either: either: (i) terminate this Contract; or, (ii) proceed to Closing and waive such objections or defects in writing.

3.3 Buyer may give written notice to Seller, or Seller's attorney, of its disapproval, in Buyer's sole discretion, of any matter contained in the Commitment and/or a survey of the Real Estate, if obtained by Buyer ("Objection Notice"). If Buyer provides an Objection Notice to Seller on or before the expiration date of the Due Diligence Period (as defined in Section 4 below), Seller shall have ten (10) days from the receipt of such Objection Notice to cure the objections or defects so specified (which cure may include the Title Company's commitment to issue a commercially reasonable endorsement over such defect and/or Seller's commitment to cause an encumbrance to be released at Closing, including through the use of proceeds from the Purchase Price), or notify Buyer that it does not intend to cure any such objections. If Seller (i) fails to cure any objection described in an Objection Notice to Buyer's satisfaction, (ii) notifies Buyer that it does not intend to cure an objection, or (iii) fails to respond within such ten (10) day period (which failure to respond shall operate the same as if Seller had notified Buyer that it does not intend to cure any objections), then Buyer shall have a five (5) business day period in which to either: (I) terminate this Agreement by delivery of written notice to Seller and to the Title Company so stating, whereupon any partial payments and any other funds placed in escrow, if any, with Escrow Agent by Buyer shall be immediately refunded to Buyer and this Agreement shall thereafter be of no further force and effect, except for any provisions hereof which specifically survive termination of this Agreement, and Buyer shall return all information delivered to Buyer by Seller; or (II) waive such objections or defects in writing, in which event the parties shall proceed to Closing, any such uncured objection(s) shall thereafter be deemed a Permitted Exception, and this Agreement shall continue in full force and effect. Any taxes and assessments for the year of Closing and subsequent years, any building restrictions, zoning regulations and all other laws applicable to Property, and any matter of title shown on the Commitment other than those that the Title Company has agreed to remove or the Seller has agreed to remove or cure in response to an Objection Notice are referred to herein as a "Permitted Exception" and collectively, the "Permitted Exceptions" to title. Notwithstanding the foregoing, Permitted Exceptions shall not include any liens, or documents evidencing liens, securing any indebtedness or any mechanics' or materialmen's liens (other than for any work done by or on behalf of Buyer) or any claims therefor to which Seller is a party and

covering the Property or any portion thereof ("Seller Liens"), each of which Seller Liens shall be paid in full by Seller and released at Closing.

3.4 Buyer shall cause a licensed surveyor to prepare a metes and bounds description and depiction of the Land consistent with the depictions attached to this Contract for use on the Deed and Title Policy prior to the end of the Due Diligence Period. Buyer and Seller shall agree upon the final legal description for the Land during the Due Diligence Period (as defined below). Neither Party shall unreasonably withhold its approval of the legal descriptions. If Seller does not agree to Buyer's proposed legal descriptions, Buyer may terminate this Contract prior to the end of the Due Diligence Period.

3.5 If the Parties have not agreed on a per-acre consideration for fallowed acres as provided for under Section 3.4.2.2 of the form of Agricultural Lease before execution of this Contract, the Parties shall use commercially reasonable efforts to make that determination during the Due Diligence Period.

3.6 If Buyer reasonably determines in good faith that Seller's title to the Subject Water Rights or the Real Estate is encumbered and not merchantable, Buyer shall give notice thereof in writing prior to expiration of the Due Diligence Period, as defined in Section 4, below. Seller will then have ten (10) business days to correct the defects. If at the end of such ten (10) business day period, title is not rendered unencumbered (except for the Permitted Exceptions) and merchantable, as reasonably determined by Buyer in good faith, then Buyer shall have the right, in its sole discretion to either: (i) terminate this Contract; or (ii) proceed to Closing and either, (A) waive such objections or defects in writing and/or (B) apply a portion of the Purchase Price to pay off or otherwise cure any such defect or encumbrance at Closing. Buyer shall make its election among the options described above on or before the tenth business day following the end of such ten (10) business day period. In the event that Buyer elects to proceed to Closing the date scheduled for the Closing shall be extended a reasonable number of days. No such defect or objection shall be deemed cured or waived unless Buyer so specifies in writing.

4. Due Diligence Period.

4.1 The Due Diligence Period runs beginning on the Effective Date until the date which is ninety (90) days thereafter (the "Due Diligence Period"). During the Due Diligence Period, Buyer may terminate this Contract for any reason or no reason.

4.2 To the extent not previously provided by Seller to Buyer, on or before the date that is ten (10) business days after the Effective Date, Seller will deliver to Buyer the following documents related to the Property to the extent they exist, are in Seller's possession and are not part of public records or included in the materials delivered under Section 3 above: existing surveys; engineering studies and reports; soils, flood, and geotechnical studies, reports, and tests; seismic reports; environmental surveys and reports; warranties and guarantees; all governmental and quasi-governmental permits, approvals, entitlements, zoning documents, notices, reports, citations, non-privileged correspondence (exclusive of invoices, billing information, and similar non-substantive documents); inspection reports; operating records; a copy of any and all leases or other possessory interests held by third parties in the Property (or

written disclosure of any such leases or possessory interests if such agreement is not written), and copies of any contracts affecting the Property which would be binding upon Buyer following the Closing; all documents and information related to use of the Subject Water Rights, including historical irrigation records and dry-up reports; any other documents materially related to the Property, including any environmental assessments (collectively, the "Seller Deliveries").

4.3 If Buyer terminates this Contract pursuant to this Section, Buyer shall promptly return to Seller, or destroy, all non-public documents, records, reports, and other Seller Deliveries furnished by Seller, except for one archival copy retained by Buyer or Buyer's legal counsel solely for legal, regulatory, audit, or record-retention purposes.

4.4 Buyer shall, consistent with its obligations under the Colorado Public (Open) Records Act, maintain the confidentiality of all non-public information received from Seller provided that (i) the existence of this Contract and the proposed purchase and sale of the Property shall not be considered non-public information and (ii) Buyer may disclose such information: (a) to those of their respective officers, directors, employees, advisors, agents, members or affiliates, or any person acting on its behalf (its "Related Parties") who shall require access thereto for the purpose of evaluating the Property and the proposed transaction under this Contract and who are informed of the confidential nature of such information, (b) as may be required by law or to comply with a lawful judicial process, (c) as otherwise reasonably required in connection with obtaining approval and ratification of this Contract from City Council (as defined in Section 34 below) or (d) upon notice to Seller, as reasonably determined by Buyer as necessary to effectuate Buyer's use of the Water Rights and operation of the Agricultural Lease. The City will, consistent with its obligations under the Colorado Public (Open) Records Act treat any such proprietary information as confidential information and the City agrees to treat, and shall use good faith efforts to cause its Related Parties to treat this Contract and the Proposed Transaction as confidential information. The obligations of this Section shall survive any termination of this Contract.

5. Closing.

5.1 Closing Date. The closing on this Contract (the "Closing") is scheduled to occur on the day that is sixty (60) days following the end of the Due Diligence Period or such other date as mutually agreed to by the Parties as the same may be extended as provided for in this Contract (the "Closing Date") at the offices of ABC Title & Closing Services at 300 Main Street, Ste. A, Ordway, CO 81063 or such other company or location as selected by Buyer ("Escrow Agent" and "Title Company") or such other escrow agent or title company as the Parties may mutually agree.

5.2 Closing Deliveries.

5.2.1 On or before Closing, Buyer shall deliver or cause to be delivered to Escrow Agent: (1) the Purchase Price subject to prorations as provided for under this Contract; (2) an executed counterpart of the Agricultural Lease; (3) an executed counterpart of the Joint Instruction Letter; and (4) the closing statement, such affidavits, instruments, agreements or

other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy.

5.2.2 On or before the Closing Date, Seller shall deliver to the Escrow Agent each of the following items:

(a) The original certificate(s) for the Subject Stock;

(b) A special warranty deed for the Subject Water Rights from Seller to Buyer with respect to the Subject Stock substantially in the form attached hereto as Exhibit B (the "Water Deed");

(c) One or more share assignment(s) for the Subject Stock from Seller to Buyer (collectively, "Share Assignment") and, to the extent that title to the Subject Stock is also held by a lender or other third party, an assignment from such third party either to Seller or Buyer, all in forms mutually agreed upon by the Parties and acceptable to the Ditch Company, which assignment shall include the appointment of an officer of the Ditch Company as attorney-in-fact with authority to change the ownership records of the Ditch Company with respect to the Subject Stock;

(d) A special warranty deed for the Real Estate from the Seller to the Buyer, substantially in the form attached hereto as Exhibit C, subject to the Permitted Exceptions (the "Deed");

(e) A bill of sale and general assignment, conveying good and marketable title to all Personal Property to Buyer in the form attached hereto as Exhibit D;

(f) A counterpart of the Agricultural Lease executed by the Lessee Farmer;

(g) Such documentation as required to effect the transfer of Seller's rights with respect to any augmentation plan applicable to water wells on the Land, including, if applicable, such transfer and change in use forms as may be required by the augmentation plan contracts identified during Buyer's Due Diligence Period, if any;

(h) An estoppel or other documentation from the Ditch Company in forms acceptable to Buyer and approved during Buyer's Due Diligence Period certifying that: (A) all assessments due with respect to the Subject Stock are paid in full; (B) the Subject Stock is validly issued and

outstanding in the name of Seller; and (C) the Ditch Company shall permit the transfer of the Subject Stock to Buyer;

(i) A counterpart of a joint instruction letter from Buyer and Seller addressed to the Ditch Company providing for the issuance of a separate share certificate for the Hold-Back Share(s) to Seller (the "Joint Instruction Letter");

(j) Such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy to Buyer.

5.2.3 Each Party shall further execute and deliver such documentation as may be reasonably requested by Escrow Agent or Title Company. Seller shall, at Seller's expense, cause the Title Company to issue the Title Policy promptly after the Closing, and Title Company shall record the Water Deed and the Deed.

5.2.4 Buyer's obligation to close under the Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent (collectively, "Buyer's Closing Conditions"):

(a) The Title Company shall be prepared and irrevocably committed in writing to issue to Buyer the Title Policy subject only to the Permitted Exceptions and with all endorsements requested by Buyer or agreed to by Seller in satisfaction of Buyer's Objection Notice.

(b) Seller's cure of any title matters on or before Closing, if Seller has agreed to cure such title matters.

(c) Seller's representations and warranties in this Contract shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(d) Seller shall have timely performed all covenants and obligations and timely complied with all conditions required by this Contract to be performed or complied with by Seller on or before the Closing Date, including without limitation timely delivery of all of Seller's Closing Deliveries to the Title Company.

(e) There shall not be pending any threatened litigation which, if determined adversely, would restrain the consummation

of any of the transactions contemplated by this Contract or declare illegal, invalid, or nonbinding any of the covenants or obligations of the Seller or adversely affect the Property or Buyer's use of the Property.

(f) Seller shall not be a debtor in any bankruptcy proceeding nor shall have been in the last 12 months a debtor in any bankruptcy proceeding.

(g) There shall be no parties in possession of the Property other than pursuant to the Agricultural Lease or as otherwise permitted under matters of record described in the Commitment.

(h) Buyer, acting reasonably and in good faith, shall determine that the transaction contemplated under this Contract complies with applicable laws, rules and regulations applicable to the Real Estate, Subject Water Rights, and Buyer, including the Intergovernmental Agreement between Buyer and the Southeastern Colorado Water Conservancy District dated October 3, 2003.

5.2.5 If any of Buyer's Closing Conditions are not met, Buyer may either, in Buyer's sole discretion: (i) waive the applicable Buyer's Closing Condition and proceed to Closing on the Closing Date, (ii) extend the Closing Date for up to thirty (30) days, or such longer period as the Parties mutually agree, (iii) terminate this Contract and receive a return of any funds deposited with Seller or the Escrow Agent, if any, or (iv) if such failure constitutes a default by Seller, exercise any or all of its rights and remedies set forth in this Contract.

6. Ditch Assessments; Prorations; Taxes.

6.1 Seller agrees to fully pay and continue to pay, or cause to be paid, any and all ditch assessments associated with and accruing to the Subject Stock through and including the Closing Date. At Closing, Buyer agrees to assume any such future obligations for assessments incurred from and after the Closing Date.

6.2 All real and personal property taxes related to the Personal Property and Real Estate (if any) shall be prorated as of 11:59 PM on the day prior to the Closing. If the Closing shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. Seller shall pay at or before Closing all real and personal property taxes (including prorated property taxes of the current year) and special assessments, if any, which are attributable to the period before the Closing. Any amounts not paid as of the Closing Date shall be deducted from the Purchase Price and paid to the applicable taxing authorities. All such prorations shall be final as of the Closing Date.

6.3 All water rates, utility charges, and all other costs and income related to the Real Estate (if any) shall be prorated and adjusted as of 11:59 PM on the day prior to the Closing. All such prorations shall be final.

7. Commissions. Seller hereby warrants to Buyer and Buyer hereby warrants to Seller that neither of them has dealt with any broker, finder or other agent in connection with the transaction contemplated hereby. Seller hereby agrees to indemnify and hold Buyer harmless from and against any claim by a third party for brokerage commission, finder's or other fees relative to this Contract and any court costs, attorneys' fees or other costs or expenses arising therefrom and alleged to be due by authorization of the indemnifying party. The provisions of this section shall survive the closing or termination of this Contract.

8. Closing Costs/Escrow Charges. The Parties will each pay one-half of the closing costs of the Escrow Agent for the Closing and all recording costs. Seller shall pay the premiums for the Title Policy. Seller shall pay the transfer costs, if any, imposed by the Ditch Company with respect to the transfer of the Subject Stock at the Closing.

9. Status and Authority of Seller. Seller hereby represents and warrants the following: (a) Seller has full power and authority to enter into this Contract and to carry out the transactions contemplated by this Contract, and (b) this Contract and its execution and delivery to Buyer will not result in a breach of, or constitute a default under, any indenture, loan or credit agreement, mortgage, deed of trust or other agreement to which Seller is a party or otherwise bound.

10. Additional Representations and Warranties of Seller. In addition to Seller's other representations and warranties contained in this Contract, Seller hereby represents, warrants, and agrees that as of the Effective Date, and on the date of Closing, except as may be caused or created by Buyer:

10.1 Seller reaffirms the representations and warranties expressly set forth in this Contract;

10.1.1 Seller is, or as of Closing shall be, the owner of marketable title to the Subject Stock and Subject Water Rights and, subject to the Permitted Exceptions, marketable title to the Real Estate;

10.1.2 The water derived from the Subject Stock has been historically used to irrigate the Real Estate;

10.1.3 To Seller's knowledge, without duty of inquiry, there are no pending judicial, municipal, or administrative proceedings with respect to, or in any manner affecting the Property or in which Seller is a party, including proceedings for or involving condemnations, eminent domain, which in any manner affects the Property;

10.1.4 The execution and delivery of this Contract and the performance of all obligations hereunder by Seller do not and will not require any consent or approval of any third party, other than any notices, approvals, or consents expressly contemplated by this Agreement or the governing documents of the Ditch Company, and do not and will not result in a

breach of, or constitute a default under, any indenture, loan agreement, credit agreement, mortgage, deed of trust, or other agreement.

10.1.5 Seller has received no written notice of any violations of any law, code, ordinance, rule or regulation or insurance policy affecting the Subject Stock or the Real Estate.

10.1.6 Except as disclosed to Buyer in writing there are no leases, subleases, licenses, contracts, unrecorded easements, or other agreements, written or oral, regarding the Subject Stock or the Real Estate, or granting to any party or parties the right to use or occupy all or any portion of the Subject Stock or the Real Estate that will be effective as of the Closing Date.

10.1.7 Except for the Agricultural Lease, there are no parties in possession of or entitled to possession of the Subject Stock or the Real Estate.

10.1.8 Other than any service contracts related to the Subject Stock or Real Estate provided to Buyer as part of the Due Diligence Materials and approved by Buyer, if any, there are no other such service contracts.

10.1.9 Seller is not bankrupt or insolvent, and has not filed for and is not involved in any voluntary or involuntary proceeding in bankruptcy under any applicable laws.

10.1.10 To Seller's knowledge, the Real Estate was not previously used as a methamphetamine laboratory.

10.1.11 To Seller's knowledge, Seller has provided to Buyer all Seller's Deliveries in Seller's possession and has not knowingly withheld or failed to disclose any Seller's Deliveries. Seller makes no representation or warranty, express, written, oral, statutory, or implied, with respect to the accuracy of any third-party documents or reports provided by Seller as Seller Deliveries.

11. Seller's Covenants.

11.1 Water Court Cooperation. After the Closing, Buyer may, at its own cost and expense: (a) seek use of the Subject Water Rights as an interruptible water supply pursuant to C.R.S. §37-92-309 or such subsequent applicable statute ("IWSA Approval"); or (b) submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Water Rights including, without limitation, for a change of the point of diversion and type, and place of use for Buyer's intended uses, including without limitation, for: storage, augmentation, replacement, direct municipal and industrial use, and exchange uses (each a "Change Case"). Upon reasonable advance notice, Seller shall, in connection with IWSA Approval or a Change Case, and with any approvals required of the Ditch Company in connection with Buyer's IWSA Approval or Change Case (including any so-called "Catlin" approval requirements), at no cost to Seller: (i) reasonably cooperate with Buyer to provide, to the extent in Seller's possession, information and records of water use concerning the Subject Water Rights; and (ii) testify truthfully on behalf of Buyer without subpoena or payment of witness or expert witness fees concerning Seller's historical use of the Subject Water Rights at any deposition, motions hearing,

trial, or Ditch Company meeting involving the Subject Water Rights. Buyer shall reimburse Seller for reasonable out-of-pocket travel and lodging expenses incurred in providing such testimony. Seller agrees not to file a statement of opposition to Buyer's Change Case or object to any application for an IWSA Approval provided the same is substantially consistent with the Agricultural Lease. The provisions of this Section shall survive the Closing.

11.2 Duty to update representations between the Effective Date and Closing. Between the Effective Date and the Closing Date, Seller shall promptly (but prior to the Closing) notify Buyer in writing of any fact, event, circumstance or action known to Seller (i) which, if known on the Effective Date, would have been required to be disclosed or (ii) the existence or occurrence of which would cause any of Seller's representations or warranties under this Contract not to be correct and complete. Buyer may elect, within three (3) business days after receipt of Seller's notice but prior to the Closing, to terminate this Contract by giving written notice to Seller and Escrow Agent.

11.3 Seller shall not create or consent to the creation of any lien (other than liens arising in the ordinary course and released at Closing), encumbrance, or other matter affecting title to any part of the Property without Buyer's prior written consent, which may be withheld in Buyer's sole and absolute discretion.

12. Notices. All notices, requests, demands, or other communications (collectively, "Notices") hereunder shall be in writing and given by (i) established express delivery service that maintains delivery records requiring a signed receipt, (ii) hand delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested to the Parties at the following address, or at such other address as the Parties may designate by Notice in the above manner.

To Buyer: City of Aurora
15151 East Alameda Parkway, Suite 5300
Aurora, CO 80012-1555
Attn: City Attorney

with copy to City of Aurora
26791 E Quincy Ave
Aurora CO 80016
Attn: General Manager, Aurora Water

with copy to Brownstein Hyatt Farber Schreck, LLP
675 15th Street, Suite 2900
Denver, CO 80202-4432
Attn: Andrew Meyers

with copy to City of Aurora
c/o Real Property Services Manager
15151 E. Alameda Pkwy, Suite 3200
Aurora, CO 80012-1555
hreynoso@auroragov.org

To Seller: Frascona Joiner Goodman & Greenstein PC
4750 Table Mesa Drive
Boulder, CO 80305
Email address: jordan@frascona.com

Notices shall be effective (x) the next day following the date sent by an established express delivery service which maintains delivery records requiring a signed receipt, (y) upon receipt by the addressee of a hand delivery, or (z) three (3) days following the date of mailing via certified or registered mail, postage prepaid, return receipt requested.

13. No Warranty Concerning Tax Status. Although this Contract does not contemplate the payment of interest by Buyer, in the event that any interest would be paid, Buyer makes no warranty nor guarantee that any such interest paid as a result of any transaction would be excusable from gross income or federal, state or local income tax purposes.

14. Amendment. This Contract may be modified, amended, changed or terminated in whole or in part only by written agreement duly authorized and executed by each of the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety.

15. Waiver. Any waiver of any breach of any provision of this Contract by any Party shall not constitute a continuing waiver of any subsequent breach of said Party, for either breach of the same or any other provision of this Contract.

16. Entire Agreement. This Contract represents the entire agreement of the Parties and neither Party has relied upon any fact or representation not expressly set forth herein. All prior and contemporaneous conversations, negotiations, possible alleged agreements, representations, covenants and warranties concerning the subject matter hereof, are merged in this Contract.

17. Headings for Convenience Only. Paragraph headings and titles contained herein are intended for convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Contract.

18. Binding Effect and Assignability. This Contract and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, if any. Seller may not assign its rights or delegate its duties hereunder without the prior written consent of Buyer, which Buyer may withhold in its sole discretion, except as provided for in Section 38. Any assignment of the Contract by Buyer shall be in writing duly authorized and executed by the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety memorialized by a restatement of this Contract in its entirety. Buyer shall be entitled to assign its rights and obligations hereunder without the consent of Seller.

19. Survival of Representations. Those representations and warranties set forth in Sections 9 and 10 of this Contract shall not merge in any deed, assignment, covenant, escrow

agreement, easement, lease or any other document, but shall survive each nevertheless at the Closing, and be binding and obligatory upon each of the Parties for a period of one (1) year.

20. Governing Law and Venue. This Contract and its application shall be construed in accordance with the law of the State of Colorado. Should it be necessary to initiate court proceedings concerning this Contract, the Parties agree that venue shall be in the District Court for Otero County, Colorado.

21. No Recording. This Contract shall not be recorded. Notwithstanding this provision, at Closing, Title Company shall record the Deed and the Water Deed with the Otero County Clerk and Recorder's Office.

22. Multiple Originals. This Contract may be simultaneously executed in any number of counterparts, each of which shall be deemed an original, but all of which constitute the same agreement.

23. Definitions and Interpretations. Except as otherwise provided herein nouns, pronouns and variations thereof shall be deemed to refer to the singular or plural, and masculine or feminine, as the context may require. Any reference to a policy, procedure, law, regulation, rule or document shall mean such policy, procedure, law, regulation, rule or document as it may be amended from time to time.

24. No Construction Against Drafter. This Contract has been prepared by the combined efforts of Seller and Buyer and their respective legal counsel as Seller and Buyer so desired, accordingly the Parties agree there shall be no construction against the drafter of this Contract should any dispute arise.

25. Sole Obligation of Utility Enterprise.

25.1 This Contract shall never constitute a general obligation or other indebtedness of the City of Aurora (the "City"), or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City.

25.2 In the event of a default by the City's Utility Enterprise of any of its obligations under this Contract, Seller shall have no recourse for any amounts owed to it against any funds or revenues of the City except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Contract shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City.

26. Conveyance to City of Aurora. Seller hereby acknowledges and agrees that any deliveries required to be made to Buyer hereunder may, at Buyer's request, be modified to provide for delivery directly to and in the name of the City of Aurora, Colorado.

27. Specific Performance. Either Party shall be entitled to seek the remedy of specific performance to enforce the terms of this Contract.

28. No Attorney's Fees and Costs. In the event of any litigation, mediation, arbitration or other dispute resolution proceedings arising out of or related to this Contract, each Party agrees to be responsible for its own attorney's fees and other professional fees, costs and expenses associated with any such proceedings.

29. Non-Severability; Effect of Invalidity. Each Section in this Contract is intertwined with the others and are not severable unless by mutual consent of Buyer and Seller or as provided for below. If any provision or portion of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable for any reason by a Court of competent jurisdiction, and the basis of the bargain between the Parties is not destroyed or rendered ineffective thereby, the remainder of this Contract, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

30. Intent of Contract. This Contract is intended to describe the rights and responsibilities of and between Buyer and Seller and are not intended to, and shall not be deemed to, confer rights upon any person or entities other than signatories hereto, or to limit, impair, or enlarge in any way the powers, regulatory authority and responsibilities of Buyer or any other governmental entity not a party hereto.

31. Non-Business Days. If any date for any action under this Contract is on a Saturday, Sunday or a day that is a "holiday" as such term is defined in C.R.C.P. 6, then the relevant date shall be extended automatically until the next business day.

32. Further Assurances. Buyer and Seller will make, execute and deliver such documents and undertake such other and further acts in good faith as may be reasonably necessary to complete the transactions contemplated under this Contract.

33. Recitals and Exhibits. The recitals and exhibits attached hereto are hereby incorporated into this Contract.

34. Ratification by the City Council. The City Manager of the City of Aurora approves this Contract pursuant to Chapter 2, Article III, Section 2-62(b) of the Code of Ordinances of the City of Aurora, subject to the ratification of the City Council of the City of Aurora ("City Council"). Buyer's obligations under this Contract are expressly contingent and conditioned on such ratification of this Contract by City Council by way of an ordinance or such other means as Buyer determines is necessary in accordance with the Aurora City Code, Charter, or applicable policies.

35. Authority of the City Attorney. By its ratification of this Contract as provided for in Section 34 above, City Council authorizes the City Attorney of the City of Aurora, without

further action by City Council, to (i) make any such amendments or other modifications of this Contract as City Attorney may deem necessary for the purpose of extending deadlines provided for in this Contract or effecting non-substantive administrative modifications to this Contract; and (ii) exercise any elections of Buyer as provided for under this Contract; provided, however, that City Attorney may not make any such amendment or modification which is reasonably expected to increase the amount of the Purchase Price payable by Buyer hereunder. This provision shall not entitle the City Attorney to unilaterally modify the Contract without the consent of Seller.

36. Signatures. The parties agree that Buyer may execute this Contract, the Agricultural Lease using a digital image (an image in the form of a PDF, JPEG, GIF file, DocuSign, SignNow or other e-signature), and the same shall be deemed as a true and correct original.

37. Joint and Several Liability. If Seller consists of two or more persons or entities, then such parties shall be jointly and severally liable for Seller's covenants, representations, warranties and other obligations under this Contract and requests or demands from any one person or entity comprising Seller shall be deemed to have been made of all such persons or entities.

38. 1031 Exchange. Seller may consummate the sale of the Subject Stock as part of a so-called like kind exchange (the "Exchange") pursuant to §1031 of the Internal Revenue Code of 1986, as amended, provided that: (a) the Closing shall not be delayed or affected by reasons of the Exchange, nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Seller's obligations under this Contract; (b) Seller shall effect the Exchange through an assignment of this Contract, or its rights under this Contract, to a qualified intermediary, provided that such assignment shall not release Seller of its obligations hereunder; and (c) Buyer shall not be required to take an assignment of the purchase agreement for other property or be required to acquire or hold title to any real property for purposes of consummating the Exchange. Buyer shall reasonably cooperate in connection with the Exchange, but shall not be required to incur any additional expense or obligation (contingent or otherwise) in connection therewith. Seller shall indemnify, defend and hold harmless Buyer from and against any and all costs (including, without limitation, attorneys' fees), expenses, liabilities, losses and damages incurred by reason of the execution and/or delivery of any Exchange documents, or by reason of participating in the Exchange. The foregoing indemnity shall survive the Closing.

39. Effective Date. The "Effective Date" shall be the date on which this Contract is executed by Seller.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year indicated below.

BUYER:

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Marshall P. Brown, General Manager, Aurora Water — Date: Oct 26, 2026

APPROVED AS TO FORM FOR AURORA:

Ian Best, Assistant City Attorney — Date: Oct 26, 2026 — ACS#: 26.54

Andrew L. Meyers, Special Water Counsel — Date: Oct 23, 2026

REVIEWED FOR AURORA:

Hector Reynoso, Real Property & Survey Services Manager — Date: Oct 26, 2026

Richard Kienitz, Aurora Water Manager — Date: Oct 23, 2026

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 26th day of October, 2026, by Marshall P. Brown, General Manager, Aurora Water, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

Notary Public

My commission expires: 2/8/27

(SEAL)

ALEXANDER GAGLIARDI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234005206
MY COMMISSION EXPIRES 02/08/2027

Signature -1

SELLER:

By: _____
Michael C. Hirakata, an individual
(a/k/a Michael Conrad Hirakata)

By: _____
Glenn R. Hirakata, an individual

STATE OF COLORADO)
) ss
COUNTY OF Otero)

The foregoing Contract was acknowledged before me this 23rd day of October 2026 by Michael C. Hirakata, an individual (a/k/a Michael Conrad Hirakata).

Witness my hand and official seal. _____
Notary Public

My commission expires: 08/03/26

(SEAL)

ANN ELIZABETH REYES
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20184031177
MY COMMISSION EXPIRES AUG 3, 2030

STATE OF COLORADO)
) ss
COUNTY OF Otero)

The foregoing Contract was acknowledged before me this 23rd day of October 2026 by Glenn R. Hirakata, an individual.

Witness my hand and official seal. _____
Notary Public

My commission expires: 08/03/26

ANN ELIZABETH REYES
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20184031177
MY COMMISSION EXPIRES AUG 3, 2030

(SEAL)

Signature -3

Following ratification by the Aurora City Council:

City of Aurora, Colorado
acting by and through its
Utility Enterprise

_____ _____
Mike Coffman, Mayor Date

Attest:

_____ _____
Kadee Rodriguez, City Clerk Date

State of Colorado)
) ss
County of Arapahoe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by Mike Coffman, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(Seal)

Exhibit – A
to
Purchase and Sale Agreement (Water Rights and Real Property)
Legal Description of Real Estate

PARCEL 1:
A tract of land lying in the E1/2SW1/4SW1/4 and SE1/4SW1/4 of Section 27, Township 23 South, Range 56 West of the 6 th P.M., being more particularly described as follows: Beginning at the Northwest corner of said E1/2SW1/4SW1/4 as monumented by a 5/8" rebar and 2" aluminum cap marked BRUNDAGE, PLS 30087 and considering the West line of said E1/2SW1/4SW1/4, (as witness monumented 30.00 feet North by a similar rebar and cap at its South end), bearing N.0°15'16"E., with all other bearings contained herein being relative thereto; thence S.89°21'49"E., along the North line of said E1/2SW1/4SW1/4 and SE1/4SW1/4, a distance of 1068.29 feet to a point on the Westerly toe of the Rocky Ford Ditch; thence along said ditch toe for the following six courses: S.13°21'58"E., 208.36 feet; S.16°09'07"E., 231.77 feet; S.14°12'40"E., 103.03 feet; S.0°20'27"W., 91.07 feet; S.23°20'52"W., 122.35 feet; S.15°11'55"W., 614.51 feet to a point on the South line of said E1/2SW1/4SW1/4 and SE1/4SW1/4; thence N.89°21'36"W., along said South line, a distance of 388.97 feet; thence N.0°37'09"W., 604.28 feet; thence N.89°45'11"W., 603.77 feet to a point on the West line of said E1/2SW1/4SW1/4; thence N.0°15'16"E., 722.31 feet to the point of beginning.

SUBJECT TO the South 30.00 feet of said tract for County Road CC Right-of-Way purposes.
In the County of Otero, State of Colorado.

[continues on next page]

PARCEL 2:

Township 24 South, Range 56 West of the 6 th P.M.

Section 5: All that part of the SE1/4 lying West and North of Timpas Creek; South 88 feet of the NE1/4;

EXCEPT A tract of land lying in the SE1/4 of Section 5, Township 24 South, Range 56 West of the 6 th P.M., being more particularly described as follows: Beginning at the Southeast corner of said Section 5 as monumented by a 1" iron pipe with 2" aluminum cap marked PLS 12103 and considering the South line of said Section 5, (as monumented by a similar pipe and cap at its West end), bearing S.89°42'50"E., with all other bearings contained herein being relative thereto; thence N.50°11'21"W., 2449.79 feet; thence N.88°57'51"W., 231.02 feet to the TRUE POINT OF BEGINNING; thence N.88°56'26"W., 463.09 feet; thence N.0°00'32"E., 338.25 feet; thence S.88°42'28"E., 464.80 feet; thence S.0°17'39"W., 336.33 feet to the True Point of Beginning. SUBJECT TO the South 15.00 feet and North 15.00 feet of said tract for Access Easement purposes. TOGETHER WITH a strip of land 20.00 feet wide (10.00 feet each side of centerline) for access easement purposes whose centerline is described as beginning at the Southeast corner the herein described tract; thence N.0°17'39"E., 10.00 feet to the point of easement beginning; thence S.88°57'51"E., 228.53 feet; thence S.88°50'18"E., 1472 feet, more or less, to a point on the Westerly Right-of-Way line of County Road 21 and the terminus of said easement centerline. All easement sidelines are intended to be extended or shortened to meet said county road line and the East line of said tract. ALSO TOGETHER WITH a strip of land 40.00 feet wide (20.00 feet each side of centerline) for access and utility easement purposes whose centerline is described as beginning at the Southeast corner the herein described tract; thence S.88°57'51"E., 188.32 feet to the point of easement beginning; thence S.0°51'40"W., 1529.70 feet to a point on the North Right-of-Way line of Colorado Highway No. 10 and the terminus of said centerline. All easement sidelines are intended to be extended or shortened to meet said highway line.

ALSO EXCEPT A tract of land lying in the SE1/4 of Section 5, Township 24 South, Range 56 West of the 6 th P.M., being more particularly described as follows: Beginning at the Southeast corner of said Section 5 as monumented by a 1" iron pipe with 2" aluminum cap marked PLS 12103 and considering the South line of said Section 5, (as monumented by a similar pipe and cap at its West end), bearing S.89°42'50"E., with all other bearings contained herein being relative thereto; thence N.50°11'21"W., 2449.79 feet to the TRUE POINT OF BEGINNING; thence N.88°57'51"W., 231.02 feet; thence N.0°17'39"E., 336.33 feet; thence S.88°57'13"E., 84.94 feet; thence along a non-tangent curve to the right whose radius is 78.00 feet, an arc length of 121.29 feet; thence S.12°59'16"E., 274.29 feet to the True Point of Beginning. SUBJECT TO the South 20.00 feet, the Easterly 15.00 feet and North 15.00 feet of said tract for Access Easement Purposes. TOGETHER WITH a strip of land 40.00 feet wide (20.00 feet each side of centerline) for access and utility easement purposes whose centerline is described as beginning at the Southeast corner the herein described tract; thence N.88°57'51"W., 42.70 feet to the point of easement beginning; thence S.0°51'40"W., 1529.70 feet to a point on the North Right-of-Way line of Colorado Highway No. 10 and the terminus of said centerline. All easement sidelines are intended to be extended or shortened to meet said highway line. ALSO TOGETHER WITH a strip of land 20.00 feet

wide (10.00 feet each side of centerline) for access easement purposes whose centerline is descried as beginning at the Southeast corner the herein described tract; thence N.12°59'16"E., 10.31 feet to the point of easement beginning; thence S.88°50'18"E., 1472 feet, more or less, to a point on the Westerly Right-of-Way line of County Road 21 and the terminus of said easement centerline. All easement sidelines are intended to be extended or shortened to meet said county road line and the East line of said tract.
In the County of Otero, State of Colorado.

PARCEL 3:
Township 24 South, Range 56 West of the 6th P.M.
Section 4: NW1/4NW1/4; NE1/4NW1/4; and all that part of the SE1/4NW1/4 lying North of Timpas Creek, more particularly described as follows:
Beginning at the Northwest corner of said SE1/4NW1/4; thence South 800 feet, more or less, to the North Bank of Timpas Creek; thence Northeasterly along the North bank of said Timpas Creek to the East line of said SE1/4NW1/4; thence North 636 feet, more or less to the NE corner of said SE1/4NW1/4; thence West 1320 feet, more or less, to the point of beginning.
EXCEPT beginning at the Northeast corner of the NW1/4 of said Section, as monumented by a 5/8" rebar and marked aluminum cap; thence S.0°07'51"E., along the East line of said NW1/4, 56.8 feet to the center of the Rocky Ford Ditch as located July 21, 1983, which is the true point of beginning; thence continuing along said East line 120.96 feet to the Southerly ROW of said Ditch; thence continuing along said East line 724.75 feet; thence S.89°42'22"W., and parallel with the North line of said NW1/4 465.4 feet to the Easterly ROW of said Ditch; thence S.89°42'22"W., and 71.4 feet to the center of said Ditch; thence through the following described courses along the center of said Ditch: N.32°29'25"E., 192.7 feet; N.15°21'55"E., 85.8 feet; N.34°06'54"E., 728.5 feet to the point of beginning.
EXCEPT A tract of land lying in the SE1/4NW1/4 of Section 4, Township 24 South, Range 56 West of the 6th P.M., being more particularly described as follows: Beginning at the Northwest corner of said SE1/4NW1/4 as monumented by a ¾" rebar and 3-1/4" aluminum cap marked PLS 12103; thence S.47°17'48"E., 849.23 feet; thence S.12°37'30"E., 83.73 feet to a point on the North bank of Timpas Creek; thence along said North bank for the next five courses: S.78° 43'24"W., 221.45 feet; S.71°46'28"W., 135.78 feet; S.26°27'55"W., 74.94 feet; S.74°04'06"W., 146.35 feet; S.71° 13'46"W., 140.40 feet to a point on the West line of said SE1/4NW1/4; thence N.0°41'33"E., 895.94 feet to the point of beginning. TOGETHER WITH a strip of land 30.00 feet wide (15.00 feet on each side of centerline) for access and utility easement purposes whose centerline is described as beginning at the Northwest corner of the NW1/4 of said Section 4 as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked LS 12103 and considering the North line of said NW1/4, (as monumented by a similar rebar and cap at its East end), bearing S.89°29'13"E., with all other bearings contained herein being relative thereto; thence S.88°08'46"E., 1282.02 feet to a point on the South Right-of-Way line of County Road BB and the point of easement beginning; thence S.13°46'22"W., 97.00 feet; thence S.22°49'15"W., 848.54 feet; thence along a curve to the left whose radius is 87.00 feet, an arc length of 108.11 feet; thence S.48° 22'37"E., 303.61 feet; thence S.45°44'54"E., 192.55 feet; thence S.47°17'48"E., 650.00 feet to the terminus of said easement centerline. All easement sidelines are intended to be extended or shortened to meet the South Right-of-Way line of County Road BB.
In the County of Otero, State of Colorado.

PARCEL 4

The SW1/4SW1/4SE1/4 lying West of the Rocky Ford Ditch Company's Canal in Section 21, Township 23 South, Range 56 West of the 6th P.M.
The NE1/4NW1/4 and NW1/4NE1/4 in Section 28, Township 23 South, Range 56 West of the 6th P.M., EXCEPT a tract of land lying in Otero County, Colorado in the NW1/4NE1/4 of Section 28, Township 23 South, Range 56 West of the 6th P.M. and being more particularly described as follows: Beginning at the Northeast corner of said NW1/4NE1/4 as monumented by a 3/4" rebar and 3-1/4" aluminum cap marked PS, INC., PLS 30087 and considering the North line of said NW1/4NE1/4, (as monumented by a 2-1/2" aluminum pipe with 3-1/4" aluminum cap marked PS, INC., PLS 12103 at its West end), bearing S.89°27'57"E., (G.P.S.) with all other bearings contained herein being relative thereto; thence S.0°15'01"W., along the East line of said NW1/4NE1/4, a distance of 720.09 feet to a point on the Northerly toe of the Rocky Ford Ditch; thence N.45°36'51"W., along said ditch toe, a distance of 309.34 feet; thence N.55°00'10"W., along said ditch toe, a distance of 893.79 feet to a point on the North line of said NW1/4NE1/4; thence S.89°27'57"E., 956.43 feet to the Point of Beginning. SUBJECT TO the North 20 feet of said tract for County Road "DD" purposes. All corners, unless otherwise noted are monumented by 5/8" rebars and aluminum caps marked PS, INC., PLS 30087.In the County of Otero, State of Colorado.

Exhibit – B
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Special Warranty Deed

When recorded return to:
_____
_____
_____

Special Warranty Deed
(Water Rights)

This Special Warranty Deed, made this _____ day of _____, 202_, between _____, a _____, whose address is _____ ("Grantor"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Grantee").

WITNESSETH, that Grantor, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, Grantee's heirs and assigns forever all of the water rights described below (the "Water Rights"):

(a) The water rights represented by [____]shares of the capital stock of The Catlin Canal Company, a mutual ditch company organized and existing under the laws of Colorado, which share(s) are evidenced by the stock certificate numbers set forth below (collectively, the "Shares") and the water derived therefrom:

[____] Shares Represented by Stock Certificate Number [____].
[____] of the [____] Shares Represented by Stock Certificate Number [____].
[_____]

(b) All beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said Shares, and in addition, and in no way limited by the foregoing, any and all other right, title or interest in The Catlin Canal Company represented by said Shares.

(c) The following well permits: [_____] [*See Exhibit F*]

TOGETHER with all and singular hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the above bargained Water Rights, with the hereditaments and appurtenances.

FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – C
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Special Warranty Deed – Real Estate

[see following page]

SPECIAL WARRANTY DEED

THIS DEED, dated this _____ day of _____, 202_, between, _____, a _____, whose address is _____, _____, County of _____ and State of Colorado, hereinafter referred to as "Grantor", and the **City of Aurora, Colorado**, a home rule municipal corporation of the Counties of Adams, Arapahoe and Douglas, acting by and through its Utility Enterprise, hereinafter referred to as "Grantee", whose legal address is 15151 E. Alameda Parkway, Aurora, Colorado 80012-1555.

WITNESS, that the Grantor(s), for and in consideration of the sum of One and no/100-------Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto the Grantee, Grantee's heirs, successors, and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Otero and State of Colorado, described as follows:

See Exhibit A wherein the description is more fully set forth. Said Exhibit A is attached hereto and incorporated herein by reference.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever of Grantor, either in law or equity, of, in, and to the above bargained Premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Premises above bargained and described, with the appurtenances, unto the Grantee, Grantee's heirs, successors, and assigns forever. The Grantor, for Grantor and Grantor's heirs, successors, and assigns, do covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained Premises in the quiet and peaceable possession of Grantee, Grantee's heirs, successors, and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by through or under the Grantor, subject only to those matters shown on Exhibit B attached hereto and incorporated herein.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

[SIGNATURES APPEARING ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

_____

a _____ _____ _____

By:_____

Title:_____

State of _____)
) §
County of _____)

The foregoing instrument was acknowledged before me this _____day of

_____202___, by _____, _____, of the _____
, a _____.

Witness my hand and official seal.
My commission expires:

SEAL

_____
Notary Public

_____

SURVEYOR NAME, PLS #######, for and on behalf of NAME, ADDRESS, CITY, STATE, ZIP
Name and address of person creating newly created legal description (38-35-106.5, C.R.S.)

REVIEWED BY:

Hector Reynoso
Real Property Services – Manager

APPROVED AS TO FORM:

Stephen Cann
Senior Assistant City Attorney

REVIEWED BY:

Richard Kienitz
Arkansas Valley Resources Manager

FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – D
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Bill of Sale

BILL OF SALE

Effective this _____ day of _____, 202_, _____, whose address is _____ ("Seller") for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, bargains, sells, grants, and transfers to the City of Aurora, Colorado, a home-rule municipal corporation, acting by and through its Utility Enterprise of the counties of Adams, Arapahoe and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Buyer"), all of its interest in the following personal property, goods, and chattels:

1. All of the equipment, machinery, supplies, materials, entitlements, approvals, licenses, plans, specifications, personal property, goods, fixtures, equipment, improvements, ditches, pipelines, wells, headgates, and measuring devices located on or related to the real property described on Exhibit A attached hereto (the "Real Property"), including but not limited to those described in Exhibit B attached hereto.

2. All books, records, files, water rights accounting, documents, reports, permits, designs, plans, specifications, blueprints, drawings, manuals, service instructions, diagrams, data, and operating procedures associated with the construction, installation, operation and maintenance of any such property.

TO HAVE AND TO HOLD the same unto the Buyer its successors and assigns forever. Seller covenants and agrees to and with Buyer, its successors and assigns, to warrant and defend the title to the personal property, goods and chattels conveyed herein against all and every person or persons whomever claiming under Seller.

EXCEPT AS PROVIDED FOR ABOVE, THE PERSONAL PROPERTY, GOODS AND CHATTELS ARE CONVEYED TO BUYER "AS IS, WHERE IS" WITH ALL FAULTS, WITHOUT ANY REPRESENTATION OR WARRANTY, WHATSOEVER.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed and subscribed to by its duly authorized representative.

SELLER

_____,
a/an _____

By: EXHIBIT – DO NOT EXECUTE
Name:_____

Title: _____
Date: _____

Exhibit A
Legal Description of the Real Property

Exhibit B
Non-Exhaustive List of Personal Property

[*insert Exhibit F to Contract.*]

Exhibit – E
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Agricultural Lease
AGRICULTURAL LEASE [No. [_]]

This Agricultural Lease [No. [_]] ("Lease") is entered into as of _____, 202_ (the "Effective Date") between the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 15151 East Alameda Parkway, Suite 3200, Aurora Colorado 80012 ("Lessor") and _____ whose principal place of business is located at _____ ("Lessee"). Lessor and Lessee may be collectively referred to as the "Parties" or individually as a "Party."[*NTD: confirm which Lessee entity as provided for in the Contract*]

For good and valuable consideration, and in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1. LEASE GRANT AND PREMISES.

1.1. Lease. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, on the terms and conditions of this Lease including the Aurora IWSA as defined below, the following, which are hereinafter collectively referred to as the "Premises":

1.1.1. That certain real property currently consisting of (i) approximately [328.6] acres located in Otero County, Colorado, more specifically described in **Exhibit A-1** attached hereto; together with all appurtenances and related real property interests, including but not limited to easements, but excluding oil, gas, hydrocarbon and mineral rights (the "Farm"), and (ii) those certain improvements located on the Farm which are specifically described on **Exhibit A-2** attached hereto, if any (collectively, the "Improvements").

1.1.2. Certain water rights represented by shares in the Catlin Canal Company, a mutual ditch company as described on **Exhibit B-1** attached hereto, including all beneficial right, title and interest in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said shares (the "Subject Catlin Water Rights") historically used on the Irrigated Acreage (as defined below);

1.1.3. The water rights described on **Exhibit B-2** attached hereto ("Groundwater Rights"), consisting of three irrigation wells, together with any existing well augmentation contracts to further support the farming practices at the Farm.

1.1.4. The term "Irrigation Equipment" as used herein shall refer to that certain irrigation equipment owned by Lessor and installed or to be installed on the Premises, which Irrigation Equipment, as of the Effective Date, is described on **Exhibit C** attached hereto.

1.2. Term.

1.2.1. Initial Term. The term of this Lease (the "Term") shall commence on _____, 20__ (the "Commencement Date") and shall terminate at midnight on January 31, 20__ [insert date for a ten-year initial term] (the "Initial Term"), or as earlier terminated by the Parties, pursuant to the terms of this Lease (the "Termination Date").

1.2.2. Renewal Terms. Following expiration of the Initial Term, Lessee may request to extend the Term for up to two (2) successive ten (10)-year terms (each successive term shall be referred to as a "Renewal Term") by delivering written notice to Lessor not less than eighteen (18) months and not earlier than twenty four (24) months prior to expiration of the then current Term. If Lessee provides timely notice requesting extension of the Term for a Renewal Term pursuant to this Section, Lessor will provide written notice of Lessor's consent or rejection of Lessee's request no later than twelve (12) months prior to expiration of the then current Term. Lessor's consent shall not be unreasonably withheld; provided that Lessee acknowledges that it shall not be unreasonable for Lessor to withhold such consent if any of the following conditions exist: (a) Lessee is in Default beyond any applicable notice and cure period; (b) Lessee has been in Default beyond any applicable notice and cure period more than twice during the then-current Term (provided Lessor had provided notice of such default); (c) Lessee has failed to comply with the terms of this Lease, including Farming Standards (Section 3.3), the Water Accounting Responsibilities (Section 4.7) or to otherwise follow agricultural best management practices or comply with applicable agricultural, environmental, or water regulations; (d) Lessee has outstanding monetary obligations beyond normal billing cycles; (e) material changes in Lessee's operations that violate the permitted use or applicable law; or (f) a planned municipal use of the Premises or Water Rights inconsistent with a renewal of the Term. If Lessee fails to timely submit a request, a request for a Renewal Term, this renewal option shall terminate. If Lessor fails to timely respond to a Lessee request, Lessor will be deemed to have withheld its consent. If Lessor withholds consent to a Lessee request for a Renewal Term for any of causes (c), (d) or (e) above and provided such condition: (A) is capable of being cured within thirty (30) days; (B) has not or will not result in Lessor being in violation of any applicable laws, rules or regulations applicable to the Water Rights or any part of the Premises or liable for damages to any third party; and (C) Lessee does so cure such condition within thirty (30) days of Lessor's notice rejecting Lessee's renewal request, then it shall be unreasonable for Lessor to withhold its consent on the basis of such condition. Without limiting the terms of the foregoing process, at the request of either Party, the Parties shall meet within

twenty-four (24) months of the end of the Initial Term or the first Renewal Term to discuss terms and conditions for a potential Renewal Term.

1.3. Irrigated Acres: Irrigation Restrictions. The Farm includes approximately [295.44] historically irrigated acres (each, an "Irrigated Acre" and, collectively, the "Irrigated Acreage") depicted on **Exhibit D** and identified as *Irrigated Acres*. Lessee acknowledges and agrees that the Farm contains approximately [328.6] acres of land that historically have not been irrigated (the "Non-Irrigated Lands"), and that Lessee shall not cause or permit the irrigation of such land in the future (the "Non-Irrigated Acreage Restrictions"). [*Note: revise as necessary to accommodate land and water from the Related Contracts pursuant to Section 1.2.2 of the Contract, if applicable*]

1.4. Permitted Use; Acceptance. This Lease is made for the exclusive purpose of Lessee's farming of the Irrigated Acreage using the Premises including grazing and other activities normally associated with irrigated agriculture and for no other purposes. Any other uses must be pursuant to a separate agreement approved by Lessor in writing, in advance. This Lease is made subject to all governmental laws, ordinances, orders, regulations, codes, directives, variances, and all orders, permits, rules and regulations issued by or at the direction of any such governmental agency or authority or any board or instrumentality thereof, and all covenants, conditions, easements, and rights-of-way now or hereafter existing, whether or not of record. Lessee has inspected and hereby accepts the condition of the Premises and has made its own determination regarding the suitability of the Premises for Lessee's anticipated Farming Plan (as defined in Section 3.2 below) and use. Lessee is leasing the Premises "AS IS" and "WHERE IS" with all defects and defaults, latent or otherwise. Lessee accepts the Premises in its present condition and is not relying upon any representation or warranty by Lessor or any person acting on behalf of Lessor as to the condition or suitability of the Premises or Lessee's use thereof.

1.5. Surrender. At the end of the Term or the sooner termination of this Lease, Lessee agrees to quietly and peacefully surrender possession of the Farm in as good or better condition as at the inception of this Lease, along with possession of the Irrigation Equipment and any other Improvements on the Farm, all in good condition and working order, only reasonable wear and tear excepted.

2. RENT.

2.1. Rent. In each calendar year of the Term (each a "Lease Year"), Lessee will pay to Lessor rent in the amount of $170.00 per Irrigated Acre of the Premises on an annual basis (the "Base Rent"); provided, however, Lessee shall have no obligation to pay Base Rent on any Irrigated Acreage that is dried up pursuant to the Aurora IWSA during any IWSA Year. Accordingly, the Base Rent shall be $[50,224.80] (which represents $170 multiplied by the entire [295.44] Irrigated Acres) subject to reduction

during any IWSA year pursuant to the preceding sentence. During the Term, Lessee shall be entitled to retain all payments from U.S. Department of Agriculture ("USDA"), Farm Service Agency ("FSA"), or other government programs in which acreage constituting part of the Premises are enrolled, however, Lessee shall not enroll any acreage in such government programs if doing so may limit Lessor's ability to use water pursuant to the Aurora IWSA, or if doing so would result in restrictions on the Premises that would extend beyond the end of the Term, and Lessee shall bear responsibility for compliance with all provision and requirements of all programs in which such lands are enrolled. If, over any five-year period ditch company assessments for the shares representing the Subject Catlin Water Rights have increased by five percent or more, Lessor may raise the Base Rent by an amount sufficient to offset such increase in assessments. [*Note: calculate Base Rent to include Irrigated Acreage from the Related Contracts pursuant to Section 1.2.2 of the Contract, if applicable*]

2.2. Rent Payments. Base Rent payments for each Lease Year shall be due in installments as follows: (a) 20% of the Base Rent shall be due April 1, (b) 40% of the Base Rent shall be due July 1, and (c) the remaining 40% of the Base Rent shall be due November 1. Payment shall be made to City of Aurora Utilities Enterprise, Manager of Real Property, 15151 E. Alameda Pkwy., Ste. 3200, Aurora, CO 80012 (referencing Agricultural Lease [No. [ ]]) or such other address as provided to Lessee pursuant to Section 10.11 below. Lessee shall also pay, as "Additional Rent" any and all sums of money or charges required to be paid by Lessee to Lessor under this Lease. Base Rent and Additional Rent are sometimes referred to herein collectively as "Rent." In addition to Base Rent and Additional Rent payable to Lessor, Lessee shall pay, at its sole cost, any and all sums of money or charges required to be paid by Lessee to third parties for Lessee's operations at the Premises pursuant to this Lease, including, without limitation, utilities (gas, domestic water, sewer, internet and television access, and electricity), all well pumping costs, maintenance and repair costs as provided in Section 3.7, Section 4.3 and elsewhere in this Lease. Lessee's lease of any ditch company shares or well augmentation water in addition to that described in **Exhibit B** must be consistent with the terms of this Lease. Insurance as required by Section 7.1 below, and taxes related to Lessee's operations other than real property taxes, shall be paid by Lessee. Annual assessments on all the ditch company shares identified on **Exhibit B-1** and all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** shall be at Lessor's cost pursuant to Section 4.3 below.

3. AGRICULTURAL OPERATIONS ON PREMISES; EXPENSES.

3.1. General. Lessee shall use the Premises for planting, growing and harvesting of alfalfa and/or other crops permitted to be grown under the laws of the State of Colorado, in each case, as approved in accordance with Section 3.2 below, and for uses normally incident to such purpose, and for no other purposes whatsoever.

3.2. Farming Plan. Commencing with the first full Lease Year after the Effective Date, Lessee and Lessor shall agree upon the crops to be planted during the applicable Lease Year. On or before November 1st of each Lease Year Lessee shall provide a farming plan describing Lessee's proposed cropping plans and maps showing planting and acreage designations for water use monitoring for the coming irrigation season and reflecting Lessor's preliminary IWSA Fallowing Terms provided pursuant to Section 3.4.1 below, and for longer term commitment consideration purposes (a "Farming Plan"). Lessor and Lessee shall cooperate to finalize Lessee's proposed Farming Plan and Lessor shall approve Lessee's draft Farming Plan or provide any comments on the same within twenty (20) days of Lessor's receipt. Lessor's approval of a Farming Plan shall not be unreasonably withheld; provided, that Lessee agrees that it shall be reasonable for Lessor to withhold approval of any Farming Plan that (a) is inconsistent with Lessor's preliminary IWSA Fallowing Terms or (b) that would limit Aurora's ability to use Subject Catlin Water Rights pursuant to the Aurora IWSA or (c) that would negatively affect the amount of historical consumptive use water available to Lessor from the Subject Catlin Water Rights under the Aurora IWSA. Following approval of the applicable Farming Plan, Lessee may proceed to plant crops on the Premises in accordance with such Farming Plan and Lessee shall furnish to Lessor copies of all forms submitted to the FSA or other U.S. Department of Agriculture agencies or offices pertaining to acreage, soils, crop usage and yields contemporaneously with such documents being filed with the FSA, or other agency, at no cost or expense to Lessor. Lessee shall keep, and provide to Lessor upon request, records of (i) all herbicides, insecticides, fungicides and fertilizers applied to the Premises, and (ii) the crop acreage and yield produced from the Premises.

3.3. Farming Standards. Lessee shall use commercially reasonable efforts to maintain the long-term productivity of the Farm. Lessee's operations shall be conducted in accordance with the best practices recognized by the agricultural industry in the geographical vicinity of the Premises, and in compliance with applicable laws, regulations, and the Non-Irrigated Acreage Restrictions. Lessee shall not commit or permit the commission by others of any waste on the Premises and shall not commit or permit any nuisance. Lessee agrees to repair any damage to the Premises caused by Lessee's activities, reasonable wear and tear excepted. Lessee shall not permit any hunting or other recreational activities on the Farm without the prior written consent of Lessor at Lessor's sole discretion except as and to the extent permitted under Section 3.14 below.

3.4. IWSA Terms. Lessee's use of the Premises is further subject to the following terms and conditions.

3.4.1. Interruptible Lease – Aurora IWSA. The Parties expressly contemplate, and Lessee acknowledges, that the Subject Catlin Water Rights will be the subject of an Interruptible Water Supply Agreement ("Aurora IWSA") and may be used by Lessor for non-agricultural uses (a) in up to three years out of any ten years or (b) for a portion of the Subject Catlin Water Rights attributable to

Irrigated Acreage consisting of no more than 30% of the Irrigated Acreage on average over any 10 consecutive years of the term of this Lease, as may be extended (which may include the initial calendar year term of this Lease) and no more than 35% in any given year (such terms the "IWSA Fallowing Terms" for the applicable IWSA Year). Lessee and Lessor each acknowledge their intent to do so in compliance with the provisions of C.R.S. § 37-92-309 and rules promulgated thereunder as such statute and rules may be amended over time. Alternatively, Lessor may submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Catlin Water Rights for alternative uses provided that any such change in use shall not expand the scope of Lessor's IWSA Fallowing Terms during the term of this Lease, as may be extended. Lessee's responsibilities in connection with the Aurora IWSA are described in this Lease. Lessor will be responsible for all costs and actions that may be necessary to obtain approval of, and to operate the Aurora IWSA except those assumed by Lessee pursuant to this Lease. Lessee agrees to support and participate in the Aurora IWSA approval process or Aurora's change case subject to this Section provided that no material out-of-pocket expense shall be required of Lessee.

3.4.1.1. Each year in which water from the Subject Catlin Water Rights will be used for purposes of the Aurora IWSA selected by Lessor shall be referred to herein as an "IWSA Year". By August 15 of any year, Lessor shall provide to Lessee a preliminary non-binding indication of whether the following year will be an IWSA Year as a courtesy to Lessee and identifying Lessor's anticipated IWSA Fallowing Terms; provided, however, that Lessor's failure to deliver such notice does not preclude Lessor from electing the following year as an IWSA Year pursuant to the following sentence. On or before November 30 of any year, Lessor shall provide to Lessee a written notice of Lessor's designation of the following year as an IWSA Year and finalizing the applicable IWSA Fallowing Terms.

3.4.1.2. Lessor shall not be required to compensate Lessee for the unavailability of water derived from the Subject Catlin Water Rights during IWSA Years, or costs or damages incurred by Lessee as a result thereof, except for the following reimbursements and payments which Lessee hereby agrees are full and sufficient consideration with respect to the fallowing of acreage containing alfalfa crops: (a) reimbursement to Lessee for the full costs and expenses reasonably and actually incurred by Lessee in killing the affected alfalfa and fallowing the acreage in which such alfalfa was planted subject to Lessee's submittal to Lessor of written documentation of such expenses, and (b) an alfalfa re-establishment payment in the amount of $350.00 per acre for all actually fallowed acres of alfalfa fields which amount shall be prorated during any 4-year alfalfa growing period as follows: (i) if the IWSA

Year commences during the period which is one to twelve (12) months following the date the alfalfa fields were planted, 100% of such $350/acre amount shall be due and payable to Lessee, (ii) if the IWSA Year commences during the period commencing on the first day of the thirteenth (13th) month and expiring on the last day of the twenty-fourth (24th) month following the date the alfalfa fields were planted, 75% of such $350/acre amount shall be due and payable to Lessee, (iii) if the IWSA Year commences during the period commencing on the first day of the twenty-fifth (25th) month and expiring on the last day of the thirty-sixth (36th) month following the date the alfalfa fields were planted, 50% of such $350/acre amount shall be due and payable to Lessee, and (iv) if the IWSA Year commences during the period commencing on the first day of the thirty-seventh (37th) month and expiring on the last day of the forty-eighth (48th) month following the date the alfalfa fields were planted, 25% of such $350/acre amount shall be due and payable to Lessee. The foregoing consideration shall apply only to acres planted with alfalfa and no other crop. The foregoing payments shall apply only upon the first year of fallowing and no consideration shall be owed for subsequent consecutive years of fallowing. The Parties acknowledge that for any given IWSA Year, the alfalfa planted in fallowed acres may have been planted in different years, in which case, the applicable alfalfa re-establishment payment amount shall be prorated at different rates reflecting actual years that the respective crops were planted.

3.4.2. Land Management Responsibilities.

3.4.2.1. During non-IWSA Years, Lessee shall, at Lessee's sole cost and expense, keep the Premises reasonably free from, and shall work diligently toward exterminating, all weeds on the Premises. Lessee shall make application of and pay all costs for purchase and application of the herbicides used in the control of annual weeds as well as noxious weeds included on the noxious weed list for Otero County, Colorado and such other authorities having jurisdiction over the same. Lessee shall pay all costs for the herbicide used to control annual weeds and pay all application costs.

3.4.2.2. During IWSA Years, Lessee shall have the same obligations to control weeds as provided above, however, Lessor will reimburse Lessee's reasonable, actual expenses for purchase and application of herbicides subject to Lessee's submittal to Lessor of written documentation of such expenses. During IWSA Years, Lessee shall fallow the Premises in the manner required pursuant to the Aurora IWSA and in compliance with all applicable rules and regulations related to the Farm as imposed by Otero County, Colorado and such other authorities having jurisdiction

over the same. In addition to the reimbursements provided for above, Lessor shall pay Lessee a fee during IWSA Years in the amount of $[_____][NTD: to be determined pursuant to Section 3.5 of the Contract] for each acre of Irrigated Acreage that Lessee fallows as required pursuant to the Aurora IWSA.

3.5. Access. Lessee hereby acknowledges and agrees that Lessor and Lessor's employees, agents, affiliates, related parties, or any other individuals or entities under permission from Lessor shall have the right to conduct activities on the Farm so long as such activities do not unreasonably and adversely interfere with the farming activities of Lessee. Lessor shall provide Lessee at least 24-hour advanced email notice of such access except in the case of an emergency in which case, Lessor will provide notice as soon as reasonably practical.

3.6. Lessee's Farming Machinery. Lessee may place on the Premises and use its own farming machinery (e.g. tractors and related implements, harvesting and baling equipment, vehicles, trailers, etc.) during the Term but shall remove all of such machinery prior to the expiration of the Term. Lessee shall be responsible for operating and maintaining its farming machinery at its sole cost and expense, and shall be responsible for the operation thereof, in compliance with the Environmental Addendum attached hereto as **Exhibit E**, and all Federal, state, local zoning, environmental, labor and all other applicable laws.

3.7. Expenses.

3.7.1. Lessor Expenses. During the Term, if maintenance of, repairs to and/or replacement of the below ground portions of the Irrigation Equipment on the Premises are needed that are caused by a failure or defect of such portions of the Irrigation Equipment, and that are not caused or contributed to by the negligence or willful misconduct of Lessee, then the obligation of Lessee is limited to giving Lessor written notice of such failure or defect within five (5) days of Lessee's discovery thereof, providing Lessor with a proposal for the completion of such maintenance, repairs and/or replacement at a reasonable cost. All expenses to be paid by, or reimbursed to Lessee by Lessor must be approved in advance in accordance with the sub-parts of this Section 3.7.1. Lessor shall reimburse Lessee for maintenance, repairs and replacement of any portions of the Equipment located below ground in accordance with such approvals. Lessor is a governmental entity and, accordingly, is not required to pay taxes with respect to the Premises. If and to the extent that Lessee's use of the Premises pursuant to this Lease or Lessee's leasehold interest hereunder results in the imposition of taxes with respect to any part of the Premises then Lessee shall be responsible for direct payment of such taxes directly to the applicable taxing authority. Lessor shall also pay for maintenance and repair of Improvements as required to be paid by Lessor

pursuant to Section 3.8 below and such other expenses as provided for and in accordance with the sub-parts of this Section 3.7.1 and Section 3.7.3.

3.7.1.1. Pre-Planned Expenses.

3.7.1.1.1. For any expense less than One Thousand Dollars ($1,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.2. For any expense in excess of One Thousand Dollars ($1,000) but less than Fifty Thousand Dollars ($50,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain at least two bids from qualified vendors within reasonable proximity to the Premises for the parts and labor required (unless there is only one qualified vendor within reasonable proximity to the Premises, in which event a single bid will be acceptable), Lessee shall seek written approval from Lessor allowing ten days for Lessor's approval, and shall obtain such written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.3. For any expense of Fifty Thousand Dollars ($50,000) or more for which Lessee will seek reimbursement from Lessor, Lessee shall notify Lessor of the need for the expense, and if Lessor agrees that the expense is necessary (which consent shall not be unreasonably withheld, conditioned or delayed), Lessor will either: (a) obtain bids in accordance with Lessor's procurement policies as quickly as practicable, will select and hire the contractor(s), and will pay the associated expense(s) directly; or (b) authorize Lessee to obtain bids and perform such work pursuant to the terms of Section 3.7.1.1.2 above.

3.7.1.2. Unplanned Expenses

3.7.1.2.1. In the event an unanticipated expense for the repair, and/or replacement of any Irrigation Equipment is required due to acts of God or similar circumstances, which Lessee and Lessor jointly agree in their reasonable judgment creates an emergency requiring immediate action in order to either (a) avoid, minimize or mitigate damage to the Premises (including the Improvements or any undamaged portion of the Irrigation Equipment), any real property or improvements adjacent to the Premises, or any crops growing at the Premises, or (b) to keep the Irrigation Equipment functioning for the purposes of Lessee's crop-growing activities on the Premises,

then Lessor and Lessee shall agree as quickly as reasonably practicable in writing (the Parties will make best efforts to do so within 48 hours) regarding the materials, parts and labor required and the cost of same, after which Lessee may proceed to incur such expenses, obtain such repairs and/or replacements, and Lessor shall reimburse Lessee for such expenses.

3.7.2. Lessee Expenses. Lessee shall pay for the following costs and expenses: (i) all costs of fieldwork, including without limitation, land preparation, irrigation, tilling, planting, chemical application and harvest of crops, and all associated labor expenses; (ii) maintenance and repair of Improvements as required to be paid by Lessee by Section 3.8 below and ordinary maintenance, repairs and replacement of the portions of the Irrigation Equipment located above ground (provided, however, that Lessor will be responsible for one-half of the cost of major repairs or replacement of Irrigation Equipment and drainage ditch cleaning (excluding well pumps) exceeding $2,000 in any instance unless caused by Lessee's negligence, pursuant to Section 3.7.2 below); (iii) standard farming maintenance or standard cultural practices, including ditch cleaning and field leveling; (iv) all taxes, licenses, fees and public charges levied, assessed or imposed during the Term upon Lessee's personal property; (v) all other costs and expenses of producing the crops which are not identified as Lessor Expenses or Shared Expenses herein; (vi) fertilizer and similar soil preparations, (vii) purchasing seeds, (viii) herbicides, insecticides, fungicides and similar chemical applications, (ix) electricity, (x) freight to deliver the crop yield to the purchaser, and (xi) miscellaneous other expenses of producing the crops from the Farm not included above in connection with the machinery, equipment, inputs, and labor required to plant, raise, harvest, sell and deliver crops, including maintenance, repairs, and replacement of any of the foregoing. Lessee will seek approval of the expenses described above to be borne by Lessor in accordance with Section 3.8 below and after obtaining such approval, Lessee may hire a contractor to complete the same, provided that: (i) such repairs, maintenance and/or replacements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (ii) Lessee shall require appropriate and reasonable insurance coverage and lien protections requested by Lessor; and (iii) Lessor may impose reasonable conditions to approving such work.

3.7.3. Shared Expenses. The Parties will share, on a 50/50 basis, cost on major repairs and replacement of Irrigation Equipment or drainage ditch cleaning (excluding well pumps) as provided for in Section 3.7.2 above. In the event this Lease is terminated by Lessor for reasons other than a material breach of its terms by Lessee, Lessor will reimburse Lessee one tenth of their portion of the costs of major repairs or replacement of Irrigation Equipment and drainage ditch cleaning (excluding well pumps) exceeding $2,000 in any

instance unless caused by Lessee's negligence each year for the remaining portion of the first ten years after the installation or major repair takes place.

3.8. Repair, Maintenance and Replacement of Improvements. Lessor shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to normal wear and tear or acts of God. Lessee shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to Lessee's negligence or for Lessee's failure to maintain the Improvements in accordance with this Lease. Lessee shall notify Lessor of the need for repair, maintenance and/or replacement of any such Improvements, regardless of the responsibility of Lessee or Lessor for the cost thereof, and shall obtain Lessor's approval for such repairs, maintenance or replacements of the Improvements in accordance with Section 3.7.1.1 and/or Section 3.7.1.2 above.

3.9. Alterations. Lessee shall have the right, at its sole cost and expense, to make alterations and improvements to the Improvements, provided that apart from repairs, maintenance and replacements of the Improvements: (i) such alterations and/or improvements are approved by Lessor in writing and in advance of any contractual commitments being made by Lessee, which approval shall not be unreasonably withheld, conditioned or delayed; (ii) such alterations and/or improvements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (iii) Lessee shall furnish appropriate insurance coverage and lien protections requested by Lessor; and (iv) Lessor may impose reasonable conditions to approving such work. All approved and completed alterations and improvements shall become part of the Premises and title shall vest in Lessor; provided that Lessor, at its sole discretion, may require that certain improvements (other than Irrigation Equipment) be removed at the end of the Term, at Lessee's cost. Lessee shall keep the Premises free and clear of any and all liens, claims and demands for work performed, materials furnished, and operations on the Premises.

3.10. Flooding Risk. Lessee acknowledges that the Premises may be subject to natural flooding. Lessor shall not be liable in any manner for any damage to Lessee's crops due to flooding.

3.11. Crop Insurance. Lessee is responsible, at its expense, for obtaining appropriate levels of crop insurance to cover crop failures and/or prevented planting situations. Lessor shall have no obligation to maintain crop insurance and any and all loss of crops shall be at the sole risk of Lessee. Further, Lessor, by granting this Lease to Lessee, makes no representation or warranty of any kind as to the quality or suitability of the soil of the Farm for growing any crops Lessee may be authorized to grow on the Farm under this Lease. Lessee represents and warrants to Lessor that Lessee has made an independent inspection of the Premises and is not relying upon any representation or warranty whatsoever from Lessor as to soil condition.

3.12. Soil Conservation. In order to conserve the soil, Lessee shall carry out soil conservation best management practices and measures recognized by the U.S. Department of Agriculture, Natural Resources Conservation Service (or its successor entity) and followed on similar farmland located in Otero County, Colorado.

3.13. Disallowed Uses. Uses of the Premises that are expressly disallowed are growing of marijuana, whether for commercial or non-commercial purposes, and use of the Premises and/or Improvements for political activism.

3.14. Lessee's Hunting Rights. Lessor hereby grants to the Lessee the right to hunt on the Premises-during the Term. This right is granted solely and exclusively to the named Lessee and its invitees. Notwithstanding the foregoing, Lessee may not permit hunting or other recreational activities on the Premises on a commercial basis. The Lessee shall strictly observe and comply with all federal, state, and local laws, statutes, and regulations, including but not limited to all Colorado Parks and Wildlife (CPW) hunting regulations, licensing requirements, bag limits, and seasonal restrictions. Any unauthorized presence or hunting by anyone other than the Lessee or violation of wildlife laws or game regulations on the property shall constitute in an immediate, non-curable breach of this Lease, resulting in the automatic termination of the Lease

4. USE OF WATER RIGHTS

4.1. Use of Water Rights. Lessee shall not use any water other than that derived from the Subject Catlin Water Rights and the Groundwater Rights for the irrigation of the Irrigated Acreage without prior notice to and written approval from Lessor. In an IWSA year: (a) Lessee shall not irrigate with any of the Subject Catlin Water Rights; and (b) Lessee shall not irrigate with the Groundwater Rights except to the extent it is determined that such irrigation will not negatively affect the amount of historical consumptive use water available to Aurora under the Aurora IWSA.

4.2. Requirement to Maintain Structures. Lessee shall be responsible for the maintenance (but not replacement, which shall be Lessor's responsibility if required at any time during the Term unless replacement is required due to the negligence of Lessee) of any headgates and measuring devices necessary to divert the Subject Catlin Water Rights onto the Irrigated Acreage.

4.3. Water Rights Costs and Expenses. Lessor shall pay for annual assessments with respect to the Subject Catlin Water Rights each year. Lessor shall pay for all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** each year, but only within the volumetric pumping limits provided therein. Lessee shall pay any fees or penalties incurred as a result of Lessee pumping in excess of the volumetric pumping limits set forth in the well augmentation contracts,

and for additional augmentation water or supplemental leased water, if any, obtained by Lessee in any year.

4.4. Pledge or Encumbrance. Lessee shall not pledge or otherwise encumber this Lease for any purpose including, without limitation, securing debt, augmenting past, present or future well depletions, or repaying obligations to any third party.

4.5. Quantity of Water. Lessee agrees to take and put to beneficial use as much of the Subject Catlin Water Rights as possible, consistent with reasonably efficient irrigation practices, and to preferentially use the Subject Catlin Water Rights over any leased water to the greatest extent practical. Lessee acknowledges the risk that due to annual variations in hydrology and longer-term climatic changes, the Subject Catlin Water Rights may not be physically available to the same extent as they were historically. Lessor assumes no responsibility to Lessee for any water shortage from the Subject Catlin Water Rights.

4.6. Water Quality. Lessor makes no representations regarding the quality of the Subject Catlin Water Rights or the Groundwater Rights or their fitness for irrigation use.

4.7. Water Accounting Responsibilities. Lessee shall maintain records of its use of the Subject Catlin Water Rights and Groundwater Rights as required by the Colorado Division of Water Resources, the Catlin Canal Company and any other authority having jurisdiction over the same, including any applicable groundwater augmentation entities and report such irrigation usage to Lessor no later than November 15th of each year during the Term in such form as Lessor may reasonably require, the acres irrigated, the crops grown as well as any other matters as reasonably requested by Lessor in connection with the use of the Subject Catlin Water Rights and Groundwater Rights or supplementation of the same. If the installation of measuring devices is hereafter requested by the division or state engineer or required by any subsequent Water Court decree, such measuring devices shall be installed at Lessor's expense and upon the installation of such devices, Lessee shall further report to Lessor the amount of water diverted and used for irrigation on the Irrigated Acreage.

5. COMPLIANCE.

5.1. Governmental Regulations. Lessee shall, at its expense: (i) comply with all applicable laws and regulations concerning Lessee's use of the Premises; (ii) operate and farm the Premises in compliance with any and all safety regulations applicable to farming operations; (iii) comply with any land use, conservation requirements, and wetland protection requirements; (iv) apply any and all pesticides, fertilizers, and other materials in accordance with rules and regulations therefor; and (v) comply with applicable laws and regulations regarding the drainage and discharge of water from the Premises and with the Non-Irrigated Acreage Restrictions. All references to laws, regulations, or programs refer to those now in place or hereafter imposed during the Term.

5.2. Environmental Compliance. Lessee shall comply with the Environmental Addendum to this Lease attached as **Exhibit E**.

5.3. Water Rights. Lessee shall, at its expense, comply with all rules, regulations and requirements of the Catlin Canal Company with respect to the Subject Catlin Water Rights and Lessor's membership in AGRA.

6. **RIGHTS RETAINED BY LESSOR; CONSULTATION.** Lessor expressly reserves and excepts the following: (i) all oil, gas, hydrocarbon and mineral rights; (ii) ownership of all water and surface water rights pertaining to the Premises; (iii) the right to travel over the Premises for the purposes of inspection of the Premises and access to Lessor's adjacent properties; and (iv) all available hunting rights. Lessor and its agents shall have the right to enter the Premises at all reasonable times for the purpose of inspecting the Premises, posting notices of non-responsibility, ascertaining that the promises and covenants of Lessee herein contained are being kept, observed and performed, and to place thereon at any time during the Term "For Sale" and/or "For Rent" signs. Lessor reserves for itself and Lessor's mineral lessees, agents or licensees, a right of entry and right-of-way for ingress and egress in and to, over and on, the Farm during the Term for the exploration, drilling, and mining of minerals, oil, gas and other hydrocarbons on or under the Farm. Lessor and Lessor's employees and/or agents, may enter the Premises with advanced notice to Lessee of not less than 24 hours (except in the event of an emergency in which case Lessor shall give as much advance notice as reasonable) for the purpose of making any alterations, repairs or improvements to the Premises, which Lessor deems convenient or required for the maintenance or preservation thereof; provided, however, in the case of an emergency.

7. **INSURANCE; INDEMNIFICATION**

7.1. Insurance.

7.1.1. From the Effective Date through and including the Termination Date, Lessee shall maintain in force, at its expense, and naming Lessor as additional insured: (i) commercial general liability insurance, including property damage, against liability for bodily injury, personal injury, death and damage to property occurring on the Premises with combined single limit coverage of at least Five Hundred Thousand Dollars ($500,000) per occurrence and a general aggregate combined single limit of bodily injury and property damage liability of at least Five Hundred Thousand Dollars ($500,000), and excess umbrella liability insurance in the amount of Three Million Dollars ($3,000,000); (ii) workers' compensation insurance upon all persons employed by Lessee upon the Premises, and Lessee shall further cause all agents and contractors employed or invited by Lessee onto the Premises to carry workers' compensation insurance upon all persons employed by said agent or contractor upon the Premises; and (iii)

business automotive liability insurance covering liability arising out of any vehicle owned or leased by Lessee and any non-owned vehicle hired by Lessee with combined single limit coverage of at least Five Hundred Thousand Dollars ($500,000) combined bodily injury and property damage, each accident; and (iv) insurance against casualty loss of the Irrigation Equipment in the combined amount of Ten Thousand Dollars ($10,000). Renter's insurance for loss of Lessee's personal property while on the Premises, as well as for loss of crops (whether in the field or while stored in the Improvements) shall be at Lessee's expense. Each policy of insurance shall be issued by an insurance company reasonably acceptable to Lessor and authorized to do business in Colorado. Lessee's insurance policies shall provide that a ten (10) day notice of cancellation or modification of coverage shall be given to Lessor. Prior to the Commencement Date and upon the request of Lessor, Lessee shall deliver a certificate for each insurance policy to Lessor.

7.2. Indemnification of Lessor. Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, costs, damages, expense, and liability (including attorney's fees and costs incurred), arising directly or indirectly from any breach of this Lease by Lessee, from any acts or omissions of Lessee, its employees or agents, on or about the Premises, from any injury to the person or damage to any property occurring as a result of the acts of Lessee in regard to such property. For purposes of the indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee. The Environmental Addendum attached hereto as **Exhibit E** contains further provisions pertaining to indemnification.

8. DEFAULT.

8.1. Default. The occurrence of any of the following events shall be deemed a default under this Lease: (a) Lessee fails to pay any Rent(s) or other sum due hereunder when due; (b) Lessee files a petition for bankruptcy or is adjudicated bankrupt or insolvent, or files any petition for any reorganization, arrangement, composition or adjustment with creditors, and the same is not dismissed within thirty (30) days; (c) Lessee abandons the Premises for a period of thirty (30) days; or (d) either Party fails to perform or observe any covenant or representation required to be performed by it under this Lease, which failure is not cured within thirty (30) days following written notice from the other Party (provided that if the Party providing notice of default reasonably concludes that such default constitutes an emergency condition, then such Party may immediately correct such default).

8.2. Remedies.

8.2.1. In the event of any default by Lessor hereunder, Lessee may, following not less than thirty (30) days' written notice and right to cure, have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default.

8.2.2. In the event of any default by Lessee hereunder, Lessor may: (i) cancel and terminate this Lease as well as all right, title and interest of Lessee hereunder; (ii) re-enter the Premises without terminating this Lease to comply with any condition or agreement required to be performed, and thereupon have the right to claim and collect all expenses incurred thereby as Additional Rent due immediately hereunder; (iii) recover unpaid Rent resulting from such breach or default, and recover all costs and expenses incurred in any way or as a result of such default; and/or (iv) have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default. All of the rights and remedies in this section are cumulative and not in the alternative.

8.3. Late Payment. A two percent (2%) late fee shall be assessed for any payment made more than twenty (20) days past the due date. In addition, any past due amounts shall accrue interest monthly at one percent (1%) per month.

8.4. Security for Payment of Rent(s). Lessee grants Lessor a security interest in all crops planted or produced on the Farm as security for the payment of Rent hereunder and compliance by Lessee with the terms of this Lease. This paragraph shall be considered and deemed to constitute as between Lessor and Lessee a valid security agreement, which will allow the perfection of Lessor's security interest in Lessee's crops; provided, however, upon demand, Lessee agrees to execute and deliver to Lessor an additional security agreement or any other reasonable documentation in furtherance of such security interest. Lessee authorizes Lessor to file a financing statement evidencing the security interests granted hereunder in the records of Otero County and of the Colorado Secretary of State. Upon an uncured event of default, Lessee consents to the appointment of a receiver to enter onto the Premises and harvest the crops if necessary to protect Lessor's security interest therein.

9. RECORDING. This Lease, or a memorandum hereof, may be recorded by Lessor in the Otero County real property records.

10. MISCELLANEOUS

10.1. Counterparts. This Lease may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same agreement. The Parties intend that with respect to this Lease, electronic signatures (including signatures

delivered by email or electronic record) shall constitute original signatures and are binding on all Parties.

10.2. Amendment. This Lease may be amended, modified, changed, or terminated in whole or in part only by written agreement duly authorized and executed by the Parties. The General Manager of Aurora Water shall have the authority to approve and execute amendments to this Lease.

10.3. Waiver. Waiver by either Party of any of the covenants or agreements in this Lease shall not be construed as constituting a waiver of the same or of any other covenant as to breach or default subsequently arising, or as the waiver of a subsequent breach of any of the covenants hereunder.

10.4. Assignment. Lessee shall not encumber or assign this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the Improvements or Irrigation Equipment without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. For purposes of this Lease, any of the following shall be deemed an assignment of Lessee's interest in this Lease : (a) if Lessee is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of 50% or more of the partners, members or managers thereof, or transfer of 50% or more of partnership or membership interests therein, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (b) if Lessee is a corporation whose stock is not publicly held and not traded through an exchange or over the counter or any other form of entity, the dissolution, merger, consolidation or other reorganization of Lessee, the sale or other transfer of more than an aggregate of 50% of the voting shares or other interests of or in Lessee.

10.5. Sub-licensing. Lessee shall not sub-lease or sub-license all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises, without first obtaining Lessor's written consent, which consent may be withheld in Lessor's sole discretion; provided, however, Lessor hereby pre-approves the right of Lessee to sublicense that portion of the Improvements constituting grain bins to a third party for the purpose of using such Improvements for grain storage.

10.6. Successors and Assigns. This Lease and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns if any are allowed. The Parties intend that Lessor shall not incur any liability other than those liabilities directly running to Lessee or assigns permitted under this Lease, if any.

10.7. Waiver of Breach. Waiver of breach of any of the provisions of this Lease by either Party shall not constitute a continuing waiver of any subsequent breach by said Party of either the same or any other provision of this Lease.

10.8. [intentionally omitted].

10.9. Headings for Convenience. Headings and titles contained herein are intended for the convenience and reference of the Parties only and are not intended to confine, limit, or describe the scope of intent of any provision of this Lease.

10.10. Attorneys' Fees. In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of or related to this Lease each Party agrees to be responsible for its own attorneys' and other professional fees, costs and expenses associated with any such proceedings.

10.11. Notices. Any notice required by this Lease shall be sent in writing, postage prepaid by certified or registered mail, by nationally recognized overnight courier, or by hand delivery, addressed to the other Party as set forth below. Such notice shall be deemed given three (3) days after being mailed, one (1) day after sending by overnight courier, and upon hand delivery. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in this paragraph.

To Lessor: City of Aurora
26791 E Quincy Ave,
Aurora, CO 80016
Attn: Water Land Management Team
WSDLandManagement@auroragov.org

with copy to: City of Aurora
15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555
Attn: City Attorney

and copy to: City of Aurora
15151 East Alameda Parkway, Suite 3200 Aurora, CO 80012-1555
Attn: Manager of Real Property
publicworks@auroragov.org

To Lessee: ____
____
____
Attn: ____

with copy to [attorney]
____
____
Attn: ____

10.12. Communications by Email. For purposes of day-to-day communications regarding farming and water rights operations, but not formal notices contemplated by this Lease, a Party may communicate with the other Party via email to each of the persons identified below for the other Party at the email addresses listed below. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in Section 10.11.

To Lessor: Rick Kienitz rkienitz@auroragov.org
Ian Best ibest@auroragov.org
Jacob Bauer jdbauer@auroragov.org
leasing@auroragov.org
WSDLandManagement@auroragov.org

To Lessee: ____ __@___
____ __@___
____ __@___
____ __@___

10.13. No Construction Against Drafter. The Parties agree they jointly drafted this Lease with each having the opportunity to obtain the advice of legal counsel and equal opportunity to contribute to its content.

10.14. No Partnership Created. This Lease shall not be construed as creating a partnership, joint venture, or relationship of principal and agent between Lessor and Lessee; it being intended that this Lease shall be deemed to create no relationship other than Lessor and Lessee.

10.15. Entire Agreement. This Lease, the Exhibits and the Environmental Addendum contain the entire agreement of the Parties relating to the rights granted and obligations assumed. Any oral representations or modifications not contained herein shall be of no force or effect unless contained in writing, signed by both Parties.

10.16. Intent of Agreement. This Lease is intended to describe the rights and responsibilities of and between the Parties and is not intended to, and shall not be deemed to confer rights upon any persons or entities not named as Parties, nor to limit in any way the powers and responsibilities of Lessor, Lessee, or any other entity not a party hereto.

10.17. Estoppel Certificates. Lessee shall, upon ten (10) days' notice from Lessor, execute and deliver to Lessor, on a form prepared by Lessor, a written statement certifying that Lessee has accepted the Premises, that this Lease is unmodified and in full force and effect (or stating any modifications), that the Lessor is not in default hereunder, the date to which Rent and other charges have been paid, and such other accurate certifications as may be reasonably requested by Lessor. It is intended that

any such statement delivered may be relied upon by any lender or purchaser of the Premises.

10.18. Further Assurances. Lessor and Lessee agree to cooperate fully and execute any and all supplementary agreements, documents and instruments, and take all additional actions, which may be necessary or appropriate to give them full force and effect to the basic terms and intent of this Lease.

10.19. Enforcement. The Parties agree that this Lease may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including damages, as may be available according to the laws of the State of Colorado. It is specifically understood that by executing this Lease each Party commits itself to perform pursuant to the terms hereof, and that any breach hereof resulting in any recoverable damages shall not thereby cause the termination of any obligations created by this Lease unless such termination is requested by the Party not in breach.

10.20. Governing Law and Venue. This Lease and its application shall be construed according to the laws of the State of Colorado. Venue for the trial of any action arising out of any dispute hereunder shall be in the Otero County District Court.

10.21. Sole Obligation of Aurora.

10.21.1. This Lease shall never constitute a general obligation or other indebtedness of the City of Aurora, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City of Aurora within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City of Aurora.

10.21.2. In the event of a default by Lessor of any of its obligations under this Lease, Lessee shall have no recourse for any amounts owed to it against any funds or revenues of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Lease shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease on the date first written above.

LESSEE:
_____EXHIBIT – DO NOT EXECUTE_____

_____ Date: _____
[name / title]

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me _____, day of _____, 202__, by _____.

Witness my hand and official seal.

My commission expires:

_____
Notary Public

LESSOR:
City of Aurora, A Colorado home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, Acting by and through its Utility Enterprise

By: EXHIBIT – DO NOT EXECUTE _____
Marshall P. Brown
General Manager, Aurora Water

Reviewed by:

By: _____
Alexandra L. Davis,
Asst. GM Water Supply & Demand

Reviewed by:

By: _____
Hector Reynoso,
Manager- Real Property Services

APPROVED AS TO FORM:

By: _____
Ian Best,
Assistant City Attorney
ACS#: _____

Reviewed by:

By: _____
Rick Kienitz,
Water Resources Manager

List of Exhibits:

Exhibit A-1 –	Legal Description of Premises
Exhibit A-2 –	List of Improvements on the Premises
Exhibit B-1 –	Surface Water Rights Historically Used on the Premises
Exhibit B-2 –	Groundwater Rights Historically Used on the Premises
Exhibit C –	Description of Irrigation Equipment
Exhibit D –	Depiction of Irrigated Acreage
Exhibit E –	Environmental Addendum

Exhibit A-1
Legal Description of Premises

[insert Exhibit A from Contract]

Exhibit A-2
List of Improvements on the Premises

None

Exhibit B-1
Surface Water Rights Historically Used on the Premises

[_____] shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented by Share Certificate Number [____]

Exhibit B-2
Groundwater Rights Historically Used on the Premises

Well Permits

[to be inserted]

Well Number	Permit Number	Status

Exhibit C
Description of Irrigation Equipment

Irrigation Equipment

Infrastructure

All concrete ditches & laterals

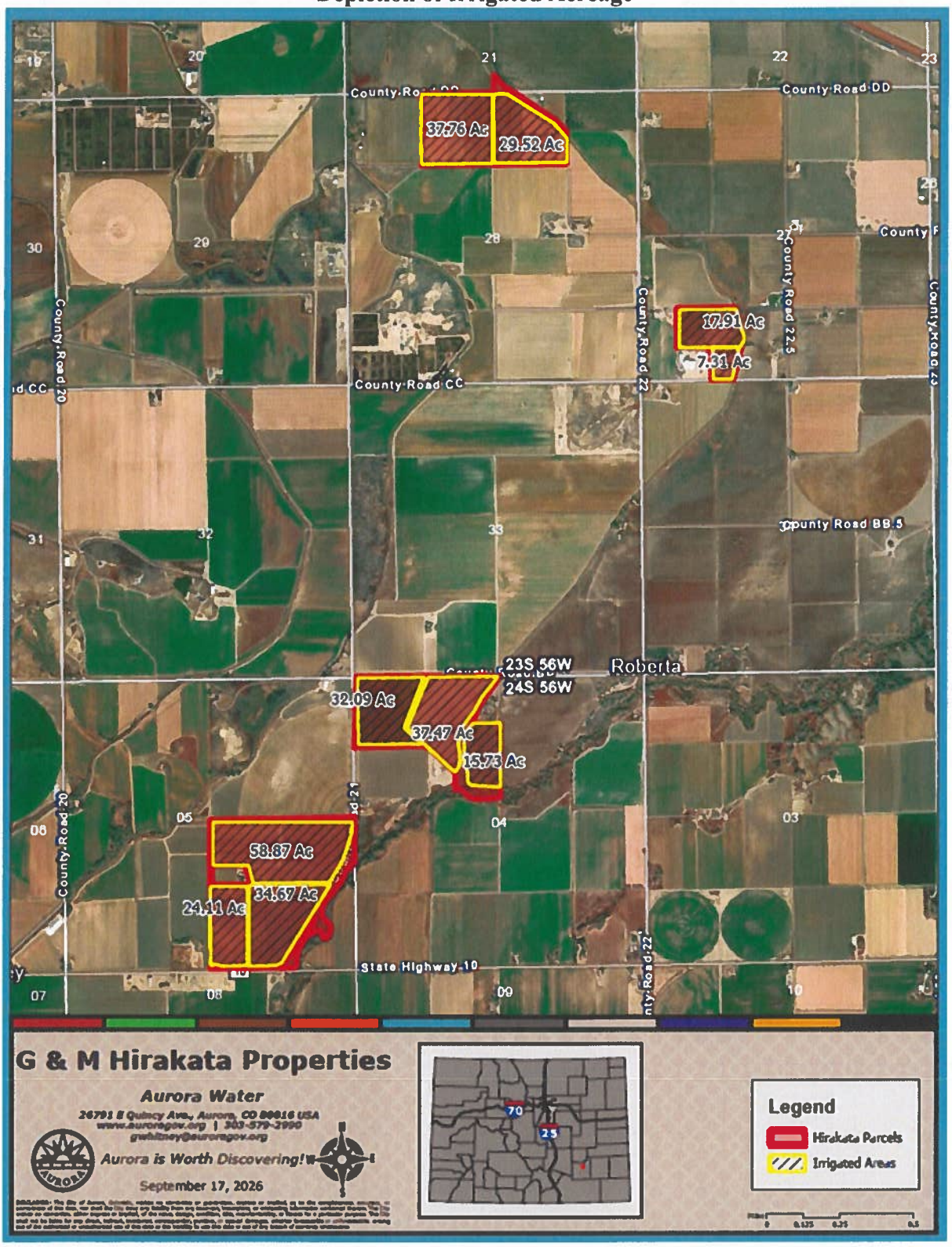
All gate pipe, underground pipe, infrastructure, etc.

Wells

All Infrastructure associated with wells. Pumps, Utilities, etc.

a. State ID 1705809 permit # 10069R
b. State ID 1706637 permit # 87471F

Exhibit D
Depiction of Irrigated Acreage



Ex D-1

Exhibit E
ENVIRONMENTAL ADDENDUM

This Environmental Addendum is incorporated into and made a part of the Agricultural Lease to which it is attached

(a) Lessee shall use and handle pesticides, fertilizers, petroleum products and industrial / mechanical fluids in compliance with all applicable federal, state and local laws, regulations, orders and manufacturer guidelines. Lessee shall indemnify and hold Lessor harmless from any claim, expense, fine, diminution in value of the Premises, enforcement costs or any injury or damage to persons and/or property that result from Lessee's use of such materials on or about the Premises.

(b) For purposes of this Lease, the term "Hazardous Substances" shall include: (i) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C., § 1251 et seq.; all as amended, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (ii) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court, (iii) petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles, and (iv) asbestos.

(c) Lessee shall not cause or permit any Hazardous Substances to be brought upon or kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees, unless (a) such Hazardous Substances are necessary for Lessee's farming operations and (b) Lessee first obtains the written consent of Lessor, which consent may be withheld in Lessor's sole discretion.

(d) Lessee shall at all times and in all respects comply with all local, state and federal laws, ordinances, regulations and orders (collectively "Hazardous Substances Laws") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Substances.

(e) Lessee shall at its cost and expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the Premises, including, without limitation, discharge of (appropriately treated) materials or wastes into the systems serving the Premises. Except as discharged in strict accordance and conformity with all applicable Hazardous Substances

Laws, Lessee shall cause any and all Hazardous Substances removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Lessee shall in all respects handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises in conformity with all applicable Hazardous Substances Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Lessee shall cause all Hazardous Substances to be removed from the Premises (except such Hazardous Substances, if any, as were located in the Premises prior to the commencement of Lessee's occupancy thereof) and to be transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Substances Laws; provided, however, that Lessee shall not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises, without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto.

(f) If at any time Lessee shall become aware or have reasonable cause to believe that any Hazardous Substance has come to be located on or beneath the Premises, Lessee shall, immediately upon discovering such presence or suspected presence of the Hazardous Substance, give written notice of that condition to Lessor. In addition, Lessee shall immediately notify Lessor in writing of (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Substances Laws, (b) any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances, and (c) any reports made to any local, state or federal environmental agency arising out of or in connection with any Hazardous Substances in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Lessee shall also supply to Lessor as promptly as possible and in any event within five (5) business days after Lessee first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Lessee's use thereof. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Premises.

(g) Lessee shall indemnify, protect and hold harmless Lessor and each of Lessor's partners, directors, officers, employees, agents, attorneys, successors and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses (including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises), costs or expenses (including attorney's fees, consultant fees and expert fees) for the death or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part by Lessee's violating its covenants as set forth herein that directly or indirectly results in (a) the presence in, on, under or about the Premises, or any discharge or release in or from the Premises, of any Hazardous Substances or Lessee's use, analysis, storage, transportation,

disposal, release, threatened release, discharge or generation of Hazardous Substances to, in, on, under, about or from the Premises, or (b) Lessee's violation of any Hazardous Substances Laws. Lessee's obligations under this paragraph shall include, without limitation and whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of site conditions and any and all costs of any required or necessary repair, cleanup, detoxification or decontamination of the Premises (including, without limitation, the soil and groundwater on or under the Premises) and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. Lessee's obligations under this paragraph shall survive the expiration or earlier termination of the term of this Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

Exhibit – F
to
Purchase and Sale Agreement (Water Rights and Real Property)

Personal Property and Well Permits

Personal Property

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

Wells

All Infrastructure associated with wells. Pumps, Utilities, etc.

Well Permits

Well Number	Permit Number	Status
1705809	#10069-R	Active
1706637	#87471-F	Active

Well Augmentation Contracts

Well Number	Augmentation Plan and Contract Number	Status

53380224

PURCHASE AND SALE AGREEMENT
(Water Rights and Real Property)
[Michael H]

This Purchase and Sale Agreement (Water Rights and Real Property) ("Contract" or "Agreement") is entered into as of the Effective Date (as defined in Section 39 below), by and between Michael C. Hirakata, an individual whose principal address is 22161 County Road CC Rocky Ford, CO 81067 ("Seller"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 26791 E. Quincy Ave., Aurora, Colorado 80016 ("Buyer"). Seller and Buyer shall be referred to herein as "Party", and collectively as "Parties".

Recitals and Representations

A. Seller represents that it is the owner of unencumbered marketable title to 181 shares of capital stock in the Catlin Canal Company (the "Ditch Company") of which Seller desires to sell to Buyer 179 of such shares, as represented by the following share certificate numbers (the "Subject Stock"), the water derived therefrom, and all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, title, or interests represented by the Subject Stock (collectively with the Subject Stock, hereinafter referred to as the "Subject Water Rights"):

Current Certificate Number	Number of Shares to be conveyed	Shareholder on Certificate	Total Number of Shares on Certificate	Hold-Back Shares
3810	79.5	Michael Conrad Hirakata E.O. & Rose M. Blotz Mortgagee	80.5	1
3811	1.6	Michael Conrad Hirakata	1.6	None
0182A	67.9	Micheal Conrad Hirakata E.O. & the First National Bank as Mortgagee	68.9	1
0181A	10	Micheal Conrad Hirakata E.O. & the First National Bank as Mortgagee	10	None

0180A	20	Micheal Conrad Hirakata E.O. & the first National Bank as Mortgagee	20	None

B. Seller is the owner of approximately 171.94 acres of land, located in Otero County, Colorado as described on Exhibit A attached hereto (the "Land"), together with Seller's interest in and to all rights, benefits, privileges, easements, tenements, hereditaments, reversions, remainders, rights-of-way and other appurtenances and improvements located on the Land, (the "Real Estate").

C. Seller represents that the water derived from the Subject Water Rights is and has been used to irrigate approximately 161.45 acres of the Land.

D. Seller represents that it is the owner of marketable title to the Real Estate (including any improvements thereon).

E. Buyer is a Colorado municipal corporation, and as such has a need and necessity for the Subject Water Rights and Real Estate for the purposes of supplying water for municipal and other uses to the inhabitants of the City of Aurora, Colorado and others.

F. Buyer is desirous of purchasing the Subject Water Rights and the Real Estate and any and all entitlements, approvals, licenses, plans, specifications or permits located on or related to the Real Estate including all equipment and permits related to the storage or conveyance of water and any water wells located on or historically used in connection with the Land including irrigation of the Land and those specific items and well permits identified on Exhibit F attached hereto (the "Personal Property") all upon the terms and conditions as hereinafter described.

G. The Parties have agreed to the purchase and sale of the Subject Water Rights and the Real Estate, including a lease back by Seller for the purposes of farming, on the terms and conditions set forth herein below.

NOW THEREFORE, in consideration of the foregoing recitals and representations and in consideration of the covenants, promises, payments and agreements herein set forth the adequacy, sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Sale and Purchase; Agricultural Lease.

1.1 Subject to the terms and conditions hereinafter provided, Seller hereby agrees to sell the Subject Water Rights, the Real Estate, including all appurtenances thereto, all improvements located thereon, and the Personal Property (collectively, the "Property"), subject to Seller's covenants and obligations hereunder to Buyer. With respect to any shares identified

as "Hold-Back Shares" in Recital A above, the Water Deed and Share Assignment shall reference the applicable number of shares excluding such Hold-Back Shares.

1.2 Agricultural Lease.

1.2.1 At the Closing, Buyer and Seller's designated farming entity as approved by Buyer, which approval shall not be unreasonably withheld, during Buyer's Due Diligence Period (the "Lessee Farmer"), shall enter into a farming lease for Seller's use of the Subject Water Rights substantially in the form of the Agricultural Lease attached hereto as Exhibit E (the "Agricultural Lease").

1.2.2 Buyer anticipates entering into two separate purchase and sale agreements (a) one with Michael C. Hirakata and Glenn R. Hirakata and (b) another with Glenn R. Hirakata and Carmen R. Hirakata each for other shares of the Ditch Company and related Real Estate and each providing for a post-closing agricultural lease substantially similar to the Agricultural Lease (each a "Related Contract" and, collectively, the "Related Contracts").

(a) If Buyer closes on its purchase under one or both of the Related Contracts on the same date as this Contract and provided that the sellers under such Related Contract or Related Contracts have designated the same farming entity as the Lessee Farmer then the Parties will modify the form of Agricultural Lease attached to this Contract to reference all of the Real Estate and Subject Water Rights under this Contract together with such Related Contract or Related Contracts and to reference the entirety of the irrigated acreage and such modified form of lease will serve as the Agricultural Lease under this Contract and the other Related Contract or Related Contracts then being closed. The modified terms of the form of Agricultural Lease attached to this Contract consist of the bracketed provisions and those exhibits describing the subject Premises.

(b) If Buyer closes on its purchase under one or both of the Related Contracts prior to the Closing Date of this Contract and entered into an Agricultural Lease pursuant to said Related Contract(s) with the same farming entity as the Lessee Farmer then Buyer may elect, in its discretion, to either (i) enter into a new Agricultural Lease pursuant to this Contract or (ii) amend the Agricultural Lease or leases previously executed with the seller(s) under the applicable Related Contract(s) to include and reference all of the Real Estate and Subject Water Rights under this Contract together with such Related Contract or Related Contracts and to reference the entirety of the irrigated acreage and such amended of lease will serve as the Agricultural Lease under this Contract. The modified terms of the form of Agricultural Lease attached to this Contract

consist of the bracketed provisions and those exhibits describing the subject Premises.

2. Purchase Price.

2.1 The "Purchase Price" for the Property and Seller's covenants and obligations hereunder is $3,124,600.00 subject to prorations and adjustments and payment schedule as provided for herein.

2.2 Seller and Buyer acknowledge and agree that, for purposes of determining any sales or use taxes payable in connection with the conveyance of the Personal Property, (i) $1.00 of the Purchase Price shall be allocated to the Personal Property and (ii) the Personal Property shall be deemed to have a value of $1.00.

3. Title and Title Review.

3.1 The Parties agree that in order to consummate the transaction contemplated by this Contract, title to the Property must be unencumbered and marketable in Seller so the Real Estate (subject to the Permitted Exceptions (as defined below)) and the Personal Property and Subject Water Rights may be delivered free, clear and unencumbered in any way to Buyer and that Buyer's obligations under this Contract are specifically conditioned and contingent on Seller possessing such title prior to the Closing Date (as defined in Section 5.1 below). Notwithstanding any other provisions of this Contract, if Seller does not have such title in the Property on the Closing Date, Buyer may terminate this Contract, except for any provisions hereof which specifically survive termination of this Contract, in which case all partial payments and any other funds placed in escrow, if any, with Escrow Agent (as defined in Section 5.1 below) by Buyer shall be immediately refunded to Buyer.

3.2 On or before the date that is five (5) business days after the Effective Date, Seller shall deliver to Buyer: (i) a complete copy of the certificate(s) for the Subject Stock (front and back); (ii) a copy of any and all leases or other possessory interests held by third parties in the Real Estate or the Subject Water Rights and written disclosure of any such other leases or possessory interests of which Seller has knowledge; and (iii) to the extent they exist and are in Seller's possession, a copy of Seller's most current title insurance information and survey of the Real Estate, including copies of agreements, easements, permits, licenses, contracts or ground leases; and (iv) any contracts affecting the Subject Water Rights and Real Estate to the extent such contracts are in Seller's possession. Buyer may obtain a current title insurance commitment (the "Commitment") for an American Land Title Association ("ALTA") easement holder's policy (the "Title Policy"), written by the Title Company (as defined in Section 5.1 below) in the amount of the Purchase Price, agreeing to insure good and marketable title in the Real Estate along with copies of any and all documents identified as exceptions in the Commitment. Upon Buyer's request, Seller shall provide to Buyer, written consent in a form acceptable to the Ditch Company from Seller consenting to Buyer's review of the Ditch Company records as relates to the ownership and status of the Subject Water Rights. Buyer agrees it will be responsible for the costs of any evaluation of any materials necessary to determine the status of the Property. Seller hereby further consents to Buyer's lawful actions in obtaining records and information from title companies, lenders, governmental agencies, ditch companies, and other third parties relating to

title, ownership, liens, encumbrances, taxes, and assessments affecting the Subject Water Rights or Property, and agrees to provide to Buyer such other documents within Seller's possession as Buyer may reasonably request that are material to the transactions contemplated by this Agreement. Seller shall cause the Commitment to be updated by the Title Company prior to the Closing. Any exceptions on such updated Commitment that were not included on the initial Commitment reviewed and approved by Buyer and are not due to the actions of Buyer shall each be considered an impermissible encumbrance on Seller's marketable title to the Real Estate, in which case Buyer shall have the right, in its sole discretion, to either: either: (i) terminate this Contract; or, (ii) proceed to Closing and waive such objections or defects in writing.

3.3 Buyer may give written notice to Seller, or Seller's attorney, of its disapproval, in Buyer's sole discretion, of any matter contained in the Commitment and/or a survey of the Real Estate, if obtained by Buyer ("Objection Notice"). If Buyer provides an Objection Notice to Seller on or before the expiration date of the Due Diligence Period (as defined in Section 4 below), Seller shall have ten (10) days from the receipt of such Objection Notice to cure the objections or defects so specified (which cure may include the Title Company's commitment to issue a commercially reasonable endorsement over such defect and/or Seller's commitment to cause an encumbrance to be released at Closing, including through the use of proceeds from the Purchase Price), or notify Buyer that it does not intend to cure any such objections. If Seller (i) fails to cure any objection described in an Objection Notice to Buyer's satisfaction, (ii) notifies Buyer that it does not intend to cure an objection, or (iii) fails to respond within such ten (10) day period (which failure to respond shall operate the same as if Seller had notified Buyer that it does not intend to cure any objections), then Buyer shall have a five (5) business day period in which to either: (I) terminate this Agreement by delivery of written notice to Seller and to the Title Company so stating, whereupon any partial payments and any other funds placed in escrow, if any, with Escrow Agent by Buyer shall be immediately refunded to Buyer and this Agreement shall thereafter be of no further force and effect, except for any provisions hereof which specifically survive termination of this Agreement, and Buyer shall return all information delivered to Buyer by Seller; or (II) waive such objections or defects in writing, in which event the parties shall proceed to Closing, any such uncured objection(s) shall thereafter be deemed a Permitted Exception, and this Agreement shall continue in full force and effect. Any taxes and assessments for the year of Closing and subsequent years, any building restrictions, zoning regulations and all other laws applicable to Property, and any matter of title shown on the Commitment other than those that the Title Company has agreed to remove or the Seller has agreed to remove or cure in response to an Objection Notice are referred to herein as a "Permitted Exception" and collectively, the "Permitted Exceptions" to title. Notwithstanding the foregoing, Permitted Exceptions shall not include any liens, or documents evidencing liens, securing any indebtedness or any mechanics' or materialmen's liens (other than for any work done by or on behalf of Buyer) or any claims therefor to which Seller is a party and covering the Property or any portion thereof ("Seller Liens"), each of which Seller Liens shall be paid in full by Seller and released at Closing.

3.4 Buyer shall cause a licensed surveyor to prepare a metes and bounds description and depiction of the Land consistent with the depictions attached to this Contract for use on the Deed and Title Policy prior to the end of the Due Diligence Period. Buyer and Seller shall agree upon the final legal description for the Land during the Due Diligence Period (as defined below). Neither Party shall unreasonably withhold its approval of the legal descriptions.

If Seller does not agree to Buyer's proposed legal descriptions, Buyer may terminate this Contract prior to the end of the Due Diligence Period.

3.5 If the Parties have not agreed on a per-acre consideration for fallowed acres as provided for under Section 3.4.2.2 of the form of Agricultural Lease before execution of this Contract, the Parties shall use commercially reasonable efforts to make that determination during the Due Diligence Period.

3.6 If Buyer reasonably determines in good faith that Seller's title to the Subject Water Rights or the Real Estate is encumbered and not merchantable, Buyer shall give notice thereof in writing prior to expiration of the Due Diligence Period, as defined in Section 4, below. Seller will then have ten (10) business days to correct the defects. If at the end of such ten (10) business day period, title is not rendered unencumbered (except for the Permitted Exceptions) and merchantable, as reasonably determined by Buyer in good faith, then Buyer shall have the right, in its sole discretion to either: (i) terminate this Contract; or (ii) proceed to Closing and either, (A) waive such objections or defects in writing and/or (B) apply a portion of the Purchase Price to pay off or otherwise cure any such defect or encumbrance at Closing. Buyer shall make its election among the options described above on or before the tenth business day following the end of such ten (10) business day period. In the event that Buyer elects to proceed to Closing the date scheduled for the Closing shall be extended a reasonable number of days. No such defect or objection shall be deemed cured or waived unless Buyer so specifies in writing.

4. Due Diligence Period.

4.1 The Due Diligence Period runs beginning on the Effective Date until the date which is ninety (90) days thereafter (the "Due Diligence Period"). During the Due Diligence Period, Buyer may terminate this Contract for any reason or no reason.

4.2 To the extent not previously provided by Seller to Buyer, on or before the date that is ten (10) business days after the Effective Date, Seller will deliver to Buyer the following documents related to the Property to the extent they exist, are in Seller's possession and are not part of public records or included in the materials delivered under Section 3 above: existing surveys; engineering studies and reports; soils, flood, and geotechnical studies, reports, and tests; seismic reports; environmental surveys and reports; warranties and guarantees; all governmental and quasi-governmental permits, approvals, entitlements, zoning documents, notices, reports, citations, non-privileged correspondence (exclusive of invoices, billing information, and similar non-substantive documents); inspection reports; operating records; a copy of any and all leases or other possessory interests held by third parties in the Property (or written disclosure of any such leases or possessory interests if such agreement is not written), and copies of any contracts affecting the Property which would be binding upon Buyer following the Closing; all documents and information related to use of the Subject Water Rights, including historical irrigation records and dry-up reports; any other documents materially related to the Property, including any environmental assessments (collectively, the "Seller Deliveries").

4.3 If Buyer terminates this Contract pursuant to this Section, Buyer shall promptly return to Seller, or destroy, all non-public documents, records, reports, and other Seller

Deliveries furnished by Seller, except for one archival copy retained by Buyer or Buyer's legal counsel solely for legal, regulatory, audit, or record-retention purposes.

4.4 Buyer shall, consistent with its obligations under the Colorado Public (Open) Records Act, maintain the confidentiality of all non-public information received from Seller provided that (i) the existence of this Contract and the proposed purchase and sale of the Property shall not be considered non-public information and (ii) Buyer may disclose such information: (a) to those of their respective officers, directors, employees, advisors, agents, members or affiliates, or any person acting on its behalf (its "Related Parties") who shall require access thereto for the purpose of evaluating the Property and the proposed transaction under this Contract and who are informed of the confidential nature of such information, (b) as may be required by law or to comply with a lawful judicial process, (c) as otherwise reasonably required in connection with obtaining approval and ratification of this Contract from City Council (as defined in Section 34 below) or (d) upon notice to Seller, as reasonably determined by Buyer as necessary to effectuate Buyer's use of the Water Rights and operation of the Agricultural Lease. The City will, consistent with its obligations under the Colorado Public (Open) Records Act treat any such proprietary information as confidential information and the City agrees to treat, and shall use good faith efforts to cause its Related Parties to treat this Contract and the Proposed Transaction as confidential information. The obligations of this Section shall survive any termination of this Contract.

5. Closing.

5.1 Closing Date. The closing on this Contract (the "Closing") is scheduled to occur on the day that is sixty (60) days following the end of the Due Diligence Period or such other date as mutually agreed to by the Parties as the same may be extended as provided for in this Contract (the "Closing Date") at the offices of ABC Title & Closing Services at 300 Main Street, Ste. A, Ordway, CO 81063 or such other company or location as selected by Buyer ("Escrow Agent" and "Title Company") or such other escrow agent or title company as the Parties may mutually agree.

5.2 Closing Deliveries.

5.2.1 On or before Closing, Buyer shall deliver or cause to be delivered to Escrow Agent: (1) the Purchase Price subject to prorations as provided for under this Contract; (2) an executed counterpart of the Agricultural Lease; (3) an executed counterpart of the Joint Instruction Letter; and (4) the closing statement, such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy.

5.2.2 On or before the Closing Date, Seller shall deliver to the Escrow Agent each of the following items:

(a) The original certificate(s) for the Subject Stock;

(b) A special warranty deed for the Subject Water Rights from Seller to Buyer with respect to the Subject Stock

substantially in the form attached hereto as Exhibit B (the "Water Deed");

(c) One or more share assignment(s) for the Subject Stock from Seller to Buyer (collectively, "Share Assignment") and, to the extent that title to the Subject Stock is also held by a lender or other third party, an assignment from such third party either to Seller or Buyer, all in forms mutually agreed upon by the Parties and acceptable to the Ditch Company, which assignment shall include the appointment of an officer of the Ditch Company as attorney-in-fact with authority to change the ownership records of the Ditch Company with respect to the Subject Stock;

(d) A special warranty deed for the Real Estate from the Seller to the Buyer, substantially in the form attached hereto as Exhibit C, subject to the Permitted Exceptions (the "Deed");

(e) A bill of sale and general assignment, conveying good and marketable title to all Personal Property to Buyer in the form attached hereto as Exhibit D;

(f) A counterpart of the Agricultural Lease executed by the Lessee Farmer;

(g) Such documentation as required to effect the transfer of Seller's rights with respect to any augmentation plan applicable to water wells on the Land, including, if applicable, such transfer and change in use forms as may be required by the augmentation plan contracts identified during Buyer's Due Diligence Period, if any;

(h) An estoppel or other documentation from the Ditch Company in forms acceptable to Buyer and approved during Buyer's Due Diligence Period certifying that: (A) all assessments due with respect to the Subject Stock are paid in full; (B) the Subject Stock is validly issued and outstanding in the name of Seller; and (C) the Ditch Company shall permit the transfer of the Subject Stock to Buyer;

(i) A counterpart of a joint instruction letter from Buyer and Seller addressed to the Ditch Company providing for the issuance of a separate share certificate for the Hold-Back Share(s) to Seller (the "Joint Instruction Letter");

(j) Such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy to Buyer.

5.2.3 Each Party shall further execute and deliver such documentation as may be reasonably requested by Escrow Agent or Title Company. Seller shall, at Seller's expense, cause the Title Company to issue the Title Policy promptly after the Closing, and Title Company shall record the Water Deed and the Deed.

5.2.4 Buyer's obligation to close under the Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent (collectively, "Buyer's Closing Conditions"):

(a) The Title Company shall be prepared and irrevocably committed in writing to issue to Buyer the Title Policy subject only to the Permitted Exceptions and with all endorsements requested by Buyer or agreed to by Seller in satisfaction of Buyer's Objection Notice.

(b) Seller's cure of any title matters on or before Closing, if Seller has agreed to cure such title matters.

(c) Seller's representations and warranties in this Contract shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(d) Seller shall have timely performed all covenants and obligations and timely complied with all conditions required by this Contract to be performed or complied with by Seller on or before the Closing Date, including without limitation timely delivery of all of Seller's Closing Deliveries to the Title Company.

(e) There shall not be pending any threatened litigation which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Contract or declare illegal, invalid, or nonbinding any of the covenants or obligations of the Seller or adversely affect the Property or Buyer's use of the Property.

(f) Seller shall not be a debtor in any bankruptcy proceeding nor shall have been in the last 12 months a debtor in any bankruptcy proceeding.

(g) There shall be no parties in possession of the Property other than pursuant to the Agricultural Lease or as otherwise permitted under matters of record described in the Commitment.

(h) Buyer, acting reasonably and in good faith, shall determine that the transaction contemplated under this Contract complies with applicable laws, rules and regulations applicable to the Real Estate, Subject Water Rights, and Buyer, including the Intergovernmental Agreement between Buyer and the Southeastern Colorado Water Conservancy District dated October 3, 2003.

5.2.5 If any of Buyer's Closing Conditions are not met, Buyer may either, in Buyer's sole discretion: (i) waive the applicable Buyer's Closing Condition and proceed to Closing on the Closing Date, (ii) extend the Closing Date for up to thirty (30) days, or such longer period as the Parties mutually agree, (iii) terminate this Contract and receive a return of any funds deposited with Seller or the Escrow Agent, if any, or (iv) if such failure constitutes a default by Seller, exercise any or all of its rights and remedies set forth in this Contract.

6. Ditch Assessments; Prorations; Taxes.

6.1 Seller agrees to fully pay and continue to pay, or cause to be paid, any and all ditch assessments associated with and accruing to the Subject Stock through and including the Closing Date. At Closing, Buyer agrees to assume any such future obligations for assessments incurred from and after the Closing Date.

6.2 All real and personal property taxes related to the Personal Property and Real Estate (if any) shall be prorated as of 11:59 PM on the day prior to the Closing. If the Closing shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. Seller shall pay at or before Closing all real and personal property taxes (including prorated property taxes of the current year) and special assessments, if any, which are attributable to the period before the Closing. Any amounts not paid as of the Closing Date shall be deducted from the Purchase Price and paid to the applicable taxing authorities. All such prorations shall be final as of the Closing Date.

6.3 All water rates, utility charges, and all other costs and income related to the Real Estate (if any) shall be prorated and adjusted as of 11:59 PM on the day prior to the Closing. All such prorations shall be final.

7. Commissions. Seller hereby warrants to Buyer and Buyer hereby warrants to Seller that neither of them has dealt with any broker, finder or other agent in connection with the transaction contemplated hereby. Seller hereby agrees to indemnify and hold Buyer harmless from and against any claim by a third party for brokerage commission, finder's or other fees relative to this Contract and any court costs, attorneys' fees or other costs or expenses arising

therefrom and alleged to be due by authorization of the indemnifying party. The provisions of this section shall survive the closing or termination of this Contract.

8. Closing Costs/Escrow Charges. The Parties will each pay one-half of the closing costs of the Escrow Agent for the Closing and all recording costs. Seller shall pay the premiums for the Title Policy. Seller shall pay the transfer costs, if any, imposed by the Ditch Company with respect to the transfer of the Subject Stock at the Closing.

9. Status and Authority of Seller. Seller hereby represents and warrants the following: (a) Seller has full power and authority to enter into this Contract and to carry out the transactions contemplated by this Contract, and (b) this Contract and its execution and delivery to Buyer will not result in a breach of, or constitute a default under, any indenture, loan or credit agreement, mortgage, deed of trust or other agreement to which Seller is a party or otherwise bound.

10. Additional Representations and Warranties of Seller. In addition to Seller's other representations and warranties contained in this Contract, Seller hereby represents, warrants, and agrees that as of the Effective Date, and on the date of Closing, except as may be caused or created by Buyer:

10.1 Seller reaffirms the representations and warranties expressly set forth in this Contract;

10.1.1 Seller is, or as of Closing shall be, the owner of marketable title to the Subject Stock and Subject Water Rights and, subject to the Permitted Exceptions, marketable title to the Real Estate;

10.1.2 The water derived from the Subject Stock has been historically used to irrigate the Real Estate;

10.1.3 To Seller's knowledge, without duty of inquiry, there are no pending judicial, municipal, or administrative proceedings with respect to, or in any manner affecting the Property or in which Seller is a party, including proceedings for or involving condemnations, eminent domain, which in any manner affects the Property;

10.1.4 The execution and delivery of this Contract and the performance of all obligations hereunder by Seller do not and will not require any consent or approval of any third party, other than any notices, approvals, or consents expressly contemplated by this Agreement or the governing documents of the Ditch Company, and do not and will not result in a breach of, or constitute a default under, any indenture, loan agreement, credit agreement, mortgage, deed of trust, or other agreement.

10.1.5 Seller has received no written notice of any violations of any law, code, ordinance, rule or regulation or insurance policy affecting the Subject Stock or the Real Estate.

10.1.6 Except as disclosed to Buyer in writing there are no leases, subleases, licenses, contracts, unrecorded easements, or other agreements, written or oral,

regarding the Subject Stock or the Real Estate, or granting to any party or parties the right to use or occupy all or any portion of the Subject Stock or the Real Estate that will be effective as of the Closing Date.

10.1.7 Except for the Agricultural Lease, there are no parties in possession of or entitled to possession of the Subject Stock or the Real Estate.

10.1.8 Other than any service contracts related to the Subject Stock or Real Estate provided to Buyer as part of the Due Diligence Materials and approved by Buyer, if any, there are no other such service contracts.

10.1.9 Seller is not bankrupt or insolvent, and has not filed for and is not involved in any voluntary or involuntary proceeding in bankruptcy under any applicable laws.

10.1.10 To Seller's knowledge, the Real Estate was not previously used as a methamphetamine laboratory.

10.1.11 To Seller's knowledge, Seller has provided to Buyer all Seller's Deliveries in Seller's possession and has not knowingly withheld or failed to disclose any Seller's Deliveries. Seller makes no representation or warranty, express, written, oral, statutory, or implied, with respect to the accuracy of any third-party documents or reports provided by Seller as Seller Deliveries.

11. Seller's Covenants.

11.1 Water Court Cooperation. After the Closing, Buyer may, at its own cost and expense: (a) seek use of the Subject Water Rights as an interruptible water supply pursuant to C.R.S. §37-92-309 or such subsequent applicable statute ("IWSA Approval"); or (b) submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Water Rights including, without limitation, for a change of the point of diversion and type, and place of use for Buyer's intended uses, including without limitation, for: storage, augmentation, replacement, direct municipal and industrial use, and exchange uses (each a "Change Case"). Upon reasonable advance notice, Seller shall, in connection with IWSA Approval or a Change Case, and with any approvals required of the Ditch Company in connection with Buyer's IWSA Approval or Change Case (including any so-called "Catlin" approval requirements), at no cost to Seller: (i) reasonably cooperate with Buyer to provide, to the extent in Seller's possession, information and records of water use concerning the Subject Water Rights; and (ii) testify truthfully on behalf of Buyer without subpoena or payment of witness or expert witness fees concerning Seller's historical use of the Subject Water Rights at any deposition, motions hearing, trial, or Ditch Company meeting involving the Subject Water Rights. Buyer shall reimburse Seller for reasonable out-of-pocket travel and lodging expenses incurred in providing such testimony. Seller agrees not to file a statement of opposition to Buyer's Change Case or object to any application for an IWSA Approval provided the same is substantially consistent with the Agricultural Lease. The provisions of this Section shall survive the Closing.

11.2 Duty to update representations between the Effective Date and Closing. Between the Effective Date and the Closing Date, Seller shall promptly (but prior to the Closing) notify Buyer in writing of any fact, event, circumstance or action known to Seller (i) which, if

known on the Effective Date, would have been required to be disclosed or (ii) the existence or occurrence of which would cause any of Seller's representations or warranties under this Contract not to be correct and complete. Buyer may elect, within three (3) business days after receipt of Seller's notice but prior to the Closing, to terminate this Contract by giving written notice to Seller and Escrow Agent.

11.3 Seller shall not create or consent to the creation of any lien (other than liens arising in the ordinary course and released at Closing), encumbrance, or other matter affecting title to any part of the Property without Buyer's prior written consent, which may be withheld in Buyer's sole and absolute discretion.

12. Notices. All notices, requests, demands, or other communications (collectively, "Notices") hereunder shall be in writing and given by (i) established express delivery service that maintains delivery records requiring a signed receipt, (ii) hand delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested to the Parties at the following address, or at such other address as the Parties may designate by Notice in the above manner.

To Buyer:	City of Aurora 15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555 Attn: City Attorney
with copy to	City of Aurora 26791 E Quincy Ave Aurora CO 80016 Attn: General Manager, Aurora Water
with copy to	Brownstein Hyatt Farber Schreck, LLP 675 15th Street, Suite 2900 Denver, CO 80202-4432 Attn: Andrew Meyers
with copy to	City of Aurora c/o Real Property Services Manager 15151 E. Alameda Pkwy, Suite 3200 Aurora, CO 80012-1555 hreynoso@auroragov.org
To Seller:	Frascona Joiner Goodman & Greenstein PC 4750 Table Mesa Drive Boulder, CO 80305 Email address: jordan@frascona.com

Notices shall be effective (x) the next day following the date sent by an established express delivery service which maintains delivery records requiring a signed receipt, (y) upon receipt by

the addressee of a hand delivery, or (z) three (3) days following the date of mailing via certified or registered mail, postage prepaid, return receipt requested.

13. No Warranty Concerning Tax Status. Although this Contract does not contemplate the payment of interest by Buyer, in the event that any interest would be paid, Buyer makes no warranty nor guarantee that any such interest paid as a result of any transaction would be excusable from gross income or federal, state or local income tax purposes.

14. Amendment. This Contract may be modified, amended, changed or terminated in whole or in part only by written agreement duly authorized and executed by each of the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety.

15. Waiver. Any waiver of any breach of any provision of this Contract by any Party shall not constitute a continuing waiver of any subsequent breach of said Party, for either breach of the same or any other provision of this Contract.

16. Entire Agreement. This Contract represents the entire agreement of the Parties and neither Party has relied upon any fact or representation not expressly set forth herein. All prior and contemporaneous conversations, negotiations, possible alleged agreements, representations, covenants and warranties concerning the subject matter hereof, are merged in this Contract.

17. Headings for Convenience Only. Paragraph headings and titles contained herein are intended for convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Contract.

18. Binding Effect and Assignability. This Contract and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, if any. Seller may not assign its rights or delegate its duties hereunder without the prior written consent of Buyer, which Buyer may withhold in its sole discretion, except as provided for in Section 38. Any assignment of the Contract by Buyer shall be in writing duly authorized and executed by the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety memorialized by a restatement of this Contract in its entirety. Buyer shall be entitled to assign its rights and obligations hereunder without the consent of Seller.

19. Survival of Representations. Those representations and warranties set forth in Sections 9 and 10 of this Contract shall not merge in any deed, assignment, covenant, escrow agreement, easement, lease or any other document, but shall survive each nevertheless at the Closing, and be binding and obligatory upon each of the Parties for a period of one (1) year.

20. Governing Law and Venue. This Contract and its application shall be construed in accordance with the law of the State of Colorado. Should it be necessary to initiate court proceedings concerning this Contract, the Parties agree that venue shall be in the District Court for Otero County, Colorado.

21. No Recording. This Contract shall not be recorded. Notwithstanding this provision, at Closing, Title Company shall record the Deed and the Water Deed with the Otero County Clerk and Recorder's Office.

22. Multiple Originals. This Contract may be simultaneously executed in any number of counterparts, each of which shall be deemed an original, but all of which constitute the same agreement.

23. Definitions and Interpretations. Except as otherwise provided herein nouns, pronouns and variations thereof shall be deemed to refer to the singular or plural, and masculine or feminine, as the context may require. Any reference to a policy, procedure, law, regulation, rule or document shall mean such policy, procedure, law, regulation, rule or document as it may be amended from time to time.

24. No Construction Against Drafter. This Contract has been prepared by the combined efforts of Seller and Buyer and their respective legal counsel as Seller and Buyer so desired, accordingly the Parties agree there shall be no construction against the drafter of this Contract should any dispute arise.

25. Sole Obligation of Utility Enterprise.

25.1 This Contract shall never constitute a general obligation or other indebtedness of the City of Aurora (the "City"), or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City.

25.2 In the event of a default by the City's Utility Enterprise of any of its obligations under this Contract, Seller shall have no recourse for any amounts owed to it against any funds or revenues of the City except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Contract shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City.

26. Conveyance to City of Aurora. Seller hereby acknowledges and agrees that any deliveries required to be made to Buyer hereunder may, at Buyer's request, be modified to provide for delivery directly to and in the name of the City of Aurora, Colorado.

27. Specific Performance. Either Party shall be entitled to seek the remedy of specific performance to enforce the terms of this Contract.

28. No Attorney's Fees and Costs. In the event of any litigation, mediation, arbitration or other dispute resolution proceedings arising out of or related to this Contract, each

Party agrees to be responsible for its own attorney's fees and other professional fees, costs and expenses associated with any such proceedings.

29. Non-Severability; Effect of Invalidity. Each Section in this Contract is intertwined with the others and are not severable unless by mutual consent of Buyer and Seller or as provided for below. If any provision or portion of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable for any reason by a Court of competent jurisdiction, and the basis of the bargain between the Parties is not destroyed or rendered ineffective thereby, the remainder of this Contract, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

30. Intent of Contract. This Contract is intended to describe the rights and responsibilities of and between Buyer and Seller and are not intended to, and shall not be deemed to, confer rights upon any person or entities other than signatories hereto, or to limit, impair, or enlarge in any way the powers, regulatory authority and responsibilities of Buyer or any other governmental entity not a party hereto.

31. Non-Business Days. If any date for any action under this Contract is on a Saturday, Sunday or a day that is a "holiday" as such term is defined in C.R.C.P. 6, then the relevant date shall be extended automatically until the next business day.

32. Further Assurances. Buyer and Seller will make, execute and deliver such documents and undertake such other and further acts in good faith as may be reasonably necessary to complete the transactions contemplated under this Contract.

33. Recitals and Exhibits. The recitals and exhibits attached hereto are hereby incorporated into this Contract.

34. Ratification by the City Council. The City Manager of the City of Aurora approves this Contract pursuant to Chapter 2, Article III, Section 2-62(b) of the Code of Ordinances of the City of Aurora, subject to the ratification of the City Council of the City of Aurora ("City Council"). Buyer's obligations under this Contract are expressly contingent and conditioned on such ratification of this Contract by City Council by way of an ordinance or such other means as Buyer determines is necessary in accordance with the Aurora City Code, Charter, or applicable policies.

35. Authority of the City Attorney. By its ratification of this Contract as provided for in Section 34 above, City Council authorizes the City Attorney of the City of Aurora, without further action by City Council, to (i) make any such amendments or other modifications of this Contract as City Attorney may deem necessary for the purpose of extending deadlines provided for in this Contract or effecting non-substantive administrative modifications to this Contract; and (ii) exercise any elections of Buyer as provided for under this Contract; provided, however, that City Attorney may not make any such amendment or modification which is reasonably expected to increase the amount of the Purchase Price payable by Buyer hereunder. This provision shall not entitle the City Attorney to unilaterally modify the Contract without the consent of Seller.

36. Signatures. The parties agree that Buyer may execute this Contract, the Agricultural Lease using a digital image (an image in the form of a PDF, JPEG, GIF file, DocuSign, SignNow or other e-signature), and the same shall be deemed as a true and correct original.

37. Joint and Several Liability. If Seller consists of two or more persons or entities, then such parties shall be jointly and severally liable for Seller's covenants, representations, warranties and other obligations under this Contract and requests or demands from any one person or entity comprising Seller shall be deemed to have been made of all such persons or entities.

38. 1031 Exchange. Seller may consummate the sale of the Subject Stock as part of a so-called like kind exchange (the "Exchange") pursuant to §1031 of the Internal Revenue Code of 1986, as amended, provided that: (a) the Closing shall not be delayed or affected by reasons of the Exchange, nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Seller's obligations under this Contract; (b) Seller shall effect the Exchange through an assignment of this Contract, or its rights under this Contract, to a qualified intermediary, provided that such assignment shall not release Seller of its obligations hereunder; and (c) Buyer shall not be required to take an assignment of the purchase agreement for other property or be required to acquire or hold title to any real property for purposes of consummating the Exchange. Buyer shall reasonably cooperate in connection with the Exchange, but shall not be required to incur any additional expense or obligation (contingent or otherwise) in connection therewith. Seller shall indemnify, defend and hold harmless Buyer from and against any and all costs (including, without limitation, attorneys' fees), expenses, liabilities, losses and damages incurred by reason of the execution and/or delivery of any Exchange documents, or by reason of participating in the Exchange. The foregoing indemnity shall survive the Closing.

39. Effective Date. The "Effective Date" shall be the date on which this Contract is executed by Seller.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year indicated below.

BUYER:

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Marshall P. Brown, General Manager, Aurora Water — Date: Oct 26, 2026

APPROVED AS TO FORM FOR AURORA:

Ian Best, Assistant City Attorney — Date: Oct 26, 2026 — ACS#: 26.55

Andrew L. Meyers, Special Water Counsel — Date: Oct 23, 2026

REVIEWED FOR AURORA:

Hector Reynoso, Real Property & Survey Services Manager — Date: Oct 26, 2026

Richard Kienitz, Aurora Water Manager — Date: Oct 23, 2026

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 26th day of October, 2026, by Marshall P. Brown, General Manager, Aurora Water, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

Notary Public

My commission expires: 2/8/27

(SEAL)

ALEXANDER GAGLIARDI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234005206
MY COMMISSION EXPIRES 02/08/2027

Signature -1

Following ratification by the Aurora City Council:

City of Aurora, Colorado
acting by and through its
Utility Enterprise

_____ _____
Mike Coffman, Mayor Date

Attest:

_____ _____
Kadee Rodriguez, City Clerk Date

State of Colorado)
) ss
County of Arapahoe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by Mike Coffman, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(Seal)

SELLER:

By: _____
Michael C. Hirakata, an individual
(a/k/a Michael Conrad Hirakata)

STATE OF COLORADO)
) ss
COUNTY OF Otero)

The foregoing Contract was acknowledged before me this 23rd day of October 2026 by between Michael C. Hirakata, an individual (a/k/a Michael Conrad Hirakata).

Witness my hand and official seal. _____
Notary Public

My commission expires: 08/03/26

(SEAL)

ANN ELIZABETH REYES
NOTARY PUBLIC - STATE OF COLORADO
NOTARY ID 20184031177
MY COMMISSION EXPIRES AUG 3, 2030

Exhibit – A
to
Purchase and Sale Agreement (Water Rights and Real Property)
Legal Description of Real Estate

PARCEL 1:
The E1/2SW1/4 of Section 5, Township 24 South, Range 56 West of the 6 th P.M.
EXCEPT A tract of land lying in the E1/2SW1/4 of Section 5, Township 24 South, Range 56 West of the 6 th P.M. being more particularly described as follows:
Beginning at the Southwest corner of said Section 5 as monumented by a 1" iron pipe with 2" aluminum cap marked PLS 12103 and considering the South line of said Section 5, (as monumented by a similar pipe and cap at its East end), bearing S.89°42'50"E., with all other bearings contained herein being relative thereto; thence S.89°42'50"E., along the South line of said Section 5, a distance of 1947.78 feet; thence N.0°18'27"W., 30.00 feet to a point on the North Right-of-Way line of Colorado Highway No. 10 and the TRUE POINT OF BEGINNING; thence continuing N.0°18'27"W., 513.09 feet; thence N.80°56'05"E., 371.92 feet; thence S.64°37'29"E., 249.03 feet; thence S.1°09'37"W., 467.96 feet to a point on said highway line; thence N.89°42'50"W., 580.06 feet to the True Point of Beginning.
In the County of Otero, State of Colorado.

PARCEL 2:
The S1/2SW1/4 of Section 33, Township 23 South, Range 56 West of the 6 th P.M.
EXCEPT a tract of land lying in the S1/2SW1/4 of Section 33, Township 23 South, Range 56 West of the 6 th P.M. being more particularly described as follows:
Beginning at the Northwest corner of said S1/2SW1/4 as monumented by a ¾" rebar and 2-1/2" aluminum cap marked BRUNDAGE, PLS 30087 and considering the North line of said S1/2SW1/4, (as monumented by a similar rebar and cap at its East end), bearing S.89°29'20"E., with all other bearings contained herein being relative thereto; thence S.89°29'20"E., along the North line of said S1/2SW1/4, a distance of 306.68 feet to a point on the Westerly Right-of-Way line of the Catlin Canal; thence along said canal line S.13°09'51"W., 151.41 feet; thence along said canal line S.33°33'06"W., 118.76 feet; thence along said canal line S.43°15'36"W., 304.42 feet to a point on the West line of said S1/2SW1/4; thence N.0°15'04"E., 470.84 feet to the point of beginning.
SUBJECT TO the West 30.00 feet of said Tract for County Road 21 Right-of-Way purposes.
ALSO EXCEPT A tract of land lying in the S1/2SW1/4 of Section 33, Township 23 South, Range 56 West of the 6 th P.M. being more particularly described as follows:
Beginning at the Southwest corner of said S1/2SW1/4 as monumented by a 5/8" rebar and 2" aluminum cap marked LS 12103 and considering the South line of said S1/2SW1/4, (as monumented by a similar rebar and cap at its East end), bearing S.89°29'13"E., with all other bearings contained herein being relative thereto; thence N.89°10'07"E., 1278.58 feet to a point on the North Right-of-Way line of County Road BB and the TRUE POINT OF BEINNING; thence N.0°17'05"E., 1077.52 feet; thence N.81°38'24"E., 247.56 feet; thence S.1°17'04"W., 1115.80 feet to a point on said county road line; thence N.89°29'13"W., 225.28 feet to the True Point of Beginning. SUBJECT TO the Northerly 50.00 feet of said tract for access and irrigation pipeline easement purposes.
In the County of Otero, State of Colorado.

PARCEL 3:
A tract of land lying in the SW1/4NW1/4 of Section 4, Township 24 South, Range 56 West of the 6th P.M., and more particularly described as follows: Beginning at the Northwest corner of said SW1/4NW1/4 of said Section 4 as monumented by aluminum cap properly marked PLS 12103; thence along the North line of said SW1/4NW14 bearing S.89°48'15"E., (GPS bearings), 1322.81 feet to the Northeast corner of said SW1/4NW1/4; thence along the East line of said SW1/4NW1/4 bearing S.0°40'59"W., 895.93 feet; thence N.89°32'02"W., 1322.98 feet to the West line of said Section 4; thence N.0°41'49"E., 889.69 feet to the Point of Beginning. SUBJECT TO the West 30.00 feet of said tract for County Road 21 purposes.
In the County of Otero, State of Colorado.

Exhibit – B
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Special Warranty Deed

When recorded return to:
_____
_____
_____

Special Warranty Deed
(Water Rights)

This Special Warranty Deed, made this _____ day of _____, 202_, between _____, a _____, whose address is _____ ("Grantor"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Grantee").

WITNESSETH, that Grantor, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, Grantee's heirs and assigns forever all of the water rights described below (the "Water Rights"):

(a) The water rights represented by [____]shares of the capital stock of The Catlin Canal Company, a mutual ditch company organized and existing under the laws of Colorado, which share(s) are evidenced by the stock certificate numbers set forth below (collectively, the "Shares") and the water derived therefrom:

[____] Shares Represented by Stock Certificate Number [____].
[____] of the [_____] Shares Represented by Stock Certificate Number [____].
[_____]

(b) All beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said Shares, and in addition, and in no way limited by the foregoing, any and all other right, title or interest in The Catlin Canal Company represented by said Shares.

(c) The following well permits: [_____] [*See Exhibit F*]

TOGETHER with all and singular hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the above bargained Water Rights, with the hereditaments and appurtenances.

Exhibit – C
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Special Warranty Deed – Real Estate

[see following page]

SPECIAL WARRANTY DEED

THIS DEED, dated this _____ day of _____, 202_, between, _____, a _____, whose address is _____, _____, County of _____ and State of Colorado, hereinafter referred to as "Grantor", and the **City of Aurora, Colorado**, a home rule municipal corporation of the Counties of Adams, Arapahoe and Douglas, acting by and through its Utility Enterprise, hereinafter referred to as "Grantee", whose legal address is 15151 E. Alameda Parkway, Aurora, Colorado 80012-1555.

WITNESS, that the Grantor(s), for and in consideration of the sum of One and no/100-------Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto the Grantee, Grantee's heirs, successors, and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Otero and State of Colorado, described as follows:

See Exhibit A wherein the description is more fully set forth. Said Exhibit A is attached hereto and incorporated herein by reference.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever of Grantor, either in law or equity, of, in, and to the above bargained Premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Premises above bargained and described, with the appurtenances, unto the Grantee, Grantee's heirs, successors, and assigns forever. The Grantor, for Grantor and Grantor's heirs, successors, and assigns, do covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained Premises in the quiet and peaceable possession of Grantee, Grantee's heirs, successors, and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by through or under the Grantor, subject only to those matters shown on Exhibit B attached hereto and incorporated herein.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

[SIGNATURES APPEARING ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

_____
a _____ _____ _____

By:_____

Title:_____

State of _____)
) §
County of _____)

The foregoing instrument was acknowledged before me this _____day of

_____202___, by _____, _____, of the _____
, a _____.

Witness my hand and official seal.
My commission expires:

SEAL

_____
Notary Public

SURVEYOR NAME, PLS #######, for and on behalf of NAME, ADDRESS, CITY, STATE, ZIP
Name and address of person creating newly created legal description (38-35-106.5, C.R.S.)

REVIEWED BY:

Hector Reynoso
Real Property Services – Manager

APPROVED AS TO FORM:

Stephen Cann
Senior Assistant City Attorney

REVIEWED BY:

Richard Kienitz
Arkansas Valley Resources Manager

FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – D
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Bill of Sale

BILL OF SALE

Effective this _____ day of _____, 202_, _____, whose address is _____ ("Seller") for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, bargains, sells, grants, and transfers to the City of Aurora, Colorado, a home-rule municipal corporation, acting by and through its Utility Enterprise of the counties of Adams, Arapahoe and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Buyer"), all of its interest in the following personal property, goods, and chattels:

1. All of the equipment, machinery, supplies, materials, entitlements, approvals, licenses, plans, specifications, personal property, goods, fixtures, equipment, improvements, ditches, pipelines, wells, headgates, and measuring devices located on or related to the real property described on Exhibit A attached hereto (the "Real Property"), including but not limited to those described in Exhibit B attached hereto.

2. All books, records, files, water rights accounting, documents, reports, permits, designs, plans, specifications, blueprints, drawings, manuals, service instructions, diagrams, data, and operating procedures associated with the construction, installation, operation and maintenance of any such property.

TO HAVE AND TO HOLD the same unto the Buyer its successors and assigns forever. Seller covenants and agrees to and with Buyer, its successors and assigns, to warrant and defend the title to the personal property, goods and chattels conveyed herein against all and every person or persons whomever claiming under Seller.

EXCEPT AS PROVIDED FOR ABOVE, THE PERSONAL PROPERTY, GOODS AND CHATTELS ARE CONVEYED TO BUYER "AS IS, WHERE IS" WITH ALL FAULTS, WITHOUT ANY REPRESENTATION OR WARRANTY, WHATSOEVER.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed and subscribed to by its duly authorized representative.

SELLER

_____,
a/an _____

By: EXHIBIT – DO NOT EXECUTE
Name:_____

Title: _____
Date: _____

Exhibit A
Legal Description of the Real Property

Exhibit B
Non-Exhaustive List of Personal Property

[*insert Exhibit F to Contract.*]

Exhibit – E
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Agricultural Lease
AGRICULTURAL LEASE [No. [_]]

This Agricultural Lease [No. [_]] ("Lease") is entered into as of _____, 202_ (the "Effective Date") between the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 15151 East Alameda Parkway, Suite 3200, Aurora Colorado 80012 ("Lessor") and _____ whose principal place of business is located at _____ ("Lessee"). Lessor and Lessee may be collectively referred to as the "Parties" or individually as a "Party."[*NTD: confirm which Lessee entity as provided for in the Contract*]

For good and valuable consideration, and in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1. LEASE GRANT AND PREMISES.

1.1. Lease. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, on the terms and conditions of this Lease including the Aurora IWSA as defined below, the following, which are hereinafter collectively referred to as the "Premises":

1.1.1. That certain real property currently consisting of (i) approximately [171.94] acres located in Otero County, Colorado, more specifically described in **Exhibit A-1** attached hereto; together with all appurtenances and related real property interests, including but not limited to easements, but excluding oil, gas, hydrocarbon and mineral rights (the "Farm"), and (ii) those certain improvements located on the Farm which are specifically described on **Exhibit A-2** attached hereto, if any (collectively, the "Improvements").

1.1.2. Certain water rights represented by shares in the Catlin Canal Company, a mutual ditch company as described on **Exhibit B-1** attached hereto, including all beneficial right, title and interest in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said shares (the "Subject Catlin Water Rights") historically used on the Irrigated Acreage (as defined below);

1.1.3. The water rights described on **Exhibit B-2** attached hereto ("Groundwater Rights"), consisting of three irrigation wells, together with any existing well augmentation contracts to further support the farming practices at the Farm.

1.1.4. The term "Irrigation Equipment" as used herein shall refer to that certain irrigation equipment owned by Lessor and installed or to be installed on the Premises, which Irrigation Equipment, as of the Effective Date, is described on **Exhibit C** attached hereto.

1.2. Term.

1.2.1. Initial Term. The term of this Lease (the "Term") shall commence on _____, 20__ (the "Commencement Date") and shall terminate at midnight on January 31, 20__ [insert date for a ten-year initial term] (the "Initial Term"), or as earlier terminated by the Parties, pursuant to the terms of this Lease (the "Termination Date").

1.2.2. Renewal Terms. Following expiration of the Initial Term, Lessee may request to extend the Term for up to two (2) successive ten (10)-year terms (each successive term shall be referred to as a "Renewal Term") by delivering written notice to Lessor not less than eighteen (18) months and not earlier than twenty four (24) months prior to expiration of the then current Term. If Lessee provides timely notice requesting extension of the Term for a Renewal Term pursuant to this Section, Lessor will provide written notice of Lessor's consent or rejection of Lessee's request no later than twelve (12) months prior to expiration of the then current Term. Lessor's consent shall not be unreasonably withheld; provided that Lessee acknowledges that it shall not be unreasonable for Lessor to withhold such consent if any of the following conditions exist: (a) Lessee is in Default beyond any applicable notice and cure period; (b) Lessee has been in Default beyond any applicable notice and cure period more than twice during the then-current Term (provided Lessor had provided notice of such default); (c) Lessee has failed to comply with the terms of this Lease, including Farming Standards (Section 3.3), the Water Accounting Responsibilities (Section 4.7) or to otherwise follow agricultural best management practices or comply with applicable agricultural, environmental, or water regulations; (d) Lessee has outstanding monetary obligations beyond normal billing cycles; (e) material changes in Lessee's operations that violate the permitted use or applicable law; or (f) a planned municipal use of the Premises or Water Rights inconsistent with a renewal of the Term. If Lessee fails to timely submit a request, a request for a Renewal Term, this renewal option shall terminate. If Lessor fails to timely respond to a Lessee request, Lessor will be deemed to have withheld its consent. If Lessor withholds consent to a Lessee request for a Renewal Term for any of causes (c), (d) or (e) above and provided such condition: (A) is capable of being cured within thirty (30) days; (B) has not or will not result in Lessor being in violation of any applicable laws, rules or regulations applicable to the Water Rights or any part of the Premises or liable for damages to any third party; and (C) Lessee does so cure such condition within thirty (30) days of Lessor's notice rejecting Lessee's renewal request, then it shall be unreasonable for Lessor to withhold its consent on the basis of such condition. Without limiting the terms of the foregoing process, at the request of either Party, the Parties shall meet within

twenty-four (24) months of the end of the Initial Term or the first Renewal Term to discuss terms and conditions for a potential Renewal Term.

1.3. Irrigated Acres: Irrigation Restrictions. The Farm includes approximately [161.45] historically irrigated acres (each, an "Irrigated Acre" and, collectively, the "Irrigated Acreage") depicted on **Exhibit D** and identified as *Irrigated Acres*. Lessee acknowledges and agrees that the Farm contains approximately [171.94] acres of land that historically have not been irrigated (the "Non-Irrigated Lands"), and that Lessee shall not cause or permit the irrigation of such land in the future (the "Non-Irrigated Acreage Restrictions"). [*Note: revise as necessary to accommodate land and water from the Related Contracts pursuant to Section 1.2.2 of the Contract, if applicable*]

1.4. Permitted Use; Acceptance. This Lease is made for the exclusive purpose of Lessee's farming of the Irrigated Acreage using the Premises including grazing and other activities normally associated with irrigated agriculture and for no other purposes. Any other uses must be pursuant to a separate agreement approved by Lessor in writing, in advance. This Lease is made subject to all governmental laws, ordinances, orders, regulations, codes, directives, variances, and all orders, permits, rules and regulations issued by or at the direction of any such governmental agency or authority or any board or instrumentality thereof, and all covenants, conditions, easements, and rights-of-way now or hereafter existing, whether or not of record. Lessee has inspected and hereby accepts the condition of the Premises and has made its own determination regarding the suitability of the Premises for Lessee's anticipated Farming Plan (as defined in Section 3.2 below) and use. Lessee is leasing the Premises "AS IS" and "WHERE IS" with all defects and defaults, latent or otherwise. Lessee accepts the Premises in its present condition and is not relying upon any representation or warranty by Lessor or any person acting on behalf of Lessor as to the condition or suitability of the Premises or Lessee's use thereof.

1.5. Surrender. At the end of the Term or the sooner termination of this Lease, Lessee agrees to quietly and peacefully surrender possession of the Farm in as good or better condition as at the inception of this Lease, along with possession of the Irrigation Equipment and any other Improvements on the Farm, all in good condition and working order, only reasonable wear and tear excepted.

2. RENT.

2.1. Rent. In each calendar year of the Term (each a "Lease Year"), Lessee will pay to Lessor rent in the amount of $170.00 per Irrigated Acre of the Premises on an annual basis (the "Base Rent"); provided, however, Lessee shall have no obligation to pay Base Rent on any Irrigated Acreage that is dried up pursuant to the Aurora IWSA during any IWSA Year. Accordingly, the Base Rent shall be $[27,446.50] (which represents $170 multiplied by the entire [161.45] Irrigated Acres) subject to reduction

during any IWSA year pursuant to the preceding sentence. During the Term, Lessee shall be entitled to retain all payments from U.S. Department of Agriculture ("USDA"), Farm Service Agency ("FSA"), or other government programs in which acreage constituting part of the Premises are enrolled, however, Lessee shall not enroll any acreage in such government programs if doing so may limit Lessor's ability to use water pursuant to the Aurora IWSA, or if doing so would result in restrictions on the Premises that would extend beyond the end of the Term, and Lessee shall bear responsibility for compliance with all provision and requirements of all programs in which such lands are enrolled. If, over any five-year period ditch company assessments for the shares representing the Subject Catlin Water Rights have increased by five percent or more, Lessor may raise the Base Rent by an amount sufficient to offset such increase in assessments. [*Note: calculate Base Rent to include Irrigated Acreage from the Related Contracts pursuant to Section 1.2.2 of the Contract, if applicable*]

2.2. Rent Payments. Base Rent payments for each Lease Year shall be due in installments as follows: (a) 20% of the Base Rent shall be due April 1, (b) 40% of the Base Rent shall be due July 1, and (c) the remaining 40% of the Base Rent shall be due November 1. Payment shall be made to City of Aurora Utilities Enterprise, Manager of Real Property, 15151 E. Alameda Pkwy., Ste. 3200, Aurora, CO 80012 (referencing Agricultural Lease [No. [ ]]) or such other address as provided to Lessee pursuant to Section 10.11 below. Lessee shall also pay, as "Additional Rent" any and all sums of money or charges required to be paid by Lessee to Lessor under this Lease. Base Rent and Additional Rent are sometimes referred to herein collectively as "Rent." In addition to Base Rent and Additional Rent payable to Lessor, Lessee shall pay, at its sole cost, any and all sums of money or charges required to be paid by Lessee to third parties for Lessee's operations at the Premises pursuant to this Lease, including, without limitation, utilities (gas, domestic water, sewer, internet and television access, and electricity), all well pumping costs, maintenance and repair costs as provided in Section 3.7, Section 4.3 and elsewhere in this Lease. Lessee's lease of any ditch company shares or well augmentation water in addition to that described in **Exhibit B** must be consistent with the terms of this Lease. Insurance as required by Section 7.1 below, and taxes related to Lessee's operations other than real property taxes, shall be paid by Lessee. Annual assessments on all the ditch company shares identified on **Exhibit B-1** and all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** shall be at Lessor's cost pursuant to Section 4.3 below.

3. AGRICULTURAL OPERATIONS ON PREMISES; EXPENSES.

3.1. General. Lessee shall use the Premises for planting, growing and harvesting of alfalfa and/or other crops permitted to be grown under the laws of the State of Colorado, in each case, as approved in accordance with Section 3.2 below, and for uses normally incident to such purpose, and for no other purposes whatsoever.

3.2. Farming Plan. Commencing with the first full Lease Year after the Effective Date, Lessee and Lessor shall agree upon the crops to be planted during the applicable Lease Year. On or before November 1st of each Lease Year Lessee shall provide a farming plan describing Lessee's proposed cropping plans and maps showing planting and acreage designations for water use monitoring for the coming irrigation season and reflecting Lessor's preliminary IWSA Fallowing Terms provided pursuant to Section 3.4.1 below, and for longer term commitment consideration purposes (a "Farming Plan"). Lessor and Lessee shall cooperate to finalize Lessee's proposed Farming Plan and Lessor shall approve Lessee's draft Farming Plan or provide any comments on the same within twenty (20) days of Lessor's receipt. Lessor's approval of a Farming Plan shall not be unreasonably withheld; provided, that Lessee agrees that it shall be reasonable for Lessor to withhold approval of any Farming Plan that (a) is inconsistent with Lessor's preliminary IWSA Fallowing Terms or (b) that would limit Aurora's ability to use Subject Catlin Water Rights pursuant to the Aurora IWSA or (c) that would negatively affect the amount of historical consumptive use water available to Lessor from the Subject Catlin Water Rights under the Aurora IWSA. Following approval of the applicable Farming Plan, Lessee may proceed to plant crops on the Premises in accordance with such Farming Plan and Lessee shall furnish to Lessor copies of all forms submitted to the FSA or other U.S. Department of Agriculture agencies or offices pertaining to acreage, soils, crop usage and yields contemporaneously with such documents being filed with the FSA, or other agency, at no cost or expense to Lessor. Lessee shall keep, and provide to Lessor upon request, records of (i) all herbicides, insecticides, fungicides and fertilizers applied to the Premises, and (ii) the crop acreage and yield produced from the Premises.

3.3. Farming Standards. Lessee shall use commercially reasonable efforts to maintain the long-term productivity of the Farm. Lessee's operations shall be conducted in accordance with the best practices recognized by the agricultural industry in the geographical vicinity of the Premises, and in compliance with applicable laws, regulations, and the Non-Irrigated Acreage Restrictions. Lessee shall not commit or permit the commission by others of any waste on the Premises and shall not commit or permit any nuisance. Lessee agrees to repair any damage to the Premises caused by Lessee's activities, reasonable wear and tear excepted. Lessee shall not permit any hunting or other recreational activities on the Farm without the prior written consent of Lessor at Lessor's sole discretion except as and to the extent permitted under Section 3.14 below.

3.4. IWSA Terms. Lessee's use of the Premises is further subject to the following terms and conditions.

3.4.1. Interruptible Lease – Aurora IWSA. The Parties expressly contemplate, and Lessee acknowledges, that the Subject Catlin Water Rights will be the subject of an Interruptible Water Supply Agreement ("Aurora IWSA") and may be used by Lessor for non-agricultural uses (a) in up to three years out of any ten years or (b) for a portion of the Subject Catlin Water Rights attributable to

Irrigated Acreage consisting of no more than 30% of the Irrigated Acreage on average over any 10 consecutive years of the term of this Lease, as may be extended (which may include the initial calendar year term of this Lease) and no more than 35% in any given year (such terms the "IWSA Fallowing Terms" for the applicable IWSA Year). Lessee and Lessor each acknowledge their intent to do so in compliance with the provisions of C.R.S. § 37-92-309 and rules promulgated thereunder as such statute and rules may be amended over time. Alternatively, Lessor may submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Catlin Water Rights for alternative uses provided that any such change in use shall not expand the scope of Lessor's IWSA Fallowing Terms during the term of this Lease, as may be extended. Lessee's responsibilities in connection with the Aurora IWSA are described in this Lease. Lessor will be responsible for all costs and actions that may be necessary to obtain approval of, and to operate the Aurora IWSA except those assumed by Lessee pursuant to this Lease. Lessee agrees to support and participate in the Aurora IWSA approval process or Aurora's change case subject to this Section provided that no material out-of-pocket expense shall be required of Lessee.

3.4.1.1. Each year in which water from the Subject Catlin Water Rights will be used for purposes of the Aurora IWSA selected by Lessor shall be referred to herein as an "IWSA Year". By August 15 of any year, Lessor shall provide to Lessee a preliminary non-binding indication of whether the following year will be an IWSA Year as a courtesy to Lessee and identifying Lessor's anticipated IWSA Fallowing Terms; provided, however, that Lessor's failure to deliver such notice does not preclude Lessor from electing the following year as an IWSA Year pursuant to the following sentence. On or before November 30 of any year, Lessor shall provide to Lessee a written notice of Lessor's designation of the following year as an IWSA Year and finalizing the applicable IWSA Fallowing Terms.

3.4.1.2. Lessor shall not be required to compensate Lessee for the unavailability of water derived from the Subject Catlin Water Rights during IWSA Years, or costs or damages incurred by Lessee as a result thereof, except for the following reimbursements and payments which Lessee hereby agrees are full and sufficient consideration with respect to the fallowing of acreage containing alfalfa crops: (a) reimbursement to Lessee for the full costs and expenses reasonably and actually incurred by Lessee in killing the affected alfalfa and fallowing the acreage in which such alfalfa was planted subject to Lessee's submittal to Lessor of written documentation of such expenses, and (b) an alfalfa re-establishment payment in the amount of $350.00 per acre for all actually fallowed acres of alfalfa fields which amount shall be prorated during any 4-year alfalfa growing period as follows: (i) if the IWSA

Year commences during the period which is one to twelve (12) months following the date the alfalfa fields were planted, 100% of such $350/acre amount shall be due and payable to Lessee, (ii) if the IWSA Year commences during the period commencing on the first day of the thirteenth (13th) month and expiring on the last day of the twenty-fourth (24th) month following the date the alfalfa fields were planted, 75% of such $350/acre amount shall be due and payable to Lessee, (iii) if the IWSA Year commences during the period commencing on the first day of the twenty-fifth (25th) month and expiring on the last day of the thirty-sixth (36th) month following the date the alfalfa fields were planted, 50% of such $350/acre amount shall be due and payable to Lessee, and (iv) if the IWSA Year commences during the period commencing on the first day of the thirty-seventh (37th) month and expiring on the last day of the forty-eighth (48th) month following the date the alfalfa fields were planted, 25% of such $350/acre amount shall be due and payable to Lessee. The foregoing consideration shall apply only to acres planted with alfalfa and no other crop. The foregoing payments shall apply only upon the first year of fallowing and no consideration shall be owed for subsequent consecutive years of fallowing. The Parties acknowledge that for any given IWSA Year, the alfalfa planted in fallowed acres may have been planted in different years, in which case, the applicable alfalfa re-establishment payment amount shall be prorated at different rates reflecting actual years that the respective crops were planted.

3.4.2. Land Management Responsibilities.

3.4.2.1. During non-IWSA Years, Lessee shall, at Lessee's sole cost and expense, keep the Premises reasonably free from, and shall work diligently toward exterminating, all weeds on the Premises. Lessee shall make application of and pay all costs for purchase and application of the herbicides used in the control of annual weeds as well as noxious weeds included on the noxious weed list for Otero County, Colorado and such other authorities having jurisdiction over the same. Lessee shall pay all costs for the herbicide used to control annual weeds and pay all application costs.

3.4.2.2. During IWSA Years, Lessee shall have the same obligations to control weeds as provided above, however, Lessor will reimburse Lessee's reasonable, actual expenses for purchase and application of herbicides subject to Lessee's submittal to Lessor of written documentation of such expenses. During IWSA Years, Lessee shall fallow the Premises in the manner required pursuant to the Aurora IWSA and in compliance with all applicable rules and regulations related to the Farm as imposed by Otero County, Colorado and such other authorities having jurisdiction

over the same. In addition to the reimbursements provided for above, Lessor shall pay Lessee a fee during IWSA Years in the amount of $[_____][NTD: to be determined pursuant to Section 3.5 of the Contract] for each acre of Irrigated Acreage that Lessee fallows as required pursuant to the Aurora IWSA.

3.5. Access. Lessee hereby acknowledges and agrees that Lessor and Lessor's employees, agents, affiliates, related parties, or any other individuals or entities under permission from Lessor shall have the right to conduct activities on the Farm so long as such activities do not unreasonably and adversely interfere with the farming activities of Lessee. Lessor shall provide Lessee at least 24-hour advanced email notice of such access except in the case of an emergency in which case, Lessor will provide notice as soon as reasonably practical.

3.6. Lessee's Farming Machinery. Lessee may place on the Premises and use its own farming machinery (e.g. tractors and related implements, harvesting and baling equipment, vehicles, trailers, etc.) during the Term but shall remove all of such machinery prior to the expiration of the Term. Lessee shall be responsible for operating and maintaining its farming machinery at its sole cost and expense, and shall be responsible for the operation thereof, in compliance with the Environmental Addendum attached hereto as **Exhibit E**, and all Federal, state, local zoning, environmental, labor and all other applicable laws.

3.7. Expenses.

3.7.1. Lessor Expenses. During the Term, if maintenance of, repairs to and/or replacement of the below ground portions of the Irrigation Equipment on the Premises are needed that are caused by a failure or defect of such portions of the Irrigation Equipment, and that are not caused or contributed to by the negligence or willful misconduct of Lessee, then the obligation of Lessee is limited to giving Lessor written notice of such failure or defect within five (5) days of Lessee's discovery thereof, providing Lessor with a proposal for the completion of such maintenance, repairs and/or replacement at a reasonable cost. All expenses to be paid by, or reimbursed to Lessee by Lessor must be approved in advance in accordance with the sub-parts of this Section 3.7.1. Lessor shall reimburse Lessee for maintenance, repairs and replacement of any portions of the Equipment located below ground in accordance with such approvals. Lessor is a governmental entity and, accordingly, is not required to pay taxes with respect to the Premises. If and to the extent that Lessee's use of the Premises pursuant to this Lease or Lessee's leasehold interest hereunder results in the imposition of taxes with respect to any part of the Premises then Lessee shall be responsible for direct payment of such taxes directly to the applicable taxing authority. Lessor shall also pay for maintenance and repair of Improvements as required to be paid by Lessor

pursuant to Section 3.8 below and such other expenses as provided for and in accordance with the sub-parts of this Section 3.7.1 and Section 3.7.3.

3.7.1.1. Pre-Planned Expenses.

3.7.1.1.1. For any expense less than One Thousand Dollars ($1,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.2. For any expense in excess of One Thousand Dollars ($1,000) but less than Fifty Thousand Dollars ($50,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain at least two bids from qualified vendors within reasonable proximity to the Premises for the parts and labor required (unless there is only one qualified vendor within reasonable proximity to the Premises, in which event a single bid will be acceptable), Lessee shall seek written approval from Lessor allowing ten days for Lessor's approval, and shall obtain such written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.3. For any expense of Fifty Thousand Dollars ($50,000) or more for which Lessee will seek reimbursement from Lessor, Lessee shall notify Lessor of the need for the expense, and if Lessor agrees that the expense is necessary (which consent shall not be unreasonably withheld, conditioned or delayed), Lessor will either: (a) obtain bids in accordance with Lessor's procurement policies as quickly as practicable, will select and hire the contractor(s), and will pay the associated expense(s) directly; or (b) authorize Lessee to obtain bids and perform such work pursuant to the terms of Section 3.7.1.1.2 above.

3.7.1.2. Unplanned Expenses

3.7.1.2.1. In the event an unanticipated expense for the repair, and/or replacement of any Irrigation Equipment is required due to acts of God or similar circumstances, which Lessee and Lessor jointly agree in their reasonable judgment creates an emergency requiring immediate action in order to either (a) avoid, minimize or mitigate damage to the Premises (including the Improvements or any undamaged portion of the Irrigation Equipment), any real property or improvements adjacent to the Premises, or any crops growing at the Premises, or (b) to keep the Irrigation Equipment functioning for the purposes of Lessee's crop-growing activities on the Premises,

then Lessor and Lessee shall agree as quickly as reasonably practicable in writing (the Parties will make best efforts to do so within 48 hours) regarding the materials, parts and labor required and the cost of same, after which Lessee may proceed to incur such expenses, obtain such repairs and/or replacements, and Lessor shall reimburse Lessee for such expenses.

3.7.2. Lessee Expenses. Lessee shall pay for the following costs and expenses: (i) all costs of fieldwork, including without limitation, land preparation, irrigation, tilling, planting, chemical application and harvest of crops, and all associated labor expenses; (ii) maintenance and repair of Improvements as required to be paid by Lessee by Section 3.8 below and ordinary maintenance, repairs and replacement of the portions of the Irrigation Equipment located above ground (provided, however, that Lessor will be responsible for one-half of the cost of major repairs or replacement of Irrigation Equipment and drainage ditch cleaning (excluding well pumps) exceeding $2,000 in any instance unless caused by Lessee's negligence, pursuant to Section 3.7.2 below); (iii) standard farming maintenance or standard cultural practices, including ditch cleaning and field leveling; (iv) all taxes, licenses, fees and public charges levied, assessed or imposed during the Term upon Lessee's personal property; (v) all other costs and expenses of producing the crops which are not identified as Lessor Expenses or Shared Expenses herein; (vi) fertilizer and similar soil preparations, (vii) purchasing seeds, (viii) herbicides, insecticides, fungicides and similar chemical applications, (ix) electricity, (x) freight to deliver the crop yield to the purchaser, and (xi) miscellaneous other expenses of producing the crops from the Farm not included above in connection with the machinery, equipment, inputs, and labor required to plant, raise, harvest, sell and deliver crops, including maintenance, repairs, and replacement of any of the foregoing. Lessee will seek approval of the expenses described above to be borne by Lessor in accordance with Section 3.8 below and after obtaining such approval, Lessee may hire a contractor to complete the same, provided that: (i) such repairs, maintenance and/or replacements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (ii) Lessee shall require appropriate and reasonable insurance coverage and lien protections requested by Lessor; and (iii) Lessor may impose reasonable conditions to approving such work.

3.7.3. Shared Expenses. The Parties will share, on a 50/50 basis, cost on major repairs and replacement of Irrigation Equipment or drainage ditch cleaning (excluding well pumps) as provided for in Section 3.7.2 above. In the event this Lease is terminated by Lessor for reasons other than a material breach of its terms by Lessee, Lessor will reimburse Lessee one tenth of their portion of the costs of major repairs or replacement of Irrigation Equipment and drainage ditch cleaning (excluding well pumps) exceeding $2,000 in any

instance unless caused by Lessee's negligence each year for the remaining portion of the first ten years after the installation or major repair takes place.

3.8. Repair, Maintenance and Replacement of Improvements. Lessor shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to normal wear and tear or acts of God. Lessee shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to Lessee's negligence or for Lessee's failure to maintain the Improvements in accordance with this Lease. Lessee shall notify Lessor of the need for repair, maintenance and/or replacement of any such Improvements, regardless of the responsibility of Lessee or Lessor for the cost thereof, and shall obtain Lessor's approval for such repairs, maintenance or replacements of the Improvements in accordance with Section 3.7.1.1 and/or Section 3.7.1.2 above.

3.9. Alterations. Lessee shall have the right, at its sole cost and expense, to make alterations and improvements to the Improvements, provided that apart from repairs, maintenance and replacements of the Improvements: (i) such alterations and/or improvements are approved by Lessor in writing and in advance of any contractual commitments being made by Lessee, which approval shall not be unreasonably withheld, conditioned or delayed; (ii) such alterations and/or improvements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (iii) Lessee shall furnish appropriate insurance coverage and lien protections requested by Lessor; and (iv) Lessor may impose reasonable conditions to approving such work. All approved and completed alterations and improvements shall become part of the Premises and title shall vest in Lessor; provided that Lessor, at its sole discretion, may require that certain improvements (other than Irrigation Equipment) be removed at the end of the Term, at Lessee's cost. Lessee shall keep the Premises free and clear of any and all liens, claims and demands for work performed, materials furnished, and operations on the Premises.

3.10. Flooding Risk. Lessee acknowledges that the Premises may be subject to natural flooding. Lessor shall not be liable in any manner for any damage to Lessee's crops due to flooding.

3.11. Crop Insurance. Lessee is responsible, at its expense, for obtaining appropriate levels of crop insurance to cover crop failures and/or prevented planting situations. Lessor shall have no obligation to maintain crop insurance and any and all loss of crops shall be at the sole risk of Lessee. Further, Lessor, by granting this Lease to Lessee, makes no representation or warranty of any kind as to the quality or suitability of the soil of the Farm for growing any crops Lessee may be authorized to grow on the Farm under this Lease. Lessee represents and warrants to Lessor that Lessee has made an independent inspection of the Premises and is not relying upon any representation or warranty whatsoever from Lessor as to soil condition.

3.12. Soil Conservation. In order to conserve the soil, Lessee shall carry out soil conservation best management practices and measures recognized by the U.S. Department of Agriculture, Natural Resources Conservation Service (or its successor entity) and followed on similar farmland located in Otero County, Colorado.

3.13. Disallowed Uses. Uses of the Premises that are expressly disallowed are growing of marijuana, whether for commercial or non-commercial purposes, and use of the Premises and/or Improvements for political activism.

3.14. Lessee's Hunting Rights. Lessor hereby grants to the Lessee the right to hunt on the Premises during the Term. This right is granted solely and exclusively to the named Lessee and its invitees. Notwithstanding the foregoing, Lessee may not permit hunting or other recreational activities on the Premises on a commercial basis. The Lessee shall strictly observe and comply with all federal, state, and local laws, statutes, and regulations, including but not limited to all Colorado Parks and Wildlife (CPW) hunting regulations, licensing requirements, bag limits, and seasonal restrictions. Any unauthorized presence or hunting by anyone other than the Lessee or violation of wildlife laws or game regulations on the property shall constitute in an immediate, non-curable breach of this Lease, resulting in the automatic termination of the Lease

4. USE OF WATER RIGHTS

4.1. Use of Water Rights. Lessee shall not use any water other than that derived from the Subject Catlin Water Rights and the Groundwater Rights for the irrigation of the Irrigated Acreage without prior notice to and written approval from Lessor. In an IWSA year: (a) Lessee shall not irrigate with any of the Subject Catlin Water Rights; and (b) Lessee shall not irrigate with the Groundwater Rights except to the extent it is determined that such irrigation will not negatively affect the amount of historical consumptive use water available to Aurora under the Aurora IWSA.

4.2. Requirement to Maintain Structures. Lessee shall be responsible for the maintenance (but not replacement, which shall be Lessor's responsibility if required at any time during the Term unless replacement is required due to the negligence of Lessee) of any headgates and measuring devices necessary to divert the Subject Catlin Water Rights onto the Irrigated Acreage.

4.3. Water Rights Costs and Expenses. Lessor shall pay for annual assessments with respect to the Subject Catlin Water Rights each year. Lessor shall pay for all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** each year, but only within the volumetric pumping limits provided therein. Lessee shall pay any fees or penalties incurred as a result of Lessee pumping in excess of the volumetric pumping limits set forth in the well augmentation contracts,

and for additional augmentation water or supplemental leased water, if any, obtained by Lessee in any year.

4.4. Pledge or Encumbrance. Lessee shall not pledge or otherwise encumber this Lease for any purpose including, without limitation, securing debt, augmenting past, present or future well depletions, or repaying obligations to any third party.

4.5. Quantity of Water. Lessee agrees to take and put to beneficial use as much of the Subject Catlin Water Rights as possible, consistent with reasonably efficient irrigation practices, and to preferentially use the Subject Catlin Water Rights over any leased water to the greatest extent practical. Lessee acknowledges the risk that due to annual variations in hydrology and longer-term climatic changes, the Subject Catlin Water Rights may not be physically available to the same extent as they were historically. Lessor assumes no responsibility to Lessee for any water shortage from the Subject Catlin Water Rights.

4.6. Water Quality. Lessor makes no representations regarding the quality of the Subject Catlin Water Rights or the Groundwater Rights or their fitness for irrigation use.

4.7. Water Accounting Responsibilities. Lessee shall maintain records of its use of the Subject Catlin Water Rights and Groundwater Rights as required by the Colorado Division of Water Resources, the Catlin Canal Company and any other authority having jurisdiction over the same, including any applicable groundwater augmentation entities and report such irrigation usage to Lessor no later than November 15th of each year during the Term in such form as Lessor may reasonably require, the acres irrigated, the crops grown as well as any other matters as reasonably requested by Lessor in connection with the use of the Subject Catlin Water Rights and Groundwater Rights or supplementation of the same. If the installation of measuring devices is hereafter requested by the division or state engineer or required by any subsequent Water Court decree, such measuring devices shall be installed at Lessor's expense and upon the installation of such devices, Lessee shall further report to Lessor the amount of water diverted and used for irrigation on the Irrigated Acreage.

5. COMPLIANCE.

5.1. Governmental Regulations. Lessee shall, at its expense: (i) comply with all applicable laws and regulations concerning Lessee's use of the Premises; (ii) operate and farm the Premises in compliance with any and all safety regulations applicable to farming operations; (iii) comply with any land use, conservation requirements, and wetland protection requirements; (iv) apply any and all pesticides, fertilizers, and other materials in accordance with rules and regulations therefor; and (v) comply with applicable laws and regulations regarding the drainage and discharge of water from the Premises and with the Non-Irrigated Acreage Restrictions. All references to laws, regulations, or programs refer to those now in place or hereafter imposed during the Term.

5.2. Environmental Compliance. Lessee shall comply with the Environmental Addendum to this Lease attached as **Exhibit E**.

5.3. Water Rights. Lessee shall, at its expense, comply with all rules, regulations and requirements of the Catlin Canal Company with respect to the Subject Catlin Water Rights and Lessor's membership in AGRA.

6. **RIGHTS RETAINED BY LESSOR; CONSULTATION.** Lessor expressly reserves and excepts the following: (i) all oil, gas, hydrocarbon and mineral rights; (ii) ownership of all water and surface water rights pertaining to the Premises; (iii) the right to travel over the Premises for the purposes of inspection of the Premises and access to Lessor's adjacent properties; and (iv) all available hunting rights. Lessor and its agents shall have the right to enter the Premises at all reasonable times for the purpose of inspecting the Premises, posting notices of non-responsibility, ascertaining that the promises and covenants of Lessee herein contained are being kept, observed and performed, and to place thereon at any time during the Term "For Sale" and/or "For Rent" signs. Lessor reserves for itself and Lessor's mineral lessees, agents or licensees, a right of entry and right-of-way for ingress and egress in and to, over and on, the Farm during the Term for the exploration, drilling, and mining of minerals, oil, gas and other hydrocarbons on or under the Farm. Lessor and Lessor's employees and/or agents, may enter the Premises with advanced notice to Lessee of not less than 24 hours (except in the event of an emergency in which case Lessor shall give as much advance notice as reasonable) for the purpose of making any alterations, repairs or improvements to the Premises, which Lessor deems convenient or required for the maintenance or preservation thereof; provided, however, in the case of an emergency.

7. **INSURANCE; INDEMNIFICATION**

7.1. Insurance.

7.1.1. From the Effective Date through and including the Termination Date, Lessee shall maintain in force, at its expense, and naming Lessor as additional insured: (i) commercial general liability insurance, including property damage, against liability for bodily injury, personal injury, death and damage to property occurring on the Premises with combined single limit coverage of at least Five Hundred Thousand Dollars ($500,000) per occurrence and a general aggregate combined single limit of bodily injury and property damage liability of at least Five Hundred Thousand Dollars ($500,000), and excess umbrella liability insurance in the amount of Three Million Dollars ($3,000,000); (ii) workers' compensation insurance upon all persons employed by Lessee upon the Premises, and Lessee shall further cause all agents and contractors employed or invited by Lessee onto the Premises to carry workers' compensation insurance upon all persons employed by said agent or contractor upon the Premises; and (iii)

business automotive liability insurance covering liability arising out of any vehicle owned or leased by Lessee and any non-owned vehicle hired by Lessee with combined single limit coverage of at least Five Hundred Thousand Dollars ($500,000) combined bodily injury and property damage, each accident; and (iv) insurance against casualty loss of the Irrigation Equipment in the combined amount of Ten Thousand Dollars ($10,000). Renter's insurance for loss of Lessee's personal property while on the Premises, as well as for loss of crops (whether in the field or while stored in the Improvements) shall be at Lessee's expense. Each policy of insurance shall be issued by an insurance company reasonably acceptable to Lessor and authorized to do business in Colorado. Lessee's insurance policies shall provide that a ten (10) day notice of cancellation or modification of coverage shall be given to Lessor. Prior to the Commencement Date and upon the request of Lessor, Lessee shall deliver a certificate for each insurance policy to Lessor.

7.2. Indemnification of Lessor. Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, costs, damages, expense, and liability (including attorney's fees and costs incurred), arising directly or indirectly from any breach of this Lease by Lessee, from any acts or omissions of Lessee, its employees or agents, on or about the Premises, from any injury to the person or damage to any property occurring as a result of the acts of Lessee in regard to such property. For purposes of the indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee. The Environmental Addendum attached hereto as **Exhibit E** contains further provisions pertaining to indemnification.

8. DEFAULT.

8.1. Default. The occurrence of any of the following events shall be deemed a default under this Lease: (a) Lessee fails to pay any Rent(s) or other sum due hereunder when due; (b) Lessee files a petition for bankruptcy or is adjudicated bankrupt or insolvent, or files any petition for any reorganization, arrangement, composition or adjustment with creditors, and the same is not dismissed within thirty (30) days; (c) Lessee abandons the Premises for a period of thirty (30) days; or (d) either Party fails to perform or observe any covenant or representation required to be performed by it under this Lease, which failure is not cured within thirty (30) days following written notice from the other Party (provided that if the Party providing notice of default reasonably concludes that such default constitutes an emergency condition, then such Party may immediately correct such default).

8.2. Remedies.

8.2.1. In the event of any default by Lessor hereunder, Lessee may, following not less than thirty (30) days' written notice and right to cure, have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default.

8.2.2. In the event of any default by Lessee hereunder, Lessor may: (i) cancel and terminate this Lease as well as all right, title and interest of Lessee hereunder; (ii) re-enter the Premises without terminating this Lease to comply with any condition or agreement required to be performed, and thereupon have the right to claim and collect all expenses incurred thereby as Additional Rent due immediately hereunder; (iii) recover unpaid Rent resulting from such breach or default, and recover all costs and expenses incurred in any way or as a result of such default; and/or (iv) have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default. All of the rights and remedies in this section are cumulative and not in the alternative.

8.3. Late Payment. A two percent (2%) late fee shall be assessed for any payment made more than twenty (20) days past the due date. In addition, any past due amounts shall accrue interest monthly at one percent (1%) per month.

8.4. Security for Payment of Rent(s). Lessee grants Lessor a security interest in all crops planted or produced on the Farm as security for the payment of Rent hereunder and compliance by Lessee with the terms of this Lease. This paragraph shall be considered and deemed to constitute as between Lessor and Lessee a valid security agreement, which will allow the perfection of Lessor's security interest in Lessee's crops; provided, however, upon demand, Lessee agrees to execute and deliver to Lessor an additional security agreement or any other reasonable documentation in furtherance of such security interest. Lessee authorizes Lessor to file a financing statement evidencing the security interests granted hereunder in the records of Otero County and of the Colorado Secretary of State. Upon an uncured event of default, Lessee consents to the appointment of a receiver to enter onto the Premises and harvest the crops if necessary to protect Lessor's security interest therein.

9. RECORDING. This Lease, or a memorandum hereof, may be recorded by Lessor in the Otero County real property records.

10. MISCELLANEOUS

10.1. Counterparts. This Lease may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same agreement. The Parties intend that with respect to this Lease, electronic signatures (including signatures

delivered by email or electronic record) shall constitute original signatures and are binding on all Parties.

10.2. Amendment. This Lease may be amended, modified, changed, or terminated in whole or in part only by written agreement duly authorized and executed by the Parties. The General Manager of Aurora Water shall have the authority to approve and execute amendments to this Lease.

10.3. Waiver. Waiver by either Party of any of the covenants or agreements in this Lease shall not be construed as constituting a waiver of the same or of any other covenant as to breach or default subsequently arising, or as the waiver of a subsequent breach of any of the covenants hereunder.

10.4. Assignment. Lessee shall not encumber or assign this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the Improvements or Irrigation Equipment without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. For purposes of this Lease, any of the following shall be deemed an assignment of Lessee's interest in this Lease : (a) if Lessee is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of 50% or more of the partners, members or managers thereof, or transfer of 50% or more of partnership or membership interests therein, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (b) if Lessee is a corporation whose stock is not publicly held and not traded through an exchange or over the counter or any other form of entity, the dissolution, merger, consolidation or other reorganization of Lessee, the sale or other transfer of more than an aggregate of 50% of the voting shares or other interests of or in Lessee.

10.5. Sub-licensing. Lessee shall not sub-lease or sub-license all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises, without first obtaining Lessor's written consent, which consent may be withheld in Lessor's sole discretion; provided, however, Lessor hereby pre-approves the right of Lessee to sublicense that portion of the Improvements constituting grain bins to a third party for the purpose of using such Improvements for grain storage.

10.6. Successors and Assigns. This Lease and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns if any are allowed. The Parties intend that Lessor shall not incur any liability other than those liabilities directly running to Lessee or assigns permitted under this Lease, if any.

10.7. Waiver of Breach. Waiver of breach of any of the provisions of this Lease by either Party shall not constitute a continuing waiver of any subsequent breach by said Party of either the same or any other provision of this Lease.

10.8. [intentionally omitted].

10.9. Headings for Convenience. Headings and titles contained herein are intended for the convenience and reference of the Parties only and are not intended to confine, limit, or describe the scope of intent of any provision of this Lease.

10.10. Attorneys' Fees. In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of or related to this Lease each Party agrees to be responsible for its own attorneys' and other professional fees, costs and expenses associated with any such proceedings.

10.11. Notices. Any notice required by this Lease shall be sent in writing, postage prepaid by certified or registered mail, by nationally recognized overnight courier, or by hand delivery, addressed to the other Party as set forth below. Such notice shall be deemed given three (3) days after being mailed, one (1) day after sending by overnight courier, and upon hand delivery. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in this paragraph.

To Lessor: City of Aurora
26791 E Quincy Ave,
Aurora, CO 80016
Attn: Water Land Management Team
WSDLandManagement@auroragov.org

with copy to: City of Aurora
15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555
Attn: City Attorney

and copy to: City of Aurora
15151 East Alameda Parkway, Suite 3200 Aurora, CO 80012-1555
Attn: Manager of Real Property
publicworks@auroragov.org

To Lessee: ____
____
____
Attn: ____

with copy to [attorney]
____
____
Attn: ____

10.12. Communications by Email. For purposes of day-to-day communications regarding farming and water rights operations, but not formal notices contemplated by this Lease, a Party may communicate with the other Party via email to each of the persons identified below for the other Party at the email addresses listed below. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in Section 10.11.

To Lessor: Rick Kienitz rkienitz@auroragov.org
Ian Best ibest@auroragov.org
Jacob Bauer jdbauer@auroragov.org
leasing@auroragov.org
WSDLandManagement@auroragov.org

To Lessee: ____ __@___
____ __@___
____ __@___
____ __@___

10.13. No Construction Against Drafter. The Parties agree they jointly drafted this Lease with each having the opportunity to obtain the advice of legal counsel and equal opportunity to contribute to its content.

10.14. No Partnership Created. This Lease shall not be construed as creating a partnership, joint venture, or relationship of principal and agent between Lessor and Lessee; it being intended that this Lease shall be deemed to create no relationship other than Lessor and Lessee.

10.15. Entire Agreement. This Lease, the Exhibits and the Environmental Addendum contain the entire agreement of the Parties relating to the rights granted and obligations assumed. Any oral representations or modifications not contained herein shall be of no force or effect unless contained in writing, signed by both Parties.

10.16. Intent of Agreement. This Lease is intended to describe the rights and responsibilities of and between the Parties and is not intended to, and shall not be deemed to confer rights upon any persons or entities not named as Parties, nor to limit in any way the powers and responsibilities of Lessor, Lessee, or any other entity not a party hereto.

10.17. Estoppel Certificates. Lessee shall, upon ten (10) days' notice from Lessor, execute and deliver to Lessor, on a form prepared by Lessor, a written statement certifying that Lessee has accepted the Premises, that this Lease is unmodified and in full force and effect (or stating any modifications), that the Lessor is not in default hereunder, the date to which Rent and other charges have been paid, and such other accurate certifications as may be reasonably requested by Lessor. It is intended that

any such statement delivered may be relied upon by any lender or purchaser of the Premises.

10.18. Further Assurances. Lessor and Lessee agree to cooperate fully and execute any and all supplementary agreements, documents and instruments, and take all additional actions, which may be necessary or appropriate to give them full force and effect to the basic terms and intent of this Lease.

10.19. Enforcement. The Parties agree that this Lease may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including damages, as may be available according to the laws of the State of Colorado. It is specifically understood that by executing this Lease each Party commits itself to perform pursuant to the terms hereof, and that any breach hereof resulting in any recoverable damages shall not thereby cause the termination of any obligations created by this Lease unless such termination is requested by the Party not in breach.

10.20. Governing Law and Venue. This Lease and its application shall be construed according to the laws of the State of Colorado. Venue for the trial of any action arising out of any dispute hereunder shall be in the Otero County District Court.

10.21. Sole Obligation of Aurora.

10.21.1. This Lease shall never constitute a general obligation or other indebtedness of the City of Aurora, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City of Aurora within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City of Aurora.

10.21.2. In the event of a default by Lessor of any of its obligations under this Lease, Lessee shall have no recourse for any amounts owed to it against any funds or revenues of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Lease shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease on the date first written above.

LESSEE:
_____EXHIBIT – DO NOT EXECUTE_____

_____ Date: _____
[name / title]

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me _____, day of _____, 202__, by _____.

Witness my hand and official seal.

My commission expires:

_____
Notary Public

LESSOR:
City of Aurora, A Colorado home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, Acting by and through its Utility Enterprise

By: EXHIBIT – DO NOT EXECUTE _____
Marshall P. Brown
General Manager, Aurora Water

Reviewed by:

By: _____
Alexandra L. Davis,
Asst. GM Water Supply & Demand

Reviewed by:

By: _____
Hector Reynoso,
Manager- Real Property Services

APPROVED AS TO FORM:

By: _____
Ian Best,
Assistant City Attorney
ACS#: _____

Reviewed by:

By: _____
Rick Kienitz,
Water Resources Manager

List of Exhibits:

Exhibit A-1 –	Legal Description of Premises
Exhibit A-2 –	List of Improvements on the Premises
Exhibit B-1 –	Surface Water Rights Historically Used on the Premises
Exhibit B-2 –	Groundwater Rights Historically Used on the Premises
Exhibit C –	Description of Irrigation Equipment
Exhibit D –	Depiction of Irrigated Acreage
Exhibit E –	Environmental Addendum

Exhibit A-1
Legal Description of Premises

[insert Exhibit A from Contract]

Exhibit A-2
List of Improvements on the Premises

None

Exhibit B-1
Surface Water Rights Historically Used on the Premises

[_____] shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented by Share Certificate Number [____]

Exhibit B-2
Groundwater Rights Historically Used on the Premises

Well Permits

None

Exhibit C
Description of Irrigation Equipment

Irrigation Equipment

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

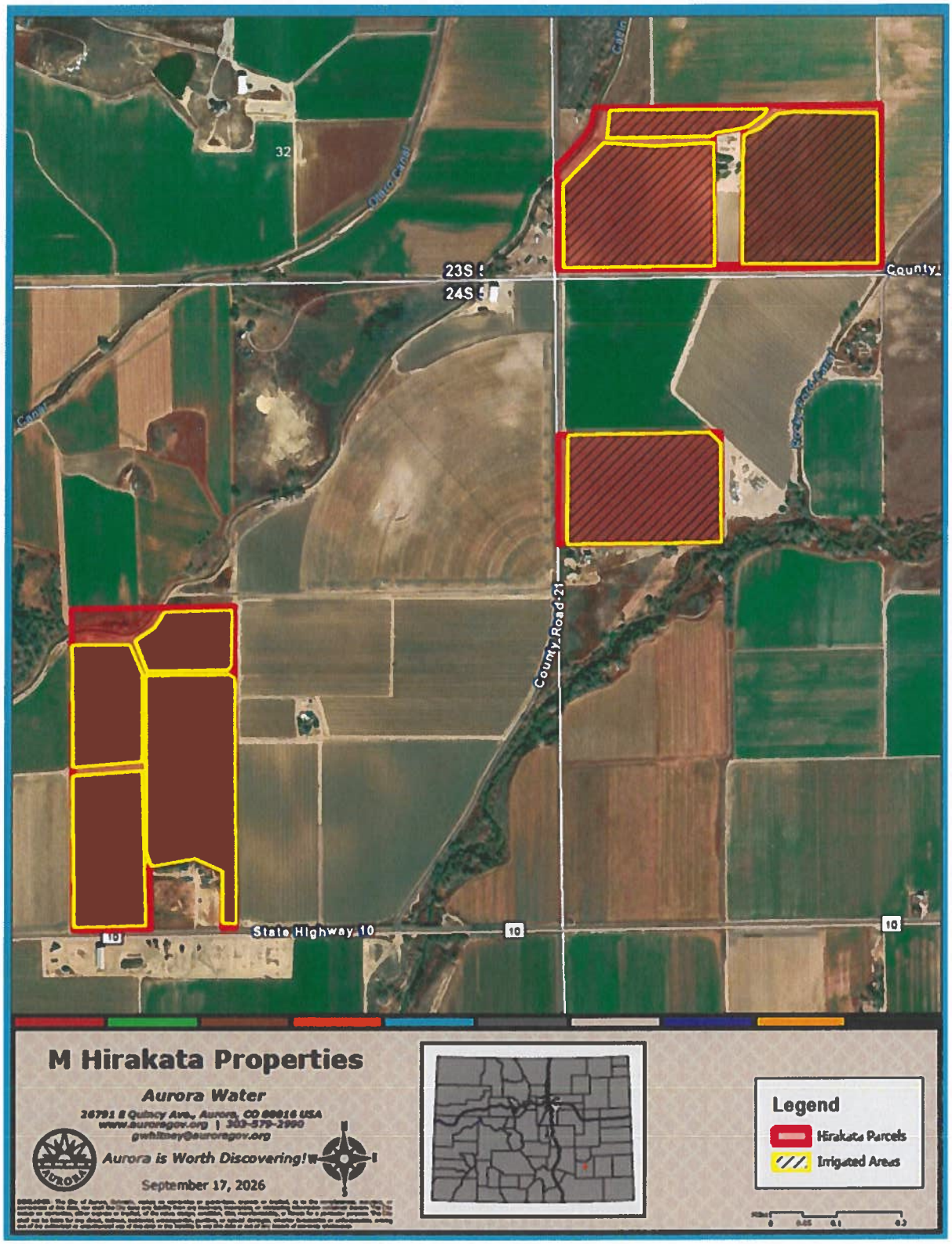
Wells

All Infrastructure associated with wells. Pumps, Utilities, etc.

a. State ID 1705809 permit # 10069R
b. State ID 1706637 permit # 87471F

[*Note: Wells are not located on the Farm*]

Exhibit D
Depiction of Irrigated Acreage


M Hirakata Properties
Aurora Water
26791 E Quincy Ave., Aurora, CO 80016 USA
www.auroragov.org | 303-379-2990
gwhitney@auroragov.org
Aurora is Worth Discovering!
September 17, 2026
Legend
Hirakata Parcels
Irrigated Areas
23S
24S
County
County Road 21
State Highway 10
32

Ex D-2

Exhibit E
ENVIRONMENTAL ADDENDUM

This Environmental Addendum is incorporated into and made a part of the Agricultural Lease to which it is attached

(a) Lessee shall use and handle pesticides, fertilizers, petroleum products and industrial / mechanical fluids in compliance with all applicable federal, state and local laws, regulations, orders and manufacturer guidelines. Lessee shall indemnify and hold Lessor harmless from any claim, expense, fine, diminution in value of the Premises, enforcement costs or any injury or damage to persons and/or property that result from Lessee's use of such materials on or about the Premises.

(b) For purposes of this Lease, the term "Hazardous Substances" shall include: (i) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C., § 1251 et seq.; all as amended, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (ii) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court, (iii) petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles, and (iv) asbestos.

(c) Lessee shall not cause or permit any Hazardous Substances to be brought upon or kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees, unless (a) such Hazardous Substances are necessary for Lessee's farming operations and (b) Lessee first obtains the written consent of Lessor, which consent may be withheld in Lessor's sole discretion.

(d) Lessee shall at all times and in all respects comply with all local, state and federal laws, ordinances, regulations and orders (collectively "Hazardous Substances Laws") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Substances.

(e) Lessee shall at its cost and expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the Premises, including, without limitation, discharge of (appropriately treated) materials or wastes into the systems serving the Premises. Except as discharged in strict accordance and conformity with all applicable Hazardous Substances

Laws, Lessee shall cause any and all Hazardous Substances removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Lessee shall in all respects handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises in conformity with all applicable Hazardous Substances Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Lessee shall cause all Hazardous Substances to be removed from the Premises (except such Hazardous Substances, if any, as were located in the Premises prior to the commencement of Lessee's occupancy thereof) and to be transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Substances Laws; provided, however, that Lessee shall not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises, without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto.

(f) If at any time Lessee shall become aware or have reasonable cause to believe that any Hazardous Substance has come to be located on or beneath the Premises, Lessee shall, immediately upon discovering such presence or suspected presence of the Hazardous Substance, give written notice of that condition to Lessor. In addition, Lessee shall immediately notify Lessor in writing of (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Substances Laws, (b) any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances, and (c) any reports made to any local, state or federal environmental agency arising out of or in connection with any Hazardous Substances in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Lessee shall also supply to Lessor as promptly as possible and in any event within five (5) business days after Lessee first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Lessee's use thereof. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Premises.

(g) Lessee shall indemnify, protect and hold harmless Lessor and each of Lessor's partners, directors, officers, employees, agents, attorneys, successors and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses (including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises), costs or expenses (including attorney's fees, consultant fees and expert fees) for the death or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part by Lessee's violating its covenants as set forth herein that directly or indirectly results in (a) the presence in, on, under or about the Premises, or any discharge or release in or from the Premises, of any Hazardous Substances or Lessee's use, analysis, storage, transportation,

disposal, release, threatened release, discharge or generation of Hazardous Substances to, in, on, under, about or from the Premises, or (b) Lessee's violation of any Hazardous Substances Laws. Lessee's obligations under this paragraph shall include, without limitation and whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of site conditions and any and all costs of any required or necessary repair, cleanup, detoxification or decontamination of the Premises (including, without limitation, the soil and groundwater on or under the Premises) and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. Lessee's obligations under this paragraph shall survive the expiration or earlier termination of the term of this Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

Exhibit – F
to
Purchase and Sale Agreement (Water Rights and Real Property)

Personal Property and Well Permits

Personal Property

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

Wells

All Infrastructure associated with wells. Pumps, Utilities, etc.

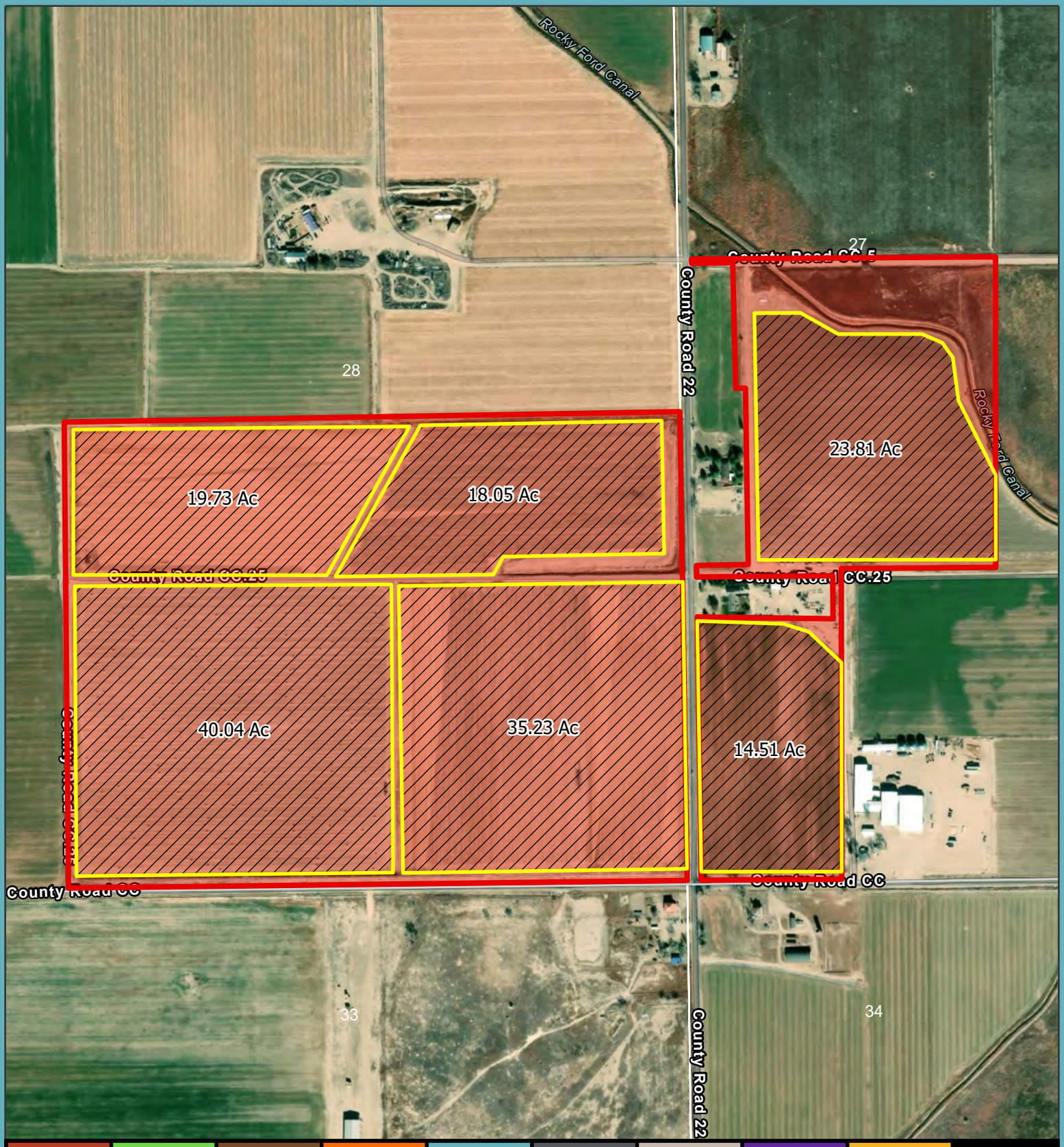
a. State ID 1705809 permit # 10069R
b. State ID 1706637 permit # 87471F

[*Note: Wells are not located on the Land*]

Well Permits
None

Well Augmentation Contracts
None

53380123



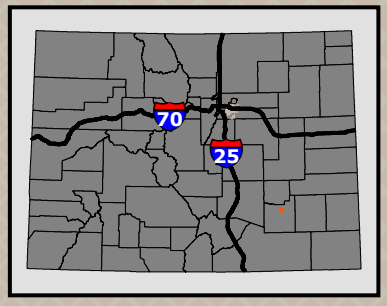
G & M Hirakata Properties

Aurora Water

26791 E Quincy Ave., Aurora, CO 80016 USA
www.auroragov.org | 303-579-2990
gwhitney@auroragov.org

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September 17, 2026

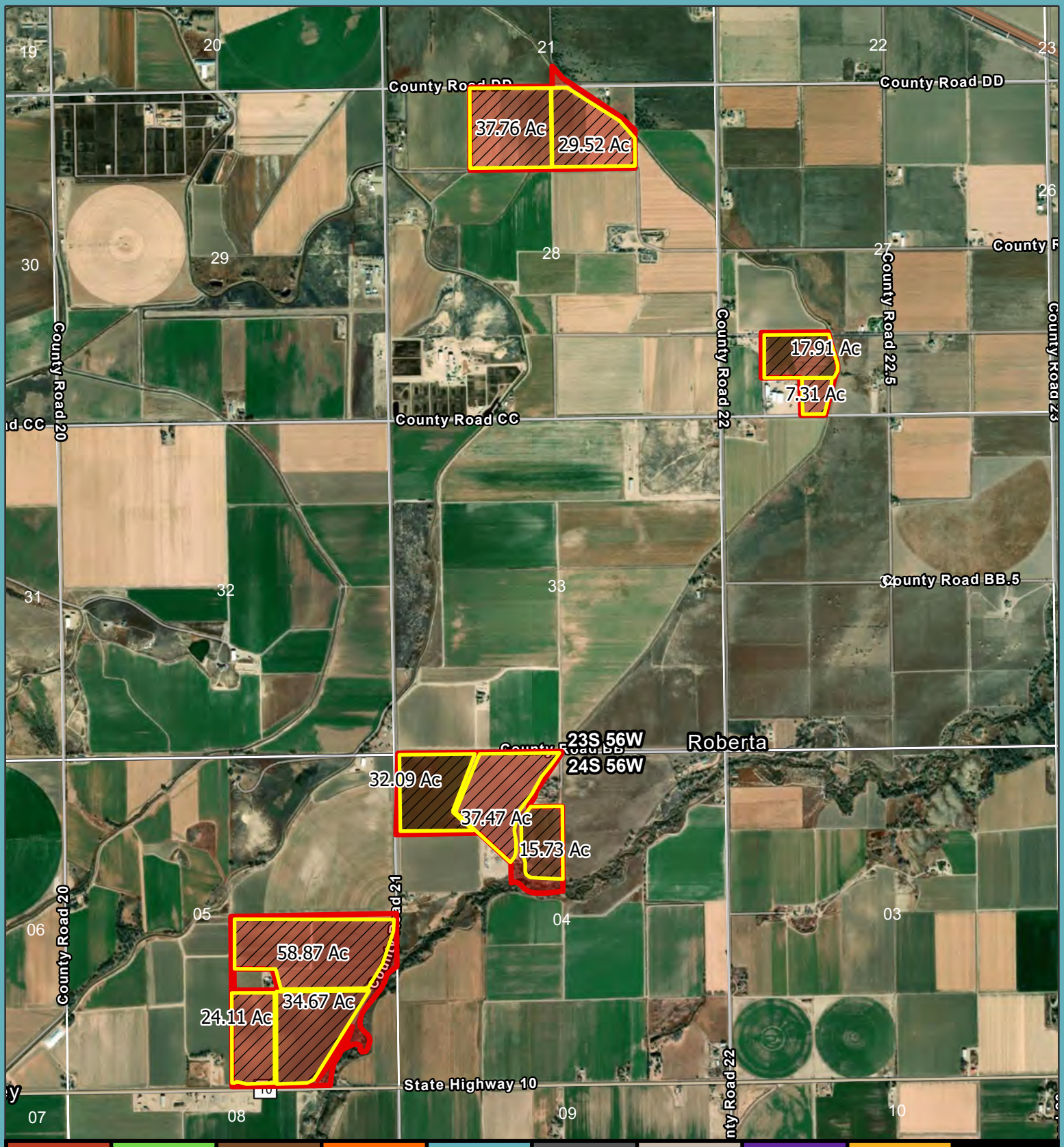


Legend

- Hirakata Parcels
- Irrigated Areas

Miles 0 0.0325 0.065 0.13

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G & M Hirakata Properties

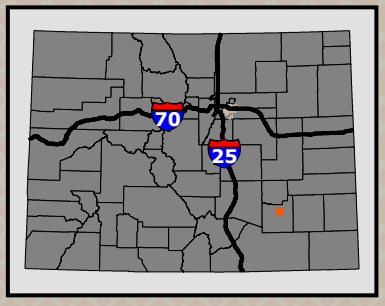
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Legend

- Hirakata Parcels
- Irrigated Areas

Miles 0 0.125 0.25 0.5



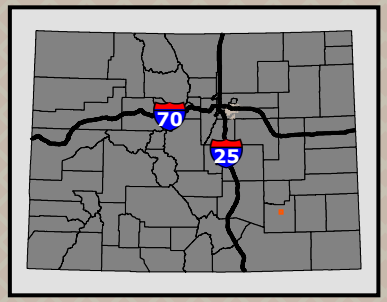
M Hirakata Properties

Aurora Water

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gwhitney@auroragov.org

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September 17, 2026



Legend

- Hirakata Parcels
- Irrigated Areas

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CITY OF AURORA
Council Agenda Commentary

Item Title: Land and Water Acquisition and Farm Lease from Hanagan Farm (Dual Listed)
Item Initiator: Richard Kienitz, Water Resources Manager, Aurora Water
Staff Source/Legal Source: Alexandra Davis, Assistant General Manager of Water Supply and Demand, Aurora Water / Ian Best, Senior Assistant City Attorney
Outside Speaker: N/A
Strategic Outcome: Healthy: Connecting natural and built environments with multimodal networks, ensuring access to parks and recreation, and preserving sustainable water supplies.

COUNCIL MEETING DATES:

Study Session: N/A

Regular Meeting: 11/23/2026

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☐ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

R2026- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL'S APPROVAL OF TWO PURCHASE AND SALE AGREEMENTS FOR WATER RIGHTS AND REAL PROPERTY AND AN ASSOCIATED LEASE AGREEMENT ALL BETWEEN THE CITY OF AURORA ACTING BY AND THROUGH ITS UTILITY ENTERPRISE AND OTERO COUNTY FARMERS, ERIC AND KIMBERLEE HANAGAN

Waiver of reconsideration requested in order to close the acquisition and execute the farm lease in a timely manner.
Alexandra Davis, Assistant General Manager of Water Supply and Demand, Aurora Water / Ian Best, Senior Assistant City Attorney

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☐ Approve Item and Move Forward to Regular Meeting

☐ Information Only

☐ Approve Item with Waiver of Reconsideration
Reason for waiver is described in the Item Details field above.

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☒ Approve Item as Proposed at Regular Meeting

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval ☐ Does Not Recommend Approval

☐ Forwarded Without Recommendation ☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

N/A

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Aurora Water, working in in conjunction with Aurora's Real Property Services, have negotiated with the Hanagan Farms ("Seller", Eric and Kimberlee Hanagan), to acquire 729.32 acres (more or less) of farm land and 706.45 shares of capital stock in the Catlin Canal Company (and the water rights derived therefrom). The land is depicted in the attached maps. This acquisition will be accomplished in two transactions which was necessisitated by the existence of a conservation easement on some of the applicable lands. The total aggregate compensation paid to the sellers will be $11,495,302.50 (subject to prorations and adjustments) and is lower than the independannt appraisal ordered by Aurora and dated April 7th, 2026. The purchase is anticipated to close in December 2026 or January 2027. Funding for this acquisition will be from the Capital Improvement Program, Water Fund.

At or about the time of closing, Aurora Water intends to execute and enter into an agricultural lease ("Lease") by which Seller will lease back from Aurora Water the right to use of the water rights and real property for a period of 10 years to continue Seller's farming operations (with the option to extend for two additional 10-year terms). The Lease will be subject to an "interruptible water supply agreement" provision allowing Seller to conduct farming operations seven in ten years and Aurora Water to utilize the water rights for municipal supply and drought recovery up to three years in ten in accordance with Aurora Water's established intergovernmental agreements in the Arkansas River Basin and the interruptible water supply agreement statutes (C.R.S. 37-92-309), as now existing or as hereafter amended.

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☒ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☐ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

N/A

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

Funding is available in the Capital Improvement Program, Water Fund, in the amount of $11,520,743.00.

2026 – $3,891,165.00
2027 - $7,629,578.00

CC-52381 FD-505 PRJ-526655 SC-67300

NON-BUDGETED EXPENDITURE IMPACT

Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

N/A

WORKLOAD IMPACT

Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

N/A

QUESTIONS FOR COUNCIL

Does Council support the Land Water Acquisition and Farm Lease from Hanagan Farm?

LEGAL COMMENTS

Aurora Water is authorized to acquire water rights, construct, operate, maintain, improve, and extend water, wastewater, and storm drainage facilities within or without the corporate boundaries of the City of Aurora, and to make all contracts, acquire lands, and do all things that are necessary or convenient therefore (C.R.S. 37-45.1-103(1); Aurora City Code Section 138-28). The City (and Aurora Water) has the authority to acquire, hold, lease and dispose of property, both real and personal (C.R.S. 31-15-101(d)). (Best)

RESOLUTION NO. R2026- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL'S APPROVAL OF TWO PURCHASE AND SALE AGREEMENTS FOR WATER RIGHTS AND REAL PROPERTY AND AN ASSOCIATED LEASE AGREEMENT ALL BETWEEN THE CITY OF AURORA ACTING BY AND THROUGH ITS UTILITY ENTERPRISE AND OTERO COUNTY FARMERS, ERIC AND KIMBERLEE HANAGAN

WHEREAS, the City of Aurora, acting by and through its Utility Enterprise ("Aurora Water" or "City") desires to enter into two Purchase and Sale Agreements for Water Rights and Real Property ("Agreements") both with Eric and Kimberlee Hanagan (together referred to as the "Seller") to purchase unencumbered marketable title to a total of 706.45 shares of capital stock in the Catlin Canal Company ("Subject Stock") and the water derived therefrom, including all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, title, or interests represented by the Subject Stock (collectively with the Subject Stock, hereinafter referred to as the "Water Rights"); and

WHEREAS, the Water Rights associated with the Subject Stock include a pro rata interest in all property of the Catlin Canal Company, including but not limited to all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, titles, or interests represented by the share certificates; and

WHEREAS, Seller will also sell and convey to Aurora Water its unencumbered marketable title to approximately 729.32 acres of land, more or less, located in Otero County, Colorado used to farm the land together with Seller's interest in and to all rights, benefits, privileges, easements, tenements, hereditaments, reversions, remainders, rights-of-way and other appurtenances and improvements located on the land (collectively referred to hereafter as the "Real Property"); and

WHEREAS, Aurora Water intends to purchase the Water Rights and Real Property and has need for the water represented by the Water Rights for the purpose of supplying water for municipal uses in accordance with applicable law, including without limitation the interruptible water supply agreement statutes (C.R.S. 37-92-309), as amended, to the City's residents and Aurora Water customers; and

WHEREAS, the aggregate purchase price as set forth in the Agreements is $11,495,302.50 (subject to prorations and adjustments) to be paid by Aurora Water to Seller at closing; and

WHEREAS, at or about the time of closing, Aurora Water intends to execute and enter into an agricultural lease ("Lease") by which Seller will lease back from Aurora Water the right

to use of the Water Rights and Real Property for a period of 10 years to continue Seller's farming operations (with the option to extend for two additional 10-year terms). The Lease will be subject to an "interruptible water supply agreement" provision allowing Seller to conduct farming operations seven in ten years and Aurora Water to utilize the Water Rights for municipal supply and drought recovery up to three years in ten in accordance with Aurora Water's established intergovernmental agreements in the Arkansas River Basin and the interruptible water supply agreement statutes (C.R.S. 37-92-309), as now existing or as hereafter amended; and

WHEREAS, Aurora Water is authorized to acquire water rights, construct, operate, maintain, improve, and extend water, wastewater, and storm drainage facilities within or without the corporate boundaries of the City of Aurora, and to make all contracts, acquire lands, and do all things that are necessary or convenient therefore (C.R.S. 37-45.1-103(1); Aurora City Code Section 138-28); and

WHEREAS, Aurora Water has the authority to acquire, hold, lease and dispose of property, both real and personal (C.R.S. 31-15-101(d)); and

WHEREAS, all water rights acquisitions of more than one million dollars ($1,000,000) and all real property acquisitions over five hundred thousand dollars or more ($500,000) must be approved by formal City Council action and signed by the Mayor (pursuant to Business Policy Memorandum No. 4-14); and

WHEREAS, the City Manager or the General Manager of Aurora Water, as designee, is authorized to approve and execute contracts on behalf of Aurora Water (Aurora City Code Section 2-62(c)).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. The Purchase and Sale Agreement for Water Rights and Real Property (Conservation Easement Parcel) with Seller Eric and Kimberlee Hanagan is hereby approved and ratified by City Council.

Section 2. The Purchase and Sale Agreement for Water Rights and Real Property (Non-Conservation Easement Parcel) with Seller Eric and Kimberlee Hanagan is hereby approved and ratified by City Council.

Section 3. The contemplated Lease agreement between Aurora Water and Seller to allow for continued farming by Seller is hereby approved and ratified by City Council.

Section 4. City Council hereby directs staff and legal counsel to take all steps necessary to prosecute all water court and ancillary proceedings allowing for Aurora Water's use of the water rights as part of Aurora Water's municipal system.

Section 5. The Mayor and City Clerk are hereby authorized to execute the attached Agreements and Lease in substantially the form presented at this meeting with such technical additions, deletions, and variations as may be deemed necessary or appropriate by the City Attorney.

Section 6. The City Manager or designee is hereby authorized to execute agreements, amendments, or any other documents necessary to fully effectuate the intent of this resolution including, but not limited to, any amendments or modifications to either of the Agreements and/or Lease.

Section 7. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

Section 8. This resolution shall take effect immediately without reconsideration.

RESOLVED AND PASSED this _____day of _____, 2026.

_____
MIKE COFFMAN, Mayor

ATTEST:

_____
KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:
PETER A. SCHULTE, CITY ATTORNEY

Ian J Best RLA
_____
By: IAN BEST, Sr. Assistant City Attorney

PURCHASE AND SALE AGREEMENT
(Water Rights and Real Property)

This Purchase and Sale Agreement (Water Rights and Real Property) ("Contract" or "Agreement") is entered into as of the Effective Date (as defined in Section 39 below), by and between Eric M. Hanagan, an individual whose principal address is 25357 County Road BB, La Junta, CO 81050 and Charles E. Hanagan, an individual whose principal address is 25620 County Road 24.5, La Junta, CO 81050 (collectively, "Seller"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 26791 E. Quincy Ave., Aurora, Colorado 80016 ("Buyer"). Seller and Buyer shall be referred to herein as "Party", and collectively as "Parties".

Recitals and Representations

A. Seller represents that it is the owner of unencumbered marketable title to 265 shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented by Share Certificate Number 3769 (the "Subject Stock"), the water derived therefrom, and all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, title, or interests represented by the Subject Stock (collectively with the Subject Stock, hereinafter referred to as the "Subject Water Rights").

B. Seller is the owner of approximately 261.38 acres of land, located in Otero County, Colorado as described on Exhibit A attached hereto (the "Land"), together with Seller's interest in and to all rights, benefits, privileges, easements, tenements, hereditaments, reversions, remainders, rights-of-way and other appurtenances and improvements located on the Land, (the "Real Estate").

C. The Land is subject to that certain Deed of Conservation Easement (Hanagan Farm – Otero County) dated April 10, 2020 and recorded with the Otero County Clerk and Recorder's Office under Reception No. 657404 (the "Conservation Easement").

D. Seller represents that the water derived from the Subject Water Rights is and has been used to irrigate 244.9 acres of the Land.

E. Seller represents that it is the owner of marketable title to the Real Estate (including any improvements thereon).

F. Buyer is a Colorado municipal corporation, and as such has a need and necessity for the Subject Water Rights and Real Estate for the purposes of supplying water for municipal and other uses to the inhabitants of the City of Aurora, Colorado and others.

G. Buyer is desirous of purchasing the Subject Water Rights and the Real Estate and any and all entitlements, approvals, licenses, plans, specifications or permits located on or related to the Real Estate including all equipment and permits related to the storage or conveyance of water and any water wells located on or historically used in connection with the Land including irrigation of the Land and those specific items and well permits identified on Exhibit F attached hereto (the "Personal Property") all upon the terms and conditions as hereinafter described.

NOW THEREFORE, in consideration of the foregoing recitals and representations and in consideration of the covenants, promises, payments and agreements herein set forth the adequacy, sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Sale and Purchase. Subject to the terms and conditions hereinafter provided, Seller hereby agrees to sell the Subject Water Rights, the Real Estate, including all appurtenances thereto all improvements located thereon and the Personal Property (collectively, the "Property"), subject to Seller's covenants and obligations hereunder to Buyer.

2. Purchase Price.

2.1 The "Purchase Price" for the Property and Seller's covenants and obligations hereunder is $3,917,475.00 subject to prorations and adjustments and payment schedule as provided for herein.

2.2 Seller and Buyer acknowledge and agree that, for purposes of determining any sales or use taxes payable in connection with the conveyance of the Personal Property, (i) $1.00 of the Purchase Price shall be allocated to the Personal Property and (ii) the Personal Property shall be deemed to have a value of $1.00.

3. Title and Title Review.

3.1 The Parties agree that in order to consummate the transaction contemplated by this Contract, title to the Property must be unencumbered and marketable in Seller so the Real Estate (subject to the Permitted Exceptions (as defined below)) and the Personal Property and Subject Water Rights may be delivered free, clear and unencumbered in any way to Buyer and that Buyer's obligations under this Contract are specifically conditioned and contingent on Seller possessing such title prior to the Closing Date (as defined in Section 5.1 below). Notwithstanding any other provisions of this Contract, if Seller does not have such title in the Property on the Closing Date, Buyer may terminate this Contract, except for any provisions hereof which specifically survive termination of this Contract, in which case all partial payments and any other funds placed in escrow, if any, with Escrow Agent (as defined in Section 5.1 below) by Buyer shall be immediately refunded to Buyer.

3.2 On or before the date that is five (5) business days after the Effective Date, Seller shall deliver to Buyer: (i) a complete copy of the certificate(s) for the Subject Stock (front and back); (ii) a copy of any and all leases or other possessory interests held by third parties in the Real Estate or the Subject Water Rights and written disclosure of any such other leases or possessory interests of which Seller has knowledge; and (iii) to the extent they exist and are in Seller's possession, a copy of Seller's most current title insurance information and survey of the Real Estate, including copies of agreements, easements, permits, licenses, contracts or ground leases; and (iv) any contracts affecting the Subject Water Rights and Real Estate to the extent such contracts are in Seller's possession or control. Buyer may obtain a current title insurance commitment (the "Commitment") for an American Land Title Association ("ALTA") easement holder's policy (the "Title Policy"), written by the Title Company (as defined in Section 5.1 below) in the amount of the Purchase Price, agreeing to insure good and marketable title in the Real Estate along with copies of any and all documents identified as exceptions in the Commitment. Upon

Buyer's request, Seller shall provide to Buyer, written consent in a form acceptable to the Ditch Company from Seller consenting to Buyer's review of the Ditch Company records as relates to the ownership and status of the Subject Water Rights. Buyer agrees it will be responsible for the costs of any evaluation of any materials necessary to determine the status of the Property. Seller hereby further consents to Buyer's lawful actions in obtaining records and information from title companies, lenders, governmental agencies, ditch companies, and other third parties relating to title, ownership, liens, encumbrances, taxes, and assessments affecting the Subject Water Rights or Property, and agrees to provide to Buyer such other documents within Seller's possession or control as Buyer may reasonably request that are material to the transactions contemplated by this Agreement. Seller shall cause the Commitment to be updated by the Title Company prior to the Closing. Any exceptions on such updated Commitment that were not included on the initial Commitment reviewed and approved by Buyer and are not due to the actions of Buyer shall each be considered an impermissible encumbrance on Seller's marketable title to the Real Estate, in which case Buyer shall have the right, in its sole discretion, to either: (i) terminate this Contract; or, (ii) proceed to Closing and either, (A) waive such objections or defects in writing and/or (B) apply a portion of the Purchase Price to pay off or otherwise cure any such monetary defect or encumbrance at Closing.

3.3 Buyer may give written notice to Seller, or Seller's attorney, of its disapproval, in Buyer's sole discretion, of any matter contained in the Commitment and/or a survey of the Real Estate, if obtained by Buyer ("Objection Notice"). If Buyer provides an Objection Notice to Seller on or before the expiration date of the Due Diligence Period (as defined in Section 4 below), Seller shall have ten (10) days from the receipt of such Objection Notice to cure the objections or defects so specified (which cure may include the Title Company's commitment to issue a commercially reasonable endorsement over such defect and/or Seller's commitment to cause an encumbrance to be released at Closing, including through the use of proceeds from the Purchase Price), or notify Buyer that it does not intend to cure any such objections. If Seller (i) fails to cure any objection described in an Objection Notice to Buyer's satisfaction, (ii) notifies Buyer that it does not intend to cure an objection, or (iii) fails to respond within such ten (10) day period (which failure to respond shall operate the same as if Seller had notified Buyer that it does not intend to cure any objections), then Buyer shall have a five (5) business day period in which to either: (I) terminate this Agreement by delivery of written notice to Seller and to the Title Company so stating, whereupon any partial payments and any other funds placed in escrow, if any, with Escrow Agent by Buyer shall be immediately refunded to Buyer and this Agreement shall thereafter be of no further force and effect, except for any provisions hereof which specifically survive termination of this Agreement, and Buyer shall return all information delivered to Buyer by Seller; or (II) waive such objections or defects in writing, in which event the parties shall proceed to Closing, any such uncured objection(s) shall thereafter be deemed a Permitted Exception, and this Agreement shall continue in full force and effect. Any taxes and assessments for the year of Closing and subsequent years, any building restrictions, zoning regulations and all other laws applicable to Property, and any matter of title shown on the Commitment other than those that the Title Company has agreed to remove or the Seller has agreed to remove or cure in response to an Objection Notice are referred to herein as a "Permitted Exception" and collectively, the "Permitted Exceptions" to title. Permitted Exceptions include, without limitation, the existing Conservation Easement encumbering the Property. Notwithstanding the foregoing, Permitted Exceptions shall not include any liens, or documents evidencing liens, securing any indebtedness or any mechanics' or materialmen's liens (other than for any work done by or on behalf of Buyer)

or any claims therefor to which Seller is a party and covering the Property or any portion thereof ("Seller Liens"), each of which Seller Liens shall be paid in full by Seller and released at Closing.

3.4 Buyer shall cause a licensed surveyor to prepare a metes and bounds description and depiction of the Land consistent with the depictions attached to this Contract for use on the Deed and Title Policy prior to the end of the Due Diligence Period. Buyer and Seller shall agree upon the final legal description for the Land during the Due Diligence Period (as defined below). Neither Party shall unreasonably withhold its approval of the legal descriptions. If Seller does not agree to Buyer's proposed legal descriptions, Buyer may terminate this Contract prior to the end of the Due Diligence Period.

3.5 If the Parties have not agreed on a per-acre consideration for fallowed acres as provided for under Section 3.4.2.2 of the form of Agricultural Lease before execution of this Contract, the Parties shall use commercially reasonable efforts to make that determination during the Due Diligence Period.

3.6 If Buyer reasonably determines in good faith that Seller's title to the Subject Water Rights or the Real Estate is encumbered and not merchantable, Buyer shall give notice thereof in writing prior to expiration of the Due Diligence Period, as defined in Section 4, below. Seller will then have ten (10) business days to correct the defects. If at the end of such ten (10) business day period, title is not rendered unencumbered (except for the Permitted Exceptions) and merchantable, as reasonably determined by Buyer in good faith, then Buyer shall have the right, in its sole discretion to either: (i) terminate this Contract; or (ii) proceed to Closing and either, (A) waive such objections or defects in writing and/or (B) apply a portion of the Purchase Price to pay off or otherwise cure any such defect or encumbrance at Closing. Buyer shall make its election among the options described above on or before the tenth business day following the end of such ten (10) business day period. In the event that Buyer elects to proceed to Closing the date scheduled for the Closing shall be extended a reasonable number of days. No such defect or objection shall be deemed cured or waived unless Buyer so specifies in writing.

4. Due Diligence Period.

4.1 The Due Diligence Period runs beginning on the Effective Date until the date which is ninety (90) days thereafter (the "Due Diligence Period"). During the Due Diligence Period, Buyer may terminate this Contract for any reason or no reason.

4.2 To the extent not previously provided by Seller to Buyer, on or before the date that is ten (10) business days after the Effective Date, Seller will deliver to Buyer the following documents related to the Property to the extent they exist, are in Seller's possession or control and are not part of public records or included in the materials delivered under Section 3 above: existing surveys; engineering studies and reports; soils, flood, and geotechnical studies, reports, and tests; seismic reports; environmental surveys and reports; warranties and guarantees; all governmental and quasi-governmental permits, approvals, entitlements, zoning documents, notices, reports, citations, non-privileged correspondence (exclusive of invoices, billing information, and similar non-substantive documents); inspection reports; operating records; a copy of any and all leases or other possessory interests held by third parties in the Property (or written disclosure of any such leases or possessory interests if such agreement is not written), and copies of any contracts

affecting the Property which would be binding upon Buyer following the Closing; all documents and information related to use of the Subject Water Rights, including historical irrigation records and dry-up reports; any other documents materially related to the Property, including any environmental assessments (collectively, the "Seller Deliveries").

4.3 If Buyer terminates this Contract pursuant to this Section, Buyer shall promptly return to Seller, or destroy, all non-public documents, records, reports, and other Seller Deliveries furnished by Seller, except for one archival copy retained by Buyer or Buyer's legal counsel solely for legal, regulatory, audit, or record-retention purposes.

4.4 Buyer shall, consistent with its obligations under the Colorado Public (Open) Records Act, maintain the confidentiality of all non-public information received from Seller provided that (i) the existence of this Contract and the proposed purchase and sale of the Property shall not be considered non-public information and (ii) Buyer may disclose such information: (a) to those of their respective officers, directors, employees, advisors, agents, members or affiliates, or any person acting on its behalf (its "Related Parties") who shall require access thereto for the purpose of evaluating the Property and the proposed transaction under this Contract and who are informed of the confidential nature of such information, (b) as may be required by law or to comply with a lawful judicial process (c) as otherwise reasonably required in connection with obtaining approval and ratification of this Contract from City Council (as defined in Section 34 below) or (d) upon notice to Seller, as reasonably determined by Buyer as necessary to effectuate Buyer's use of the Water Rights and operation of the Agricultural Lease. The City will, consistent with its obligations under the Colorado Public (Open) Records Act treat any such proprietary information as confidential information and the City agrees to treat, and shall use good faith efforts to cause its Related Parties to treat this Contract and the Proposed Transaction as confidential information. The obligations of this Section shall survive any termination of this Contract.

5. Closing.

5.1 Closing Date. The closing on this Contract (the "Closing") is scheduled to occur on the day that is sixty (60) days following the end of the Due Diligence Period or such other date as mutually agreed to by the Parties as the same may be extended as provided for in this Contract (the "Closing Date") at the offices of ABC Title & Closing Services at 300 Main Street, Ste. A, Ordway, CO 81063 or such other company or location as selected by Buyer ("Escrow Agent" and "Title Company") or such other escrow agent or title company as the Parties may mutually agree.

5.2 Closing Deliveries.

5.2.1 On or before Closing, Buyer shall deliver or cause to be delivered to Escrow Agent: (1) the Purchase Price subject to prorations as provided for under this Contract; (2) an executed counterpart of the Agricultural Lease (as defined below); and (3) the closing statement, such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy.

5.2.2 On or before the Closing Date, Seller shall deliver to the Escrow Agent each of the following items:

(a) The original certificate(s) for the Subject Stock;

(b) A special warranty deed for the Subject Water Rights from Seller to Buyer with respect to the Subject Stock substantially in the form attached hereto as Exhibit B (the "Water Deed");

(c) A share assignment for the Subject Stock from Seller to Buyer and, to the extent that title to the Subject Stock is also held by a lender or other third party, an assignment from such third party either to Seller or Buyer, all in forms mutually agreed upon by the Parties and acceptable to the Ditch Company, which assignment shall include the appointment of an officer of the Ditch Company as attorney-in-fact with authority to change the ownership records of the Ditch Company with respect to the Subject Stock;

(d) A special warranty deed for the Real Estate from the Seller to the Buyer, substantially in the form attached hereto as Exhibit C, subject to the Permitted Exceptions (the "Deed");

(e) A bill of sale and general assignment, conveying good and marketable title to all Personal Property to Buyer in the form attached hereto as Exhibit D;

(f) An counterpart of the Agricultural Lease executed by Seller or Seller's designated farming entity as approved by Buyer during Buyer's Due Diligence Period, for Seller's use of the Subject Water Rights substantially in the form of the Agricultural Lease attached hereto as Exhibit E (the "Agricultural Lease");

(g) Such documentation as required to effect the transfer of Seller's rights with respect to any augmentation plan applicable to water wells on the Land, including, if applicable, such transfer and change in use forms as may be required by Arkansas Groundwater and Reservoir Association, if applicable;

(h) An estoppel or other documentation from the Ditch Company in forms acceptable to Buyer and approved during Buyer's Due Diligence Period certifying that: (A) all assessments due with respect to the Subject Stock are paid in full; (B) the Subject Stock is validly issued and outstanding in the name of Seller; and (C) the Ditch

Company shall permit the transfer of the Subject Stock to Buyer;

(i) Such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy to Buyer.

5.2.3 Each Party shall further execute and deliver such documentation as may be reasonably requested by Escrow Agent or Title Company. Seller shall, at Seller's expense, cause the Title Company to issue the Title Policy promptly after the Closing, Title Company shall record the Water Deed and the Deed.

5.2.4 Buyer's obligation to close under the Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent (collectively, "Buyer's Closing Conditions"):

(a) The Title Company shall be prepared and irrevocably committed in writing to issue to Buyer the Title Policy subject only to the Permitted Exceptions and with all endorsements requested by Buyer or agreed to by Seller in satisfaction of Buyer's Objection Notice.

(b) Seller's cure of any title matters on or before Closing, if Seller has agreed to cure such title matters.

(c) Seller's representations and warranties in this Contract shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(d) Seller shall have timely performed all covenants and obligations and timely complied with all conditions required by this Contract to be performed or complied with by Seller on or before the Closing Date, including without limitation timely delivery of all of Seller's Closing Deliveries to the Title Company.

(e) There shall not be pending any threatened litigation which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Contract or declare illegal, invalid, or nonbinding any of the covenants or obligations of the Seller or adversely affect the Property or Buyer's use of the Property.

(f) Seller shall have given the Grantee under the Conservation Easement such advance notice of the Closing as required under Section 21(c) of the Conservation Easement in such form of notice required by the Conservation Easement or otherwise mutually agreed by the Parties.

(g) Seller shall not be a debtor in any bankruptcy proceeding nor shall have been in the last 12 months a debtor in any bankruptcy proceeding.

(h) There shall be no parties in possession of the Property other than pursuant to the Agricultural Lease or as otherwise permitted under matters of record described the Commitment.

(i) Buyer, acting reasonably and in good faith, shall determine that the transaction contemplated under this Contract complies with applicable laws, rules and regulations applicable to the Real Estate, Subject Water Rights, and Buyer, including the Intergovernmental Agreement between Buyer and the Southeastern Colorado Water Conservancy District dated October 3, 2003.

5.2.5 If any of Buyer's Closing Conditions are not met, Buyer may either, in Buyer's sole discretion: (i) waive the applicable Buyer's Closing Condition and proceed to Closing on the Closing Date, (ii) extend the Closing Date for up to thirty (30) days, or such longer period as the Parties mutually agree, (iii) terminate this Contract and receive a return of any funds deposited with Seller or the Escrow Agent, if any, or (iv) if such failure constitutes a default by Seller, exercise any or all of its rights and remedies set forth in this Contract.

6. Ditch Assessments; Prorations; Taxes.

6.1 Seller agrees to fully pay and continue to pay, or cause to be paid, any and all ditch assessments associated with and accruing to the Subject Stock through and including the Closing Date. At Closing, Buyer agrees to assume any such future obligations for assessments incurred from and after the Closing Date.

6.2 All real and personal property taxes related to the Personal Property and Real Estate (if any) shall be prorated as of 11:59 PM on the day prior to the Closing. If the Closing shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. Seller shall pay at or before Closing all real and personal property taxes (including prorated property taxes of the current year) and special assessments, if any, which are attributable to the period before the Closing. Any amounts not paid as of the Closing Date shall be deducted from the Purchase Price and paid to the applicable taxing authorities. All such prorations shall be final as of the Closing Date.

6.3 All water rates, utility charges, and all other costs and income related to the Real Estate (if any) shall be prorated and adjusted as of 11:59 PM on the day prior to the Closing. All such prorations shall be final.

7. Commissions. Seller hereby warrants to Buyer and Buyer hereby warrants to Seller that neither of them has dealt with any broker, finder or other agent in connection with the transaction contemplated hereby. Seller hereby agrees to indemnify and hold Buyer harmless from and against any claim by a third party for brokerage commission, finder's or other fees relative to this Contract and any court costs, attorneys' fees or other costs or expenses arising therefrom and alleged to be due by authorization of the indemnifying party. The provisions of this section shall survive the closing or termination of this Contract.

8. Closing Costs/Escrow Charges. The Parties will each pay one-half of the closing costs of the Escrow Agent for the Closing. Seller shall pay the premiums for the Title Policy, and all recording costs. Seller shall pay the transfer costs, if any, imposed by the Ditch Company with respect to the transfer of the Subject Stock at the Closing. Buyer shall pay the Conservation Easement transfer fee pursuant to Section 21(d) of the Conservation Easement.

9. Status and Authority of Seller. Seller hereby represents and warrants the following: (a) Seller has full power and authority to enter into this Contract and to carry out the transactions contemplated by this Contract, and (b) this Contract and its execution and delivery to Buyer will not result in a breach of, or constitute a default under, any indenture, loan or credit agreement, mortgage, deed of trust or other agreement to which Seller is a party or otherwise bound.

10. Additional Representations and Warranties of Seller. In addition to Seller's other representations and warranties contained in this Contract, Seller hereby represents, warrants, and agrees that as of the Effective Date, and on the date of Closing, except as may be caused or created by Buyer:

10.1 Seller reaffirms the representations and warranties expressly set forth in this Contract;

10.1.1 Seller is, or as of Closing shall be, the owner of marketable title to the Subject Stock and Subject Water Rights and, subject to the Permitted Exceptions, marketable title to the Real Estate;

10.1.2 The water derived from the Subject Stock has been historically used to irrigate the Real Estate;

10.1.3 To Seller's knowledge, there are no pending judicial, municipal, or administrative proceedings with respect to, or in any manner affecting the Property or in which Seller is a party, including proceedings for or involving condemnations, eminent domain, which in any manner affects the Property;

10.1.4 The execution and delivery of this Contract and the performance of all obligations hereunder by Seller do not and will not require any consent or approval of any third party, other than any notices, approvals, or consents expressly contemplated by this Agreement, the Conservation Easement, or the governing documents of the Ditch Company, and do not and

will not result in a breach of, or constitute a default under, any indenture, loan agreement, credit agreement, mortgage, deed of trust, or other agreement.

10.1.5 Seller has received no written notice of any violations of any law, code, ordinance, rule or regulation or insurance policy affecting the Subject Stock or the Real Estate.

10.1.6 Except as disclosed to Buyer in writing there are no leases, subleases, licenses, contracts, unrecorded easements, or other agreements, written or oral, regarding the Subject Stock or the Real Estate, or granting to any party or parties the right to use or occupy all or any portion of the Subject Stock or the Real Estate that will be effective as of the Closing Date.

10.1.7 Except for the Agricultural Lease attached as Exhibit E and any residential leases or occupancy agreements disclosed by Seller to Buyer prior to Closing which residential leases shall be subject to the terms of the Agricultural Lease, there are no parties in possession of or entitled to possession of the Subject Stock or the Real Estate.

10.1.8 Other than any service contracts related to the Subject Stock or Real Estate provided to Buyer as part of the Due Diligence Materials and approved by Buyer, if any, there are no other such service contracts.

10.1.9 Seller is not bankrupt or insolvent, and has not filed for and is not involved in any voluntary or involuntary proceeding in bankruptcy under any applicable laws.

10.1.10 To Seller's knowledge, the Real Estate was not previously used as a methamphetamine laboratory.

10.1.11To Seller's knowledge, Seller has provided to Buyer all Seller's Deliveries in Seller's possession and has not knowingly withheld or failed to disclose any Seller's Deliveries. Seller makes no representation or warranty, express, written, oral, statutory, or implied, with respect to the accuracy of any third-party documents or reports provided by Seller as Seller Deliveries.

11. Seller's Covenants.

11.1 Water Court Cooperation. After the Closing, Buyer may, at its own cost and expense: (a) seek use of the Subject Water Rights as an interruptible water supply pursuant to C.R.S. §37-92-309 or such subsequent applicable statute ("IWSA Approval"); or (b) submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Water Rights including, without limitation, for a change of the point of diversion and type, and place of use for Buyer's intended uses, including without limitation, for: storage, augmentation, replacement, direct municipal and industrial use, and exchange uses (each a "Change Case"). Upon reasonable advance notice, Seller shall, in connection with IWSA Approval or a Change Case, and with any approvals required of the Ditch Company in connection with Buyer's IWSA Approval or Change Case (including any so-called "Catlin" approval requirements), at no cost to Seller: (i) reasonably cooperate with Buyer to provide, to the extent in Seller's possession or control, information and records of water use concerning the Subject Water Rights; and (ii) testify

truthfully on behalf of Buyer without subpoena or payment of witness or expert witness fees concerning Seller's historical use of the Subject Water Rights at any deposition, motions hearing, trial, or Ditch Company meeting involving the Subject Water Rights. Buyer shall reimburse Seller for reasonable out-of-pocket travel and lodging expenses incurred in providing such testimony. Seller agrees not to file a statement of opposition to Buyer's Change Case or object to any application for an IWSA Approval provided the same is substantially consistent with the Agricultural Lease and the Conservation Easement. The provisions of this Section shall survive the Closing.

11.2 Duty to update representations between the Effective Date and Closing. Between the Effective Date and the Closing Date, Seller shall promptly (but prior to the Closing) notify Buyer in writing of any fact, event, circumstance or action known to Seller (i) which, if known on the Effective Date, would have been required to be disclosed or (ii) the existence or occurrence of which would cause any of Seller's representations or warranties under this Contract not to be correct and complete. Buyer may elect, within three (3) business days after receipt of Seller's notice but prior to the Closing, to terminate this Contract by giving written notice to Seller and Escrow Agent.

11.3 Seller shall not create or consent to the creation of any lien (other than liens arising in the ordinary course and released at Closing), encumbrance, or other matter affecting title to any part of the Property without Buyer's prior written consent, which may be withheld in Buyer's sole and absolute discretion.

12. Notices. All notices, requests, demands, or other communications (collectively, "Notices") hereunder shall be in writing and given by (i) established express delivery service that maintains delivery records requiring a signed receipt, (ii) hand delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested to the Parties at the following address, or at such other address as the Parties may designate by Notice in the above manner.

To Buyer: City of Aurora
15151 East Alameda Parkway, Suite 5300
Aurora, CO 80012-1555
Attn: City Attorney

with copy to City of Aurora
26791 E Quincy Ave
Aurora CO 80016
Attn: General Manager, Aurora Water

with copy to Brownstein Hyatt Farber Schreck, LLP
675 15th Street, Suite 2900
Denver, CO 80202-4432
Attn: Andrew Meyers

with copy to	hreynoso@auroragov.org
To Seller:	Eric and Kim Hanagan 25357 County Road BB La Junta, CO 81050
with copy to	Erin RP Harris Harris Law Office, LLC PO Box 102, La Junta, CO 81050

Notices shall be effective (x) the next day following the date sent by an established express delivery service which maintains delivery records requiring a signed receipt, (y) upon receipt by the addressee of a hand delivery, or (z) three (3) days following the date of mailing via certified or registered mail, postage prepaid, return receipt requested.

13. No Warranty Concerning Tax Status. Although this Contract does not contemplate the payment of interest by Buyer, in the event that any interest would be paid, Buyer makes no warranty nor guarantee that any such interest paid as a result of any transaction would be excusable from gross income or federal, state or local income tax purposes.

14. Amendment. This Contract may be modified, amended, changed or terminated in whole or in part only by written agreement duly authorized and executed by each of the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety.

15. Waiver. Any waiver of any breach of any provision of this Contract by any Party shall not constitute a continuing waiver of any subsequent breach of said Party, for either breach of the same or any other provision of this Contract.

16. Entire Agreement. This Contract represents the entire agreement of the Parties and neither Party has relied upon any fact or representation not expressly set forth herein. All prior and contemporaneous conversations, negotiations, possible alleged agreements, representations, covenants and warranties concerning the subject matter hereof, are merged in this Contract.

17. Headings for Convenience Only. Paragraph headings and titles contained herein are intended for convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Contract.

18. Binding Effect and Assignability. This Contract and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, if any. Seller may not assign its rights or delegate its duties hereunder without the prior written consent of Buyer, which Buyer may withhold in its sole discretion, except as provided for in Section 38. Any assignment of the Contract by Buyer shall be in writing duly authorized and executed by the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety memorialized by a restatement of this Contract in its entirety. Buyer shall be entitled to assign its rights and obligations hereunder without the consent of Seller.

19. Survival of Representations. Those representations and warranties set forth in Sections 9 and 10 of this Contract shall not merge in any deed, assignment, covenant, escrow agreement, easement, lease or any other document, but shall survive each nevertheless at the Closing, and be binding and obligatory upon each of the Parties for a period of one (1) year.

20. Governing Law and Venue. This Contract and its application shall be construed in accordance with the law of the State of Colorado. Should it be necessary to initiate court proceedings concerning this Contract, the Parties agree that venue shall be in the District Court for Otero County, Colorado.

21. No Recording. This Contract shall not be recorded. Notwithstanding this provision, at Closing, Title Company shall record the Deed and the Water Deed with the Otero County Clerk and Recorder's Office.

22. Multiple Originals. This Contract may be simultaneously executed in any number of counterparts, each of which shall be deemed an original, but all of which constitute the same agreement.

23. Definitions and Interpretations. Except as otherwise provided herein nouns, pronouns and variations thereof shall be deemed to refer to the singular or plural, and masculine or feminine, as the context may require. Any reference to a policy, procedure, law, regulation, rule or document shall mean such policy, procedure, law, regulation, rule or document as it may be amended from time to time.

24. No Construction Against Drafter. This Contract has been prepared by the combined efforts of Seller and Buyer and their respective legal counsel as Seller and Buyer so desired, accordingly the Parties agree there shall be no construction against the drafter of this Contract should any dispute arise.

25. Sole Obligation of Utility Enterprise.

25.1 This Contract shall never constitute a general obligation or other indebtedness of the City of Aurora (the "City"), or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City.

25.2 In the event of a default by the City's Utility Enterprise of any of its obligations under this Contract, Seller shall have no recourse for any amounts owed to it against any funds or revenues of the City except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Contract shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City.

26. Conveyance to City of Aurora. Seller hereby acknowledges and agrees that any deliveries required to be made to Buyer hereunder may, at Buyer's request, be modified to provide for delivery directly to and in the name of the City of Aurora, Colorado.

27. Specific Performance. Either Party shall be entitled to seek the remedy of specific performance to enforce the terms of this Contract.

28. No Attorney's Fees and Costs. In the event of any litigation, mediation, arbitration or other dispute resolution proceedings arising out of or related to this Contract, each Party agrees to be responsible for its own attorney's fees and other professional fees, costs and expenses associated with any such proceedings.

29. Non-Severability; Effect of Invalidity. Each Section in this Contract is intertwined with the others and are not severable unless by mutual consent of Buyer and Seller or as provided for below. If any provision or portion of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable for any reason by a Court of competent jurisdiction, and the basis of the bargain between the Parties is not destroyed or rendered ineffective thereby, the remainder of this Contract, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

30. Intent of Contract. This Contract is intended to describe the rights and responsibilities of and between Buyer and Seller and are not intended to, and shall not be deemed to, confer rights upon any person or entities other than signatories hereto, or to limit, impair, or enlarge in any way the powers, regulatory authority and responsibilities of Buyer or any other governmental entity not a party hereto.

31. Non-Business Days. If any date for any action under this Contract is on a Saturday, Sunday or a day that is a "holiday" as such term is defined in C.R.C.P. 6, then the relevant date shall be extended automatically until the next business day.

32. Further Assurances. Buyer and Seller will make, execute and deliver such documents and undertake such other and further acts in good faith as may be reasonably necessary to complete the transactions contemplated under this Contract.

33. Recitals and Exhibits. The recitals and exhibits attached hereto are hereby incorporated into this Contract.

34. Ratification by the City Council. The City Manager of the City of Aurora approves this Contract pursuant to Chapter 2, Article III, Section 2-62(b) of the Code of Ordinances of the City of Aurora, subject to the ratification of the City Council of the City of Aurora ("City Council"). Buyer's obligations under this Contract are expressly contingent and conditioned on such ratification of this Contract by City Council by way of an ordinance or such other means as Buyer determines is necessary in accordance with the Aurora City Code, Charter, or applicable policies.

35. Authority of the City Attorney. By its ratification of this Contract as provided for in Section 34 above, City Council authorizes the City Attorney of the City of Aurora, without

further action by City Council, to (i) make any such amendments or other modifications of this Contract as City Attorney may deem necessary for the purpose of extending deadlines provided for in this Contract or effecting non-substantive administrative modifications to this Contract; and (ii) exercise any elections of Buyer as provided for under this Contract; provided, however, that City Attorney may not make any such amendment or modification which is reasonably expected to increase the amount of the Purchase Price payable by Buyer hereunder. This provision shall not entitle the City Attorney to unilaterally modify the Contract without the consent of Seller.

36. Signatures. The parties agree that Buyer may execute this Contract, the Agricultural Lease using a digital image (an image in the form of a PDF, JPEG, GIF file, DocuSign, SignNow or other e-signature), and the same shall be deemed as a true and correct original.

37. Joint and Several Liability. If Seller consists of two or more persons or entities, then such parties shall be jointly and severally liable for Seller's covenants, representations, warranties and other obligations under this Contract and requests or demands from any one person or entity comprising Seller shall be deemed to have been made of all such persons or entities.

38. 1031 Exchange. Seller may consummate the sale of the Subject Stock as part of a so-called like kind exchange (the "Exchange") pursuant to §1031 of the Internal Revenue Code of 1986, as amended, provided that: (a) the Closing shall not be delayed or affected by reasons of the Exchange, nor shall the consummation or accomplishment of the Exchange be a condition precedent or condition subsequent to Seller's obligations under this Contract; (b) Seller shall effect the Exchange through an assignment of this Contract, or its rights under this Contract, to a qualified intermediary, provided that such assignment shall not release Seller of its obligations hereunder; and (c) Buyer shall not be required to take an assignment of the purchase agreement for other property or be required to acquire or hold title to any real property for purposes of consummating the Exchange. Buyer shall reasonably cooperate in connection with the Exchange, but shall not be required to incur any additional expense or obligation (contingent or otherwise) in connection therewith. Seller shall indemnify, defend and hold harmless Buyer from and against any and all costs (including, without limitation, attorneys' fees), expenses, liabilities, losses and damages incurred by reason of the execution and/or delivery of any Exchange documents, or by reason of participating in the Exchange. The foregoing indemnity shall survive the Closing.

39. Effective Date. The "Effective Date" shall be date on which this Contract is executed by Seller.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year indicated below.

BUYER:

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Marshall P. Brown, General Manager, Aurora Water — Date: Oct 26, 2026

APPROVED AS TO FORM FOR AURORA:

Ian Best, Assistant City Attorney — Date: Oct 26, 2026 — ACS#: 26.56

Andrew L. Meyers, Special Water Counsel — Date: Oct 23, 2026

REVIEWED FOR AURORA:

Hector Reynoso, Real Property & Survey Services Manager — Date: Oct 26, 2026

Richard Kienitz, Aurora Water Manager — Date: Oct 23, 2026

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 26th day of October, 2026, by Marshall P. Brown, General Manager, Aurora Water, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

Notary Public

My commission expires: 2/8/27

(SEAL)

ALEXANDER GAGLIARDI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234005206
MY COMMISSION EXPIRES 02/08/2027

Signature -1

Following ratification by the Aurora City Council:

City of Aurora, Colorado
acting by and through its
Utility Enterprise

_____ _____
Mike Coffman, Mayor Date

Attest:

_____ _____
Kadee Rodriguez, City Clerk Date

State of Colorado)
) ss
County of Arapahoe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by Mike Coffman, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(Seal)

SELLER:

By: _____
Eric M. Hanagan, an individual

By: _____
Charles E. Hanagan, an individual

STATE OF COLORADO)
) ss
COUNTY OF Otero)

The foregoing Contract was acknowledged before me this 17 day of August 2026 by Eric M. Hanagan, an individual.

Witness my hand and official seal. _____
Notary Public

My commission expires: 01/21/2029

(SEAL)

LOUIS OJEDA JR.
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20254002447
My Commission Expires 01-21-2029

STATE OF COLORADO)
) ss
COUNTY OF Otero)

The foregoing Contract was acknowledged before me this 17 day of August 2026 by Charles E. Hanagan.

Witness my hand and official seal. _____
Notary Public

My commission expires: 01/21/2029

(SEAL)

LOUIS OJEDA JR.
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20254002447
My Commission Expires 01-21-2029

Signature -3

Exhibit – A
to
Purchase and Sale Agreement (Water Rights and Real Property)
Legal Description of Real Estate

In the County of Otero, State of Colorado.

PARCEL 1: All that part of Lot 4 of SW1/4 of Section 30 and Lot 1 of the NW1/4 of Section 31, Township 23 South, Range 55 West of the 6th P.M. which lies South of the Right-of-Way of the A.T. & S.F. Railway Company and public highway, EXCEPT that part of said premises previously conveyed to the State Highway Commission of Colorado in Right-of-Way Deed dated October 21, 1954, recorded October 28, 1954 in Book 496 at Page 573 and EXCEPT that part of said premises conveyed to the State Highway Commission of Colorado by Access Deed dated October 21, 1954 and recorded October 28, 1954 in Book 496 at Page 574 of the Otero County records, and EXCEPT that part of said premises conveyed by Warranty Deed to Marie Hanagan and Byron T. Hanagan, dated February 1, 1955, recorded February 2, 1955 in Book 499 at Page 118, Otero County records.

PARCEL 2: The South 825 feet of Lot 1 of the NW1/4 of Section 31, Township 23 South, Range 55 West of the 6th P.M., and a parcel of land described as follows: Beginning at the Northeast corner of the above described tract of land; thence West 328 feet to a drainage ditch; thence North 225 feet, more or less, to the South line of the Right-of-Way of U.S. Highway 50, which Right-of-Way was deeded by Right-of-Way Deed recorded in Book 496 at Page 573 of Otero County records; thence Southeast along the South line of said Right-of-Way 326 feet, more or less; thence South 56 feet to the point of beginning.
AND a tract of land lying in Otero County, Colorado in the E1/2NW1/4 of Section 31, Township 23 South, Range 55 West of the 6th P.M., and more particularly described as follows: Beginning at the Southwest corner of the E1/2NW1/4 of said Section 31 as monumented by aluminum cap PLS 12103; thence N.0°15'25"E. along the West line of said E1/2NW1/4 (GPS bearings), 1757.69 feet; thence S.83°14'48"E., 545.10 feet; thence S.5°10'13"E., 156.97 feet; thence S.47°28'03"E., 380.68 feet; thence S.0°11'18"W., 1279.09 feet to the South line of said E1/2NW1/4; thence S.89°56'42"W., 839.66 feet to the point of beginning.
AND The SW1/4NW1/4 or Lot 2, of Section 31, Township 23 South, Range 55 West of the 6th P.M.

PARCEL 3: The W1/2 of Lot 4 and West 5.00 acres of E1/2 of Lot 4 of Section 31, Township 23 South, Range 55 West of the 6th P.M.
EXCEPT a tract containing 5.1 acres more particularly described as follows: Beginning at the Southwest corner of Section 31; thence East 819.70 feet; thence North 301 feet; thence S.88°53'W., 819.87 feet; thence S.0°02'W., 285 feet to the point of beginning.

PARCEL 4: A tract of land lying in Lot 4 of said Section 31, Township 23 South, Range 55 West of the 6th P.M., described as follows: Beginning at the Southeast corner of Lot 4 of said Section 31, said point being N.89°03'30"E. 1325.08 feet from the Southwest corner of said Section 31; thence N.0°54'14"W. along the Easterly line of said Lot 4 a distance of 30 feet to a 5/8" rebar and marked aluminum cap on the Northerly Right-of-Way line of county road; thence continuing N.0°54'14"W. and along said Easterly line, 1293.43 feet to a 5/8" rebar and marked aluminum cap located at the Northeast corner of said Lot 4; thence S.88°59'39"W. along the

North line of said Lot 4, 492.77 feet to a 5/8" rebar and marked aluminum cap: thence S.0°48'52"E., 1107.30 feet to a 5/8" rebar and marked aluminum cap; thence N.89°21'50"E., 329.56 feet to a 5/8" rebar and marked aluminum cap; thence S.0°54'14"E. and parallel with said Easterly line of Lot 4, a distance of 183.81 feet to a 5/8" rebar and marked aluminum cap on said Northerly Right-of-Way line of county road; thence continuing S.0°54'14"E., 30 feet to a point on the South line of said Section 31; thence N.89°03'30"E. along said South line, 154.94 feet to the true point of beginning.

PARCEL 5: The E1/2SW1/4 of Section 31, Township 23 South, Range 55 West of the 6th P.m., EXCEPT a tract of land in the SE1/4SW1/4 of said Section 31, more particularly described as follows: Beginning at the Southwest corner of Section 31 (said point being monumented by a 1/2" rebar); thence Easterly along the South line of SW1/4, 1780.57 feet to the true point of beginning; thence Northerly through a direct angle right of 90°00', a distance of 30 feet to the Northerly Right-of Way of county road; thence continuing Northerly 212.0 feet; thence Easterly through a direct angle left of 90°, a distance of 205.5 feet; thence Southerly through a direct angle left of 90°, a distance of 212 feet to the Northerly Right-of-Way line of county road; thence continuing Southerly 30 feet to the South line of said SW1/4; thence Westerly along the South line of said SW1/4, 205.5 feet to the point of beginning.
EXCEPTING the South 30 feet of said tract for county road purposes. TOGETHER with a easement across the North 25 feet of the South 55 feet of the tract excepted out of this description for use and maintenance of irrigation ditches and pipeline.

PARCEL 6: The NW1/4SW1/4 or Lot 3 of Section 31, Township 23 South, Range 55 West of the 6th P.M.

Exhibit – B
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Special Warranty Deed

When recorded return to:
_____
_____
_____

Special Warranty Deed
(Water Rights)

This Special Warranty Deed, made this _____ day of _____, 202_, between _____, a _____, whose address is _____ ("Grantor"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Grantee").

WITNESSETH, that Grantor, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, Grantee's heirs and assigns forever all of the water rights described below (the "Water Rights"):

(a) The water rights represented by 265 shares of the capital stock of The Catlin Canal Company, a mutual ditch company organized and existing under the laws of Colorado, which share(s) are evidenced by Stock Certificate No. 3769 (the "Shares") and the water derived therefrom.

(b) All beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said Shares, and in addition, and in no way limited by the foregoing, any and all other right, title or interest in The Catlin Canal Company represented by said Shares.

(c) The following well permits: [_____] [*See Exhibit F*]

TOGETHER with all and singular hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the above bargained Water Rights, with the hereditaments and appurtenances.

The terms of that certain Deed of Conservation Easement (Hanagan Farm – Otero County) dated April 10, 2020 and recorded with the Otero County Clerk and Recorder's Office under Reception No. 657404 are hereby incorporated in this Deed

TO HAVE AND TO HOLD the said Water Rights above bargained and described with the appurtenances, unto Grantee and Grantee's heirs and assigns forever, and Grantor, for Grantor and Grantor's successors and assigns, does covenant and agree that Grantor shall WARRANT AND FOREVER DEFEND the above-bargained Water Rights in the quiet and peaceable possession of Grantee and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor.

IN WITNESS WHEREOF, Grantor has executed this Deed on the date set forth above.

By: _____
Eric M. Hanagan, an individual

By: _____
Charles E. Hanagan, an individual

STATE OF COLORADO)
) ss
COUNTY OF _____)

The foregoing Contract was acknowledged before me this ____ day of _____ 202__ by Eric M. Hanagan, an individual.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(SEAL)

STATE OF COLORADO)
) ss
COUNTY OF _____)

The foregoing Contract was acknowledged before me this ____ day of _____ 202__ by Charles E. Hanagan.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(SEAL)

FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – C
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Special Warranty Deed – Real Estate

[see following page]

SPECIAL WARRANTY DEED

THIS DEED, dated this _____ day of _____, 202_, between, _____**,** a _____, whose address is _____, _____, County of _____ and State of Colorado, hereinafter referred to as "Grantor", and the **City of Aurora, Colorado**, a home rule municipal corporation of the Counties of Adams, Arapahoe and Douglas, acting by and through its Utility Enterprise, hereinafter referred to as "Grantee", whose legal address is 15151 E. Alameda Parkway, Aurora, Colorado 80012-1555.

WITNESS, that the Grantor(s), for and in consideration of the sum of One and no/100------- Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto the Grantee, Grantee's heirs, successors, and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Otero and State of Colorado, described as follows:

See Exhibit A wherein the description is more fully set forth. Said Exhibit A is attached hereto and incorporated herein by reference.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever of Grantor, either in law or equity, of, in, and to the above bargained Premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Premises above bargained and described, with the appurtenances, unto the Grantee, Grantee's heirs, successors, and assigns forever. The Grantor, for Grantor and Grantor's heirs, successors, and assigns, do covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained Premises in the quiet and peaceable possession of Grantee, Grantee's heirs, successors, and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by through or under the Grantor, subject only to those matters shown on Exhibit B attached hereto and incorporated herein.

The terms of that certain Deed of Conservation Easement (Hanagan Farm – Otero County) dated April 10, 2020 and recorded with the Otero County Clerk and Recorder's Office under Reception No. 657404 are hereby incorporated in this Deed.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

[SIGNATURES APPEARING ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

_____
a _____ _____ _____

By:_____

Title:_____

State of _____)
) §
County of _____)

The foregoing instrument was acknowledged before me this _____day of

_____202___, by _____, _____, of the
, a _____.

Witness my hand and official seal.
My commission expires:

SEAL

_____
Notary Public

_____

SURVEYOR NAME, PLS #######, for and on behalf of NAME, ADDRESS, CITY, STATE, ZIP
Name and address of person creating newly created legal description (38-35-106.5, C.R.S.)

REVIEWED BY:

_____
Hector Reynoso
Real Property Services – Manager

APPROVED AS TO FORM:

_____
Stephen Cann
Senior Assistant City Attorney

REVIEWED BY:

_____
Dawn Jewell
South Platte Water Resources Manager

FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – D
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Bill of Sale

BILL OF SALE

Effective this _____ day of _____, 202_, _____, whose address is _____ ("Seller") for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, bargains, sells, grants, and transfers to the City of Aurora, Colorado, a home-rule municipal corporation, acting by and through its Utility Enterprise of the counties of Adams, Arapahoe and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Buyer"), all of its interest in the following personal property, goods, and chattels:

1. All of the equipment, machinery, supplies, materials, entitlements, approvals, licenses, plans, specifications, personal property, goods, fixtures, equipment, improvements, ditches, pipelines, wells, headgates, and measuring devices located on or related to the real property described on Exhibit A attached hereto (the "Real Property"), including but not limited to those described in Exhibit B attached hereto.

2. All books, records, files, water rights accounting, documents, reports, permits, designs, plans, specifications, blueprints, drawings, manuals, service instructions, diagrams, data, and operating procedures associated with the construction, installation, operation and maintenance of any such property.

TO HAVE AND TO HOLD the same unto the Buyer its successors and assigns forever. Seller covenants and agrees to and with Buyer, its successors and assigns, to warrant and defend the title to the personal property, goods and chattels conveyed herein against all and every person or persons whomever claiming under Seller.

EXCEPT AS PROVIDED FOR ABOVE, THE PERSONAL PROPERTY, GOODS AND CHATTELS ARE CONVEYED TO BUYER "AS IS, WHERE IS" WITH ALL FAULTS, WITHOUT ANY REPRESENTATION OR WARRANTY, WHATSOEVER.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed and subscribed to by its duly authorized representative.

SELLER

_____,
a/an _____

By: EXHIBIT – DO NOT EXECUTE _____
Name: _____

Title: _____
Date: _____

Exhibit A
Legal Description of the Real Property

Exhibit B
Non-Exhaustive List of Personal Property

[*insert Exhibit F to Contract.*]

Exhibit – E
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Agricultural Lease
AGRICULTURAL LEASE [No. [_]]

This Agricultural Lease [No. [_]] ("Lease") is entered into as of _____, 202_ (the "Effective Date") between the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 15151 East Alameda Parkway, Suite 3200, Aurora Colorado 80012 ("Lessor") and _____ whose principal place of business is located at _____ ("Lessee"). Lessor and Lessee may be collectively referred to as the "Parties" or individually as a "Party."[*NTD: confirm Lessee entity as provided for in the Contract*]

For good and valuable consideration, and in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1. LEASE GRANT AND PREMISES.

1.1. Lease. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, on the terms and conditions of this Lease including the Aurora IWSA as defined below, the following, which are hereinafter collectively referred to as the "Premises":

1.1.1. That certain real property currently consisting of (i) approximately 261.38 acres located in Otero County, Colorado, more specifically described in **Exhibit A-1** attached hereto; together with all appurtenances and related real property interests, including but not limited to easements, but excluding oil, gas, hydrocarbon and mineral rights (the "Farm"), and (ii) those certain improvements located on the Farm which are specifically described on **Exhibit A-2** attached hereto (collectively, the "Improvements").

1.1.2. Certain water rights represented by shares in the Catlin Canal Company, a mutual ditch company as described on **Exhibit B-1** attached hereto, including all beneficial right, title and interest in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said shares (the "Subject Catlin Water Rights") historically used on the Irrigated Acreage (as defined below);

1.1.3. The water rights described on **Exhibit B-2** attached hereto ("Groundwater Rights"), consisting of three irrigation wells, together with any existing well augmentation contracts with the Arkansas Groundwater and Reservoir Association ("AGRA") to further support the farming practices at the Farm.

1.1.4. The term “Irrigation Equipment” as used herein shall refer to that certain irrigation equipment owned by Lessor and installed or to be installed on the Premises, which Irrigation Equipment, as of the Effective Date, is described on **Exhibit C** attached hereto.

1.2. Term.

1.2.1. Initial Term. The term of this Lease (the "Term") shall commence on _____, 20__ (the "Commencement Date") and shall terminate at midnight on January 31, 20__ [insert date for a ten-year initial term] (the “Initial Term”), or as earlier terminated by the Parties, pursuant to the terms of this Lease (the "Termination Date").

1.2.2. Renewal Terms. Following expiration of the Initial Term, this Lease shall automatically renew for two (2) successive ten (10)-year terms (each successive term shall be referred to as a “Renewal Term”); provided, however, that either Party may terminate this Lease and prevent any successive Renewal Terms by delivering written notice of termination to the other no later than December 31 of the final year of the Initial Term or any year of a Renewal Term in which case this Lease shall terminate as of the end of the year in which such notice is delivered. Each Renewal Term shall be expressly subject to each of the terms and conditions set forth in this Lease.

1.3. Irrigated Acres: Irrigation Restrictions. The Farm includes approximately 244.9 historically irrigated acres (each, an “Irrigated Acre” and, collectively, the "Irrigated Acreage") depicted on **Exhibit D** and identified as *Irrigated Acres*. Lessee acknowledges and agrees that the Farm contains approximately 20.1 acres of land that historically have not been irrigated (the “Non-Irrigated Lands”), and that Lessee shall not cause or permit the irrigation of such land in the future (the “Non-Irrigated Acreage Restrictions”).

1.4. Permitted Use; Acceptance. This Lease is made for the exclusive purpose of Lessee's farming of the Irrigated Acreage using the Premises including grazing and other activities normally associated with irrigated agriculture and the use of the Residences (as defined in Section 9.1 below) for housing of some of Lessee’s employees, and for no other purposes. Any other uses must be pursuant to a separate agreement approved by Lessor in writing, in advance. This Lease is made subject to all governmental laws, ordinances, orders, regulations, codes, directives, variances, and all orders, permits, rules and regulations issued by or at the direction of any such governmental agency or authority or any board or instrumentality thereof, and all covenants, conditions, easements, and rights-of-way now or hereafter existing, whether or not of record including, without limitation, the Conservation Easement as defined in Section 11.22 below. Lessee has inspected and hereby accepts the condition of the Premises and has made its own determination regarding the suitability of the Premises for Lessee's anticipated Farming Plan (as defined in Section 3.2 below) and use. Lessee is leasing the Premises "AS IS" and "WHERE IS" with all defects and defaults, latent or otherwise. Lessee accepts the Premises in its present condition and is not relying upon any

representation or warranty by Lessor or any person acting on behalf of Lessor as to the condition or suitability of the Premises or Lessee's use thereof.

1.5. Surrender. At the end of the Term or the sooner termination of this Lease, Lessee agrees to quietly and peacefully surrender possession of the Farm in as good or better condition as at the inception of this Lease, along with possession of the Irrigation Equipment and any other Improvements on the Farm, all in good condition and working order, only reasonable wear and tear excepted.

2. RENT.

2.1. Rent. In each calendar year of the Term (each a "Lease Year"), Lessee will pay to Lessor rent in the amount of $170.00 per Irrigated Acre of the Premises on an annual basis (the "Base Rent"); provided, however, Lessee shall have no obligation to pay Base Rent on any Irrigated Acreage that is dried up pursuant to the Aurora IWSA during any IWSA Year. Accordingly, the Base Rent shall be $41,633 (which represents $170 multiplied by the entire 244.9 Irrigated Acres) subject to reduction during any IWSA year pursuant to the preceding sentence. During the Term, Lessee shall be entitled to retain all payments from U.S. Department of Agriculture ("USDA"), Farm Service Agency ("FSA"), or other government programs in which acreage constituting part of the Premises are enrolled, however, Lessee shall not enroll any acreage in such government programs if doing so may limit Lessor's ability to use water pursuant to the Aurora IWSA, or if doing so would result in restrictions on the Premises that would extend beyond the end of the Term, and Lessee shall bear responsibility for compliance with all provision and requirements of all programs in which such lands are enrolled. If, over any five-year period ditch company assessments for the shares representing the Subject Catlin Water Rights have increased by five percent or more, Lessor may raise the Base Rent by an amount sufficient to offset such increase in assessments.

2.2. Rent Payments. Base Rent payments for each Lease Year shall be due in installments as follows: (a) 20% of the Base Rent shall be due April 1, (b) 40% of the Base Rent shall be due July 1, and (c) the remaining 40% of the Base Rent shall be due November 1. Payment shall be made to City of Aurora Utilities Enterprise, Manager of Real Property, 15151 E. Alameda Pkwy., Ste. 3200, Aurora, CO 80012 (referencing Agricultural Lease [No. [ ]]) or such other address as provided to Lessee pursuant to Section 11.11 below. Lessee shall also pay, as "Additional Rent" any and all sums of money or charges required to be paid by Lessee to Lessor under this Lease. Base Rent and Additional Rent are sometimes referred to herein collectively as "Rent." In addition to Base Rent and Additional Rent payable to Lessor, Lessee shall pay, at its sole cost, any and all sums of money or charges required to be paid by Lessee to third parties for Lessee's operations at the Premises pursuant to this Lease, including, without limitation, utilities (gas, domestic water, sewer, internet and television access, and electricity (residential and outbuildings)), all well pumping costs, maintenance and repair costs as

provided in Section 3.7, Section 4.3 and elsewhere in this Lease. Lessee's lease of any ditch company shares or well augmentation water in addition to that described in **Exhibit B** must be consistent with the terms of this Lease. Insurance as required by Section 7.1 below, and taxes related to Lessee's operations other than real property taxes, shall be paid by Lessee. Annual assessments on all the ditch company shares identified on **Exhibit B-1** and any AGRA fees for augmentation contracts identified on **Exhibit B-2** shall be at Lessor's cost pursuant to Section 4.3 below.

3. AGRICULTURAL OPERATIONS ON PREMISES; EXPENSES.

3.1. General. Lessee shall use the Premises for planting, growing and harvesting of alfalfa and/or other crops permitted to be grown under the laws of the State of Colorado, in each case, as approved in accordance with Section 3.2 below, and for uses normally incident to such purpose, and for no other purposes whatsoever.

3.2. Farming Plan. Commencing with the first full Lease Year after the Effective Date, Lessee and Lessor shall agree upon the crops to be planted during the applicable Lease Year. On or before November 1st of each Lease Year Lessee shall provide a farming plan describing Lessee's proposed cropping plans and maps showing planting and acreage designations for water use monitoring for the coming irrigation season and reflecting Lessor's preliminary Applicable IWSA Year Fallowing Terms provided pursuant to Section 3.4.1.1 below, and for longer term commitment consideration purposes (a "Farming Plan"). Lessor and Lessee shall cooperate to finalize Lessee's proposed Farming Plan and Lessor shall approve Lessee's draft Farming Plan or provide any comments on the same within twenty (20) days of Lessor's receipt. Lessor's approval of a Farming Plan shall not be unreasonably withheld; provided, that Lessee agrees that it shall be reasonable for Lessor to withhold approval of any Farming Plan that (a) is inconsistent with Lessor's preliminary Applicable IWSA Year Fallowing Terms or (b) that would limit Aurora's ability to use Subject Catlin Water Rights pursuant to the Aurora IWSA or (c) that would negatively affect the amount of historical consumptive use water available to Lessor from the Subject Catlin Water Rights under the Aurora IWSA. Following approval of the applicable Farming Plan, Lessee may proceed to plant crops on the Premises in accordance with such Farming Plan and Lessee shall furnish to Lessor copies of all forms submitted to the FSA or other U.S. Department of Agriculture agencies or offices pertaining to acreage, soils, crop usage and yields contemporaneously with such documents being filed with the FSA, or other agency, at no cost or expense to Lessor. Lessee shall keep, and provide to Lessor upon request, records of (i) all herbicides, insecticides, fungicides and fertilizers applied to the Premises, and (ii) the crop acreage and yield produced from the Premises.

3.3. Farming Standards. Lessee shall use commercially reasonable efforts to maintain the long-term productivity of the Farm. Lessee's operations shall be conducted in accordance with the best practices recognized by the agricultural industry in the geographical vicinity of the Premises, and in compliance with applicable laws, regulations, and the Non-Irrigated Acreage Restrictions. Lessee shall not commit or

permit the commission by others of any waste on the Premises and shall not commit or permit any nuisance. Lessee agrees to repair any damage to the Premises caused by Lessee's activities, reasonable wear and tear excepted. Lessee shall not permit any hunting or other recreational activities on the Farm without the prior written consent of Lessor at Lessor's sole discretion.

3.4. IWSA Terms. Lessee's use of the Premises is further subject to the following terms and conditions.

3.4.1. Interruptible Lease – Aurora IWSA. The Parties expressly contemplate, and Lessee acknowledges, that the Subject Catlin Water Rights will be the subject of an Interruptible Water Supply Agreement ("Aurora IWSA") and may be used by Lessor for non-agricultural uses (a) in up to three years out of any ten years or (b) for a portion of the Subject Catlin Water Rights attributable to Irrigated Acreage consisting of no more than 30% of the Irrigated Acreage on average over any 10 consecutive years of the term of this Lease, as may be extended (which may include the initial calendar year term of this Lease) and no more than 35% in any given year (such terms the "IWSA Fallowing Parameters" and, for the applicable IWSA Year, the "Applicable IWSA Year Fallowing Terms"). Lessee and Lessor each acknowledge their intent to do so in compliance with the provisions of C.R.S. § 37-92-309 and rules promulgated thereunder as such statute and rules may be amended over time. Alternatively, Lessor may submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Catlin Water Rights for alternative uses provided that any such change in use shall not expand the scope of Lessor's IWSA Fallowing Parameters during the term of this Lease, as may be extended. Lessee's responsibilities in connection with the Aurora IWSA are described in this Lease. Lessor will be responsible for all costs and actions that may be necessary to obtain approval of, and to operate the Aurora IWSA except those assumed by Lessee pursuant to this Lease. Lessee agrees to support and participate in the Aurora IWSA approval process or Aurora's change case subject to this Section provided that no material out-of-pocket expense shall be required of Lessee.

3.4.1.1. Each year in which water from the Subject Catlin Water Rights will be used for purposes of the Aurora IWSA selected by Lessor shall be referred to herein as an "IWSA Year". By August 15 of any year, Lessor shall provide to Lessee a preliminary non-binding indication of whether the following year will be an IWSA Year as a courtesy to Lessee and identifying Lessor's anticipated Applicable IWSA Year Fallowing Terms; provided, however, that Lessor's failure to deliver such notice does not preclude Lessor from electing the following year as an IWSA Year pursuant to the following sentence. On or before November 30 of any year, Lessor shall provide to Lessee a written notice of Lessor's designation of the following year as an

IWSA Year and finalizing the applicable Applicable IWSA Year Fallowing Terms.

3.4.1.2. Lessor shall not be required to compensate Lessee for the unavailability of water derived from the Subject Catlin Water Rights during IWSA Years, or costs or damages incurred by Lessee as a result thereof, except for the following reimbursements and payments which Lessee hereby agrees are full and sufficient consideration with respect to the fallowing of acreage containing alfalfa crops: (a) reimbursement to Lessee for the full costs and expenses reasonably and actually incurred by Lessee in killing the affected alfalfa and fallowing the acreage in which such alfalfa was planted subject to Lessee's submittal to Lessor of written documentation of such expenses, and (b) an alfalfa re-establishment payment in the amount of $350.00 per acre for all actually fallowed acres of alfalfa fields which amount shall be prorated during any 4-year alfalfa growing period as follows: (i) if the IWSA Year commences during the period which is one to twelve (12) months following the date the alfalfa fields were planted, 100% of such $350/acre amount shall be due and payable to Lessee, (ii) if the IWSA Year commences during the period commencing on the first day of the thirteenth (13th) month and expiring on the last day of the twenty-fourth (24th) month following the date the alfalfa fields were planted, 75% of such $350/acre amount shall be due and payable to Lessee, (iii) if the IWSA Year commences during the period commencing on the first day of the twenty-fifth (25th) month and expiring on the last day of the thirty-sixth (36th) month following the date the alfalfa fields were planted, 50% of such $350/acre amount shall be due and payable to Lessee, and (iv) if the IWSA Year commences during the period commencing on the first day of the thirty-seventh (37th) month and expiring on the last day of the forty-eighth (48th) month following the date the alfalfa fields were planted, 25% of such $350/acre amount shall be due and payable to Lessee. The foregoing consideration shall apply only to acres planted with alfalfa and no other crop. The foregoing payments shall apply only upon the first year of fallowing and no consideration shall be owed for subsequent consecutive years of fallowing. The Parties acknowledge that for any given IWSA Year, the alfalfa planted in fallowed acres may have been planted in different years, in which case, the applicable alfalfa re-establishment payment amount shall be prorated at different rates reflecting actual years that the respective crops were planted.

3.4.2. Land Management Responsibilities.

3.4.2.1. During non-IWSA Years, Lessee shall, at Lessee's sole cost and expense, keep the Premises reasonably free from, and shall work diligently toward exterminating, all weeds on the Premises. Lessee shall make application of and pay all costs for purchase and application of the herbicides used

in the control of annual weeds as well as noxious weeds included on the noxious weed list for Otero County, Colorado and such other authorities having jurisdiction over the same. Lessee shall pay all costs for the herbicide used to control annual weeds and pay all application costs.

3.4.2.2. During IWSA Years, Lessee shall have the same obligations to control weeds as provided above, however, Lessor will reimburse Lessee's reasonable, actual expenses for purchase and application of herbicides subject to Lessee's submittal to Lessor of written documentation of such expenses. During IWSA Years, Lessee shall fallow the Premises in the manner required pursuant to the Aurora IWSA and in compliance with all applicable rules and regulations related to the Farm as imposed by Otero County, Colorado and such other authorities having jurisdiction over the same. In addition to the reimbursements provided for above, Lessor shall pay Lessee a fee during IWSA Years in the amount of $[_____][NTD: to be determined pursuant to Section 3.5 of the Contract] for each acre of Irrigated Acreage that Lessee fallows as required pursuant to the Aurora IWSA.

3.5. Access. Lessee hereby acknowledges and agrees that Lessor and Lessor's employees, agents, affiliates, related parties, or any other individuals or entities under permission from Lessor shall have the right to conduct activities on the Farm so long as such activities do not unreasonably and adversely interfere with the farming activities of Lessee.

3.6. Lessee's Farming Machinery. Lessee may place on the Premises and use its own farming machinery (e.g. tractors and related implements, harvesting and baling equipment, vehicles, trailers, etc.) during the Term but shall remove all of such machinery prior to the expiration of the Term. Lessee shall be responsible for operating and maintaining its farming machinery at its sole cost and expense, and shall be responsible for the operation thereof, in compliance with the Environmental Addendum attached hereto as **Exhibit E**, and all Federal, state, local zoning, environmental, labor and all other applicable laws.

3.7. Expenses.

3.7.1. Lessor Expenses. During the Term, if maintenance of, repairs to and/or replacement of the below ground portions of the Irrigation Equipment on the Premises are needed that are caused by a failure or defect of such portions of the Irrigation Equipment, and that are not caused or contributed to by the negligence or willful misconduct of Lessee, then the obligation of Lessee is limited to giving Lessor written notice of such failure or defect within five (5) days of Lessee's discovery thereof, providing Lessor with a proposal for the completion of such maintenance, repairs and/or replacement at a reasonable cost. All expenses to be paid by, or reimbursed to Lessee by Lessor must be

approved in advance in accordance with the sub-parts of this Section 3.7.1. Lessor shall reimburse Lessee for maintenance, repairs and replacement of any portions of the Equipment located below ground in accordance with such approvals. Lessor is a governmental entity and, accordingly, is not required to pay taxes with respect to the Premises. If and to the extent that Lessee's use of the Premises pursuant to this Lease or Lessee's leasehold interest hereunder results in the imposition of taxes with respect to any part of the Premises then Lessee shall be responsible for direct payment of such taxes directly to the applicable taxing authority. Lessor shall also pay for maintenance and repair of Improvements as required to be paid by Lessor pursuant to Section 3.8 below3.8 and such other expenses as provided for and in accordance with the sub-parts of this Section 3.7.1 and Section 3.7.3.

3.7.1.1. Pre-Planned Expenses.

3.7.1.1.1. For any expense less than One Thousand Dollars ($1,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.2. For any expense in excess of One Thousand Dollars ($1,000) but less than Fifty Thousand Dollars ($50,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain at least two bids from qualified vendors within reasonable proximity to the Premises for the parts and labor required (unless there is only one qualified vendor within reasonable proximity to the Premises, in which event a single bid will be acceptable), Lessee shall seek written approval from Lessor allowing ten days for Lessor's approval, and shall obtain such written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.3. For any expense of Fifty Thousand Dollars ($50,000) or more for which Lessee will seek reimbursement from Lessor, Lessee shall notify Lessor of the need for the expense, and if Lessor agrees that the expense is necessary (which consent shall not be unreasonably withheld, conditioned or delayed), Lessor will either: (a) obtain bids in accordance with Lessor's procurement policies as quickly as practicable, will select and hire the contractor(s), and will pay the associated expense(s) directly; or (b) authorize Lessee to obtain bids and perform such work pursuant to the terms of Section 3.7.1.1.2 above.

3.7.1.2. Unplanned Expenses

3.7.1.2.1. In the event an unanticipated expense for the repair, and/or replacement of any Irrigation Equipment is required due to acts of

God or similar circumstances, which Lessee and Lessor jointly agree in their reasonable judgment creates an emergency requiring immediate action in order to either (a) avoid, minimize or mitigate damage to the Premises (including the Improvements or any undamaged portion of the Irrigation Equipment), any real property or improvements adjacent to the Premises, or any crops growing at the Premises, or (b) to keep the Irrigation Equipment functioning for the purposes of Lessee's crop-growing activities on the Premises, then Lessor and Lessee shall agree as quickly as reasonably practicable in writing (the Parties will make best efforts to do so within 48 hours) regarding the materials, parts and labor required and the cost of same, after which Lessee may proceed to incur such expenses, obtain such repairs and/or replacements, and Lessor shall reimburse Lessee for such expenses.

3.7.2. Lessee Expenses. Lessee shall pay for the following costs and expenses: (i) all costs of fieldwork, including without limitation, land preparation, irrigation, tilling, planting, chemical application and harvest of crops, and all associated labor expenses; (ii) maintenance and repair of Improvements as required to be paid by Lessee by Section 3.8 below and ordinary maintenance, repairs and replacement of the portions of the Irrigation Equipment located above ground (provided, however, that Lessor will be responsible for one-half of the cost of major repairs or replacement of Irrigation Equipment exceeding $2,000 in any instance unless caused by Lessee's negligence); (iii) standard farming maintenance or standard cultural practices, including ditch cleaning and field leveling; (iv) all taxes, licenses, fees and public charges levied, assessed or imposed during the Term upon Lessee's personal property; (v) all other costs and expenses of producing the crops which are not identified as Lessor Expenses or Shared Expenses herein; (vi) fertilizer and similar soil preparations, (vii) purchasing seeds, (viii) herbicides, insecticides, fungicides and similar chemical applications, (ix) electricity, (x) freight to deliver the crop yield to the purchaser, and (xi) miscellaneous other expenses of producing the crops from the Farm not included above in connection with the machinery, equipment, inputs, and labor required to plant, raise, harvest, sell and deliver crops, including maintenance, repairs, and replacement of any of the foregoing. Lessee will seek approval of the expenses described above to be borne by Lessor in accordance with Section 3.8 below and after obtaining such approval, Lessee may hire a contractor to complete the same, provided that: (i) such repairs, maintenance and/or replacements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (ii) Lessee shall require appropriate and reasonable insurance coverage and lien protections requested by Lessor; and (iii) Lessor may impose reasonable conditions to approving such work.

3.7.3. Shared Expenses. The Parties will share, on a 50/50 basis, cost on major repairs and replacement of Irrigation Equipment as provided for in Section 3.7.2

above. In the event this Lease is terminated by Lessor for reasons other than a material breach of its terms by Lessee, Lessor will reimburse Lessee one tenth of their portion of the costs of major repairs or replacement of Irrigation Equipment exceeding $2,000 in any instance unless caused by Lessee's negligence each year for the remaining portion of the first ten years after the installation or major repair takes place.

3.8. Repair, Maintenance and Replacement of Improvements. Except for the Residences (as provided for in Section 9.1 below), Lessor shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to normal wear and tear or acts of God. Lessee shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to Lessee's negligence or for Lessee's failure to maintain the Improvements in accordance with this Lease. Lessee shall notify Lessor of the need for repair, maintenance and/or replacement of any such Improvements, regardless of the responsibility of Lessee or Lessor for the cost thereof, and shall obtain Lessor's approval for such repairs, maintenance or replacements of the Improvements in accordance with Section 3.7.1.1 and/or Section 3.7.1.2 above.

3.9. Alterations. Lessee shall have the right, at its sole cost and expense, to make alterations and improvements to the Improvements, provided that apart from repairs, maintenance and replacements of the Improvements: (i) such alterations and/or improvements are approved by Lessor in writing and in advance of any contractual commitments being made by Lessee, which approval shall not be unreasonably withheld, conditioned or delayed; (ii) such alterations and/or improvements are made in a workmanlike manner and in compliance with all applicable laws and regulations and the Conservation Easement; (iii) Lessee shall furnish appropriate insurance coverage and lien protections requested by Lessor; and (iv) Lessor may impose reasonable conditions to approving such work. All approved and completed alterations and improvements shall become part of the Premises and title shall vest in Lessor; provided that Lessor, at its sole discretion, may require that certain improvements be removed at the end of the Term, at Lessee's cost. Lessee shall keep the Premises free and clear of any and all liens, claims and demands for work performed, materials furnished, and operations on the Premises.

3.10. Flooding Risk. Lessee acknowledges that the Premises may be subject to natural flooding. Lessor shall not be liable in any manner for any damage to Lessee's crops due to flooding.

3.11. Crop Insurance. Lessee is responsible, at its expense, for obtaining appropriate levels of crop insurance to cover crop failures and/or prevented planting situations. Lessor shall have no obligation to maintain crop insurance and any and all loss of crops shall be at the sole risk of Lessee. Further, Lessor, by granting this Lease to Lessee, makes no representation or warranty of any kind as to the quality or suitability of the soil of the Farm for growing any crops Lessee may be authorized to grow on the Farm

under this Lease. Lessee represents and warrants to Lessor that Lessee has made an independent inspection of the Premises and is not relying upon any representation or warranty whatsoever from Lessor as to soil condition.

3.12. Soil Conservation. In order to conserve the soil, Lessee shall carry out soil conservation best management practices and measures recognized by the U.S. Department of Agriculture, Natural Resources Conservation Service (or its successor entity) and followed on similar farmland located in Otero County, Colorado.

3.13. Disallowed Uses. Uses of the Premises that are expressly disallowed are growing of marijuana, whether for commercial or non-commercial purposes, and use of the Premises and/or Improvements for political activism.

4. USE OF WATER RIGHTS

4.1. Use of Water Rights. Lessee shall not use any water other than that derived from the Subject Catlin Water Rights and the Groundwater Rights for the irrigation of the Irrigated Acreage without prior notice to and written approval from Lessor. In an IWSA year: (a) Lessee shall not irrigate with any of the Subject Catlin Water Rights; and (b) Lessee shall not irrigate with the Groundwater Rights except to the extent it is determined that such irrigation will not negatively affect the amount of historical consumptive use water available to Aurora under the Aurora IWSA.

4.2. Requirement to Maintain Structures. Lessee shall be responsible for the maintenance (but not replacement, which shall be Lessor's responsibility if required at any time during the Term unless replacement is required due to the negligence of Lessee) of any headgates and measuring devices necessary to divert the Subject Catlin Water Rights onto the Irrigated Acreage.

4.3. Water Rights Costs and Expenses. Lessor shall pay for annual assessments with respect to the Subject Catlin Water Rights each year. Lessor shall pay for AGRA membership and well augmentation fees pursuant to the contracts identified on **Exhibit B-2** each year, but only within the volumetric pumping limits provided therein. Lessee shall pay any fees or penalties incurred as a result of Lessee pumping in excess of the volumetric pumping limits set forth in the well augmentation contracts, and for additional augmentation water or supplemental leased water, if any, obtained by Lessee in any year.

4.4. Pledge or Encumbrance. Lessee shall not pledge or otherwise encumber this Lease for any purpose including, without limitation, securing debt, augmenting past, present or future well depletions, or repaying obligations to any third party.

4.5. Quantity of Water. Lessee agrees to take and put to beneficial use as much of the Subject Catlin Water Rights as possible, consistent with reasonably efficient irrigation

practices, and to preferentially use the Subject Catlin Water Rights over any leased water to the greatest extent practical. Lessee acknowledges the risk that due to annual variations in hydrology and longer-term climatic changes, the Subject Catlin Water Rights may not be physically available to the same extent as they were historically. Lessor assumes no responsibility to Lessee for any water shortage from the Subject Catlin Water Rights.

4.6. Water Quality. Lessor makes no representations regarding the quality of the Subject Catlin Water Rights or the Groundwater Rights or their fitness for irrigation use.

4.7. Water Accounting Responsibilities. Lessee shall maintain records of its use of the Subject Catlin Water Rights and Groundwater Rights and report such irrigation usage to Lessor no later than November 15th of each year during the Term in such form as Lessor may reasonably require, the acres irrigated, the crops grown, as well as any other matters as reasonably requested by Lessor in connection with the use of the Subject Catlin Water Rights and Groundwater Rights or supplementation of the same. If the installation of measuring devices is hereafter requested by the division or state engineer or required by any subsequent Water Court decree, such measuring devices shall be installed at Lessor's expense and upon the installation of such devices, Lessee shall further report to Lessor the amount of water diverted and used for irrigation on the Irrigated Acreage.

5. COMPLIANCE.

5.1. Governmental Regulations. Lessee shall, at its expense: (i) comply with all applicable laws and regulations concerning Lessee's use of the Premises; (ii) operate and farm the Premises in compliance with any and all safety regulations applicable to farming operations; (iii) comply with any land use, conservation requirements, and wetland protection requirements; (iv) apply any and all pesticides, fertilizers, and other materials in accordance with rules and regulations therefor; and (v) comply with applicable laws and regulations regarding the drainage and discharge of water from the Premises and with the Non-Irrigated Acreage Restrictions. All references to laws, regulations, or programs refer to those now in place or hereafter imposed during the Term.

5.2. Environmental Compliance. Lessee shall comply with the Environmental Addendum to this Lease attached as **Exhibit E**.

5.3. Water Rights. Lessee shall, at its expense, comply with all rules, regulations and requirements of the Catlin Canal Company with respect to the Subject Catlin Water Rights and Lessor's membership in AGRA.

6. RIGHTS RETAINED BY LESSOR; CONSULTATION. Lessor expressly reserves and excepts the following: (i) all oil, gas, hydrocarbon and mineral rights; (ii) ownership of all water and surface water rights pertaining to the Premises; (iii) the right to travel over the

Premises for the purposes of inspection of the Premises and access to Lessor's adjacent properties; and (iv) all available hunting rights. Lessor and its agents shall have the right to enter the Premises at all reasonable times for the purpose of inspecting the Premises, posting notices of non-responsibility, ascertaining that the promises and covenants of Lessee herein contained are being kept, observed and performed, and to place thereon at any time during the Term "For Sale" and/or "For Rent" signs. Lessor reserves for itself and Lessor's mineral lessees, agents or licensees, a right of entry and right-of-way for ingress and egress in and to, over and on, the Farm during the Term for the exploration, drilling, and mining of minerals, oil, gas and other hydrocarbons on or under the Farm. Lessor and Lessor's employees and/or agents, may enter the Premises without notice to Lessee for the purpose of making any alterations, repairs or improvements to the Premises, which Lessor deems convenient or required for the maintenance or preservation thereof.

7. INSURANCE; INDEMNIFICATION

7.1. Insurance.

7.1.1. From the Effective Date through and including the Termination Date, Lessee shall maintain in force, at its expense, and naming Lessor as additional insured: (i) commercial general liability insurance, including property damage, against liability for bodily injury, personal injury, death and damage to property occurring on the Premises with combined single limit coverage of at least One Million Dollars ($1,000,000) per occurrence and a general aggregate combined single limit of bodily injury and property damage liability of at least One Million Dollars ($1,000,000), and excess umbrella liability insurance in the amount of One Million Dollars ($1,000,000); (ii) workers' compensation insurance upon all persons employed by Lessee upon the Premises, and Lessee shall further cause all agents and contractors employed or invited by Lessee onto the Premises to carry workers' compensation insurance upon all persons employed by said agent or contractor upon the Premises; and (iii) business automotive liability insurance covering liability arising out of any vehicle owned or leased by Lessee and any non-owned vehicle hired by Lessee with combined single limit coverage of at least One Million Dollars ($1,000,000) combined bodily injury and property damage, each accident; and (iv) insurance against casualty loss of the Irrigation Equipment in the combined amount of Twenty Thousand Dollars ($20,000). Renter’s insurance for loss of Lessee’s personal property while on the Premises, as well as for loss of crops (whether in the field or while stored in the Improvements) shall be at Lessee’s expense. Each policy of insurance shall be issued by an insurance company reasonably acceptable to Lessor and authorized to do business in Colorado. Lessee's insurance policies shall provide that a ten (10) day notice of cancellation or modification of coverage shall be given to Lessor. Prior to the Commencement Date and upon the request of Lessor, Lessee shall deliver a certificate for each insurance policy to Lessor.

7.2. Indemnification of Lessor. Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, costs, damages, expense, and liability (including attorney's fees and costs incurred), arising directly or indirectly from any breach of this Lease by Lessee, from any acts or omissions of Lessee, its employees or agents, on or about the Premises, from any injury to the person or damage to any property occurring as a result of the acts of Lessee in regard to such property, and/or as provided in Section 9.3. For purposes of the indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee. The Environmental Addendum attached hereto as **Exhibit E** contains further provisions pertaining to indemnification.

8. DEFAULT.

8.1. Default. The occurrence of any of the following events shall be deemed a default under this Lease: (a) Lessee fails to pay any Rent(s) or other sum due hereunder when due; (b) Lessee files a petition for bankruptcy or is adjudicated bankrupt or insolvent, or files any petition for any reorganization, arrangement, composition or adjustment with creditors, and the same is not dismissed within thirty (30) days; (c) Lessee abandons the Premises for a period of thirty (30) days; or (d) either Party fails to perform or observe any covenant or representation required to be performed by it under this Lease, which failure is not cured within thirty (30) days following written notice from the other Party (provided that if the Party providing notice of default reasonably concludes that such default constitutes an emergency condition, then such Party may immediately correct such default).

8.2. Remedies.

8.2.1. In the event of any default by Lessor hereunder, Lessee may, following not less than thirty (30) days' written notice and right to cure, have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default.

8.2.2. In the event of any default by Lessee hereunder, Lessor may: (i) cancel and terminate this Lease as well as all right, title and interest of Lessee hereunder; (ii) re-enter the Premises without terminating this Lease to comply with any condition or agreement required to be performed, and thereupon have the right to claim and collect all expenses incurred thereby as Additional Rent due immediately hereunder; (iii) recover unpaid Rent resulting from such breach or default, and recover all costs and expenses incurred in any way or as a result of such default; and/or (iv) have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default. All of the rights and remedies in this section are cumulative and not in the alternative.

8.3. Late Payment. A two percent (2%) late fee shall be assessed for any payment made more than twenty (20) days past the due date. In addition, any past due amounts shall accrue interest monthly at one percent (1%) per month.

8.4. Security for Payment of Rent(s). Lessee grants Lessor a security interest in all crops planted or produced on the Farm as security for the payment of Rent hereunder and compliance by Lessee with the terms of this Lease. This paragraph shall be considered and deemed to constitute as between Lessor and Lessee a valid security agreement, which will allow the perfection of Lessor's security interest in Lessee's crops; provided, however, upon demand, Lessee agrees to execute and deliver to Lessor an additional security agreement or any other reasonable documentation in furtherance of such security interest. Lessee authorizes Lessor to file a financing statement evidencing the security interests granted hereunder in the records of Otero County and of the Colorado Secretary of State. Upon an uncured event of default, Lessee consents to the appointment of a receiver to enter onto the Premises and harvest the crops if necessary to protect Lessor's security interest therein.

9. REQUIREMENTS AND OBLIGATIONS SPECIFIC TO RESIDENCES

9.1. The Farm contains three residential structures (the "Residences") of which, two are habitable as of the Effective Date. Lessee desires to use some of the Residences as housing for some of its employees. The determination of which of Lessee's employees are provided such housing shall be in Lessee's discretion, and Lessee shall have sole responsibility therefor.

9.2. Lessee has inspected and accepts the Residences in their as-is condition. Lessor has made no representations or warranties as to the condition of the Residences and Lessee waives any such representation or warranty and any disclosure requirements with respect to the same. Lessee, at its sole cost, shall be obligated to bring and maintain any of the Residences that it uses as housing pursuant to this Section 9 in compliance with the standards and requirements for habitability established by C.R.S. § 38-12-505(1), and to ensure that such Residences are maintained in a habitable condition thereafter. Lessee will be responsible for the maintenance of the Residences including the costs of such maintenance; alterations to the Residences shall be governed by Section 3.9 above. Lessee shall require all residential occupants of the Residences to complete a "Housing Agreement and Permission to Occupy Premises" in the form attached hereto as **Exhibit F** ("Housing Agreement"). Lessee shall provide to any occupants all statutorily required disclosures for residential leases. Lessee shall maintain the completed Housing Agreements and required disclosures at its offices, where they shall be available for inspection by Lessor upon reasonable notice. Failure to have completed Housing Agreements for all occupants of the Residences shall constitute a breach of this Lease. Following execution of each Housing Agreement and at least once per calendar year

thereafter with respect to such Housing Agreement, Lessee shall complete and submit to Lessor the Housing Agreement Annual Inspection form attached hereto as Addendum 1.

9.3. As between Lessee and Lessor, Lessee shall be solely responsible for the safety and security of the occupants of the Residences with regard to their use thereof, and Lessee shall indemnify Lessor for all claims against Lessor by any such occupants related to the Residences and/or the occupants' use thereof.

10. RECORDING. This Lease, or a memorandum hereof, may be recorded by Lessor in the Otero County real property records.

11. MISCELLANEOUS

11.1. Counterparts. This Lease may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same agreement. The Parties intend that with respect to this Lease, electronic signatures (including signatures delivered by email or electronic record) shall constitute original signatures and are binding on all Parties.

11.2. Amendment. This Lease may be amended, modified, changed, or terminated in whole or in part only by written agreement duly authorized and executed by the Parties. The General Manager of Aurora Water shall have the authority to approve and execute amendments to this Lease.

11.3. Waiver. Waiver by either Party of any of the covenants or agreements in this Lease shall not be construed as constituting a waiver of the same or of any other covenant as to breach or default subsequently arising, or as the waiver of a subsequent breach of any of the covenants hereunder.

11.4. Assignment. Lessee shall not encumber or assign this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the Improvements or Irrigation Equipment without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. For purposes of this Lease, any of the following shall be deemed an assignment of Lessee's interest in this Lease : (a) if Lessee is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of 50% or more of the partners, members or managers thereof, or transfer of 50% or more of partnership or membership interests therein, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (b) if Lessee is a corporation whose stock is not publicly held and not traded through an exchange or over the counter or any other form of entity, the dissolution, merger, consolidation or other reorganization of Lessee, the

sale or other transfer of more than an aggregate of 50% of the voting shares or other interests of or in Lessee.

11.5. Sub-licensing. Lessee shall not sub-lease or sub-license all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises, without first obtaining Lessor's written consent, which consent may be withheld in Lessor's sole discretion; provided, however, Lessor hereby pre-approves the right of Lessee to sublicense that portion of the Improvements constituting grain bins to a third party for the purpose of using such Improvements for grain storage.

11.6. Successors and Assigns. This Lease and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns if any are allowed. The Parties intend that Lessor shall not incur any liability other than those liabilities directly running to Lessee or assigns permitted under this Lease, if any.

11.7. Waiver of Breach. Waiver of breach of any of the provisions of this Lease by either Party shall not constitute a continuing waiver of any subsequent breach by said Party of either the same or any other provision of this Lease.

11.8. [intentionally omitted].

11.9. Headings for Convenience. Headings and titles contained herein are intended for the convenience and reference of the Parties only and are not intended to confine, limit, or describe the scope of intent of any provision of this Lease.

11.10. Attorneys' Fees. In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of or related to this Lease each Party agrees to be responsible for its own attorneys' and other professional fees, costs and expenses associated with any such proceedings.

11.11. Notices. Any notice required by this Lease shall be sent in writing, postage prepaid by certified or registered mail, by nationally recognized overnight courier, or by hand delivery, addressed to the other Party as set forth below. Such notice shall be deemed given three (3) days after being mailed, one (1) day after sending by overnight courier, and upon hand delivery. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in this paragraph.

To Lessor: City of Aurora
26791 E Quincy Ave,
Aurora, CO 80016
Attn: Water Land Management Team
WSDLandManagement@auroragov.org

with copy to: City of Aurora

15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555
Attn: City Attorney

and copy to: City of Aurora
15151 East Alameda Parkway, Suite 3200 Aurora, CO 80012-1555
Attn: Manager of Real Property
publicworks@auroragov.org

To Lessee: ____
____
____
Attn: ____

with copy to [attorney]
____
____
Attn: ____

11.12. Communications by Email. For purposes of day-to-day communications regarding farming and water rights operations, but not formal notices contemplated by this Lease, a Party may communicate with the other Party via email to each of the persons identified below for the other Party at the email addresses listed below. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in Section 11.11.

To Lessor: Rick Kienitz rkienitz@auroragov.org
Ian Best ibest@auroragov.org
Jacob Bauer jdbauer@auroragov.org
leasing@auroragov.org
WSDLandManagement@auroragov.org

To Lessee: ____ __@___
____ __@___
____ __@___
____ __@___

11.13. No Construction Against Drafter. The Parties agree they jointly drafted this Lease with each having the opportunity to obtain the advice of legal counsel and equal opportunity to contribute to its content.

11.14. No Partnership Created. This Lease shall not be construed as creating a partnership, joint venture, or relationship of principal and agent between Lessor and Lessee; it being intended that this Lease shall be deemed to create no relationship other than Lessor and Lessee.

11.15. Entire Agreement. This Lease, the Exhibits and the Environmental Addendum contain the entire agreement of the Parties relating to the rights granted and obligations assumed. Any oral representations or modifications not contained herein shall be of no force or effect unless contained in writing, signed by both Parties.

11.16. Intent of Agreement. This Lease is intended to describe the rights and responsibilities of and between the Parties and is not intended to, and shall not be deemed to confer rights upon any persons or entities not named as Parties, nor to limit in any way the powers and responsibilities of Lessor, Lessee, or any other entity not a party hereto.

11.17. Estoppel Certificates. Lessee shall, upon ten (10) days' notice from Lessor, execute and deliver to Lessor, on a form prepared by Lessor, a written statement certifying that Lessee has accepted the Premises, that this Lease is unmodified and in full force and effect (or stating any modifications), that the Lessor is not in default hereunder, the date to which Rent and other charges have been paid, and such other accurate certifications as may be reasonably requested by Lessor. It is intended that any such statement delivered may be relied upon by any lender or purchaser of the Premises.

11.18. Further Assurances. Lessor and Lessee agree to cooperate fully and execute any and all supplementary agreements, documents and instruments, and take all additional actions, which may be necessary or appropriate to give them full force and effect to the basic terms and intent of this Lease.

11.19. Enforcement. The Parties agree that this Lease may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including damages, as may be available according to the laws of the State of Colorado. It is specifically understood that by executing this Lease each Party commits itself to perform pursuant to the terms hereof, and that any breach hereof resulting in any recoverable damages shall not thereby cause the termination of any obligations created by this Lease unless such termination is requested by the Party not in breach.

11.20. Governing Law and Venue. This Lease and its application shall be construed according to the laws of the State of Colorado. Venue for the trial of any action arising out of any dispute hereunder shall be in the Otero County District Court.

11.21. Sole Obligation of Aurora.

11.21.1. This Lease shall never constitute a general obligation or other indebtedness of the City of Aurora, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City of Aurora within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City of Aurora.

11.21.2. In the event of a default by Lessor of any of its obligations under this Lease, Lessee shall have no recourse for any amounts owed to it against any funds or revenues of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Lease shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

11.22. Conservation Easement. This Lease is subject to the terms and conditions of that certain Deed of Conservation Easement (Hanagan Farm – Otero County) dated April 10, 2020 and recorded with the Otero County Clerk and Recorder's Office under Reception No. 657404 (the "Conservation Easement") which are hereby incorporated in this Lease.

[*Signatures appear on the following page]*

IN WITNESS WHEREOF, the Parties hereto have executed this Lease on the date first written above.

LESSEE:
_____EXHIBIT – DO NOT EXECUTE_____

_____ Date: _____
[name / title]

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me _____, day of _____, 202__, by _____.

Witness my hand and official seal.

My commission expires:

_____
Notary Public

LESSOR:
City of Aurora, A Colorado home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, Acting by and through its Utility Enterprise

By: __EXHIBIT – DO NOT EXECUTE _____
Marshall P. Brown
General Manager, Aurora Water

Reviewed by:

By: _____
Alexandra L. Davis,
Asst. GM Water Supply & Demand

Reviewed by:

By: _____
Hector Reynoso,
Manager- Real Property Services

APPROVED AS TO FORM:

By: _____
Ian Best,
Assistant City Attorney
ACS#: _____

Reviewed by:

By: _____
Rick Kienitz,
Water Resources Manager

List of Exhibits:

Exhibit A-1 –	Legal Description of Premises
Exhibit A-2 –	List of Improvements on the Premises
Exhibit A-3 –	Description and Depiction of Residences
Exhibit B-1 –	Surface Water Rights Historically Used on the Premises
Exhibit B-2 –	Groundwater Rights Historically Used on the Premises
Exhibit C –	Description of Irrigation Equipment
Exhibit D –	Depiction of Irrigated Acreage
Exhibit E –	Environmental Addendum
Exhibit F –	Form of Housing Agreement / Permission To Occupy
Addendum 1	Form of Housing Agreement Annual Inspection

Exhibit A-1
Legal Description of Premises

[insert Exhibit A from Contract]

Exhibit A-2
List of Improvements on the Premises

Improvements			
Type	**Location**	**Coordinates**	**Size**
Hay Barn	County Road BB	37°59'48.20"N, -103°36'55.21"W	100' x 50'
Hay Barn	25722 County Road 25 La Junta, CO 81050	38° 0'23.63"N, -103°37'6.59"W	125' x 60'
Machine Shop	25722 County Road 25 La Junta, CO 81050	38° 0'25.41"N, -103°37'7.04"W	125' x 50' & 25'x100' awning
4 Grain Bins	25722 County Road 25 La Junta, CO 81050	38° 0'25.65"N, -103°37'5.51"W	30,000 bushels
Home	25722 County Road 25	La Junta	81050
Home	26042 County Road 25	La Junta	81050
Home	25260 County Road 25	La Junta	81050

1 Domestic Well, All utilities and water taps associated with Houses and Farm

Exhibit B-1
Surface Water Rights Historically Used on the Premises

265 shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented by Share Certificate Number [____]

Exhibit B-2
Groundwater Rights Historically Used on the Premises

Well Permits

1705496A	Permit #1372-R	Active
1705382A	Permit N/A	Inactive
1705495A	Permit N/A	Inactive

Exhibit C
Description of Irrigation Equipment

Irrigation Equipment

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

Headgates 202 & 205

Lift Pumps

There are currently no Lift pumps on Palmer Land Trust Property

Wells

All Infrastructure associated with wells. Pumps, Utilities, drip systems, etc.
1705309A Inactive Permit #6899-R
1705491A Active Permit # 1374-R
1705492A Inactive Permit #1375-R

Exhibit D
Depiction of Irrigated Acreage

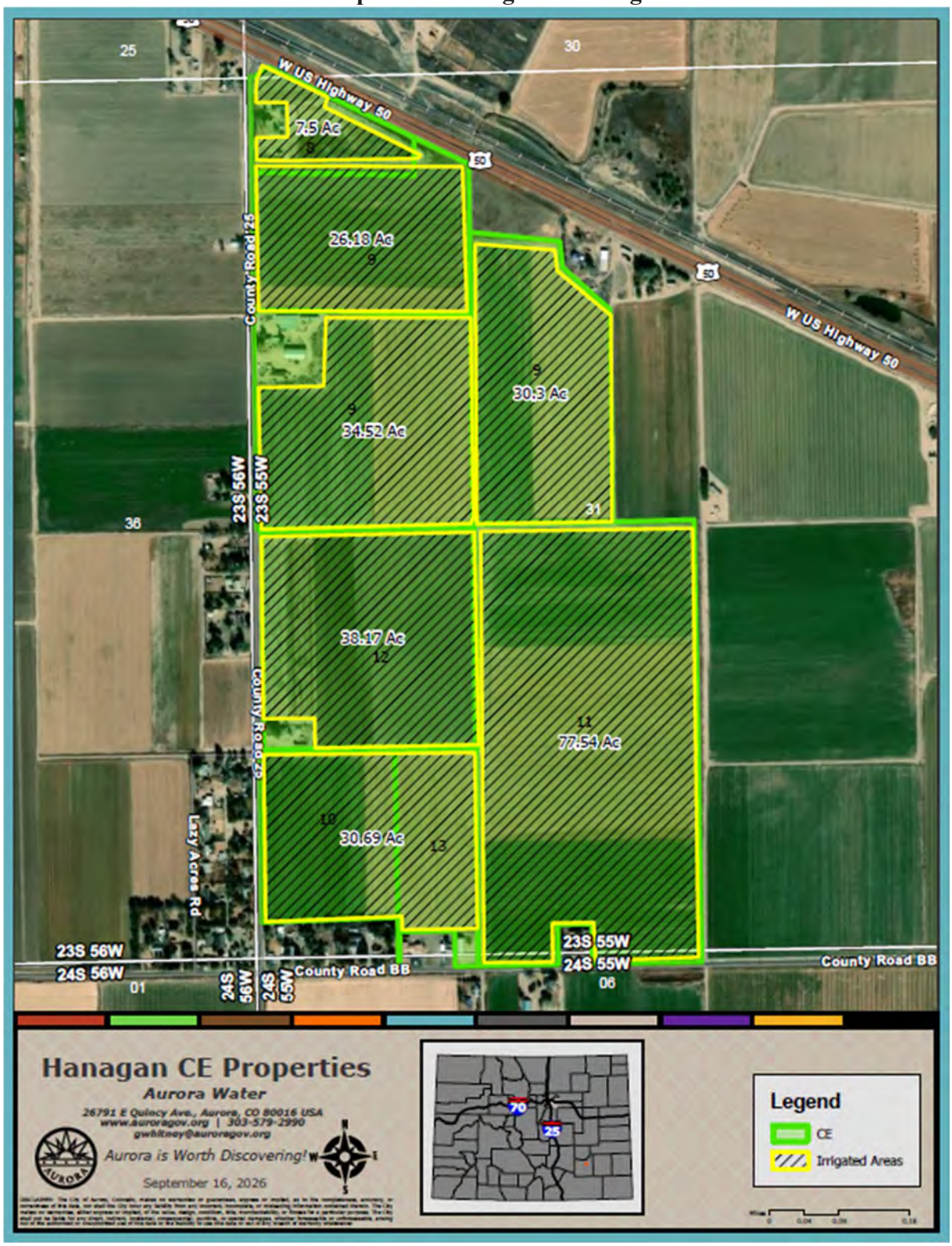


Exhibit E
ENVIRONMENTAL ADDENDUM

This Environmental Addendum is incorporated into and made a part of the Agricultural Lease to which it is attached

(a) Lessee shall use and handle pesticides, fertilizers, petroleum products and industrial / mechanical fluids in compliance with all applicable federal, state and local laws, regulations, orders and manufacturer guidelines. Lessee shall indemnify and hold Lessor harmless from any claim, expense, fine, diminution in value of the Premises, enforcement costs or any injury or damage to persons and/or property that result from Lessee's use of such materials on or about the Premises.

(b) For purposes of this Lease, the term "Hazardous Substances" shall include: (i) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C., § 1251 et seq.; all as amended, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (ii) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court, (iii) petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles, and (iv) asbestos.

(c) Lessee shall not cause or permit any Hazardous Substances to be brought upon or kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees, unless (a) such Hazardous Substances are necessary for Lessee's farming operations and (b) Lessee first obtains the written consent of Lessor, which consent may be withheld in Lessor's sole discretion.

(d) Lessee shall at all times and in all respects comply with all local, state and federal laws, ordinances, regulations and orders (collectively "Hazardous Substances Laws") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Substances.

(e) Lessee shall at its cost and expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the Premises, including, without limitation, discharge of (appropriately treated) materials or wastes into the systems serving the Premises. Except as discharged in strict accordance and conformity with all applicable Hazardous Substances Laws, Lessee shall cause any and all Hazardous Substances removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final

disposal of such materials and wastes. Lessee shall in all respects handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises in conformity with all applicable Hazardous Substances Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Lessee shall cause all Hazardous Substances to be removed from the Premises (except such Hazardous Substances, if any, as were located in the Premises prior to the commencement of Lessee's occupancy thereof) and to be transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Substances Laws; provided, however, that Lessee shall not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises, without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto.

(f) If at any time Lessee shall become aware or have reasonable cause to believe that any Hazardous Substance has come to be located on or beneath the Premises, Lessee shall, immediately upon discovering such presence or suspected presence of the Hazardous Substance, give written notice of that condition to Lessor. In addition, Lessee shall immediately notify Lessor in writing of (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Substances Laws, (b) any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances, and (c) any reports made to any local, state or federal environmental agency arising out of or in connection with any Hazardous Substances in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Lessee shall also supply to Lessor as promptly as possible and in any event within five (5) business days after Lessee first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Lessee's use thereof. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Premises.

(g) Lessee shall indemnify, protect and hold harmless Lessor and each of Lessor's partners, directors, officers, employees, agents, attorneys, successors and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses (including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises), costs or expenses (including attorney's fees, consultant fees and expert fees) for the death or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part by Lessee's violating its covenants as set forth herein that directly or indirectly results in (a) the presence in, on, under or about the Premises, or any discharge or release in or from the Premises, of any Hazardous Substances or Lessee's use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Substances to, in, on, under, about or from the Premises, or (b) Lessee's violation of any Hazardous Substances Laws. Lessee's obligations under this paragraph shall include, without limitation and whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of site

conditions and any and all costs of any required or necessary repair, cleanup, detoxification or decontamination of the Premises (including, without limitation, the soil and groundwater on or under the Premises) and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. Lessee's obligations under this paragraph shall survive the expiration or earlier termination of the term of this Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

Exhibit F

Form of Housing Agreement / Permission To Occupy

This Agreement is made and entered into this ___ day of _____, 202__, between _____ ("Employer") and its employee, _____, referred to in this Agreement as ("the Employee")

WHEREAS, the Employer has determined that the Employee will be provided housing as a condition of employment, and the Employee desires to reside in the residential property identified in paragraph 2 below as his/her primary residence (referred to in this Agreement as "Housing");

WHEREAS, Employer is providing the Employee permission to occupy Housing pursuant to an employment relationship between Employer and the Employee, for the sole purpose of facilitating Employer's agricultural use of farm land;

WHEREAS, the permission to occupy provided by this Agreement does not create a landlord-tenant relationship between City of Aurora and Employer and/or its Employee, or endow the Employee with a leasehold in the Housing or any property interest, and is subject to termination at any time;

WHEREAS, the Employee willingly agrees to use Housing as his/her primary housing in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, it is agreed as follows:

Housing Provided for the Benefit of Employer. The Employee understands and agrees that the use of the Housing by the Employee is for the sole benefit and convenience of Employer and its Employee and not the City of Aurora, and, therefore, Employer, acting in its sole discretion, may terminate the Employee's use of the Housing at any time.

1. Assigned Housing. This Agreement applies to the Housing identified as Residence Address or Number_____.

   (a) The Employee acknowledges that prior to occupancy, the Employee inspected the housing and found it to be clean, and all installed appliances were functioning properly.

2. Termination. If the Employee's employment relationship with Employer ceases, Employer will provide the Employee a written Notice of Termination of Permission to Occupy the Premises. The Employee agrees to comply with the terms of the Notice, and, if the Employee fails to do so, Employer may proceed to remove/evict the Employee.

3. Personal Property. The Employee is responsible for his or her personal property. Neither Aurora nor Employer shall provide insurance or be liable for damage to the Employee's personal property for any cause whatsoever. The Employee shall purchase personal property insurance if the Employee believes it is necessary.

4. Colorado Law and Venue. This Agreement shall be governed by the laws of the State of Colorado.

5. Severability and Invalidity. In the event any term, provision, covenant or condition of this Agreement is judicially determined to be invalid or contrary to, or in conflict with, any statute, law or regulation, such determination shall not impair or affect the operation of the remaining portions.

6. No Leasehold with City of Aurora. Employee acknowledges and agrees that this Agreement does not create a landlord-tenant relationship between City of Aurora and the Employee, or endow the Employee with a leasehold in the Housing or any property interest, and is subject to termination at any time. Employee hereby waives any claims against the City of Aurora with respect to this Agreement or the condition of the Housing.

7. By signature below, the parties to this Housing Agreement and Permission to Occupy Premises certify that they have fully read (or had read to them) and understand the foregoing and that before signing this document they fully informed themselves of its contents and meaning and have executed this document as their free and voluntary act with full knowledge of its meaning, contents, and consequences. This Agreement may be signed in counterparts. A signature transmitted via facsimile, in PDF, or similar format shall be deemed effective as an original.

8. Disclosures.

THE COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT STRONGLY RECOMMENDS THAT ALL TENANTS HAVE AN INDOOR RADON TEST PERFORMED BEFORE LEASING RESIDENTIAL REAL PROPERTY AND RECOMMENDS HAVING THE RADON LEVELS MITIGATED IF ELEVATED RADON CONCENTRATIONS ARE FOUND. ELEVATED RADON CONCENTRATIONS CAN BE REDUCED BY A RADON MITIGATION PROFESSIONAL.

RESIDENTIAL REAL PROPERTY MAY PRESENT EXPOSURE TO DANGEROUS LEVELS OF INDOOR RADON GAS THAT MAY PLACE THE OCCUPANTS AT RISK OF DEVELOPING RADON-INDUCED LUNG CANCER. RADON, A CLASS A HUMAN CARCINOGEN, IS THE LEADING CAUSE OF LUNG CANCER IN NONSMOKERS AND THE SECOND LEADING CAUSE OF LUNG CANCER OVERALL. A LANDLORD IS REQUIRED TO PROVIDE THE TENANT WITH ANY KNOWN INFORMATION ON RADON TEST RESULTS OF THE RESIDENTIAL REAL PROPERTY.

HOUSING BUILT BEFORE 1978 MAY CONTAIN LEAD-BASED PAINT. LEAD FROM PAINT, PAINT CHIPS, AND DUST CAN POSE HEALTH HAZARDS IF NOT MANAGED PROPERLY. LEAD EXPOSURE IS ESPECIALLY HARMFUL TO YOUNG CHILDREN AND PREGNANT WOMEN

IN WITNESS WHEREOF, and intending to be bound, the undersigned parties have executed this Housing Agreement and Permission to Occupy Premises as designated on their respective signature lines.

APPROVED: EMPLOYEE	EMPLOYER
By: _____	By: _____
Print:_____	Print_____
Date:	Date:

Addendum 1

ANNUAL INSPECTION ADDENDUM TO HOUSING AGREEMENT AND PERMISSION TO OCCUPY PREMISES WITH COLORADO RADON DISCLOSURE

Warranty of Habitability - (Colorado CRS 38-12-503)

Company Name, LLC is required to fulfill certain requirements that make the rental property fit for human habitation per Colorado Revised Statutes § 38- 12-503 (Colorado Warranty of Habitability).

Company Name, LLC has given permission to the Employee to occupy the Housing per the terms of the Housing Agreement and Permission to Occupy Premises. While the Housing is occupied by an Employee, Company Name, LLC agrees to annually inspect and certify the Housing is suitable for human habitation.

Company Name, LLC does certify upon inspection dated _____, the Housing was had proper:

☐ Waterproofing and weather protection of roof and exterior walls maintained in good working order, including unbroken windows and doors;

☐ Plumbing or gas facilities that conformed to applicable law in effect at the time of installation and that are maintained in good working order;

☐ Running water and reasonable amounts of hot water at all times furnished to appropriate fixtures and connected to a sewage disposal system approved under applicable law;

☐ Functioning heating facilities that conformed to applicable law at the time of installation and that are maintained in good working order;

☐ Electrical lighting, with wiring and electrical equipment that conformed to applicable law at the time of installation, maintained in good working order;

☐ Common areas and areas under the control of the landlord that are kept reasonably clean, sanitary, and free from all accumulations of debris, filth, rubbish, and garbage and that have appropriate extermination in response to the infestation of rodents or vermin;

☐ Appropriate extermination in response to the infestation of rodents or vermin throughout residential premises;

☐ An adequate number of appropriate exterior receptacles for garbage and rubbish, in good repair;

☐ Floors, stairways, and railings maintained in good repair;

☐ Locks on all exterior doors and locks or security devices on windows designed to be opened that are maintained in good working order; or

Colorado Mandatory Radon Disclosure (CRS 38-12-803)

RADON WARNING STATEMENT: Radon is a Class-A human carcinogen and the leading cause of lung cancer among nonsmokers. Colorado law requires landlords to disclose any known radon test results, provide the official CDPHE radon brochure, and notify Employees of any existing mitigation systems.

Property Radon Test Records:

- • Known test results:
- • Dates and concentrations:
- • Existing mitigation systems:

CDPHE Radon Brochure Provided (Yes/No):

Property Information

- Assigned Housing Address/Unit Number:
- Employee Name:
- Inspection Date:
- Individual performing Inspection Name/Title:

COMPANY NAME, LLC Authorized Representative: _____
Date: _____

Exhibit – F
to
Purchase and Sale Agreement (Water Rights and Real Property)

Personal Property and Well Permits

Personal Property

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

Headgates 202 & 205

Lift Pumps

There are currently no Lift pumps on Palmer Land Trust Property

Wells Equipment

All Infrastructure associated with the wells identified below. Pumps, Utilities, drip systems, etc.

Well Permits

1705309A	Permit #6889-R	Inactive
1705491A	Permit #1374-R	Active
1705492A	Permit #1375-R	Inactive

51586167

PURCHASE AND SALE AGREEMENT
(Water Rights and Real Property)

This Purchase and Sale Agreement (Water Rights and Real Property) ("Contract" or "Agreement") is entered into as of the Effective Date (as defined in Section 39 below), by and between Eric Hanagan (a/k/a Eric M Hanagan), an individual and Kimberlee Hanagan (a/k/a Kimberlee Arndt-Hanagan), an individual whose joint address is 25357 County Road BB, La Junta, CO 81050 (collectively, "Seller"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 26791 E Quincy Ave., Aurora, Colorado 80016 ("Buyer"). Seller and Buyer shall be referred to herein as "Party", and collectively as "Parties".

Recitals and Representations

A. Seller represents that it is the owner of unencumbered marketable title to 441.45 shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented by the share certificate numbers set forth below (the "Subject Stock"), the water derived therefrom, and all beneficial rights, title, and interests in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates, and all other assets, rights, title, or interests represented by the Subject Stock (collectively with the Subject Stock, hereinafter referred to as the "Subject Water Rights").

Certificate Number	Shares	Shareholder as Identified on Certificate
3710	61.81	Eric Hanagan E.O. & The State Bank of La Junta as Mortgagee
3617	2.0	Eric Hanagan E.O.
070A	85.34	Eric Hanagan E.O. & The State Bank of RF as Mortgagee
0174A	163.26	Eric & Kimberlee Hanagan JT. The State Bank of RF
0172A	121.3	Eric & Kimberlee Hanagan JT. The State Bank of RF
0173A	7.74	Eric & Kimberlee Hanagan JT. The State Bank of RF
Total Shares	**441.45**	

B. Seller is the owner of approximately 467.94 acres of land, located in Otero County, Colorado as described on Exhibit A attached hereto (the "Land"), together with Seller's interest in and to all rights, benefits, privileges, easements, tenements, hereditaments, reversions, remainders, rights-of-way and other appurtenances and improvements located on the Land, (the "Real Estate").

C. Seller represents that the water derived from the Subject Water Rights is and has been used to irrigate approximately 355.48 acres of the Land.

D. Seller represents that it is the owner of marketable title to the Real Estate (including any improvements thereon).

E. Buyer is a Colorado municipal corporation, and as such has a need and necessity for the Subject Water Rights and Real Estate for the purposes of supplying water for municipal and other uses to the inhabitants of the City of Aurora, Colorado and others.

F. Buyer is desirous of purchasing the Subject Water Rights and the Real Estate and any and all entitlements, approvals, licenses, plans, specifications or permits located on or related to the Real Estate including all equipment and permits related to the storage or conveyance of water and any water wells located on or historically used in connection with the Land including irrigation of the Land and those specific items and well permits identified on Exhibit F attached hereto (the "Personal Property") all upon the terms and conditions as hereinafter described.

NOW THEREFORE, in consideration of the foregoing recitals and representations and in consideration of the covenants, promises, payments and agreements herein set forth the adequacy, sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Sale and Purchase. Subject to the terms and conditions hereinafter provided, Seller hereby agrees to sell the Subject Water Rights, the Real Estate, including all appurtenances thereto all improvements located thereon and the Personal Property (collectively, the "Property"), subject to Seller's covenants and obligations hereunder to Buyer.

2. Purchase Price.

2.1 The "Purchase Price" for the Property and Seller's covenants and obligations hereunder is $7,577,827.50 subject to prorations and adjustments and payment schedule as provided for herein.

2.2 Seller and Buyer acknowledge and agree that, for purposes of determining any sales or use taxes payable in connection with the conveyance of the Personal Property, (i) $1.00 of the Purchase Price shall be allocated to the Personal Property and (ii) the Personal Property shall be deemed to have a value of $1.00.

3. Title and Title Review.

3.1 The Parties agree that in order to consummate the transaction contemplated by this Contract, title to the Property must be unencumbered and marketable in Seller so the Real Estate (subject to the Permitted Exceptions (as defined below)) and the Personal Property and Subject Water Rights may be delivered free, clear and unencumbered in any way to Buyer and that Buyer's obligations under this Contract are specifically conditioned and contingent on Seller possessing such title prior to the Closing Date (as defined in Section 5.1 below). Notwithstanding any other provisions of this Contract, if Seller does not have such title in the Property on the Closing Date, Buyer may terminate this Contract, except for any provisions hereof which specifically survive termination of this Contract, in which case all

partial payments and any other funds placed in escrow, if any, with Escrow Agent (as defined in Section 5.1 below) by Buyer shall be immediately refunded to Buyer.

3.2 On or before the date that is five (5) business days after the Effective Date, Seller shall deliver to Buyer: (i) a complete copy of the certificate(s) for the Subject Stock (front and back); (ii) a copy of any and all leases or other possessory interests held by third parties in the Real Estate or the Subject Water Rights and written disclosure of any such other leases or possessory interests of which Seller has knowledge; and (iii) to the extent they exist and are in Seller's possession, a copy of Seller's most current title insurance information and survey of the Real Estate, including copies of agreements, easements, permits, licenses, contracts or ground leases; and (iv) any contracts affecting the Subject Water Rights and Real Estate to the extent such contracts are in Seller's possession or control. Buyer may obtain a current title insurance commitment (the "Commitment") for an American Land Title Association ("ALTA") easement holder's policy (the "Title Policy"), written by the Title Company (as defined in Section 5.1 below) in the amount of the Purchase Price, agreeing to insure good and marketable title in the Real Estate along with copies of any and all documents identified as exceptions in the Commitment. Upon Buyer's request, Seller shall provide to Buyer, written consent in a form acceptable to the Ditch Company from Seller consenting to Buyer's review of the Ditch Company records as relates to the ownership and status of the Subject Water Rights. Buyer agrees it will be responsible for the costs of any evaluation of any materials necessary to determine the status of the Property. Seller hereby further consents to Buyer's lawful actions in obtaining records and information from title companies, lenders, governmental agencies, ditch companies, and other third parties relating to title, ownership, liens, encumbrances, taxes, and assessments affecting the Subject Water Rights or Property, and agrees to provide to Buyer such other documents within Seller's possession or control as Buyer may reasonably request that are material to the transactions contemplated by this Agreement. Seller shall cause the Commitment to be updated by the Title Company prior to the Closing. Any exceptions on such updated Commitment that were not included on the initial Commitment reviewed and approved by Buyer and are not due to the actions of Buyer shall each be considered an impermissible encumbrance on Seller's marketable title to the Real Estate, in which case Buyer shall have the right, in its sole discretion, to either: (i) terminate this Contract; or, (ii) proceed to Closing and either, (A) waive such objections or defects in writing and/or (B) apply a portion of the Purchase Price to pay off or otherwise cure any such monetary defect or encumbrance at Closing.

3.3 Buyer may give written notice to Seller, or Seller's attorney, of its disapproval, in Buyer's sole discretion, of any matter contained in the Commitment and/or a survey of the Real Estate, if obtained by Buyer ("Objection Notice"). If Buyer provides an Objection Notice to Seller on or before the expiration date of the Due Diligence Period (as defined in Section 4 below), Seller shall have ten (10) days from the receipt of such Objection Notice to cure the objections or defects so specified (which cure may include the Title Company's commitment to issue a commercially reasonable endorsement over such defect and/or Seller's commitment to cause an encumbrance to be released at Closing, including through the use of proceeds from the Purchase Price), or notify Buyer that it does not intend to cure any such objections. If Seller (i) fails to cure any objection described in an Objection Notice to Buyer's satisfaction, (ii) notifies Buyer that it does not intend to cure an objection, or (iii) fails to respond within such ten (10) day period (which failure to respond shall operate the same as if Seller had notified Buyer that it does not intend to cure any objections), then Buyer shall have a

five (5) business day period in which to either: (I) terminate this Agreement by delivery of written notice to Seller and to the Title Company so stating, whereupon any partial payments and any other funds placed in escrow, if any, with Escrow Agent by Buyer shall be immediately refunded to Buyer and this Agreement shall thereafter be of no further force and effect, except for any provisions hereof which specifically survive termination of this Agreement, and Buyer shall return all information delivered to Buyer by Seller; or (II) waive such objections or defects in writing, in which event the parties shall proceed to Closing, any such uncured objection(s) shall thereafter be deemed a Permitted Exception, and this Agreement shall continue in full force and effect. Any taxes and assessments for the year of Closing and subsequent years, any building restrictions, zoning regulations and all other laws applicable to Property, and any matter of title shown on the Commitment other than those that the Title Company has agreed to remove or the Seller has agreed to remove or cure in response to an Objection Notice are referred to herein as a "Permitted Exception" and collectively, the "Permitted Exceptions" to title. Notwithstanding the foregoing, Permitted Exceptions shall not include any liens, or documents evidencing liens, securing any indebtedness or any mechanics' or materialmen's liens (other than for any work done by or on behalf of Buyer) or any claims therefor to which Seller is a party and covering the Property or any portion thereof ("Seller Liens"), each of which Seller Liens shall be paid in full by Seller and released at Closing.

3.4 Buyer shall cause a licensed surveyor to prepare a metes and bounds description and depiction of the Land consistent with the depictions attached to this Contract for use on the Deed and Title Policy prior to the end of the Due Diligence Period. Buyer and Seller shall agree upon the final legal description for the Land during the Due Diligence Period (as defined below). Neither Party shall unreasonably withhold its approval of the legal descriptions. If Seller does not agree to Buyer's proposed legal descriptions, Buyer may terminate this Contract prior to the end of the Due Diligence Period.

3.5 If the Parties have not agreed on a per-acre consideration for fallowed acres as provided for under Section 3.4.2.2 of the form of Agricultural Lease before execution of this Contract, the Parties shall use commercially reasonable efforts to make that determination during the Due Diligence Period.

3.6 If Buyer reasonably determines in good faith that Seller's title to the Subject Water Rights or the Real Estate is encumbered and not merchantable, Buyer shall give notice thereof in writing prior to expiration of the Due Diligence Period, as defined in Section 4, below. Seller will then have ten (10) business days to correct the defects. If at the end of such ten (10) business day period, title is not rendered unencumbered (except for the Permitted Exceptions) and merchantable, as reasonably determined by Buyer in good faith, then Buyer shall have the right, in its sole discretion to either: (i) terminate this Contract; or (ii) proceed to Closing and either, (A) waive such objections or defects in writing and/or (B) apply a portion of the Purchase Price to pay off or otherwise cure any such defect or encumbrance at Closing. Buyer shall make its election among the options described above on or before the tenth business day following the end of such ten (10) business day period. In the event that Buyer elects to proceed to Closing the date scheduled for the Closing shall be extended a reasonable number of days. No such defect or objection shall be deemed cured or waived unless Buyer so specifies in writing.

4. Due Diligence Period.

4.1 The Due Diligence Period runs beginning on the Effective Date until the date which is ninety (90) days thereafter (the "Due Diligence Period"). During the Due Diligence Period, Buyer may terminate this Contract for any reason or no reason.

4.2 To the extent not previously provided by Seller to Buyer, on or before the date that is ten (10) business days after the Effective Date, Seller will deliver to Buyer the following documents related to the Property to the extent they exist, are in Seller's possession or control and are not part of public records or included in the materials delivered under Section 3 above: existing surveys; engineering studies and reports; soils, flood, and geotechnical studies, reports, and tests; seismic reports; environmental surveys and reports; warranties and guarantees; all governmental and quasi-governmental permits, approvals, entitlements, zoning documents, notices, reports, citations, non-privileged correspondence (exclusive of invoices, billing information, and similar non-substantive documents); inspection reports; operating records; a copy of any and all leases or other possessory interests held by third parties in the Property (or written disclosure of any such leases or possessory interests if such agreement is not written), and copies of any contracts affecting the Property which would be binding upon Buyer following the Closing; all documents and information related to use of the Subject Water Rights, including historical irrigation records and dry-up reports; any other documents materially related to the Property, including any environmental assessments (collectively, the "Seller Deliveries").

4.3 If Buyer terminates this Contract pursuant to this Section, Buyer shall promptly return to Seller, or destroy, all non-public documents, records, reports, and other Seller Deliveries furnished by Seller, except for one archival copy retained by Buyer or Buyer's legal counsel solely for legal, regulatory, audit, or record-retention purposes.

4.4 Buyer shall, consistent with its obligations under the Colorado Public (Open) Records Act, maintain the confidentiality of all non-public information received from Seller provided that (i) the existence of this Contract and the proposed purchased and sale of the Property shall not be considered non-public information and (ii) Buyer may disclose such information: (a) to those of their respective officers, directors, employees, advisors, agents, members or affiliates, or any person acting on its behalf (its "Related Parties") who shall require access thereto for the purpose of evaluating the Property and the proposed transaction under this Contract and who are informed of the confidential nature of such information, (b) as may be required by law or to comply with a lawful judicial process, (c) as otherwise reasonably required in connection with obtaining approval and ratification of this Contract from City Council (as defined in Section 34 below) or (d) upon notice to Seller, as reasonably determined by Buyer as necessary to effectuate Buyer's use of the Water Rights and operation of the Agricultural Lease. The City will, consistent with its obligations under the Colorado Public (Open) Records Act treat any such proprietary information as confidential information and the City agrees to treat, and shall use good faith efforts to cause its Related Parties to treat this Contract and the Proposed Transaction as confidential information. The obligations of this Section shall survive any termination of this Contract.

5. Closing.

5.1 Closing Date. The closing on this Contract (the "Closing") is scheduled to occur on the day that is sixty (60) days following the end of the Due Diligence Period or such other date as mutually agreed to by the Parties as the same may be extended as provided for in this Contract (the "Closing Date") at the offices of ABC Title & Closing Services at 300 Main Street, Ste. A, Ordway, CO 81063 or such other company or location as selected by Buyer ("Escrow Agent" and "Title Company") or such other escrow agent or title company as the Parties may mutually agree.

5.2 Closing Deliveries.

5.2.1 On or before Closing, Buyer shall deliver or cause to be delivered to Escrow Agent: (1) the Purchase Price subject to prorations as provided for under this Contract; (2) an executed counterpart of the Agricultural Lease (as defined below); and (3) the closing statement, such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy.

5.2.2 On or before the Closing Date, Seller shall deliver to the Escrow Agent each of the following items:

(a) The original certificate(s) for the Subject Stock;

(b) A special warranty deed for the Subject Water Rights from Seller to Buyer with respect to the Subject Stock substantially in the form attached hereto as Exhibit B (the "Water Deed");

(c) A share assignment for the Subject Stock from Seller to Buyer and, to the extent that title to the Subject Stock is also held by a lender or other third party, an assignment from such third party either to Seller or Buyer, all in forms mutually agreed upon by the Parties and acceptable to the Ditch Company, which assignment shall include the appointment of an officer of the Ditch Company as attorney-in-fact with authority to change the ownership records of the Ditch Company with respect to the Subject Stock;

(d) A special warranty deed for the Real Estate from the Seller to the Buyer, substantially in the form attached hereto as Exhibit C, subject to the Permitted Exceptions (the "Deed");

(e) A bill of sale and general assignment, conveying good and marketable title to all Personal Property to Buyer in the form attached hereto as Exhibit D;

(f) An counterpart of the Agricultural Lease executed by Seller or Seller's designated farming entity as approved by Buyer during Buyer's Due Diligence Period, for Seller's use of the Subject Water Rights substantially in the form of the Agricultural Lease attached hereto as Exhibit E (the "Agricultural Lease");

(g) Such documentation as required to effect the transfer of Seller's rights with respect to any augmentation plan applicable to water wells on the Land, including, if applicable, such transfer and change in use forms as may be required by the augmentation plan contracts identified on Exhibit F attached hereto.

(h) An estoppel or other documentation from the Ditch Company in forms acceptable to Buyer and approved during Buyer's Due Diligence Period certifying that: (A) all assessments due with respect to the Subject Stock are paid in full; (B) the Subject Stock is validly issued and outstanding in the name of Seller; and (C) the Ditch Company shall permit the transfer of the Subject Stock to Buyer;

(i) Such affidavits, instruments, agreements or other documents as may reasonably be required to complete the transactions contemplated under this Contract and/or satisfy the Title Company's requirements for issuance of the Title Policy to Buyer.

5.2.3 Each Party shall further execute and deliver such documentation as may be reasonably requested by Escrow Agent or Title Company. Seller shall, at Seller's expense, cause the Title Company to issue the Title Policy promptly after the Closing, Title Company shall record the Water Deed and the Deed.

5.2.4 Buyer's obligation to close under the Agreement shall be subject to and conditioned upon the fulfillment of each and all of the following conditions precedent (collectively, "Buyer's Closing Conditions"):

(a) The Title Company shall be prepared and irrevocably committed in writing to issue to Buyer the Title Policy subject only to the Permitted Exceptions and with all endorsements requested by Buyer or agreed to by Seller in satisfaction of Buyer's Objection Notice.

(b) Seller's cure of any title matters on or before Closing, if Seller has agreed to cure such title matters.

(c) Seller's representations and warranties in this Contract shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though such representations and warranties had been made on and as of the Closing Date.

(d) Seller shall have timely performed all covenants and obligations and timely complied with all conditions required by this Contract to be performed or complied with by Seller on or before the Closing Date, including without limitation timely delivery of all of Seller's Closing Deliveries to the Title Company.

(e) There shall not be pending any threatened litigation which, if determined adversely, would restrain the consummation of any of the transactions contemplated by this Contract or declare illegal, invalid, or nonbinding any of the covenants or obligations of the Seller or adversely affect the Property or Buyer's use of the Property.

(f) Seller shall not be a debtor in any bankruptcy proceeding nor shall have been in the last 12 months a debtor in any bankruptcy proceeding.

(g) There shall be no parties in possession of the Property other than pursuant to the Agricultural Lease or as otherwise permitted under matters of record described in the Commitment.

(h) Buyer, acting reasonably and in good faith, shall determine that the transaction contemplated under this Contract complies with applicable laws, rules and regulations applicable to the Real Estate, Subject Water Rights, and Buyer, including the Intergovernmental Agreement between Buyer and the Southeastern Colorado Water Conservancy District dated October 3, 2003.

5.2.5 If any of Buyer's Closing Conditions are not met, Buyer may either, in Buyer's sole discretion: (i) waive the applicable Buyer's Closing Condition and proceed to Closing on the Closing Date, (ii) extend the Closing Date for up to thirty (30) days, or such longer period as the Parties mutually agree, (iii) terminate this Contract and receive a return of any funds deposited with Seller or the Escrow Agent, if any, or (iv) if such failure constitutes a default by Seller, exercise any or all of its rights and remedies set forth in this Contract.

6. Ditch Assessments; Prorations; Taxes.

6.1 Seller agrees to fully pay and continue to pay, or cause to be paid, any and all ditch assessments associated with and accruing to the Subject Stock through and including the

Closing Date. At Closing, Buyer agrees to assume any such future obligations for assessments incurred from and after the Closing Date.

6.2 All real and personal property taxes related to the Personal Property and Real Estate (if any) shall be prorated as of 11:59 PM on the day prior to the Closing. If the Closing shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation. Seller shall pay at or before Closing all real and personal property taxes (including prorated property taxes of the current year) and special assessments, if any, which are attributable to the period before the Closing. Any amounts not paid as of the Closing Date shall be deducted from the Purchase Price and paid to the applicable taxing authorities. All such prorations shall be final as of the Closing Date.

6.3 All water rates, utility charges, and all other costs and income related to the Real Estate (if any) shall be prorated and adjusted as of 11:59 PM on the day prior to the Closing. All such prorations shall be final.

7. Commissions. Seller hereby warrants to Buyer and Buyer hereby warrants to Seller that neither of them has dealt with any broker, finder or other agent in connection with the transaction contemplated hereby. Seller hereby agrees to indemnify and hold Buyer harmless from and against any claim by a third party for brokerage commission, finder's or other fees relative to this Contract and any court costs, attorneys' fees or other costs or expenses arising therefrom and alleged to be due by authorization of the indemnifying party. The provisions of this section shall survive the closing or termination of this Contract.

8. Closing Costs/Escrow Charges. The Parties will each pay one-half of the closing costs of the Escrow Agent for the Closing. Seller shall pay the premiums for the Title Policy, and all recording costs. Seller shall pay the transfer costs, if any, imposed by the Ditch Company with respect to the transfer of the Subject Stock at the Closing.

9. Status and Authority of Seller. Seller hereby represents and warrants the following: (a) Seller has full power and authority to enter into this Contract and to carry out the transactions contemplated by this Contract, and (b) this Contract and its execution and delivery to Buyer will not result in a breach of, or constitute a default under, any indenture, loan or credit agreement, mortgage, deed of trust or other agreement to which Seller is a party or otherwise bound.

10. Additional Representations and Warranties of Seller. In addition to Seller's other representations and warranties contained in this Contract, Seller hereby represents, warrants, and agrees that as of the Effective Date, and on the date of Closing, except as may be caused or created by Buyer:

10.1 Seller reaffirms the representations and warranties expressly set forth in this Contract;

10.1.1 Seller is, or as of Closing shall be, the owner of marketable title to the Subject Stock and Subject Water Rights and, subject to the Permitted Exceptions, marketable title to the Real Estate;

10.1.2 The water derived from the Subject Stock has been historically used to irrigate the Real Estate;

10.1.3 To Seller's knowledge, there are no pending judicial, municipal, or administrative proceedings with respect to, or in any manner affecting the Property or in which Seller is a party, including proceedings for or involving condemnations, eminent domain, which in any manner affects the Property;

10.1.4 The execution and delivery of this Contract and the performance of all obligations hereunder by Seller do not and will not require any consent or approval of any third party, other than any notices, approvals, or consents expressly contemplated by this Agreement or the governing documents of the Ditch Company, and do not and will not result in a breach of, or constitute a default under, any indenture, loan agreement, credit agreement, mortgage, deed of trust, or other agreement.

10.1.5 Seller has received no written notice of any violations of any law, code, ordinance, rule or regulation or insurance policy affecting the Subject Stock or the Real Estate.

10.1.6 Except as disclosed to Buyer in writing there are no leases, subleases, licenses, contracts, unrecorded easements, or other agreements, written or oral, regarding the Subject Stock or the Real Estate, or granting to any party or parties the right to use or occupy all or any portion of the Subject Stock or the Real Estate that will be effective as of the Closing Date.

10.1.7 Except for the Agricultural Lease attached as Exhibit E, there are no parties in possession of or entitled to possession of the Subject Stock or the Real Estate.

10.1.8 Other than any service contracts related to the Subject Stock or Real Estate provided to Buyer as part of the Due Diligence Materials and approved by Buyer, if any, there are no other such service contracts.

10.1.9 Seller is not bankrupt or insolvent, and has not filed for and is not involved in any voluntary or involuntary proceeding in bankruptcy under any applicable laws.

10.1.10 To Seller's knowledge, the Real Estate was not previously used as a methamphetamine laboratory.

10.1.11 To Seller's knowledge, Seller has provided to Buyer all Seller's Deliveries in Seller's possession and has not knowingly withheld or failed to disclose any Seller's Deliveries. Seller makes no representation or warranty, express, written, oral, statutory, or implied, with respect to the accuracy of any third-party documents or reports provided by Seller as Seller Deliveries.

11. Seller's Covenants.

11.1 Water Court Cooperation. After the Closing, Buyer may, at its own cost and expense: (a) seek use of the Subject Water Rights as an interruptible water supply pursuant to C.R.S. §37-92-309 or such subsequent applicable statute ("IWSA Approval"); or (b) submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Water Rights including, without limitation, for a change of the point of diversion and type, and place of use for Buyer's intended uses, including without limitation, for: storage, augmentation, replacement, direct municipal and industrial use, and exchange uses (each a "Change Case"). Upon reasonable advance notice, Seller shall, in connection with IWSA Approval or a Change Case, and with any approvals required of the Ditch Company in connection with Buyer's IWSA Approval or Change Case (including any so-called "Catlin" approval requirements), at no cost to Seller: (i) reasonably cooperate with Buyer to provide, to the extent in Seller's possession or control, information and records of water use concerning the Subject Water Rights; and (ii) testify truthfully on behalf of Buyer without subpoena or payment of witness or expert witness fees concerning Seller's historical use of the Subject Water Rights at any deposition, motions hearing, trial, or Ditch Company meeting involving the Subject Water Rights. Buyer shall reimburse Seller for reasonable out-of-pocket travel and lodging expenses incurred in providing such testimony. Seller agrees not to file a statement of opposition to Buyer's Change Case or object to any application for an IWSA Approval provided the same is substantially consistent with the Agricultural Lease. The provisions of this Section shall survive the Closing.

11.2 Duty to update representations between the Effective Date and Closing. Between the Effective Date and the Closing Date, Seller shall promptly (but prior to the Closing) notify Buyer in writing of any fact, event, circumstance or action known to Seller (i) which, if known on the Effective Date, would have been required to be disclosed or (ii) the existence or occurrence of which would cause any of Seller's representations or warranties under this Contract not to be correct and complete. Buyer may elect, within three (3) business days after receipt of Seller's notice but prior to the Closing, to terminate this Contract by giving written notice to Seller and Escrow Agent.

11.3 Seller shall not create or consent to the creation of any lien (other than liens arising in the ordinary course and released at Closing), encumbrance, or other matter affecting title to any part of the Property without Buyer's prior written consent, which may be withheld in Buyer's sole and absolute discretion.

12. Notices. All notices, requests, demands, or other communications (collectively, "Notices") hereunder shall be in writing and given by (i) established express delivery service that maintains delivery records requiring a signed receipt, (ii) hand delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested to the Parties at the following address, or at such other address as the Parties may designate by Notice in the above manner.

To Buyer:	City of Aurora 15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555 Attn: City Attorney
with copy to	City of Aurora 26791 E Quincy Ave Aurora CO 80016 Attn: General Manager, Aurora Water
with copy to	Brownstein Hyatt Farber Schreck, LLP 675 15th Street, Suite 2900 Denver, CO 80202-4432 Attn: Andrew Meyers
with copy to	City of Aurora c/o Real Property Services Manager 15151 East Alameda Parkway, Suite 3200 Aurora, CO 80012-1555 Email Address: hreynoso@auroragov.org
	To Seller: Eric and Kim Hanagan 25357 County Road BB La Junta, CO 81050
with copy to	Erin RP Harris Harris Law Office, LLC PO Box 102, La Junta, CO 81050

Notices shall be effective (x) the next day following the date sent by an established express delivery service which maintains delivery records requiring a signed receipt, (y) upon receipt by the addressee of a hand delivery, or (z) three (3) days following the date of mailing via certified or registered mail, postage prepaid, return receipt requested.

13. No Warranty Concerning Tax Status. Although this Contract does not contemplate the payment of interest by Buyer, in the event that any interest would be paid, Buyer makes no warranty nor guarantee that any such interest paid as a result of any transaction would be excusable from gross income or federal, state or local income tax purposes.

14. Amendment. This Contract may be modified, amended, changed or terminated in whole or in part only by written agreement duly authorized and executed by each of the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety.

15. Waiver. Any waiver of any breach of any provision of this Contract by any Party shall not constitute a continuing waiver of any subsequent breach of said Party, for either breach of the same or any other provision of this Contract.

16. Entire Agreement. This Contract represents the entire agreement of the Parties and neither Party has relied upon any fact or representation not expressly set forth herein. All prior and contemporaneous conversations, negotiations, possible alleged agreements, representations, covenants and warranties concerning the subject matter hereof, are merged in this Contract.

17. Headings for Convenience Only. Paragraph headings and titles contained herein are intended for convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Contract.

18. Binding Effect and Assignability. This Contract and the rights and obligations created hereby shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, if any. Seller may not assign its rights or delegate its duties hereunder without the prior written consent of Buyer, which Buyer may withhold in its sole discretion, except as provided for in Section 38. Any assignment of the Contract by Buyer shall be in writing duly authorized and executed by the Parties with the same formality as this Contract and restating this Contract, as so amended, in its entirety memorialized by a restatement of this Contract in its entirety. Buyer shall be entitled to assign its rights and obligations hereunder without the consent of Seller.

19. Survival of Representations. Those representations and warranties set forth in Sections 9 and 10 of this Contract shall not merge in any deed, assignment, covenant, escrow agreement, easement, lease or any other document, but shall survive each nevertheless at the Closing, and be binding and obligatory upon each of the Parties for a period of one (1) year.

20. Governing Law and Venue. This Contract and its application shall be construed in accordance with the law of the State of Colorado. Should it be necessary to initiate court proceedings concerning this Contract, the Parties agree that venue shall be in the District Court for Otero County, Colorado.

21. No Recording. This Contract shall not be recorded. Notwithstanding this provision, at Closing, Title Company shall record the Deed and the Water Deed with the Otero County Clerk and Recorder's Office.

22. Multiple Originals. This Contract may be simultaneously executed in any number of counterparts, each of which shall be deemed an original, but all of which constitute the same agreement.

23. Definitions and Interpretations. Except as otherwise provided herein nouns, pronouns and variations thereof shall be deemed to refer to the singular or plural, and masculine or feminine, as the context may require. Any reference to a policy, procedure, law, regulation, rule or document shall mean such policy, procedure, law, regulation, rule or document as it may be amended from time to time.

24. No Construction Against Drafter. This Contract has been prepared by the combined efforts of Seller and Buyer and their respective legal counsel as Seller and Buyer so desired, accordingly the Parties agree there shall be no construction against the drafter of this Contract should any dispute arise.

25. Sole Obligation of Utility Enterprise.

25.1 This Contract shall never constitute a general obligation or other indebtedness of the City of Aurora (the "City"), or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City.

25.2 In the event of a default by the City's Utility Enterprise of any of its obligations under this Contract, Seller shall have no recourse for any amounts owed to it against any funds or revenues of the City except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Contract shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City.

26. Conveyance to City of Aurora. Seller hereby acknowledges and agrees that any deliveries required to be made to Buyer hereunder may, at Buyer's request, be modified to provide for delivery directly to and in the name of the City of Aurora, Colorado.

27. Specific Performance. Either Party shall be entitled to seek the remedy of specific performance to enforce the terms of this Contract.

28. No Attorney's Fees and Costs. In the event of any litigation, mediation, arbitration or other dispute resolution proceedings arising out of or related to this Contract, each Party agrees to be responsible for its own attorney's fees and other professional fees, costs and expenses associated with any such proceedings.

29. Non-Severability; Effect of Invalidity. Each Section in this Contract is intertwined with the others and are not severable unless by mutual consent of Buyer and Seller or as provided for below. If any provision or portion of this Contract or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable for any reason by a Court of competent jurisdiction, and the basis of the bargain between the Parties is not destroyed or rendered ineffective thereby, the remainder of this Contract, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

30. Intent of Contract. This Contract is intended to describe the rights and responsibilities of and between Buyer and Seller and are not intended to, and shall not be deemed to, confer rights upon any person or entities other than signatories hereto, or to limit, impair, or

enlarge in any way the powers, regulatory authority and responsibilities of Buyer or any other governmental entity not a party hereto.

31. Non-Business Days. If any date for any action under this Contract is on a Saturday, Sunday or a day that is a "holiday" as such term is defined in C.R.C.P. 6, then the relevant date shall be extended automatically until the next business day.

32. Further Assurances. Buyer and Seller will make, execute and deliver such documents and undertake such other and further acts in good faith as may be reasonably necessary to complete the transactions contemplated under this Contract.

33. Recitals and Exhibits. The recitals and exhibits attached hereto are hereby incorporated into this Contract.

34. Ratification by the City Council. The City Manager of the City of Aurora approves this Contract pursuant to Chapter 2, Article III, Section 2-62(b) of the Code of Ordinances of the City of Aurora, subject to the ratification of the City Council of the City of Aurora ("City Council"). Buyer's obligations under this Contract are expressly contingent and conditioned on such ratification of this Contract by City Council by way of an ordinance or such other means as Buyer determines is necessary in accordance with the Aurora City Code, Charter, or applicable policies.

35. Authority of the City Attorney. By its ratification of this Contract as provided for in Section 34 above, City Council authorizes the City Attorney of the City of Aurora, without further action by City Council, to (i) make any such amendments or other modifications of this Contract as City Attorney may deem necessary for the purpose of extending deadlines provided for in this Contract or effecting non-substantive administrative modifications to this Contract; and (ii) exercise any elections of Buyer as provided for under this Contract; provided, however, that City Attorney may not make any such amendment or modification which is reasonably expected to increase the amount of the Purchase Price payable by Buyer hereunder. This provision shall not entitle the City Attorney to unilaterally modify the Contract without the consent of Seller.

36. Signatures. The parties agree that Buyer may execute this Contract, the Agricultural Lease using a digital image (an image in the form of a PDF, JPEG, GIF file, DocuSign, SignNow or other e-signature), and the same shall be deemed as a true and correct original.

37. Joint and Several Liability. If Seller consists of two or more persons or entities, then such parties shall be jointly and severally liable for Seller's covenants, representations, warranties and other obligations under this Contract and requests or demands from any one person or entity comprising Seller shall be deemed to have been made of all such persons or entities.

38. 1031 Exchange. Seller may consummate the sale of the Subject Stock as part of a so-called like kind exchange (the "Exchange") pursuant to §1031 of the Internal Revenue Code of 1986, as amended, provided that: (a) the Closing shall not be delayed or affected by reasons of the Exchange, nor shall the consummation or accomplishment of the Exchange be a condition

precedent or condition subsequent to Seller's obligations under this Contract; (b) Seller shall effect the Exchange through an assignment of this Contract, or its rights under this Contract, to a qualified intermediary, provided that such assignment shall not release Seller of its obligations hereunder; and (c) Buyer shall not be required to take an assignment of the purchase agreement for other property or be required to acquire or hold title to any real property for purposes of consummating the Exchange. Buyer shall reasonably cooperate in connection with the Exchange, but shall not be required to incur any additional expense or obligation (contingent or otherwise) in connection therewith. Seller shall indemnify, defend and hold harmless Buyer from and against any and all costs (including, without limitation, attorneys' fees), expenses, liabilities, losses and damages incurred by reason of the execution and/or delivery of any Exchange documents, or by reason of participating in the Exchange. The foregoing indemnity shall survive the Closing.

39. Effective Date. The "Effective Date" shall be the date on which this Contract is executed by Seller.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have set their hands and seals this day and year indicated below.

BUYER:

CITY OF AURORA, COLORADO,
ACTING BY AND THROUGH ITS
UTILITY ENTERPRISE

Marshall P. Brown, General Manager, Aurora Water — Date: Oct 26, 2026

APPROVED AS TO FORM FOR AURORA:

Ian Best, Assistant City Attorney — Date: Oct 26, 2026 — ACS#: 26.52

Andrew L. Meyers, Special Water Counsel — Date: Oct 23, 2026

REVIEWED FOR AURORA:

Hector Reynoso, Real Property & Survey Services Manager — Date: Oct 26, 2026

Richard Kienitz, Aurora Water Manager — Date: Oct 23, 2026

STATE OF COLORADO)
) ss
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 26th day of October, 2026, by Marshall P. Brown, General Manager, Aurora Water, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal.

Notary Public

My commission expires: 2/8/27

(SEAL)

ALEXANDER GAGLIARDI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20234005206
MY COMMISSION EXPIRES 02/08/2027

Following ratification by the Aurora City Council:

City of Aurora, Colorado
acting by and through its
Utility Enterprise

_____ _____
Mike Coffman, Mayor Date

Attest:

_____ _____
Kadee Rodriguez, City Clerk Date

State of Colorado)
) ss
County of Arapahoe)

The foregoing instrument was acknowledged before me this _____ day of _____, 20___, by Mike Coffman, Mayor, acting on behalf of the Utility Enterprise of the City of Aurora, Colorado.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(Seal)

SELLER:

By: _____
Eric Hanagan, an individual (a/k/a Eric M Hanagan)

By: _____
Kimberlee Hanagan, an individual (a/k/a Kimberlee Arndt-Hanagan)

STATE OF COLORADO)
) ss
COUNTY OF Otero)

The foregoing Contract was acknowledged before me this 22 day of October 2026 by Eric Hanagan, an individual (a/k/a Eric M Hanagan).

Witness my hand and official seal. _____
Notary Public

My commission expires: 06/12/2030

(SEAL)

ANNA M ANGEL
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20264024028
MY COMMISSION EXPIRES 06/12/2030

STATE OF COLORADO)
) ss
COUNTY OF Otero)

The foregoing Contract was acknowledged before me this 22 day of October 2026 by Kimberlee Hanagan, an individual (a/k/a Kimberlee Arndt-Hanagan).

Witness my hand and official seal. _____
Notary Public

My commission expires: 06/12/2030

(SEAL)

ANNA M ANGEL
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20264024028
MY COMMISSION EXPIRES 06/12/2030

Exhibit – A
to
Purchase and Sale Agreement (Water Rights and Real Property)
Legal Description of Real Estate

In the County of Otero, State of Colorado.

PARCEL A:

The SE1/4SW1/4 and the S1/2SW1/4SW1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M., EXCEPT a parcel of land being that part of the S1/2SW1/4SW1/4 of said Section 36 which lies North of the center line of the Suburban Lateral, more particularly described as follows, to-wit: Beginning at the Southwest corner of the SW1/4 of said Section 36; thence North 452 feet to the point of beginning of this description; thence N.88°44'E. along the center line of the Suburban Lateral, a distance of 820 feet; thence S.87°56'E. along the center line of said Suburban Lateral, a distance of 500 feet to the East line of the SW1/4SW1/4 of said Section 36; thence North a distance of 210 feet; thence West a distance of 1320 feet; thence South a distance of 208 feet to the Point of Beginning.
ALSO EXCEPT a tract of land in the SE1/4SW1/4 of said Section 36, being more particularly described as follows: Beginning at the Southeast corner of the W1/2 of said Section 36 as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked LS 12103 and considering the East line of said W1/2, (as monumented by a similar rebar and cap at its North end), bearing N.0°30'00"E. with all other bearings contained herein being relative thereto; thence N.0°30'00"E. along the East line of said W1/2, a distance of 369.43 feet; thence S.87°35'59"W., 40.05 feet to a point on the West Right-of-Way line of County Road 24.5 and the True Point of Beginning; thence continuing S.87°35'59"W., 235.30 feet; thence N.0°30'00"E., 185.36 feet; thence N.87°35'59"E., 235.30 feet to a point on said county road line; thence S.0°30'00"W., 185.36 feet to the True Point of Beginning.

PARCEL B:

That part of the SE1/4SE1/4 of Section 25, Township 23 South, Range 56 West of the 6th P.M described as follows: Beginning at the Southwest corner of the SE1/4SE14 of said Section 25; thence East 859 feet to a point; thence North 542 feet, more or less, to the South line of the ROW of State Highway No. 50; thence Northwesterly along the South line of said Highway No. 50 to the intersection with the West line of the said SE1/4SE1/4 of said Section 25; thence South along the said West line to said Southwest corner thereof, which is the Point of Beginning. EXCEPT a parcel deeded to the State Highway Commission of Colorado more particularly described as follows: a strip of land 90 feet wide, all lying South of and adjacent to the centerline of the Highway, said centerline being described as follows: beginning at a point on the Highway centerline from which the Southeast corner of said Section bears S.41°13"E., a distance of 691.1 feet; thence N.62°27"W., a distance of 957.9 feet, more or less, to the West line of the SE1/4SE1/4 of said Section 25, from which the Southeast corner of said Section 25 bears S.53°34'E., a distance of 1621.5 feet.

Part of the N1/2NE1/4SE1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M. described as follows, to-wit: Commencing at the Northeast corner of the N1/2NE1/4SE1/4 of said Section 36; thence South on the East line of the NE1/4SE1/4, 231 feet to the True Point of Beginning; thence West and parallel to the East-West centerline of said Section , 1320 feet; thence South and parallel to the North-South centerline of said Section , 429 feet; thence East and parallel to the East-West centerline of said Section, 1015 feet; thence North and parallel to the East boundary line of said Section, 400 feet; thence East and parallel to the East-West centerline of said Section, 305 feet to the East boundary line of said Section; thence North 29 feet to the True Point of Beginning.

The North 231 feet of the N/2NE1/4SE1/4 of said Section 36, Township 23 South, Range 56 West of the 6th P.M., EXCEPT the East 313.5 feet thereof.

The NW1/4NE1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M., EXCEPT the North 332 feet of the NW1/4NE1/4. ALSO EXCEPT a tract of land lying in said NW1/4NE1/4 being more particularly described as follows: Beginning at the Northwest corner of the NE1/4 of said Section 36 as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked P &SS, INC., LS 12103 and considering the North line of said NE1/4, (as monumented by a similar rebar and and cap at its East end), bearing S.89°23'07"E., (G.P.S.) with all other bearings contained herein being relative thereto; thence S.0°30'00"W., along the West line of said NE1/4, a distance of 332.00 feet to the True Point of Beginning; thence S.89°23'07"E. parallel with the North line of said NE1/4, a distance of 1291.18 feet; thence S.0°33'29"E., 202.14 feet; thence N.89°23'07"W. parallel with the North line of said NE1/4, a distance of 1294.91 feet to a point on the West line of said NE1/4; thence N.0°30'00"E., 202.10 feet to the True Point of Beginning. All corners or witness corners are monumented by 5/8" rebars and aluminum caps marked PS, INC., PLS 30087. ALSO EXCEPT a tract of land lying in the NW1/4NE1/4 of said Section 35 described as follows: Beginning at the Northwest corner of the NE1/4 of said Section 36 as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked P&SS, INC., LS 12103 and considering the North line of said NE1/4, (as monumented by a similar rebar and cap at its East end), bearing S.89°23'07"E., (G.P.S.) with all other bearings contained herein being relative thereto; thence S.0°30'00"W. along the West line of said NE1/4, a distance of 534.10 feet to the True Point of Beginning; thence S.89°23'07"E. parallel with the North line of said NE1/4, a distance of 1294.91 feet; thence S.0°33'29"E., 40.00 feet; thence N.89°23'07"W., parallel with the North line of said NE1/4, a distance of 1295.65 feet to a point on the West line of said NE1/4; thence N.0°30'00"E., 40.00 feet to the True Point of Beginning.

PARCEL C:

A tract of land lying in the NE1/4SE1/4 of Section 25, Township 23 South, Range 56 West of the 6th P.M. and in the NW1/4 and SW1/4 of Section 30, Township 23 South, Range 55 West of the 6th P.M., more particularly described as follows: Beginning at the Southeast corner of the E1/2NW1/4 of said Section 30 as monumented by a 3/4" rebar and 2-1/2" aluminum cap marked Brundage PLS 30087 and considering the East line of said E1/2NW1/4, (as monumented by a similar rebar and cap at its North end), bearing S.2°09'32"E., with all other bearings contained herein being relative thereto; thence S.88°19'46"W., 1309.42 feet to the Northeast corner of Lot 7 of said Section 30; thence S.1°16'41"E., along the East line of said Lot 7, a distance of 1262.74 feet; thence N.62°44'18"W., 327.83 feet; thence N.65°08'26"W., 350.58 feet; thence S.26°06'14"W., 401.24 feet; thence N.63°57'10"W., 1267.19 feet to a chain link fence corner post; thence N.64°34'39"W., 58.61 feet; thence N.25°46'32"E., 265.33 feet to the Northeasterly corner of North Swink Addition; thence N.64°55'49"W., along the Northerly line of North Swink Addition, a distance of 29.70 feet; thence N.26°00'09"E., 501.16 feet to a point on the North line of the SE1/4 of said Section 25; thence N.89°21'44"E., 349.52 feet to the Northeast corner of the SE1/4 of said Section 25; thence N.88°19'46"E., along the South line of Lot 6 in Section 30, a distance of 130.05 feet; thence N.2°28'32"E., along the Westerly line of a tract of land as found in Book 341 at Page 18, a distance of 1608.33 feet; thence N.5°03'30"W., along the Westerly line of a tract of land as found in Book 341 at Page 18 protracted, a distance of 1042.77 feet to a point on the North line of said NW1/4; thence N.88°06'05"E., along said North line to a point of intersection with the North line of said NW1/4 and the Northeasterly bank of the Arkansas River; thence Southeasterly along the Northeasterly bank of the Arkansas River to the point of intersection with the said river bank and the East line of said NW1/4; thence S.2°09'32"E., along the East line of said NW1/4 to the Point of Beginning. TOGETHER WITH an access easement 30.00 feet wide whose centerline is described as beginning at the Northeast corner of the SE1/4 of said Section 25; thence S.19°00'38"W., 928.82 feet to the point of easement beginning; thence S.0°56'04"E., 156.92 feet; thence S.52°09'53"W., 539.78 feet; thence N.64°00'55"W., 230.63 feet to the terminus of easement centerline. All easement sidelines are intended to be extended or shortened to meet the Southerly line of the herein described tract and the Easterly Right-of-Way line of North Swink Drive. EXCEPT three tracts of land as recorded in Book 579 at Page 281 and in Book 586 at Page 147 and in Book 879 at Page 31 of the Otero County records.

Lots 64 and 65 of Swink Gardens being a Subdivison of Sections 30, 31 and 32, in Township 23 South, Range 55 West of the 6th P.M.

beginning; thence East 550 feet; thence S.13°20'W., 350 feet; thence N.62°48'W., 578 feet; thence N.27°12'E., 94 feet to the place of beginning.

PARCEL D:

The S1/2SW1/4NE1/4; N1/2SE1/4NE1/4; N1/2NE1/4NE1/4; S1/2NE1/4NE1/4; N1/2SW1/4NE1/4; and S1/2NE1/4SE1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M. EXCEPT a tract more particularly described as follows: Beginning at the Northeast corner of the SE1/4 of said Section 36 as monumented by a 5/8" rebar and aluminum cap marked LS 12103 and considering the East line of said SE1/4 (as monumented by a 2-1/2" aluminum pipe with 3-1/4" aluminum cap marked Petersen & strain Surveying, Inc., PLS 12103 at its South end), bearing assumed S.0°00'00"W. with all other bearings contained herein being relative thereto; thence S.0°00'00"W. along the East line of said SE1/4, a distance of 660.00 feet to the True Point of Beginning; thence continuing S.0°00'00"W., 142.82 feet; thence N.89°52'00"W., 305.00 feet; thence N.0°00'00"E., 142.82 feet; thence S.89°52'00"E., 305.00 feet to the True Point of Beginning. SUBJECT TO the East 30.00 feet of said tract for County Road 25 purposes.
ALSO EXCEPT
A tract of land lying in the NE1/4NE1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M. being more particularly described as follows:
Beginning at the Northeast corner of the NE1/4 of said Section 36 as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked LS 12103 and considering the East line of said NE1/4, (as monumented by a similar rebar and cap at its South end), bearing S.0°28'45"W., with all other bearings contained herein, being relative thereto; thence S.0°28'45"W., along the East line of said NE1/4, a distance of 848 feet to the TRUE POINT OF BEGINNING; thence S.0°28'45"W., 120.00 feet; thence N.89°31'15"W., 210.00 feet; thence N.0°28'45"E., 120.00 feet; thence S.89°31'15"E., 210.00 feet to the True Point of Beginning. SUBJECT TO the East 30.00 feet of said tract for County Road 25 Right-of-Way purposes.

The W1/2SE1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M., EXCEPT a tract of land lying in the NW1/4SE1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M. being more particularly described as follows: Beginning at the Southwest corner of the E1/2 of said Section 36 as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked LS 12103 and considering the West line of said E1/2 (as monumented by a similar rebar and cap at its North end), bearing N.0°.0'00"E., with all other bearings contained herein being relative thereto; thence N.0°30'00"E., along the West line of said E1/2 (same being the East Right-of-Way line of County Road 24.5), a distance of 1816.89 feet to the True Point of Beginning; thence continuing N.0°30'00"E., 284.82 feet; thence S.89°58'03"E., 650.00 feet; thence S.0°30'00"W., 284.82 feet; thence N.89°58'03"W., 650 feet to the True Point of Beginning. SUBJECT TO the West 20.00 feet of said tract for irrigation ditch and irrigation pipeline easement purposes.
ALSO EXCEPT
A tract of land lying in the W1/2SE1/4 of Section 36, Township 23 South, Range 56 West of the 6th P.M. being more particularly described as follows:
Beginning at the Northwest corner of the SE1/4 of said Section 36 as witness monumented 12.00 feet East by a 3/4" rebar and 2-1/2" aluminum cap marked BRUNDAGE, PLS 30087 and considering the North line of said SE1/4, (as monumented by a 5/8" rebar and 1-1/2" aluminum cap marked LS 12103 at its East end), bearing S.89°22'37"E. with all other bearings contained herein being relative thereto; thence S.89°22'37"E., along the North line of said SE1/4, a distance of 181.50 feet; thence S.0°30'00"W., 120.00 feet; thence N.89°22'37"W., 181.50 feet to a point on the West line of said W1/2SE1/4 (same being the East Right-of-Way line of County Road 24.5); thence N.0°30'00"E., 120.00 feet to the point of beginning. SUBJECT TO the West 20.00 feet of said tract for irrigation ditch and irrigation pipeline easement purposes.

A part of the SE1/4SE1/4 of Section 36, Township 23 South, 56 West of the 6th P.M. more particularly described as follows: Commencing at a point 747.83 feet due West of the Southeast corner of said Section 36, Township 23 South, Range 56 West of the 6th P.M.; thence due North 407.00 feet; thence due East 339.00 feet; thence due North and parallel to the East boundary of said Section 36 a distance of 913.00 feet to the North boundary of the SE1/4SE1/4 of said Section 36; thence West 911.17 feet to the Northwest corner of the SE1/4SE1/4 of Section 36; thence due South along the West

boundary of said SE1/4SE1/4, a distance of 1,320 feet to the Southeast corner of said SE1/4SE1/4; thence due East 572.17 feet to the Point of Beginning.

Exhibit – B
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Special Warranty Deed

When recorded return to:

_____
_____
_____

Special Warranty Deed
(Water Rights)

This Special Warranty Deed, made this _____ day of _____, 202_, between _____, a _____, whose address is _____ ("Grantor"), and the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Grantee").

WITNESSETH, that Grantor, for the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm unto Grantee, Grantee's heirs and assigns forever all of the water rights described below (the "Water Rights"):

(a) The water rights represented by [____]shares of the capital stock of The Catlin Canal Company, a mutual ditch company organized and existing under the laws of Colorado, which share(s) are evidenced by Stock Certificate No[s]. [____](the "Shares") and the water derived therefrom.

(b) All beneficial right, title and interest, if any, in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said Shares, and in addition, and in no way limited by the foregoing, any and all other right, title or interest in The Catlin Canal Company represented by said Shares.

(c) The following well permits: [_____] [*See Exhibit F*]

TOGETHER with all and singular hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title interest, claim and demand whatsoever of Grantor, either in law or equity, of, in and to the above bargained Water Rights, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said Water Rights above bargained and described with the appurtenances, unto Grantee and Grantee's heirs and assigns forever, and Grantor, for Grantor and Grantor's successors and assigns, does covenant and agree that Grantor shall WARRANT AND FOREVER DEFEND the above-bargained Water Rights in the quiet and

peaceable possession of Grantee and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor.

IN WITNESS WHEREOF, Grantor has executed this Deed on the date set forth above.

By: _____
[_____], an individual

By: _____
[_____], an individual

STATE OF COLORADO)
) ss
COUNTY OF _____)

The foregoing Contract was acknowledged before me this ____ day of _____ 202__ by [_____], an individual.

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(SEAL)

STATE OF COLORADO)
) ss
COUNTY OF _____)

The foregoing Contract was acknowledged before me this ____ day of _____ 202__ by [_____].

Witness my hand and official seal. _____
Notary Public

My commission expires: _____

(SEAL)
FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – C
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Special Warranty Deed – Real Estate

[see following page]

SPECIAL WARRANTY DEED

THIS DEED, dated this _____ day of _____, 202_, between, _____, a _____, whose address is _____, _____, County of _____ and State of Colorado, hereinafter referred to as "Grantor", and the **City of Aurora, Colorado**, a home rule municipal corporation of the Counties of Adams, Arapahoe and Douglas, acting by and through its Utility Enterprise, hereinafter referred to as "Grantee", whose legal address is 15151 E. Alameda Parkway, Aurora, Colorado 80012-1555.

WITNESS, that the Grantor(s), for and in consideration of the sum of One and no/100-------Dollars, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto the Grantee, Grantee's heirs, successors, and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Otero and State of Colorado, described as follows:

See Exhibit A wherein the description is more fully set forth. Said Exhibit A is attached hereto and incorporated herein by reference.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all the estate, right, title, interest, claim, and demand whatsoever of Grantor, either in law or equity, of, in, and to the above bargained Premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Premises above bargained and described, with the appurtenances, unto the Grantee, Grantee's heirs, successors, and assigns forever. The Grantor, for Grantor and Grantor's heirs, successors, and assigns, do covenant and agree that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained Premises in the quiet and peaceable possession of Grantee, Grantee's heirs, successors, and assigns, against all and every person or persons lawfully claiming the whole or any part thereof, by through or under the Grantor, subject only to those matters shown on Exhibit B attached hereto and incorporated herein.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

[SIGNATURES APPEARING ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Grantor has executed this deed on the date set forth above.

_____

a _____ _____ _____

By:_____

Title:_____

State of _____)
) §
County of _____)

The foregoing instrument was acknowledged before me this _____day of

_____202___, by _____, _____, of the _____

, a _____.

Witness my hand and official seal.
My commission expires:

SEAL

_____
Notary Public

SURVEYOR NAME, PLS #######, for and on behalf of NAME, ADDRESS, CITY, STATE, ZIP
Name and address of person creating newly created legal description (38-35-106 5, C R S)

REVIEWED BY:

Hector Reynoso
Real Property Services – Manager

APPROVED AS TO FORM:

Stephen Cann
Senior Assistant City Attorney

REVIEWED BY:

Richard Kienitz
Arkansas Valley Resources Manager

FAID Number: _____

Exempt from Documentary Fee Under C.R.S. §39-13-104(1)

Exhibit – D
to
Purchase and Sale Agreement (Water Rights and Real Property)
Form of Bill of Sale

BILL OF SALE

Effective this _____ day of _____, 202_, _____, whose address is _____ ("Seller") for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, bargains, sells, grants, and transfers to the City of Aurora, Colorado, a home-rule municipal corporation, acting by and through its Utility Enterprise of the counties of Adams, Arapahoe and Douglas, whose address is 15151 East Alameda Parkway, Suite 3600, Aurora, Colorado 80012-1555 ("Buyer"), all of its interest in the following personal property, goods, and chattels:

1. All of the equipment, machinery, supplies, materials, entitlements, approvals, licenses, plans, specifications, personal property, goods, fixtures, equipment, improvements, ditches, pipelines, wells, headgates, and measuring devices located on or related to the real property described on Exhibit A attached hereto (the "Real Property"), including but not limited to those described in Exhibit B attached hereto.

2. All books, records, files, water rights accounting, documents, reports, permits, designs, plans, specifications, blueprints, drawings, manuals, service instructions, diagrams, data, and operating procedures associated with the construction, installation, operation and maintenance of any such property.

TO HAVE AND TO HOLD the same unto the Buyer its successors and assigns forever. Seller covenants and agrees to and with Buyer, its successors and assigns, to warrant and defend the title to the personal property, goods and chattels conveyed herein against all and every person or persons whomever claiming under Seller.

EXCEPT AS PROVIDED FOR ABOVE, THE PERSONAL PROPERTY, GOODS AND CHATTELS ARE CONVEYED TO BUYER "AS IS, WHERE IS" WITH ALL FAULTS, WITHOUT ANY REPRESENTATION OR WARRANTY, WHATSOEVER.

IN WITNESS WHEREOF, the Seller has caused this Bill of Sale to be executed and subscribed to by its duly authorized representative.

SELLER

_____,
a/an _____

By: EXHIBIT – DO NOT EXECUTE
Name:_____

Title: _____
Date: _____

Exhibit A
Legal Description of the Real Property

Exhibit B
Non-Exhaustive List of Personal Property

[*insert Exhibit F to Contract.*]

Exhibit – E
to
Purchase and Sale Agreement (Water Rights and Real Property)

Form of Agricultural Lease
AGRICULTURAL LEASE [No. [_]]

This Agricultural Lease [No. [_]] ("Lease") is entered into as of _____, 202_ (the "Effective Date") between the City of Aurora, Colorado, a home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas acting by and through its Utility Enterprise whose address is 15151 East Alameda Parkway, Suite 3200, Aurora Colorado 80012 ("Lessor") and _____ whose principal place of business is located at _____ ("Lessee"). Lessor and Lessee may be collectively referred to as the "Parties" or individually as a "Party."[*NTD: confirm which Lessee entity as provided for in the Contract*]

For good and valuable consideration, and in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

1. LEASE GRANT AND PREMISES.

1.1. Lease. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, on the terms and conditions of this Lease including the Aurora IWSA as defined below, the following, which are hereinafter collectively referred to as the "Premises":

1.1.1. That certain real property currently consisting of (i) approximately [____] acres located in Otero County, Colorado, more specifically described in **Exhibit A-1** attached hereto; together with all appurtenances and related real property interests, including but not limited to easements, but excluding oil, gas, hydrocarbon and mineral rights (the "Farm"), and (ii) those certain improvements located on the Farm which are specifically described on **Exhibit A-2** attached hereto (collectively, the "Improvements").

1.1.2. Certain water rights represented by shares in the Catlin Canal Company, a mutual ditch company as described on **Exhibit B-1** attached hereto, including all beneficial right, title and interest in all water, water rights, ditches, ditch rights, reservoirs, reservoir rights, canals, canal rights, headgates and all other assets, rights, title or interests represented by said shares (the "Subject Catlin Water Rights") historically used on the Irrigated Acreage (as defined below);

1.1.3. The water rights described on **Exhibit B-2** attached hereto ("Groundwater Rights"), consisting of three irrigation wells, together with any existing well augmentation contracts to further support the farming practices at the Farm.

1.1.4. The term "Irrigation Equipment" as used herein shall refer to that certain irrigation equipment owned by Lessor and installed or to be installed on the Premises, which Irrigation Equipment, as of the Effective Date, is described on **Exhibit C** attached hereto.

1.2. Term.

1.2.1. Initial Term. The term of this Lease (the "Term") shall commence on _____, 20__ (the "Commencement Date") and shall terminate at midnight on January 31, 20__ [insert date for a ten-year initial term] (the "Initial Term"), or as earlier terminated by the Parties, pursuant to the terms of this Lease (the "Termination Date").

1.2.2. Renewal Terms. Following expiration of the Initial Term, this Lease shall automatically renew for two (2) successive ten (10)-year terms (each successive term shall be referred to as a "Renewal Term"); provided, however, that either Party may terminate this Lease and prevent any successive Renewal Terms by delivering written notice of termination to the other no later than December 31 of the final year of the Initial Term or any year of a Renewal Term in which case this Lease shall terminate as of the end of the year in which such notice is delivered. Each Renewal Term shall be expressly subject to each of the terms and conditions set forth in this Lease.

1.3. Irrigated Acres: Irrigation Restrictions. The Farm includes approximately 355.48 historically irrigated acres (each, an "Irrigated Acre" and, collectively, the "Irrigated Acreage") depicted on **Exhibit D** and identified as *Irrigated Acres*. Lessee acknowledges and agrees that the Farm contains approximately 467.94 acres of land that historically have not been irrigated (the "Non-Irrigated Lands"), and that Lessee shall not cause or permit the irrigation of such land in the future (the "Non-Irrigated Acreage Restrictions").

1.4. Permitted Use; Acceptance. This Lease is made for the exclusive purpose of Lessee's farming of the Irrigated Acreage using the Premises including grazing and other activities normally associated with irrigated agriculture and for no other purposes. Any other uses must be pursuant to a separate agreement approved by Lessor in writing, in advance. This Lease is made subject to all governmental laws, ordinances, orders, regulations, codes, directives, variances, and all orders, permits, rules and regulations issued by or at the direction of any such governmental agency or authority or any board or instrumentality thereof, and all covenants, conditions, easements, and rights-of-way now or hereafter existing, whether or not of record. Lessee has inspected and hereby accepts the condition of the Premises and has made its own determination regarding the suitability of the Premises for Lessee's anticipated Farming Plan (as defined in Section 3.2 below) and use. Lessee is leasing the Premises "AS IS" and "WHERE IS" with all defects and defaults, latent or otherwise. Lessee accepts the Premises in its present condition and is not relying upon any representation or warranty by Lessor or

any person acting on behalf of Lessor as to the condition or suitability of the Premises or Lessee's use thereof.

1.5. Surrender. At the end of the Term or the sooner termination of this Lease, Lessee agrees to quietly and peacefully surrender possession of the Farm in as good or better condition as at the inception of this Lease, along with possession of the Irrigation Equipment and any other Improvements on the Farm, all in good condition and working order, only reasonable wear and tear excepted.

2. RENT.

2.1. Rent. In each calendar year of the Term (each a "Lease Year"), Lessee will pay to Lessor rent in the amount of $170.00 per Irrigated Acre of the Premises on an annual basis (the "Base Rent"); provided, however, Lessee shall have no obligation to pay Base Rent on any Irrigated Acreage that is dried up pursuant to the Aurora IWSA during any IWSA Year. Accordingly, the Base Rent shall be $60,431.60 (which represents $170 multiplied by the entire 355.48 Irrigated Acres) subject to reduction during any IWSA year pursuant to the preceding sentence. During the Term, Lessee shall be entitled to retain all payments from U.S. Department of Agriculture ("USDA"), Farm Service Agency ("FSA"), or other government programs in which acreage constituting part of the Premises are enrolled, however, Lessee shall not enroll any acreage in such government programs if doing so may limit Lessor's ability to use water pursuant to the Aurora IWSA, or if doing so would result in restrictions on the Premises that would extend beyond the end of the Term, and Lessee shall bear responsibility for compliance with all provision and requirements of all programs in which such lands are enrolled. If, over any five-year period ditch company assessments for the shares representing the Subject Catlin Water Rights have increased by five percent or more, Lessor may raise the Base Rent by an amount sufficient to offset such increase in assessments.

2.2. Rent Payments. Base Rent payments for each Lease Year shall be due in installments as follows: (a) 20% of the Base Rent shall be due April 1, (b) 40% of the Base Rent shall be due July 1, and (c) the remaining 40% of the Base Rent shall be due November 1. Payment shall be made to City of Aurora Utilities Enterprise, Manager of Real Property, 15151 E. Alameda Pkwy., Ste. 3200, Aurora, CO 80012 (referencing Agricultural Lease [No. [ ]]) or such other address as provided to Lessee pursuant to Section 10.11 below. Lessee shall also pay, as "Additional Rent" any and all sums of money or charges required to be paid by Lessee to Lessor under this Lease. Base Rent and Additional Rent are sometimes referred to herein collectively as "Rent." In addition to Base Rent and Additional Rent payable to Lessor, Lessee shall pay, at its sole cost, any and all sums of money or charges required to be paid by Lessee to third parties for Lessee's operations at the Premises pursuant to this Lease, including, without limitation, utilities (gas, domestic water, sewer, internet and television access,

and electricity), all well pumping costs, maintenance and repair costs as provided in Section 3.7, Section 4.3 and elsewhere in this Lease. Lessee's lease of any ditch company shares or well augmentation water in addition to that described in **Exhibit B** must be consistent with the terms of this Lease. Insurance as required by Section 7.1 below, and taxes related to Lessee's operations other than real property taxes, shall be paid by Lessee. Annual assessments on all the ditch company shares identified on **Exhibit B-1** and all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** shall be at Lessor's cost pursuant to Section 4.3 below.

3. AGRICULTURAL OPERATIONS ON PREMISES; EXPENSES.

3.1. General. Lessee shall use the Premises for planting, growing and harvesting of alfalfa and/or other crops permitted to be grown under the laws of the State of Colorado, in each case, as approved in accordance with Section 3.2 below, and for uses normally incident to such purpose, and for no other purposes whatsoever.

3.2. Farming Plan. Commencing with the first full Lease Year after the Effective Date, Lessee and Lessor shall agree upon the crops to be planted during the applicable Lease Year. On or before November 1st of each Lease Year Lessee shall provide a farming plan describing Lessee's proposed cropping plans and maps showing planting and acreage designations for water use monitoring for the coming irrigation season and reflecting Lessor's preliminary Applicable IWSA Year Fallowing Terms provided pursuant to Section 3.4.1.1 below, and for longer term commitment consideration purposes (a "Farming Plan"). Lessor and Lessee shall cooperate to finalize Lessee's proposed Farming Plan and Lessor shall approve Lessee's draft Farming Plan or provide any comments on the same within twenty (20) days of Lessor's receipt. Lessor's approval of a Farming Plan shall not be unreasonably withheld; provided, that Lessee agrees that it shall be reasonable for Lessor to withhold approval of any Farming Plan that (a) is inconsistent with Lessor's preliminary Applicable IWSA Year Fallowing Terms or (b) that would limit Aurora's ability to use Subject Catlin Water Rights pursuant to the Aurora IWSA or (c) that would negatively affect the amount of historical consumptive use water available to Lessor from the Subject Catlin Water Rights under the Aurora IWSA. Following approval of the applicable Farming Plan, Lessee may proceed to plant crops on the Premises in accordance with such Farming Plan and Lessee shall furnish to Lessor copies of all forms submitted to the FSA or other U.S. Department of Agriculture agencies or offices pertaining to acreage, soils, crop usage and yields contemporaneously with such documents being filed with the FSA, or other agency, at no cost or expense to Lessor. Lessee shall keep, and provide to Lessor upon request, records of (i) all herbicides, insecticides, fungicides and fertilizers applied to the Premises, and (ii) the crop acreage and yield produced from the Premises.

3.3. Farming Standards. Lessee shall use commercially reasonable efforts to maintain the long-term productivity of the Farm. Lessee's operations shall be conducted in

accordance with the best practices recognized by the agricultural industry in the geographical vicinity of the Premises, and in compliance with applicable laws, regulations, and the Non-Irrigated Acreage Restrictions. Lessee shall not commit or permit the commission by others of any waste on the Premises and shall not commit or permit any nuisance. Lessee agrees to repair any damage to the Premises caused by Lessee's activities, reasonable wear and tear excepted. Lessee shall not permit any hunting or other recreational activities on the Farm without the prior written consent of Lessor at Lessor's sole discretion.

3.4. IWSA Terms. Lessee's use of the Premises is further subject to the following terms and conditions.

3.4.1. Interruptible Lease – Aurora IWSA. The Parties expressly contemplate, and Lessee acknowledges, that the Subject Catlin Water Rights will be the subject of an Interruptible Water Supply Agreement ("Aurora IWSA") and may be used by Lessor for non-agricultural uses (a) in up to three years out of any ten years or (b) for a portion of the Subject Catlin Water Rights attributable to Irrigated Acreage consisting of no more than 30% of the Irrigated Acreage on average over any 10 consecutive years of the term of this Lease, as may be extended (which may include the initial calendar year term of this Lease) and no more than 35% in any given year (such terms the "IWSA Fallowing Parameters" and, for the applicable IWSA Year, the "Applicable IWSA Year Fallowing Terms"). Lessee and Lessor each acknowledge their intent to do so in compliance with the provisions of C.R.S. § 37-92-309 and rules promulgated thereunder as such statute and rules may be amended over time. Alternatively, Lessor may submit one or more applications to the State of Colorado Water Court Division 2 to change the Subject Catlin Water Rights for alternative uses provided that any such change in use shall not expand the scope of Lessor's IWSA Fallowing Parameters during the term of this Lease, as may be extended. Lessee's responsibilities in connection with the Aurora IWSA are described in this Lease. Lessor will be responsible for all costs and actions that may be necessary to obtain approval of, and to operate the Aurora IWSA except those assumed by Lessee pursuant to this Lease. Lessee agrees to support and participate in the Aurora IWSA approval process or Aurora's change case subject to this Section provided that no material out-of-pocket expense shall be required of Lessee.

3.4.1.1. Each year in which water from the Subject Catlin Water Rights will be used for purposes of the Aurora IWSA selected by Lessor shall be referred to herein as an "IWSA Year". By August 15 of any year, Lessor shall provide to Lessee a preliminary non-binding indication of whether the following year will be an IWSA Year as a courtesy to Lessee and identifying Lessor's anticipated Applicable IWSA Year Fallowing Terms; provided, however, that Lessor's failure to deliver such notice does not preclude Lessor from electing the following year as an IWSA Year pursuant to the

following sentence. On or before November 30 of any year, Lessor shall provide to Lessee a written notice of Lessor's designation of the following year as an IWSA Year and finalizing the applicable Applicable IWSA Year Fallowing Terms.

3.4.1.2. Lessor shall not be required to compensate Lessee for the unavailability of water derived from the Subject Catlin Water Rights during IWSA Years, or costs or damages incurred by Lessee as a result thereof, except for the following reimbursements and payments which Lessee hereby agrees are full and sufficient consideration with respect to the fallowing of acreage containing alfalfa crops: (a) reimbursement to Lessee for the full costs and expenses reasonably and actually incurred by Lessee in killing the affected alfalfa and fallowing the acreage in which such alfalfa was planted subject to Lessee's submittal to Lessor of written documentation of such expenses, and (b) an alfalfa re-establishment payment in the amount of $350.00 per acre for all actually fallowed acres of alfalfa fields which amount shall be prorated during any 4-year alfalfa growing period as follows: (i) if the IWSA Year commences during the period which is one to twelve (12) months following the date the alfalfa fields were planted, 100% of such $350/acre amount shall be due and payable to Lessee, (ii) if the IWSA Year commences during the period commencing on the first day of the thirteenth (13th) month and expiring on the last day of the twenty-fourth (24th) month following the date the alfalfa fields were planted, 75% of such $350/acre amount shall be due and payable to Lessee, (iii) if the IWSA Year commences during the period commencing on the first day of the twenty-fifth (25th) month and expiring on the last day of the thirty-sixth (36th) month following the date the alfalfa fields were planted, 50% of such $350/acre amount shall be due and payable to Lessee, and (iv) if the IWSA Year commences during the period commencing on the first day of the thirty-seventh (37th) month and expiring on the last day of the forty-eighth (48th) month following the date the alfalfa fields were planted, 25% of such $350/acre amount shall be due and payable to Lessee. The foregoing consideration shall apply only to acres planted with alfalfa and no other crop. The foregoing payments shall apply only upon the first year of fallowing and no consideration shall be owed for subsequent consecutive years of fallowing. The Parties acknowledge that for any given IWSA Year, the alfalfa planted in fallowed acres may have been planted in different years, in which case, the applicable alfalfa re-establishment payment amount shall be prorated at different rates reflecting actual years that the respective crops were planted.

3.4.2. Land Management Responsibilities.

3.4.2.1. During non-IWSA Years, Lessee shall, at Lessee's sole cost and expense, keep the Premises reasonably free from, and shall work diligently toward exterminating, all weeds on the Premises. Lessee shall make application of and pay all costs for purchase and application of the herbicides used in the control of annual weeds as well as noxious weeds included on the noxious weed list for Otero County, Colorado and such other authorities having jurisdiction over the same. Lessee shall pay all costs for the herbicide used to control annual weeds and pay all application costs.

3.4.2.2. During IWSA Years, Lessee shall have the same obligations to control weeds as provided above, however, Lessor will reimburse Lessee's reasonable, actual expenses for purchase and application of herbicides subject to Lessee's submittal to Lessor of written documentation of such expenses. During IWSA Years, Lessee shall fallow the Premises in the manner required pursuant to the Aurora IWSA and in compliance with all applicable rules and regulations related to the Farm as imposed by Otero County, Colorado and such other authorities having jurisdiction over the same. In addition to the reimbursements provided for above, Lessor shall pay Lessee a fee during IWSA Years in the amount of $[_____][NTD: to be determined pursuant to Section 3.5 of the Contract] for each acre of Irrigated Acreage that Lessee fallows as required pursuant to the Aurora IWSA.

3.5. Access. Lessee hereby acknowledges and agrees that Lessor and Lessor's employees, agents, affiliates, related parties, or any other individuals or entities under permission from Lessor shall have the right to conduct activities on the Farm so long as such activities do not unreasonably and adversely interfere with the farming activities of Lessee.

3.6. Lessee's Farming Machinery. Lessee may place on the Premises and use its own farming machinery (e.g. tractors and related implements, harvesting and baling equipment, vehicles, trailers, etc.) during the Term but shall remove all of such machinery prior to the expiration of the Term. Lessee shall be responsible for operating and maintaining its farming machinery at its sole cost and expense, and shall be responsible for the operation thereof, in compliance with the Environmental Addendum attached hereto as **Exhibit E**, and all Federal, state, local zoning, environmental, labor and all other applicable laws.

3.7. Expenses.

3.7.1. Lessor Expenses. During the Term, if maintenance of, repairs to and/or replacement of the below ground portions of the Irrigation Equipment on the Premises are needed that are caused by a failure or defect of such portions of the Irrigation Equipment, and that are not caused or contributed to by the

negligence or willful misconduct of Lessee, then the obligation of Lessee is limited to giving Lessor written notice of such failure or defect within five (5) days of Lessee's discovery thereof, providing Lessor with a proposal for the completion of such maintenance, repairs and/or replacement at a reasonable cost. All expenses to be paid by, or reimbursed to Lessee by Lessor must be approved in advance in accordance with the sub-parts of this Section 3.7.1. Lessor shall reimburse Lessee for maintenance, repairs and replacement of any portions of the Equipment located below ground in accordance with such approvals. Lessor is a governmental entity and, accordingly, is not required to pay taxes with respect to the Premises. If and to the extent that Lessee's use of the Premises pursuant to this Lease or Lessee's leasehold interest hereunder results in the imposition of taxes with respect to any part of the Premises then Lessee shall be responsible for direct payment of such taxes directly to the applicable taxing authority. Lessor shall also pay for maintenance and repair of Improvements as required to be paid by Lessor pursuant to Section 3.8 below and such other expenses as provided for and in accordance with the sub-parts of this Section 3.7.1 and Section 3.7.3.

3.7.1.1. Pre-Planned Expenses.

3.7.1.1.1. For any expense less than One Thousand Dollars ($1,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.2. For any expense in excess of One Thousand Dollars ($1,000) but less than Fifty Thousand Dollars ($50,000) for which Lessee will seek reimbursement from Lessor, Lessee shall obtain at least two bids from qualified vendors within reasonable proximity to the Premises for the parts and labor required (unless there is only one qualified vendor within reasonable proximity to the Premises, in which event a single bid will be acceptable), Lessee shall seek written approval from Lessor allowing ten days for Lessor's approval, and shall obtain such written approval from Lessor prior to incurring the expense, which approval shall not be unreasonably withheld, conditioned or delayed.

3.7.1.1.3. For any expense of Fifty Thousand Dollars ($50,000) or more for which Lessee will seek reimbursement from Lessor, Lessee shall notify Lessor of the need for the expense, and if Lessor agrees that the expense is necessary (which consent shall not be unreasonably withheld, conditioned or delayed), Lessor will either: (a) obtain bids in accordance with Lessor's procurement policies as quickly as practicable, will select and hire the contractor(s), and will pay the associated expense(s) directly; or (b) authorize Lessee to obtain bids

and perform such work pursuant to the terms of Section 3.7.1.1.2 above.

3.7.1.2. Unplanned Expenses

3.7.1.2.1. In the event an unanticipated expense for the repair, and/or replacement of any Irrigation Equipment is required due to acts of God or similar circumstances, which Lessee and Lessor jointly agree in their reasonable judgment creates an emergency requiring immediate action in order to either (a) avoid, minimize or mitigate damage to the Premises (including the Improvements or any undamaged portion of the Irrigation Equipment), any real property or improvements adjacent to the Premises, or any crops growing at the Premises, or (b) to keep the Irrigation Equipment functioning for the purposes of Lessee's crop-growing activities on the Premises, then Lessor and Lessee shall agree as quickly as reasonably practicable in writing (the Parties will make best efforts to do so within 48 hours) regarding the materials, parts and labor required and the cost of same, after which Lessee may proceed to incur such expenses, obtain such repairs and/or replacements, and Lessor shall reimburse Lessee for such expenses.

3.7.2. Lessee Expenses. Lessee shall pay for the following costs and expenses: (i) all costs of fieldwork, including without limitation, land preparation, irrigation, tilling, planting, chemical application and harvest of crops, and all associated labor expenses; (ii) maintenance and repair of Improvements as required to be paid by Lessee by Section 3.8 below and ordinary maintenance, repairs and replacement of the portions of the Irrigation Equipment located above ground (provided, however, that Lessor will be responsible for one-half of the cost of major repairs or replacement of Irrigation Equipment exceeding $2,000 in any instance unless caused by Lessee's negligence); (iii) standard farming maintenance or standard cultural practices, including ditch cleaning and field leveling; (iv) all taxes, licenses, fees and public charges levied, assessed or imposed during the Term upon Lessee's personal property; (v) all other costs and expenses of producing the crops which are not identified as Lessor Expenses or Shared Expenses herein; (vi) fertilizer and similar soil preparations, (vii) purchasing seeds, (viii) herbicides, insecticides, fungicides and similar chemical applications, (ix) electricity, (x) freight to deliver the crop yield to the purchaser, and (xi) miscellaneous other expenses of producing the crops from the Farm not included above in connection with the machinery, equipment, inputs, and labor required to plant, raise, harvest, sell and deliver crops, including maintenance, repairs, and replacement of any of the foregoing. Lessee will seek approval of the expenses described above to be borne by Lessor in accordance with Section 3.8 below and after obtaining such approval, Lessee may hire a contractor to complete the same, provided that: (i) such repairs, maintenance and/or replacements are made in a

workmanlike manner and in compliance with all applicable laws and regulations; (ii) Lessee shall require appropriate and reasonable insurance coverage and lien protections requested by Lessor; and (iii) Lessor may impose reasonable conditions to approving such work.

3.7.3. Shared Expenses. The Parties will share, on a 50/50 basis, cost on major repairs and replacement of Irrigation Equipment as provided for in Section 3.7.2 above. In the event this Lease is terminated by Lessor for reasons other than a material breach of its terms by Lessee, Lessor will reimburse Lessee one tenth of their portion of the costs of major repairs or replacement of Irrigation Equipment exceeding $2,000 in any instance unless caused by Lessee's negligence each year for the remaining portion of the first ten years after the installation or major repair takes place.

3.8. Repair, Maintenance and Replacement of Improvements. Lessor shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to normal wear and tear or acts of God. Lessee shall be responsible for repair, maintenance and replacement of the Improvements that become necessary due to Lessee's negligence or for Lessee's failure to maintain the Improvements in accordance with this Lease. Lessee shall notify Lessor of the need for repair, maintenance and/or replacement of any such Improvements, regardless of the responsibility of Lessee or Lessor for the cost thereof, and shall obtain Lessor's approval for such repairs, maintenance or replacements of the Improvements in accordance with Section 3.7.1.1 and/or Section 3.7.1.2 above.

3.9. Alterations. Lessee shall have the right, at its sole cost and expense, to make alterations and improvements to the Improvements, provided that apart from repairs, maintenance and replacements of the Improvements: (i) such alterations and/or improvements are approved by Lessor in writing and in advance of any contractual commitments being made by Lessee, which approval shall not be unreasonably withheld, conditioned or delayed; (ii) such alterations and/or improvements are made in a workmanlike manner and in compliance with all applicable laws and regulations; (iii) Lessee shall furnish appropriate insurance coverage and lien protections requested by Lessor; and (iv) Lessor may impose reasonable conditions to approving such work. All approved and completed alterations and improvements shall become part of the Premises and title shall vest in Lessor; provided that Lessor, at its sole discretion, may require that certain improvements be removed at the end of the Term, at Lessee's cost. Lessee shall keep the Premises free and clear of any and all liens, claims and demands for work performed, materials furnished, and operations on the Premises.

3.10. Flooding Risk. Lessee acknowledges that the Premises may be subject to natural flooding. Lessor shall not be liable in any manner for any damage to Lessee's crops due to flooding.

3.11. Crop Insurance. Lessee is responsible, at its expense, for obtaining appropriate levels of crop insurance to cover crop failures and/or prevented planting situations. Lessor shall have no obligation to maintain crop insurance and any and all loss of crops shall be at the sole risk of Lessee. Further, Lessor, by granting this Lease to Lessee, makes no representation or warranty of any kind as to the quality or suitability of the soil of the Farm for growing any crops Lessee may be authorized to grow on the Farm under this Lease. Lessee represents and warrants to Lessor that Lessee has made an independent inspection of the Premises and is not relying upon any representation or warranty whatsoever from Lessor as to soil condition.

3.12. Soil Conservation. In order to conserve the soil, Lessee shall carry out soil conservation best management practices and measures recognized by the U.S. Department of Agriculture, Natural Resources Conservation Service (or its successor entity) and followed on similar farmland located in Otero County, Colorado.

3.13. Disallowed Uses. Uses of the Premises that are expressly disallowed are growing of marijuana, whether for commercial or non-commercial purposes, and use of the Premises and/or Improvements for political activism.

4. USE OF WATER RIGHTS

4.1. Use of Water Rights. Lessee shall not use any water other than that derived from the Subject Catlin Water Rights and the Groundwater Rights for the irrigation of the Irrigated Acreage without prior notice to and written approval from Lessor. In an IWSA year: (a) Lessee shall not irrigate with any of the Subject Catlin Water Rights; and (b) Lessee shall not irrigate with the Groundwater Rights except to the extent it is determined that such irrigation will not negatively affect the amount of historical consumptive use water available to Aurora under the Aurora IWSA.

4.2. Requirement to Maintain Structures. Lessee shall be responsible for the maintenance (but not replacement, which shall be Lessor's responsibility if required at any time during the Term unless replacement is required due to the negligence of Lessee) of any headgates and measuring devices necessary to divert the Subject Catlin Water Rights onto the Irrigated Acreage.

4.3. Water Rights Costs and Expenses. Lessor shall pay for annual assessments with respect to the Subject Catlin Water Rights each year. Lessor shall pay for all membership and other fees attributable to any well augmentation contracts identified on **Exhibit B-2** each year, but only within the volumetric pumping limits provided therein. Lessee shall pay any fees or penalties incurred as a result of Lessee pumping in excess of the volumetric pumping limits set forth in the well augmentation contracts, and for additional augmentation water or supplemental leased water, if any, obtained by Lessee in any year.

4.4. Pledge or Encumbrance. Lessee shall not pledge or otherwise encumber this Lease for any purpose including, without limitation, securing debt, augmenting past, present or future well depletions, or repaying obligations to any third party.

4.5. Quantity of Water. Lessee agrees to take and put to beneficial use as much of the Subject Catlin Water Rights as possible, consistent with reasonably efficient irrigation practices, and to preferentially use the Subject Catlin Water Rights over any leased water to the greatest extent practical. Lessee acknowledges the risk that due to annual variations in hydrology and longer-term climatic changes, the Subject Catlin Water Rights may not be physically available to the same extent as they were historically. Lessor assumes no responsibility to Lessee for any water shortage from the Subject Catlin Water Rights.

4.6. Water Quality. Lessor makes no representations regarding the quality of the Subject Catlin Water Rights or the Groundwater Rights or their fitness for irrigation use.

4.7. Water Accounting Responsibilities. Lessee shall maintain records of its use of the Subject Catlin Water Rights and Groundwater Rights and report such irrigation usage to Lessor no later than November 15th of each year during the Term in such form as Lessor may reasonably require, the acres irrigated, the crops grown, as well as any other matters as reasonably requested by Lessor in connection with the use of the Subject Catlin Water Rights and Groundwater Rights or supplementation of the same. If the installation of measuring devices is hereafter requested by the division or state engineer or required by any subsequent Water Court decree, such measuring devices shall be installed at Lessor's expense and upon the installation of such devices, Lessee shall further report to Lessor the amount of water diverted and used for irrigation on the Irrigated Acreage.

5. COMPLIANCE.

5.1. Governmental Regulations. Lessee shall, at its expense: (i) comply with all applicable laws and regulations concerning Lessee's use of the Premises; (ii) operate and farm the Premises in compliance with any and all safety regulations applicable to farming operations; (iii) comply with any land use, conservation requirements, and wetland protection requirements; (iv) apply any and all pesticides, fertilizers, and other materials in accordance with rules and regulations therefor; and (v) comply with applicable laws and regulations regarding the drainage and discharge of water from the Premises and with the Non-Irrigated Acreage Restrictions. All references to laws, regulations, or programs refer to those now in place or hereafter imposed during the Term.

5.2. Environmental Compliance. Lessee shall comply with the Environmental Addendum to this Lease attached as **Exhibit E**.

5.3. Water Rights. Lessee shall, at its expense, comply with all rules, regulations and requirements of the Catlin Canal Company with respect to the Subject Catlin Water Rights and Lessor's membership in AGRA.

6. RIGHTS RETAINED BY LESSOR; CONSULTATION. Lessor expressly reserves and excepts the following: (i) all oil, gas, hydrocarbon and mineral rights; (ii) ownership of all water and surface water rights pertaining to the Premises; (iii) the right to travel over the Premises for the purposes of inspection of the Premises and access to Lessor's adjacent properties; and (iv) all available hunting rights. Lessor and its agents shall have the right to enter the Premises at all reasonable times for the purpose of inspecting the Premises, posting notices of non-responsibility, ascertaining that the promises and covenants of Lessee herein contained are being kept, observed and performed, and to place thereon at any time during the Term "For Sale" and/or "For Rent" signs. Lessor reserves for itself and Lessor's mineral lessees, agents or licensees, a right of entry and right-of-way for ingress and egress in and to, over and on, the Farm during the Term for the exploration, drilling, and mining of minerals, oil, gas and other hydrocarbons on or under the Farm. Lessor and Lessor's employees and/or agents, may enter the Premises without notice to Lessee for the purpose of making any alterations, repairs or improvements to the Premises, which Lessor deems convenient or required for the maintenance or preservation thereof.

7. INSURANCE; INDEMNIFICATION

7.1. Insurance.

7.1.1. From the Effective Date through and including the Termination Date, Lessee shall maintain in force, at its expense, and naming Lessor as additional insured: (i) commercial general liability insurance, including property damage, against liability for bodily injury, personal injury, death and damage to property occurring on the Premises with combined single limit coverage of at least One Million Dollars ($1,000,000) per occurrence and a general aggregate combined single limit of bodily injury and property damage liability of at least One Million Dollars ($1,000,000), and excess umbrella liability insurance in the amount of One Million Dollars ($1,000,000); (ii) workers' compensation insurance upon all persons employed by Lessee upon the Premises, and Lessee shall further cause all agents and contractors employed or invited by Lessee onto the Premises to carry workers' compensation insurance upon all persons employed by said agent or contractor upon the Premises; and (iii) business automotive liability insurance covering liability arising out of any vehicle owned or leased by Lessee and any non-owned vehicle hired by Lessee with combined single limit coverage of at least One Million Dollars ($1,000,000) combined bodily injury and property damage, each accident; and (iv) insurance against casualty loss of the Irrigation Equipment in the combined amount of Twenty Thousand Dollars ($20,000). Renter's insurance for loss of Lessee's personal property while on the Premises, as well as for loss of crops (whether in the field or while stored in the

Improvements) shall be at Lessee's expense. Each policy of insurance shall be issued by an insurance company reasonably acceptable to Lessor and authorized to do business in Colorado. Lessee's insurance policies shall provide that a ten (10) day notice of cancellation or modification of coverage shall be given to Lessor. Prior to the Commencement Date and upon the request of Lessor, Lessee shall deliver a certificate for each insurance policy to Lessor.

7.2. Indemnification of Lessor. Lessee shall indemnify, defend and hold Lessor harmless from and against any and all claims, costs, damages, expense, and liability (including attorney's fees and costs incurred), arising directly or indirectly from any breach of this Lease by Lessee, from any acts or omissions of Lessee, its employees or agents, on or about the Premises, from any injury to the person or damage to any property occurring as a result of the acts of Lessee in regard to such property. For purposes of the indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee. The Environmental Addendum attached hereto as **Exhibit E** contains further provisions pertaining to indemnification.

8. DEFAULT.

8.1. Default. The occurrence of any of the following events shall be deemed a default under this Lease: (a) Lessee fails to pay any Rent(s) or other sum due hereunder when due; (b) Lessee files a petition for bankruptcy or is adjudicated bankrupt or insolvent, or files any petition for any reorganization, arrangement, composition or adjustment with creditors, and the same is not dismissed within thirty (30) days; (c) Lessee abandons the Premises for a period of thirty (30) days; or (d) either Party fails to perform or observe any covenant or representation required to be performed by it under this Lease, which failure is not cured within thirty (30) days following written notice from the other Party (provided that if the Party providing notice of default reasonably concludes that such default constitutes an emergency condition, then such Party may immediately correct such default).

8.2. Remedies.

8.2.1. In the event of any default by Lessor hereunder, Lessee may, following not less than thirty (30) days' written notice and right to cure, have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default.

8.2.2. In the event of any default by Lessee hereunder, Lessor may: (i) cancel and terminate this Lease as well as all right, title and interest of Lessee hereunder; (ii) re-enter the Premises without terminating this Lease to comply

with any condition or agreement required to be performed, and thereupon have the right to claim and collect all expenses incurred thereby as Additional Rent due immediately hereunder; (iii) recover unpaid Rent resulting from such breach or default, and recover all costs and expenses incurred in any way or as a result of such default; and/or (iv) have and exercise all of the rights and remedies provided or allowed by law or in equity as a result of such breach or default. All of the rights and remedies in this section are cumulative and not in the alternative.

8.3. Late Payment. A two percent (2%) late fee shall be assessed for any payment made more than twenty (20) days past the due date. In addition, any past due amounts shall accrue interest monthly at one percent (1%) per month.

8.4. Security for Payment of Rent(s). Lessee grants Lessor a security interest in all crops planted or produced on the Farm as security for the payment of Rent hereunder and compliance by Lessee with the terms of this Lease. This paragraph shall be considered and deemed to constitute as between Lessor and Lessee a valid security agreement, which will allow the perfection of Lessor's security interest in Lessee's crops; provided, however, upon demand, Lessee agrees to execute and deliver to Lessor an additional security agreement or any other reasonable documentation in furtherance of such security interest. Lessee authorizes Lessor to file a financing statement evidencing the security interests granted hereunder in the records of Otero County and of the Colorado Secretary of State. Upon an uncured event of default, Lessee consents to the appointment of a receiver to enter onto the Premises and harvest the crops if necessary to protect Lessor's security interest therein.

9. RECORDING. This Lease, or a memorandum hereof, may be recorded by Lessor in the Otero County real property records.

10. MISCELLANEOUS

10.1. Counterparts. This Lease may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same agreement. The Parties intend that with respect to this Lease, electronic signatures (including signatures delivered by email or electronic record) shall constitute original signatures and are binding on all Parties.

10.2. Amendment. This Lease may be amended, modified, changed, or terminated in whole or in part only by written agreement duly authorized and executed by the Parties. The General Manager of Aurora Water shall have the authority to approve and execute amendments to this Lease.

10.3. Waiver. Waiver by either Party of any of the covenants or agreements in this Lease shall not be construed as constituting a waiver of the same or of any other covenant as to breach or default subsequently arising, or as the waiver of a subsequent breach of any of the covenants hereunder.

10.4. Assignment. Lessee shall not encumber or assign this Lease, any right or interest in this Lease, or any right or interest in the Premises or any of the Improvements or Irrigation Equipment without Lessor's prior written consent, which consent may be withheld in Lessor's sole discretion. For purposes of this Lease, any of the following shall be deemed an assignment of Lessee's interest in this Lease : (a) if Lessee is a partnership or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of 50% or more of the partners, members or managers thereof, or transfer of 50% or more of partnership or membership interests therein, or the dissolution of the partnership or the limited liability company without immediate reconstitution thereof, and (b) if Lessee is a corporation whose stock is not publicly held and not traded through an exchange or over the counter or any other form of entity, the dissolution, merger, consolidation or other reorganization of Lessee, the sale or other transfer of more than an aggregate of 50% of the voting shares or other interests of or in Lessee.

10.5. Sub-licensing. Lessee shall not sub-lease or sub-license all or any part of the Premises, or allow any other person or entity to occupy or use all or any part of the Premises, without first obtaining Lessor's written consent, which consent may be withheld in Lessor's sole discretion; provided, however, Lessor hereby pre-approves the right of Lessee to sublicense that portion of the Improvements constituting grain bins to a third party for the purpose of using such Improvements for grain storage.

10.6. Successors and Assigns. This Lease and the rights and obligations created hereby shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns if any are allowed. The Parties intend that Lessor shall not incur any liability other than those liabilities directly running to Lessee or assigns permitted under this Lease, if any.

10.7. Waiver of Breach. Waiver of breach of any of the provisions of this Lease by either Party shall not constitute a continuing waiver of any subsequent breach by said Party of either the same or any other provision of this Lease.

10.8. [intentionally omitted].

10.9. Headings for Convenience. Headings and titles contained herein are intended for the convenience and reference of the Parties only and are not intended to confine, limit, or describe the scope of intent of any provision of this Lease.

10.10. Attorneys' Fees. In the event of any litigation, mediation, arbitration or other dispute resolution process arising out of or related to this Lease each Party agrees to

be responsible for its own attorneys' and other professional fees, costs and expenses associated with any such proceedings.

10.11. Notices. Any notice required by this Lease shall be sent in writing, postage prepaid by certified or registered mail, by nationally recognized overnight courier, or by hand delivery, addressed to the other Party as set forth below. Such notice shall be deemed given three (3) days after being mailed, one (1) day after sending by overnight courier, and upon hand delivery. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in this paragraph.

To Lessor: City of Aurora
26791 E Quincy Ave,
Aurora, CO 80016
Attn: Water Land Management Team
WSDLandManagement@auroragov.org

with copy to: City of Aurora
15151 East Alameda Parkway, Suite 5300 Aurora, CO 80012-1555
Attn: City Attorney

and copy to: City of Aurora
15151 East Alameda Parkway, Suite 3200 Aurora, CO 80012-1555
Attn: Manager of Real Property
publicworks@auroragov.org

To Lessee: ____
____
____
Attn: ____

with copy to [attorney]
____
____
Attn: ____

10.12. Communications by Email. For purposes of day-to-day communications regarding farming and water rights operations, but not formal notices contemplated by this Lease, a Party may communicate with the other Party via email to each of the persons identified below for the other Party at the email addresses listed below. Either Party may change their address for the purpose of this paragraph by giving written notice of such change to the other Party in the manner provided in Section 10.11.

To Lessor: Rick Kienitz rkienitz@auroragov.org

Ian Best ibest@auroragov.org
Jacob Bauer jdbauer@auroragov.org
leasing@auroragov.org
WSDLandManagement@auroragov.org

To Lessee: ____ __@___
____ __@___
____ __@___
____ __@___

10.13. No Construction Against Drafter. The Parties agree they jointly drafted this Lease with each having the opportunity to obtain the advice of legal counsel and equal opportunity to contribute to its content.

10.14. No Partnership Created. This Lease shall not be construed as creating a partnership, joint venture, or relationship of principal and agent between Lessor and Lessee; it being intended that this Lease shall be deemed to create no relationship other than Lessor and Lessee.

10.15. Entire Agreement. This Lease, the Exhibits and the Environmental Addendum contain the entire agreement of the Parties relating to the rights granted and obligations assumed. Any oral representations or modifications not contained herein shall be of no force or effect unless contained in writing, signed by both Parties.

10.16. Intent of Agreement. This Lease is intended to describe the rights and responsibilities of and between the Parties and is not intended to, and shall not be deemed to confer rights upon any persons or entities not named as Parties, nor to limit in any way the powers and responsibilities of Lessor, Lessee, or any other entity not a party hereto.

10.17. Estoppel Certificates. Lessee shall, upon ten (10) days' notice from Lessor, execute and deliver to Lessor, on a form prepared by Lessor, a written statement certifying that Lessee has accepted the Premises, that this Lease is unmodified and in full force and effect (or stating any modifications), that the Lessor is not in default hereunder, the date to which Rent and other charges have been paid, and such other accurate certifications as may be reasonably requested by Lessor. It is intended that any such statement delivered may be relied upon by any lender or purchaser of the Premises.

10.18. Further Assurances. Lessor and Lessee agree to cooperate fully and execute any and all supplementary agreements, documents and instruments, and take all additional actions, which may be necessary or appropriate to give them full force and effect to the basic terms and intent of this Lease.

10.19. Enforcement. The Parties agree that this Lease may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including damages, as may be available according to the laws of the State of Colorado. It is specifically understood that by executing this Lease each Party commits itself to perform pursuant to the terms hereof, and that any breach hereof resulting in any recoverable damages shall not thereby cause the termination of any obligations created by this Lease unless such termination is requested by the Party not in breach.

10.20. Governing Law and Venue. This Lease and its application shall be construed according to the laws of the State of Colorado. Venue for the trial of any action arising out of any dispute hereunder shall be in the Otero County District Court.

10.21. Sole Obligation of Aurora.

10.21.1. This Lease shall never constitute a general obligation or other indebtedness of the City of Aurora, or a multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City of Aurora within the meaning of the Constitution and laws of the State of Colorado or of the Charter and ordinances of the City of Aurora.

10.21.2. In the event of a default by Lessor of any of its obligations under this Lease, Lessee shall have no recourse for any amounts owed to it against any funds or revenues of Aurora except for those revenues derived from rates, fees or charges for the services furnished by, or the direct or indirect use of, the Water System and deposited in the Water Enterprise Fund, as the terms "Water System" and "Water Enterprise Fund" are defined in City Ordinance No. 2003-18, and then only after the payment of all operation and maintenance expenses of the Water System and all debt service and reserve requirements of any bonds, notes, or other financial obligations of the Utility Enterprise secured by a pledge of the net revenues of the Water Enterprise Fund. Notwithstanding any language herein to the contrary, nothing in this Lease shall be construed as creating a lien upon any revenues of the Utility Enterprise or the City of Aurora.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease on the date first written above.

LESSEE:
_____EXHIBIT – DO NOT EXECUTE_____

_____ Date: _____
[name / title]

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me _____, day of _____, 202__, by _____.

Witness my hand and official seal.

My commission expires:

_____
Notary Public

LESSOR:
City of Aurora, A Colorado home rule municipal corporation of the counties of Adams, Arapahoe, and Douglas, Acting by and through its Utility Enterprise

By: EXHIBIT – DO NOT EXECUTE _____
Marshall P. Brown
General Manager, Aurora Water

Reviewed by:

By: _____
Alexandra L. Davis,
Asst. GM Water Supply & Demand

Reviewed by:

By: _____
Hector Reynoso,
Manager- Real Property Services

APPROVED AS TO FORM:

By: _____
Ian Best,
Assistant City Attorney
ACS#: _____

Reviewed by:

By: _____
Rick Kienitz,
Water Resources Manager

List of Exhibits:

Exhibit A-1 –	Legal Description of Premises
Exhibit A-2 –	List of Improvements on the Premises
Exhibit B-1 –	Surface Water Rights Historically Used on the Premises
Exhibit B-2 –	Groundwater Rights Historically Used on the Premises
Exhibit C –	Description of Irrigation Equipment
Exhibit D –	Depiction of Irrigated Acreage
Exhibit E –	Environmental Addendum

Exhibit A-1
Legal Description of Premises

[insert Exhibit A from Contract]

Exhibit A-2
List of Improvements on the Premises

[to be inserted]

Exhibit B-1
Surface Water Rights Historically Used on the Premises

441.45 shares of capital stock in the Catlin Canal Company (the "Ditch Company"), as represented, as of the Effective Date, by the Share Certificate Numbers set forth below:

Certificate Number as of Effective Date	Shares
3710	61.81
3617	2.0
070A	85.34
0174A	163.26
0172A	121.3
0173A	7.74
Total Shares	**441.45**

Exhibit B-2
Groundwater Rights Historically Used on the Premises

Well Permits

[to be confirmed during the Due Diligence Period]

Well Number	Permit Number	Status
1705496A	#1372-R	Active
1705382A - well inactive		Inactive
1705495A - well inactive		Inactive

Exhibit C
Description of Irrigation Equipment

Irrigation Equipment

Infrastructure

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

Headgates 199, 202 & 205

Lift Pumps

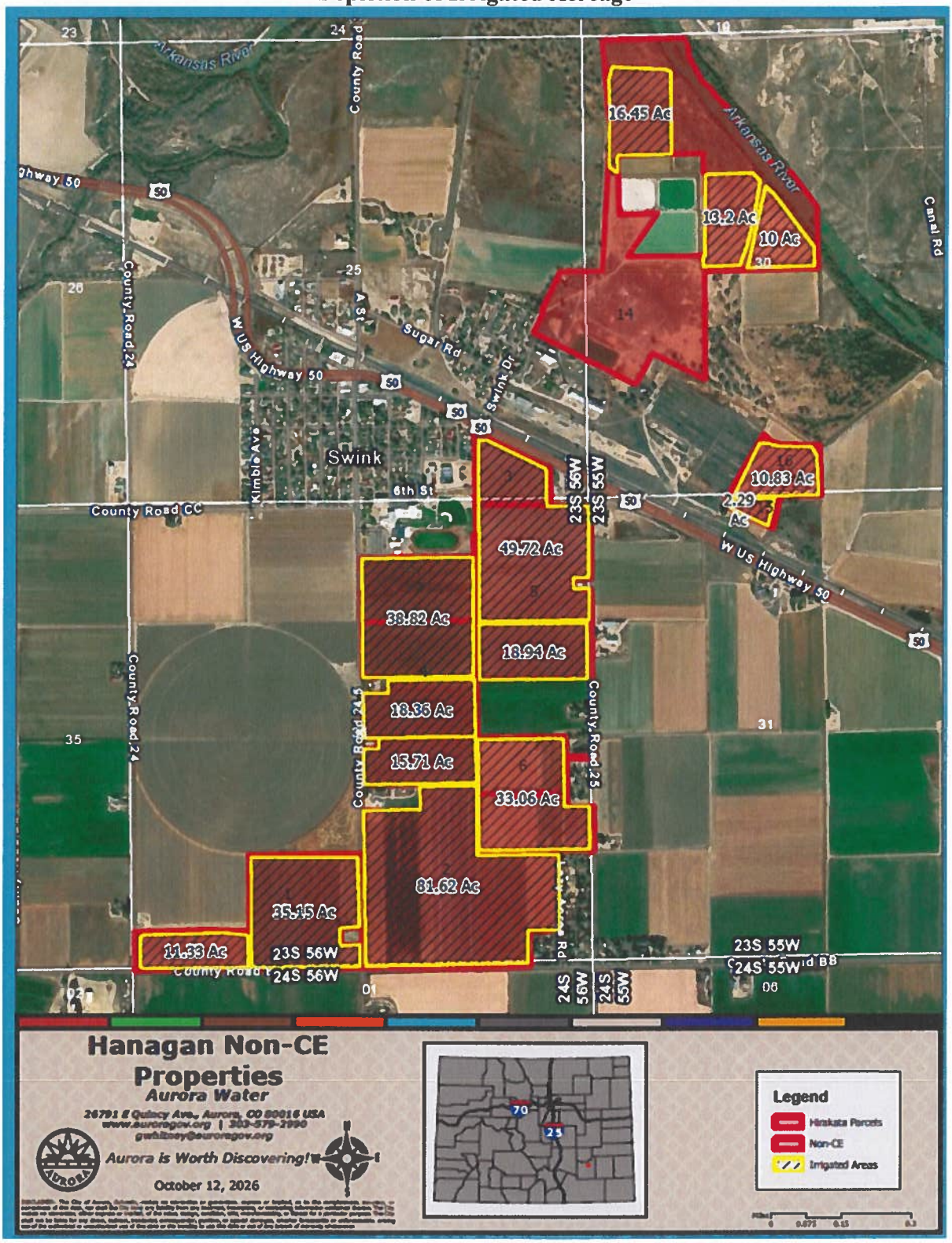
River Bottom Farm - Fisher Lift pump 2021 model 550 gpm

Wells

All Infrastructure associated with wells. Pumps, Utilities, etc.

1705496A Active Permit #1372-R
1705382A - well inactive
1705495A - well inactive

Exhibit D
Depiction of Irrigated Acreage



Ex D-1

Exhibit E
ENVIRONMENTAL ADDENDUM

This Environmental Addendum is incorporated into and made a part of the Agricultural Lease to which it is attached

(a) Lessee shall use and handle pesticides, fertilizers, petroleum products and industrial / mechanical fluids in compliance with all applicable federal, state and local laws, regulations, orders and manufacturer guidelines. Lessee shall indemnify and hold Lessor harmless from any claim, expense, fine, diminution in value of the Premises, enforcement costs or any injury or damage to persons and/or property that result from Lessee's use of such materials on or about the Premises.

(b) For purposes of this Lease, the term "Hazardous Substances" shall include: (i) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Water Act, 33 U.S.C., § 1251 et seq.; all as amended, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, (ii) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court, (iii) petroleum or crude oil other than petroleum and petroleum products which are contained within regularly operated motor vehicles, and (iv) asbestos.

(c) Lessee shall not cause or permit any Hazardous Substances to be brought upon or kept or used in or about the Premises by Lessee, its agents, employees, contractors or invitees, unless (a) such Hazardous Substances are necessary for Lessee's farming operations and (b) Lessee first obtains the written consent of Lessor, which consent may be withheld in Lessor's sole discretion.

(d) Lessee shall at all times and in all respects comply with all local, state and federal laws, ordinances, regulations and orders (collectively "Hazardous Substances Laws") relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any Hazardous Substances.

(e) Lessee shall at its cost and expense procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required for Lessee's use of the Premises, including, without limitation, discharge of (appropriately treated) materials or wastes into the systems serving the Premises. Except as discharged in strict accordance and conformity with all applicable Hazardous Substances

Laws, Lessee shall cause any and all Hazardous Substances removed from the Premises to be removed and transported solely by duly licensed haulers to duly licensed facilities for final disposal of such materials and wastes. Lessee shall in all respects handle, treat, deal with and manage any and all Hazardous Substances in, on, under or about the Premises in conformity with all applicable Hazardous Substances Laws and prudent industry practices regarding management of such Hazardous Substances. Upon expiration or earlier termination of the term of the Lease, Lessee shall cause all Hazardous Substances to be removed from the Premises (except such Hazardous Substances, if any, as were located in the Premises prior to the commencement of Lessee's occupancy thereof) and to be transported for use, storage or disposal in accordance and compliance with all applicable Hazardous Substances Laws; provided, however, that Lessee shall not take any remedial action in response to the presence of any Hazardous Substances in or about the Premises, nor enter into any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances in any way connected with the Premises, without first notifying Lessor of Lessee's intention to do so and affording Lessor ample opportunity to appear, intervene or otherwise appropriately assert and protect Lessor's interest with respect thereto.

(f) If at any time Lessee shall become aware or have reasonable cause to believe that any Hazardous Substance has come to be located on or beneath the Premises, Lessee shall, immediately upon discovering such presence or suspected presence of the Hazardous Substance, give written notice of that condition to Lessor. In addition, Lessee shall immediately notify Lessor in writing of (a) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Substances Laws, (b) any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances, and (c) any reports made to any local, state or federal environmental agency arising out of or in connection with any Hazardous Substances in or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith. Lessee shall also supply to Lessor as promptly as possible and in any event within five (5) business days after Lessee first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Premises or Lessee's use thereof. Lessee shall promptly deliver to Lessor copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Substances removed from the Premises.

(g) Lessee shall indemnify, protect and hold harmless Lessor and each of Lessor's partners, directors, officers, employees, agents, attorneys, successors and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses (including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises), costs or expenses (including attorney's fees, consultant fees and expert fees) for the death or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part by Lessee's violating its covenants as set forth herein that directly or indirectly results in (a) the presence in, on, under or about the Premises, or any discharge or release in or from the Premises, of any Hazardous Substances or Lessee's use, analysis, storage, transportation,

disposal, release, threatened release, discharge or generation of Hazardous Substances to, in, on, under, about or from the Premises, or (b) Lessee's violation of any Hazardous Substances Laws. Lessee's obligations under this paragraph shall include, without limitation and whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of site conditions and any and all costs of any required or necessary repair, cleanup, detoxification or decontamination of the Premises (including, without limitation, the soil and groundwater on or under the Premises) and the preparation and implementation of any closure, remedial action or other required plans in connection therewith. Lessee's obligations under this paragraph shall survive the expiration or earlier termination of the term of this Lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

Exhibit – F
to
Purchase and Sale Agreement (Water Rights and Real Property)

Personal Property and Well Permits

Personal Property

All concrete ditches & laterals

All gate pipe, underground pipe, infrastructure, etc.

Headgates 199, 202 & 205

Lift Pumps

River Bottom Farm - Fisher Lift pump 2021 model 550 gpm

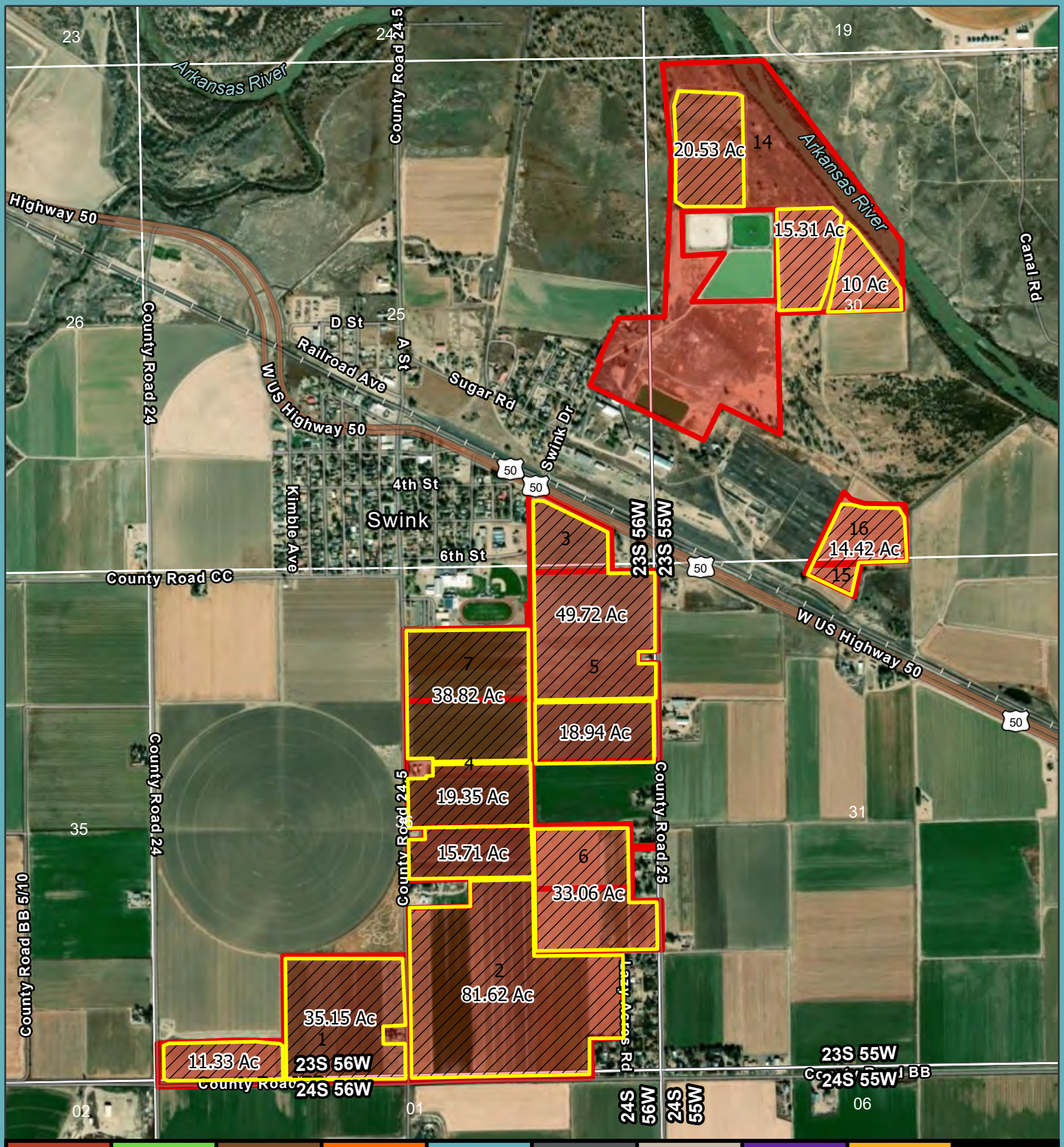
Well Permits

Well Number	Permit Number	Status
1705496A	Permit # 1372-R	Active
1705382A		Inactive
1705495A		Inactive

Well Augmentation Contracts

Well Number	Augmentation Plan and Contract Number	Status

52676854



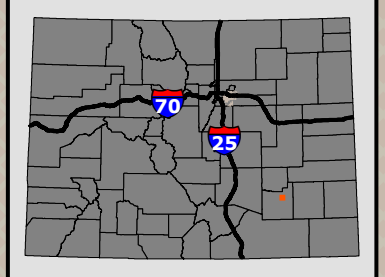
Hanagan Non-CE Properties

Aurora Water

26791 E Quincy Ave., Aurora, CO 80016 USA
www.auroragov.org | 303-579-2990
gwhitney@auroragov.org

Aurora is Worth Discovering!

September 16, 2026

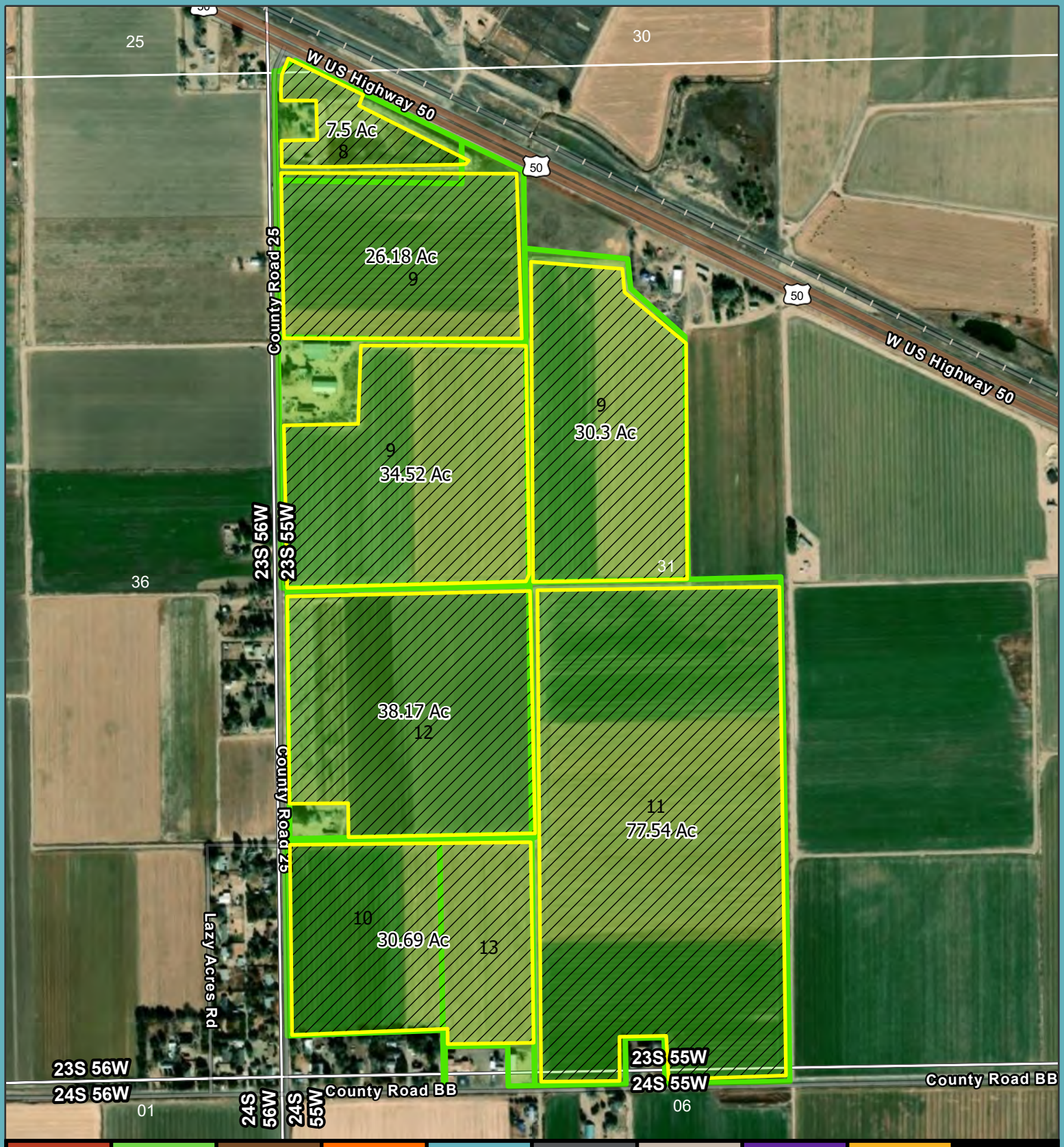


Legend

- Non-CE
- Irrigated Areas

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DISCLAIMER: The City of Aurora, Colorado, makes no warranties or guarantees, express or implied, as to the completeness, accuracy, or correctness of this data, nor shall the City incur any liability from any incorrect, incomplete, or misleading information contained therein. The City makes no warranties, either express or implied, of the value, design, condition, title, merchantability, or fitness for a particular purpose. The City shall not be liable for any direct, indirect, incidental, consequential, punitive, or special damages, whether foreseeable or unforeseeable, arising out of the authorized or unauthorized use of this data or the inability to use this data or out of any breach of warranty whatsoever.



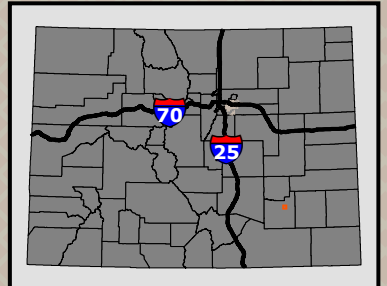
Hanagan CE Properties

Aurora Water

26791 E Quincy Ave., Aurora, CO 80016 USA
www.auroragov.org | 303-579-2990
gwhitney@auroragov.org

Aurora is Worth Discovering!

September 16, 2026



Legend

- CE
- Irrigated Areas

Miles 0 0.04 0.08 0.16

DISCLAIMER: The City of Aurora, Colorado, makes no warranties or guarantees, express or implied, as to the completeness, accuracy, or correctness of this data, nor shall the City incur any liability from any incorrect, incomplete, or misleading information contained therein. The City makes no warranties, either express or implied, of the value, design, condition, title, merchantability, or fitness for a particular purpose. The City shall not be liable for any direct, indirect, incidental, consequential, punitive, or special damages, whether foreseeable or unforeseeable, arising out of the authorized or unauthorized use of this data or the inability to use this data or out of any breach of warranty whatsoever.

CITY OF AURORA
Council Agenda Commentary

Item Title: Proposition 130 (Resolution)
Item Initiator: Danelle Carrel, Executive Support Manager, Police
Staff Source/Legal Source: Todd Chamberlain, Chief, Police / Mandy MacDonald, Assistant City Attorney
Outside Speaker: N/A
Strategic Outcome: Safe: Promoting safety in our built environment through effective administration of city codes and ordinances and responding to emergencies appropriately to preserve and enhance the community's sense of security and well-being.

COUNCIL MEETING DATES:

Study Session: 11/23/2026

Regular Meeting: 12/7/2026

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☐ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

John Schneebeck, Deputy Director of Police Business Services, Police / Mandy MacDonald, Assistant City Attorney
Estimated time: 5 mins

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☒ Approve Item and Move Forward to Regular Meeting

☐ Information Only

☐ Approve Item with Waiver of Reconsideration
Reason for waiver is described in the Item Details field above.

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☐ Approve Item as Proposed at Regular Meeting

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: Public Safety, Courts & Civil Service

Policy Committee Date: 11/12/2026

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval

☐ Does Not Recommend Approval

☒ Forwarded Without Recommendation

☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

N/A

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Colorado Proposition 130, as implemented through Senate Bill 25-310, establishes the Peace Officer Training and Support Fund to provide additional funding to local law enforcement agencies for peace officer training and compensation. As a condition of receiving funding, local governments must adopt a resolution or ordinance committing to expend awarded funds exclusively for authorized purposes and in compliance with state law. Funds must supplement, rather than supplant, existing state and local funding and may not be used to replace resources that would otherwise be available for eligible expenditures. Compliance with these requirements is subject to audit and review by the Colorado Department of Public Safety.

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☐ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☒ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

NON-BUDGETED EXPENDITURE IMPACT
Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

WORKLOAD IMPACT
Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

QUESTIONS FOR COUNCIL

Does Council approve this item to move forward to full council at the next regular session?

LEGAL COMMENTS

Council shall act only by ordinance, resolution or motion. All legislative enactments must be in the form of ordinances; all other actions, except as herein provided, may be in the form of resolutions or motions. (Section 5-1, Aurora City Charter). (MacDonald)

RESOLUTION NO. R2026- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, COMMITTING THE CITY OF AURORA TO THE PROPOER EXPENDITURE OF FUNDS RECEIVED FROM THE PEACE OFFICER TRAINING AND SUPPORT FUND IN ACCORDANCE WITH STATE LAW

WHEREAS, Colorado Proposition 130, as implemented through Senate Bill 25-310, established the Peace Officer Training and Support Fund ("the Fund") pursuant to C.R.S. § 24-33.5-122 to provide funding to eligible law enforcement agencies for peace officer training and compensation; and

WHEREAS, C.R.S. § 24-33.5-122(3)(a)(III) requires the relevant local government to adopt a resolution committing that it will only expend money awarded by the Fund in accordance with the requirements of C.R.S. § 24-33.5-122(3)(c); and

WHEREAS, C.R.S. § 24-33.5-122(3)(c) requires that funds shall be budgeted and expended only for permissible purposes, as defined in C.R.S. § 24-33.5-122(1)(j), and shall be used to increase funding that would, in the absence of money from the Fund, be made available from other state or local sources. Such funds shall not be used to supplant other money that would, in the absence of money received from the Fund, be made available from other state or local sources for a permissible purpose; and

WHEREAS, the City of Aurora intends to comply with all applicable statutory requirements governing the budgeting and expenditure of funds awarded to the Aurora Police Department from the Peace Officer Training and Support Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. The City of Aurora hereby commits that it will only budget and expend money awarded by the Colorado Department of Public Safety from the Peace Officer Training and Support Fund in accordance with the requirements of C.R.S. § 24-33.5-122(3)(c). The City acknowledges that compliance with these requirements is subject to the applicable audit, reporting, and review requirements established under C.R.S. § 29-1-603 and C.R.S. § 24-33.5-122.

RESOLVED AND PASSED this _____ day of _____, 2026.

_____
MIKE COFFMAN, Mayor

ATTEST:

_____
KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:

PETER A. SCHULTE, CITY ATTORNEY

By: Amanda MacDonald MP

AMANDA MACDONALD, Assistant City Attorney

CITY OF AURORA
Council Agenda Commentary

Item Title: Rules of Order and Procedure: Amendments to Various Council Rules Regarding Voting, Special Roles, and Public Participation (Resolution)
Item Initiator: Alison Coombs, Mayor Pro Tem
Staff Source/Legal Source: Jason Batchelor, City Manager / Peter Schulte, City Attorney
Outside Speaker: N/A
Strategic Outcome: Well-Managed: High performing organization, committed to great customer service, innovation, continuous improvement, fiscal stewardship, and maintaining critical infrastructure.

COUNCIL MEETING DATES:

Study Session: 11/23/2026

Regular Meeting: 12/7/2026

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☒ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

Sponsor: Alison Coombs, Mayor Pro Tem
Jason Batchelor, City Manager / Peter Schulte, City Attorney
Estimated time: 15 mins

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☐ Approve Item and Move Forward to Regular Meeting

☐ Information Only

☐ Approve Item with Waiver of Reconsideration
Reason for waiver is described in the Item Details field above.

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☐ Approve Item as Proposed at Regular Meeting

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: City Council Rules Ad Hoc Committee

Policy Committee Date: 10/27/2026

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval ☐ Does Not Recommend Approval

☐ Forwarded Without Recommendation ☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

These changes were discussed at the October 27, 2026 Rules Committee meeting.

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

The resolution would amend the Council Rules regarding Voting, Special Roles, and Public Participation

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☐ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☐ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

NON-BUDGETED EXPENDITURE IMPACT
Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

WORKLOAD IMPACT
Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

QUESTIONS FOR COUNCIL

Does Council wish to support the resolution?

LEGAL COMMENTS

The council shall prescribe rules of procedure to govern meetings. (Article 3-8 City Charter). The council shall determine its own rules and procedures and order of business and shall keep a journal of its proceedings. It may compel attendance of members and may punish members for misconduct. (Section 2-32 City Code). (Wood)

CITY OF AURORA
Late Submission Approval for Agenda Item

Item Title: A resolution to amend various Council Rules regarding voting, special roles, and public participation
Item Initiator: Mayor Pro Tem Coombs
Staff Source/Legal: Jason Batchelor, City Manager/Peter Schulte, City Attorney
Outside Speaker: N/A
Strategic Outcome: Well Managed: High Performing organization, committed to great customer service, innovation, continuous improvement, fiscal stewardship, and maintaining critical infrastructure.

CRITERIA - PLEASE CONSIDER ITEM FOR LATE SUBMISSION FOR THE FOLLOWING REASON:

☐ There is a time-sensitive legal requirement that must be met and cannot be met by a future meeting date

☐ The delay will result in an adverse financial impact to the city

☐ The item is related to a disaster and must be addressed before the next available meeting

☒ The item has been requested by Mayor Pro Tem Coombs

COUNCIL MEETING DATES FOR LATE SUBMISSION:

Study Session: 11/23/2026

Regular Meeting: 12/7/2026

EXPLANATION: *(Please provide a detailed explanation as to why the item falls into one or more of the above criteria and why it may not be set for a future meeting date.)*

This item was requested by Mayor Pro Tem Coombs.

I understand the agenda item will not be added to the agenda without submitting this completed form as an attachment in e-Scribe. The agenda item will not be added to the agenda if the workflow is not completed by the WORKFLOW COMPLETED date indicated on the agenda deadline calendar.

_____	Jason Batchelor _____
Agenda Item Initiator Name	Late Submission Approver Name (Council Appointee or DCM)
_____	Jason Batchelor 11.13.26 _____
Agenda Item Initiator Signature Date	Late Submission Approver Signature Date

RESOLUTION NO. R2026- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, TO AMEND VARIOUS SECTIONS OF THE RULES OF ORDER AND PROCEDURE FOR THE AURORA, COLORADO, CITY COUNCIL.

WHEREAS, the Aurora City Council (Council) believes the election of an individual to the Council imposes a heavy responsibility to observe those tenets and requirements which flow from the solemn oath administered at the time of installation to office; and

WHEREAS, the Council wants the Rules for the Council to facilitate the fulfillment of the duties and responsibilities contained in the oath of office; and

WHEREAS, the Council desires to make certain changes to the Rules; and

WHEREAS, as authorized under Article III, Section 8 of the City Charter, the Council promulgates the Rules to govern meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. The Aurora City Council hereby amends Article IV, Section 2 of the Council Rules of Order and Procedure to read as follows:

Sec. 2. Resolutions.

A resolution may be used for a statement of policy or other matters which are not required to be adopted by ordinance. The topic of any resolution ~~shall not include International Issues or Concerns~~ **that refers to an international issue must have a direct nexus to City of Aurora services or programs**.

Section 2. The Aurora City Council hereby amends Article IV, Section 4 of the Council Rules of Order and Procedure to read as follows:

Sec. 4. Amendments.

Whenever possible, Council Members are encouraged to prepare and distribute any proposed amendments to ordinances and resolutions **to all Council Members, the City Clerk, and the City Attorney** at least 24 hours in advance of the meeting at which such ordinance or resolution is being considered. **However, amendments from the floor are permitted.** Occasionally, an informal procedure may be followed whereby the proponent of a motion may accept, with the consent of the seconder, amendments to the motion without submitting the same to a vote.

Section 3. The Aurora City Council hereby amends Article IV, Section 7 of the Council Rules of Order and Procedure to read as follows:

Sec. 7. Reconsideration of an Item.

If a motion, resolution or ordinance is passed or defeated by City Council action, it may be reconsidered at the same meeting, a special meeting, or at the next regular City Council meeting by motion from a member who was on the prevailing side. ~~Reconsideration shall be granted only to consider new information and~~**. ~~t~~T**he motion to reconsider shall be made at the appropriate time when the agenda item "Reconsideration and Call-Ups" is under consideration. If the City Council authorizes reconsideration of an item which has previously been the subject of City Council deliberations, the City Council shall specify, as part of the motion, the scope of additional staff work-up and review prior to placement on the agenda. ~~Discussion upon reconsideration shall be limited to the impact of the new information upon the item being considered by the City Council.~~ Whenever a vote is taken to reconsider an item, the item to be reconsidered will return to the agenda for formal action at the next regular meeting unless the motion specifies a different time. Unless a contrary time limitation exists by reason of the Charter, ordinances or City procedures, an issue cannot be placed back on the agenda for six months unless sponsored by at least six (6) Council Members; provided, however, where such issue requires a super-majority vote of the City Council for approval, the issue cannot be placed back on the agenda unless sponsored by a super majority of the Council Members. If any substantive changes are made to the motion, resolution or ordinance, then this will be considered to be a new issue and can be placed on the agenda by an appropriate sponsor prior to the expiration of the six (6) month period.

Reservation of Right to Reconsider. If City Council minutes are not distributed for consideration and approval at the next regularly scheduled City Council meeting, the right of reconsideration as set out in these Rules will be reserved until the next meeting when the City Council minutes are available for review by City Council.

Section 4. The Aurora City Council hereby amends Article V, Section 1 of the Council Rules of Order and Procedure to read as follows:

Sec. 1. Mayor Pro-Tem.

Election. The Mayor Pro-Tem shall be elected from among the members of City Council at the first regular meeting of City Council in December. A Council Member who is interested in serving as Mayor Pro-Tem shall ~~give written~~ **provide email** notification to the other Council Members on or before November 15 of each year.

Duties. The Mayor Pro-Tem shall serve as Mayor in case of the absence of the Mayor. If both the Mayor and the Mayor Pro-Tem are absent, the presiding officer shall be chosen from the remaining Council Members on the basis of seniority, calculated by the accumulation of the total years and months of Council Member service. In the event that two or more of the remaining Council Members should be of equal seniority, preference shall be given to an at-large member. If two or more of the Council Members of equal seniority are at-large members, the selection of the presiding officer shall be made by drawing lots.

Among the duties of Mayor Pro-Tem is the duty to arrange location and other logistics for Council Workshops, including setting the agenda of the workshop, after asking for input from

City Council. Another duty is to accept donations and make arrangements for special occasions that City Council wants to recognize (i.e., birthdays, deaths, etc.).

Section 5. The Aurora City Council hereby amends Article III, Section 3 of the Council Rules of Order and Procedure to read as follows:

Sec. 3. Order of Business.

Council meetings are to conduct business for the city. The business of all regularly scheduled meetings of the City Council shall be conducted in the following order:

1. Invocation/Moment of Silence
2. Call to Order
3. Roll Call
4. Pledge of Allegiance
5. Executive Session Update
6. Approval of the Minutes
7. Proclamations or Ceremonies
8. Adoption of Agenda
9. ~~Reports (3-minute limit per report)~~
   - ~~a. Mayor~~
   - ~~b. City Council~~
9. Public Invited to be Heard (30-minute limit)

   Students who are 18 years of age or younger**, and parents with children under the age of 6 present,** will be put in priority order over other speakers in attendance
10. **Reports (3-minute limit per report)**
    - **a. Mayor**
    - **b. City Council**
11. Consent Calendar
    - a. Motions (Mayor may vote upon)
    - b. Resolutions (Mayor may not vote upon Resolutions or Ordinances)
    - c. Finalizing of Ordinances that were unanimous on the prior reading, including second reading of annexation ordinances
12. Public Hearings (with or without related ordinances)
13. Introduction of Ordinances
14. Finalizing of Ordinances that were not unanimous at first reading
15. Annexations (Public Hearings and Introduction of Annexation Ordinances)
16. Reconsiderations and Call-Ups
17. General Business
18. Public Invited to be Heard

Only those people who have not previously addressed the City Council during the first public invited to be heard period may speak during this time period

19. Adjournment

Section 6. The Aurora City Council hereby amends Article III, Section 5 of the Council Rules of Order and Procedure to read as follows:

Sec. 5. Public Participation.

Persons wishing to address Council during Public Invited to be Heard or on any item scheduled for consideration on the regular meeting agenda shall sign up to do so with the City Clerk on a first-come, first-served basis. Except that any individual who, when signing up, provides acceptable proof of Aurora residency to the City Clerk shall be placed in order before those who have not provided such proof. Proof of Aurora residency may include, but is not limited to, a government-issued identification card, utility bill, or lease agreement.

Speakers shall appear at the Council meeting in-person and speak from the podium in the Council Chamber of the Aurora Municipal Center. Once at the podium, **Council requests that speakers state their name, whether they are an Aurora resident, business or organization, and if known, which ward the speaker resides.** ~~the speaker shall state their true name and whether or not they are an Aurora resident. Only one person will be permitted at the podium at a time. There may be more than one person at the podium only if a parent accompanies a minor child, an interpreter accompanies a person needing assistance with the English language. Whenever feasible, individuals or groups wishing to address the same topic are encouraged to coordinate and designate a single spokesperson to present their views on behalf of the group, in order to ensure efficient use of time, thereby giving other speakers the opportunity to be heard on various topics of interest.~~ Speakers shall be limited to a maximum of three minutes of speaking time.

Council shall be given opportunity to address staff to exchange contact information when the speaker is at the podium. Council may clarify statements related to any speaker's comments at the conclusion of Public Invited to be Heard but shall not enter into debate with the speakers.

Public Invited to be Heard. Public Invited to be Heard is limited to City related topics which are not on the agenda for the regular Council meeting.

Those wishing to address Council may sign up online before 1:00pm on the day of the Council meeting or may sign up in-person with the City Clerk no earlier than 5:00 p.m. on the date they wish to be heard. Those signing up after 5:45pm will be heard in the order they sign up regardless of proof of residency. For the first Public Invited to be Heard portion of the agenda, sign-ups will be accepted until the time the last speaker finishes speaking. For the last Public Invited to be Heard portion of the agenda, sign-ups will be accepted until the item immediately preceding Public Invited to be Heard is finished. During the last Public Invited to be Heard portion of the agenda, ~~order priority will be given to~~ **only** speakers who did not speak during the first Public Invited to be Heard portion of the agenda **shall speak**. Speakers shall provide their first and last name, address, phone number, and email address on the form when they sign up.

Council Members will not interact with speakers but may follow up later at their discretion. The City Clerk or his/her designee will facilitate Public Invited to be Heard.

If a speaker continues past the 3-minute speaking limit, the Mayor will first ask the speaker to wrap up their comments. If the speaker continues to speak for more than 10 seconds after the Mayor's initial request, the Mayor shall ask the City Clerk to call the next speaker to the podium. If the speaker then continues to speak after the Mayor's request, the speaker will be deemed to have violated the rules regarding Public invited to be Heard. If the speaker violates the rules two times within a three-month period, the speaker will then be stricken to speak at the next scheduled council meeting during Public Invited to be Heard. A form prescribed by the City Manager explaining to the speaker the sanction will be served upon the speaker.

Public Comment on Agenda Items. In addition to Public Invited to be Heard on non-agenda items, persons may speak during the regular Council meeting on any item scheduled for consideration on the regular meeting agenda. Speakers may only speak on the specific agenda item.

Those wishing to address Council on any scheduled item must sign up online by 1:00 pm on the day of the Council Meeting. The 1:00 pm deadline does not apply to those signing up for items scheduled as public hearings. The online sign up shall also indicate whether the speaker is for or against the agenda item. That information will then be relayed from the City Clerk to the Council Members by 5:00pm.

If a speaker continues past the 3-minute speaking limit, the Mayor will first ask the speaker to wrap up their comments. If the speaker continues to speak for more than 10 seconds after the Mayor's initial request, the Mayor shall ask the City Clerk to call the next speaker to the podium. If the speaker then continues to speak after the Mayor's request, the speaker will be deemed to have violated the rules regarding Public invited to be Heard. If the speaker violates the rules two times within a three-month period, the speaker will then be stricken to speak at the next scheduled council meeting

Disruption Protocol. If Public Invited to be Heard, or any other part of the regular City Council meeting becomes disrupted to the extent that it jeopardizes the ability to conduct City business and Council decides to move the Council meeting to a virtual format, the City Manager is directed to order the Aurora Municipal Center closed to the public. Upon a closure of the building during a public comment session, any remaining public comment time will be deemed to have expired. Upon a closure of the building during a regular Council meeting, the City Council meeting will transition to a virtual format, and Council Members will not return to the dais. If a closure of the building occurs prior to agenda items, members of the public who properly signed up to speak on a specific agenda item will be directed to an alternate location to participate virtually.

Materials Submitted to City Council. The City Council acknowledges that parties appearing before the Aurora City Council frequently wish to provide materials to the City Council in support of a position or argument. However, the City Council is oftentimes unable to assimilate

the materials in the context of the decision-making process occurring at the City Council meeting. The City Council will accept and receive into the record the following materials up to and including the City Council meeting itself: A reasonable number of pictures, graphs, petitions (with signatures only), and written materials not to exceed one page per speaker. On the other hand, multiple-page materials delivered later than twenty-four (24) hours before the commencement of the City Council meeting will not be considered without a vote to accept. In order to accept and receive into the record materials not delivered by the deadline, the City Council must, by majority vote of the quorum, authorize the acceptance of materials.

Section 7. All resolutions or part of resolutions of the City in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this _____ day of _____ 2026.

_____
MIKE COFFMAN, Mayor

ATTEST:

_____
KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:

PETER A. SCHULTE, CITY ATTORNEY

By: Andrea Wood MK
ANDREA WOOD, ASSISTANT CITY ATTORNEY

CITY OF AURORA
Council Agenda Commentary

Item Title: DUAL LISTED: Imposing a Temporary Moratorium on New Data Centers in Defined Areas in the City of Aurora (Resolution)
Item Initiator: Mayor Mike Coffman, Council Member Rob Andrews, Council Member Francoise Bergan, Mayor Pro Tem Alison Coombs, Council Member Curtis Gardner, Council Member Stephanie Hancock, Council Member Gianina Horton, Council Member Alli Jackson, Council Member Angela Lawson, Council Member Ruben Medina, and Council Member Amy Wiles.
Staff Source/Legal Source: Jason Batchelor, City Manager / Peter Schulte, City Attorney and Lena McClelland, Senior Assistant City Attorney
Outside Speaker: N/A
Strategic Outcome: Well-Managed: High performing organization, committed to great customer service, innovation, continuous improvement, fiscal stewardship, and maintaining critical infrastructure.

COUNCIL MEETING DATES:

Study Session: 11/23/2026

Regular Meeting: 11/23/2026

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☒ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

Waiver of reconsideration requested to address significant concern regarding the location and development of new Data Centers in the community.
Sponsor: Mike Coffman, Mayor, Alison Coombs, Mayor Pro Tem, Councilmember Rob Andrews, Councilmember Francoise Bergan, Councilmember Curtis Gardner, Councilmember Stephanie Hancock, Councilmember Gianina Horton, Councilmember Alli Jackson, Councilmember Angela Lawson, Councilmember Ruben Medina, and Councilmember Amy Wiles
Jason Batchelor, City Manager / Peter Schulte, City Attorney and Lena McClelland, Senior Assistant City Attorney
Estimated time: 10 mins

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☐ Approve Item and Move Forward to Regular Meeting

☐ Information Only

☒ Approve Item with Waiver of Reconsideration

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☒ Approve Item as Proposed at Regular Meeting

Reason for waiver is described in the Item Details field above.

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval ☐ Does Not Recommend Approval

☐ Forwarded Without Recommendation ☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

N/A

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Policy Committee review waived per PED Committee Chair Amy Wiles (City Council Rules Article VI Sec. 3)

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☐ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☒ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

NON-BUDGETED EXPENDITURE IMPACT
Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

WORKLOAD IMPACT
Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

QUESTIONS FOR COUNCIL

Does City Council wish to support the Resolution to impose a temporary moratorium on Data Centers?

LEGAL COMMENTS

Council shall act only by ordinance, resolution or motion. All legislative enactments must be in the form of ordinances; all other actions, except as herein provided, may be in the form of resolutions or motions. All ordinances and resolutions shall be confined to one subject except in case of repealing ordinances, and ordinances making appropriations shall be confined to the subject of appropriations. (City Charter Section 5-1). Waiver of reconsideration requested to address immediate concern regarding the placement and development of new Data Centers. (Council Rules Article II, Section 1). This item is dual listed on the same meeting date on study session and regular council meeting agenda because Data Centers pose a time sensitive public emergency. (Council Rules Article II, Section 1). (McClelland)

CITY OF AURORA
Late Submission and Time Sensitive Legislation

Item Title: A Resolution Imposing a Temporary Moratorium on New Data Centers in Defined Areas in the City of Aurora
Item Initiator: Adrian Morris, Senior Legal Secretary
Staff Source/Legal Source: Jason Batchelor, City Manager / Peter A. Schulte, City Attorney and Lena McClelland, Senior Assistant City Attorney
Council Member Sponsor(s): Mayor Michael Coffman, Mayor Pro Tem Alison Coombs, Councilmember Rob Andrews, Councilmember Francoise Bergan, Councilmember Curtis Gardner, Councilmember Stephanie Hancock, Councilmember Gianina Horton, Councilmember Alli Jackson, Councilmember Angela Lawson, Councilmember Ruben Medina, and Councilmember Amy Wiles
Outside Speaker: N/A
Strategic Outcome: Healthy: Connecting natural and built environments with multimodal networks, ensuring access to parks and recreation, and preserving sustainable water supplies.

SECTION 1: COUNCIL MEETING DATES FOR ITEM

Study Session: 11/23/2026

Regular Meeting: 11/23/2026

SECTION 2: PERMISSIBLE EXCEPTION FOR LATE SUBMISSION AND TIME SENSITIVE LEGISLATION

☒ The item is related to a time sensitive public safety emergency or public health emergency

☐ If the item is not heard promptly, there will be a negative fiscal impact to the City

☐ The item is required to comply with a legislative or other legal deadline that the City was not otherwise able to meet due to the legislative or legal timeline

SECTION 3: TIME SENSITIVE LEGISLATION JUSTIFICATION *(Complete this section if the item has bypassed a policy committee and study session or is dual listed on a study session agenda and council meeting agenda)*

1. Enter the factual justification stating the specific facts and circumstances supporting the claimed exception:

There is significant concern from the public concerning the standards and regulations that apply to new Data Centers within the City. The City does not currently have comprehensive standards or regulations relating to Data Centers.

2. Enter the reason the matter is time sensitive:

This matter is time sensitive because there is a pressing need to draft and adopt regulations for Data Centers before new development applications can be submitted because the City currently does not have comprehensive standards for Data Centers.

3. Enter the specific consequences reasonably expected to result if the matter proceeds through the normal legislative process:

If this moratorium is not adopted as soon as possible then new development applications for Data Centers could be submitted prior to the drafting and adoption of any new standards or regulations relating to Data Centers.

SECTION 4: LATE SUBMISSION EXPLANATION *(Provide a detailed explanation as to why the item falls into one or more of the above exceptions and why it may not be set for a future meeting date)*

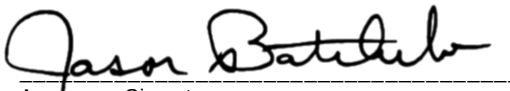
CM Wiles, who is Planning & Economic Development Policy Committee Chair, approved this item not coming to PED.

I understand the agenda item will not be added to the agenda without submitting this completed form as an attachment in eScribe. The agenda item will not be added to the agenda if the workflow is not completed by the WORKFLOW COMPLETED date indicated on the workflow deadline calendar.

_____ Jason Batchelor _____

Agenda Item Initiator Name

Approver Name (Council Appointee or DCM)



11.13.26

Agenda Item Initiator Signature Date

Approver Signature Date

RESOLUTION NO. R2026- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, IMPOSING A TEMPORARY MORATORIUM ON DATA CENTERS LOCATED WEST AND SOUTH OF THE INTERSECTION OF THE PROPOSED AEROTROPOLIS PARKWAY AND INTERSTATE 70 AND EXTENDING TO THE TERRITORIAL AND JURISDICTIAL LIMITS OF THE CITY OF AURORA, COLORADO

WHEREAS, the City of Aurora, Colorado, (the "City"), is a home rule municipality, organized and existing under Article XX, Section 6 of the Colorado Constitution and as such the City has authority to legislate and regulate its local affairs; and

WHEREAS, it is the role of the City Council to enact ordinances, approve resolutions and establish policies and procedures regarding the operations of the City to protect the public health, safety and welfare, including the City's development and land use; and

WHEREAS, the Unified Development Ordinance ("UDO") Section 146-6.2.D defines a Data Center as, "[a] facility containing one or more large-scale computer systems used for data storage and processing for off-site users. Typical supporting equipment includes backup batteries and power generators, cooling units, fire suppression systems, and enhanced security features"; and

WHEREAS, the UDO permits Data Centers in defined business and industrial zone districts and allows data centers as a conditional use in certain mixed-use zone districts; and

WHEREAS, the City Council recognizes that Data Centers may affect the character of the surrounding area and that all applications for Data Centers should be considered consistently within the purpose and intent of the City's development goals and plans so that the most appropriate uses of land are encouraged throughout the City; and

WHEREAS, there is considerable interest and concern among residents within the City regarding the location and development standards associated with Data Centers; and

WHEREAS, there is a need in the business community for certainty regarding the development of Data Centers; and

WHEREAS, a temporary moratorium will pause the acceptance, processing and approval of development applications for Data Centers while the City develops and adopts development standards related to Data Centers; and

WHEREAS, the proposed Aerotropolis Parkway, which is currently known as Powhaton Road, which extends north from I-70 and continues along the Powhaton Road and Jackson Gap alignment (the "Aerotropolis Alignment") creates a natural barrier that protects residential zone districts from any potential adverse impacts associated with Data Centers; and

WHEREAS, City Council finds that east of the Aerotropolis Alignment flight patterns, noise contours, oil and gas operations, and the allowed uses within the Airport District (AD),

Business/Tech District (I-1), and Industrial District (I-2) are compatible with Data Center operations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. A temporary moratorium on the acceptance, process, or approval of any new development application that proposes to establish as a primary use any new Data Center or expand or otherwise increase the gross-floor area of an existing Data Center located west and south of the intersection of the Aerotropolis Alignment, otherwise currently known as Powhaton Road, and Interstate 70, and extending to the territorial limits of the City, as shown in Exhibit A, shall commence on the effective date of this Resolution and continue through the earlier of September 30, 2027, or the date City Council determines that appropriate land use regulations are in place to mitigate the adverse impacts of Data Centers.

Section 2. For the purposes of this Resolution, the definition of Data Center shall be the same as in Section 146-6.2.D of the Unified Development Ordinance, as may be amended from time to time.

Section 3. This Resolution shall not be applied retroactively. Development Applications currently pending and other contractual negotiations that were initiated prior to the effective date of this Resolution (including incentive agreements pursuant to City Code Section 130-298) shall be expressly exempted from this Resolution.

Section 4. This Resolution shall take effect immediately without reconsideration.

Section 5. All resolutions or parts of resolutions of the City in conflict herewith are hereby rescinded.

RESOLVED AND PASSED this _____ day of _____, 2026.

_____
MIKE COFFMAN, Mayor

ATTEST:

_____
KADEE RODRIGUEZ, City Clerk

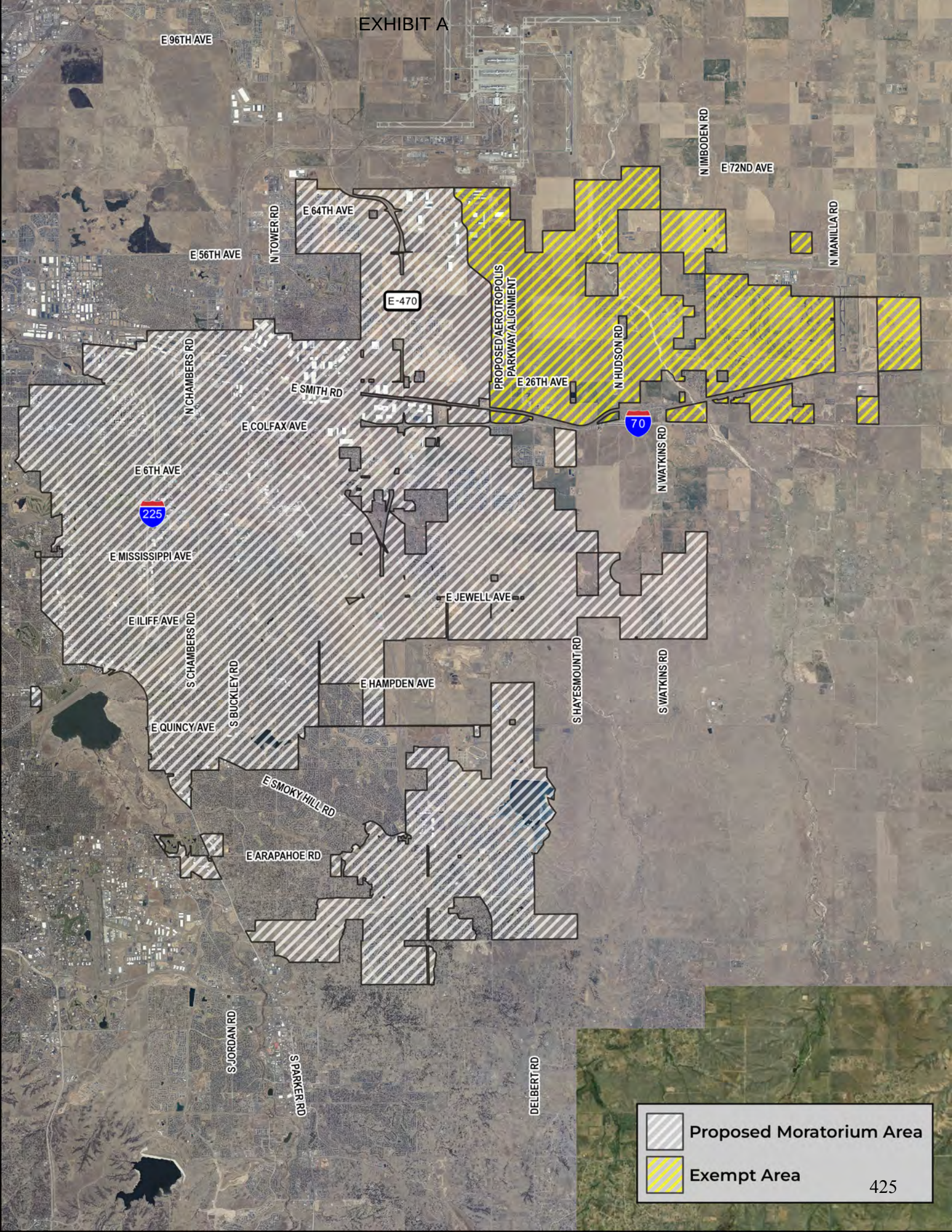
APPROVED AS TO FORM:

PETER A. SCHULTE, CITY ATTORNEY

By: Lena McClelland RLA

LENA MCCLELLAND, Senior Assistant City Attorney

EXHIBIT A


E 96TH AVE
E 64TH AVE
E 56TH AVE
N TOWER RD
E-470
N IMBODEN RD
E 72ND AVE
N MANILLA RD
PROPOSED AEROTROPOLIS PARKWAY ALIGNMENT
E 26TH AVE
N HUDSON RD
70
N WATKINS RD
N CHAMBERS RD
E SMITH RD
E COLFAX AVE
E 6TH AVE
225
E MISSISSIPPI AVE
E JEWELL AVE
E ILIFF AVE
S CHAMBERS RD
S BUCKLEY RD
E HAMPDEN AVE
S HAYESMOUNT RD
S WATKINS RD
E QUINCY AVE
E SMOKY HILL RD
E ARAPAHOE RD
S JORDAN RD
S PARKER RD
DELBERT RD
Proposed Moratorium Area
Exempt Area

CITY OF AURORA
Late Submission and Time Sensitive Legislation

Item Title: A Resolution Imposing a Temporary Moratorium on New Data Centers in Defined Areas in the City of Aurora
Item Initiator: Adrian Morris, Senior Legal Secretary
Staff Source/Legal Source: Jason Batchelor, City Manager / Peter A. Schulte, City Attorney and Lena McClelland, Senior Assistant City Attorney
Council Member Sponsor(s): Mayor Michael Coffman, Mayor Pro Tem Alison Coombs, Councilmember Rob Andrews, Councilmember Francoise Bergan, Councilmember Curtis Gardner, Councilmember Stephanie Hancock, Councilmember Gianina Horton, Councilmember Alli Jackson, Councilmember Angela Lawson, Councilmember Ruben Medina, and Councilmember Amy Wiles
Outside Speaker: N/A
Strategic Outcome: Healthy: Connecting natural and built environments with multimodal networks, ensuring access to parks and recreation, and preserving sustainable water supplies.

SECTION 1: COUNCIL MEETING DATES FOR ITEM

Study Session: 11/23/2026

Regular Meeting: 11/23/2026

SECTION 2: PERMISSIBLE EXCEPTION FOR LATE SUBMISSION AND TIME SENSITIVE LEGISLATION

☒ The item is related to a time sensitive public safety emergency or public health emergency

☐ If the item is not heard promptly, there will be a negative fiscal impact to the City

☐ The item is required to comply with a legislative or other legal deadline that the City was not otherwise able to meet due to the legislative or legal timeline

SECTION 3: TIME SENSITIVE LEGISLATION JUSTIFICATION *(Complete this section if the item has bypassed a policy committee and study session or is dual listed on a study session agenda and council meeting agenda)*

1. Enter the factual justification stating the specific facts and circumstances supporting the claimed exception:

There is significant concern from the public concerning the standards and regulations that apply to new Data Centers within the City. The City does not currently have comprehensive standards or regulations relating to Data Centers.

2. Enter the reason the matter is time sensitive:

This matter is time sensitive because there is a pressing need to draft and adopt regulations for Data Centers before new development applications can be submitted because the City currently does not have comprehensive standards for Data Centers.

3. Enter the specific consequences reasonably expected to result if the matter proceeds through the normal legislative process:

If this moratorium is not adopted as soon as possible then new development applications for Data Centers could be submitted prior to the drafting and adoption of any new standards or regulations relating to Data Centers.

SECTION 4: LATE SUBMISSION EXPLANATION *(Provide a detailed explanation as to why the item falls into one or more of the above exceptions and why it may not be set for a future meeting date)*

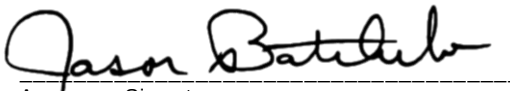
CM Wiles, who is Planning & Economic Development Policy Committee Chair, approved this item not coming to PED.

I understand the agenda item will not be added to the agenda without submitting this completed form as an attachment in eScribe. The agenda item will not be added to the agenda if the workflow is not completed by the WORKFLOW COMPLETED date indicated on the workflow deadline calendar.

_____ Jason Batchelor _____

Agenda Item Initiator Name

Approver Name (Council Appointee or DCM)



11.13.26

Agenda Item Initiator Signature Date

Approver Signature Date

CITY OF AURORA
Council Agenda Commentary

Item Title: DUAL LISTED: Support and Encouragement for the Relocation of the Vantage Data Center (Resolution)
Item Initiator: Mike Coffman, Mayor
Staff Source/Legal Source: Jason Batchelor, City Manager / Peter Schulte, City Attorney and Lena McClelland, Senior Assistant City Attorney
Outside Speaker: N/A
Strategic Outcome: Well-Managed: High performing organization, committed to great customer service, innovation, continuous improvement, fiscal stewardship, and maintaining critical infrastructure.

COUNCIL MEETING DATES:

Study Session: 11/23/2026

Regular Meeting: 11/23/2026

2nd Regular Meeting (if applicable): N/A

Item requires a Public Hearing: ☐ Yes ☒ No

ITEM DETAILS *(Click in highlighted area below bullet point list to enter applicable information.)*

- Waiver of reconsideration requested, and if so, why
- Sponsor name
- Staff source name and title / Legal source name and title
- Outside speaker name and organization
- Estimated time: (For Study Session items only indicate combined time needed for presentation and discussion)

Sponsor: Mike Coffman, Mayor
Jason Batchelor, City Manager / Peter Schulte, City Attorney and Lena McClelland, Senior Assistant City Attorney
Estimated time: 10 mins

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

☐ Approve Item and Move Forward to Study Session

☒ Approve Item and Move Forward to Regular Meeting

☐ Information Only

☐ Approve Item with Waiver of Reconsideration
Reason for waiver is described in the Item Details field above.

☐ Approve Item as Proposed at Policy Committee

☐ Approve Item as Proposed at Study Session

☒ Approve Item as Proposed at Regular Meeting

PREVIOUS ACTIONS OR REVIEWS:

Policy Committee Name: N/A

Policy Committee Date: N/A

Action Taken/Follow-up: ***(Check all that apply)***

☐ Recommends Approval ☐ Does Not Recommend Approval

☐ Forwarded Without Recommendation ☐ Minutes Not Available

☐ Minutes Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

N/A

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Policy Committee review waived per PED Committee Chair Amy Wiles (City Council Rules Article VI Sec. 3)

FISCAL IMPACT

Select all that apply. (If no fiscal impact, click that box and skip to "Questions for Council")

☐ Revenue Impact ☐ Budgeted Expenditure Impact ☐ Non-Budgeted Expenditure Impact
☐ Workload Impact ☒ No Fiscal Impact

REVENUE IMPACT
Provide the revenue impact or N/A if no impact. (What is the estimated impact on revenue? What funds would be impacted? Provide additional detail as necessary.)

BUDGETED EXPENDITURE IMPACT
Provide the budgeted expenditure impact or N/A if no impact. (List Org/Account # and fund. What is the amount of budget to be used? Does this shift existing budget away from existing programs/services? Provide additional detail as necessary.)

NON-BUDGETED EXPENDITURE IMPACT
Provide the non-budgeted expenditure impact or N/A if no impact. (Provide information on non-budgeted costs. Include Personal Services, Supplies and Services, Interfund Charges, and Capital needs. Provide additional detail as necessary.)

WORKLOAD IMPACT
Provide the workload impact or N/A if no impact. (Will more staff be needed or is the change absorbable? If new FTE(s) are needed, provide numbers and types of positions, and a duty summary. Provide additional detail as necessary.)

QUESTIONS FOR COUNCIL

Does City Council wish to support the Resolution encouraging and supporting the relocation of the Vantage Data Center?

LEGAL COMMENTS

Council shall act only by ordinance, resolution or motion. All legislative enactments must be in the form of ordinances; all other actions, except as herein provided, may be in the form of resolutions or motions. All ordinances and resolutions shall be confined to one subject except in case of repealing ordinances, and ordinances making appropriations shall be confined to the subject of appropriations. (City Charter Section 5-1). This item is dual listed on the same meeting date on study session and regular council meeting agenda because the location of Vantage Data Center poses a time sensitive public emergency. (Council Rules Article II, Section 1). (McClelland)

RESOLUTION NO. R2026- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, EXPRESSING THE AURORA CITY COUNCIL'S STRONG SUPPORT AND ENCOURAGEMENT OF THE RELOCATION OF THE VANTAGE DATA CENTER FROM IT'S CURRENTLY PROPOSED SITE TO AN ALTERNATIVE LOCATION

WHEREAS, Vantage (the "Developer") is the developer of a data center project known as the Trident Data Center, identified as Case No. DA-1707-46 (the "Project"); and

WHEREAS, the Developer submitted a site plan application for the Project in August of 2025; and

WHEREAS, the Project is currently proposed on a site located west of E-470, east of Tibet Street, north of 48th Avenue, and south of 52nd Avenue and within the Windler Master Plan (the "Current Site"); and

WHEREAS, the Current Site is within the AD (Airport District) zone district; and

WHEREAS, while a data center is a permitted use on the Current Site, it is in close proximity to residential uses; and

WHEREAS, by letter dated October 21, 2026, the Developer advised that it is evaluating other alternate locations for the Project and requested a period of ninety (90) days within which to complete that evaluation; and

WHEREAS, the City Council of the City of Aurora, Colorado (the "City Council"), finds that encouraging and supporting the relocation of the Project to an alternative location, and accommodating the Developer's request for additional time to evaluate such locations, serves the public interest and the health, safety and welfare of the City of Aurora.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, THAT:

Section 1. The City Council hereby encourages and supports the relocation of the Project from the Current Site to an alternative location.

Section 2. The City Council hereby directs the City Manager to cooperate with and provide reasonable assistance to the Developer in identifying and evaluating suitable alternative locations for the Project.

Section 3. This Resolution shall take effect immediately.

RESOLVED AND PASSED this _____ day of _____, 2026.

_____

MIKE COFFMAN, Mayor

ATTEST:

_____
KADEE RODRIGUEZ, City Clerk

APPROVED AS TO FORM:

PETER A. SCHULTE, CITY ATTORNEY

By: Lena McClelland RLA
LENA MCCLELLAND, Senior Assistant City Attorney