FIRESTONE
COLORADO

BOARD OF TRUSTEES

SPECIAL MEETING AGENDA

March 30, 2022
6:30 PM
9900 Park Avenue
Firestone, Colorado

1. **Call to Order & Roll Call**

2. **Pledge of Allegiance**

3. **Approval of Agenda**

4. **Discussion/Action**

   a. **Resolution 22-46:** A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE, APPROVING A NATIVE WATER DEDICATION AGREEMENT AND ADDENDUM WITH CK H2O VENTURES LLC A COLORADO LIMITED LIABILITY COMPANY, MILLRACE RESOURCES LLC A COLORADO LIMITED LIABILITY COMPANY AND FRONTIER VENTURES LLC, A COLORADO LIMITED LIABILITY COMPANY

5. **Executive Session**

   a. An executive session pursuant to C.R.S. 24-6-402(4)(f)(I) for a personnel matter regarding the annual evaluation of the Town Manager

6. **Adjournment**

* Individuals that desire to address the Board of Trustees are requested to sign up at the table at the entrance to the meeting room. Individuals are allotted 3 minutes of Public Comment during the entirety of the meeting. Maximum time permitted for all Public Comment during a meeting is 30 minutes.

If you need special assistance in order to participate in a Board of Trustees meeting, please contact the Town Clerk's Office at 303-531-6264 in advance of the meeting to make arrangements. A forty-eight-hour notice is requested.

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AGENDA INFORMATION MEMORANDUM

FIRESTONE
TOWN BOARD OF TRUSTEES

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AIM#: 4.a

Discussion/Action

Meeting Date: March 30, 2022

Initiated By: Julie Pasillas

Dept: Public Works

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AGENDA TITLE

Resolution 22-46: A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE, APPROVING A NATIVE WATER DEDICATION AGREEMENT AND ADDENDUM WITH CK H2O VENTURES LLC A COLORADO LIMITED LIABILITY COMPANY, MILLRACE RESOURCES LLC A COLORADO LIMITED LIABILITY COMPANY AND FRONTIER VENTURES LLC, A COLORADO LIMITED LIABILITY COMPANY

SUMMARY

The Town of Firestone is actively looking to acquire native water rights in the lower St. Vrain River Basin. The use of native water rights will be an essential part of the Town's ability to deliver water from the St. Vrain WTP. As part of the process, staff has been working with several developers who own native water rights that may be used to fulfill water dedication requirements for developments in Firestone.

The Vistosa (Vogl Annexation) project developer is CK H2O Ventures, LLC, Millrace Resources, LLC, and Frontier Ventures, LLC, which owns water shares of the New Coal Ridge Ditch Company and has worked with Town staff on the Native Water Dedication Agreement before the Board. Once the Agreement is executed, the Developer will pay the Town the Native Water Dedication Fee of $200,000.00. The Town will then begin the investigation period. During that time, the Town will determine whether the native water can be used to satisfy, in whole or in part, the dedication requirements for the Developer's lands. Once the investigation period is completed, the Town will determine the native credit amount for the Developer to use to satisfy the Town's water dedication requirements. Once the number of native credits is determined, the Town and the Developer will schedule a credit closing. The Developer will pay the storage and infrastructure fee for the determined native credits at the credit closing and transfer the native water shares to the Town.

The Addendum to the Native Water Dedication Agreement would allow for additional time if needed by the Developer to clear up any title issues if identified by the Town during the investigation period.

HISTORY AND PREVIOUS BOARD ACTION

On October 28, 2020, the Board approved Resolution 20-103, adopting the Firestone Native Water Dedication Policy. Since the approval of this policy, staff has actively been working on developing a Native Water Dedication Agreement for use between the Town of Firestone and Land Developers who wish to provide native water rights to satisfy water dedication requirements needed for development approval.

RECOMMENDATION

Staff recommends approval of Resolution 22-46, a resolution approving the execution of the Native Water Dedication Agreement between the Town of Firestone and CK H2O Ventures, LLC, Millrace Resources, LLC, and Frontier Ventures, LLC to accept native water rights as "water credits" to satisfy the water dedication requirement for development in the Town of Firestone.

ALTERNATIVES

The Board may choose not to approve Resolution 22-46 and provide staff with additional direction.

ATTACHMENTS

1. Res 22-46 CK H2O Ventures Native Water Dedication Agm
2. Native Water Dedication Agreement_Vistosa-Final
3. Dedication Agreement Addendum-Final
4. EXHIBIT A
5. EXHIBIT B

FINANCIAL CONSIDERATIONS

Upon execution of the Agreement, the Developer will pay the Town $200,000.00 Native Water Dedication Fee. Once the native water credit is determined, the Developer will pay the Town $17,500.00 per acre-foot for the Storage and Infrastructure Fee. All fees will be paid to the Town of Firestone Water Activity Enterprise fund.

RESOLUTION NO. 22-46

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO, ACTING BY AND THROUGH ITS WATER ACTIVITY ENTERPRISE, APPROVING A NATIVE WATER DEDICATION AGREEMENT AND ADDENDUM WITH CK H2O VENTURES LLC A COLORADO LIMITED LIABILITY COMPANY, MILLRACE RESOURCES LLC A COLORADO LIMITED LIABILITY COMPANY AND FRONTIER VENTURES LLC, A COLORADO LIMITED LIABILITY COMPANY

WHEREAS, Chapter 1.08 of the Firestone Municipal Code ("Code") requires land developers to agree to dedicate a certain amount of "water rights" and/or "shares" in conjunction with the development of land in the Town of Firestone ("Firestone"); and

WHEREAS, the Code allows the Town of Firestone Board of Trustees ("Board of Trustees") to enter into agreements for the dedication of water rights other than Colorado Big Thompson (CBT)units or "water credits," as that term is defined in Section 1.08.050 of the Code; and

WHEREAS, the Board of Trustees has adopted the Firestone Native Water Dedication Policy ("Dedication Policy"), which authorizes the Town Manager and the Manager's designee to negotiate Native Water Dedication Agreements on behalf of Firestone; and

WHEREAS, pursuant to the Code, a land developer must dedicate "water rights" and/or "shares" in payment of water connection charges before recording a plat or final subdivision and/or final development and/or before receiving a building permit or water connection to Firestone's water system; and

WHEREAS, CK H2O Ventures LLC, Millrace Resources LLC and Frontier Ventures LLC (collectively "Developer") has agreed to dedicate "water rights" and/or "shares" to Firestone pursuant to an annexation agreement dated October 24, 2001, and described as the Vogel Annexation No. Four ("Annexation Agreement"), and must dedicate those "water rights" and/or "shares" prior to the first recording of a final plat, final subdivision or final development plan; and

WHEREAS, the Annexation Agreement covers certain lands owned by Developer as described in Exhibit A, attached hereto to this resolution ("Developer's Lands"); and

WHEREAS, Developer must dedicate approximately 450 acre-feet of raw water to comply with the water dedication requirements of the Code for the currently anticipated development of Developer's Lands ("Dedication Requirement"); and

WHEREAS, Developer is the owner of, or has the contractual right to acquire, certain native water rights, as described in Exhibit B attached hereto this resolution ("Native Water"), and Developer has agreed to dedicate to Firestone for purposes of Developer's compliance with Section 13.08.010 of the Code, in conformance with the Dedication Policy; and

WHEREAS, Firestone and Developer acknowledge and agree that there are or may be clouds on title regarding ownership of certain Native Water dedicated to Firestone under the Dedication Agreement that may prevent the Credit Closing to occur as contemplated by the Dedication Agreement; and

WHEREAS, Firestone and Developer thus desire to provide for an ("Additional Diligence Period") the terms and conditions of which are set forth within an Addendum To Native Water Dedication Agreement, which is attached hereto to this resolution and made a part of the Parties Native Water Dedication Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF FIRESTONE, COLORADO:

The Native Water Dedication Agreement including Exhibit A ("Developer's Lands"), Exhibit B ("Native Water") and the Addendum To Native Water Dedication Agreement between the Town of Firestone, acting by and through its Water Activity Enterprise, and CKO H2O Ventures LLC, a Colorado limited liability company, Millrace Resources LLC, a Colorado limited liability company, and Frontier Ventures LLC, a Colorado limited liability company, is approved in substantially the same form as the copies attached hereto and made a part of this resolution, and the Mayor is authorized to execute the Native Water Dedication Agreement on behalf of the Town of Firestone.

INTRODUCED, READ, AND ADOPTED this __ day of ____________, 2022.

TOWN OF FIRESTONE, COLORADO

____
Bobbi Sindelar, Mayor

ATTEST:

____
Jessica Koenig, CMC Town Clerk

APPROVED AS TO FORM:

____
William P. Hayashi, Town Attorney

NATIVE WATER DEDICATION AGREEMENT

This Native Water Dedication Agreement ("Agreement"), made and entered into this ___ day of March, 2022 ("Effective Date"), by and between the Town of Firestone acting by and through its Water Activity Enterprise, ("**Firestone**") and CK H2O Ventures, LLC, a Colorado limited liability company, Millrace Resources, LLC, A Colorado limited liability company, and Frontier Ventures, LLC, a Colorado limited liability company whose address is c/o Carlson Land Development, LLC, 14570 Clay Street, Broomfield, Colorado 80023; Attention: Blake Carlson (the "**Developer**");

RECITALS

WHEREAS, the Firestone Municipal Code (the "**Code**") requires land developers to agree to dedicate a certain amount of "water rights" and/or "shares" in conjunction with the development of land in Firestone; and

WHEREAS, the Code allows the Board of Trustees to enter into agreements for the dedication of water right other than CBT units or "water credits" as that term is defined in Section 1.08.050 of the Code; and

WHEREAS, The Board of Trustees has adopted the Firestone Native Water Dedication Policy (the "**Dedication Policy**"), which authorizes the Town Manager and the Town Manager's designee to negotiate Native Water Dedication Agreements on behalf of the Town of Firestone; and

WHEREAS, pursuant to the Code, a land developer must actually dedicate "water rights" and/or "shares" in payment of water connection charges and before recording a plat or final subdivision and/or final development and/or before receiving a building permit or water connection to the Town water system; and

WHEREAS, Developer has agreed to dedicate "water rights" and/or "shares" to Firestone pursuant to an Annexation Agreement dated October 24, 2001 and described as the Vogl Annexation No. Four (the "**Annexation Agreement**"), and must actually dedicate those "water rights" and/or "shares" prior to the first recording of a final plat, final subdivision or final development plan; and

WHEREAS, The Annexation Agreement covers certain lands owned by Developer and more particularly described on Exhibit A, attached hereto (the "**Developer's Lands**"); and

WHEREAS, Developer must dedicate approximately 450 acre-feet of raw water to comply with the water dedication requirements of the Code for the currently anticipated development of Developer's Lands (the "**Dedication Requirement**"); and

WHEREAS, Developer is the owner of, or has the contractual right to acquire, certain native water rights which are further described on Exhibit B, attached hereto (the "**Native Water**"), that Developer has agreed to dedicate for purposes of Developers compliance with Section 13.08.010 of the Code, in conformance with the Dedication Policy; and

WHEREAS, Developer has provided Firestone with all of the information described in Addendum A of the Dedication Policy which is reasonably available to Developer regarding the Native Water.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual agreement, and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged by both Parties, the Parties agree as follows:

1. Recitals. The foregoing Recitals are incorporated herein as if fully set forth.

2. Investigation Period. After the Effective Date of the Agreement, Firestone will have 42 days to conduct an investigation of the Native Water (the "Investigation Period"). The purpose of the investigation is to determine whether the Native Water can be used within Firestone's overall water system to increase the yield of water which can be used to satisfy the demands of Developer's Lands. The investigation will include, but is not limited to, investigation of:

   2.1. Sufficiency of Native Water for Dedication. As soon as practicable after the execution of this Agreement and payment of the Native Water Dedication Fee by Developer, Firestone shall investigate whether the Native Water can be used to satisfy, in whole or in part, the Dedication Requirement for Developer's Lands. In order to complete such investigation Firestone requires that Developer supply as much of the information described on Addendum A of the Dedication Policy as is available at or prior to the execution of this Agreement. This includes a requirement by Developer to provide all historical use information associated with the Native Water and Developer hereby agrees to assist Firestone in obtaining any other necessary information proving the historical use of the Native Water, not already provided. If at any time during the Investigation Period Firestone determines that the Native Water will not be usable by Developer to meet the Dedication Requirement for Developer's Lands, Firestone will promptly notify Developer of such determination and the parties shall treat this Agreement as terminated as further described below.

   2.2. Native Credit. During the Investigation Period, Firestone, will work with its consultants to provide Developer with the amount of credit that will be available from Developer's conveyance of the Native Water, which Developer may utilize towards Developer's Dedication Requirement. The amount of credit so determined by Firestone shall be Developer's "**Native Credit**." Such determination shall be made by Firestone in its sole discretion. Firestone agrees to provide notice to Developer of Firestone's determination of the Native Credit at least 14 days prior to the scheduled Credit Closing.

2.3. Determination of Storage and Infrastructure Investment Fee. In connection with the conveyance of the Native Water at the Credit Closing, and as necessary to receive the full Native Credit attributable to the Native Water, Developer agrees to pay Firestone at the Credit Closing, a Storage and Infrastructure Investment Fee which shall be $17,500.00 per acre-foot of Native Credit as determined by Firestone Resolution 21-41. Firestone agrees to provide notice to Developer of the Storage and Infrastructure Investment Fee required for the Native Water at least 14 days prior to the scheduled Credit Closing.

3. Water Conveyance. Within 14 days after the expiration of the Investigation Period Firestone and Developer shall have a closing at which Developer shall convey the Native Water to Firestone by Special Warranty Deed and a good and sufficient water stock assignment or such other documents as are necessary to convey title, free and clear of all encumbrances, from Developer to Firestone ("Credit Closing"). Developer agrees to execute such other documents or take any other actions as may be necessary to effectuate Firestone's use of the Native Water, including conveyance of any structures or easements necessary for Firestone to take delivery of the Native Water. At the Credit Closing, Developer shall deliver Firestone any original stock certificate(s) evidencing ownership of the Native Water.

4. Warranty of Title to Native Water. Developer hereby warrants that title to the Native Water will be conveyed to Firestone free and clear of all liens, encumbrances, assessments, and leases of any kind. Developer agrees to warrant and forever defend Firestone against all and every person claiming any interest in the Native Water by, through or under Developer. This warranty shall survive conveyance of the Native Water to Firestone.

5. Dedication. The Native Credit dedicated to Firestone shall allow Developer to meet part of the water dedication requirements of the Code in connection with a final plat to be issued for Developer's Lands to be served by Firestone's municipal water service.

6. Assessments & Stock Transfer Fee. All assessments levied on the Native Water in calendar year 2022 shall be paid by Developer. Any assessments levied on the Native Water beyond calendar year 2022 shall be paid by Firestone. Any fees imposed by a third party for the purposes of completing the transfer of the Native Water to Firestone shall be paid by Developer.

7. Native Water Dedication Fee. At the Effective Date of this Agreement, Developer has delivered to Firestone a Native Water Dedication Fee of $200,000.00. Developer, by this Agreement agrees to pay the Native Water Dedication Fee with the understanding that the fee is non-refundable, unless this Agreement is terminated by either party prior to the Credit Closing. In the event this Agreement is terminated prior to the Credit Closing, any portion of the Native Water Dedication Fee which was not spent by Firestone in connection with this

Agreement will be remitted to Developer. Payment of the Native Water Dedication Fee by Developer in no way guarantees that Firestone will ultimately accept the Native Water for compliance with Developer's Dedication Requirement at the Credit Closing.

8. Excess Native Credit. In the event the Native Credit available to Developer exceeds the Dedication Requirement for Developer's Lands, Developer has the option of: 1) dedicating the Native Credit to a separate property within Firestone's municipal boundary for compliance with the water dedication requirements to comply with the Code; or 2) accepting an offer from Firestone to purchase the remainder of the Native Credit from Developer.

9. Affidavit of Historical Use. At or before the Credit Closing Developer shall provide Firestone with an affidavit by a person or persons with knowledge regarding the manner in which the Native Water was historically used. Developer agrees to cooperate with Firestone to develop any additional information regarding the historical use of the Native Water, including cooperation at trial in a change of use of the Native Water.

10. Dry-up Covenants. Developer shall provide Firestone, at the Credit Closing, executed dry up covenants in a form acceptable to Firestone, for the land historically irrigated by the Native Water. Developer warrants that all liens or encumbrances on the historically irrigated property are subordinate to the provided dry up covenants and shall be responsible for acquiring all necessary agreements to ensure any liens or encumbrances are subordinate to the dry up covenants or shall otherwise prove that the dry up has been physically accomplished via development or other means to the satisfaction of Firestone. To the extent required by law, Developer shall be responsible for any revegetation of the historically irrigated property.

11. Plant Investment Fee. In order to receive taps for building permits on Developer's Lands, Developer or future owner shall pay a Plant Investment Fee and/or Tap Fee. Developer or future owner's obligation to pay such fees are in no way affected by the execution of this Agreement.

12. Contingencies. The Parties' obligations under this Agreement are expressly contingent upon:

    12.1. Any third party which may have an option to purchase or a right of first refusal waiving or choosing not to exercise such rights and authorizing the conveyance contemplated in this Agreement;

    12.2. The satisfaction of any "Catlin" approval process in which a ditch or reservoir company has the power to deny the contemplated Change Case.

13. Force Majeure. No party to this Agreement shall be liable for any delay or failure to perform under this Agreement due solely to conditions or events of force majeure. Force majeure events shall be those beyond the reasonable control of the Party including: acts of God, strikes or work

stoppages directly affecting the Party, unavailability or delay in receiving labor or materials, material adverse weather conditions or stop-work action of governmental authorities.

14. Termination. At any time prior to the Credit Closing, Developer may choose to terminate this Agreement, at which time Firestone shall distribute any un-spent portion of the Native Water Dedication Fee which remains to Developer. At any time prior to the Credit Closing, Firestone may choose to terminate this Agreement, at which time Firestone shall distribute any un-spent portion of the Native Water Dedication Fee which remains to Developer. If at any time during the Investigation Period Firestone determines that the Native Water is unsuitable for use by Firestone to meet the Dedication Requirement for the Developer Lands the parties hereby agree to treat this Agreement as terminated and Firestone shall distribute any un-spent portion of the Native Water Dedication Fee which remains to Developer.

15. Binding Effect and Transferability. This Agreement shall be binding upon and inure to the benefit of the Town as well as Developer, its heirs, personal representatives, successors, transferees and assigns. Any Native Credit dedicated by Developer shall be used solely on Developer's Lands for the Dedication Requirement unless otherwise agreed to by Firestone at its sole discretion. Developer may only assign the Native Credit to another party in connection with the transfer of the Developer's Lands. Firestone will provide Developer with a form Native Credit Transfer at the Credit Closing to be used in connection with the transfer of any Native Credit by Developer.

16. Entire Agreement. This Agreement represents the complete agreement between the Parties and no oral modification shall be recognized. Any amendment or additions shall be made in writing signed by both parties.

17. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

18. Jurisdiction and Venue. This Agreement shall be governed and its terms construed under the laws of the State of Colorado and venue shall be in the County of Weld, unless Parties determine the matter is a "water matter" within the jurisdiction of Colorado's water courts, in which instance venue shall be in the Division One Water Court.

19. Authority. Developer and its undersigned signatory expressly represent and warrant to the Town that Developer has authority to enter into this Agreement and that its undersigned signatory on this Agreement has the authority to bind Developer to the terms of this Agreement

20. Recording. This Agreement may be recorded in the office of the Weld County Clerk and Recorder.

21. Addendum Incorporated. The Parties hereby agree that the provisions of this Agreement are further amended and extended by the terms of the Addendum attached hereto and incorporated herein. In the event of any conflict between the terms of this Agreement and the Addendum, the language and intent of the Addendum shall control.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first above written

TOWN OF FIRESTONE

By: ______________________________
Name:________________
Title: ________________

CK H2O VENTURES, LLC, a Colorado limited liability company

By: ______________________________
Name:________________
Title: ________________

MILLRACE RESOURCES, LLC, a Colorado limited liability company

By: ______________________________
Name:________________
Title: ________________

FRONTIER VENTURES, LLC, a Colorado limited liability company

By: ______________________________
Name:________________
Title: ________________

ADDENDUM
TO NATIVE WATER DEDICATION AGREEMENT

THIS ADDENDUM TO NATIVE WATER DEDICATION AGREEMENT ("Addendum") is entered into by and between Firestone and Developer (collectively, the "Parties") in order to facilitate the foregoing Native Water Dedication Agreement ("Dedication Agreement") dated March __, 2022 and is executed on the Effective Date set forth therein. In this regard, the Parties hereby agree as follows:

1. All terms and conditions of the foregoing Dedication Agreement are incorporated into this Addendum as is fully set forth herein.

2. Unless specifically revised by the terms of this Addendum, all terms and conditions of the Dedication Agreement remain unchanged and will be applied to the Parties course of conduct under this Addendum to the greatest extent possible.

3. The Parties acknowledge and agree that as of the Effective Date, there are or may be clouds on title regarding ownership of certain Native Water to be dedicated to Firestone under the Dedication Agreement, and that said clouds on title may prevent the Credit Closing to occur as contemplated by the Dedication Agreement. Firestone shall provide notice 14 days after the Investigation Period regarding those water rights/shares, which comprise part of the Native Water, for which Firestone has identified clouds on title requiring curative action(s) be completed prior to a Credit Closing (the "Optional Shares"). The fact that Native Water remains subject to a purchase agreement for conveyance to Developer shall not be a basis for designation as Optional Shares.

4. The Parties hereby agree that if Developer determines that it is unable to convey clear title all Native Water within the time frame contemplated by the Dedication Agreement, the term of the Dedication Agreement may be extended until October __, 2022, by Developer's payment to Firestone of Twenty thousand dollars ($20,000.00) on or before the expiration of the Investigation Period in the Dedication Agreement (the "October Credit Closing"). Said payment to Firestone providing for the extension of the Dedication Agreement will be applied to the Native Water Dedication Fee to cover additional costs incurred by Firestone due to the extension of the Dedication Agreement.

5. In the event the term of the Dedication Agreement is extended by Developer in accordance with this Addendum, Developer shall be required to provide Firestone written notice of any change in the status of title of the Native Water after the Investigation Period and curative measures taken with respect to the Optional Shares no later than September __, 2022, Firestone shall then have until October __, 2022 to review Developers curative actions for the Optional Shares and further investigate to confirm the status of title to the Native Water ("Additional Diligence Period"). Firestone may designate additional shares comprising Native Water as Optional Shares at the conclusion of the Additional Diligence

Period based on either changes or encumbrances to those shares after the initial Investigation Period. A change in the status of title of Native Water by the vesting of title in Developer shall not be a basis for designation as an Optional Share.

6. The Parties hereby agree that during the Additional Diligence Period, Firestone shall have the option, but not the obligation, to proceed with the dedication of the Optional Shares or elect to exclude the Optional Shares from the October Credit Closing and Native Water subject to the Dedication Agreement.

7. Additionally, Firestone shall have the option, but not the obligation, to proceed to the October Credit Closing on the Optional Shares despite any unresolved clouds on title, on the condition that Developer quitclaim and assign to Firestone its title, rights, and interest in the Optional Shares and Firestone shall proceed to clear title to the Optional Shares either by agreement or completion of a quiet title action in Weld County District Court. In this regard, Developer shall be entitled to the Native Credit associated with the Optional Shares upon vesting of good and marketable title to the same in Firestone. If good and marketable title fails to vest in Firestone for the Optional Shares at issue, then the amount of Native Credit available to Developer shall be reduced in proportion to the per share contribution of those Optional Shares. If Developer has independently entered into an escrow arrangement with its seller(s) regarding resolution of any clouds on title for the Optional Shares and has made the required deposit into escrow, and Firestone is unable to obtain good and marketable title to the same, with the result being that Developer does not receive Native Credit for those Optional Shares, then Developer shall be entitled to any escrow funds disbursed under the escrow arrangement, less attorney fees and costs incurred by Firestone in attempting to clear title.

8. If Firestone does not notify Developer of its election to purchase of the Optional Shares or otherwise proceed in accordance with the terms of this Addendum on or before October __, 2022, Firestone's right to exclude the Optional Shares from the Native Water subject to the Dedication Agreement and this Addendum shall be deemed to have been exercised and the Parties shall proceed to the October Credit Closing on all Native Water excluding the Optional Shares on or before October __, 2022.

9. At the October Credit Closing on or before October __, 2022 Developer shall convey to Firestone, by Special Warranty Deed and a good and sufficient water stock assignment or such other documents as are necessary to convey good and marketable title to the Native Water, free and clear of all encumbrances.

TOWN OF FIRESTONE

By: ______________________________
Name:________________
Title: ________________

CK H2O VENTURES, LLC:

By: ______________________________
Name:________________
Title: ________________

MILLRACE RESOURCES, LLC, a Colorado limited liability company

By: ______________________________
Name:________________
Title: ________________

FRONTIER VENTURES, LLC, a Colorado limited liability company

By: ______________________________
Name:________________
Title: ________________

EXHIBIT A

PARCEL A:

A PARCEL OF LAND BEING THE SOUTHWEST QUARTER OF SECTION 5; EXCEPT THE SOUTH 790 FEET OF EAST 312 FEET, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE COLORADO. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SOUTHWEST QUARTER WHENCE THE SOUTHWEST CORNER OF THE OF THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 67 WEST BEARS SOUTH 00°00'00" WEST 2659.46 FEET, SAID LINE FORMING THE BASIS OF BEARINGS FOR THIS DESCRIPTION; THENCE NORTH 89°23'55" EAST 2680.42 FEET TO THE NORTHEAST CORNER OF SAID SOUTHWEST QUARTER; THENCE ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER, SOUTH 00°11'14" EAST 1848.62 FEET; THENCE ALONG A LINE 790 FEET NORTHERLY FROM AND PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST QUARTER, SOUTH 89°09'38" WEST 312.02 FEET; THENCE ALONG A LINE 312 FEET WESTERLY FROM AND PARALLEL WITH THE EAST LINE OF SAID SOUTHWEST QUARTER, SOUTH 00°11'14" EAST 790.05 FEET TO A POINT ON THE SOUTH LINE OF SAID SOUTHWEST QUARTER; THENCE ALONG SAID SOUTH LINE, SOUTH 89°09'38" WEST 2376.98 FEET TO THE TRUE POINT OF BEGINNING.

SAID PARCEL OF LAND CONTAINS 157.305 ACRES.

PARCEL B:

A PARCEL OF LAND BEING THE NORTHWEST QUARTER OF SECTION 8; EXCEPT THE NORTH 871.2 FEET OF THE EAST 500 FEET, THE SOUTH 1904.4 FEET OF THE WEST 719.75 FEET AND THE NORTH 755 FEET OF THE WEST 380 FEET, TOWNSHIP 2 NORTH, RANGE 67 WEST OF THE 6TH P.M., COUNTY OF WELD, STATE OF COLORADO.

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 8 WHENCE THE SOUTHWEST CORNER OF SAID NORTHWEST QUARTER BEARS SOUTH 00°00'00" EAST 2659.46 FEET, SAID LINE FORMING THE BASIS OF BEARINGS FOR THIS DESCRIPTION; THENCE ALONG THE NORTH LINE OF SAID NORTHWEST QUARTER. NORTH 89°09'38" EAST 380.04 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH 89°09'38" EAST 1808.95 FEET; THENCE ALONG A LINE 500 FEET WESTERLY FROM AND PARALLEL WITH THE EAST LINE OF SAID NORTHWEST QUARTER, SOUTH 00°23'23" EAST 871.23 FEET; THENCE ALONG A LINE 871.2 FEET SOUTHERLY FROM AND PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST QUARTER, NORTH 89°09'38" EAST 500.02 FEET TO A POINT ON THE EAST LINE OF SAID NORTHWEST QUARTER; THENCE SOUTH 00°23'23" EAST 1789.35 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER; THENCE ALONG THE SOUTH LINE OF SAID NORTHWEST

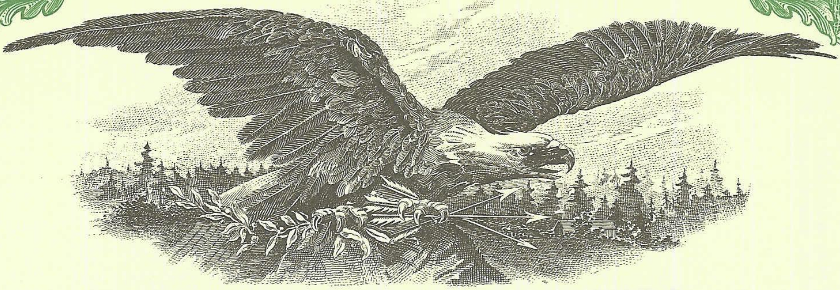
QUARTER, SOUTH 89°11'19" WEST 1987.26 FEET; THENCE ALONG A LINE 719.75 FEET EASTERLY FROM AND PARALLEL WITH THE WEST LINE OF SAID NORTHWEST QUARTER, NORTH 00°00'00" EAST 1888.20 FEET; THENCE NORTH 88°59'00" WEST 339.80 FEET; THENCE LONG A LINE 380.0 FEET EASTERLY FROM AND PARALLEL WITH THE WEST LINE OF THE NORTHWEST QUARTER, NORTH 00°00'00" EAST 760.60 FEET TO THE TRUE POINT OF BEGINNING.

SAID PARCEL OF LAND CONTAINS 116.776 ACRES.

EXHIBIT B

74 shares of the New Coal Ridge Ditch Company represented by Certificate No. 151.
70 shares of the New Coal Ridge Ditch Company represented by Certificate No. 152.
227 shares of the New Coal Ridge Ditch Company represented by Certificate No. 79.
46 shares of the New Coal Ridge Ditch Company represented by Certificate No. 271.

NUMBER
151



SHARES
--74--

INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

NEW COAL RIDGE DITCH COMPANY

This Certifies that Prominence Partners I, LLC a Colorado limited liability company is the owner of ****Seventy-four**** fully paid and non-assessable Shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation.

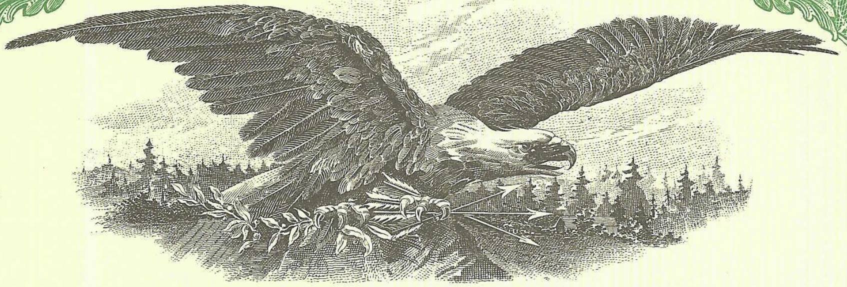
Dated May 5, 2003

Alfred Sater
Alfred Sater, President

Rashelle Richardson
Rashelle Richardson, Asst. Secy

NUMBER 152

SHARES --70--



INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

NEW COAL RIDGE DITCH COMPANY

This Certifies that Prominence Partners I, LLC a Colorado limited liability company *is the owner of* ****Seventy**** *fully paid and non-assessable Shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.*

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation.

Dated May 5, 2003

Alfred Sater

Alfred Sater, President

Rashelle Richardson

Rashelle Richardson, Asst. Secy

The shares represented by this certificate are subject to certain restrictions concerning changes of water rights which are contained in the By-Laws. A copy of the By-Laws will be furnished by the Corporation upon request and without charge.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were writt out in full according to applicable laws or regulations. Additional abbreviations may also be used though not in the list.

TEN COM — as tenants in common

TEN ENT — as tenants by the entireties

JT TEN — as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT — ....Custodian................(Min under Uniform Gifts to Minors Act................................(Sta

For value received, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

....

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

....

....*Shares*

represented by the within Certificate, and hereby irrevocably constitutes and appoints..............................

....*Attorney to transfer the said shares on the books of the within-named Corporation with full power of substitution in the premises.*

Dated,..

In presence of ....

....

of the certificate in every particular without alteration or enlargement, or any change whatever.

NUMBER 79

SHARES --227--

INCORPORATED UNDER THE LAWS OF THE STATE OF COLORADO

NEW COAL RIDGE DITCH COMPANY

This Certifies that CITY OF LOUISVILLE is the owner of --TWO HUNDRED TWENTY-SEVEN-- fully paid and non-assessable Shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation.

Dated March 19, 1996

PASTE CANCELLED CERTIFICATE IN THIS SPACE

CANCELLATION OF STAMPS:

CERTIFICATE No. 79 FOR TWO HUNDRED TWENTY-SEVEN (227) SHARES (or units, membership interests, partnership interests, etc., as appropriate)

ISSUED TO

CITY OF LOUISVILLE

DATED 3/19 19 96

RECEIVED CERTIFICATE No. ______ FOR ______ SHARES (or units, membership interests, partnership interests, etc., as appropriate)

THIS ______ DAY OF ______ 19__

Transfer From Original Issue

FROM WHOM TRANSFERRED

DATED ______ 19__

ORIGINAL CERTIFICATE NUMBER	ORIGINAL NUMBER	NUMBER TRANSFERRED

Transfer Details For Surrendered Certificate

NEW CERTIFICATES ISSUED TO:	NUMBER TRANSFERRED	NUMBER OF NEW CERTIFICATES

...TES POSTAL SERVICE

...cial Business

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

U.S. MAIL

...VED 1996 ...rnard ...dis, P.C.

Print your name, address and ZIP Code here

Grant, Bernard, Lyons & Gaddis, P.C.
P.O. Box 978
Longmont, Colorado 80502-0978

Court 3, the City changed the type, place, and manner of ...
Water Stock from irrigation to ...

INCORPORATED UNDER THE LAWS OF

THE STATE OF COLORADO

CERTIFICATE

271

SHARES

****46****

NEW COAL RIDGE DITCH COMPANY

This Certifies that LR Investments, LLC is the owner of *****Forty-Six***** fully paid and non-assessable Shares of the above Corporation transferable only on the books of the Corporation by the holder hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers and to be sealed with the Seal of the Corporation.

Dated January 20, 2022

Bashelle Richardson
Secretary

President VP

AGENDA INFORMATION MEMORANDUM FIRESTONE TOWN BOARD OF TRUSTEES FIRESTONE COLORADO	**AIM#:** 5.a **Executive Session** **Meeting Date:** March 30, 2022 **Initiated By:** **Dept:** Town Clerk

AGENDA TITLE
An executive session pursuant to C.R.S. 24-6-402(4)(f)(I) for a personnel matter regarding the annual evaluation of the Town Manager

SUMMARY

HISTORY AND PREVIOUS BOARD ACTION

RECOMMENDATION

ALTERNATIVES

ATTACHMENTS
None

FINANCIAL CONSIDERATIONS