

## **WATER LEASE**

This WATER LEASE (the “Lease”) is made and entered into by and between TC Midwest, LLC, a Texas domestic limited liability company (“Lessor”), whose address is 17774 Preston Road, Dallas, TX 75252, and the TOWN OF NEW CASTLE, COLORADO, a Colorado home rule municipality, and the TOWN OF NEW CASTLE, COLORADO, WATER AND SEWER ENTERPRISE (hereinafter individually or together referred to as the “Town” or “Lessee”), whose address is P.O. Box 90, New Castle, CO 81647.

### **RECITALS**

A. Lessor is the owner of \_\_\_\_\_ c.f.s. of the Coryell Ditch water right, Priority No. 11, adjudicated on May 11, 1889 in Civil Action No. 103, District Court in and for Garfield County, from East Elk Creek with an appropriation date of June 1, 1883 (the “Water Right”).

B. The Water Right is subject to that certain water court decree and plan for augmentation adjudicated in Case No. 87CW373, District Court, Water Division 5, entered on August 22, 1991 (the “Augmentation Plan”).

C. The Town owns and operates a municipal water treatment and distribution system that diverts water from East Elk Creek upstream of the Coryell Ditch (the “Municipal System”).

D. The parties have agreed that Lessor will lease the Water Right to the Town for use in connection with the Municipal System pursuant to the terms and conditions stated in this Lease.

### **TERMS**

It is agreed by and between the parties as follows:

1. The preceding recitals are incorporated by reference as affirmative representations and acknowledgments of the parties hereto.
2. Lessor hereby leases the Water Right for a six (6) months ending December 31, 2026. The Town shall pay Lessor \$500.00 for the lease term. Payment of \$500.00 will be made within thirty days of execution of this Lease.
3. The amount of the Water Right subject to the Lease shall automatically be reduced by any amount dedicated to Town by Lessor in conjunction with the recordation of a Final Plat for property owned by Lessor.
4. The Town shall not apply for or affect any change of the leased Water Right in any administrative or Water Court proceeding during the term of this Lease without Lessor’s written consent.
5. Lessor represents and warrants that it has not leased the Water Right to any other party; and that Lessor has good right and authority to make and enter into this Lease.

6. The Town shall use the Water Right solely for the purposes of effectuating a temporary use or implementation of the Plan for Augmentation or diversion at the Red Rock Ditch and the New Castle Water Works System and Pipeline. If the Town is unable to use any or all of the Water Right for those purposes, the Town shall not be entitled to a refund of any of the rent payment stated in Paragraph 1. The Town agrees to comply with applicable court decrees related to the Water Right.
7. Delivery of the Water Right to Lessee shall be made by Lessor ceasing diversion of the Water Right during the term of the Lease. During the term of this Lease, Lessor shall not irrigate the acreage associated with the Water Right, as determined in reference to the Plan for Augmentation.
8. The parties acknowledge that, from time to time, conditions beyond the control of Lessor may arise which would prevent the delivery of the Water Right to Lessee. Such conditions may include severe drought or natural disasters. To the extent Lessor is unable to deliver the Water Right to Lessee because of such conditions, Lessor's obligation to deliver the Water Right to Lessee shall be suspended during the existence of such conditions.
9. The parties to this Lease have entered into other agreements related to the development of Lessor's property within the Town. Nothing in this Water Lease shall be deemed to modify or supersede those agreements in any way.

Signed effective as of the June 1, 2026.

**LESSOR:**

TC MIDWEST, LLC  
a Texas limited liability company

By: \_\_\_\_\_  
By: Saad Sheikh, Manager

**LESSEE:**

TOWN OF NEW CASTLE, COLORADO,  
a Colorado municipal corporation

By: \_\_\_\_\_  
David Reynolds, Town Administrator

**ATTEST:**

\_\_\_\_\_  
Town Clerk