Settlement Agreement

This Settlement Agreement (the "Agreement") is made and entered into this ____ day of _____, 2025, by and between the Town of Erie, a Colorado home rule municipal corporation with an address of 645 Holbrook Street, P.O. Box 750, Erie, CO 80516 (the "Town"), and Stratus Redtail Ranch, LLC, a Colorado limited liability company with a principal office street and mailing address of 8480 East Orchard Road, Suite 3000, Greenwood Village, CO 80111 ("Redtail Ranch") (each a "Party" and collectively the "Parties").

Whereas, Redtail Ranch owns the real property legally described as set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the "Property");

Whereas, on August 6, 2024, Redtail Ranch filed Case No. 2024CV30673 (the "Lawsuit"), asserting two claims for relief against the Town, based on the Erie Town Council's denial of an application for approval of a preliminary plat filed by Redtail Ranch;

Whereas, the Parties have continuously engaged in settlement negotiations since the Lawsuit was filed; and

Whereas, the Parties desire to compromise and settle the Lawsuit as set forth herein; and

Whereas, on December 9, 2025, the Town Council held a public hearing to consider this Agreement and Redtail Ranch's request for approval of the modified preliminary plat attached hereto as **Exhibit B** and incorporated herein by this reference (the "Preliminary Plat").

Now, Therefore, for the consideration hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Effective Date. This Agreement shall become effective and a binding contractual obligation of the Parties on January 9, 2026 (the "Effective Date") if no legal action is filed prior to such date challenging this Agreement or any related action by the Town or the Erie Town Council. If any such legal action is filed, this Agreement shall not take effect.

2. Findings. The Town Council makes the following findings:

a. The Town annexed the Property in 2007 and zoned the Property as Low Density Residential ("LR"), subject to an annexation agreement that imposed a maximum density of 587 dwelling units on the Property, and the Preliminary Plat includes 573 lots, which complies with the annexation agreement;

b. The Preliminary Plat complies with Title 10 of the Erie Municipal Code (the "UDC") and other applicable law and is consistent with the Town's Comprehensive Plan;

c. The Preliminary Plat is consistent with and implements the intent of the zone district in which it is located;

d. The Preliminary Plat will not result in significant adverse impacts on the natural environment, including air, water, noise, storm water management, wildlife, and vegetation, or such impacts will be substantially mitigated;

e. The Preliminary Plat will not result in significant adverse impacts on adjacent properties; and

f. Adequate and sufficient public safety, transportation, utility facilities and services, recreation facilities, parks, and schools are available to serve the Property, while maintaining sufficient levels of service to existing development.

3. Approval of Preliminary Plat. Based on the foregoing findings, the Town Council hereby approves the Preliminary Plat as of the Effective Date, subject to all of the following conditions:

a. Oil and gas.

i. So long as the Preliminary Plat is effective, prior to approval of the Final Plat for the Property, Redtail Ranch shall enter into an agreement with KP Kauffman to plug and abandon the following existing wells on the Property: SRC Pratt 33-29D; 29PD; 34-29D; 43-29D; 29XD; and 29TD.

ii. Following completion of the plugging and abandoning operations and prior to approval of the Final Plat for the Property, Redtail Ranch shall ensure that the area adjacent to the plugged and abandoned wells has been fully Remediated in compliance with applicable law pursuant to Colorado Energy and Carbon Management Commission Rules, and shall provide documentation to the Town detailing such remediation.

b. Roundabout. The Final Plat shall include one roundabout in the location shown on **Exhibit C**, attached hereto and incorporated herein by this reference, unless the Town requires that the location be modified during the Final Plat process.

c. Spine Trail. On the Final Plat, the section of Spine Trail north of Redtail Parkway shall be located within the right-of-way, which will require a modified road section, to keep improvements within the existing right of way and outside the fenceline depicted on **Exhibit D**, attached hereto and incorporated herein by this reference.

d. Signage. Prior to issuance of the first certificate of occupancy for the Property, Redtail Ranch or any successor shall place signs every 300 feet on the Open Rail Fence shown on **Exhibit D**. The signs shall be 2 feet wide by 1 foot 4 inches high and shall state the following: "No Trespassing, Environmentally Sensitive Area, Keep Out".

e. Notice. The Final Plat shall contain the following note: "Tract A is the subject of Compliance Order on Consent No. 18-05-15-01, entered into between Stratus Redtail Ranch, LLC and the Colorado Department of Public Health and Environment ("CDPHE"), a copy of which is available from CDPHE. In accordance with the Consent Order, CDPHE has approved a Corrective Measures Design, which includes, among other things, a Post-Closure Monitoring and Maintenance Plan for Tract A."

f. Groundwater monitoring. Prior to issuance of the first building permit for the Property, Redtail Ranch shall install 4 groundwater monitoring wells in compliance with **Exhibit E**, attached hereto and incorporated herein by this reference.

g. Development Agreement. Prior to approval of the Final Plat for the Property, Redtail Ranch shall execute a Development Agreement in the form provided by the Town that is similar to the Development Agreements that the Town typically uses for developments.

h. Technical corrections. Redtail Ranch shall make minor technical corrections to the Preliminary Plat and related documents as directed by Town staff.

4. Final Plat Process. The Parties acknowledge and agree that, because approval of the Preliminary Plat is occurring as part of the settlement of the Lawsuit, the typical detailed review processes have not occurred. As such, the Town may require additional modifications to the Final Plat that are necessary as a result of traffic control studies or other documentation to be submitted with the Final Plat application, including without limitation a change in the number of allowed lots.

5. Release. On the Effective Date of this Agreement, Redtail Ranch, on behalf of itself, its owners, agents, employees, members, servants, assigns, successors, and attorneys, hereby releases and forever discharges the Town as well as the Town's current and former employees, servants, agents, contractors, elected and appointed officials, assigns, successors, predecessors, attorneys, insurance carriers from any and all claims, actions and demands which exist as of the Effective Date and which were pled or could have been pled in the Lawsuit, including without limitation any claims related to approval of the Preliminary Plat.

6. Indemnification. Should the Town be subject to any legal action as a result of the approval of the Preliminary Plat or this Agreement, Redtail Ranch agrees to indemnify and hold harmless the Town and its officers, insurers, volunteers, representatives, agents, employees, attorneys, heirs and assigns from and against all claims, liability, damages, losses, expenses and demands, including attorney fees, brought in such legal action.

7. Dismissal of Lawsuit. Within 14 days after the Effective Date, the Parties shall file a joint motion to dismiss the Lawsuit with prejudice, with each Party to pay its own costs and fees.

8. Miscellaneous.

a. Entire Agreement. This Agreement, and the Exhibits hereto, contains the entire agreement of the Parties. There are no other agreements, oral or written, between the Parties related to the subject matter herein and this Agreement can be amended only by written agreement signed by the Parties.

b. Agreement Binding. This Agreement, and the terms, covenants, and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of the Parties.

c. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Weld County, Colorado.

d. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the Town shall not constitute a waiver of any of the other terms or obligations of this Agreement.

e. Third Parties. There are no intended third-party beneficiaries to this Agreement.

f. Notice. Any notice under this Agreement shall be in writing and shall be deemed sufficient when directly presented, or sent prepaid, first-class United States mail to the Party at the address set forth on the first page of this Agreement.

g. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect. However, because the primary consideration for Redtail is Paragraph 3 and the primary consideration for the Town is Paragraph 5, if either Paragraph 3 or Paragraph 5, or the benefits therein, are found to be unlawful or unenforceable, then this Agreement shall terminate without further action of the Parties.

h. Modification. This Agreement may only be modified upon written agreement of the Parties.

i. Assignment. Neither this Agreement nor any of the rights or obligations of the Parties shall be assigned by either Party without the written consent of the other. However, Redtail Ranch may assign its rights under the Preliminary Plat without the written consent of the Town.

j. Governmental Immunity. The Town and its officers, attorneys and employees are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, et seq., as amended, or otherwise available to the Town and its officers, attorneys or employees.

k. Rights and Remedies. The rights and remedies of the Parties under this Agreement are in addition to any other rights and remedies provided by law. The expiration of this Agreement shall in no way limit the Parties' legal or equitable remedies, or the period in which such remedies may be asserted.

l. Subject to Annual Appropriation. Consistent with Article X, § 20 of the Colorado Constitution, any financial obligation of the Town not performed during the current fiscal year is subject to annual appropriation, shall extend only to monies currently appropriated and shall not constitute a mandatory charge, requirement, debt or liability beyond the current fiscal year.

m. No Admission of Liability. The Parties acknowledge that the Town denied liability or wrongdoing in the Lawsuit and this Agreement is not to be construed as an admission of liability or wrongdoing.

n. Jointly Drafted. The Parties have each participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any party based upon a claim that another Party was a drafter.

o. Accessibility. Redtail Ranch shall comply with the accessibility standards for an individual with a disability adopted by the State Office of Information Technology pursuant to C.R.S. § 24-85-103, and shall indemnify, hold harmless and assume liability on behalf of the Town and its officers, employees, agents and attorneys for all costs, expenses, claims, damages, liabilities, court awards, attorney fees and related costs, and any other amounts incurred by the Town in relation to Redtail Ranch's noncompliance with such accessibility standards.

p. Electronic Signatures. The Parties intend that this Agreement be governed by the Uniform Electronic Transactions Act, C.R.S. § 24-71.3-101, et seq.

In Witness Whereof, the Parties have duly executed this Agreement as of the Effective Date.

Town of Erie, Colorado

_____
Andrew J. Moore, Mayor

Attest:

_____
Debbie Stamp, Town Clerk

Stratus Redtail Ranch, LLC

State of Colorado)
) ss.
County of Denver)

Subscribed, sworn to and acknowledged before me this 12th day of December, 2025, by Richard Dean, as Manger of Stratus Redtail Ranch, LLC.

My Commission expires: 11/29/2026

(Seal)

SARAH ELIZABETH VAN HORN
Notary Public
State of Colorado
Notary ID # 20184045897
My Commission Expires 11/29/2026

_____
Notary Public