

AGREEMENT FOR SALE AND PURCHASE OF CBT UNITS

This Agreement for Sale and Purchase of CBT Units (this "Agreement") is made and entered into this ____ day of _____, 2026 by and between **THE TOWN OF ERIE**, with a mailing address of 645 Holbrook Street, Erie, Colorado 80516, hereinafter referred to as "Purchaser," and **WILLIAM HICKS**, both in his individual capacity and in his capacity as Trustee of the William S. Hicks Trust UTAD February 22, 1994, with a mailing address of 13407 N. 75th Street, Longmont, Colorado 80503, hereinafter referred to as "Seller." Purchaser and Seller are referred to individually as a "Party" and collectively as the "Parties."

For and in consideration of the mutual promises and covenants herein contained, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **CBT UNITS TO BE TRANSFERRED.** The Purchaser agrees to buy and the Seller agrees to sell Twelve (12) Units in the Colorado-Big Thompson Project ("CBT Units"), as evidenced by an allotment contract ("Allotment Contract") from the Northern Colorado Water Conservancy District ("Northern"). Said CBT Units are currently allocated to the two properties that are described in **Exhibit A** attached hereto and incorporated by reference herein (jointly, "Real Property"). The CBT Units shall be transferred by Seller to Purchaser in accordance with this Agreement, free and clear of all liens and encumbrances, including but not limited to all deeds of trust, liens, security interests, prior or preemptive rights to purchase, encumbrances and assessments, leases or other pending sale's agreements or first rights of refusal ("Liens").

2. **PURCHASE PRICE AND PAYMENT TERMS.** The purchase price per CBT Unit shall be \$62,500.00, for a total purchase price for all Twelve (12) CBT Units of \$750,000.00 (the "Purchase Price"). This transaction is being scheduled for presentation at Purchaser's Council Meeting on **March 10, 2026**. By **March 13, 2026**, Purchaser shall deposit the sum of \$20,000.00 with Land Title Guarantee Company, 772 Whalers Way, Suite 100, Fort Collins, Colorado 80525, Attn: Donna Mancini, Email: dmancini@ltgc.com ("Escrow Agent") as earnest money (the "Earnest Money Deposit"). Purchaser shall deposit the remainder of the Purchase Price in the amount

of \$730,000.00 with Escrow Agent on or before **May 1, 2026**. The transfer of the CBT Units to the Purchaser shall be considered and acted upon at the regularly scheduled Northern Board meeting no later than its **May 14, 2026** Board Meeting (the "Northern Board Meeting"). The Purchase Price shall be released from escrow to Seller pursuant to the terms of the Escrow Agreement, attached hereto as **Exhibit B**, upon the occurrence of all of the following conditions (the "Closing Conditions"):

- a) written confirmation from Northern that an Allotment Contract for the CBT Units will be issued to the Purchaser upon payment of assessments by the Purchaser;

- b) delivery to Purchaser of an updated (through the date of the Northern Board Meeting) Ownership and Encumbrance Report and an updated Uniform Commercial Code report ("UCC Report"), indicating ownership of the Real Property in Seller and indicating (i) no Liens against the Real Property or the CBT Units or (ii) Liens that will be released at "Closing," as hereinafter defined; and

- c) delivery by Seller to Purchaser of executed originals of releases of any Liens; and

- (d) any and all other documents required by Northern to transfer the CBT Units to Purchaser.

If all of the Closing Conditions have not been satisfied by **May 29, 2026**, Seller and Purchaser shall work in good faith to mutually extend the date of Closing, or Purchaser shall diligently pursue the execution of all necessary documentation, if any, to transfer the CBT Units back to Seller. Upon the completed transfer of CBT Units back to Seller, all funds in escrow shall be released to Purchaser by Seller.

3. ESCROW AGENT. The Parties agree and appoint Land Title Guarantee Company as Escrow Agent pursuant to the terms of the Escrow Agreement attached hereto as **Exhibit B**. Purchaser and Seller shall each pay half of the escrow fees.

4. **CLOSING.** Upon the satisfaction of the Closing Conditions, the Parties shall close on the purchase and sale of the CBT Units as contemplated in this Agreement (the "Closing") through the Escrow Agent as soon as reasonably practical but in no event later than **May 29, 2026**, unless a written extension is executed by the Parties hereto.

5. **APPROVAL OF THIRD PARTIES.** Time is of the essence. Both Purchaser and Seller recognize the need for obtaining necessary signatures from various third Parties, including Northern, to accomplish this transfer; and it is agreed that both Purchaser and Seller will cooperate and exercise their timely and best efforts to obtain same. If after that effort, either Party is unable to obtain the signatures, then the Escrow Agent shall return all money deposited to the Purchaser and this Agreement shall become null and void and all rights and obligations hereunder shall terminate. All matters required for Northern's approval must be submitted to Northern by **April 1, 2026**, unless that date is extended by Northern, and ready for presentation to Northern's Board of Directors no later than its April Northern Board Meeting.

6. **WARRANTY.** Seller warrants to Purchaser that the CBT Units will be conveyed free and clear of all Liens. Said warranty shall survive the Closing and the transfer of the allocation of the CBT Units by Northern to Purchaser.

7. **DEFAULT.**

a) In the event that Purchaser defaults in making or performing any covenant provided for in this Agreement, Seller shall give written notice of the default to the Purchaser. If the default is not cured within ten (10) days after delivery of the notice, then Seller shall have the right to receive the Earnest Money Deposit as liquidated damages as its sole and exclusive remedy under this Agreement.

b) In the event that Seller (i) defaults in the performance of any of Seller's material obligations under this Agreement, other than its obligation to proceed to Closing (for which there shall be no cure period), which default remains uncured for ten (10) days after delivery of notice from

Purchaser to Seller of such default, or (ii) defaults in its obligation to proceed to Closing or otherwise fails to consummate the transaction contemplated by this Agreement, Purchaser may either elect to terminate this Agreement by giving written notice to Seller or elect to treat this Agreement as being in full force and effect and Purchaser shall have the right to an action for specific performance. If Purchaser properly terminates this Agreement, the Earnest Money Deposit shall be refunded to Purchaser. If Purchaser proceeds to Closing notwithstanding any defaults by Seller, Purchaser shall be deemed to have waived such known defaults.

c) The Parties expressly waive, and agree that in no event shall either Party be liable for, any speculative, consequential, or punitive damages as a result of this Agreement.

8. **TRANSFER FEES.** Purchaser shall pay any transfer fees charged by Northern for issuance of any Allotment Contract evidencing the CBT Units in the Purchaser's name.

9. **ASSESSMENTS.** The Purchaser shall pay the assessments for the current CBT Water Year (*i.e.*, the 2026 CBT Water Year). In addition, the Purchaser shall pay any other charges necessary for Purchaser's use of the water allotted to the CBT Units, including without limitation Northern's Rule 11 charges. Purchaser shall have use of water allotted to the CBT Units for the 2026 Water Year and thereafter.

10. **1031 EXCHANGE.** Seller may elect to facilitate a 1031 tax deferred exchange, and Purchaser shall cooperate with Seller's process provided that there is no cost, liability, or loss of time to Purchaser.

11. **OWNERSHIP AND ENCUMBRANCE REPORT AND UCC REPORT.** Purchaser shall, at Seller's cost, obtain an Ownership and Encumbrance Report no later than **March 6, 2026**, evidencing that Seller has title to the CBT Units and there are no Liens on the CBT Units to be transferred hereunder or only Liens that will be released at Closing. Purchaser may obtain a UCC Report in its discretion and at its cost. The Ownership and Encumbrance Report and any UCC Report shall

be updated at Closing through the date of the NCWCD Board Meeting. If any Liens and/or encumbrances appear on said Ownership and Encumbrance Report or UCC Report at that time, Purchaser may elect to terminate this Agreement in writing and all rights and obligations hereunder shall terminate and this agreement shall be null and void. In such case, all funds in escrow shall be returned to Purchaser.

12. **GOVERNING LAW.** It is expressly understood and agreed between the Parties that this Agreement shall be governed by, and its terms construed under, the laws of the State of Colorado.

13. **HEADINGS.** Paragraph headings used herein are for convenience of reference and shall in no way define, limit, or prescribe the scope or intent of any provision under this Agreement.

14. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

15. **LEGAL ADVICE.** All Parties are hereby advised to seek competent tax and/or legal advice regarding this transaction.

16. **NOTICES.** Any notice or other communication given by either Party to the other Party hereunder shall be in writing and shall be deemed to have been duly given (i) on the date and at the time of delivery, if delivered personally to the Party to whom notice is given at the address specified below; or (ii) on the date of delivery or attempted delivery shown on the return receipt if mailed to the Party to whom notice is to be given by first class mail, sent by registered or certified mail, return receipt requested, postage prepaid and properly addressed as specified below; or (iii) on the date and at the time shown on the delivery acknowledgment provided by the courier if sent by a nationally recognized overnight courier service (such as Federal Express) that provides evidence of delivery; or (iv) on the date and at the time shown on the e-mail message if sent to the e-mail addresses specified below (or at such other addresses as has been previously furnished in writing to the other Party):

If to Purchaser, to:

Town of Erie
c/o Todd Fessenden, Utilities Director

645 Holbrook Street
Erie, Colorado 80516
303-926-2895

With a copy to:

Lyons Gaddis, P.C.
Attention: Peter C. Johnson and Andrea A. Kehrl
950 Spruce Street, Suite 1B
Louisville, CO 80027
303-678-6514 or 303-678-6534
pjohnson@lyonsgaddis.com; akehrl@lyonsgaddis.com

If to Seller, to:

William Hicks
13407 N. 75th Street
Longmont, Colorado 80503

With a Copy to:

17. AUTHORITY OF SELLER ON BEHALF OF TRUST. Seller represents and warrants that he is authorized to enter into and implement this Agreement as Trustee of the William S. Hicks Trust UTAD February 22, 1994 ("Trust"). Seller consents to providing a copy of the Trust Agreement, Affidavit, or other instrument that authorizes Seller to act on behalf of the Trust, including the authority to sell the CBT Units held by said Trust, to Purchaser, whether Seller provides said documentation directly to Purchaser or NCWCD provides said documentation to Purchaser.

18. NOTICE OF ACCEPTANCE; COUNTERPARTS. If this proposal is accepted by all Parties by virtue of signatures below and if all Parties receive notice of such acceptance on or before the close of business on **March 13, 2026**, this instrument shall become a binding contract between Seller and Purchaser, and shall inure to the benefit of their heirs, successors and assigns. If this proposal is not so

accepted by all Parties by **March 13, 2026**, this proposal shall become null and void, and of no effect. This Agreement may be executed in counterparts, which collectively shall be deemed to be a full and complete copy between the Parties. Electronic signatures of the Parties shall be valid and binding upon the Parties.

[Remainder of page intentionally left blank. Signature pages to follow.]

SIGNATURE PAGE
TO THE
AGREEMENT FOR SALE AND PURCHASE OF CBT UNITS

PURCHASER: TOWN OF ERIE

By: _____
Andrew Moore, Mayor

Date: _____

SELLER:

William Sherman Hicks

Signature: William Sherman Hicks

Date: 2/12-2026

William Sherman Hicks, Trustee of the William S. Hicks Trust UTAD February 22,
1994

Signature: William Sherman Hicks Trustee

Date: 2/12-2026

EXHIBIT A
LEGAL DESCRIPTION OF REAL PROPERTY

Real Property Associated with all 7 CBT Units under Northern Water Contract I.D. 9467:

The Real Property is assigned Boulder County Assessor Parcel No. 120313000019 and has a street address of 13867 N. 75th Street, Longmont, Colorado 80503, located in unincorporated Boulder County, Colorado.

Northern's Allottee Contract Detail for the CBT Units contains the following metes and bounds legal description of the Real Property, which is located in Section 13, Township 3 North, Range 70 West of the 6th P.M.:

BEG AT A PT ON THE E LN OF THE W1/2 WH THE N1/4 COR OF SEC BEARS N00 19'46"E 1485.37FT; TH S00 19'46"W 1730.80FT; TH S89 40'21"W 904.05FT; TH N00 40'20"E 1730.95FT; TH N89 40'21"E 893.69FT TO A PT ON THE E LN OF THE W1/2 OF SD SEC & THE TPOB; EXC ALL EXIST R/W & EASE.

The Boulder County Assessor database contains the following legal description of the Real Property:

E 1/2 W 1/2 13-3N-70 PER DEED 1784055 BCR 35.71 ACS M/L SPLIT SEE IDS 129356 129357 129358 129359 129360 NCWA 8769-2002 9 AFU

Real Property Associated with all 6 CBT Units under Northern Water Contract I.D. 8689 (5 of which are being transferred herein):

The Real Property is assigned Boulder County Assessor Parcel No. 120313000023.

Northern's Allottee Contract Detail for the CBT Units contains the following metes and bounds legal description of the Real Property, which is located in Section 13, Township 3 North, Range 70 West of the 6th P.M.:

BEG AT THE SW COR OF SEC; TH N00 15'58"E 458.67FT; TH S89 31'25"E 1255.18FT; TH N00 40'20"E 330.71FT; TH S38 55'42"E 13.51FT; TH S47 14'47"E 14.25FT; TH S64 14'52"E 34.74FT; TH N82 19'37"E 36.49FT; TH N60 45'22"E 55.72FT; TH S88 43'33"E 1256.02FT TO A PT ON THE E LN OF THE SW1/4 OF SEC; TH S00 19'46"W 165.81FT; TH ALG THE C/L OF THE HIGHLAND DITCH S32 12'21"W 233.75FT; TH S07 44'52"W 208.52FT; TH S12 15'09"W 68.72FT; TH S49 53'09"W

80.81FT; TH S89 20'26"W 137.40FT; TH S86 27'33"W 112.93FT; TH S63
27'57"W 116.36FT; TH S73 42'40"W 52.09FT TO A PT ON THE S LN OF
THE SW1/4 OF SEC; TH N89 31'25"W 2017.71FT TO THE POB; EXC
ALL EXIST R/W & EASE.

The Boulder County Assessor database contains the following legal description of the Real
Property:

S1/2 S1/2 SW1/4 13-3N-70 DEED 178057 BCR SPLIT FROM ID 52887
AKA PARCEL 9 COMBINED PER DEEDS 3677171-3 40 ACR M/L
NCWA 8689-2000 6 AFU

EXHIBIT B

ESCROW AGREEMENT

1. **PARTIES.** The parties to this Escrow Agreement are the Town of Erie ("Purchaser"), William Hicks, both in his individual capacity and in his capacity as Trustee of the William S. Hicks Trust UTAD February 22, 1994, ("Seller"), and Land Title Guarantee Company ("Escrow Agent"). Purchaser, Seller, and Escrow Agent are referred to individually as a "Party" and collectively as the "Parties."

2. **RECITAL.** The Seller and Purchaser have entered into an Agreement for Purchase and Sale of Twelve (12) Units in the Colorado Big Thompson Project ("CBT Units") which is operated by the Northern Colorado Conservancy District ("NCWCD") attached hereto as **EXHIBIT 1** ("Sales Agreement"). All terms not defined here shall have the meaning given to them in the Sales Agreement.

3. **DEPOSITS INTO ESCROW.** The Purchaser will deposit \$20,000.00 as the Earnest Money Deposit by **March 13, 2026**, and the balance of \$730,000.00 into escrow with the Escrow Agent by **May 1, 2026**. If any deposit does not occur by its specified deadline, the Escrow Agent shall notify Seller, Purchaser, NCWCD, and Turner Realty (Seller's broker).

4. **ESCROW ACCOUNT FEES.** The Purchaser and Seller hereby agree to each pay Escrow Agent \$200.00 for a total of \$400.00 as consideration for this Escrow Agreement upon the execution hereof.

5. **CONDITIONS FOR CLOSING.** Funds held under this Escrow Agreement shall be disbursed as set forth in Section 6 on or before **May 29, 2026**, upon confirmation of the following:
 - a. Written confirmation from NCWCD that an Allotment Contract for the CBT Units will be issued to Purchaser upon payment of assessments by the Purchaser; and
 - b. Copies of the releases of all deeds of trust, liens, security interests, and encumbrances, if any, on said CBT Units.

- c. Updated Ownership and Encumbrance and Uniform Commercial Code Reports showing unencumbered title or only Liens that will be released at Closing through the date of the NCWCD Board Meeting at which the transfer of the CBT Units is reviewed for approval by NCWCD.
- d. Any and all other documents required by NCWCD to transfer the CBT Units to Purchaser.

6. **DISBURSEMENT OF FUNDS FROM SALES AGREEMENT.** Within ten (10) days of the written notice from Purchaser or delivery of the documents referenced in Section 5 hereof to Escrow Agent, the funds shall be distributed as follows, unless otherwise agreed to in any final settlement statement(s) signed by the Parties:

- a. \$750,000.00 to Seller, minus:
 - a. Seller's one-half of the escrow fees in the amount of \$200.00;
 - b. A 4% commission (a total of \$30,000) to be paid directly to Turner Realty of Longmont, Colorado, care of Arnold Turner and Randy Heil; and
 - c. The costs of the Ownership and Encumbrance Reports.

7. **FAILURE OF SALES AGREEMENT TO CLOSE.** In the event the conditions in the Sales Agreement are not satisfied on or before **May 29, 2026**, Escrow Agent shall deliver all funds in Escrow with any interest to Purchaser, unless the Parties extend that deadline pursuant to Section 2 of the Sales Agreement.

8. **ADDITIONAL DOCUMENTS OR ACTION.** The Parties agree to execute any additional documents and to take any additional action necessary to carry out this Escrow Agreement.

9. **INDEMNIFICATIONS.** In the event of any conflicting demand made upon it in connection with this Escrow Agreement, Escrow Agent may continue to hold the escrowed funds until receipt of instructions from both Parties or until a final order by a court of competent jurisdiction resolving the subject dispute. Escrow Agent shall be entitled to rely upon any such final order. If for any reason the Parties fail to resolve a dispute, Escrow Agent may, at its discretion, commence a civil action to interplead any conflicting demands made upon it. Escrow Agent's

deposit with a court of competent jurisdiction of the escrowed funds shall relieve Escrow Agent from all further liability and responsibility hereunder. The Parties agree to indemnify and save Escrow Agent harmless against all costs, damages, attorneys' fees, expenses and liabilities which Escrow Agent may incur or sustain in connection with this Escrow Agreement, including any interpleader action brought by Escrow Agent. Escrow Agent shall not be liable for any act it may do or omit to do hereunder while acting in good faith and in the exercise of its reasonable judgment, and any act done or omitted by Escrow Agent pursuant to the advice of its attorney shall be conclusive evidence of such good faith and reasonable judgment.

10. NOTICES. Any notice pursuant to this Escrow Agreement shall be given in writing by (a) personal delivery, (b) reputable overnight delivery service with proof of delivery, (c) United States Mail, postage prepaid, registered or certified mail, return receipt requested, or (d) e-mail transmission of a PDF copy of the signed written notice, sent to the intended addressee at the email address set forth below, or to such other physical or email address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given upon receipt or refusal to accept delivery, or, in the case of e-mail transmission, as of the date of the e-mail. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Escrow Agreement shall be as follows.

If to Purchaser, to:

Town of Erie
c/o Todd Fessenden, Utilities Director
645 Holbrook Street
Erie, Colorado 80516
303-926-2895

With a copy to:

Lyons Gaddis, P.C.
Attention: Peter C. Johnson and Andrea A. Kehrl
950 Spruce Street, Suite 1B
Louisville, CO 80027
303-678-6514 or 303-678-6534

pjohnson@lyonsgaddis.com; akehrl@lyonsgaddis.com

If to Seller, to:

William Hicks
13407 N. 75th Street
Longmont, Colorado 80503

With a Copy to:

If to Escrow Agent:

Land Title Guarantee Company
772 Whalers Way, Suite 100
Fort Collins, Colorado 80525
Attn: Donna Mancini
Email: dmancini@ltgc.com

11. **TIME OF THE ESSENCE.** Time is of the essence to all performance required by the instructions hereunder.
12. **PARAGRAPH CAPTIONS.** The captions of the paragraphs are set forth only for convenience and reference, and are not intended in any way to define, limit, or describe the scope or intent of the instructions hereunder.

[Remainder of page intentionally left blank. Signature page to follow.]

SIGNATURE PAGE
TO ESCROW AGREEMENT

PURCHASER:

Town of Erie

By: _____
Andrew Moore, Mayor

Date: _____

SELLER:

William Hicks

William Hicks

Date: *2/12 = 2026*

William Sherman Hicks, Trustee of the William S. Hicks Trust UTAD February 22,
1994

Signature: *Wm Sherman Hicks trustee*

Date: *2/12 - 2026*

ESCROW AGENT:

Land Title Guarantee Company

By: _____

Name: _____

Title: _____

Date: _____