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Office of the Commissioners

February 23, 2026

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Lower Arkansas Water Management Association
Donald F. Higbee, Manager
310 South 6th Street
P. O. Box 1161
Lamar, Colorado 81052

Re: Arkansas River Farms LLC 1041 Permit Pursuant to the Provisions of the
“Guidelines and Regulations for Areas and Activities of State Interest of
Otero County”

Dear 1041 Permittee: Pursuant to your Arkansas River Farms LLC 1041 Permit:

A. Revegetation and Reclamation Process.

1. Arkansas River Farms and Lower Arkansas Water Management Association are jointly responsible for ensuring compliance with the reclamation or revegetation process as set forth in Section B hereafter; however, ARF is to take the primary lead in the reclamation and management of the above-described parcels. In the event of a default or failure to comply by ARF, LAWMA shall be responsible for reclamation. In the event of a default or failure to comply by ARF and LAWMA, the County may draw upon the bond described in Section B hereafter to complete the reclamation process.

2. The revegetation process shall be considered complete at such time as Otero County’s revegetation specialist determines that the Applicant has complied with all

conditions of the Permit and applicable regulations and met the recommended classification as set forth in **Exhibit B** attached hereto.

EXHIBIT B
ARF/LAWMA 1041 PERMIT
DRY-UP RECLAMATION/REVEGETATION PROCESS

The above-described Dry-Up Parcels (i.e., parcels in Otero County historically irrigated with Fort Lyon Canal Company [FLCC] shares and described in **Exhibit A** attached to this Resolution), shall be subject to these requirements to be revegetated:

The Applicant shall apply the seed mix as shown on the attached **Exhibit C** prepared by USDA-NRCS dated 11/20/2020 and submitted by the County's revegetation specialist.

The Applicant shall comply with the requirements of the County's revegetation specialist as outlined in said revegetation specialist's report on an annual basis.

For the purpose of determining whether or not the Applicant under its 1041 Permit is adequately progressing towards acceptable revegetation on project lands, the Otero County Commissioners (acting as the "Permit Authority") will utilize the following revegetation classification standards:

- Class I Full seeding and irrigation needed, either first seeding or reapplication of seeding. Desired plants scarce or absent.
- Class II Initial seeding and irrigation completed. Stand undetermined. Usually this will occur at the beginning of the second growing season following seeding.
- Class III Stand is variable. Part of the lands have an adequate stand and part do not, there may be juvenile plants to well developed mature plants. The stand may also be considered variable if more than 10% of field has inadequate stand on areas exceeding one acre in size, or plant frequency of desirable plants on deficient areas is less than 10%. Such deficient areas will require reseeding.
- Class IV-A Stand is inadequate, frequency is less than 10% but plants are fairly well distributed over the lands. The lands may need reseeding.
- Class IV-B Stand is inadequate, frequency is between 10% and 15%. Plants are uniformly distributed over the lands. No further seeding then recommended as the stand is expected to develop.
- Class V Stand appears adequate but root system is undeveloped. There are 8 or more desired plants per "ring" ("ring" is defined as containing 3.1 square feet). Good potential for stand establishment. Generally found after the first

growing season but possibly the second growing season.

Class VI Stand is adequate. Plants well rooted. Desirable plant frequency ranges from 15% to 20%, no deficient areas larger than one acre in size over 90% of the field. This may occur following the second growing season but more likely after the third growing season and beyond.

EXHIBIT B, cont'd

Class VII Stand adequate. Plants well rooted with vigorous top growth. Desirable plant frequencies are 20% to 30% or more over 90% of the field. No deficient areas larger than one acre in size. Generally occurring the third growing season and beyond.

Revegetation shall be deemed complete when the Subject Property (**Exhibit A**) meets the criteria for Class VI as shown above and as determined by the County's revegetation specialist.

A. Security.

2. The initial term of the bond shall be five (5) years, and shall include a provision for automatic and ongoing extensions of the then-current term for additional one (1) year periods, unless the issuing company provides written notice to the County no less than ninety (90) days prior to the expiration of the then-current term that the bond will not be renewed. Upon receipt of any notice of non-renewal of the bond, ARF and LAWMA shall obtain a new bond from another company acceptable to Otero County and provide the County with proof thereof prior to the expiration of the initial bond.

Farm 60A legal description

A Tract of land lying in Otero County, Colorado in the SWLASW1/4 of Section 11, in Lots 4, 5, 9 and 10 of Section 14, and in Indian Claim No. 13, Township 23 South, Range 54 West of the 6th P.M. and more particularly described as follows:

Beginning at the Southwest corner of Lot 5 (W1/4 corner of said Sec 14) as monumented by BLM brass cap; thence along the West line of said Sec 14 bearing N.0°01'20"E. (GPS bearings), 2510.14 feet to the center of the Fort Lyon Canal; thence along said canal centerline N.53°29'36"E., 542.50 feet; thence along said canal N.73°23'43"E., 926.48 feet to the East line of the SW1/4SW1/4 of Sec 11; thence S.0°01'22"E., 458.49 feet to the Northeast corner of said Lot 4; thence S.0°04'57"W., 2646.05 feet to the Northwest corner of said Lot 9; thence along the North line of said Lot 9 bearing S.89°20'52"E., 510.00 feet; thence S.28°11'44"W., 751.50 feet to

the Northerly right-of-way line (ROW) of Colorado Highway No. 194; thence along said ROW on a curve to the right whose radius is 3580.52 feet, an arc distance of 324.83 feet (the chord of said arc bears S.60°45'35"W., 324.72 feet); thence S.26°00'13"E., 20.00 feet; thence along said ROW S.63°18'25"W., 908.44 feet; thence N.0°29'24"E., 617.93 feet; thence N.88°02'01"W., 395.58 feet to the West line of Lot 10; thence N.0°0 1'25"E., 636.24 feet to the Point of Beginning.

Otero County Permit Authority has received notice that all permit conditions and the requirements of the "Revegetation Classification Standards and Special Conditions for 1041 Permits" have been met as of this date on Farm 60 A.

After a public meeting was held on February 23, 2026, the Otero County Permit Authority has agreed to release your Bond (Letter of Credit) for Farm 60 A.

Very truly yours,

Otero County Permit Authority

Rob Oquist, Chair

pc: Rose Pugliese, Otero County Attorney
Kaysie Schmidt, Otero County Administrator
Lex Nichols, Otero County Land Use Administrator