

STATE OF
COLORADO

Girardi - DNR, Chris <chris.girardi@state.co.us>

RE: Farmers Sand/Milton Reservoir M2024057- Adequacy Review #3 - Responses and Exhibits

Shelly Hoover <shoover@erccolorado.net>

Fri, Jun 6, 2025 at 7:13 PM

To: "Girardi - DNR, Chris" <chris.girardi@state.co.us>, "Jared Ebert (jared.ebert@state.co.us)" <jared.ebert@state.co.us>

Cc: Lisa Shea <lshea@erccolorado.net>, Scott Edgar <Scott@farmersres.com>, Troy Thompson

<tthompson@erccolorado.net>, Katie Moisan <KMoisan@fwlaw.com>, "Todd G. Messenger" <tmessenger@fwlaw.com>

Hi Chris

Please find attached the First Amendment to the REI and FRICO agreement with the revised Attachment 1: Project Map

showing parcel #'s 121309000026 and 121310000009. I have also reattached the REI and FRICO agreement.

I will email you the Weld County Clerk & Recorder receipt of the Adequacy Review #3 letter responses and exhibits including the attached amendment after I deliver the documents this coming week.

Have a good weekend

shelly

Shelly Hoover, PE



Ecological Resource Consultants, LLC

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Email: shoover@erccolorado.net

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2 attachments**FRICO - REI Dredge consent.pdf**

1740K

**First Amendment Dredge Consent Agreement 6-6-25.pdf**

15281K

**ACTION BY WRITTEN CONSENT
(FRICO DREGING PROJECT)**

REI Limited Liability Company
(a Wyoming Limited Liability Company)

Dated as of July 5, 2022

The undersigned, being all of the members (the “**Members**”) of REI Limited Liability Company, a Wyoming limited liability company (the “**Company**”), acting pursuant to the Wyoming Limited Liability Company Act and the Operating Agreement of the Company dated July 16, 1992, as amended (the “**Operating Agreement**”), **DO HEREBY CONSENT** to the taking of the following actions in lieu of a meeting and **DO HEREBY ADOPT** the following resolutions pursuant to the Wyoming Limited Liability Company Act:

WHEREAS, PLR Investments, LLC, a Colorado limited liability company (“**PLR Investments**”), has proposed to purchase membership interests in the Company from Brittners LLC, a Colorado limited liability company (“**Brittners**”), and Christopher L. Phillips (“**Phillips**”), each of whom is a Member, pursuant to that certain REI Membership Interest Purchase Agreement dated on or about July 5, 2022 (the “**Purchase Agreement**”);

WHEREAS, upon the closing of the transactions contemplated by the Purchase Agreement: (1) PLR Investments will own 20% of all equity interest in the Company and 55.96% of the equity interest in the Company which are held by members of the Company; (2) Brittners will cease to be a member in the Company; and (3) Phillips will remain a member of the Company;

WHEREAS, PLR Investments is a wholly owned subsidiary of The Farmer’s Reservoir and Irrigation Company, a Colorado corporation (“**FRICO**”). FRICO owns Milton Reservoir, which is adjacent to the property owned by the Company. FRICO has proposed to dredge Milton Reservoir and temporarily stockpile sediment on the Company’s property (the “**Dredging Project**”), as further described on Exhibit A;

WHEREAS, as a condition to the parties’ obligation to consummate the transactions contemplated under the Purchase Agreement: (1) FRICO and the Company must enter into that certain Property Lease and Reclamation Agreement (the “**Lease Agreement**”) substantially in the form attached hereto as Exhibit B, which gives FRICO the right to use certain portions of the Company’s property to undertake the Dredging Project; (2) the Members and Economic Interest Holders must consent to the Dredging Project and the Lease Agreement; and (3) Graystone Realty, LLC, a Colorado limited liability company wholly owned by Christine Hethcock, a Member, and the Company must enter into that certain Listing Agreement (the “**Listing Agreement**”) substantially in the form attached hereto as Exhibit C;

WHEREAS, the Members and Economic Interest Holders have reviewed Exhibit A, Exhibit B, and Exhibit C and have had the opportunity to ask questions and obtain answers regarding the transactions contemplated by such documents and are satisfied that no additional information is necessary to make an informed decision with respect to the foregoing;

WHEREAS, the Members and Economic Interest Holders understand that the Dredging Project, the Lease Agreement, and the Listing Agreement constitute conflict of interest transactions because certain members of the Company may have personal interests which are not

aligned with the interests of the Company, but the Members and Economic Interest Holders nonetheless believe the Dredging Project, Lease Agreement, and Listing Agreement are fair to the Company;

WHEREAS, the Members and Economic Interest Holders desire to: (1) admit PLR Investments as a member of the Company, (2) consent to the Dredging Project, the Lease Agreement, and the Listing Agreement, (3) authorize the Company's manager to cause the Company to enter into the Lease Agreement and the Listing Agreement, and (4) take such further action as is set forth below.

NOW, THEREFORE, BE IT RESOLVED, that, upon the closing of the transactions contemplated by the Purchase Agreement, PLR Investments shall be, and hereby is, admitted as a member of the Company, with all the rights of a member as set forth in the Operating Agreement;

RESOLVED, that the Dredging Project, the Lease Agreement, and the Listing Agreement be, and hereby are, approved, adopted, ratified, and confirmed in all respects;

RESOLVED, that the form, provisions, and material terms and conditions of the Lease Agreement and the Listing Agreement are hereby approved, adopted, ratified, and confirmed in all respects;

RESOLVED, that the Dredging Project, the Lease Agreement, and the Listing Agreement are fair to the Company;

RESOLVED, that the manager of the Company is hereby authorized, empowered, and directed as follows: (1) to execute, deliver, and cause the Company to perform the Lease Agreement, the Listing Agreement, and any documents related thereto; and (2) to do or cause to be done any and all other acts and things that the Company or its manager deems necessary appropriate, or desirable, in their discretion, in connection with the execution, delivery, and performance of the Lease Agreement and the Listing Agreement;

RESOLVED, that the execution and delivery of the Lease Agreement and the Listing Agreement and any related documents by the Company shall be conclusive evidence of the Members' and Economic Interest Holders' approval thereof and of all matters relating thereto;

RESOLVED, that any and all actions taken by the manager of the Company in connection with the Dredging Project or the Lease Agreement before the adoption of these resolutions that are within the authority conferred hereby are hereby in all respects authorized, approved, adopted, ratified, and confirmed; and

RESOLVED, that the manager of the Company be, and hereby is, authorized, empowered, and directed, in the name of and on behalf of the Company, to take such further action and execute such other documents as she may consider necessary or appropriate for the purposes of effectuating the foregoing resolutions.

(signature page follows)

IN WITNESS WHEREOF, the undersigned, being all of the Members and Economic Interest Holders of the Company, hereby consent to, approve, and adopt this Action by Written Consent, to be effective as of the date first set forth above, regardless of the date of actual signature.

Member:

The Phillips Family Partnership, LLLP

By:  _____
DocuSigned by:
Christopher L. Phillips
5A48230D9F734CC...

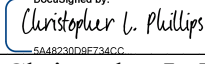
Name: Christopher L. Phillips

Title: Member

Date: 7/5/2022

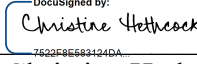
Member:

Christopher L. Phillips, an individual

By:  Christopher L. Phillips
Name: Christopher L. Phillips
Date: 7/5/2022

Member:

Christine Hethcock, an individual

By: 
Name: Christine Hethcock
Date: 7/5/2022

The above Action by Written Consent is acknowledged and approved by the undersigned.

Brittners, LLC

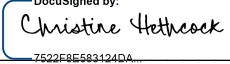
By: 
Name: Christine Hethcock
Title: Manager
Date: 7/5/2022

EXHIBIT A

DESCRIPTION OF DREDGING PROJECT

The Farmers Reservoir and Irrigation Company, a Colorado corporation (“**FRICO**”) proposes to dredge Milton Reservoir and to temporarily use adjacent parcels of land owned by REI Limited Liability Company, a Wyoming limited liability company (“**REI**”) to store sediment removed from the reservoir and eventually using the dried materials to fill in depressions on REI’s property, which is intended to result in improved sites for residential construction.

Milton Reservoir, which is owned by FRICO, is located immediately south and east of land owned by REI. It is fed by surface water diversions from the South Platte River through the Platteville and Beebe canals. Since its original construction in the early 1900s, a significant amount of sediment has accumulated in the reservoir, decreasing its available capacity for water. FRICO proposes to dredge Milton Reservoir to increase its water holding capacity.

FRICO will construct settling ponds on REI property in the approximate location shown on the map attached as Attachment 1 (the “**Project Map**”). FRICO will use a hydraulic dredge and earth moving equipment to remove sediment from Milton Reservoir. The slurry will be processed in a centrifuge to remove a significant amount of water and then transferred to settling ponds where excess water will seep into the ground. As the material dries, it will be stockpiled on FRICO property or REI property as identified on the Project Map.

When the dredging project is complete and the materials removed from the reservoir have dried, FRICO will use the material from the settling ponds and the stockpile areas to fill in depressions in REI land as identified on the Project Map. This will raise the elevation of this land, making it more suitable as residential building sites and hopefully increasing the value of such land. Finally, FRICO will reclaim the areas used as settling ponds and stockpile areas to reasonably restore those areas to their prior condition.

Attached as Attachment 2 is a geotechnical report concerning Milton Reservoir.

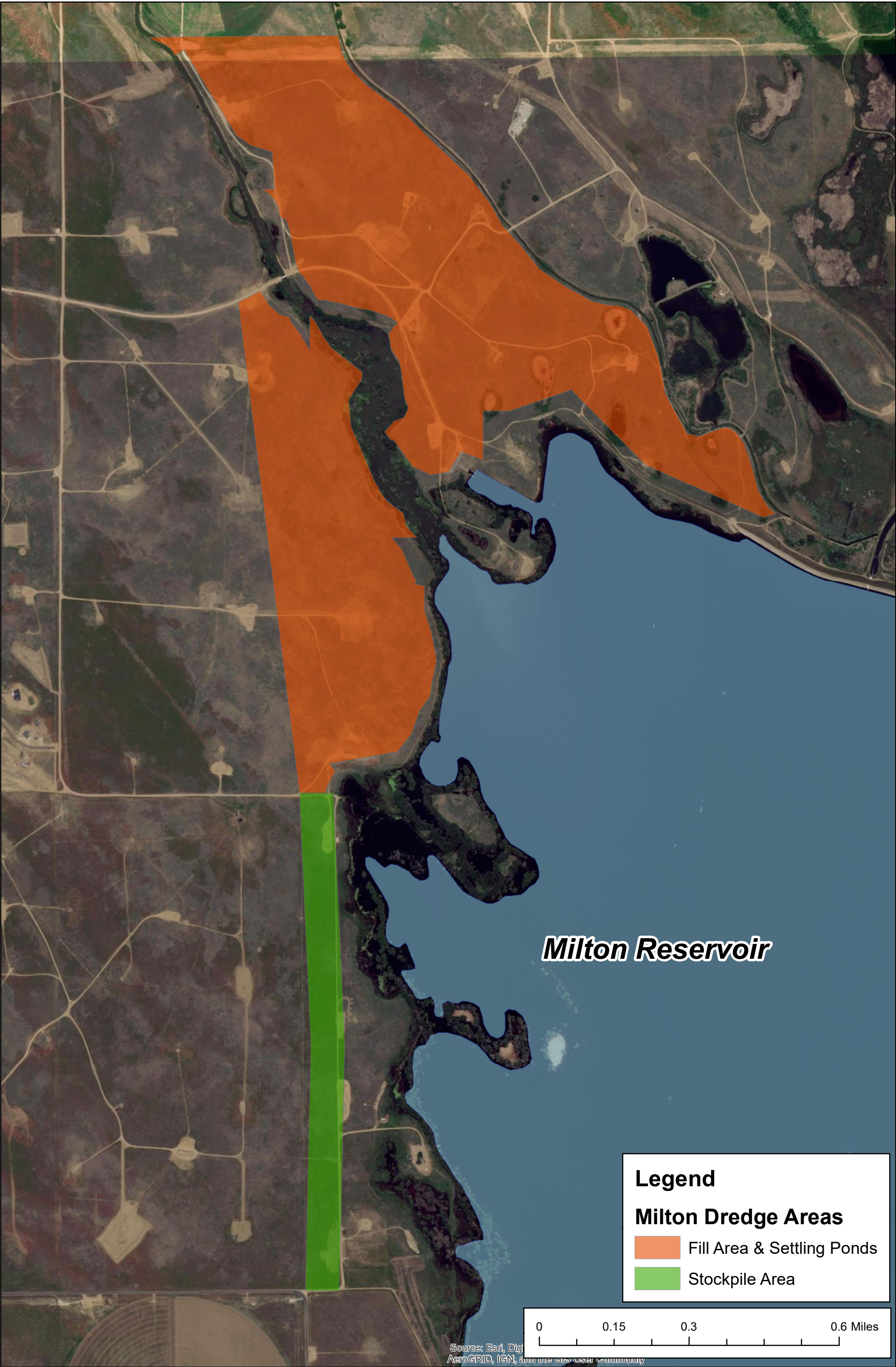
Attached as Attachment 3 is a technical memorandum concerning Milton Reservoir.

Attachment 1: Project Map

Attachment 2: Geotechnical Report

Attachment 3: Technical Memorandum

Attachment 1: Milton Dredge Areas



FIRST AMENDMENT TO ACTION BY WRITTEN CONSENT

(FRICO DREDGING PROJECT)

REI Limited Liability Company

(a Wyoming Limited Liability Company)

Dated as of June 2, 2025

This **FIRST AMENDMENT TO ACTION BY WRITTEN CONSENT** (“**First Amendment**”) is made and entered into as of the last date below by the undersigned, being all of the members (the “**Members**”) of REI Limited Liability Company, a Wyoming limited liability company (the “**Company**”), acting pursuant to the Wyoming Limited Liability Company Act and the Operating Agreement of the Company dated July 16, 1992, as amended (the “**Operating Agreement**”), **DO HEREBY CONSENT** to the taking of the following actions in lieu of a meeting and **DO HEREBY ADOPT** the following resolution pursuant to the Wyoming Limited Liability Act:

WHEREAS, the Members of the Company executed that Action by Written Consent (FRICO Dredging Project) dated July 5, 2022 (“**Consent**”), whereby the Members approved the Farmers Reservoir and Irrigation Company, a Colorado corporation (“**FRICO**”) to dredge Milton Reservoir and used adjacent parcels of land owned by the Company;

WHEREAS, the Members, by the Consent, permitted FRICO to construct settling ponds on REI property in approximate locations shown on Attachment I, attached thereto; and

WHEREAS, the Parties now desire to amend the Consent to update Attachment I.

NOW, THEREFORE, BE IT RESOLVED, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned agree as follows:

RESOLVED, Attachment I under the Consent is hereby replaced in its entirety with Attachment I attached hereto; and

RESOLVED, as specifically amended hereby, the undersigned affirms that the Consent shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being all of the Members of the Company, hereby consent to, approve, and adopt this First Amendment to be effective as of the date first set forth above, regardless of the date of actual signature.

[Signature Pages to Follow]

Member:

The Phillips Family Partnership, LLLP

By: _____

Name: _____

Title: _____

Date: _____

Member:

Christopher L. Phillips, an individual

By: _____

Name: Christopher L. Phillips

Date: _____

Member:

Christine Hethcock, an individual

By: 

DocuSigned by: 7522F6E583124DA...

Name: Christine Hethcock

Date: 6/4/2025

Member:

PLR Investments, LLC

By: 

DocuSigned by: D1BEB4FB647F497...

Name: Scott Edgar

Title: Manager

Date: 6/6/2025

Member:

The Phillips Family Partnership, LLLP

By: _____

Name: _____

Title: _____

Date: _____

Member:

Christopher L. Phillips, an individual

By: _____

Name: Christopher L. Phillips

Date: _____

Member:

Christine Hethcock, an individual

By: _____

Name: Christine Hethcock

Date: 6/4/2025

Member:

PLR Investments, LLC

By: _____

Name: Scott Edgar

Title: Manager

Date: _____

Exhibit 1: Milton Dredge Areas

