

**FIRST AMENDMENT TO THE INTERGOVERNMENTAL
AGREEMENT BETWEEN THE TOWN OF CASTLE ROCK AND
CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1
AND 2 REGARDING THE MONITORING AND ENFORCEMENT OF
TOWN CONSERVATION REGULATIONS**

DATE: _____, 2021.

PARTIES: **TOWN OF CASTLE ROCK** (the “Town”), a home rule municipal corporation, acting by and through the **CASTLE ROCK WATER ENTERPRISE**.

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 and 2 (the “Districts”), quasi-municipal corporations and political subdivisions of the State of Colorado.

RECITALS:

A. On June 14, 2005, the Town and Districts entered into an Intergovernmental Agreement, attached as *Exhibit 1*, whereby the Town agreed to provide water service within the Districts’ service area (the “Water Service IGA”), which area is generally coextensive with the Macanta development in unincorporated Douglas County (the “Property”).

B. On March 2, 2021, acknowledging the progress of development of the Property, the Town and the Districts found it appropriate to enter into an Intergovernmental Agreement, attached as *Exhibit 2*, for conservation monitoring and enforcement (the “Conservation Services IGA”).

C. Under the terms of the Conservation Services IGA, the Districts shall require each Property Owner, prior to the installation of any landscaping or irrigation systems on the Property, to obtain the Town’s approval for all landscaping and irrigation plans and irrigation permits, to pay all Irrigation Permit Fees, Residential Irrigation and Landscape Inspection Fees, and such other Town fees and charges as may be required by the Conservation Regulations.

D. It has since come to the attention of the Town and the Districts that a number of homes were built and occupied, and landscaping was installed by the property owners without the submission of an application to the Town for plan review and the issuance of a Town landscaping and irrigation permit.

E. The Town and the Districts agree that the Macanta Community Association, Inc., a Colorado nonprofit corporation (the “Association”), as the agency charged with the responsibility of working directly with the property owners, may be a more effective vehicle through which to implement and enforce the requirements of the Conservation Services IGA.

F. Accordingly, the Town and the Districts find it is appropriate to enter into this First Amendment to the Conservation Services IGA (“Amendment Agreement”) and to permit the assignment of all of the Districts’ responsibilities thereunder to the Association.

NOW, THEREFORE, in reliance on the matters set forth above and in consideration of the mutual promises contained in this Amendment Agreement, the parties agree and covenant as follows:

Section 1. Amendment. Section 5.03 of the Conservation Services IGA is hereby amended to read as follows:

5.03 Assignment. No transfer or assignment of this IGA or of any rights hereunder shall be made by either party, other than as follows:

- A. Town may assign this IGA to another governmental entity as part of the transfer of all of the Town's water system to such entity. In the event of such transfer, the entity assuming responsibility for water service to the Property shall expressly assume the Town's responsibilities under this IGA.
- B. The Districts may assign this IGA to the Association, which assignment shall be in the form attached as *Exhibit 3* to this IGA. In the event of such assignment, the Association shall expressly assume the Districts' responsibilities under this IGA; provided, however, that, in the event of a Default, the Town may exercise its remedies under this IGA against both the Districts and the Association.

Section 2. Ratification. In all other respects, the Conservation Services IGA shall remain in full force and effect.

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TOWN:

ATTEST:

**TOWN OF CASTLE ROCK,
acting by and through the
CASTLE ROCK WATER ENTERPRISE**

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director, Castle Rock Water

DISTRICTS:

ATTEST:

**CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1**

_____, _____

_____, President

ATTEST:

**CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2**

_____, _____

_____, President

OFFICIAL RECORDS
DOUGLAS COUNTY CO
CAROLE R. MURRAY
CLERK & RECORDER
RECORDING FEE: \$161.00
32 PGS

EXHIBIT 1 to Amendment Agreement



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**CASTLE ROCK/ CANYONS SOUTH
WATER SERVICE
INTERGOVERNMENTAL AGREEMENT**

DATE: June 14, 2005

PARTIES: **TOWN OF CASTLE ROCK** ("Town"), a home rule municipal corporation, 100 Wilcox Street, Castle Rock, Colorado 80104.

CROWFOOT VALLEY METROPOLITAN DISTRICT NOS. 1 and 2 ("Districts"), quasi-municipal corporations and political subdivisions of the State of Colorado, c/o Lowe Enterprises, 1515 Arapahoe Street, Tower 3, Suite 900, Denver, Colorado 80202.

RECITALS:

A. Town operates an integrated municipal water supply system, providing potable water service within the Town's corporate limits, and to certain extraterritorial properties. The District is organized to provide urban services within its service area, which is generally coextensive with the property in unincorporated Douglas County in development as the Canyons South ("Property").

B. The Property abuts the Town's municipal boundaries and is in relatively close proximity to existing and planned Town water facilities. Accordingly, the parties have determined that it is mutually advantageous for the Town to provide water service to the Property on the terms and conditions contained in this IGA.

C. Concurrently with execution of this IGA, the Town has acquired the rights to the bulk of the Denver Basin ground water underlying the Property ("Water Rights") pursuant to separate agreement between Town and the Property owner ("Water Rights Contract"). A principal purpose of the Water Rights Contract was to provide the Town with sufficient Water Rights to enable the Town to extend the water service commitment to the Property through this IGA.

D. Under the auspices of the Town and Districts, the Property will receive water service from the Town in the same manner and to a similar service standard as properties within the municipal limits of the Town, subject to a ten percent extraterritorial surcharge on all fees and charges. With payment of such fees and charges, the Town will have sufficient financial resources to serve the Property such that the Property may be developed in accordance with the approved development plan for the Property.

E. The Town's extension of water service to the Districts is premised on the Districts' commitment to adopt and enforce the Town's comprehensive water service and management regulations (subject to the express deviations authorized by this IGA)

as the regulations of the Districts, such that the residents and other customers of the Districts enjoy the same privileges and responsibilities as Town residents and customers. Accordingly, the Districts will adopt changes and additions to Town regulations imposed by the Town from time to time to maintain a consistent regulatory scheme within the Town and District.

F. The Town does not intend to provide potable water for use and application for the golf course irrigation, and the Districts and/or Property owner have reserved sufficient water rights for that purpose and will assume the independent obligation to develop water resources necessary for golf course irrigation.

G. Under the terms of the Consolidated Service Plan for the Districts, District No. 1 has the primary responsibility for developing infrastructure and maintaining public services for the Property. District No. 2 is primarily a financing entity.

H. The constitution and laws of the State of Colorado permit and encourage cooperative efforts by local governments to make the most efficient and effective use of their powers, responsibilities and resources and to enter into cooperative agreements on such matters as are addressed in this IGA.

COVENANTS:

THEREFORE, in reliance on the matters set forth above and in consideration of the mutual promises contained in this IGA, the parties agree and covenant as follows:

ARTICLE I DEFINITIONS

1.01 Defined Terms. The following words when capitalized in the text shall have the meanings indicated:

Board: the Board of Directors of District No. 1 or District No. 2, as applicable.

Charter: the Home Rule Charter of the Town, as amended.

Code: the Castle Rock Municipal Code, as amended.

Conservation Regulations: those Water Regulations that address water use and conservation, including limits on the amount, frequency and duration of lawn irrigation and the installation of irrigated turf, and the prescription of water savings measures and devices. Reference to Conservation Regulations shall mean the Conservation Regulations in effect at the time of application of the term under this IGA.

C.R.S.: the Colorado Revised Statutes, as amended.

Council: the Castle Rock Town Council, the governing body of the Town.

Development Plan: the land use development plans and regulations approved for the Property by Douglas County, inclusive of the following recorded document(s) in the Records:

- Canyons South Planned Development, recorded June 1, 2005, at Reception No. 2005048447 in the Records.

District or District No. 1: the Crowfoot Valley Metropolitan District No. 1.

District No. 2: the Crowfoot Valley Metropolitan District No. 2

District Facilities: those transmission and distribution mains, service lines, meters and associated appurtenances internal to the Property.

District Fees: those fees and charges imposed by the District, independent of this IGA.

Districts: District Nos. 1 and 2.

District Regulations: the Water Regulations adopted by the District.

Facilities: the water production, treatment, storage, transmission and distribution infrastructure required to serve the Property.

Facilities Plan: the plan attached as *Exhibit 1* depicting the location of certain of the District Facilities and Town Facilities.

Fees: the capital recovery and connection fees and charges imposed under the Town Regulations from time to time as a condition to connection to the Town's water system, including the Water Resource Fees and System Development Fees.

IGA: this Castle Rock/Canyons South Water Service Intergovernmental Agreement and any amendments and supplements to it.

Owner: the record owner(s) of the Property. As of the date of this IGA the Owner is Canyons South, LLC, a Delaware limited liability company.

Owner's Consent: the document attached as *Exhibit 2* containing the acceptance and consent of the Owner to this IGA.

Plans: the plans, documents, drawings and specifications prepared by or for the District and approved by the Town for construction, installation or acquisition of any of the Facilities.

Property: the real property that is subject to this IGA and is described in the attached *Exhibit 3*.

Records: the public records maintained by the Douglas County Clerk and Recorder.

SFE: an acronym for single-family-equivalent, a standard measure of the water use by a single-family residence established under the Code, generally used to assess the relative water demand attributable to various land uses.

Service Charges: the periodic charges imposed on customers under the Water Regulations for water service, including surcharges for payment delinquencies and violation of Conservation Regulations.

Streetscape: pedestrian and landscape improvements in the right-of-way generally between the curb and right-of-way line, including sidewalks, street trees, medians and irrigation.

System Development Fees: the charges imposed under Town Regulations from time to time as a condition to the right to connect to the municipal water system, currently codified in section 13.12.080 of the Code.

Town: the Town of Castle Rock, a home rule municipal corporation.

Town Facilities: the Facilities developed and financed by the Town from the System Development Fees, including water production (wells), treatment, storage and wholesale distribution.

Town Regulations: the Charter, ordinances, resolutions, rules and regulations of the Town, including the Code and the provisions of all public works and building codes, as the same may be amended from time to time. Reference to Town Regulations shall mean the Town Regulations in effect at the time of application of the term under this IGA.

Water Dedication Requirements: the requirements under the Code prescribing dedication of water rights to the Town as a condition to obtaining the right to connect to the municipal water system.

Water Regulations: the comprehensive regulatory scheme in the Town

Regulations governing all aspects of the provision of municipal water service, including Fees, Service Charges, public works regulations inclusive of infrastructure permitting, construction, inspection and acceptance, backflow prevention, water use management practices and Conservation Regulations. Reference to the Water Regulations shall mean the Water Regulations in effect at the time of application of term under this IGA.

Water Resource Fee: the capital recovery fees imposed under the Town Regulations from time to time for development of additional renewable and non-renewable water resources and the reuse of water, currently codified in 13.12.085 of the Code.

Water Rights: those rights to the Denver Basin water underlying the Property acquired by the Town through the Water Rights Contract.

Water Rights Contract: the Agreement for the Purchase and Sale of Water Rights dated June 14, 2005 between Canyons South, LLC and the Town.

Water Service: the provision of potable water service for domestic use, inclusive of fire flows.

Certain other terms are defined in the text of this IGA and shall have the meaning indicated.

1.02 Cross-Reference. Any reference in the text to a section or article number, without further description shall mean such section or article in this IGA.

ARTICLE II GENERAL PROVISIONS

2.01 Interpretation and Construction. This IGA shall be applied and interpreted to further the following fundamental concepts, unless expressly provided to the contrary in the text:

- (a) the Property is to receive Water Service to the same standards and subject to the same requirements as properties and customers within the Town;
- (b) the provision of Water Service will be governed by the Water Regulations as they evolve during the term of this Agreement, so long as the Water Regulations are applied to the Property and properties within the municipal limits in a non-discriminatory manner; and

- (c) the District will promptly adopt and enforce the Water Regulations on the Property as the separate regulatory scheme of the District.

2.02 Intended Beneficiary. This IGA is entered into for the express and intended purpose of permitting the development of the Property in accordance with the Development Plan, a planned development of 968 residential units, community recreation building, golf course(s), parks, schools, landscape features and related uses. In reliance upon and to enable the Town's Water Service commitment to the Property ("Service Commitment"), Owner and Town entered into and fully performed the Water Rights Contract. Accordingly, Owner and its successors in interest to ownership of the Property are entitled to all rights and benefits afforded District under this IGA, including the contractual right to obtain enforcement of this IGA as provided in Article VII. In Owner's Consent, Owner has acknowledged that the Property is subject to certain provisions of this Agreement.

2.03 Third Party Performance. Any non-governmental obligation imposed on the District by this IGA may be assumed and discharged by Owner, a Property developer, a homebuilder, or other Property owner. However, such assumption by a third party shall not release District from its underlying obligation.

2.04 Reservation of Powers. Except as provided in this IGA or as necessary to give effect to the intent and purpose of this IGA, Town and District reserve all of their respective powers and authority as independent governmental entities. Nothing in this IGA shall preclude or impair the District from imposing District Fees, provided that the District shall not impose District Fees such that Town's right of enforcement or collection of the Fees and Service Charges is in any manner impaired or subordinated.

2.05 Limited Purpose. This IGA is limited to the Service Commitment and the Property is subject only to the Water Regulations component of the Town Regulations. Except for fire and emergency medical services provided by the Town on behalf of the Castle Rock Fire Protection District, the Town will not provide other municipal services to the Property, nor is the District or Owner subject to other Town Regulations or the payment of other fees, charges and exactions the Town imposes on development within its

municipal limits.

2.06 Dedication Requirements Met. The Water Dedication Requirements for development of the Property in accordance with the Development Plan have been satisfied by the conveyance of the Water Rights to the Town pursuant to the Water Rights Contract. So long as the Property is developed at no greater aggregate density than is permitted under the Development Plan, neither Owner nor District shall be required to dedicate additional water rights to the Town, irrespective of subsequent changes in the Water Dedication Requirements adopted by Town. However, in the event that the Development Plan is later amended to increase the permitted density, Owner and/or District shall be required to meet the Water Dedication Requirements then in effect with respect to the incremental water demand resulting from the Development Plan amendment.

2.07 Effective Date. This IGA shall become effective upon the closing of the Water Rights Contract. If that closing does not take place and the Water Rights Contract is terminated, then this IGA shall thereafter be of no further force or effect.

2.08 Joint Responsibility. District No. 1 is assigned primary responsibility for performance and compliance with this IGA. However, to the extent that District No. 2's approval or authorization is necessary to enable District No. 1 to fully perform this IGA, District No. 2 shall be so obligated. Should District No. 1 be dissolved as part of a consolidation into District No. 2, references in this IGA to District shall mean District No. 2. Subject to these qualifications, references to District shall mean District No. 1.

ARTICLE III FACILITIES DEVELOPMENT AND MAINTENANCE

3.01 Town Facilities. At its sole expense, Town shall construct the Town Facilities such that the development of the Property may proceed unimpeded by a lack of availability of Water Service, but a transmission main to the boundary of the Property at a point designated by the District shall be completed and available for delivery of potable water to the Property through the District Facilities not later than April 1, 2006. Within this overall constraint, the location, phasing and timing of the Town Facilities shall be in the

absolute discretion of the Town. The Facilities Plan depicting the point(s) at which the Town's water system will connect to the District Facilities and the location of wells sites is conceptual, and as such is subject to modification based on later refinement to the engineering and phasing of the Development Plan related to the water system.

The Town is not obligated to construct any transmission or distribution mains internal to the Property unless such lines are constructed by Town for purposes unrelated to the Service Commitment. At its expense, Town may develop wells and related infrastructure on the Property within the areas designated on the Facilities Plan, as it may later be refined, for Town purposes unrelated to the Service Commitment ("Well Facilities"). The Well Facilities shall be located at points mutually agreeable to the District and Owner which agreement shall not be unreasonably withheld.

3.02 Property Interests. District shall cause to be conveyed to Town, at no cost to Town, necessary sites and easements on the Property to permit the development of Town Facilities and Well Facilities (Property Interests). Well sites and sites for above-ground Facilities shall be conveyed in fee, subsurface infrastructure shall be protected by permanent easements. The standards for the scope of the Property Interests are stated on the Facilities Plan, and generally shall be of a size and configuration reflecting parameters for similar public works constructed in Town.

Property Interests shall be conveyed to Town when reasonably requested by Town in order to enable the Town to construct infrastructure on the Property Interests. Property Interests shall be conveyed with marketable title, free of liens, encumbrances, taxes and restrictive covenants (including typical CCR's for new communities). Town shall be provided title insurance at District's expense in amounts reflecting the fair market value of the respective Property Interests.

3.03 District Facilities. At its sole expense, District shall construct the District Facilities. District Facilities shall be permitted through the Town in the same manner as similar infrastructure is permitted in the Town. District Facilities shall be constructed to the public works standards and other applicable provisions of the Water Regulations and District Regulations not in conflict with the Water Regulations and the approved Plans.

Town shall provide Plan review, public works inspection and acceptance services in consideration of the payment of public works permit fees.

Upon the substantial completion of the District Facilities, good and marketable title to the District Facilities shall be conveyed to the Town by warranty bill of sale substantially in the form attached as **Exhibit 4**. In the event such District Facilities were not constructed within a platted easement, or Property Interest, District shall concurrently cause to be conveyed to Town suitable easements to permit the Town's ongoing operation and maintenance of such District Facilities. The requirements for the quality of title and title insurance for such easements shall be the same as those prescribed for the Property Interests in 3.02.

During the applicable warranty period under the District Regulations, the District will diligently address warranty items and apply, as necessary, the financial surety posted during the warranty period.

The Town's obligation to provide Water Service to any particular developing area of the Property is dependent and conditioned upon District's substantial and good faith compliance with the standards and requirements set forth in this section 3.03 in the development of the District Facilities servicing such area.

3.04 Operation and Maintenance. Town shall operate, maintain and repair the District Facilities and all aspects of the water system within the Property to the same service level standards as the Town maintains within the Town. After final acceptance of the District Facilities, the District shall have no obligation to fund operation and maintenance of the District Facilities, except to the extent District is the owner of a water tap, in which event Service Charges for such tap shall be the responsibility of the District.

**ARTICLE IV
FEES AND SERVICE CHARGES**

4.01 Applicability and Extraterritorial Surcharge. In consideration of the Service Commitment, all Fees and Service Charges imposed by Town under the Water Regulations within the Town limits shall be applicable to the Property at the rate of 110% of the level established in the Water Regulations (“Surcharge”). All references in this IGA to Fees and Service Charges applicable to the Property shall be inclusive of this 10% Surcharge without further reference to the Surcharge.

4.02 District Adoption of Water Regulations. At all times during the term of this IGA, District shall adopt the Water Regulations as the independent overlapping regulatory scheme of the District. The District shall impose Fees and Service Charges within the Property through the District Regulations, as provided in this section. District shall delegate to Town by contract the authority to collect and enforce payment of the Fees and Service Charges in accordance with this IGA. The District Regulations must at all times reflect the Water Regulations in all respects, except as otherwise provided in 5.02. A Resolution of the District No. 1 Board adopting the District Regulations effective with approval of this IGA is attached as ***Exhibit 5***.

Periodically, as the Town revises the Water Regulations (“Revisions”) it shall give the District No. 1 Board reasonable prior notice of the Revisions such that the District No. 1 Board may take necessary legislative and administrative actions to incorporate the Revisions into the District Regulations (“District Revisions”). The effective date of the District Revisions shall coincide with the effective date of the Revisions. Reasonable prior notice shall mean the public notice of the Revisions the Town in fact gave its citizens prior to adoption of the Revisions. Provided further, the Town shall make concerted efforts to involve the District No. 1 Board and customers of the District in the informal Town processes preceding formal notice of proposed Revisions, such that there is adequate opportunity for the District No. 1 Board and District residents to become apprised of the proposed Revisions and give input to the Town prior to final action on the Revisions.

Failure of the District to timely adopt the District Revisions in strict compliance with

the provisions of this section, entitles the Town to pursue its remedies under Article VII, including termination of the Service Commitment under 7.03. Nothing in this section shall preclude the Town from adopting Revisions under its emergency powers for the immediate preservation of the public health, safety and welfare.

4.03 District Certifications. Annually, not later than January 15th, the District shall certify that as of the commencement of that calendar year, the District Regulations lawfully impose a schedule of Fees and Charges in compliance with this IGA. Failure of the District to conform the District Regulations to the Revisions, including specifically changes or additions to the Fees and Charges shall constitute a Default under 7.01 and trigger application of the termination provisions of 7.03. In addition to such annual certification, the District shall promptly respond to Town requests for periodic certification of compliance of the District Regulations with this IGA.

4.04 Payment of Fees. Town shall collect Fees directly and issue a certificate of payment to the applicant (“Tap Certificate”). As part of the review and process preceding issuance of the Tap Certificate, the Town shall determine compliance with applicable Water Regulations in the same manner if the Town were issuing the building permit for the subject improvement. This review includes determination that the District has issued the required Compliance Certificate under 5.03(c). Town shall accept a Compliance Certificate without independent review, provided that the Town may audit District’s issuance of Compliance Certificates to determine that the District is properly applying applicable criteria in issuing Compliance Certificate. Should Town reasonably determine that one or more Compliance Certificates were issued in error, Town may summarily suspend issuance of Tap Certificates until the District addresses the identified processing deficiency. Town shall withhold issuance of Tap Certificates only until the District demonstrates to the reasonable satisfaction of the Town that the deficiencies have been addressed or, alternatively that in fact there is no such deficiency.

Town will provide a level of customer service to the issuance of Tap Certificates equivalent to the customer service provided to applicants for building permits in the Town. Payment of the applicable Fee and tender of a Tap Certificate shall be a condition of

issuance of the building permit by Douglas County. Prior to the issuance of the first Tap Certificate, Town and District shall establish a written protocol with Douglas County which implements the process for collection of Fees and issuance of Tap Certificates prescribed by this section. Town shall retain all Fees.

4.05 Service Charges. Service Charges shall be billed and collected directly by Town to residential, commercial and irrigation customers in the same manner as the Town administers the billing and collection of Service Charges within its municipal limits, provided that the billing shall reflect that the billing is issued under the concurrent authority of the District. All collection and delinquency processes and charges in the Water Regulations shall apply to Water Service to the Property by virtue of the District Regulations. District shall assist the Town in enforcing collection of Service Charges. Town shall retain all Service Charges.

ARTICLE V WATER CONSERVATION

5.01 Generally. Except as provided in 5.02, all Conservation Regulation shall apply to the Property. Town shall provide the District with contractual monitoring and enforcement of the Conservation Regulations at nominal cost to the District, in order to assure uniform application of the Conservation Regulations between the Property and properties within the Town. Town and District shall formalize a service contract for conservation monitoring and enforcement prior to the occupancy of the Property by homeowners. Streetscapes shall comply with applicable Conservation Regulations even though the approval for same is granted through Douglas County.

5.02 Residential Turf Limitations. Irrespective of any contrary provisions in the Water Regulations in effect during the term of this IGA, the following maximum turf limitations shall apply to the Property ("Turf Limitations"):

Lot Size	Max. % Irrigated Turf
5,000 – 9,999 square feet	40%
10,000 - 21,779 square feet	45%
.50 acre and larger	45% but not more than 9800 square feet

In acknowledgement of the fact that the equivalent limitations on irrigated turf applicable within the Town limits are more restrictive than the Turf Limitations, all residential landscapes on the Property shall incorporate Real Time Evapo-transpiration based irrigation controllers on the automated irrigation systems. In addition, the District shall encourage builders and residents to utilize sub-surface irrigation for turf areas.

5.03 Other Conservation Provisions. The District shall implement the following compliance measures:

- (a) **Model Homes.** At all times during the marketing of new homes during which time model homes are open to the public, at least one model home containing water efficient landscaping will be maintained and open to the public. “Water Efficient Landscape” is a landscape that meets generally recognized xeriscape principles and uses most current irrigation technologies to maximize irrigation efficiency. Water Efficient Landscaping shall be designed to minimize the use of irrigation required for plant health and can be achieved through the following landscape practices:
1. Choosing plants that are appropriate to semi-arid climate and conditions. Native plants with documented low-water requirements should receive priority in landscape design. High water use turf grass shall be limited to no more than 3,000 square feet per home. No turf in 10’ widths or less, or on slopes 4:1 or greater.
 2. Locating plants with similar water needs in the same hydrozone to maximize irrigation system efficiency.
 3. Placing plants in locations that are appropriate to their growth habit.
 4. Installing properly designed and maintained irrigation systems with the most current water conservation technology.
 5. Using organic mulch to hold moisture in the soil and reduce soil temperature.
 6. Preparing soil to increase plant health.

In addition, in any model home complex where there is three or more model homes constructed by a builder, one of the three model homes would contain the example of water-efficient landscape described in this subsection.

- (b) Notification and Education. Homebuilders shall provide homeowners with information on the Water Regulations, including watering restrictions, landscaping requirements and then current water rates. The District and/or the applicable homeowner's association ("HOA") shall host annual water conserving landscape seminar for Property residents. Town will provide staff support and otherwise assist District and the HOA in the presentation of the seminar.
- (c) Administration. Landscape plan review and inspection shall be conducted, including but not limited to soil inspections as prescribed under the Water Regulations. Landscape installations by homeowners shall be reviewed for compliance with landscape, irrigation, backflow prevention and water use management. District shall review plans and if in compliance with the Water Regulations issue a compliance certificate (Compliance Certificate) to the lot owner for presentation to the Town at the time application for a Tap Certificate is made.

ARTICLE VI GOLF COURSE IRRIGATION

6.01 Golf Course Wells. Owner intends to develop one or more golf courses on the Property (collectively, "Golf Course"). The irrigation of the Golf Course is not part of the Service Commitment, and the Water Regulations shall not apply to Golf Course irrigation. However, the Service Commitment encompasses potable water for habitable structures on the Golf Course and the Water Regulations inclusive of the Fees and Charges shall be applicable to potable connections to improvements on the Golf Course.

In order to provide a water supply for Golf Course irrigation, Owner has retained 465 acre-feet of the ground water underlying the Property as further provided in the Water Rights Contract ("Reserved Water"). Owner and/or District may develop wells dedicated for Golf Course irrigation at locations designated pursuant to the Water Rights Contract ("Golf Course Wells"). The Golf Course Wells shall be developed in either the, Lower Dawson or Denver aquifers, as provided in the Water Rights Contract.

6.02 Alternative Irrigation. Town, District and the owner of the Reserved Water will explore the feasibility and mutual benefit of the Town providing non-potable water for Golf Course irrigation (including treated effluent) in lieu of development of the Golf Course Wells. Any such extension of the Service Commitment shall be effected through an addendum to this IGA and a supplement to the Water Rights Contract.

ARTICLE VII DEFAULT AND TERMINATION

7.01 Default Notice and Cure Rights. In the event either party alleges that the other is in default of this IGA ("Default"), the non-defaulting party shall first notify the defaulting party in writing of the Default ("Default Notice") and specify the exact nature of the Default in the Default Notice. The defaulting party shall have 60 days from receipt of the Default Notice within which to cure the Default ("Cure Period") before the non-defaulting party may exercise any of its remedies.

7.02 Mutual Remedies. If a Default is not cured within the Cure Period, and in addition to any specific remedies or consequences provided elsewhere in this IGA, the non-defaulting party shall have the right to take whatever action at law or in equity that is necessary or desirable to enforce the performance and observation of this IGA by the defaulting party, including the equitable remedies afforded under Rule 106 CRCP. In any such legal action, the prevailing party shall be entitled to recover its reasonable attorney's fees and litigation costs from the other party.

7.03 Termination of Service Commitment. In the event that: (i) the uncured Default is the failure of the District(s) to comply with the obligation to enact and enforce the District Regulations and/or District Revisions in accordance with 4.02, or (ii) there is a final judicial disposition of litigation commenced by the Town under 7.02 that encompasses both of the following elements, or (iii) the District(s) is dissolved or vacancies on the Board(s) preclude the maintenance of a quorum of the Board(s) for a period of time longer than 60 days, or (iv) the District(s) seeks relief under Chapter 9 of the United States Bankruptcy Code, (each of the foregoing constituting a "Terminable Event") the Town may terminate

the Service Commitment in accordance with the further provisions of this section:

- (a) the District(s)' independent governmental powers and/or public policy preclude the judicial enforcement or the mandated cure of the Default or the grant of the other equitable relief sought by the Town against the District(s) and/or its Board(s); and
- (b) there is no concurrent finding that the underlying Water Regulation upon which the Town seeks District(s) performance is invalid or was not lawfully adopted or enacted by the Town.

Upon occurrence of a Terminable Event, the Town may give notice to the Districts of termination of the Service Commitment ("Termination Notice"). Alternatively, the Town may seek judicial relief. Absent supplemental agreement between Town and District(s), District(s) shall have 180 days from the date of the Termination Notice to acquire alternative water service from other water providers ("Termination"). In conjunction with Termination and the assumption of water service to the Property by a third party, the Town shall convey its interest in the District Facilities and related easements necessary for the new water provider to facilitate the assumption of ownership and maintenance responsibilities by the such provider.

Upon Termination, the Town shall retain all ownership and interest in the Water Rights and Fees and Charges imposed through the date of Termination. Accordingly, it shall be the responsibility of the District(s) to satisfy the water supply requirements imposed by the water provider with water resources other than the Water Rights.

ARTICLE VIII MISCELLANEOUS

8.01 Notice. All notices or other communications shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Town:	Town of Castle Rock Attn: Town Attorney 100 Wilcox Street Castle Rock, CO 80104
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If to Districts: Crowfoot Valley Metropolitan District No. 1
Crowfoot Valley Metropolitan District No. 2
c/o Lowe Enterprises
1515 Arapahoe Street
Tower 3, Suite 900
Denver, CO 80202

8.02 Notice of Meetings. The District shall submit a copy of a written notice of every regular or special meeting of the District to the Town Clerk at least three days prior to such meeting.

8.03 Assignment. No transfer or assignment of this IGA or of any rights hereunder shall be made by either party, other than Town may assign this IGA to another governmental entity as part of the transfer of all of the Town's water system to such entity. In the event of such transfer, the entity assuming responsibility for Water Service to the Property shall expressly assume the Town's responsibilities under this IGA.

8.04 Indemnification. District indemnifies Town against any financial obligations (except for the Encumbered Water as defined Water Rights Purchase Contract) the Town may incur as water provider to the Property from that certain Agreement dated August 31, 2000 and recorded at Reception No. 61774 of the Records on September 1, 2000. However, Town and District believe that any such financial obligations rest with others, and that this indemnification is not intended nor shall it be construed as an assumption or expansion of such financial obligation by Town or District.

8.05 Amendments. This IGA may be amended only in writing upon consent of the parties. Amendments shall be approved by resolution of the Council and the resolution of the Board.

8.06 No Waiver. The waiver or delay of enforcement of one or more terms of this IGA shall not constitute a waiver of the remaining terms. The waiver or delay in enforcement regarding any breach of this IGA shall not constitute a waiver of any terms of this IGA.

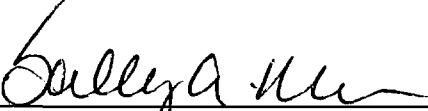
8.07 TABOR Compliance. This IGA does not create indebtedness of any party within the meaning of any constitutional, home rule charter or statutory limitation or

provision. The obligations of the parties under this IGA do not create a multiple fiscal year obligation under Article X, Section 20 of the Colorado Constitution.

8.08 Entire Agreement. This IGA (and the applicable provisions of the Water Rights Contract) contains the entire agreement of the parties concerning the subject matter and supersedes all prior conversations, proposals, negotiations, understandings, and agreements, whether written or oral.

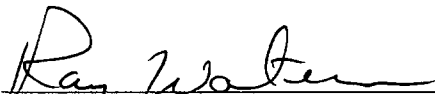
8.09 Recordation. This IGA shall be recorded in the Records.

ATTEST:



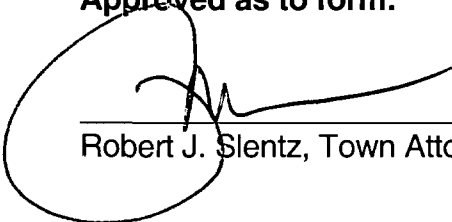
Sally A. Misare, Town Clerk

TOWN OF CASTLE ROCK



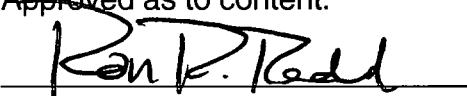
Ray Waterman, Mayor

Approved as to form:



Robert J. Slentz, Town Attorney

Approved as to content:

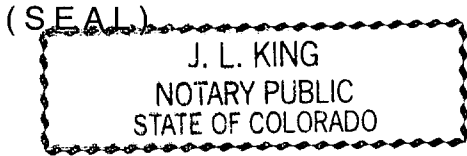


Ron R. Todd

STATE OF COLORADO)
) ss.
COUNTY OF *Douglas*)

The foregoing instrument was acknowledged before me this 7th day of September, 2005 by Sally A. Misare as Town Clerk and Ray Waterman as Mayor of the Town of Castle Rock, Colorado.

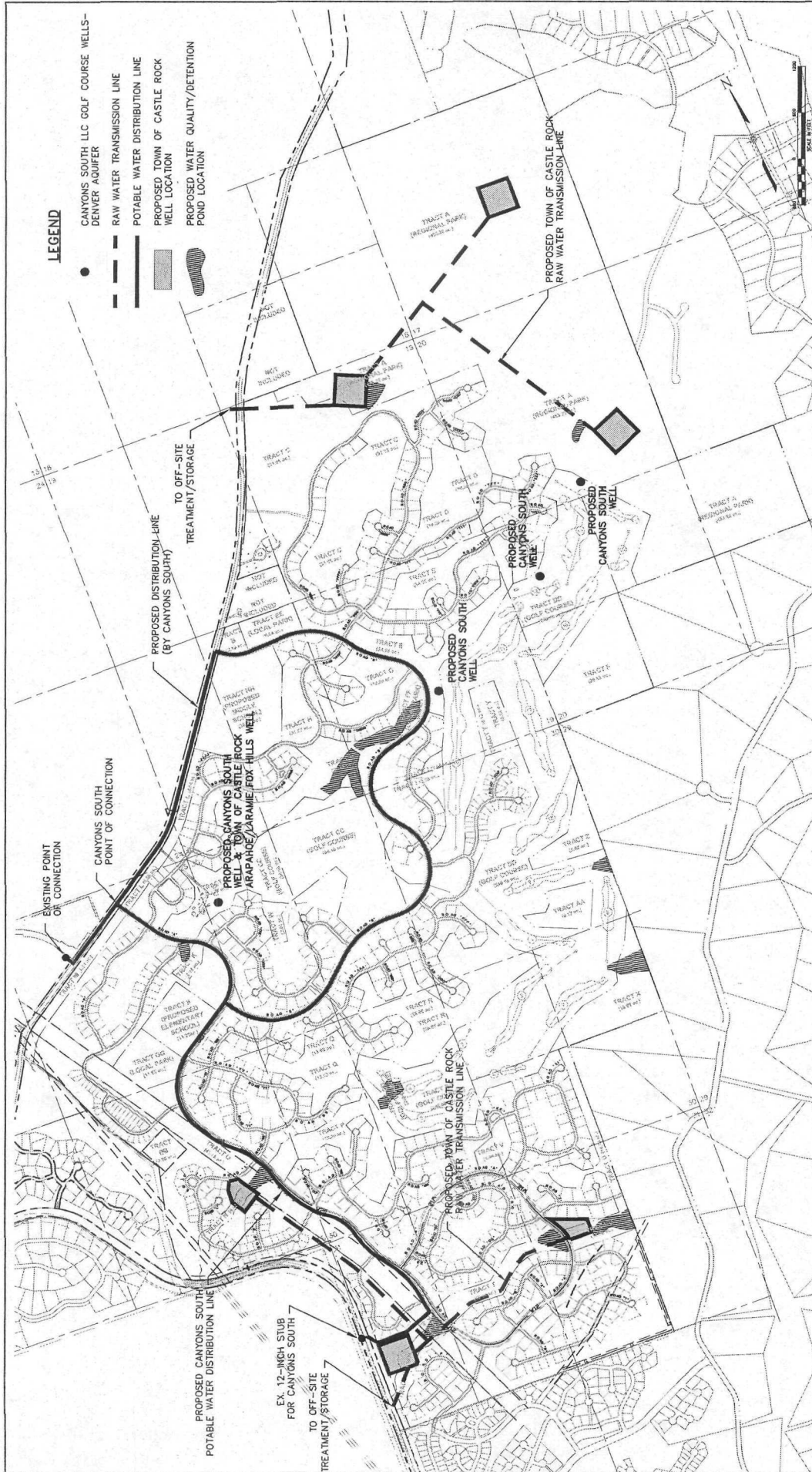
Witness my official hand and seal.
My commission expires: 9-21-07.



J. L. King
Notary Public

**EXHIBIT 1
FACILITIES PLAN**

EXHIBIT 1



LEGEND

- CANYONS SOUTH LLC GOLF COURSE WELLS-DENVER AQUIFER
- RAW WATER TRANSMISSION LINE
- POTABLE WATER DISTRIBUTION LINE
- PROPOSED TOWN OF CASTLE ROCK WELL LOCATION
- PROPOSED WATER QUALITY/DETENTION POND LOCATION

Douglas County
 LOWE ENTERPRISES REAL ESTATE GROUP
 TOWN OF CASTLE ROCK
 WELL EXHIBIT

PREPARED FOR:
 Canyons South LLC
 1614 S. Highway 102, Suite 200
 Castle Rock, CO 80108

DESIGNED BY:
 Matrix Design Group, Inc.
 1641 Highway 102, Suite 200
 Castle Rock, CO 80108
 Phone: 303.733.2200
 Fax: 303.733.2201

FOR AND ON BEHALF OF
 MATRIX DESIGN GROUP, INC.
 PROJECT NO. 05-176-002

REVISIONS BY

REVISIONS

NO. DATE DESCRIPTION

COMPUTER FILE MANAGEMENT
 FILE NAME: R:\05-176-002 (The Canyons South Proj)\Draw\Exhibit 1\Town Of Castle Rock - Well Exhibit
 PLOT DATE: JULY 15, 2005 - 3:36 PM
 THIS DRAWING IS CONTROLLED BY THE DATE AND TIME OF PLOT AND ANY REVISIONS MUST BE SUBMITTED TO THE DATE AND TIME OF PLOT.

DATE ISSUED: JUNE 2005
 SCALE: 1"=400'
 SHEET NO. 1

EX. 12-INCH STUB FOR CANYONS SOUTH TO OFF-SITE TREATMENT/STORAGE

PROPOSED CANYONS SOUTH POTABLE WATER DISTRIBUTION LINE

PROPOSED TOWN OF CASTLE ROCK RAW WATER TRANSMISSION LINE

PROPOSED CANYONS SOUTH WELL

PROPOSED CANYONS SOUTH RAW WATER TRANSMISSION LINE

**EXHIBIT 2
OWNER'S CONSENT**

1. Canyons South LLC ("Owner") is the principal owner of the real property in Douglas County, Colorado described in Exhibit 3 to this IGA ("Property")
2. The Property is the subject of the Castle Rock/Canyons South Water Service IGA dated as of June 14, 2005 ("IGA") and is located within the Districts, as that term is defined in the IGA.
3. Owner understands that it is an intended beneficiary of the IGA.
4. Owner understands that the IGA in certain aspects requires performance or compliance by the owners, developers, builders and homeowners of the Property as a condition to the Property receiving water service from the Town.
5. Without directly assuming any obligation under the IGA by execution of this Consent, Owner acknowledges that it has no objection to the execution of the IGA by the Districts, and that the terms and conditions on the receipt of water service contained with the IGA are reasonable and appropriate.
6. Owner has no objection to the recordation of the IGA in the public records of Douglas County, Colorado.

CANYONS SOUTH L.L.C., a
Colorado corporation.

By: *John R. Waggoner*
Its: *Managing Director*

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 7TH day of September, 2005 by John R. Waggoner as Managing Director for Canyons South L.L.C., a Colorado corporation.

Witness my official hand and seal.
My commission expires: 9-21-07

(SEAL)



J. L. King
Notary Public

**EXHIBIT 3
PROPERTY DESCRIPTION**

EXHIBIT 3

LEGAL DESCRIPTION

A tract of land being a part of Sections 17, 18, 19, 20, 30 and 31, of Township 7 South, Range 66 West of the 6th Principal Meridian, together with a part of Sections 24 and 25 of Township 7 South, Range 67 West of the 6th Principal Meridian, all in the County of Douglas, State of Colorado, and being described as follows:

Beginning at the Northwest corner of the Southwest Quarter of said Section 17, and considering the West line of said Southwest Quarter to bear South 00°04'04" West, with all bearings contained herein relative thereto;
thence North 89°28'08" East, along the North line of said Southwest Quarter, a distance of 2623.37 feet to the Northeast corner of said Southwest Quarter;
thence South 00°10'21" East, along the East line of said Southwest Quarter, a distance of 2651.91 feet to the Southeast corner of said Southwest Quarter, said point being also the Northeast corner of the Northwest Quarter of said Section 20;
thence South 00°23'13" East, along the East line of said Northwest Quarter, a distance of 2674.59 feet to the Southeast corner of said Northwest Quarter;
thence North 89°04'35" East, along the North line of the Southeast Quarter of said Section 20, a distance of 1316.94 feet to the Northeast corner of the Northwest Quarter of the Southeast Quarter of said Section 20;
thence South 00°24'05" East, along the East line of said Northwest Quarter of the Southeast Quarter, a distance of 1326.74 feet to the Southeast corner of said Northwest Quarter of the Southeast Quarter;
thence South 89°07'03" West, along the South line of said Northwest Quarter of the Southeast Quarter, a distance of 1317.12 feet to the Southwest corner of said Northwest Quarter of the Southeast Quarter;
thence South 89°07'15" West, along the South line of the Northeast Quarter of the Southwest Quarter of said Section 20, a distance of 1320.28 feet to the Northeast corner of the Southwest Quarter of the Southwest Quarter of said Section 20;
thence South 00°30'17" East, along the East line of said Southwest Quarter of the Southwest Quarter, a distance of 1324.72 feet to the Southeast corner of said Southwest Quarter of the Southwest Quarter;
thence South 89°10'00" West, a distance of 1317.71 feet to the Southwest corner of the Southwest Quarter of said Section 20, said point being also the Northeast corner of the Northeast Quarter of said Section 30;
thence South 00°04'08" East along the East line of said Northeast Quarter, a distance of 2646.96 feet to the Southeast corner of said Northeast Quarter;
thence South 00°03'57" East, along the East line of the Southeast Quarter of said Section 30, a distance of 1323.63 feet to the Southeast corner of the Northeast Quarter of the Southeast Quarter of said Section 30;
thence South 89°33'50" West, along the South line of said Northeast Quarter of the Southeast Quarter, a distance of 1319.45 feet to the Northeast corner of the Southwest Quarter of the Southeast Quarter of said Section 30;
thence South 00°04'19" East, along the East line of said Southwest Quarter of the Southeast Quarter a distance of 1325.27 feet to the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 30, said Point being also the Northeast corner of the West half of the Northeast Quarter of

-Continued-

said Section 31;

thence South 00°07'26" East, along East line of said West half of the Northeast Quarter a distance of 2649.40 feet to the Southeast corner of said West half of the Northeast Quarter;

thence South 89°23'45" West, along the West line of said Northeast Quarter, a distance of 1323.26 feet to the Southwest corner of the Northeast Quarter of said Section 31;

thence South 89°23'45" West, along the South line of the Northwest Quarter of said Section 30, a distance of 2377.67 feet to the Easterly right of way line of Founders Parkway as described in Book 558 at Page 315 in the records of the office of the Douglas County Clerk and Recorder;

thence North 00°12'47" West, along said Easterly line, a distance of 1689.76 feet to a point of curve;

thence continuing along said Easterly line, along the arc of a curve to the left having a central angle of 13°52'37", a radius of 1005.00 feet, an arc length of 243.41 feet and a chord which bears North 07°09'05" West a distance of 242.81 feet to the Easterly line of Ridge Road;

thence North 00°01'17" East, along said Easterly line, a distance of 732.57 feet;

thence South 89°47'43" West, along the Northerly line of Ridge Road, a distance of 729.78 feet to a point on the Northerly right of way line of said Founders Parkway;

thence Northwesterly along said Northerly line, along the arc of a non-tangent curve to the left, having a central angle of 13°57'56", a radius of 1005.00 feet, an arc length of 244.97 feet and a chord which bears North 82°51'27" West, a distance of 244.36 feet;

thence North 89°50'26" West, along said Northerly line, a distance of 488.93 feet to a point of curve;

thence along the arc of a curve to the right having a central angle of 25°36'11", a radius of 895.00 feet, an arc length of 399.94 feet and a chord which bears North 77°02'20" West, a distance of 396.62 feet to said Easterly line of Ridge Road;

thence along said Easterly line the following six courses:

- 1) North 11°41'01" West, a distance of 374.42 feet;
- 2) North 05°35'33" East, a distance of 424.46 feet;
- 3) North 11°53'16" East, a distance of 753.61 feet;
- 4) North 32°10'12" West, a distance of 949.84 feet;
- 5) North 24°10'42" West, a distance of 757.47 feet;
- 6) North 32°05'40" West, a distance of 560.97 feet to a point on the Southerly right of way line of Crowfoot Valley Road as determined by that Rule and Order of the Douglas County District Court recorded in Book 1926 at Page 2146, said Douglas County records;

thence Northeasterly along said Southerly right of way line the following nine courses:

- 1) North 24°25'15" East, a distance of 2.16 feet;
- 2) North 27°59'53" East, a distance of 83.08 feet to a point of curve;
- 3) along the arc of a curve to the right having a central angle of 27°22'19", a radius of 750.00 feet, an arc length of 358.30 feet and a chord which bears North 41°41'03" East, a distance of 354.90 feet;

CONTINUED

- 4) North 55°22'12" East, a distance of 2677.30 feet to a point of curve;
- 5) thence along the arc of a curve to the left having a central angle of 15°16'35", a radius of 1687.00 feet, an arc length of 449.80 feet and a chord which bears North 47°43'55" East, a distance 448.46 feet;
- 6) North 54°05'18" East, a distance of 14.99 feet;
- 7) North 34°14'38" East, a distance of 46.24 feet to a non-tangent point of curve;
- 8) thence along the arc of a curve to the left having a central angle of 03°54'24", a radius of 1687.00 feet, an arc length of 115.03 feet and a chord which bears North 36°05'01" East, a distance of 115.01 feet;
- 9) North 34°07'48" East, a distance of 2472.52 feet to the North line of the Southwest Quarter of said Section 19;

thence North 89°47'11" East, along said North line, a distance of 923.05 feet to the Northeast corner of said Southwest Quarter;
thence North 00°24'08" West, along the West line of the Northeast Quarter of said Section 19, a distance of 536.00 feet;
thence South 89°47'11" West, along a line lying 536.00 feet Northerly of and parallel with said North line of the Southwest Quarter, a distance of 563.77 feet to said Southerly right of way line of Crowfoot Valley Road;

thence Northeasterly along said Southerly right of way line the following five courses:

- 1) North 38°27'09" East, a distance of 103.97 feet;
- 2) North 27°09'32" East, a distance of 49.23 feet;
- 3) North 22°01'40" East, a distance of 57.16 feet to a non-tangent point of curve;
- 4) thence along the arc of a curve to the left having a central angle of 11°41'09", a radius of 5780.00 feet, an arc length of 1178.87 feet and a chord which bears North 23°51'05" East, a distance of 1176.82 feet;
- 5) North 18°00'31" East, a distance of 932.59 feet to the South line of the Southeast Quarter of said Section 18;

thence North 89°19'11" East, along said South line of the Southeast Quarter, a distance of 996.80 feet to the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 18;
thence North 00°03'55" West, along the West line of said Southeast Quarter of the Southeast Quarter, a distance of 1324.58 feet to the Northwest corner of said Southeast Quarter of the Southeast Quarter;
thence South 89°15'52" West, along the South line of the Northwest Quarter of the Southeast Quarter of said Section, 18, a distance of 198.36 to said Southerly right of way line of Crowfoot Valley Road;

thence Northeasterly along said Southerly right of way line the following seven courses:

- 1) North 33°06'56" East, a distance of 142.82 feet;
- 2) North 56°53'04" West, a distance of 1.50 feet;
- 3) North 33°06'56" East, a distance of 1238.11 feet;
- 4) North 40°26'55" East, a distance of 428.29 feet;
- 5) North 46°20'29" East, a distance of 370.86 feet;

CONTINUED

- 6) South 43°39'35" East, a distance of 1.50 feet;
- 7) North 46°20'28" East, a distance of 309.05 feet to the East line of the Northeast Quarter of said Section 18;

thence South 00°01'28" West, along said East line of the Northeast Quarter, a distance of 606.23 feet to the point of beginning,
County of Douglas ,
State of Colorado.

EXHIBIT 4
WARRANTY BILL OF SALE

CANYONS SOUTH
WATER FACILITIES CONVEYANCE AND INITIAL ACCEPTANCE

TRANSFEROR:

TRANSFeree: Town of Castle Rock, a municipal corporation ("Town")
100 Wilcox Street
Castle Rock, Colorado 80104

Transferor has caused to be constructed certain water facilities and related appurtenances described in the attached **Exhibit A** (the "Improvements"), as required by Town to serve the Canyons South subdivision. Town will assume the obligation for maintenance and operation of the Improvements located in rights-of-way, easements or other real property owned by Town, upon the conveyance of the Improvements to Town.

THEREFORE, Transferor grants, conveys and transfers to Town all its interest (real or personal) and title to the Improvements subject to the following:

1. Transferor warrants to Town that Transferor has a good title to the Improvements, free and clear of any lien, claim or right of any third party in or to the Improvements, and Transferor will defend Town's title to the Improvements against the claim of any third party.
2. Transferor warrants that the Improvements are located within the easement, right-of-way or other real property interest designated by the Town for siting of the Improvements. Town acknowledges receipt of as-built drawings of the Improvements dated ____.
3. Transferor warrants that, as constructed, all Improvements are in conformance with the current Town of Castle Rock standards and the approved construction plans, and are free from defects in design, material or workmanship. This warranty is for the period prescribed by the Town's Public Works Regulations, commencing with the date of acceptance made below.
4. Transferor represents that the approximate amount of direct costs of construction of the Improvements (excluding engineering, financing, insurance, etc.), as determined in accordance with usual and customary construction accounting practices is _____.
5. Transferor concurrently submits to Town the surety attached as **Exhibit B** in the amount of 15% of the above total to secure Transferor's warranty obligation on the Improvements.

TRANSFEROR:

By: _____

Its: _____

ACCORDINGLY, Town accepts for ownership and maintenance of the Improvements effective _____, 200__.

TOWN OF CASTLE ROCK

Engineering Division

EXHIBIT 5
DISTRICT RESOLUTION

**JOINT RESOLUTION OF THE BOARDS OF DIRECTORS
OF CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 AND 2**

WHEREAS, Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2 (the "Districts") are quasi-municipal corporations and political subdivisions of the State of Colorado; and

WHEREAS, pursuant to Sections 32-1-1001, (1)(d)(I) and 29-1-201 *et seq*, C.R.S., the Boards of Directors of the Districts (the "Boards") have the power to enter into contracts and agreements affecting the affairs of the Districts; and

WHEREAS, the Town of Castle Rock (the "Town") has presented the Boards with a form of intergovernmental agreement that sets for the terms and conditions under which the Town will provide water service to the Districts (the "IGA"); and

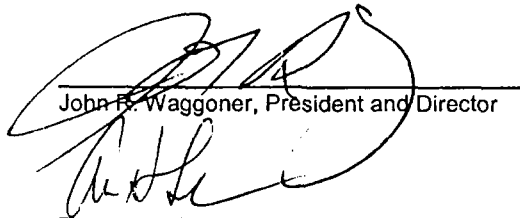
WHEREAS, the Boards have determined that the interest of the Districts and the public interest and necessity require that the District enter into the IGA with the Town for the construction and use of water services.

NOW THEREFORE, BE IT RESOVED BY THE BOARDS OF DIRECTORS OF THE CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 AND 2, DOUGLAS COUNTY, COLORADO:

1. The Boards of Directors of the Districts hereby approve the IGA as presented, and resolve to enter into the IGA.
2. The Board of Directors of the Districts hereby adopts the Water Regulations, as defined in the IGA, as the District Regulations.
3. The Boards hereby authorize the President and Secretary of the Districts to execute the IGA on behalf of the Districts.
4. The provisions of this Joint Resolution shall be effective immediately.

ADOPTED AND APPROVED this 5th day of August, 2005.


CORWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1



John R. Waggoner, President and Director

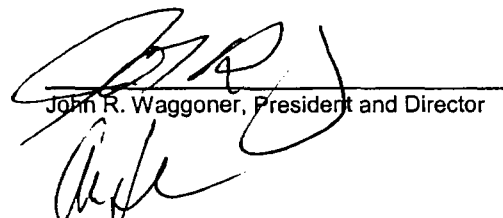


Allan H. Tenenbaum, Vice President and Director



Donald E. Hunt, Secretary/Treasurer and Director


CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2



John R. Waggoner, President and Director



Allan H. Tenenbaum, Vice President and Director



Donald E. Hunt, Secretary/Treasurer and Director

EXHIBIT 2 to Amendment Agreement

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF
CASTLE ROCK AND CROWFOOT VALLEY RANCH METROPOLITAN
DISTRICT NOS. 1 AND 2 REGARDING THE MONITORING AND
ENFORCEMENT OF TOWN CONSERVATION REGULATIONS**

DATE: March 2nd, 2021.

PARTIES: **TOWN OF CASTLE ROCK** (the "Town"), a home rule municipal corporation, acting by and through the **CASTLE ROCK WATER ENTERPRISE**

CROWFOOT VALLEY RANCH METROPOLITAN DISTRICT NOS. 1 and 2 (the "Districts"), quasi-municipal corporations and political subdivisions of the State of Colorado

RECITALS:

A. The Town operates an integrated municipal water supply system, providing potable water service within the Town's corporate limits and to certain extraterritorial properties.

B. The Districts are organized to provide urban services within their service area, which is generally coextensive with the property in unincorporated Douglas County in development known as the Canyons South (the "Property").

C. The Town and Districts have determined it is mutually beneficial for the Town to provide water service to the Property.

D. For that purpose, the Town and the Districts have entered into the Castle Rock/ Canyons South Water Service Intergovernmental Agreement, dated June 14, 2005, recorded with the Douglas County Clerk and Recorder on September 7, 2005 at Reception No. 2005085039, as amended by the First Amendment to Intergovernmental Agreement and Supplement to the Water Rights Contract, dated October 24, 2006 (the "Water Service IGA").

E. Section 5.01 of the Water Service IGA provides that all regulations enacted by the Town that address water use and conservation, including limits on the amount, frequency and duration of lawn irrigation and the installation of irrigated turf, and the prescription of water-saving measures and devices, shall apply to the Property.

F. Section 5.01 further contemplates that the Town and the Districts shall formalize a service contract for conservation monitoring and enforcement prior to the occupancy of the Property by homeowners.

G. The Town and the Districts find that, given the progress of development of the Property, it is appropriate to enter into an IGA for conservation monitoring and enforcement.

H. The constitution and laws of the State of Colorado permit and encourage cooperative efforts by local governments to make the most efficient and effective use of their

powers, responsibilities and resources and to enter into cooperative agreements on such matters as are addressed in this IGA.

COVENANTS:

NOW, THEREFORE, in reliance on the matters set forth above and in consideration of the mutual promises contained in this IGA, the parties agree and covenant as follows:

**ARTICLE I
DEFINITIONS**

1.01 Defined Terms. The following words, when capitalized in the text shall have the meanings indicated:

Board: the Board of Directors of District No. 1 or District No. 2, as applicable.

Charter: the Home Rule Charter of the Town, as amended.

Code: the Castle Rock Municipal Code, as amended.

Conservation Regulations: except as otherwise provided by Section 5.02 of the Water Service IGA, all provisions of the Charter, ordinances, resolutions, rules and regulations of the Town that address water use and conservation, limits on the amount, frequency and duration of lawn irrigation and the installation of irrigated turf, and the prescription of water-saving measures and devices, including, but not limited to, the Code and the Landscaping and Irrigation Standards, as the same may be amended from time to time. Reference to Conservation Regulations shall mean the Conservation Regulations in effect at the time of application of the term under this IGA.

Council: the Castle Rock Town Council, the governing body of the Town.

Development Plan: the land use development plans and regulations approved for the Property by Douglas County.

District No. 1: the Crowfoot Valley Ranch Metropolitan District No. 1.

District No. 2: the Crowfoot Valley Ranch Metropolitan District No. 2.

Districts: District Nos. 1 and 2.

Fee Schedule: the Town of Castle Rock Development Services Fee Schedule adopted January, 2021, as the same may be amended from time to time. Reference to the Fee Schedule shall mean the Fee Schedule in effect at the time of application of the term under this IGA.

IGA: this Intergovernmental Agreement regarding the application and enforcement of Conservation Regulations and any amendments and supplements to it.

Irrigation Permit Fee: a fee imposed by the Town on all non-residential landscape and irrigation installations on lands located within or served by the Town, as set forth in the Fee Schedule. Reference to Irrigation Permit Fees shall mean the Irrigation Permit Fee in effect at the time of application of the term under this IGA.

Landscaping and Irrigation Standards: the criteria imposed by the Town for landscape and irrigation design, installation, and maintenance on all public, institutional and private lands located within or served by the Town, as set forth in the Town of Castle Rock Landscape and Irrigation and Performance Standards and Criteria Manual, dated July 1, 2020, as the same may be amended from time to time. Reference to Landscaping and Irrigation Standards shall mean the Landscaping and Irrigation Standards in effect at the time of application of the term under this IGA.

Owner: the record owner(s) of the Property.

Plans: any and all plans, documents, drawings, and specifications prepared by or for the Districts and approved by the Town for the design, installation, and maintenance of landscaping and/or irrigation on the Property.

Property: the real property that is subject to this IGA and is described in the attached *Exhibit 1*.

Residential Irrigation and Landscape Inspection Fee: a fee imposed by the Town for the inspection of all residential landscape and irrigation installations on lands located within or served by the Town, as set forth in the Fee Schedule. Reference to Residential Irrigation and Landscape Inspection Fees shall mean the Residential Irrigation and Landscape Fee in effect at the time of application of the term under this IGA.

Town: the Town of Castle Rock, a home rule municipal corporation.

Wastewater Service IGA: Extra-Territorial Wastewater Service Intergovernmental Agreement, between the Town and the Districts, dated March 3, 2020, and recorded with the Douglas County Clerk and Recorder on May 8, 2020 at Reception No. 2020038330.

Water Service: the provision of potable water service for domestic use, inclusive of fire flows, in accordance with the terms of the Water Service IGA.

Water Service IGA: Castle Rock/ Canyons South Water Service Intergovernmental Agreement dated June 14, 2005, recorded with the Douglas County Clerk and Recorder on September 7, 2005 at Reception No. 2005085039, as amended by the First Amendment to Intergovernmental Agreement and Supplement to the Water Rights Contract dated October 24, 2006.

ARTICLE II GENERAL PROVISIONS

2.01 Interpretation and Construction. This IGA shall be applied and interpreted to further the following fundamental concepts, unless expressly provided to the contrary in the text:

- A. The Property is to receive conservation monitoring and enforcement services to the same standards and subject to the same requirements as properties within the Town;
- B. The provision of conservation and monitoring enforcement services will be governed by the Conservation Regulations as they evolve during the term of the IGA, so long as the Conservation Regulations are applied to the Property and properties within the Town Limits in a non-discriminatory manner; and

2.02. Intended Beneficiary. This IGA is entered into for the express and intended purpose of permitting the development of the Property in accordance with the Development Plan and in reliance upon and to enable the Town's Water Service commitment to the Property in accordance with the Water Service IGA (the "Service Commitment"). Owner(s) and any successors in interest to the ownership of the Property are entitled to all rights and benefits afforded the Districts under this IGA, including the contractual right to obtain enforcement of this IGA as provided for herein. The Town and the Districts acknowledge that, as of 2005, the record Owner of the Property executed a written acceptance and consent to the Water Service IGA, including the requirements that (i) all Conservation Regulations shall apply to the Property and (ii) the Town shall provide conservation monitoring and enforcement services to the Districts.

2.03 Reservation of Powers. Except as provided in this IGA or as necessary to give effect to the intent and purpose of this IGA, the Town and the Districts reserve all of their respective powers and authority as independent governmental entities. Nothing in this IGA shall preclude or impair the Districts from imposing their fees, provided that their imposition shall not cause the Town's right of enforcement or collection of its Irrigation Permit Fees and Residential Irrigation and Landscape Inspection Fees to be, in any manner impaired by or subordinated to the enforcement and collection of the Districts' fees.

2.04 Limited Purpose. This IGA is limited to the Town's commitment to provide conservation monitoring and enforcement services to the Property. Other than the services provided for by the Water Service IGA and the Wastewater Service IGA, and fire and emergency services provided by the Town on behalf of the Castle Rock Fire Protection District, the Town will not provide other municipal services to the Property. With the exception of the regulations, fees, charges, and exactions provided for in this IGA, the Water Service IGA, and the Wastewater Service IGA, neither the Districts or Owner(s) are subject to the enforcement of other Town regulations or the payment of other Town fees, charges and exactions imposed on development within Town boundaries.

ARTICLE III MONITORING AND ENFORCEMENT OF CONSERVATION REGULATIONS

3.01 Application of Conservation Regulations. The Town and the Districts hereby affirm their commitment as set forth in Section 5.01 of the Water Service IGA that all Conservation Regulations shall apply to the Property.

3.02. Monitoring and Enforcement Services. The Town agrees to monitor and enforce the Conservation Regulations within the jurisdictional boundaries of the Districts.

3.03. Landscaping and Irrigation. In consideration of the performance of Monitoring and Enforcement Services by the Town, the Districts shall require each Property Owner, or such Owner's agent or representative, prior to the installation of any landscaping or irrigation systems on the Property, to obtain the Town's approval for all landscaping and irrigation plans and irrigation permits, to pay all Irrigation Permit Fees, Residential Irrigation and Landscape Inspection Fees, and such other Town fees and charges as may be required by the Conservation Regulations. The Districts hereby delegate to the Town the requisite authority to collect and enforce payment of all such fees.

3.04. Adoption of Conservation Regulations. The Districts will promptly adopt and, at all times during the term of this IGA, maintain in force the Conservation Regulations for application to the Property as the independent and overlapping regulatory scheme of the Districts. Periodically, as the Town revises the Conservation Regulations it shall give the Districts reasonable prior notice of such revisions so that the Districts may take necessary legislative and administrative actions to incorporate the revisions into the Districts' regulations. Reasonable prior notice shall mean the public notice of the revisions the Town gives its citizens prior to adoption of Town regulations. Provided further, the Town shall make concerted efforts to involve the Districts and their residents in the informal Town processes preceding formal notice of any proposed revisions, such that there is adequate opportunity for the Districts and their residents to become apprised of, and give input on the proposed revisions prior to final action on the revisions. Nothing in this section, however, shall preclude the Town from adopting revisions to the Conservation Regulations under its emergency powers for the immediate preservation of the public health, safety and welfare.

ARTICLE IV DEFAULT AND TERMINATION

4.01 Default Notice and Cure Rights. In the event either party alleges that the other is in default of this IGA ("Default"), the non-defaulting party shall first notify the defaulting party in writing of the Default ("Default Notice") and specify the exact nature of the Default in the Default Notice. The defaulting party shall have 60 days from receipt of the Default Notice within which to cure the Default ("Cure Period") before the non-defaulting party may exercise its remedies.

4.02 Mutual Remedies. If a Default is not cured within the Cure Period, and in addition to any specific remedies or consequences provided elsewhere in this IGA, the non-defaulting party shall have the right to take whatever action at law or in equity that is necessary or desirable to enforce the performance and observation of this IGA by the defaulting party, including equitable remedies afforded under C.R.C.P. Rule 106. In any such legal action, the prevailing party shall be entitled to recover its reasonable attorney fees and litigation costs from the other party.

4.03 Termination of Service Commitment. In the event that: (i) the uncured Default is the failure of the Districts to comply with the obligations to enact and enforce the Conservation regulations and/or revisions to such Regulations, in accordance with Section 3.04, or (ii) there is a final judicial disposition of litigation commenced by the Town under 4.02 that encompasses both of the following elements, or (iii) one or both Districts are dissolved or vacancies on either or both District Boards precludes the maintenance of a quorum of such Boards for a period of time longer than 60 days, or (iv) one or both Districts seek relief under Chapter 9 of the United States Bankruptcy Code, (each of the foregoing constituting a "Terminable Event") the Town may terminate the Service Commitment in accordance with the further provisions of this section:

- A. The Districts' independent governmental powers and/or public policy preclude the judicial enforcement or the mandated cure of the Default or the grant of the other equitable relief sought by the Town against the Districts and/or their respective Boards; and
- B. There is no concurrent finding that the underlying Conservation Regulation upon which the Town seeks the Districts' performance is invalid or was not lawfully adopted or enacted by the Town.

Upon commencement of a Terminable Event, the Town may give notice to the Districts of termination of the Service Commitment under this IGA and the Water Service IGA ("Termination Notice"). Alternatively, the Town may seek judicial relief. Absent supplemental agreement between the Town and the Districts, the Districts shall have 180 days from the date of the Termination Notice to acquire alternative water service from other water service providers ("Termination"). In conjunction with Termination, the assumption of water service to the Property by a third party, the Town shall convey its interest in the transmission and distribution mains, service lines, meters, and associated appurtenances used to provide Water Service to the Districts and all related easements necessary for the new water service provider to facilitate the assumption of ownership and maintenance responsibilities by such provider.

Upon Termination, the Town shall retain all ownership and interest in the water rights conveyed pursuant to that certain Agreement for the Purchase and Sale of Water Rights, dated June 14, 2005, between the Town and Canyons South, LLC, and all fees and charges imposed pursuant to this IGA and the Water Service IGA through the date of Termination.

ARTICLE V MISCELLANEOUS

5.01 Notice. All notices or other communications shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to Town: Castle Rock Water Enterprise
 175 Kellogg Court
 Castle Rock, Colorado 80109

Attn: Director of Castle Rock Water

With copy to: Town Attorney
Town of Castle Rock
100 N. Wilcox Street
Castle Rock, Colorado 80104

If to Districts Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2
c/o Special District Management Services, Inc.,
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228
Attn: Ann E. Finn

With copy to: Crowfoot Valley Ranch Metropolitan District Nos. 1 and 2
c/o Collins Cockrel & Cole, P.C.
390 Union Boulevard, Suite 400
Denver, Colorado 80228
Attn: Matthew Ruhland

5.02 Notice of Meetings. The District shall submit a copy of a written notice of every regular or special meeting of the District to the Town Clerk at least 24 hours prior to such meeting.

5.03 Assignment. No transfer or assignment of this IGA or of any rights hereunder shall be made by either party, other than Town may assign this IGA to another governmental entity as part of the transfer of all of the Town's water system to such entity. In the event of such transfer, the entity assuming responsibility for water service to the Property shall expressly assume the Town's responsibilities under this IGA.

5.04 Amendments. This IGA may be amended only in writing upon the consent of the parties. Amendments shall be approved by resolution of the Town Council and resolution of the Districts' Boards.

5.05 No Waiver. The waiver or delay of enforcement of one or more terms of this IGA shall not constitute a waiver of the remaining terms. The waiver or delay in enforcement regarding any breach of this IGA shall not constitute a waiver of any terms of this IGA.

5.06 TABOR Compliance. This IGA does not create indebtedness or any party within the meaning of any constitutional, home rule charter or statutory limitation or provision. The obligations of the parties under this IGA do not create a multiple fiscal year obligation under Article X, Section 20 of the Colorado Constitution.

5.07 Entire Agreement. This IGA contains the entire agreement of the parties concerning the subject matter and supersedes all prior conversations, proposals, negotiations, understandings and agreements, whether written or oral.

5.08 Effective Date. This IGA shall become effective upon its mutual execution by Town and Districts.

(remainder of page intentionally left blank)



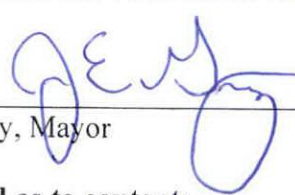
TOWN:

ATTEST:

TOWN OF CASTLE ROCK,
acting by and through the
CASTLE ROCK WATER ENTERPRISE



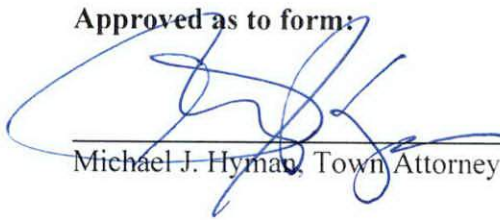
Lisa Anderson, Town Clerk



Jason Gray, Mayor

Approved as to form:

Approved as to content:



Michael J. Hyman, Town Attorney



Mark Marlowe, Director, Castle Rock Water


DISTRICTS:

ATTEST:

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1




Richard Cross, Board Member



Chad Murphy, President

ATTEST:

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2



Richard Cross, Board Member



Chad Murphy, President

EXHIBIT 1

LEGAL DESCRIPTION

A tract of land being a part of Sections 17, 18, 19, 20, 30 and 31, of Township 7 South, Range 66 West of the 6th Principal Meridian, together with a part of Sections 24 and 25 of Township 7 South, Range 67 West of the 6th Principal Meridian, all in the County of Douglas, State of Colorado, and being described as follows:

Beginning at the Northwest corner of the Southwest Quarter of said Section 17, and considering the West line of said Southwest Quarter to bear South 00°04'04" West, with all bearings contained herein relative thereto; thence North 89°28'08" East, along the North line of said Southwest Quarter, a distance of 2623.37 feet to the Northeast corner of said Southwest Quarter; thence South 00°10'21" East, along the East line of said Southwest Quarter, a distance of 2651.91 feet to the Southeast corner of said Southwest Quarter, said point being also the Northeast corner of the Northwest Quarter of said Section 20; thence South 00°23'13" East, along the East line of said Northwest Quarter, a distance of 2674.59 feet to the Southeast corner of said Northwest Quarter; thence North 89°04'35" East, along the North line of the Southeast Quarter of said Section 20, a distance of 1316.94 feet to the Northeast corner of the Northwest Quarter of the Southeast Quarter of said Section 20; thence South 00°24'05" East, along the East line of said Northwest Quarter of the Southeast Quarter, a distance of 1326.74 feet to the Southeast corner of said Northwest Quarter of the Southeast Quarter; thence South 89°07'03" West, along the South line of said Northwest Quarter of the Southeast Quarter, a distance of 1317.12 feet to the Southwest corner of said Northwest Quarter of the Southeast Quarter; thence South 89°07'15" West, along the South line of the Northeast Quarter of the Southwest Quarter of said Section 20, a distance of 1320.28 feet to the Northeast corner of the Southwest Quarter of the Southwest Quarter of said Section 20; thence South 00°30'17" East, along the East line of said Southwest Quarter of the Southwest Quarter, a distance of 1324.72 feet to the Southeast corner of said Southwest Quarter of the Southwest Quarter; thence South 89°10'00" West, a distance of 1317.71 feet to the Southwest corner of the Southwest Quarter of said Section 20, said point being also the Northeast corner of the Northeast Quarter of said Section 30; thence South 00°04'08" East along the East line of said Northeast Quarter, a distance of 2646.96 feet to the Southeast corner of said Northeast Quarter; thence South 00°03'57" East, along the East line of the Southeast Quarter of said Section 30, a distance of 1323.63 feet to the Southeast corner of the Northeast Quarter of the Southeast Quarter of said Section 30; thence South 89°33'50" West, along the South line of said Northeast Quarter of the Southeast Quarter, a distance of 1319.45 feet to the Northeast corner of the Southwest Quarter of the Southeast Quarter of said Section 30; thence South 00°04'19" East, along the East line of said Southwest Quarter of the Southeast Quarter a distance of 1325.27 feet to the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 30, said Point being also the Northeast corner of the West half of the Northeast Quarter of

-Continued-

EXHIBIT 1

said Section 31;

thence South 00°07'26" East, along East line of said West half of the Northeast Quarter a distance of 2649.40 feet to the Southeast corner of said West half of the Northeast Quarter;

thence South 89°23'45" West, along the West line of said Northeast Quarter, a distance of 1323.26 feet to the Southwest corner of the Northeast Quarter of said Section 31;

thence South 89°23'45" West, along the South line of the Northwest Quarter of said Section 30, a distance of 2377.67 feet to the Easterly right of way line of Founders Parkway as described in Book 558 at Page 315 in the records of the office of the Douglas County Clerk and Recorder;

thence North 00°12'47" West, along said Easterly line, a distance of 1689.76 feet to a point of curve;

thence continuing along said Easterly line, along the arc of a curve to the left having a central angle of 13°52'37", a radius of 1005.00 feet, an arc length of 243.41 feet and a chord which bears North 07°09'05" West a distance of 242.81 feet to the Easterly line of Ridge Road;

thence North 00°01'17" East, along said Easterly line, a distance of 732.57 feet;

thence South 89°47'43" West, along the Northerly line of Ridge Road, a distance of 729.78 feet to a point on the Northerly right of way line of said Founders Parkway;

thence Northwesterly along said Northerly line, along the arc of a non-tangent curve to the left, having a central angle of 13°57'56", a radius of 1005.00 feet, an arc length of 244.97 feet and a chord which bears North 82°51'27" West, a distance of 244.36 feet;

thence North 89°50'26" West, along said Northerly line, a distance of 488.93 feet to a point of curve;

thence along the arc of a curve to the right having a central angle of 25°36'11", a radius of 895.00 feet, an arc length of 399.94 feet and a chord which bears North 77°02'20" West, a distance of 396.62 feet to said Easterly line of Ridge Road;

thence along said Easterly line the following six courses:

- 1) North 11°41'01" West, a distance of 374.42 feet;
- 2) North 05°35'33" East, a distance of 424.46 feet;
- 3) North 11°53'16" East, a distance of 753.61 feet;
- 4) North 32°10'12" West, a distance of 949.84 feet;
- 5) North 24°10'42" West, a distance of 757.47 feet;
- 6) North 32°05'40" West, a distance of 560.97 feet to a point on the Southerly right of way line of Crowfoot Valley Road as determined by that Rule and Order of the Douglas County District Court recorded in Book 1926 at Page 2146, said Douglas County records;

thence Northeasterly along said Southerly right of way line the following nine courses:

- 1) North 24°25'15" East, a distance of 2.16 feet;
- 2) North 27°59'53" East, a distance of 83.08 feet to a point of curve;
- 3) along the arc of a curve to the right having a central angle of 27°22'19", a radius of 750.00 feet, an arc length of 358.30 feet and a chord which bears North 41°41'03" East, a distance of 354.90 feet;

CONTINUED

EXHIBIT 1

- 4) North 55°22'12" East, a distance of 2677.30 feet to a point of curve;
- 5) thence along the arc of a curve to the left having a central angle of 15°16'35", a radius of 1687.00 feet, an arc length of 449.80 feet and a chord which bears North 47°43'55" East, a distance 448.46 feet;
- 6) North 54°05'18" East, a distance of 14.99 feet;
- 7) North 34°14'38" East, a distance of 46.24 feet to a non-tangent point of curve;
- 8) thence along the arc of a curve to the left having a central angle of 03°54'24", a radius of 1687.00 feet, an arc length of 115.03 feet and a chord which bears North 36°05'01" East, a distance of 115.01 feet;
- 9) North 34°07'48" East, a distance of 2472.52 feet to the North line of the Southwest Quarter of said Section 19;

thence North 89°47'11" East, along said North line, a distance of 923.05 feet to the Northeast corner of said Southwest Quarter;
thence North 00°24'08" West, along the West line of the Northeast Quarter of said Section 19, a distance of 536.00 feet;
thence South 89°47'11" West, along a line lying 536.00 feet Northarly of and parallel with said North line of the Southwest Quarter, a distance of 563.77 feet to said Southerly right of way line of Crowfoot Valley Road;

thence Northeasterly along said Southerly right of way line the following five courses:

- 1) North 38°27'09" East, a distance of 103.97 feet;
- 2) North 27°09'32" East, a distance of 49.23 feet;
- 3) North 22°01'40" East, a distance of 57.16 feet to a non-tangent point of curve;
- 4) thence along the arc of a curve to the left having a central angle of 11°41'09", a radius of 5780.00 feet, an arc length of 1178.87 feet and a chord which bears North 23°51'05" East, a distance of 1176.82 feet;
- 5) North 18°00'31" East, a distance of 932.59 feet to the South line of the Southeast Quarter of said Section 18;

thence North 89°19'11" East, along said South line of the Southeast Quarter, a distance of 996.80 feet to the Southwest corner of the Southeast Quarter of the Southeast Quarter of said Section 18;
thence North 00°03'55" West, along the West line of said Southeast Quarter of the Southeast Quarter, a distance of 1324.58 feet to the Northwest corner of said Southeast Quarter of the Southeast Quarter;
thence South 89°15'52" West, along the South line of the Northwest Quarter of the Southeast Quarter of said Section, 18, a distance of 198.36 to said Southerly right of way line of Crowfoot Valley Road;

thence Northeasterly along said Southerly right of way line the following seven courses:

- 1) North 33°06'56" East, a distance of 142.82 feet;
- 2) North 56°53'04" West, a distance of 1.50 feet;
- 3) North 33°06'56" East, a distance of 1238.11 feet;
- 4) North 40°26'55" East, a distance of 428.29 feet;
- 5) North 46°20'29" East, a distance of 370.86 feet;

CONTINUED

EXHIBIT 1

- 6) South 43°39'35" East, a distance of 1.50 feet;
- 7) North 46°20'28" East, a distance of 309.05 feet to the East line of the Northeast Quarter of said Section 18;

thence South 00°01'28" West, along said East line of the Northeast Quarter, a distance of 606.23 feet to the point of beginning,
County of Douglas ,
State of Colorado.

EXHIBIT 3 to Amendment Agreement

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “**Assignment**”) is entered into on this ___ day of _____, 2021, by and between CROWFOOT VALLEY RANCH METROPOLITAN DISTRICTS NO.’S 1 and 2., quasi-municipal corporations and political subdivisions of the State of Colorado (collectively, “**Assignor**”), and MACANTA COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation (“**Assignee**”).

Recitals

A. On March 2, 2021, Assignor and The Castle Rock (“**Town**”) entered into that certain Intergovernmental Agreement Regarding the Monitoring and Enforcement of Town Conservation Regulations (“**Enforcement Agreement**”) attached hereto in Exhibit A.

B. The Enforcement Agreement was further amended on or about _____, 2021, to authorize Assignor to assign its enforcement rights and obligations contained in Section 3.03 of the Enforcement Agreement (“**Enforcement Rights**”) to the Assignee. A copy of the amended Enforcement Agreement is attached hereto as Exhibit B.

C. Assignee has agreed to take on the Enforcement Rights as further provided in this Assignment.

D. Furthermore, the Town has approved this Assignment.

E. Accordingly, Assignor wishes to assign the Enforcement Rights to Assignee, and the Town wishes to approve such assignment, all as provided herein.

Assignment

NOW, THEREFORE, in consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignor hereby assigns to Assignee, its successors, and assigns, all enforcement rights and obligations of Assignor contained in Article III, Section 3.03 of the Enforcement Agreement. Assignee hereby agrees to assume and perform all such rights and obligations.

2. Assignor expressly retains all other rights and obligations contained in the Enforcement Agreement, which rights and obligations do not conflict with the assignment made herein.

3. The Town expressly approves this Assignment.

IN WITNESS WHEREOF, Assignor, Assignee, and the Town have executed this Assignment as follows.

ASSIGNOR:

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 1, a quasi-
municipal corporations and political subdivisions of
the State of Colorado

By: _____
Name: _____
Its: _____

CROWFOOT VALLEY RANCH
METROPOLITAN DISTRICT NO. 2, a quasi-
municipal corporations and political subdivisions of
the State of Colorado

By: _____
Name: _____
Its: _____

ASSIGNEE:

MACANTA COMMUNITY ASSOCIATION,
INC., a Colorado nonprofit corporation

By: _____
Name: _____
Its: _____

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

EXHIBIT A
(Enforcement Agreement)

EXHIBIT B

(Amended Enforcement Agreement)