

**MEMORANDUM OF UNDERSTANDING
and
AGREEMENT**

This Memorandum of Understanding and Agreement (“Agreement”) is made effective according to its terms and dated this 21st day of October, 2025, by and between CVR PA3A LLC, a Colorado limited liability company (the “**Developer**”), and the Town of Castle Rock, a home rule municipality (the “**Town**”).

Recitals:

WHEREAS, the Town and the Developer’s predecessor in interest entered into that certain Development Agreement dated February 21, 2012 and recorded in the Official Records of Douglas County, Colorado at Reception No. 2012013156 (the “**Development Agreement**”);

WHEREAS, the Development Agreement requires the Town to reconvey Lot 1, Block 2, Crystal Valley Ranch Filing No. 14 (the “**Property**”) to the Developer if the Douglas County School District RE-1 gives written notice to Town that it will never utilize the site for a school pertaining to certain real property.

WHEREAS, the Douglas County School District RE-1 delivered such notice to the Town on February 3, 2025;

WHEREAS, as of the date of this Agreement, the Town has not reconveyed the Property to the Developer and the Developer has alleged that the Town is in default of its obligations under the Development Agreement (the “**Dispute**”);

WHEREAS, developer has proposed to develop the Property in accordance with Site Plan A attached hereto and incorporated herein.

WHEREAS, in an attempt to settle the Dispute, the Town and the Developer, working together, have approved the development of the Property, as modified by this Agreement, reasonably in accordance with Site Plan B attached hereto and incorporated herein;

WHEREAS, the parties have agreed that the development of the Property, as modified by this Agreement, pursuant to Site Plan B is beneficial to both the Town and the Developer; and

WHEREAS, the parties wish to avoid the expense and vagaries of litigation in relation to the Development Agreement, and desire to resolve the Dispute on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. **Reconveyance of the Property.** The Town shall reconvey the Property to the Developer with the with the same quality of title as the Town received on or before October 24, 2025 (the “**Reconveyance**”).

2. **Swap Parcels.** The parties have identified an area of the Reconveyed Parcel (the “**Developer Swap Parcel**”) identified on Exhibit A attached hereto and incorporated herein and an equal area of the Town (the “**Town Swap Parcel**”) identified on Exhibit B attached hereto and incorporated herein. The Property, together with the Town Swap Parcel and less the Developer Swap Parcel is referred to herein as the “**Reconfigured Property.**”

3. **Transfer of Swap Parcels.** The Town shall convey the Town Swap Parcel to Developer, with a Special Warranty Deed, subject to only those permitted exceptions approved by Developer in writing. Developer shall transfer the Developer Swap Parcel to the Town with the same quality of title it received from the Town in the Reconveyance provided that the following conditions are satisfied:

- A. The Town shall have rezoned and, if required, replated the Town Swap Parcel such that the Town Swap Parcel has the same final and unappealable zoning, rights, and entitlements as the Property.
- B. The Town acknowledges and shall not unreasonably withhold any variances, approvals, easements, and consents reasonably required in connection with the development of the Reconfigured Property as set forth on Site Plan B. For the avoidance of any ambiguity, the Town further acknowledges that the Developer intends to submit for Town review and approval a Site Development Plan which is reasonably consistent with the plan shown on Site Plan B. It is the express intent of the parties that the Reconfigured Property may be developed in accordance with Site Plan B. Review of the Site Development Plan shall be conducted in accordance with all Town policies and procedures applicable to residential development. The Town shall not impose any fees, exactions, or other obligations upon the Developer with respect to the development of the Reconfigured Property in excess of what is required of residential development under applicable Town regulations.
- C. The Town represents and warrants that in no event shall the entitlements required for the development of the Reconfigured Property, the issuance of building permits for the Reconfigured Property, any requirement for offsite improvements, or the fees due to the Town in connection with the development of the Reconfigured Property in reasonable accordance with Site Plan B be materially different that than the same would have been if the Property was developed in accordance with the plan set forth on Site Plan A (together, the “**Town Conditions**”).

4. **Town Condition Deadline.** The Town, as its sole cost and expense, shall satisfy the Town Conditions set forth in Section 3.A above by no later than March 1, 2026 (the “**Condition Deadline**”) and the parties shall consummate the transfers identified in Section 3.A above five days after the satisfaction of the Town Conditions.

5. **Intersection Control Improvements.** The parties acknowledge that the payments required by Section 6.13 of the Development Agreement have been paid to the Town and that the Town is holding approximately \$754,000 in previously deposited funds. The Developer expressly consents to the Town's use of such funds to construct a roundabout at the intersection of Crystal Valley Parkway and West Loop Road at the entrance to Rhyolite Regional Park.

6. **Liquidated Damages.** The parties acknowledge that the Developer will be irreparably harmed if the Town fails to satisfy the Town Conditions by the Condition Deadline and the actual damages that might be sustained by Developer are uncertain and difficult to ascertain, and that after negotiation, the parties have made their best reasonable estimate of such damage and have agreed that the Town will be responsible for all actual out of pocket expenses incurred by Developer in connection with the Dispute and the preparation of development plans for the Property pursuant to Site Plan A incurred as of the Condition Deadline if the Town Conditions are not satisfied by the Condition Deadline. In addition, if the Town fails to satisfy the Town Conditions by the Condition Deadline, the Town will promptly work in good faith with the Developer to provide all approvals necessary for the entitlement and development of the Property in accordance with Site Plan B.

7. **Default.** If either party breaches its obligations in this Agreement, the other party shall have all remedies available at law, in equity and as set forth in the Development Agreement with respect to the Dispute and any breach of this Agreement.

8. **Binding Nature.** This Agreement shall be construed as covenants running with the land. This Agreement (and its rights and obligations) shall inure to the benefit of and be binding upon the parties hereto and their respective successors-in-title. Section 3 shall survive the consummation of the property swap contemplated by this Agreement.

9. **Governmental Immunity Act.** No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the City's immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. § 24-10-101 *et seq.*

10. **No Development Obligation.** Nothing in this Agreement shall be construed as an obligation for the Developer to develop the Property or the Reconfigured Property and in no event shall any development be restricted to the site plans attached hereto; provided, however, that any development of the property shall be in compliance with all applicable laws.

11. **Recitals.** The Recitals set forth above are hereby incorporated in and made a part of this Agreement.

12. **Prevailing Party.** In the event of any litigation, dispute or contest arising from a breach of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred in connection with such litigation, dispute or contest, including without limitation, reasonable attorneys' fees.

13. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Douglas, State of Colorado.

14. **Binding Effect: Recordation.** This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors, and assigns. Either party is entitled to record this Agreement with the Douglas County Clerk and Recorder's Office, State of Colorado against the Property and the Town Swap Parcel.

15. **Headings.** Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.

16. **Entire Agreement.** This Agreement contains the entire agreement of the parties relating to the subject matter hereof and, except as provided herein, may not be modified or amended except by written agreement of the parties. This Agreement shall be construed according to its fair meaning and as if prepared by all of the parties hereto.

[Signature Page Follows]

In Witness Whereof, the parties have executed this Agreement as of the date first above written.

Town of Castle Rock, Colorado

By: _____
Town Manager

Attest:

Town Clerk

Approved as to Form:

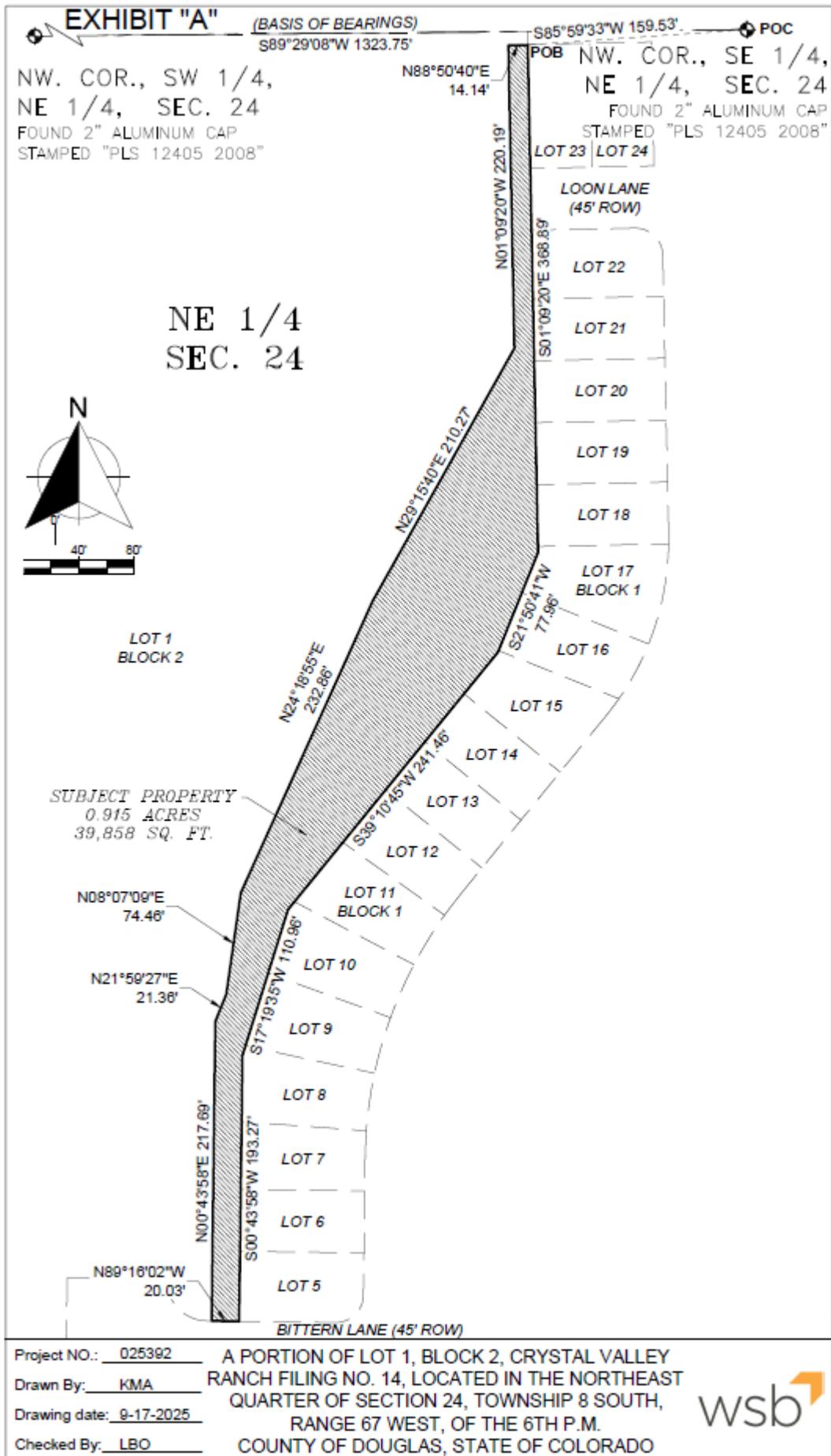
Town Attorney

CVR PA3A LLC,
a Colorado limited liability company

By: _____

Title: Gregg Brown, Manager

Exhibit A
Legal Description of the Developer Swap Parcel
(see attached)



Error! Unknown document property name.

LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF LOT 1, BLOCK 2, CRYSTAL VALLEY RANCH FILING NO. 14, A SUBDIVISION RECORDED AT RECEPTION NUMBER 2015007384 ON FEBRUARY 6, 2015 IN THE RECORDS OF THE DOUGLAS COUNTY CLERK AND RECORDER, LYING IN THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 2" ALUMINUM CAP STAMPED "PLS 12405 2008" FOUND FOR THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 24, FROM WHENCE A 2" ALUMINUM CAP STAMPED "PLS 12405 2008" FOUND FOR THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 24 BEARS SOUTH 89°29'08" WEST (1,323.75 FEET) WITH ALL BEARINGS RELATIVE THERETO; THENCE SOUTH 85°59'33" WEST, 159.53 FEET TO A POINT ON THE EAST LINE OF SAID LOT 1 SAID POINT ALSO BEING THE **POINT OF BEGINNING**

THENCE ALONG THE EAST LINE OF SAID LOT 1, BLOCK 2 THE FOLLOWING FIVE (5) COURSES:

- 1) SOUTH 01°09'20" EAST, 368.89 FEET;
- 2) SOUTH 21°50'41" WEST, 77.96 FEET;
- 3) SOUTH 39°10'45" WEST, 241.46 FEET;
- 4) SOUTH 17°19'35" WEST, 110.96 FEET;
- 5) SOUTH 00°43'58" WEST, 193.27 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY OF BITTERN LANE;

THENCE NORTH 89°16'02" WEST, ALONG SAID NORTH RIGHT-OF-WAY, 20.03 FEET;

THENCE DEPARTING SAID NORTH RIGHT-OF-WAY, NORTH 00°43'58" EAST, 217.69 FEET;

THENCE NORTH 21°59'27" EAST, 21.36 FEET;

THENCE NORTH 08°07'09" EAST, 74.46 FEET;

THENCE NORTH 24°18'55" EAST, 232.86 FEET;

THENCE NORTH 29°15'40" EAST, 210.27 FEET;

THENCE NORTH 01°09'20" WEST, 220.19 FEET;

THENCE NORTH 88°50'40" EAST, 14.14 FEET TO THE **POINT OF BEGINNING.**
SAID PARCEL OF LAND CONTAINING 0.915 ACRES OR 39,858 SQUARE FEET,
MORE OR LESS.

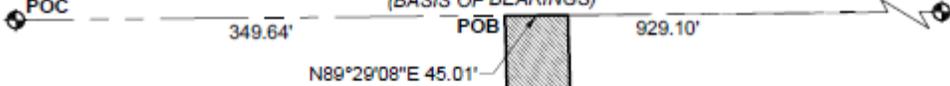
Exhibit B
Legal Description of the Town Swap Parcel
(see attached)

EXHIBIT "B"

NW. COR., SW 1/4,
NE 1/4, SEC. 24
FOUND 2" ALUMINUM CAP
STAMPED "PLS 12405 2008"

KEN L & LAUREL LYNN
MAUPIN
REC# 99077897
N89°29'08"E 1323.75'
(BASIS OF BEARINGS)

NW. COR., SE 1/4,
NE 1/4, SEC. 24
FOUND 2" ALUMINUM CAP
STAMPED "PLS 12405 2008"



SUBJECT PROPERTY
0.915 ACRES
39,857 SQ. FT.

TRACT P
CRYSTAL VALLEY
RANCH FILING 1

LOT 1
BLOCK 2
CRYSTAL VALLEY
RANCH FILING 14

N01°38'19"W 885.77'

S01°38'19"E 885.67'

NE 1/4
SEC. 24

S89°21'16"W 45.01'

LOT 1
BLOCK 2
CRYSTAL VALLEY
RANCH FILING 14

Project NO.: 025392 A PORTION OF TRACT P, CRYSTAL VALLEY RANCH
Drawn By: KMA FILING NO. 1, LOCATED IN THE NORTHEAST
Drawing date: 6-09-2025 QUARTER OF SECTION 24, TOWNSHIP 8 SOUTH,
Checked By: LBO RANGE 67 WEST, OF THE 6TH P.M.
COUNTY OF DOUGLAS, STATE OF COLORADO



LEGAL DESCRIPTION

A PARCEL OF LAND BEING A PORTION OF TRACT P, CRYSTAL VALLEY RANCH FILING NO. 1, A SUBDIVISION RECORDED AT RECEPTION NUMBER 2002087570 ON AUGUST 29, 2002 IN THE RECORDS OF THE DOUGLAS COUNTY CLERK AND RECORDER, LYING IN THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 2" ALUMINUM CAP STAMPED "PLS 12405 2008" FOUND FOR THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 24, FROM WHENCE A 2" ALUMINUM CAP STAMPED "PLS 12405 2008" FOUND FOR THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 24 BEARS NORTH 89°29'08" EAST (1,323.75 FEET) WITH ALL BEARINGS RELATIVE THERETO; THENCE ALONG THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH LINE OF SAID TRACT P, NORTH 89°29'08" EAST, 394.64 FEET TO THE **POINT OF BEGINNING**

THENCE CONTINUING ALONG SAID NORTH LINE, NORTH 89°29'08" EAST, 45.01 FEET TO THE NORTHEAST CORNER OF SAID TRACT P;

THENCE SOUTH 01°38'19" EAST ALONG THE EAST LINE OF SAID TRACT P, 885.67 FEET TO THE SOUTHEAST CORNER OF SAID TRACT P;

THENCE SOUTH 89°21'16" WEST, ALONG THE SOUTH LINE OF SAID TRACT P, 45.01 FEET;

THENCE DEPARTING SAID SOUTH LINE, NORTH 01°38'19" WEST, 885.77 FEET TO **THE POINT OF BEGINNING.**

SAID PARCEL OF LAND CONTAINING 0.915 ACRES OR 39,857 SQUARE FEET, MORE OR LESS.

Site Plan A



Site Plan B

