

**ANNEXATION AND VESTED PROPERTY RIGHTS
DEVELOPMENT AGREEMENT
(PINE CANYON)**

BETWEEN

TOWN OF CASTLE ROCK, a home rule municipal corporation

AND

**JRW FAMILY LIMITED PARTNERSHIP LLLP,
a Colorado limited liability limited partnership**

_____, 2025

APPROVAL OF THIS ANNEXATION AND VESTED PROPERTY RIGHTS DEVELOPMENT AGREEMENT CONSTITUTES A SITE SPECIFIC DEVELOPMENT PLAN PURSUANT TO ARTICLE 68 OF TITLE 24, C.R.S., AS AMENDED, AND CHAPTER 17.08 OF THE CASTLE ROCK MUNICIPAL CODE, AND ESTABLISHES VESTED PROPERTY RIGHTS FOR A PERIOD OF TWENTY FIVE (25) YEARS TO UNDERTAKE AND COMPLETE THE DEVELOPMENT AND USE OF THE PROPERTY IN ACCORDANCE WITH THIS AGREEMENT AND THE PINE CANYON PLANNED DEVELOPMENT PLAN.

ANNEXATION AND VESTED PROPERTY RIGHTS DEVELOPMENT AGREEMENT (PINE CANYON)

THIS ANNEXATION AND VESTED PROPERTY RIGHTS DEVELOPMENT AGREEMENT (PINE CANYON) (as amended, this “**Agreement**”) is made and entered into as of _____, 2025 (the “**Execution Date**”), by and among the following: JRW FAMILY LIMITED PARTNERSHIP LLLP, a Colorado limited liability limited partnership (“**Owner**”), and TOWN OF CASTLE ROCK, a home rule municipal corporation (the “**Town**”).

RECITALS:

This Agreement is made with reference to the following facts:

A. Initially capitalized words and phrases used in this Agreement have the meanings stated in ARTICLE I, or as indicated elsewhere in this Agreement.

B. As of the Execution Date, Owner is the fee simple owner of certain real property comprising approximately 533.445 acres located in the County and legally described in **Exhibit I** attached hereto (the “**Property**”).

C. Pursuant to Resolution No. 2024-120, Town Council approved and authorized execution of that certain Pre-Annexation Agreement (Pine Canyon) between the Parties having an effective date of December 17, 2024 (the “**Pre-Annexation Agreement**”), which contemplated Owner’s submittal of a petition for annexation of the Property to the Town and the Town’s processing and approval of certain entitlements.

D. As of the Execution Date, and as contemplated by and in implementation of the Pre-Annexation Agreement, the Town approved the following (the “**Approvals**”):

1. Pursuant to Ordinance No. 2025-016 (the “**Annexation Ordinance**”), the annexation of the Property to the Town (the “**Annexation**”).

2. Pursuant to Ordinance No. 2025-017 (the “**Zoning Ordinance**”), the initial zoning of the Property to the Code’s Planned Development zone district and approval of the PDP.

3. Pursuant to Ordinance No. 2025-018, this Agreement.

E. Following the Effective Date, subject to and in accordance with the PDP and this Agreement, the Parties anticipate and intend that development of the Property and Project will occur in one or multiple phases at such time as market conditions support.

F. Code Chapter 17.08 and the Vested Property Rights Act, as the same were in effect as of the Effective Date, each provide for the establishment of vested property rights in order to advance the purposes set forth in the Vested Property Rights Act, and authorize the Town to enter into development agreements with landowners providing for the vesting of property development rights for a period exceeding three (3) years.

G. Town Council has determined that development of the Property is anticipated to occur over an approximately twenty-five (25) year build out period in accordance with and reliance upon this Agreement and the PDP; require substantial financial commitments for infrastructure improvements and related horizontal and vertical improvements; provide for orderly growth in accordance with the Town's policies and goals; ensure reasonable certainty, stability and fairness in the land use planning process; stimulate economic growth; foster cooperation between the public and private sectors in the area of land use planning; and otherwise achieve the goals and purposes for which the Vested Property Rights Act and Code Chapter 17.08 were enacted.

H. In exchange for these benefits and the other benefits to the Town contemplated by this Agreement and the PDP, together with the public benefits served by the orderly development of the Property, Owner desires to receive, and Town Council desires to provide, assurance that development of the Property may proceed in accordance with the uses, intensity of use, and development standards set forth in, and otherwise subject to the terms and conditions of, the Approved SSDP.

I. The Vested Property Rights Act and Code Section 17.08.070 authorize the Town to enter into development agreements with landowners providing for the vesting of property development rights for a period exceeding three (3) years.

J. The Parties have determined that it is in their mutual interest to enter into this Agreement governing the development of the Property in conjunction with the concurrent approval of the Annexation and PDP, and this Agreement constitutes a development agreement granting vested property rights for a period in excess of three (3) years in accordance with Section 24-68-104(2) of the Vested Property Rights Act and Code Section 17.08.070.

K. The Parties acknowledge that this Agreement contains reasonable conditions and requirements to be imposed upon the development of the Property and the Project, and that these restrictions are imposed to protect and enhance the public health, safety and welfare of the Town and its residents.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 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:

1986 Agreement: has the meaning stated in Section 3.03.

Agreement: has the meaning stated in the initial paragraph of this Agreement.

Annexation: has the meaning stated in Recital D.1.

Annexation Ordinance: has the meaning stated in Recital D.1.

Approvals: has the meaning stated in Recital D.

Approved SSDP: has the meaning stated in Section 11.01.

Association(s): one or more owners associations that Owner or a successor Landowner may form within the Property.

CDOT: the Colorado Department of Transportation.

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

Code: the Castle Rock Municipal Code, as amended.

County: Douglas County, Colorado.

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

DCSD: Douglas County School District RE-1

Dedicated Groundwater: has the meaning stated in Section 5.01.

Development Fees: the capital recovery fees and charges imposed by the Town under the Town Regulations on development and building, including, but not limited to, Development Impact Fees, Renewable Water Resource Fees and System Development Fees, as the same may be amended from time to time, applied uniformly throughout the Town, and consistent with state and federal law.

Development Impact Fees: the charges imposed by the Town as a condition to obtaining a Town building permit for the purpose of defraying any and all costs incurred by the Town for growth-related improvements, facilities, and equipment for parks, recreation, fire, police, transportation, stormwater management, municipal facilities, and general government or administration, as the same may be amended from time to time, applied uniformly throughout the Town, and consistent with state and federal law.

District(s): individually or collectively as the context dictates, the metropolitan district(s) which may be formed pursuant to the Special District Act to serve the Property in accordance with the terms and conditions of this Agreement and the Service Plan.

District Approvals: has the meaning stated in Section 3.01.

Effective Date: has the meaning stated in Section 2.02.

Escrow: has the meaning stated in Section 3.02.

Execution Date: has the meaning stated in the initial paragraph of this Agreement.

Fire District: has the meaning stated in Section 3.03.

Forest Management Plan: has the meaning stated in Section 10.01.

Force Majeure: acts of God, floods, storms, fires, sabotage, terrorist attack, strikes, riots, war, labor disputes, forces of nature, the authority and orders of government, or pandemic.

Full Buildout: The completion of the Project as evidenced by the issuance of the certificate of occupancy for the last dwelling unit and building housing the last commercial use to be constructed within the Property.

Groundwater Rights: the right to and interest of Owner in the Denver Basin groundwater underlying the Property, including, but not limited to, the 863.9-acre feet of Denver Basin groundwater adjudicated in Case Nos. 97CW0097, 98CW0403, 01CW0082, 12CW0015, and 17CW3000, Water Division No. 1.

Homestead Property: the property comprising Open Space Areas 8 and 9, as identified in the PDP, utilized for agricultural uses and improved with two single-family residences.

Landowner(s): individually or collectively, Owner and its respective successors as fee owner(s) of real property comprising the Property or any portion thereof.

Legal Challenge: as applicable, (i) any third party's filing of a complaint for judicial review that directly or indirectly challenges the validity of this Agreement, any of the other Approvals, or the ordinance(s) or other Town actions granting such Approvals; or (ii) the timely submission of a valid petition pursuant to the Code for a referendum seeking to reverse or nullify an ordinance approving this Agreement or any of the other Approvals.

Major Drainageways: all drainageways located within the Project boundaries having a watershed area of greater than 130 acres.

Master Plan: the Town's Comprehensive Master Plan, as amended from time to time.

Municipal Annexation Act: Section 31-12-101, et. seq., C.R.S., as amended, also known as the "Municipal Annexation Act of 1965."

Municipal Services: public safety, water, wastewater, stormwater drainage and detention, parks and recreation, transportation and street maintenance, general administrative services including code enforcement and any other service provided by Town within the municipality under its police powers.

Open Space Area: a land planning area of the Property, as described and depicted in the PDP.

Owner: has the meaning set forth in the introductory paragraph and includes assignee pursuant to Section 13.02.

Party(ies): individually or collectively, the Town and Owner, together with (except as otherwise limited by the terms of this Agreement) their designated successors and assigns.

PDP: the Pine Canyon Planned Development Plan and Zoning Regulations approved by and including any provisions set forth in the Zoning Ordinance.

Permitted Actions: has the meaning stated in Section 11.05.

Phasing Plan: the matrix and notes on the PDP designating development thresholds of which Public Improvements must be developed and Public Lands conveyed to the Town.

Planning Area: a land planning area of the Property, as described and depicted in the PDP.

Plat: a subdivision plat of any portion of the Property approved under the Town Regulations.

Pre-Annexation Agreement: has the meaning stated in Recital C.

Project: the residential/limited commercial mixed-use community anticipated to be developed within the Property, including parks, open space, and other such public amenities as set forth in the PDP and this Agreement.

Property: has the meaning stated in Recital B.

Public Improvements: the infrastructure prescribed by Town Regulations or expressly prescribed under this Agreement necessary to furnish Municipal Services and Public Utilities to the Property or designated development thresholds thereof pursuant to the Phasing Plan, including the infrastructure required to extend or connect the Public Improvements to complementary infrastructure off-site of the Property. Public Improvements include, without limitation, the infrastructure necessary to serve the Property with water, wastewater, stormwater and/or drainage, and transportation improvements including, but not limited to streets, roads, sidewalks and trails.

Public Lands: those portions of the Property designated as Open Space (OSP) and Public Land Dedicated (PLD) on the PDP, Plat, or SDP for dedication to the Town pursuant to this Agreement for parks, recreational areas, public open space, Public Improvements and related public purposes.

Public Utilities: the infrastructure necessary to extend services (other than Municipal Services) to the Property, which are provided by public or quasi-public utility entities, including natural gas, electricity and cable television.

Recital(s): individually or collectively as the context dictates, the provisions set forth in the “Recitals” section of, unless another document is specifically referenced, this Agreement.

Record(ed/ing): to file, having been filed, or appearing in the real property records of the County Clerk and Recorder.

Regional Mill Levy: a property tax of five (5) mills, subject to future changes made in the method of calculating assessed valuation, to be imposed by the Districts and remitted to the Town on an annual basis for the purpose of defraying costs incurred by the Town in providing such services and improvements as the Town, in its sole and reasonable discretion, believes are: (i) public in nature; (ii) for the benefit of the residents and taxpayers of the Districts; and (iii) permitted by State law to be paid from taxes imposed by the Districts.

Renewable Water Resource Fees: the charges imposed by the Town as a condition to the right to connect to the Town water system for the purpose of defraying any and all costs incurred by the Town in acquiring and developing renewable water resources and in utilizing, expanding and developing any and all facilities associated therewith, as the same may be amended from time to time and applied uniformly throughout the Town.

Retained Groundwater: has the meaning stated in Section 5.01.

SDP: the site development plan(s) for the Property, or a portion of the Property, prescribed and approved by the Town under Title 17 of the Code.

Service Plan: has the meaning stated in Section 3.01.

SIA: a subdivision improvements agreement entered into between the Town and a subdivider pursuant to an approved Plat, as required under the Code.

Skyline/Ridgeline Protection Regulations: Code Chapter 17.48, “Skyline/Ridgeline Protection Regulations” and the Town’s overlay zoning district map for the same, as the same are amended from time to time.

Special District Act: Section 32-1-101, et seq., C.R.S., as amended.

Special District Oversight Ordinance: Title 11, Chapter 11.02 of the Code, as amended.

System Development Fees: the charges imposed by the Town as a condition to the right to connect to the Town water and wastewater systems for the purpose of defraying any and all capital costs incurred by the Town in utilizing, expanding and developing facilities for the provision of water and wastewater services, as the same may be amended from time to time, and applied uniformly throughout the Town.

System Improvements: has the meaning stated in Section 7.01.

Tap Fees: has the meaning stated in Section 9.07.

TIA: the traffic impact analysis dated November, 2021, and submitted with the PDP.

Title Opinion: has the meaning stated in Section 5.02.

Town: has the meaning stated in the initial paragraph of this Agreement.

Town Council: the Town Council of the Town, which is the governing body of the Town of Castle Rock, Colorado, constituted under Article II of the Charter.

Town Regulations: the Charter, Code, ordinances, resolutions, rules and regulations of the Town, technical criteria, and the provisions of all zoning, subdivision and building codes, as the same may be amended from time to time and applied uniformly throughout the Town.

Town Water and Wastewater Improvements: has the meaning stated in Section 6.04.

Vested Property Rights: has the meaning stated in Section 11.02.

Vested Property Rights Act: Section 24-68-101, et seq., C.R.S., as amended.

Vesting Term: has the meaning stated in Section 11.03.

Water Plan: The Town's Water Resource Strategic Master Plan, as from time to time amended.

Zoning Ordinance: has the meaning stated in Recital D.2.

1.02 Cross-reference. Any reference to an article or section number, without further description, shall mean such article or section in this Agreement.

ARTICLE II APPLICATION AND EFFECT

2.01 Incorporation of Recitals. The Recitals are incorporated into and made substantive provisions of this Agreement.

2.02 Effective Date; Effectiveness. Notwithstanding any earlier Execution Date, neither this Agreement nor the PDP shall be legally binding on or effective against the Parties or the Property prior to the date on which the Annexation becomes legally effective pursuant to C.R.S. § 31-12-113(2)(a)(II)(A) ("**Effective Date**"). Unless the Parties otherwise agree in writing, no Party shall cause or permit the occurrence of the conditions to effectiveness of the Annexation as set forth in C.R.S. § 31-12-113(2)(a)(II)(A) until the later to occur of: (a) the latest final, non-appealable approval of the ordinances, resolutions and/or other final actions approving the Approvals; and (b) if applicable, the final, non-appealable resolution of any Legal Challenge. Notwithstanding the foregoing, the following provisions shall be legally binding on the Parties as of the Execution Date:

(a) **Recording of Approvals.** The Parties shall neither cause nor permit the Recording of this Agreement or the PPD prior to the Effective Date. The Parties shall cause Recording of this Agreement and other of the Approvals that are intended to be Recorded to occur on or promptly following the Effective Date. Any delay or failure to Record this Agreement following the occurrence of the Effective Date shall not negate or impair the effectiveness of this Agreement as between the Parties and any other parties having actual or constructive notice of this Agreement.

(b) **Defense of Legal Challenges.** If a third-party timely commences a Legal Challenge to any of the Approvals prior to the Effective Date, the Parties shall undertake in good faith to cooperate in defending the Legal Challenge.

(c) **Automatic Termination for Failure of Effective Date.** If the Pre-Annexation Agreement terminates by its terms following the Execution Date but prior to the Effective Date, this Agreement shall automatically terminate without the requirement of additional action by either Party, and the Parties shall have no further rights or obligations arising pursuant to this Agreement; provided, however, the provisions of this Section 2.02 shall survive such termination.

2.03 Binding Effect. The Property is both benefited and burdened by the mutual covenants of this Agreement, and, upon the Recording of this Agreement, such covenants shall constitute real covenants binding upon successors in interest to the Property, including any mortgagees or lienholders subsequently acquiring title to the Property, irrespective of whether specific reference to this Agreement is made in any instrument affecting title to the Property. Owner may assign its rights and interests in this Agreement in accordance with Section 13.02.

2.04 Mortgagee Obligation. No mortgagee or lienholder shall have an affirmative obligation hereunder, nor shall Town have the right to seek performance of this Agreement from mortgagees or lienholders, except in the event a mortgagee or lienholder acquires fee simple title to all, or a portion of the Property, in which event the mortgagee or lienholder shall be bound by the terms, conditions, and restrictions of this Agreement.

2.05 Owner/Districts Responsibility. Town shall accept the Districts' performance of Owner's obligations under this Agreement upon the Districts' compliance with ARTICLE III of this Agreement. Unless Owner assigns and the District(s) assume Owner's obligations under this Agreement pursuant to Section 13.02, Owner shall retain the ultimate responsibility for performance of the covenants and obligations of this Agreement should the Districts fail to discharge such obligations. To the extent the Districts discharge any obligation of Owner under this Agreement, as further provided in ARTICLE III, Districts shall have the same contractual rights and responsibilities as Owner under this Agreement with respect to such obligation.

2.06 No Obligation to Develop. Neither Owner nor any successor Landowner shall have an obligation under this Agreement to develop all or any portion of the Property, nor shall Owner or any successor Landowner have liability under this Agreement to any other Party or other person or entity for development not occurring within the Property.

2.07 Town Regulations. Subject and subordinate to any provisions to the contrary contained in this Agreement, (i) except as otherwise provided in Sections 4.02(b), the PDP, and Zoning Ordinance with respect to the Property's exemption from the Skyline/Ridgeline Protection Regulations, Master Plan guidance for the same, and any successor Code regulations and/or guidance, the Town Regulations shall apply to the Property in the same manner and effect as within other areas of the Town, and, (ii) this Agreement shall not in any manner restrict or impair the lawful exercise by the Town Council of its legislative or police powers as applied to the Property, including, specifically, the amendment or modification of, or addition to the Town Regulations, subsequent to the Execution Date; provided, however, that Owner does not waive its right to challenge the legality or validity of any amendment to the Town Regulations that it could maintain absent this Agreement.

When this Agreement calls for compliance with the Town Regulations, the operative Town Regulations in effect at the time such compliance is required shall govern unless the provisions of this Agreement expressly provide to the contrary. When this Agreement calls for the payment of Development Fees, the operative Development Fees in effect at the time such payment is required shall govern unless the provisions of this Agreement expressly provide to the contrary. Notwithstanding anything to the contrary in this Agreement or the Town Regulations, if there is a conflict between this Agreement or the PDP and the Town Regulations, the terms and provisions of this Agreement and the PDP shall control.

2.08 Continuation of Agricultural Uses. As of the Execution Date, Owner utilizes the Property for various agricultural uses, including, but not limited to, livestock grazing and growing of crops. Notwithstanding anything to the contrary in the Town Regulations or PDP, the Property's permitted uses include agricultural uses. Upon the Town's issuance of a grading (or similar) permit for the construction of horizontal infrastructure within a Planning Area, on an area of the Property, Owner's right to engage in such agricultural uses will terminate as to such Planning Area. Any such termination shall not terminate Owner's right to continue the agricultural uses within any Planning Areas of the Property for which the Town has not issued a grading (or similar) permit for the construction of horizontal infrastructure.

ARTICLE III METROPOLITAN DISTRICTS

3.01 Authorization. Following the Effective Date, Owner anticipates the need to form up to five (5) Districts to serve the Property. Prior to the Execution Date, the Parties mutually agreed upon the form of service plans for the formation of up to five (5) Districts, the form of which is attached hereto as **Exhibit 2** (the "**Service Plan**"). Owner may, following the Effective Date, submit the Service Plan for the Town's review and approval in accordance with the statutory process pursuant to the Special District Act and the Special District Oversight Ordinance, and the Parties shall, in good faith, use reasonable diligence to process the Service Plan for Town Council's final action. In addition, concurrently with action on the Service Plan, and subject to the approval of the Town Council, the Town and Districts shall enter into a Master Intergovernmental Agreement addressing all operational aspects of the Districts' assumption of Owner's obligations under this Agreement. The Service Plan and Master Intergovernmental Agreement shall require the Districts to impose and remit to the Town a Regional Mill Levy, beginning at such time when any one District first imposes a debt service mill levy and continuing until such time as all of the Districts no longer impose a mill levy for any purpose or are otherwise dissolved, whichever shall last occur.

Upon completion of the District formation process, the Districts shall have the authority to: (a) finance the construction, operation and maintenance of any and all roadway, access, intersection (on-site or off-site), park, trail, open space, water, sanitary sewer, stormwater, or drainage improvements; (b) commission any and all studies, reports, or plans, including but not limited to, any studies, reports or plans regarding weed mitigation, forest management, fire mitigation, tree preservation, wildlife preservation, biological resources, cultural resource, noise; and (c) create and enforce any design or architectural guidelines for specific areas within the Property. The Parties anticipate that the Districts will finance and construct a significant portion of the Public Improvements on behalf of Owner or, in the alternative, fund Owner's construction costs either directly or as a reimbursement of costs incurred.

Subject to Town Council approval of the Districts' Service Plan and Master Intergovernmental Agreement ("**District Approvals**") and the assignment of the Owner's obligations to fund and construct Public Improvements under this Agreement to the Districts, the Districts shall have the same contractual rights and responsibilities as the Owner with respect to such obligations. Town shall accept the performance by the Districts to the extent that the Districts discharge the obligations imposed on Owner under this Agreement. When undertaking development of Public Improvements, references in this Agreement to "Owner" shall mean

“District(s)” unless the context clearly indicates otherwise. Nothing in this Agreement shall relieve the Districts from obtaining Town approval of an amendment to the Service Plan required under the Special District Act and the Special District Oversight Ordinance. Notwithstanding anything herein to the contrary, the Parties agree that the Districts may only undertake the construction and financing of Public Improvements authorized by State law or the Districts’ Service Plan. The responsibility to finance and/or construct any other improvements or utilities shall remain the sole responsibility of Owner.

Prior to, and as a condition of the dissolution of any District, all obligations of such District shall be assigned by written agreement to one or more Associations. The Town shall be made a party to such agreement, with the legal right to demand specific performance and to enforce all obligations that the Association has assumed thereunder.

3.02 Surety. In recognition of the quasi-governmental nature of the Districts and their financial and taxing powers, and subject to the grant of the District Approvals and the assignment of Owner’s obligations to fund and construct Public Improvements under this Agreement to the Districts, the Districts may satisfy the requirements under this Agreement or the Town Regulations for posting of financial guarantees to assure the construction and warranty obligations for Public Improvements which the Districts have constructed by establishing a construction escrow (the “**Escrow**”) in accordance with the following:

- (a) the Escrow shall be established with a title insurance company or financial institution;
- (b) the Escrow deposit shall be in an amount equal to 100% of a professional engineer’s estimate of probable cost provided by Owner and approved by the Town at the time a construction permit is issued for the Public Improvements;
- (c) Districts may make progress payments to their contractors from the Escrow deposit, provided the Town approves the payment request, which approval shall not be unreasonably withheld;
- (d) the Escrow deposit may not be drawn down below the amount required for the warranty surety under the Town Regulations;
- (e) the Escrow agreement shall authorize the Town to access the Escrow deposit in the event of a default by Districts for the purpose of undertaking completion or remediation work on the Public Improvements as more specifically provided under the applicable SIA; and
- (f) the Escrow deposit remaining after completion of the Public Improvements and the posting of the required warranty surety shall be returned to the Districts.

The Districts may, at their discretion, post any form of financial surety authorized under the Town Regulations. In the event of a default by Districts in their obligation to construct the Public Improvements, Town shall have the right to withhold approvals and permits for the Project until the default is cured. The Town shall provide the Districts with reasonable notice and the right to cure any defaults hereunder.

3.03 Disconnection from Fire District. Pursuant to the provisions of that certain agreement entered into between the Town and the Castle Rock Fire Protection District (“**Fire District**”) dated March 20, 1986, and Recorded on November 7, 1986, at Book 677 at Page 918, (the “**1986 Agreement**”), (Recorded as part of the Findings and Order of Dissolution of the Fire District), ordinances annexing territory within the boundaries of the Fire District to the Town are required to recite that all such annexed territory be excluded from the Fire District.

In compliance with the terms of the 1986 Agreement, Town shall file a certified copy of the Annexation Ordinance with the County District Court in Action No. 80CV209, not later than October 31, 2025, and, upon receipt, Record a certified copy of the Order of Exclusion entered by the County District Court, pursuant to the above-referenced Findings and Order.

ARTICLE IV TOWN OBLIGATIONS GENERALLY

4.01 Municipal Services. Except as specifically set forth to the contrary in this Agreement, and so long as Owner has satisfied its obligation to develop the necessary Public Improvements under this Agreement and the Town Regulations, as may be phased in accordance with the Phasing Plan, Town shall provide the Property with Municipal Services at an equivalent service level and on the same terms and conditions, including non-discriminatory fees and charges, as provided elsewhere within its municipal boundaries. Town reserves the right to contract with other governmental or private entities for delivery of Municipal Services to the Property, provided such service level is comparable to that provided by the Town in its proprietary capacity and services are provided on similar terms and conditions as provided to similar developments in other portions of the Town.

4.02 Zoning. The PDP shall govern and control zoning, permitted uses, density and intensity of use and physical development standards within the Property. Without limitation of the foregoing:

(a) **Density/Intensity of Uses.** The PDP permits the development of up to 1,800 residential units (exclusive of the two residential dwellings on the Homestead Property as of the Execution Date) and 600,000 square feet of non-residential development on the Property.

(b) **Skyline/Ridgeline Protection Regulations.** The development of the Property is expressly exempt from the terms and conditions of the Skyline/Ridgeline Protection Regulations, any applicable successor land use ordinance, and any Master Plan or other guidance purporting to include the Property within the Skyline/Ridgeline Protection Regulations or other viewplane restrictions.

(c) **Mobility Hub.** The PDP permits the development of a multi-modal transportation hub location to serve pedestrian, bicycle, vehicle, and mass transit transportation for the future construction and operation by CDOT on the Property.

4.03 Permitted Development. Owner shall be permitted to develop the Property and/or the Project in accordance with this Agreement, the PDP, Town Regulations, and applicable state and federal law and regulations. Subject to compliance with the PDP and this Agreement, and

further subject to the limited application of the Town Regulations to the Property as provided in ARTICLE XI, Town shall allow and permit the development of the Property in accordance with the Town Regulations and the PDP, upon submission of proper application(s), payment of lawful fees, exactions and charges imposed by the Town Regulations, including Development Fees, and compliance with conditions precedent to permitting imposed by this Agreement, the PDP, or Town Regulations. The Town shall review and process all submittals for land use approvals, plans, specifications, drawings, details, permit applications, subdivision plats or other pertinent data required in connection with the Property in a prompt and efficient manner, in accordance with applicable Town Regulations, the PDP, and this Agreement. Town shall not unreasonably delay, condition, withhold or deny consent to or approval of any development request or permit relating to the Property and/or the Project.

4.04 Coordination. Subject to prior review, Town shall coordinate with and affirmatively support the Owner in any filings or applications before other governmental jurisdictions necessary for the Owner to fulfill its obligations under this Agreement or to allow development of the Property, in accordance with the PDP and this Agreement.

4.05 Required Easements. To the extent necessary to provide access to or Municipal Services to the Property, Owner shall provide any reasonably necessary and sufficient easements (sized no larger than necessary to provide such needed access) on the Property or, if Owner has a legal right to do so, adjacent to the Property, to the Town, as the Town may reasonably request, prior to or concurrently with the Recording of any applicable Plat; provided, however, such easements shall not impair the development rights granted by the PDP and this Agreement.

ARTICLE V

GROUNDWATER RIGHTS AND RENEWABLE WATER RESOURCES

5.01 Limited Groundwater Dedication; Retained Groundwater. As a precondition to Town Council approval of any annexation, rezoning, or subdivision, Sections 4.04.050.A, B, and C of the Code require landowners to dedicate all water rights appurtenant to and associated with such landowner's property to Town. Notwithstanding these provisions, upon the Effective Date, Owner will convey to Town 757.5 average annual acre-feet of groundwater appurtenant to the Property ("**Dedicated Groundwater**") and retain 106.4 average annual acre-feet of groundwater appurtenant to the Property ("**Retained Groundwater**") solely for irrigation, stock watering, domestic, other agricultural purposes, and commercial use in connection with agricultural commercial buildings and a museum for the Homestead Property. In order to meet the Project's water supply requirements under Town Regulations, Town will reserve an adequate amount of average annual acre-feet of Town-owned nonrenewable groundwater to serve the Project over and above that which is being provided by Owner. Accordingly, Owner and Town acknowledge and agree that no additional Dedicated Groundwater will be required to serve the Project; provided, however, that Town reserves the right to require additional Dedicated Groundwater as a condition of any amendment to increase Project density above that which is approved in the PDP.

Upon the Effective Date, Owner and Town will execute and Record a restrictive covenant substantially in the form attached as **Exhibit 3** that: (i) restricts Owner's use of the Retained Groundwater for agriculture, irrigation, and limited commercial purposes associated with the

Homestead Property; and (ii) grants Town a right of first refusal to purchase the Retained Groundwater. Upon conveyance by the Owner to Town of the Dedicated Groundwater pursuant to Section 5.02, below, the Town will own such Dedicated Groundwater. Town shall have no obligation to issue land use approvals for development on the Property unless the Owner is in compliance with the provisions of this ARTICLE V.

5.02 Conveyance. Upon the Effective Date, Owner shall convey the Dedicated Groundwater to Town by special warranty deed generally consistent with the form attached as **Exhibit 4**. The conveyance of the Dedicated Groundwater shall transfer to Town the right to use, reuse, lease or sell the water withdrawn under the Groundwater Rights associated with such Dedicated Groundwater. As a condition to Town's acceptance of such special warranty deed, Owner, at its sole expense, has provided Town with a water title opinion letter dated May 13, 2025, from a qualified Colorado attorney, upon which Town has relied and determined that: (i) Owner owns the Groundwater Rights, including the Dedicated Groundwater and (ii) upon Recordation of the special warranty deed conveying the Dedicated Groundwater to the Town, Town will have good and marketable title to the Dedicated Groundwater, free of liens, encumbrances or other title defects (the "**Title Opinion**"). Owner shall further reimburse Town for all actual, reasonable costs incurred by Town in retaining legal counsel to review the Title Opinion. Town has relied upon such opinion in accepting conveyance of the Dedicated Groundwater as provided in this ARTICLE V.

After conveyance of the Dedicated Groundwater, Owner shall execute such further reasonable and additional instruments of conveyance and other documents which Town reasonably determines necessary to grant to the Town the exclusive ownership, management and control of the Dedicated Groundwater; provided, however, such additional instruments and other documents shall not impair the development rights granted by the PDP and this Agreement. No updated Title Opinion or additional title documentation pursuant to this Section 5.02, or otherwise under this Agreement, shall be required by the Town.

5.03 Water Conservation. The Project shall comply with all water use conservation measures adopted by Town Regulations and applied uniformly throughout the Town. All builders of residential and non-residential construction on the Property shall be required to implement and follow all such water use conservation measures.

5.04 Infill Property. The Town determined the Project is considered "Infill" under the Water Plan and, therefore, Owner is exempt from any requirement to provide renewable water under Sections 4.04.045.B and 20.02.015 of the Code. In addition, Town will not require Owner to dedicate any groundwater in excess of the Dedicated Groundwater or make payments of cash-in-lieu in addition to such Dedicated Groundwater.

ARTICLE VI

PUBLIC IMPROVEMENTS DEVELOPMENT

6.01 Generally. Owner may develop the Property in accordance with this Agreement, the PDP, applicable Town Regulations, and applicable state and federal laws and regulations. The Public Improvements shall be developed in strict accordance with Town Regulations, the PDP, this Agreement, the Phasing Plan and the applicable SDP, Plat, and SIA. Except for the Town Water

and Wastewater Improvements defined in Section 6.04, below, and except as set forth in Section 3.01 and/or as may be assigned pursuant to Section 13.02, development of the Public Improvements shall be the exclusive obligation of Owner, and Owner and/or the Districts shall bear the cost of planning, design, construction and financing of the Public Improvements and all other related and incidental activities, including reasonable off-site property, right-of-way, or easement acquisition if such off-site property interests are necessary to construct the Public Improvements or to connect the Public Improvements to existing infrastructure and are located in the general vicinity of the Property and identified in the applicable Plat, SDP, and/or SIA. Subject to the sole and exclusive discretion of the Town Council, Town may exercise its eminent domain powers to acquire such off-site property interests if Owner or the Districts reasonably determine that they are unable to secure them, provided that Owner and/or the Districts bear all costs of condemnation including appraisal, expert witness and attorney's fees and just compensation for the property acquired, if compensation is required. Notwithstanding anything herein to the contrary, if the Town, for whatever reason, fails to exercise or is otherwise unsuccessful in exercising its eminent domain powers to acquire any off-site property interest, the Town shall withdraw its request for Owner to acquire such interest.

6.02 Oversizing. If Owner develops Public Improvements which are sized to serve, or otherwise directly benefit adjacent, third-party developments, Town and Owner shall prescribe in the applicable SIA the method by which Owner may recover a fair and equitable portion of the cost of development of such Public Improvements from such third-party developments. Town shall make diligent and reasonable best efforts to obtain such recoupment, subject to applicable legal limitations on its authority to effect such recoupment and pre-existing contractual provisions with such other development interests. Conversely, if Owner should connect to any Public Improvements that have been constructed or installed by a third-party development, Town will identify in the applicable SIA the fair and equitable portion of cost of development of such Public Improvements for which Owner shall be responsible.

6.03 Cooperation in Public Improvements Development. Town and Owner shall cooperate in obtaining necessary permits and approvals required by other governmental agencies in order to develop the Public Improvements. Town shall promptly apply for, and diligently process to completion, any such permits or approvals in its name or in the joint names of the Town and Owner, if so required by the governmental agencies. Town shall incur no liability to Owner if such governmental agencies do not issue necessary permits and approvals.

6.04 Town Water and Wastewater Improvements. The Town has the obligation to construct, acquire and otherwise develop raw water production, treatment and storage, and wastewater treatment with sufficient capacity to serve the Property through Full Buildout ("**Town Water and Wastewater Improvements**"). Unless a portion of the cost of the Town Water and Wastewater Improvements is allocated to Owner by mutual agreement, Town shall have the exclusive obligation to design, engineer and construct the particular component of the Town Water and Wastewater Improvements such that adequate capacity in the Town Water and Wastewater Improvements is available for service to development within the Property.

6.05 Public Improvements Control. Upon dedication of Public Improvements by Owner and acceptance of the same by Town, Town shall have the exclusive ownership, management and maintenance rights and obligations with respect to the Public Improvements and

Owner shall have no further responsibility for ownership or maintenance of the same. Town may use or allow others to use the capacities in the Public Improvements, provided that the capacities developed by Owner at Owner's cost shall be reserved for the benefit of the Property, or if used by Town to serve other properties, the provisions of Section 6.02 shall apply and Town shall provide replacement or alternative capacities in such a manner as to not impede development on the Property and so as to maintain adequate service to existing development on the Property.

6.06 Subdivision Improvements Agreement. The Town Regulations require that a subdivider enter into an SIA at the time of approval of a Plat. The SIA addresses the engineering requirements for the Public Improvements to be constructed to serve the Plat and the financial guarantees to assure construction of the Public Improvements. Unless modified in the SIA, the provisions of this ARTICLE VI will apply to the development of such Public Improvements, irrespective of whether or not reference to this ARTICLE VI is made in the SIA.

ARTICLE VII WATER, WASTEWATER AND STORMWATER

7.01 Water and Wastewater System Improvements. Owner, at its sole cost and expense, shall design and construct the necessary internal water and wastewater system improvements ("System Improvements") required to serve the Project, including construction costs incurred in connecting the System Improvements to the Town Water and Wastewater Improvements, in accordance with the Town Regulations and this Agreement.

Town shall permit Owner to connect to existing Town Water and Wastewater Improvements located adjacent to the Property at locations approved by the Town. In the event that any of the Town Water and Wastewater Improvements should serve or, otherwise, directly benefit adjacent developments, then the provisions of Section 6.02 shall apply. Owner shall not construct any water treatment or wastewater treatment facilities on the Property unless such facilities are approved by Town, in Town's sole discretion, and owned and operated by Town.

7.02 Water and Wastewater Service. Upon the Town's final acceptance of the System Improvements constructed by Owner, the Town will own, manage, and maintain the System Improvements at Town expense; provided, however, that Owner and/or the Districts shall own, manage, and maintain that portion of: (i) each water service line from the curb stop to the building, and (ii) each sanitary sewer service line from the sanitary sewer main to the building. Water and wastewater service to the Property will be billed and collected by the Town pursuant to the terms and conditions of the Town Regulations.

7.03 Drainageway Improvements. Owner shall be responsible for preserving and fully stabilizing all Major Drainageways (i.e., streams that drain watershed areas greater than 130 acres) as open channel corridors concurrently with the Phasing Plan for the adjacent Property. Notwithstanding the above, Owner may apply to the Town for a variance in accordance with Town Regulations to allow stormwater runoff from any Major Drainageway located within Planning Areas 17, 18, and 19, as identified in the PDP, to be conveyed through underground pipes. Upon the completion of all stabilization improvements associated therewith and their final approval by the Town, Owner or the Districts shall retain ownership of and maintenance responsibility for such stabilization improvements, except as otherwise provided in the Plat or SDP. Owner shall grant

the Town an easement in and to the Property upon which such stabilization improvements are located for the purpose of allowing the Town access to maintain and, if necessary, repair such improvements in the event of an emergency or, alternatively, if Owner or the Districts fail to adequately maintain the same.

Owner shall be responsible for the design and construction of all onsite stormwater detention and retention ponds necessary to serve the Project. Owner shall retain ownership of, and maintenance responsibility for such ponds, except as otherwise provided in the Plat or SDP.

All drainageway improvements shall be constructed and completed concurrently with the adjacent subdivision improvements and shall be consistent with Town Regulations, including but not limited to the Town Storm Drainage Design and Technical Criteria Manual, as amended, and natural stream channel design principles. At the Town's sole discretion, if Owner is unable, for any reason, to obtain the necessary permit(s) for all required drainageway improvements, the Town may seek to obtain the necessary permits and undertake the required improvements. If Town agrees to obtain the necessary permits and undertake the improvements, Owner shall deposit with Town an amount equivalent to the estimated cost, as agreed to by the Town and Owner, of completing such improvements.

7.04 Plum Creek Drainageway. Notwithstanding anything above to the contrary, Owner may retain ownership of the drainageway located adjacent to Plum Creek within Open Space Area 8, as identified in the PDP. Following the Effective Date, once the location and extent of the necessary drainage easement has been reasonably determined by the Town and mutually agreed upon by the Parties (with the intention of retaining as much usable agriculture area possible), Owner shall grant the Town a permanent drainage easement that will allow the Town to access such drainageway for the purpose of constructing and maintaining channel improvements to Plum Creek. Town shall provide Owner notice of, and a schedule for such construction by no later than ninety (90) days in advance of starting construction for the purpose of coordinating such access and the scope of work to be undertaken with Owner.

ARTICLE VIII TRANSPORTATION IMPROVEMENTS

8.01 Streets. Owner shall dedicate all Owner-owned right-of-way depicted as public right-of-way on the PDP, or any SDP or Plat, to the Town or the CDOT, as applicable, at no cost to the Town or CDOT, at the time of Plat approval of that portion of the Property containing such right-of-way, or at such time when street and/or roadway improvements are warranted, whichever comes first.

Owner is committed to the dedication of right-of-way as a contribution to future access improvements to Founders Parkway, Woodlands Boulevard, Liggett Road, and Front Street. The extent of these access improvements, including but not limited to widening and expanding existing streets and/or roadways, are addressed in the TIA. Owner shall be responsible for any additional access improvements as may be recommended in updated TIA's at the time of each SDP approval.

8.02 Traffic Impact Study. The Town has accepted the TIA for purposes of this Agreement. The TIA shall be updated at the time of each SDP approval. Owner shall be

responsible for the design, construction, and installation of any street, highway, or other transportation-related improvements recommended pursuant to the TIA or any updated TIA's.

8.03 Connections to State Highways and Town Streets. Owner shall be responsible for the design, construction, and installation of connections to State highways or Town streets. Owner acknowledges and agrees that all access points and road locations as set forth in the PDP are conceptual in nature and may be altered at the time of each SDP approval as directed by the Town, provided that such altered locations do not prohibit or unreasonably interfere with the development permitted by the PDP and this Agreement. Owner shall, at its sole expense, provide a proportionate share of improvements at the following access points and intersection locations, as identified in the TIA or any updated TIA's:

- (a) State highway access points:
 - (i) Crimson Sky Drive and Founders Parkway
 - (ii) Rising Sun Drive and Founders Parkway
- (b) Town street access points:
 - (i) Liggett Road – Planning Areas 18 and 19
 - (ii) Front Street – Planning Area 16
- (c) Intersection improvement locations:
 - (i) Meadows Parkway and U.S. Highway 85
 - (ii) Founders Parkway and Woodlands Boulevard
 - (iii) Liggett Road and US Highway 85
 - (iv) Black Feather Trail and Woodlands Boulevard
 - (v) Woodlands Boulevard and Scott Boulevard
 - (vi) Fifth Street and Perry Street
 - (vii) Fifth Street and Founders Parkway

Such connections and intersection improvements, as well as any modifications to, or mitigation measures associated with existing highway and/or street improvements shall be in accordance with the recommendations identified in the TIA and/or any updated TIA submitted at the time of Plat and/or SDP approval. If timing of the completion of any off-site mitigation is not identified in the TIA, each updated TIA shall include a capacity evaluation of the intersection improvement locations identified in subsection (c) above to determine the timing of such mitigation completion. If, at the time Owner submits construction drawings for a street connection at the intersection of Crimson Sky Drive and Founders Parkway, the Town has constructed a signalized intersection at this location, Owner shall be responsible for reimbursing the Town one-half of the actual cost of designing and constructing the signalization project as a condition of the issuance of a permit to construct the connecting road. In addition, any improvements with regard to any state highway shall be undertaken in accordance with CDOT's access plan and applicable CDOT specifications.

8.04 Front Street Connection. Owner acknowledges and agrees that, if it undertakes the design, construction, and installation of a new roadway connecting Front Street along the east

side of Interstate 25 to Planning Area 17 on the west side of Interstate 25 by means of an underpass thereby providing direct access to the Property in both eastbound and westbound directions, the Town shall have no financial obligation whatsoever to participate in such roadway project. Rather, sole ownership of and the responsibility to maintain and repair the roadway shall, at Owner's discretion, be assigned to CDOT, a District, or another governmental entity that is authorized to own, maintain, and repair roadways. The Town will reasonably cooperate with Owner and CDOT regarding the review and approval of such roadway connection. The design of such underpass and any related improvements shall be in accordance with all applicable CDOT and Town standards.

8.05 Liggett Bridge Replacement. The Parties shall cooperate with CDOT regarding the possible reconstruction and/or replacement of the existing Liggett Road Bridge over Interstate 25; provided, however, that nothing in this Agreement obligates the Town or Owner to commit any funds to such reconstruction and/or replacement.

8.06 Property Access Points. The PDP contemplates certain access points to properties adjacent to the Property, with one access point along Front Street that shall be subject to joint use by the Project and an adjacent property. Final access points will be determined at the time of SDP in accordance with Town Regulations governing access, intersection spacing, and connection to the Town's existing street network.

ARTICLE IX PUBLIC LANDS

9.01 Required Dedication. Except as otherwise set forth in this ARTICLE IX, the ownership of all Public Lands shall be determined at time of SDP approval. Any Public Lands offered for dedication to the Town shall be conveyed at no cost to the Town at the time of platting for the phase within which said tract(s) are located. In addition, if the Town requires any other Public Land tract prior to the first Plat that such tract lies within or the first Plat adjacent to such tract, the Owner shall use commercially reasonable efforts to convey the tract to the Town.

9.02 Homestead Property. The Homestead Property shall be used solely for general farming, the grazing of livestock, and other agriculturally-related uses, including the construction, installation, and operation of farm and ranch structures and related appurtenances, raising of farm animals and livestock, growing of crops, and agricultural education and outreach; provided that no more than two single-family residential dwellings shall be permitted on the Homestead Property, which two dwellings shall not count towards the PDP's residential density maximum. Owner shall have the right to place a conservation easement on the Homestead Property.

9.03 Open Space and Trail Improvements. Owner, at its sole cost and expense, shall be responsible for the design, construction, and maintenance of all trails, trail-related, and open space improvements identified in the PDP or future SDP's, at such locations as finally determined in each SDP; provided, however, the Town shall assume all operating and maintenance responsibilities for any trails, trail-related, and open space improvements conveyed to the Town. Such improvements shall include, at a minimum, the following:

(a) The trail connection located in Open Space Area 8, as identified in the PDP, and the associated trail connection under the Union Pacific railroad alignment in such Open Space Area 8; and

(b) The public trailhead parking located in Planning Area 19, as identified in the PDP, to facilitate use of the trail connection under the Union Pacific railroad alignment.

Owner agrees to grant the Town any and all easements reasonably necessary to provide public access to such trails and trail-related improvements.

9.04 Park Improvements. Owner, at its sole cost and expense, shall be responsible for the design, construction, and maintenance of all parks and park-related amenities located in Planning Areas 5, 7, and 15, as identified in the PDP; provided, however, the Town shall assume all operating and maintenance responsibilities for any parks and park-related amenities conveyed to the Town. The final location and design of such parks and park-related amenities shall be as finally determined in each SDP. All parks and park-related amenities shall be open to the general public. Accordingly, Owner shall grant the Town any and all easements reasonably necessary to provide public access to such parks and park-related amenities.

9.05 Existing Plum Creek Trail. Upon the Effective Date, Owner shall dedicate the 2.0-acre Open Space Parcel 10, as identified in the PDP, to the Town for ownership and maintenance of the existing Plum Creek Trail. The boundaries of this parcel shall be coterminous with the boundaries of the existing Town easement for the trail described in the Rule and Order Recorded on February 11, 2011 at Reception No. 2011010616. Either the deed conveying such parcel to the Town will reserve, or the Town shall grant, an access easement to Owner to allow access across the trail with ATV's and agricultural equipment, as needed, to reach land owned by Owner located on the west side of Plum Creek. This access easement will be conveyed to Owner following the conveyance of the parcel to the Town.

9.06 Public Land Dedication Requirements.

(a) Under Title 16 of the Code, Owner is required to dedicate a total of 42.02 acres of Public Land to the Town for the purposes described therein. Notwithstanding this requirement, the Town has determined that the dedication of a total of 22.9 acres of Public Land, as identified in the PDP, will be adequate to accommodate the Town's needs. No additional Public Land will be required by the Town over and above the amount provided for in the PDP, provided, however, that the Town reserves the right to require additional Public Land as a condition of any amendment to increase Project density above that which is approved in the PDP. Notwithstanding the above, additional pocket parks may be dedicated by Owner within individual planning areas through the SDP approval process.

(b) Under Section 16.08.090 of the Code, up to and including 33% of privately-owned parkland may be counted towards Owner's required Public Land dedication, provided it is used to satisfy Owner's neighborhood park requirement. Accordingly, Owner's neighborhood park requirement is 8.7 acres, 33% of which is 2.87 acres. Notwithstanding the above, the Town agrees to accept private ownership of all

neighborhood parks as set forth in the PDP, and to require no additional dedication of Public Land for neighborhood parks. Owner agrees that all privately-owned parks shall be open to the general public.

(c) Under Title 16 of the Code, Owner is required to dedicate a total of 20.56 acres of Public Land to the Town for school purposes. Owner represents and the Town acknowledges that DCSD is willing to accept the dedication of a smaller parcel of 12.7 acres in Planning Area 14, as identified in the PDP, in satisfaction of this requirement. Notwithstanding any provision of the Town Regulations to the contrary, Owner shall retain title to the parcel until such time as DCSD notifies the Town of its intent to construct a school on the parcel and applies to the Town for SDP approval. In the event, however, that DCSD has failed to provide such notice and submit such application to the Town within a period of ten (10) years following the Effective Date, all rights that DCSD may have with respect to such parcel shall forever extinguish and title to such parcel shall be retained by Owner solely for public park, recreation, and/or other uses the Town approves. Should Owner decide not to develop the parcel, title to such parcel shall be conveyed to the Town for park and/or recreation uses in the manner provided by Section 9.08.

(d) Neither the Town nor Owner shall permit overnight camping, construction and/or use of shelters or structures for sleeping, or overnight parking within the Public Lands. Subject to applicable state laws and Town Regulations, the Town shall promptly remove any person or structure violating the provisions of this Section 9.06(d).

9.07 Development Costs. Owner, at its expense, shall extend water, wastewater and stormwater utilities and streets to Public Lands as part of the Plat approval process. Owner shall pay to Town the applicable Renewable Water Resource Fees, water, stormwater and wastewater System Development Fees, and tap connection charges utilized by the Town pursuant to Code to provide potable and irrigation water for parks development on Public Lands (“**Tap Fees**”). The Tap Fees shall be paid to Town with the Plat which includes the applicable Public Lands, or if the number and size of the Tap Fees for the platted Public Lands is not known at the time of Plat Recordation, then sixty (60) days after notice from Town that the Tap Fees have been determined based on the Town’s open space or park development plan for the Public Lands.

9.08 Conveyance. All Public Lands and other parcels to be conveyed to the Town shall be conveyed to Town by special warranty deed, subject to matters of record but free and clear of liens, or other title impediments that would preclude Town from utilizing the property for its intended open space and park purposes, as reasonably determined by Town. Upon such conveyance, and unless otherwise stated in the applicable Plat or SDP, Town shall be solely responsible for all maintenance associated with the conveyed Public Lands. Unless otherwise provided in the Town Regulations to the contrary, the Owner shall furnish the Town with a policy of title insurance, issued by a title company licensed to do business in the State of Colorado, in the amount of \$10,000 per acre. If reasonably requested by Town based on reasonable evidence of environmental concern, Owner shall complete a Phase 1 environmental audit of all Public Lands prior to conveyance and acceptance by Town. Should the Phase 1 environmental audit identify the need for a Phase II audit, then Owner shall deliver such Phase II to Town and shall be solely responsible for any remedial environmental measures of hazards identified in the Phase II audit reasonably imposed by Town as a condition to Town’s acceptance of such Public Lands.

9.09 Exclusion of Covenants. Owner shall exclude all Public Lands from application and effect of restrictive covenants, which may otherwise be imposed on the Property. If any Public Lands are inadvertently made subject to such covenants, this Agreement shall constitute the irrevocable consent of the Owner and the board of directors of any Association(s) to the exclusion of the Public Lands from the application of such covenants.

9.10 Landscape Maintenance. Owner shall have the responsibility for the maintenance of landscaping within any public street right-of-way dedicated by Owner to the Town, including water, irrigation system, features, plantings, etc., for the landscaping between the right-of-way and street curbing within street medians and roundabout islands. Such maintenance shall be at the sole expense of Owner and to the standard for maintenance established by the Town's Landscape and Irrigation Criteria Manual, as from time to time amended. Owners' maintenance obligation includes procurement of water services from the Town and payment of applicable water service charges under the Town Regulations. Owner(s) may delegate its maintenance obligation to one or more Associations or to the District by separate agreement, and Town shall accept performance by the Association(s) or the District of such maintenance obligations, provided that if so delegated, the Town shall be designated as an intended third-party beneficiary to said agreement with all rights to enforce said agreement against the Association(s) or the District.

ARTICLE X FOREST MANAGEMENT PLAN

10.01 Forest Management Plan. In connection with the PDP, Owner prepared and the Town approved a forest management plan that encompasses forest management and fire mitigation best practices for the forested portions of the Property, as suggested by the U.S. Department of Agriculture – Natural Resources Conservation Service (the “**Forest Management Plan**”). The Forest Management Plan shall satisfy any Town Regulations requiring approval of a fire protection plan in connection with the Plat, SDP, or development of the Project for such portions of the Property included within the Forest Management Plan. In connection with the processing of Plats or SDPs for portions of the Property not subject to the Forest Management Plan, Owner shall prepare fire mitigation plan(s) for such portions of the Property. Owner or the Districts shall implement the recommendations set forth in the Forest Management Plan and/or the fire mitigation plan(s), as applicable, prior to or concurrently with the development of each Planning Area.

ARTICLE XI VESTING

11.01 Nature of Agreement. This Agreement, as may be amended, the PDP, as may be amended, approved in connection and contemporaneous with this Agreement, and any subsequently approved development applications designated as site specific development plans (collectively, the “**Approved SSDP**”), each individually constitute a site specific development plan as such term is defined in Section 24-68-102(4)(a) of the Vested Property Rights Act, and collectively establish Vested Property Rights for a period in excess of three years in accordance with Section 24-68-104(2) of the Vested Property Rights Act and Section 17.08.070 of the Code. Pursuant to Section 17.08.080 of the Code, the following provision shall be placed on the PDP:

This Pine Canyon Planned Development Plan, inclusive of the embedded PD Zoning Regulations, constitutes a site-specific development plan pursuant to Chapter 17.08 of the Castle Rock Municipal Code and § 24-68-101, *et seq.*, C.R.S., and establishes vested property rights that shall extend through December 31, 2050, to undertake and complete the development and use of the property in accordance with this Planned Development Plan.

11.02 Vested Property Rights. During the Vesting Term, the Town shall act in a manner consistent with, and Owner and its successor Landowners shall have and be entitled to rely upon and enforce, the rights established by Section 17.08.070 of the Code and Vested Property Rights Act, including the following rights (collectively, the “**Vested Property Rights**”):

(a) The right to process development applications, including, without limitation, the SDP and Plat, receive approval of the same, plan and engage in land uses for, and to undertake and complete development and use of the Property in accordance with the uses, density and intensity of use and development standards set forth in and otherwise subject to the terms and conditions of the Approved SSDP in such order, at such rate and at such time as market conditions support.

(b) The Town shall not by any zoning or land use action, or pursuant to an initiated measure, alter, impair, prevent, diminish, impose a moratorium on the land uses, intensity of use, and other development standards set forth in the Approved SSDP, or otherwise delay, impede or impair the development or use of the Property in accordance with the Approved SSDP.

(c) The right for the development of the Property to be exempt from:

(i) any regulations or Master Plan guidance purporting to include the Property within the Skyline/Ridgeline Protection Regulations or any successor Town Regulations or guidance;

(ii) any water rights dedication requirements beyond the Dedicated Groundwater described in Section 5.01;

(iii) any moratorium (whether of facially general applicability within the Town or otherwise) that would have the effect of precluding, delaying, impairing or adversely affecting development of the Property in accordance with the Approved SSDP or otherwise would have the effect of impairing or divesting the Vested Property Rights; and

(d) without Owner’s (for so long as Owner owns any property within the Property) and a majority of successor Landowners’ of directly affected land prior written consent, any ordinance, action or approval by the Town, or processing of any development application, that would effect a rezoning of the Property or amendment to any Approved SSDP which would have the effect of divesting, impairing or negating the uses, density and intensity of use and development standards set forth in the Approved SSDP.

11.03 Duration. Town Council, acting in its legislative capacity as governing body of the Town, expressly finds and determines that the Vested Property Rights shall be in effect pursuant to Chapter 17.08 of the Code and the Vested Property Rights Act until December 31, 2050 (the “**Vesting Term**”), and that the duration of the Vesting Term for development of the Property is warranted in view of, without limitation, the factors stated in Recital G and: (a) the land area within the Property; (b) the significant investment in infrastructure improvements and other development related activities required to facilitate development of the Property and as mandated by this Agreement; (c) the anticipated twenty five (25) year build out and absorption period; (d) the anticipated development of the Property in multiple phases; and (e) the probable effect of economic cycles and varying market conditions over the anticipated build out and absorption period.

11.04 Vesting of Property Rights. Town Council, acting in its legislative capacity as governing body of the Town, has approved this Agreement in accordance with the requirements of the Vested Property Rights Act and Chapter 17.08 of the Code. This Agreement constitutes an approved site specific development plan, constitutes a “development agreement” within the meaning of Section 24-68-104(2) of the Vested Property Rights Act and Section 17.08.070 of the Code, and establishes the Vested Property Rights for a period in excess of three (3) years. Accordingly, Owner and its successor Landowners have and may rely on the Vested Property Rights during the Vesting Term.

11.05 Vesting Term Restrictions. Establishment of the Vested Property Rights shall not be construed to preclude the Town from applying to the Property on a reasonably uniform and non-discriminatory basis, as such regulations exist on the Execution Date or may be enacted or amended after the Execution Date the following (“**Permitted Actions**”):

- (a) the enforcement and application of the Town Regulations in effect as of the Effective Date, except as expressly provided in the PDP or this Agreement;
- (b) to the extent not expressly or implicitly in conflict with this Agreement or the PDP, the enforcement and application of Town Regulations in effect at any point in time during the Vesting Term which are generally applicable to all similarly situated property, development, or construction within the Town;
- (c) the enforcement and application of Town Regulations to which Owner consents;
- (d) the enforcement and application of Town Regulations precluding or delaying the development of the Property as set forth in the Approved SSDP upon the discovery of natural or manmade hazards within or in the vicinity of the Property, which hazards could not have been reasonably discovered at the time of approval of the Approved SSDP, and which hazards, if uncorrected, would pose a serious threat to the public health, safety and welfare; or
- (e) the imposition of regional, state or federal regulations which are beyond the control of the Town as reasonably determined by Town.

11.06 Reservation of Rights. Although Owner will not have a claim against the Town for the occurrence of a Permitted Action, Owner reserves the right to challenge the legality of such action on any basis other than contractual breach of this Agreement.

11.07 Rights in Approved SSDP. Prior to expiration of the Vesting Term, Owner shall have the right to undertake and complete the development and use of the Property in accordance with the Approved SSDP, subject to the Permitted Actions. After expiration of the Vesting Term, the PDP and this Agreement shall remain valid and effective; however, the Vested Property Rights shall then terminate. The termination of the Vested Property Rights shall not affect any equitable right or entitlement, if any, Owner may have to complete the development of the Property in accordance with the PDP and this Agreement under law.

11.08 Effective Date. The effective date of the Vested Property Rights in the Approved SSDP is the Effective Date. The public notice of vesting required under Section 103 of the Vested Property Rights Act shall be included in the publication of the ordinance approving the PDP and this Agreement. Town shall publish such ordinances within 14 days of approval on second reading.

11.09 Effect of Referendum. Any referendum filed pursuant to Section 104(2) of the Vested Property Rights Act and approved by the voters of the Town, which purports to invalidate the Vested Property Rights established pursuant to this ARTICLE XI of this Agreement, shall not invalidate the PDP or any other Town approvals pertaining to the Property.

11.10 Remedy for Breach or Impairment of Vested Property Rights.

(a) In consideration of the establishment of the Vested Property Rights, together with the benefits to the Parties that this Agreement otherwise assures, the Parties, on behalf of themselves and their respective successors and assigns as applicable, have determined that it is in their respective interests to address and to waive certain potential claims, rights and remedies that might otherwise be construed to apply in a manner contrary to the Parties' intent in entering into, and performing their respective obligations pursuant to, this Agreement.

(b) By its adoption of the ordinance approving the execution of this Agreement, the Town Council has established in its legislative capacity as the legislative governing body of the Town that, although the Vested Property Rights Act provides for the payment of certain monetary damages upon a deprivation, impairment, violation or other divestment of the Vested Property Rights, the Town desires not to be subject to liability for monetary damages pursuant to the Vested Property Rights Act as a remedy for breach or default with respect to the Vested Property Rights. Accordingly:

(i) In implementation of the foregoing policy to protect the Town from potential monetary liability under the Vested Property Rights Act, while securing to Owner and its successor Landowners, as applicable, the benefits of the Vested Property Rights under and pursuant to the Vested Property Rights Act:

(A) Owner hereby knowingly, intentionally, voluntarily and irrevocably waives, for itself and for its successors and assigns (including, but not limited to, any successor Landowner), any remedial right it or they,

as applicable, may have pursuant to Section 105(1)(c) of the Vested Property Rights Act to be paid money damages as just compensation upon a deprivation, impairment, violation or other divestment of the Vested Property Rights.

(B) The Town Council, in its legislative capacity as governing body of and on behalf of the Town, hereby knowingly, intentionally, voluntarily and irrevocably waives, for itself and for its successors and assigns, any right the Town may have pursuant to Section 105(1)(c) of the Vested Property Rights Act to pay money damages to Owner (including, but not limited to, any successor Landowner) as just compensation upon a deprivation, impairment, violation or other divestment of the Vested Property Rights.

(C) The Parties have executed and entered into the foregoing mutual waivers, with the express intent that such waivers will be mutually binding and enforceable as to each them and their respective successors and assigns, having been given in consideration of the mutual benefits accruing to each of them as a result of such mutual waivers, and otherwise accruing to each of them pursuant to this Agreement, and with the intent and mutual understanding that the effect of such mutual waivers will be that the Town is precluded from taking such actions as are set forth in Section 105(1)(c) of the Vested Property Rights Act.

(ii) The Town Council, acting in its legislative capacity as the legislative governing body of the Town, expressly authorizes, determines and directs that Owner (and other successor Landowners) will be entitled to seek and to be awarded, and the Town will be subject to, such mandatory or prohibitory equitable remedies as may be required to secure to the Parties the remedies, limitations on remedies, and enforcement of the other terms and conditions set forth in this Section 11.10.

(c) Contingent Remedy. Only if, notwithstanding the foregoing mutual waivers and the Parties' express intent as to the enforceability and remedial effect of such waivers, it is judicially determined that the terms and conditions (either in whole or in part) set forth in Section 11.10(b) will not be enforced against the Town as written, Owner (and its successor Landowners) will be entitled to pursue and be awarded just compensation pursuant to Section 105(1)(c) of the Vested Property Rights Act to the extent the Town takes any action which has the effect of divesting, depriving, impairing or violating the Vested Property Rights under any circumstances, other than the Permitted Actions, and such action constitutes a compensable action under the Vested Property Rights Act.

ARTICLE XII DEFAULT AND REMEDIES

12.01 Event of Default. Failure of Town or Owner to perform any covenant, agreement, obligation or provision of this Agreement, constitutes an event of default under this Agreement;

provided, however, that no Party will be in default of this Agreement if such Party's failure to perform any of the duties under this Agreement is due to Force Majeure.

12.02 Default Notice. In the event either Party alleges that the other is in default, the non-defaulting Party shall first notify the defaulting Party in writing of such default, and specify the exact nature of the default in such notice. Except as otherwise provided herein, the defaulting Party shall have thirty (30) business days from receipt of such notice within which to cure such default before the non-defaulting Party may exercise any of its remedies hereunder. If such default is not of a type which can be cured within such thirty (30) business day period and the defaulting Party commenced the cure within the thirty (30) business day period and is actively and diligently pursuing such cure, the defaulting Party shall have a reasonable period of time given the nature of the default following the end of the thirty (30) business day period to cure such default, provided that such defaulting Party is at all times within such additional time period actively and diligently pursuing such cure in good faith. Notwithstanding the foregoing cure periods (and potential extensions thereof) a Landowner asserting that the Town is in default shall have the right to include a claim for breach of this Agreement and/or or of the Vested Property Rights Act in any claim brought under C.R.C.P. 106(a)(4) (which rule requires filing such claim within twenty eight (28) days after the date of the final decision that is subject to such legal challenge) if such Landowner reasonably believes that failure to include such claim could jeopardize such Landowner's ability to exercise its remedies under this Agreement or under the Vested Property Rights Act at a later date, any claim for breach of this Agreement or the Vested Property Rights Act that is brought before the expiration of the applicable cure period shall not be prosecuted by the Landowner asserting such claim until expiration of the applicable cure period, and such claim shall be dismissed by the Landowner if the default is cured in accordance with this Section 12.02.

12.03 Remedies. In addition to specific remedies provided elsewhere in this Agreement (including Town's right to withhold development approvals on portions of the Property burdened with the unperformed obligation), upon notice of default and failure to cure in accordance with Section 12.02, the non-defaulting Party shall have the right to take whatever action, at law or in equity, which appears necessary or desirable to enforce performance and observation of any obligation, agreement or covenant of the defaulting Party under this Agreement, or to collect the monies then due and thereafter to become due. 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. In addition to and distinct from those remedies otherwise available pursuant to this Section 12.03, this Agreement creates the Vested Property Rights, which entitles Owner and its successor Landowners to the specific rights and remedies available pursuant to the Vested Property Rights Act, subject to the mutual waivers and other terms and conditions set forth in Section 11.10.

12.04 No Cross Defaults. No default by a Party that is asserted or judicially determined to exist under this Agreement shall be construed to constitute a default of any other Party under this Agreement. No default of a Party that is asserted or judicially determined to exist under this Agreement shall be construed to constitute a default of such Party under any other agreement to which such Party is a party. No default of a Party that is asserted or judicially determined to exist under another agreement to which such Party is a party shall be construed to constitute a default by such Party under this Agreement.

ARTICLE XIII GENERAL PROVISIONS

13.01 Amendment. Any and all changes to this Agreement, in order to be mutually effective and binding upon the Parties and their successors, must be in writing and duly executed by the signatories or their respective representatives, heirs, successors or assigns and Recorded, following the public notice and public hearing procedures required for approval of this Agreement. This Agreement may be amended without the approval of all of the then Landowners of the Property, provided that such amendment shall not be binding on a Landowner or the Property owned by such Landowner who is not a Party to such amendment; provided, however, for so long as Owner owns any property within the Project, this Agreement may only be amended with the consent of Owner. The Town Manager and Town Attorney and officers on behalf of Owner executing this Agreement are authorized to make corrections and clarifications to this Agreement, so long as the changes are consistent with the intent and understanding of the Parties at the time of approval by the governing bodies, and execution of such amendment shall constitute approval of such changes by the Parties.

13.02 Assignment. In connection with conveyance of the Property or portions thereof, Owner shall have the right, without obligation under this Agreement to do so, to assign or transfer all or any portion of its interests, rights or obligations under this Agreement to third parties acquiring an interest or estate in the Property or such portions thereof, including, but not limited to, a District, an Association, or other Landowners. If Owner assigns any of its obligations under this Agreement, the assignee of such obligations shall expressly assume such obligations. Owner shall promptly notify the Town of any such assignments and assumptions of this Agreement. The express assumption of any of Owner's obligations under this Agreement by its assignee or transferee shall thereby relieve Owner of any further obligations under this Agreement with respect to the matter so assumed. If Owner no longer owns any land within the Property, Owner shall have no further, and shall be deemed released from any further, rights or obligations under this Agreement, and all remaining rights and unperformed obligations under this Agreement shall run with title to the relevant portions of the Property and the Landowners (for purposes hereof, excluding individual owners, tenants and occupants of residential dwelling units, and individual tenants or occupants of commercial structures) thereof.

13.03 No Joint Venture or Partnership. No form of joint venture or partnership exists between the Parties, and nothing contained in this Agreement shall be construed as making any of the Parties joint venturers or partners.

13.04 No Third-Party Beneficiaries. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any legal person other than the Parties, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions or provisions hereof, and all of the covenants, terms, conditions and provisions in this Agreement by and on behalf of the Parties shall be for the sole and exclusive benefit of the Parties. Nothing in this Agreement is intended to interfere with any other agreements by and among any Parties and/or any third parties.

13.05 Interpretation. In this Agreement, unless the context otherwise requires:

(a) all definitions, terms and words shall include both the singular and the plural;

(b) words of the masculine gender include correlative words of the feminine and neuter genders, and words importing singular number include the plural number and vice versa; and

(c) the captions or headings of this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, article or section of this Agreement.

13.06 Construction. Each Party has participated fully in the drafting of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not apply to interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any Party.

13.07 Waiver of Breach. Any waiver by any Party of a breach of any term or provision of this Agreement must be in writing, and no such waiver shall operate or be construed as a waiver of any other term or provision or of any subsequent breach by any Party.

13.08 Notice. The addresses of the Parties to this Agreement are listed below. Any and all notices allowed or required to be given in accordance with this Agreement may be given personally, sent via nationally recognized overnight carrier service, by registered or certified mail, return receipt requested, or by email. If given by registered or certified mail, the same will be deemed to have been given and received three (3) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered or sent via nationally recognized overnight courier service, a notice will be deemed to have been given and received the first to occur of one (1) business day after being deposited with a nationally recognized overnight air courier service or upon delivery to the Party to whom it is addressed. If delivered by email, on the same day if sent before 5:00 P.M. Mountain Time, or on the next business day if sent after 5:00 P.M. Mountain Time.

If to Town: Town Manager
 Town of Castle Rock
 100 Wilcox Street
 Castle Rock, CO 80104
 Phone: 303-660-1374
 Email: TownManager@CRgov.com

With a required copy to:

 Town Attorney
 Town of Castle Rock
 100 Wilcox Street
 Castle Rock, CO 80104
 Phone: 303-660-1370
 Email: legal@crgov.com

If to Owner:

JRW Family Limited Partnership, LLLP
5975 East Jamison Place
Centennial, Colorado 80112
Attn: James R. Walker
Phone: 303-623-1900
Email: jrwalker@att.net

With a required copy to:

Otten, Johnson, Robinson, Neff & Ragonetti, P.C.
950 Seventeenth Street, Suite 1600
Denver, Colorado 80202
Attn: Tom Ragonetti, Lindsay Lyda [270462.0001]
Phone: 303-575-7509, 303-575-7545
Email: tjr@ottenjohnson.com, llyda@ottenjohnson.com

13.09 Severability. It is understood and agreed by the Parties hereto that if any part, term, or provision of this Agreement is found by final judicial decree to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid so long as enforcement of the remaining provisions would not deprive the Party(ies) against whom they are being enforced of a material benefit of the bargain under this Agreement or otherwise be inequitable to such Party(ies) under the facts and circumstances then pertaining. A final judicial determination that the mutual waivers set forth in Section 11.10 or the Town's obligations with respect to the Vested Property Rights are invalid, void, unenforceable such that those obligations will not be enforced: (i) shall be construed as depriving Owner and successor Landowners of a material benefit of the bargain and being otherwise inequitable to such Parties; and (ii) this Agreement shall be modified by the Parties as provided in Section 13.01 or judicially reformed in such a manner that the obligations and commitments with respect to the Vested Property Rights and mutual waivers can be materially performed and complied with by alternative means that most fully implement the Parties' intent as reflected in this Agreement.

13.10 Conflicts. If the terms and provisions of this Agreement or the PDP are in conflict with any prior agreement between the Town and the Owner or the Town Regulations, the terms and provisions of this Agreement, as it may be amended from time to time, shall control.

13.11 Verification. The Town and the Owner shall provide the other written verification regarding the status, performance or completion of any action required of the Town or the Owner under the Agreement or by the terms of any other agreement.

13.12 Additional Documents or Action. The Parties shall execute any additional documents or take any additional action, including but not limited to estoppel documents requested or required by lenders or the Parties hereto, that are necessary to carry out this Agreement or are reasonably requested by any Party to confirm or clarify the intent of the provisions of this Agreement and to effectuate the agreements and the intent.

13.13 Entire Agreement. This Agreement constitutes the final, complete and exclusive statement of the terms of the agreement among the Parties pertaining to the subject matter of this Agreement. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or agreements, either verbal or written, including provisions of the Pre-Annexation Agreement pertaining thereto.

13.14 Time of the Essence; Force Majeure. Time is of the essence with respect to the performance of each Party's obligations under this Agreement. However, no Party will be liable for delays or failures to perform due to Force Majeure.

13.15 Days. If the day for any performance or event provided for herein is a Saturday, Sunday or a day on which national banks are not open for regular transactions of business, or a legal holiday pursuant to Section 24-11-101(1), C.R.S, such day will be extended until the next day on which such banks and state offices are open for the transaction of business.

13.16 Counterparts; Electronic Delivery. The Parties may execute this Agreement in multiple counterparts, each of which shall be deemed to be an original and all of which taken together will constitute one and the same agreement. The Parties may deliver executed copies of this Agreement by email (pdf) and, upon receipt, which instruments shall be deemed originals and binding upon the Parties, regardless of whether the ink signed originals are delivered thereafter.

[Signature and Exhibit Pages to Follow]

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the Execution Date.

ATTEST:

TOWN OF CASTLE ROCK

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Tara Vargish, Director of Development Services

COUNTY OF)
) ss.
STATE OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by Jason Gray, as Mayor, and Lisa Anderson, as Town Clerk for the Town of Castle Rock, Colorado.

Witness my official hand and seal.
My commission expires: _____.

(S E A L)

Notary Public

OWNER:

JRW FAMILY LIMITED PARTNERSHIP LLLP,
a Colorado limited liability limited partnership

James R. Walker, General Partner

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by James R. Walker, as General Partner, for JRW FAMILY LIMITED PARTNERSHIP, LLLP, a Colorado limited liability limited partnership.

Witness my official hand and seal.
My commission expires: _____

(S E A L)

Notary Public

EXHIBIT 1

Legal Description of the Property

WEST PARCEL:

A PARCEL OF LAND LOCATED IN SECTIONS 34 AND 35, TOWNSHIP 7 SOUTH, RANGE 67 WEST, OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 36, BEING MONUMENTED BY A

2 INCH DIAMETER ALUMINUM PIPE WITH A 3-1/4 INCH DIAMETER ALUMINUM CAP, STAMPED "LS 6935", FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 36, BEING MONUMENTED BY A 2 INCH DIAMETER ALUMINUM TUBE WITH A 3-1/4 INCH DIAMETER ALUMINUM CAP, STAMPED

"LS 6935", IS ASSUMED TO BEAR NORTH 0° 05' 27" EAST, A DISTANCE OF 2679.42 FEET. WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO.

THENCE NORTH 89° 28' 38" WEST, A DISTANCE OF 3552.58 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF INTERSTATE HIGHWAY 25, BEING MONUMENTED BY A 3.25 INCH ALUMINUM CAP STAMPED "CDOT POINT 939", BEING THE THE POINT OF BEGINNING;

THENCE ALONG SAID WEST RIGHT OF WAY LINE FOLLOWING EIGHT (8) COURSES;

1. SOUTH 18° 57' 27" EAST, A DISTANCE OF 97.46 FEET;
2. SOUTH 34° 19' 43" EAST, A DISTANCE OF 116.54 FEET;
3. SOUTH 10° 33' 34" EAST, A DISTANCE OF 210.86 FEET;
4. SOUTH 19° 03' 26" EAST, A DISTANCE OF 342.07 FEET;
5. SOUTH 06° 26' 49" EAST, A DISTANCE OF 432.31 FEET;
6. SOUTH 39° 49' 42" WEST, A DISTANCE OF 69.17 FEET;
7. SOUTH 10° 19' 22" EAST, A DISTANCE OF 83.49 FEET;
8. SOUTH 42° 40' 51" EAST, A DISTANCE OF 52.61 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 35;

9. DEPARTING SAID WEST RIGHT OF WAY LINE, NORTH $89^{\circ} 19' 42''$ WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 2091.57 FEET TO THE SOUTH SIXTEENTH CORNER OF SAID SECTIONS 34 AND 35;

10. SOUTH $89^{\circ} 30' 25''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 34, A DISTANCE OF 1117.36 FEET TO A POINT ON THE EAST BOUNDARY OF THE BURLINGTON NORTHERN SANTA FE RAILROAD;

11. NORTH $11^{\circ} 45' 56''$ WEST, ALONG SAID EAST RIGHT OF WAY LINE A DISTANCE OF 72.25 FEET TO A POINT OF CURVATURE;

12. CONTINUING ON SAID EAST RIGHT OF WAY LINE, NORTHWESTERLY A DISTANCE OF 510.22 FEET ON THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1507.70 FEET, A CENTRAL ANGLE OF $19^{\circ} 23' 21''$, A CHORD BEARING OF NORTH $21^{\circ} 27' 37''$ WEST, AND A CHORD LENGTH OF 507.79 FEET TO A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION;

13. NORTH $00^{\circ} 56' 39''$ WEST, ALONG SAID WEST LINE, A DISTANCE OF 781.54 FEET TO THE CENTER EAST SIXTEENTH CORNER OF SAID SECTION 34;

14. NORTH $89^{\circ} 58' 06''$ WEST, ALONG THE SOUTH LINE OF THE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION, A DISTANCE OF 34.78 FEET;

15. NORTH $28^{\circ} 20' 52''$ WEST, A DISTANCE OF 1183.02 FEET;

16. NORTH $70^{\circ} 09' 33''$ EAST, A DISTANCE OF 911.69 FEET TO A POINT ON THE WEST BOUNDARY OF THE UNION PACIFIC RAILROAD;

THENCE ALONG SAID WEST BOUNDARY THE FOLLOWING FOUR (4) COURSES;

17. SOUTHEASTERLY A DISTANCE OF 249.04 FEET ON THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 5620.00 FEET, A CENTRAL ANGLE OF $2^{\circ} 32' 20''$, A CHORD BEARING OF SOUTH $24^{\circ} 32' 33''$ EAST, AND A CHORD LENGTH OF 249.02 FEET;

18. SOUTH $25^{\circ} 48' 43''$ EAST, A DISTANCE OF 455.32 FEET;

19. SOUTH $64^{\circ} 11' 17''$ WEST, A DISTANCE OF 100.00 FEET;

20. SOUTH $25^{\circ} 48' 43''$ EAST, A DISTANCE OF 745.62 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 34;

21. SOUTH $89^{\circ} 57' 34''$ EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 512.07 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 34;

22. SOUTH 89° 29' 14" EAST, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 35, A DISTANCE OF 1810.18 FEET TO THE POINT OF BEGINNING;

SAVING AND EXCEPTING THEREFROM

THOSE LANDS OCCUPIED AND CLAIMED BY THE UNION PACIFIC RAILROAD AS DEPICTED ON SHEET 5 OF 27 OF THE RIGHT OF WAY AND TRACK MAP OF THE DENVER AND RIO GRANDE RAILROAD, FIRST DIVISION, DATED JUNE 30, 1919 BEING SITUATED IN THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 34 AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 7 SOUTH, RANGE 67 WEST, SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO.

THAT SIXTY (60) FOOT WIDE RIGHT OF WAY FOR LIGGETT ROAD, BEING SITUATED IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 7 SOUTH, RANGE 67 WEST, SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO.

SAID PARCEL CONTAINING A CALCULATED GROSS AREA OF 5,378,253 SQUARE FEET, OR 123.468 ACRES MORE OR LESS, WITH A CALCULATED NET ACREAGE AFTER EXCEPTIONS OF 5,145,214 SQUARE FEET, OR 118.118 ACRES, MORE OR LESS, AND BEING SUBJECT TO ANY EXISTING EASEMENTS AND/OR RIGHTS OF WAY OF WHATSOEVER NATURE.

THE LINEAL UNIT USED IN THE PREPARATION OF THE LEGAL DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

EAST PARCEL:

A PARCEL OF LAND LOCATED IN SECTION 1, TOWNSHIP 8 SOUTH, AND SECTIONS 35 AND 36, TOWNSHIP 7 SOUTH, RANGE 67 WEST, OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 36, BEING MONUMENTED BY A

2 INCH DIAMETER ALUMINUM PIPE WITH A 3-1/4 INCH DIAMETER ALUMINUM CAP, STAMPED "LS 6935", FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 36, BEING MONUMENTED BY A 2 INCH DIAMETER ALUMINUM TUBE WITH A 3-1/4 INCH DIAMETER ALUMINUM CAP, STAMPED

"LS 6935", IS ASSUMED TO BEAR NORTH 0° 05' 27" EAST, A DISTANCE OF 2679.42 FEET. WITH ALL BEARINGS HEREIN BEING RELATIVE THERETO.

THENCE NORTH 89° 51' 44" EAST, A DISTANCE OF 1318.81 FEET TO THE CENTER WEST SIXTEENTH CORNER OF SAID SECTION 36, AND THE POINT OF BEGINNING;

THENCE THE FOLLOWING TWENTY-THREE (23) COURSES;

1. NORTH 89° 51' 44" EAST, A DISTANCE OF 3864.58 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF FOUNDERS PARKWAY;
2. SOUTH 00° 13' 20" EAST, ALONG SAID WEST RIGHT OF WAY LINE, A DISTANCE OF 2125.88 FEET TO THE NORTHEASTERN MOST CORNER OF THAT PARCEL OF LAND DESCRIBED AT RECEPTION NUMBER 2010076348 IN THE RECORDS OF THE DOUGLAS COUNTY CLERK AND RECORDER;

THENCE DEPARTING SAID WEST RIGHT OF WAY LINE, AND ALONG THE NORTH, WEST, AND SOUTH LINES OF SAID PARCEL, THE FOLLOWING FOUR COURSES;

3. NORTH 73° 43' 24" WEST, A DISTANCE OF 67.75 FEET;
4. SOUTH 24° 44' 16" WEST, A DISTANCE OF 84.60 FEET
5. SOUTH 00° 00' 08" EAST, A DISTANCE OF 308.73 FEET;
6. NORTH 89° 59' 39" EAST, A DISTANCE OF 101.85 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF SAID FOUNDERS PARKWAY, BEING THE SOUTHEASTERN MOST CORNER OF SAID PARCEL;

THENCE ALONG SAID WEST RIGHT OF WAY LINE, THE FOLLOWING TWO (2) COURSES;

7. SOUTH 00° 13' 20" EAST, A DISTANCE OF 142.09 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 36;
8. SOUTH 01° 11' 55" EAST, A DISTANCE OF 1340.96 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION ONE, BEING THE SOUTHEASTERN MOST CORNER OF THE PARCEL HEREIN DESCRIBED;
9. SOUTH 89° 17' 31" WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 2588.82 FEET TO THE CENTER NORTH SIXTEENTH CORNER OF SAID SECTION 1;
10. NORTH 01° 04' 11" EAST, ALONG THE WEST LINE OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SAID SECTION ONE, A DISTANCE OF 1361.34 FEET, TO THE SOUTH QUARTER CORNER OF SAID SECTION 36;

11. SOUTH 89° 27' 39" WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 36, A DISTANCE OF 2585.72 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 36;

12. NORTH 89° 09' 02" WEST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, A DISTANCE OF 1348.09 FEET TO THE EAST SIXTEENTH CORNER COMMON TO SECTIONS 35 AND 2;

13. NORTH 01° 03' 36" WEST, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, A DISTANCE OF 662.52 FEET TO THE CENTER SOUTH SOUTHEAST 1/64TH CORNER OF SAID SECTION 35;

14. NORTH 89° 15' 24" WEST, ALONG THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, TO THE SOUTHWEST CORNER THEREOF, A DISTANCE OF 1342.46 FEET;

15. NORTH 89° 15' 24" WEST, ALONG THE SOUTH LINE OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35, A DISTANCE OF 161.76 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF FRONT STREET;

THENCE ALONG SAID EAST RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES;

16. NORTH 04° 58' 38" WEST, A DISTANCE OF 316.76 FEET;

17. NORTH 05° 23' 34" WEST, A DISTANCE OF 272.88 FEET;

18. NORTH 06° 01' 18" WEST, A DISTANCE OF 74.44 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 35;

19. SOUTH 89° 19' 42" EAST, ALONG SAID NORTH LINE, A DISTANCE OF 216.50 FEET TO THE CENTER SOUTH SIXTEENTH CORNER OF SAID SECTION 35;

20. SOUTH 89° 19' 15" EAST, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, A DISTANCE OF 1336.37 FEET TO THE SOUTHEAST SIXTEENTH CORNER OF SAID SECTION 35;

21. SOUTH 89° 19' 17" EAST, ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 35, A DISTANCE OF 1336.13 FEET TO THE SOUTH SIXTEENTH CORNER OF SECTIONS 35 AND 36;

22. NORTH 89° 39' 41" EAST, ALONG THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 36, A DISTANCE OF 1305.83 FEET TO THE SOUTHWEST SIXTEENTH CORNER OF SAID SECTION 36;

23. NORTH 01° 00' 45" WEST, ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 36, A DISTANCE OF 1324.63 FEET TO THE POINT OF BEGINNING;

SAID PARCEL CONTAINING A CALCULATED AREA OF 18,091,645 SQUARE FEET, OR 415.327 ACRES, MORE OR LESS, AND BEING SUBJECT TO ANY EXISTING EASEMENTS AND/OR RIGHTS OF WAY OF WHATSOEVER NATURE.

THE LINEAL UNIT USED IN THE PREPARATION OF THE LEGAL DESCRIPTION IS THE U.S. SURVEY FOOT AS DEFINED BY THE UNITED STATES DEPARTMENT OF COMMERCE. NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.

EXHIBIT 2

Form of Service Plan

[to be inserted prior to execution]

EXHIBIT 3

Form of Restrictive Covenant

Follows this page

RESTRICTIVE COVENANT ON GROUNDWATER

THIS **RESTRICTIVE COVENANT ON GROUNDWATER** (“**Covenant**”) is granted on this _____ day of _____, 202_, by **JRW FAMILY LIMITED PARTNERSHIP LLLP**, a Colorado Limited Liability Limited Partnership (“**Grantor**”), whose address is 5975 E. Jamison Place, Englewood, CO 80112, to **TOWN OF CASTLE ROCK**, a Colorado home rule municipality (“**Grantee**”), whose address is 179 Kellogg Court, Castle Rock, Colorado 80104. Grantor and Grantee are each referred to herein as a “**Party**” and are collectively referred to herein as the “**Parties.**”

RECITALS

- A.** Grantor is the sole owner in fee simple of two parcels totaling approximately sixty and eight-tenths (60.8) acres, located in Douglas County, State of Colorado, more particularly described in Exhibit A (collectively “**Property**”).
- B.** Grantor is the sole owner of forty-two and three-tenths (42.3) average annual acre-feet of groundwater in the Lower Dawson aquifer, sixty-three and eight-tenths (63.8) average annual acre-feet in the Denver aquifer, and one hundred and six and four-tenths (106.4) average annual acre-feet in the Laramie-Fox Hills aquifer, all located in Douglas County, State of Colorado, more particularly described in Exhibit B-1 and B-2 (collectively “**Groundwater**”).
- C.** Grantor desires to annex land, including the Property, into the Town of Castle Rock.
- D.** The Town of Castle Rock’s Municipal Code requires the dedication to Grantee of all Denver Basin groundwater underlying all annexed land as a condition of annexation.
- E.** Grantor desires to retain the Groundwater for irrigation, stock watering and domestic purposes for the existing homestead, and commercial use in connection with agricultural commercial buildings and a museum (collectively “**Permitted Uses**”) on the Property.
- F.** Grantee is willing to allow Grantor to retain the Groundwater, subject to the terms and conditions outlined in this Covenant.

NOW, THEREFORE, in consideration of the recitals set forth above, incorporated herein by this reference, and the mutual covenants, terms, conditions, and restrictions contained herein, Grantor and Grantee agree as follows.

- 1. Groundwater Attached to Property.** Grantor covenants and agrees that the Groundwater shall be used only on the Property described in Exhibit A for the Permitted Uses, subject to Paragraphs 2 and 4. Grantor shall not transfer, encumber, sell, lease, export, sever or otherwise separate the Groundwater from the Property, subject to Paragraphs 2 and 4.
- 2. Use on Grantee’s Property.** Notwithstanding Paragraph 1, Grantor may utilize the Groundwater for irrigation and stock watering purposes on adjacent property legally described in Exhibit C owned by Grantee (“**Grantee’s Property**”), with written permission of Grantee.

3. Contiguity. The Groundwater in the Laramie-Fox Hills Aquifer underlies both the Property and the property described in Case No. 97CW97 (“**97CW97 Property**”). If contiguity of the Property and 97CW97 Property is challenged, Grantee and Grantor shall negotiate in good faith to arrive at a solution to satisfy the Grantor’s augmentation obligations.

4. First Right of Refusal. In consideration for the mutual promises contained in this Covenant, Grantor hereby grants Grantee a right of first refusal to purchase the Groundwater described in Exhibit B at the then-current fair market value (“**FMV**”). If Grantor elects to sell or otherwise dispose of the Groundwater with the Property, Grantor and Grantee shall comply with the following procedure.

4.1. Grantor shall give written notice to Grantee of Grantor’s election to sell the Groundwater with the Property or election to sell only the Groundwater to Grantee (“**Notice**”). The Notice shall outline the terms of the sale of the Groundwater only, including the then-current FMV per acre-foot for water. Under no circumstances shall Grantor condition Grantee’s purchase of the Groundwater on: Grantee’s purchase of the Property; and/or Grantee’s use of the Groundwater on the Property for any term or in perpetuity.

4.2. Grantee shall have twenty-eight (28) days after receipt of Notice to deliver a written offer to purchase the Groundwater on certain terms and conditions (“**Grantee Offer**”).

4.3. If Grantee submits the Grantee Offer within the 28-day period, Grantor shall have seven (7) days to either accept the Grantee Offer or submit a counteroffer for the sale of the Groundwater for Grantee’s consideration (“**Grantor Counteroffer**”) in writing. Grantee shall have seven (7) days to accept in writing the Grantor Counteroffer.

4.4. If Grantor accepts the Grantee Offer or Grantee accepts the Grantor Counteroffer within the established timeframes, and Grantor and Grantee close the transaction on the Groundwater, then the limitations in Paragraphs 1 and 2 shall automatically terminate upon the recordation of the deed conveying the Groundwater to Grantee.

4.5. If Grantee fails to submit the Grantee Offer within the 28-day period, fails to accept the Grantor Counteroffer within the 7-day period or rejects the Grantor Counteroffer, this Right of First Refusal and the Covenant shall terminate, and Grantor shall be free to sell the Groundwater with the Property to a *bona fide* purchaser at the terms of the Notice or Grantor Counteroffer. However, the limitations on the uses and sales of the Groundwater in Paragraphs 1 and 2 shall continue in full force and effect in perpetuity, unless and until Grantee purchases the Groundwater from Grantor or Grantor’s successors-in-interest.

4.6. If Grantor does not consummate the sale to a *bona fide* purchaser on the terms communicated to Grantee in the Notice or the Grantor Counteroffer with the sale of the Property, this Right of First Refusal and the Covenant shall remain in full force and effect with regard to Grantor’s and Grantor’s successors-in-interest’s subsequent sales of the Groundwater with the Property.

5. Enforcement. If Grantee finds what it believes is a violation of the terms of this Covenant, Grantee shall immediately notify Grantor in writing of the nature of the alleged violation (“**Notice**”).

of Violation”). Upon receipt of the Notice of Violation, Grantor shall immediately discontinue the activity or use that has caused the alleged violation, but may contest the alleged violation in writing within fourteen (14) days of receipt of the Notice of Violation by providing an explanation demonstrating why no violation has occurred (“**Contest of Notice of Violation**”). Upon receipt of a Contest of Notice of Violation, Grantor and Grantee shall meet within fourteen (14) days to attempt to address the alleged violation. If no Contest of Notice of Violation is timely received or if, after the meeting Grantor continues the activity or use that Grantee believes caused the alleged violation, or if a court with jurisdiction determines that a violation is imminent, exists, or has occurred, Grantee may seek an injunction to stop it, temporarily or permanently.

5.1. Remedies Cumulative. Grantee’s remedies described in this Paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity. Enforcement of the terms of this Covenant shall be at the discretion of Grantee, and the failure of Grantee to discover a violation or to take action shall not waive any of Grantee’s rights, claims or interests in pursuing any such action at a later date.

5.2. Costs and Fee Recovery. If any action or proceeding is commenced by either party to enforce its rights under this Covenant, the substantially prevailing party in such action or proceeding shall be awarded all reasonable costs and expenses incurred in such action or proceeding, including reasonable attorneys’ fees and costs, in addition to any other relief awarded by the court.

6. Notices. Any notice that either Party is required to give to the other in writing shall be transmitted via U.S. mail, overnight delivery service, email or served personally to the following addresses which addresses may change from time to time by a Party giving written notice in the manner set forth above:

If to the Grantor, addressed to:

JRW Family Limited Partnership, LLLP
c/o James Walker
5975 E. Jamison Place
Englewood, CO 80112
Email: jwalker@pinecanyonranch.com

If to the Grantee, addressed to:

Castle Rock Water
c/o Director of Castle Rock Water
175 Kellogg Court
Castle Rock, CO 80109
Email: mmarlowe@crgov.com

With a copy to:

Town of Castle Rock
c/o Mike Hyman
Town Attorneys’ Office
100 Wilcox Street
Castle Rock, CO 80104
Email: mhyman@crgov.com

7. Grantor's Representations and Warranties. Grantor warrants that Grantor has good and sufficient title to the Property and Groundwater, free from all liens and encumbrances.

8. General Provisions.

8.1. Severability. If any provision of the Covenant, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Covenant, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

8.2. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

8.3. Applicable Law. This Covenant shall be subject to and governed by the laws of the State of Colorado. Any legal suit, action, or proceeding arising out of or related to this Covenant shall be instituted in the District Court, Douglas County. Each of the Parties irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Covenant or the transactions contemplated by this Covenant.

8.4. Counterparts. The Parties may execute this instrument in two or more counterparts which shall, in the aggregate, be signed by all Parties; each counterpart shall be deemed an original instrument as against any Party who has signed it; all counterparts, when taken together, shall constitute this instrument.

8.5. Amendment. Any and all changes to this Covenant, in order to be mutually effective and binding upon the Parties and their successors, must be in writing and duly executed by the signatories or their respective representatives.

8.6. Entire Agreement. This Covenant sets forth the entire agreement of the Parties and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Covenant.

8.7. Recording. Grantee shall record this Covenant in timely fashion in the official real property records of Douglas County, Colorado. This Covenant shall be a servitude running with the Property and the Groundwater, subject to Paragraph 3, and shall be binding on the Parties' successors-in-interest

8.8. No Third Party Enforcement. This Covenant is entered into by and between Grantor and Grantee and does not create rights or responsibilities for the enforcement of the terms of this Covenant in any third parties except as expressly reserved herein.

8.9. Authority to Execute. Each Party represents to the other that such Party has full power and authority to execute and deliver this Covenant, and perform its obligations under this Covenant, that the individual executing this Covenant on behalf of said Party is fully empowered and authorized to do so, and that this Covenant constitutes a valid and legally binding obligation of said party enforceable against said Party in accordance with its terms.

TO HAVE AND TO HOLD, this Covenant unto Grantee, its successors and assigns, forever.

GRANTOR:

JRW FAMILY LIMITED PARTNERSHIP LLLP

By: _____
James W. Walker, _____ Partner

STATE OF _____)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by James W. Walker as _____ partner of JRW FAMILY LIMITED
PARTNERSHIP LLLP.

WITNESS my hand and official seal.

My commission expires: _____

Notary Public

ATTEST:

Lisa Anderson, Town Clerk

Approved as to form:

Michael J. Hyman, Town Attorney

GRANTEE:

TOWN OF CASTLE ROCK,
acting by and through the Town of Castle Rock
Water Enterprise

Jason Gray, Mayor

Approved as to content:

Mark Marlowe, Director of Castle Rock Water

EXHIBIT A

Legal Description of Property

[to be inserted]

EXHIBIT B-1

Groundwater

A. The following Denver Basin groundwater and groundwater rights adjudicated as underlying the property described in **EXHIBIT A**.

CASE NUMBER, DISTRICT COURT, WATER DIVISION NO. 1	LOWER DAWSON NOT-NON-TRIB (Average Annual AF) <i>FOR PERMITTED USES</i>	DENVER NOT-NON-TRIB (Average Annual AF) <i>FOR PERMITTED USES</i>	LARAMIE FOX HILLS NON-TRIB (Average Annual AF) <i>RESERVED FOR POST-PUMPING DEPLETIONS ONLY</i>
98CW403	33.3	54.8	18.3
01CW82	9	9	0
97CW97	0	0	88.1
TOTAL	42.3	63.8	106.4

Including all rights under the plan for augmentation decreed in Case No. 00CW68, District Court, Water Division No. 1, and an undivided *pro rata* interest under the plan for augmentation decreed in Case No. 11CW18, District Court, Water Division No. 1.

EXHIBIT 4

Form of Special Warranty Deed

[to be inserted prior to execution]