

PRE-ANNEXATION AGREEMENT (PINE CANYON)

This Pre-Annexation Agreement (Pine Canyon) (this “**Agreement**”) is made and entered into as of December 17, 2024 (the “**Effective Date**”), by and among the following (individually, a “**Party**” and, collectively, the “**Parties**”): JRW FAMILY LIMITED PARTNERSHIP LLLP, a Colorado limited liability limited partnership (“**JRW**”), and the Town of Castle Rock, a Colorado home rule municipality (“**Town**”).

RECITALS

This Agreement is made with respect to the following facts:

A. JRW is the fee simple owner of certain real property located in Douglas County, Colorado (“**County**”) and legally described in Exhibit A attached hereto (the “**Property**”).

B. As of the Effective Date, the Property is located entirely within the unincorporated County, and JRW is processing the following entitlements for the Property with the County (collectively, the “**County Applications**”):

1. Pine Canyon Planned Development (Case No. ZR2020-010), for the rezoning to the Planned Development zoning district and approval of a development plan pursuant to County Zoning Resolution (“**DCZR**”) Section 15 to allow up to 1,800 residential units and 600,000 square feet of non-residential development (the “**Pine Canyon PD**”);

2. Special District Service Plan (Case No. SV2020-001), for the approval of the service plans for Pine Canyon Metropolitan District Nos. 1-5 and Pine Canyon Water & Sanitation District as Title 32 special districts (the “**District Approval**”); and

3. Water Appeal for the Pine Canyon PD (Case No. MI2020-009), for the adjustment to the DCZR water demand standards for the Property pursuant to DCZR Section 1808A (the “**Water Appeal**”).

C. Town opposes County’s approval of the County Applications and desires for the Property to be annexed and developed within Town’s jurisdiction.

D. JRW is willing to annex the Property to Town, provided that it can obtain substantially the same zoning in Town as provided by the Pine Canyon PD.

E. As of the Effective Date, County tabled the public hearings on the final decision of the County Applications to allow time for JRW and Town to process, negotiate, and render a final decision on the annexation and entitlements of the Property in the Town in accordance with the terms of this Agreement.

F. Subject to, in accordance with, and in consideration of the terms and conditions of this Agreement, JRW will initiate the applicable procedures under the Municipal Annexation Act of 1965, Chapter 31, Article 12, of the Colorado Revised Statutes, 1973, as amended (the “**Act**”) and Town Municipal Code (“**Code**”) regarding: (a) annexation of the Property to Town (the

“**Annexation**”) and an annexation and development agreement setting forth: (i) the Parties’ rights and obligations regarding certain terms and conditions that will apply to the Property after the Annexation becomes legally effective; (ii) the general plan of development for the Property; and (iii) the establishment of vested property rights for a term greater than three years pursuant to Article 68, Title 24, C.R.S. (the “**Development/Annexation Agreement**” and, together with the Annexation, the “**Annexation Process**”); and (b) concurrently with the Annexation Process, zoning the Property to the Planned Development zoning district and approval of a Planned Development Plan (the “**Zoning Process**”) on terms and conditions that enable development of the Property in substantially the same manner as the Pine Canyon PD (as more fully described in Paragraph 4 below, “**PD Zoning**”).

G. As of the Effective Date, Town’s 2030 Comprehensive Master Plan (“**Master Plan**”) and Code Chapter 17.48, “Skyline/Ridgeline Protection Regulations” and Town’s overlay zoning district map for the same (“**Skyline/Ridgeline Protection Regulations**”) depict a portion of the Property as subject to the Skyline/Ridgeline Protection Regulations. The Property will be exempt from the Skyline/Ridgeline Protection Regulations, as the PD Zoning will include alternative viewplane protections narrowly tailored to the Property. Upon receipt of the executed Petition initiating the Annexation Process, Town will take whatever measures are necessary, including without limitation an administrative or other amendment to the Master Plan and Skyline/Ridgeline Protection Regulations map, to remove the Property from any regulations or guidance purporting to include the Property within the Skyline/Ridgeline Protection Regulations (collectively, the “**Town-Initiated Amendment**”).

H. The Parties wish to cooperate regarding the Annexation Process and the Zoning Process and to facilitate Town Council of the Town’s (“**Town Council**”) final action on the Annexation, Development/Annexation Agreement, PD Zoning, and Town-Initiated Amendment.

I. The Parties have determined that this Agreement’s terms and conditions are reasonable in connection with their respective activities to facilitate the Annexation Process and Zoning Process and that such matters are intended to protect, promote and enhance the public health, safety and welfare of Town and to serve the interests of the Property.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and promises set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Purpose and Effect of this Agreement. This Agreement addresses the Parties’ respective rights and obligations with respect to the Annexation Process and the Zoning Process during the period prior to the Town Council taking final action regarding the Annexation, Development/Annexation Agreement, and PD Zoning and, if Town Council approves the Annexation, Development/Annexation Agreement, and PD Zoning, continuing through and including the date on which the Annexation becomes legally effective in accordance with Section 31-12-113(2)(b) of the Act.

2. Town Discretion to Approve. Pursuant to the Act, Town Council has legislative discretion to determine whether to approve the Annexation. Town has no legal obligation arising under this Agreement to approve the Annexation, Development/Annexation Agreement, or PD Zoning; provided, however, Town will adhere to the terms and conditions of this Agreement that pertain to the Annexation Process and the Zoning Process.

3. Annexation Process. Within 45 days after the Effective Date, JRW will submit a petition for annexation of the Property to Town in substantially the form attached hereto in Exhibit B (the “**Petition**”) and in accordance with the Act and applicable provisions of the Code; provided, however, no transfer of residential development rights or renewable water rights will be required for the Property pursuant to Code Section 20.02.015, as Town’s “Water Resource Strategic Master Plan” designates the Property as “infill.” The Parties will thereafter pursue the Annexation Process with reasonable diligence to completion, including but not limited to preparation of the requisite legal descriptions, maps, publications and related technical matters, at JRW’s expense, all in accordance with the Act; provided, however, Town will: (i) credit previously paid application fee(s), and waive any new application review fee(s) associated with the Annexation, Development/Annexation Agreement, and PD Zoning; (ii) host, notice, and present at the neighborhood meetings for the Annexation and PD Zoning Process on JRW’s behalf; and (iii) not require the submittal of a new traffic impact study with the PD Zoning. During the period preceding Town Council’s final action on the Annexation and in accordance with Paragraph 5 below, the Parties will cooperate to produce the final, mutually agreed upon form of the Development/Annexation Agreement. Town Council will take final action on the Development/Annexation Agreement at the same meeting at which Town Council takes final action on the Annexation and PD Zoning.

4. Zoning Process; PD Zoning. In accordance with applicable provisions of the Code and at the time permitted and otherwise in accordance with Section 31-12-115 of the Act, JRW will initiate the Zoning Process by submitting an application for the PD Zoning to Town. The Parties will thereafter pursue the Zoning Process with reasonable diligence to completion and concurrently with completion of the Annexation Process. Town will host, notice, and present at the neighborhood meetings for the Zoning Process. Nothing in this Agreement will require Town to approve the PD Zoning or otherwise to affect Town Council’s quasi-judicial decision-making authority. Town Council will take final action on the PD Zoning at the same meeting at which Town Council takes final action on the Annexation and Development/Annexation Agreement.

(a) PD Zoning. Town will not require a new traffic impact study in connection with submittal and approval of the PD Zoning; notwithstanding the foregoing, new or updated traffic studies may be necessary in connection with future site development plans in accordance with Code requirements. As may be further addressed in the Development/Annexation Agreement and Petition, JRW’s consent to the Annexation is conditioned on, and the Parties anticipate, the zoning of the Property will be to PD Zoning with terms that enable development of the Property in substantially the same manner as the Pine Canyon PD (as such application exists as of the Effective Date, which includes up to 1,800 residential units and 600,000 square feet of non-residential development), except as modified to address the following:

(i) Skyline/Ridgeline Protection Regulations. The terms and conditions of the Skyline/Ridgeline Protection Regulations, or an applicable successor land use ordinance, will not apply to the Property, and the PD Zoning will expressly exempt the Property from such regulations. The PD Zoning will include a viewplane protection overlay for the Property that protects natural resources and views on the Property by providing buffering and screening of structures in the eastern areas of the Property. The viewplane protection overlay will include requirements substantially similar to those set forth in Pine Canyon PD Statement of Commitments Section 4.3. Specifically, while the viewplane protection overlay will allow limited overlot grading activities for roadways and utilities, it will not allow clear cutting or overlot grading of specific planning areas that might otherwise have partially or wholly been included within the Skyline/Ridgeline Protection Regulations' boundaries (i.e., portions of the Pine Canyon PD Planning Areas 1, 4, 5, 7, 9, 10 and 11). The PD Zoning ordinance and related zoning regulations will set out in detail how tree preservation selection will occur in conjunction with any required wildfire mitigation/forest management and will require the developer to demonstrate with the approval of each Site Development Plan that the visibility of any proposed structures will be reduced and screened through the viewplain protection overlay requirements.

(ii) Landscaping: Town's applicable landscaping requirements set forth in the Code and Town's Landscape and Irrigation Criteria Manual will apply to the Property and be incorporated into the PD Zoning's standards and requirements.

(iii) Open Space. Town's minimum 20% open space requirement will apply to the Property.

(iv) Water Treatment/Major Facility. The PD Zoning will prohibit water treatment and wastewater treatment facilities unless such facilities are owned and operated by Town.

5. Development/Annexation Agreement. The Parties anticipate entering into a Development/Annexation Agreement as part of the Annexation Process and that the Development/Annexation Agreement will address matters which will govern and control as to the Property from and after the date on which the Annexation becomes legally effective, including but not limited to such matters as are contemplated by Paragraphs 3 through 4 above to be effective after the Annexation becomes legally effective. As part of the Annexation Process and during the period prior to Town Council taking final action on the Annexation, the Parties will negotiate the specific terms of the Development/Annexation Agreement. Without limitation of the foregoing, the Parties anticipate the Development/Annexation Agreement will address, and JRW's consent to the Annexation is conditioned on JRW's satisfaction regarding, the following matters pertaining to the Property after the Annexation becomes legally effective:

(a) Limited Groundwater Dedication; Retained Groundwater. The Town, in accordance with Code Section 4.04.045.B, has exempted the Property from any renewable water resource dedication requirements as part of the Annexation Process. As a precondition to Town Council approval of any annexation, rezoning, or subdivision, Code

Sections 4.04.050.A, B., and C. require dedication of all water rights appurtenant to and associated with the subject property to Town. Notwithstanding these provisions, upon the legal effectiveness of the Annexation, JRW will convey to Town by special warranty deed approximately 757 average annual acre-feet of groundwater appurtenant to the Property (“**Dedicated Groundwater**”) and JRW will retain approximately 106 average annual acre-feet of groundwater appurtenant to the Property (“**Retained Groundwater**”) solely for irrigation, stock watering, domestic, and other agricultural purposes for the existing homestead that comprises the eastern-most approximately 61.3 acres of the Property. Upon the legal effectiveness of the Annexation, JRW and Town will execute and record a restrictive covenant substantially in the form attached as Exhibit C that: (i) restricts JRW’s use of the Retained Groundwater for agriculture and irrigation purposes associated with the 61.3-acre homestead on the Property and adjacent Town property; and (ii) grants Town a right of first refusal to purchase the Retained Groundwater.

(b) Water and Wastewater Services. Town will provide water and wastewater services to the Property in the same manner as is provided to all properties within Town’s jurisdictional boundaries. Town will not require any dedication or fee-in-lieu requirements in excess of the Dedicated Groundwater contemplated by Paragraph 5(a).

(c) Police and Fire Services. Town will provide police and fire services to the Property in the same manner as is provided to all properties within Town’s jurisdictional boundaries. Except for generally applicable property taxes and fees that apply to all properties within the Town, the Property will not be subject to any fees or payments for police and fire services.

(d) Exclusion from Fire Protection District. Per Article VI of the Town of Castle Rock/Castle Rock Fire Protection District Amended and Restated Intergovernmental Agreement by and between Town and the Castle Rock Fire Protection District (“**Fire Protection District**”) dated September 15, 2009, Town will take such steps necessary to exclude the Property from the territory of the Fire Protection District upon the effective date of the annexation of the Property to Town.

(e) Mobility Hub. The PD Zoning will permit a multi-modal transportation hub location to serve pedestrian, bicycle, vehicle, and mass transit transportation (“**Mobility Hub**”) for the future construction and operation by the Colorado Department of Transportation (“**CDOT**”).

(f) Liggett Road Bridge Replacement. The Parties will 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 Town or JRW to commit any funds to such reconstruction and/or replacement.

(g) Parks and Open Space. The PD zoning and future site development plans for the Property shall require the completion of parks, trails, and open space improvements. JRW, the future developer of the Property, or a metropolitan district shall be responsible for the construction of such parks, trails, and open space improvements. As determined in each approved site development plan and upon completion and Town acceptance of these

facilities, JRW, the future developer, or metropolitan district, as applicable, shall, if required by the approved site development plan, dedicate and transfer such property and/or improvements to Town for Town ownership and maintenance.

(h) Vested Property Right. The Parties will negotiate in good faith regarding the designation of the Development/Annexation Agreement as a Site Specific Development Plan and a development agreement that establishes a Vested Property Right for a period of 25 years pursuant to Chapter 17.08 of the Code and C.R.S., Title 24, Article 68, which Vested Property Right will specifically include the Parties' agreements regarding the matters addressed in this Paragraph 5.

(i) Service Plan. The Parties will negotiate in good faith regarding the form of service plans (the "**Service Plan**") for the formation of up to five metropolitan districts on terms and conditions generally consistent with the District Approval in accordance with the statutory process pursuant to C.R.S. §§ 32-1-101, *et seq.* and Code Chapter 11.02. The Service Plan will be consistent with Town's model service plan and will be included as an exhibit to the Development/Annexation Agreement. Following the date on which the Annexation becomes legally effective in accordance with Section 31-12-113(2)(b) of the Act, JRW will submit the Service Plan for Town review and approval and the Parties will, in good faith, use reasonable diligence to process the Service Plan for Town Council's final action. Upon completion of the metropolitan district formation process, the metropolitan districts are anticipated to have 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.

6. Town-Initiated Amendment. Upon receipt of the executed Petition, Town will initiate and process the Town-Initiated Amendment in accordance with the applicable provisions of the Code. Nothing in this Agreement will require Town to approve the Town-Initiated Amendment, or otherwise to affect Town Council's legislative authority. Town or Town Council, as applicable, will take final action on the Town-Initiated Amendment prior to or at the same meeting at which Town Council takes final action on the Annexation, Development/Annexation Agreement, and PD Zoning.

7. Target Dates. The Parties will, in good faith, use reasonable diligence to submit, negotiate, and process for Town's final decision the Annexation, Development/Annexation Agreement, PD Zoning, and Town-Initiated Amendment in accordance with the target dates and schedule set forth in Exhibit D attached hereto.

8. Termination Right; Town Waiver. If Town, acting in bad faith or in default of this Agreement, denies or otherwise fails to act upon final approval of the Annexation, Development/Annexation Agreement, PD Zoning, and Town-Initiated Amendment on or before July 31, 2025, and provided such action or failure to act is not due to bad faith or a default of this Agreement on the part of JRW, or a third party Legal Challenge (defined in Paragraph 10), JRW

may terminate this Agreement and the Annexation Process by withdrawing its Petition in the manner prescribed in the Petition. JRW may then proceed with obtaining final County approval of the County Applications in 2025. Town will not interfere with or obstruct in any manner whatsoever County approval of the County Applications in the forms existing as of the Effective Date. The provisions of this Paragraph 8 will survive any termination of this Agreement.

9. Conditions to JRW's Consent. JRW's consent to the Annexation becoming legally effective is conditioned upon the following conditions precedent ("**Annexation Conditions**"):

(a) Town and Town Council processing and taking final action on the Development/Annexation Agreement, and PD Zoning concurrently with processing and taking final action on the Annexation such that the Annexation, if approved by Town Council, will not become legally effective unless Town Council also has approved the Development/Annexation Agreement and PD Zoning, and such approvals have become legally effective concurrently with the Annexation becoming legally effective;

(b) Town and Town Council, as applicable, processing and taking final action on the Town-Initiated Amendment prior to or concurrently with taking final action on the Annexation, Development/Annexation Agreement, and PD Zoning;

(c) Town and Town Council approving the Development/Annexation Agreement, PD Zoning, and Town-Initiated Amendment in forms materially consistent with the terms and conditions contemplated in this Agreement; and

(d) Town not otherwise defaulting in its obligations set forth in this Agreement and the Petition.

The Petition will reserve JRW's right to withdraw the Petition for failure of the Annexation Conditions in accordance with Section 31-12-107(1)(e) of the Act. Except for the terms and conditions of this Agreement and those to be set forth in the form of the Petition and Development/Annexation Agreement anticipated to be agreed upon and executed by the Parties, which terms and conditions JRW expressly approves and therefore do not constitute an imposition of additional terms and conditions within the meaning of Sections 31-12-107(4), -110(2), -111 and -112(1) of the Act, Town will not impose additional terms and conditions upon the Property.

10. Cooperation in Defending Legal Challenges. If either: (i) any third party commences any legal proceeding or other action that directly or indirectly challenges (a) the Annexation of the Property, (b) Development/Annexation Agreement, (c) PD Zoning, (d) the Town-Initiated Amendment, or (e) any of Town's ordinances, resolutions or other approvals approving any of the foregoing; or (ii) any third party submits a petition for a referendum seeking to reverse or nullify any of such ordinances (collectively, a "**Legal Challenge**"), JRW and Town will cooperate in good faith to defend such Legal Challenge. If a Legal Challenge is commenced, JRW and Town will negotiate in good faith and enter into a cost-sharing agreement with respect to the Parties' responsibility to pay or reimburse the costs of the defense of such Legal Challenge; provided however, each Party will pay its own attorney fees.

11. Annexation Effectiveness. Neither JRW nor Town will cause or permit the occurrence of the conditions to effectiveness of the Annexation as set forth in Section 31-12-113(2)(b) of the Act prior to the latest to occur of: (a) final, non-appealable approval of the ordinances approving, as contemplated in this Agreement, (i) the Annexation, (ii) the Development/Annexation Agreement, (iii) the PD Zoning, (iv) Town-Initiated Amendment; (b) final, non-appealable resolution of any Legal Challenge; or (c) any later date contemplated in the Development/Annexation Agreement.

12. Default and Remedies.

(a) Notice. If a Party defaults in the performance of its obligations under this Agreement, the Party asserting breach by another Party will provide such Party with 15 days' written notice of the asserted breach and the non-breaching Party's intent to take remedial action as provided in this Paragraph 12, and the Party asserted to be in breach will have 15 days after receipt of such notice within which to cure the breach.

(b) Remedies. If any default under this Agreement is not cured pursuant to Paragraph 12(a), then the other Party will be entitled to such remedies as may be available at law or in equity, including taking such action as may be permitted by this Agreement, the Petition, or authorized by law. Additionally, if there is a failure of any of the Annexation Conditions or Town otherwise breaches this Agreement or the provisions of the Petition, JRW may terminate the Annexation Process by withdrawing its Petition in the manner prescribed in the Petition.

13. Term. This Agreement will be in effect for the period commencing on the Effective Date and continuing through and including the earlier to occur of the date on which: (a) a Party delivers written notice of termination to the other Parties; (b) JRW withdraws the Petition; or (c) Town Council takes final action either to (i) terminate the Annexation Process, or (ii) disapprove the Annexation; or (d) the Annexation becomes legally effective.

14. Authorization. The Parties affirm and warrant that they are fully authorized to enter into and execute this Agreement, and all necessary actions, notices, meetings, resolutions and/or hearings pursuant to any law required to authorize their execution of this Agreement have been made.

15. Governing Law; Venue; Waiver of Right to Jury Trial; Construction. The Act and other applicable laws of the State of Colorado will govern this Agreement. Exclusive venue for any legal proceeding arising out of this Agreement will be in the district court for the County. To reduce the cost of and to expedite the resolution of disputes under this Agreement, **each Party hereby waives any and all right to request a jury trial in any action relating to the interpretation or enforcement of this Agreement.** In the event of ambiguity in this Agreement, any rule of construction which favors one Parties' interpretation as a non-drafting Party will not apply, and the ambiguous provision will be interpreted as though no specific Party was the drafter.

16. No Third-Party Beneficiaries. Enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, will be strictly reserved to the Parties. Nothing contained in this Agreement will be construed to give or to allow any claim or

right of action by any third party. Any party other than the Parties will be deemed to be an incidental beneficiary only. There are no intended third-party beneficiaries to this Agreement.

17. Severability. If a court of competent jurisdiction finds any provision of this Agreement to be unlawful or unenforceable for any reason, the remaining provisions of this Agreement will remain in full force and effect so long as enforcement of the remaining provisions would not be inequitable to the Party(ies) against whom they are being enforced under the facts and circumstances then pertaining, or substantially deprive such Party of the benefit of its bargain. The Parties will cooperate in good faith to reform any such invalidated provision(s) in a manner that most fully implements the Parties' original intent and objectives.

18. Governmental Immunity. Nothing in this Agreement will be construed as a waiver of any protections or immunities Town or its employees, officials or attorneys may have under the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended.

19. No Joint Venture. No form of joint venture or partnership exists between or among the Parties, and nothing contained in this Agreement will be construed as making the Parties joint venturers or partners.

20. Further Assurances. Each Party will execute and deliver to the other Parties all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other Party(ies) the full and complete enjoyment of its or their rights and privileges under this Agreement.

21. Integration. This Agreement, together with all Exhibits attached hereto, constitute the entire understanding and agreement of the Parties, integrates all the terms and conditions mentioned herein or incidental thereto, and supersedes all prior negotiations or arrangements between the Parties with respect to any and all of the subject matter hereof.

22. Costs. Each of the Parties will be responsible for its respective legal and consulting fees and costs incurred in connection with the negotiation and execution of this Agreement and the performance of its obligations under this Agreement. Town will pay the costs and expenses related to publications and other notices required for the Annexation Process and the Zoning Process.

23. Force Majeure. No Party will be in breach of this Agreement if such Party's failure to perform any of the duties under this Agreement is due to Force Majeure, which will be defined as the inability to undertake or perform any of the duties under this Agreement due to 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.

24. No Recording. This Agreement will not be recorded in the County real property records, but the Parties acknowledge this Agreement is a public record, considered and approved at a public meeting, and subject to disclosure upon request under the Colorado Open Records Act, C.R.S. § 24-72-200.1, *et seq.*

25. Notices. All notices, demands or other communications required or permitted to be given hereunder will be in writing and any and all such items will be deemed to have been

properly given, received and effective: (a) if personally delivered, when actually given to and received by the applicable party; (b) if delivered by overnight courier service, on the next business day following deposit with such courier service; (c) if by email (pdf), 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; or (d) if by registered or certified United States mail, postage prepaid, on the third business day after it is mailed. All such notices or other communications will be addressed as follows:

If to Town:

Town Manager
Town of Castle Rock
100 N. Wilcox St.
Castle Rock, Colorado 80104
Phone: 303-660-1374
Email: TownManager@CRgov.com

With a required copy to:

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

If to JRW:

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
Attention: Tom Ragonetti [270462.0001]
Phone: 303.575.7509
Email: tjr@ottenjohnson.com

26. Counterparts; Electronic Delivery. The facsimile, pdf or DocuSign signature of the Parties on this Agreement or any amendments to this Agreement will be deemed an original for all purposes. Amendments to this Agreement may be signed in one or more counterparts (or with

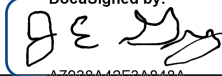
counterpart signature pages) which, taken together, will constitute a fully executed amendment to this Agreement and will be considered a single document.

[Signature Pages and Exhibits Follow This Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Town

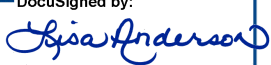
Town of Castle Rock, Colorado,
a Colorado home rule municipality

DocuSigned by:


Name: Jason Gray

Title: Mayor

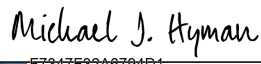
Attest:

DocuSigned by:

296A8A4EDEC34AF...
Lisa Anderson, Town Clerk

DS



Approved as to form:

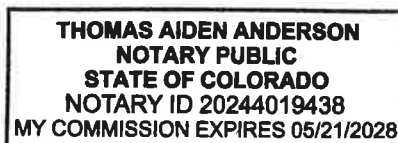
DocuSigned by:

F7347F32A0794D1...
Michael J. Hyman, Town Attorney

JRW

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

By: [Signature]
Name: James R. Walker
Title: General Partner

STATE OF Colorado)
COUNTY OF Denver) ss.



The foregoing instrument was acknowledged before me this 18 day of December 2024, by _____, as _____ of JRW FAMILY LIMITED PARTNERSHIP LLLP, a Colorado limited liability limited partnership.

WITNESS my hand and official seal.

My commission expires: 05/21/2028

[Signature]
Notary Public

EXHIBIT A

Legal Description of Property

East Side of I-25, Castle Rock, CO

Parcel A

The North 1/2 of the Northeast 1/4 of Section 1, Township 8 South, Range 67 West of the 6th P.M.,

EXCEPT the Easterly 55 feet thereof deeded to the Town of Castle Rock by instrument recorded March 27, 1985 in Book 567 at Page 182, County of Douglas, State of Colorado.

Parcel B

The North 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 35, Township 7 South, Range 67 West of the 6th P.M., lying East of Interstate Highway 25, County of Douglas, State of Colorado.

Parcel C

The North 1/2 of the Southwest of the Southeast 1/4 of Section 35, Township 7 South, Range 67 West of the 6th P.M., County of Douglas, State of Colorado.

Parcel D

The Southeast 1/4 of the Southeast 1/4 of Section 35, Township 7 South, Range 67 West of the 6th P.M., County of Douglas, State of Colorado.

Parcel E

The Southeast 1/4, the East 1/2 of the Southwest 1/4, and the Southwest 1/4 of the Southwest 1/4 of Section 36, Township 7 South, Range 67 West of the 6th P.M., EXCEPT the Easterly 55 feet thereof deeded to the Town of Castle Rock by instrument recorded March 27, 1985 in Book 567 at Page 182, AND EXCEPT that fee parcel acquired by Department of Transportation, State of Colorado by Rule and Order, Order for Disbursement of Funds, and Order for Release of Lis Pendens in Civil Action 2009CV883, District Court, Douglas

West Side of I-25, Castle Rock, CO

Parcel A

All that part of the North 1/2 of the Southwest 1/4 of Section 35 and all that part of the Northeast 1/4 of the Southeast 1/4 of Section 34, Township 7 South, Range 67 West of the 6th P.M., lying West of the West right of way line of Interstate 25 and lying East of the East right of way line of the Atchison, Topeka and Santa Fe Railroad,

EXCEPT Denver and Rio Grande right of way,

AND EXCEPT right of way for Liggett Road,

AND EXCEPT Lot 1, Douglas County Lions Club,

AND EXCEPT property described in Exhibit A to Rule and Order in Civil Action 2005CV1763, District Court, Douglas County, State of Colorado, recorded June 20, 2008 at Reception No. 2008043978, County of Douglas, State of Colorado.

Parcel B

Lot 1, DOUGLAS COUNTY LIONS CLUB, County of Douglas, State of Colorado.

Parcel C

That portion of the Northeast 1/4 of Section 34, Township 7 South, Range 67 West of the 6th P.M., more particularly described as follows:

BEGINNING at a point on the South line of the Northeast 1/4 of Section 34 from whence the East 1/4 corner bears South 89° 32' 53' East, a distance of 512.11 feet and considering said South line to bear South 89° 32' 53' East, as determined by solar observation, with all bearings contained herein relative thereto;

thence, the following courses along The Denver and Rio Grande Western Railroad Westerly right of way:

North 25° 25' 05' West, a distance of 744.26 feet;

North 64° 34' 55' East, a distance of 100.00 feet;

North 25° 25' 05' West, a distance of 455.31 feet to a point of curvature;

along a curve to the right, having a central angle of 02° 32' 56," a radius of 5620.00 feet, an arc length of 250.00 feet and a chord that bears North 24° 08' 34' West, a distance of 250.00 feet;

thence, departing said Westerly right of way, South 70° 36' 31' West, a distance of 911.40 feet;

thence, South 27° 58' 52' East, a distance of 1183.73 feet to a point on the South line of the Northeast 1/4 of Section 34;

thence, along said South line, South 89° 32' 53' East, a distance of 831.16 feet to the POINT OF BEGINNING, County of Douglas, State of Colorado.

EXHIBIT B

Form of Petition for Annexation

[Remainder of page intentionally left blank]

PETITION FOR ANNEXATION

TO THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO:

The undersigned (“**Petitioner**”), in accordance with the Municipal Annexation Act of 1965, Chapter 31, Article 12, of the Colorado Revised Statutes, 1973, as amended (the “**Act**”), hereby petitions (this “**Petition**”) the Town Council (the “**Council**”) of the Town of Castle Rock, Colorado (the “**Town**”) to annex to the Town the unincorporated territory located in the County of Douglas, State of Colorado, as more particularly described by its legal description in Exhibit A, which is attached hereto and incorporated herein by this reference (the “**Property**”).

In support of this Petition, Petitioner further states as follows:

1. It is desirable and necessary that the Property be annexed to the Town.

2. The condition set forth in Section 30(1)(b) of Article II of the Colorado Constitution has been met, the provisions of Section 30 of Article II of the Colorado Constitution have been complied with, and the requirements of Sections 31-12-104 and 31-12-105 of the Act exist or have been met in that:

(a) Not less than one-sixth of the perimeter of the Property is contiguous with the existing boundaries of the Town.

(b) Contiguity with the Town is not established by use of any boundary:

(i) of an area previously annexed to the Town that, at the time of its annexation, was not contiguous at any point with the boundary of the Town, was not otherwise in compliance with Section 31-12-104(1)(a) of the Act, and was located more than three miles from the nearest boundary of the Town (“**Non-Contiguous Area**”); or

(ii) of territory subsequently annexed directly to, or indirectly connected through subsequent annexations to, a Non-Contiguous Area.

(c) A community of interest exists between the Property and the Town.

(d) The Property is urban or will be urbanized in the near future.

(e) The Property is integrated with or is capable of being integrated with the Town.

(f) In establishing the boundaries of the Property, no land held in identical ownership, whether consisting of one tract or parcel of real estate or two or more contiguous tracts or parcels of real estate:

(i) has been divided into separate parts or parcels without the written consent of the landowners thereof unless such tracts or parcels are separated by a dedicated street, road or other public way; or

Exhibit B

Page 2

(ii) comprising twenty acres or more (which, together with the buildings and improvements situated thereon, has a valuation for assessment in excess of two hundred thousand dollars for ad valorem tax purposes for the year next preceding the annexation) is included without the written consent of the landowners.

(g) The Property is not presently a part of any incorporated city, city and county, or town; no proceedings have been commenced for incorporation or annexation of part or all of the Property to another municipality; nor has any election for annexation of the Property or substantially the same territory to the Town been held within the twelve months immediately preceding the filing of this Petition.

(h) Annexation of the Property will not result in the detachment of area from any school district and the attachment of the same to another school district.

(i) Except to the extent necessary to avoid dividing parcels within the Property held in identical ownership, at least fifty percent of which are within the three mile limit, annexation of the Property will not have the effect of extending a municipal boundary more than three miles in any direction from any point of the Town boundary in any one year.

(j) In establishing the boundaries of the Property, if a portion of a platted street or alley is annexed, the entire width of said street or alley is included, and annexation of the Property will not result in the denial of reasonable access to any landowner, owner of an easement, or owner of a franchise adjoining a platted street or alley which has been annexed by the Town but is not bounded on both sides by the Town.

3. Petitioner comprises more than fifty percent of the landowners of the Property and owns more than fifty percent of the Property, excluding public streets and alleys and any land owned by the Town. No person has signed this Petition more than one hundred eighty days prior to the date of filing this Petition with the Clerk of the Town.

4. The mailing address of Petitioner, the legal description of the land owned by Petitioner, and the date of signing of Petitioner's signature are all shown on this Petition.

5. Accompanying this Petition are four copies of the annexation boundary map in the form required by Section 31-12-107(1)(d) of the Act containing the following information:

(a) A written legal description of the boundaries of the Property;

(b) A map showing the boundary of the Property;

(c) Within the annexation boundary map, a showing of the location of each ownership tract in unplatted land, and if part or all of the area is platted, the boundaries and the plat numbers of plots or of lots and blocks; and

(d) Next to the boundary of the Property, a drawing of the contiguous boundary of the Town and the contiguous boundary of any other municipality abutting the Property.

6. Petitioner and the Town previously entered into that Pre-Annexation Agreement (Pine Canyon) dated [*insert date*] (the “**Pre-Annexation Agreement**”), which, among other things, sets forth the respective rights and responsibilities of Petitioner and the Town in connection with the processing of the annexation and initial entitlements of the Property.

7. In connection with the processing of this Petition and as contemplated by the Pre-Annexation Agreement, Petitioner requests that the Town institute the procedure to, concurrently with processing annexation of the Property, as applicable:

(a) In accordance with Section 31-12-115 of the Act and applicable provisions of the Town’s Municipal Code, zone the Property to the Planned Development zoning district;

(b) In accordance with applicable provisions of the Town’s Municipal Code, a Planned Development plan for the Property; and

(c) Approve and execute an annexation and development agreement (“**Annexation Agreement**”) which addresses, among other matters: (i) the general plan of development for the Property; and (ii) the establishment of vested property rights for a term greater than three years pursuant to Article 68, Title 24, C.R.S.

8. Petitioner has filed this Petition subject to, and Petitioner’s consent to annexation of the Property to the Town is conditioned upon satisfaction of, the following conditions (collectively, the “**Annexation Conditions**”), any one or more of which may be waived by Petitioner in Petitioner’s sole discretion:

(a) Concurrently with approving annexation of the Property, Council approves, in form and substance satisfactory to Petitioner, the following:

(i) zoning for the Property to the Planned Development zoning district, which is substantially consistent with the application for zoning which Petitioner submits in connection with this Petition and as contemplated by the Pre-Annexation Agreement;

(ii) a Planned Development plan for the Property, which is substantially consistent with the application Petitioner submits in connection with this Petition and as contemplated by the Pre-Annexation Agreement;

(iii) a Town-initiated amendment to Town’s Municipal Code Chapter 17.48 “Skyline/Ridgeline Protection Regulations” overlay map and/or 2030 Comprehensive Master Plan to remove the Property from any regulations or guidance purporting to include the Property within the Town’s Skyline/Ridgeline Protection Regulations; and

(iv) such ordinances and/or resolutions, if any, as may be required to implement provisions of the Annexation Agreement.

(b) Town not otherwise defaulting in its obligations set forth in the Pre-Annexation Agreement and the Petition.

9. Petitioner reserves the sole, exclusive and unilateral right to withdraw this Petition for failure of the Annexation Conditions by so notifying the Clerk of the Town in writing at any point prior to the later to occur of: (i) the latest final, non-appealable approval of the final ordinances, resolutions and/or other final actions approving, as requested pursuant to this Petition, (A) annexation of the Property (B) the matters described in Paragraphs 26(j)(i) to 26(j)(iv) (clauses (A) and (B), are collectively referred to herein as the “**Approvals**”); (ii) final, non-appealable resolution of any “Legal Challenge” (defined in Paragraph 0 below); or (iii) any later date contemplated in the Annexation Agreement.

10. Prior to expiration of the period described in the foregoing Paragraph 0 without Petitioner having withdrawn the Petition, neither Petitioner nor the Town shall cause or permit the occurrence of the conditions to effectiveness of the annexation as set forth in Section 31-12-113(2)(b) of the Act, unless otherwise agreed to in writing by Petitioner and the Town.

11. For purposes of this Petition, “Legal Challenge” means either: (i) any third party commences any legal proceeding or other action that directly or indirectly challenges the Approvals or any of the Town’s resolutions or ordinances approving any of the Approvals; or (ii) any third party submits a petition for a referendum seeking to reverse or nullify any of the Approvals.

12. Upon annexation of the Property becoming effective, and subject to the conditions set forth in this Petition and Pre-Annexation Agreement and to be set forth in the Annexation Agreement, the Property shall become subject to the Town’s Home Rule Charter and all ordinances, resolutions, rules and regulations of the Town, except as otherwise may be set forth in the Annexation Agreement, and except for general property taxes of the Town, which shall become effective on January 1 of the next succeeding year following the date on which annexation of the Property becomes legally effective.

13. Except for the terms and conditions of this Petition, Pre-Annexation Agreement, and of the Annexation Agreement, which terms and conditions Petitioner expressly approves and therefore do not constitute an imposition of additional terms and conditions within the meaning of Sections 31-12-107(4), 110(2), 111 or 112(1) of the Act, Petitioner requests that no additional terms and conditions be imposed upon annexation of the Property to the Town.

[Signature Pages and Exhibits Follow This Page]

THEREFORE, Petitioner requests that the Council approve the annexation of the Property.

PROPERTY OWNER/PETITIONER

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

By: _____

Name: _____

Title: _____

Date: _____

Petitioner's mailing address: 5975 East Jamison Place, Centennial, Colorado 80112

Is Petitioner a resident of the Property?: No.

Legal description of land owned by Petitioner: *See Exhibit B*, Legal Description of Land Owned by Petitioner

EXHIBIT A

Legal Description of Property Proposed for Annexation

[Insert legal description of Property.]

EXHIBIT B

Legal Description of Land Owned by Petitioner

[Insert legal description of Property.]

EXHIBIT C

Affidavit of Circulator

This petition has been circulated by the undersigned (the circulator) who attest that each signature thereon is that of the person whose name it purports to be. (Each circulator shall sign below in front of the same notary, or attach a separate Affidavit for each circulator).

Signature _____ Initials _____

Print Name _____ Title _____

STATE OF _____)
) ss.
COUNTY OF _____)

Subscribed and sworn to before me this ____ day of _____, 2024, by _____.

WITNESS my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT C

Form of Restrictive Covenant on Groundwater

[Remainder of page intentionally left blank]

RESTRICTIVE COVENANT ON GROUNDWATER

THIS RESTRICTIVE COVENANT ON GROUNDWATER (“Covenant”) is granted on this ____ day of _____, 2024, 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 ¶¶ 2 and 4. Grantor shall not transfer, encumber, sell, lease, export, sever or otherwise separate the Groundwater from the Property, subject to ¶¶ 2 and 4.
- 2. **Use on Grantee’s Property.** Notwithstanding ¶ 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 ¶¶ 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 ¶¶ 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 ¶ 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 COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by James W. Walker, as ____ partner of JRW FAMILY LIMITED PARTNERSHIP LLLP.

Witness my hand and official seal.

My commission expires: _____

Notary Public

GRANTEE:

ATTEST:

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

Lisa Anderson, Town Clerk

Jason Gray, Mayor

Approved as to form:

Approved as to content:

Michael J. Hyman, Town Attorney

Mark Marlowe, Director of Castle Rock Water

EXHIBIT A
Legal Description of Property

Parcel A

That portion of the Northeast $\frac{1}{4}$ of Section 34, Township 7 South, Range 67 West of the 6th P.M., more particularly described as follows:

Beginning at a point on the South line of the Northeast $\frac{1}{4}$ of Section 34 from whence the East $\frac{1}{4}$ corner bears South $89^{\circ} 32' 53''$ East, a distance of 512.11 feet and considering said South line to bear South $89^{\circ} 32' 53''$ East, as determined by solar observation, with all bearings contained herein relative thereto;

Thence, the following courses along The Denver and Rio Grande Western Railroad Westerly right of way:

North $25^{\circ} 25' 05''$ West, a distance of 744.26 feet;

North $64^{\circ} 34' 55''$ East, a distance of 100.00 feet;

North $25^{\circ} 25' 05''$ West, a distance of 455.31 feet to a point of curvature, along a curve to the right, having a central angle of $02^{\circ} 32' 56''$, a radius of 5620.00 feet, an arc length of 250.00 feet and a chord that bears North

$24^{\circ} 08' 34''$ West, a distance of 250.00 feet;

Thence, departing said Westerly right of way, South $70^{\circ} 36' 31''$ West, a distance of 911.40 feet;

Thence, South $27^{\circ} 58' 52''$ East, a distance of 1183.73 feet to a point on the South line of the Northeast $\frac{1}{4}$ of Section 34;

Thence, along said South line, South $89^{\circ} 32' 53''$ East, a distance of 831.16 feet to the point of beginning, County of Douglas, State of Colorado

Parcel B

All that part of the North $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 35 and all that part of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 34, Township 7 South, Range 67 West of the 6th P.M., lying West of the West right of way line of the Denver and Rio Grande Railroad and lying East of the East right of way line of the Atchison, Topeka and Santa Fe Railroad, County of Douglas, State of Colorado

EXHIBIT B-1
Groundwater

The following Denver Basin groundwater and groundwater rights adjudicated as underlying the property described in **EXHIBIT B-2**.

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 D

Target Dates

January 31, 2025:	JRW submit Annexation Petition and application materials
February 18, 2025:	Town Council Substantial Compliance Resolution
February 19, 2025:	JRW submit PD Zoning application
April 1, 2025:	Town Council Eligibility Hearing
April 13, 2025:	Finalize negotiation of Development/Annexation Agreement
April 24, 2025:	Town Planning Commission Hearing on PD Zoning
May 1, 2025:	Town approval of Town-Initiated Amendment (effective upon approval of PD Zoning Ordinance)
May 6, 2025:	Town Council First Reading on Annexation, Development/Annexation Agreement, and PD Zoning Ordinances
May 20, 2025:	Town Council Second Reading and Adoption of Annexation, Development/Annexation Agreement, and PD Zoning Ordinances
June 19, 2025:	Expiration of Legal Challenge Periods (Depending on Date of Publication)
June 20, 2025:	Legal Effective Date of Annexation