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**CANYONS FAR SOUTH
DEVELOPMENT AGREEMENT**

**APPROVAL OF THIS AGREEMENT CREATES A VESTED PROPERTY
RIGHT PURSUANT TO § 24-68-103, C.R.S.**

DATE: April 6, 2023.

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

CANYONS SOUTH, LLC, a Delaware limited liability company, 7979 E. Tufts Avenue, Suite 105, Denver, Colorado 80237.

RECITALS:

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

B. 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 zoning of the Property.

C. 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.

D. Pursuant to Article II, Section 30 of the Colorado Constitution, the Municipal Annexation Act, Title 20 of the Code, and this Agreement, the Town Council has annexed the Property into its municipal boundaries, and has jurisdiction and authority over the Property as necessary to bind the Property to the Town Regulations and to provide Municipal Services to the Property.

E. Each Party has taken the requisite corporate action as may be required under its respective governance instruments to authorize such Party's execution of this Agreement and to legally bind such Party to perform its obligations under this Agreement.

COVENANTS:

NOW, THEREFORE, in consideration of these mutual promises, the Parties agree and covenant as follows:

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**ARTICLE I
DEFINITIONS**

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

Agreement: this Canyons Far South Development Agreement inclusive of any future amendments to this Agreement.

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.

Development Exactions: the capital recovery fees and charges imposed by the Town under the Town Regulations on development and building, including System Development Fees, as the same may be amended from time to time, and applied uniformly throughout the Town.

District(s): 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.

Effective Date: the date when the following have occurred: (i) the ordinance approving this Agreement and the PDP is no longer subject to referendum, and (ii) the required Annexation Documents under Section 31-12-113(2)(a)(II)(A), C.R.S. have been filed.

Full Buildout: The completion of Project as evidenced by the issuance of the certificate of occupancy for the last dwelling unit and 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 Denver Basin groundwater adjudicated in Case Nos. 81 CW417 and 84CW386A, Water Division No. 1.

Irrigation Demand Reduction Measures: any renovation of existing landscaping on publicly- or privately-owned irrigated lands served by the Town water system and undertaken in accordance with the Town Landscape and Irrigation Criteria Manual that results in a verifiable reduction of the then-current water demand for such lands, as determined by the Town in its sole and reasonable discretion.

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

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code enforcement and any other service provided by Town within the municipality under its police powers.

Owner: the person(s) or entity(ies), individually or collectively, that hold fee simple title to any portion of the Property, according to the records of the County Clerk and Recorder. The use of the singular "Owner" shall refer to all owners of the Property, unless the context of the Agreement otherwise limits the reference and subject to Section 2.01 of this Agreement. As of the date of execution of this Agreement, Canyons South, LLC is the Owner of the Property.

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 Canyons Far South Planned Development Plan approved by Ordinance No. 2023-002 and recorded in the Records.

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.

Plans: the plans, documents, drawings and specifications prepared by or for Owner for the construction, installation or acquisition of the Public Improvements as approved by the Town under the Town Regulations.

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

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: the real property described in *Exhibit 1*.

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 and necessary to serve Public Lands. Public Improvements include, without limitation, the infrastructure necessary to serve the Property with water, wastewater, storm water 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 Dedicated (OSD) and Public Land Dedicated (PLD) on the PDP 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.

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Records: 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: any tributary water resources or any groundwater resources that are rechargeable on a yearly basis due to the hydrologic cycle without consideration of the capacity to harvest and use such resources.

Renewable Water Resources: any (i) Renewable Water Right(s) acceptable to the Town, in the Town's sole discretion, that may be lawfully used, or reasonably changed by the appropriate water court for lawful use, within the Town's service area; (ii) facilities used to withdraw, treat, store, and deliver, or to capture, reclaim and reuse Renewable Water; and (iii) property interests, legal rights and entitlements that support the use and delivery of Renewable Water Resources.

Renewable Water Rights. Any right established under Colorado law to physically divert a specific amount of Renewable Water from a specific point of diversion or control and put it to a certain beneficial use.

SDP: the site development plan for the Property, or a portion of the Property, prescribed under Title 17 of the Code.

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

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

System Development Fees: the capital recovery charges for the Town water, wastewater and stormwater systems and renewable water fees imposed under the Code, as the same may be amended from time to time, and applied uniformly throughout the Town.

TIA: the traffic impact analysis dated December 6, 2021, prepared with the PDP, and submitted to and accepted by the Town.

Town Council: 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.

Urban Services: Municipal Services and services provided through Public Utilities.

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

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

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 Binding Effect. The Owner, the Town and the Property are all benefited and burdened by the mutual covenants of this Agreement, and 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. Except as expressly provided in this Agreement to the contrary, upon conveyance of all, or a portion of the Property, the grantor shall be relieved of all obligations imposed by this Agreement applicable to the portion of the Property conveyed, provided that: (i) the grantee expressly assumes such obligation; and, (ii) the grantor shall not be relieved of any default under this Agreement attributable to the action or inaction of the grantor while the grantor was in title to such portion of the Property.

2.02 Mortgage 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 legal 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.

2.03 Owner/Districts Responsibility. Town shall accept the District(s)' performance of Owner's obligations under this Agreement after the Districts are in compliance with Article III. However, the owner of the Property upon which development approval is granted retains 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 the 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.

2.04 Town Regulations. Subject and subordinate to any provisions to the contrary contained in this Agreement, (i) 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, modification or addition to the Town Regulations, subsequent to the execution of this Agreement; however, 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.

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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.

2.05 Commencement of Development. Except as provided otherwise herein, execution of this Agreement by Owner does not create any obligation upon Owner to commence or complete development of the Property within any particular timeframe. The Parties, however, understand and agree that this Agreement imposes certain financial obligations on Owner which are time sensitive after the commencement of development on the Property. Accordingly, in the event that Owner has not completed the construction of at least \$500,000.00 in Public Improvements, excluding soft costs, and the issuance of the first building permit for a single-family residential structure by December 31, 2032, then the right of Owner under this Agreement and the Town Regulations to undertake further development of the Property, or to obtain permits for construction shall be suspended by the Town (the "Development Suspension"). The Development Suspension may be released by the Town Council, in its discretion, upon a showing of good cause for the delay, and the demonstration by Owner of the ability to commence and complete development of the Property in accordance with the PDP. If the Town Council determines that the Development Suspension should not be released, thereafter, the Town may initiate modifications to the PDP through the Town Regulations.

ARTICLE III METROPOLITAN DISTRICTS

3.01 Authorization. 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 the Owner construction costs either directly or as a reimbursement of costs incurred. It is the Parties' intention that the Districts comply with the Special District Oversight Ordinance of the Town Regulations ("SDO") and the Model Service Plan adopted by the Town Manager and on file with the Town Clerk ("MSP") prior to and as a condition of undertaking any of Owner's obligations under this Agreement.

Accordingly, Owner intends to submit a request to the Town to form the Districts, including approval of the Districts' Service Plan(s) in compliance with the Special District Act, the SDO, and the MSP. In addition, concurrently with action on the Service Plan(s), 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 Plans 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 debt mill levy or are otherwise dissolved, whichever shall last occur.

District formation matters, including all approvals described herein, shall be processed by the Town concurrently with this Agreement and the PDP, and the final approval date for District formation shall be the same as the Effective Date.

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Subject to Town Council approval of the Districts' Service Plans 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 service plan amendments required under the Special District Act, the SDO, and the MSP.

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 the 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 the amount of prescribed by the Town Regulations;
- (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.

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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, in the Records 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 hereby agrees to file a certified copy of the Annexation Ordinance with the District Court in Action No. 80CV209, not later than December 31, 2023, and, upon receipt, record a certified copy of the Order of Exclusion entered by the court with the County Clerk and Recorder, 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, 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 Permitted Development. Owner shall be permitted to develop the Property and/or the Project in accordance with this Agreement and 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 X, 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 fees, exactions and charges imposed by the Town Regulations, including Development Exactions, and compliance with conditions precedent to permitting imposed by this Agreement or Town Regulations. The Town agrees that it 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.

4.03 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.

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ARTICLE V
GROUNDWATER RIGHTS AND RENEWABLE WATER RESOURCES

5.01 Groundwater Rights Under the Town Regulations, it is the obligation of Owner to convey the Groundwater Rights, together with additional water resources, if needed, at the time of, and as a condition to the annexation of the Property. This requirement supports the Town's obligation to provide a municipal water supply to the Property in accordance with this Agreement. Upon conveyance by the Owner to Town of the Groundwater Rights pursuant to Section 5.02, below, the Town will have ownership of such Groundwater Rights. 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 Concurrently with and as a condition to recordation of this Agreement, Owner shall convey the Groundwater Rights to Town by special warranty deed generally consistent with the form attached as *Exhibit 2*. The conveyance of the Groundwater Rights shall transfer to Town the right to use, reuse, lease or sell the water withdrawn under the Groundwater Rights. 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 February 23, 2022, supplemented by letter dated March 7, 2022, from a qualified Colorado attorney, upon which Town has relied and determined that: (i) Owner owns the Groundwater Rights and (ii) upon recordation of the special warranty deed conveying the Groundwater Rights to the Town, Town will have good and marketable title to the Groundwater Rights, free of liens, encumbrances or other title defects (the "Title Opinion"), subject to the provisions set forth in Section 5.03, below. Owner shall further reimburse Town for all 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 Groundwater Rights as provided in this Article V.

After conveyance of the Groundwater Rights, 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 Groundwater Rights. 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 Credit Under the Town Regulations, the Groundwater Rights are converted into development entitlements, referred to as a "Water Credit." The Water Credit is expressed as a single-family equivalent ("SFE"). SFE's are assigned to residential, commercial and irrigation uses under the Town Regulations, subject, however, to the provision that these demand calculations shall be adjusted to reflect demand levels established pursuant to the approved Water Efficiency Plan.

Of the 465 acre feet of Groundwater Rights that Owner is conveying to the Town, the Town has determined pursuant to the Title Opinion described in Section 5.02, above, that 454.11 acre feet has good and marketable title acceptable to the Town. Accordingly, a Water Credit for the Property is currently established at 412.83 SFE. The water credit of 412.83 SFE may be subject to adjustment over time pursuant to the Water Efficiency Plan under Section 5.08, below; however, such SFE calculation shall not be affected by changes in the conversion rate of Groundwater Rights into SFE that the Town may implement through modifications to the Town Regulations after the date of this

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Agreement, including any future changes in the non-renewable dedication requirement under the Town Regulations.

5.04 Application of Water Credit. Unless otherwise directed by the Owner in accordance with Section 5.06, below, the Water Credit shall be reduced (i.e. applied):

- (a) initially at the time of Plat approval by the total SFE assigned to all approved development (private and public) to the extent the water demand for such use can be determined at such Plat approval;
- (b) subsequently adjusted at the time of SDP approval within the Property, or at building/irrigation permit issuance within the Property for those uses not accounted for at the time of Plat approval, or as necessary to reflect specific SFE assignment determined at building permit; and
- (c) at the time all potable and irrigation tap sizes are known, the Water Credit in the Water Bank, as defined in Section 5.05, below, shall be adjusted to reflect the SFE assignment in accordance with the Town Regulations or the Water Efficiency Plan for the Property.

5.05 Water Bank. In order to properly account for the Water Credit, Town shall administratively maintain an account designated as the Canyons Far South Water Bank ("Water Bank"). The Water Bank shall be debited or credited from time to time upon the Owner's application of any portion of the Water Credit in accordance with this Article V.

The Owner may request in writing an accounting of all entries made to the water bank and the current balance. Any objections raised by Owner regarding any entry shall be reviewed by the Town, however, the Town's determination after such review shall be final and binding, if made in accordance with this Agreement.

5.06 Ownership and Transfer of Water Credit. The Water Credit may be allocated by Owner at the time of approval of any Plat within the Property for the use and benefit of the portion of the Property subject to such Plat ("Allocated Water Credit") upon the issuance of notice of such allocation by the Owner to the Town. Upon notification, the Allocated Water Credit may be used exclusively for the portion of the Property subject to such Plat.

Any Allocated Water Credit may be transferred for use on other portions of the Property with the prior written consent of the Owner and upon the Town's determination that the Allocated Water Credit exceeds the demand for the designated portion of the Property.

Owner may grant a security interest in the Water Credit to a creditor, provided that such creditor's use of the Water Credit upon foreclosure of the security interest shall be subject to all rights, conditions and restrictions contained in this Article V, and further provided, however, any Water Credit "debited" from the Water Bank pursuant to Section 5.05 shall no longer be subject to such collateral assignment, irrespective of whether or not the secured party has expressly consented to such application of SFE's.

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The Water Credit may not be assigned or transferred for use on properties other than the Property. Any unused portion of the Water Credit remaining after Full Buildout shall revert to the Town, at no cost or obligation to Town.

5.07 Renewable Water Resources. In order to satisfy the requirements of Section 4.04.045A of Code, the Owner shall do one or a combination of the following to provide sufficient Renewable Water Resources to support the estimated wet water demand of 153 acre feet as set forth in the Water Efficiency Plan (see Section 5.08, below): (i) acquire sufficient Renewable Water Resources; or (ii) enter into a mutually-agreeable purchase option agreement with Town, to purchase at Town's cost, Renewable Water Resources and/or Irrigation Demand Reduction Measures identified and purchased by Town and earmarked for the Property. All Renewable Water Resources so acquired pursuant to (i), above, shall thereafter be conveyed to the Town by special warranty deed generally consistent with the form attached as *Exhibit 2*, upon which conveyance said Renewable Water Resources shall be deemed to have been provided to Town within the meaning of this Section 5.07. The requirement to provide Renewable Water Resources shall be distinctly separate from, and in addition to, the Groundwater Rights dedication requirement in Section 5.01. On or before, and as a condition to, the issuance of any Plat, Owner shall provide Renewable Water Resources to Town in an amount sufficient to serve the equivalent number of residential, commercial, or irrigation uses authorized by said Plat. Town shall not be obligated to approve any additional Plat(s) or issue building permits for that portion of the Property for which sufficient Renewable Water Resources have not been provided.

5.08 Water Efficiency Plan. Owner shall implement the Water Efficiency Plan attached as *Exhibit 3* ("Water Efficiency Plan") for all residential and non-residential development within the Property. The Water Efficiency Plan shall be incorporated into all conveyance documents for the Property and private covenants and restrictions. Homebuilders constructing homes on the Property shall be required to implement and follow all requirements of the Water Efficiency Plan.

Minor modifications and clarifications to the Water Efficiency Plan may be made administratively as determined by the Town. In the event that more restrictive water use conservation measures than are contained in the Water Efficiency Plan are subsequently adopted through the Town Regulations and applied uniformly throughout the Town, the more restrictive provisions shall govern all future Plat approvals.

**ARTICLE VI
PUBLIC IMPROVEMENTS DEVELOPMENT**

6.01 Generally. Owner shall develop the Property in accordance with this Agreement and Town Regulations, and applicable state and federal laws and regulations. Except for the Town Water and Wastewater Improvements defined in Section 6.04, below, and except as set forth in Section 3.01, development of the Public Improvements shall be the exclusive obligation of Owner, and Owner shall bear the cost of planning, design, construction and financing of the Public Improvements and all other related and incidental activities, including off-site property 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

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the general vicinity of the Property. Town may, at the Town's discretion, exercise its eminent domain powers to acquire such off-site property interests if Owner or District reasonably determine that they are unable to secure them, provided that Owner bears all costs of condemnation including appraisal, expert witness and attorney's fees and just compensation for the property acquired, if compensation is required. Town shall not unreasonably delay, condition or deny the use of its eminent domain powers upon receipt of a sound request from Owner or District in this regard.

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 as otherwise expressly provided in this Agreement, Town shall have no obligation to develop Public Improvements.

6.02 Oversizing. In the event Owner independently develops Public Improvements which are sized to serve, or otherwise directly benefit adjacent 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 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.

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 or 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. If Owner has the obligation to jointly fund a Town Water and Wastewater Improvement, the Town's obligation to develop such improvement is dependent on Owner providing financial guarantees and tendering funds when reasonably required by the Town.

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, Town shall provide replacement or alternative capacities in

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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 on the east and west sides of the Property at locations approved by the Town.

Owner shall be required to construct the following Town Water Improvements as shown on the map attached as *Exhibit 4*:

- (a) A 16” water line from Crowfoot Valley Road to Crimson Sky Drive; and
- (b) A 12” water line from Purple Zone Water Storage Tank 11 to a stub-out point located north of the Pioneer Ranch.

Prior to the construction of the Improvement referenced in subsection (a) of this section, Owner shall undertake and complete an analysis of whether it is necessary to increase its capacity in order to provide adequate water service to the Project. If, as a result of the analysis, the Town determines in the exercise of reasonable discretion that an increase in capacity is necessary, Owner shall be required to upsize such Improvement.

In addition, Owner shall be required to fund a pro rata share of the actual costs incurred by the Town in oversizing the Woodlands Sewer Interceptor, which share shall not exceed \$289.29 per SFE. Funding of such pro rata share shall be included with each residential building permit.

In the event that any of the above-listed Town Water and Wastewater Improvements should serve or, otherwise, directly benefit adjacent developments, then the provisions of Section 6.02 shall apply.

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7.02 Water and Wastewater Service. Upon final acceptance of the System Improvements constructed by Owner to Town specifications, the Town will own, manage, and maintain the System Improvements at Town expense; provided, however, that to 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 will be billed and collected by the Town pursuant to the terms and conditions of the Town Regulations.

7.03 Lift Stations. Owner shall pay a wastewater lift station fee of \$715.00 per SFE for the purpose of reimbursing the Town for a pro rata share of the costs the Town has incurred in association with the construction of the Castle Oaks Lift Station. Payment of such fee shall be due with each residential building permit for those residential units served by the Lift Station. Prior to the approval of the first Plat and the execution of the initial SIA, Owner shall undertake and complete an analysis of whether it is necessary to increase the capacity of the Castle Oaks Lift Station in order to provide adequate wastewater service to the Project. If, as a result of the analysis, the Town determines in the exercise of reasonable discretion that an increase in capacity is necessary, Owner shall be required to fund all costs the Town may incur in upsizing the Castle Oaks Lift Station up to and including a maximum amount of \$100,000.00. Funding for such costs shall be payable by Owner at the later of (i) at the time a building permit is issued to the Town for such upsizing, or (ii) the issuance of the 50th residential building permit on the Property.

7.04 Drainageway Improvements. Owner shall be responsible for preserving and fully stabilizing all major drainageways within the Project boundaries having a watershed area greater than 130 acres. In particular, Owner, at its sole expense, shall be responsible for the design and construction of major drainageway improvements on Tributary 3 to McMurdo Gulch within the Project boundaries. 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, watershed master planning for McMurdo Gulch, and natural stream channel design principals. 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, at Town's sole discretion 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.

ARTICLE VIII TRANSPORTATION IMPROVEMENTS

8.01 Founders Parkway Right-of-Way Conveyance. Owner shall convey, at no cost to the Town, the necessary right-of-way for Founders Parkway as determined necessary by the Colorado Department of Transportation ("CDOT") and depicted on the PDP. Conveyance shall be at the time of plat approval of the adjacent property as required by CDOT.

8.02 Founders Parkway Intersection Control. Owner, at its sole cost and expense, shall design and construct a new intersection for future access to the Property on Founders Parkway, including those improvements identified in the TIA and in compliance with the CDOT

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access plan and CDOT specifications ("Founders Intersection"). The Founders Intersection shall be located adjacent to the designated commercial area (identified as PA-5) on the PDP at a location approved by CDOT and the Town. The Town shall be responsible for working with Owner to apply for an access permit for the Founders Intersection from CDOT. In the event that CDOT does not approve the access permit for this location, Owner shall provide an alternate location for the Founders Intersection that is acceptable to the Town and CDOT. The Founders Intersection improvements will include, but not be limited to, a traffic signal, turn lanes, acceleration and deceleration lanes, and striping; provided, however, that the design and construction of a traffic signal shall not occur until such time as CDOT and the Town jointly determine, by means of a Town-approved traffic analysis, that such improvement is necessary. If, at such time as building permits have been issued by the Town for 75% of the residential lots in the Project, CDOT and the Town find that a traffic signal is not yet necessary, Owner shall, in lieu of design and construction, make a cash payment to the Town in an amount equal to the then-current estimated cost of the traffic signal. The Project road connection at the Founders Intersection shall be constructed to the Town's standard of "major collector." Town agrees to use reasonable best efforts to recoup 50% of the costs associated with the design and construction of the traffic signal, required turn lanes and other qualified elements of the Founders Intersection improvements from the owner or owners of the property located directly south of the Founders Intersection (the "Pioneer Ranch Property") if and when said owner or owners pursue (i) the annexation and development of the Pioneer Ranch Property within the Town or (ii) if the Pioneer Ranch Property is developed within the unincorporated County, the issuance of a permit by the Town to engage in development in an area of state interest or to conduct an activity of state interest pursuant to Title 21 of the Code. Town shall cause the adjacent property owners to remit to Owner any and all funds that may be recouped from such adjacent property owners for Founders Intersection improvements pursuant to the provisions of this Section 8.02.

8.03 Castle Oaks Drive Roadway Connection. Owner, at its sole cost and expense, shall design and construct a roadway connection between the Property and Castle Oaks Drive (the "Castle Oaks Connection") as depicted in the PDP. The Castle Oaks Connection shall be constructed with the first phase of the Project. In the event Castle Oaks Drive has not been realigned by the developer of the adjacent Terrain subdivision (the "Terrain Developer"), Owner shall be responsible for designing and constructing an interim connection from the new roundabout to Castle Oaks Drive. The connection may be on an interim alignment until Castle Oaks Drive is realigned permanently. Owner is further responsible for 100% of the costs of designing and constructing a roundabout at the intersection of the Castle Oaks Connection and Castle Oaks Drive along the ultimate alignment of Castle Oaks Drive. The roundabout shall be constructed with the first phase of the Project.

8.04 Founders Sidewalk Improvement. Owner, at its sole cost and expense, shall design and construct a ten-foot concrete sidewalk, located adjacent to Founders Parkway in an alignment that minimizes grading and disturbance of natural areas, from Crowfoot Valley Road to Crimson Sky Drive as depicted in the PDP, (the "Founders Sidewalk"). The construction of the Founders Sidewalk shall be undertaken as part of the first phase of the Project, pursuant to the approved SIA for the first Plat, concurrently with construction of the Founders Intersection improvements, including all missing sidewalk segments in the sidewalk alignment.

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The Town and Owner acknowledges that the construction of that portion of the Founders Sidewalk between the western Property boundary, adjacent to the Founders Intersection, to Crowfoot Valley Road (the "Timber Canyon Segment") will require the cooperation of multiple property owners. Accordingly, the Town shall use reasonable best efforts to assist Owner in obtaining permission from the adjacent property owners to construct the Timber Canyon Segment on the adjacent property. In the event that the Town's efforts should prove unsuccessful, the Town agrees to accept a cash in lieu payment from Owner equal to the actual cost of designing and constructing the Timber Canyon Segment, as such cost is approved to by the Town. Delays in completing construction of Founders Sidewalk shall not limit or delay the issuance of residential building permits, or Owner's right to obtain approval of subsequent Plats and SIAs.

8.05 Macanta Boulevard Connection. Owner acknowledges that a connection from the Property to Macanta Boulevard located in the adjacent Macanta subdivision in the unincorporated County is necessary for the development of the Project. In the event that Macanta Boulevard has not been extended to the Project collector road prior to the issuance of the first building permit for the Project, Owner shall, at no cost to the Town, design and construct the extension of Macanta Boulevard, as depicted in the PDP. If this roadway connection to Macanta is not open to the public by the 50th building permit in the Project, the Town shall withhold all future building permits until the roadway is completed.

**ARTICLE IX
PUBLIC LANDS**

9.01 Required Dedication. All Public Lands shall be offered for dedication and upon acceptance by Town, conveyed to Town, at no cost to Town: (i) with the first Plat the Public Land tract lies within; or, (ii) with the first Plat adjacent to the Public Land tract, whichever occurs first; provided, however, that with respect to the Public Land tract described in the PDP as OSD-1, said tract shall be conveyed to the Town within 30 days following the Effective Date. The Owner shall plat the remaining Public Land tract(s) described in PDP 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 its best efforts to convey the tract to the Town. All conveyances shall be in accordance with 9.05, below. Notwithstanding any provision of the Town Regulations to the contrary, those Public Lands dedications set forth in the PDP and this Agreement as listed below shall satisfy all required dedications necessary in connection with the development of the Property. The required Public Lands dedications are the following:

- (a) The public open space areas identified as OSD-1, OSD-2, OSD-3, OSD-4, and OSD-5 on the PDP; and
- (b) The Town park area identified as PLD-1 on the PDP.

9.02. Required Improvements. Owner, at its sole cost and expense, shall be responsible for the design and construction of the following improvements on Public Lands dedicated pursuant to Section 9.01:

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- (a) Town park area PLD-1, including, but limited to, any required parking facilities, picnic tables, and shade structures;
- (b) Berms and landscaping to serve as a public open space buffer in OSD-4, as shown on the PDP;
- (c) A natural surface trail system as per the Town's Soft Surface Sustainable Trail Development Guide, located generally as shown on the PDP; and
- (d) A ten-foot wide concrete surface, all-weather trail connecting Founders Parkway and Castle Oaks Drive in an alignment that minimizes grading and disturbance of natural areas, as generally shown on the PDP.

In addition, the construction of the Town park area shall be completed and open to the public on or before the issuance of the 30th certificate of occupancy in PA-2, as identified on the PDP, or the 85th certificate of occupancy for the entire Project, whichever comes first. The Town shall retain the authority to approve the final design of each such improvement at the time of SDP approval. Upon completion by Owner of all improvements pursuant to this Article IX, and acceptance by Town of the dedication of any and all Public Lands set forth herein, the Town shall assume all ownership of and maintenance responsibilities for such improvements and dedicated lands.

9.03 Acquisition of Off-Site Real Property Interests. Wherever this Agreement requires the Owner to acquire any off-site real property interest for the purpose of constructing Public Improvements or providing other public improvements in connection with the Project, the acquisition of such off-site real property interests shall be the sole and exclusive responsibility of the Owner, and the Owner shall bear all costs associated with the same. Without limiting the generality of Section 3.01, the acquisition of off-site real property interests may be accomplished by one or more Districts through the use of eminent domain, provided that the use of eminent domain is authorized by such District's Service Plan in accordance with Article III.

9.04 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 water, renewable water resource, stormwater and wastewater System Development Fees and tap connection charges utilized by the Town pursuant to Town 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 60 days after notice from Town that the Tap Fees have been determined based on the Town's development plan for the Public Lands.

9.05 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 purposes, as reasonably determined by Town. Unless otherwise provided in the Town Regulations to the contrary, the Owner shall furnish the Town with a policy of title insurance,

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issued by a title company licensed to do business in the State of Colorado, in the amount of \$10,000 per acre. If so requested by Town or required by the Town Regulations, Owner shall complete a Phase I environmental audit of all Public Lands prior to conveyance and acceptance by Town, and shall be solely responsible for any remedial environmental measures of hazards identified in the audit reasonably imposed by Town as a condition to Town's acceptance of such Public Lands. Should the Phase I 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.

9.06 Wildland Urban Interface Mitigation. All Public Lands and other parcels to be conveyed to the Town shall be assessed, at no cost to the Town, by a professional that is familiar with Wildland Urban Interface (WUI) mitigation. This assessment shall be provided to the Life Safety Division of the Fire Department for review and determination if any treatments are necessary to meet the current Community Wildfire Protection Plan that has been approved by the State of Colorado and Town of Castle Rock. Unless otherwise provided in the Town Regulations to the contrary, the Owner, shall furnish the Town with the review letter from the Fire Department stating that no treatments are required at the time of conveyance. If so requested by the Town or required by Town Regulations, the Owner shall contract with a competent contractor that is familiar with WUI mitigation to perform all identified treatments for all Public Lands prior to conveyance and acceptance by the Town. All mitigation treatments shall be completed by the Owner as a condition to Town's acceptance of such Public Lands, except for those Public Lands described in the PDP as OSD-1, which shall be conveyed to the Town at the time of the Effective Date of this Agreement, per Section 9.01. All mitigation treatments required pursuant to this Section 9.06 for OSD-1 shall be completed by the Owner prior to the first residential building permit for the Project, or within two (2) years following the date upon which OSD-1 is conveyed to the Town, whichever comes first. Once the initial mitigation is completed by the Owner and the Public Lands are conveyed to the Town, it shall be the responsibility of the Town to maintain the level of treatment that is appropriate as identified in the reviewed assessment and any subsequent updates.

Any Public Lands being conveyed to another public entity besides the Town, shall be also be assessed and the results of said assessment provided to the Life Safety Division of the Fire Department for review and determination if any treatments are necessary to meet the current Community Wildfire Protection Plan that has been approved by the State of Colorado and the Town of Castle Rock. If any treatments are required, they shall be the responsibility of the Owner. Once the Public Land is conveyed to another public entity it shall be the responsibility of said other public entity to maintain the level of treatment that is appropriate as identified in the reviewed assessment and any subsequent updates.

9.07 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 homeowner's association to the exclusion of the Public Lands from the application of such covenants. However, prior to constructing or placing any buildings or structures on Public Land, Town shall give the Owner and

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the applicable homeowner's association a reasonable opportunity to review and comment on the design and plans for any such improvements, but Town shall retain the ultimate authority to determine what improvements are placed on Public Lands.

9.08 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, as well as for any landscaping installed as part of the public open space buffer in OSD-4. 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 Sections 4.3 and 9.3.2, or subsequently adopted equivalent provisions. 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 homeowner's association ("HOA") or to the District by separate agreement, and Town shall accept performance by the HOA 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 HOA or the District. Upon acceptance of such maintenance obligations by the HOA and/or the District, the Town agrees to release Owner from further maintenance obligations under this Agreement with respect to those improvements accepted.

ARTICLE X VESTING

10.01 Vested Property Rights. Owner has demonstrated that the PDP inclusive of the PD Zoning Regulations meets the criteria under Chapter 17.08 of the Code and the Vested Property Rights Statute for vesting of property rights by agreement for a term in excess of three years. The PDP and this Agreement each constitute a "site-specific development plan" as defined in Section 104 of the Vested Property Rights Statute and Chapter 17.08 of the Code and, accordingly, vested property rights are established with respect to the PDP, inclusive of the PD Zoning Regulations, and this Agreement in accordance with the Vested Property Rights Statute and Chapter 17.08 of the Code. Pursuant to Section 17.08.080 of the Code, the following provision shall be placed on the PDP:

This Canyons Far South 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, 2037, to undertake and complete the development and use of the property in accordance with this Planned Development Plan.

10.02 Duration. Development of the Property requires Owner to make substantial upfront capital investment in Public Improvements as well as off-site infrastructure mandated by this Agreement. Given the scale of the Project, much of such infrastructure will serve multiple phases of the Project and the recoupment of such investment by Owner will occur incrementally as development of the Property progresses. The ability of the Owner or District to finance

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development of the Property is dependent on demonstration to the capital markets that there is an extended period of time in which the Project may be developed and marketed as currently envisioned, and that material modifications to the PDP will not be unilaterally imposed by the Town. Accordingly, the Parties find that the Vesting Term, as provided in this Section 10.02, is necessary and appropriate.

Property rights in the PDP and this Agreement are vested pursuant to Chapter 17.08 of the Code and the Vested Property Rights Statute until December 31, 2037 (the "Vesting Term").

10.03 Vesting Term Restrictions. During the Vesting Term, the Town shall not take any zoning or land use action (whether by action of the Town Council or pursuant to an initiated ordinance), which would alter, impair, prevent, diminish, impose a moratorium, or the like, on development, or otherwise delay development or the use of the Property in accordance with the PDP, nor shall Town unilaterally amend the PDP, except the following actions shall not be precluded during the Vesting Term ("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) 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) any action with respect to the PDP or this Agreement for which the Town pays just compensation as prescribed under Section 105(c) of the Vested Property Rights Statute; or
- (e) the imposition of regional, state or federal regulations which are beyond the control of the Town as reasonably determined by Town.

10.04 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, subject to the limitation and remedies under Section 10.05.

10.05 Limitation of Remedies. During the Vesting Term, and provided that Town is not in breach of its obligations under Article X of this Agreement, Owner shall not assert estoppel or "common law vesting," or any other legal or equitable cause of action or claim against the Town as a result of Owner's investment in Public Improvements or other expenditures in furtherance of development of the Property under the PDP. Upon expiration of the Vesting Term, or in the event Town is in breach of Article X of this Agreement, (i.e. Town has failed to timely cure a noticed default) this Section 10.05 shall no longer restrict Owner's legal remedies. Owner acknowledges that the limitation of its remedies during the Vesting Term is a material factor and inducement to the Town in granting vested property rights pursuant to this Article X.

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10.06 Rights in PDP. 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 PDP and this Agreement, subject to the Permitted Actions. After expiration of the Vesting Term, the PDP and this Agreement shall remain valid and effective; however, the statutory vested property rights in the PDP and this Agreement shall then terminate. The termination of such 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.

10.07 Effective Date. The effective date of this vesting of property rights in the PD is the Effective Date. The public notice of vesting required under Section 103 of the Vested Property Rights Statute shall be included in the publication of the ordinance approving the PDP. Town shall publish such ordinance within 14 days of its approval on second reading.

10.08 Effect of Referendum. Any referendum filed pursuant to Section 104(2) of the Vested Property Rights Statute 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, except as may be expressly set forth therein, have the effect of invalidating the PDP or any other Town approvals pertaining to the Property.

10.09 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) The Town Council has established in its legislative capacity as the legislative governing body of the Town that, although the Vested Property Rights Statute 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 Statute 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 Statute, while securing to Owner, as applicable, the benefits of the vested property rights under and pursuant to the Vested Property Rights Statute:
 - (A) Owner hereby knowingly, intentionally, voluntarily and irrevocably waives, for itself and for its successors and assigns (including, but not limited to, any successor Owner), any remedial right it or they, as applicable, may have pursuant to Section 105(1)(c) of the Vested Property Rights Statute to be

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paid money damages as just compensation upon a deprivation, impairment, violation or other divestment of the vested property rights.

- (B) 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 Statute to pay money damages to Owner (including, but not limited to, any successor Owner) 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 Statute.
- (ii) The Town Council, acting in its legislative capacity as the legislative governing body of the Town, expressly authorizes, determines and directs that Owner 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 10.09(b).
- (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 10.09(b) will not be enforced against the Town as written, Owner will be entitled to pursue and be awarded just compensation pursuant to Section 105(1)(c) of the Vested Property Rights Statute 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 those stated in Section 10.09(b) and such action constitutes a compensable action under the Vested Property Rights Statute.

ARTICLE XI DEFAULT AND REMEDIES

11.01 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.

11.02 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

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Party shall have 20 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 twenty (20) day period and the defaulting Party commenced the cure within the twenty (20) 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 twenty (20) 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.

11.03 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 11.02, 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. Notwithstanding anything herein to the contrary, Owner's remedies in the event of a default by Town in the grant of vested development rights are governed by Section 10.09.

ARTICLE XII GENERAL PROVISIONS

12.01 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. This Agreement may be amended without the approval of all of the then Owners of the Property, provided that such amendment shall not be binding on an Owner or the Property owned by such Owner who is not a Party to such amendment. 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 will constitute approval of such changes by the Parties.

12.02 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.

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12.03 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, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same will be deemed to have been given and received three days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United State 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 business day after being deposited with a nationally recognized overnight air courier service or upon delivery to the Party to whom it is addressed. In the event of transfer of the Property to the address of such grantee as indicated in the recorded instrument whereby such grantee acquired an interest in the Property.

If to Town: Town of Castle Rock
100 Wilcox Street
Castle Rock, CO 80104
Attn: Town Manager
With a copy to: Town Attorney

If to Owner: Canyons South, LLC
7979 E. Tufts Avenue, Suite 105,
Denver, Colorado 80237

12.04 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.

12.05 Conflicts. If the terms and provisions of this Agreement 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.

12.06 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.

12.07 Additional Documents or Action. The Parties agree to 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 is necessary to carry out this Agreement or is 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. If all or any portion of this Agreement, or other agreements approved in connection with this Agreement are asserted or determined to be invalid, illegal or are otherwise precluded, the Parties, within the scope of their powers and duties, will cooperate in the joint defense of such documents and, if such defense is unsuccessful, the Parties will use reasonable, diligent good faith efforts to amend, reform or replace such precluded

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items to assure, the extent legally permissible, that each Party substantially receives the benefit that it would have received under this Agreement.

12.08 Entire Agreement. This instrument embodies the whole agreement of the Parties. 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.

12.09 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.

12.10 Natural and Manmade Hazards. Nothing in this Agreement or otherwise shall require the Town to approve development or use of any portion of the Property where there exist natural or man-made hazards on or in the immediate vicinity of the proposed area of use, provided that such natural or man-made hazards could not reasonably have been discovered at the time of approval of the PDP but such hazards, if uncorrected, would pose a serious threat to the public health, safety and welfare.

12.11 Recording. This Agreement will be recorded in the Records after mutual execution by the Parties following the Effective Date.

(Signature Pages to Follow)

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ATTEST:

TOWN OF CASTLE ROCK

DocuSigned by:
Lisa Anderson
Lisa Anderson, Town Clerk

DocuSigned by:
Jason Gray
Jason Gray, Mayor

Approved as to form:

DocuSigned by:
Lindsay Jordan
Michael N. Hyman, Town Attorney

COUNTY OF DOUGLAS)
) ss.
STATE OF COLORADO)
) DS

The foregoing instrument was acknowledged before me this 27th day of June, 2023, by Lisa Anderson as Town Clerk and Jason Gray as Mayor for the Town of Castle Rock, Colorado.

Witness my official hand and seal.
My commission expires: 9/30/2024 DAN#20084033388-172648

SHANNON EKLUND
NOTARY PUBLIC
(STATE OF COLORADO)
Notary ID: 20084033388
My commission expires 9/30/2024

DocuSigned by:
Shannon Eklund
Shannon Eklund
Notary Public

DocuSign Envelope ID: F0BE8C02-26BA-458C-98F8-EEE6CCF82316

EXHIBIT 1

CANYONS SOUTH ANNEXATION BOUNDARY

A PARCEL OF LAND BEING TRACTS V & X, CANYONS SOUTH FILING NO. 1A, 3RD AMENDMENT, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 2021023312, IN THE RECORDS OF THE DOUGLAS COUNTY CLERK AND RECORDER'S OFFICE AND PORTIONS OF THE SOUTH HALF OF SECTION 30 AND THE NORTH HALF OF SECTION 31, TOWNSHIP 7 SOUTH, RANGE 66 WEST & THE SOUTHEAST QUARTER OF SECTION 25, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE BEARINGS FOR THIS DESCRIPTION ARE BASED ON THE EAST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, TOWNSHIP 7 SOUTH, RANGE 66 WEST OF THE SIXTH P.M., AS SHOWN ON SAID PLAT OF CANYONS SOUTH FILING NO.1A, 3RD AMENDMENT TO BEAR S 00°03'56" E, FROM THE EAST QUARTER CORNER OF SAID SECTION 30, BEING MONUMENTED BY A REBAR WITH A 2 INCH ALUMINUM CAP STAMPED "PLS 23515" TO THE SOUTH SIXTEENTH CORNER OF SECTIONS 29/30, BEING MONUMENTED BY A REBAR WITH A 1-1/2 INCH ALUMINUM CAP, STAMPED "PLS 23515", WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 30, THENCE S 00°03'56" E, ALONG THE EAST LINE OF SAID CANYONS SOUTH FILING NO. 1A, 3RD AMENDMENT AND ALONG THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 30, A DISTANCE OF 798.31 FEET TO THE NORTHEAST CORNER OF SAID TRACT X AND THE POINT OF BEGINNING;

THENCE S 00°03'56" E, CONTINUING ALONG SAID EAST LINES, A DISTANCE OF 525.32 FEET TO THE SOUTH SIXTEENTH CORNER OF SECTIONS 29/30, ALSO BEING A POINT ON THE NORTH LINE OF CASTLE OAKS, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 150556, SAID DOUGLAS COUNTY RECORDS; THENCE ALONG THE NORTH AND EAST LINES OF SAID CASTLE OAKS PLAT, THE FOLLOWING THREE (3) COURSES:

1. S 89°49'31" W, A DISTANCE OF 1319.43 FEET TO THE SOUTHEAST SIXTEENTH CORNER OF SAID SECTION 30;
2. S 00°04'19" E, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 30, A DISTANCE OF 1331.29 FEET TO THE EAST SIXTEENTH CORNER OF SAID SECTIONS 30/31;
3. S 00°07'26" E, ALONG THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 31, A DISTANCE OF 2643.38 FEET TO A POINT ON THE NORTH LINE OF CASTLE OAKS ESTATES FILING NO. 1, 9TH AMENDMENT, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 2013082860 AND A POINT ON THE NORTH LINE OF THAT BOUNDARY LINE AGREEMENT RECORDED AT RECEPTION NO. 2007016736, BOTH OF SAID DOUGLAS COUNTY RECORDS;

THENCE S 89°18'28" W, ALONG THE NORTH LINE OF SAID BOUNDARY LINE AGREEMENT AND ALONG THE NORTH LINES OF SAID CASTLE OAKS ESTATES FILING NO. 1, 9TH AMENDMENT, CASTLE OAKS ESTATES FILING NO. 1, AMENDMENT NO. 2, RECORDED AT RECEPTION NO. 2006078876 AND CASTLE OAKS ESTATES FILING NO. 1, RECORDED AT RECEPTION NO. 2003181990, A DISTANCE OF 3675.98 FEET TO THE SOUTHEAST CORNER OF THAT PARCEL OF LAND DESCRIBED IN THAT DEED RECORDED AT RECEPTION NO. 2009029995, SAID DOUGLAS COUNTY RECORDS;

THENCE ALONG THE EAST AND NORTH LINES OF SAID PARCEL OF LAND THE FOLLOWING TWO (2) COURSES:

1. N 00°13'51" W, A DISTANCE OF 245.55 FEET;

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2. N 47°08'24" W, A DISTANCE OF 34.12 FEET TO A POINT ON THE EAST LINE OF THE FOUNDER'S PARKWAY RIGHT-OF-WAY, ORIGINALLY DEDICATED AS MILLER BOULEVARD, BY THE MILLER BOULEVARD FILING NO. 2 FINAL PLAT, A SUBDIVISION PLAT RECORDED AT RECEPTION NO. 8603133, SAID DOUGLAS COUNTY RECORDS;

THENCE ALONG SAID EAST LINE, THE FOLLOWING TWO COURSES:

1. N 00°12'47" W, A DISTANCE OF 1420.37 FEET TO A POINT OF CURVATURE;
2. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1005.00 FEET, A CENTRAL ANGLE OF 10°42'21" AND AN ARC LENGTH OF 187.79 FEET TO THE SOUTHWEST CORNER OF THAT PARCEL OF LAND DESCRIBED IN THAT DEED RECORDED AT RECEPTION NO. 2009099312;

THENCE ALONG THE SOUTH AND EAST LINES OF SAID PARCEL OF LAND THE FOLLOWING FIVE (5) COURSES:

1. N 72°31'31" E, A DISTANCE OF 73.36 FEET;
2. N 00°01'17" E, A DISTANCE OF 200.00 FEET;
3. N 72°31'31" E, A DISTANCE OF 192.84 FEET;
4. N 24°42'07" W, A DISTANCE OF 72.63 FEET;
5. N 33°43'04" W, A DISTANCE OF 424.14 FEET TO A POINT ON THE EAST LINE OF THE RIDGE ROAD RIGHT-OF-WAY;

THENCE N 00°01'17" EAST, A DISTANCE OF 88.15 FEET TO A POINT ON THE NORTH LINE OF SAID RIDGE ROAD RIGHT-OF-WAY;

THENCE S 89°47'43" W, ALONG SAID NORTH LINE, A DISTANCE OF 729.78 FEET TO A POINT ON THE NORTH LINE OF SAID FOUNDER'S PARKWAY RIGHT-OF-WAY AND A POINT OF NON-TANGENT CURVATURE;

THENCE ALONG SAID NORTH LINE, THE FOLLOWING THREE COURSES:

1. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 1005.00 FEET, A CENTRAL ANGLE OF 13°57'59" AND ARC LENGTH OF 244.98 FEET, THE CHORD OF WHICH BEARS N 82°51'30" W, A DISTANCE OF 244.37 FEET;
2. N 89°50'29" W, A DISTANCE OF 488.91 FEET TO A POINT OF CURVATURE;
3. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 895.00 FEET, A CENTRAL ANGLE OF 25°36'15" AND AN ARC LENGTH OF 399.95 FEET TO A POINT ON THE EAST LINE OF THE RIDGE ROAD RIGHT-OF-WAY, AS DESCRIBED IN THAT DEED RECORDED AT RECEPTION NO. 2008079259, SAID DOUGLAS COUNTY RECORDS;

THENCE N 11°41'01" W, ALONG THE EAST LINE OF SAID RIDGE ROAD RIGHT-OF-WAY, A DISTANCE OF 29.20 FEET TO A POINT BEING 23.00 FEET NORTH OF THE NORTH LINE OF SAID FOUNDER' PARKWAY RIGHT-OF-WAY AND A POINT OF NON-TANGENT CURVATURE, AND BEING THE SOUTHWEST CORNER OF A PARCEL OF LAND DESCRIBED IN THAT DEED RECORDED AT RECEPTION NO. 2006097242, SAID DOUGLAS COUNTY RECORDS;

THENCE ALONG THE SOUTH AND EAST LINES OF SAID PARCEL OF LAND, THE FOLLOWING TWO (2) COURSES:

1. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 872.00 FEET, A CENTRAL ANGLE OF 22°57'23" AND AN ARC LENGTH OF 349.38 FEET, THE CHORD OF WHICH BEARS S 74°32'56" E, A DISTANCE OF 347.05 FEET;

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2. N 19°21'06" W, A DISTANCE OF 1023.82 FEET TO A POINT ON THE EAST LINE OF THE RIDGE ROAD RIGHT-OF-WAY AS DESCRIBED IN THAT DEED RECORDED AT RECEPTION NO. 2008079259, SAID DOUGLAS COUNTY RECORDS;

THENCE N 11°52'30" E, ALONG SAID EAST LINE, A DISTANCE OF 499.36 FEET TO A POINT ON THE SOUTH LINE OF THAT PARCEL OF LAND DESCRIBED IN THAT DEED RECORDED AT RECEPTION NO. 2018029164, SAID DOUGLAS COUNTY RECORDS;

THENCE ALONG THE SOUTH LINE OF SAID PARCEL OF LAND THE FOLLOWING FOUR (4) COURSES:

1. N 90°00'00" E, A DISTANCE OF 653.69 FEET;
2. S 33°43'04" E, A DISTANCE OF 792.75 FEET;
3. N 59°57'41" E, A DISTANCE OF 749.00 FEET;
4. N 76°24'57" E, A DISTANCE OF 927.15 FEET TO A POINT ON THE SOUTH LINE OF SAID CANYONS SOUTH FILING NO. 1A, 3RD FILING, ALSO BEING THE WEST CORNER OF SAID TRACT V;

THENCE ALONG THE NORTH LINE OF SAID TRACT V, THE FOLLOWING FOUR (4) COURSES:

1. N 76°24'57" E, A DISTANCE OF 14.66 FEET;
2. S 89°06'00" E, A DISTANCE OF 1845.91 FEET;
3. N 74°02'37" E, A DISTANCE OF 891.67 FEET;
4. N 81°10'33" E, A DISTANCE OF 389.25 FEET TO A POINT ON THE SOUTH LINE OF SAID CANYONS SOUTH FILING NO. 1A, 3RD FILING;

THENCE ALONG SAID SOUTH LINE, THE FOLLOWING THREE COURSES:

1. N 63°07'04" E, A DISTANCE OF 395.46 FEET;
2. S 73°17'30" E, A DISTANCE OF 198.44 FEET;
3. S 85°55'00" E, A DISTANCE OF 165.88 FEET TO THE WEST CORNER OF SAID TRACT X;

THENCE N 81°10'33" E, ALONG THE NORTH LINE OF SAID TRACT X, A DISTANCE OF 354.66 FEET TO THE POINT OF BEGINNING.

CONTAINING AN AREA OF 17,816,380 SQUARE FEET OR 409.008 ACRES, MORE OR LESS.

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EXHIBIT 2

EXEMPLAR

**SPECIAL WARRANTY DEED
(Water Rights)**

THIS SPECIAL WARRANTY DEED, made this ___ day of _____, 2023, between **CANYONS SOUTH, LLC**, a Colorado limited liability company, hereinafter referred to as "Grantor" and **THE TOWN OF CASTLE ROCK**, a home rule municipal corporation of the State of Colorado, acting by and through the **CASTLE ROCK WATER ENTERPRISE**, hereinafter referred to as "Grantee."

WITNESSETH, that Grantor, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold, and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto the Grantee, and Grantee's heirs, successors, and assigns forever, all water and water rights situate, lying and being in the County of Douglas, State of Colorado, described as follows:

See *Exhibit 1*, attached hereto and incorporated herein by this reference.

TOGETHER WITH all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all of the estate, right, title, interest, claim, and demand whatsoever, of Grantor, either in law or equity, of, in, and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described with the appurtenances, unto Grantee, and Grantee's heirs, successors, and assigns forever. Grantor, for Grantor and Grantor's heirs, successors, and assigns, does covenant and agree that Grantor shall and will **WARRANT AND FOREVER DEFEND** the above bargained water and water rights in the quiet and peaceable possession of Grantee, and Grantee's heirs, successors, and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under Grantor, subject to Statutory Exceptions.

(Signature pages to follow)

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IN WITNESS WHEREOF, Grantor has executed this Deed on the date set forth above.

GRANTOR:

CANYONS SOUTH, LLC, a Colorado limited liability company

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by _____, as _____, for Canyons South, LLC.

Witness my hand and official seal.

My commission expires: _____

Notary Public

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EXEMPLAR

EXHIBIT 1

Description of Water Rights
(see attached)

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EXHIBIT 3

WATER EFFICIENCY PLAN FOR CANYONS FAR SOUTH

Castle Rock, Colorado
WEP21-0004

Prepared For:

Canyons South LLC
5299 DTC Blvd., Suite 1260
Greenwood Village, CO

Prepared by:

Dig Studio
1521 15th Street
Denver, CO 80202

November 2022

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Water Efficiency Plan

Canyons Far South

November 2022

LANDSCAPE ARCHITECT'S STATEMENT:

The enclosed Water Efficiency Plan, and Exhibits were prepared by me, or under my direct supervision, and are correct to the best of my knowledge and belief. Said Water Efficiency Plan has been prepared in accordance with applicable Town of Castle Rock criteria and latest Minimum Standards for Water Efficiency document.

William P Vitek, Registered Landscape Architect, CO License #737

OWNER/DEVELOPER'S STATEMENT

As Owner/Developer of land(s) identified within this report; I agree to proceed, implement and comply with all recommendations and requirements outlined herein.

Canyons South LLC

TOWN OF CASTLE ROCK APPROVALS:

Accepted By:

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Water Efficiency Plan

Canyons Far South

November 2022

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- I. Introduction
- II. Water System Characteristics
- III. Water Usage Performance Standards
- IV. Conclusion
- V. References

Appendices

- Site Location Plan
- Typical Lot Landscaping Plan
- Low Water Use Plant List
- Town of Castle Rock Water Efficiency Verification Checklist Indoor Standards
- Town of Castle Rock Water Efficiency Verification Checklist Outdoor Standards
- Irrigation System Design Records and Certification

Standard

Terminology and Values

One cubic foot = 7.48 gallons of water

One acre-foot = 325,851 gallons of water

One cubic foot per second (cfs) = 448 gallons per minute (gpm)

One acre of low water use turf grass, as approved by Town of Castle Rock Water, requires approximately 19.0" (407,314 gallons) of water per year.

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Water Efficiency Plan

Canyons Far South

November 2022

I. INTRODUCTION

This Water Efficiency Plan (WEP) has been prepared as a supplement to the Canyons Far South Planned Development Plan. The WEP will also be supported by project specific Design Guidelines for the Canyons Far South project. This WEP and associated Design Guidelines conforms with the Town of Castle Rock latest standards and requirements as of the date of the adoption of this WEP.

A. Location

Canyons Far South (the "Property") is a master planned residential community located on a total of approximately 409 acres. The site is located in the northeast corner of the Town of Castle Rock as depicted on the Site Location Map in the Appendix. The site is located just north of the Terrain community, east of Founders Parkway, west of Castle Oaks Drive and just south of the Macanta residential community

B. Description of Property

The site is entitled for 474 residential units and 60,000 SF of commercial, and is anticipated to include a mix of lot and housing options in a site planning configuration that respects the natural vegetation, existing topography and drainage corridors. Existing vegetation, which is not currently irrigated, consists mainly of native grasses, scrub oak and some sporadic groupings of ponderosa pine along the drainage corridors. Infrastructure improvements for this project are expected to occur in phases as shown on the PD Plan.

II. WATER SYSTEM CHARACTERISTICS**A. Existing Supply**

The Property is served by the Town of Castle Rock for potable water service delivered through the Town's water infrastructure. It is anticipated the project will utilize the Town's existing Red Zone water lines for the Commercial Planning Area and the Purple Zone system for the Residential Planning Areas. Connection points for the water infrastructure are located along Founders Parkway, Castle Oaks Drive and within the Macanta community to the north. Canyons South LLC will dedicate all owned ground water rights to the Town.

B. Proposed Facilities

All water and wastewater infrastructure design will be in accordance with the current Town of Castle Rock Water and Wastewater Design Criteria Manuals that can be located at:
www.crgov.com/codecentral

C. Irrigation Demand

Canyons Far South is envisioned to be a model of water efficiency for the Town of Castle Rock utilizing both exterior and interior efficiency programs while still providing an attractive landscaped environment.

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Water Efficiency Plan

Canyons Far South

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Residential lots will include water-wise landscaping with a mix of vegetation and landscaping materials. It is anticipated the Property will contain a variety of lot sizes each of which will provide specific limits to the amount of irrigated turf, planting materials and general landscape design. Landscape requirements will, at a minimum, meet the Town of Castle Rock standards, while the community design guideline will further define the landscape requirements for homebuilders and homeowners. Specific detail for landscape requirements and limitations shall be included with each respective site development plan (SDP) but shall not be subject to additional restriction so long as they are consistent with the Town's then landscape requirements and this WEP.

Common areas, open space, and streetscapes will utilize a drought tolerant plant palette that is consistent with Town of Castle Rock standards and plant list. The overall streetscape will be designed to have a multi-seasonal aesthetic appearance while accommodating plants that tolerate increased pollution and salts. No turf grass will be used within the streetscape and trees will meet the minimum diversity standard. The streetscape will be designed to blend in with the naturalized landscape concept for the Property with trees grouped rather than formal tree lawn plantings. All trees will be planted with regard to adequate growth potential and pedestrian safety zones.

Native seed planting will be utilized in the common space, and open space areas in and around the Planning Areas and for revegetation of disturbed areas. Native drought tolerant grasses will be included in most common space areas. Trees, shrubs and ornamental plants will be selected from the Town's low to very low hydrozone plant list and utilize a drip irrigation system. Grow-in of the disturbed areas may utilize additional water demand to reestablish vegetation to a sustainable coverage. Common area parks may utilize Town of Castle Rock approved irrigated turf, Kentucky bluegrass not allowed, but only in those areas identified as high-demand high-traffic areas planned for recreational purposes and group activities. Enhanced Native drought tolerant grasses, species approved by the Town of Castle Rock are required for these areas.

The Appendix includes an example landscaping plan for a typical sized lot along with a suggested planting list for the community. Additional plant materials may be proposed by the homebuilder and/ or installed by the homeowner so long as they are consistent with the intent of this WEP and the community design guidelines. Plant material to be utilized will be on the Town of Castle Rock approved Plant List and will be in Hydrozone 1 and 2.

III. WATER USAGE PERFORMANCE STANDARDS

A. Water Efficiency Plan (WEP) Minimum Criteria

All single-family homes in Canyons Far South will be constructed according to the following minimum criteria. Homes constructed under this WEP will demonstrate a higher efficiency and additional water savings above and beyond similar homes built without a WEP. Water efficiency criteria must meet or exceed current Town of Castle Rock standards. These standards may be

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Water Efficiency Plan**Canyons Far South****November 2022**

adjusted as phases develop to reflect new technologies and updates to the Town's Criteria and the Colorado's WaterSense programs.

1. The homes at Canyons Far South will meet the following required fixture criteria:
 - 1.1. Service Pressure
 - i. Limited to 60 pounds per square inch (psi) at the point of service.
 - 1.2. Toilets
 - i. Dual Flush: Watersense labeled, not to exceed a solid flush of 0.8 gallons per flush gpf or less and a liquid flush of 0.5gpf or less.
 - ii. Single Flush: Watersense labeled, not to exceed 0.8 gallons per flush gpf or less.
 - 1.3. Kitchen Faucets
 - i. Not to exceed 1.5 gallons per minute (gpm).
 - 1.4. Bathroom Faucets
 - i. WaterSense labeled, not to exceed 1.2 gpm.
 - 1.5. Showerheads (one allotted per bath/shower)
 - i. WaterSense labeled, not to exceed 1.5 gpm per showerhead.
 - 1.6. Irrigation Controller
 - i. WI-Fi enabled smart irrigation controller with multiple sensor inputs for rain and flow sensors.
 - 1.7. Irrigation Components
 - i. Rotors, rotary nozzles, and point source or sub-surface drip irrigation, high efficiency spray irrigation is only allowed in turf areas and must have an application rate not to exceed one and one quarter (1.25) inches / hour.
 - ii. Irrigation flow sensor
 - ii. Irrigation master valve
 - 1.8. Water Features
 - i. Outdoor decorative water features are not allowed.

Optional fixture selection and design criteria to achieve a minimum of seven (7) Points will also be required from the list of options as follows. Calculation of such points shall be determined with each respective Site Development Plan (SDP) application, allowing for flexibility in achieving the points to vary between product and homebuilder preference.

 - 1.9 Pools
 - i. In-ground pools are not allowed.

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Water Efficiency Plan

Canyons Far South

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1.10 Colorado Scape Design

- i. A natural landscape which uses low to very low water, less than ten (10") inches of water per year incorporating plant material that blends with the native Castle Rock area landscapes. Plant material must be maintained in its natural form, utilizing a combination of hardscape and landscape materials which provide a variety of colors, textures, sizes, shapes and seasonal interest. No turf is allowed in front yards.

* Back Yard, 5 Points

1.11 Internal House Greywater System

- i. A system contained within each home that allows for the collection and re-use of greywater generated within the home for the purpose of toilet flushing. 5 Points.

1.12 Hot Water Demand

- i. A continuous whole-home hot water recirculation, with a traditional water heater system. 3 Points.

1.13 Tankless Water Heater

- i. Point of use tankless electric water heater. 1 Point per location, maximum of 4 Points.

1.14 Leak Detection

- i. Wi-Fi enabled flow detection and monitoring device with automatic shut off such as a Flo by Moen or similar system, 2 Points.

1.15 Kitchen Faucets

- i. Kitchen faucets with less than 1.5 gpm, 1 Point per location, maximum of 2 Points.

1.16 Bathroom Faucets

- i. Bathroom faucets with 1 gpm or less, 1 Point per location. Maximum of 3 Points.

2. Outdoor Water Efficiency

Landscape and Irrigation plans submitted as part of a WEP must meet or exceed the most current landscape and irrigation regulations at the time of each respective Site Development Plan (SDP) submittal. All single-family homes in Canyons Far South will be constructed according to the following outdoor criteria.

The outdoor water efficiency at Canyons Far South will be required to meet at least 3 points from the Town of Castle Rock's WEP criteria, an additional 4 points will come from indoor water efficiency.

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Water Efficiency Plan

Canyons Far South

November 2022

2.1 Landscape and Irrigation Typical Treatment

All landscape and irrigation plans, as part of this Water Efficiency Plan, must be approved by Castle Rock Water, Conservation Plan Review at time of SDP.

- i. Collector Spine Road Landscape:
 - a. A regularly spaced, 40' o.c. tree lined road is not the intent of this landscape character area. Rather groupings of trees will be used to focus and buffer views along the entire length of the spine road. The total quantity of trees in the Spine Road groupings will equal the quantity of trees that would be anticipated for a 40' o.c. spacing. The Landscape Character along the main collector spine road will consist of groupings of trees and shrubs to match the existing native landscape character. The ground plane will be treated with a native grass seed mix to blend back with the existing undisturbed areas of the site. Drip irrigation to trees and shrubs shall be permanently installed to provide long term supplemental watering. Irrigation for native seeding is to be temporarily installed for establishment purposes only then removed.
- ii. Planning Area Internal Local Neighborhood Streets (Not adjacent to Lots)
 - a. Entry roads into the Planning Areas will consist of a mixture of 50% native reseeded grass areas and 50% enhanced native shrub areas within the Right of Way (ROW). Areas disturbed by grading operations will be reseeded with native grass. Similar to the Spine Road aesthetic, trees will be planted in groupings to mimic the native surroundings and open up views across the landscape. Temporary irrigation will be utilized for the native seed grass areas and will be removed, see Temporary Irrigation Criteria on CRgov.com, once these native areas are established. A point source drip irrigation system utilizing no more than 10" of water per year for the trees and shrubs shall be permanently installed to provide long term supplemental watering. This system will be maintained by the HOA. Irrigation for native seeding is to be temporarily installed for establishment purposes only then removed.
- iii. Local Streets Adjacent to Lots
 - a. The landscape areas located between the street facing lot lines and the back of the adjacent attached sidewalk will be planted with enhanced native plants and trees, as shown as a conceptual example in the Appendix of this WEP. These areas will utilize a point source drip irrigation system that will be installed by builder and maintained by homeowner. Plantings will not utilize more than 10" inches of irrigation per year and turf grass will not be allowed in this area. The plantings and irrigation system in this area will be the responsibility of the individual lot owner, as per section 9.3.2 of the Town of Castle Rock Landscape and Irrigation Criteria Manual, for upkeep and maintenance.
- iv. Open Space Private (OSP)/developed parks
 - a. Planning Areas may contain developed park areas for open recreational activities such as informal field games, catch, frisbee, and dog walking.

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Water Efficiency Plan

Canyons Far South

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- b. It is anticipated that turf areas or high water areas may be incorporated into park designs as consistent with Town of Castle Rock Municipal code Chapter 13.20. Low water turf grass will utilize no more than 19" inches of water per year. The remaining area will include enhanced native shrubs and trees on a drip irrigation system utilizing no more than 10" inches of water per year. These areas will contain shrubs and low water plantings with limited turf.
 - v. Commercial
 - a. Open space within the commercial area will mainly consist of paved plaza spaces and gathering areas that are accented with shrub beds for color and trees for shade. Water usage in planted areas will not exceed more than 10" of water per year.
 - b. Design will adhere to Town of Castle Rock Landscape and Irrigation Criteria Manual.
 - c. Parking lots will be landscaped with trees and hearty shrubs.
 - d. Any screening necessary for the Commercial Area will be shrubs and trees with the surrounding area will be a revegetated native seed to be established with temporary irrigation and blend with the existing character of Canyons Far South.
 - e. All landscape areas will be irrigated with drip irrigation.
 - f. No outdoor water features are allowed.
 - g. No areas of irrigated turf are allowed.
- 2.2. Landscape Design
 - i. ALL landscape design and implementation shall adhere to the Town of Castle Rock Landscape and Irrigation Criteria Manual.
 - ii. All front and rear yards will be designed and installed by the homebuilder consistent with this WEP and community design guidelines.
 - iii. All front yards will be designed to utilize a low to very low less than ten (10") inches of water per year) plant palette and will provide a variety of colors, textures, sizes, and shapes through hardscape and landscape materials.
 - iv. Backyard turf area size in no case shall exceed 500 square feet.
 - v. Turf types shall not include Kentucky Bluegrass varieties but may include other drought tolerant varieties. Allowable turf shall include turf species as listed on CRgov.com. All turf species shall be approved by the Castle Rock Water prior to installation.
 - vi. All other landscaping must be Low to Very-Low Hydrozone (10" or less per year). All turf species shall be approved by Castle Rock Water prior to installation. Approved plant and turf species are available on-line at www.CRgov.com
 - vii. Landscape must provide a minimum coverage of plant materials of 75% at 5 year maturity in front yards, excluding driveways and walks, and side yards when adjacent to streets.
 - viii. Rear yards shall have a minimum of 50% plant coverage at 5-year maturity. The remainder of yard coverage, excluding patios, may be composed of rock mulches, aggregate surfacing, artificial turf or hardscape. Rear yard design and

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Water Efficiency Plan

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implementation shall adhere to the Town of Castle Rock Landscape and Irrigation Criteria Manual.

- ix. An irrigation exemption may be issued for establishment of irrigated planted native seed in any month of the Mandatory Watering Schedules except July.

2.3. Irrigation Design

Residential Irrigation designs shall follow the Town of Castle Rock Landscape and Irrigation Criteria Manual at a minimum. Refer to Sections 4 and 6 for specific requirements. Additional requirements shall include:

- i. Irrigation Flow Sensor
- ii. Irrigation Master Valve
- iii. Controllers:
 - a. A wi-fi enabled weather sensing automatic irrigation system controller shall be installed. Controllers must be Town- approved and sensing shall be either weather-based (ET) or soil-moisture based. Controller shall automatically adjust irrigation in response to changes in plants' needs as weather conditions change. Controller must be capable of reading flow.
 - b. Automatic irrigation system controllers shall be WaterSense labeled or approved by the Town.
 - c. Weather-based (ET) controllers shall have a separate wired or wireless rain sensor. Rain sensor must not be bypassed, and must remain fully operational.
 - d. Controllers shall have a minimum of 3 programs or schedules and a minimum of 3 start times per each schedule or program.
 - e. Controllers must be capable of watering every third day.
- iv. Sprinkler Heads:
 - a. Pop-up or rotor heads that utilize high efficiency nozzles designed with head-to-head coverage. This may include conventional rotors, stream rotators or high efficiency pop-up spray nozzles. The DU must be verified by third-party audit, see the TOCR Landscape and Irrigation Criteria Manual.
 - b. Pop-up height must be 6" for turf areas and 12" for native areas.
 - c. Pop-up spray sprinkler bodies must be equipped with internal pressure regulation matching the required pressure of the nozzle. All sprinkler heads (spray and rotor) must be equipped with internal check valve.
 - d. Sprinkler heads must be installed at head-to-head spacing at a minimum.
 - e. The turf may use spray nozzles at a radius of 15 feet or less, a combination of rotary nozzles and stream rotators from 15 to 35 feet, and short to medium range rotors at 25 feet or greater. Sprinkler heads within the same zone must have matched precipitation rates.
 - f. Traditional fixed and traditional variable arc spray nozzles are not allowed.

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- g. Pop-up spray nozzles cannot be zoned together with multi-trajectory rotating stream nozzles or traditional rotor heads.
- h. Nozzles must be adjustable for arc and distance and must be calibrated at the time of installation to cover only the irrigated area.
- i. Nozzle application rate shall not exceed 1.25" per hour.
- v. Drip Irrigation: the use of a drip system will be used in all shrub bed areas; no spray type irrigation will be allowed. Minimum requirements are:
 - a. Pressure compensating emitters
 - b. Pressure regulation at the control valve assembly (min. 20 PSI, max. 40 PSI)
 - c. Filtration at the control valve assembly (min. 200 mesh)
 - d. All drip zones must contain a flush valve and operational indicator at all drip lateral line dead ends.

B. Education**1. Resident Education**

- 1.1. The developer/builder shall create educational materials to be provided to residents. Educational programs will be approved by the Town and will contain information pertinent to the WEP, water budget rate structure, and specific water conservation measures including, but not limited to, soil preparation appropriate for existing conditions and selected plant materials, smart irrigation controllers, and high efficiency sprinkler heads and nozzles. Materials may include brochures, how-to guides, a Homeowners Education Packet, instruction manuals, web content for the Town website, educational videos, or in-person training. The educational program will be submitted to Castle Rock Water Conservation staff for their review and approval. Sample educational materials may be found on the Colorado Water Conservation Board (CWCB) website at:
<https://cwcb.colorado.gov/public-information>
- 1.2. Residents shall be educated regarding installed indoor and outdoor water efficiency measures, including relationships with water budgets and billing rates. Education will be accomplished through 'how-to' education packets to residents and on-site training by an outside qualified person, coordinated by the Metropolitan District or HOA for Canyons Far South.
- 1.3. Training for each Homeowner will be coordinated after landscape installation is complete, by an outside qualified person, hired by the Metropolitan District or HOA for Canyons Far South. Training shall include one session on the care and operation of the irrigation system and plant material to each resident at the time of installation. This training shall include controller operations and programming, locations of shut off valves, winterization need, watering days as determined by address, and expected plant material watering needs.

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- 1.4. Residents shall be provided an online link to training material from the outside qualified person for spring, summer, fall, and winter maintenance, care and WaterWise conservation.
- 1.5. All financial costs and responsibility for implementation of the educational components shall be borne by the Metropolitan District or HOA for Canyons Far South.
- 1.6. Metropolitan Districts and HOA will be required to send 'how-to' education packets to residents and schedule on-site training by an outside qualified person.
- 1.7. The Builder shall install a permanent placard at the meter. Placard will follow Castle Rock Water guidelines and will be similar to other WEP development placard examples, as found on the Castle Rock Water Website.

C. Verification

Each completed home will have an Indoor 3rd party inspection at the expense of the builder. Outdoor 3rd party inspection by Castle Rock Water - Water Conservation staff. The third-party inspector shall certify that all homes, landscapes and irrigation systems are being constructed in compliance with the standards outlined in this WEP prior to certificate of occupancy (CO).

D. Indoor Water Efficiency Standards

As part of the building permit application, builders will be required to submit a WEP Homeowners Education Packet, with detailed information regarding the specific high-efficiency fixtures and appliances being installed in each unit and to verify they meet or exceed the indoor Design Guidelines. A sample verification checklist is provided in the Appendix of this plan. Any deficiencies must be corrected within 30 days following inspection. A 3rd party inspection for indoor fixtures is required. A Certificate of Occupancy (CO) will be issued once indoor and outdoor requirements are met.

E. Outdoor Water Efficiency Standards

In accordance with the Town's existing Landscape and Irrigation Criteria Manual, a landscape and irrigation plan for front and back yard, must be completed for each residential unit. Each submittal will be reviewed to ensure compliance with water efficiency standards per current Town landscape regulations and as outlined in this WEP. Soil and landscape outdoor inspections are required prior to Certificate of Occupancy (CO). Each submittal will be compared to the irrigated turf and outdoor water budget restrictions to ensure compliance with the minimum stated standards. The submittal shall include the name of the Town-registered landscape and irrigation contractors. A sample verification checklist is provided in the Appendix of this plan. Outdoor inspections are weather dependent and will be completed April through October. For

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homes requesting a certificate of occupancy between November 1 - April 1, the outdoor inspection is required within 180 days from the CO date. Any deficiencies must be corrected within 30 days following inspection.

F. Water Usage Calculations.

A Water Budgeting Analysis is presented in the Appendix. This table presents the anticipated average water use, based on a conceptual Site Plan, in ac-ft/yr for a variety of usage approaches, styles, and modeling assumptions. This table demonstrates the variety of statistical assumptions that have been made regarding average residential, open space, right-of-way, park and commercial water use. Average residential use shall be recalculated each March by the Town. All new customers will be set to the customer class average for Tier 1 until individual indoor use is established. Consumers who use an amount greater than that which has been budgeted for that specific user shall be subject to higher rate tiers. However, the Owner/ Developer shall not be penalized via their water bank or otherwise for such users increased usage/demand beyond the budgeted amount per user.

Target water usage for this project has been estimated assuming self-imposed water budgeting restrictions for both indoor and outdoor use, based on a conceptual Site Plan.

IV. CONCLUSION

This WEP proposed for Canyons Far South is in accordance and compliance with the Town's Minimum Standards for WEPs and meets or exceeds the Town's existing standards in the Landscape and Irrigation Criteria Manual. The WEP sets the parameters for low water use landscapes, including native grasses and low water plantings.

The water conservation practices make the Canyons Far South WEP exceptional. The homebuilders are required to install both front and back yard landscaping and turf grass limitations of this WEP exceed or meet those listed in the Town's Water Efficiency Master Plan and the Landscape and Irrigation Criteria Manual.

Performance standards within this WEP should result in significantly less water usage than typical, and as compared with standards within Town code. These standards and guidelines support the intended goal of this WEP and Canyons Far South to be a model for future community development within the Town Castle Rock and the State of Colorado.

V. REFERENCES

1. Town of Castle Rock Water Efficiency Master Plan. Castle Rock, Colorado, 2015.
2. Town of Castle Rock Landscape and Irrigation Criteria Manual. Castle Rock, Colorado, April 1, 2021.
3. AWWA Residential End Uses of Water, Version 2: Executive Report, Published April 2016
<https://www.waterrf.org/research/projects/residential-end-uses-water-version-2>

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Water Efficiency Plan

Canyons Far South

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CANYONS FAR SOUTH- TYPICAL SPINE ROAD LANDSCAPING



SPINE ROAD TYPICAL NOTES:

1. TURF AREAS SHALL NOT BE ALLOWED WITHIN THE RIGHT-OF-WAY. VERY LOW AND LOW WATER USE HYDROZONIC PLANTS WITH SEASONAL INTEREST ARE REQUIRED.
2. LANDSCAPE TO BLEND WITH SURROUNDING NATIVE LANDSCAPE.
3. TREES TO BE GROUPED TO ALLOW FOR VIEWS AND TO COMPLEMENT THE EXISTING NATIVE LANDSCAPE.

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CANYONS FAR SOUTH- TYPICAL PA ENTRY LANDSCAPING



ENTRY TYPICAL NOTES:

1. ENTRY LANDSCAPING SHALL NOT ALLOW TURF. VERY LOW AND LOW WATER USE HYDROZONE PLANTS WITH SEASONAL INTEREST ARE REQUIRED.
2. LANDSCAPE TO BLEND WITH SURROUNDING NATIVE LANDSCAPE.

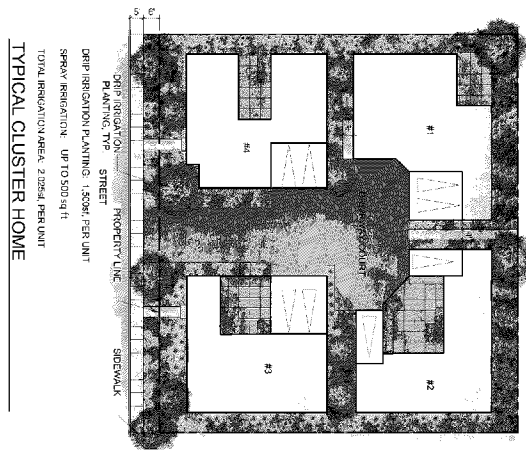
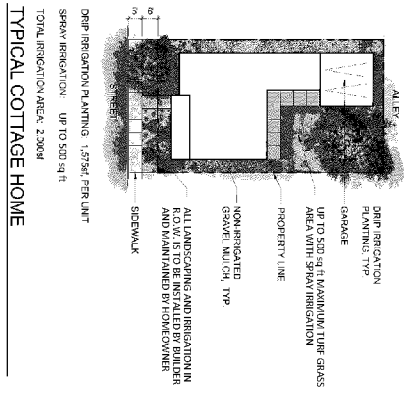
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CANYONS FAR SOUTH- TYPICAL LOT LANDSCAPING PLANS

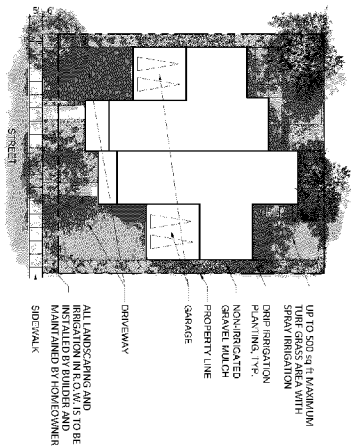


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Water Efficiency Plan

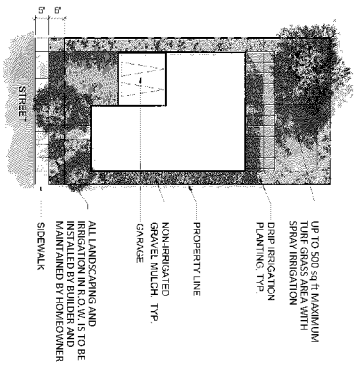
Canyons Far South

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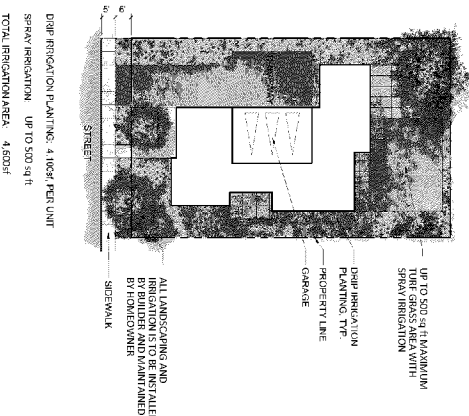
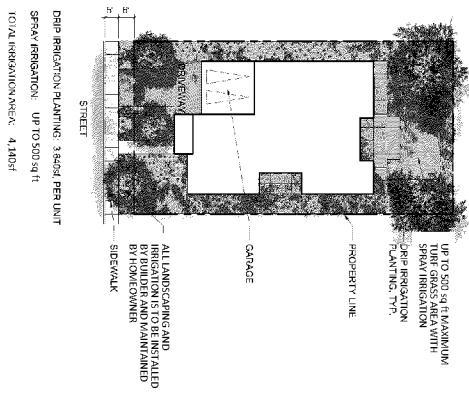
DRIP IRRIGATION PLANTING: 1,200sq ft PER UNIT
 SPRAY IRRIGATION: UP TO 500 sq ft
 TOTAL IRRIGATION AREA: 1,700sq ft PER UNIT

TYPICAL PAIRED HOME



DRIP IRRIGATION PLANTING: 1,800sq ft PER UNIT
 SPRAY IRRIGATION: UP TO 500 sq ft
 TOTAL IRRIGATION AREA: 2,400sq ft

TYPICAL SMALL LOT



TYPICAL MEDIUM LOT

TYPICAL LARGE LOT

- LOT TYPICAL NOTES:**
1. FRONT YARD LANDSCAPING SHALL NOT ALLOW TURF - VERY LOW AND LOW WATER USE HYDROZONE PLANTS ARE REQUIRED.
 2. BACK YARD IRRIGATED TURF AREAS SHALL FOLLOW THE CRITERIA AS OUTLINED IN THE WEP. TURF IS NOT TO EXCEED 500sq ft. TURF/500 MINES APPROVED BY THE TOWN OF GLENDALE ARE REQUIRED. ALLOWABLE TURF AND PLANT SPECIES LISTS ARE AVAILABLE ON-LINE AT Cityweb.com.
 3. ALL LANDSCAPING AND IRRIGATION IS TO BE INSTALLED BY BUILDER AND MAINTAINED BY HOMEOWNER.
 4. A MINIMUM OF ONE (1) 2" 1/2" CALIBER LARGE CANOPY SHADE TREES SHALL BE PROVIDED IN THE FRONT YARD SETBACK.
 5. ROCK MULCH SHALL BE USED IN PLANTING BEDS AND IN THE SIDE YARDS. ALL AREAS IN THE FRONT YARD CONTAINING ROCK MULCH ARE TO HAVE PLANT COVERAGE WITH LOW TO VERY LOW WATER REQUIRING PLANT MATERIAL.
 6. IT IS REQUIRED TO PLANT TREES 10' MIN. FROM WATER AND SEWER LINES.

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**Water Efficiency Verification Checklist
Indoor Standards**

Lot Number/Address: _____ Permit Number: _____

All indoor fixtures and appliances must comply with standards listed in the current approved version of the WEP.

Summary of Proposed Fixtures and Appliances.

Complete the information on water demand and the make/model for each fixture and appliance that will be installed.

Room	Fixture/Appliance	Water Demand	Make/Model
Kitchen	Sink Faucet Dishwasher	gal/minute gal/cycle	
Bathroom 1	Toilet Sink Faucet(s) (up to 2 per) Showerhead (1 per)	gal/flush gal/minute gal/minute	
Bathroom 2	Toilet Sink Faucet(s) (up to 2 per) Showerhead (1 per)	gal/flush gal/minute gal/minute	
Bathroom 3	Toilet Sink Faucet(s) (up to 2 per) Showerhead (1 per)	gal/flush gal/minute gal/minute	
Bathroom 4	Toilet Sink Faucet(s) (up to 2 per) Showerhead (1 per)	gal/flush gal/minute gal/minute	
Laundry	Sink Faucet Clothes Washer	gal/minute gal/cycle/cubic foot	
Other			

- Is a 5/8-inch tap being requested? (Yes/No):
- Confirm fixtures and appliances are consistent with approved verification submittal. (Yes/No)
- Confirm results of leak detection pressure loss test (Yes/No)
- WEP Placard (yes/no)

CERTIFICATION

I hereby certify that the above information is true and accurate. I understand that the falsification of any information on this submittal may disqualify me from completing or performing future work related to The Lanterns development in Castle Rock, CO.

Builder Signature: _____ Date: _____

Printed Name/Company: _____

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Water Efficiency Plan

Canyons Far South

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**Water Efficiency Verification Checklist
Outdoor Standards**

Lot Number/Address: _____ Permit Number: _____
 Lot Size: _____

Landscape Design

The design guidelines for outdoor uses were developed to limit the use of irrigated turf and reduce overall outdoor water demands. The maximum turf area for lot sizes is outlined in Section 2.1 of this WEP. In no case shall maximum turf areas exceed the limits of this WEP. Kentucky bluegrass turf is not permitted. Turf grass shall use no more than 19" of irrigation per season and shall be listed in the Town of Castle Rock Landscape and Irrigation Criteria Manual Appendix B.

Proposed landscape plans must be summarized as specified in Table 1 below. The Town of Castle Rock approved plant list shall be used to classify selected plants into the appropriate Irrigated Water Use Zone.

Table 1. Landscape Irrigation Demands.

<u>Irrigated Water Use Zone</u>	<u>Size of Zone</u>
High (more than 15")	___ sf
Moderate (10.1" - 15")	___ sf
Low (5.1" - 10")	___ sf
Very Low (0" - 5")	___ sf
Total	___ sf

- Does landscape plan comply with turf limitation? (Yes/No): _____
- Does plant material comply with approved landscape plan? (Yes/No): _____
- Turf type: _____
- Number of plants: _____
- Does installed landscaping match typical landscape design in the approved WEP? (Yes/No)
- Verify that pressure within the home and irrigation system does not exceed 60 psi
- Confirm correct heads and nozzles
- Correct clock with appropriate weather or soil moisture sensor. Ensure all sensors are connected and operational.
- Rain sensor installed and operational.
- Check sprinkler head spacing to ensure head to head coverage by running the system
- Check sprinkler adjustments to ensure no overspray onto impervious surfaces

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Irrigation System Design

Automatic irrigation system controllers shall be approved by the Town, and be weather based (ET) or soil-moisture based, that automatically adjust irrigation in response to changes in the plants' needs as weather conditions change and are capable of reading flow. All equipment must comply with the standards listed in the current version of approved WEP. Design requirements are subject to change as reflected in updated EPA WaterSense Program details and Town of Castle Rock Landscape and Irrigation Performance Standards and Criteria.

Table 3. Proposed Irrigation System Equipment.

Device	Make/Model
Smart Controller	
Fixed Spray Heads	
Rotor Heads	
Drip Emitters	
Rain Sensors	

CERTIFICATION

I hereby certify that the above information is true and accurate. I understand that the falsification of any information on this submittal may disqualify me from completing or performing future work in Castle Rock, CO.

Builder Signature: _____ Date: _____
 Printed Name/Company: _____

Landscape Designer Signature: _____ Date: _____
 Printed Name/Company: _____

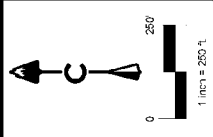
Irrigation Designer Signature: _____ Date: _____
 Printed Name/Company: _____

DEVELOPMENT AGREEMENT - EXHIBIT 4



CORE CONSULTANTS, INC.
3473 S. ROADWAY
ENGLEWOOD, CO 80113
303.703.4444
LIVE@CORE.COM

LAND DEVELOPMENT
ENERGY
PUBLIC INFRASTRUCTURE



LEGEND

- EXISTING EASEMENT
- - - PROJECT BOUNDARY
- W WATER LINE
- PR WATER LINE (PURPLE TANK 11 TO PIONEER RANCH)
- PR WATER LINE (MACANTA)
- PR WATER LINE (CROWFOOT - O. CRIMSON SKY)
- FUTURE WATER LINE BY OTHERS

