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THE LANTERNS ANNEXATION AND DEVELOPMENT AGREEMENT

DATE: October 14, 2002.

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

EAST 80 LLC, a Colorado limited liability company, 10 Inverness
Drive East, Suite 290, Englewood, Colorado 80112 and **PREMISE
REAL ESTATE, LLC**, a Colorado limited liability company, 16
Inverness Place East, Building D, Englewood, Colorado 80112
(collectively, Owner).

MORTGAGEE: **Jerome McLaren and Sharon McLaren**

RECITALS:

A. The parties have determined that it is in their mutual interest to enter into an annexation and development contract for the property described in the attached **Exhibit 1** (the "Property"), in conjunction with the annexation of the Property.

B. The parties acknowledge that this Agreement contains reasonable conditions and requirements to be imposed upon the development of the Property, and that these restrictions are imposed to protect and enhance the public health, safety and welfare of current and future residents of the Town, including those residents of the Lanterns.

C. Mortgagee is a party to this agreement solely for the purpose of subordinating its lien and interest in the Property to the terms and conditions of this Agreement.

COVENANTS:

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

**ARTICLE I
DEFINITIONS**

1.01 Defined Terms. Unless the context expressly indicates to the contrary, the following words when capitalized in the text shall have the meanings indicated:

Agreement: this Lanterns Annexation and Development Agreement and any amendments to this Agreement.

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

Code: the Castle Rock Municipal Code, as amended.

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

Development Exactions: the fees and charges imposed by Town under the Town Regulations on development, including the System Development Fees.

Development Plan: the PD Zoning Regulations, Preliminary Site Plan (inclusive of the Phasing Plan), the utilities, drainage and open space and park master plans approved for the Property with the Preliminary Site Plan.

District: the Lanterns Metropolitan District.

District Agreements: the service plan for the District approved by the Town by Resolution No. 2002-117 on October 14, 2002, the Master Intergovernmental Agreement between the Town and District dated November, 2002 and any amendment to the service plans and such agreements entered into by the parties after the date of this Agreement.

Facilities: the infrastructure prescribed by Town Regulations necessary to furnish Municipal Services and Public Utilities to the Property, including the infrastructure required to extend or connect the Facilities to complementary infrastructure off-site of the Property and to serve Public Lands.

Final Site Plan: the zoning document prescribed under 17.60.220 of the Code.

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

Owner: the person(s) in title to any portion of the Property, according to the records of the Douglas 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. As of the date of execution of this Agreement, the Owner of the Property is East 80 LLC and Premise Real Estate LLC.

Phase: the (4) distinct development phases for the Property as depicted on the Preliminary Site Plan.

Phasing Plan: the phasing matrix attached as depicted on Sheet 4 of 7 of the Preliminary Site Plan designating which of the Facilities must be developed with each of the several Phases.

Plans: the plans, documents, drawings and specifications prepared by or for Owner for the construction, installation or acquisition of the Facilities.

Plat: a final subdivision plat of a portion of the Property.

Preliminary Site Plan: the Lanterns Preliminary PD Site Plan recorded at Reception No. 2003094056 of the public records of Douglas County, Colorado.

Property: the real property described in *Exhibit 1*.

Public Lands: those portions of the Property designated on the Preliminary Site Plan for dedication to the Town or other public entities for parks, recreational areas, public open space, well sites, utilities, public safety and other public purposes, or to the Douglas County School District for educational facilities.

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

SIA: a Subdivision Improvements Agreement entered into between the Town and subdivider of a Plat, as required under the Code.

System Development Fees: the capital recovery charges for water and wastewater plant imposed under 13.12.080 of the Code.

Tri-party Agreement: the agreement dated June 3, 1985 between the Town, the owners of the property annexed to the Town as the Heckendorf Ranch, and Environmental Developers, Inc. (a prior owner of the Property) recorded June 27, 1985 at Reception No. 356317, beginning in Book 581 at Page 770 of the public records of Douglas County, Colorado.

Town Regulations: the Charter, ordinances, resolutions, rules and regulations of the Town, including the Code and public works regulations, 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.

Water Enterprise: the Town of Castle Rock Water Enterprise, established as a government-owned business under Ordinance No. 2000-25 and Article X, Section 20 of the Colorado Constitution.

Water Rights: the right and interest to all Denver basin ground water underlying the Property as decreed in 84CW252 and 2000CW146, Water Division No. 1. The Water Rights are more particularly described in the attached **Exhibit 2**.

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

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

ARTICLE II APPLICATION AND EFFECT

2.01 Binding Effect. The Property is both 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, irrespective of whether specific reference to this Agreement is made in any instrument affecting title to the Property. 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 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 Owner Responsibility. Subject to the further provisions of Article III, the Owner of the Property upon which development approval is requested shall have the ultimate responsibility for performance of the covenants and obligations assumed by Owner under this Agreement, irrespective of whether development activity on the Property is undertaken by Owner, a third party on behalf of and/or with the authorization of the Owner, or the District. Town shall accept performance of the covenants of the Agreement from a developer on behalf of Owner or from the District, unless such performance requires the conveyance, encumbrance or pledge of a security interest in the Property, in which event the express consent or joinder of the Owner shall be required.

2.03 Town Regulations. Unless otherwise provided in this Agreement, Town Regulations shall apply to the Property in the same manner and effect as within other areas of the municipality. Unless expressly stated to the contrary in this Agreement, this Agreement shall not in any manner restrict or impair the lawful exercise by the governing body of the Town of its legislative, quasi-legislative or other police powers, including specifically the amendment, modification or addition to the Town Regulations, subsequent to the execution of this Agreement. Except as otherwise authorized in this Agreement or as may be subsequently accepted by Owner pursuant to a statutory assessment process, no exaction, fee or assessment shall be imposed by Town against the Property, which is not imposed in other areas of the Town pursuant to the Town Regulations. When the Agreement calls for compliance with the Town Regulations, the operative Town Regulations in effect at the time of such compliance is required shall govern, unless the provisions of this Agreement provide to the contrary.

2.04 District's Interest. To the extent the District discharges the obligation of Owner under this Agreement, as further provided in Article III, it shall have the same contractual rights and responsibilities as Owner under this Agreement with respect to such obligation.

**ARTICLE III
DISTRICT PARTICIPATION**

3.01 Authorization. The parties anticipate that the District will finance and construct a significant portion of the Facilities, as set forth in the capital plan in the District Agreements, as the same may be amended from time to time. Town shall accept the performance by the District of the obligations imposed on Owner under this Agreement, provided the District is so authorized under the District Agreements. When undertaking development of Facilities, reference in this Agreement to "Owner" shall mean "District" unless the context clearly indicates otherwise. Nothing in this Agreement shall relieve the District from obtaining Town approval of service plan amendments, required under the Special District Act and the Code.

3.02 Surety. In recognition of the quasi-governmental nature of the District and its financial and taxing powers, District may satisfy the requirements under this Agreement or the Town Regulations for posting of financial guarantees to assure the construction and warranty obligations for Facilities by establishing a cash escrow (the "Escrow") in accordance with the following:

- (a) the Escrow shall be established with a title insurance company or financial institution;
- (b) the construction Escrow deposit shall be in the amount prescribed by the Town Regulations;
- (c) District may make progress payments to its contractors from the Escrow construction deposit, provided Town approves the draw request, which approval shall not be unreasonably withheld;
- (d) the construction 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 District for the purpose of undertaking

completion or remediation work on the Facilities as more specifically provided under the applicable SIA; and

- (f) the Escrow deposit remaining after expiration of the warranty period and application to remedy unmet warranty obligations, if any, shall be returned to the District.

In lieu of establishing an Escrow, the District may, at its discretion, post any other form of financial surety authorized under the Town Regulations.

3.03 Performance. The Phasing Plan and applicable SIA (as to such Facilities not addressed by the Phasing Plan) shall designate those Facilities for which District is to develop and post surety. With District's assumption of these obligations under the Phasing Plan and the SIA, Owner shall have no financial or other legal obligation to Town to develop such Facilities. However, in the event of a default by District in its obligations under the Phasing Plan and the SIA to develop such Facilities, Town shall have the right to withhold approvals and permits for the subdivision until the default is cured, all as more particularly provided in the SIA.

3.04 Limited Effect. This Article III is intended and shall be construed to enable the performance by the District of the Article VI obligations of the Owner under this Agreement and for no other purpose.

ARTICLE IV GENERAL OBLIGATIONS

4.01 Municipal Services. Town shall provide the Property with Municipal Services at an equivalent service level and on the same terms and conditions as provided elsewhere within its municipal boundaries, provided that the portion of the Property for which Municipal Services are requested have been developed in substantial compliance with this Agreement. 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 the same terms and conditions as provided in other portions of the Town. The respective obligations of the parties for development of

the infrastructure necessary for provision of Municipal Services to the Property are addressed in Article VI.

4.02 Permitted Development. Owner shall develop the Property in accordance with this Agreement and Town Regulations, and applicable state and federal law and regulations. Subject to the further provisions of 4.03, Town shall allow and permit the development of the Property in accordance with the vested development rights set forth in Article VIII and consistent with the Town Regulations, upon submission of proper application, 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.

Town shall not unduly delay or hinder the processing of development requests for the Property (such as refusing to timely process, review and act upon development applications), nor shall Town unreasonably withhold consent to or approval of a development request or permit. Town shall coordinate with Owner in any filings or applications before other governmental jurisdictions necessary for Owner to fulfill its obligations under this Agreement or to allow development of the Property, in accordance with this Agreement.

4.03 Growth Planning. The Town may be a signatory to the August 20, 2000 Mile High Compact, an agreement between metropolitan area local governments (Compact). The Compact endorses certain constraints and limitations on the extent of urban development in the metropolitan area and within specific local jurisdictions, which are contained in the Denver Regional Council of Government's Metro Vision 2020 (2020 Plan). The 2020 Plan allocates a total square-mileage urban area to the Town, and through the Compact the Town will commit not to permit urban development in excess of the applicable limits in the Plan, as the Plan may be modified and adjusted from time to time.

Given the urban area allocation made to the Town under the 2020 Plan, the Town does not anticipate that the Compact or 2020 Plan will restrict development in the Town in the near-term. However, development of the Property could be deferred or otherwise constrained as a result of limitations on urban development imposed by the Compact, the 2020 Plan (as amended or supplemented in the future) or any other

regional system restricting the area and/or extent of urban development (collectively, Growth Plans). In no event shall the Town's restriction of development of the Property as necessary to comply with applicable Growth Plans (as reasonably determined by Town) constitute a breach of this Agreement or otherwise give rise to a legal or equitable claim by Owner against Town. The unconditional acceptance by Owner of the Compact and 2020 Plan and the potential limitation on development of the Property imposed by Growth Plans is a material inducement to the Town's annexation and zoning of the Property.

**ARTICLE V
WATER RIGHTS**

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5.01 Requirement. It is the obligation of Owner to convey to Town the Water Rights (together with additional water resources, if needed in accordance with this Agreement), to support Town's obligation to provide a municipal water supply to the Property in accordance with this Agreement. Town shall have no obligation to issue land use approvals for additional development on the Property unless Owner is in compliance with the provisions of this Article V.

5.02 Conveyance. Concurrently with recordation of this Agreement, Owner shall convey to Town by special warranty deed, free and clear of all liens and encumbrances, marketable title to the Water Rights. The conveyance of the Water Rights shall transfer to Town the right to use, reuse, lease or sell the water withdrawn under the Water Rights. Post-conveyance, 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 Water Rights. Should it subsequently be determined that marketable title to any portion of the Water Rights did not vest in Town with the conveyance, the Water Credit established in 5.03 shall be reduced accordingly.

5.03 Water Credit. With conveyance of the Water Rights, a credit of 979 SFE shall be established against the Town's water dedication requirements for the benefit of

the Property (Water Credit). The Water Credit of 979 SFE shall not be affected by changes in the conversion rate of Water Rights into SFE that the Town may implement through modifications to the Town Regulations after the date of this Agreement, including any future changes in the current 200% non-renewable dedication requirement under the Town Regulations. No development credit is given to for the Upper Dawson not-tributary and Denver aquifers decreed in 2000CW146 since the Town will be responsible for adjudicating the required augmentation plan.

The Water Credit is expressed as a single-family equivalent. An SFE is the measure of average annual wholesale water production that must be developed to meet the imputed demand from a single-family residence under the Town Regulations.

Consequently, 1 SFE of Water Credit represents that the holder has satisfied the Town's water dedication requirement for one single-family residence.

5.04 Application of Water Credit. The Water Credit established under 5.03 shall be reduced (i.e. applied):

- (a) 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 Plat approval; and
- (b) at the time of Final Site Plan approval or at building/irrigation permit issuance for those uses not accounted for at the time of Plat approval.

5.05 Water Bank. In order to properly account for the Water Credit, Town shall administratively maintain an account designated the Lanterns Water Bank. The Lanterns Water Bank shall periodically be debited or credited in accordance with this Article V. The Water Bank shall be formatted as follows:

THE LANTERNS WATER BANK					
Entry	Date Recorded	Recording Info	SFE Demand	SFE Supply	Net
Deeds to Water Rights				979	979
Final Plat			XX		979-XX

With any entry made by the Town, the Owner of the Water Bank (see 5.06) shall receive notification in writing, and any objection not resolved to the satisfaction of the Owner at the administrative level shall be referred to a mutually acceptable independent water engineer whose determination made in accordance with this Agreement shall be final and binding.

5.06 Ownership and Transfer of Water Credit. The Water Credit shall be applied in accordance with this Agreement on a "first-come, first-served" basis to approved development within the Property on a per unit basis, unless the Owner(s) direct the Town in writing to allocate a certain portion of the Water Credit for use on a specific portion of the Property (Allocated Water Credit). In the event of such allocation, the Allocated Water Credit may be used exclusively for the designated portion of the Property. The Allocated Water Credit may be transferred only after it is determined that the Allocated Water Credit exceeds the demand for the designated portion of the Property, in which event the Owner may reallocate the surplus for use on portions 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 Article V.

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 development of the Property shall revert to the Town, at no cost or obligation to Town. Owner

acknowledges that the Water Credit is significantly in excess of the water rights dedication requirement for the approved level of density on the Property.

5.07 Required Water Sources. If the Water Bank is exhausted prior to full development of the Property, the Owner shall be required to provide additional water resources or pay to Town cash-in-lieu of water rights in accordance with the Town Regulations then in effect. Absent provision of such additional water resources, Town shall not be obligated to approve further development approvals for the Property.

5.08 Unified System. Owner acknowledges that the Town will manage the Water Rights as part of its unified municipal water system, and Town is not restricted by this Agreement from distributing the potable water produced from the Water Rights to any area of the Town, provided that the water supply available to serve existing and/or proposed development on the Property is not jeopardized by such diversion.

ARTICLE VI FACILITIES DEVELOPMENT

6.01 Generally. Except for the Town Facilities defined in 6.05, development of the Facilities shall be the exclusive obligation of Owner, and Owner shall bear the cost of planning, design, construction and financing of the Facilities and all other related and incidental activities, including off-site property or easement acquisition. Town shall 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.

The Facilities shall be developed in strict accordance with Town Regulations, the Development Plan, this Agreement, the Phasing Plan and the applicable Plat and SIA. Except as otherwise expressly provided in this Agreement, Town shall have no obligation to develop Facilities.

6.02 Phasing of Facilities. The Facilities required to be developed under the Town Regulations to serve each respective Phase (Phase Facilities) and the required

Public Lands dedication are listed on the Phasing Plan. Owner is not required to develop any off-site Improvements except as may be set forth on the Phasing Plan. Development of the Property in any particular sequence is not required, however, the required Public Land dedication and all of the Facilities designated on the Phasing Plan for each respective Phase must be developed (subject to sub-phasing) even though one or more of such Facilities may be required to serve one or more of the other Phases. Certain Phase Facilities may be developed by other development interests with financial participation only by Owner pursuant to separate agreements (Joint Facilities). Town shall have the right to withhold development approvals if the required Phase Facilities, including Joint Facilities, are not timely constructed.

~~Under the Phasing Plan, development of certain off-site transportation Facilities is triggered by the prescribed thresholds of developed units and/or traffic counts (which may be inclusive of traffic generated off-site of the Property), rather than development of specific Phases. With respect to these Facilities, the applicable Facility must be developed with the first Plat (or Final Site Plan if dwelling count is not defined at Plat), which results in total platted dwelling units on the Property or projected traffic volumes (based on approved traffic impact analyses) at or greater than the applicable threshold.~~

Town shall have the absolute right to withhold further development approvals for any development within the Property which utilizes or benefits from the Phase Facilities which are not developed by Owner, or Joint Facilities which are not developed in conjunction with others, when required by the Phasing Plan. Similarly, Town may withhold development approvals within the applicable Phase if the required Public Land dedications for that Phase are not made in accordance with the Phasing Plan. In the event of the invocation of such development approval withholding, Town shall have no liability for any loss or injury incurred to any Owner, as a result of diminution in value of the Property, loss of development rights (whether vested or not), or deprivation of any property interest.

In the event Owner independently develops Facilities 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 Facilities 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 contractual provisions with such other development interests, including the Tri-Party Agreement.

6.03 Cooperation in Facilities Development. Town and Owner shall cooperate in obtaining necessary permits and approvals required by other governmental agencies in order to develop the Facilities. Town shall apply for 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, despite the concerted, good faith efforts of the Town.

6.04 Town Facilities. Town has the obligation to construct, acquire or otherwise develop water supply, treatment and storage and wastewater treatment (Town Facilities). Unless a portion of the cost of the Town Facilities is allocated to Owner under the Phasing Plan, Town shall have the exclusive obligation to design, engineer and construct the particular component of the Town Facilities such that the Town Facility is available for service to development in the first Plat within the applicable Phase. Town's development obligation includes the cost of acquisition of property off-site of the Property. If Owner has the obligation to jointly fund a Town Facility, Town's obligation to develop such Town Facility is dependent on Owner providing financial guarantees and tendering funds when reasonably required by the Town.

The refusal of Town to approve Plats or other land use approvals to the Property due to the lack of available capacities in Town Facilities shall constitute an event of default under Article IX; provided however, Town shall have 180 days from the date of the default notice under 9.03 to effect cure of the default by acquiring or developing the needed Town Facilities and granting the requested land use approvals.

6.05 Facilities Control. Upon dedication of Facilities by Owner and acceptance by Town, Town shall have the exclusive management control of the Facilities and all capacities therein. Town may use or allow others to use the capacities in the Facilities, 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 such a manner as to not impede development on the Property.

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

6.07 Interchange Participation. The Phasing Plan restricts the level of development which may occur until a new I-25 interchange is constructed at Douglas Lane (Interchange). Development of the Interchange is dependent on financial participation from the Property, other developments in the Town, and other funding sources. In order to equitably assess the cost of development of the Interchange, the Town commissioned a transportation consultant, PBSJ, to undertake an impact/benefit study of the proposed Interchange, which was finalized as the Douglas Lane Interchange Funding Study dated May 2002 (Study). Owner participated in the Study development and review process.

At such time as funding arrangements for the Interchange are finalized between the participating entities (Funding Agreement), Owner shall participate based on the proportionate impact of the Property, given the updated land use assumptions and updates to the Study, as set forth in the provisions of the Study regarding recalculation of the private funding contributions, but in no event shall the Property's assessment for the Interchange be less than 0.7% (seven tenths of a percent) of the total development cost of the Interchange, inclusive of environmental studies, design, permitting, engineering, right of way acquisition and construction (Property Assessment). The Property Assessment shall be due and payable in accordance with the provisions of the Funding Agreement.

6.08 Construction Traffic Restriction. Contractors constructing either the Facilities or the private subdivision improvements shall not use Plum Creek Boulevard north of Crystal Valley Parkway, but instead shall use Crystal Valley Parkway east to Lake Gulch Road, or west to the I-25 frontage road (or the Interchange when constructed). These construction access conditions shall be placed in all contracts for construction of Facilities or the private subdivision improvements.

6.09 Dual Access. Certificates of occupancy in Phase 1 shall be limited to 100 dwelling units until a second access to Crystal Valley Parkway has been constructed and is operational.

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ARTICLE VII
PUBLIC LANDS AND FACILITIES

7.01 Required Dedication. As set forth in the Phasing Plan, Public Land shall be dedicated to Town concurrently with the first Plat within the respective Phase. The provisions in this Agreement and the Preliminary Site Plan for dedication of Public Lands shall supersede the requirements in the Town Regulations for dedication of a portion of the area of each Plat for Public Land.

Provided further, the 4.5-acre UD tract shall be conveyed to Town, together with necessary access, construction and maintenance easements over the Property which are reasonably required by Town to access and construct a water treatment plant and transmission main shall be conveyed to Town on the earlier of the date such conveyances are required under the Phasing Plan, or June 30, 2005. Such access and maintenance easements may be realigned and reconfigured to the mutual satisfaction of Town and Owner at such time as the portions of the Property subject to such easements are made subject to a Plat.

7.02 Development Costs. Owner, at its expense, shall extend water, wastewater and storm water utilities and streets to Public Lands as part of the applicable Phase Improvements. Owner shall pay to Town the applicable water and wastewater System Development Fees and tap connection charges utilized by the

Town to provide potable and irrigation water for parks development on Public Lands (Park Tap Fees). The Park Tap Fees shall be paid to Town with the Plat which includes the applicable Public Land, or if the number and size of the Water Tap Fees for the platted Public land is not known at the time of Plat recordation, then 60 days after notice from Town that the Park Tap Fees have been determined based on the Town's development plan for the Public Land. Owner shall not be required to fund any portion of the Town's on-site park development cost, nor shall Owner be required to pay any System Development Fees or tap connection charges for water service exclusively benefiting school development on Public Lands.

7.03 Conveyance. All Public Lands 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 grantor shall furnish the Town with a policy of title insurance, issued by a title company licensed to do business in the State of Colorado, in an amount reasonably approximating market value of the Public Land in its undeveloped condition and reflecting its current zoning as the highest and best use. If so requested by Town or required by the Town Regulations, Owner shall complete a Phase 1 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.

7.04 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 homeowners association to the exclusion of the Public Lands from the application of such covenants. However, prior to constructing or placing any structures on Public Land, Town shall give Owner and 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.

7.05 Landscape Maintenance. Notwithstanding the provisions of 4.01, Owner shall have the responsibility for the maintenance of landscaping within any public street right-of-way dedicated to the Town, including water, irrigation system, features, plantings, etc., for the landscaping between the right-of-way and street curbing, as well as within street medians. Such maintenance shall be at the sole expense of Owner and to the standard for maintenance established by Town for similar Facilities. Owner's maintenance obligation includes procurement of water services from the Town and payment of applicable water service charges under the Town Regulations. Owner may delegate its maintenance obligation to a community association or to the District.

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ARTICLE VIII LAND USE VESTING

8.01 Vesting. Owner has demonstrated that the Development Plan meets the criteria under 15.24.070 of the Code for vesting of property rights by agreement for a term in excess of three years. The Development Plan for the Property shall constitute a "site specific development plan" as defined in C.R.S. §24-68-101, and Chapter 15.24 of the Code, and accordingly vested property rights are established with respect to the Development Plan in accordance with statute and applicable Code provisions, as modified by the specific terms of this Article. Such vesting shall become effective concurrently with the effective date of the ordinance authorizing this Agreement. Pursuant to Section 15.24.080 of the Code the following provision shall be placed on the Development Plan:

This plan constitutes a site-specific development plan pursuant to Chapter 15.24 of the Castle Rock Municipal Code and §24-68-101, et. seq., C.R.S., and establishes vested property rights terminating not later than December 31, 2014 (subject to earlier termination as further provided in The Lanterns Annexation and Development Agreement) from its effective date, to undertake and complete the development and use of the property in accordance with this plan.

8.02 Duration. Due to the scale of development proposed on the Property and that the cost of Facilities development is recovered sequentially through the development cycle, property rights in the Development Plan are vested pursuant to Chapter 15.24 of the Code until December 31, 2009 (Primary Term), subject to the automatic extension of the vesting period for one additional 5-year term (Extended Term), on the conditions detailed below. The Primary Term and Extended Term (when and if it become effective) are referred to as the "Vesting Period".

If as of the date of expiration of the Primary Term, the Town has issued building permits for less than 150 residential dwelling units on the Property, the vesting rights under this Article XIII shall terminate as of December 31, 2009. However, if as of the expiration of the Primary Term, the 150-unit threshold has been met, the Extended Term shall be effective and the Vesting Period shall extend through December 31, 2014.

8.03 Primary Term. During the Primary Term, the Town shall not take any zoning or land use action which would alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay development or the use of the Property in accordance with the Development Plan, nor shall Town unilaterally amend the Development Plan, except the following actions shall not be precluded during the Primary Term:

- (a) the application and enforcement of the Town Regulations in effect as of the date of recordation of this Agreement;
- (b) the enforcement and application of those Town Regulations (in effect at any time during the Primary Term) which are general in nature and are applicable to all property subject to land use regulation by the Town, including, but not limited to, Development Exactions, public works and sign regulations, building, fire, plumbing, electrical, and mechanical codes;
- (c) the imposition of regional, state or federal regulations which is beyond the control of the Town as reasonably determined by Town including the Growth Plans; or
- (d) the subsequent adoption through the Town Regulations of regulations and restrictions on development and building due to environmental constraints

and protection (including hillside and slope conditions), illumination, design guidelines, water conservation and landscaping, or the provision of affordable housing provided that such regulations and restrictions are applied to similarly situated planned developments (other than those properties for which application is precluded as the result of pre-existing vested property rights).

8.04 Extended Term. During the Extended Term the Town shall not take any zoning or land use action which would alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay development or the use of the Property in accordance with the Development Plan, nor shall the Town unilaterally amend the Development Plan except the following shall not be precluded during the Extended

Term:

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- (a) any action which is permitted under 8.03 during the Primary Term;
 - (b) the restriction, limitation or suspension of development approvals or the issuance of building permits imposed by the Town Council on all areas within the Town (other than those properties, excluding the Property, for which application is precluded as the result of pre-existing vested property rights) which is the result of, and only the result of, the financial inability of the Town to maintain Municipal Services on a Town-wide basis at reasonably prescribed minimum standards; or
 - (c) the application and enforcement of all Town Regulations in effect as of the commencement of the Extended Term; provided that the Town Regulations may not be used to effect a plan amendment to the Development Plan, such as a 'down-zoning' or the deletion or modification to approved land uses.

8.05 Reservation of Legal Challenge. Although Owner will not have a claim against the Town for violation of its vested property rights in the Development Plan as a result of the Town taking one of the actions enumerated in the subsections of 8.03 and 8.04, Owner reserves the right to challenge the legality of such action on any basis other than contractual breach of this Article.

8.06 Limitation of Remedies. During the Vesting Period, Owner shall not assert estoppel or 'common law vesting' claims against the Town as a result of Owner's investment in Facilities or other expenditures in furtherance of development

of the Property under the Development Plan, which would result in the Owner acquiring the right to develop the Property on terms and conditions different than allowed under 8.03 and 8.04, provided that such limitation shall not apply to a Plat under which the subdivider has completed at least one phase of the Facilities required under the applicable SIA. Upon expiration of the Vesting Period, Owner's legal remedies shall no longer be restricted. Owner acknowledges that the limitation of its remedies during the Vesting Period is a material factor and inducement to the Town in vesting the Development Plan for the Vesting Period.

8.07 Rights in Development Plan. Prior to expiration of the Vesting Period, Owner shall have the right to undertake and complete the development and use of the Property in accordance with the Development Plan, subject to the limitations of 8.03 and 8.04. After expiration of the Vesting Period, the Development Plan granted by this Article VIII shall remain valid and effective, as it exists on the date of lapse; however, the vested property rights in the Development Plan shall then terminate. The termination of the vested property rights in the Development Plan shall not affect any equitable right or entitlement, if any, Owner may have to complete the Development Plan under law.

8.08 Effective Date. The effective date of this vesting of property rights is the date the ordinance approving the Development Plan (Ordinance) is effective, after its publication in accordance with the Code, assuming no referendum on the Ordinance is perfected during the referendum period. In the event a referendum on the Ordinance is perfected, and the adoption of the Ordinance is upheld at the referendum election, the Vesting Period shall commence when the Ordinance then becomes effective. The public notice of vesting required under C.R.S., §24-68-103 shall be included in the Ordinance publication. Town shall publish the Ordinance within 14 days of approval of the Ordinance on second reading.

8.09 Subdivision Vesting. Under 16.05.046 of the Code, Plats are deemed "site specific development plans" and may be vested for a period of three years, if so requested by subdivider and the applicable notice requirements of the Vesting Statute and the Code are met. Consequently, any portion of the Property for which a Plat has

been approved and vested by Town shall remain vested until the expiration of the three-year Plat vesting period, or the expiration of the Term, whichever date is later.

ARTICLE IX DEFAULT AND REMEDIES

9.01 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.

9.02 Remedies. In addition to specific remedies provided elsewhere in this Agreement (including Town's right to withhold development approvals), upon default, 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.

9.03 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 in 6.04, the defaulting party shall have twenty (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; provided that (i) such default is capable of being cured; (ii) the defaulting party diligently prosecutes such cure to completion. If such default is not of a nature that can be cured in such twenty (20) day period, corrective action must be commenced within such period by the defaulting party and thereafter diligently pursued.

**ARTICLE X
GENERAL PROVISIONS**

10.01 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.

10.02 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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10.03 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 are deemed to have been given when delivered to the other parties, or five (5) days following the date the same is deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed to the other parties at the addresses noted, or such address as is subsequently endorsed in writing, or 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 Attorney
 Town of Castle Rock
 100 Wilcox Street
 Castle Rock, CO 80104

If to Owner: East 80 LLC
 ~~Premier~~ Real Estate, LLC
Premise 10 Inverness Drive East, Suite 290
APL Englewood, CO 80112

10.04 Severability. It is understood and agreed by the parties hereto that if any part, term, or provision of this Agreement is held by the Courts 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.

10.05 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.

10.06 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.

10.07 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.

[REMAINDER INTENTIONALLY LEFT BLANK]

ATTEST:

TOWN OF CASTLE ROCK

Sally A. Misare
Sally A. Misare, Town Clerk

Millie S. Bennett
Millie S. Bennett, Mayor

Approved as to form:

Robert J. Slentz
Robert J. Slentz, Town Attorney

COUNTY OF Douglas)
STATE OF Colorado) ss. UNOFFICIAL COPY

The foregoing instrument was acknowledged before me this 29th day of May, 2002, by Sally A. Misare as Town Clerk and Millie S. Bennett as Mayor for the Town of Castle Rock, Colorado.

Witness my official hand and seal.
My commission expires: 9-21-03.

(SEAL)

J. L. KING
NOTARY PUBLIC
STATE OF COLORADO

J. L. King
Notary Public

Exhibit 1

Section 26, that portion of Section 27 lying East of the East right-of-way line of the Denver & Rio Grande Western Railroad and that portion of the Southeast quarter of the Southeast quarter of Section 22 lying East of the East right-of-way line of the Denver & Rio Grande Western Railroad, Township 8 South, Range 67 West of the Sixth Principal Meridian, County of Douglas, State of Colorado, more particularly described as follows:

Beginning at the Southeast corner of said Section 27;
thence N88°57'18"W along the South line of the Southeast quarter of said Section 27, 2345.92 feet to the East right-of-way line of the Denver & Rio Grande Western Railroad;
thence along said East right-of-way line the following thirteen (13) courses.

1. thence N24°18'40"E, 1080.09 feet to a point of curve;
2. thence along said curve to the left having a radius of 6027.22 feet, a central angle of 03°21'51", 353.89 feet to the North line of the South half of the Southeast quarter of said Section 27;
3. thence N89°04'00"W along said line, 53.24 feet to a point on a curve;
4. thence along said curve to the left having a radius of 5977.22 feet, a central angle of 10°28'41" (the chord of which bears N15°52'57"E, 1091.57 feet), 1093.09 feet to a point of tangent;
5. thence N10°38'37"E along said tangent, 1158.08 feet to the West line of the Southeast quarter of the Northeast quarter of said Section 27;
6. thence S00°33'47"E along said line, 257.26 feet;
7. thence N10°38'37"E, 719.23 feet to the North line of the Northeast quarter of the Northeast quarter of said Section 27;
8. thence N89°08'38"W along said line, 50.75 feet;
9. thence N10°38'37"E, 122.51 feet to a point of curve;
10. thence along said curve to the right having a radius of 11409.21 feet, a central angle of 02°02'31", 406.61 feet to a point of tangent;
11. thence N12°41'08"E along said tangent, 1634.38 feet;
12. thence S77°18'52"E, 100.00 feet;
13. thence N12°41'08"E, 567.51 feet to the North line of the Southeast quarter of the Southeast quarter of said Section 22;

Exhibit 1, continued

thence S89°05'49"E along said line, 527.38 feet to the Northeast corner of the Southeast quarter of the Southeast quarter of said Section 22;

thence S00°09'37"W along the East line of the Southeast quarter of the Southeast quarter of said Section 22, 1329.97 feet to the Northwest corner of said Section 26;

thence S89°49'50"E along the North line of the Northwest quarter of the Northwest quarter of said Section 26, 1313.77 feet to the Northwest corner of the Northeast quarter of the Northwest quarter of said Section 26;

thence S89°50'26"E along the North line of said Northeast quarter of the Northwest quarter, 1313.65 to the North quarter corner of said Section 26;

thence S89°50'16"E along the North line of the Northwest quarter of the Northeast quarter of said Section 26, 1313.57 feet to the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 26;

thence S89°48'56"E along the North line of the Northeast quarter of the Northeast quarter of said Section 26, 1313.36 feet to the Northeast corner of said Section 26;

thence S00°31'18"E along the East line of the Northeast quarter of the Northeast quarter of said Section 26, 1325.20 to the Northeast corner of the Southeast quarter of the Northeast quarter of said Section 26;

thence S00°29'19"E along the East line of said Southeast quarter of the Northeast quarter, 1325.68 feet to the East quarter corner of said Section 26;

thence S00°30'18"E along the East line of the Southeast quarter of said Section 26, 2650.87 feet to the Southeast corner of said Section 26;

thence N89°48'30"W along the South line of the Southeast quarter of said Section 26, 2644.75 feet to the South quarter corner of said Section 26;

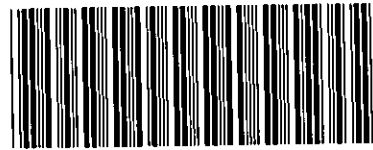
thence N89°49'05"W along the South line of the Southwest quarter of said Section 26, 2645.18 feet to the Point of Beginning containing 847.962 acres, more or less.

EXHIBIT 2

The right to withdraw and use to extinction the nontributary and not-nontributary ground water underlying the Property further described as follows with reference to the applicable Water Court decrees, Water Division 1, subject to all terms of such decrees as follows:

<u>Aquifer</u>	<u>Case No.</u>	<u>AF/YR</u>
Lower Dawson	84CW252	149.0
	2000CW146	60.0
Denver	84CW252	225.0
	2000CW146	211.1
Arapahoe	84CW252	292.0
	2000CW146	174.6
Laramie Fox-Hills	84CW252	95.0
	2000CW 146	82.1

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FIRST AMENDMENT TO
THE LANTERNS ANNEXATION AND DEVELOPMENT AGREEMENT

DATE: December 16, 2008.

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

PREMISE REAL ESTATE, LLC, a Colorado limited liability company, and EAST 80, LLC, a Colorado limited liability company, 10 Inverness Drive East, Englewood, Colorado 80112 (collectively, Owner").

MORTGAGEE: Jerome McLaren and Sharon McLaren

UNOFFICIAL COPY

A. Town and Owner are parties to The Lanterns Annexation and Development Agreement dated October 14, 2002, recorded in the public records of Douglas County on June 25, 2003 at Reception No. 2003094057 (Development Agreement).

B. The Parties desire to amend the Development Agreement regarding the vesting of the Property and to add a requirement regarding a public trail connection.

C. Mortgagee is a party to this agreement solely for the purpose of subordinating its lien and interest in the Property to the terms and conditions of this agreement.

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

Section 1. Amendment. Article VII is amended to include a new section 7.06, Public Trail Connection, to read as follows:

7.06 Public Trail Connection. Owner shall convey to Town, at no cost to Town, concurrently with the first Final Plat on the Property within Planning Area PA-10, 11 or 19, as depicted on the Preliminary Plat/Final PD site plan recorded April 25, 2000 at Reception No. 2006034280 in the Records, a permanent easement for a public trail through that portion of the Property identified on the approved preliminary plat as Tract G (Trail Easement). The Trail Easement shall connect to the existing trail system located in the

OFFICIAL RECORDS
DOUGLAS COUNTY CO
JACK ARROWSMITH
CLERK & RECORDER
RECORDING FEE: \$46.00
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Crystal Valley Ranch PD, adjacent to the Property. Town shall ensure that the trail is located immediately adjacent to the existing Douglas Fir trees below the ridge as depicted on the attached **Exhibit 3**, to prevent access to the crest and provide privacy to the housing sites located south of the ridge. The Trail shall be a soft surface trail, four feet in width, to minimize land disturbance. The Trail shall be constructed and maintained by the Town, at Town's sole expense. The easement agreement for the Trail between the Town and Owner shall include language which indemnifies and holds harmless Owner from any and all liability, costs or expenses incurred as a result of Town's use of the easement property under its easement rights, to the extent such indemnity may be extended by Town under law.

Section 2. Amendment. Article VIII is amended in its entirety to read as follows:

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ARTICLE VIII
LAND USE VESTING

8.01 Vesting. Owner has demonstrated that the Development Plan meets the criteria under 15.24.070 of the Code for vesting of property rights by agreement for a term in excess of three years. The Development Plan for the Property shall constitute a "site specific development plan" as defined in C.R.S. §24-68-101, and Chapter 15.24 of the Code, and accordingly vested property rights are established with respect to the Development Plan in accordance with statute and applicable Code provisions, as modified by the specific terms of this Article. Such vesting shall become effective concurrently with the effective date of the ordinance authorizing this Agreement. Pursuant to Section 15.24.080 of the Code the following provision shall be placed on the Development Plan:

This plan constitutes a site-specific development plan pursuant to Chapter 15.24 of the Castle Rock Municipal Code and §24-68-101, et. seq., C.R.S., and establishes vested property rights terminating on December 31, 2020, to undertake and complete the development and use of the property in accordance with this plan and the DA, as amended.

8.02 Duration. Due to the scale of development proposed on the Property and that the cost of Facilities development is recovered sequentially through the development cycle, property rights in the Development Plan are vested pursuant to Chapter 15.24 of the Code until December 31, 2020 ("Vesting Period").

8.03 Vesting Period Restrictions. During the Vesting Period, the Town shall not take any zoning or land use action which would alter, impair, prevent, diminish, impose a moratorium on development, or otherwise delay development or the use of the Property in accordance with the Development Plan, nor shall Town unilaterally amend the Development Plan, except the following actions shall not be precluded during the Vesting Period:

- (a) the enforcement and application of the Town Regulations in effect as of the date of recordation of this Agreement;
- (b) the enforcement and application of those Town Regulations adopted or modified after the date of this Agreement, that are general in nature and are applicable to all property subject to land use regulation by the Town, including, but not limited to, lawfully imposed Development Exactions, public works and sign regulations, building, fire, plumbing, electrical and mechanical codes;
- (c) the subsequent adoption as Town Regulations, zoning, development and/or building regulations or restrictions (not otherwise encompassed under (b), above), provided such new Town Regulations shall apply only to that portion of the Property or Plan that is not subject to an approved Final PD site plan; or
- (d) the imposition by governmental entities other than the Town of, regional, state or federal regulations including mandated growth control measures beyond the control of the Town as reasonably determined by the Town;

- (e) the application of restrictions under Growth Plans (see 4.03).

8.04 Reservation of Legal Challenge. Although Owner will not have a claim against the Town for violation of its vested property rights in the Development Plan as a result of the Town taking one of the actions enumerated in the subsections of 8.03 and 8.04, Owner reserves the right to challenge the legality of such action on any basis other than contractual breach of this Article.

8.05 Limitation of Remedies. During the Vesting Period, Owner shall not assert estoppel or 'common law vesting' claims against the Town as a result of Owner's investment in Facilities or other expenditures in furtherance of development of the Property under the Development Plan, which would result in the Owner acquiring the right to develop the Property on terms and conditions different than allowed under 8.03, provided that such limitation shall not apply to a Plat under which the subdivider has completed at least one phase of the Facilities required under the applicable SIA. Upon expiration of the Vesting Period, Owner's legal remedies shall no longer be restricted. Owner acknowledges that the limitation of its remedies during the Vesting Period is a material factor and inducement to the Town in vesting the Development Plan for the Vesting Period.

8.06 Rights in Development Plan. Prior to expiration of the Vesting Period, Owner shall have the right to undertake and complete the development and use of the Property in accordance with the Development Plan, subject to the limitations of 8.03. After expiration of the Vesting Period, the Development Plan granted by this Article VIII shall remain valid and effective, as it exists on the date of lapse; however, the vested property rights in the Development Plan shall then terminate.

8.07 Effective Date. The effective date of this vesting of property rights is the date the ordinance approving the Development Plan (Ordinance) is effective, after its publication in accordance with the Code, assuming no referendum on the Ordinance is perfected during the referendum period. In the event a referendum on the Ordinance is perfected, and the adoption of the Ordinance is upheld at the referendum election, the Vesting Period shall commence when the Ordinance then becomes effective. The public notice of vesting required under C.R.S., §24-68-103 shall be included in the Ordinance publication. Town shall publish the Ordinance within 14 days of approval of the Ordinance on second

reading.

8.08 Subdivision Vesting. Under 16.05.046 of the Code,

Plats are deemed "site specific development plans" and may be vested for a period of three years, if so requested by subdivider and the applicable notice requirements of the Vesting Statute and the Code are met. Consequently, any portion of the Property for which a Plat has been approved and vested by Town shall remain vested until the expiration of the three-year Plat vesting period, or the expiration of the Term, whichever date is later.

8.09 Natural or 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 exists natural or manmade hazards on or in the immediate vicinity of the proposed area of use, provided that such natural or manmade hazards could not reasonably have been discovered at the time of approval of the Development Plan but such hazards, if uncorrected, would pose a serious threat to the public health, safety and welfare.

MORTGAGEE JOINDER

By execution of this Agreement, Mortgagee subordinates its lien and interest in the Property created by Deed of Trust recorded July 28, 2000, beginning in Book 1875 at Page 49, to the real covenants and restrictions of this Agreement. Mortgagee shall have no affirmative obligation hereunder, nor shall Town have the right to seek performance of this Agreement from Mortgagee except in the event Mortgagee acquires legal title to the Property, in which event Mortgagee shall be bound by the terms, conditions and restrictions of this Agreement.

MORTGAGEE:

Jerome McLaren
Jerome McLaren

Sharon McLaren
Sharon McLaren

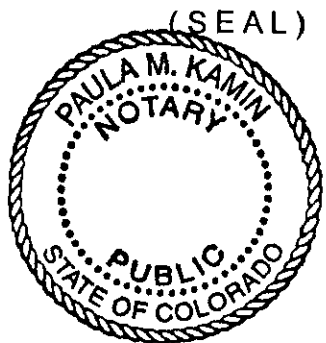
UNOFFICIAL COPY

STATE OF COLORADO)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 7th day of JANUARY, ~~2008~~ 2009, by Jerome McLaren and Sharon McLaren.

Witness my official hand and seal.
My commission expires: 11/13/2010

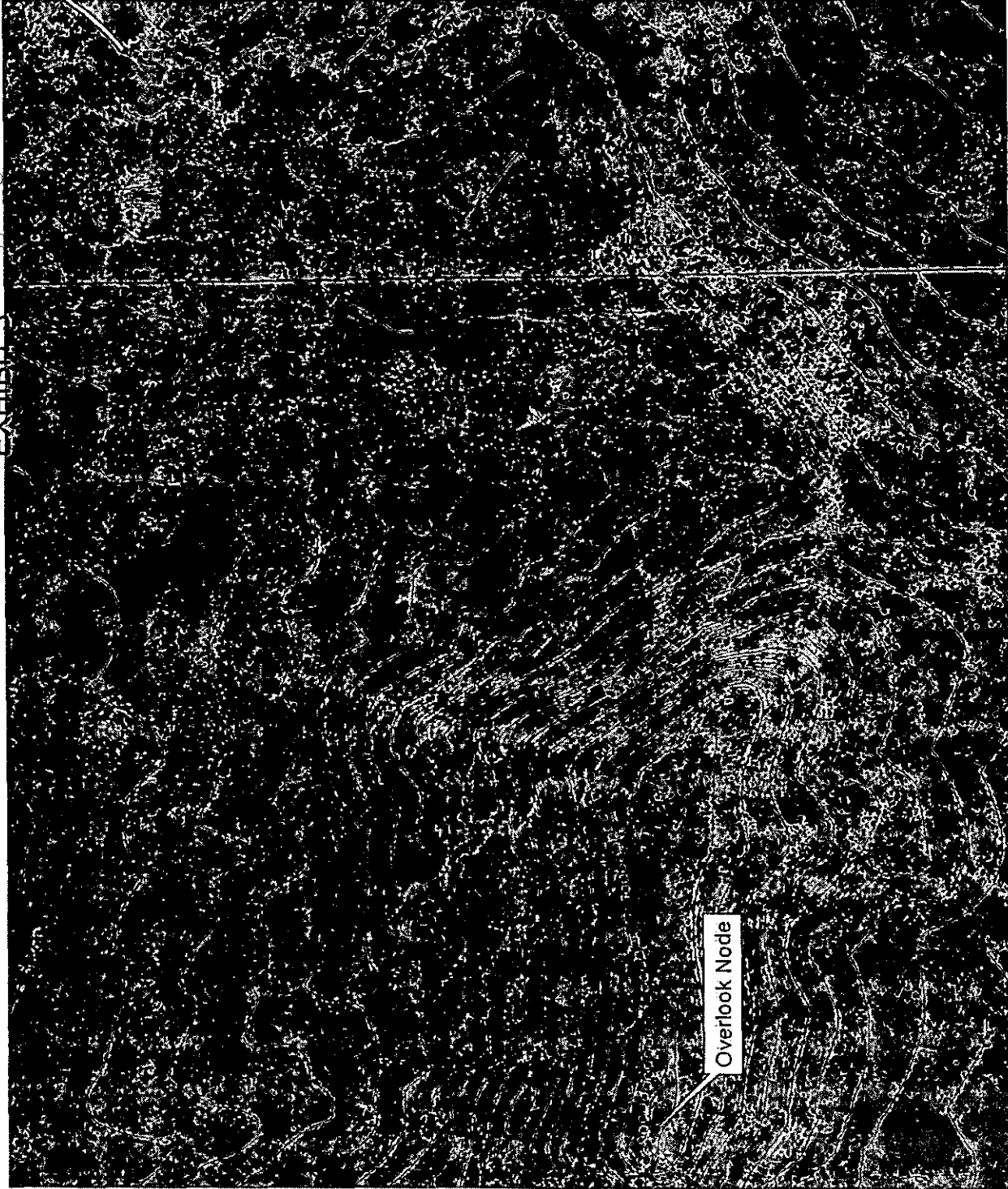
Paula M. Kamin
Notary Public



My Commission Expires 11/13/2010

EXHIBIT 3

Proposed Laterns Summit Trail
Town of Castle Rock

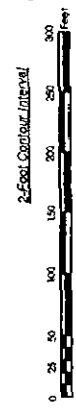


TRAILS

- Existing Trail
- Existing Sidewalk
- Existing Trail Track
- Sub-surface Trail - TYP.
- Proposed Trail - TYP.
- Proposed Townbuilt Trail
- Proposed Developmentbuilt Trail
- Proposed Alternative Route Trail
- Proposed Townbuilt Sidewalk
- Proposed Developmentbuilt Sidewalk

LAND USE

- Parks
- Proposed Parks
- Private Parks
- Golf Course
- Public Open Space
- Private Open Space
- Water Features
- Recreation Center



Vicinity Map
Castle Rock

