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# 2006015972  
02/27/2006 11:27 AM

ARCHER ANNEXATION  
AND DEVELOPMENT AGREEMENT



DATE: June 22, 2005.

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

DAVID E. AND LAREEN E. ARCHER, 2481 E. Highway 86,  
Castle Rock, Colorado 80104 (Owner)

RECITALS:

A. The parties have determined that it is in their mutual interest to enter into an agreement governing the development of the property described in the attached **Exhibit 1** (Property), in conjunction with the annexation of the Property and the concurrent approval by the Town of the zoning and development plan for 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.

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 Archer 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.

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

**Development Plan:** the Oaks at Castle Rock Preliminary PD Site Plan Amendment No. 3, approved by the Town Council on 8/23/2005 by ~~by~~  
~~Resolution No. \_\_\_\_\_.~~

**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 complimentary infrastructure off-site of the Property.

**Municipal Services:** police and fire protection, storm water drainage, street maintenance, general administrative services including Code enforcement and any other service provided by Town within the municipality under its police powers.

**Oaks Development Agreement:** the Oaks of Castle Rock Development Agreement dated September 3, 2003, recorded July 9, 2004 at Reception No. 2004071579 in the Records.

**Oaks PD Plan:** the Oaks at Castle Rock Preliminary PD Site Plan Amendment No. 1, recorded 2/27/06 at Reception No. 2006015971 in the Records.

**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 .

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

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

**Property:** the real property located in Douglas County, Colorado, described in the attached *Exhibit 1*.

**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.

**Records:** the public records of the Clerk and Recorder of Douglas County, Colorado.

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

**Town Regulations:** the Charter, ordinances, resolutions, rules and regulations of the Town, including the Code, and other 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 Rights:** the right and interest to all Denver basin ground water underlying the Property, adjudicated in Case No. 04CW124.

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 the Agreement.

**ARTICLE II  
APPLICATION AND EFFECT**

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**2.01 Binding Effect.** The Agreement shall apply to the Property and its covenants shall be binding upon the successors and assigns of the parties in the same manner and to the same effect as if such successors were signatories to the Agreement. The parties acknowledge that the Property is both benefited and burdened by the mutual covenants of the Agreement, and such covenants shall constitute real covenants binding upon successors in interest 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, nor shall such divestiture relieve the grantor of any obligations under separate agreement(s) with the Town.

**2.02 Town Regulations.** 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 the Agreement, the 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 administrative powers and responsibilities as applied to the Property, including specifically the amendment, modification or addition to the Town Regulations, subsequent to the execution of the Agreement. The development and use of the Property shall be subject to all Development Exactions, fees and taxes imposed by the Town through the Town Regulations.

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 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.

### **ARTICLE III GENERAL OBLIGATIONS**

**3.01 Municipal Services.** Town shall provide the Property with Municipal Services at an equivalent service level as provided elsewhere within its municipal boundaries, provided that the portion of the Property for which Municipal Services are requested has been developed in substantial compliance with this Agreement and Town Regulations. 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. The respective obligations of the parties for development of infrastructure necessary for provision of the Municipal Services to the Property is addressed in Article V.

**3.02 Permitted Development.** The development of the Property shall be in accordance with this Agreement and Town Regulations, and applicable state and federal law and regulations and the Development Plan. Subject to the further provisions of Article VI, Town shall allow and permit the development of the Property, 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 the Agreement or Town Regulations. Town shall not unduly delay or hinder the development of the Property (such as refusing to timely process, review and act upon development applications), nor shall Town unreasonably withhold its 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.

**3.03 Disconnection from Fire District.** Owner agrees to file a Petition for Disconnection from the Castle Rock Fire Protection District with the Douglas County

District Court and diligently pursue such disconnection to conclusion. The disconnection shall be completed prior to and as a condition of Town's approval of the first preliminary subdivision plat for the Property.

**3.04 Growth Planning.** The Town is 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, that 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 or the 2020 Plan (collectively, Growth Plans). In no event shall the Town's restriction of development of the Property as necessary to comply with the 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, provided that the Town imposes constraints and limitations on development of the Property in order to comply with the Growth Plans, pursuant to a Town-wide regulatory plan (excluding areas for which the application is precluded by vested property rights pre-existing this Agreement), in which similarly situated properties are given similar and non-discriminatory treatment.

#### **ARTICLE IV WATER RIGHTS**

**4.01 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. 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 IV.

**4.02 Conveyance.** Concurrently with recordation of this Agreement, Owner shall convey to Town by special warranty deed marketable title to the Water Rights, free and clear of all liens and encumbrances. 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. Owner, at its expense, shall obtain a title commitment to the Water Rights in which Stewart Water shall propose to insure the Town's interest in the Water Rights in the amount of \$ 110,000 (Water Commitment). Owner shall pay the premium for the Water Policy with recordation of the special warranty deed to 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 4.03 shall be reduced accordingly.

**4.03 Water Credit.** With conveyance of the Water Rights, a credit of 40 SFE shall be established against the Town's water dedication requirements for the benefit of the Property (Water Credit). In order to address the disparity between the Water Credit realized from conveyance of the Water Rights and the estimated water supply required for development of the Property in accordance with the Development Plan, Owner has concurrently transferred 30 SFE from the Oaks of Castle Rock Water Bank, established under the Oaks Development Agreement, resulting in a total Water Credit of 70 SFE. This initial Water Credit of 70 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.

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.

**4.04 Application of Water Credit.** The Water Credit established under 4.03 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.

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

ARCHER WATER BANK					
Entry	Date Recorded	Recording Info	SFE Demand	SFE Supply	Net
Deeds to Water Rights				40	40
Transfer from Oaks Water Bank				30	70
Final Plat			XX		70-XX

With any entry made by the Town, the Owner of the Water Bank (see 4.06) 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.

**4.06 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 IV.

The Water Credit may not be assigned or transferred for use on properties other than the Property, provided that after Town and Owner have agreed that full development has occurred, the total water demand for the Property has been determined, the Water Credit has been applied or allocated to meet such demand, and a surplus remains in the Water Bank, any unused portion of the Water Credit remaining may be transferred back to the Oaks of Castle Rock Water Bank.

**4.07 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 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.

## **ARTICLE V FACILITIES DEVELOPMENT**

**5.01 Responsibility.** Except for the Facilities the Town constructs in consideration for payment of System Development Fees, 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. Facilities shall be developed in strict accordance with Town Regulations and the specific provisions of this Agreement.

**5.02 Cooperation in Facilities Development.** Town and Owner shall cooperate in obtaining necessary permits and approvals required by other governmental agencies in order to develop 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.

**5.03 Facilities Surety.** Owner shall post surety in accordance with Town Regulations to assure the completion and warranty of Facilities to be constructed by Owner. Such surety shall be posted at the time of issuance of the applicable public works permit.

**5.04 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 the Facilities to be constructed to serve the Plat and the financial guarantees to assure construction of the Facilities.

**5.05 Off-site Facilities.** Owner shall be obligated to acquire the necessary easement or fee interest (as required by Town) from adjacent properties necessary to develop all off-site Facilities. In the event Owner is unable to acquire such property interests, Town shall make best efforts to exercise its powers of eminent domain to condemn the necessary property, provided Owner has furnished Town with appropriate assurances and financial guarantees to cover the costs of such acquisitions. Owner shall have the right to utilize any current rights of way or easements owned or controlled by Town as necessary to construct the Facilities and develop the Property, subject to compliance with applicable Town Regulations, and Town shall cooperate with Owner in obtaining the cooperation and consent of any other governmental entities to utilize any applicable rights of way held or controlled by another governmental entity.

**5.06 Ridge Road Improvements.** As part of the Facilities constructed with the first Plat, Owner, at its sole cost, shall dedicate the necessary right of way and reconstruct Ridge Road and the intersection of Ridge Road and Appleton Way as generally depicted on the Development Plan. Ridge Road shall be reconstructed to the standard of a major collector and the reconstruction shall include the necessary tie-in to Ridge Road and Appleton Way offsite of the Property. All such construction shall be at the sole cost of Owner, and Owner shall not be entitled to any credits or offsets against payment of Development Exactions.

**5.07 Sanitary Sewer Improvements.** Owner shall be responsible for a proportionate share of the Town's costs for upgrading and replacing the South Gilbert Street sanitary sewer. Owner shall pay its proportionate share to Town concurrently with and as a condition to recordation of the first Plat.

**5.08 South Gilbert Sanitary Sewer Replacement Construction.** Owner acknowledges that the Property will not qualify for building permits until such time as the South Gilbert Street sanitary sewer replacement project is substantially complete and operational.

**ARTICLE VI  
PUBLIC LANDS AND OPEN SPACE**

**6.01 Public Land Dedication.** The public land dedication requirement applicable to the Development Plan under the Town Regulations has been addressed in the Oaks PD Plan. Consequently, no PLD is designated on the Development Plan.

**ARTICLE VII  
DEFAULT, REMEDIES AND DISCONNECTION**

**7.01 Event of Default.** Failure of Town or Owner to perform any covenant, agreement, obligation or provision of this Agreement, shall constitute an event of default under this Agreement.

**7.02 Remedies.** In addition to specific remedies provided elsewhere in the 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 appears necessary or desirable to enforce performance and observation of any obligation, agreement or covenant of the defaulting party under the 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.

**7.03 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. The defaulting party shall have twenty (20) working 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 has commenced such cure within said 20-day period; (iii) 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 VIII  
GENERAL PROVISIONS**

**8.01 Applicable Law.** This Agreement shall be construed in accordance with the laws of the State of Colorado.

**8.02 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.

**8.03 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 three (3) days following the date the same is deposited in the United States mail, registered or certified, 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.

TOWN:                      Town Attorney  
                                  Town of Castle Rock  
                                  100 Wilcox Street  
                                  Castle Rock, CO 80104

OWNER:                    David E. and Lareen E. Archer  
                                  2481 E. Highway 86  
                                  Castle Rock, CO 80104

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

**8.05 Conflicts.** If the terms and provisions of this Agreement are in conflict with any other agreement between the Town and the Owner, the terms of the latest agreement shall control.



OWNER:

*David E. Archer*  
David E. Archer

*Lareen E. Archer*  
Lareen E. Archer

STATE OF COLORADO

)  
)  
)

ss.

COUNTY OF *Douglas*

The foregoing instrument was acknowledged before me this *27th* day of *July*, 2005 by David E. Archer and Lareen E. Archer

Witness my official hand and seal.

My commission expires: *July 27, 2006*

UNOFFICIAL COPY  
*Mary Kathleen Owen*  
Notary Public

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MARY KATHLEEN OWEN  
NOTARY PUBLIC, STATE OF COLORADO

## EXHIBIT 1

January 19, 2000  
Job No. 00-0072

### PROPERTY DESCRIPTION:

A tract of land situated in Section 18, Township 8 South, Range 66 West of the 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows:

Commencing at the Southeast corner of the Northeast  $\frac{1}{4}$  of Section 18 and considering the East line of the Northeast  $\frac{1}{4}$  of Section 18 to bear N 00°01'25"E with all bearings contained herein relative thereto;

Thence N 00°01'25"E along said East line a distance of 60.15 feet;

Thence S 89°08'39"W a distance of 61.15 feet to a point on the Right of Way of Ridge Road and to the true point of beginning;

Thence S 89°08'39"W along the Right of Way of Ridge Road a distance of 433.86 feet;

Thence N 00°51'21"W a distance of 1.00 feet;

Thence S 89°08'39"W a distance of 98.68 feet;

Thence S 00°51'21"E a distance of 1.00 feet;

Thence S 89°08'39"W a distance of 785.65 feet;

Thence S 32°17'23"W a distance of 47.51 feet;

Thence S 62°46'35"W a distance of 45.78 feet;

Thence S 89°08'44"W a distance of 534.09 feet;

Thence N 00°00'53"E a distance of 659.11 feet;

Thence N 44°35'23"E a distance of 42.75 feet;

Thence N 89°09'25"E a distance of 1888.65 feet to the Right of Way of Ridge Road;

Thence S 00°02'34"W along the Right of Way of Ridge Road a distance of 628.59 feet to the point of beginning.

Containing 28.47 acres, more or less.

This property description was prepared under the direct supervision of David E. Archer, (P.L.S. 6935), 105 Wilcox Street, Castle Rock, CO 80104.