

**STEYN LAND LLC ANNEXATION  
AND DEVELOPMENT AGREEMENT**

**DATE:** January 25, 2011.

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

**STEYN LAND, LLC**, a Colorado limited liability company, 1750  
Sky View Lane, Larkspur, Colorado 80118 ("Owner").

**MORTGAGEE:** **Schaap Family Partnership, LLC**

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**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 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.

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 Steyn Land LLC 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.

**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.

**Minor Permits:** tenant finish building permits (including the addition of a patio for dining adjacent/attached to the restaurant), roofing permits, permits to remove existing modular building from site, and other permits to mitigate health and safety concerns with the existing structure. Except as permitted by the foregoing, Minor Permits shall not include new buildings or structures, building expansions or placement of additional temporary structures on the Property.

**Municipal Services:** police and fire protection, water, wastewater, 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.

**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 Steyn Land LLC.

**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 all or a portion 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 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.

**Water Rights:** the right and interest to all Denver Basin ground water underlying the Property as decreed in Water Court, Division 1, Case No. 2010CW114.

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.

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ARTICLE II  
APPLICATION AND EFFECT

**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.

**2.02 Owner Responsibility.** 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, or a third party on behalf of Owner. Town shall accept performance of the covenants of the Agreement from a developer on behalf of the Owner, unless such performance requires the conveyance, encumbrance or security of the Owner's interest in the Property, in which event the express consent or joinder of the Owner shall be required.

**2.03 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 as applied to the Property,

including specifically the amendment, modification or addition to the Town Regulations, subsequent to the execution of the Agreement.

When the 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 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. Subject to the further provisions of Article V, 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 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.** Pursuant to the agreement between the Town and the Castle Rock Fire Protection District ("Fire District") dated September 15, 2009 ("CRFPD Agreement"), ordinances annexing territory to the Town 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 CRFPD Agreement, Town shall file a Motion for Exclusion of Property along with certified copy of the Annexation Ordinance with the District Court in Case

No. 80CV209, and upon receipt of an Order of Exclusion, record a such Order in the Records.

**ARTICLE IV  
WATER RIGHTS**

**4.01 Requirement.** In accordance with the Town Regulations, 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 has obtained a title commitment to the Water Rights in which Stewart Water Information, LLC proposes to insure the Town's interest in the Water Rights in the amount of \$8,000 ("Water Commitment"). Town has accepted the quality of title evidenced by the Water Commitment. Owner shall pay the premium for the title insurance policy issued in the name of the Town and such policy shall be delivered to the Town within 90 days from the date of recordation of this Agreement.

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 2 SFE shall be established against the Town's water dedication requirements for the benefit of the Property ("Water Credit")<sup>1</sup>. The Water Credit of 2 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.

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<sup>1</sup> No credit is given for the Denver not-nontributary water because there is no plan of Augmentation (see 4.04.070.B of the Code).

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; or

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- (b) at the time of 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 Steyn Water Bank. The Steyn Water Bank shall periodically be debited or credited in accordance with this Article IV. The Steyn Water Bank shall be formatted as follows:

STEYN WATER BANK					
Entry	Date Recorded	Recording Info	SFE Demand	SFE Supply	Net
Deed to Water Rights				2	2
Final Plat			XX		2-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, 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 Water Credit may not be assigned or transferred for use on properties other than the Property, except that any portion of the Water Credit may be transferred for the exclusive use on any portion of the property annexed to the Town as the "Steyn/Schaap Annexation". After the Property is fully developed, any unused portion of the Water Credit remaining shall revert to the Town, at no cost or obligation to Town.

**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 (and is so authorized by) the Town Regulations then in effect, provided that prior to January 1, 2017, the cash-in-lieu price shall be fixed at the lesser of the applicable rate under the Town Regulations or \$1650 per SFE.

#### **ARTICLE V FACILITIES DEVELOPMENT**

**5.01 Responsibility.** Except for the Facilities the Town is obligated to develop under the Town Regulations in consideration of the imposition and collection of Development Impact 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. The Facilities shall be developed in strict accordance with Town Regulations, this Agreement and the applicable SIA and Plat. Owner's construction of the Facilities shall not relieve it of the obligation to pay in full applicable Development Exactions, pursuant to the Town Regulations. Upon dedication of Facilities by Owner and acceptance by Town, Town shall have the exclusive management and control of the Facilities.

**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.

**5.04 Subdivision Improvements Agreement.** The Town Regulations require that a subdivider enter into a Subdivision Improvements Agreement ("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 any 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. The construction of any off-site Facilities necessary to serve the Property shall be at the sole expense and obligation of Owner.

## **ARTICLE VI EXISTING USES AND REDEVELOPMENT**

**6.01 Existing Conditions.** There are currently two existing structures on the Property ("Structures") consisting of a 21,568 square foot office/retail/restaurant building and a 1,644 square foot office building, that are permitted and allowed for use and operation under applicable regulations of Douglas County. The current use of the Structures may continue after annexation of the Property, however any new or additional uses or occupancy of the Property shall be subject to the Town zoning and business licensing and other Town Regulations, except as specifically exempted under this Article VI. The Structures are currently served by an existing private domestic well and wastewater disposal system. Owner retains the exclusive

obligation to maintain and operate these private water and wastewater systems until connection to the Town's systems in accordance with this Article VI.

Any existing signage on the Property may remain in place and be refaced, provided however, any sign not meeting Town Regulations must be removed prior to and as a condition to issuance of a building permit (other than a Minor Permit) on the Property.

**6.02 Water Connecton and Well Abandonment.** As a condition to the Town's issuance of the first building permit for structural improvements on the Property, excluding Minor Permits, Owner shall connect to the Town's potable water distribution system and pay all System Development Fees and other Development Exactions in accordance with Town Regulations.

Within 120 days from the date of such connection, Owner shall:

- (a) convey to Town the existing domestic well and all equipment associated with such well on the Property; and
- (b) abandon the well in accordance with the State Engineer's well abandonment requirements.

**6.03 Sanitary Sewer Connection and Wastewater Disposal System Abandonment.** Not later than 180 days from the date of recordation of this Agreement, Owner, at its expense, shall connect to the Town's wastewater collection system in accordance with the requirements of the Town Regulations. Owner will not be required to pay to Town (i) permit or inspection fees for such connection, or (ii) the wastewater component of the System Development Fees for the sanitary sewer service line connection. The size of the sanitary sewer service line is determined by an analysis performed by Owner's professional engineer based on the fixture unit counts in use in the Structures in accordance with the Town Regulations. However, any additional or expanded water or wastewater connections to the Town's water or wastewater systems are conditioned upon payment of the applicable System Development Fees for such additional tap or incremental expansion of an existing tap. Within 60 days from the date of connection to the Town's wastewater collection system, Owner shall abandon the wastewater disposal system in accordance with all Town Regulations and requirements.

Monthly service charges for sanitary sewer service shall be calculated for the first year of service based upon a fixture unit count in use in the Structures. At the time of connection to the Town's wastewater collection system, Town, at its expense,

shall install a water meter to record the flow from the domestic well and establish the Average Winter Monthly Consumption ("AWMC") from such flow records, in accordance with Section 13.12.110 of the Code. Once the AWMC has been established, Owner will be charged in accordance with Town Regulations. **6.04**

**6.04 Plat Required.** Except for Minor Permits, no building permits shall be issued for any improvements on the Property prior to the approval and recordation of a Plat for the Property.

**6.05 Existing Structure Removal.** In the event Owner moves or relocates the Structures, such removal or relocation shall be done in strict accordance with the Town Regulations.

**6.06 Waterline Extension Cost-Sharing/Recoupment.** The parties acknowledge that (i) water mains must be extended in order for the Property to receive water service from the Town ("Water Main Extension"); (ii) the Water Main Extension will benefit the Property and other properties; and (iii) if the Property is the initial property to develop, Owner will incur the cost of the Water Main Extension. In the event Owner undertakes the Water Main Extension, the Town shall make best efforts to coordinate and cooperate in the effort of Owner to obtain reimbursement from the Water Line Properties (as that term is defined below) for the proportionate cost of construction of the Water Main Extension based on the relative benefit to the Water Line Properties, with such reimbursement to be tied to the platting or issuance of building permits for the Water Line Properties. The Water Line Properties' proportionate share shall be based on the number of SFEs utilized by the Water Line Properties. The Water Line Properties are those parcels identified in the attached **Exhibit 2.**

**6.07 Oversizing.** Under Town Regulations, Owner is responsible for the engineering and construction of all water and sanitary sewer mains up to and including twelve (12) inches in diameter. In the event the Town determines that a main must exceed twelve (12) inches in diameter, then the Town shall participate in the incremental cost of construction of such oversized Facility. Prior to the construction of any oversized Facility, Owner shall secure written bids from no less than two (2) contractors for the construction or installation of the Facility, and the bids shall be submitted to the Town for its review and approval prior to construction of such Facility. Should Town fail to approve or disapprove any bid in writing within fifteen (15) days of submittal, Owner may proceed with the bid it deems most

appropriate under the circumstances. Town shall pay its portion of the cost of design and construction of such oversized Facility at the time such Facility is scheduled for construction as defined in the Town's Water Facility Master Plan.

## **ARTICLE VII TRANSPORTATION**

**7.01 Right of Way Conveyance.** Owner will be required to convey to Town, at no cost to Town, the necessary right-of-way for the expansion of Wilcox Street (aka I-25 East Frontage Road) along the westerly frontage of the Property, provided that such conveyance shall not exceed ten (10) feet in width ("Wilcox Dedication"). Such conveyance shall take place concurrently with the recordation of the first Plat on the Property, or within 30 days from the date Town gives notice to Owner of the Town's intention to commence design of the Wilcox Street expansion. The conveyance shall be in accordance with Section 8.04, below. The Wilcox Dedication shall be designated as a separate tract on the Plat(s) for the Property.

**7.02 Intersection Traffic Control.** The necessity of intersection traffic control (i.e., traffic signal/roundabout) is not anticipated at the Property's access and the I-25 East Frontage Road, however if a traffic impact analysis for the Property evidences the need for intersection traffic control, it shall be the Owner's responsibility to contribute financially to the costs associated with the installation of the intersection traffic control. The financial contribution will be based on an assessment provided in the approved traffic impact analysis for the Property. The specific amount and timing of the contributions will be addressed in the Property's Subdivision Improvements Agreement or Public Improvements Agreement.

**7.03 Douglas Lane Interchange.** Development on the Property will impact and benefit from the construction of a new I-25 Interchange at Crystal Valley Parkway/Douglas Lane ("Interchange"). The Town commissioned the Douglas Lane Funding Study dated May, 2002 and updated August, 2005 ("Study"), which determined the relative traffic impacts of properties within the Study area (inclusive of the Property) on the Interchange, and the equitable financial participation of each property in the Study area. It is anticipated that the eventual total Interchange development cost will vary from current projections due to multiple factors. At the time of approval of the first Plat on the Property, the financial participation of the portion of the Property subject to such Plat shall be calculated based on traffic

impact for the approved land uses as determined by the applicable traffic impact analysis approved with such Plat, adjusted to reflect any increase in the Interchange cost over the baseline used in the Study. Such payment shall be made as a condition to Plat approval and recordation.

**7.04 Wilcox Street Improvements.** Concurrently with the public improvements required under the first Plat, Owner shall construct improvements to Wilcox Street, including, but not limited to, curb, gutter, sidewalks, auxiliary turn lanes, additional pavement as necessary, and storm sewer improvements ("Wilcox Street Improvements"). The specifications for all design and construction of the Wilcox Street Improvements shall be based on the Town Regulations in effect at the time of approval of the first Plat. Alternatively, the Town may accept cash-in-lieu of construction of the Wilcox Street Improvements if agreed upon by the Parties. All cash-in-lieu payments shall be based upon an engineering cost estimate approved by the Town, which approval shall not be unreasonably withheld. Owner shall not be entitled to any off-sets or deductions against Development Exactions as a result of the construction of, or cash-in-lieu payment for the Wilcox Street Improvements.

**7.05 Access Modification.** Irrespective of any provision of this Agreement, or any designation of site access on an approved Preliminary Site Plan, or any other land use approval granted for the Property, Town reserves the right to modify access to the Property in order to maintain a safe and convenient transportation network in order to protect the public health, safety and welfare.

## ARTICLE VIII PUBLIC LANDS AND OPEN SPACE

**8.01 Public Land Dedication.** The Public Land dedication requirement under the Town Regulations for the Property, as well as the adjacent parcel known as the Schaap Annexation, shall be satisfied upon the conveyance to Town of the 7-acre parcel described in the attached *Exhibit 3* ("PLD Conveyance"). Such conveyance shall be in accordance with Section 8.04, below. Consequently, the PLD Conveyance shall be a condition to recordation of the first Plat on the Property or the first Plat on the Schaap Annexation property, whichever occurs first. It shall be Owner's obligation to cause the third-party property to accomplish the PLD Conveyance.

**8.02 Environmental Compliance.** Owner shall be responsible for compliance with all State and Federal environmental laws and regulations in development of the Property. If required, Owner shall be responsible for obtaining approval of and complying with all terms and conditions of any approved Habitat Conservation Plan ("HCP") for any portion of the Property that may be required under federal law, including mitigation, enhancement, and monitoring requirements that may be included in such HCP. Additionally, Owner shall reimburse Town for any costs the Town incurs as a result of having to comply with any HCP affecting the Property that are attributable to the obligation of Owner to construct any Facilities covered by the HCP. In the event Town needs to amend the HCP after it has assumed responsibility for any activity or facility covered under the HCP, Owner shall cooperate with Town in the preparation of such amendment, provided Town shall be responsible for all costs incurred by Town in the preparation of any amendment, or as a result of such amendment to the HCP. The determination as to the necessity of an HCP under federal law shall be made prior to and as a condition of approval of the first Plat for the Property.

**8.03 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. Real property taxes shall be pro rated through the date of conveyance and paid by Owner. 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 the amount of \$10,000 per acre. 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.

**8.04 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 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.

**ARTICLE IX  
DEFAULT, REMEDIES AND DISCONNECTION**

**9.01 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.

**9.02 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.

**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. 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 X  
GENERAL PROVISIONS**

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

**10.02 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.

**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 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.

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TOWN:

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

OWNER:

Steyn Land LLC  
1750 Sky View Lane  
Larkspur, CO 80118

**10.04 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.

**10.05 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.

**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 Attorney's Fees.** Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the







Exhibit 1

PARCEL ONE:

LOT 1, DOUGLAS COMMONS, COUNTY OF DOUGLAS, STATE OF COLORADO

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Exhibit 2 - Water Line Properties

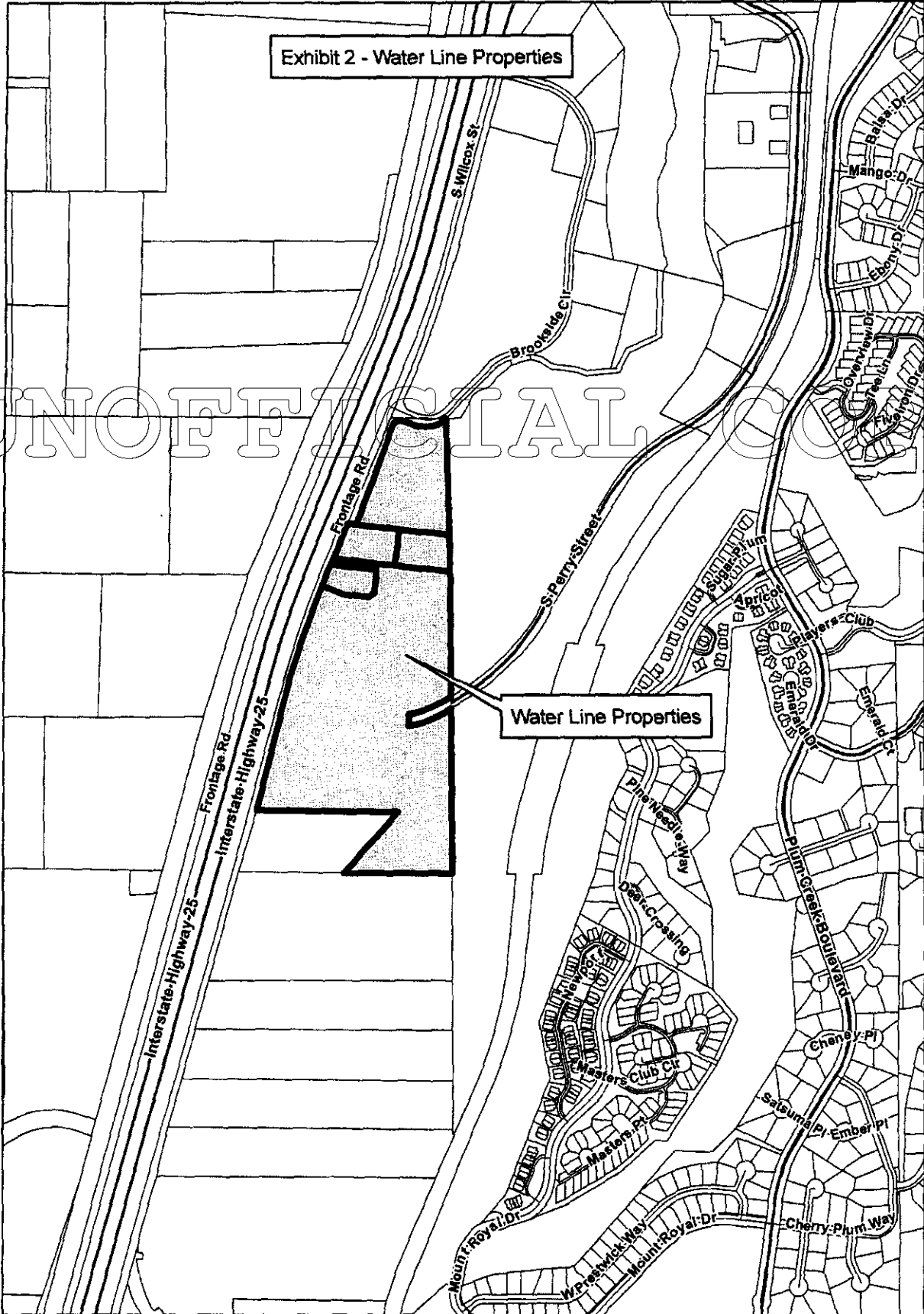
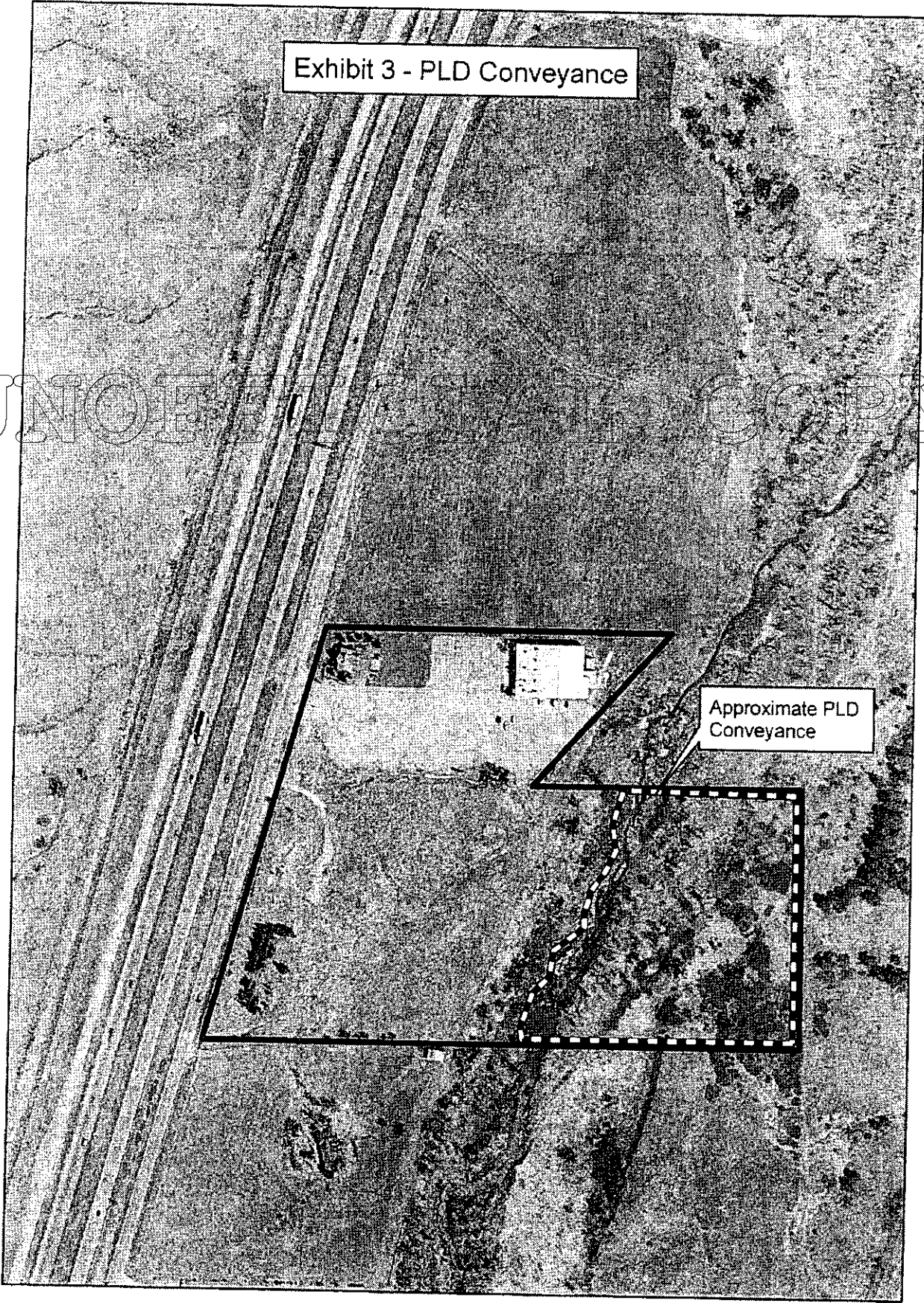


Exhibit 3 - PLD Conveyance



Approximate PLD  
Conveyance