

**THE RESERVE AT NORTHCREEK ANNEXATION  
ANNEXATION AGREEMENT**

THIS ANNEXATION AGREEMENT ("Agreement"), dated this \_\_\_ day of \_\_\_\_\_, 2016, is between the City of Colorado Springs, a home rule city and Colorado municipal corporation ("City"), and Reserve at North Creek, LLC, a Colorado limited liability company and successor-in-interest to Biblica, Inc., ("Owner" or "Property Owner").

**I.  
INTRODUCTION**

The Owner own all of the real property located in El Paso County, Colorado, identified and described on the legal description attached as Exhibit A (the "Property").

The growth of the Colorado Springs metropolitan area makes it likely that the Property will experience development in the future. The Owner will be required to expend substantial amounts of funds for the installation of infrastructure needed to service the Property and, therefore, desires to clarify Owner's obligations for installation of or payment for any off-site infrastructure or improvements and with regard to the City's agreements with respect to provision of services to the Property and cost recoveries available to Owner. Subject to the terms and conditions set forth in this Agreement, both the City and Owner wish to annex the Property into the City to ensure its orderly development. In consideration of the mutual covenants contained in this Agreement, the receipt and sufficiency of which are acknowledged by each of the parties, the City and Owner agree as follows.

**II.  
ANNEXATION**

The Owner has petitioned the City for annexation of the Property. The annexation will become effective upon the effective date of the ordinance documenting final approval by the City Council of the annexation (the "annexation ordinance") after satisfying all conditions precedent to annexation identified in this Agreement and the recording of (a) certified copies of the annexation ordinance and annexation plat in accordance with C.R.S. 31-12-113, (b) a fully-executed original of this Agreement, and (c) a fully-executed The Reserve at Northcreek special warranty deed and irrevocable consent to the appropriation, withdrawal, and use of groundwater as forth in Exhibit B with the El Paso County Clerk and Recorder.

All references to the "Property" or to the "Owner's Property" are to the Property described in Exhibit A except as otherwise indicated.

**III.  
LAND USE**

The Reserve at Northcreek Concept Plan has been proposed and submitted to the City for approval. Owner will comply with an approved concept plan in accord with applicable provisions of the Code of the City of Colorado Springs 2001, as amended or recodified ("City Code").

Prior to any development of the Property Owner shall obtain City approval of a development plan, and the final land use intensities and densities for the Property shall be determined in conjunction with the review and approval of a development plan per City Code.

#### IV. ZONING

A. Zoning. The Planning and Development Department of the City agrees to recommend that the initial zone for the Property shall be PUD (Planned Unit Development) upon annexation. While zoned PUD, a PUD development plan shall be required prior to development of the site. Owner acknowledges and understands that the City Council determines what an appropriate zone is for the Property, and this recommendation does not bind the Planning Commission or City Council to adopt the recommended zone for the Property.

B. Change of Zoning. Any future change of zone request involving the Property shall comply with the provisions outlined within City Code.

#### V. PUBLIC FACILITIES

A. General. As land is annexed into the City it is anticipated that land development will occur. In consideration of this land development, the City requires public facilities and improvements to be designed, extended, installed, constructed, dedicated and conveyed as part of the land development review and construction process. Public facilities and improvements are those improvements to property which, after being constructed by the Owner and accepted by the City, shall be maintained by the City or another public entity. Generally, the required public facilities and improvements and their plan and review process, design criteria, construction standards, dedication, conveyance, cost recovery and reimbursement, assurances and guaranties, and special and specific provisions are addressed in Chapter 7, Article 7 of the City Code (the "Subdivision Code"). Public facilities and improvements include but are not necessarily limited to: (1) Utility facilities and extensions for water, wastewater, fire hydrants, electric, gas, streetlights, telephone and telecommunications (for water, wastewater, gas and electric utility service, refer to Chapter 12 of the City Code and Section VI. "Utilities Services" and Section VII. "Water Rights" of this Agreement.); (2) Streets, alleys, traffic control, sidewalks, curbs and gutters, trails and bicycle paths; (3) Drainage facilities for the best management practice to control, retain, detain and convey flood and surface waters; (4) Arterial roadway bridges; (5) Parks; (6) Schools; and (7) Other facilities and improvements warranted by a specific land development proposal.

It is understood that all public facilities and improvements shall be subject to the provisions of the Chapter 7, Article 7 of the City Subdivision Code, unless otherwise specifically provided for under the terms and provisions of this Agreement. Those specifically modified public facilities and improvements provisions are as follows:

B. Off-Site Transportation Improvement Fee. Not Applicable.

C. Metropolitan Districts. Not Applicable.

D. Streets, Bridge and Traffic Control. Unless agreed to elsewhere in this Agreement the Owner agrees to construct, at the Owner's expense, those street, bridge and/or traffic improvements adjacent to or within the Property. These improvements shall also include mutually-acceptable dedications of right-of-way and easements, and extension of streets and right-of-way. The provisions of City Code §§ 7.7.706



(Reimbursements) and 7.7.1001-1006 (Arterial Roadway Bridges) are excluded. City participation or reimbursement for Arterial Streets and Arterial Bridges within the Property will not be allowed.

1. On-Site or Adjacent Streets

- a. New Life Drive: The Owner shall construct New Life Drive adjacent to the Property and west to the intersection with Jet Stream Drive.
- b. The Owner shall construct all other public streets internal to the Property and shall acquire and dedicate to the City the additional right of way from the adjacent property to the east (property currently part of Flying Horse development), and construct that north/south road (proposed street name of Running Water Drive) with a cost recovery available from the adjacent property owners pursuant to City Code.

2. Off-Site Streets and Bridges: Not Applicable.

3. Traffic Control Devices. Owner shall pay for installation of traffic and street signs, striping, and traffic control devices, and permanent barriers, together with all associated conduit for all streets within or contiguous to the Property as determined necessary by the City and in accord with uniformly applied criteria set forth by the City. Traffic signals will be installed only after the intersection warrants signals, as outlined in the Manual on Uniform Traffic Control Devices in use at the time or another nationally accepted standard. Once the intersection meets the outlined criteria, the City will notify the Owner in writing and the Owner will install the traffic signal within one hundred eighty (180) days after receipt of that notice. The Owner will be responsible for all components of the traffic signal, except the City will supply the controller equipment and cabinet (Owner will reimburse the City for its reasonable costs of the equipment and cabinet).

D. Drainage. A Master Development Drainage Plan shall be prepared and submitted by the Owner to the City to be approved by the City Engineer. Final Drainage Reports and Plans shall be prepared and submitted by the Owner to the City and approved by the City Engineer, prior to recording subdivision plats. Owner shall comply with all drainage criteria, standards, policies and ordinances in effect at the time of development, including but not limited to the payment of any drainage, arterial bridge and detention pond fees and the reimbursement for drainage facilities constructed. The Owner shall construct and maintain all water quality, storm water control systems and "Best Management Practices" ("BMPs"), drainage detention and other related facilities in conformance with the City's then-current Drainage Criteria Manual and the applicable drainage basin planning studies for the Property and shall retain ownership of the BMPs. Owner shall be responsible for conformance with both the Black Squirrel Creek Drainage Basin Planning Study and Marketplace at Interquest Master Development Drainage Plans, including payment of the applicable Black Squirrel Creek Drainage Basin fees for the entire Property.

1.

E. Parks: Fees in lieu of park land dedication shall be required for this annexation.

F. Schools: Fees in lieu of school land dedication shall be required for this annexation.

G. Improvements Adjacent to Park and School Lands. Not Applicable.

VI.



### UTILITY SERVICES

- A. Colorado Springs Utilities' ("CSU") Services: CSU's water, non-potable water, wastewater, electric, streetlight, and gas services ("Utility Service" or together as "Utility Services") are available to eligible customers upon connection to CSU's facilities or utility systems on a "first-come, first-served" basis, provided that (among other things) the City and CSU determine that the applicant meets all applicable City ordinances and regulations, and applicable CSU tariff requirements and regulations for each application for Utility Service. In addition, the availability of Utility Services is contingent upon the terms detailed herein and the dedication of public rights-of-way, private rights-of-way, or easements that CSU determines are required for the extension of any proposed Utility Service from CSU system facilities that currently exist or that may exist at the time of the proposed extension.

Owner shall ensure that the connection and/or extension of Utility Services to the Property are in accord with all codes and regulations in effect at the time of Utility Service connection and/or extension, including but not limited to CSU's tariffs, rules, and policies, City ordinances, resolutions, and policies, and Pikes Peak Regional Building Department codes. Further, as specified herein below, Owner acknowledge responsibility for the costs of any extensions or utility system improvements that are necessary to provide Utility Services to the Property or to ensure timely development of integrated utility systems serving the Property and areas outside the Property as determined by CSU.

CSU's connection requirements may require the Owner to provide a bond(s) or to execute a Revenue Guarantee Contract or other CSU-approved guarantee for the extension of any Utility Service before CSU authorizes the extension of Utility Services and/or other utility systems improvements, and/or any request for service connection to the Property by Owner. Owner acknowledge that such connection requirements shall include Owner' payment of all applicable development charges, recovery-agreement charges, advance recovery-agreement charges, aid-to-construction charges and other fees or charges applicable to the requested Utility Service, and any costs CSU incurs to acquire additional service territory for the Utility Service to be provided, including those costs specified in paragraph C below. Because recovery agreement charges, advance recovery-agreement charges, and aid-to-construction charges may vary over time and by location, Owner are responsible for contacting CSU's Customer Contract Administration at (719) 668-8111 to ascertain which fees or charges apply to the Property.

Owner acknowledge that annexation of the Property does not imply a guarantee of water supply, wastewater treatment system capacity, or any other Utility Service supply or capacity, and CSU does not guarantee Utility Service to the Property until such time as permanent service is initiated. Accordingly, no specific allocations or amounts of Utility Services, facilities, capacities or supplies are reserved for the Property or Owner upon annexation, and the City and CSU make no commitments as to the availability of any Utility Service at any time in the future.

- B. Dedications and Easements: Notwithstanding anything contained in Section XI. of this Agreement to the contrary, Owner, at Owner' sole cost and expense, shall dedicate by plat and/or convey by recorded document, all property (real and personal) and easements that CSU, determines are required for all utility-system facilities necessary to serve the Property or to ensure development of an integrated utility system, including but not limited to, any access roads, gas regulation or electric substation sites, electric transmission and distribution facilities, water storage reservoir/facility sites, and wastewater or water pump station sites. CSU shall determine the location and size of all property necessary to be dedicated or otherwise conveyed.

Owner shall provide CSU all written, executed conveyances prior to platting or prior to the development of

the Property as determined by CSU. Owner shall pay all fees and costs applicable to and/or associated with the platting of the real property to be dedicated to the City, and all fees and costs associated with the conveyance of real property interests by plat or by separate instrument, including but not limited to, Phase 1 and Phase 2 environmental assessments, 'closing' costs, title policy fees, and recording fees for any deeds, permanent or temporary easement documents, or other required documents. Dedicated and/or deeded properties and easements are not, and shall not be, subject to refund or reimbursement and shall be deeded or dedicated to the City free and clear of any liens or encumbrances, with good and marketable title and otherwise in compliance with City Code § 7.7.1802.

Further, all dedications and conveyances of real property must comply with the City Code, the City Charter, and any applicable CSU policies and procedures, and shall be subject to CSU's environmental review. Neither the City nor CSU has any obligation to accept any real property interests. All easements by separate instrument shall be conveyed using CSU's then-current Permanent Easement Agreement form without modification or as approved by CSU.

If Owner, with prior written approval by CSU, relocate, require relocation, or alter any existing utility facilities within the Property, then the relocation or alteration of these facilities shall be at the Owner' sole cost and expense. If CSU, determines that Owner' relocation or alteration requires new or updated easements, Owner shall convey those easements prior to relocating or altering the existing utility facilities using CSU's then-current Permanent Easement Agreement form without modification or as approved by CSU. CSU will only relocate existing gas or electric facilities during time frames and in a manner that CSU determines will minimize outages and loss of service.

- C. Extension of Utility Facilities by CSU: Subject to the provisions of this Article, including sections A and B above, and all applicable CSU tariffs, rules, regulations, and standards, CSU will extend electric and gas service to the Property if CSU, determines that there will be no adverse effect to any Utility Service or utility easement. Owner shall cooperate with CSU to ensure that any extension of gas or electric facilities to serve the Property will be in accord with CSU's Line Extension and Service Standards.
  - 1. Natural Gas Facilities: If prior to annexation any portion of the Property is located outside CSU's gas service territory, then upon annexation, CSU will acquire the gas service territory within the Property from the then-current gas service provider. Accordingly, Owner shall be solely responsible for all costs and expenses, including but not limited to attorneys' fees, that CSU incurs due to any Colorado Public Utilities Commission ("CPUC") filings made or arising from annexation of the Property. Owner shall support and make any CPUC filings necessary to support CSU's filings to the CPUC.
  - 2. Electric Facilities:
    - A. If any portion of the Property is located outside CSU's electric service territory, then upon annexation:
      - 1. CSU will acquire the electric service territory within the Property that is not served by CSU from the then-current electric service provider in accordance with C.R.S. §§ 40-9.5-201 et seq., or 31-15-707;
      - 2. Owner shall be solely responsible for providing the just compensation for electric distribution facilities and service rights specified in C.R.S. §§ 40-9.5-204 plus all costs and fees, including but not limited to attorneys' fees, that CSU incurs as a result of or associated with the acquisition of such electric service territory; and



3. Owner shall be solely responsible for all costs: (a) to remove any existing electric distribution facilities within the Property that were previously installed by the then-current electric service provider ("Existing Facilities"); and (b) to convert any overhead electric lines to underground service lines ("Conversion").
  - B. Within 30 days of Owner's receipt of an invoice for the following:
    1. Owner shall pay the then-current electric service provider, directly, for the just compensation specified in C.R.S. §§ 40-9.5-204 (1) (a) and 40-9.5-204 (1) (b); and
    2. If the then-current electric service provider removes the Existing Facilities, then Owner shall pay the then-current electric service provider directly for the removal of any Existing Facilities.
  - C. Further, Owner shall pay CSU the just compensation specified in C.R.S. §§ 40-9.5-204 (1) (c) and 40-9.5-204 (1) (d) within 30 days of Owner' receipt of an invoice for such costs.
  - D. Owner shall also pay for any Conversion required by CSU as a result of such annexation concurrent with the execution of a contract between the Owner and CSU that specifies the terms of Conversion.
  - E. CSU, in its sole discretion, may require Owner to enter into a Revenue Guarantee Contract for the extension of any electric service or facilities, including any necessary electric transmission or substation facilities.
3. Water and Wastewater Facilities by CSU: The Owner shall pay any recovery-agreement charges or other fees or charges that are not currently approved by CSU for the Property, but which may become applicable as a result of any on-site or off-site water or wastewater system facilities that CSU or other developers may design and construct in order to ensure an integrated water or wastewater system supplying the Property. Additionally, the Owner shall be subject to cost recovery for the engineering, materials and installation costs incurred by CSU in its design, construction, upgrade or improvement of any water pump stations, water suction storage facilities, water transmission and distribution pipelines, or other water system facilities and appurtenances and any wastewater pump stations or treatment facilities, wastewater pipeline facilities, or other wastewater collection facilities and appurtenances that CSU, in its sole discretion, determines are necessary to serve the Property.
- D. Water and Wastewater System Extensions by Owner: Owner must extend, design, and construct all potable and non-potable water system facilities and appurtenances, and all wastewater collection system facilities, wastewater pump stations, and any water or wastewater service lines to and within the Property at Owner' sole cost and expense in accord with all applicable CSU tariffs, rules, regulations, including CSU's Line Extension and Service Standards, and all City ordinances and regulations in effect at the time of each specific request for water or wastewater service. Consistent with City Code 7.7.1102 (B), Owner shall complete the design, installation and obtain preliminary acceptance of such utility facilities prior to CSU's approval of Owner' water and wastewater service requests.

Owner shall be solely responsible for all costs and fees associated with engineering, materials, and installation of all water system facilities and appurtenances, and all wastewater collection facilities and appurtenances, whether on-site or off-site, that are necessary to serve the Property or to ensure development of an integrated water or wastewater system serving the Property and areas outside the Property as determined by CSU. Further, Owner acknowledge that CSU may require that such water or wastewater system facilities be larger than necessary to serve the Property itself, and may require the Owner to participate with other development projects on a fair-share, pro rata basis in any necessary off-site system facilities improvements. In the event CSU requires such water and wastewater systems to be larger than necessary to serve the Property itself, then Owner may seek reimbursement as provided in CSU's Utilities Rules and Regulations.





The plans, specifications and construction of the water facilities and appurtenances, and the wastewater facilities and appurtenances are each subject to CSU's inspection and written acceptance, and CSU shall make the final determination as to the size, location, point(s) of connection and the required appurtenances of the system facilities to be constructed. No work shall commence on any proposed water or wastewater extension facilities until CSU provides written approval of Owner' water or wastewater construction plans and copies of such approved plans are received by CSU. Owner may only connect newly-constructed facilities to CSU's existing water or wastewater system upon CSU's inspection and written acceptance of such facilities.

As part of any development plan submittal for the Property, Owner acknowledges that a Preliminary Utility Plan, Wastewater Master Facility Report, Hydraulic Grade Line Request Form, and Hydraulic Analysis Report (as determined by CSU) are required and must be completed and approved by CSU. The water distribution system facilities must meet CSU's criteria for quality, reliability and pressure. The water distribution system shall ensure capacity, pressure and system reliability for both partially completed and fully completed conditions and the static pressure of the water distribution system shall be a minimum of 60 psi. Also, to ensure the protection of public health and to maintain compliance with state regulatory requirements, the detailed plans for all customer-owned, non-potable water distribution systems, including irrigation systems, must be approved by CSU.

Further, Owner recognizes that the extension of water system facilities may affect the quality of water in CSU's water system. Consequently, Owner acknowledge responsibility for any costs that CSU, determines necessary to incur in order to maintain water quality in its system as a result of Owner' water system extensions, including but not limited to, the cost of any lost water, materials and labor from pipeline-flushing maintenance activities, temporary pipeline loop extensions, or other appurtenances and measures that CSU determines are necessary to minimize pipeline flushing and to maintain water quality (Water-quality Maintenance Costs). Owner shall reimburse CSU for such Water-quality Maintenance Costs within thirty (30) days of receipt of an invoice for such costs.

- E. Limitation of Applicability:The provisions of this Agreement set forth the requirements of the City and CSU in effect at the time of the annexation of the Property. These provisions shall not be construed as a limitation upon the authority of the City or CSU to adopt different ordinances, rules, regulations, resolutions, policies or codes which change any of the provisions set forth in this Agreement so long as these apply to the City generally and are in accord with the then-current tariffs, rates, regulations and policies of CSU. Subject to the provisions of the Article of this Agreement that is labeled "WATER RIGHTS", CSU's tariffs, policies, and/or contract agreements, as may be modified from time to time, shall govern the use of all Utilities Services, including but not limited to, groundwater and non-potable water for irrigation use by the Owner for the Owner' exclusive use.
- F. Southeastern Colorado Water Conservancy District: Notice is hereby provided that upon annexation the Property is subject to subsequent inclusion into the boundaries of the Southeastern Colorado Water Conservancy District ("District") pursuant to C.R.S. § 37-45-136 (3.6) as may be amended, and the rules and procedures of the District. Further, notice is hereby provided that, after inclusion of the Property into the boundaries of the District, the Property shall be subject to a property tax mill levy for the purposes of meeting the financial obligations of the District. The Owner acknowledges that water service for the Property will not be made available by CSU until such time as the Property is formally included within the boundaries of the

District. District inclusion requires consent by the Bureau of Reclamation ("Reclamation"). The Owner shall be responsible for taking all actions necessary for inclusion of the Property into the boundaries of the District, including but not limited to, any action required to obtain Reclamation's consent to include the Property into the District.

VII.  
WATER RIGHTS

As provided in the Special Warranty Deed and Irrevocable Consent to the Appropriation, Withdrawal and Use of Groundwater ("Deed"), which is attached to this Agreement and hereby incorporated by reference, Owner grant to the City, all right, title and interest to any and all groundwater underlying or appurtenant to and used upon the Property, and any and all other water rights appurtenant to the Property (collectively referred to as "the Water Rights"), together with the sole and exclusive right to use the Water Rights and all rights of ingress and egress required by the City to appropriate, withdraw and use the Water Rights. The Deed conveying the Water Rights shall be executed by the Owner concurrently with this Agreement and shall be made effective upon the date of the City Council's final approval of the annexation of the Property. The Deed shall be recorded concurrent with the recording of the annexation agreement, annexation plat, and annexation ordinance at the El Paso County Clerk and Recorder's office.

Furthermore, pursuant to C.R.S. § 37-90-137(4), as now in effect or hereafter amended, on behalf of Owner and all successors in title, Owner irrevocably consents to the appropriation, withdrawal and use by the City of all groundwater underlying or appurtenant to and used upon the Property.

In the event the City chooses to use or further develop the Water Rights that have been conveyed, Owner agree to provide any and all easements required by the City prior to the construction and operation of any City well or water rights related infrastructure on the Property. Wells constructed by the City outside the Property may withdraw groundwater under Owner' Property without additional consent from Owner.

Upon annexation of the Property, any wells or groundwater developed by Owner prior to annexation will become subject to CSU's applicable tariffs, Rules and Regulations, and rates as amended in the future. Owner' uses of groundwater shall be subject to approval by the City and CSU, and shall be consistent with CSU's standards, tariffs, policies, and the City's ordinances, resolutions and policies for the use of groundwater now in effect or as amended in the future. No commingling of well and City water supply will be permitted.

VIII.  
FIRE PROTECTION

- A. Donald Westcott Fire Protection District. The Owner acknowledges that the Property is located within the boundaries of the Donald Wescott Fire Protection District (the "Fire District") and is subject to property taxes payable to the Fire District for its services. The Owner further acknowledges that, after annexation of the Property to the City, the Property will continue to remain within the boundaries of the Fire District until such time as the Property is excluded from the boundaries of the Fire District. After annexation of the Property to the City, fire protection services will be provided by the City through its Fire Department and by the Fire District unless and until the Property is excluded from the Fire District. After annexation, the Property will be assessed property taxes payable to both the City and the Fire District until such time as the Property is excluded from the boundaries of the Fire District.





The Owner understands and acknowledges that the Property may be excluded from the boundaries of the Fire District under the provisions applicable to special districts, Article 1 of Title 32 C.R.S., and as otherwise provided by law. Upon request by the City, the person who owns the Property at the time of the City's request agrees to apply to the Fire District for exclusion of the Property from the Fire District. The Owner understands and acknowledges that the Owner, its heirs, assigns and successors in title are responsible for seeking any exclusion from the Fire District and that the City has no obligation to seek exclusion of any portion of the Property from the Fire District.

- B. Contribution for Fire Station. City and Owner agree that the Owner is required to contribute a fair and equitable share of the cost of construction of the fire station referenced in Section 12 of the Amended and Restated Northgate Annexation Agreement, dated June 9, 1998. The Owner and City agree that the Owner's share shall be \$789.00 per gross acre of the Property in 2016. This contribution shall be paid at time of annexation. The Owner's share shall be subject to a yearly escalation factor, as determined by the City, equal to the increase in the City of Colorado Springs Construction Index, or in the event such index is no longer published or available, a comparable index, if the annexation does not occur in 2016.

X.  
POLICE SERVICE FEE

The Owner agrees to pay a fee of \$600.00 per gross acre of the entire annexed area ("Police Service Fee") as Owner's share of the capital cost of a new police station and the initial equipment purchase required to service this annexation as well as adjacent areas of future annexation. The Police Service Fee will be due with the recordation of the annexation plat and this agreement. The City agrees as future annexations occur within the service area of the proposed police station the Owner of future annexations will be required to pay a per-acre Police Service Fee to the City for the capital improvements to the police station.

XI.  
PUBLIC LAND DEDICATION

Owner agrees that all land dedicated or deeded to the City for municipal or utility purposes, including park and school sites, shall be platted and all applicable development fee obligations paid.

Owner agrees that any land dedicated or deeded to the City for municipal or utility purposes, including park and school sites, shall be free and clear of liens and encumbrances. All fees that would be applicable to the platting of land that is to be dedicated to the City (including park and school land) shall be paid by Owner. Fees will be required on the gross acreage of land dedicated as of the date of the dedication in accord with the fee requirements in effect as of the date of the dedication. All dedications shall be platted by the Owner prior to conveyance, unless otherwise waived by the City.

In addition, any property dedicated by deed shall be subject to the following:

- A. All property deeded to the City shall be conveyed by General Warranty Deed.
- B. Owner shall convey the property to the City within 30 days of the City's written request.

C. Any property conveyed to the City shall be free and clear of any liens and/or encumbrances.

D. All property taxes levied against the property shall be paid by the Owner through the date of conveyance to the City.

E. An environmental assessment of the property must be provided to the City for review and approval, unless the City waives the requirement of an assessment. Approval or waiver of the assessment must be in writing and signed by an authorized representative or official of the City.

XII.  
ORDINANCE COMPLIANCE

Owner will comply with all tariffs, policies, rules, regulations, ordinances, resolutions and codes of the City which now exist or are amended or adopted in the future, including those related to the subdivision and zoning of land, except as expressly modified by this Agreement. This Agreement shall not be construed as a limitation upon the authority of the City to adopt different tariffs, policies, rules, regulations, ordinances, resolutions and codes which change any of the provisions set forth in this Agreement so long as these apply to the City generally.

XIV.  
ASSIGNS AND DEED OF TRUST HOLDERS

Where as used in this Agreement, the term "Owner" or "Property Owner," shall also mean any of the heirs, executors, personal representatives, transferees, or assigns of the Owner and all these parties shall have the right to enforce and be enforced under the terms of this Agreement as if they were the original parties hereto. Rights to specific refunds or payments contained in this Agreement shall always be to the Owner unless specifically assigned to another person.

Owner affirmatively states that there exist no outstanding deeds of trust or other similar liens or encumbrances against the Property).

XV.  
RECORDING

This Agreement shall be recorded with the Clerk and Recorder of El Paso County, Colorado, and constitute a covenant running with the land. This Agreement shall be binding on future assigns of the Owner and all other persons who may purchase land within the Property from the Owner or any persons later acquiring an interest in the Property. Any refunds made under the terms of this Agreement shall be made to the Owner and not subsequent purchasers or assigns of the Property unless the purchase or assignment specifically provides for payment to the purchaser or assignee and a copy of that document is filed with the City.

XVI.  
AMENDMENTS

This Agreement may be amended by any party, including their respective successors, transferees, or assigns, and the City without the consent of any other party or its successors, transferees, or assigns so long as the amendment applies only to the property owned by the amending party. For the purposes of this article, an

amendment shall be deemed to apply only to property owned by the amending party if this Agreement remains in full force and effect as to property owned by any non-amending party.

Any amendment shall be recorded in the records of El Paso County, shall be a covenant running with the land, and shall be binding on all persons or entities presently possessing or later acquiring an interest in the property subject to the amendment unless otherwise specified in the amendment.

XVII.  
HEADINGS

The headings set forth in the Agreement for the different sections of the Agreement are for reference only and shall not be construed as an enlargement or abridgement of the language of the Agreement.

XVIII.  
DEFAULT AND REMEDIES

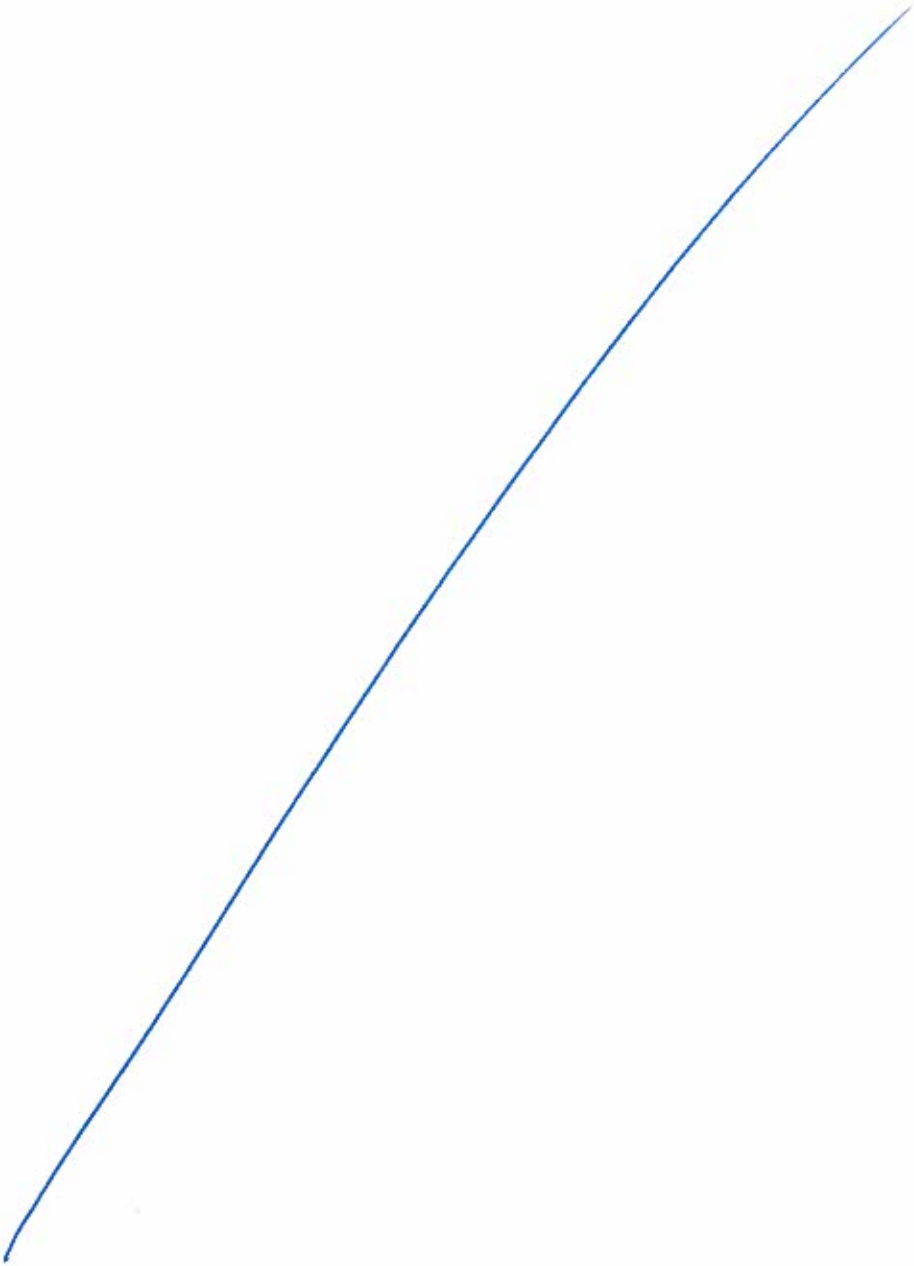
If either Owner or City fails to perform any material obligation under this Agreement, and fails to cure the default within thirty (30) days following notice from the non-defaulting party of that breach, then a breach of this Agreement will be deemed to have occurred and the non-defaulting party will be entitled, at its election, to either cure the default and recover the cost thereof from the defaulting party, or pursue and obtain against the defaulting party an order for specific performance of the obligations under this Agreement and, in either instance, recover any actual damages incurred by the non-defaulting party as a result of that breach, including recovery of its costs and reasonable attorneys' fees incurred in the enforcement of this Agreement, as well as any other remedies provided by law.

XIX.  
GENERAL

Except as specifically provided in this Agreement, City agrees to treat Owner and the Property in a non-discriminatory manner relative to the rest of the City. In addition, any consent or approval required in accord with this Agreement from the City shall not be unreasonably withheld, conditioned or delayed. City agrees not to impose any fee, levy or tax or impose any conditions upon the approval of development requests, platting, zoning or issuance of any building permits for the Property, or make any assessment on the Property that is not uniformly applied throughout the City, except as specifically provided in this Agreement or the City Code. If the annexation of the Property or any portion of the Property is challenged by a referendum, all provisions of this Agreement, together with the duties and obligations of each party, shall be suspended, pending the outcome of the referendum election. If the referendum challenge to the annexation results in the disconnection of the Property from the City, then this Agreement and all its provisions shall be null and void and of no further effect. If the referendum challenge fails, then Owner and City shall continue to be bound by all terms and provisions of this Agreement.

XX.  
SEVERABILITY

If any provision of this Agreement is for any reason and to any extent held to be invalid or unenforceable, then neither the remainder of the document nor the application of the provisions to other entities, persons or circumstances shall be affected.



IN WITNESS WHEREOF, the parties hereto have set their hands and seals the  
\_\_\_\_ day and \_\_\_\_ year first written above.

CITY OF COLORADO SPRINGS

BY: \_\_\_\_\_  
Mayor

ATTEST:

BY: \_\_\_\_\_  
Sarah B. Johnson, City Clerk

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
City Attorney  
Office of the City Attorney









EXHIBIT A  
LEGAL DESCRIPTION

**KNOW ALL MEN BY THESE PRESENTS:**

THAT BIBLICA INC., BEING THE PETITIONER FOR THE ANNEXATION OF THE HEREINAFTER DESCRIBED REAL PROPERTY:

A PORTION OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS

**BASIS OF BEARINGS:** THE EAST LINE OF LOT 1, BLOCK 1, INTERNATIONAL BIBLE SOCIETY FILING NO. 1 AS PLATTED IN THE EL PASO COUNTY RECORDS IN PLAT BOOK D-4 AT PAGE 66 BEING MONUMENTED AT THE NORTH END AND THE SOUTH END BY A SURVEY CAP STAMPED 'PLS 20681' ASSUMED TO BEAR S00°01'38"E A DISTANCE OF 700.00 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1, BLOCK 1, INTERNATIONAL BIBLE SOCIETY FILING NO. 1, SAID POINT BEING THE POINT OF BEGINNING; THENCE N00°01'38"W AND ON THE EAST LINE OF SAID LOT 1 A DISTANCE OF 700.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE EASTERLY AND SOUTHERLY AND ON THE BOUNDARY OF FLYING HORSE RANCH ADDITION AS RECORDED IN THE EL PASO COUNTY RECORDS UNDER RECEPTION NUMBER 204011499 THE FOLLOWING TWO (2) COURSES:

1. N89°04'45"E A DISTANCE OF 622.45 FEET;
  2. S00°05'27"W A DISTANCE OF 701.12 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY OF NEW LIFE DRIVE;
- THENCE S89°10'49"W ON THE NORTH RIGHT-OF-WAY OF NEW LIFE DRIVE A DISTANCE OF 620.99 FEET TO THE POINT OF BEGINNING

CONTAINING A CALCULATED AREA OF 435,498 SQ. FEET, OR 9.998 ACRES

TOGETHER WITH THAT PORTION OF NEW LIFE DRIVE DESCRIBED AS FOLLOWS.

COMMENCING AT SAID SOUTHEAST CORNER OF SAID LOT 1, BLOCK 1, INTERNATIONAL BIBLE SOCIETY FILING NO. 1, SAID POINT BEING ON THE NORTH RIGHT-OF-WAY LINE OF SAID NEW LIFE DRIVE AND THE POINT OF BEGINNING; THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES:

1. N89°10'49"E, ON SAID NORTH RIGHT-OF-WAY LINE, 620.99 FEET TO A POINT ON THE BOUNDARY LINE OF SAID FLYING HORSE RANCH ADDITION;
2. THENCE CONTINUING N89°10'49"E ON THE NORTH RIGHT-OF-WAY OF NEW LIFE DRIVE A DISTANCE OF 782.58 TO A POINT ON CURVE, THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 9°43'06", A RADIUS OF 1,372.48 FEET AN ARC DISTANCE OF 232.80 FEET, HAVING A CHORD BEARING OF N74°59'05"E AND A CHORD DISTANCE OF 232.52 FEET TO A POINT ON CURVE;
3. THENCE S10°30'50"E A DISTANCE OF 38.48 FEET TO A POINT ON CURVE;

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 24°15'22", A RADIUS OF 441.27 FEET AN ARC DISTANCE OF 186.81 FEET, HAVING A CHORD BEARING OF S88°23'10"E AND A CHORD DISTANCE OF 185.42 FEET TO A POINT ON CURVE; S78°15'28"E A DISTANCE OF 10.42 FEET, THENCE S78°15'29"E A DISTANCE OF 44.18 FEET; THENCE S00°15'49"W A DISTANCE OF 82.27 FEET; THENCE S00°15'48"W A DISTANCE OF 49.13 FEET; THENCE S89°03'28"W A DISTANCE OF 135.87 FEET; THENCE S50°57'29"W A DISTANCE OF 44.93 FEET; THENCE S89°10'49"W A DISTANCE OF 1701.97 FEET, THENCE N00°01'28"W A DISTANCE OF 160.02 FEET TO THE POINT OF BEGINNING

CONTAINING A CALCULATED AREA OF 306,005 SQ. FEET OR 7.025 ACRES

CONTAINING A COMBINED AREA OF 741,503 SQ. FEET OR 17.023 ACRES

(This part needs to be completed if the owner has any water rights relating to the property)  
EXHIBIT B

SPECIAL WARRANTY DEED AND IRREVOCABLE CONSENT  
TO THE APPROPRIATION, WITHDRAWAL AND USE OF GROUNDWATER  
The Reserve at Northcreek Annexation


Reserve at North Creek, LLC, a Colorado limited liability company, ("Grantor"), whose address is 8605 Explorer Drive, Suite 250, Colorado Springs, CO 90920, in consideration of the benefits received pursuant to the Reserve at Northcreek Annexation Agreement dated \_\_\_\_\_ ("Annexation Agreement"), which is executed by Grantor concurrently with this Special Warranty Deed, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, sells and conveys to the City of Colorado Springs, Colorado ("Grantee"), whose address is 30 S. Nevada Avenue, Colorado Springs, CO 80903, all right, title, and interest in any and all groundwater underlying or appurtenant to and used upon the property described in Exhibit A ("Property") and any and all other water rights appurtenant to the Property collectively referred to as the "Water Rights", together with the sole and exclusive right to use the Water Rights and all rights of ingress and egress required by the Grantee to appropriate, withdraw and use the Water Rights; and Grantor warrants title to the same against all claims arising by, through, or under said Grantor. The Water Rights include but are not limited to those described in Exhibit B.

Furthermore, pursuant to C.R.S. § 37-90-137(4) as now exists or may later be amended, Grantor, on behalf of Grantor and any and all successors in title, hereby irrevocably consents in perpetuity to the appropriation, withdrawal and use by Grantee of all groundwater underlying or appurtenant to and used upon the Property.

This Special Warranty Deed and the consent granted herein shall be effective upon the date of the City of Colorado Springs City Council's final approval of the Annexation Agreement.

Executed this 10<sup>th</sup> day of October, 2016.

GRANTOR: (Owner)


By:   
Name: Brian Baker  
Title: President of Challenger Homes, Inc  
Manager of Reserve at North Creek, LLC

STATE OF Colorado )  
COUNTY OF El Paso ) ss.

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of October, 2016, by Brian Baker as President of Challenger Homes Inc a Colorado Corporation as Manager of Reserve at North Creek, LLC Grantor.

Witness my hand and official seal.

My Commission Expires: 11/1/20

  
(SEAL) Notary Public

**CHRISTINE DAWN HOPPER  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20124070882  
MY COMMISSION EXPIRES 11/01/2020**



**SMITH ENVIRONMENTAL AND ENGINEERING**  
*Delivering Sustainable Environmental Solutions*

July 15, 2015

Mr. Bryan Kneip  
Director – Planning, Engineering, and Design  
Challenger Homes  
13570 Northgate Estates Dr., #200  
Colorado Springs, CO 80921

Subject: Water Rights Inventory, New Life Townhomes Property, El Paso County, CO

Dear Bryan:

SMITH has completed a Water Rights Inventory for the Challenger New Life Townhomes Property (Property), located primarily within the SE ¼ of NW ¼ of NW ¼, S21, T12S, R66W, El Paso County, CO. The Property is about 10 acres in size and just north of New Life Drive, east of Cross Peak View (Shown as a red X on the attached map).

The water rights search included well permit and water rights database searches, and a GIS-based map search using the Colorado Division of Water Resources Water Rights AquaMap data mapping tool (Appendix A). SMITH found no surface or groundwater rights associated with the New Life property. The nearest well permit was for an abandoned groundwater monitoring well south of the property (Permit No. 206902, Quantum Corporation). On June 12, 2015, SMITH staff also visited the Property, and did not observe wellheads or other water infrastructure.

To receive water service from Colorado Springs Utilities (CSU), the Property must be included in the Southeastern Colorado Water Conservatory District (District) because CSU receives water from the District. Challenger Homes must obtain consent from the US Bureau of Reclamation (Bureau) for the Property to be included into the District and then annexed into the City of Colorado Springs (City) to receive Frying Pan-Arkansas Project water. To receive consent from the Bureau, Challenger Homes must complete the Bureau's National Environmental Policy Act (NEPA) Questionnaire, and provide copies of this letter stating that it does not own any water rights associated with the Property, and the Questionnaire to CSU. The District's authorization and annexation process must also be completed prior to issuing water to the Property via CSU. City Planning and CSU shall determine whether all the requirements for District inclusion have been fulfilled prior to the date that CSU makes water available to the Property.

Sincerely,  
Smith Environmental and Engineering

Randall D. Ritchey, PE  
Senior Civil Engineer

**AQUAMAP**  
**Colorado Division of Water Resources**  
**New Life Drive Homes**  
 Map created by SMM 6/12/2015



6,846 ft

Based on work developed at <http://www.carto.net>

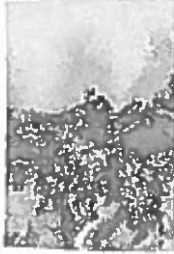


Address location by Bing Maps  
 AquaMap Version 3.0.1 July 5, 2009

**MAP NAVIGATION**

Home  Refresh  Print  Full Screen  Measure  Info  Layers  Settings  Help

Click to create PDF  
 UTM X, Zone 13: 519236  
 UTM Y, Zone 134316448  
 Long: -104° 46' 40.3"  
 Lat: 38° 59' 48.6"  
 UTM and Geographic(LL)  
 coordinates in NAD 83



**DATA DISPLAY**

- Background
- 2011 Aerials
- Low
- High
- Transparency
- Counties
- PLSS
- Roads
- Hydrography
- County Parcels (No Public Access)
- Towns
- Water Well Applicat
- DWR Parcels
- EPA Well Notificati
- Oil/Gas Well Locat
- More Data

**LOCATION**

Section  Township  Range  Meridian  Sixth

**PRINTING**

Output Scale  Page Size  User

Title

Note: The well locations displayed on AquaMap are based on location information provided by well permit application forms and are only as accurate as the information provided. The actual physical locations of all wells have not been field verified and may vary from the location displayed. Refer to a copy of the original well permit file, available on the Division of Water Resources website, for well location details.



5,290 ft



Accepted by the City of Colorado Springs

By: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_  
Real Estate Services

By: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

Approved as to Form:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
City Attorney's Office



Exhibit A

LEGAL DESCRIPTION

To the  
Special Warranty Deed and Irrevocable Consent to the Appropriation, Withdrawal and Use of  
Groundwater executed by Reserve at Northcreek, LLC, Grantor(s) on \_\_\_\_\_.

**KNOW ALL MEN BY THESE PRESENTS:**

THAT BIBLICA INC., BEING THE PETITIONER FOR THE ANNEXATION OF THE HEREINAFTER DESCRIBED REAL PROPERTY.

A PORTION OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

**BASIS OF BEARINGS.** THE EAST LINE OF LOT 1, BLOCK 1, INTERNATIONAL BIBLE SOCIETY FILING NO. 1 AS PLATTED IN THE EL PASO COUNTY RECORDS IN PLAT BOOK D-4 AT PAGE 86 BEING MONUMENTED AT THE NORTH END AND THE SOUTH END BY A SURVEY CAP STAMPED "PLS 20681" ASSUMED TO BEAR S00°01'38"E A DISTANCE OF 700.00 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1, BLOCK 1, INTERNATIONAL BIBLE SOCIETY FILING NO. 1, SAID POINT BEING THE POINT OF BEGINNING; THENCE N00°01'38"W AND ON THE EAST LINE OF SAID LOT 1 A DISTANCE OF 700.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 1; THENCE EASTERLY AND SOUTHERLY AND ON THE BOUNDARY OF FLYING HORSE RANCH ADDITION AS RECORDED IN THE EL PASO COUNTY RECORDS UNDER RECEPTION NUMBER 204D11499 THE FOLLOWING TWO (2) COURSES:

1. N89°04'45"E A DISTANCE OF 822.45 FEET;
  2. S00°05'27"W A DISTANCE OF 701.12 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY OF NEW LIFE DRIVE;
- THENCE S89°10'49"W ON THE NORTH RIGHT-OF-WAY OF NEW LIFE DRIVE A DISTANCE OF 820.99 FEET TO THE POINT OF BEGINNING

CONTAINING A CALCULATED AREA OF 435,488 SQ. FEET, OR 9.998 ACRES.

TOGETHER WITH THAT PORTION OF NEW LIFE DRIVE DESCRIBED AS FOLLOWS:

COMMENCING AT SAID SOUTHEAST CORNER OF SAID LOT 1, BLOCK 1, INTERNATIONAL BIBLE SOCIETY FILING NO. 1, SAID POINT BEING ON THE NORTH RIGHT-OF-WAY LINE OF SAID NEW LIFE DRIVE AND THE POINT OF BEGINNING; THENCE ON SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES:

1. N89°10'49"E, ON SAID NORTH RIGHT-OF-WAY LINE, 820.99 FEET TO A POINT ON THE BOUNDARY LINE OF SAID FLYING HORSE RANCH ADDITION.
2. THENCE CONTINUING N89°10'49"E ON THE NORTH RIGHT-OF-WAY OF NEW LIFE DRIVE A DISTANCE OF 782.58 TO A POINT ON CURVE, THENCE ON THE ARC OF A CURVE TO THE LEFT HAVING A DELTA OF 9°43'06", A RADIUS OF 1,372.48 FEET AN ARC DISTANCE OF 232.88 FEET, HAVING A CHORD BEARING OF N74°59'05"E AND A CHORD DISTANCE OF 232.52 FEET TO A POINT ON CURVE;
3. THENCE S10°30'50"E A DISTANCE OF 38.48 FEET TO A POINT ON CURVE,

THENCE ON THE ARC OF A CURVE TO THE RIGHT HAVING A DELTA OF 24°15'22", A RADIUS OF 441.27 FEET AN ARC DISTANCE OF 186.81 FEET, HAVING A CHORD BEARING OF S88°23'10"E AND A CHORD DISTANCE OF 185.42 FEET TO A POINT ON CURVE, S78°15'28"E A DISTANCE OF 10.42 FEET; THENCE S78°15'29"E A DISTANCE OF 44.18 FEET; THENCE S00°15'49"W A DISTANCE OF 82.27 FEET; THENCE S00°15'49"W A DISTANCE OF 49.13 FEET; THENCE S89°03'26"W A DISTANCE OF 135.87 FEET; THENCE S50°57'29"W A DISTANCE OF 44.93 FEET; THENCE S89°10'49"W A DISTANCE OF 1701.97 FEET, THENCE N00°01'28"W A DISTANCE OF 180.02 FEET TO THE POINT OF BEGINNING

CONTAINING A CALCULATED AREA OF 308,005 SQ FEET OR 7.025 ACRES

CONTAINING A COMBINED AREA OF 741,503 SQ FEET OR 17.023 ACRES

Exhibit B

To the  
Special Warranty Deed and Irrevocable Consent to the Appropriation, Withdrawal and Use of  
Groundwater executed by Reserve at Northcreek, LLC, as Grantor on \_\_\_\_\_.

Decreed Groundwater Rights

Case No.  
Court:  
Source:  
Amount:  
Date of Decree:  
Name of Owner:

Permitted Groundwater

Permit No.  
Date of Permit:  
Source:  
Amount:  
Name of Owner:  
Legal Description of Well or other structure:

Surface Water Rights

Name of Water Right:  
Case No.  
Court:  
Source:  
Amount:  
Date of Decree:  
Name of Owner:

