

**DUSTY HILLS ANNEXATION  
ANNEXATION AGREEMENT**

THIS ANNEXATION AGREEMENT ("Agreement"), dated this \_\_\_\_ day of \_\_\_\_\_, 2014, is between the City of Colorado Springs, a home rule city and Colorado municipal corporation ("City"), and Dusty Hills Incorporated and Robert C. and Kay D. West (collectively "Owner" or "Property Owner").

I.  
INTRODUCTION

Owner owns 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 the annexation plat, in accordance with C.R.S. § 31-12-113; (b) a fully-executed copy of this Agreement; and (c) a fully-executed Dusty Hills special warranty deed and irrevocable consent to the appropriation, withdrawal, and use of groundwater substantially in the same form as set forth in Exhibit B and the annexation ordinance 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 Dusty Hills Concept Plan for the Property has been proposed and submitted to the City for approval. Owner will comply with the approved Concept Plan or an amended Concept Plan

approved in accord with applicable provisions of the Code of the City of Colorado Springs 2001, as amended or recodified ("City Code").

IV.  
ZONING

A. Zoning. The Planning and Development Department of the City agrees to recommend that the initial zone for the Owner's Property shall be zoned Planned Unit Development with Hillside Overlay (PUD/HS) upon annexation. While zoned PUD, a development plan shall be required for any use. 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 PUD/HS zone for the Property.

B. Change of Zoning. A change of zone request shall conform to the Concept Plan, as approved or as amended by the City in the future. Rezoning in accord with the zones reflected on the Concept Plan will occur prior to actual development of the site.

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 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. 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. Woodmen Court: Owner shall construct Woodmen Court through the Property to connect Woodmen Court on the west and Woodmen Court on the north. This road shall be constructed to residential street status. Owner shall construct a sidewalk on the northwest side of the road. Public right-of-way for said road will be dedicated to the City with the final subdivision plat. The Owner shall work with City Traffic on the installation of road safety signage related to the lack of sidewalk on existing Woodmen Court on the west access.

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).

C. Drainage. A Master Development Drainage Plan shall be prepared and submitted by the Owner to the City and 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 provide water quality for all developed areas; to be owned and maintained by the Owner. Owner shall be responsible for conformance with the Dry Creek Drainage Basin Planning Study. The Dry Creek Drainage Basin is a closed basin.

D. Parks: Future residential units are subject to standard all standard requirements of the Subdivision Code related to residential development.

E. Schools: Future residential units are subject to all standard requirements of the Subdivision Code related to residential development.

F. Improvements Adjacent to Park and School Lands. Streets and other required public improvements adjacent to park and school lands dedicated within the Property will be built by the Owner without reimbursement by the City or the School District.

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 Letter of Credit, and 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 acknowledges that such connection requirements shall include Owner's 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 is responsible for contacting CSU's Customer Contract Administration at (719) 668-8111 to ascertain which fees or charges apply to the Property.

Owner acknowledges 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's sole cost and expense, shall dedicate by plat and/or convey by recorded document, all property (real and personal) and easements that CSU, in its sole discretion, 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, in its sole discretion, 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 in its sole discretion. 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.

If Owner, with prior written approval by CSU, relocates, requires relocation, or alters any existing utility facilities within the Property, then the relocation or alteration of these facilities shall be at the Owner's sole cost and expense. If CSU, in its sole discretion, determines that Owner's 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. 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, in its sole discretion, 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' 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: 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. If any portion of the Property is located outside CSU's electric service territory, then upon annexation, CSU will acquire the electric service territory within the Property that is not served by CSU from the then-current electric service provider in accord with C.R.S. §§ 40-9.5-201 *et seq.*, or 31-15-707, and Owner shall be solely responsible for 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. Accordingly, Owner agree to pay the then-current electric service provider, directly, for the costs associated with CSU's acquisition of the electric service territory as specified in C.R.S. §§ 40-9.5-204 (1) (a) and 40-9.5-204 (1) (b) within 30 days of receipt of an invoice for such costs. Owner also agrees to pay CSU for the costs associated with CSU's acquisition of the electric service territory as specified in C.R.S. §§ 40-9.5-204 (1) (c) and 40-9.5-204 (1) (d) within 30 days of receipt of an invoice for such costs.

Further, Owner acknowledges sole responsibility for the costs that CSU incurs in the conversion of any overhead electric lines to underground service and the removal of any existing electric distribution facilities (overhead or underground) that were previously installed by the then-current electric service provider. These costs shall be paid by Owner concurrent with the execution of a contract between the Owner and the electric service provider that obligates Owner to reimburse the electric service provider for such conversion or removal of existing electrical facilities.

3. Water and Wastewater Facilities by CSU: Owner shall pay any advance recovery-agreement charges, 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, 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's 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's 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 acknowledges 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.

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's 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 Plan or 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 acknowledges responsibility for any costs that CSU, in its sole discretion, determines necessary to incur in order to maintain water quality in its system as a result of Owner's 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's 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 and shall be subject thereafter 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 grants 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 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 agrees 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's 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's 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. Notwithstanding the foregoing, subject to the approval of City Council, Owner shall be permitted to continue using the existing well on the Property and withdrawing and using the groundwater consistent with the terms and conditions of the Colorado Division of Water Resources Well Permit No. 10952 until such time as CSU's water supply system is extended to the Property as determined by CSU. At that time, the Owner shall: (1) disconnect the well and connect to CSU's water supply system in accordance with CSU's Water Line Extension and Service Standards; (2) plug and abandon the well in accordance with all applicable regulations; and (3) provide notice of such abandonment to CSU. If after connection to the CSU's water supply system the Owner desires to continue use of the well exclusively for nonpotable irrigation purposes in accordance with Well Permit No. 10952, then the Owner shall provide CSU with prior written notification of such nonpotable irrigation use and provisions (2) and (3) herein shall not apply, provided however, that Owner makes such modification as necessary to comply with CSU's cross-connection requirements and receives CSU's written confirmation that such nonpotable use complies with CSU's cross-connection requirements. No commingling of well and CSU's potable water supply will be permitted. City Council approval of the terms of this paragraph is a condition precedent to annexation of the Property.

#### VIII. FIRE PROTECTION

Owner acknowledges that the Property is located within the boundaries of the Woodmen Valley 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.

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.

#### IX. FIRE PROTECTION FEE

Owner agrees to pay a fee of \$1,631 per gross acre of the entire annexed area as their share of the capital cost of a new fire station and the initial apparatus purchase required to service this annexation as well as adjacent areas of future annexation ("Fire Protection Fee"). Fee payment for the gross acreage of each phase of development shall be made prior to issuance of the initial subdivision plat for that phase, unless construction of the fire station becomes

imminent prior to the development of the entire Property. When land purchase and construction of the fire station and acquisition of the apparatus required to service this annexation are imminent, the City shall notify Owner in writing that payment of the Fire Protection Fee required by this Agreement is due in full. Owner shall have 60 days to make arrangements to pay the Fire Protection Fees due on the remaining gross acreage of the annexed Property for which the fee has not previously been paid at platting. The fee 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 from the date of this Agreement. The City agrees as future annexations occur within the service area of the proposed fire station the owner of future annexations will be required to pay a per-acre fee to the City for the capital improvements to the fire station on substantially similar terms as this annexation.

X.  
POLICE SERVICE FEE

The Owner agrees to pay a fee of \$670.00 per gross acre of the entire annexed area 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 ("Police Protection Fee"). Fee payment for the gross acreage of each phase of development shall be made prior to issuance of the initial subdivision plat for that phase, unless construction of the police station becomes imminent prior to the development of the entire Property. When land purchase and construction of the police station and acquisition of the equipment required to service this annexation is imminent, the City shall notify Owner in writing that payment of the Police Service Fee required by this Agreement is due in full. Owner shall have 60 days to make arrangements to pay the Police Service Fees due on the remaining gross acreage of the annexed Property for which the fee has not previously been paid at platting. The fee shall be subject to a yearly escalation factor equal to the increase in the City of Colorado Springs Construction Index from the date of 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 fee to the City for the capital improvements to the police station on substantially similar terms as this annexation.

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.  
SPECIAL PROVISIONS

*(This section may not apply, depending upon specific locations and special provisions such as airport concerns, METEX, overlapping special districts, etc. To be removed if not needed.)*

XIII.  
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 "the 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. Except as otherwise provided in the Articles of this Agreement that are labeled "UTILITIES SERVICES" and "WATER RIGHTS", rights to specific refunds or payments contained in this Agreement shall always be to the Owner unless specifically assigned to another person.

By executing this Agreement, the deed of trust holder agrees that: (1) should it become owner of the Property through foreclosure or otherwise that it will be bound by the terms and conditions of this Agreement to the same extent as Owner; and (2) should it become owner of the Property, any provisions in its deed of trust or other agreements pertaining to the Property in

conflict with this Agreement shall be subordinate to and superseded by the provisions of this Agreement.

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: \_\_\_\_\_  
Keith King, President of City Council

ATTEST:

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

APPROVED AS TO FORM:

BY:  \_\_\_\_\_  
Attorney, City Attorney's Office

PROPERTY OWNER:

By: *William H. West*  
Name: William H. West  
Title: President  
Dusty Hills Incorporated

ACKNOWLEDGMENT

STATE OF WYOMING )  
 ) ss.  
COUNTY OF SWEETWATER )

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of December, 2014, by William H. West as the President of and on behalf of Dusty Hills Incorporated, as Owner.

Witness my hand and notarial seal.

My commission expires: 5/14/16

*Dickie A. Arends*  
Notary Public

Address: 280 Highway 191 North  
Rock Springs, WY 82901



PROPERTY OWNER:

  
Robert C. West

  
Kay D. West

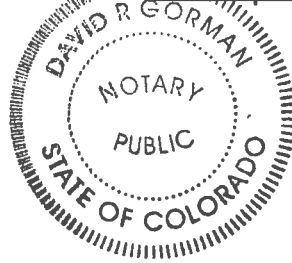
ACKNOWLEDGMENT

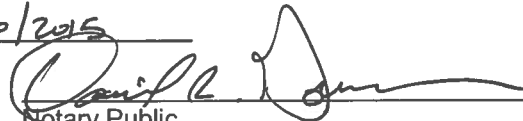
STATE OF COLORADO    )  
                                  ) ss.  
COUNTY OF EL PASO    )

The foregoing instrument was acknowledged before me this 8<sup>TH</sup> day of December, 2014, by Robert C. West and Kay D. West, as Owner.

Witness my hand and notarial seal.

My commission expires: 07/20/2015



  
Notary Public

Address: 1903 LEWANNY STREET, STE 200  
Colorado Springs, CO 80909



DEED OF TRUST HOLDER:

FIRSTBANK

By: [Signature]

Name: Justin Thomas

Title: Banking Officer

**ACKNOWLEDGMENT**

STATE OF Colorado )  
 ) ss.  
COUNTY OF Denver )

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of December, 2014.

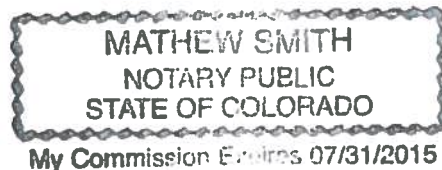
by: Justin Thomas as Banking Officer

Witness my hand and notarial seal.

My commission expires: 7/31/2015

[Signature]  
Notary Public

Address: 149 Steele St  
Denver, CO 80206



## EXHIBIT A

### LEGAL DESCRIPTION

TWO TRACTS OF LAND LOCATED IN THE NORTHEAST  $\frac{1}{4}$  OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 7, TOWNSHIP 13 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPLE MERIDIAN, EL PASO COUNTY, COLORADO, DESCRIBED AS FOLLOWS:

#### DUSTY HILLS INCORPORATED TRACT

COMMENCING AT THE NORTH  $\frac{1}{4}$  CORNER OF SAID SECTION 7 (FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 7 BEARS S89°48'15"W, 2705.88 FEET, BASIS OF BEARING); THENCE S89°48'15"W, 289.05 FEET ALONG THE NORTH LINE OF THE NORTHWEST  $\frac{1}{4}$  OF SAID SECTION 7 TO THE EASTERLY CORNER OF WOODMEN OAKS SUBDIVISION FILING NO. 1, A SUBDIVISION RECORDED AS PLAT BOOK F-5, AT PAGE 176 OF THE RECORDS OF EL PASO COUNTY, COLORADO TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUE S89°48'15"W, 989.22 FEET ALONG THE NORTH LINE OF THE NE  $\frac{1}{4}$  OF THE NW $\frac{1}{4}$  OF SAID SECTION 7 TO A POINT ON THE EASTERLY LINE OF WOODMEN MESA SUBDIVISION FILING NO. 1A, A SUBDIVISION RECORDED AT RECEPTION NO. 201189258 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE S16°29'41"E, 430.57 FEET ALONG AN EASTERLY LINE OF SAID WOODMEN MESA SUBDIVISION FILING NO. 1A TO THE SOUTHEAST CORNER THEREOF,

THENCE S30°09'52"E, 689.80 FEET ALONG AN EASTERLY LINE OF WOODMEN MESA, A SUBDIVISION RECORDED AT PLAT BOOK K-3, AT PAGE 76 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE NORTHEASTERLY, 59.26 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE NORTHWEST TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 126.61 FEET, A CENTRAL ANGLE OF 26°49'05", AND BEING SUBTENDED BY A CHORD THAT BEARS N46°14'54"E, 58.72 FEET;

THENCE N32°50'22"E, 229.52 FEET TO A POINT OF CURVE TO THE RIGHT;

THENCE NORTHEASTERLY AND EASTERLY, 298.81 FEET ALONG THE ARC OF SAID CURVE TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 300.00 FEET, A CENTRAL ANGLE OF 57°04'05", AND BEING SUBTENDED BY A CHORD THAT BEARS N61°22'24"E, 286.61 FEET;

THENCE N89°54'27"E, 51.43 FEET;

THENCE S00°05'33"E, 646.05 FEET;

THENCE N89°54'27"E, 342.07 FEET;

THENCE N00°09'39"W, 658.58 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF THE DENVER & RIO GRANDE WESTERN RAILWAY AS RECORDED UNDER BOOK 65, AT PAGE 37, OF THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE NORTHWESTERLY, 694.19 ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID RAILWAY AND THE ARC OF A CURVE CONCAVE TO THE SOUTHWEST TO THE TRUE POINT OF BEGINNING, SAID ARC HAVING A RADIUS OF 5494.75 FEET, A CENTRAL ANGLE OF 07°14'19" AND BEING SUBTENDED BY A CHORD THAT BEARS N24°47'04"W, 693.73 FEET;

AREA = 22.51 ACRES (980,690 SQ.FT.) MORE OR LESS.

TOGETHER WITH:

**ROBERT & KAY WEST TRACT**

COMMENCING AT THE NORTH ¼ CORNER OF SAID SECTION 7 (FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 7 BEARS S89°48'15"W, 2705.88 FEET, BASIS OF BEARING); THENCE S89°48'15"W, 1278.27 FEET ALONG THE NORTH LINE OF THE NORTHWEST ¼ OF SAID SECTION 7 AND ALONG A SOUTHERLY LINE OF WOODMEN OAKS SUBDIVISION FILING NO. 1, A SUBDIVISION RECORDED AS PLAT BOOK F-5, AT PAGE 176 OF THE RECORDS OF EL PASO COUNTY, COLORADO TO THE NORTHEAST CORNER OF WOODMEN MESA SUBDIVISION FILING NO. 1A, A SUBDIVISION RECORDED AT RECEPTION NO. 201189258 OF THE RECORDS OF EL PASO COUNTY, COLORADO, THENCE S16°29'41"E, 430.57 FEET ALONG AN EASTERLY LINE OF SAID WOODMEN MESA SUBDIVISION FILING NO. 1A TO THE SOUTHEAST CORNER THEREOF; THENCE S30°09'52"E, 689.80 FEET ALONG AN EASTERLY LINE OF SAID WOODMEN MESA, A SUBDIVISION RECORDED AT PLAT BOOK K-3, AT PAGE 76 OF THE RECORDS OF EL PASO COUNTY, COLORADO

TO THE TRUE POINT OF BEGINNING;

THENCE NORTHEASTERLY, 59.26 FEET ALONG THE ARC OF A CURVE CONCAVE TO THE NORTHWEST TO A POINT TANGENT, SAID ARC HAVING A RADIUS OF 126.61 FEET, A CENTRAL ANGLE OF 26°49'05", AND BEING SUBTENDED BY A CHORD THAT BEARS N46°14'54"E, 58.72 FEET;

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THENCE N89°54'27"E, 51.43 FEET;

THENCE S00°05'33"E, 646.05 FEET;

THENCE S89°54'27"W 310.70 FEET TO A POINT ON EASTERLY LINE OF SAID WOODMEN MESA;

THENCE N30°09'52"W, 318.89 FEET ALONG THE EASTERLY LINE OF SAID WOODMEN MESA TO THE TRUE POINT OF BEGINNING.

AREA = 5.23 ACRES (227,602 SQ.FT) MORE OR LESS.

Prepared By:  
M.V.E., Inc.  
1903 Lelary Street, Suite 200  
Colorado Springs, CO 80909  
August 13, 2013



EXHIBIT B

SPECIAL WARRANTY DEED AND IRREVOCABLE CONSENT  
TO THE APPROPRIATION, WITHDRAWAL AND USE OF GROUNDWATER  
Dusty Hills Annexation

Dusty Hills Incorporated, whose address is 95 Woodmen Court, Colorado Springs, CO 80919, and Robert C. and Kay D. West, whose address is 95 Woodmen Court, Colorado Springs, CO 80919, (collectively referred to herein as "Grantor") in consideration of the benefits received pursuant to the Dusty Hills 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 is hereby acknowledged, sell and convey 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 consent 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 \_\_\_\_\_ day of December, 2014.

GRANTOR(s):

Dusty Hills Incorporated

By: William H. West

Name: William H. West

Title: President

STATE OF WYOMING )  
 ) ss.  
COUNTY OF SWEETWATER )

The foregoing instrument was acknowledged before me this 4th day of December, 2014, by William H. West as the President of and on behalf of Dusty Hills Incorporated, Grantor.

Witness my hand and official seal.

My Commission Expires: 5/14/16

Nichie C. Orends  
Notary Public



(SEAL)

GRANTOR(s):



Robert C. West



Kay D. West

ACKNOWLEDGMENT

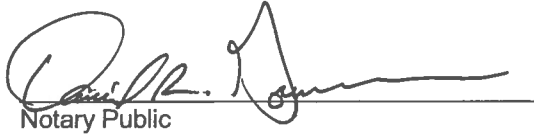
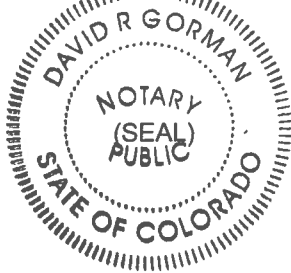
STATE OF COLORADO    )  
  ) ss.  
COUNTY OF EL PASO    )

The foregoing instrument was acknowledged before me this 8<sup>TH</sup> day of December, 2014 , by Robert C. West and Kay D. West, as Owner.

Witness my hand and official seal.

My Commission Expires:

07/20/2015

  
Notary Public

Accepted by the City of Colorado Springs

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

Approved as to Form:

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

Date: 12-22-14



Exhibit A

LEGAL DESCRIPTION

To the  
Special Warranty Deed and Irrevocable Consent to the Appropriation, Withdrawal and Use of  
Groundwater executed by Dusty Hills Incorporated and Robert C. and Kay D. West , Grantor(s)  
on \_\_\_\_\_.

**LEGAL DESCRIPTION**

TWO TRACTS OF LAND LOCATED IN THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 7, TOWNSHIP 13 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPLE MERIDIAN, EL PASO COUNTY, COLORADO, DESCRIBED AS FOLLOWS:

**DUSTY HILLS INCORPORATED TRACT**

COMMENCING AT THE NORTH ¼ CORNER OF SAID SECTION 7 (FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 7 BEARS S89°48'15"W, 2705.88 FEET, BASIS OF BEARING); THENCE S89°48'15"W, 289.05 FEET ALONG THE NORTH LINE OF THE NORTHWEST ¼ OF SAID SECTION 7 TO THE EASTERLY CORNER OF WOODMEN OAKS SUBDIVISION FILING NO. 1, A SUBDIVISION RECORDED AS PLAT BOOK F-5, AT PAGE 176 OF THE RECORDS OF EL PASO COUNTY, COLORADO TO THE TRUE POINT OF BEGINNING;

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THENCE S30°09'52"E, 689.80 FEET ALONG AN EASTERLY LINE OF WOODMEN MESA, A SUBDIVISION RECORDED AT PLAT BOOK K-3, AT PAGE 76 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

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THENCE N89°54'27"E, 51.43 FEET;

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THENCE NORTHWESTERLY, 694.19 ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID RAILWAY AND THE ARC OF A CURVE CONCAVE TO THE SOUTHWEST TO THE TRUE POINT OF BEGINNING, SAID ARC HAVING A RADIUS OF 5494.75 FEET, A CENTRAL ANGLE OF 07°14'19" AND BEING SUBTENDED BY A CHORD THAT BEARS N24°47'04"W, 693.73 FEET;

AREA = 22.51 ACRES (980,690 SQ.FT.) MORE OR LESS.

TOGETHER WITH:

**ROBERT & KAY WEST TRACT**

COMMENCING AT THE NORTH ¼ CORNER OF SAID SECTION 7 (FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 7 BEARS S89°48'15"W, 2705.88 FEET, BASIS OF BEARING); THENCE S89°48'15"W, 1278.27 FEET ALONG THE NORTH LINE OF THE NORTHWEST ¼ OF SAID SECTION 7 AND ALONG A SOUTHERLY LINE OF WOODMEN OAKS SUBDIVISION FILING NO. 1, A SUBDIVISION RECORDED AS PLAT BOOK F-5, AT PAGE 176 OF THE RECORDS OF EL PASO COUNTY, COLORADO TO THE NORTHEAST CORNER OF WOODMEN MESA SUBDIVISION FILING NO. 1A, A SUBDIVISION RECORDED AT RECEPTION NO. 201189258 OF THE RECORDS OF EL PASO COUNTY, COLORADO, THENCE S16°29'41"E, 430.57 FEET ALONG AN EASTERLY LINE OF SAID WOODMEN MESA SUBDIVISION FILING NO. 1A TO THE SOUTHEAST CORNER THEREOF; THENCE S30°09'52"E, 689.80 FEET ALONG AN EASTERLY LINE OF SAID WOODMEN MESA, A SUBDIVISION RECORDED AT PLAT BOOK K-3, AT PAGE 76 OF THE RECORDS OF EL PASO COUNTY, COLORADO

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Prepared By:  
M.V.E., Inc.  
1903 Lelaray Street, Suite 200  
Colorado Springs, CO 80909  
August 13, 2013

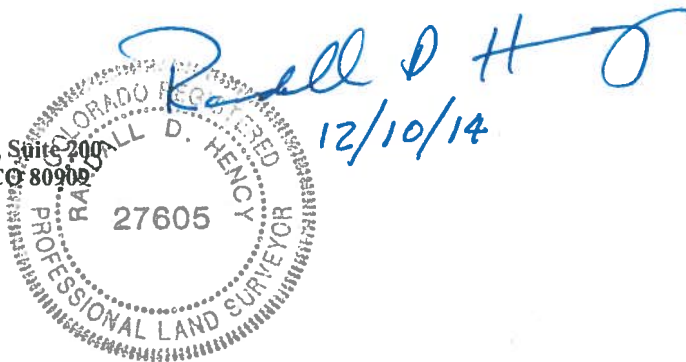


Exhibit B

To the  
Special Warranty Deed and Irrevocable Consent to the Appropriation, Withdrawal and Use of  
Groundwater executed by Dusty Hills Incorporated and Robert C. and Kay D. West, Grantor on  
\_\_\_\_\_.

Permitted Groundwater

Permit No. 10952

Date of Permit: 03\08/1962

Source: Arapahoe

Amount: Domestic

Name of Owner: West, Lyle Lt Col

Legal Description of Well or other structure: SE Quart, NW Quart Sec 7, T13S, R66W of 6<sup>th</sup> PM

Permitted Groundwater

Permit No. 10952-A

Date of Permit: 07/14/2003

Source: Laramie

Amount: Domestic

Name of Owner: West, Frances C.

Legal Description of Well or other structure: NE Quart, NW Quart Sec 7, T13S, R66W of 6<sup>th</sup> PM

Permitted Groundwater

Permit No. 10952-A

Date of Permit: 01/04/1982

Source: All Unnamed Aquifers

Amount: Domestic

Name of Owner: West, L.W.

Legal Description of Well or other structure: : NE Quart, NW Quart Sec 7, T13S, R66W of 6<sup>th</sup> PM