

**KARMAN LINE ADDITION NO. 6  
ANNEXATION AGREEMENT**

THIS ANNEXATION AGREEMENT ("Agreement"), dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, is between the City of Colorado Springs, a home rule city and Colorado municipal corporation ("City"), and Norris Ranch Joint Venture, LLC, a Colorado Limited Liability Company ("Owner").

I.  
INTRODUCTION

The Owner owns the real property located in El Paso County, Colorado, identified and described on the legal description in Exhibit A ("Property"), attached hereto and incorporated herein.

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 (a) Owner's obligations for the installation of, and/or payment for, any on-site and off-site infrastructure and improvements, (b) City's responsibilities with regard to the City's agreements with respect to provision of services to the Property and (c) cost recoveries available to Owner. All references to the "Property" are to the Property described in Exhibit A except if otherwise indicated. 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 as set forth in Exhibit A. The annexation will become effective upon final approval by the City Council and upon the recording with the El Paso County Clerk and Recorder (the "Records") of each of the following: (1) this Agreement; (2) the annexation plat; (3) the special warranty deed, and irrevocable consent to the appropriation, withdrawal, and use of groundwater (in the form of Exhibit B attached hereto) (the "Deed"); and (4) the annexation ordinance.

III.  
LAND USE

The Owner has proposed and submitted to the City for approval the Karman Line Land Use Plan (File No. MAPN-23-0002). Owner agrees to comply with the approved Karman Line Land Use Plan and any subsequent amendments thereto (the "Karman Line Land Use 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 City, through the Planning and Development Department ("City Planning"), agrees to recommend that the initial zone for the Property shall be A/SS-O (Agricultural with Streamside Overlay) upon annexation. The City and the Owner acknowledge that the "A (Agricultural)" zoning for the Property is only a holding zone until the Owner is ready to develop all or portions of the Property. At the time of development of all or portions of the Property, the Owner will be required to petition the City for a specific zoning designation that is appropriate for development of the subject portion of the Property being proposed for development, all in compliance with the Karman Line Land Use Plan. At that time, a full public process is recommended to discuss

potential land uses. No potential land uses are established with this Agreement. The Owner acknowledges that the Property may also be subject to an Avigation Easement to be imposed over the entire Property. Owner acknowledges and understands that the City Council determines what an appropriate zone designation is for all or portions of the Property, and that the recommendation for zoning in this Agreement 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 for all or any portion of the Property shall conform to the Karman Line Land Use Plan, as approved or as amended by the City in the future. Rezoning in accord with the zones reflected on the Karman Line Land Use Plan will occur prior to actual development of the site in accordance with applicable provisions of the Code of the City of Colorado Springs 2001, as amended (the "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, or after having been caused to be 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 4, Part 3 of the Unified Development Code (the "Subdivision Standards"). 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 conveyance infrastructure; 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 4 of the City Subdivision Standards, unless otherwise specifically provided for under the terms and provisions of this Agreement. Those specifically modified public facilities and improvements provisions are as follows in Section V(B) through Section V(G):

B. Metropolitan Districts. The Owner intends to place the Property within the boundaries of Karman Line Metropolitan District Nos. 1 through 20 (the "Metro District(s)") to be created immediately after annexation of the Property to finance, design, extend, install, maintain and construct specific public facilities and improvements as identified in this Agreement and as permitted by law. The public facilities and improvements include, among other things, various tracts for landscaping and drainage, public utility and off-site utility infrastructure, all as identified or to be identified in the Karman Line Land Use Plan, development plans, and/or plats for the Property. The Owner agrees that all such public facilities and improvements shall be identified in such land use plans, development plans, plats and/or construction documents for the Property, and that except as set forth in this Agreement or in any other agreement between the City and the Owner, such public facilities and improvements will be the responsibility of the Owner to finance, design, extend, install, construct, and maintain. Where public improvements are referenced in this Agreement and indicate construction, financing or operation or maintenance by the Owner, the Owner shall be allowed to utilize the Metro Districts for such purposes to the extent legally allowed.

C. Streets, Bridges and Traffic Control. Unless agreed to elsewhere in this Agreement the Owner agrees to

construct, at the Owner's expense, those streets, bridges 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 §§ 7.4.304.F (Reimbursements) and 7.4.305 (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: Owner agrees to comply with timing and phasing of construction responsibilities outlined in the phasing plan of the Karman Line Land Use Plan or any other applicable land use plan and any subsequent amendments thereto that pertain to the development of the Property.

2. Off-Site Streets and Bridges:

a. Owner agrees to comply with the timing and phasing of construction responsibilities outlined specifically in the phasing plan of the Karman Line Land Use Plan or any other applicable land use plan and subsequent amendments thereto that pertain to the development of the Property. The City and Owner will mutually agree on a phasing plan, including off-site streets and bridges (the "Phasing Plan"), following a mutually accepted traffic impact study ("TIS"). The TIS may be updated in the future by the mutual agreement of Owner and City and, if agreed to by Owner and City, the applicable phasing plan shall be adjusted according to the results of the updated and accepted TIS. To the extent that the Owner constructs such improvements, the Owner shall be entitled to cost recovery of a portion of its costs and expenses pursuant to the terms of the Cost Sharing Agreement(s) (as defined below).

Owner intends to enter into one or more cost sharing agreements for purposes of sharing the costs associated with such streets, bridges and/or traffic improvements adjacent to or within the Property ("Cost Sharing Agreement(s)"), including with any third-party developer(s) of real properties benefitted by the completion of such public facilities and improvements (each a "Benefitted Owner," and collectively, the "Benefitted Owners"). In connection therewith, the City intends to, but shall not be obligated to, cooperate in good faith with the Owner's efforts to negotiate and enter into such Cost Sharing Agreements. The Cost Sharing Agreement(s) shall be in a form acceptable to all parties.

b. The Owner shall construct, at the Owner's expense, that portion of Bradley Road located between Marksheffel Road and Curtis Road to a six (6) lane Principal Arterial per the Phasing Plan. To the extent that the Owner constructs such improvements, the Owner shall be entitled to cost recovery of a portion of its costs and expenses pursuant to the terms of the Cost Sharing Agreement(s).

c. The Owner shall construct, at the Owner's expense, that portion of Curtis Road located between Bradley Road and Irwin Road, which the Right-of-Way shall be annexed into the City by the Owner prior to construction, to a four (4) lane Principal Arterial per the Phasing Plan. To the extent that the Owner constructs such improvements, the Owner shall be entitled to cost recovery of a portion of its costs and expenses pursuant to the terms of the Cost Sharing Agreement(s).

d. With respect to the intersection of Bradley Road, Curtis Road and Drennan Road (the "Curtis Intersection"), the Owner will be responsible for constructing improvements that provides a 90-degree intersection along with traffic control device(s) per the Phasing Plan. To the extent that the Owner constructs such improvements, the Owner shall be entitled to cost recovery of a portion of its costs and expenses pursuant to the terms of the Cost Sharing Agreement(s).

3. Traffic Control Devices: Owner shall construct, at the Owner's expense, those traffic and street signs, striping, and traffic control devices, and permanent barriers, together with all associated conduits for all streets within or contiguous to the Property as determined necessary by the City and in accord with the Phasing Plan and the uniformly applied criteria set forth by the City. To the extent that the Owner constructs such improvements, the Owner shall be entitled to cost recovery of a portion of its costs and expenses pursuant to the terms of the Cost Sharing Agreement(s).

D. Drainage. Prior to recording subdivision plats, preliminary and final Drainage Reports shall be prepared and submitted by the Owner to the City and approved by the City's Stormwater Enterprise. The 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 comply with the 4 Step Process and provide full spectrum detention for all developed areas according to applicable criteria.

The Property lies within the following six (6) drainage basins: Jimmy Camp Creek, Upper East Chico, Upper Williams Creek, Upper Williams Tributary, Upper Chico Creek and Middle East Chico. Jimmy Camp Creek is the only aforementioned basin that has a Drainage Basin Planning Study ("DBPS"). The portion of the Property that lies within the Jimmy Camp Creek basin shall participate in the DBPS and shall include the payment of applicable fees and construction of required improvements. The Owner shall be responsible for conformance with the Jimmy Camp Creek DBPS and the stormwater criteria in effect at the time of development.

The portions of the Properties that lie within Middle East Chico and Upper Chico Creek basins shall pay miscellaneous drainage basin fees prior to plat recordation.

Prior to approval of the development plan, if not previously completed, the Owner shall prepare a DBPS for Upper Williams Creek for review and approval by El Paso County, the City of Colorado Springs, and the City/County Drainage Board. If Colorado Springs Utilities constructs the reservoir prior to development in Upper Williams Creek, Colorado Springs Utilities may be responsible for preparing this DBPS. Properties in Upper Williams Tributary and Upper Williams Creek shall pay drainage basin fees according to said DBPS prior to plat recordation.

Any reimbursable channel facilities in Jimmy Camp Creek constructed by the Owner shall be eligible for reimbursement in accordance with the accepted DBPS subsequent to execution of this Agreement.

Notwithstanding the previous paragraph, the Owner shall prepare a basin closure analysis for Upper East Chico for review by the Stormwater Enterprise, subject to approval by the City/County Drainage Board and City Council.

The Owner shall be responsible for all analysis required to design and construct channel improvements in the annexation area. The Owner shall be responsible for constructing channel stabilization measures in compliance with current stormwater criteria. The City (or another public entity) shall own and provide functional maintenance for all such channels and the Owner (or the Metro District) shall provide aesthetic maintenance for such channels.

The City (or another public entity) shall own and maintain all pipes located within any rights-of-way and/or otherwise directly associated with all regional (tributary area of at least 160 acres) ponds within the Property and shall further provide functional maintenance for all such regional ponds; provided, that the Owner or the Metro District shall provide aesthetic maintenance for such regional ponds. All regional ponds shall be owned by the City.

With respect to sub-regional and smaller ponds within the Property, the City's ownership and maintenance of all pipes directly associated therewith shall end at the associated rights-of-way and the Owner or the Metro District shall thereafter own and maintain all such other pipes and shall further provide all required maintenance for all

such other sub-regional and smaller ponds. All sub-regional and smaller ponds shall be owned by the Owner or the Metro District.

E. Parks. The Owner shall comply with City Code, Park Land Dedication Ordinance, and the Karman Line Land Use Plan. The Owner is responsible for the construction of urban trails within the development. All parks, open space and trails shall be constructed per the Karman Line Land Use Plan.

F. Schools. The Owner shall comply with any applicable City Code sections, with respect to school dedications.

G. Improvements Adjacent to Park and School Lands. Streets and other required public improvements adjacent to park lands dedicated within the Property will be built by the Owner without reimbursement by the City. Streets and other required public improvements, including utilities, adjacent to school lands dedicated within the Property will be built by the Owner and eligible for reimbursement by the School District for fifty percent 50% of all associated costs.

## VI. UTILITY SERVICES

A. Colorado Springs Utilities' ("UTILITIES") Services. UTILITIES' water, non-potable water, wastewater, electric, streetlight, and natural gas services ("Utility Service" or together as "Utility Services") are available to eligible customers upon connection to UTILITIES' facilities or utility systems on a "first-come, first-served" basis, provided that (among other things) the City and UTILITIES determine that the applicant has paid all applicable fees and meets all applicable requirements of the City Code, UTILITIES Tariffs, Utilities Rules and Regulations ("URRs"), and Line Extension and Service Standards ("Standards") for each Utility-Service application. In addition, the availability of Utility Services is contingent upon the terms detailed herein and the dedication or conveyance of real and personal property, public rights-of-way, private rights-of-way, or easements that UTILITIES determines are required for the extension of any proposed Utility Service from UTILITIES' utility system facilities that currently exist or that may exist at the time of the proposed extension or connection.

The Owner shall ensure that the connections and/or extensions of Utility Services to the Property are in accordance with this Agreement and with the requirements of City Code and UTILITIES' Tariffs, URRs and Standards, and Pikes Peak Regional Building Department codes in effect at the time of Utility Service connection and/or extension. The Owner acknowledges responsibility for the costs of any extensions 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 UTILITIES in accordance with City Code, URRs and Standards.

The Owner acknowledges that UTILITIES' connection requirements shall include the Owner's payment of all applicable charges and fees, including without limitation, development charges, recovery agreement charges, advance recovery agreement charges, contributions-in-aid of construction, water resource fees, impact fees, and other fees or charges applicable to the requested Utility Service. Because recovery agreement charges, advance recovery agreement charges, and contributions-in-aid of construction may vary over time and by location, the Owner is responsible for contacting UTILITIES' Customer Contract Administration at (719) 668-8111 to ascertain which fees or charges apply to the Property in advance of development of the Property.

B. Dedications and Easements. Notwithstanding anything contained in Article XI of this Agreement to the contrary, the Owner, at the Owner's sole cost and expense, shall obtain for the benefit of UTILITIES, if the underlying property is not owned by the Owner, and/or dedicate by plat and/or convey by recorded document if the underlying property is owned by the Owner, all property (real and personal) and easements that UTILITIES reasonably determines are required for any utility-system facilities necessary to serve the Property or to ensure development of an integrated utility system. The Owner will dedicate or acquire and dedicate appropriate sites

for utility facilities, including but not limited to electric substations, electric transmission and distribution lines and infrastructure, gas regulator station(s), gas mains, City Gate Station(s) wastewater collection mains and pipelines, lift stations and force mains, water tanks and control valves, and water transmission and distribution mains and pipelines, fire protection mains, and facilities necessary to install and maintain UTILITIES' fiber optic network. UTILITIES shall determine the location and size of all property necessary to be dedicated or otherwise conveyed. The Karman Line Metropolitan Districts shall not exercise the power of eminent domain, except upon the prior written consent of the City.

The Owner shall provide UTILITIES all written, executed conveyances prior to or at the time of platting or prior to the development of the Property as determined by UTILITIES.

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

If the Owner, with prior written approval by UTILITIES, 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 UTILITIES determines that the Owner's relocation or alteration requires new or updated easements, then the Owner shall obtain and assign and/or convey those easements prior to relocating or altering the existing utility facilities using UTILITIES' then-current Permanent Easement Agreement form without modification unless approved by UTILITIES. UTILITIES will only relocate existing gas or electric facilities during time frames and in a manner that UTILITIES determines will minimize outages and loss of service.

C. Extension of Utility Facilities by UTILITIES. Due to the proximity of this Annexation relative to existing UTILITIES' facilities with capacity to serve the Property, extensions of said facilities will take more time than normal. If the Owner requests to accelerate the schedule for UTILITIES' design and/or construction of utility facilities, the Owner will be responsible for the cost of accelerated design and/or construction pursuant to a time and materials agreement by separate instrument to be negotiated between the Owner and UTILITIES at such time.

1. Natural Gas and Electric Facilities:

a. Wholesale Natural Gas Service. UTILITIES reserves the right to serve the Property by contracting with third-party utility providers to purchase wholesale natural gas service to serve the Property; provided, however, that the Owner will be advised of all agreements with such third party utility providers to the extent such agreements impact the Owner. This wholesale service will be to UTILITIES and all properties within the Annexation will only receive utility service from UTILITIES per City Code. All natural gas service to the Property will be at standard service rates as determined in the UTILITIES' Tariffs. In addition, the Owner will pay to UTILITIES natural gas costs not captured in UTILITIES' standard service rates, which may include but is not limited to measurement fees and any other fees reasonably assessed to UTILITIES by the wholesale service providers.

b. Permanent Electric Service.

1. Offsite and Onsite Feeder Infrastructure: The Owner will be responsible for the cost of design, permitting and construction of the following electric infrastructure required to serve the demand of the Property: 600-amp mainline connecting to and fed from UTILITIES' Horizon substation, or other connection point approved by UTILITIES, to the Property and all appurtenances thereto. The Owner will initiate design and construction of the above-described electric infrastructure and will coordinate

with UTILITIES to ensure the infrastructure is designed and installed in accordance with applicable Standards. The Owner may construct on the Property no more than 3,500 single-family equivalents (SFE) with traditional electric service (with natural gas) or 750 SFE with electrification (resistive heating) before a secondary feed and substation are constructed to serve the Property, unless otherwise agreed to by UTILITIES. The Parties agree that the secondary substation will be located on the 10-acre parcel identified in Annexor's Land Use Plan (MAPN-23-0002), unless otherwise agreed to by UTILITIES.

2. Non-Standard Service Configuration: The Owner acknowledges that until permanent electric facilities are constructed in accordance with UTILITIES' Standards to provide necessary redundancy and reliability to the Property, the offsite 600-amp mainline feeder is considered a non-conforming radial feed. In the event of an outage, the Property may be without electric service for an extended period(s) of time until repairs are made, and service is restored; provided, however, that UTILITIES will use commercially reasonable efforts to minimize the duration of any such power outage and restore service as soon as reasonably possible. Due to this unique service characteristic, the Owner shall provide written notice of this condition in its contracts to future prospective owner(s) of any land within the Property.
3. Regional Improvements: UTILITIES will design, permit, and construct, such substations, substation transformers and transmission lines as UTILITIES determines, in its sole discretion, to be necessary to provide permanent electric service to the Property and future growth of the City. The Owner shall contribute to regional improvements as defined in URRs, Tariffs, and Standards as revised.
4. Onsite Distribution Infrastructure: UTILITIES will design and construct all electric distribution facilities within the Property in accordance with UTILITIES' Tariffs, URRs and Standards.
5. Stranded Assets: The cost to operate, maintain, repair and replace existing and fund and plan future electric infrastructure is funded by rates. Infrastructure not utilized to full capacity is not sustainable and is considered a stranded asset. Portions of the electric infrastructure needed to serve the Property will cross areas where connections are not likely to occur. As such, the Owner will be required to offset the costs associated with stranded assets that would generally be funded by rates. Such costs to be borne by the Owner shall be calculated by multiplying the length of the electric stranded asset by UTILITIES' electric distribution cost per mile. The electric distribution cost per mile is calculated by dividing the Electric System Distribution Costs by the total electric distribution system miles. Electric System Distribution Costs are the operation and maintenance expenses, debt service, and cash funded capital for the electric distribution system, less additions to cash and Revenue Credits for the electric distribution system. Revenue Credits are development charges for electric service received by UTILITIES in the applicable year. The amount owed shall be offset by the distribution revenue generated by rates for electric service to the Property. On an annual basis, UTILITIES will calculate these costs for the immediately prior year based on the formula above and provide notice to the Owner of such costs. The Owner will pay the costs to UTILITIES on demand. Provided however, that for the first five (5) years commencing the date the stranded asset is placed into service, the above formula will not include maintenance costs. Upon request, from time to time, UTILITIES will provide the Owner with an accounting of the payments made under this provision. The costs to be borne by the Owner shall be reduced to the extent the infrastructure serves other properties. Prior to conveying any lots or parcels of the Property to any party or parties other than the Owner, the Owner will create an entity and this obligation will be assigned to and assumed by such entity to ensure that these costs are paid by one party each year.
6. Revenue Guarantee Contract: In accordance with UTILITIES' URRs, UTILITIES, in its sole discretion, may require the Owner to enter into (and the Owner will require a special district or other entity created

to satisfy the requirements of Section XI.C.5., above, to assume) a Revenue Guarantee Contract for the extension of any electric service or facilities.

7. Electric Service Territory Statutory Compensation Fees: If any portion of the Property is located outside UTILITIES' electric service territory prior to annexation, then upon annexation:

- a. The 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 UTILITIES incurs as a result of or associated with the acquisition of such electric service territory; and
- b. The Owner shall be solely responsible for all costs: (1) to remove any existing electric distribution facilities within the Property that were previously installed by the then-current electric service provider ("Electric Existing Facilities"); and (2) to convert any overhead electric lines to underground service lines ("Conversion") as determined by UTILITIES.
- c. Within 30 days of the Owner's receipt of an invoice for the following:
  1. The Owner shall pay the former 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).
  2. If the former electric service provider removes the Electric Existing Facilities, then the Owner shall pay the former electric service provider directly for the removal of any Electric Existing Facilities.
  3. Further, the Owner shall pay UTILITIES 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 the Owner's receipt of an invoice for such costs.
  4. The Owner shall also pay for any Conversion required by UTILITIES as a result of such annexation concurrent with the execution of a contract between the Owner and UTILITIES that specifies the terms of Conversion.

c. Permanent Natural Gas Service.

1. Offsite and Onsite Feeder Infrastructure: The Owner will be responsible for the cost of design, permitting and construction of the following natural gas infrastructure required to serve the demand of the Property: 150-pound gas main(s) and district regulator stations to connect the existing Drennan City Gate to the Property and all appurtenances thereto. UTILITIES will initiate design and construction of natural gas infrastructure and will continue to diligently work in order to allow for conversion of the natural gas systems from the interim providers to UTILITIES' systems, if interim natural gas provisions are implemented. The Owner will reimburse UTILITIES for design, permitting, and construction costs within 30 days of the Owner's receipt of invoices.
2. Regional Improvements: UTILITIES will design, permit, and construct, such City Gates and compressors stations, UTILITIES determines, in its sole discretion, to be necessary to provide permanent natural gas service to the Property and future growth of the City. The Owner shall contribute to regional improvements as defined in URRs, Tariffs, and Standards as revised.
3. Onsite Distribution Infrastructure: UTILITIES will design and construct all natural gas facilities within the Property in accordance with UTILITIES' Tariffs, URRs and Standards.



4. Stranded Assets: The cost to operate, maintain, repair and replace existing and fund and plan future natural gas infrastructure is funded by rates. Infrastructure not utilized to full capacity is not sustainable and is considered a stranded asset. Portions of the natural gas infrastructure needed to serve the Property will cross areas where connections are not likely to occur. As such, the Owner will be required to offset the costs associated with stranded assets that would generally be funded by rates. Such costs to be borne by the Owner shall be calculated by multiplying the length of the natural gas stranded asset by UTILITIES' natural gas distribution cost per mile. The natural gas distribution cost per mile is calculated by dividing the Natural Gas System Distribution Costs by the total natural gas distribution system miles. Natural Gas System Distribution Costs are the operation and maintenance expenses, debt service, and cash funded capital for the natural gas distribution system, less additions to cash and Revenue Credits for the natural gas distribution system. Revenue Credits are development charges for natural gas service received by UTILITIES in the applicable year. The amount owed shall be offset by the distribution revenue generated by rates for natural gas service to the Property. On an annual basis, UTILITIES will calculate these costs for the immediately prior year based on the formula above and provide notice to the Owner of such costs. The Owner will pay the costs to UTILITIES on demand. Provided however, that for the first five (5) years commencing the date the stranded asset is placed into service, the above formula will not include maintenance costs. Upon request, from time to time, UTILITIES will provide the Owner with an accounting of the payments made under this provision. The costs to be borne by the Owner shall be reduced to the extent the infrastructure serves other properties. Prior to conveying any lots or parcels of the Property to any party or parties other than the Owner, the Owner will create an entity and this obligation will be assigned to and assumed by such entity to ensure that these costs are paid by one party each year.
5. Greenhouse Gas Emissions: Given new and changing regulations regarding greenhouse gas ("GHG") emissions, UTILITIES may require improvements above and beyond requirements in effect at the time of annexation, such as beneficial electrification, battery storage, solar, or other options, to meet regulatory requirements; provided, however, that UTILITIES agrees that all such UTILITIES' requirements shall be uniformly applied to all similarly situated UTILITIES' customers. Further, the Owner acknowledges that UTILITIES may refuse new connections to its natural gas service system if state or federal regulations dictate or if UTILITIES determines such action is necessary or desirable to meet state GHG emission reduction targets; provided, however, that UTILITIES agrees that any such refusal of new connections shall be uniformly applied to all similarly situated prospective UTILITIES' customers.
6. Natural Gas Service Territory Just Compensation Fees: If any portion of the Property is located outside UTILITIES' natural gas service territory prior to annexation, then upon annexation:
  - a. The Owner shall be solely responsible for providing any just compensation to the incumbent service provider for natural gas distribution facilities and service rights, plus all costs and fees, including but not limited to, attorneys' fees that UTILITIES incurs as a result of or associated with the acquisition/invasion of such natural gas service territory; and
  - b. The Owner shall be solely responsible for all costs to remove any existing natural gas distribution facilities within the Property that were previously installed by the incumbent natural gas service provider; and
  - c. The Owner shall pay UTILITIES the just compensation and other fees within 30 days of the Owner's receipt of an invoice for such costs.

d. Cost Recovery. The Owner may request reimbursement from future developments taking benefit from the natural gas and electric offsite feeder infrastructure installed as dictated by this Agreement as provided in the URRs.

2. Water Service and Facilities:

a. Offsite and Onsite Feeder Infrastructure: The Owner must extend, design, permit and construct all potable water infrastructure required to serve the demand of the Property including without limitation: pump stations, water transmission and distribution mains and all appurtenances thereto to and within the Property at the Owner's sole cost and expense in accordance with City Code and UTILITIES' Tariffs, URRs, and Standards in effect at the time of each specific request for water service. The Owner shall convey all water service infrastructure installed pursuant to this paragraph to UTILITIES in accordance with Standards. Consistent with City Code § 7.7.1102 (B), the Owner shall complete the design and installation, and obtain preliminary acceptance of such utility facilities, prior to UTILITIES' approval of the Owner's water service requests. Notwithstanding the above requirements, UTILITIES may enter into cost-sharing agreements with the Owner for water system expansions based on a determination of benefit to UTILITIES, in UTILITIES' sole discretion.

b. Regional Improvements: UTILITIES will design, permit, and construct, such treatment plants and tanks in its sole discretion, to be necessary to provide permanent water service to the Property and future growth of the City. The Owner shall contribute to regional improvements as defined in URRs, Tariffs, and Standards as revised.

c. Onsite Distribution Infrastructure: The Owner must extend, design, permit and construct all water distribution facilities and any water service lines to and within the Property at the Owner's sole cost and expense in accordance with City Code and UTILITIES' Tariffs, URRs, and Standards in effect at the time of each specific request for water service. The Owner shall convey all water service infrastructure installed pursuant to this paragraph to UTILITIES in accordance with Standards. Consistent with City Code § 7.4.303 (B), the Owner shall complete the design and installation, and obtain preliminary acceptance of such utility facilities, prior to UTILITIES' approval of the Owner's water and wastewater service requests.

d. Cost Recovery: In the event UTILITIES or other developers design and construct other water system improvements UTILITIES determines are needed to ensure an integrated water system is available to serve the Property, the Owner shall be required to pay cost recovery for the engineering, materials, and installation costs incurred by UTILITIES, other water providers with whom UTILITIES has contractual obligations regarding service to the Property, or the other developer for 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. If the Owner is required to construct regional improvements, they will be eligible for cost recovery in accordance with UTILITIES' Tariffs, URRs, and Standards. If other developments take benefit from offsite and onsite transmission, distribution and/or storage infrastructure benefiting the Property, the Owner may enter into cost recovery or cost sharing agreements with the other parties receiving benefit.

e. Water Quality Plan: The Owner is required to submit a Water Quality Plan when the Owner submits utility construction plans to UTILITIES. The Water Quality Plan must show how the Owner will comply with applicable regulations. The Water Quality Plan is subject to UTILITIES' review and approval. Any costs associated with complying with Water Quality Plan requirements shall be borne by the Owner. This may include the cost of temporary pumping, and/or onsite temporary chlorination facilities, including design, permitting, construction, operation, materials, labor, equipment, and water at the current commercial rate. UTILITIES may waive or reduce the requirements in this paragraph at its sole discretion.

f. Stranded Assets: The cost to operate, maintain, repair and replace existing and fund and plan future water infrastructure is funded by rates. Infrastructure not utilized to full capacity is not sustainable and is considered a stranded asset. Portions of the water infrastructure needed to serve the Property will cross areas where connections are not likely to occur. As such, the Owner will be required to offset the costs associated with stranded assets that would generally be funded by rates. Such costs to be borne by the Owner shall be calculated by multiplying the length of the water stranded asset by UTILITIES' water distribution cost per mile. The water distribution cost per mile is calculated by dividing the Water System Distribution Costs by the total water distribution system miles. Water System Distribution Costs are the operation and maintenance expenses, debt service, and cash funded capital for the water distribution system, less additions to cash and Revenue Credits for the water distribution system. Revenue Credits are development charges for water service received by UTILITIES in the applicable year. The amount owed shall be offset by the distribution revenue generated by rates for water service to the Property. On an annual basis, UTILITIES will calculate these costs for the immediately prior year based on the formula above and provide notice to the Owner of such costs. The Owner will pay the costs to UTILITIES on demand. Provided however, that for the first five (5) years commencing the date the stranded asset is placed into service, the above formula will not include maintenance costs. Upon request, from time to time, UTILITIES will provide the Owner with an accounting of the payments made under this provision. The costs to be borne by the Owner shall be reduced to the extent the infrastructure serves other properties. Prior to conveying any lots or parcels of the Property to any party or parties other than the Owner, the Owner will create a special district or other entity and this obligation will be assigned to and assumed by such entity to ensure that these costs are paid by one party each year.

3. Wastewater Service and Facilities:

a. Wholesale Service:

1. In order to provide wastewater service to the Property, UTILITIES may enter into an agreement with a third-party wastewater service provider, whereby UTILITIES would purchase wholesale wastewater service to serve the Property. In addition to all infrastructure the Owner is responsible as set forth in subparagraphs (a)(2) and (b), below, the Owner shall also be responsible for the design, permitting and construction of all wastewater infrastructure needed to connect to the wastewater system of the third-party wastewater service provider. All wastewater service to the Property will be at standard service rates as determined in UTILITIES' Tariffs. The Owner will pay to Utilities wastewater costs not captured in UTILITIES' standard tariff rates, which may include fees assessed to UTILITIES by the wholesale service providers, including fees and charges resulting from connection to the third-party wastewater service provider's system. The Owner acknowledges that UTILITIES provision of wastewater service to portions of the Property is contingent upon UTILITIES execution of an agreement with a third-party wastewater service provider.

2. Metering Vault: Pursuant to any wholesale wastewater service agreement between UTILITIES and the third-party wastewater service provider, and in accordance with applicable design and construction standards, the Owner shall be responsible for designing and constructing the wastewater metering vault(s) and any appurtenances required to track and record wastewater flows transported from the Property through UTILITIES' wastewater collection system and delivered to the interconnect point(s) with the third-party wastewater provider's wastewater collection and treatment system.

b. Infrastructure: The Owner must extend, design, and construct all wastewater collection system facilities, wastewater pump stations, and wastewater service lines to and within the Property at the Owner's sole cost and expense in accordance with City Code and UTILITIES' Tariffs, URRs and Standards in effect at the time of each specific request for wastewater service. Consistent with City Code § 7.4.303 (B), the

Owner shall complete the design and installation, and obtain preliminary acceptance of such utility facilities, prior to UTILITIES' approval of the Owner's wastewater service requests. Notwithstanding the above requirements, UTILITIES may enter into cost-sharing agreements with the Owner for wastewater system expansions based on a determination of benefit to UTILITIES, in UTILITIES' sole discretion.

- c. Cost Recovery: In the event UTILITIES or other developers design and construct other wastewater system improvements UTILITIES determines are needed to ensure an integrated wastewater system is available to serve the Property, the Owner shall be required to pay cost recovery for the engineering, materials, and installation costs incurred by UTILITIES or the other developer for its design, construction, upgrade, or improvement of any wastewater pump stations, wastewater pipeline facilities, or other wastewater collection facilities and appurtenances in accordance with the URRs. If the Owner is required to construct regional improvements, they will be eligible for cost recovery in accordance with UTILITIES' Tariffs, URRs, and Standards. If other developments take benefit from offsite and onsite feeder infrastructure benefiting the Property, the Owner may enter into cost recovery or cost sharing agreements with the other parties receiving benefit.
- d. Stranded Assets: The cost to operate, maintain, repair and replace existing and fund and plan future wastewater infrastructure is funded by rates. Infrastructure not utilized to full capacity is not sustainable and is considered a stranded asset. Portions of the wastewater infrastructure needed to serve the Property will cross areas where connections are not likely to occur. As such, the Owner will be required to offset the costs associated with stranded assets that would generally be funded by rates. Such costs to be borne by the Owner shall be calculated by multiplying the length of the wastewater stranded asset by UTILITIES' wastewater collection system cost per mile. The wastewater collection system cost per mile is calculated by dividing the Wastewater System Collection Costs by the total wastewater collection system miles. Wastewater System Collection Costs are the operation and maintenance expenses, debt service, and cash funded capital for the wastewater collection system, less additions to cash and Revenue Credits for the wastewater collection system. Revenue Credits are development charges for wastewater service received by UTILITIES in the applicable year. The amount owed shall be offset by the collection revenue generated by rates for wastewater service to the Property. On an annual basis, UTILITIES will calculate these costs for the immediately prior year based on the formula above and provide notice to the Owner of such costs. The Owner will pay the costs to UTILITIES on demand. Provided however, that for the first five (5) years commencing the date the stranded asset is placed into service, the above formula will not include maintenance costs. Upon request, from time to time, UTILITIES will provide the Owner with an accounting of the payments made under this provision. The costs to be borne by the Owner shall be reduced to the extent the infrastructure serves other properties. Prior to conveying any lots or parcels of the Property to any party or parties other than the Owner, the Owner will create a special district or other entity and this obligation will be assigned to and assumed by such entity to ensure that these costs are paid by one party each year.
4. Utility Service Center: The Owner agrees to pay a per-acre fee for the portion of the Property depicted on Attachment 1, which is a total of 1,908.748 acres, (the "Utility Service Center Fee") as the Owner's pro rata share of capital cost of a new UTILITIES' service center (the "Utilities Service Center"). The per-acre fee shall be based on the total actual cost of design and construction of the Utilities Service Center divided by the total number of acres benefitted by the Utilities Service Center; provided however, Owner's total per-acre fee shall not exceed \$3,131.96 (the "Cap"). The Utilities Service Center is expected to be located at UTILITIES' Advanced Technology Campus property located at the southwest corner of Drennan Road and Foreign Trade Zone Boulevard; provided however, that it is within the discretion of UTILITIES to determine the location of the Utilities Service Center provided that such location allows UTILITIES' service response times for the Property to be in compliance with all applicable regulations. The Utilities Service Center is necessary to ensure efficient service response times for all utility services provided by UTILITIES to the Property and other property included in UTILITIES' service territories in the future. The Utilities Service

Center Fee will be due and payable within one hundred twenty (120) days of invoice. UTILITIES will issue an invoice to Owner at the later of final completion of design of the Utilities Service Center or City Council appropriation of sufficient funds for construction of the Utilities Service Center. Owner's obligations under this paragraph shall be prorated in proportion to any phasing of the construction. In the event the actual cost of the design and construction of the Utilities Service Center is not equal to the amount paid by Owner under this paragraph, UTILITIES will refund to Owner the amount of any over-payment and Owner will reimburse UTILITIES for any underpayment up to the Cap within twelve (12) months.

D. Limitation of Applicability: The provisions of this Agreement set forth the requirements of the City and UTILITIES in effect at the time of annexation of the Property. These provisions shall not be construed as a limitation upon the authority of the City or UTILITIES 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 provisions apply to the City generally and are in accord with the then-current tariffs, rates, regulations and policies of UTILITIES. City Code, UTILITIES' Tariffs, URRs and Standards shall govern the use of all Utilities Services.

E. Southeastern Colorado Water Conservancy District: Notice is hereby provided that upon annexation, and as a condition of receiving water service from UTILITIES, the Property must be included in 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 or other payment in lieu of taxes 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 UTILITIES until 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, Owners 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 Owners 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 Owners and all successors in title, Owners irrevocably consent 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, Owners 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 Owners' Property without additional consent from Owners.

Upon annexation of the Property, any wells or groundwater developed by Owners prior to annexation will become

subject to UTILITIES' applicable Tariffs, URRs, Standards, and rates as amended in the future. Owners' uses of groundwater shall be subject to approval by the City and UTILITIES, and shall be consistent with City Code, UTILITIES' Tariffs, URRs, Standards, and the City's 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.

Notwithstanding any other provision of this Article VII, the Owner shall be allowed to re-permit, and if necessary, rehabilitate the two (2) existing groundwater wells appurtenant to the Property – Permit Nos. —114454 and 158263 (“Wells”) – as issued by the Colorado Division of Water Resources, for temporary non-potable construction water use and subsequently non-potable irrigation of public spaces, including: parks, commonly owned or maintained landscaping, golf courses, other public recreational areas. The Owner's permitting, rehabilitation and use of the Wells for any of these purposes shall comply with URRs, Tariffs and Standards, as revised and shall be at the Owner's sole cost and expense. Because the Property is located outside UTILITIES' augmentation plan boundary, the Owner shall, at its sole costs and expense, obtain all required approvals from the State of Colorado and/or Water Court necessary for operation of the Wells including, but not limited to, approval of a substitute water supply plan and augmentation plan for the Wells. The Owner's rehabilitation, permitting and use of the Wells is also subject to the Owner and Utilities successfully negotiating and entering into an augmentation service agreement prior to the Owner's use of the re-permitted and rehabilitated Wells. No commingling of well and City water supply will be permitted. At such time the Owner elects to discontinue using any of the Wells described herein, the Owner shall: (1) plug and abandon the Wells in accordance with all applicable regulations; and (2) provide notice of such plugging and abandonment to UTILITIES.

#### VIII. FIRE PROTECTION

The Owner understands and acknowledges that the Property may be excluded from the boundaries of the Hanover and Ellicott Fire Districts (the “Fire Districts”) 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 entity owning the Property at the time of the City's request agrees to apply to the Fire Districts for exclusion of the Property from the Fire Districts. The Owner understands and acknowledges that the Owner, its heirs, assigns and successors in title are responsible for seeking any exclusion from the Fire Districts and that the City has no obligation to seek exclusion of any portion of the Property from the Fire Districts.

The Colorado Springs Fire Department (“CSFD”) will need one permanent fire station on the Property, which will be provided at a time determined by the CSFD, based upon predicted or actual call volume and distribution. The necessary land required for the fire station shall be provided by the Owner and the location of such land is as depicted on the Karman Line Land Use Plan. Owner shall not be responsible for the equipping or the construction of said fire station.

In the event that CSFD determines that it needs a second permanent fire station to adequately serve the Property, CSFD and the Owner shall mutually agree on the size and location of the land on the Property on which the second permanent fire station shall be constructed. The size and location of said land shall be consistent with the Karman Line Land Use Plan. Owner shall provide such land to be used for said fire station but shall not be responsible for the equipping or the construction of said fire station.

In order to adequately serve the Property, the Owner agrees to provide a temporary fire station site to be used by the CSFD until construction of the permanent fire station is complete, at which time, the CSFD shall vacate the temporary fire station site.

#### IX. FIRE PROTECTION FEE

The Owner shall be subject to the requirements of City Code § 7.5.532 regarding Citywide Development Impact Fees. Any public safety land provided under this Agreement and as shown on the Karman Line Land Use Plan, is not applicable as a credit to offset Citywide Development Impact Fees, as detailed in 7.5.532.F.4.

X.  
POLICE SERVICE FEE

The Owner shall be subject to the requirements of City Code § 7.5.532 regarding Citywide Development Impact Fees. Any public safety land provided under this Agreement and as shown on the Karman Line Land Use Plan, is not applicable as a credit to offset Citywide Development Impact Fees, as detailed in 7.5.532.F.4. Although not currently required, in the event it is determined that a police substation site is needed to adequately serve the Property, the Colorado Springs Police Department (“CSPD”) and the Owner shall agree on the size and location of the land on the Property on which said police substation shall be constructed. The size and location of said land shall be consistent with the Karman Line Land Use Plan. Owner shall provide such land to be used for said police substation but shall not be responsible for the equipping or the construction of said 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 dedicated to a school district, 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 that materially interfere with the purposes the land is intended for. Any encumbrance is subject to the City’s review and approval. 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 conveyed by deed shall be subject to the following:

- A. All property deeded to the City shall be conveyed by General Warranty Deed.
- B. The Owner shall convey the property to the City within 30 days of the City’s written request.
- C. All property taxes levied against such property conveyed pursuant to this Section XI shall be paid by the Owner through the date of conveyance to the City.
- E. An environmental assessment of such property conveyed pursuant to this Section XI 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.

The Owner shall pay the applicable drainage, park, and school fees at the time of recording each final plat.

The Owner, at its expense, shall be responsible for constructing the urban trails as conceptually depicted in the Karman Line Land Use Plan.

XII.  
SPECIAL PROVISIONS

Not applicable.

XIII.  
ORDINANCE COMPLIANCE

The 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

As used in this Agreement, the term "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.

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 this Agreement for the different sections of this 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 pursuant to 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 Owners 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 executed this Agreement as of the date first written above.

**CITY OF COLORADO SPRINGS**

By: \_\_\_\_\_  
Name: Blessing A. Mobolade  
Title: Mayor

ATTEST:

By: \_\_\_\_\_  
Name: Sarah B. Johnson  
Title: City Clerk

APPROVED AS TO FORM:

**CITY ATTORNEY:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Attorney

DRAFT



## EXHIBIT A

### LEGAL DESCRIPTION

A portion of Sections 3, 4, and 5, Township 15 South, Range 65 West, and Sections 32, 33, and 34, Township 14 South, Range 64 West, all of the Sixth Principal Meridian, County of El Paso, Colorado, being more particularly described as follows:

**BEGINNING** at the North 1/4 Corner of said Section 32; thence along the north line of the Northeast Quarter of said Section 32, S89°38'17"E (Basis of Bearings is the north line of the Northeast Quarter of Section 32, Township 14 South, Range 65 West of the Sixth Principal Meridian, being monumented at the North 1/4 Corner of said Section by a 2-1/2" aluminum cap, properly marked, stamped PLS 22095, flush with grade and at the Northwest Corner of Section 33, Township 14 South, Range 65 West of the Sixth Principal Meridian, by a 3-1/4" aluminum cap, properly marked, stamped PLS 27270, flush with grade and measured to bear S89°38'17"E, a distance of 2597.62 feet), a distance of 2597.62 feet, to the Northwest Corner of said Section 33; thence along the North line of said Section 33, N89°31'16"E, a distance of 1299.28 feet, to the West 1/16<sup>th</sup> corner shared between Section 28, Township 14 South, Range 64 West and said Section 33; thence along the West 1/16<sup>th</sup> line, S02°35'00"E, a distance of 1318.96 feet, to the North-West 1/16<sup>th</sup> Corner of said Section 33; thence along the North 1/16<sup>th</sup> line of said Section 33, N89°30'42"E, a distance of 1305.00 feet, to the Center-North 1/16<sup>th</sup> Corner of said Section 33; thence along the North-South Center line of said Section 33, N02°50'16"W, a distance of 1318.97 feet, to the North 1/4 Corner of said Section 33; thence along the North line of said Section 33, N89°32'00"E, a distance of 2598.45 feet, to the Northeast Corner of said Section 33; thence along the East line of said Section 33, S03°02'26"E, a distance of 2623.99 feet, to the East 1/4 Corner of Said Section 33; thence along the East-West Center line of said Section 34, N89°23'24"E, a distance of 1326.61 feet, to the Center-West 1/16<sup>th</sup> Corner of said Section 34; thence along the west line of Parcel 19 as described in Application 96/176 recorded as Reception Number 98152755, S02°47'42"E, a distance of 2422.85 feet, to the north corner of Parcel 16 as described in said Application; thence along the arc of a curve to the right, having a radius of 1920.00 feet, a central angle of 5°51'19", a distance of 196.21 feet to the northwest corner of Parcel 17 as described in said Application; thence along the west line of said Parcel 17, the following three (3) courses;

1. along the arc of a compound curve to the right, having a radius of 1920.00 feet, a central angle of 35°36'59", a distance of 1193.52 feet;
2. S38°40'43"W, a distance of 690.00 feet;
3. along the arc of a curve to the left, having a radius of 2080.00 feet, a central angle of 26°50'23", a distance of 974.36 feet, to the north corner of Parcel 14 as described in said Application;

thence along the west line of said Parcel 14, the following three (3) courses;

1. along the arc of a curve to the left, having a radius of 2080.00 feet, a central angle of 12°50'19", a distance of 466.08 feet;
2. S00°59'58"E, a distance of 1,378.90 feet;
3. along the arc of a curve to the right, having a radius of 938.94 feet, a central angle of 90°50'07", a distance of 1488.57 feet to the southwest corner of said Parcel 14;

thence along the north line of the 60' right-of-way as described in Book A, Page 78, the following two (2) courses:

1. S89°50'09"W, a distance of 4240.68 feet;
2. S89°51'16"W, a distance of 1264.61 feet, to the southeast corner of the parcel described in Reception Number 217000009;

thence leaving said north line, N01°14'08"W, a distance of 2598.21 feet, to a point on the East-West Center line of said Section 5; thence along said Center line, N89°49'10"E, a distance of 1267.44 feet, to the West 1/4 Corner of said Section 4; thence leaving said West 1/4 Corner along the East-West Center line of said Section 4, N89°31'07"E, a distance of 1127.65 feet; thence along the following four (4) courses:

1. N01°10'22"W, a distance of 890.06 feet;
2. S89°31'07"W, a distance of 1114.58 feet;
3. S89°49'10"W, a distance of 1333.11 feet;
4. S01°10'22"E, a distance of 890.13 feet, to a point on the East-West Center line of said Section 5;

thence along said Center line, S89°49'10"W, a distance of 4.65 feet, to the Center-East 1/16th Corner of said Section 5; thence along the East 1/16th line of said Section 5, N01°14'08"W, a distance of 2651.22 feet, to the East 1/16th Corner shared between said Section 5 and said Section 32; thence along the South line of said Section 32, N89°13'19"W, a distance of 1328.25 feet, to the South 1/4 Corner of said Section 32; thence along the North-South Center line of said Section 32, N01°43'12"W, a distance of 2615.20 feet, to the Center 1/4 Corner of said Section 32; thence continuing along said Center line, N01°41'21"W, a distance of 2638.43 feet, to the **POINT OF BEGINNING**.

Containing 76,697,657 Sq. Ft., 1,760.736 acres, more or less.

**TOGETHER WITH:**

The north 30 feet of the Northwest Quarter of Section 7, Township 15 South, Range 64 West, of the Sixth Principal Meridian, El Paso County, Colorado, contiguous on the south with the Right-of-Way conveyed under Reception Number 099131064.



Stewart L. Mapes, Jr.  
Colorado Professional Land Surveyor No. 38245



(SEAL)

My Commission Expires: \_\_\_\_\_  
\_\_\_\_\_

Notary Public

**Accepted by the City of Colorado Springs:**

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

By: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
Colorado Springs Utilities Customer Utility Connections Manager

Approved as to Form:

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

DRAFT

**Exhibit A**  
**LEGAL DESCRIPTION**

To the Special Warranty Deed and Irrevocable Consent to the Appropriation, Withdrawal and Use of Groundwater executed by Norris Ranch Joint Venture, LLC, a Colorado Limited Liability Company, Grantor(s) on \_\_\_\_\_.

A portion of Sections 3, 4, and 5, Township 15 South, Range 65 West, and Sections 32, 33, and 34, Township 14 South, Range 64 West, all of the Sixth Principal Meridian, County of El Paso, Colorado, being more particularly described as follows:

**BEGINNING** at the North 1/4 Corner of said Section 32; thence along the north line of the Northeast Quarter of said Section 32, S89°38'17"E (Basis of Bearings is the north line of the Northeast Quarter of Section 32, Township 14 South, Range 65 West of the Sixth Principal Meridian, being monumented at the North 1/4 Corner of said Section by a 2-1/2" aluminum cap, properly marked, stamped PLS 22095, flush with grade and at the Northwest Corner of Section 33, Township 14 South, Range 65 West of the Sixth Principal Meridian, by a 3-1/4" aluminum cap, properly marked, stamped PLS 27270, flush with grade and measured to bear S89°38'17"E, a distance of 2597.62 feet), a distance of 2597.62 feet, to the Northwest Corner of said Section 33; thence along the North line of said Section 33, N89°31'16"E, a distance of 1299.28 feet, to the West 1/16<sup>th</sup> corner shared between Section 28, Township 14 South, Range 64 West and said Section 33; thence along the West 1/16<sup>th</sup> line, S02°35'00"E, a distance of 1318.96 feet, to the North-West 1/16<sup>th</sup> Corner of said Section 33; thence along the North 1/16<sup>th</sup> line of said Section 33, N89°30'42"E, a distance of 1305.00 feet, to the Center-North 1/16<sup>th</sup> Corner of said Section 33; thence along the North-South Center line of said Section 33, N02°50'16"W, a distance of 1318.97 feet, to the North 1/4 Corner of said Section 33; thence along the North line of said Section 33, N89°32'00"E, a distance of 2598.45 feet, to the Northeast Corner of said Section 33; thence along the East line of said Section 33, S03°02'26"E, a distance of 2623.99 feet, to the East 1/4 Corner of Said Section 33; thence along the East-West Center line of said Section 34, N89°23'24"E, a distance of 1326.61 feet, to the Center-West 1/16<sup>th</sup> Corner of said Section 34; thence along the west line of Parcel 19 as described in Application 96/176 recorded as Reception Number 98152755, S02°47'42"E, a distance of 2422.85 feet, to the north corner of Parcel 16 as described in said Application; thence along the arc of a curve to the right, having a radius of 1920.00 feet, a central angle of 5°51'19", a distance of 196.21 feet to the northwest corner of Parcel 17 as described in said Application; thence along the west line of said Parcel 17, the following three (3) courses;

1. along the arc of a compound curve to the right, having a radius of 1920.00 feet, a central angle of 35°36'59", a distance of 1193.52 feet;
2. S38°40'43"W, a distance of 690.00 feet;
3. along the arc of a curve to the left, having a radius of 2080.00 feet, a central angle of 26°50'23", a distance of 974.36 feet, to the north corner of Parcel 14 as described in said Application;

thence along the west line of said Parcel 14, the following three (3) courses;

1. along the arc of a curve to the left, having a radius of 2080.00 feet, a central angle of 12°50'19", a distance of 466.08 feet;
2. S00°59'58"E, a distance of 1,378.90 feet;
3. along the arc of a curve to the right, having a radius of 938.94 feet, a central angle of 90°50'07", a distance of 1488.57 feet to the southwest corner of said Parcel 14;

thence along the north line of the 60' right-of-way as described in Book A, Page 78, the following two (2) courses:

1. S89°50'09"W, a distance of 4240.68 feet;
2. S89°51'16"W, a distance of 1264.61 feet, to the southeast corner of the parcel described in Reception Number 217000009;



thence leaving said north line, N01°14'08"W, a distance of 2598.21 feet, to a point on the East-West Center line of said Section 5; thence along said Center line, N89°49'10"E, a distance of 1267.44 feet, to the West 1/4 Corner of said Section 4; thence leaving said West 1/4 Corner along the East-West Center line of said Section 4, N89°31'07"E, a distance of 1127.65 feet; thence along the following four (4) courses:

1. N01°10'22"W, a distance of 890.06 feet;
2. S89°31'07"W, a distance of 1114.58 feet;
3. S89°49'10"W, a distance of 1333.11 feet;
4. S01°10'22"E, a distance of 890.13 feet, to a point on the East-West Center line of said Section 5;

thence along said Center line, S89°49'10"W, a distance of 4.65 feet, to the Center-East 1/16th Corner of said Section 5; thence along the East 1/16th line of said Section 5, N01°14'08"W, a distance of 2651.22 feet, to the East 1/16th Corner shared between said Section 5 and said Section 32; thence along the South line of said Section 32, N89°13'19"W, a distance of 1328.25 feet, to the South 1/4 Corner of said Section 32; thence along the North-South Center line of said Section 32, N01°43'12"W, a distance of 2615.20 feet, to the Center 1/4 Corner of said Section 32; thence continuing along said Center line, N01°41'21"W, a distance of 2638.43 feet, to the **POINT OF BEGINNING**.

Containing 76,697,657 Sq. Ft., 1,760.736 acres, more or less.

**TOGETHER WITH:**

The north 30 feet of the Northwest Quarter of Section 7, Township 15 South, Range 64 West, of the Sixth Principal Meridian, El Paso County, Colorado, contiguous on the south with the Right-of-Way conveyed under Reception Number 099131064.



Stewart L. Mapes, Jr.  
Colorado Professional Land Surveyor No. 38245

**Exhibit B**

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

**Decreed Groundwater Rights**

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

**Permitted Groundwater**

Permit No.: 114454  
Date of Permit: June 3, 1980  
Source: All unnamed aquifers  
Amount: max pumping rate is 15 gal./min., 1 AF/year  
Name of Owner: Norris Ranch Development, LLC  
Legal Description of Well or other structure: SW ¼ of the NE ¼, Sec. 4, Twp 15 S, R64W, 6<sup>th</sup> PM

Permit No.: 158263  
Date of Permit: March 20, 1991  
Source: Denver Aquifer  
Amount: 10 ga./min., 1 AF/year  
Name of Owner: Norris Properties LLC  
Legal Description of Well or other structure: SW ¼ of the NW ¼, Sec. 33, Twp 14 S, R64W, 6<sup>th</sup> PM

**Surface Water Rights**

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