

**ANNEXATION AND DEVELOPMENT AGREEMENT**  
**RUGER VENTURES LLC,**  
**a Colorado Limited Liability Company**

THIS AGREEMENT is made and entered into this 12<sup>th</sup> day of March, 2025

**A. PARTIES**

The parties to this Agreement are the TOWN OF GRAND LAKE, a Colorado municipal corporation, P.O. Box 99, Grand Lake, CO 80447 ("the Town") and THE MICHAEL PATRICK RUGER LIVING TRUST DATED 02/14/2011 AND THE LINDA ASHLEY RANDALL LIVING TRUST DATED 02/14/2011 (collectively "Ruger").

**B. RECITALS**

THIS AGREEMENT is entered into on the basis of the following facts, understandings and intentions of the parties:

1. The Town is a municipal corporation existing under the laws of the State of Colorado. Ruger is two revocable living trusts created under the laws of the State of Colorado.
2. Ruger is the owner of property located in Grand County, Colorado, described as follows:

A tract of land in the NE¼ NW ¼ of Section 5, Township 3 North, Range 75 West of the 6th P.M., more particularly described as follows:

Beginning at the North Quarter corner of said Section 5;  
thence North 88°55' West a distance of 178.84 feet along the North line of said Section 5 to the Northeasterly corner of the Grand Lake Water Treatment Plant Tract;  
thence S. 23°14'01" E. a distance of 154.84 feet along the Easterly boundary of said Treatment Plant Tract;  
thence along said Easterly boundary S. 16°28'43" W. a distance of 233.70 feet to the Southeasterly corner of said tract;  
thence N. 88°53'57" W. a distance of 130.0 feet along the South line of said Tract;  
thence S. 05°44' E. a distance of 489.03 feet to the Northwesterly corner of the Copeland Tract;  
thence S. 70°17' E. a distance of 100.00 feet along the Northerly line of the Copeland Tract to the Northeasterly corner of said Tract;  
thence S. 14°35' W. a distance of 100.00 feet along the Easterly line of said Tract to the Northerly line of the U.S. Government Tunnel Road R.O.W.;  
thence S. 70°17' E. a distance of 106.2 feet along said R.O.W. line to A.P. 166A;  
thence S. 63°54' E. a distance of 75.91 feet along said R.O.W. line to the North and South centerline of said Section 5;  
thence N. 01°32' E. a distance of 1047.22 feet along said centerline to the Point of Beginning (the "Ruger Property").

3. Ruger, as owner of the Ruger Property, is entitled to petition for annexation of said land to



the Town of Grand Lake pursuant to the provisions of C.R.S. §31-12-101, et seq.

4. Ruger desires to annex the Ruger Property to the Town and has submitted an Annexation Petition for that purpose. It is the contemplation of the Parties that this Agreement will be entered into before or at the same time as the Town adopts an ordinance or ordinances annexing the Ruger Property to the Town. However, this Agreement shall not become effective until thirty (30) days after publication of the ordinance(s) annexing and zoning the Ruger Property. If such ordinance(s) annexing and zoning the Ruger Property are published on or before April 23, 2025, then this Agreement may be declared null and void, at the election of either party.
5. The parties desire to set forth in this Agreement their agreements relative to the annexation and zoning of the Ruger Property.
6. Sections 31-12-121, et seq., C.R.S., *inter alia*, authorizes the Parties to enter into this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the Town and Ruger, the parties agree as follows:

C. TERM OF AGREEMENT

The term of this Agreement shall be from the effective date of this Agreement as provided in Section B4 above for a period of three (3) years. After the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect; provided, however, such termination shall not affect (a) annexation of the Ruger Property into the Town; (b) any vested rights obtained prior to such termination and contemplated to continue after such termination; or (c) any right arising from Town permits, approvals or other entitlements for the Ruger Property which were granted or approved prior to, concurrently with, or subsequent to the approval of this Agreement and that were contemplated to continue after termination of this Agreement.

D. VESTED RIGHTS

1. Sections 24-68-101, et seq., C.R.S., “the Vested Rights Statute,” provides for the establishment of vested property rights in order to ensure reasonable certainty, stability, and fairness in the land use planning process and in order to stimulate economic growth, secure the reasonable investment-backed expectations of landowners, and foster cooperation between the public and private sectors in the area of land use planning. The Vested Rights Statute has been implemented by the Town through the procedures set forth in the Town Code.

1. Pursuant to the provisions of the Vested Rights Statute and applicable sections of the Town Code, the parties find that the Development Plan set forth in Section F, below, as well as the final plats obtained pursuant to such Development Plan and the zoning contemplated by this Agreement, collectively constitute a site specific development



plan for the purposes of developing the Ruger Property, vesting in Ruger the right to develop the Ruger Property pursuant to such site specific development plan.

2. The vested rights associated with the Ruger Property, as set forth in this Section, shall run with the land and shall remain in effect throughout the term of this Agreement. No other vested rights are created or intended to be created by this Agreement, or any of the other documents relating to the Ruger Property. Upon expiration or termination of this Agreement all vested rights shall expire, except as otherwise expressly provided.
3. The Town finds the three (3) year duration of such vested property rights to be warranted in light of all relevant circumstances, including, but not limited to, the substantial size of the Ruger Property, the scale and phasing of the development, economic cycles and market conditions.
4. The Developer waives any prior vested property rights acquired in Grand County so long as the Property remains annexed into the Town.

#### E. ZONING

Pursuant to Chapter 12, Article 2 of the Grand Lake Town Code, Ruger has requested that, upon annexation, the Ruger Property be zoned Single-Family Residential High Density (RSH). Parcels already within the town limits of the Town of Grand Lake which are adjacent to the Ruger Property to the south are all zoned RSH. A Zoning Map evidencing the adjacent lots is attached hereto as **Exhibit A**. If an ordinance adopting such zoning classifications for the Ruger Property is not finally adopted by the Town concurrently with the adoption of the ordinance annexing the property, then Ruger may withdraw its petition for annexation, if the annexation is not yet final, or if such petition cannot be withdrawn, then the Town shall repeal and rescind the annexation of the Property upon Ruger's request made within thirty (30) days after the adoption and publication of the annexation ordinance and expiration of any period allowed by law for filing a referendum petition with respect to such ordinance. Thereupon, this Agreement shall be null and void and of no further effect.

#### F. DEVELOPMENT PLAN

Ruger shall develop the Ruger Property in accordance with this Agreement, Town ordinances and regulations, and applicable state and federal laws and regulations.

Ruger anticipates that the Property will eventually be subdivided into no more than nine parcels. The actual development plan is not included now inasmuch as it is dependent upon the approval of the Petition for Annexation and the approval of the requested zoning. Ruger acknowledges that further permits and approvals will be necessary when the development plans are finalized.



## G. SERVICES

### Water

It is anticipated that water service will be provided to the Property by the Town of Grand Lake. There is a water main which crosses the Property under CR 633. A number of taps must be purchased based upon the number of lots which will be created on the Property. The applicant agrees to quit claim any underlying ground water rights associated with the property pursuant to Grand Lake Municipal Code Section 10-1-5 (D).

### Sewer

The parties anticipate that sewer treatment services will be provided by the Three Lakes Water and Sanitation District. There is currently a sewer main which runs adjacent to the east boundary line of the Property. It is anticipated that taps must be purchased based upon the number of lots in the final development plan.

### Roads

County Road 633, a dirt road, currently crosses the Ruger Property to access the Town water plant and a trailhead to Rocky Mountain National Park. Beneath the road is an existing water main, which will be protected through the design and development process. To the extent possible, the road will be brought up to Town Standards, without impacting the current infrastructure. The parties agree that geographical consideration make it likely impractical to bring this road to Town Standards. Specifically, the road may not be able to be paved or be brought to a grade of 8% or less. The applicant continues to work with the Fire Department as well. Drainage in the shoulder will be improved to accommodate a one percent annual chance flood event. The Rocky Mountain trailhead and water plant access easement will remain in place.

### Other Services

After the effective date of this Agreement, the Town agrees to provide the Ruger Property such other municipal services currently provided within the Town and on terms and conditions on which such services are provided generally to other comparable properties within the Town. These provisions shall not be construed as a limitation upon the authority of the Town to adopt different ordinances, rules, regulations, resolutions, policies or codes which change charges or costs for any service or class of service or any other charges so long as they apply throughout the Town uniformly or to the class of service uniformly or to all users of a particular utility system, such as a particular water stem or sewer system, uniformly.

## H. DEFAULT AND REMEDIES

1. If the Town alleges that Ruger is in default under this Agreement and Ruger does not cure that default within thirty (30) days following written notice from the Town, the Town shall be entitled to the following remedies which shall be cumulative: (1) injunctive relief; (2) specific performance; (3) withholding of any pending applications or approvals, including but not limited to subdivision



applications, building permits, certificates of occupancy, initial or final acceptance of improvements; and (4) any other remedies permitted under the Town's Subdivision Regulations, the Town Code, or otherwise available at law or in equity, except damages. The Town shall extend the cure period if the nature of the default is such that it cannot reasonably be remedied within thirty (30) days, provided Ruger commences the corrective action within thirty (30) days and diligently pursues such correction thereafter.

2. If Ruger alleges the Town is in default under this Agreement and the Town does not cure its default within thirty (30) days following written notice from Ruger, Ruger will be entitled to the following remedies which shall be cumulative: (1) injunctive relief; (2) specific performance; and (3) any other remedies available at law or in equity, except damages. Any remedies available to Ruger shall be limited by the then existing governmental immunity act. Ruger shall extend the cure period if the nature of the default is such that it cannot reasonably be remedied within thirty (30) days, provided the Town commences corrective action within thirty (30) days and diligently pursues such correction thereafter.

## I. MISCELLANEOUS

1. Town Fees, Costs and Expenses. Ruger hereby agrees to pay all fees, costs, and expenses associated with the negotiation, preparation, review and approval of this Agreement and the initial zoning of the Ruger Property. Such fees, costs and expenses shall include, but are not limited to engineering, planning, surveying, administrative, and legal fees, as well as reimbursement for Town staff time. In addition, Ruger shall reimburse the Town for all fees, costs, and expenses incurred by the Town in connection with or relating in any manner to implementing this Agreement or the zoning or the development of the Ruger Property after it has been annexed to the Town, including but not limited to engineering, planning, surveying, administrative, and legal fees, as well as reimbursement for Town staff time, and all recording costs and the costs of making corrections or additions to the official town map. Full payment shall be made by Ruger for all amounts provided for in this Section within ten (10) days of billing. Ruger agrees to pay all building fees, permit fees, use taxes, impact fees, and excise taxes as established by Town ordinance at the time this Agreement is executed and such additional fees and taxes as may be in effect at any time during the development of the Ruger Property. The Town may withhold any plat or site plan approval or withhold the issuance of any permits for construction or occupancy for failure to reimburse the Town for fees, costs and expenses or failure to pay Town fees or taxes, as provided herein or in the Town Code. All fees recited in this Agreement shall be subject to amendment by the Town by ordinance so long as any such amendment is Town-wide in application. Any such amendment to the fees shall be deemed incorporated into this Agreements as if originally set forth herein. The obligation of Ruger to pay the fees, costs and expenses as set forth in this section shall survive any termination or expiration of this Agreement. In addition to any other remedies available to the Town, in the event Ruger fails or refuses to pay the fees, costs and expenses incurred by the Town as provided in this section, the parties hereby agree that to the extent permitted by law, the Town can certify such outstanding and unpaid amounts to the Grand County Clerk and/or Assessor, to be levied as a lien against the Property in the same manner as delinquent taxes, and such levy shall include the unpaid amounts, as well as all attorney fees, costs and other expenses incurred by the Town or Grand County in collecting such funds. If any fees, costs or expenses or other funds owed by Ruger to the Town remain unpaid for a period of one (1) year or more, then the Town may (1) vacate any subdivision plat approved by the Town at or after the time of annexation to the extent no building permits for new structures have been built on the property and/or (2) withdraw approval of any site plan approved by the Town after annexation to the extent no building has been constructed based on such site plan. The remedies set forth in this Section shall be in addition to



the remedies set forth in the Default and Remedies, above.

2. The Town agrees that the fees charged by the Town for the annexation, and initial zoning of the Ruger Property shall be consistent with the amount of the normal and customary fees payable under the Town's ordinances. Actual fees paid to the Town for review of the annexation and initial zoning application shall be capped at \$5,000.00. In the event this \$5,000.00 cap is reached before the annexation and initial zoning of the Ruger Property is completed, the Town shall cease further processing of all pending matters, unless and until further agreement is reached between the Parties regarding additional fees and charges to be paid by Ruger.

3. Each and every element of this Annexation and Development Plan is an integral and necessary part of the whole plan for purposes of the development and use of the Ruger Property. Further, it is both parties' desire that all of the details of Ruger's Annexation and Development Plan be agreed upon prior to any approvals, acceptances or permits being granted. All of the necessary approval processes in connection with this plan, namely, annexation, rezoning, major subdivision, minor subdivision and conditional use permit shall proceed concurrently, and each shall be conditioned upon the approval of the other applications. If any of the applications referenced in this Plan is rejected or denied by the Town, or cannot be agreed upon, then all applications shall be deemed withdrawn.

4. Time is of the essence with respect to the performance of each party's obligations hereunder. However, neither party shall be liable for delays or failures to perform due to acts of God, strikes, civil commotions, epidemics, quarantines, freight embargos, or other causes of similar nature not reasonable within such party's control.

#### 5. Referendum

In the event that the ordinances to be considered by the Town relative to the annexation, initial zoning and initial development of the Ruger Property become the subject of a citizen petitioned referendum, the ordinances subject to such referendum, and this Agreement shall be suspended pending the outcome of the referendum. If the result of the referendum election is to reject such annexation, zoning or development, all of the provisions contained herein shall be null and void and of no effect, and such rejection shall be deemed a "failure to serve" pursuant to Section 31-12-119, C.R.S., but shall not be deemed to be a default by the Town under Section H. and remedies provided in Section H. shall not be available. Conversely, if the result of such referendum election is to affirm such annexation, zoning and development, the Ruger Property shall be deemed finally annexed and zoned and the development thereof approved, whereupon this Agreement shall become effective and the parties shall be bound by all of the terms and conditions contained herein as of the effective date of this Agreement. If Ruger does not consent to the repeal of the annexation, zoning and development of the Ruger Property in response to such a referendum, then the parties agree to cooperate in the defense of the annexation, zoning and development of the Ruger Property and Ruger agrees to reimburse the Town for all costs and attorneys' fees in defending and participating in such referendum, including but not limited to the costs of the referendum election.

#### 6. Recording of Agreement and Binding Effect

This Agreement, shall be recorded with the Clerk and Recorder in Grand County, Colorado, shall run with the land, and shall be binding upon and inure to the benefit of the heirs, successors and assigns



of the parties hereto; provided, however, that no individual residential unit within the Ruger Property that has been sold to an individual lot owner, other than Ruger, shall have any obligation or liability of any kind under this Agreement. This Agreement shall not constitute an encumbrance or cloud on title on any such individual residential units included in the Ruger Property. Ruger shall pay all recording fees for the recording of this Agreement.

7. Entire Agreement

This Agreement and the adopting ordinance of the Town embodies the whole agreement of the Parties. This Agreement shall supersede all previous communications, representations, or agreements either verbal or written between the parties hereto. The exhibits are incorporated into and made a part hereof.

8. Notice

Any notice required or permitted under this Agreement will be deemed to be received when delivered personally in writing or five (5) days after notice has been deposited with the U.S. Postal Service, postage prepaid, certified and return receipt requested, and addressed as follows:

To Ruger:

Michael Ruger, Trustee  
Linda Ashley Randall, Trustee  
5160 Redwood Dr.  
Bow Mar, CO 80123

With a copy to:

Noriyuki & Parker, P.C.  
P.O. Box 949  
Granby, CO 80446

To Town:

Grand Lake Town Manager  
Post Office Box 99  
Grand Lake, CO 80447

With a copy to:

Scotty P. Krob, Town Attorney  
8400 E. Prentice Ave., Penthouse  
Greenwood Village, CO 80111

Either party may change the address to which notice is to be sent by providing notice in the manner set forth in this Section H.7.

9. Cooperative Drafting

This Agreement is the product of a cooperative drafting effort by the Town and Ruger and shall not be construed or interpreted against either party solely on the basis that one party or its attorney drafted this Agreement or any portion of it.

10. Severability

The fact that any portion of this Agreement may be held to be unenforceable shall not affect the enforceability of the remaining portions thereof, but shall be reformed by a court of competent jurisdiction to the extent necessary to make said portion enforceable.

11. Amendment

This Agreement cannot be modified or revoked except by an instrument in writing signed by the Town and Ruger.

12. No Third Party Beneficiaries

Except as otherwise provided herein, nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any legal person other than the Parties, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all of the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Parties shall be for the sole and exclusive benefit of the Parties. Nothing in this Agreement is intended to interfere with the agreements of the Parties with third parties.

13. Continued Authority of Town

This Agreement are intended to prescribe a general plan for the use and development of the Ruger Property. However, except as expressly provided herein this Agreement does not supplant the Town's land use regulations and other ordinances and regulations as they relate to the Ruger Property and shall not be construed to limit the authority of the Town to adopt different ordinances, resolutions, regulations, rules, policies or codes so long as they apply throughout the Town uniformly or to classes of individuals or properties uniformly.

The provisions of this Agreement reflect the requirements of the Town's utilities at the time of annexation of the Ruger Property. These provisions shall not be construed as a limitation upon the authority of the Town to adopt different ordinances, rules, regulations, resolutions, policies or codes which change charges or costs for any service or class of service or any other charges so long as they apply throughout the Town uniformly or to the class of service uniformly or to all users of a particular utility system, such as a particular water system or sewer system, uniformly.

Except as otherwise expressly provided in this Agreement the establishment of vested property rights under this Agreement shall not preclude the application on a uniform and non-discriminatory basis of Town regulations of general applicability (including, but not limited to, building, fire, plumbing, electrical and mechanical codes) as all of such regulations exist on the date of this Agreement or as they may be enacted or amended after the date of this Agreement.

**IN WITNESS WHEREOF**, the parties have hereunto subscribed their signatures

**APPROVED:**

**TOWN OF GRAND LAKE**

By: \_\_\_\_\_  
Steve Kudron, Mayor



Dated: \_\_\_\_\_

**ATTEST:**

**TOWN OF GRAND LAKE**

By: \_\_\_\_\_

Alayna Carrell

Town Clerk

Dated: \_\_\_\_\_

STATE OF COLORADO    )  
                                  ) SS  
COUNTY OF GRAND    )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2025 by Steve Kudron, as Mayor, and Alayna Carrell, as Town Clerk, of the Town of Grand Lake, a Colorado municipal corporation.

My Commission Expires: \_\_\_\_\_  
Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

**APPLICANT:**

**THE MICHAEL PATRICK RUGER  
LIVING TRUST DATED 02/14/2011**



By: [Signature]  
Michael P. Ruger, Trustee

Dated: March 12, 2025

THE LINDA ASHLEY RANDALL  
LIVING TRUSTE DATED 02/14/2011

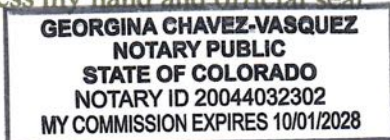
By: [Signature]  
Linda A. Randall, Trustee

Dated: March 12, 2025

STATE OF COLORADO )  
COUNTY OF Arapahoe ) SS

The foregoing instrument was acknowledged before me this 12 day of March, <sup>G.C.V. 2025</sup>~~2024~~, at 5:32 p.m. by Michael P. Ruger as Trustee of the Michael Patrick Ruger Living Trust dated 02/14/2011.

My Commission Expires: 10-01-2028  
Witness my hand and official seal

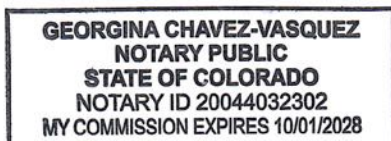


[Signature]  
Notary Public

STATE OF COLORADO )  
COUNTY OF Arapahoe ) SS

The foregoing instrument was acknowledged before me this 12 day of March, <sup>G.C.V. 2025</sup>~~2024~~, at 5:32 p.m. by Linda A. Randall as Trustee of the Linda Ashley Randall Living Trust dated 02/14/2011.

My Commission Expires: 10-01-2028  
Witness my hand and official seal.



[Signature]  
Notary Public