

ANNEXATION IMPACT REPORT

for the

BEN LOMAND MOUNTAIN VILLAGE ANNEXATION INTO THE TOWN OF PALMER LAKE

Prepared for the:

TOWN OF PALMER LAKE

**GMS, Inc.
Consulting Engineers**

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BEN LOMAND MOUNTAIN VILLAGE ANNEXATION
INTO THE TOWN OF PALMER LAKE

PROJECT NO. 17071.123

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PREPARED FOR THE:

TOWN OF PALMER LAKE
28 VALLEY CRESCENT
PALMER LAKE, CO 80133

PREPARED BY:

GMS, INC.
CONSULTING ENGINEERS
611 NORTH WEBER, SUITE 300
COLORADO SPRINGS, COLORADO 80903

TELEPHONE: (719) 475-2935
TELEFAX: (719) 475-2938

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PURPOSE

This Annexation Impact Report (AIR) has been prepared for the Town of Palmer Lake regarding the Ben Lomand Mountain Village annexation proposed by the United Congressional Church (property owner). The data and information in this AIR is, in part, based on the limited documentation received to date by the Town of Palmer Lake regarding this property which is proposed for annexation. Due to the limited documentation that has been received as of the preparation of this AIR, exact data may not be known at this time and generalizations and assumptions have been made where appropriate to address the needs of this AIR.

BACKGROUND

Based on the documents received, the proposed area to be annexed is approximately 181.5 acres in size. It generally lies south of County Line Road, West of Indi Drive, and north and west of Capella Drive. All four of the parcels included in this area have a current El Paso County zoning of RR 5, and are proposed to be rezoned once annexed into the Town to RE Estate Zone in accordance with the Town of Palmer Lake zoning ordinances. The proposed future development of the annexed area is described as large lot, single family residential development on a minimum lot size of 2.5 acres. Ben Lomand Mountain runs through the southwest and south portions of the area to be annexed. That area is anticipated to remain in its natural state, rather than being developed for residential housing, due to the mountain's steep terrain, rock ledges and heavy tree cover.

The following figures have been included at the end of this AIR to illustrate the pertinent details of the area proposed for annexation. Figure No. 1 illustrates the existing corporate boundaries of the Town of Palmer Lake, as well as the boundary of the proposed area to be annexed. Figure No. 2 displays the current roadways and water mains within the vicinity of the area to be annexed. Other infrastructure and utilities have not been detailed as they are outside of the Town's public service responsibility. If provided by public systems, sanitary sewer service would be provided through the Palmer Lake Sanitation District, electric service would be provided by CORE Electric Cooperative, and natural gas service would be provided by Black Hills Energy. Figure No. 3 is a zoning map exhibit, prepared from the information included in the property owner's documentation submitted to the Town. The figure illustrates and describes the current and proposed zoning and land uses of the area to be annexed, as well as the for the immediately adjacent lands.

PUBLIC SERVICES

The Town of Palmer Lake is a statutory town in El Paso County, Colorado. Current Town Municipal Codes prescribe the process and requirements associated with the annexation of property into the Town of Palmer Lake. One of those requirements is an Annexation Agreement. As this process is in its early stages for the proposed area to be annexed, only a preliminary Annexation Agreement is available at this time. This preliminary agreement is included at the end of this AIR. The agreement will be refined as the annexation process proceeds, and a final executed agreement will be completed in accordance with the annexation process requirements.

The following public services are currently provided by the Town of Palmer Lake to its citizens; administrative services, police protection, fire protection, roadway maintenance and snow plowing, drainage maintenance for public facilities within public rights-of-way, and potable water service. Due to the proposed large lot arrangement indicated by the owner of the area to be annexed, extension of the Town's public services to the area can be accommodated with little impact. No site plan or conceptual development plan has been received for the area to be annexed. However, the limited documentation received indicates a sizable portion of the area to be annexed encompasses a portion of Ben Lomand Mountain. This area consists of steep terrain, sharply sloping topography, rock outcroppings, rock ledges and heavily treed slopes. A large portion of this terrain is anticipated to be undeveloped and therefore remain in its natural state. This fact combined with the proposed minimum lot size of 2.5 acres, results in the anticipated residential development being only a very small fraction of the population currently served by the Town's public services.

Based on the terrain conditions described above, it was assumed that a total area of approximately 130 acres may be available for development. Accounting for land dedications and rights-of-way for roads and other utilities or infrastructure of roughly 20% of that total area, that leaves a remaining buildable area of around 104 acres. Applying the minimum lot size of 2.5 acres to those 104 acres available, a total of approximately 41 lots could be developed in the area proposed to be annexed. Equating the average household size of Palmer Lake, currently at 2.4 persons per household, to those lots results in a total maximum population of 98 people. This is an increase in total Town population of less than 4%. For school aged children under 18 years of age, currently at approximately 11% of total Town population, the increase in student aged population for this area may be roughly 11 children. These are approximated assumptions for reference only, the Town has not received this detailed information as of yet to confirm any of the assumed values. As the annexation and development processes proceed, the actual numbers may vary from those estimated in this AIR.

Regarding police protection services, the Town currently employs five full-time police officers. These full-time officers are also supported by a number of part-time and reserve officers. The current staffing and facilities of the Palmer Lake Police Department are believed to be more than adequate to accommodate service to the proposed area to be annexed. Similarly, the Palmer Lake Fire Department employs four full-time staff, seven part-time staff and approximately 15 volunteers. Statistical information maintained for the Department over the years indicates that in 2022 the average response time for arrival on the scene was just over five minutes. Such an excellent response time strongly indicates that the Department is well staffed and is not stretched beyond their capabilities; and therefore, can adequately serve the proposed area to be annexed.

Regarding the public services of administration, roadway maintenance and snow plowing, drainage maintenance and potable water service, the area to be annexed will impose little to no effect on these services. The administrative efforts required to serve the new development would include the same services currently provided by the Town's administrative personnel. As a result, this would be a very minor addition to current workloads, and can be accommodated by the current staffing plan. The owner of the area to be annexed is proposing a homeowners' association (HOA) for the community. The HOA would govern the community and assume the responsibilities for maintenance of the new roadways and drainage system which will be constructed to serve the residential development. As such, minimal to no maintenance will be required by Town staff with regard to the roadways and drainage systems within the community. The Town may assume maintenance responsibility of that portion of County Line Road that abuts the area proposed for annexation. In that instance, the Town's current staffing and equipment are

fully capable of assuming that responsibility, as they are currently performing the same maintenance roles on portions of County Line Road that already lie within the Town's corporate boundary.

With regard to the potable water service provided by the Town, the area to be annexed plans to serve the future residential developments with individual wells and septic systems. This is due to the distant proximity of existing central water and wastewater systems to the area proposed for annexation. Therefore, there is no impact anticipated to the Town's public water system (public sewer system service would fall under the Palmer Lake Sanitation District and not the Town). Based on the assumptions outlined above, should public water service be extended to the annexation area, the Town's water resources, treatment facilities, distribution system and staffing would accommodate the future residential development of large lot RE Estate Zone parcels. All new infrastructure required to serve potable water to the area to be annexed must be designed and installed according to Town standards. The financing of any such new infrastructure would be the sole responsibility of the developer. The Town, in accordance with current Municipal Codes, would not finance any new infrastructure required by the new development.

ADDITIONAL CONSIDERATIONS FOR FUTURE DEVELOPMENT

In accordance with the Town of Palmer Lake Municipal Codes and standard protocol for development reviews and processing, a complete drainage study will be required for this area when developed. Drainage is a critical consideration in any development, and is of particular concern to the Town due to the steep slopes and mountainous terrain which is prevalent in the area. The Town has been issued a Municipal Separate Storm Sewer System (MS4) permit by the Colorado Department of Public Health and Environment, Water Quality Control Division. Under this permit, the Town is obligated to meet certain water quality standards of stormwater that is collected within the corporate boundaries and discharged to local water bodies. Once annexed, the proposed area would be included within the corporate boundaries of the Town, and therefore under the jurisdiction of the Town's MS4 regulations. The appropriate drainage evaluations and recommended improvements must be addressed in a drainage study to ensure the Town can remain compliant with their MS4 permit.

In addition to the drainage study, a traffic impact study will also be required when the area to be annexed is developed. This, too, is part of the Town's Municipal Code protocol for developments. The traffic study must evaluate the existing traffic conditions and the subsequent impact to those conditions should the area be fully developed as described. The appropriate recommendations must be made by the study in order to address the added traffic volumes and provide for the appropriate level of service and safety for traffic through the area. As the area to be annexed abuts the southern right-of-way of County Line Road, the annexation will impact the maintenance responsibility of County Line Road, which currently lies with El Paso County. The area's relatively close proximity to the I-25 / County Line Road interchange may also require additional considerations for the potential impact to that interchange and the existing CDOT infrastructure serving the interchange. Due to these points, and other points that may become apparent in the future, both the El Paso County Engineering Department and the Colorado Department of Transportation will be involved in the review of the drainage study and the traffic impact study.

It is also recommended that any future development of the area to be annexed include considerations of trails and connectivity between open spaces and mountain access points. The Ben Lomand Mountain Trail extends into the southwestern corner of the area proposed for annexation. The area is also in close

proximity to the New Santa Fe Regional Trail, the Santa Fe Open Space and the Ben Lomand Mountain Candidate Open Space identified by the El Paso County Department of Parks and Community Services. Maintaining appropriate recreational access and preserving the natural attributes of this specific area will be a strong consideration in any future development. Public trail easements may also be considered to ensure long-term protection and public enjoyment of the natural resources of the area. Future development plans must address these items and the El Paso County Department of Parks and Community Services will join the Town in the review of those documents.

SPECIAL DISTRICTS AND PUBLIC SCHOOLS

The area proposed to be annexed into the Town of Palmer lake does not currently include any known existing special districts within its borders. The area is contained within the boundaries of Lewis-Palmer School District 38. According to the school district's website, the area to be annexed would be served by the Palmer Lake Elementary School, the Lewis Palmer Middle School and the Palmer Ridge High School. The limited documentation received on the future development of the area to be annexed did not include an estimate of total residential units to be developed, nor did it estimate the potential number of students which may reside in the development. Based on the assumptions described earlier, approximately 11 student aged residents may be added by the development. Evenly distributing this between the elementary, middle and high schools serving the area results in a nominal addition of less than four students per school. At such low levels, new capital construction to accommodate the new students would not be anticipated as the existing schools would be able to absorb the new students within current staffing and infrastructure.

DRAFT ANNEXATION AGREEMENT

ANNEXATION AGREEMENT (BEN LOMAND MOUNTAIN VILLAGE ANNEXATION)

THIS ANNEXATION AGREEMENT ("AGREEMENT") is made and entered into as of the last date below undersigned. The parties to this Agreement are the Town of Palmer Lake, a Colorado statutory town ("TOWN") and The United Congregational Church, a Colorado nonprofit corporation ("DEVELOPER"). The Town and the Developer may be referred to herein in the singular as "PARTY" or collectively as "PARTIES."

RECITALS

This Agreement is entered into in reliance on 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.
2. Developer is a duly organized nonprofit corporation, existing and in good standing under the laws of the State of Colorado.
3. Developer owns 181.5 acres, more or less, of real property located in unincorporated El Paso County, as described or depicted in **Exhibit A**, attached hereto and incorporated herein by reference ("SUBJECT PROPERTY"), which due to its unincorporated status is currently subject to El Paso County ("COUNTY") zoning regulations.
4. Developer also owns 163.0 acres, more or less, of real property that is contiguous to the Subject Property but situated within the municipal boundaries of Palmer Lake, as described or depicted in **Exhibit B**, attached hereto and incorporated herein by reference ("INCORPORATED PROPERTY").
5. Developer desires to ultimately cause the Subject Property and the Incorporated Property (together, the "COMBINED PROPERTY," comprising 344.5 acres, more or less) to be developed with single family dwelling units and associated accessory uses, and church and religious facilities and associated accessory uses (including, but not limited to youth centers, educational institutions, retreats, and houses of prayer).
6. Developer and Town agree that annexation of the Subject Property into the Town, in order to allow for development of the Combined Property as contemplated by this Agreement will provide economic growth opportunities, elevate property values, widen the range of housing opportunities, and potentially increase future tax revenues to the Town; that the annexation will also promote other public purposes and benefits; and that accordingly, the Town Board of Trustees ("BOARD") desires to effectuate the annexation of the Subject Property and provide assurances to the Developer as to the future development of the Subject Property and Combined Property.
7. On or about [DATE], Developer filed a Petition for Annexation of the Subject Property into the Town pursuant to C.R.S. § 31-12-107 ("PETITION").

8. On or about [DATE], the Town determined that the Petition is in substantial compliance with the requirements of C.R.S. § 31-12-107(1).

9. Town and Developer desire concurrent annexation and initial zoning of the Subject Property, and agree that the annexation ordinance and initial zoning ordinance will be processed and voted upon within ninety (90) calendar days of Town's receipt of complete applications for annexation and rezoning.

10. The Board and Developer agree that the annexation will not become final unless and until all of the following conditions are met, and Developer is relying upon the assurances provided by such representations in maintaining its Petition:

a. The Board approves an ordinance establishing the initial zoning for the Subject Property as Residential Estate ("RE") (formerly known as R1 Estate), and the application of same to further applications for development approval for the Subject Property shall be modified as provided herein; and

b. The Board approves an ordinance rezoning the Incorporated Property to Residential Estate ("RE") (formerly known as R1 Estate), and the application of same to further applications for development approval for the Incorporated Property shall be modified as provided herein.

11. According to the Colorado Court of Appeals, C.R.S. § 31-12-108.5(1)(b) contemplates that annexation agreements are a routine step in the annexation process for determining the terms upon which annexation will be accomplished.

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 the Developers, the parties agree as follows:

I. Definitions.

The words and phrases used in this Agreement have the meanings that are set forth in the above recitals and in this Section, and where not so defined, the ordinances of the Town in effect on the date of mutual execution of this Agreement.

1. The phrase "Accessory Dwelling Unit" means a building or part of a building in which complete and independent living facilities are provided for one or two people, including permanent provisions for living, sleeping, eating, cooking, and sanitation, which is located on the same lot (and may be located within the same building) as a single-family detached dwelling unit, and which is clearly subordinate in scale to the single-family detached dwelling unit.

2. The phrase "Annexation Date" means the date on which the annexation that is contemplated by this Agreement becomes legally effective in accordance with C.R.S. § 31-12-113(2)(a)(II)(A).

3. The phrase “Commencement Date” means the date of mutual execution of this Agreement, or the date Developer files its petition for annexation of the Subject Property, whichever is later.

4. The word “Developer” means The United Congregational Church, a Colorado nonprofit corporation, its successors, or its assigns (to the extent that same own any portion of the Subject Property in fee-simple). Notwithstanding the foregoing, the word “Developer” does not include purchasers of individual platted lots (whether residential or non-residential), purchasers of condominium units (if any), or holders of security interests in the Subject Property or a portion thereof.

5. The word “Development” means the subdivision of land that is subject to this Agreement, the site planning of land that is subject to this Agreement, or the construction of improvements upon said land, each or all to facilitate or provide for the Intended Uses.

6. The phrase “Intended Uses” means those uses of the Combined Property that are contemplated by this Agreement, as set out in Recital 5, above.

7. The phrase “Master Plan” means the plan adopted by the Town for guiding and controlling the physical development of land use and circulation in and around the Town of Palmer Lake, as adopted pursuant to C.R.S. § 31-23-101, et seq.

8. The phrase “Single-Family Detached Dwelling Unit” means a building that is separated from other buildings, within which complete and independent living facilities for one household are provided, including permanent provisions for living, sleeping, eating, cooking, and sanitation. A single-family detached dwelling unit may also include an accessory dwelling unit.

9. The phrase “Subdivision Regulations” means those regulations adopted by the Town pursuant to C.R.S. § 31-23-201, et seq., and contained in the Town Code, as the same may be amended from time to time by ordinance of general applicability throughout the Town.

10. The word “Term” means the term of this Agreement, as set out in Section II hereof.

11. The phrase “Town Code” means the Municipal Code of the Town of Palmer Lake, as adopted and as amended from time to time by the Board.

II. Term of Agreement.

1. Sections III, IV, VI, VIII, IX, X, XI, XII, XIII, XIV, and XV of this Agreement are effective upon the Commencement Date. Annexation shall be completed within six months after the Commencement Date (“ANNEXATION DEADLINE”). If annexation is not completed by the Annexation Deadline, Developer and Town may agree to postponement of the Annexation Deadline to a date certain in their sole discretion, or Developer may pursue the remedies set out in Section XIII.

2. Commencing on the Annexation Date, all of this Agreement shall become effective, and the Term of this Agreement shall be fifteen (15) years. After the expiration of the Term, this Agreement shall terminate and be of no further force and effect; provided, however, such termination shall not affect:

- a. The incorporated status of the Subject Property or the Incorporated Property or any part thereof, as it then exists;
 - b. Any vested property rights (either statutory or common law) obtained during the Term and contemplated to continue after termination;
 - c. Any rezoning or allowed land uses that were permitted during the Term; or
 - d. Rights arising from Town permits, approvals, or other entitlements for the Subject Property, Incorporated Property, or Combined Property that 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, including but not limited to any rights obtained through final plat and subdivision of the Property, site plans, or development agreements, however titled.
3. Alternatively, upon full performance of all terms herein, the Parties may agree to record an acknowledgment that this Agreement is fully performed and therefore terminated.

III. Consent to Annexation.

1. Developer has petitioned or will promptly petition for the annexation of the Subject Property described and depicted in the attached **Exhibit A**. Developer hereby consents to the annexation of the Subject Property, subject to the terms of the Petition for Annexation and this Agreement, including but not limited to the contingencies specified in Section IV, below.

2. The Town shall enter into this Agreement prior to approval by the Board of the annexation, and the Parties agree that the binding effect of this Agreement and the effectiveness of the annexation and zoning of the Subject Property in accordance with the Developer's application is expressly conditioned upon such approval by the Board and the execution and delivery of this Agreement by all Parties.

IV. Contingencies.

1. The following contingencies ("CONTINGENCIES") shall be satisfied, or alternatively, waived in writing by the Developer, prior to the completion of the Annexation as provided in C.R.S. § 31-12-113(2)(a):

a. The Board approves an ordinance establishing the initial zoning for the Subject Property as Residential Estate ("RE") (formerly known as R1 Estate), the application of which shall be subject to the terms set forth herein; and

b. The Board approves an ordinance rezoning the Incorporated Property to RE Estate (formerly known as R1 Estate), the application of which shall be subject to the terms set forth herein.

2. The Parties acknowledge that until the Contingencies have been satisfied, or alternatively, waived in writing by Developer, this Agreement shall be subject to the Developer's right to withdraw the Petition in accordance with applicable law until the date of enactment of the Annexation Ordinance.

3. If the Contingencies are not satisfied, or alternatively, waived in writing by Developer, on or prior to the date that is sixty (60) days after the date of adoption of the Annexation Ordinance, the Town shall mark all copies of the Annexation Map "VOID," and shall not cause the Annexation Ordinance or Annexation Map to be delivered to the El Paso County Clerk and Recorder. The Town shall promptly provide the Developer with written certification by the Town Clerk of the Town's compliance with this requirement.

4. If and only if the Contingencies are timely satisfied, or alternatively, waived in writing by Developer, the Town shall promptly record with the El Paso County Clerk and Recorder this Agreement, the Annexation Ordinance, and the Final Annexation Map for the Subject Property, and shall take such other steps as required by Colorado law, including C.R.S. § 31-12-113(2)(a), to finalize the Annexation. All copies of the Annexation Map shall contain a note that the Subject Property is subject to this Agreement.

5. If Developer withdraws the Petition or if the Contingencies are not timely satisfied, or alternatively, waived in writing by Developer, then Developer may thereafter petition the Town Board and / or petition the District Court for El Paso County for disconnection of the Incorporated Property (described in **Exhibit B**) from the Town pursuant to C.R.S. § 31-12-701, *et seq.* ("DISCONNECTION PETITION"). Town agrees that it will not oppose a judicial Disconnection Petition under any circumstances and will not take any action or fail to take any action that would result in unreasonable delay of the disconnection proceedings.

6. Developer acknowledges that the annexation and zoning of the Subject Property are subject to the plenary legislative discretion of the Board and the rights of initiative and referendum reserved unto the citizens of the Town. No assurances of annexation or zoning have been made or relied upon by Developer. However, if the contingencies of this Section IV are met, then upon annexation the terms of this Agreement, specifically including (but not limited to) Section V, below, shall bind the parties for the Term of this Agreement.

V. Post-Annexation Obligations of the Town; Use and Development of Subject Property; Applicable Regulations, Generally.

1. Except as otherwise provided in this Agreement, upon annexation, all subsequent development and use of the Subject Property shall be in general conformity with the Master Plan and in compliance with the requirements of the Town Code. The Town may amend, replace, supplement, or repeal the Master Plan and Town Code from time to time in its sole and absolute discretion, subject only to the limitations of state law, the Constitution of the State of Colorado, and the Constitution of the United States. All Town Code provisions now in existence, and as the same may be adopted, amended, or repealed from time to time, shall be applicable to the development and use of the Subject Property, except as modified by this Agreement.

2. Upon the Annexation Date, and for the Term of this Agreement, and notwithstanding anything to the contrary in the Town Code, Developer shall have the right to:

a. Subdivide the Combined Property into not more than 80 lots for the purposes of constructing single-family detached dwelling units; and

b. Develop one single-family detached dwelling unit per lot, as well as such accessory dwelling units as may be permissible by Town Ordinance or Colorado law; and

c. Develop up to the balance of the Combined Property (that is not used for single-family residential uses) for churches and religious facilities and associated accessory uses (including, but not limited to youth centers, educational institutions, retreats, and houses of prayer) or comparable facilities that must be provided "equal terms" pursuant to the Religious Land Use and Institutionalized Persons Act ("RLUIPA"), 42 U.S.C. § 2000cc. Such uses shall be permitted "as-of-right" and shall not be subject to conditional use permit review.

d. Utilize all or part of the Combined Property for any other purpose allowed by the Residential Estate ("RE") Zone District (formerly known as R1 Estate) as of the Effective Date of this Agreement, in accordance with the Town Code. The land uses that are allowed within the RE Zone District are specified in the Town Code. No different or additional uses shall be permitted on the Combined Property unless approved by the Town pursuant to the requirements and procedures set out in the Town Code and applicable state law.

e. Provide access to subdivided lots by way of private streets, which may (at Developer's sole option) be secured by gates, and which may be constructed at grades of up to 10 percent, in general, and grades of more than 10 percent, but not more than 12 percent, in segments of 300 feet or less. Except as modified herein, the dimensions and design of private streets shall be the same as the Town requires for public streets.

f. Provide parking for residential and non-residential uses as set forth in the Town Code as it existed on the Effective Date of this Agreement, or, if a future Town Code allows less parking, Developer may waive this right and opt to comply with the Town Code in effect at the time of Developer's application for development approval.

g. Establish individual lot areas and setbacks to suit the types and sizes of single-family detached dwelling units that Developer desires to construct, provided that: (a) lot areas and setbacks are sufficient to accommodate a private well or onsite wastewater treatment system, or both, if centralized water or centralized sewer service, or both, are not provided to the lot; (b) lot areas and setbacks are sufficient to allow for emergency access as required for fire protection; (c) all buildings are constructed in accordance with then-applicable building and fire codes; and (d) the gross density of the Combined Property at build-out does not exceed two principal dwelling units per five acres of land, with fractions rounded up.

3. Developer shall not be obligated to provide more open space than the Town Code requires as of the Effective Date of this Agreement.

4. Developer may, in Developer's sole discretion, propose to develop the Combined Property in phases. The Town agrees phased development of the Combined Property is appropriate. Developer may designate planning areas for phased development (or sub-phases), and may develop more than one planning area simultaneously.

5. The Town shall not impose new exactions, dedication requirements, or impact fees upon development within the Combined Property that are not set out in the Town Code as of the Effective Date of this Agreement.

6. Notwithstanding anything to the contrary in the Town Code from time to time regarding subdivision review procedures, during the Term of this Agreement, the process for Town review of subdivision applications pertaining to the Combined Property will be no more burdensome than the process set forth in this Section V.6., which summarizes Town Code requirements as of the Effective Date of this Agreement.

a. Each application for approval of a preliminary subdivision plat or a final subdivision plat shall be reviewed for completeness by the Town Administrator or his, her, or their designee within ten days after submission. Applications shall be deemed to be complete unless the Town notifies the Developer in writing within such ten day period that the application is incomplete and specifies the additional materials that need to be submitted in order to complete the application. The time periods for review that are set out in subsections V.6.b. and V.6.c. do not commence until a complete application has been submitted.

b. Review of applications for preliminary subdivision plat approval by the Planning Commission at a public hearing shall be conducted within 30 days after submission of a complete application for preliminary plat approval. The Town shall ensure that the hearing is properly noticed, including required public notice to adjacent property owners to the extent required by Town Code, and certified letters to surface owners, mineral owners, lessees of mineral owners, to the extent required by state law. Upon determination that an application is deemed complete, the application shall be electronically referred to interested agencies (e.g., via email, file transfer service, or similar protocol). Thereafter, the agencies shall have a comment period not to exceed 21 days following the date of the referral.

c. Review of applications for final plat approval by the Planning Commission shall be conducted within 30 days after submission of a complete application. The Town shall ensure that the hearing is properly noticed, including required public notice to adjacent property owners to the extent required by Town Code, and certified letters to surface owners, mineral owners, lessees of mineral owners, to the extent required by state law. Review and approval, approval subject to conditions, or denial of the final plat by the Board of Trustees shall occur at the next regular meeting of the Board of Trustees after the Planning Commission provides its recommendation.

d. Unless consented to by Developer, none of the hearings contemplated by this process may be continued for a period of more than 30 days. The time limits for such processes shall not be increased beyond those described above.

e. Developer shall not be required to utilize Planned Unit Development procedures in order to exercise the rights that are conferred by this Agreement.

7. The rights conferred under this Agreement do 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) that are not specifically contrary to the terms of this Agreement and that do not prevent the rights conferred by this Agreement from being exercised, 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. The Developer does not waive its right to oppose the enactment or amendment of any such ordinance, resolution, or regulation on the same basis that any other member of the public could present such opposition.

8. Except as provided in Section V.7., above, this Agreement does not create any particular rights with regard to signage, lighting, or landscaping, except that plans for same may, at Developer's option, be limited to each phase of development that is the subject of a particular development approval.

9. The Board shall terminate the lease between the Town and Palmer Lake Sports Riders for all of the land owned by the Town that is subject to said lease (generally located to the Northwest of the Incorporated Property and bounded on the West by County Line Road, hereinafter "Town Property") within 90 days after the Town approves the first preliminary plat for the Subject Property, Incorporated Property, or Combined Property. There will be a respectful mutual agreement between the Parties regarding the Town Property in advance of any development, leasing, or sale of same.

VI. Land Dedications and Water Rights.

1. No water rights will be exchanged, nor tap fees charged, as part of the Annexation, rezoning, or development of the Combined Property. Developer may retain any and all underlying groundwater rights associated with the Combined Property, and shall be entitled to use said groundwater at Developers' discretion in accordance with Colorado law, notwithstanding the provisions of Town Code § 13.40.040 or any other provision of the Town Code.

2. To the extent the Town Code requires, or Developer volunteers, dedications of land to the Town, or if the Town elects to condemn any portion of the Subject Property, the underlying groundwater and mineral rights of the land to be dedicated or condemned shall remain with the Developer or its successor in title at the time of such dedication or condemnation.

VII. Infrastructure and Municipal Services.

1. Generally. Town agrees to provide the Combined Property with such municipal services that it currently provides within the Town, and on terms and conditions on which such services are provided generally to other properties within the Town, except that the Parties agree that the Town will not provide water, sewer, or roadway service and maintenance to the Combined Property because it is contemplated that the Intended Uses will be served by:

a. As to water, individual wells or some other system to be installed, maintained, owned, and operated by the Developer, Owners' Association, or Special District formed by the Developer, at no cost to the Town;

b. As to sewer, onsite wastewater treatment systems ("OWTS") or a private or publicly owned sanitary sewer collection and treatment system to be created by the Developer, Owners' Association, or Special District formed by Developer, or other sanitation district with capacity and willingness to provide service, at no cost to the Town; and

c. As to roadway service and maintenance, private roads that are constructed and maintained at no cost to the Town.

The provisions of this Section VII shall not be construed as a limitation upon the authority of the Town to adopt ordinances, rules, regulations, resolutions, policies, or codes that impose or 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. Developer is solely responsible for permits and approvals that are required for OWTS or sewer services that are not provided by the Town.

2. Potable Water. Although individual domestic water wells are contemplated, Developer may install a potable water system for purposes of serving lots within the Subject Property or Combined Property. The potable water system and the water rights associated therewith shall remain the property of Developer following annexation and will not be transferred to the Town. Developer may assign its rights and obligations under this Section VII.2. to an Owners' Association or Special District formed by Developer.

3. Non-Potable Water. Developer may install a non-potable water system for purposes of irrigating landscaping. The non-potable water system and the water rights associated therewith shall remain the property of Developer following annexation and will not be transferred to the Town. Developer may assign its rights and obligations under this Section VII.3. to an Owners' Association or Special District formed by Developer.

4. OWTS. The Town will not prohibit or object to OWTS on the Combined Property. Developer shall install, maintain, repair, and replace OWTS in compliance with applicable regulations, including but not limited to county and state regulations that are in effect at the time of such installation, maintenance, repair, or replacement. All OWTS shall be inspected and approved by the County Health Department according to its rules.

5. Alternative Sewer Service Arrangements. In the alternative to OWTS, Developer may elect to create a Special District or connect to facilities provided by an existing sanitation district with the capacity and willingness to serve. The Developer acknowledges that on the Commencement Date, the Town is not able to provide sewer service, and the Developer has the duty to provide for wastewater treatment to serve the Intended Uses.

6. Roads. Developer shall be responsible for construction, maintenance (including snow removal), and repair of all roadways located within the Combined Property, at no cost to the Town. Developer shall not be responsible for reconstruction, maintenance (including snow removal), or repair of streets lying outside of the limits of the Combined Property, including but not limited to County Line Road. However, if based upon a traffic study or otherwise, it is determined that construction within the County Line Road right-of-way is necessary to provide for adequate ingress to or egress from the Subject Property, the construction of such entrance, exits, acceleration or deceleration lanes or otherwise, will be the responsibility of Developer. Developer may assign its rights and obligations under this Section VII.6. to an Owners' Association or Special District formed by Developer.

7. Other Utilities. Developer is responsible for providing necessary services to the Subject Property in terms of electricity, natural gas, and telecommunications, at no cost to the Town, and acknowledges that easements and servitudes in the Combined Property may be required in order to provide same.

8. Drainage.

a. The Parties acknowledge that the Subject Property is subject to MS4 regulations and requirements. Developer will submit a plan for compliance to the Town during the subdivision process for the filing or phase that is the subject of the subdivision application prior to the initiation of any development of the Subject Property. Proposed development shall comply with the Town's MS4 requirements.

b. The plan associated with each Final Plat or phase of development shall address the drainage needs of the area that is subject to such Final Plat or phase as well as the drainage needs between the area that is subject to such Final Plat and other areas of the Combined Property. The specific drainage plan shall be subject to review and approval by the Town as provided by Town Code.

c. In the event that a discharge permit under the Clean Water Act (33 U.S.C. § 1251, *et seq.*) or any other discharge permit is required by a federal, state or local governmental agency, Developer shall be responsible for obtaining such permits without cost to the Town.

d. The Developer shall own and maintain all drainage facilities. The Town shall never be required to accept any responsibility for maintenance of any drainage facilities or drainage improvements within the Subject Property. Developer may assign its rights and obligations under this Section VII.8.d. to an Owners' Association or Special District formed by Developer.

VIII. Covenants, Conditions, and Restrictions; Owners' Associations; and Special Districts.

1. Developer reserves the right to impose covenants, conditions, and restrictions ("CCRs") upon all or any portion of the Combined Property, and to form one or more Owners' Associations for all or any portions of the Combined Property, which may assume responsibilities for collecting common expenses and enforcing CCRs.

2. Developer reserves the right to form upon all or any portion of the Combined Property one or more special districts or quasi-municipal political subdivisions for providing public utilities and facilities, including constructing, maintaining, and repair of roadway, water lines, sanitary sewer lines, and/or other infrastructure for the benefit of all or any portion of the Combined Property. The Town agrees to cooperate with the Developer in good faith with respect to the creation of such special districts or quasi-municipal political subdivisions.

IX. Annexation Impact Report (C.R.S. § 31-12-108.5).

The parties recognize that C.R.S. § 31-12-108.5 requires the Town to "prepare an impact report concerning the proposed annexation" ("IMPACT REPORT") unless the requirement is waived by the

County. Town shall provide Developer with the opportunity to review and comment on the Impact Report, but Developer shall not be responsible in any manner for the preparation of the Impact Report. Further, the Town represents to Developer that the Town has confirmed with the County that the County's position is that except with regard to being entitled to delivery of the Impact Report, the County is not otherwise a participant in the annexation process.

X. Agricultural Use.

The Combined Property is currently being used in part for agricultural purposes. After annexation, Developer may continue to use any or all of the Combined Property for agricultural purposes regardless of its zoning, with the exception of platted lots upon which a single-family home either exists or is under construction.

XI. No Obligation to Develop.

Developer cannot warrant that the Subject Property, Incorporated Property, or Combined Property will be developed for the Intended Uses by any particular date. As such, this Agreement will not be construed to create any obligation (express or implied) upon Developer to commence the use of the Subject Property, Incorporated Property, or Combined Property for the Intended Uses. Developer will not have liability arising under this Agreement to the Town, or to any other third-party, for failure to commence development for the Intended Uses.

XII. Cooperation.

The Parties agree that they will cooperate with one another in accomplishing the terms, conditions, and provisions of this Agreement, and will execute such additional documents and perform such functions and tasks as necessary to effectuate the same, including but not limited to creation and execution of agreements referenced herein. Developer will provide legal documents, surveys, engineering work, newspaper publication, maps, reports, and other documents necessary to accomplish the annexation and initial zoning of the Subject Property and the other provisions of this Agreement, in a timely manner.

XIII. Default, Notice and Cure, and Remedies

1. If a Party alleges that the other Party is in default under this Agreement, the Party shall provide the other Party with written notice of same ("NOTICE OF DEFAULT"). The Party who is alleged to be in default shall have thirty (30) days following receipt of the Notice of Default ("CURE PERIOD") to cure the alleged default. The Cure Period shall be extended if the nature of the default is such that it cannot reasonably be cured within thirty (30) days, provided that Party who is alleged to be in default commences the corrective action within thirty (30) days and diligently pursues such cure thereafter.

2. If Developer fails to cure an alleged default within the Cure Period, Town may seek any or all of the following remedies: (a) injunctive relief; (b) specific performance; (c) withholding of any pending applications or approvals, including but not limited to Final Plans, subdivision applications, building permits or certificates of occupancy, to the extent such applications and approvals relate to the Developer that is alleged to be in default; and (d) any other remedies

permitted under the Subdivision Regulations, the Town Code, or otherwise available at law or in equity, other than damages. Nothing herein shall be interpreted to prevent Developer from defending against allegations of default, including but not limited to asserting that no default has occurred, or asserting that the alleged default has been cured.

3. If Town does not cure an alleged default within the Cure Period, including but not limited to ensuring that the provisions of Sections IV, V, VI, and VII are applied during development review, Developer may seek any or all of the following remedies: (a) injunctive relief; (b) specific performance; (c) disconnection of the Subject Property, the Incorporated Property, or the Combined Property; and (d) any other remedies available at law or in equity, other than damages. Developer acknowledges that remedies may be limited by the Colorado Governmental Immunity Act to the extent it may be applicable.

XIV. Agreement to Run with the Land.

This Agreement shall constitute a covenant running with the land. This Agreement shall be binding on the Developer and future assigns of the Developer and all other persons who may purchase or hold fee-simple title to any portion of the Subject Property from the Developer or any persons hereinafter having any interest in the Subject Property or portion thereof. In the event that all or a part of the Subject Property is sold, transferred, or otherwise conveyed to additional or multiple parties, all owners of any portion of the Subject Property after such sale, transfer or conveyance shall be jointly and severally liable for all the obligations required by this Agreement.

XV. Miscellaneous.

1. Notice. Any notice required or permitted under this Agreement will be deemed to be received when delivered by electronic mail or 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 Developer

Roger Sung, President of Board of Directors
United Congregational Church
3195 County Line Road
Monument, CO 80132

With a copy to

Todd G. Messenger, Esq.
Fairfield and Woods, P.C.
1801 California Street, Ste. 2600
Denver, CO 80202

With a copy to

Matthew J. Buster
Manhard Consulting
7600 E. Orchard Road, Ste. 150-N

To Town

Dawn A. Collins, Town Administrator
Town of Palmer Lake, Colorado
42 Valley Crescent, P.O. Box 208
Palmer Lake, CO 80133

With a copy to

Matthew Z. Krob, Esq., Town Attorney
Krob Law Office, LLC
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.

2. Choice of Law. In all litigation arising out of this Agreement, the statutory and common law of the State of Colorado shall be controlling, and venue shall be in the District Court of El Paso County.

3. No Third Party Beneficiaries. Nothing in this Agreement is intended to or shall create a contractual relationship with, cause of action in favor of, or claim for relief for, any third party. Absolutely no third party beneficiaries are intended by this Agreement and any third party receiving a benefit from this Agreement is an incidental and unintended beneficiary only.

4. Interpretation. Nothing contained in this Agreement shall constitute or be interpreted as a general repeal of any provision of the existing Town Code or as a waiver or abrogation of the Town's legislative, executive, administrative, or judicial governmental or police powers to promote and protect the health, safety, or general welfare of the Town or its inhabitants.

5. Conflicts with Town Code. In the event of an inconsistency between the Town Code and the more specific provisions that have been negotiated in connection with the Development and are reflected in this Agreement, the provisions of this Agreement shall govern and take precedence over the Town Code.

6. Severability; Amendment. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, it is the intention of the Parties that any such covenant, term, condition, or provision may be modified or amended by a court to render it enforceable to the maximum extent permitted by the laws of the State of Colorado. If such modification or amendment is not practicable, it is the intention of the Parties that such covenant, term, condition, or provision be severed from this Agreement with no effect upon the remaining provisions of this Agreement provided that the intention of this Agreement is carried out without a substantial alteration in the rights and responsibilities of the Parties hereto. This Agreement may be amended only by an instrument in writing signed by the Town and Developer.

7. Referendum. In the event that the ordinances to be considered by the Town relative to the annexation and zoning of the Subject 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 or zoning, all of the provisions contained herein shall be null and void and of no effect, Developer shall have the option to seek disconnection of the Incorporated Property, and if the Town Board refuses to disconnect the Incorporated Property, the Town specifically waives its right to oppose a petition for judicial disconnection. Conversely, if the result of such referendum election is to affirm such annexation and zoning, the Subject Property shall be deemed finally annexed and zoned, and the Parties shall remain bound by all of the terms and conditions contained herein.

8. Entire Agreement. This Agreement, the Petition, and the Development and Vested Rights Agreement embody the whole agreement of the Parties with respect to the terms and

conditions of annexation of the Subject Property. This Agreement shall supersede all previous communications, representations, or agreements either verbal or written between the parties hereto with respect to such matters. If adopted by the Town, the parties agree that the ordinances approving annexation and initial zoning of the Subject Property may contain additional matters pertinent to the integration of the Property into the Town and development of the Property, provided that same are not inconsistent herewith and do not frustrate the development of the Combined Property for the Intended Uses.

9. Assignment.

a. This Agreement runs with the land, and Town consent is not required for successors in title to become obligated under this Agreement. Developer may also assign its rights and obligations hereunder in whole or in part to ground lessees of the Subject Property or any portion thereof with the Town's written permission, which permission will not be unreasonably delayed or withheld. No such assignment shall release the Developer from any obligations imposed upon it by this Agreement, including restrictions on the Subject Property, unless a specific release has been given by the Town Manager in writing. The Town may, but shall not be obligated to, release the Developer or the Subject Property from any or all requirements hereunder; however, any such release shall not become effective until it is executed by the Town Manager and recorded in the real property records of El Paso County.

b. The liabilities and obligations under this Agreement of a transferee, grantee, assignee or successor of Developer will run with the land but extend only to liabilities and obligations that relate to the specific property acquired, and shall not impose any liabilities or obligations relating to other portions of the Subject Property. All such persons and entities shall be deemed to have had actual and constructive notice of the provisions of this Agreement and of their obligations and liabilities arising under it, as a consequence of their purchase of all or a portion of the Subject Property subsequent to the date of recording of this Agreement in the records of the Clerk and Recorder of El Paso County, Colorado. Likewise, as the result of such sale or transfer by Developer, Developer shall be relieved of the liabilities and obligations relating solely to the specific real property sold and that have no effect or impact, either direct or indirect, on any of the other portions of the Subject Property over which Developers still have obligations or liabilities under this Agreement.

10. Colorado Governmental Immunity Act. Nothing in this Agreement is intended to waive, expressly or by implication, the monetary limitations or any rights, immunities, or protections provided to the Town by the Colorado Governmental Immunity Act (C.R.S. § 24-10-101, *et seq.*) ("CGIA") as amended from time to time. Similarly, nothing in this Agreement is intended to waive, expressly or by implication, Developer's right to assert that the CGIA does not apply in any given circumstance.

11. Costs of Preparation and Approval. To the maximum extent allowed by law, each party to this Agreement will bear its own costs with respect to the preparation, review, and approval of this Agreement.

12. Funds Availability. Financial obligations of the Town, if any, are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available. The Town does

not warrant that funds will be available to fund this Agreement beyond the fiscal year in which it is executed.

13. Counterparts; Electronic Delivery. This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement. Executed counterparts of this Agreement may be delivered by e-mail (pdf) or other electronic means (*e.g.*, DocuSign) and upon receipt will be deemed originals and binding upon the Parties, regardless of whether originals are delivered thereafter.

IN WITNESS WHEREOF, the Parties have hereunto subscribed their signatures.

FOR THE TOWN:

Town of Palmer Lake,
a Colorado statutory town

By: _____
Glant Havenar, Mayor

ATTEST:

By: _____
Dawn A. Collins,
Town Administrator / Town Clerk

Approved as to form:

By: _____
Matthew Z. Krob, Town Attorney

FOR DEVELOPER:

United Congregational Church,
a Colorado nonprofit corporation

By: _____
Roger Sung,
President of Board of Directors

State of Colorado }
 } ss:
County of El Paso }

The foregoing instrument was acknowledged before me this ____ day of _____, 2023, by Roger Sung, as President of Board of Directors of United Congregational Church, a Colorado nonprofit corporation.

Witness my hand and official seal:

My commission expires: _____

By: _____
Notary Public

EXHIBIT LIST

Exhibit A, Subject Property

Exhibit B, Incorporated Property

EXHIBIT A

Subject Property

DRAFT

EXHIBIT B

Incorporated Property

DRAFT

FIGURE NOS. 1 THROUGH 3

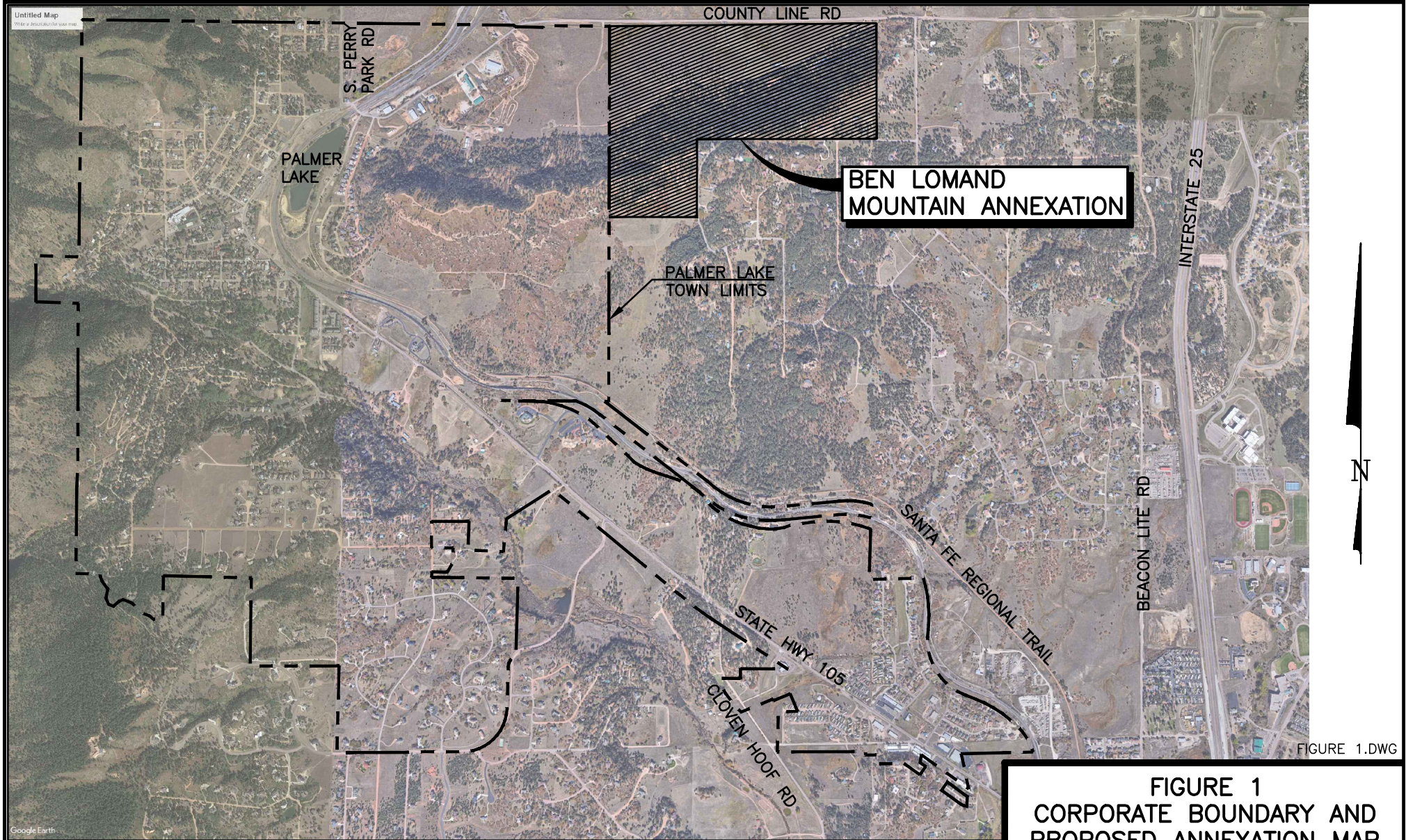


FIGURE 1
CORPORATE BOUNDARY AND
PROPOSED ANNEXATION MAP
TOWN OF PALMER LAKE

0' 2,000' 4,000'

SCALE: HORIZ. 1" = 2,000'

GMS, INC.
CONSULTING ENGINEERS
611 N. WEBER, SUITE 300
COLORADO SPRINGS, COLORADO 80903
JANUARY 2024

LEGEND

- OHE — OVERHEAD ELECTRIC LINE
- UGE — UNDERGROUND ELECTRIC LINE
- / — ELECTRIC LINE POWER POLE
- Gas — NATURAL GAS
- 6"W — POTABLE WATER MAIN w/ SIZE
- SS — SANITARY SEWER MAIN
- ○ — SANITARY SEWER MANHOLE

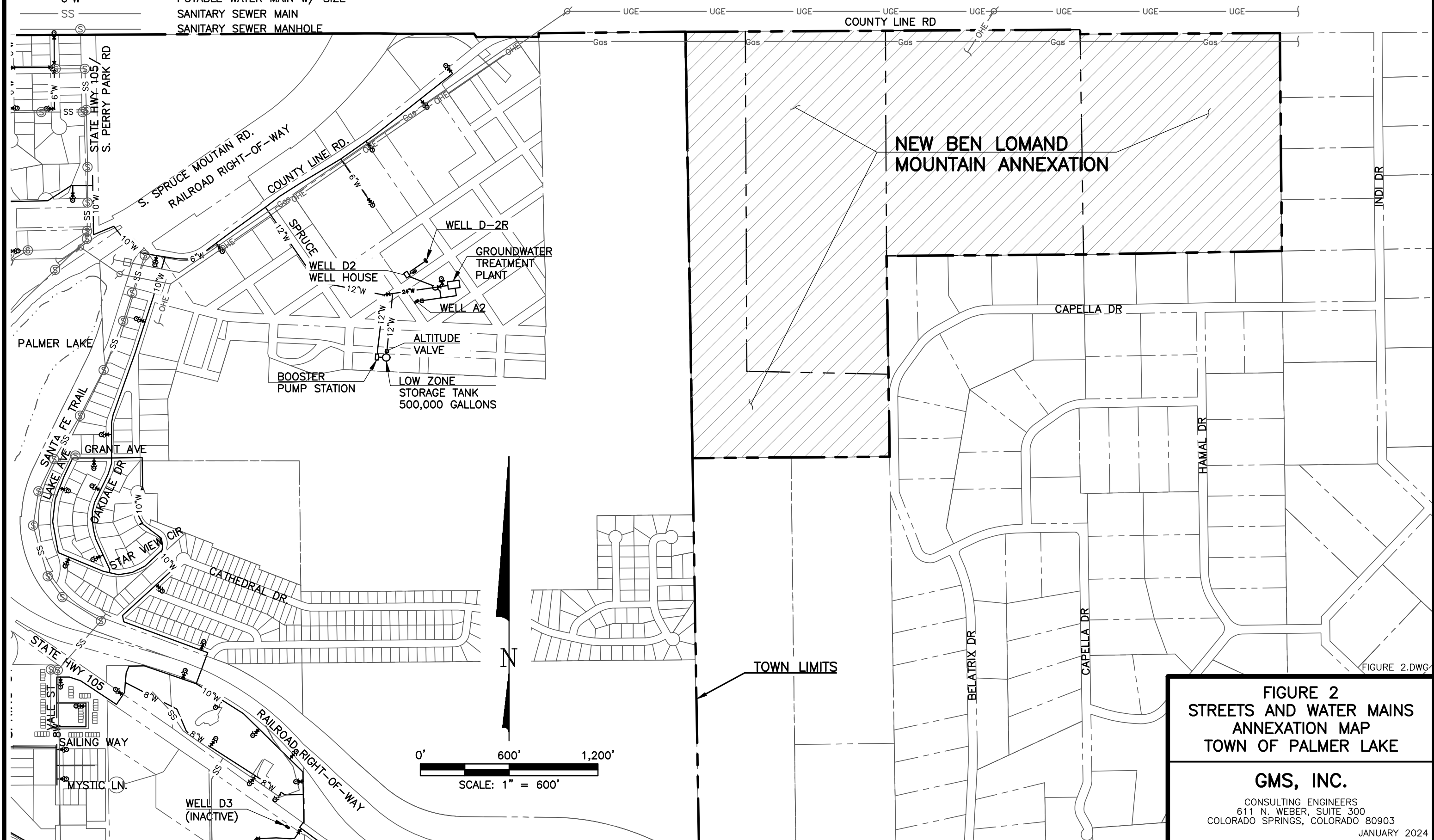


FIGURE 2.DWG

FIGURE 2
STREETS AND WATER MAINS
ANNEXATION MAP
TOWN OF PALMER LAKE

GMS, INC.
CONSULTING ENGINEERS
611 N. WEBER, SUITE 300
COLORADO SPRINGS, COLORADO 80903
JANUARY 2024

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ZONE: OS
DOUGLAS COUNTY BOCC
USE: EXEMPT - OPEN SPACE CONSERVATION

ZONE: A1
USE: AGRICULTURE

ZONE: A1
USE: AGRICULTURE

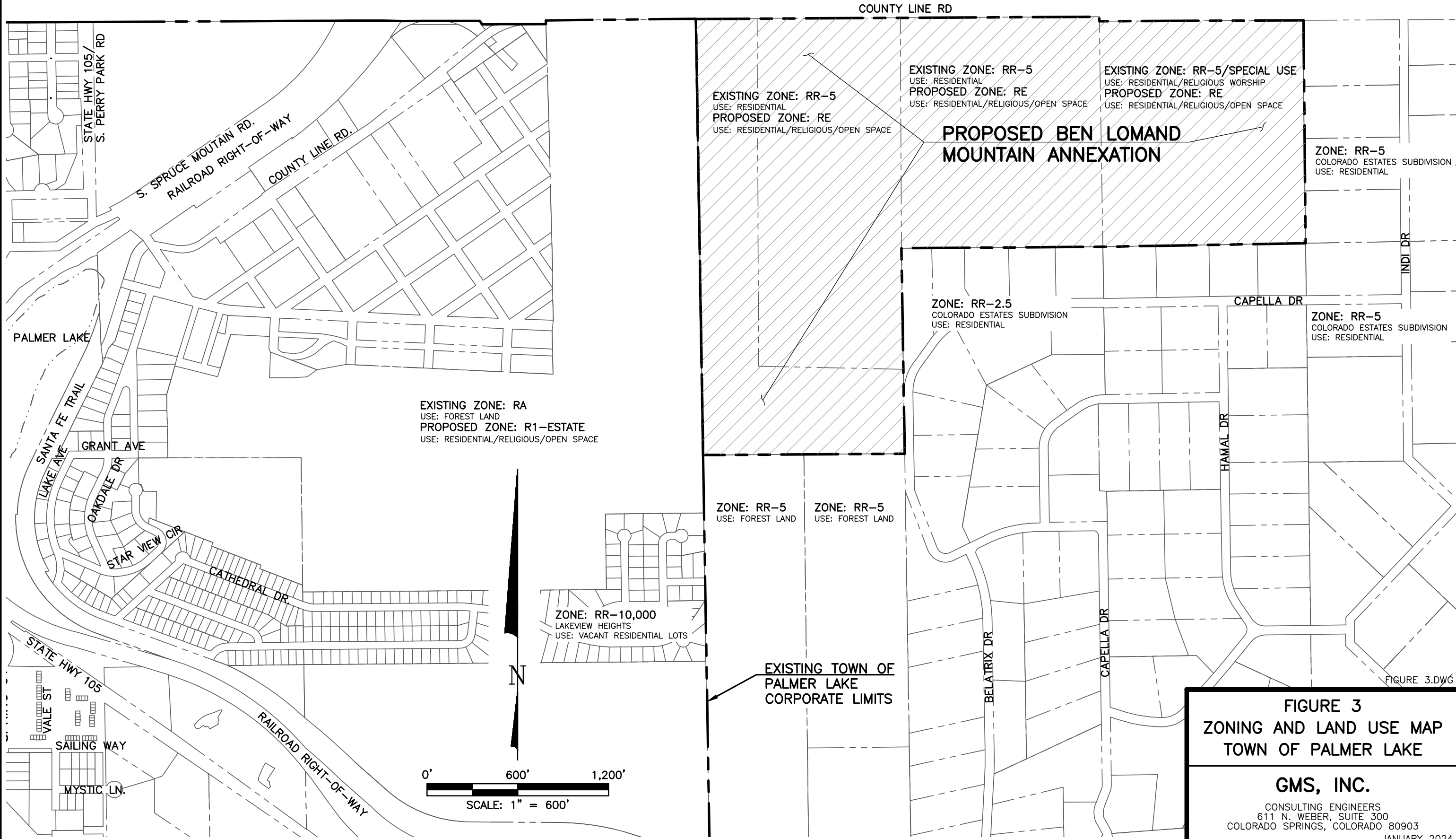


FIGURE 3.DWG

FIGURE 3
ZONING AND LAND USE MAP
TOWN OF PALMER LAKE

GMS, INC.
CONSULTING ENGINEERS
611 N. WEBER, SUITE 300
COLORADO SPRINGS, COLORADO 80903
JANUARY 2024