

DCB728920

191P  
\$629.<sup>00</sup>

ANNEXATION AND DEVELOPMENT CONTRACT

BETWEEN

THE TOWN OF CASTLE ROCK

AND

CP COMMERCIAL PROPERTIES, INC.

8728920 - 10/08/87 12:09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER  
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ANNEXATION AND DEVELOPMENT CONTRACT  
(CASTLE PINES COMMERCIAL ANNEXATION)

THIS AGREEMENT made this 29<sup>th</sup> day of January, 1987, by and between THE TOWN OF CASTLE ROCK, a Colorado municipal corporation, 318 Fourth Street, Castle Rock, CO 80104, hereinafter sometimes referred to as "TOWN", and CP COMMERCIAL PROPERTIES, INC., a Colorado corporation, 482 Happy Canyon Road, Castle Rock, CO 80104, hereinafter sometimes referred to as "DEVELOPER", is as follows:

WITNESSETH:

WHEREAS, DEVELOPER desires to annex and develop certain lands within the TOWN of Castle Rock, to be known as Castle Pines Commercial, more particularly described in Exhibit "A" (hereinafter "THE LAND" or "LAND"), attached hereto and made a part hereof; and

WHEREAS, the TOWN desires and is willing to allow the annexation and development of such LAND in accordance with the agreements and conditions hereinafter set forth:

WHEREAS, the parties hereto desire to set forth the respective duties and responsibilities of each with respect to the annexation and development of THE LAND;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

SECTION I.

PARTIES, ADDRESSES & NOTICE

1.1. TOWN. The TOWN OF CASTLE ROCK is a statutory municipal corporation organized and empowered in accordance with the statutory authority conferred upon it through the Colorado Revised Statutes.

1.2. DEVELOPER. The DEVELOPER is:

CP Commercial Properties, Inc.  
482 Happy Canyon Road  
Castle Rock, CO 80104

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WITNESSETH:

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WHEREAS, the TOWN desires and is willing to allow the annexation and development of such LAND in accordance with the agreements and conditions hereinafter set forth:

WHEREAS, the parties hereto desire to set forth the respective duties and responsibilities of each with respect to the annexation and development of THE LAND;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties agree as follows:

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Castle Rock, CO 80104

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1.3. OWNERS. The OWNERS of THE LAND are:

CP Commercial Properties, Inc.  
482 Happy Canyon Road  
Castle Rock, CO 80104

Castle Pines Estates, Ltd.  
482 Happy Canyon Road  
Castle Rock, CO 80104

1.4. ADDRESSES, NOTICE. The parties' addresses are as listed below. Any and all notices required to be given in accordance with this Agreement are deemed to have been given three (3) days following the date the same is deposited in the United States mail, first-class, postage prepaid, to the other party hereto at the addresses hereinafter noted, or to such other party or address as either party may designate in writing.

TOWN:

TOWN of Castle Rock  
318 Fourth Street  
Castle Rock, CO 80104

DEVELOPER:

CP Commercial Properties, Inc.  
482 Happy Canyon Road  
Castle Rock, CO 80104

OWNERS:

CP Commercial Properties, Inc.  
482 Happy Canyon Road  
Castle Rock, CO 80104

Castle Pines Estates, Ltd.  
482 Happy Canyon Road  
Castle Rock, CO 80104

With A Copy To:

Sherman & Howard  
4582 S. Ulster Street Parkway  
Suite 700  
Denver, CO 80237  
Attn: Rebecca L. Wilcox

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SECTION II.

ANNEXATION PREMISES

2.1. CONTIGUITY. DEVELOPER warrants to the TOWN that the LAND is contiguous, or can be lawfully brought into contiguity with the TOWN, and that all other further elements and conditions necessary for annexation have been met.

2.2. AUTHORITY. DEVELOPER further warrants that it has full ownership or control over the LAND and has full authority and power to enter into the within Agreement. In support thereof, DEVELOPER submits with its annexation petition, either a title commitment or an ownership and encumbrance certificate to the LAND.

SECTION III.

DEFINITIONS

3.1. ADMINISTRATIVE PROJECT AREA. The "ADMINISTRATIVE PROJECT AREA" shall mean a geographical area which has been agreed upon by TOWN and DEVELOPER as an appropriate area or phase for determining the amount of surety, if any, to be required to insure the completion of public improvements. ADMINISTRATIVE PROJECT AREAS may include all or any part of one or more areas described in any plat or site plan.

3.2. APPROVING DOCUMENTS. "APPROVING DOCUMENTS" shall mean and refer to those documents set forth in Section IV of this contract.

3.3. DEVELOPMENT CONTROL. "DEVELOPMENT CONTROL" shall mean the comprehensive supervision of construction of all improvements within an ADMINISTRATIVE PROJECT AREA as such supervision is necessary to insure conformity and compliance with the provisions of this contract, the Planned Unit Development Ordinance and Preliminary Site Plan adopted and approved contemporaneously with this contract, together with all subsequent approved Final Plats, Final Site Plans and modifications. DEVELOPMENT CONTROL shall be exercised by DEVELOPER, its successors, representatives, designees, agents and assigns.

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1.3. OWNERS. The OWNERS of THE LAND are:

CP Commercial Properties, Inc.  
482 Happy Canyon Road  
Castle Rock, CO 80104

Castle Pines Estates, Ltd.  
482 Happy Canyon Road  
Castle Rock, CO 80104

1.4. ADDRESSES, NOTICE. The parties' addresses are as listed below. Any and all notices required to be given in accordance with this Agreement are deemed to have been given three (3) days following the date the same is deposited in the United States mail, first-class, postage prepaid, to the other party hereto at the addresses hereinafter noted, or to such other party or address as either party may designate in writing.

TOWN:

TOWN of Castle Rock  
318 Fourth Street  
Castle Rock, CO 80104

DEVELOPER:

CP Commercial Properties, Inc.  
482 Happy Canyon Road  
Castle Rock, CO 80104

OWNERS:

CP Commercial Properties, Inc.  
482 Happy Canyon Road  
Castle Rock, CO 80104

Castle Pines Estates, Ltd.  
482 Happy Canyon Road  
Castle Rock, CO 80104

With A Copy To:

Sherman & Howard  
4582 S. Ulster Street Parkway  
Suite 700  
Denver, CO 80237  
Attn: Rebecca L. Wilcox

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SECTION II.

ANNEXATION PREMISES

2.1. CONTIGUITY. DEVELOPER warrants to the TOWN that the LAND is contiguous, or can be lawfully brought into contiguity with the TOWN, and that all other further elements and conditions necessary for annexation have been met.

2.2. AUTHORITY. DEVELOPER further warrants that it has full ownership or control over the LAND and has full authority and power to enter into the within Agreement. In support thereof, DEVELOPER submits with its annexation petition, either a title commitment or an ownership and encumbrance certificate to the LAND.

SECTION III.

DEFINITIONS

3.1. ADMINISTRATIVE PROJECT AREA. The "ADMINISTRATIVE PROJECT AREA" shall mean a geographical area which has been agreed upon by TOWN and DEVELOPER as an appropriate area or phase for determining the amount of surety, if any, to be required to insure the completion of public improvements. ADMINISTRATIVE PROJECT AREAS may include all or any part of one or more areas described in any plat or site plan.

3.2. APPROVING DOCUMENTS. "APPROVING DOCUMENTS" shall mean and refer to those documents set forth in Section IV of this contract.

3.3. DEVELOPMENT CONTROL. "DEVELOPMENT CONTROL" shall mean the comprehensive supervision of construction of all improvements within an ADMINISTRATIVE PROJECT AREA as such supervision is necessary to insure conformity and compliance with the provisions of this contract, the Planned Unit Development Ordinance and Preliminary Site Plan adopted and approved contemporaneously with this contract, together with all subsequent approved Final Plats, Final Site Plans and modifications. DEVELOPMENT CONTROL shall be exercised by DEVELOPER, its successors, representatives, designees, agents and assigns.

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3.4. OVERSIZING. "OVERSIZING" is that difference between the dimension or capacity reasonably required in any PUBLIC IMPROVEMENTS for the needs of the LAND to be served and that additional dimension or capacity which is required by TOWN.

3.5. PUBLIC IMPROVEMENTS. "PUBLIC IMPROVEMENTS" shall mean streets and street striping, curbs, gutters, sidewalks, bike paths, bridges, culverts, drainage structures, water and sewer mains, transmission and service lines, manholes, fire hydrants, sewage lift stations, non-electric traffic and street signs, street lighting and such other improvements which are to be built by the DEVELOPER and dedicated to TOWN.

3.6. REQUIRED PRIVATE AMENITIES. "REQUIRED PRIVATE AMENITIES" shall mean those private improvements built by the DEVELOPER and required by the TOWN as a condition of final plat or site approval and which are utilized as an offset on behalf of the DEVELOPER against necessary public land dedication or as a credit against fees owed.

3.7. WARRANTY. "WARRANTY" shall mean the express promise made by the DEVELOPER that such PUBLIC IMPROVEMENTS are and shall be free from defective materials and workmanship. The warranty period for streets, sidewalks, curbs, gutters and bikepaths, shall be two (2) years and all other PUBLIC IMPROVEMENTS shall be for a period of one (1) year from and after the date of their initial acceptance by TOWN (as used herein the term "initial acceptance" shall mean that acceptance by TOWN which will commence the one or two year warranty period). The WARRANTY extended by DEVELOPER shall be the exclusive WARRANTY with respect to PUBLIC IMPROVEMENTS constructed hereunder and shall be in lieu of all other warranties thereon, express or implied.

3.8. WET WATER. "WET WATER" is defined as actual raw water available to the TOWN which is reasonably capable of treatment to State Health Department potable standards and which is further available for delivery to the TOWN'S water system.

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SECTION IV.

APPROVING DOCUMENTS

4.1. DOCUMENTS. Concurrently with the execution of this Agreement, the TOWN is approving the following:

(a) Resolution No. 87-11, stating TOWN'S finding that the Petition for Annexation of the LANDS described in Exhibit "A" thereto substantially complied with Section 31-12-107(1) C.R.S., and stating the TOWN'S intent to annex such LANDS.

(b) Ordinance No. 87-11 annexing the LANDS described in Exhibit "A" hereto.

(c) Resolution No. 87-12, a resolution approving the execution of this Agreement;

(d) Ordinance No. 87-12, the Planned Development Ordinance;

(e) Preliminary Site Plan, dated December 15, 1986.

4.2. COLLECTIVE TITLE. All of the above documents shall be collectively referred to herein as the APPROVING DOCUMENTS.

SECTION V.

GENERAL TOWN OBLIGATIONS

5.1. UTILITY SERVICES, RATES. The TOWN shall provide to the LAND, water, sewer and irrigation services at the same rates, charges and fees (including development fees, other authorized fees and exactions) as charged to other users, similarly situated in TOWN, in accordance with this Agreement and Ordinances and Resolutions in effect at the time such charges are assessed. The TOWN shall insure that its utility service systems are adequate to provide necessary services to approved and developed areas within the LAND.

5.2. INSPECTIONS, LIABILITY. The TOWN agrees to perform inspections in a timely manner as requested and required, and to provide appropriate assistance, in order to

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3.4. OVERSIZING. "OVERSIZING" is that difference between the dimension or capacity reasonably required in any PUBLIC IMPROVEMENTS for the needs of the LAND to be served and that additional dimension or capacity which is required by TOWN.

3.5. PUBLIC IMPROVEMENTS. "PUBLIC IMPROVEMENTS" shall mean streets and street striping, curbs, gutters, sidewalks, bike paths, bridges, culverts, drainage structures, water and sewer mains, transmission and service lines, manholes, fire hydrants, sewage lift stations, non-electric traffic and street signs, street lighting and such other improvements which are to be built by the DEVELOPER and dedicated to TOWN.

3.6. REQUIRED PRIVATE AMENITIES. "REQUIRED PRIVATE AMENITIES" shall mean those private improvements built by the DEVELOPER and required by the TOWN as a condition of final plat or site approval and which are utilized as an offset on behalf of the DEVELOPER against necessary public land dedication or as a credit against fees owed.

3.7. WARRANTY. "WARRANTY" shall mean the express promise made by the DEVELOPER that such PUBLIC IMPROVEMENTS are and shall be free from defective materials and workmanship. The warranty period for streets, sidewalks, curbs, gutters and bikepaths, shall be two (2) years and all other PUBLIC IMPROVEMENTS shall be for a period of one (1) year from and after the date of their initial acceptance by TOWN (as used herein the term "initial acceptance" shall mean that acceptance by TOWN which will commence the one or two year warranty period). The WARRANTY extended by DEVELOPER shall be the exclusive WARRANTY with respect to PUBLIC IMPROVEMENTS constructed hereunder and shall be in lieu of all other warranties thereon, express or implied.

3.8. WET WATER. "WET WATER" is defined as actual raw water available to the TOWN which is reasonably capable of treatment to State Health Department potable standards and which is further available for delivery to the TOWN'S water system.

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SECTION IV.

APPROVING DOCUMENTS

4.1. DOCUMENTS. Concurrently with the execution of this Agreement, the TOWN is approving the following:

(a) Resolution No. 87-11, stating TOWN'S finding that the Petition for Annexation of the LANDS described in Exhibit "A" thereto substantially complied with Section 31-12-107(1) C.R.S., and stating the TOWN'S intent to annex such LANDS.

(b) Ordinance No. 87-11 annexing the LANDS described in Exhibit "A" hereto.

(c) Resolution No. 87-12, a resolution approving the execution of this Agreement;

(d) Ordinance No. 87-12, the Planned Development Ordinance;

(e) Preliminary Site Plan, dated December 15, 1986.

4.2. COLLECTIVE TITLE. All of the above documents shall be collectively referred to herein as the APPROVING DOCUMENTS.

SECTION V.

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5.2. INSPECTIONS, LIABILITY. The TOWN agrees to perform inspections in a timely manner as requested and required, and to provide appropriate assistance, in order to

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insure that all construction of public facilities and improvements and all construction of private improvements within the LAND meets all applicable TOWN minimum standards and design criteria. No such inspection or assistance shall pass or transfer any responsibility or liability from DEVELOPER to TOWN for workmanship or quality of the materials, for compliance with engineering or regulation requirements, or for any other liability. In other words, the TOWN makes no warranties based upon its inspections and waives no DEVELOPER liabilities thereon.

5.3. ACCEPTANCE OF PUBLIC IMPROVEMENTS AND PUBLIC LAND DEDICATION. The TOWN agrees to accept and maintain all required PUBLIC IMPROVEMENTS following acceptable inspection thereof, and all dedicated public lands, parks and open space. Inspection, acceptance and maintenance thereafter of such PUBLIC IMPROVEMENTS shall in no way serve to relieve or mitigate DEVELOPER'S full WARRANTY responsibility.

5.4. APPROVAL OF PRIVATE AMENITIES. The TOWN agrees to approve all required private improvements and amenities without acceptance of further responsibility thereon.

5.5. POLICE, OTHER GOVERNMENTAL SERVICES. The TOWN agrees to provide to the LAND police protection and all other available government services to the same extent and degree as TOWN is providing to all others similarly situated in the community.

5.6. TOWN COOPERATION. The TOWN agrees to fully cooperate and assist DEVELOPER in all applications, filings, permits and other actions necessary or appropriate to fulfill the conditions and requirements of this Agreement.

## SECTION VI.

### GENERAL DEVELOPER OBLIGATIONS

6.1. COMPLIANCE. The DEVELOPER understands the benefits derived from annexation to the TOWN and is therefore desirous of fulfilling all the standard and additional provisions of this Agreement. Therefore the DEVELOPER agrees that it

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will develop the LAND in accordance with this Agreement, all ordinances, codes and regulations of the TOWN, the minimum standards and design criteria of the TOWN, and with the Approving Documents submitted and made a part hereof.

6.2. FIRE DISTRICT. DEVELOPER shall have the responsibility of making and diligently pursuing, at DEVELOPER'S expense, an application for exclusion of THE LAND from the fire district in which it is now situated. TOWN will fully cooperate in this application.

## SECTION VII.

### WATER

7.1. WET WATER POLICY. Notwithstanding any provisions within this Agreement which may imply to the contrary, the TOWN does not own or control water or water sources for production of WET WATER for the development of the LAND. The parties therefore understand that any and all development of the LAND is absolutely dependent upon DEVELOPER providing adequate water and water sources. DEVELOPER must prove, prior to the approval of each and every plat within the LAND, that necessary WET WATER is available to the platted area through production or distribution. Except as otherwise provided herein, DEVELOPER, at the time of final platting shall deed to the TOWN and dedicate upon each final plat free and clear of all liens and encumbrances such water and water rights as are sufficient to provide a WET WATER supply to the platted property.

### 7.2. WATER NEEDS OF LAND.

(a) The needs of the proposed uses within the LAND shall be determined by utilizing TOWN ordinances and resolutions where applicable and as in effect at the time of platting. Where a particular use is not addressed by ordinance or resolution, the TOWN shall make an administrative determination based upon available information.

(b) The DEVELOPER shall receive appropriate credit against the determined water needs based upon conserva-

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insure that all construction of public facilities and improvements and all construction of private improvements within the LAND meets all applicable TOWN minimum standards and design criteria. No such inspection or assistance shall pass or transfer any responsibility or liability from DEVELOPER to TOWN for workmanship or quality of the materials, for compliance with engineering or regulation requirements, or for any other liability. In other words, the TOWN makes no warranties based upon its inspections and waives no DEVELOPER liabilities thereon.

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(b) The DEVELOPER shall receive appropriate credit against the determined water needs based upon conserva-

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tion practices which appear as final site plan and plat restrictions. The amount of said credit shall initially be an assumed amount agreed upon by TOWN and DEVELOPER. Said credit shall be subject to subsequent modification as agreed upon by TOWN and DEVELOPER based upon actual consumption rates over time.

(c) No water availability requirement shall be necessary for the LAND to the extent that an approved effluent irrigation system has been installed by DEVELOPER for use thereon.

(d) Credit in the amount approved by the office of the State Engineer and/or District Water Court shall be given to the DEVELOPER against water supply requirements of the TOWN for that portion of the water produced through a TOWN approved water supply augmentation plan when the water produced can be used by the TOWN for the purpose for which it is intended under applicable regulations of the State Department of Health, as such portion directly relates to effluent and return flow water produced from the LAND and utilized in the plan. The TOWN shall diligently pursue approval of such a plan by the State Engineer and/or the District Water Court.

(e) Production of WET WATER shall be as granted by the office of the State Engineer and credit against water availability requirements shall be in the same amount as granted by the office of the State Engineer and/or the District Water Court.

7.3. WATER DOCUMENTS. The TOWN may require any and all documentation deemed appropriate to prove availability and delivery of water, including, but not limited to, title work, drilling permits, well test reports, other available engineering data, water decrees, etc.

7.4. INFRASTRUCTURE CAPITAL IMPROVEMENTS, OVER-SIZING. The TOWN shall retain the ultimate responsibility, in consideration for development fees charged and collected, to complete necessary capital plant improvements for the municipal water system including wells, pumps, treatment facilities,

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reservoirs and transmission lines. The DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, potable water delivery system infrastructure required for the LAND and to meet the needs of the LAND. Such infrastructure shall include all mains, service lines, fire hydrants, valves and connections, pump stations and any other necessary facilities for the delivery of water throughout the LAND. In the event water mains are required to be engineered and constructed which exceed 12" in diameter it shall be presumed that the first 12" shall service the LAND and shall accordingly be paid for by the DEVELOPER and that the oversizing shall be the responsibility of TOWN. However, if the TOWN engineers determine that the oversized main has been engineered and constructed substantially to service the LAND only, then the DEVELOPER shall pay the entire cost of such line. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the cost thereof, the DEVELOPER shall secure written bids from no less than two (2) contractors for the placement of such line. Such bids are to include a breakdown of material and labor for such line in a 12" mode and in its oversized mode in order that the TOWN may determine its proportioned cost for the increased sizing which shall be determined by calculating the actual cost difference in labor and material between a 12" line and the oversized line. Such bids are to be submitted to the TOWN for analysis and approval prior to the construction of the line. Should the TOWN fail to approve or disapprove any bid in writing within fifteen (15) days of submittal, then the DEVELOPER may proceed with the bid which it deems most appropriate under the circumstances. The TOWN shall pay its portion after final inspection and acceptance of the line upon completion thereof, and within thirty (30) days following the date of submission of an appropriate statement to the TOWN from the DEVELOPER which shall include invoices and contractor billings.

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tion practices which appear as final site plan and plat restrictions. The amount of said credit shall initially be an assumed amount agreed upon by TOWN and DEVELOPER. Said credit shall be subject to subsequent modification as agreed upon by TOWN and DEVELOPER based upon actual consumption rates over time.

(c) No water availability requirement shall be necessary for the LAND to the extent that an approved effluent irrigation system has been installed by DEVELOPER for use thereon.

(d) Credit in the amount approved by the office of the State Engineer and/or District Water Court shall be given to the DEVELOPER against water supply requirements of the TOWN for that portion of the water produced through a TOWN approved water supply augmentation plan when the water produced can be used by the TOWN for the purpose for which it is intended under applicable regulations of the State Department of Health, as such portion directly relates to effluent and return flow water produced from the LAND and utilized in the plan. The TOWN shall diligently pursue approval of such a plan by the State Engineer and/or the District Water Court.

(e) Production of WET WATER shall be as granted by the office of the State Engineer and credit against water availability requirements shall be in the same amount as granted by the office of the State Engineer and/or the District Water Court.

7.3. WATER DOCUMENTS. The TOWN may require any and all documentation deemed appropriate to prove availability and delivery of water, including, but not limited to, title work, drilling permits, well test reports, other available engineering data, water decrees, etc.

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7.5. CONNECTION, OWNERSHIP. Based upon appropriate engineering criteria, the TOWN shall advise DEVELOPER where DEVELOPER'S infrastructure is to be attached to the TOWN'S system. Once such infrastructure is engineered, constructed, inspected, approved and accepted, and connected to the TOWN'S water system, it shall become solely owned by the TOWN, subject to the WARRANTY.

7.6. SEVERANCE. To the extent that the LAND, at the time of the last final plat or after ninety (90%) percent build-out, whichever occurs later, has an agreed upon surplus of water (total appurtenant non-tributary and/or tributary sources plus augmentation credits based upon effluent and return flows less total water requirements based upon approved uses as adjusted for irrigation reuse and conservation system implementation), the DEVELOPER shall be allowed to transfer such surplus water to other lands owned by DEVELOPER within the corporate limits of the Town of Castle Rock. DEVELOPER may transfer such surplus water to other lands not owned by him within the corporate limits of the Town of Castle Rock, but only after offering said surplus water to the Town of Castle Rock at the cash-in-lieu of water rate in effect by TOWN Resolution or Ordinance at the time of the offer. DEVELOPER shall, pursuant to the notification requirements set forth in this contract, give thirty (30) days written notice to the TOWN of his intention to sell said surplus water. In the event TOWN desires to purchase such water, it shall give written notification to DEVELOPER of its intention to do so within such thirty (30) day period. Payment shall be made by applying credit against Development Fees to the extent of the value of such surplus water. If insufficient credits exist to pay in full for such surplus water, the TOWN shall pay the balance due, after applying such credits to the DEVELOPER in cash within sixty (60) days of the date of said notice.

7.7. CASH IN LIEU OF WATER, CREDITS. Understanding their rights and obligations contained hereinabove, the parties further agree, that under appropriate circumstances the TOWN may

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accept cash-in-lieu of WET WATER, or the parties may also make arrangements for DEVELOPER to construct capital plant improvements as an offset against WET WATER requirements or certain development fees.

## SECTION VIII.

### IRRIGATION

8.1. IRRIGATION POLICY. The TOWN has adopted a policy requiring all DEVELOPERS to utilize a three-pipe infrastructure system (water, sewer and irrigation). Such three-pipe system shall be utilized in all use areas other than residential areas. In residential areas, with TOWN approval, DEVELOPER may utilize such three-pipe system. In the event DEVELOPER deems installation of said three-pipe system within any non-residential area to be technically infeasible and/or not economically justifiable, DEVELOPER shall present evidence of such infeasibility or lack of economic justification to TOWN. TOWN shall review the evidence submitted by DEVELOPER and the Board of Trustees shall make a determination either requiring or not requiring the installation of said three-pipe system.

8.2. INFRASTRUCTURE, OVERSIZING. The TOWN shall construct and maintain such capital plant facilities as are necessary to provide effluent to the LAND for irrigation purposes. Such capital plant facilities shall include the necessary transmission line to transport such effluent to the boundary of the LAND. Such effluent shall be provided to users within the LAND at the same rates and connection charges as are then applicable and charged to other users similarly situated within the TOWN pursuant to ordinance or resolution of the TOWN. DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, all irrigation delivery system infrastructure required upon the LAND to meet the needs of those portions of the LAND which are served by an irrigation system. Such infrastructure shall include all mains, service lines, valves and connections and other necessary

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7.5. CONNECTION, OWNERSHIP. Based upon appropriate engineering criteria, the TOWN shall advise DEVELOPER where DEVELOPER'S infrastructure is to be attached to the TOWN'S system. Once such infrastructure is engineered, constructed, inspected, approved and accepted, and connected to the TOWN'S water system, it shall become solely owned by the TOWN, subject to the WARRANTY.

7.6. SEVERANCE. To the extent that the LAND, at the time of the last final plat or after ninety (90%) percent build-out, whichever occurs later, has an agreed upon surplus of water (total appurtenant non-tributary and/or tributary sources plus augmentation credits based upon effluent and return flows less total water requirements based upon approved uses as adjusted for irrigation reuse and conservation system implementation), the DEVELOPER shall be allowed to transfer such surplus water to other lands owned by DEVELOPER within the corporate limits of the Town of Castle Rock. DEVELOPER may transfer such surplus water to other lands not owned by him within the corporate limits of the Town of Castle Rock, but only after offering said surplus water to the Town of Castle Rock at the cash-in-lieu of water rate in effect by TOWN Resolution or Ordinance at the time of the offer. DEVELOPER shall, pursuant to the notification requirements set forth in this contract, give thirty (30) days written notice to the TOWN of his intention to sell said surplus water. In the event TOWN desires to purchase such water, it shall give written notification to DEVELOPER of its intention to do so within such thirty (30) day period. Payment shall be made by applying credit against Development Fees to the extent of the value of such surplus water. If insufficient credits exist to pay in full for such surplus water, the TOWN shall pay the balance due, after applying such credits to the DEVELOPER in cash within sixty (60) days of the date of said notice.

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8.2. INFRASTRUCTURE, OVERSIZING. The TOWN shall construct and maintain such capital plant facilities as are necessary to provide effluent to the LAND for irrigation purposes. Such capital plant facilities shall include the necessary transmission line to transport such effluent to the boundary of the LAND. Such effluent shall be provided to users within the LAND at the same rates and connection charges as are then applicable and charged to other users similarly situated within the TOWN pursuant to ordinance or resolution of the TOWN. DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, all irrigation delivery system infrastructure required upon the LAND to meet the needs of those portions of the LAND which are served by an irrigation system. Such infrastructure shall include all mains, service lines, valves and connections and other necessary

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facilities for the delivery of irrigation effluent throughout the LAND. In the event irrigation mains are required to be engineered and constructed which exceed 12" in diameter, it shall be presumed that the first 12" shall service the LAND and shall accordingly be paid for by the DEVELOPER and that the oversizing shall be the responsibility of TOWN. However, if the TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER shall pay the entire cost of such line. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the cost thereof, the DEVELOPER shall follow the procedures set forth in Paragraph 7.4 with regard to bids and their submission to the TOWN.

8.3. CONNECTION, OWNERSHIP. It shall be the responsibility of the DEVELOPER to connect to the TOWN'S irrigation water system at the point at which the TOWN'S system abuts the LAND. Once the irrigation infrastructure to be constructed by DEVELOPER is engineered, constructed, inspected, approved and accepted, and connected to the TOWN'S irrigation system, it shall become solely owned by the TOWN.

8.4. IRRIGATION OF PUBLIC DEDICATED LANDS. DEVELOPER agrees that DEVELOPER will make such provisions as are reasonably necessary to facilitate TOWN'S connection to such system for the purposes of irrigation of dedicated lands. The costs of such connection and of the internal irrigation system for the dedicated lands shall be TOWN'S responsibility.

8.5. TOWN RESPONSIBILITY FOR IRRIGATION SYSTEM. TOWN'S responsibility to provide a reuse irrigation system and extension, and all costs associated with such system and extension, shall not result in any development fee being charged upon the LAND, either to users of the reuse irrigation system or users of the potable irrigation system, that is not being charged TOWN wide.

8.6. CREDITS. Understanding their rights and obligations contained hereinabove, the parties further agree

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that under appropriate circumstances the TOWN and DEVELOPER may enter into an agreement whereby the DEVELOPER will construct capital plant improvements and offset certain development fees.

## SECTION IX.

### SEWER

9.1. SEWER POLICY, INFRASTRUCTURE, OVERSIZING. The TOWN shall provide and maintain such capital plant facilities as are necessary to provide sanitary sewer service to the LAND. The DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, all sewage collection system infrastructure required for the LAND and to meet the needs of the LAND. Such infrastructure shall include all mains, service lines, valves and connections, pump stations and other necessary facilities for the recovery of sewage from the LAND. In the event sewer mains are required to be engineered and constructed which exceed 12" in diameter it shall be presumed that the first 12" shall service the LAND and shall accordingly be paid for by the DEVELOPER and that the oversizing shall be the responsibility of TOWN. However, if the TOWN engineers determine that the oversized main has been engineered and constructed substantially to service the LAND only, then the DEVELOPER shall pay the entire cost of such line. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the cost thereof, the DEVELOPER shall follow the procedures set forth in Paragraph 7.4 with regard to bids and their submission to the TOWN.

9.2. CONNECTION, OWNERSHIP. Based upon appropriate engineering criteria, the TOWN shall advise DEVELOPER where DEVELOPER'S infrastructure is to be attached to the TOWN'S system. Once such infrastructure is engineered, constructed, inspected, approved and accepted, and connected to the TOWN'S sewer system, it shall become solely owned by the TOWN.

facilities for the delivery of irrigation effluent throughout the LAND. In the event irrigation mains are required to be engineered and constructed which exceed 12" in diameter, it shall be presumed that the first 12" shall service the LAND and shall accordingly be paid for by the DEVELOPER and that the oversizing shall be the responsibility of TOWN. However, if the TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER shall pay the entire cost of such line. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the cost thereof, the DEVELOPER shall follow the procedures set forth in Paragraph 7.4 with regard to bids and their submission to the TOWN.

8.3. CONNECTION, OWNERSHIP. It shall be the responsibility of the DEVELOPER to connect to the TOWN'S irrigation water system at the point at which the TOWN'S system abuts the LAND. Once the irrigation infrastructure to be constructed by DEVELOPER is engineered, constructed, inspected, approved and accepted, and connected to the TOWN'S irrigation system, it shall become solely owned by the TOWN.

8.4. IRRIGATION OF PUBLIC DEDICATED LANDS. DEVELOPER agrees that DEVELOPER will make such provisions as are reasonably necessary to facilitate TOWN'S connection to such system for the purposes of irrigation of dedicated lands. The costs of such connection and of the internal irrigation system for the dedicated lands shall be TOWN'S responsibility.

8.5. TOWN RESPONSIBILITY FOR IRRIGATION SYSTEM. TOWN'S responsibility to provide a reuse irrigation system and extension, and all costs associated with such system and extension, shall not result in any development fee being charged upon the LAND, either to users of the reuse irrigation system or users of the potable irrigation system, that is not being charged TOWN wide.

8.6. CREDITS. Understanding their rights and obligations contained hereinabove, the parties further agree

8728920 - 10/08/87 12:09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 17/ 179  
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that under appropriate circumstances the TOWN and DEVELOPER may enter into an agreement whereby the DEVELOPER will construct capital plant improvements and offset certain development fees.

## SECTION IX.

### SEWER

9.1. SEWER POLICY, INFRASTRUCTURE, OVERSIZING. The TOWN shall provide and maintain such capital plant facilities as are necessary to provide sanitary sewer service to the LAND. The DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, all sewage collection system infrastructure required for the LAND and to meet the needs of the LAND. Such infrastructure shall include all mains, service lines, valves and connections, pump stations and other necessary facilities for the recovery of sewage from the LAND. In the event sewer mains are required to be engineered and constructed which exceed 12" in diameter it shall be presumed that the first 12" shall service the LAND and shall accordingly be paid for by the DEVELOPER and that the oversizing shall be the responsibility of TOWN. However, if the TOWN engineers determine that the oversized main has been engineered and constructed substantially to service the LAND only, then the DEVELOPER shall pay the entire cost of such line. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the cost thereof, the DEVELOPER shall follow the procedures set forth in Paragraph 7.4 with regard to bids and their submission to the TOWN.

9.2. CONNECTION, OWNERSHIP. Based upon appropriate engineering criteria, the TOWN shall advise DEVELOPER where DEVELOPER'S infrastructure is to be attached to the TOWN'S system. Once such infrastructure is engineered, constructed, inspected, approved and accepted, and connected to the TOWN'S sewer system, it shall become solely owned by the TOWN.

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9.3. CREDITS. Understanding their rights and obligations contained hereinabove, the parties further agree that under appropriate circumstances the TOWN and DEVELOPER may enter into an agreement whereby the DEVELOPER will construct capital plant improvements and offset certain development fees.

SECTION X.

DRAINAGE

10.1. DRAINAGE POLICY. The DEVELOPER understands its legal responsibilities with respect to storm water drainage on the LAND. In this regard, DEVELOPER shall submit drainage plans to the TOWN as required by the TOWN Subdivision Regulations and Standard Construction Specifications and shall build all necessary drainage structures including, but not limited to, storm sewers, detention ponds, dams, curbs and gutters, storm drains and other appurtenant structures as may be necessary to meet its obligations hereunder.

SECTION XI.

STREETS

11.1. GENERAL STREET POLICY. Unless otherwise specifically agreed upon in the additional provisions of this Agreement, or, at the time of approval of any Final Plat, all streets within the LAND shall be engineered and constructed in accordance with the TOWN'S minimum standards and design criteria.

11.2. PRIVATE STREETS. In the event that the TOWN approves certain local private streets, the requirement of sidewalks, curbs and gutters may be waived along said private streets, so long as reasonable pedestrian access is provided by a system of pedestrian and/or bike paths. Other specifications required for publicly dedicated streets may be modified or waived in TOWN'S discretion.

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B0751 - P0571 - \$629.00

SECTION XII.

PUBLIC LAND DEDICATION

12.1. PUBLIC LAND DEDICATION POLICY. It is recognized by the parties that any annexation and development to the TOWN, not only increases the burden upon public utilities and services, but also creates a substantial need for additional public lands for open space, parks, schools and other public facilities. In this regard, DEVELOPER agrees to dedicate to the TOWN at the time of final platting certain parcels of property as shown on the Preliminary Site Plan approved contemporaneously with this Agreement. Credit for all water and water rights appurtenant to such dedicated parcels shall be reserved to the DEVELOPER subject to a reduction for the WET WATER needs of the dedicated parcels.

12.2. PUBLIC IMPROVEMENT EXTENSION. Except as provided in Paragraph 8.4 above, DEVELOPER shall bear the responsibility for extending utilities, streets, sidewalks, curbs, gutters, and bike paths through and adjacent to such dedicated lands as the same are located upon approved final site development plans or plats, and, where appropriate, DEVELOPER may seek recoupment in accordance with applicable TOWN Recoupment Ordinances.

12.3. SOLE REQUIREMENTS. Except as may be otherwise provided herein, any and all requirements for public lands within THE LAND made by TOWN, any school district or other public entity, shall be met solely from the public lands to be dedicated pursuant to this Section.

12.4. TITLE DOCUMENTS. Prior to the acceptance by the TOWN of any tract or parcel of ground to be utilized for public purposes, other than streets, easements and rights-of-way, DEVELOPER shall provide TOWN with sufficient title work to show that the property is free and clear of all liens and encumbrances which might preclude the LAND from being utilized for the purposes intended by the TOWN. Upon acceptance of the

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conditions of title, such public property shall be deeded to TOWN by Special Warranty Deed. DEVELOPER shall retain such rights-of-way and easements as may be necessary for DEVELOPER to have access to construct utility lines, detention areas or other required PUBLIC IMPROVEMENTS under this Agreement.

SECTION XIII.  
PUBLIC IMPROVEMENTS AND REQUIRED  
PRIVATE AMENITIES

13.1. ENGINEERING, CONSTRUCTION. Except as required in any other provision of this Agreement or in the Approving Documents all PUBLIC IMPROVEMENTS shall be engineered and constructed in accordance with TOWN minimum standards and design criteria and shall be properly dedicated upon each plat or deeded to the TOWN.

13.2. SURETY. The completion of all PUBLIC IMPROVEMENTS shall be insured by appropriate means as set forth by TOWN Ordinance. The TOWN may also require and/or accept performance protection upon REQUIRED PRIVATE AMENITIES.

13.3. FAILURE TO COMPLETE. Where certain PUBLIC IMPROVEMENTS and REQUIRED PRIVATE AMENITIES have been required by the TOWN, until they are satisfactorily completed, the TOWN may withhold further pending permits and certificates of occupancy from the DEVELOPER. However, certificates of occupancy may be withheld only if the development of the LAND is in the last final plat or last 15% of the entire developable area.

13.4. ACCEPTANCE, WARRANTY. Acceptance of all PUBLIC IMPROVEMENTS by the TOWN shall be in accordance with TOWN Ordinance and all PUBLIC IMPROVEMENTS shall thereafter be subject to a one or two year WARRANTY as set forth in Paragraph 3.7 and/or by TOWN Ordinance.

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SECTION XIV.

PERFORMANCE OF OBLIGATIONS - REMEDIES

14.1. DEVELOPER RELIANCE. DEVELOPER is entering into this Agreement and undertaking the obligations imposed upon DEVELOPER herein in reliance upon the TOWN'S concurrent approval of the DEVELOPER'S Preliminary Site Plan and Planned Unit Development Ordinance. Performance of DEVELOPER'S obligations hereunder is expressly conditioned upon DEVELOPER being permitted by TOWN to develop the LAND in substantial conformity with said approved Site Plan and Ordinance.

14.2. FAILURE TO APPROVE, DISCONNECTION. If TOWN fails to approve the APPROVING DOCUMENTS by appropriate ordinance or Resolution or if an initiative or referendum is passed at any time which substantially amends or alters this contract and/or any of the APPROVING DOCUMENTS, or if the TOWN through its legislative powers unilaterally substantially amends or alters the approved Preliminary Site Plan or the Planned Unit Development Ordinance, the TOWN covenants that it will not object to the OWNER disconnecting a portion or all of the LAND from the TOWN under any applicable provisions of Colorado law, providing the TOWN has not taken action in reliance hereon to its detriment.

14.3. DEVELOPER DEFAULT. In the event of default by DEVELOPER under the provisions of this Agreement, for which no surety has been posted with TOWN by DEVELOPER, TOWN reserves the right to withhold building permits, Certificates of Occupancy, or any other permits and approvals within the LAND, however, Certificates of Occupancy may be withheld only if the development of the LAND is in the last final plat or last fifteen (15%) percent of the entire developable area.

14.4. NON-EXCLUSIVE REMEDY. It is understood and agreed by the parties hereto that the specific remedies provided in this Agreement are not exclusive and that the parties hereto

8 1920 - 10/08/87 12:09 - RETA A. CRAIN DOT AS CO. COLO. CLERK & RECORDER - 22/ 179  
B. 51 - P0574 - \$629.00

conditions of title, such public property shall be deeded to TOWN by Special Warranty Deed. DEVELOPER shall retain such rights-of-way and easements as may be necessary for DEVELOPER to have access to construct utility lines, detention areas or other required PUBLIC IMPROVEMENTS under this Agreement.

### SECTION XIII.

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13.2. SURETY. The completion of all PUBLIC IMPROVEMENTS shall be insured by appropriate means as set forth by TOWN Ordinance. The TOWN may also require and/or accept performance protection upon REQUIRED PRIVATE AMENITIES.

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B. 51 - P0574 - \$629.00

shall have all available remedies in law or equity including but not limited to, specific performance and injunctive relief.

SECTION XV.

DEVELOPER'S AGREEMENT TO PAY CERTAIN TOWN FEES

15.1. TOWN FEES. DEVELOPER agrees to pay street oversizing fees as established pursuant to the Castle Rock Municipal Code, Chapter 3.12, and the capital plant investment fees as established pursuant to the Castle Rock Municipal Code, Chapter 3.16, as said chapters may be amended. Said Chapters 3.12 and 3.16, as amended, are incorporated herein by this reference. If for any reason these chapters are held by a court of competent jurisdiction to be invalid or unenforceable, DEVELOPER agrees that the terms of such ordinances shall remain as terms of this Agreement (pursuant to the most recent amendment thereof), and that such fees may continue to be charged by TOWN as an exaction upon the LAND pursuant to the terms of this Agreement. Further, any and all fees recovered prior to such ruling shall also be deemed to have been properly received by the TOWN as an exaction under this Agreement. It is further agreed, however, that DEVELOPER, its heirs, successors or assigns shall not be required to pay such fees pursuant to this Agreement unless this provision is incorporated in all annexation contracts entered into by the TOWN subsequent to the date hereof.

SECTION XVI.

DISTRICTS

16.1. DISTRICTS. TOWN agrees to cooperate with DEVELOPER in the approval of such Districts as may be deemed by TOWN and DEVELOPER to be reasonably necessary to construct or maintain PUBLIC IMPROVEMENTS, utilities or other improvements of a quasi-public nature which are not to be dedicated to TOWN.

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SECTION XVII.

COLORADO LAW

17.1. APPLICABLE LAW. This Agreement shall be construed in accordance with the laws of the State of Colorado.

SECTION XVIII.

BINDING EFFECT

18.1. PARTIES BOUND. This Agreement shall be binding upon and inure to the benefit of the parties hereto, the LAND, and all successors, representatives, designees, agents and assigns of the parties, whether designated herein or otherwise as developers or sub-developers of all or any portion of the LAND.

SECTION XIX.

CHANGES AND ADDITIONAL PROVISIONS

19.1. CHANGES ONLY IN WRITING. Any and all changes to this Agreement, in order to be mutually effective and binding upon the parties and their successors, must be in writing and duly executed by the parties hereto or their respective heirs, successors or assigns.

19.2. ADDITIONAL SPECIFIC CONDITION CONTROLS. Additional provisions are attached hereto. Whenever the terms of said additional provisions are contrary to the provisions contained above in this Agreement, the terms contained in said additional provisions shall control.

APPROVAL OF THE BOARD OF TRUSTEES

This Contract was considered by the Board of Trustees of the TOWN of Castle Rock, Colorado, at their regular public meeting held on January 29, 1987, and a Resolution No. 87-12 was passed by a vote of 6 for and 0 against approving this Contract and directing the Mayor of the TOWN of Castle Rock and the TOWN Clerk to execute such Contract.

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B0751 - P0575 - \$629.00 23/ 179

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\$629.00







DEVELOPER:

CP COMMERCIAL PROPERTIES,  
INC., a Colorado  
corporation

By: Jack A. Vickers III  
Jack A. Vickers III,  
President

STATE OF COLORADO )  
                          ) SS.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me  
this 30<sup>th</sup> day of January, 1987, by Jack A. Vickers  
III, as President of CP Commercial Properties, Inc., a Colorado  
corporation.

WITNESS my hand and official seal.

My commission expires: My Commission expires August 19, 1987  
1935 So. Nome

Aurora, CO 80014

Angela Cody  
Notary Public

(SEAL)

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SECTION XX.

ADDITIONAL PROVISIONS

20.1. DISTRICT. The parties acknowledge that the Castle Pines Commercial Metropolitan District Nos. 1 through 5, quasi-municipal corporations and political subdivisions of the State of Colorado, and one or more other special DISTRICTS (collectively the "DISTRICTS") are to be organized by the DEVELOPER for the purpose of providing certain water, sanitation, storm and surface drainage services and facilities, irrigation water facilities, park and recreation facilities, street improvements, traffic and safety controls and devices, fire protection facilities, and transportation facilities within and without the LAND, as all such services, facilities and improvements are described in the form of that certain Intergovernmental Agreement between the TOWN and the DISTRICTS attached hereto as Exhibit "C" and incorporated herein by this reference, as may be amended in the future, (the "INTERGOVERNMENTAL AGREEMENT") and that certain Service Plan for Castle Pines Commercial Metropolitan District Nos. 1-5 attached hereto as Exhibit "D" and incorporated herein by this reference (the "SERVICE PLAN"). The DEVELOPER or DISTRICTS intend to dedicate to the TOWN for ultimate maintenance by TOWN those PUBLIC IMPROVEMENTS or "FACILITIES" so identified in the INTERGOVERNMENTAL AGREEMENT.

20.2. OVERSIZING. Notwithstanding the provisions of Section 3.4 or any other provisions to the contrary in the Agreement, OVERSIZING for purposes of this Agreement shall mean that difference between the dimension or capacity specified in the SERVICE PLAN of the DISTRICTS regarding PUBLIC IMPROVEMENTS for the needs of the LAND to be served and that additional dimension or capacity which is required by the TOWN.

20.3. PUBLIC IMPROVEMENTS. In addition to the provisions of Section 3.5 of the Agreement, PUBLIC IMPROVEMENTS shall mean those improvements defined as "FACILITIES" in the

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INTERGOVERNMENTAL AGREEMENT and SERVICE PLAN.

20.4. WARRANTY. Notwithstanding the provisions of Section 3.7 of the Agreement, those PUBLIC IMPROVEMENTS identified in the INTERGOVERNMENTAL AGREEMENT shall be warranted by DEVELOPER or DISTRICTS from and after the date of their acceptance by the TOWN for the period of time specified in the INTERGOVERNMENTAL AGREEMENT.

20.5. INSPECTIONS, LIABILITY. Notwithstanding the provisions of Section 5.2 of the Agreement, the TOWN agrees to perform inspections in a timely manner and as provided in the INTERGOVERNMENTAL AGREEMENT and to provide appropriate assistance, in order to insure that all construction of PUBLIC IMPROVEMENTS and "FACILITIES" as defined in the INTERGOVERNMENTAL AGREEMENT and all construction of private improvements within the LAND meet all applicable TOWN minimum standards and design criteria; provided, however, that to the extent TOWN allows DEVELOPER or DISTRICTS to adopt design guidelines, criteria and standards regarding such PUBLIC IMPROVEMENTS and FACILITIES, such adopted design guidelines, criteria and standards shall control and be substituted for TOWN minimum standards and design criteria. In the event such adopted design guidelines do not meet or exceed current TOWN minimum standards they shall be subject to TOWN approval at the time of platting.

20.6. ACCEPTANCE OF PUBLIC IMPROVEMENTS AND PUBLIC LAND DEDICATION. Notwithstanding the provisions of Section 5.3 of the Agreement, failure by the TOWN to accept such required PUBLIC IMPROVEMENTS, following acceptable inspection thereof in accordance with the Intergovernmental Agreement, shall entitle DEVELOPER or DISTRICTS to deduct the cost of operating and maintaining such PUBLIC IMPROVEMENTS from any fees or payments of any kind owed to the TOWN. In addition, notwithstanding the provisions of Section 5.3 of the Agreement, TOWN, DEVELOPER or DISTRICTS acknowledge that the open space, parks and public lands within the LAND are to be improved and maintained to a level exceeding what the TOWN will agree to maintain, and that

8728920 - 10/08/87 12:09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 28/ 179  
B0751 - P0580 - \$ 9.00

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20.4. WARRANTY. Notwithstanding the provisions of Section 3.7 of the Agreement, those PUBLIC IMPROVEMENTS identified in the INTERGOVERNMENTAL AGREEMENT shall be warranted by DEVELOPER or DISTRICTS from and after the date of their acceptance by the TOWN for the period of time specified in the INTERGOVERNMENTAL AGREEMENT.

20.5. INSPECTIONS, LIABILITY. Notwithstanding the provisions of Section 5.2 of the Agreement, the TOWN agrees to perform inspections in a timely manner and as provided in the INTERGOVERNMENTAL AGREEMENT and to provide appropriate assistance, in order to insure that all construction of PUBLIC IMPROVEMENTS and "FACILITIES" as defined in the INTERGOVERNMENTAL AGREEMENT and all construction of private improvements within the LAND meet all applicable TOWN minimum standards and design criteria; provided, however, that to the extent TOWN allows DEVELOPER or DISTRICTS to adopt design guidelines, criteria and standards regarding such PUBLIC IMPROVEMENTS and FACILITIES, such adopted design guidelines, criteria and standards shall control and be substituted for TOWN minimum standards and design criteria. In the event such adopted design guidelines do not meet or exceed current TOWN minimum standards they shall be subject to TOWN approval at the time of platting.

20.6. ACCEPTANCE OF PUBLIC IMPROVEMENTS AND PUBLIC LAND DEDICATION. Notwithstanding the provisions of Section 5.3 of the Agreement, failure by the TOWN to accept such required PUBLIC IMPROVEMENTS, following acceptable inspection thereof in accordance with the Intergovernmental Agreement, shall entitle DEVELOPER or DISTRICTS to deduct the cost of operating and maintaining such PUBLIC IMPROVEMENTS from any fees or payments of any kind owed to the TOWN. In addition, notwithstanding the provisions of Section 5.3 of the Agreement, TOWN, DEVELOPER or DISTRICTS acknowledge that the open space, parks and public lands within the LAND are to be improved and maintained to a level exceeding what the TOWN will agree to maintain, and that

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DEVELOPER or DISTRICTS intend that the open space and parks will be a unique feature of the LAND, and therefore the TOWN will not require dedication of the open space, parks and public lands to the TOWN. The open space, parks and public lands will be deeded to the DISTRICTS, and DEVELOPER or DISTRICTS agree that they shall repair, replace and maintain all open space, parks, and public lands within the LAND without credit or reimbursement from the TOWN. DEVELOPER or DISTRICTS agree that the TOWN shall approve all improvements made by DEVELOPER or DISTRICTS to the parks as provided in the INTERGOVERNMENTAL AGREEMENT, which approval shall not be unreasonably withheld. DEVELOPER or DISTRICTS shall have the right to determine usage and development of such open space, parks and public lands, provided that they shall be operated by DEVELOPER or DISTRICTS as public facilities for the general public without any fee unless a fee is approved by TOWN. TOWN agrees that so long as the open space, parks and public lands are operated as public facilities by DEVELOPER or DISTRICTS for the general public without any fee unless a fee is approved by TOWN, that such open space, parks and public lands shall not be dedicated or conveyed to the TOWN, and DEVELOPER or DISTRICTS shall be entitled to credit such open space, parks and public lands against public land dedication requirements imposed by the TOWN against the LAND. TOWN'S waiver of its dedication requirement under this provision for such open space, parks and public lands shall not be deemed a waiver by TOWN of any other dedication requirements, either by DEVELOPER or DISTRICTS or by any other developer or special improvement district within the TOWN.

20.7. APPROVAL OF PRIVATE AMENITIES. Notwithstanding the provisions of Section 5.4 of the Agreement, the TOWN'S approval of any PUBLIC IMPROVEMENTS or REQUIRED PRIVATE IMPROVEMENTS and amenities within the LAND which shall not be dedicated to the TOWN shall be limited to determining whether such PUBLIC IMPROVEMENTS or REQUIRED PRIVATE IMPROVEMENTS are constructed in substantial compliance with approved plans, and

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the TOWN shall accept no responsibility regarding such PUBLIC IMPROVEMENTS or REQUIRED PRIVATE IMPROVEMENTS and amenities.

20.8. POLICE, OTHER GOVERNMENTAL SERVICES. Section 5.5 of the Agreement should be revised to include the language "fire protection" after the words "police protection" in line two of that Section.

20.9. COMPLIANCE. Notwithstanding the provisions of Section 6.1 of the Agreement, DEVELOPER or DISTRICTS agree that they will develop the LAND in accordance with the Agreement, the INTERGOVERNMENTAL AGREEMENT, the SERVICE PLAN and with the APPROVING DOCUMENTS submitted and made a part hereof.

20.10. WATER NEEDS OF LAND. Notwithstanding the provisions of Section 7.2(a), the needs of the proposed uses within the LAND shall be as provided below, and where a particular use is not addressed by this Section, the TOWN shall make an administrative determination based upon available information. The relative water requirements for various uses within the LAND shall be determined with reference to a residential Equivalent Residential Unit (EQR). One residential EQR shall be deemed to require 336 gallons per day. Such water need not underlie the part of the LAND described on the final plat. Demonstration of such water availability shall be made by means of a water study prepared at DEVELOPER'S expense by a qualified water engineer. Prior to submission of the first preliminary plat on the LAND, DEVELOPER shall submit such study to the TOWN. Thereafter, as each subsequent preliminary plat is submitted, a letter relating anticipated consumption within such preliminarily platted area to said water study shall be presented to the TOWN. Water use criteria to be used in relating such potable consumption to the supply of water shall be determined as provided in TOWN Resolution No. 86-30 in effect as of the date of this Agreement.

Where such TOWN Resolution No. 86-30 does not set forth criteria for particular uses, DEVELOPER may propose the criteria for such uses, subject to the TOWN'S approval utilizing generally accepted criteria.

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DEVELOPER or DISTRICTS intend that the open space and parks will be a unique feature of the LAND, and therefore the TOWN will not require dedication of the open space, parks and public lands to the TOWN. The open space, parks and public lands will be deeded to the DISTRICTS, and DEVELOPER or DISTRICTS agree that they shall repair, replace and maintain all open space, parks, and public lands within the LAND without credit or reimbursement from the TOWN. DEVELOPER or DISTRICTS agree that the TOWN shall approve all improvements made by DEVELOPER or DISTRICTS to the parks as provided in the INTERGOVERNMENTAL AGREEMENT, which approval shall not be unreasonably withheld. DEVELOPER or DISTRICTS shall have the right to determine usage and development of such open space, parks and public lands, provided that they shall be operated by DEVELOPER or DISTRICTS as public facilities for the general public without any fee unless a fee is approved by TOWN. TOWN agrees that so long as the open space, parks and public lands are operated as public facilities by DEVELOPER or DISTRICTS for the general public without any fee unless a fee is approved by TOWN, that such open space, parks and public lands shall not be dedicated or conveyed to the TOWN, and DEVELOPER or DISTRICTS shall be entitled to credit such open space, parks and public lands against public land dedication requirements imposed by the TOWN against the LAND. TOWN'S waiver of its dedication requirement under this provision for such open space, parks and public lands shall not be deemed a waiver by TOWN of any other dedication requirements, either by DEVELOPER or DISTRICTS or by any other developer or special improvement district within the TOWN.

20.7. APPROVAL OF PRIVATE AMENITIES. Notwithstanding the provisions of Section 5.4 of the Agreement, the TOWN'S approval of any PUBLIC IMPROVEMENTS or REQUIRED PRIVATE IMPROVEMENTS and amenities within the LAND which shall not be dedicated to the TOWN shall be limited to determining whether such PUBLIC IMPROVEMENTS or REQUIRED PRIVATE IMPROVEMENTS are constructed in substantial compliance with approved plans, and

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the TOWN shall accept no responsibility regarding such PUBLIC IMPROVEMENTS or REQUIRED PRIVATE IMPROVEMENTS and amenities.

20.8. POLICE, OTHER GOVERNMENTAL SERVICES. Section 5.5 of the Agreement should be revised to include the language "fire protection" after the words "police protection" in line two of that Section.

20.9. COMPLIANCE. Notwithstanding the provisions of Section 6.1 of the Agreement, DEVELOPER or DISTRICTS agree that they will develop the LAND in accordance with the Agreement, the INTERGOVERNMENTAL AGREEMENT, the SERVICE PLAN and with the APPROVING DOCUMENTS submitted and made a part hereof.

20.10. WATER NEEDS OF LAND. Notwithstanding the provisions of Section 7.2(a), the needs of the proposed uses within the LAND shall be as provided below, and where a particular use is not addressed by this Section, the TOWN shall make an administrative determination based upon available information. The relative water requirements for various uses within the LAND shall be determined with reference to a residential Equivalent Residential Unit (EQR). One residential EQR shall be deemed to require 336 gallons per day. Such water need not underlie the part of the LAND described on the final plat. Demonstration of such water availability shall be made by means of a water study prepared at DEVELOPER'S expense by a qualified water engineer. Prior to submission of the first preliminary plat on the LAND, DEVELOPER shall submit such study to the TOWN. Thereafter, as each subsequent preliminary plat is submitted, a letter relating anticipated consumption within such preliminarily platted area to said water study shall be presented to the TOWN. Water use criteria to be used in relating such potable consumption to the supply of water shall be determined as provided in TOWN Resolution No. 86-30 in effect as of the date of this Agreement.

Where such TOWN Resolution No. 86-30 does not set forth criteria for particular uses, DEVELOPER may propose the criteria for such uses, subject to the TOWN'S approval utilizing generally accepted criteria.

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20.11. INFRASTRUCTURE, CAPITAL IMPROVEMENTS, OVER-SIZING. Notwithstanding the provisions of Section 7.4 of the Agreement, the DEVELOPER or DISTRICTS shall be responsible for the construction of capital plant facilities necessary in order to provide for the water system for the LAND including, but not limited to, wells, pumps, treatment facilities, reservoirs and transmission lines as provided in the SERVICE PLAN and the INTERGOVERNMENTAL AGREEMENT. If the DEVELOPER or DISTRICTS refuse or fail to construct such capital plant facilities as provided in the INTERGOVERNMENTAL AGREEMENT and the SERVICE PLAN, then the TOWN shall retain the ultimate responsibility, in consideration for the development fees charged and collected as provided in Section 20.27 below, to complete within a reasonable period of time all such necessary capital plant improvements for the municipal water system including wells, pumps, treatment facilities, reservoirs and transmission lines. The DEVELOPER or DISTRICTS shall be solely responsible to build and construct, in accordance with the DISTRICTS' SERVICE PLAN, potable water delivery system infrastructure required for the LAND and as necessary to meet the needs of the LAND. Such infrastructure shall include all mains, fire hydrants, valves and connections, pump stations and any other necessary facilities for the delivery of water throughout the LAND as provided in the DISTRICTS' SERVICE PLAN. In the event the SERVICE PLAN requires that water mains be engineered and constructed which exceed 12 inches in diameter, it shall be presumed that the first 12 inches shall service the LAND and shall accordingly be paid for by the DEVELOPER or DISTRICTS and the OVERSIZING shall be the responsibility of the TOWN. If TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER or DISTRICTS shall pay the entire cost of such line; provided, however, if DEVELOPER or DISTRICTS disagree that the oversized main has been engineered and constructed to service the LAND only, then DEVELOPER or DISTRICTS shall be entitled to submit the matter to arbitration as pro-

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vided in Section 20.37 below. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the costs thereof, the DEVELOPER or DISTRICTS shall secure written bids from no less than two contractors for the placement of such line. Such bids will include a breakdown of costs for such line as a 12 inch line and the cost of the oversized line. The TOWN'S proportionate cost for the increased sizing shall be determined by calculating the actual cost difference between the 12 inch line and the oversized line, with the difference being the TOWN'S responsibility. Such bids are to be submitted to the TOWN for analysis and approval prior to the construction of the line. Should the TOWN fail to approve or disapprove any bid in writing within 15 days of submittal then DEVELOPER or DISTRICTS may proceed with the bid which it deems most appropriate under the circumstances. The TOWN shall pay its proportion after final inspection and acceptance of the line upon completion thereof within 30 days following the date of submission of a statement to the TOWN from the DEVELOPER or DISTRICTS which shall include invoices and contractor billings. The TOWN acknowledges and agrees that, to the extent the DISTRICTS construct the capital plant facilities and improvements specified in this Section, the DEVELOPER shall be released from its obligations hereunder.

20.12. SEVERANCE. Notwithstanding the provisions of Section 7.6 of the Agreement, the DEVELOPER shall be allowed to transfer surplus water to other lands owned by DEVELOPER within the corporate limits of the TOWN, and may also transfer any available excess water to and from the Maher Ranch PUD within the corporate limits of the TOWN. In addition, DEVELOPER may, with the prior consent of TOWN, transfer available excess water to other property that is located within the corporate limits of the Town, which property is owned by DEVELOPER or related entities. In the event DEVELOPER receives a bona fide third-party offer, it desires to accept, to purchase such surplus water, DEVELOPER shall, pursuant to the notification requirements set

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20.11. INFRASTRUCTURE, CAPITAL IMPROVEMENTS, OVER-SIZING. Notwithstanding the provisions of Section 7.4 of the Agreement, the DEVELOPER or DISTRICTS shall be responsible for the construction of capital plant facilities necessary in order to provide for the water system for the LAND including, but not limited to, wells, pumps, treatment facilities, reservoirs and transmission lines as provided in the SERVICE PLAN and the INTERGOVERNMENTAL AGREEMENT. If the DEVELOPER or DISTRICTS refuse or fail to construct such capital plant facilities as provided in the INTERGOVERNMENTAL AGREEMENT and the SERVICE PLAN, then the TOWN shall retain the ultimate responsibility, in consideration for the development fees charged and collected as provided in Section 20.27 below, to complete within a reasonable period of time all such necessary capital plant improvements for the municipal water system including wells, pumps, treatment facilities, reservoirs and transmission lines. The DEVELOPER or DISTRICTS shall be solely responsible to build and construct, in accordance with the DISTRICTS' SERVICE PLAN, potable water delivery system infrastructure required for the LAND and as necessary to meet the needs of the LAND. Such infrastructure shall include all mains, fire hydrants, valves and connections, pump stations and any other necessary facilities for the delivery of water throughout the LAND as provided in the DISTRICTS' SERVICE PLAN. In the event the SERVICE PLAN requires that water mains be engineered and constructed which exceed 12 inches in diameter, it shall be presumed that the first 12 inches shall service the LAND and shall accordingly be paid for by the DEVELOPER or DISTRICTS and the OVERSIZING shall be the responsibility of the TOWN. If TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER or DISTRICTS shall pay the entire cost of such line; provided, however, if DEVELOPER or DISTRICTS disagree that the oversized main has been engineered and constructed to service the LAND only, then DEVELOPER or DISTRICTS shall be entitled to submit the matter to arbitration as pro-

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vided in Section 20.37 below. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the costs thereof, the DEVELOPER or DISTRICTS shall secure written bids from no less than two contractors for the placement of such line. Such bids will include a breakdown of costs for such line as a 12 inch line and the cost of the oversized line. The TOWN'S proportionate cost for the increased sizing shall be determined by calculating the actual cost difference between the 12 inch line and the oversized line, with the difference being the TOWN'S responsibility. Such bids are to be submitted to the TOWN for analysis and approval prior to the construction of the line. Should the TOWN fail to approve or disapprove any bid in writing within 15 days of submittal then DEVELOPER or DISTRICTS may proceed with the bid which it deems most appropriate under the circumstances. The TOWN shall pay its proportion after final inspection and acceptance of the line upon completion thereof within 30 days following the date of submission of a statement to the TOWN from the DEVELOPER or DISTRICTS which shall include invoices and contractor billings. The TOWN acknowledges and agrees that, to the extent the DISTRICTS construct the capital plant facilities and improvements specified in this Section, the DEVELOPER shall be released from its obligations hereunder.

20.12. SEVERANCE. Notwithstanding the provisions of Section 7.6 of the Agreement, the DEVELOPER shall be allowed to transfer surplus water to other lands owned by DEVELOPER within the corporate limits of the TOWN, and may also transfer any available excess water to and from the Maher Ranch PUD within the corporate limits of the TOWN. In addition, DEVELOPER may, with the prior consent of TOWN, transfer available excess water to other property that is located within the corporate limits of the Town, which property is owned by DEVELOPER or related entities. In the event DEVELOPER receives a bona fide third-party offer, it desires to accept, to purchase such surplus water, DEVELOPER shall, pursuant to the notification requirements set

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forth in this Agreement, give 30 days' written notice to the TOWN of such offer and DEVELOPER'S intention to sell such surplus water. In the event TOWN desires to purchase such water it shall give written notification to DEVELOPER of its intention to do so within such 30 day period. TOWN'S purchase of such water shall be at the price established by TOWN Ordinance in effect at the date of DEVELOPER'S notice to the TOWN. Payment shall be made by TOWN to DEVELOPER upon the purchase of such water, or by DEVELOPER to TOWN under DEVELOPER'S first right of refusal, in the form of credits, or if no credits are available then in cash, cashier's or certified check. If TOWN declares a TOWN-wide emergency regarding its water supply, then TOWN will be entitled to acquire surplus water from DEVELOPER and to defer payment by TOWN for such water until such time as TOWN is able to pay, provided that the TOWN shall pay interest to DEVELOPER on any unpaid amount at the rate of 3% over the prime interest rate of United Bank of Denver, as announced from time to time. If all other developers or districts or entities controlling water for other developments within TOWN are obligated by TOWN to deed surplus water to TOWN, then DEVELOPER or DISTRICTS shall agree to deed surplus water, exclusive of available excess water transferred by DEVELOPER to TOWN to the Maher Ranch PUD or to other lands within the corporate limits of the TOWN owned by DEVELOPER or related entities. Surplus water for purposes of this provision shall be determined after the last building permit for 100% of the total maximum development approved for the LAND has been issued by the TOWN.

20.13. IRRIGATION POLICY. Notwithstanding the provisions of Section 8.1 of the Agreement, TOWN agrees that DEVELOPER or DISTRICTS shall be allowed to utilize an efficient reuse irrigation system or a three pipe infrastructure system (water, sewer and irrigation) approved by the TOWN within the LAND.

20.14. INFRASTRUCTURE, OVERSIZING. Notwithstanding the provisions of Section 8.2 of the Agreement, DEVELOPER or

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DISTRICTS shall be responsible for construction of a TOWN approved reuse irrigation system within the LAND. If the DEVELOPER or DISTRICTS refuse or fail to construct such reuse irrigation systems as provided in the INTERGOVERNMENTAL AGREEMENT and the SERVICE PLAN, then the TOWN shall construct and maintain such capital plant facilities as are necessary to provide effluent to the LAND for irrigation purposes and the TOWN shall be entitled only to those fees provided in Section 20.27 below. Such capital plant facilities shall include the necessary transmission lines to transport such effluent to the boundary of the LAND. DEVELOPER or DISTRICTS shall be solely responsible to build and construct in accordance with the DISTRICTS' SERVICE PLAN, all irrigation delivery system infrastructure required upon the LAND to meet the needs of those portions of the LAND which are served by an irrigation system. Such infrastructure shall include all mains, valves and connections and other necessary facilities for the delivery of irrigation effluent throughout the LAND as provided in the DISTRICTS' SERVICE PLAN. In the event the DISTRICTS' SERVICE PLAN requires that the irrigation mains be engineered and constructed which exceed 12 inches in diameter it shall be presumed that the first 12 inches shall service the LAND and shall, accordingly, be paid for by the DEVELOPER or DISTRICTS. Any OVERSIZING shall be the responsibility of the TOWN. If TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER or DISTRICTS shall pay the entire costs of such line; provided, however, if DEVELOPER or DISTRICTS disagree that the oversized main has been engineered and constructed to service the LAND only, then DEVELOPER or DISTRICTS shall be entitled to submit the matter to arbitration as provided in Section 20.37 below. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the costs thereof, the DEVELOPER or DISTRICTS shall follow the procedures set forth in Section 20.11 above with regard to bids and their submission to the TOWN.

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forth in this Agreement, give 30 days' written notice to the TOWN of such offer and DEVELOPER'S intention to sell such surplus water. In the event TOWN desires to purchase such water it shall give written notification to DEVELOPER of its intention to do so within such 30 day period. TOWN'S purchase of such water shall be at the price established by TOWN Ordinance in effect at the date of DEVELOPER'S notice to the TOWN. Payment shall be made by TOWN to DEVELOPER upon the purchase of such water, or by DEVELOPER to TOWN under DEVELOPER'S first right of refusal, in the form of credits, or if no credits are available then in cash, cashier's or certified check. If TOWN declares a TOWN-wide emergency regarding its water supply, then TOWN will be entitled to acquire surplus water from DEVELOPER and to defer payment by TOWN for such water until such time as TOWN is able to pay, provided that the TOWN shall pay interest to DEVELOPER on any unpaid amount at the rate of 3% over the prime interest rate of United Bank of Denver, as announced from time to time. If all other developers or districts or entities controlling water for other developments within TOWN are obligated by TOWN to deed surplus water to TOWN, then DEVELOPER or DISTRICTS shall agree to deed surplus water, exclusive of available excess water transferred by DEVELOPER to TOWN to the Maher Ranch PUD or to other lands within the corporate limits of the TOWN owned by DEVELOPER or related entities. Surplus water for purposes of this provision shall be determined after the last building permit for 100% of the total maximum development approved for the LAND has been issued by the TOWN.

20.13. IRRIGATION POLICY. Notwithstanding the provisions of Section 8.1 of the Agreement, TOWN agrees that DEVELOPER or DISTRICTS shall be allowed to utilize an efficient reuse irrigation system or a three pipe infrastructure system (water, sewer and irrigation) approved by the TOWN within the LAND.

20.14. INFRASTRUCTURE, OVERSIZING. Notwithstanding the provisions of Section 8.2 of the Agreement, DEVELOPER or

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DISTRICTS shall be responsible for construction of a TOWN approved reuse irrigation system within the LAND. If the DEVELOPER or DISTRICTS refuse or fail to construct such reuse irrigation systems as provided in the INTERGOVERNMENTAL AGREEMENT and the SERVICE PLAN, then the TOWN shall construct and maintain such capital plant facilities as are necessary to provide effluent to the LAND for irrigation purposes and the TOWN shall be entitled only to those fees provided in Section 20.27 below. Such capital plant facilities shall include the necessary transmission lines to transport such effluent to the boundary of the LAND. DEVELOPER or DISTRICTS shall be solely responsible to build and construct in accordance with the DISTRICTS' SERVICE PLAN, all irrigation delivery system infrastructure required upon the LAND to meet the needs of those portions of the LAND which are served by an irrigation system. Such infrastructure shall include all mains, valves and connections and other necessary facilities for the delivery of irrigation effluent throughout the LAND as provided in the DISTRICTS' SERVICE PLAN. In the event the DISTRICTS' SERVICE PLAN requires that the irrigation mains be engineered and constructed which exceed 12 inches in diameter it shall be presumed that the first 12 inches shall service the LAND and shall, accordingly, be paid for by the DEVELOPER or DISTRICTS. Any OVERSIZING shall be the responsibility of the TOWN. If TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER or DISTRICTS shall pay the entire costs of such line; provided, however, if DEVELOPER or DISTRICTS disagree that the oversized main has been engineered and constructed to service the LAND only, then DEVELOPER or DISTRICTS shall be entitled to submit the matter to arbitration as provided in Section 20.37 below. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the costs thereof, the DEVELOPER or DISTRICTS shall follow the procedures set forth in Section 20.11 above with regard to bids and their submission to the TOWN.

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20.15. IRRIGATION OF LAND. Notwithstanding the provisions of Section 8.4 of the Agreement, DEVELOPER or DISTRICTS will make such provisions as are reasonably necessary to irrigate open space, parks and public lands within the LAND, whether or not dedicated to the TOWN.

20.16. DEVELOPER'S RESPONSIBILITY. Notwithstanding the provisions of Section VIII of Agreement, the TOWN acknowledges and agrees that, to the extent the DISTRICTS construct the reuse irrigation system specified in Section 20.14, the DEVELOPER shall be released from its obligations thereunder.

20.17. SEWER POLICY INFRASTRUCTURE, OVERSIZING. Notwithstanding the provisions of Section 9.1 of the Agreement, the DEVELOPER or DISTRICTS shall be responsible for the provision of capital plant facilities as are necessary to provide sanitary sewer service to the LAND as provided in the INTERGOVERNMENTAL AGREEMENT and SERVICE PLAN. If DEVELOPER or DISTRICTS refuse or fail to provide such capital plant facilities as provided in the INTERGOVERNMENTAL AGREEMENT and the SERVICE PLAN, then the TOWN shall provide and maintain such capital plant facilities as are necessary to provide sanitary sewer service to the LAND and shall be entitled only to those fees provided for in Section 20.27 below. The DEVELOPER or DISTRICTS shall be solely responsible for the provision, in accordance with the DISTRICTS' SERVICE PLAN, of all sewage collection system infrastructure required for the LAND and necessary to meet the needs of the LAND as provided in the DISTRICTS' SERVICE PLAN and INTERGOVERNMENTAL AGREEMENT. Such infrastructure shall include all mains, valves and connections, pump stations and other necessary facilities for the recovery of sewage from the LAND as provided in the DISTRICTS' SERVICE PLAN and INTERGOVERNMENTAL AGREEMENT. In the event the SERVICE PLAN acquires sewer mains be engineered and constructed which exceed 12 inches in diameter it shall be presumed that the first 12 inches shall service the LAND and shall accordingly be paid for by the DEVELOPER or DISTRICTS and that the OVERSIZING shall be the re-

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sponsibility of TOWN. If TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER or DISTRICTS shall pay the entire costs of such line; provided, however, if DEVELOPER or DISTRICTS disagree that the oversized line has been engineered and constructed to service the LAND only, then DEVELOPER or DISTRICTS shall be entitled to submit the matter to arbitration as provided in Section 20.37 below. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the costs thereof, the DEVELOPER or DISTRICTS shall follow the procedure set forth in Section 20.11 above with regard to bids and their submission to the TOWN. The parties understand that the provision of such sanitary sewer service and a sewage collection system infrastructure for the LAND may be by contract with the Castle Pines Metropolitan District.

20.18. GENERAL STREET POLICY. Notwithstanding the provisions of Section 11.1 the TOWN agrees that to the extent the TOWN allows DEVELOPER or DISTRICTS to adopt design guidelines, criteria and standards regarding such public policies and private improvements, such adopted design guidelines, criteria and standards shall control and be substituted for TOWN minimum standards and design criteria. In the event such adopted design guidelines do not meet or exceed current TOWN minimum standards they shall be subject to TOWN approval at the time of platting.

20.19. PUBLIC LAND DEDICATION POLICY. Notwithstanding the provisions of Section 12.1 of the Agreement, DEVELOPER agrees, pursuant to the terms and provisions of Section 20.6 above, to deed open space, parks and public lands applicable to such plat to the DISTRICTS at the time of final platting certain parcels of property as shown on the preliminary site plan approved contemporaneously with this Agreement, which property will be used as provided in Section 20.6 above of this Agreement. Credit for all water and water rights appurtenant to such parcels deeded to the Districts shall be reserved to the DEVELOPER for use on the LAND. DEVELOPER or DISTRICTS will not

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20.15. IRRIGATION OF LAND. Notwithstanding the provisions of Section 8.4 of the Agreement, DEVELOPER or DISTRICTS will make such provisions as are reasonably necessary to irrigate open space, parks and public lands within the LAND, whether or not dedicated to the TOWN.

20.16. DEVELOPER'S RESPONSIBILITY. Notwithstanding the provisions of Section VIII of Agreement, the TOWN acknowledges and agrees that, to the extent the DISTRICTS construct the reuse irrigation system specified in Section 20.14, the DEVELOPER shall be released from its obligations thereunder.

20.17. SEWER POLICY INFRASTRUCTURE, OVERSIZING. Notwithstanding the provisions of Section 9.1 of the Agreement, the DEVELOPER or DISTRICTS shall be responsible for the provision of capital plant facilities as are necessary to provide sanitary sewer service to the LAND as provided in the INTERGOVERNMENTAL AGREEMENT and SERVICE PLAN. If DEVELOPER or DISTRICTS refuse or fail to provide such capital plant facilities as provided in the INTERGOVERNMENTAL AGREEMENT and the SERVICE PLAN, then the TOWN shall provide and maintain such capital plant facilities as are necessary to provide sanitary sewer service to the LAND and shall be entitled only to those fees provided for in Section 20.27 below. The DEVELOPER or DISTRICTS shall be solely responsible for the provision, in accordance with the DISTRICTS' SERVICE PLAN, of all sewage collection system infrastructure required for the LAND and necessary to meet the needs of the LAND as provided in the DISTRICTS' SERVICE PLAN and INTERGOVERNMENTAL AGREEMENT. Such infrastructure shall include all mains, valves and connections, pump stations and other necessary facilities for the recovery of sewage from the LAND as provided in the DISTRICTS' SERVICE PLAN and INTERGOVERNMENTAL AGREEMENT. In the event the SERVICE PLAN acquires sewer mains be engineered and constructed which exceed 12 inches in diameter it shall be presumed that the first 12 inches shall service the LAND and shall accordingly be paid for by the DEVELOPER or DISTRICTS and that the OVERSIZING shall be the re-

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sponsibility of TOWN. If TOWN engineers determine that the oversized main has been engineered and constructed to service the LAND only, then the DEVELOPER or DISTRICTS shall pay the entire costs of such line; provided, however, if DEVELOPER or DISTRICTS disagree that the oversized line has been engineered and constructed to service the LAND only, then DEVELOPER or DISTRICTS shall be entitled to submit the matter to arbitration as provided in Section 20.37 below. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the costs thereof, the DEVELOPER or DISTRICTS shall follow the procedure set forth in Section 20.11 above with regard to bids and their submission to the TOWN. The parties understand that the provision of such sanitary sewer service and a sewage collection system infrastructure for the LAND may be by contract with the Castle Pines Metropolitan District.

20.18. GENERAL STREET POLICY. Notwithstanding the provisions of Section 11.1 the TOWN agrees that to the extent the TOWN allows DEVELOPER or DISTRICTS to adopt design guidelines, criteria and standards regarding such public policies and private improvements, such adopted design guidelines, criteria and standards shall control and be substituted for TOWN minimum standards and design criteria. In the event such adopted design guidelines do not meet or exceed current TOWN minimum standards they shall be subject to TOWN approval at the time of platting.

20.19. PUBLIC LAND DEDICATION POLICY. Notwithstanding the provisions of Section 12.1 of the Agreement, DEVELOPER agrees, pursuant to the terms and provisions of Section 20.6 above, to deed open space, parks and public lands applicable to such plat to the DISTRICTS at the time of final platting certain parcels of property as shown on the preliminary site plan approved contemporaneously with this Agreement, which property will be used as provided in Section 20.6 above of this Agreement. Credit for all water and water rights appurtenant to such parcels deeded to the Districts shall be reserved to the DEVELOPER for use on the LAND. DEVELOPER or DISTRICTS will not

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be obligated to provide any public lands for school purposes within the LAND.

20.20. PUBLIC IMPROVEMENT EXTENSION. Notwithstanding the provisions of Section 12.2 of the Agreement, DEVELOPER or DISTRICTS shall bear the responsibility for extending utilities, streets, sidewalks, curbs, gutters and bikepaths through and adjacent to such lands to be deeded to the DISTRICTS as the same are located upon approved final site development plans or plats, and where appropriate DEVELOPER or DISTRICTS shall be entitled to recoupment in accordance with applicable TOWN recoupment ordinances.

20.21. TITLE DOCUMENTS. The parties agree that the use of the LAND for purposes intended by the TOWN as provided in Section 12.4 shall mean the use of the LAND as provided in the Master Plan.

20.22. ENGINEERING, CONSTRUCTION. Notwithstanding the provisions of Section 13.1 of the Agreement, the parties agree that all PUBLIC IMPROVEMENTS shall be engineered and constructed in accordance with the DISTRICTS' SERVICE PLAN and shall be properly dedicated and accepted by the TOWN as provided in the INTERGOVERNMENTAL AGREEMENT.

20.23. COMPLETION OF PUBLIC IMPROVEMENTS. DEVELOPER or DISTRICTS agree that prior to the issuance by TOWN of the first building permit within a separately final platted area of the LAND, that DEVELOPER or DISTRICTS shall at their option have, in an amount sufficient to complete the PUBLIC IMPROVEMENTS required by the TOWN for that final platted portion of the LAND, either: (i) bond financing by the DISTRICTS or (ii) a letter of credit, bond, surety, or other guarantee for the benefit of the TOWN (in the event a performance bond is posted it shall be in the amount of 125% of the amount necessary to complete the PUBLIC IMPROVEMENTS required by the TOWN for that final platted portion of the LAND). If PUBLIC IMPROVEMENTS are complete for that final platted portion of the LAND then this Section 20.23 shall not be applicable. DEVELOPER or DISTRICTS

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agree that in the event bond financing by the DISTRICTS is provided that DEVELOPER or DISTRICTS shall establish separate escrow funds necessary for the completion of such PUBLIC IMPROVEMENTS required for that final platted portion of the LAND, with escrow instructions for the bond trustee to allow the TOWN to use such escrowed funds to complete such required PUBLIC IMPROVEMENTS in the event the DEVELOPER or DISTRICTS fail or refuse to complete such PUBLIC IMPROVEMENTS.

20.24. ACCEPTANCE WARRANTY. Notwithstanding the provisions of Section 13.4 of the Agreement, acceptance of all PUBLIC IMPROVEMENTS by the TOWN shall be in accordance with the INTERGOVERNMENTAL AGREEMENT, and all PUBLIC IMPROVEMENTS shall thereafter be subject to a one or two year WARRANTY as set forth in the INTERGOVERNMENTAL AGREEMENT.

20.25. FAILURE TO APPROVE, DISCONNECTION. Notwithstanding the provisions of Section 14.2 of the Agreement, if there is an adjudicated material breach the Agreement or the INTERGOVERNMENTAL AGREEMENT by the TOWN, and the Court awards damages without specific performance and only specific performance will remedy the breach, the TOWN covenants that it will not object to the DEVELOPER or DISTRICTS or OWNERS disconnecting a portion or all of the LAND from the TOWN under any applicable provisions of Colorado law.

20.26. DEVELOPER DEFAULT. The parties agree that in connection with Section 14.3 of the Agreement, that the TOWN shall have the remedies in said Section 14.3 only in the event of a material default by DEVELOPER, and the TOWN reserves the right to withhold pending permits and Certificates of Occupancy or other permits and approvals within the LAND; however, such Certificates of Occupancy may be withheld only if the development of the LAND is within the last final plat or the last 15% of the entire developable area.

20.27. TOWN FEES. In addition in Section 15.1, the TOWN agrees that to the extent the DEVELOPER or DISTRICTS construct or provide for (by payment or otherwise) the wholesale

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be obligated to provide any public lands for school purposes within the LAND.

20.20. PUBLIC IMPROVEMENT EXTENSION. Notwithstanding the provisions of Section 12.2 of the Agreement, DEVELOPER or DISTRICTS shall bear the responsibility for extending utilities, streets, sidewalks, curbs, gutters and bikepaths through and adjacent to such lands to be deeded to the DISTRICTS as the same are located upon approved final site development plans or plats, and where appropriate DEVELOPER or DISTRICTS shall be entitled to recoupment in accordance with applicable TOWN recoupment ordinances.

20.21. TITLE DOCUMENTS. The parties agree that the use of the LAND for purposes intended by the TOWN as provided in Section 12.4 shall mean the use of the LAND as provided in the Master Plan.

20.22. ENGINEERING, CONSTRUCTION. Notwithstanding the provisions of Section 13.1 of the Agreement, the parties agree that all PUBLIC IMPROVEMENTS shall be engineered and constructed in accordance with the DISTRICTS' SERVICE PLAN and shall be properly dedicated and accepted by the TOWN as provided in the INTERGOVERNMENTAL AGREEMENT.

20.23. COMPLETION OF PUBLIC IMPROVEMENTS. DEVELOPER or DISTRICTS agree that prior to the issuance by TOWN of the first building permit within a separately final platted area of the LAND, that DEVELOPER or DISTRICTS shall at their option have, in an amount sufficient to complete the PUBLIC IMPROVEMENTS required by the TOWN for that final platted portion of the LAND, either: (i) bond financing by the DISTRICTS or (ii) a letter of credit, bond, surety, or other guarantee for the benefit of the TOWN (in the event a performance bond is posted it shall be in the amount of 125% of the amount necessary to complete the PUBLIC IMPROVEMENTS required by the TOWN for that final platted portion of the LAND). If PUBLIC IMPROVEMENTS are complete for that final platted portion of the LAND then this Section 20.23 shall not be applicable. DEVELOPER or DISTRICTS

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agree that in the event bond financing by the DISTRICTS is provided that DEVELOPER or DISTRICTS shall establish separate escrow funds necessary for the completion of such PUBLIC IMPROVEMENTS required for that final platted portion of the LAND, with escrow instructions for the bond trustee to allow the TOWN to use such escrowed funds to complete such required PUBLIC IMPROVEMENTS in the event the DEVELOPER or DISTRICTS fail or refuse to complete such PUBLIC IMPROVEMENTS.

20.24. ACCEPTANCE WARRANTY. Notwithstanding the provisions of Section 13.4 of the Agreement, acceptance of all PUBLIC IMPROVEMENTS by the TOWN shall be in accordance with the INTERGOVERNMENTAL AGREEMENT, and all PUBLIC IMPROVEMENTS shall thereafter be subject to a one or two year WARRANTY as set forth in the INTERGOVERNMENTAL AGREEMENT.

20.25. FAILURE TO APPROVE, DISCONNECTION. Notwithstanding the provisions of Section 14.2 of the Agreement, if there is an adjudicated material breach the Agreement or the INTERGOVERNMENTAL AGREEMENT by the TOWN, and the Court awards damages without specific performance and only specific performance will remedy the breach, the TOWN covenants that it will not object to the DEVELOPER or DISTRICTS or OWNERS disconnecting a portion or all of the LAND from the TOWN under any applicable provisions of Colorado law.

20.26. DEVELOPER DEFAULT. The parties agree that in connection with Section 14.3 of the Agreement, that the TOWN shall have the remedies in said Section 14.3 only in the event of a material default by DEVELOPER, and the TOWN reserves the right to withhold pending permits and Certificates of Occupancy or other permits and approvals within the LAND; however, such Certificates of Occupancy may be withheld only if the development of the LAND is within the last final plat or the last 15% of the entire developable area.

20.27. TOWN FEES. In addition in Section 15.1, the TOWN agrees that to the extent the DEVELOPER or DISTRICTS construct or provide for (by payment or otherwise) the wholesale

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water and sewer facilities for the LAND and the treatment of water and sewer for the LAND, the TOWN'S Water Development Fee (as defined in the INTERGOVERNMENTAL AGREEMENT and the Castle Rock Municipal Code) and Sewer Development Fee (as defined in the INTERGOVERNMENTAL AGREEMENT and the Castle Rock Municipal Code) will be waived. In addition, the TOWN agrees that to the extent the DEVELOPER or DISTRICTS use substantially all of the reuse associated with the LAND that the Irrigation Water Development Fee (as defined in the INTERGOVERNMENTAL AGREEMENT and the Castle Rock Municipal Code) will be so waived by the TOWN. TOWN agrees that DEVELOPER or DISTRICTS shall be entitled to determine which equivalent residential units within the LAND shall be affected by such waiver of fees by the TOWN if 100% of such fees are not waived. In addition, if DEVELOPER or DISTRICTS are entitled to any credits from the TOWN that exceed the maximum number of equivalent residential units for the LAND, then DEVELOPER or DISTRICTS may apply such credits as they desire, including using such credits for the Maher Ranch PUD within the TOWN. The TOWN agrees that it shall not impose or establish any other fee, rate, toll, charge, penalty or tax, including without limitation, an occupancy tax, room tax or an entertainment tax upon or against OWNERS of the LAND or residents or property owners of the DISTRICTS organized for the benefit of the LAND unless the same are imposed upon all residents of the TOWN similarly situated whether such residents reside within special districts or not. The TOWN shall not require as a condition to site plan approval, plat approval, issuance of Certificates of Occupancy or building permits, or any other condition of continued development activities, any payment of any kind except to the extent the same are imposed upon all residents and/or owners of property in the TOWN unless otherwise agreed to in writing by DEVELOPER or DISTRICTS. The parties agree that to the extent the DISTRICTS or any other special district, whether or not formed by DEVELOPER, are obligated for TOWN fees, then, upon payment, the DEVELOPER shall be

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released from any obligations regarding such fees. The TOWN further agrees that any fee imposed against DEVELOPER or DISTRICTS pursuant to this Agreement, if any, shall be used by TOWN only for the specified purpose of such fee and no other use of such fee shall be allowed. TOWN agrees in particular, but not as a limitation to the preceding sentence, to use the Water Resource Fees, if any, charged against DEVELOPER or DISTRICTS only to acquire replenishable water supplies. The TOWN further agrees to account for any such fees collected from DEVELOPER or DISTRICTS.

\* 20.28. RECOUPMENT. DEVELOPER or DISTRICTS shall be entitled to recoupment of off-site costs including:

(a) Costs of easements and rights-of-way (costs of easement or fee title procurement, administrative and legal costs).

(b) Costs of any off-site facilities, including, without limitation, roadway, street lights, drainage and sewer and water structure construction. Time for such recoupment, insofar as it relates to private persons, shall be for a period of ten years after the date of completion of all such improvements to which DEVELOPER or DISTRICTS are entitled to recoupment.

(c) TOWN shall provide that recoupment will be due, from the OWNERS of all LANDS annexed subsequent to the date of this Agreement, on an "ability-to-serve" basis, rather than at the time of actual connection to, or utilization of, said improvements, with said amounts being payable in full, at the time the first final plat is approved for any such OWNER. DEVELOPER shall comply with the administrative provision of any recoupment provision in effect in order to insure that the costs expended are properly approved by TOWN for recoupment at the time of expenditure.

20.29. OFF-SITE ROAD IMPROVEMENTS.

(a) Access to Castle Pines Commercial. The parties agree as a condition of annexation that DEVELOPER or

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water and sewer facilities for the LAND and the treatment of water and sewer for the LAND, the TOWN'S Water Development Fee (as defined in the INTERGOVERNMENTAL AGREEMENT and the Castle Rock Municipal Code) and Sewer Development Fee (as defined in the INTERGOVERNMENTAL AGREEMENT and the Castle Rock Municipal Code) will be waived. In addition, the TOWN agrees that to the extent the DEVELOPER or DISTRICTS use substantially all of the reuse associated with the LAND that the Irrigation Water Development Fee (as defined in the INTERGOVERNMENTAL AGREEMENT and the Castle Rock Municipal Code) will be so waived by the TOWN. TOWN agrees that DEVELOPER or DISTRICTS shall be entitled to determine which equivalent residential units within the LAND shall be affected by such waiver of fees by the TOWN if 100% of such fees are not waived. In addition, if DEVELOPER or DISTRICTS are entitled to any credits from the TOWN that exceed the maximum number of equivalent residential units for the LAND, then DEVELOPER or DISTRICTS may apply such credits as they desire, including using such credits for the Maher Ranch PUD within the TOWN. The TOWN agrees that it shall not impose or establish any other fee, rate, toll, charge, penalty or tax, including without limitation, an occupancy tax, room tax or an entertainment tax upon or against OWNERS of the LAND or residents or property owners of the DISTRICTS organized for the benefit of the LAND unless the same are imposed upon all residents of the TOWN similarly situated whether such residents reside within special districts or not. The TOWN shall not require as a condition to site plan approval, plat approval, issuance of Certificates of Occupancy or building permits, or any other condition of continued development activities, any payment of any kind except to the extent the same are imposed upon all residents and/or owners of property in the TOWN unless otherwise agreed to in writing by DEVELOPER or DISTRICTS. The parties agree that to the extent the DISTRICTS or any other special district, whether or not formed by DEVELOPER, are obligated for TOWN fees, then, upon payment, the DEVELOPER shall be

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released from any obligations regarding such fees. The TOWN further agrees that any fee imposed against DEVELOPER or DISTRICTS pursuant to this Agreement, if any, shall be used by TOWN only for the specified purpose of such fee and no other use of such fee shall be allowed. TOWN agrees in particular, but not as a limitation to the preceding sentence, to use the Water Resource Fees, if any, charged against DEVELOPER or DISTRICTS only to acquire replenishable water supplies. The TOWN further agrees to account for any such fees collected from DEVELOPER or DISTRICTS.

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(a) Costs of easements and rights-of-way (costs of easement or fee title procurement, administrative and legal costs).

(b) Costs of any off-site facilities, including, without limitation, roadway, street lights, drainage and sewer and water structure construction. Time for such recoupment, insofar as it relates to private persons, shall be for a period of ten years after the date of completion of all such improvements to which DEVELOPER or DISTRICTS are entitled to recoupment.

(c) TOWN shall provide that recoupment will be due, from the OWNERS of all LANDS annexed subsequent to the date of this Agreement, on an "ability-to-serve" basis, rather than at the time of actual connection to, or utilization of, said improvements, with said amounts being payable in full, at the time the first final plat is approved for any such OWNER. DEVELOPER shall comply with the administrative provision of any recoupment provision in effect in order to insure that the costs expended are properly approved by TOWN for recoupment at the time of expenditure.

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DISTRICTS agree to participate with others to finance certain roadway improvements relating to the LAND on the following phased basis:

(1) Phase 1: DEVELOPER shall not be entitled to obtain any building permits for development within the LAND until DEVELOPER or DISTRICTS have completed improving and widening to four through lanes that portion of U.S. Highway 85 from the point where the widening of U.S. Highway 85 by The Meadows project ends to the second entrance of the Castle Pines Commercial project, together with an acceleration and deceleration lane along U.S. Highway 85 adjacent to the LAND, and left turn lanes from U.S. Highway 85 into the LAND at the two intersections of U.S. Highway 85. Upon completion of such above-described improvements, DEVELOPER shall be entitled to reach a 25% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park). The parties agree that in the event the Colorado State Highway Department either refuses to allow DEVELOPER or DISTRICTS to widen U.S. Highway 85 to four lanes as described above, or unreasonably delays such widening of U.S. Highway 85, then, at DEVELOPER or DISTRICTS' option and with TOWN approval, DEVELOPER or DISTRICTS may construct acceleration and deceleration lanes on Miller Boulevard west of the U.S. Highway I-25 interchange to allow traffic to enter the LAND from the south off of Miller Boulevard. These improvements to Miller Boulevard shall be in lieu of the two additional lanes to U.S. Highway 85, and upon completion of such improvements, DEVELOPER shall be entitled to reach the same 25% of total buildout as described above.

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(2) Phase 2: DEVELOPER shall not be entitled to exceed a 25% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) until DEVELOPER or DISTRICTS have completed improving and widening to four lanes that portion of U.S. Highway 85 from the second entrance of the Castle Pines Commercial project to the north boundary line of the LAND. Upon completion of such above-described improvements, DEVELOPER shall be entitled to reach a 35% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park).

(3) Phase 3: DEVELOPER shall not be entitled to exceed a 35% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) until DEVELOPER or DISTRICTS have completed constructing a second left turn lane on U.S. Highway 85 at the two intersections of U.S. Highway 85 that serve the LAND, together with two left turn lanes from Miller Boulevard west of the U.S. Highway I-25 interchange north into the LAND, and constructing roadways within the LAND connecting the then existing entranceways to the LAND. Upon completion of such above-described improvements, DEVELOPER shall be entitled to reach a 50% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park).

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DISTRICTS agree to participate with others to finance certain roadway improvements relating to the LAND on the following phased basis:

(1) Phase 1: DEVELOPER shall not be entitled to obtain any building permits for development within the LAND until DEVELOPER or DISTRICTS have completed improving and widening to four through lanes that portion of U.S. Highway 85 from the point where the widening of U.S. Highway 85 by The Meadows project ends to the second entrance of the Castle Pines Commercial project, together with an acceleration and deceleration lane along U.S. Highway 85 adjacent to the LAND, and left turn lanes from U.S. Highway 85 into the LAND at the two intersections of U.S. Highway 85. Upon completion of such above-described improvements, DEVELOPER shall be entitled to reach a 25% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park). The parties agree that in the event the Colorado State Highway Department either refuses to allow DEVELOPER or DISTRICTS to widen U.S. Highway 85 to four lanes as described above, or unreasonably delays such widening of U.S. Highway 85, then, at DEVELOPER or DISTRICTS' option and with TOWN approval, DEVELOPER or DISTRICTS may construct acceleration and deceleration lanes on Miller Boulevard west of the U.S. Highway I-25 interchange to allow traffic to enter the LAND from the south off of Miller Boulevard. These improvements to Miller Boulevard shall be in lieu of the two additional lanes to U.S. Highway 85, and upon completion of such improvements, DEVELOPER shall be entitled to reach the same 25% of total buildout as described above.

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(2) Phase 2: DEVELOPER shall not be entitled to exceed a 25% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) until DEVELOPER or DISTRICTS have completed improving and widening to four lanes that portion of U.S. Highway 85 from the second entrance of the Castle Pines Commercial project to the north boundary line of the LAND. Upon completion of such above-described improvements, DEVELOPER shall be entitled to reach a 35% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park).

(3) Phase 3: DEVELOPER shall not be entitled to exceed a 35% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) until DEVELOPER or DISTRICTS have completed constructing a second left turn lane on U.S. Highway 85 at the two intersections of U.S. Highway 85 that serve the LAND, together with two left turn lanes from Miller Boulevard west of the U.S. Highway I-25 interchange north into the LAND, and constructing roadways within the LAND connecting the then existing entranceways to the LAND. Upon completion of such above-described improvements, DEVELOPER shall be entitled to reach a 50% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park).

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(4) Phase 4: Except as provided below, DEVELOPER shall not be entitled to exceed a 50% build-out of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) until the construction of a four-lane connector road between U.S. Highway 85 and I-25 ("Connector Road") and of a new interchange located north of the Silver Heights Interchange on I-25 ("New Interchange"), together with the construction of roadways within the LAND connecting the then existing entranceways to the LAND, have been completed. DEVELOPER or DISTRICTS agree to participate in the cost of the Connector Road on a fair and equitable pro rata basis with other benefitting property owners based upon a traffic study of total traffic impacts on the Connector Road. The parties agree that DEVELOPER or DISTRICTS' obligations regarding the New Interchange shall be as provided in Section 20.29(b) below. Upon completion of the above-described improvements, DEVELOPER shall be entitled to reach a 100% buildout of total gross development of the LAND as provided in the Master Plan and related documents.

DEVELOPER agrees to pay to TOWN with a letter of credit, bond, cash or by undertaking such improvements its proportionate share of the costs of the above-described improvements based upon its pro rata percentage of total traffic impacts as determined by a traffic study of such improvements. The parties agree that to the extent the DISTRICTS assume the obligation for such improvements by obtaining financing for the above-described improvements, then the DEVELOPER shall be released from the obligations hereunder. DEVELOPER or DISTRICTS shall be entitled to recoupment from benefitting property owners pursuant to Section 20.28 for any costs expended by DEVELOPER or DISTRICTS in connection

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with such improvements in excess of DEVELOPER'S proportionate share of such costs based upon the traffic study. This comprises the entire responsibility of DEVELOPER or DISTRICTS for the above-described off-site road improvements for the LAND.

The TOWN agrees that, in the event DEVELOPER or DISTRICTS require an access from Miller Boulevard west of the I-25 Interchange onto the LAND, the TOWN will assist and cooperate with DEVELOPER or DISTRICTS in obtaining such access to the LAND.

In addition, the TOWN agrees that, notwithstanding the above phased schedule, DEVELOPER shall be entitled to exceed a 50% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) if U.S. Highway 85 adjacent to the LAND has been improved and widened to six through lanes (three through lanes with two left turn lanes and a right turn/through lane); provided, however, that DEVELOPER or DISTRICTS shall have no financial obligation regarding such widening to six through lanes of U.S. Highway 85, except as provided in the following paragraph. Upon completion of such above-described improvements to U.S. Highway 85 DEVELOPER shall be entitled to reach a 60% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park). DEVELOPER shall be entitled to exceed a 60% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) if a right turn lane from U.S. Highway 85 onto the Connector Road is constructed and a right turn lane from Miller Boulevard west of the I-25 Interchange into the LAND is constructed; provided, however, that DEVELOPER or DISTRICTS shall have no financial obligation regarding such above-des-

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(4) Phase 4: Except as provided below, DEVELOPER shall not be entitled to exceed a 50% build-out of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) until the construction of a four-lane connector road between U.S. Highway 85 and I-25 ("Connector Road") and of a new interchange located north of the Silver Heights Interchange on I-25 ("New Interchange"), together with the construction of roadways within the LAND connecting the then existing entranceways to the LAND, have been completed. DEVELOPER or DISTRICTS agree to participate in the cost of the Connector Road on a fair and equitable pro rata basis with other benefitting property owners based upon a traffic study of total traffic impacts on the Connector Road. The parties agree that DEVELOPER or DISTRICTS' obligations regarding the New Interchange shall be as provided in Section 20.29(b) below. Upon completion of the above-described improvements, DEVELOPER shall be entitled to reach a 100% buildout of total gross development of the LAND as provided in the Master Plan and related documents.

DEVELOPER agrees to pay to TOWN with a letter of credit, bond, cash or by undertaking such improvements its proportionate share of the costs of the above-described improvements based upon its pro rata percentage of total traffic impacts as determined by a traffic study of such improvements. The parties agree that to the extent the DISTRICTS assume the obligation for such improvements by obtaining financing for the above-described improvements, then the DEVELOPER shall be released from the obligations hereunder. DEVELOPER or DISTRICTS shall be entitled to recoupment from benefitting property owners pursuant to Section 20.28 for any costs expended by DEVELOPER or DISTRICTS in connection

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with such improvements in excess of DEVELOPER'S proportionate share of such costs based upon the traffic study. This comprises the entire responsibility of DEVELOPER or DISTRICTS for the above-described off-site road improvements for the LAND.

The TOWN agrees that, in the event DEVELOPER or DISTRICTS require an access from Miller Boulevard west of the I-25 Interchange onto the LAND, the TOWN will assist and cooperate with DEVELOPER or DISTRICTS in obtaining such access to the LAND.

In addition, the TOWN agrees that, notwithstanding the above phased schedule, DEVELOPER shall be entitled to exceed a 50% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) if U.S. Highway 85 adjacent to the LAND has been improved and widened to six through lanes (three through lanes with two left turn lanes and a right turn/through lane); provided, however, that DEVELOPER or DISTRICTS shall have no financial obligation regarding such widening to six through lanes of U.S. Highway 85, except as provided in the following paragraph. Upon completion of such above-described improvements to U.S. Highway 85 DEVELOPER shall be entitled to reach a 60% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park). DEVELOPER shall be entitled to exceed a 60% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park) if a right turn lane from U.S. Highway 85 onto the Connector Road is constructed and a right turn lane from Miller Boulevard west of the I-25 Interchange into the LAND is constructed; provided, however, that DEVELOPER or DISTRICTS shall have no financial obligation regarding such above-des-

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cribed improvements to U.S. Highway 85 and Miller Boulevard, except as provided in the following paragraph. Upon completion of such above-described improvements to U.S. Highway 85 and Miller Boulevard, DEVELOPER shall be entitled to reach a 70% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park).

In the event DEVELOPER or DISTRICTS desire to make such improvements to U.S. Highway 85 and Miller Boulevard described in the preceding paragraph, then DEVELOPER or DISTRICTS shall have the financial obligation to do so, and upon completion of such improvements, DEVELOPER or DISTRICTS shall be entitled to obtain credit for all costs expended for the additional lanes added to U.S. Highway 85 and to Miller Boulevard against any unpaid Street Oversizing Fees.

A diagram of the total laneage improvements to U.S. Highway 85 and to Miller Boulevard is attached hereto as Exhibit B. The parties acknowledge that the diagram attached as Exhibit B reflects improvements to such roads based upon total traffic impacts, and not just traffic impacts from the LAND.

The TOWN and DEVELOPER or DISTRICTS agree that in the event the TOWN, DEVELOPER or DISTRICTS, Meadows Metropolitan District and Villages at Castle Rock Metropolitan Districts enter into an intergovernmental agreement regarding the allocation of each of the district's financial obligations regarding the New Interchange, the Silver Heights Interchange and the South Interchange, as defined below, based upon a traffic study of total traffic impacts to all three interchanges, and the results of such traffic study specifies different improvements and/or different timing of improvements by DEVELOPER or DISTRICTS than provided in this Section 20.29(a) then to that extent the results of the traffic study shall supercede the provisions in this Section 20.29(a). In the event any of the above-described entities either fail or refuse to enter into

such an intergovernmental agreement, for any reason, then the provisions of this Section 20.29(a) shall control regarding the improvements described herein and the timing of such improvements to be constructed by DEVELOPER or DISTRICTS.

(b) Silver Heights Interchange/New Interchange. As a condition of annexation, DEVELOPER or DISTRICTS agree(s) to participate with others to finance the improvements to Silver Heights Interchange and/or the New Interchange to be constructed north of the Silver Heights Interchange. The parties agree that at such time as a traffic study has been completed and approved which determines total traffic impacts of both the Silver Heights Interchange and the New Interchange, and at such time as the traffic study determines that construction of the New Interchange is required to commence and the benefitting property owners agree to commence such construction, that DEVELOPER or DISTRICTS will participate in the cost of reconstruction of the Silver Heights Interchange and of construction of the New Interchange on a fair and equitable pro rata basis with other benefitting property owners through a general, special or assessment district or association of such districts. DEVELOPER may satisfy its obligations regarding the Silver Heights Interchange and/or the New Interchange with a letter of credit, bond or cash at DEVELOPER'S option for such improvements. In the event DEVELOPER or DISTRICTS supply rights-of-way required for the Silver Heights Interchange or the New Interchange, DEVELOPER or DISTRICTS shall only be entitled to recoupment for such rights-of-way acquired from third parties subsequent to the date of this Agreement. The parties agree that to the extent the DISTRICTS assume the obligation for such improvements by obtaining financing for such improvements, the DEVELOPER shall be released from the obligations hereunder. This comprises the entire responsibility of DEVELOPER or DISTRICTS for improvements to Silver Heights Interchange and/or the New Interchange for the LAND.

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cribed improvements to U.S. Highway 85 and Miller Boulevard, except as provided in the following paragraph. Upon completion of such above-described improvements to U.S. Highway 85 and Miller Boulevard, DEVELOPER shall be entitled to reach a 70% buildout of total gross development of maximum allowable retail, office and hotel development of the LAND as provided in the Master Plan and related documents (exclusive of an approximate 30-acre recreation/amusement park).

In the event DEVELOPER or DISTRICTS desire to make such improvements to U.S. Highway 85 and Miller Boulevard described in the preceding paragraph, then DEVELOPER or DISTRICTS shall have the financial obligation to do so, and upon completion of such improvements, DEVELOPER or DISTRICTS shall be entitled to obtain credit for all costs expended for the additional lanes added to U.S. Highway 85 and to Miller Boulevard against any unpaid Street Oversizing Fees.

A diagram of the total laneage improvements to U.S. Highway 85 and to Miller Boulevard is attached hereto as Exhibit B. The parties acknowledge that the diagram attached as Exhibit B reflects improvements to such roads based upon total traffic impacts, and not just traffic impacts from the LAND.

The TOWN and DEVELOPER or DISTRICTS agree that in the event the TOWN, DEVELOPER or DISTRICTS, Meadows Metropolitan District and Villages at Castle Rock Metropolitan Districts enter into an intergovernmental agreement regarding the allocation of each of the district's financial obligations regarding the New Interchange, the Silver Heights Interchange and the South Interchange, as defined below, based upon a traffic study of total traffic impacts to all three interchanges, and the results of such traffic study specifies different improvements and/or different timing of improvements by DEVELOPER or DISTRICTS than provided in this Section 20.29(a) then to that extent the results of the traffic study shall supercede the provisions in this Section 20.29(a). In the event any of the above-described entities either fail or refuse to enter into

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such an intergovernmental agreement, for any reason, then the provisions of this Section 20.29(a) shall control regarding the improvements described herein and the timing of such improvements to be constructed by DEVELOPER or DISTRICTS.

(b) Silver Heights Interchange/New Interchange. As a condition of annexation, DEVELOPER or DISTRICTS agree(s) to participate with others to finance the improvements to Silver Heights Interchange and/or the New Interchange to be constructed north of the Silver Heights Interchange. The parties agree that at such time as a traffic study has been completed and approved which determines total traffic impacts of both the Silver Heights Interchange and the New Interchange, and at such time as the traffic study determines that construction of the New Interchange is required to commence and the benefitting property owners agree to commence such construction, that DEVELOPER or DISTRICTS will participate in the cost of reconstruction of the Silver Heights Interchange and of construction of the New Interchange on a fair and equitable pro rata basis with other benefitting property owners through a general, special or assessment district or association of such districts. DEVELOPER may satisfy its obligations regarding the Silver Heights Interchange and/or the New Interchange with a letter of credit, bond or cash at DEVELOPER'S option for such improvements. In the event DEVELOPER or DISTRICTS supply rights-of-way required for the Silver Heights Interchange or the New Interchange, DEVELOPER or DISTRICTS shall only be entitled to recoupment for such rights-of-way acquired from third parties subsequent to the date of this Agreement. The parties agree that to the extent the DISTRICTS assume the obligation for such improvements by obtaining financing for such improvements, the DEVELOPER shall be released from the obligations hereunder. This comprises the entire responsibility of DEVELOPER or DISTRICTS for improvements to Silver Heights Interchange and/or the New Interchange for the LAND.

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DEVELOPER or DISTRICTS shall be entitled to satisfy its obligations regarding both interchanges described above by applying its pro rata portion to either one or both interchanges, at DEVELOPER or DISTRICTS' option; provided that DEVELOPER or DISTRICTS enter into an intergovernmental agreement with the TOWN, the appropriate Meadows Metropolitan District and Villages at Castle Rock Metropolitan Districts regarding the allocation of each of the District's financial obligations regarding the New Interchange, the Silver Heights Interchange and a third interchange to be constructed on U.S. I-25 south of the Silver Heights Interchange (the "South Interchange"). The intergovernmental agreement regarding the three above-described interchanges shall provide that in the event the cost of acquiring rights-of-way for such interchanges are included in the cost of one or more of such interchanges in determining the total cost of such interchange improvement, then the cost of acquiring rights-of-way necessary for the interchanges shall be included in total costs of all of the interchanges. In the event any of the above-described parties either fail or refuse to enter into such intergovernmental agreement, for any reason, then: (i) DEVELOPER or DISTRICTS, Meadows Metropolitan District and Villages at Castle Rock Metropolitan Districts shall be obligated to pay their equitable pro rata share of the costs of constructing the New Interchange, the Silver Heights Interchange and the South Interchange based upon each district's relative share of traffic impact upon such interchange as determined by a traffic study of total traffic impacts to all three interchanges, and the TOWN agrees to use best efforts to enforce such obligations against the benefitting property owners; and (ii) TOWN agrees that it shall not allow any benefitting property owner to allocate its pro rata share of the costs of the interchanges upon which such benefitting property owner has traffic impacts to less than the total number of interchanges impacted by such benefitting property owner as determined pursuant to the traffic study referred to above.

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TOWN further agrees to take any and all steps necessary, including, but not limited to, withholding permits, in order to require all benefitting property owners within the jurisdiction of the TOWN to pay their pro rata share of the costs of all interchanges upon which the benefitting property owners have impacts as determined pursuant to the above-described traffic study of all three interchanges. The parties agree that to the extent the DISTRICTS assume the obligation for such improvements by obtaining financing for such improvements, the DEVELOPER shall be released from the obligations hereunder.

(c) To the extent DEVELOPER or DISTRICTS have not received credit against Street Oversizing Fees, and to the extent the recoupment provisions of Section 20.28 apply, then DEVELOPER or DISTRICTS shall be entitled to recoupment, as provided in Section 20.28 for the above off-site road improvements described in this Section 20.29.

20.30. METROPOLITAN DISTRICTS. It is the intention of the DEVELOPER to present petitions of the OWNERS of the LAND for organization of the DISTRICTS, pursuant to and in accordance with Title 32, Article 1, Colorado Revised Statutes, as amended. It is the intention of TOWN to consider such petitions pursuant to statute and approve the DISTRICTS in conformity with the Petition for Organization of the DISTRICTS as defined in the INTERGOVERNMENTAL AGREEMENT, the Resolution of Approval as defined in the INTERGOVERNMENTAL AGREEMENT, the SERVICE PLAN, the INTERGOVERNMENTAL AGREEMENT, and the Order of the District Court as defined in the INTERGOVERNMENTAL AGREEMENT.

(a) TOWN agrees to approve the DISTRICTS in the form of multiple DISTRICTS, not to exceed six in number, and a Master District, without further agreement of the Board of Trustees.

(b) Whenever, under the provisions of this Agreement, DEVELOPER has the duty to engineer, furnish material for, install, construct, warrant, maintain, repair or otherwise provide or maintain any PUBLIC IMPROVEMENT as defined in this

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DEVELOPER or DISTRICTS shall be entitled to satisfy its obligations regarding both interchanges described above by applying its pro rata portion to either one or both interchanges, at DEVELOPER or DISTRICTS' option; provided that DEVELOPER or DISTRICTS enter into an intergovernmental agreement with the TOWN, the appropriate Meadows Metropolitan District and Villages at Castle Rock Metropolitan Districts regarding the allocation of each of the District's financial obligations regarding the New Interchange, the Silver Heights Interchange and a third interchange to be constructed on U.S. I-25 south of the Silver Heights Interchange (the "South Interchange"). The intergovernmental agreement regarding the three above-described interchanges shall provide that in the event the cost of acquiring rights-of-way for such interchanges are included in the cost of one or more of such interchanges in determining the total cost of such interchange improvement, then the cost of acquiring rights-of-way necessary for the interchanges shall be included in total costs of all of the interchanges. In the event any of the above-described parties either fail or refuse to enter into such intergovernmental agreement, for any reason, then: (i) DEVELOPER or DISTRICTS, Meadows Metropolitan District and Villages at Castle Rock Metropolitan Districts shall be obligated to pay their equitable pro rata share of the costs of constructing the New Interchange, the Silver Heights Interchange and the South Interchange based upon each district's relative share of traffic impact upon such interchange as determined by a traffic study of total traffic impacts to all three interchanges, and the TOWN agrees to use best efforts to enforce such obligations against the benefitting property owners; and (ii) TOWN agrees that it shall not allow any benefitting property owner to allocate its pro rata share of the costs of the interchanges upon which such benefitting property owner has traffic impacts to less than the total number of interchanges impacted by such benefitting property owner as determined pursuant to the traffic study referred to above.

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Agreement or any Facility or Facilities or other PUBLIC IMPROVEMENT as defined in the DISTRICTS' organizational documents, that duty may be delegated by DEVELOPER without consent of TOWN to the DISTRICTS or any other metropolitan districts provided the provision or maintenance thereof is within the scope of authority of the DISTRICTS and/or metropolitan districts.

(c) In the event the DISTRICTS shall fail or refuse to provide the PUBLIC IMPROVEMENTS or Facilities specified in the DISTRICTS' SERVICE PLAN, which improvements DEVELOPER would otherwise complete, then DEVELOPER shall construct, operate and maintain such PUBLIC IMPROVEMENTS or Facilities pursuant to the provisions of the SERVICE PLAN and this Agreement, and receive such credits as are provided for in Section 20.27 of this Agreement.

(d) Whenever the DISTRICTS convey land to TOWN which was previously conveyed to the DISTRICTS by DEVELOPER, TOWN shall credit said land as against the public land dedication requirement of DEVELOPER.

(e) Failure of the TOWN to approve the DISTRICTS in substantial conformity with the provisions of this Section shall give rise to a right of disconnection of the LAND pursuant to this Agreement.

20.31. SILVER HEIGHTS WATER AND SANITATION DISTRICT.  
TOWN agrees upon request of DEVELOPER to commence and/or join with DEVELOPER in proceedings necessary to exclude the LAND from the Silver Heights Water and Sanitation District, including, but not limited to, commencing an action before the District Court in order to exclude the LAND from the Silver Heights Water and Sanitation District. The parties agree that the DEVELOPER shall provide all documentation required for and prosecute such action in District Court in cooperation with the TOWN and that such action will be at no cost to the TOWN. The parties agree that in the event the LAND is not excluded from the Silver Heights Water and Sanitation District within a reasonable period of time, due to action or inaction of TOWN as determined by DE-

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VELOPER, then DEVELOPER shall be entitled to terminate this Agreement and to disconnect the LAND as provided in this Agreement.

20.32. COOPERATION.

(a) TOWN agrees to cooperate with DEVELOPER, prior to annexation, to the extent legally permissible in applying for new or amended permits, and in adopting new plans or amending existing plans, whenever so required by any governmental entity having proper jurisdiction and authority. TOWN agrees also that it will ratify and adopt the approved Planned Unit Development Master Plan for the LAND as a part of the TOWN'S Master Plan. TOWN agrees that annexation of the LAND by the TOWN shall automatically amend the TOWN'S Master Plan regarding the LAND.

(b) TOWN and DEVELOPER recognize that the status of the TOWN as a management agency over the LAND prior to annexation may not be uncontested and that it may be necessary to work with Douglas County, the present designated management agency for all portions of unincorporated Douglas County, to submit jointly certain requests or obtain certain approvals. Therefore, TOWN agrees to solicit the cooperation of Douglas County in submitting any amendments and requests while the annexation action is pending.

20.33. UPDATE TO COMPREHENSIVE MASTER PLAN. Upon annexation of the LAND, DEVELOPER or DISTRICTS agree that they shall be responsible for the pro rata costs for the update of the Castle Rock Comprehensive Master Plan dated July 1982 and the Utility Master Plan, based upon the number of EQRs within the LAND as approved by the TOWN divided by the total number of EQRs of projects involved in such update. DEVELOPER or DISTRICTS agree to pay their pro rata share upon completion of such update and upon written request by the TOWN for such payment.

20.34. PEDESTRIAN SYSTEM. DEVELOPER or DISTRICTS agree(s) that the LAND shall be provided with a sidewalk/trail system as provided in the Castle Pines Commercial Sidewalk/Trail

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Agreement or any Facility or Facilities or other PUBLIC IMPROVEMENT as defined in the DISTRICTS' organizational documents, that duty may be delegated by DEVELOPER without consent of TOWN to the DISTRICTS or any other metropolitan districts provided the provision or maintenance thereof is within the scope of authority of the DISTRICTS and/or metropolitan districts.

(c) In the event the DISTRICTS shall fail or refuse to provide the PUBLIC IMPROVEMENTS or Facilities specified in the DISTRICTS' SERVICE PLAN, which improvements DEVELOPER would otherwise complete, then DEVELOPER shall construct, operate and maintain such PUBLIC IMPROVEMENTS or Facilities pursuant to the provisions of the SERVICE PLAN and this Agreement, and receive such credits as are provided for in Section 20.27 of this Agreement.

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VELOPER, then DEVELOPER shall be entitled to terminate this Agreement and to disconnect the LAND as provided in this Agreement.

20.32. COOPERATION.

(a) TOWN agrees to cooperate with DEVELOPER, prior to annexation, to the extent legally permissible in applying for new or amended permits, and in adopting new plans or amending existing plans, whenever so required by any governmental entity having proper jurisdiction and authority. TOWN agrees also that it will ratify and adopt the approved Planned Unit Development Master Plan for the LAND as a part of the TOWN'S Master Plan. TOWN agrees that annexation of the LAND by the TOWN shall automatically amend the TOWN'S Master Plan regarding the LAND.

(b) TOWN and DEVELOPER recognize that the status of the TOWN as a management agency over the LAND prior to annexation may not be uncontested and that it may be necessary to work with Douglas County, the present designated management agency for all portions of unincorporated Douglas County, to submit jointly certain requests or obtain certain approvals. Therefore, TOWN agrees to solicit the cooperation of Douglas County in submitting any amendments and requests while the annexation action is pending.

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System Map to be attached to the Master Plan of the LAND, which shall be constructed to meet all applicable TOWN minimum standards and design criteria; provided, however, that to the extent TOWN allows DEVELOPER or DISTRICTS to adopt design guidelines, criteria and standards regarding such pedestrian system, such adopted design guidelines, criteria and standards shall control and be substituted for TOWN minimum standards and design criteria.

20.35. INTERGOVERNMENTAL COST SHARING AGREEMENT.

Upon annexation of the LAND, DEVELOPER or DISTRICTS will commit to pay TOWN a fee of \$4.50 per Equivalent Residential Unit approved within the LAND pursuant to the TOWN'S Intergovernmental Cost Sharing Agreement to be executed by TOWN, DEVELOPER and the other developers within the corporate limits of the TOWN after January 1, 1987, which fee shall be paid on the date required of all other developers under the Agreement.

20.36. GOOD FAITH. The parties shall enter into this Agreement in good faith, and they agree to cooperate with each other to minimize possible conflicts over the interpretation and application of this Agreement.

20.37. ARBITRATION. If any controversy or claim arising out of this Agreement cannot be settled by the parties, the controversy or claim shall be settled by any individual or corporation selected by the written agreement of the parties or, if they cannot agree, by arbitration in accordance with the then applicable provisions of the Colorado Uniform Arbitration Act of 1975, as it may be amended, and judgment on such arbitration award may be entered in any court having jurisdiction.

20.38. ASSIGNMENT TO DISTRICTS. TOWN agrees that DEVELOPER'S rights and obligations under this Agreement shall be freely assignable by DEVELOPER to the DISTRICTS without consent from the TOWN, and to the extent DISTRICTS assume such rights and obligations that DEVELOPER shall be released from such rights and obligations under this Agreement.

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B0751 - P0603 - \$629.00

20.39. ANNEXATION MAP. TOWN agrees that it shall allow DEVELOPER or DISTRICTS to make minor amendments to the Annexation Map to include property into the LAND as a result of a vacated roadway, without TOWN imposing any additional obligations or requirements on the LAND, the DEVELOPER, or the DISTRICTS under this Agreement.

20.40. CONDEMNATION. To the extent it will be necessary for DISTRICTS to condemn properties outside the boundaries of the LAND for PUBLIC IMPROVEMENTS, the TOWN agrees that it will assist with such condemnation procedures.

20.41. EXEMPTION FROM SUBDIVISION. TOWN agrees to grant DEVELOPER and/or OWNER an exemption from subdivision under applicable TOWN subdivision ordinances for five parcels of property within the LAND, which parcels are necessary to establish boards of directors for the DISTRICTS.

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20.38. ASSIGNMENT TO DISTRICTS. TOWN agrees that DEVELOPER'S rights and obligations under this Agreement shall be freely assignable by DEVELOPER to the DISTRICTS without consent from the TOWN, and to the extent DISTRICTS assume such rights and obligations that DEVELOPER shall be released from such rights and obligations under this Agreement.

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EXHIBIT A

LEGAL DESCRIPTION - Castle Pines Commercial Property P.U.D.  
Parcel A

A parcel land located in the Southeast quarter of Section 21, the South half of Section 22, the Northeast quarter of Section 23, and Section 27, all lying in Township 7 South, Range 67 West, of the 6th Principal Meridian, Douglas County, Colorado, being described as follows:

Commencing at the East quarter corner of said Section 27 as monumented by a rebar, and considering the East line of the Northeast quarter of said Section 27 to bear North 00°28'54" East to the Northeast corner of said Section 27 as monumented by a 1/2 inch rebar, with all bearings contained herein relative thereto; thence North 49°57'12" West, 982.62 feet to a point on the Westerly right-of-way of Interstate No. 25 and the POINT OF BEGINNING; thence South 09°02'18" West, 802.61 feet; thence South 25°40'18" East, 333.26 feet; thence along a non-tangent curve to the left having a delta of 11°51'55", a radius of 3100.00 feet, an arc length of 641.98 feet and a chord which bears South 54°55'03" West, 640.83 feet; thence South 48°59'06" West, 600.22 feet; thence South 86°28'40" West, 164.54 feet; thence North 53°43'17" West, 410.00 feet; thence North 51°14'42" West, 507.75 feet; thence North 42°12'51" West, 500.40 feet; thence North 74.50 feet to the Easterly right-of-way of US Highway 85 as described in book 55 page 144 in the office of the Douglas County Clerk and Recorder; thence Northerly along said Easterly right-of-way North 40°54'01" West, 904.12 feet; thence along a curve to the right having a delta of 05°49'00", a radius of 2835.00 feet, an arc length of 287.81 feet and a chord which bears North 37°59'31" West, 287.69 feet; thence North 35°05'01" West, 1341.90 feet; thence along a curve to the left having a delta of 27°13'00", a radius of 2322.00 feet, an arc length of 1103.00 feet, and a chord which bears North 48°41'31" West, 1092.66 feet; thence North 62°18'01" West, 646.70 feet; thence departing said Easterly right-of-way, North 27°41'49" East, 668.10 feet; thence along a curve to the right having a delta of 24°25'38", a radius of 1630.00 feet, an arc length of 694.92 feet and a chord which bears North 39°54'38" East, 689.68 feet; thence North 52°07'27" East, 315.02 feet; thence along a curve to the right having a delta of 35°28'29", a radius of 2100.00 feet, an arc length of 1300.22 feet and a chord which bears North 69°51'41" East, 1279.55 feet; thence North 87°35'56" East, 392.41 feet; thence North 85°32'06" East, 183.67 feet; thence North 42°03'24" East, 186.21 feet; thence North 04°55'09" East, 223.68 feet; thence North 07°50'57" West, 358.85 feet; thence South 50°54'33" East, 686.35 feet; thence North 89°36'28" East, 1193.24 feet; thence North 00°04'23" East, 678.79 feet to the North line of the Southeast quarter of said Section 22; thence Easterly along said North line, North 89°37'21" East, 377.00 feet; thence departing said Northerly line South 13°50'05" East, 1647.79 feet; thence Westerly

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\$29.00

along a line which is 1148.00 feet North of and parallel with the South line of the Southeast quarter of said Section 27 parallel line, North 89°11'30" West, 1499.10 feet; thence departing said parallel line, South 05°51'02" West, 488.73 feet; thence North 89°57'04" West, 513.96 feet; thence South 00°05'29" West, 60.00 feet; thence South 89°57'04" East, 322.96 feet; thence along a curve to the right having a delta of 39°26'54", a radius of 256.60 feet, an arc length of 176.67 feet and a chord which bears South 70°13'37" East, 173.20 feet; thence South 27°47'20" East, 2963.76 feet to the POINT OF BEGINNING.

Except that portion of Interstate Highway 25 being described as follows:

Commencing at the East quarter corner of said Section 27; thence North 31°58'51" West, 3976.07 feet to the Westerly right-of-way of said Interstate Highway 25 and the POINT OF BEGINNING; thence Northerly along said Westerly right-of-way, North 27°41'32" West, 2042.24 feet; thence departing said Westerly right-of-way, South 50°54'53" East, 686.35 feet to the Easterly right-of-way of said Interstate Highway 25; thence Southerly along said Easterly right-of-way, South 27°44'59" East, 972.59 feet; thence South 24°53'01" East, 31.60 feet; thence departing said Easterly right-of-way, South 05°51'02" West, 488.73 feet to the POINT OF BEGINNING.

EXHIBIT A

LEGAL DESCRIPTION - Castle Pines Commercial Property P.U.D. Parcel A

A parcel land located in the Southeast quarter of Section 21, the South half of Section 22, the Northeast quarter of Section 28, and Section 27, all lying in Township 7 South; Range 67 West, of the 6th Principal Meridian, Douglas County, Colorado, being described as follows:

Commencing at the East quarter corner of said Section 27 as monumented by a rebar, and considering the East line of the Northeast quarter of said Section 27 to bear North 00°28'54" East to the Northeast corner of said Section 27 as monumented by a 1/2 inch rebar, with all bearings contained herein relative thereto; thence North 49°57'12" West, 982.62 feet to a point on the Westerly right-of-way of Interstate No. 25 and the POINT OF BEGINNING; thence South 09°02'18" West, 802.61 feet; thence South 25°40'18" East, 333.26 feet; thence along a non-tangent curve to the left having a delta of 11°51'55", a radius of 3100.00 feet, an arc length of 641.98 feet and a chord which bears South 54°55'03" West, 640.83 feet; thence South 48°59'06" West, 600.22 feet; thence South 86°28'40" West, 164.54 feet; thence North 53°43'17" West, 410.00 feet; thence North 51°14'42" West, 507.75 feet; thence North 42°12'51" West, 500.40 feet; thence South 48°55'01" West, 74.50 feet to the Easterly right-of-way of US Highway 85 as described in book 55 page 144 in the office of the Douglas County Clerk and Recorder; thence Northerly along said Easterly right-of-way North 40°54'01" West, 904.12 feet; thence along a curve to the right having a delta of 05°49'00", a radius of 2835.00 feet, an arc length of 287.81 feet and a chord which bears North 37°59'31" West, 287.69 feet; thence North 35°05'01" West, 1341.90 feet; thence along a curve to the left having a delta of 27°13'00", a radius of 2322.00 feet, an arc length of 1103.00 feet, and a chord which bears North 48°41'31" West, 1092.66 feet; thence North 62°18'01" West, 646.70 feet; thence departing said Easterly right-of-way, North 27°41'49" East, 668.10 feet; thence along a curve to the right having a delta of 24°25'38", a radius of 1630.00 feet, an arc length of 694.92 feet and a chord which bears North 39°54'38" East, 689.68 feet; thence North 52°07'27" East, 315.02 feet; thence along a curve to the right having a delta of 35°28'29", a radius of 2100.00 feet, an arc length of 1300.22 feet and a chord which bears North 69°51'41" East, 1279.55 feet; thence North 87°35'56" East, 392.41 feet; thence North 85°32'06" East, 183.67 feet; thence North 42°03'24" East, 186.21 feet; thence North 04°55'09" East, 223.68 feet; thence North 07°50'57" West, 358.85 feet; thence South 50°54'33" East, 686.35 feet; thence North 89°36'28" East, 1193.24 feet; thence North 00°04'23" East, 678.79 feet to the North line of the Southeast quarter of said Section 22; thence Easterly along said North line, North 89°37'21" East, 377.00 feet; thence departing said Northerly line South 13°50'05" East, 1647.79 feet; thence Westerly

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\$29.00

along a line which is 1148.00 feet North of and parallel with the South line of the Southeast quarter of said Section 27 parallel line, North 89°11'30" West, 1499.10 feet; thence departing said parallel line, South 05°51'02" West, 488.73 feet; thence North 89°57'04" West, 513.96 feet; thence South 00°05'29" West, 60.00 feet; thence South 89°57'04" East, 322.96 feet; thence along a curve to the right having a delta of 39°26'54", a radius of 256.60 feet, an arc length of 176.67 feet and a chord which bears South 70°13'37" East, 173.20 feet; thence South 27°47'20" East, 2963.76 feet to the POINT OF BEGINNING.

Except that portion of Interstate Highway 25 being described as follows:

Commencing at the East quarter corner of said Section 27; thence North 31°58'51" West, 3976.07 feet to the Westerly right-of-way of said Interstate Highway 25 and the POINT OF BEGINNING; thence Northerly along said Westerly right-of-way, North 27°41'32" West, 2042.24 feet; thence departing said Westerly right-of-way, South 50°54'53" East, 686.35 feet to the Easterly right-of-way of said Interstate Highway 25; thence Southerly along said Easterly right-of-way, South 27°44'59" East, 972.59 feet; thence South 24°53'01" East, 31.60 feet; thence departing said Easterly right-of-way, South 05°51'02" West, 488.73 feet to the POINT OF BEGINNING.

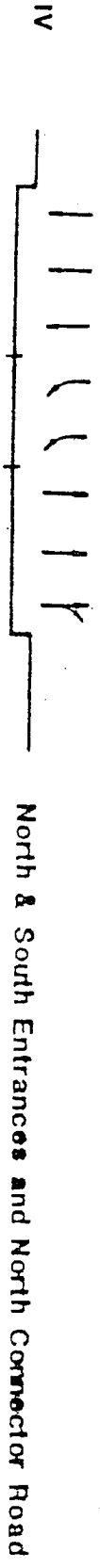
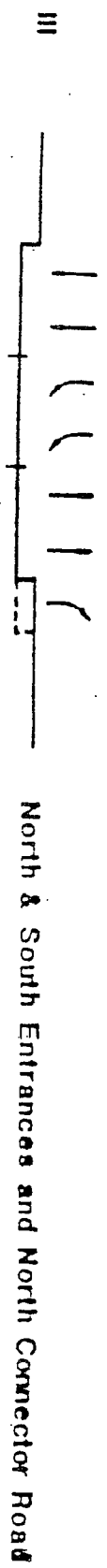
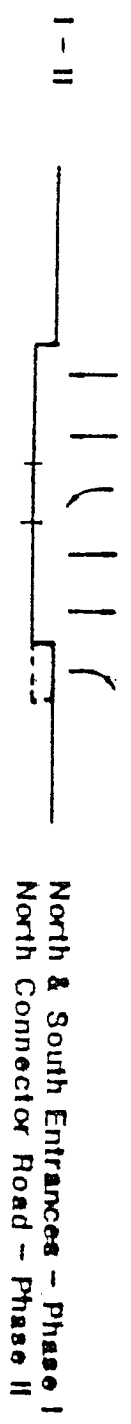
Parcel B

A parcel of land located in the Southeast quarter of Section 27 Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado begin described as follows:

Commencing at the East quarter corner of said Section 27 as monumented by a rebar, and considering the East line of the Northeast quarter of said Section 27 to bear North  $00^{\circ}28'54''$  East, to the Northeast corner of said Section 27 as monumented by a 1/2 inch rebar, with all bearings contained herein relative thereto; thence South  $30^{\circ}35'14''$  West, 598.18 feet to the POINT OF BEGINNING of this description; thence South  $40^{\circ}10'52''$  East, 382.95 feet; thence South  $00^{\circ}31'04''$  West, 404.75 feet; thence along a curve to the right having a delta of  $90^{\circ}32'11''$ , a radius of 100.00 feet, an arc length of 158.02 feet and a chord which bears South  $45^{\circ}47'10''$  West, 142.08 feet; thence North  $88^{\circ}56'45''$  West, 528.03 feet; thence North  $65^{\circ}00'54''$  West, 118.46 feet; thence North  $41^{\circ}00'54''$  West, 419.97 feet; thence along a curve to the right having a delta of  $11^{\circ}52'33''$ , a radius of 2900.00 feet, an arc length of 601.10 feet and a chord which bears North  $56^{\circ}18'22''$  East, 600.02 feet; thence North  $60^{\circ}50'13''$  East, 183.95 feet; thence South  $88^{\circ}33'51''$  East, 109.51 feet to the POINT OF BEGINNING.

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Phase US 85 Intersection Cross Section Application



Phase Miller Blvd. Intersection Cross Section

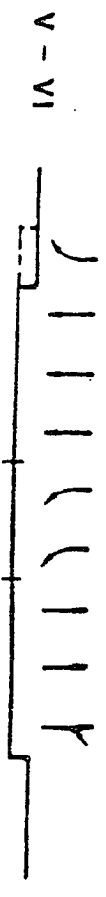
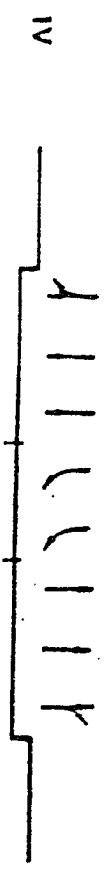
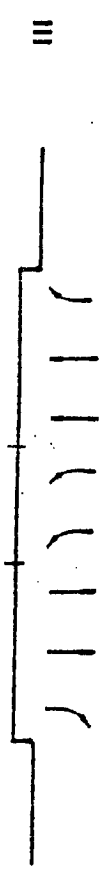


EXHIBIT C  
TO  
ANNEXATION AND DEVELOPMENT CONTRACT  
BETWEEN  
THE TOWN OF CASTLE ROCK  
AND  
CP COMMERCIAL PROPERTIES, INC.

INTERGOVERNMENTAL  
AGREEMENT  
BETWEEN

THE TOWN OF CASTLE ROCK  
AND  
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 1

DATED: \_\_\_\_\_, 19\_\_

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INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT is made this \_\_\_ day of \_\_\_\_\_, 19\_\_\_, by and between the TOWN OF CASTLE ROCK, a municipal corporation in Douglas County in the State of Colorado organized and existing under and by virtue of the Constitution and laws of the State of Colorado (the "Town") and CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation and political subdivision of the State of Colorado, duly organized and acting pursuant to the provisions of Article 1 of Title 32, Colorado Revised Statutes, as amended (the "District").

RECITALS

WHEREAS, the District lies entirely within the boundaries of the Town of Castle Rock; and

WHEREAS, as required by Section 32-1-204.5, C.R.S., as amended, the Service Plan of the District was approved by Resolution of the Board of Trustees of the Town on \_\_\_\_\_, 19\_\_\_; and

WHEREAS, the Town's approval of such Service Plan was based upon the terms, provisions and limitations of this Intergovernmental Agreement and the Service Plan which were filed with the Town being incorporated into the Order of the

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District Court in and for the County of Douglas creating the District; and

WHEREAS, the Order of the District Court incorporates this Intergovernmental Agreement by reference and directs the Board of Directors of the District at its organizational meeting to authorize and execute the Intergovernmental Agreement and specifies that the services and facilities to be provided by the District and the statutory powers of the District are limited as provided in this Intergovernmental Agreement and the Service Plan; and

WHEREAS, Section 18(2)(a) of Article XIV of the Constitution of the State of Colorado provides that nothing in that Constitution shall be construed to prohibit the State or any of its political subdivisions from cooperating or contracting with one another or with the government of the United States to provide any function, service or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt; and

WHEREAS, Part 2 of Article 1 of Title 29 of the Colorado Revised Statutes, as amended, authorizes and enables governments of the State of Colorado to enter into cooperative agreements or contracts; and

WHEREAS, the District has been duly formed for the purpose of providing for the electors of the District and for

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the use of the general public, certain water, sanitation and storm and surface drainage services and facilities, fire protection facilities, irrigation water facilities, park and recreation facilities, street improvements, traffic and safety controls and devices, and transportation facilities, as all such services, facilities and improvements are referred to herein and in the Petition for Organization of the District, the Resolution of Approval, the Service Plan, and the Order of the District Court creating the District (all as hereinafter defined); and

WHEREAS, the District proposes to sell its Bonds (as hereinafter defined) or otherwise obtaining financing, for the purpose of providing funds with which to acquire, construct, install and/or complete the facilities and improvements described above and to provide, or cause to be provided, Water Facilities, Sanitation Facilities, Storm and Surface Drainage Facilities, Fire Protection Facilities, Irrigation Water Facilities, Park and Recreation Facilities, Street Improvements, Street Lighting, Traffic and Safety Controls and Devices, and Transportation Facilities, (collectively referred to as the "Facilities") as hereinafter defined; and

WHEREAS, the District proposes to enter into cooperative agreements with other districts organized within the Castle Pines Commercial P.U.D., and with other districts,

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associations, authorities and governmental entities for the purpose of sharing the costs of financing and constructing the Facilities, and for other lawful purposes of the District; and

WHEREAS, pursuant to the Constitution and all other laws of the State of Colorado, the Town is currently providing water, irrigation water, sanitation, storm drainage services, park and recreation services and facilities, street improvements, traffic and safety controls and devices, fire protection facilities and transportation facilities within the developed areas of the Town outside the District; and

WHEREAS, the Town has consented to the formation of the District in order to facilitate the financing, acquisition, construction and provision of the services, Facilities and improvements described herein, provided that such consent was based upon the terms, conditions and limitations of this Intergovernmental Agreement; and

WHEREAS, except as otherwise provided herein, the District shall have the right to exercise and perform all the powers and duties of a metropolitan district organized for the purposes set forth herein; and

WHEREAS, the services, Facilities, and improvements to be provided by the District will be financed in whole or in part by a mill levy imposed upon all taxable property within the District, which property is benefited by such

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services, Facilities and improvements and/or will also be financed with Facilities Development Fees, Service Charges, Service Charge surcharges, Availability Of Service Or Facilities Charges, and other revenues legally available to the District, (including payments made or received pursuant to agreements with other special districts,) which will be established by the District and which may be pledged or applied to the payment of debt service on Bonds or other obligations issued or incurred by the District; and

WHEREAS, the Board of Directors is empowered by law to administer, operate and maintain all services, Facilities and improvements provided by the District; and

WHEREAS, the District desires to secure from the Town certain services; the Town is interested in ensuring that certain things be accomplished by the District in order to protect the public health, safety and welfare; and the Town and the District now desire to determine by this Agreement, the extent of the services, Facilities and improvements to be undertaken by the District and the Town, and to identify other mutual agreements and understandings between them;

NOW THEREFORE, for and in consideration of the mutual undertakings herein contained, and other good and valuable consideration, the parties covenant and agree as follows:

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ARTICLE I

Term of Agreement

SECTION 1.1 Effective Date of the Agreement;

Term. This Agreement shall become effective upon its execution and delivery, and shall continue until terminated by mutual agreement of the parties or as otherwise provided herein.

ARTICLE II

Definitions, Interpretation, Exhibits

SECTION 2.1. Definitions.

(1) "Agreement" shall mean this Intergovernmental Agreement and any amendments and supplements hereto.

(2) "Annexation Agreement" shall mean that certain Annexation and Development Contract between the Town of Castle Rock and \_\_\_\_\_ recorded in the Douglas County Clerk and Recorder's office on \_\_\_\_\_, 198\_\_, in book \_\_\_\_, commencing on page \_\_\_\_\_.

(3) "Availability Of Service Or Facilities Charges" shall mean those charges permitted to be assessed by the District pursuant to C.R.S. § 32-1-1006(1)(h), as amended from time to time.

(4) "Bonds" shall mean bonds, notes, certificates, debentures, contracts or other evidences of indebtedness or borrowing issued or incurred by the District pursuant to law.

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(5) "Capital Plant Investment Fee" shall mean that fee imposed by the Town pursuant to Castle Rock Municipal Code 3.16.030, as amended from time to time.

(6) "District" shall mean Castle Pines Commercial Metropolitan District No. 1, a quasi-municipal corporation and political subdivision of the State of Colorado organized and existing under Article 1 of Title 32, Colorado Revised Statutes, as amended, and its successors, in the Town of Castle Rock, Douglas County, State of Colorado.

(7) "Facilities" shall mean the Water Facilities, Irrigation Water Facilities, Sanitation Facilities, Storm and Surface Drainage Facilities, Park and Recreation Facilities, Street Improvements, Street Lighting, Fire Protection Facilities, Traffic and Safety Controls and Devices and Transportation Facilities as defined herein and described in the Service Plan both within and outside the boundaries of the District. This term shall also include such additional or alternative facilities as are proposed by the District and approved in writing by the Town.

(8) "Facilities Development Fees" shall mean those fees to be imposed and collected, or paid, by the District for connection to the Facilities constructed or acquired by the District and for the right to use District Facilities.

(9) "Fire Protection Facilities" shall mean such fire protection facilities as the District is authorized by

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law to provide including, but not limited to, fire stations, fire protection and fire fighting equipment, ambulance services, emergency medical services, rescue units, and diving and grappling services, and all necessary incidental and appurtenant facilities, land and easements, together with extensions of, and improvements to, said system within and outside the boundaries of the District, all as from time to time determined to be required by the District.

(10) "Irrigation Water Facilities" shall mean a non-potable irrigation water, pumping and transmission system, land and easements, as required, and incidental and appurtenant properties and facilities.

(11) "Order of the District Court" shall mean the order of the District Court, Douglas County, Colorado creating Castle Pines Commercial Metropolitan District No. 1, dated \_\_\_\_\_, 198\_\_.

(12) "Oversizing" or "Oversized" shall be defined as such terms are defined in the Annexation Agreement, which definitions are incorporated herein by this reference.

(13) "Park and Recreation Facilities" shall mean such park and recreation facilities as the District is authorized by law to provide including, but not limited to, a pedestrian and bike trail system, landscaped open space (to include street entry landscaping and signage), parks, recreation structures and facilities, picnic areas, ball

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fields, parking lots, ponds, fountains and all necessary, incidental and appurtenant properties and facilities, all as from time to time determined to be required by the District.

(14) "Person" shall mean any individual, association, corporation, partnership, or any public body, or other legal entity.

(15) "Petition for Organization" shall mean the petition for organization of the District filed with the District Court, Douglas County, Colorado on \_\_\_\_\_, 198\_\_.

(16) "Plans" shall mean the plans, documents, drawings and specifications prepared by or for the District for the construction, installation or acquisition of any of the Facilities, including any addendum thereto and any change order, revision, and/or modification thereof approved by the parties hereto as may be required herein.

(17) "Plant" shall mean the Castle Pines Metropolitan District sewage treatment plant, identified as the "Castle Pines Plant", or other sewage treatment facility, in the Service Plan of Castle Pines Commercial Metropolitan District No. 1, including expansions or modifications thereto.

(18) "Resolution of the Town" shall mean the resolution of the Board of Trustees of the Town of Castle Rock, Colorado, dated \_\_\_\_\_, 198\_\_, approving the

Service Plan for Castle Pines Commercial Metropolitan District No. 1 and this Agreement.

(19) "Sanitation Facilities" shall mean such sanitation facilities and services as the District is authorized by law to provide including, but not limited to, storm or sanitary sewers, or both, flood and surface drainage facilities, treatment and disposal works and facilities, sewage treatment plants, sanitary sewer trunk or interceptor sewers, land application equipment, drainage facilities necessarily related to the construction of the sanitary sewer collection and transmission system, land and easements, and all necessary or proper equipment, facilities and appurtenances thereto, all as from time to time determined to be required by the District. This term shall also include the provision by the District, by construction, purchase, or otherwise, of sanitation facilities or capacity in sanitation facilities outside the District in cooperation and by agreement with the Town, other special districts, and/or the Castle Pines Metropolitan District.

(20) "Service Charges" shall mean the periodic charges imposed by the Town pursuant to Town ordinances, as amended from time to time, or by the District, which are billed to ultimate consumers of services provided by the Town or the District to cover the costs of providing such services.

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(21) "Service Plan" shall mean that plan entitled "Service Plan for Castle Pines Commercial Metropolitan District No. 1, Town of Castle Rock, Douglas County, Colorado" dated \_\_\_\_\_, 198\_\_, which is incorporated herein by this reference.

(22) "Storm and Surface Drainage Facilities" shall mean such drainage facilities as the District is authorized by law to provide including, but not limited to, flood and surface drainage facilities constructed pursuant to Town approved plans, including collection and detention facilities, land and easements, and incidental and appurtenant properties and facilities, all as from time to time determined to be required by the District.

(23) "Street Improvements" shall mean such street improvements as the District is authorized by law to provide both within and outside the District's boundaries, to include, but not to be limited to, the necessary street improvements, sidewalks, bridges, parking facilities, curbs and gutters, paving, lighting, grading, landscaping, and other street improvements including culverts and other drainage facilities, conduits, land and easements, and all necessary devices and incidental and appurtenant facilities, all as from time to time determined to be required by the District.

(24) "Street Lighting" shall mean and be referred to as lighting devices installed along streets and in other public areas both within and outside the District's boundaries for purposes of supplemental illumination during periods of darkness.

(25) "Street Oversizing Fee" shall mean that fee imposed by the Town pursuant to Castle Rock Municipal Code 3.12.030, as amended from time to time.

(26) "Tap Fees" shall mean that certain fee imposed by the Town pursuant to Castle Rock Municipal Code 13.12.070, as amended from time to time.

(27) "Town" shall mean the Town of Castle Rock, Douglas County, State of Colorado, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Colorado and its successors.

(28) "Traffic and Safety Controls and Devices" shall mean such traffic and safety controls and devices as the District is authorized by law to provide both within and outside the District's boundaries on streets and highways together with all necessary, incidental, and appurtenant facilities, land, and easements, all from time to time determined to be required by the District.

(29) "Transportation Facilities" shall mean a transportation system which may include but shall not be

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limited to buses, vehicles and other means of conveyance, park and ride facilities and all necessary incidental and appurtenant properties and facilities together with extensions of and improvements to said system.

(30) "Warranty" shall mean the express promise made by the District that the Facilities are and shall be free from defective materials and workmanship discovered within the appropriate Warranty Period for the Facilities from and after the date of their acceptance by Town pursuant to Section 5.5 hereof (which date will commence the Warranty Period). The Warranty extended by the District hereunder shall be the exclusive Warranty extended hereunder with respect to Facilities constructed hereunder and shall be in lieu of all other warranties, express or implied.

(31) "Warranty Period" for streets, sidewalks, curbs, gutters and bikepaths shall be two (2) years, and for all other Facilities shall be one (1) year.

(32) "Water Facilities" shall mean such water facilities as the District is authorized by law to provide within and outside the boundaries of the District for water supplies for domestic and other public and private purposes by any available means, and all water, water rights and necessary or proper wells, reservoirs, treatment works and facilities, to include, but not be limited to, a water acquisition and supply, treatment, storage, distribution and

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transmission system for the District, land and easements, and incidental equipment and appurtenances thereto all as from time to time determined to be required by the District. This term shall also include the acquisition of treatment and storage facilities, or capacity therein, outside the District by contract.

SECTION 2.2. Interpretation. In this Agreement unless the context otherwise requires:

(a) The terms "herein," "hereunder," "hereby," "hereto," "hereof" and other similar terms, refer to this Agreement as a whole and not to any particular article, section or subdivision hereof; the term "heretofore" means before the date of execution of the Agreement, the term "now" means at the date of execution of this Agreement, and the term "hereafter" means after the date of execution of this Agreement.

(b) All definitions, terms, and words shall include both the singular and the plural.

(c) Words of the masculine gender include correlative words of the feminine and neuter genders.

(d) The captions or headings of this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision, article, or section of this Agreement.

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(e) All schedules, exhibits, addenda referred to herein are incorporated herein by this reference. The Annexation Agreement is not generally incorporated herein; the terms and provisions of the Annexation Agreement are incorporated herein only as its terms or provisions are specifically incorporated herein by references contained in other provisions herein.

### ARTICLE III

#### Construction and Financing of Facilities

SECTION 3.1. Facilities and Services. In accordance with the terms of this Agreement, the District shall, from time to time, design, acquire, construct, install and/or complete the Facilities, at its sole cost and expense, except to the extent Oversizing expenses are paid by the Town, and except to the extent other persons may contribute to the construction of such Facilities. The District may finance the same in whole or in part by sale of its Bonds or by receipt of Facilities Development Fees or other payments from persons or entities desiring capacity in, or the right to use, the Facilities. The Town has consented to the organization of the District to provide the Facilities and services described in the Petition for Organization in accordance with this Agreement. The Town retains the right to require any of the Water Facilities, Irrigation Water

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Facilities and Sanitation Facilities to be Oversized and agrees to pay the cost attributable to such Oversizing according to the provisions set forth in the Annexation Agreement which govern Oversizing; said provisions are incorporated herein by this reference.

SECTION 3.2. Standards, Specifications, Construction and Acceptance, Change Orders. The District agrees that all Town ordinances, resolutions, standards, specifications and procedures, as they may exist from time to time, and as the same are set forth in the Annexation Agreement, shall be fully applicable to the Facilities and to the construction thereof. The location of Facilities shall be shown on the Plans and must be approved by the Town. Material deviations from the location of Facilities must be approved by the Town. Every connection to the District's Water Facilities, Irrigation Water Facilities and Sanitation Facilities shall be permitted under the same provisions as required for attachment to water and sanitation facilities constructed by the Town. The District shall not construct Facilities until Plans for construction of Facilities have been approved by the Town unless the Town fails to respond to a request for approval by the District within the time period set forth in this paragraph. The District shall not accept from contractors any Facilities which are not constructed to all applicable Town specifications in effect at the time of

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commencement of construction. The Town's review of District Plans shall be completed within forty-five (45) days of the date the Plans are presented to the Town for approval. The Town shall review such Plans in good faith to enable the District to construct the Facilities in a timely manner. Failure by the Town to review the Plans and to respond in writing within such forty-five (45) day period following the request by District for approval shall constitute approval by the Town of the Plans as submitted. If the Town has responded to a request for approval and has commented on the Plans requesting changes or additional information, the review period set forth in this paragraph shall be extended for an additional fifteen (15) days after presentation by the District of such changes or additional information to the Town to enable the Town to complete its review. The Town's review and approval of Plans or specifications shall not give rise to any liability by the Town to the District. Once agreed to by the Town and District, the Plans for the Facilities or other public improvements shall not be amended except by written change orders. In the event the party requesting such change order does not receive a written reply within fifteen (15) days of the date of such request, the other party's consent thereto shall be presumed.

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SECTION 3.3. Cooperation in Obtaining Permits and Approvals. Town and District agree to cooperate in obtaining the necessary permits and approvals necessary to construct or operate any Facility. Town agrees to apply for any such permits or approvals in its name or in the joint names of the Town and District. In the event Town should for any reason fail or refuse to so cooperate, District may independently pursue such permits or approvals and Town shall not act, or fail to act, so as to delay or prevent District from obtaining such permits or approvals.

SECTION 3.4. Authorization of Bonds and Use of Proceeds. In addition to other financing methods available to the District, the District may finance the Facilities by Bonds to be issued and sold from time to time in aggregate amounts not to exceed the amounts set forth in the Service Plan as the Board of Directors of the District shall determine in its sole discretion and in a manner consistent with and subject to the provisions of this Agreement. The proceeds of Bonds or other District financings may be used to finance the refunding of prior Bonds; to finance the provision, acquisition, construction, installation and completion of any and all Facilities; to pay engineering, legal, financial and other professional fees and expenses incurred by the District; to pay attorneys' fees, underwriter's discounts, and other costs of Bond issuance

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including but not limited to the costs of any credit enhancement devices; to fund necessary reserves or capitalized interest; to pay the costs relating to the organization of the District, and for any other lawful purpose of the District. No series of Bonds shall be refunded by the District if such refunding would have the effect of extending the final maturity of such series of Bonds to a date more than forty (40) years from the date of the initial issuance of that series of Bonds without the prior written consent of the Town.

SECTION 3.5. Construction of Facilities Within District by Town. Nothing contained herein shall be construed to prevent the construction of any necessary public improvement within the District by Town should the District fail or refuse to construct said improvement. In the event District fails or refuses to construct Facilities which are needed to serve property within the District according to final plats approved by the Town, Town shall have the right, but not the obligation except as set forth in the Annexation Agreement, to construct such Facilities which right may be delegated by the Town to the owner of the property without consent of the District. Any such Facilities constructed by the Town shall be paid for by the Town. Except to the extent the Town pays for Oversizing, in no event shall Town construct public improvements or connect to the Water,

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Sanitation or Irrigation Water Facilities within the District if such construction or connection would, in the opinion of an independent engineering consultant (chosen by mutual agreement of the Town's engineer and the District's engineer), adversely affect the availability of water, irrigation water and/or sanitation services or Facilities to property owners within the District.

ARTICLE IV

Rates, Fees, Tolls, Charges and Taxes

SECTION 4.1. One-Time Fees. The rights of the Town to impose rates, fees, tolls, charges and taxes upon the District or its residents or property owners, shall be governed by this Agreement and by Section 20.29 of the Annexation Agreement, the provisions of which are incorporated herein by this reference. The Town shall not impose any rates, fees, tolls, charges, or taxes upon the District or its residents or property owners except as the same are imposed within the Town at large. The District may impose the following types of one-time capital investment fees in connection with Facilities furnished or obtained by the District: Facilities Development Fees. The initial Facilities Development Fee to be imposed by the District shall be not less than \$6,300 per equivalent residential unit. It is agreed by the parties hereto that the actual

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amount of the Facilities Development Fee imposed by the District shall be determined by the District with reference to its financial needs, and shall not be considered as reimbursement or payment to the District of amounts corresponding to development fees identified in the Castle Rock Municipal Code. Said Facilities Development Fees may be increased or decreased in the sole discretion of the Board of Directors of the District but shall never be less than the sum total of the Town's water, irrigation water, and sewer development fee. No tap or connection to the Water Facilities, Irrigation Water Facilities, or Sanitation Facilities shall be permitted by District unless and until Town has received all Tap Fees, Capital Plant Investment Fees, and Street Oversizing Fees and any other lawfully imposed fees, from persons or entities desiring such taps, and unless and until the District has received all Facilities Development Fees from the Person obligated to pay the same. The District shall not impose entrance or admission fees upon the general public for admission to the public open space areas within the District.

SECTION 4.2. Service Charges. After acceptance of the Facilities by Town for operation and maintenance, the Town may impose Service Charges, and the District may impose Service Charges for Facilities which it operates and/or

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maintains and may also impose Service Charge surcharges for other Facilities.

SECTION 4.3. Taxes. The District may levy ad valorem taxes without limitation as to the rate or amount upon taxable property within the District in accordance with applicable statutes for all lawful purposes.

SECTION 4.4. Other Charges. The District may impose Availability Of Service Or Facilities Charges pursuant to applicable statutes. Other fees, rates, tolls, charges, or penalties not specifically identified herein and not in direct conflict with Town fees, may be imposed by the District. Notwithstanding anything contained in this Agreement to the contrary, in the event the Town refuses or fails to accept Facilities for operations, repairs, maintenance and ownership pursuant to Article V hereof, District shall be permitted to impose Service Charges, or other fees, rates, tolls, charges and penalties in order to defray the costs to the District of performing functions which the Town is obligated to perform pursuant to Article V hereof. With respect to other fees, rates, tolls, charges and penalties which the District may impose, the District shall deliver its resolution to the Town whereby such fees, rates, tolls, charges and penalties are imposed which shall notify the Town that it has thirty (30) days from the effective date of said resolution to object to such

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resolution, in which case the District shall not impose such fees, rates, tolls, charges or penalties until the Town and the District have come to written agreement thereon.

SECTION 4.5. District to Collect Revenues. All Facilities Development Fees, Service Charges, Service Charge surcharges, and other charges imposed by the District and referred to in Sections 4.1, 4.2 and 4.4 above shall be collected by the District. The District shall use the Town's EQR schedule for determining such fees and charges. The Town shall ensure that all applicable District Facilities Development Fees have been collected prior to the Town's issuance of a building permit to the owner of the property to which service will be provided. The District shall pay to Town an administrative fee equal to three and one-half percent (3.5%) of all Availability Of Service Or Facilities Charges collected by the District, and shall also pay to Town an administrative fee equal to one percent (1%) of all other fees and charges collected by the District which are permitted by law as of the date of this Agreement. The amount of administrative fee deductions for all other fees and charges shall be determined by the Town and the District after receipt by the Town of the legal opinion referred to in Section 4.4 hereof, and after approval of the fees and charges by the Town. The District agrees to deliver a copy of any resolution of the Board of Directors of the District

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establishing fees or amending previously established fees to Town at least thirty (30) days after the effective date of such resolution. Ad valorem taxes shall not be collected by Town but shall be collected by the County Treasurer and remitted to the District, and shall not be subject to any administrative fee payment. Town fees collected by the District shall be remitted to the Town within thirty (30) days of receipt.

#### ARTICLE V

#### Operation, Repair, Maintenance and Ownership of Facilities

SECTION 5.1. Maintenance of Water Facilities, Irrigation Water Facilities and Sanitation Facilities. In consideration of the District's financing, construction and dedication of the Water Facilities, Irrigation Water Facilities, and Sanitation Facilities to the Town upon completion of such Facilities or upon completion of operable portions of such Facilities, and upon acceptance of such Facilities by Town pursuant to Section 5.5 hereof, the Town agrees to operate, maintain, repair and/or replace the Water Facilities, Irrigation Water Facilities and the Sanitation Facilities. With respect to the Water Facilities, Irrigation Water Facilities and the Sanitation Facilities, it is agreed that the provision of wastewater collection and treatment, water treatment and distribution, and reuse irrigation

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collection and distribution services will be provided by the Town by means an agreement between the Town and the Castle Pines Metropolitan District whereby the Castle Pines Metropolitan District will actually provide such services. The maintenance, repair and/or replacement of such on-site Facilities shall be provided by the Town directly. In the event a suitable agreement cannot be obtained with the Castle Pines Metropolitan District for the provision of water service, the Town shall provide such water service to the District directly. The Town shall have no obligation to operate, maintain, repair and/or replace such Facilities which have not been constructed to all applicable Town specifications and accepted by Town as provided for herein. The Town shall operate, maintain, repair and/or replace the Water Facilities, Irrigation Water Facilities and the Sanitation Facilities in accordance with its standard policies and procedures, in such manner and to such extent as the Town maintains other similar facilities within the Town. The District shall furnish the Town with a complete record, including but not limited to "as built" drawings, of all Water Facilities and Sanitation Facilities which Town has accepted. The Town shall at all times, have full right of access to said Facilities and shall be permitted to make such repairs, modifications, or connections as it determines to be

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necessary or desirable without liability by the Town to the District.

SECTION 5.2. Maintenance of Parks; Repair, Maintenance and Replacement of Recreation Facilities. The District shall operate and maintain all Park and Recreation Facilities, and shall repair or replace, or cause to be maintained, repaired or replaced, all Park and Recreation Facilities including street entry landscaping and street entry signage. The Town shall at all times have full right of access to Park and Recreation Facilities for uses and purposes consistent with the rules and regulations of the District. The District shall not be entitled to credits against fees or payments owed to the Town for performance of the District's obligations identified in this Section 5.2.

SECTION 5.3. Repair, Maintenance and Replacement of Storm and Surface Drainage Facilities, Traffic and Safety Controls and Devices, Fire Protection Facilities, Transportation Facilities, and Street Lighting. Except for the following types of Facilities which are associated with streets to be operated and maintained by the District pursuant to Section 5.4 hereof, the Town shall maintain, repair or replace, or cause to be maintained, repaired or replaced all Storm and Surface Drainage Facilities, Traffic and Safety Controls and Devices, Transportation Facilities (specifically excluding Transportation Facilities which are

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intended to be used primarily for transportation within the District), Fire Protection Facilities, and Street Lighting dedicated to and accepted by Town. The Town shall at all times have full right of access to said Facilities (specifically excluding Transportation Facilities which are intended to be used primarily for transportation within the District) and shall be permitted to make such repairs, modifications or replacements thereof as it determines to be reasonable or necessary. The Town shall have no obligation to operate and maintain Facilities which have not been constructed to all applicable Town specifications and accepted by Town.

SECTION 5.4. Repair, Maintenance and Replacement of Street Improvements. Except for Street Improvements which are constructed by the District pursuant to Plans approved by the Town and which contain standards and specifications below those of the Town, the Town shall maintain, repair or replace, or cause to be maintained, repaired or replaced all Street Improvements to include street sweeping and snow removal. The Town shall at all times have full right of access to said Street Improvements and shall be permitted to make such repairs, modifications or replacements as it determines to be reasonable or necessary. The Town shall have no obligation to operate and maintain Street Improvements which have not been constructed to all

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applicable Town specifications and accepted by Town. Street Improvements which are constructed by the District which do not conform to Town standards and specifications shall be maintained by the District in perpetuity.

SECTION 5.5. Acceptance of Facilities by Town; Acceptance for Continual Maintenance. Upon completion of construction of Facilities, and upon compliance by the District with the requirements of this Section 5.5, the Town shall accept such Facilities for continual maintenance. The procedure for accomplishing the acceptance of Facilities is as follows:

Within sixty (60) days after issuance of the first Certificate of Occupancy within the District or immediately after completion of publication of notice of final payment to any contractor for the construction of Facilities or portions thereof, whichever occurs last, the District shall request inspection and acceptance of Facilities or other public improvements by written notification of completion and written request for inspection and acceptance delivered to Town's Building/Construction Inspector or other official designated by Town for receipt of such notice. Acceptance shall be evidenced by a letter signed by said official which shall not be unreasonably withheld. Said acceptance letter, or a letter specifically enumerating and describing those defects which preclude Town's acceptance of the Facilities or

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other public improvements shall be mailed to the District within thirty (30) days after the written request for acceptance, provided such inspection may be reasonably accomplished within such thirty (30) days. If such inspection cannot be accomplished, Town shall, within thirty (30) days after the written request for acceptance, notify the District in writing as to the additional time required, but in no event to exceed an additional thirty (30) days after the written request for acceptance. Failure of Town to respond to a written request for inspection and acceptance within said thirty (30) day period (or failure to accept or reject the Facilities within the additional time period provided for above) shall constitute acceptance of the installations tendered for acceptance, and the District's Warranty and Warranty Period shall commence on the thirty-first (31st) day following the date of the letter requesting inspection and acceptance of the Facilities or other improvements. Expiration of the Warranty Period shall not be a condition precedent to acceptance of Facilities by the Town. The Warranty and Warranty Period otherwise shall commence upon acceptance of the Facilities by Town and shall expire on the first or second anniversary date of such acceptance, depending on the length of the Warranty Period. The Warranty extended by District hereunder with respect to Facilities or other public improvements constructed hereunder shall be in

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lieu of all other warranties by the District, expressed or implied. All construction contracts entered into by the District for construction of Facilities shall name the Town as an intended third party beneficiary which shall be entitled to enforce the terms and conditions of such construction contracts without the requirement of joining the District as a party to any action brought by the Town. The District agrees to cooperate with the Town in pursuing remedies against the contractors.

In the event Town and the District are unable to agree as to what modifications need to be made to any Facility or other public improvement to secure its acceptance by Town, such dispute shall be resolved through private arbitration by one qualified independent engineer selected by mutual agreement, or in the event agreement cannot be reached as to one engineer, each party shall select a qualified engineer who shall select a third engineer, in which case the majority decision shall be binding upon the parties. In the event the result of such arbitration is in District's favor, the Warranty Period shall be deemed to have commenced thirty (30) days after the date upon which said Facility or other public improvements were completed. The costs of such arbitration shall be paid by the party deemed in error at the conclusion of such arbitration, or the arbitrator may award costs on any basis deemed equitable. Failure by the Town to

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accept Facilities, other than Park and Recreation Facilities, pursuant to the terms of this Agreement shall entitle the District to deduct the costs of operating and maintaining such Facilities from any fees or payments of any kind owed to the Town.

It is agreed that the District may construct the Facilities in phases according to the Service Plan and that reasonable deviations from the phasing plan shall be permitted. Facilities which the District obtains or constructs in phases shall be accepted by the Town in phases.

With the exception of landscaping on street medians and entry features which shall be owned, operated and maintained by the District, upon acceptance of the Facilities pursuant to this Section 5.5, Town shall accept for continual maintenance all dedicated or deeded Facilities and other public improvements and such other improvements which are mutually agreed to be constructed and deeded to the Town or dedicated to the public. Such maintenance shall not apply to defective materials or workmanship during the Warranty Period.

Upon acceptance of the Water, Irrigation Water and Sanitation Facilities, the Town shall be the sole owner of all water, irrigation water, and sanitation taps within the District.

Acceptance of Facilities by the Town and expiration of the Warranty Period without delivery of notice by the Town to the District of defects in the Facilities shall be conclusive evidence of the construction of such Facilities to all applicable Town specifications.

SECTION 5.6. Ownership of Facilities. Prior to completion and acceptance by the Town the District shall own the Facilities. Upon acceptance by the Town, the Facilities, (other than Park and Recreation, Facilities Transportation Facilities within the District, and Street Improvements which are below Town standards,) shall be conveyed to Town by quit claim or special warranty deed and/or bill of sale, or such other instrument as is appropriate to transfer the type of Facilities to be conveyed free and clear of encumbrances, except for easements, patents, and reservations of record, if any. The Facilities shall be constructed in rights-of-way or easements which shall also be dedicated to the Town or on property owned by the Town. The District and its agents shall have access to such rights-of-way or easements owned by the Town and the Town shall not interfere with the District in the lawful exercise of the powers of the District for the purpose of construction, extension, or enlargement of the Facilities by the District and for all other District purposes set forth herein, and in the Petition and Service Plan.

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SECTION 5.7. No Surety Required. District shall be required to provide Warranty but shall not be required to provide surety for such Warranty, unless surety is required pursuant to other agreements. Surety shall be provided by contractors for the labor and materials bonds and performance bonds referred to in Section 5.5.

SECTION 5.8. Damage to Street Improvements. Notwithstanding the obligations of the Town contained in this Article V, the Town shall not be responsible during the Warranty Period for the repair and/or replacement of streets, curbs, gutters, and/or sidewalks, nor of residential or commercial structures and related improvements within the District which are damaged by builders, their contractors or subcontractors during the period of the construction. Such damage may be repaired by the Town but only if the total cost of such repair and/or replacement is paid to the Town by the party causing such damage. The District shall not be responsible, nor have the obligation, to compel the party causing the damage to complete or pay the costs of the repair and/or replacement of damaged Street Improvements after they have been accepted by the Town. The Town agrees that it shall, as a condition precedent to granting a certificate of occupancy or similar permit to the owner of the property or improvements, require the owner of the property or improvements to repair and/or replace the damaged structures to the

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satisfaction of the Town and District or, in the alternative, to require the owner of the property or improvements to deposit the total cost thereof or an appropriate bond with the Town for the purpose of paying for, or securing the payment of the costs of needed repairs and/or replacements which shall then be completed by the Town.

ARTICLE VI

Special Covenants

SECTION 6.1. Restrictions on Expansion of District's Powers. The parties hereto acknowledge that the District was approved by the Town to be organized solely for the purpose of providing, acquiring, constructing, installing and completing the Facilities as described in this Agreement and providing or causing to be provided the services described in the Petition for Organization and the Service Plan. It is not now the intention of the parties hereto that the District should engage in any activity, purpose, service or function except as stated in this Agreement and in the Service Plan or as required to accomplish the purposes herein stated. In conformance with the statements of purpose herein expressed, the District, acting by and through its duly constituted Board of Directors, and its duly elected and serving officers, covenants and agrees that it will not at any time during the term of this Agreement, engage in any

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activity other than the provision, acquisition, construction, installation and completion and financing of such Facilities, services and improvements described in this Agreement and in the Service Plan and that it will not engage in, or seek power or authority to engage in, any service or activity outside its boundaries, as they may be changed from time to time, except, (1) as such Facility, service or activity is described in the Service Plan or is necessary to the provision of Facilities or services within its boundaries, (2) except for streets or other Facilities which are to be constructed or acquired outside of its boundaries in connection with any authority or any other intergovernmental joint venture approved by the Town and/or (3) except in such cases where the Town specifically, by resolution, requests an inclusion of additional lands within the District's boundaries or service area. District shall be entitled to enter into agreements with any districts formed within the Castle Pines Commercial Planned Unit Development, and with other special districts, when organized, without consent of the Town, for the purpose of sharing the cost of Facilities and/or for the purpose of financing, constructing, operating and maintaining the Facilities. Town agrees not to interfere with the exercise by District of any of its lawful powers except as the exercise thereof is specifically limited herein.

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SECTION 6.2. Condition on Changes of District's Boundaries. The District further covenants and agrees that it will neither cause any additional territory outside the boundaries of the approved Castle Pines Commercial Planned Unit Development Plan (P.U.D.) to be included within the District's boundaries, nor permit any territory now included in the P.U.D. to be excluded from the District unless the same is included in one of the other metropolitan districts which will serve the P.U.D. without first obtaining Town approval. No approval of the Town shall be required for inclusions or exclusions of territory which comply with the terms of this Section 6.2. However, no property shall be excluded from the District if Bonds have been issued to finance Facilities. If a mutually agreeable multi-party agreement among the Town, the District, and the owner of land petitioning for inclusion into the District is consummated, the District may expand its boundaries to include such additional lands located outside the P.U.D. as are designated by Town.

SECTION 6.3. Indemnification. The District will indemnify and hold the Town free and harmless from any loss, claim, damage, tax, penalty, liability, disbursement, litigation expense, attorneys' fees and expenses or court costs arising out of, or in any way relating to the issuance or sale of the Bonds and the execution or performance of this

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Agreement, except for such obligations which the Town has expressly accepted pursuant to this Agreement, including but not limited to those obligations described in Article VI and except for any of the above which may arise as a result of Town's negligence or willful or intentional misconduct.

SECTION 6.4. District Reimbursement of Certain Town Expenses. Town shall be entitled to submit an invoice to the District for payment of reasonable costs incurred by the Town for formation of the District. If District approves such costs, which approval shall not be withheld unreasonably, District shall pay said invoice within a reasonable period of time thereafter.

SECTION 6.5. Recoupment. Town agrees that it shall pay full and complete recoupment to District pursuant to Castle Rock Municipal Code 13.08, as amended from time to time, for Facilities constructed by District outside the Castle Pines Commercial P.U.D. prior to permitting connection or use to such Facilities by users or property owners located outside the Castle Pines Commercial P.U.D.

SECTION 6.6. Additional Warranties. The parties hereto warrant that each has the full right, power and authority to enter into, perform, and observe this Agreement. Neither the execution of this Agreement by either of the parties hereto, the consummation of the transactions contemplated hereunder, nor the fulfillment of, nor the compliance

with the terms and conditions of this Agreement by either party will conflict with, or result in the breach of any terms, conditions, or provisions of, or constitute a default under, or result in the imposition of any prohibited lien, charge, or encumbrance of any nature under any agreement instrument, indenture, or any judgment, order or decree to which the Town or District are parties, or by which the Town or District are bound.

SECTION 6.7. Instruments of Further Assurance.

The Town and the District covenant that they will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged, and delivered such acts, instruments and transfers as may reasonably be required for the performance of their obligations hereunder.

SECTION 6.8. Governmental Authority. Town and District shall comply with any and all valid state and federal laws covering the subject of this Agreement and any and all valid orders, regulations or licenses issued pursuant to any federal or state law governing the subject of this Agreement.

SECTION 6.9. Conservation Trust Fund. District agrees that it will not create a Conservation Trust Fund nor will it certify to the Department of Local Affairs that it has created such trust fund pursuant to the provisions of C.R.S. 29-21-101, as amended, provided however, it is

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understood and agreed that the District may create such fund and so certify in the event Town fails or refuses to do so, or in the event that the District's proportionate share would not pass to Town as the result of District's failure to create such fund and so certify.

ARTICLE VII

Use Of Castle Pines Wastewater Treatment Plant;  
Treatment Services.

SECTION 7.1. District's Use of Castle Pines Plant. It is contemplated by Town and District that Town will utilize the Castle Pines Plant to provide sewage treatment services to the inhabitants and other approved liquid waste generating establishments within the District. Town agrees to use its best efforts to cooperate with District in obtaining the necessary final approvals for use of the Plant. Such approvals shall include, but not be limited to, approval of an amendment to the DRCOG 208 Water Quality Plan to include the District in the service area of the Plant in order to permit sewage and wastewater generated within the District to be treated at the Plant, and also including site approvals, discharge permits, sludge disposal permits, and any special use or zoning approvals which may be required. District may purchase existing or future capacity in the Plant at a price to be determined by reference to agreements

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between the Town and the Castle Pines Metropolitan District, and shall be identified by an amendment to this Agreement.

SECTION 7.2. Expansion of Plant Capacity. Town further agrees to exercise its best efforts to cooperate in obtaining the necessary final approvals for expansion of the capacity of the Plant, or to construct, at the District's expense, such additional sewage and wastewater disposal facilities as may be necessary to fully serve the sewage and wastewater disposal needs of the District.

ARTICLE VIII

Miscellaneous

SECTION 8.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Town:           Town of Castle Rock  
                                  318 Fourth Street  
                                  Castle Rock, CO 80104

If to the District:    Castle Pines Commercial  
                                  Metropolitan No. 1  
                                  \_\_\_\_\_

Castle Rock, CO 80104

Changes in addresses shall be made by notice to the parties given in conformance with this section.

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SECTION 8.2. Liability of Town. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon the Town, nor the breach thereof, nor the issuance and sale of any Bonds by the District shall constitute or create an indebtedness of the Town within the meaning of any Colorado constitutional provision or statutory limitation. The Town shall have no obligation whatsoever to repay any debt or liability of the District.

SECTION 8.3. Assignment. No transfer or assignment of this Agreement or of any rights herein or hereunder shall be made by either party without the prior written consent of the other, which consent shall not be unreasonably withheld.

SECTION 8.4. Amendments. This Agreement and the Exhibits attached hereto, may be amended only in writing upon consent of the parties hereto. Said amendment or amendments shall be approved by resolution of the Board of Trustees of the Town and resolution of the Board of Directors of the District, and signed by the mayor of the Town and chairman and president of the District, and filed with the Douglas County District Court.

SECTION 8.5. Approvals. Unless otherwise provided herein, all approvals of the Town required herein

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B0751 - P0652 - \$629.00

shall be in writing from the Town Administrator, or his designee.

SECTION 8.6. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Town and the District and their respective successors and assigns.

SECTION 8.7. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 8.8. No Waiver. Any waiver or delay in enforcement of one or more terms of this Agreement shall not constitute a waiver of the remaining terms. Any waiver or delay in enforcement regarding any breach of this Agreement shall not constitute a waiver of any terms of the Agreement.

SECTION 8.9. Entire Agreement. This Agreement contains the entire agreement between the parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposal, negotiations, understandings, and agreements, whether written or oral.

SECTION 8.10. Reports. Copies of all reports required to be filed by the District pursuant to C.R.S. 32-1-104(2) and 32-1-823(1), as amended, or which may be requested by the Town pursuant to C.R.S. 32-1-207(3)(c), as

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amended, shall be delivered by District to Town in a timely manner.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective names and attested by their duly authorized officers, all as of the date first above written.

TOWN OF CASTLE ROCK

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

(SEAL)

ATTEST:

\_\_\_\_\_  
Town Clerk

CASLTLE PINES COMMERCIAL  
METROPOLITAN DISTRICT NO. 1

By: \_\_\_\_\_  
Chairman and President

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary

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STATE OF COLORADO )  
 ) SS.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_ by \_\_\_\_\_, as  
Mayor and \_\_\_\_\_ as Town Clerk of the Town of  
Castle Rock, a municipal corporation, and \_\_\_\_\_  
as Town Clerk.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

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

(SEAL)

STATE OF COLORADO )  
 ) SS.  
COUNTY OF DOUGLAS )

The foregoing instrument was acknowledged before me  
this \_\_\_\_ day of \_\_\_\_\_, 19\_\_ by \_\_\_\_\_,  
Chairman and President and \_\_\_\_\_, Secretary of  
Castle Pines Commercial Metropolitan District No. 1.

WITNESS my hand and official seal.

My commission expires: \_\_\_\_\_

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

(SEAL)

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EXHIBIT D  
TO  
ANNEXATION AND DEVELOPMENT CONTRACT  
BETWEEN  
THE TOWN OF CASTLE ROCK  
AND  
CP COMMERCIAL PROPERTIES, INC.

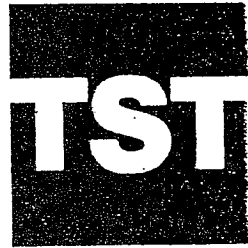
**SERVICE PLAN**

FOR THE

**CASTLE PINES COMMERCIAL  
METROPOLITAN DISTRICT NO. 1  
METROPOLITAN DISTRICT NO. 2  
METROPOLITAN DISTRICT NO. 3  
METROPOLITAN DISTRICT NO. 4  
METROPOLITAN DISTRICT NO. 5**

**JANUARY 1987**

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**TARANTO  
STANTON  
& TAGGE**

**CONSULTING  
ENGINEERS**



January 15, 1987

Re: Castle Pines Commercial  
Metropolitan Districts

Project No. 10-384-010

Castle Pines Commercial Metropolitan Districts  
482 Happy Canyon Road  
Castle Rock, Colorado 80104

Attn: Boards of Directors

Gentlemen:

We are pleased to submit the Service Plan for the Castle Pines Commercial Metropolitan Districts in accordance with our contract for professional services.

This plan details the purposes of the Districts and illustrates the need to form the Districts separate from all other existing entities. Also shown is the projected phasing of construction along with the estimated costs for this construction. A projected financial plan which shows the financial viability of the proposed Districts is also included.

If we can provide any additional information or clarify any comments, please contact us.

Sincerely,

*Kenneth K Shuey*  
Kenneth K. Shuey, P.E.

*Donald N. Taranto*

Donald N. Taranto, P.E.  
TARANTO, STANTON & TAGGE  
CONSULTING ENGINEERS

Enclosure

KKS/DNT:kdm



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CONSOLIDATED

SERVICE PLANS

for

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 1,  
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 2,  
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 3,  
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 4,  
and  
CASTLE PINES COMMERCIAL METROPOLITAN DISTRICT NO. 5

DOUGLAS COUNTY, COLORADO

Prepared For: Castle Pines Commercial Metropolitan Districts  
482 Happy Canyon Road  
Castle Rock, Colorado 80104

Prepared By: Taranto, Stanton & Tagge  
Consulting Engineers  
748 Whalers Way  
Building D  
Fort Collins, Colorado 80525

Calkins, Kramer, Grimshaw & Harring  
1700 Lincoln Street - Suite 3800  
Denver, Colorado 80203

Date: January 1987

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SERVICE PLAN

I. INTRODUCTION

A. General Overview

This Service Plan represents a consolidated service plan for Castle Pines Commercial Metropolitan District No. 1, Castle Pines Commercial Metropolitan District No. 2, Castle Pines Commercial Metropolitan District No. 3, Castle Pines Commercial Metropolitan District No. 4, and Castle Pines Commercial Metropolitan No. 5 (the "Districts"). Castle Pines Commercial Metropolitan District No. 1 (the "Master District") will be the entity responsible for constructing, acquiring, completing, and/or operating and maintaining all facilities and services needed for the entire Castle Pines Commercial Planned Unit Development (the "Project"). The financing for such facilities and services will be provided by Castle Pines Commercial Metropolitan District No. 2, Castle Pines Commercial Metropolitan District No. 3, Castle Pines Commercial Metropolitan District No. 4, and Castle Pines Commercial Metropolitan District No. 5 (referred to as the "Sub-Districts"). Since the provision of essential services and improvements, and financing therefore, is dependent upon the needs and financial capabilities of land within the entire Project, this consolidated Service Plan contains all of the information necessary for approval of the Master District and each of the Sub-Districts. The Financial Plan contained herein contains a consolidated financial analysis of the financial capability of the entire Project. Each of the Sub-Districts will provide financing necessary for construction by the Master District of facilities and services needed within the boundaries of each Sub-District based upon a pro-rata allocation of the costs of such facilities and the financial resources of the Sub-Districts. The Sub-Districts shall not be permitted to construct facilities except as such responsibility may be

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delegated to them by the Master District or unless the Master District refuses to construct needed facilities. The Sub-Districts shall not be permitted to contract with entities other than the Master District for the provision of essential facilities and improvements within their respective boundaries. This is essential since the financial viability of all of the Districts is dependent upon pro-rata financial contributions by each of the Sub-Districts to the Master District. Ultimately, the Master District is expected to build all of the facilities needed for the entire Project. However, it is anticipated that the Master District will construct facilities in phases determined according to the needs of each phase of development of the Project. A separate Sub-District will be organized to finance the costs of each phase of facilities. A system of plant investment fees (tap fees) will be established by the Master District to be paid to the Master District by the Sub-Districts in return for capacity in the water and sanitation facilities and for the right to use the streets, park and recreation improvements, transportation and other improvements to be constructed by the Master District. Interdistrict agreements between the Master District and the Sub-Districts will be executed to ensure long-term service to all property within the Project. A discussion of the proposed structure of the interdistrict agreements is contained in this Service Plan.

All customers and users within the Project will be billed for services based upon a uniform system of service charges to similar classes of users. Operation and maintenance of the facilities will be handled by the Town or by the Master District pursuant to intergovernmental agreements to be negotiated between the Town and the Master District. It is anticipated that the first phase of the development will be included in Castle Pines Commercial Metropolitan District No. 2.

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The original boundaries of the Master District and each Sub-District are identified in this Service Plan. The boundaries of the Master District do not encompass the entire Project. However, the "Service Area" of the Master District will cover the entire Project and will include the area contained in each of the Sub-Districts. The Master District will have the authority to serve its entire Service Area as well as areas outside the Service Area to which the Master District determines service can be provided in an economical manner.

Upon completion of build-out within the Project, it is anticipated that the Master District and the Sub-Districts may be consolidated into a single district. In such event, each phase of development, and corresponding Sub-District, will remain responsible for its individual indebtedness.

It is anticipated that the Sub-Districts will issue general obligation bonds in order to purchase capacity in, and otherwise obtain the right to use, Master District facilities. All Districts will have authority to issue all forms of indebtedness based upon their individual ability to repay such obligations, and will also have authority to issue revenue obligations. The primary sources of revenue to the Master District will be payments made to it by the Sub-Districts, although it is also anticipated that service charges, interest income on construction funds, and tax collections may also be sources of revenue for the Master District. The primary sources of revenue to the Sub-Districts will be ad valorem taxes and facilities development fees, as well as other revenues similar to those available to the Master District.

The proposed financing, construction and service arrangements between the Master District and the Sub-Districts are intended to localize the cost of constructing facilities to specific areas served by those facilities thus reducing the costs which residents of one area might otherwise have to pay for facilities

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serving other areas. This approach will enable financing, construction, and operation of all facilities needed by the Project to be coordinated, and thereby maintaining a proper balance of tap fees, property taxes, and user charges.

The use of the Master District as the facilities and service-providing entity for the Project assures that the administration and control of the facilities will not be fragmented. It is anticipated that this mechanism will guarantee responsible expansion and control of the development as approved by the Town.

B. Statutory Requirements for Approval

This service plan (Service Plan) sets forth a proposal for the formation of Castle Pines Commercial Metropolitan District No. 1, Castle Pines Commercial Metropolitan District No. 2, Castle Pines Commercial Metropolitan District No. 3, Castle Pines Commercial Metropolitan District No. 4 and Castle Pines Commercial District No. 5 within the Town of Castle Rock. The proposed Districts will serve a development known as the "Castle Pines Commercial P.U.D." ("Project"). The Project contains approximately 420 acres of land to be developed as a commercial development. The Districts will perform an integral role in the Project by providing necessary public services such as water, sewer, streets, traffic and safety, park and recreation, transportation, fire, and related improvements.

The Service Plan is submitted in accordance with the requirements of Article 1 of Title 32 of the Colorado Revised Statutes, as amended (the "Special District Act"). The major purpose of the Service Plan is to produce satisfactory evidence that the requirements for Town approval of the proposed Districts, as set forth in Sections 32-1-203(2) and (2.5), C.R.S., as amended, have been met:

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1. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed special districts;
2. The existing service in the area to be served by the proposed special districts is inadequate for present and projected needs;
3. The proposed special districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
4. The area to be included in the proposed special districts has, or will have, the financial ability to discharge the proposed indebtedness on a reasonable basis;
5. Adequate service is not, or will not be, available to the area through the county, or other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;
6. The facility and service standards of the proposed special districts are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204(1), C.R.S.;
7. The proposal is in substantial compliance with a master plan adopted pursuant to section 30-28-106, C.R.S.;
8. The proposal is in compliance with any duly adopted county, regional or state long-range water quality management plan for the area; and

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9. The creation of the proposed special districts will be in the best interests of the area proposed to be served.

C. Statutory Contents of Service Plan

Pursuant to the requirements of the Special District Act, this Service Plan consists of a financial analysis and an engineering plan showing how the facilities and services of the proposed Districts will be provided and financed. The following items required by C.R.S. 32-1-202, et seq. are included in various sections of this Service Plan:

1. A description of the proposed services;
2. A financial plan showing how the proposed services are to be financed including the proposed operating revenue derived from property taxes for the first budget year of the Districts, which shall not be materially exceeded except as authorized pursuant to section 32-1-207 or 29-1-302, C.R.S.;
3. A preliminary engineering or architectural survey showing how the proposed services are to be provided;
4. A map of the proposed Districts' boundaries and an estimate of the population and valuation for assessment of the proposed Districts;
5. A general description of the facilities to be constructed and the standards of such construction, including a statement of how the facility and service standards of the proposed Districts are compatible with the facility and service standards of any county within which all or any portion of the proposed special Districts are to be of municipalities and special districts which are interested parties pursuant to section 32-1-204(1), C.R.S.;

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6. A general description of the estimated cost of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the Districts.
7. A description of any arrangement or proposed agreement with any political subdivision for the performance of any services between the Districts and such other political subdivision.

C. Statutory Powers and Services

Each of the Districts shall have the ability to exercise all powers to provide the facilities and services described herein within the framework of this Service Plan in accordance with the Special District Act, as either may be amended from time to time. Those powers are:

1. The powers of metropolitan districts as described in C.R.S. Sections 32-1-1001 and 32-1-1004, as amended;
2. The acquisition, construction, completion, installation and/or operation and maintenance of parks and recreational facilities including, but not limited to, parks, bike paths and pedestrian ways, open space, landscaping, golf courses, cultural activities, community recreational centers, water bodies, irrigation facilities, and other active and passive recreational facilities and programs, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the Districts;

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3. The acquisition, construction, completion, installation and/or operation and maintenance of a complete local sanitary sewage collection and transmission system which may include, but shall not be limited to, collection mains and laterals, transmission lines, and/or storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds and associated irrigation facilities, and all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and without the boundaries of the Districts;
4. The acquisition, construction, completion, installation and/or operation and maintenance of facilities and/or services for a system of traffic and safety controls and devices on streets and highways and at railroad crossings, including signalization, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the Districts;
5. The acquisition, construction, completion, installation and/or operation and maintenance of street improvements, including curbs, gutters, culverts, and other drainage facilities, sidewalks, bridges, overpasses, bike paths and pedestrian ways, interchanges, median islands, paving, lighting, grading, landscaping, irrigation, and parking lots and structures, together with all necessary, incidental, and appurtenant facilities, land and easements, together with extensions of and improvements to said facilities within and without the boundaries of the Districts;

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6. The acquisition, construction, completion, installation and/or operation and maintenance of a system to transport the public by bus, rail, or any other means of conveyance, or combination thereof, or pursuant to contract, including park and ride facilities and parking lots, structures, and facilities; together with all necessary, incidental and appurtenant facilities, land and easements, and all necessary extensions of and improvements to said facilities or systems within and without the boundaries of the Districts;
  
7. The acquisition, construction, completion, installation and/or operation and maintenance of a complete potable and nonpotable local water supply, storage, transmission, and distribution system, which may include, but shall not be limited to, transmission lines, distribution mains and laterals, irrigation facilities, storage facilities, land and easements, and all necessary, incidental, and appurtenant facilities, together with extensions of and improvements to said system within and without the boundaries of the Districts; and
  
8. The acquisition, construction, completion, installation and/or operation and maintenance of a complete fire protection system including but not limited to, fire stations, fire protection and fire fighting equipment, ambulance services, emergency medical services, rescue units, and diving and grappling services, and all necessary, incidental and appurtenant facilities, land and easements, together with extensions of and improvements to said system within and outside the Districts.

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 B0751 - P0670 \$639.00

E. Board Powers

The powers of the Districts, as listed above, will be exercised by the respective Boards of Directors of the Districts to the extent necessary to provide the services contemplated in this Service Plan. In addition to the above powers, the Boards of Directors of the Districts shall have the following authority:

1. To amend the Service Plan as needed, subject to applicable statutory procedures;
2. To forego the financing and construction of certain improvements if such improvements would be best developed by another entity or if it is determined by the Boards that financing and construction of certain improvements is not economically feasible;
3. To provide additional services or exercise additional authority in order to perform all functions permitted by implication of the Special District Act; and
4. To cooperate or contract with other governmental entities to provide regional services or facilities, and to share the costs involved.

All activities of the Districts will be undertaken in accordance with and pursuant to the procedures and conditions contained in provisions of the Special District Act and other applicable statutes, as the same may be amended from time to time, and pursuant to provisions contained in the proposed Intergovernmental Agreements with the Town. Each District will be free to act independently subject to the overall limitations of this Service Plan.

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E0751 - P0671 - \$227.00

II. NEED FOR THE DISTRICTS

A. Existing Facilities

The Project area is generally undeveloped and vacant and has few, if any, public facilities available. There are currently no entities within the Project area which, in our opinion, consider it to be practical, feasible, or in their best interest to extend existing improvements into the Project on a basis comparable to that being proposed in this Service Plan. It is not considered economically feasible to provide the facilities needed by the Project without organized service by the proposed Districts. Furthermore, the Master District will be in the best position to provide long-term maintenance of some or all of the improvements until the Town accepts such responsibility. Accordingly, it is necessary that the proposed Districts be organized for the purposes described herein.

B. Existing and Proposed Districts

1. Water and Sewer. A portion of the Project lies within the Silver Heights Water and Sanitation District. However, for several reasons it is not anticipated that the Silver Heights District will provide potable water, reuse irrigation water, water treatment, and sanitary sewer treatment services to the Project.
2. Park and Recreation. The Project is proposed to be annexed to the Town of Castle Rock. However, for several reasons it is not anticipated that the Town will provide the majority of the park and recreation improvements required by the Project.
3. Streets and Safety. The Project is proposed to be annexed to the Town of Castle Rock. However, for several reasons it is not anticipated that the Town will provide the majority of the streets and safety improvements required by the Project.

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B0751 - P0672 - \$629.00

4. Fire Protection. The Project is proposed to be annexed to the Town of Castle Rock which will provide only a portion of the fire protection services and improvements needed by the Project.
5. Traffic and Safety. The Project is proposed to be annexed to the Town of Castle Rock. However, for several reasons it is not anticipated that the Town will provide the majority of the traffic and safety improvements required by the Project.
6. Transportation. The Project is proposed to be annexed to the Town of Castle Rock. However, for several reasons it is not anticipated that the Town will provide the majority of the transportation improvements required by the Project.
7. Storm Drainage. The Project is proposed to be annexed to the Town of Castle Rock which will not construct the storm drainage improvements needed by the Project.

It is our belief that no other entity is capable of constructing the improvements needed by the Project in a timely and cost effective manner. The proposed Master District will ensure that it does not duplicate facilities constructed by other districts and will avoid designs that are not compatible with those of surrounding governments.

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 B0751 - P0673 - \$679.00

III. DISTRICT BOUNDARIES AND ASSESSED VALUATION

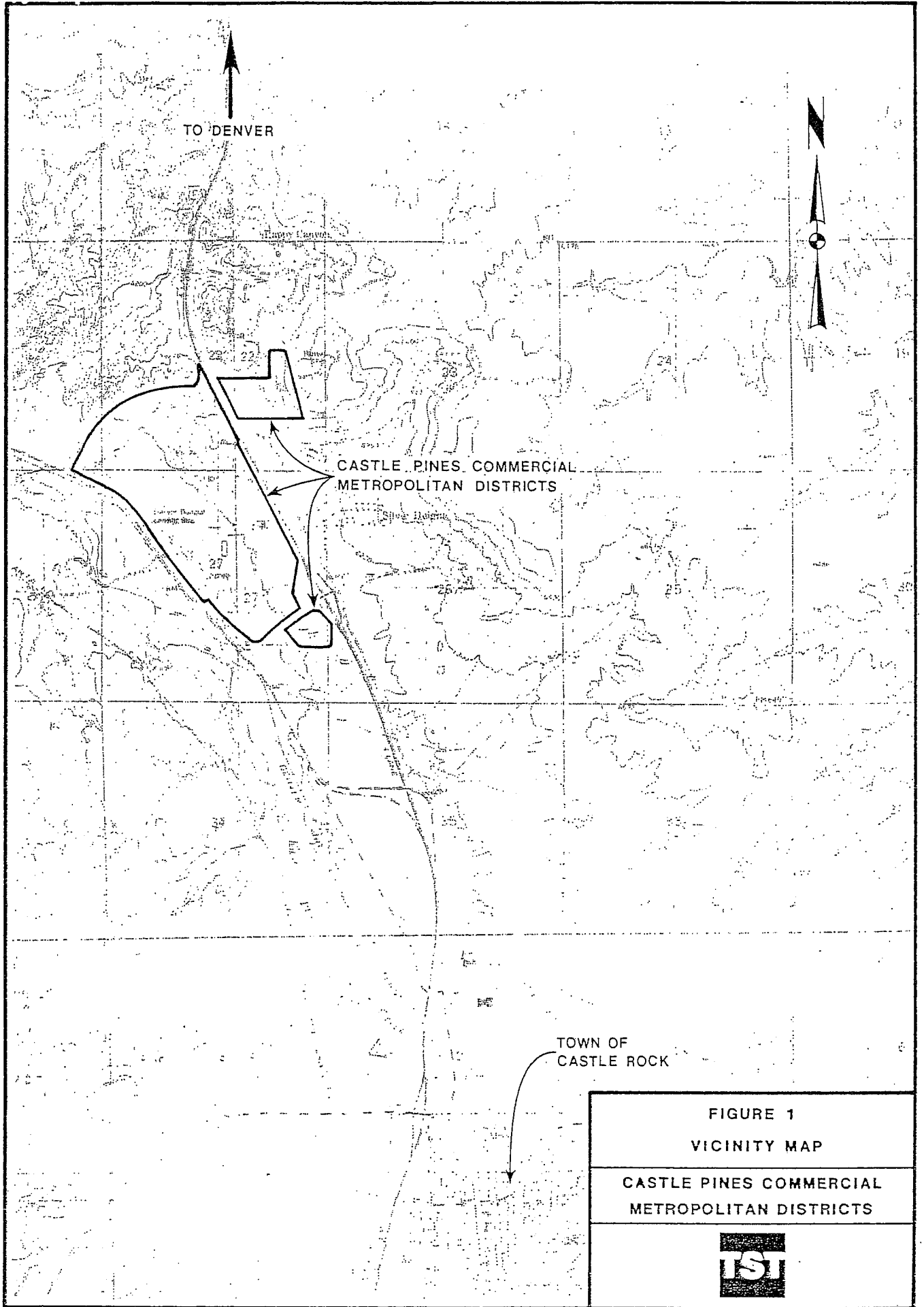
A. Boundaries and Legal Description

The Master District will be known as Castle Pines Commercial Metropolitan District No. 1. The Sub-Districts will be known as Castle Pines Commercial Metropolitan District No. 2, Castle Pines Commercial Metropolitan District No. 3, Castle Pines Commercial Metropolitan District No. 4 and Castle Pines Commercial Metropolitan District No. 5. The property to be included within all of the Districts is entirely within the Town of Castle Rock, Colorado, and generally includes an area located one mile north of the Town of Castle Rock in the northwest corner of the junction of US 85 and I-25. (See: Figure 1 - Vicinity Map). Maps of the Districts' boundaries and legal descriptions of the proposed Districts are shown in Appendix A. A map of the Master District's initial service area is also shown in Appendix A.

B. Current and Projected Assessed Valuation

The current assessed valuation for the property to be included within the Project is estimated at approximately \$4000. Assessed valuation projections are set forth in Section VIII in the Financial Plan. Prior to the time any Sub-District issues bonds, assessed valuation projections will be prepared for such District and will serve as the basis for analyzing the bonding capability of such District.

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IV. DEVELOPMENT PROJECTIONS

The primary land use within the Project will be commercial. See Table 1, "Development Projections" for proposed land classifications and densities.

As presently planned, the Project will proceed in several phases, each of which will involve extensions of certain public facilities and improvements. Figure 2 shows the District boundaries for the Master District and the Sub-Districts. The proposed phasing of the improvements, which may be adjusted by the Boards of Directors of the Districts to more closely meet the needs of the Master District and the Sub-Districts is planned to start in District No. 2, and then follow in District No. 3, District No. 1, District No. 4 and finally District No. 5. This will enable the Districts to spread the costs of development in a manner which will not unduly financially burden its property owners. The planned facilities and improvements are intended to provide the necessary services to accommodate the ultimate land uses and population projections within the Project. There is not expected to be a residential population within the Project. Commercial build-out projections are contained in the Financing Plan for the Districts.

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CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

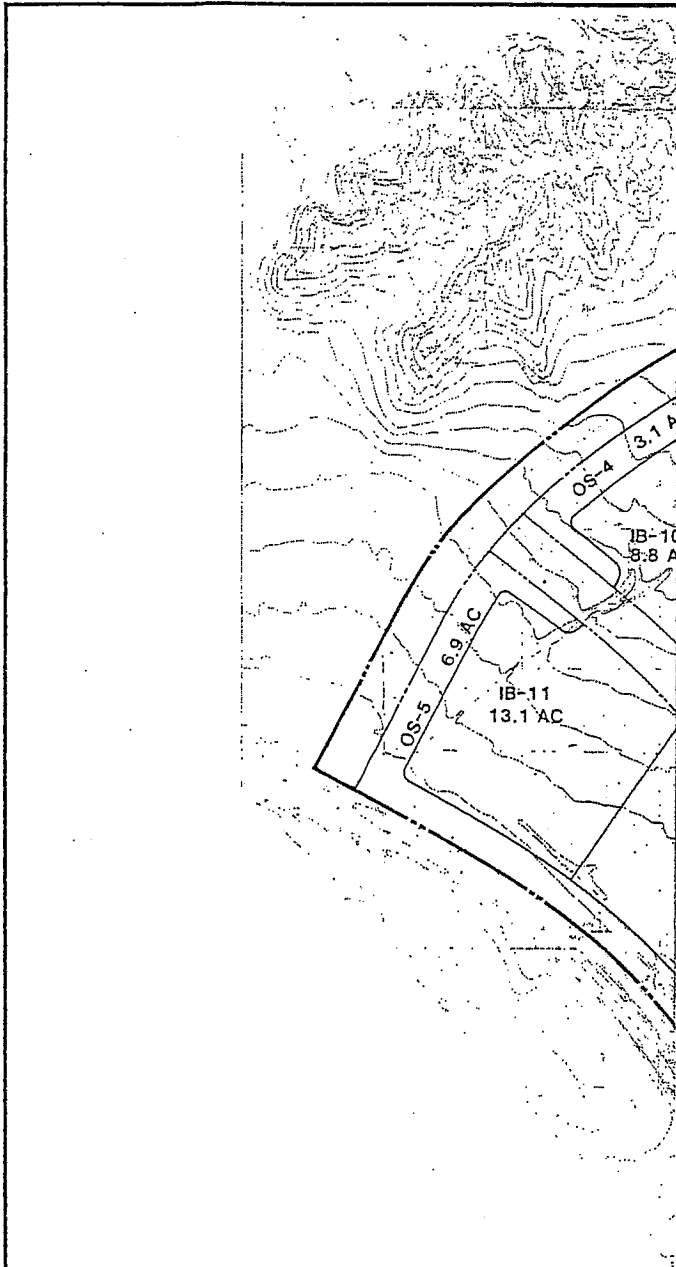
TABLE 1






DEVELOPMENT PROJECTIONS

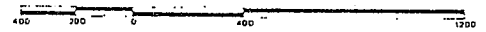
PLANNING AREA	ACREAGE	%
INTEGRATED BUSINESS		
IB-1	90.5	21.6
IB-2	14.4	3.4
IB-3	16.7	4.0
IB-4	12.9	3.1
IB-5	42.5	10.1
IB-6	6.8	1.6
IB-7	14.0	3.3
IB-8	11.0	2.6
IB-9	7.2	1.7
IB-10	8.8	2.1
IB-11	13.1	3.1
IB-12	8.4	2.0
IB-13	25.2	6.0
<hr/>		
SUB-TOTAL	271.5	64.7
COMMUNITY OPEN SPACE		
OS	93.7	22.3
ROAD RIGHT-OF-WAY		
ROW	54.5	13.0
<hr/>		
TOTAL	419.7	100.0


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- LEGEND
-  DISTRICT NO. 1
  -  DISTRICT NO. 2
  -  DISTRICT NO. 3
  -  DISTRICT NO. 4
  -  DISTRICT NO. 5



<p>FIGURE 2 DISTRICTING PLAN</p>
<p>CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS</p>


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V. PROPOSED IMPROVEMENTS

A. General

The proposed Master District will design, acquire and construct the major improvements needed within the Project. The Sub-Districts will finance the costs of such facilities and will acquire the right to use capacity therein. Construction of the planned facilities and improvements will be scheduled to allow for proper sizing and phasing to keep pace with the need for service. All descriptions of the specific facilities and improvements to be constructed, and their related costs, are estimates only and are subject to modification as engineering, development plans, economics, Town requirements, and construction scheduling may require.

B. General Design Standards

Improvements within the Project which are built by the Master District will be designed and installed in general conformance with current standards adopted by the Master District and the Town of Castle Rock. Designs and contract documents prepared for improvements made by the Master District must be reviewed and approved by the Master District and the Town of Castle Rock.

The potable water system will deliver water that meets State of Colorado Primary and Secondary Drinking Water Standards and will be designed and installed to conform to the current standards and recommendations of the American Water Works Association, the Insurance Services Office, the Colorado Department of Health, the Town of Castle Rock and the Rules and Regulations adopted by the Master District. The wastewater system will transport wastewater to the Castle Pines Metropolitan District's regional wastewater treatment facility. The wastewater collection system will be designed and installed to conform to the current standards and recommendations of the Colorado Department of Health, the Town of

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B0751 - P0679 - \$629.00

Castle Rock, and the Rules and Regulations adopted by the Master District. Public streets will be designed and installed to conform to the standards and recommendations of the American Association of State Highway and Transportation Officials, the Colorado Department of Highways, the Town of Castle Rock and the Rules and Regulations adopted by the Master District. All major storm drainage facilities will be designed for the 100-year storm event. All storm drainage designs will conform to the standards and recommendations of the Denver Regional Council of Governments the Town of Castle Rock and the Rules and Regulations of the Master District. Fire protection services have been established from the "Grading Schedule for Municipal Fire Protection", as recommended by ISO and supplemented by interviews with municipal fire chiefs.

C. Water System

1. General

The Master District proposes to provide a water system to serve the entire Project. The Master District's water system will provide a potable supply for commercial customers and a non-potable supply for open space and roadside irrigation. Development that may be served by the Master District is discussed in Chapter IV - Development Projection.

The proposed elements of the potable water system provide a hydraulically balanced network of non-tributary groundwater wells, transmission lines, treatment and pumping facilities, water storage tanks and distribution lines for the supply of treated water. The proposed elements of the non-potable water system include facilities for the pumping and transmission of reclaimed wastewater. All facilities will

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B0751 - P0680 \$62900

continue to be designed and installed in accordance with applicable regulatory standards and sound engineering judgement. The development plan for the District's proposed potable water system is illustrated in Figure 3.

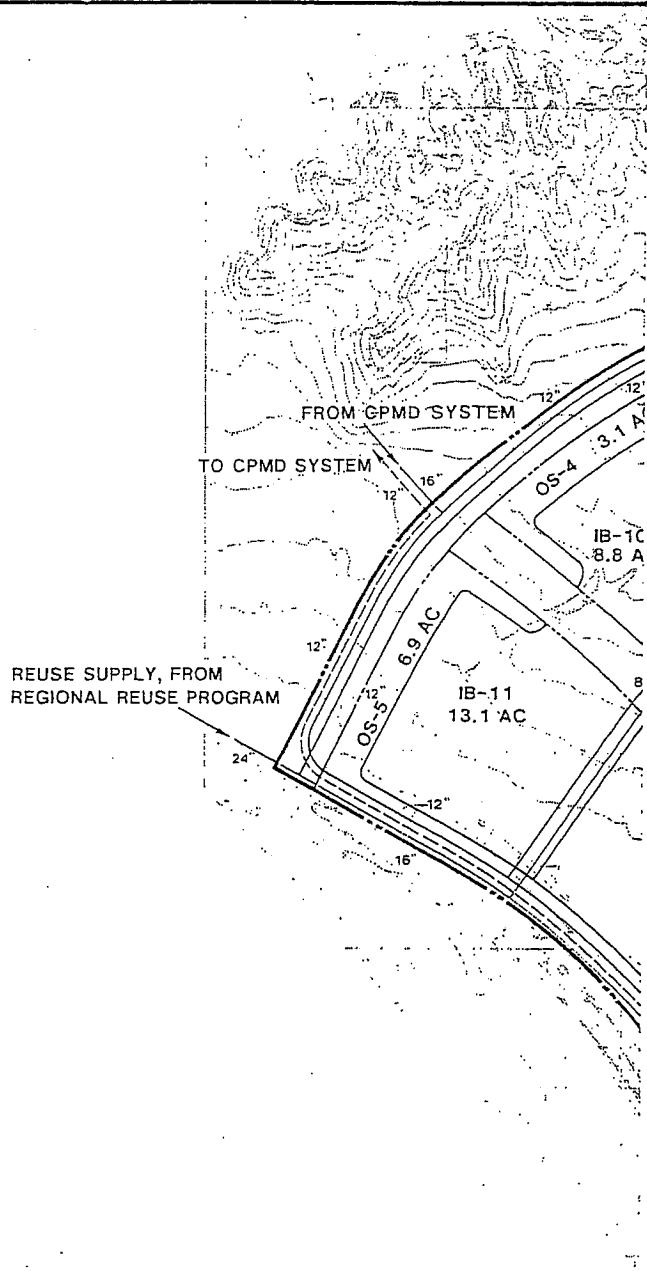
All major elements of the Master District's water system required for proper operations, will be designed and installed by the Master District. The property owner will be responsible for construction of the service line from the curb stop to the commercial unit. All individual services will be metered. An emergency connection between the Master District's water system and the Town's water system will be constructed when the Town and the District determine it to be necessary and feasible.

2. Water Demand

Demands placed on the Master District's system will fluctuate with use. Potable demand will be that required to satisfy the needs of the Sub-Districts' customers for domestic uses, and fire protection. Non-potable demand will be that required to satisfy the water requirements for the irrigation of commercial landscaping, open space and roadside landscaping.

Potable water system demands for domestic uses and landscape irrigation have been estimated by applying typically accepted unit flow rates to land use designations and demographic information established by the Developer. Calculations are presented in Table 2. Ultimately, the average annual demand of the project is projected to reach 0.45 mgd (499 afy) with a maximum day demand projected to reach 1.11 mgd (771 gpm) and a peak hour demand projected to reach 1.67 mgd (1,160 gpm).

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B0751 - P0681 - \$22,500



- LEGEND
- POTABLE WATER LINE
  - - - RAW WATER LINE
  - NON-TRIBUTARY WELL SITE
  - ~ PRESSURE ZONE BOUNDARY
  - ▼ PRV STATION
  - REUSE IRRIGATION LINE

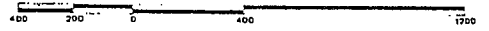



FIGURE 3  
 WATER SYSTEM  
 CASTLE PINES COMMERCIAL  
 METROPOLITAN DISTRICTS



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CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 2

ULTIMATE WATER DEMAND CALCULATIONS

POTABLE DEMAND	FLOW	
	gpd	afy
CONSUMPTIVE USE 271.5 ac x 1640 gpad	445,260	499
NON-POTABLE IRRIGATION DEMAND		
COMMERCIAL IRRIGATION 271.5 acre x 40% x 2.3 afy/ac	387,576	250
OPEN SPACE - 93.7 acre x 60% x 2.3 afy/ac	200,640	129
ROAD ROW - 54.5 acre x 40% x 2.3 afy/ac	77,801	50
TOTAL	666,018	429

Irrigation demands are based on 210 day season.

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 B0751 - P0683 - \$629.00

Potable water system demands for fire protection are based on standards currently recommended by the Insurance Services Office (ISO) and the Town of Castle Rock. Fire flows to be provided, over and above maximum day demands, will be 3,500 gpm for 3-hours in commercial tracts.

Annual projections of the Project's potable and non-potable water system demands have been prepared. The results are presented in Table 3. However, the Master District intends to review actual usage and adjust actual water requirements as required.

3. Water Supply

The Districts plan to rely on groundwater resources for the Project's potable water supply and reclaimed wastewater resources for its non-potable water supply. Potable supplies will be withdrawn from non-tributary aquifers of the Dawson-Arkose, Denver, Arapahoe and Laramie-Fox Hills formations. Projections of non-tributary water availability have been made by Jehn and Wood Inc. A summary of their findings are presented in Table 4. Appendix B presents Jehn and Wood's (the Districts' water consultant) findings.

Additional water is currently anticipated to be made available to the Master District through the leasing of water and water rights owned by the Castle Pines Land Company and attributable to areas within the Project. Water service will be made available to the Sub-Districts by means of the inter-district agreements discussed in Section VI, Proposed Agreements. Water and water rights are being provided to the Castle Pines North Metropolitan District in just this manner.

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B0751 - P0684 - \$649.00

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 3

PROJECTED POTABLE WATER REQUIREMENTS

PHASE	YEAR	PROJECTED TOTAL POTABLE		CUMULATIVE TOTAL	
		GPD	AFY	GPD	AFY
I	1987	0	0	0	0
	1988	2,528	3	2,528	3
	1989	4,298	5	6,827	8
	1990	10,114	11	16,941	19
	1991	10,114	11	27,054	30
	1992	33,730	38	60,784	68
	1993	23,890	27	84,674	95
II	1994	23,808	27	108,482	122
	1995	23,808	27	132,290	148
	1996	20,692	23	152,981	171
	1997	20,692	23	173,673	195
	1998	44,964	50	218,637	245
	1999	44,964	50	263,601	295
III	2000	10,633	12	274,234	307
	2001	10,633	12	284,867	319
	2002	28,017	31	312,884	350
	2003	5,057	6	317,940	356
	2004	23,097	26	341,037	382
	2005	5,057	6	346,094	388
IV	2006	24,081	27	370,175	415
	2007	12,273	14	382,448	428
	2008	10,742	12	393,190	440
	2009	10,742	12	403,932	452
	2010	20,664	23	424,596	476
	2011	20,664	23	445,260	499
		445,260	499	445,260	499

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 B0751 - P0685 - \$629.00

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CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 3 (CONT'D)

PROJECTED IRRIGATION REQUIREMENTS

PHASE	YEAR	PROJECTED REUSE IRRIGATION		CUMULATIVE TOTAL	
		GPD	AFY	GPD	AFY
I	1987	0	0	0	0
	1988	21,044	14	21,044	14
	1989	3,742	2	24,786	16
	1990	8,804	6	33,589	22
	1991	8,804	6	42,393	27
	1992	109,445	71	151,838	98
	1993	29,646	19	181,484	117
II	1994	41,137	27	222,621	143
	1995	20,723	13	243,344	157
	1996	18,011	12	261,356	168
	1997	18,011	12	279,367	180
	1998	61,408	40	340,775	220
	1999	39,139	25	379,914	245
III	2000	52,224	34	432,138	278
	2001	9,255	6	441,393	284
	2002	24,387	16	465,781	300
	2003	4,402	3	470,183	303
	2004	20,105	13	490,287	316
	2005	4,402	3	494,689	319
IV	2006	38,734	25	533,423	344
	2007	38,520	25	571,943	369
	2008	16,631	11	588,574	379
	2009	41,470	27	630,044	406
	2010	17,987	12	648,031	418
	2011	17,987	12	666,018	429
TOTAL		666,018	429	666,018	429

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 B0751 - P0686 - \$629.00

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CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 4

NON-TRIBUTARY WATER PROJECTIONS

AQUIFER	SY	TOTAL ANNUAL APPROPRIATION AFY
UPPER DAWSON	.20	61
LOWER DAWSON	.20	116
DENVER	.17	174
ARAPAHOE	.20	189
LARAMIE-FOX HILLS	.15	72
TOTAL		612

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 B0751 - P0687 - \$629.00

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Non-potable supplies will be provided by the reclamation of treated wastewater. The quantity of wastewater generated by Sub-Districts' customers and available for reclamation is ultimately projected to reach 0.41 mgd (462 afy).

Additional quantities will be obtained, if required prior to buildout, from either the Master District's potable water system, or the surplus wastewater generated by the Castle Pines Metropolitan District's Regional Wastewater Treatment Facility.

4. Water Transmission

The Master District's potable water transmission system collects raw water from the Master District's wells and transfers treated water between the Castle Pines Metropolitan District's storage tanks and water treatment plant. Pumping facilities and transmission lines will be sized to deliver either the maximum day demand, plus fire flow or the peak hour demand, as appropriate.

5. Water Quality and Treatment

The Master District will execute an intergovernmental agreement with the Town and/or the Castle Pines Metropolitan District to treat potable water supplies to levels required to meet or exceed standards set by the Colorado Department of Health.

Potable water will be treated to meet Primary and Secondary Drinking Water Standards. A review of water quality testing results for representative wells in the area indicates that the actual water quality may vary significantly between locations and that it appears to be highly site specific. Because on-site wells have not been developed in each of the previously described formations, expected water qualities

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B0751 - P0688 - \$1,200.00

have been assumed to be similar to that produced from wells in the general vicinity with relatively poor water quality. Actual water produced may be better than that indicated. Table 5 lists those constituents that, as a worse case scenario, are not anticipated to meet Drinking Water Standards and presents recommended limits for their concentrations. The results indicate that conventional treatment methods employing aeration, chemical coagulation, filtration, disinfection and blending will produce a potable water that is both safe and palatable.

The Castle Pines Metropolitan District's treatment facilities for potable water will be designed to meet the Project's maximum day demands.

6. Water Storage

The Master District's storage facilities are designed to provide flow equalization, fire fighting reserves, and a water source as a backup to the supply for all of the Sub-Districts. The volume is based on 4 hours of the difference between peak hour and maximum day flow and 24 hours average day potable demand as a standby in addition to the fire flow requirement.

7. Water Distribution

The Master District's distribution system will provide treated water through a network of distribution lines. As shown in Table 6, the system is divided into two distinct zones each corresponding to Castle Pines Metropolitan District pressure zones. Distribution lines will be sized to maintain 40 psi during peak hour demands and 20 psi

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B0751 - P0689 - \$629.00

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 5

WATER QUALITY SUMMARY

PARAMETER	LIMIT	DAWSON	DENVER	ARAPAHOE	LARAMIE FOX HILLS
ALKALINITY	-	104	104-110	84-97	300-380
CHLORIDES	250	1.6	0.8-1.0	<3-3	40-1300
FLUORIDES	1.6	0.6	0.9	0.8-0.9	2.3-3.4
HARDNESS (CaCO3)	-	123	108-110	77-88	10-80
IRON (TOTAL)	0.3	.26-.72	.26-1.17	.18-.42	.10-.84
MAGNESIUM	125	3.1	2.2-2.4	3.2-3.4	0.5-5.3
MANGANESE	.05	.04-.07	.05-.07	.061-.10	.01-.075
PH	6.5-8.5	7.7	8	7-7.8	7-8.4
SULFATE	250	-	10-15	22-26	5-40
TURBIDITY (NTU)	5	.38	.2-1.2	.28-1.2	1.0-9
GROSS ALPHA	15	11	3.3-4.7	1-11	2.3-36
GROSS BETA	50	0	-	3-11	7-24

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 B0751 - P0690 - 138/ 179  
 1599.00

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 6

POTABLE WATER PRESSURE ZONES

PRESSURE ZONE	LOWER ELEVATION BOUNDARY	UPPER ELEVATION BOUNDARY	HYDRAULIC GRADE
1	6568	6640	6744
2	6364	6568	6672
3	6146	6364	6468
4	5950	6146	6250

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during maximum day demand with an appropriate superimposed fire flow. All lines are to be looped where practical to maximize capacity and improve circulation. Fire hydrants will be required throughout the distribution system.

D. Wastewater System

1. General

The Master District proposes to provide a wastewater collection system to serve the project. Development that may be served by the Master District is discussed in Chapter IV - Development Projections.

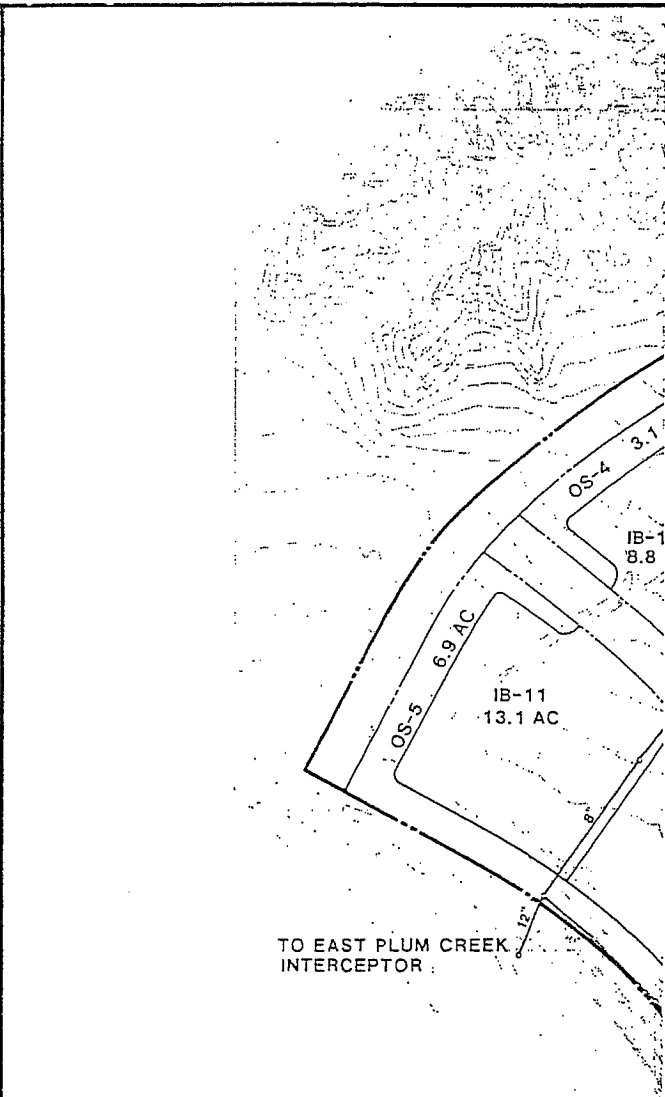
The proposed elements of the wastewater system will provide a network of laterals, trunk sewers, lift stations, interceptor sewers, and treatment facilities for the sanitary disposal of liquid borne wastes. All facilities will be designed and installed in accordance with applicable regulatory standards and sound engineering judgement. The development plan for the Master District's proposed wastewater collection system is illustrated in Figure 4.

All major elements of the Master District's wastewater collection system required for proper operation will be designed, and installed by the Master District. The property owner will be responsible for the service line from the property line to the commercial units.

2. Wastewater Flows

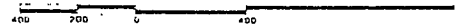
Wastewater flows generated by the Sub-Districts' customers will fluctuate with use. Flows determined in this section are from office and commercial sources. These flows have been estimated by applying typically accepted unit

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LEGEND  
 — SANITARY SEWER

TO EAST PLUM CREEK  
 INTERCEPTOR



<p>FIGURE 4          WASTEWATER SYSTEM</p>
<p>CASTLE PINES COMMERCIAL          METROPOLITAN DISTRICTS</p>

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 B0751 - P0693 - \$6279.00

flowrates to the land use designations and demographic information established by the Developer. Calculations are shown in Table 7.

Ultimately, the average annual wastewater flow is projected to reach 0.41 mgd (462 afy) with a maximum day flow projected to reach 1.03 mgd (716 gpm) and a peak hour flow projected to reach 1.55 mgd (1,075 gpm).

Annual projections of the Project's wastewater flow have been prepared. The results are presented in Table 8. However, the Master District intends to review actual wastewater flows and adjust the annual projections as required.

### 3. Wastewater Collection

The Master District's wastewater collection system will collect sanitary sewage generated by the Sub-Districts' customers and convey it to the Castle Pines Metropolitan District's regional wastewater treatment plant on East Plum Creek. Laterals will be located in the streets, along back lot lines and in utility easements to serve the Sub-Districts' customers. Trunk sewers will collect flow from the laterals and direct the sewage to interceptor sewers. The interceptor sewers will empty into the proposed East Plum Creek interceptor sewer that follows U.S. Highway 85 to the wastewater treatment plant.

Gravity sewers that serve the development are proposed to range in size from a minimum of 8-inches to a maximum of 12-inches. Lateral and trunk sewers are to be designed to carry 250 gpcd, flowing full, and interceptor sewers are to be designed to carry 250 gpcd, flowing full. Lift stations, if required, will be of either the wet-well/dry-well type or the wet-well mounted type, as appropriate, and will be

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 7

WASTEWATER FLOW CALCULATIONS

	TOTAL WW FLOW	
	gpd	afy
COMMERCIAL -		
271.5 acre x 1520 gpad	412,680	462
<b>TOTAL</b>	<b>412,680</b>	<b>462</b>

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CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 8

PROJECTED WASTEWATER FLOWS

PHASE	YEAR	PROJECTED TOTAL WASTEWATER		CUMULATIVE TOTAL	
		GPD	AFY	GPD	AFY
I	1987	0	0	0	0
	1988	2,343	3	2,343	3
	1989	3,984	4	6,327	7
	1990	9,374	10	15,701	18
	1991	9,374	10	25,075	28
	1992	31,262	35	56,337	63
	1993	22,142	25	78,478	88
II	1994	22,066	25	100,544	113
	1995	22,066	25	122,610	137
	1996	19,178	21	141,788	159
	1997	19,178	21	160,965	180
	1998	41,674	47	202,639	227
	1999	41,674	47	244,313	274
III	2000	9,855	11	254,168	285
	2001	9,855	11	264,023	296
	2002	25,967	29	289,990	325
	2003	4,687	5	294,676	330
	2004	21,407	24	316,083	354
	2005	4,687	5	320,770	359
IV	2006	22,319	25	343,089	384
	2007	11,375	13	354,464	397
	2008	9,956	11	364,420	408
	2009	9,956	11	374,376	419
	2010	19,152	21	393,528	441
	2011	19,152	21	412,680	462
		412,680	462	412,680	462

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designed to deliver 250% of the estimated average flow. All gravity sewers and force mains are to be designed to attain a minimum flushing velocity of 2 fps.

4. Wastewater Treatment

The Castle Pines Metropolitan District currently operates a regional wastewater treatment plant which will treat raw wastewater to levels required to meet or exceed standards set by the Colorado Department of Health. An intergovernmental agreement for wastewater treatment services will be entered into by the Master District and the Town and/or the Castle Pines Metropolitan District. See Chapter VI.

E. Street System and Traffic Safety

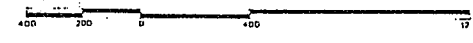
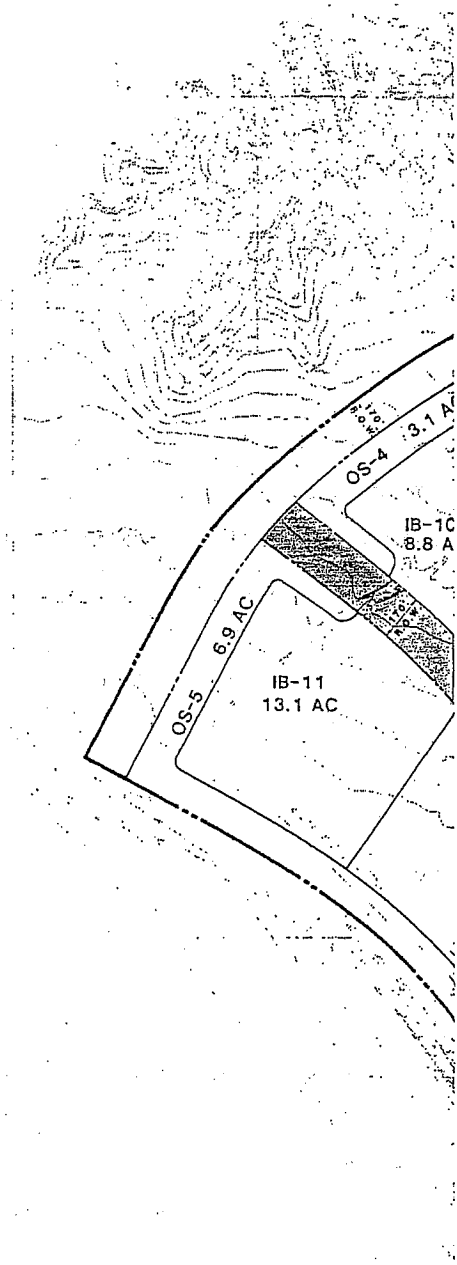
1. General

The Master District proposes to construct a street system to serve the entire Project. The existing and proposed elements of the street system will provide a network of local, collector and major collector streets to serve the flow of traffic within the Project. All facilities will be designed and installed in accordance with applicable regulatory standards and sound engineering judgement. The development plan for the District's proposed street system within the Project is illustrated in Figure 5.

2. Streets

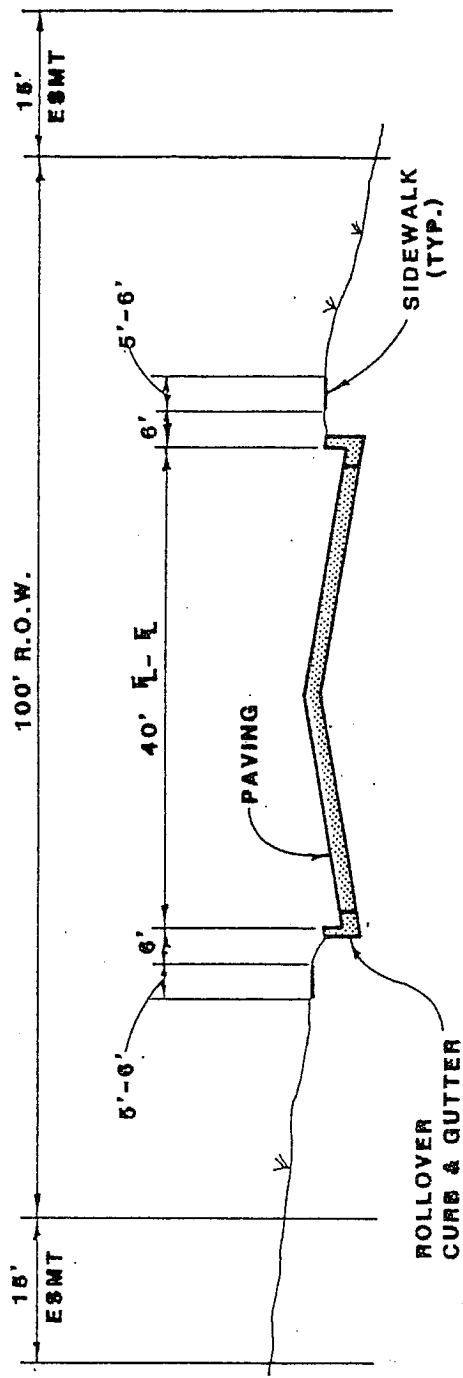
The Master District will design and construct all streets shown in Figure 5 and discussed above. Local public streets in individual parcels will be designed to Town standards and constructed by individual developers.

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<p>FIGURE 5 STREET SYSTEM</p>
<p>CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS</p>

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**FIGURE 7**  
**TYPICAL SECTION**  
**100' R.O.W. COLLECTORS**  
**CASTLE PINES COMMERCIAL**  
**METROPOLITAN DISTRICTS**



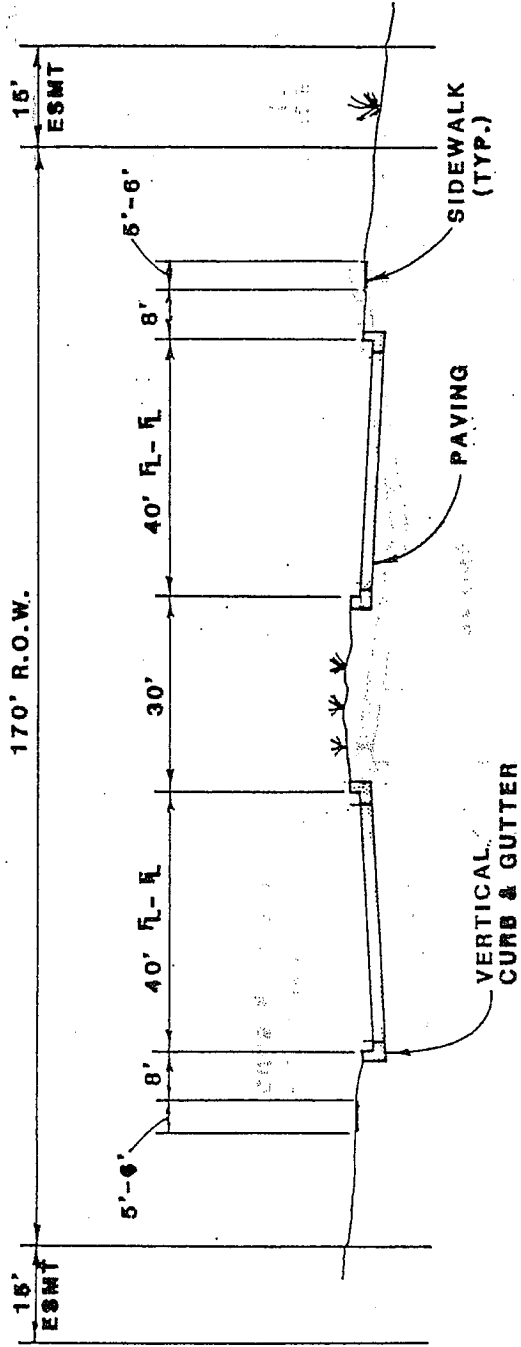


FIGURE 8

TYPICAL SECTION  
170' R.O.W. COLLECTORS

CASTLE PINES COMMERCIAL  
METROPOLITAN DISTRICTS



All Master District streets will be designed and constructed to meet the minimum standards presented in Table 9. Traffic controls and signage will be provided along streets to enhance the flow of traffic within the Project. Street lights will be constructed by the Master District along collector roadways. Lighting of local roadways will be the responsibility of the developers of the individual parcels.

3. Landscaping

Landscaping may be installed by the Master District along the roadway rights-of-way and designated open spaces. The landscaping is intended to be a significant component of the District's responsibilities. It is anticipated that the landscaping within all the Districts will follow a common theme which is intended to be quite intense. For this reason all maintenance of District and/or developer constructed landscaping will be the responsibility of the Master District.

4. Signals and Signage

Signals and signage will be installed by the Master District as required by traffic studies, the Master District's Rules and Regulations and the Town of Castle Rock.

5. Offsite Improvements

Certain improvements to offsite streets will be required by the Town of Castle Rock to provide adequate traffic circulation to the Project. These improvements may include, but shall not be limited to widening US 85 and Miller Boulevard as may be required by Felsburg, Holt and Ullevig's traffic study and project development. Additionally at some future date the Districts may find it advantageous to

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CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 9

STREET STANDARDS

PARAMETER	ROADWAY TYPE	
	MINOR ARTERIAL	COLLECTOR
DESIGN SPEED (MPH)	40-45	35-40
MAXIMUM GRADE (%)	6	8
ROW WIDTH (FT)	170	80-100
PAVEMENT WIDTH (FT)	80	40
MEDIAN WIDTH (FT)	30	0
WIDTH OF LANES (FT)	12	12
NUMBER OF LANES	4-6	2-3
SHOULDER/PARKING WIDTH (FT)	0	8
SIDEWALK WIDTH (FT)	5-6	5-6

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participate in other offsite improvements, including I-25 interchange construction or upgrading, and the connector road between I-25 and US 85.

F. Storm Drainage

1. General

The Master District plans to improve the existing storm drainage system and extend additional storm drainage improvements to serve the Project.

The proposed elements of the storm drainage system will provide a network of improved swales and channels, culverts, storm sewers, detention ponds, and curb and gutter designed and installed in accordance with the Districts' Master Drainage Study, applicable regulatory standards and sound engineering judgement. The development plan for the Master District's proposed storm drainage system within the Project is illustrated in Figure 9.

The Master District will design and install all storm drainage improvements within the Project except for specific improvements within individual parcels which will be designed and installed by individual developers.

2. Swale and Channel Improvements

Storm water will be routed through the Project by a network of storm sewers, as well as, natural and improved channels. Improvements will include the installation of major storm sewers as well as the possible regrading of channel banks in oversteepened sections to minimize bank undercutting, revegetation of steep, exposed slopes to reduce erosion, rip-rap protection of sensitive stream bank areas and the placement of check dams within the channels to reduce flood

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B0751 - P0704 - \$629.00

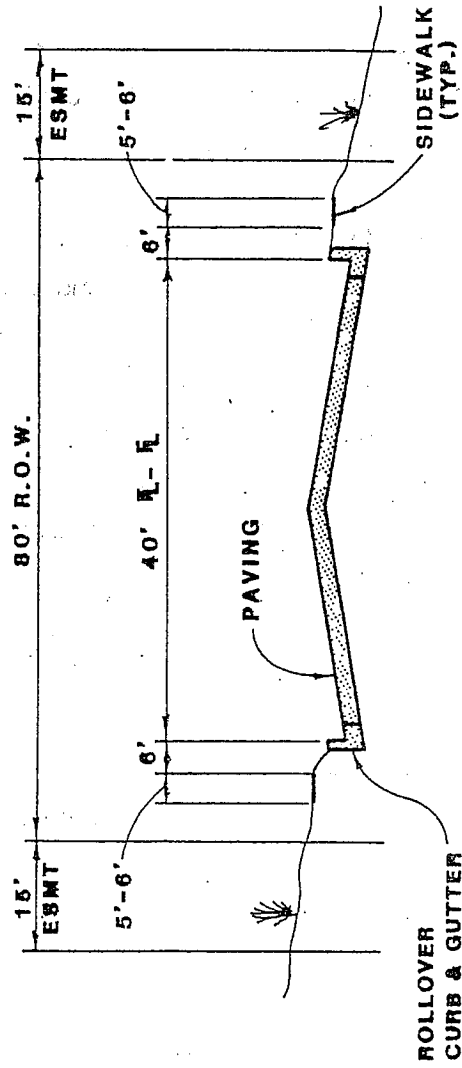
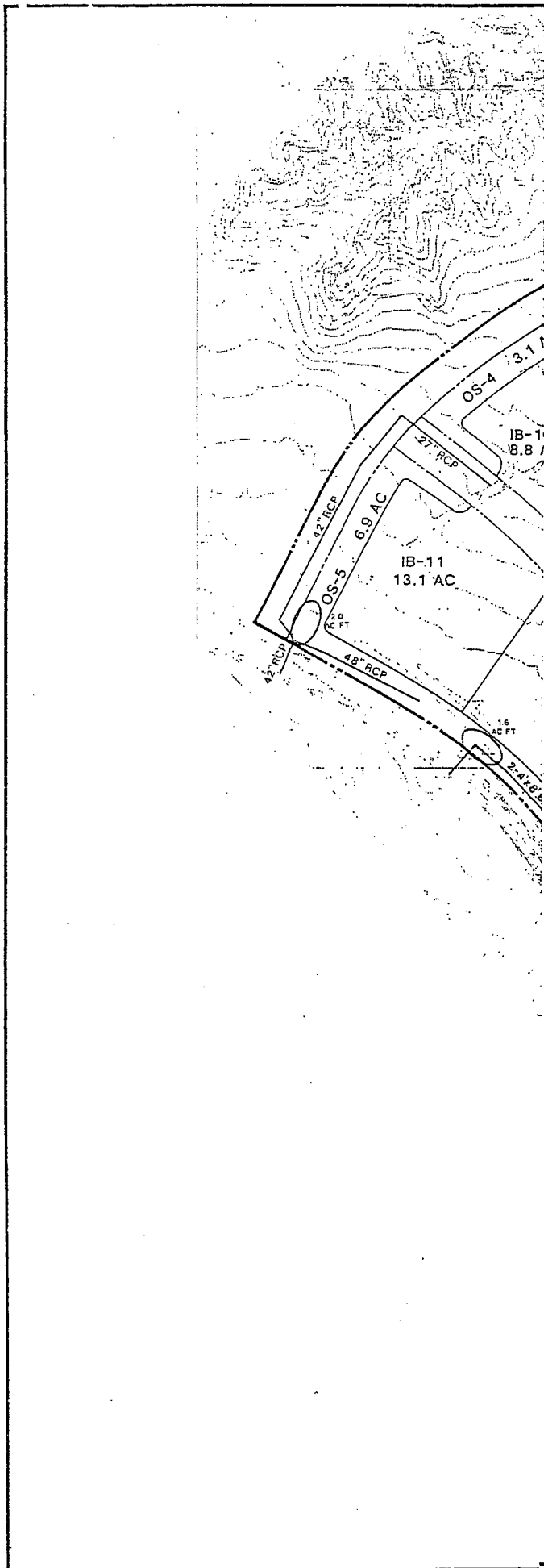


FIGURE 6

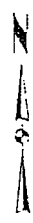
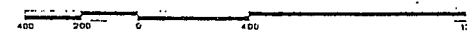
TYPICAL SECTION  
80' R.O.W. COLLECTORS


CASTLE PINES COMMERCIAL  
METROPOLITAN DISTRICTS





LEGEND  
 ○ DETENTION POND  
 — STORM DRAIN



<p>FIGURE 9          STORM DRAINAGE SYSTEM</p>
<p>CASTLE PINES COMMERCIAL          METROPOLITAN DISTRICTS</p>


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 B0751 - P0705 - \$6000.00

flow velocities. The storm drainage system will be designed for the 100-year event. The Sub-Districts intend to fund the majority of storm drainage improvements required as a part of the master drainage system.

3. Culverts and Roadside Drainage

Culverts will be installed under all roadways that intersect storm drainage channels. Culverts will be designed to pass flows as required by the Master Drainage Basin Plan and may include headwalls, inlet structures and rip-rap protection to enhance their hydraulic capacity and reduce bank or channel erosion.

Additional drainage improvements will be constructed along all roadways constructed by the Master District. These improvements will serve to convey the storm runoff away from the roadway surface and into storm sewers as well as natural or improved roadside drainageways. These drainageways will be protected by rock drop structures, erosion control fabrics and revegetation with seed/mulch mixtures.

4. Detention Storage

Detention ponds will be provided as required at critical locations within the Project boundaries. These ponds will serve the dual purpose of limiting downstream flows to levels mandated by the Town of Castle Rock and reducing non-point source phosphorous loads through sedimentation. The Master District will install facilities to serve the entire Project, however, the cost of constructing the detention facilities may be shared by both the Sub-Districts and the developers of the parcels in certain cases.

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G. Fire Protection

All fire protection facilities and/or services will be provided as required in accordance with the Annexation Agreement and the standards of the Town of Castle Rock appropriate. The Districts will participate with Maher Ranch Metropolitan District No. 1 in providing the fire improvements required by the Town.

H. Park and Recreation

All park and recreational facilities and/or services required by the Annexation Agreement will be constructed in accordance with plans and specifications approved by the Town. All other park and recreational facilities required by the Districts and/or Developers will be constructed in accordance with engineering and design requirements appropriate for the surrounding terrain, and shall not be incompatible with standards of the Town or other local public entities, as appropriate.

I. Transportation

The Districts contemplate that at some future date it may be prudent to participate in a public transportation system in the Douglas County area. The Districts may, at the appropriate time, fund studies or improvements which are intended to provide mass transit for the population within the Districts.

J. Mosquito Control

The Districts contemplate that at some future date it may be prudent to participate in a mosquito control program in the area. The Districts may, at the appropriate time, fund studies or improvements which are intended to provide mosquito control within the Districts.

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B0751 - P0707 - \$6,270.00

K. Estimated Costs of Facilities

The estimated costs of the facilities to be constructed, installed and/or acquired by the proposed Master District and to be financed by the Sub-Districts are as follows:

Total Cost Summary\*

The total capital facilities costs are summarized as follows and are described in further detail in the Exhibits.

Landscaping	\$ 7,705,000
Drainage Improvements	\$ 4,084,000
Street Improvements	\$ 7,691,000
Potable Water System	\$ 2,887,000
Raw Water System	\$ 1,713,000
Reuse Irrigation System	\$ 642,000
Wastewater System	\$ 2,183,000
Transportation	\$ - 0 -
Mosquito Control	\$ - 0 -
Fire Improvements	\$ 180,000
 TOTAL	 \$ 27,085,000

\*These amounts include completion, construction, acquisition and/or installations of the proposed facilities, plus contingencies, inflation, design and construction engineering, construction management and other capitalized engineering costs. These amounts do not include the costs of organizing the Districts nor financing costs.

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VI. PROPOSED AGREEMENTS

A. Interdistrict Agreements

It is anticipated that the Master District and the Sub-Districts, as well as other special districts in the area, will enter into interdistrict agreements for the provision of facilities, improvements, and services needed by the respective Districts. The form of such agreements is not currently available; however, it is anticipated that such agreements will ensure the provision of essential services by the Master District to each of the Sub-Districts. Inasmuch as the capital facilities and improvements needed by the Sub-Districts will actually be provided by the Master District pursuant to the interdistrict agreements, this Service Plan contains the descriptions of facilities and improvements needed by the entire Project. The Sub-Districts will acquire capacity and service rights in such facilities through the interdistrict agreements by means of the payment of facilities development fees and other fees. The interdistrict agreement will obligate the Sub-Districts to issue general obligation debt in order to finance the costs of construction of required facilities by the Master District.

B. Town Agreement

It is expected that the Town of Castle Rock and the Districts will enter into Intergovernmental Agreements for provision of certain facilities of common benefit which will be available for use by members of the general public. Such agreements are authorized, pursuant to Colorado Constitution, Article XIV, Section 18(2) (a) and Section 29-1-201, et. seq., Colorado Revised Statutes. The Form of this agreement is not currently available.

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B0751 - P0709 - \$689.00

VII. OPERATION AND MAINTENANCE COSTS

Subject to a one- or two-year warranty, the proposed Master District intends to dedicate all facilities (except for landscape improvements and Park and Recreation facilities) to the appropriate jurisdiction for operations and maintenance, although certain facilities may be owned, operated and/or maintained by the Master District, upon approval by the Town. The landscape improvements and Park and Recreation Facilities will be owned, operated and maintained by the Master District in perpetuity. It is anticipated that the Sub-Districts will impose taxes and charges to be paid to the Master District which will perform the operation and maintenance functions. Such fees and taxes are expected to be identified in the interdistrict agreements discussed in Chapter VI above. Estimated costs for operation and maintenance functions are presented in Table 10. It is expected that the first year's property tax mill levy and revenues throughout the Project will not exceed 30 mills which will generate \$120. Additionally, the Sub-Districts will impose a system of tap and/or user service charges. The estimated revenues from such fees and charges are reflected in the Financial Plan in Chapter VIII.

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B0751 - P0710 - 79.00

CASTLE PINES COMMERCIAL METROPOLITAN DISTRICTS

TABLE 10

OPERATION AND MAINTIENANCE COST PROJECTIONS

YEAR	TOTAL
1987	\$0
1988	\$100,000
1989	\$150,000
1990	\$200,000
1991	\$300,000
1992	\$300,000
1993	\$250,000
1994	\$200,000
1995	\$200,000
1996	\$200,000
1997	\$250,000
1998	\$250,000
1999	\$250,000
2000	\$300,000
2001	\$300,000
2002	\$400,000
2003	\$400,000
2004	\$400,000
2005	\$450,000
2006	\$450,000
2007	\$500,000
2008	\$500,000
2009	\$500,000
2010	\$500,000
2011	\$500,000
2012	\$500,000
2013	\$500,000
2014	\$500,000
2015	\$500,000
2016	\$500,000

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 B0751 - P0711 - \$679.00

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VIII. FINANCIAL ANALYSIS

A. General

The estimated costs of the facilities and improvements to be constructed, acquired and installed by the Master District, including engineering costs and land acquisition costs, are set forth in Section V of this Service Plan. The estimated legal and administrative cost for organizing all of the Districts for the Project is \$1,340,000. These costs have been advanced to the Districts and will be reimbursed from the initial revenue sources of the Master District and the Sub-Districts.

It is anticipated that a total of \$52.8 Million of bonded indebtedness will initially be submitted to the electors of the Master District and Sub-Districts for their approval to fund a portion or all of the necessary facilities and improvements. Additionally, the electors of all of the Districts will be asked to approve the terms of the interdistrict agreements between the Master District and the Sub-Districts. The bonds to be issued by the Sub-Districts will be the sole obligation of the issuing districts: The Master District shall not be liable for their repayment. The total amount of bonded indebtedness to be authorized by the Districts may be increased through later elections, subject to the requirements of Colorado law, should the original authorizations prove to be inadequate over the course of years and development. Other factors, such as economic and market conditions may also affect the size of the initial and projected debt issues. The amount to be voted exceeds the amount of bonds to be sold, as shown in the attached schedules, to allow for unforeseen contingencies and increases in construction costs due to inflation, and to cover all issuance costs, including capitalized interest, reserve funds, discounts, legal fees and

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B07 - P0712 - \$639.00

other incidental costs of issuance. Based upon construction estimates as computed during the preparation of this Service Plan, it is anticipated that a total of \$40.32 Million of bonds will be issued. It is expected that the bonds will contain adequate call provisions to allow for the prior redemption or refinancing of bonds sold by the proposed Sub-Districts. The initial authorizing elections for all of the Districts will be held in May, 1987, and the polling place for the elections will be at the offices of the Castle Pines Metropolitan District, 481 Happy Canyon Road, Castle Rock, Colorado 80104.

Since it is unlikely that the property contained within the Master District will be capable of supporting a significant bond issue, the economic viability of the Master District will depend upon four main sources of income: plant investment fees; service charges; funds paid by private developers; and, primarily, funds provided by the Sub-Districts pursuant to the interdistrict agreements. The Master District will set the rates of all income sources noted above so they are well-balanced and will provide sufficient income to meet debt service requirements, if any, as well as construction, acquisition, administrative, operational, and maintenance expenses of the facilities. It is also anticipated that the Master District will invest (in legal investments,) any monies which may include construction funds, capitalized interest, reserve funds, and bond proceeds, to assist in the sound financial planning for the Project.

Although the Master District does not currently anticipate the need to issue general obligation debt, to account for unforeseen circumstances it will seek an additional authorization to issue up to \$10 Million in bonded indebtedness. That amount may be increased through subsequent elections if deemed desirable.

CLERK & RECORDER

COLO. DOUGLAS CO. RETA A. CRAIN

12.09 - 12.09/87  
B 751 - P 712A

\$629.00

Based upon consultation with the engineering, legal and financial advisors to the proposed District, it has been decided that the construction of facilities by the Master District will be primarily financed by the issuance by the Sub-Districts of general obligation bonds, secured by the unlimited ad valorem taxing authority of the Sub-Districts. It is anticipated that the first bond issue will occur in 1987, at which time the issuing Districts should have sufficient assessed valuation, together with other available funds, for debt retirement. Prior to that time, the construction costs for necessary improvements will be paid by the developer(s) of land within the Project, subject to subsequent reimbursement. Pursuant to section 32-1-1101, C.R.S., such bonds would mature not more than twenty years from the date of issuance, with the first maturity being not later than three years from the date of their issuance. The proposed maximum voted interest rate is estimated at 18% and the maximum discount at 4%. The exact interest rates and discounts will be determined at the time the bonds are sold by the Sub-Districts, and will reflect market conditions at the time of sale. The proposed Districts may also issue revenue bonds, notes, certificates, debentures or other evidences of indebtedness.

The proposed Districts within the Project may impose mill levies on all taxable property in their boundaries. Although the mill may vary depending upon the elected Board's decision to fund the projects contemplated in the Service Plan, it is estimated that the debt service mill levies will not exceed 30 mills. In addition, the proposed District's may capitalize interest to permit payment of interest during the time lapse between development of taxable properties and the collection of tax levies or other fees therefrom. Interest income through the reinvestment of construction funds, capitalized interest and annual tax receipts will provide additional funds. These revenue

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sources should be sufficient to retire the propose indebtedness if growth occurs as projected; otherwise, increases in the mill levy and/or the imposition of new and/or greater rates, tolls, fees and charges may be necessary.

Table 11 contains a detailed Financial Plan showing how the proposed facilities and/or services of the entire Project are to be financed, including the estimated costs of acquiring land, engineering services, legal services, administrative services, initial proposed indebtedness and estimated proposed maximum interest rates and discounts, and other major expenses related to the organization and initial operation of the Project. The Financial Plan demonstrates that, at the projected level of development, the Project and proposed Districts have the ability to finance the facilities identified herein, and will be capable of discharging the proposed indebtedness on a reasonable basis. The Financial Plan is presented as a composite plan for financing all of the Project's facilities by the Sub-Districts. Additional financing plans will be prepared by the Sub-Districts for each bond issue.

B. Cost Summary and Bond Development

The Financial Plan reflects the amount of bonds to be sold to finance the completion, construction, acquisition and/or installation of the proposed facilities, including all costs and expenses related to the bond issuance. The amount of bonds sold will be based upon final engineering estimates and/or actual construction contracts. Organizational costs, including legal fees, and engineering costs, are to be paid from the proceeds of the first bond issue. It is expected that the organizational costs and other significant costs of the Districts will not exceed \$2 Million. Upon the advice of Dean Witter Reynolds, Inc., investment bankers for the proposed Districts, interest rates as set forth in such schedules have been assumed for the calculations pertaining to the projected bond issues.

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B 751 - P 713 A \$ 629.00

C P COMMERCIAL METROPOLITAN DISTRICT  
ESTIMATED DEBT SERVICE SCHEDULE

TST  
TABL

LOTUS - DEBTSER7.WKS - CPCOMM

DU-Jan-87

COUPON = 9.00%

COLLECTION YEAR	1987 \$15,252,499 PRINCIPAL	CUMULATIVE PRINCIPAL	COUPON
1987			9.00%
1988			9.00% \$
1989	\$100,000	\$100,000	9.00% \$
1990	\$100,000	\$200,000	9.00% \$
1991	\$250,000	\$450,000	9.00% \$
1992	\$250,000	\$700,000	9.00% \$
1993	\$250,000	\$950,000	9.00% \$
1994	\$250,000	\$1,200,000	9.00% \$
1995	\$500,000	\$1,700,000	9.00% \$
1996	\$500,000	\$2,200,000	9.00% \$
1997	\$500,000	\$2,700,000	9.00% \$
1998	\$500,000	\$3,200,000	9.00% \$
1999	\$500,000	\$3,700,000	9.00% \$
2000	\$1,250,000	\$4,950,000	9.00% \$
2001	\$1,250,000	\$6,200,000	9.00%
2002	\$1,250,000	\$7,450,000	9.00%
2003	\$1,250,000	\$8,700,000	9.00%
2004	\$1,500,000	\$10,200,000	9.00%
2005	\$2,500,000	\$12,700,000	9.00%
2006	\$2,552,499	\$15,252,499	9.00%
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			

BOND ISSUES \$15,252,499 \$2

JUNE 1, 1987	
CONSTRUCTION AND ENGINEERING	\$10,256,194
CAPITALIZED INTEREST	\$2,821,479
RESERVE FUND	\$1,410,740
ISSUING COSTS	\$764,086

	\$15,252,499
CAPITALIZED INTEREST	27.5100% OF
RESERVE FUND	13.7550% OF
ISSUING COSTS	7.4500% OF

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DOUGLAS CO. COLO. CLERK & RECORDER

C P COMMERCIAL METROPOLITAN DISTRICT  
ESTIMATED FINANCING PLAN

TST CONSULTING ENGINEERS  
TABLE 11 CON'T

LOTUS - DEBTSER7.WKS - CPCOMM

08-Jan-87

COLLECTION YEAR	CUMULATIVE ASSESSED VALUATION	MILL LEVY CAPITAL	MILL LEVY O&M	MILL LEVY TOTAL	DISTR. REVENUE AVAILABLE	TOTAL REVENUES	BOND DEBT	OPERATIONS AND MAINT.	TOTAL DEBT SERVICE	ANNUAL SURPLUS	CUMULATIVE SURPLUS	COLLECTION YEAR
1987	\$0	0	30	30		\$84,197	\$800,756	\$0	\$800,756	\$4,083,441	\$4,083,441	1987
1988	\$0	0	30	30		\$94,260	\$1,372,725	\$100,000	\$1,472,725	(\$978,465)	\$3,104,976	1988
1989	\$0	0	30	30		\$11,187	\$1,472,725	\$150,000	\$1,622,725	(\$1,111,538)	\$1,993,437	1989
1990	\$1,000,000	0	30	30		\$82,117	\$1,463,725	\$200,000	\$1,663,725	(\$881,608)	\$1,111,829	1990
1991	\$2,417,500	0	30	30		\$95,923	\$1,604,725	\$300,000	\$1,904,725	(\$1,108,802)	\$3,027	1991
1992	\$5,725,000	0	30	30		\$75,388	\$2,045,568	\$300,000	\$2,345,568	\$1,929,820	\$1,932,846	1992
1993	\$9,197,875	5	25	30	\$45,9	\$71,440	\$2,354,027	\$250,000	\$2,604,027	(\$732,587)	\$1,200,259	1993
1994	\$15,846,694	5	25	30	\$79,2	\$31,889	\$2,431,527	\$200,000	\$2,631,527	(\$299,639)	\$900,621	1994
1995	\$22,981,108	5	25	30	\$114,9	\$52,253	\$2,650,027	\$200,000	\$2,850,027	(\$197,775)	\$702,846	1995
1996	\$31,999,952	10	20	30	\$320,0	\$27,238	\$2,596,027	\$200,000	\$2,796,027	(\$168,789)	\$534,057	1996
1997	\$41,469,738	10	20	30	\$414,6	\$20,459	\$3,394,517	\$250,000	\$3,644,517	\$4,558,942	\$5,092,999	1997
1998	\$49,750,875	10	20	30	\$497,5	\$88,716	\$4,349,438	\$250,000	\$4,599,438	\$189,278	\$5,282,277	1998
1999	\$58,446,070	10	20	30	\$584,4	\$60,104	\$4,309,438	\$250,000	\$4,559,438	\$700,666	\$5,982,943	1999
2000	\$71,656,405	15	15	30	\$1,074,6	\$69,610	\$5,014,938	\$300,000	\$5,314,938	(\$1,145,328)	\$4,837,615	2000
2001	\$85,527,258	15	15	30	\$1,282,5	\$66,479	\$4,948,438	\$300,000	\$5,248,438	(\$981,959)	\$3,855,656	2001
2002	\$90,923,806	15	15	30	\$1,363,5	\$95,901	\$4,872,938	\$400,000	\$5,272,938	(\$1,077,037)	\$2,778,619	2002
2003	\$95,647,357	15	15	30	\$1,434,7	\$200,078	\$4,788,438	\$400,000	\$5,188,438	(\$988,361)	\$1,790,258	2003
2004	\$99,805,213	20	10	30	\$1,996,1	\$72,964	\$4,944,938	\$400,000	\$5,344,938	(\$1,071,974)	\$718,284	2004
2005	\$103,963,070	20	10	30	\$2,079,2	\$22,282	\$5,719,938	\$450,000	\$6,169,938	(\$447,656)	\$270,628	2005
2006	\$108,328,819	20	10	30	\$2,166,7	\$72,483	\$5,707,437	\$450,000	\$6,157,437	\$1,115,045	\$1,385,673	2006
2007	\$118,516,840	25	5	30	\$2,962,5	\$90,071	\$2,812,713	\$500,000	\$3,312,713	\$3,077,357	\$4,463,031	2007
2008	\$133,377,714	25	5	30	\$3,334,7	\$141,724	\$3,200,213	\$500,000	\$3,700,213	\$1,441,511	\$5,904,541	2008
2009	\$142,803,238	25	5	30	\$3,334,7	\$54,226	\$3,042,713	\$500,000	\$3,542,713	\$2,011,513	\$7,916,054	2009
2010	\$142,803,238	25	5	30	\$3,570,0	\$35,262	\$2,885,213	\$500,000	\$3,385,213	\$2,350,049	\$10,266,103	2010
2011	\$142,803,238	25	5	30	\$3,570,0	\$46,766	\$3,153,297	\$500,000	\$3,653,297	\$2,293,469	\$12,559,572	2011
2012	\$142,803,238	25	5	30	\$3,570,0	\$53,179	\$2,281,911	\$500,000	\$2,781,911	\$3,371,268	\$15,930,840	2012
2013	\$142,803,238	25	5	30	\$3,570,0	\$56,593	\$2,396,911	\$500,000	\$2,896,911	\$3,559,682	\$19,490,522	2013
2014	\$142,803,238	25	5	30	\$3,570,0	\$76,964	\$2,239,411	\$500,000	\$2,739,411	\$4,037,553	\$23,528,075	2014
2015	\$142,803,238	25	5	30	\$3,570,0	\$140,344	\$2,081,911	\$500,000	\$2,581,911	\$4,558,433	\$28,086,508	2015
2016	\$142,803,238	25	5	30	\$3,570,0	\$50,603	\$2,112,308	\$500,000	\$2,612,308	\$4,938,295	\$33,024,803	2016
						\$423,699	\$93,048,896	\$10,350,000	\$103,398,896	\$33,024,803		

The Financial Plan projects the anticipated flow of funds and is based upon estimates of construction and project needs for bond proceeds to finance the proposed improvements. The Financial Plan indicates the best estimate of growth within the Project and allows the Boards of Directors a measure of flexibility such that the Sub-Districts need not incur debt in excess of what it needs to meet a growing population's demands for facilities and services.

C. Projections and Assessed Valuation

For the purposes of developing the Financial Plan, it was assumed that development within the proposed Project would be assessed at various percentages depending upon the year of construction. It is also assumed that the assessed valuation will be realized one year after construction and that tax collections will be realized two years after initial construction. Table 12 presents the assessed valuation calculations for the entire Project. Assessed valuation projections for each Sub-District will be prepared in connection with bond issues.

D. Operations

Operation and maintenance costs associated with facilities and improvements to be provided by the Master District will be financed by the Sub-Districts pursuant to the proposed interdistrict agreements. It is expected that the Sub-Districts will defray a major portion of their responsibilities for operation and maintenance costs by the imposition of a general operations mill levy against the taxable property within their boundaries (with the exact levy to be set by the Boards of Directors in the exercise of their discretion). (See Chapter VII above.) Other sources of revenue to meet operation and maintenance obligations will include service charges, fees, rates, tolls and penalties imposed by the Master District and/or the Sub-Districts.

C P COMMERCIAL METROPOLITAN DISTRICT  
CALCULATION OF ASSESSED VALUATION

TST CONSULTING ENGINEERS  
TABLE 12

LOTUS - DEBTSE7.WKS - CFCOMM

BASIS OF ASSESSMENT = 10%  
UNIT COST INCREASE = .5%

08-Jan-87

IB-1 -RETAIL

CONSTRUCTION YEAR	ASSESSMENT YEAR	COLLECTION YEAR	NUMBER OF UNITS	UNIT COST	MARKET VALUE	CUMULATIVE ASSESSED VALUATION	COST PER ROOM	MARKET VALUE	CUMULATIVE ASSESSED VALUATION	TOTAL SQUARE FOOTAGE	HOTEL ROOMS	CUMULATIVE ASSESSED VALUATION	COLLECTION YEAR
1987	1988	1989				\$0						\$0	1989
1988	1989	1990	50,000	\$200	\$10,000,000	\$1,000,000	\$5,000	\$0	\$0	50,000	0	\$1,000,000	1990
1989	1990	1991	50,000	\$210	\$10,500,000	\$2,050,000	\$5,250	\$0	\$0	85,000	0	\$2,417,500	1991
1990	1991	1992	100,000	\$221	\$22,050,000	\$4,255,000	\$5,513	\$0	\$0	200,000	0	\$5,725,000	1992
1991	1992	1993	100,000	\$232	\$23,152,500	\$6,570,250	\$5,788	\$0	\$0	200,000	0	\$9,197,875	1993
1992	1993	1994	150,000	\$243	\$36,465,188	\$10,216,769	\$6,078	\$0	\$0	397,000	0	\$15,846,694	1994
1993	1994	1995	150,000	\$255	\$38,288,447	\$14,045,613	\$6,381	\$0	\$0	409,000	0	\$22,981,108	1995
1994	1995	1996	200,000	\$268	\$53,603,826	\$19,405,996	\$6,700	\$0	\$0	473,000	0	\$31,999,952	1996
1995	1996	1997	200,000	\$281	\$56,284,017	\$25,034,398	\$7,036	\$0	\$0	473,000	0	\$41,469,738	1997
1996	1997	1998	200,000	\$295	\$59,098,218	\$30,944,219	\$7,387	\$0	\$0	360,500	0	\$49,750,875	1998
1997	1998	1999	200,000	\$310	\$62,053,129	\$37,149,532	\$7,757	\$0	\$0	360,500	0	\$58,446,070	1999
1998	1999	2000	200,000	\$326	\$65,155,785	\$43,665,111	\$8,144	\$0	\$0	611,000	0	\$71,656,405	2000
1999	2000	2001	200,000	\$342	\$68,413,574	\$50,506,468	\$8,552	\$0	\$0	611,000	0	\$85,527,258	2001
2000	2001	2002	100,000	\$359	\$35,917,127	\$54,098,181	\$8,979	\$5,387,569	\$538,757	170,500	600	\$90,923,806	2002
2001	2002	2003	100,000	\$377	\$37,712,983	\$57,869,479	\$9,428	\$1,885,649	\$727,322	140,500	200	\$95,647,357	2003
2002	2003	2004	100,000	\$396	\$39,598,632	\$61,829,342	\$9,900	\$1,979,932	\$925,315	100,000	200	\$99,805,213	2004
2003	2004	2005	100,000	\$416	\$41,578,564	\$65,987,199	\$10,395	\$0	\$925,315	100,000	0	\$103,963,070	2005
2004	2005	2006	100,000	\$437	\$43,657,492	\$70,352,948	\$10,914	\$0	\$925,315	100,000	0	\$108,328,819	2006
2005	2006	2007	100,000	\$458	\$45,840,366	\$74,936,985	\$11,460	\$0	\$925,315	344,500	0	\$118,516,840	2007
2006	2007	2008	50,000	\$481	\$24,066,192	\$77,343,604	\$12,033	\$0	\$925,315	567,500	0	\$133,377,714	2008
2007	2008	2009	50,000	\$505	\$25,269,502	\$79,870,554	\$12,635	\$0	\$925,315	323,000	0	\$142,803,238	2009
2008	2009	2010		\$531	\$0	\$79,870,554	\$13,266	\$0	\$925,315	0	0	\$142,803,238	2010
2009	2010	2011		\$557	\$0	\$79,870,554	\$13,930	\$0	\$925,315	0	0	\$142,803,238	2011
2010	2011	2012		\$585	\$0	\$79,870,554	\$14,626	\$0	\$925,315	0	0	\$142,803,238	2012
2011	2012	2013		\$614	\$0	\$79,870,554	\$15,358	\$0	\$925,315	0	0	\$142,803,238	2013
2012	2013	2014		\$645	\$0	\$79,870,554	\$16,125	\$0	\$925,315	0	0	\$142,803,238	2014
2013	2014	2015		\$677	\$0	\$79,870,554	\$16,932	\$0	\$925,315	0	0	\$142,803,238	2015
2014	2015	2016		\$711	\$0	\$79,870,554	\$17,778	\$0	\$925,315	0	0	\$142,803,238	2016
2015	2016	2017		\$747	\$0	\$79,870,554	\$18,667	\$0	\$925,315	0	0	\$142,803,238	2017
2016	2017	2018		\$784	\$0	\$79,870,554	\$19,601	\$0	\$925,315	0	0	\$142,803,238	2018
			2,500,000				00			6,076,000	1,000		

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The Financial Plan projects that an operations mill levy will be imposed to meet these expenses. (See Chapter VII above.) If necessary, however, the proposed Districts reserve the right to raise their mill levies and/or to supplement these revenues with additional revenue sources as permitted by law.

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BC 1 - P0716 - \$629.00 164/ 179

IX. CONCLUSION

It is submitted that this Consolidated Service Plan for Castle Pines Commercial Metropolitan District No. 1, Castle Pines Commercial Metropolitan District No. 2, Castle Pines Commercial Metropolitan District No. 3, Castle Pines Commercial Metropolitan District No. 4 and Castle Pines Commercial Metropolitan District No. 5 meets the requirements of the Special District Act relating to service plans (Section 32-1-201 et seq., C.R.S., as amended). It is further submitted that; based upon the above information and the counsel of financial and land use advisers, the following conclusions and findings can be made with regard to the proposed Districts:

- A. There is sufficient existing and projected need for organized service in the area to be serviced by the proposed Districts;
- B. The existing service in the area to be served by the proposed Districts is inadequate for present and projected needs;
- C. The proposed Districts are capable of providing economical and sufficient service to the area within their proposed boundaries;
- D. The area to be included in the proposed Districts will have the financial ability to discharge the proposed indebtedness on a reasonable basis;
- E. Adequate service is not, or will not be, available to the area through the county, other existing municipal or quasi-municipal corporations, including existing special districts, within a reasonable time and on a comparable basis;

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- F. The facility and service standards of the proposed Districts are compatible with the facility and service standards of each county within which the proposed special district is to be located and each municipality which is an interested party under section 32-1-204(1);
- G. The proposal is in substantial compliance with a master plan adopted pursuant to section 30-28-106, C.R.S.;
- H. The proposal is in compliance with any duly adopted county, regional, or state long-range water quality management plan for the area; and
- I. The creation of the proposed Districts will be in the best interests of the area proposed to be served.

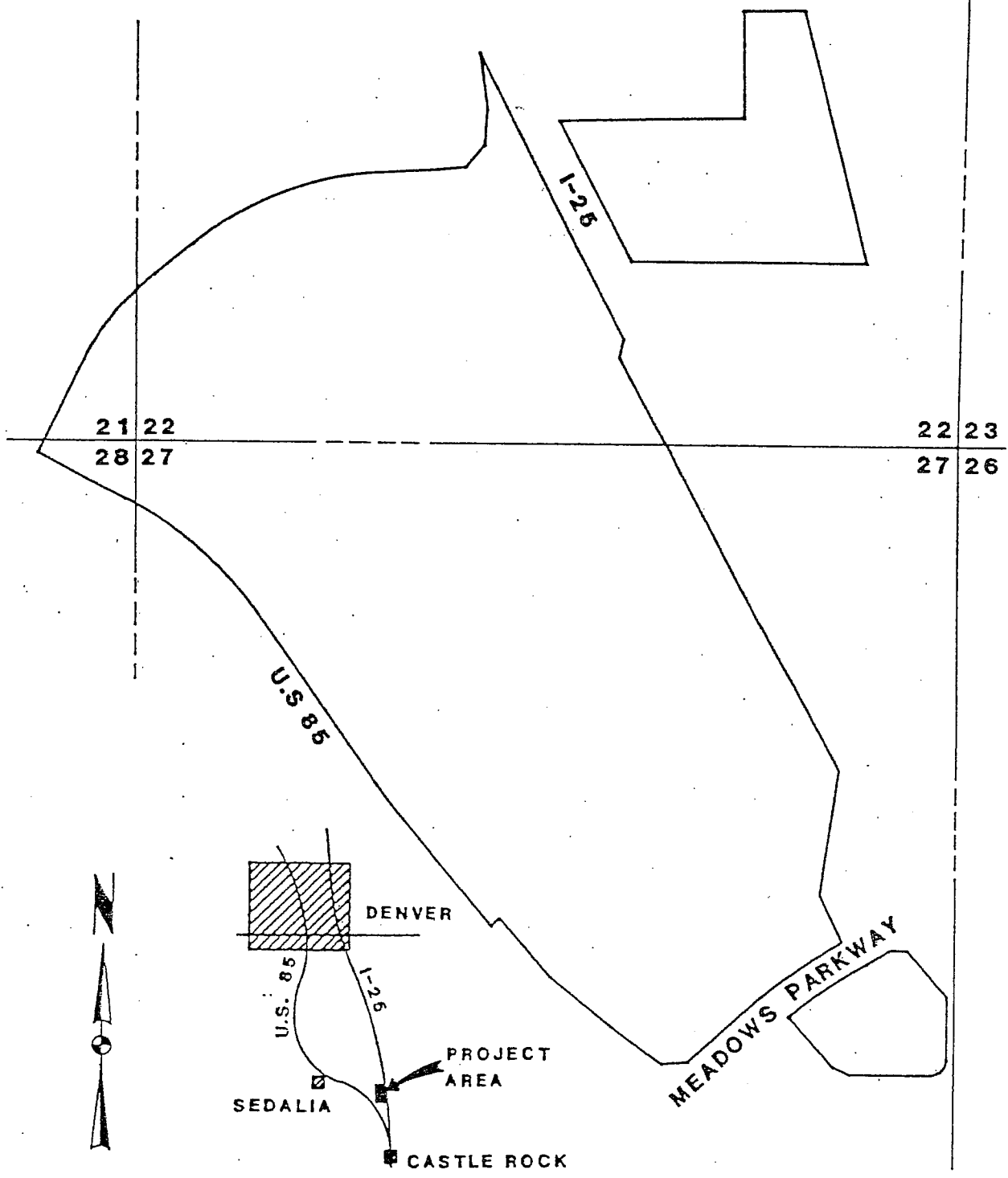
THEREFORE, it is requested that the Board of the Town of Castle Rock, Colorado, which has jurisdiction to approve the Service Plan by virtue of the Special District Act, adopt separate resolutions for each of the Districts approving this consolidated Service Plan as submitted.

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APPENDIX A

Master District Service Area Map  
District Boundaries and Legal Descriptions

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SCALE 1" = 1000'

VICINITY MAP  
N.T.S.

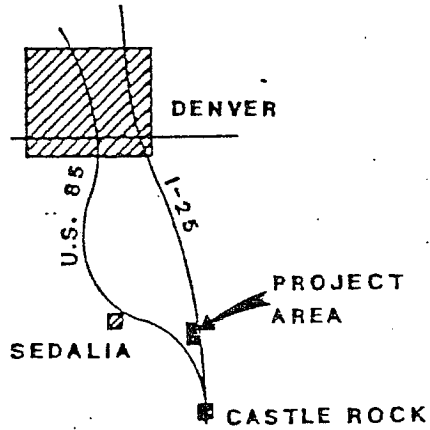
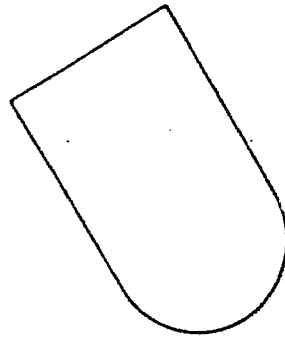
CASTLE PINES COMMERCIAL P.U.D.



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 B0751 - P0718 - \$1.00

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SCALE 1" = 1000'

VICINITY MAP  
N.T.S.

CASTLE PINES COMMERCIAL P.U.D.  
METROPOLITAN DISTRICT NO. 1



12/09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER  
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LEGAL DESCRIPTION - Castle Pines Commercial Metropolitan District No. 1

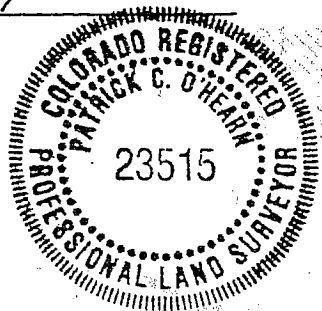
A Tract of land located in Section 27, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado being described as follows:

Commencing at the Northeast corner of said Section 27 as monumented by a found rebar and considering the North line of the Northeast Quarter of said Section 27 to bear North 89°08'00" West to the North Quarter corner of said Section 27 as monumented by a 1" steel rod in a mound of rocks with all bearings contained herein relative thereto; thence South 60°27'44" West, 2600.42 feet to the POINT OF BEGINNING of this description; thence South 30°13'32" East, 1120.00 feet; thence along a curve to the right having a delta of 179°59'59", a radius of 470.00 feet, an arc of 1476.55 feet and a chord which bears South 59°46'28" West, 940.00 feet; thence North 30°13'32" West, 1120.00 feet; thence North 59°46'28" East, 940.00 feet to the POINT OF BEGINNING of this description containing 32.13 acres more or less.

SURVEYOR'S CERTIFICATE

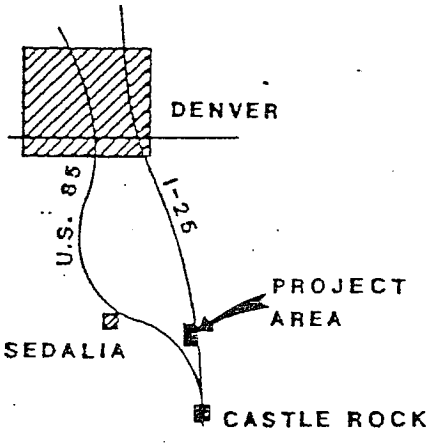
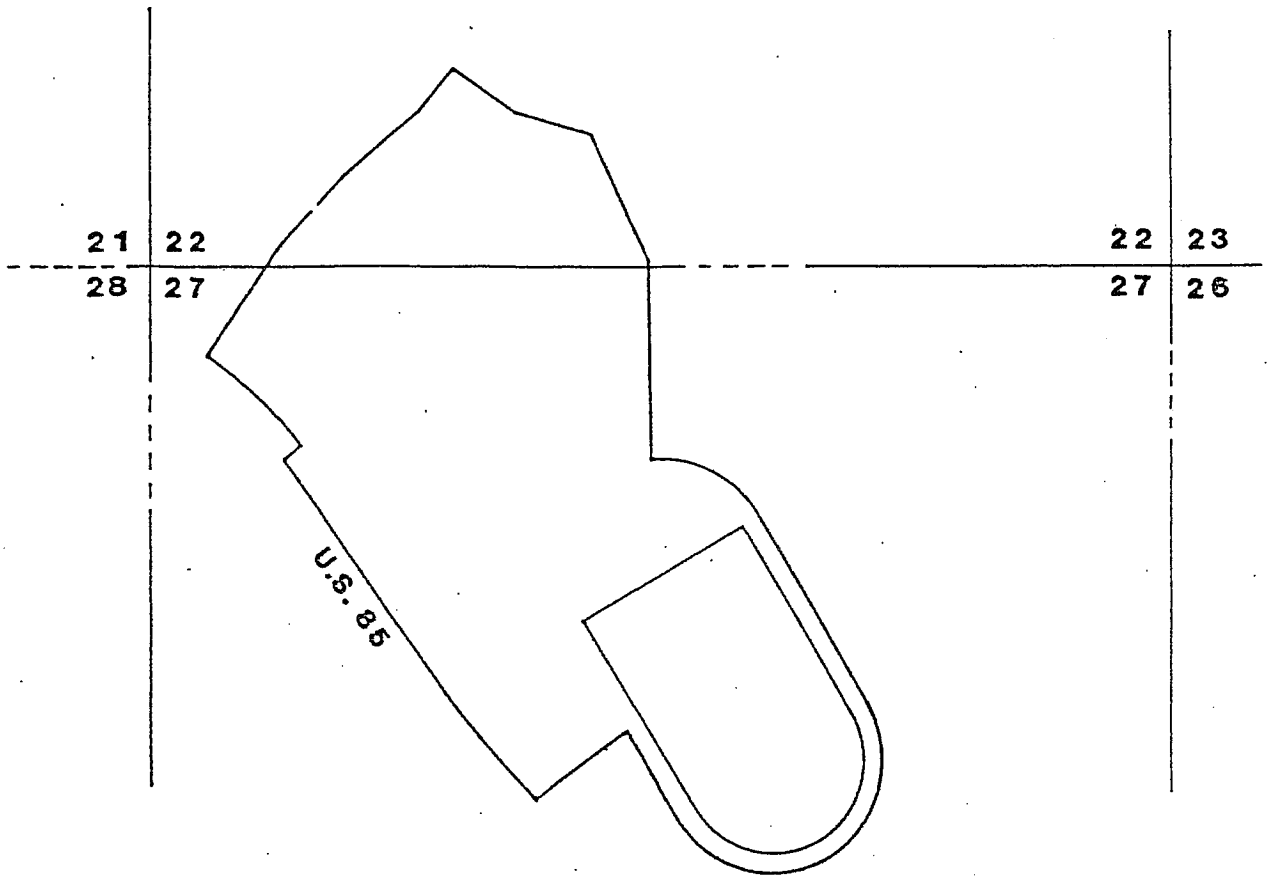
I, PATRICK C. O'HEARN, do hereby certify that this legal description was prepared by me or under my direct supervision and is true and correct to the best of my knowledge.

1-8-87  
Date



Patrick C. O'Hearn  
PATRICK C. O'HEARN  
Professional Land Surveyor  
Colorado Registration Number 23515

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SCALE 1" = 1000'

VICINITY MAP  
N.T.S.

CASTLE PINES COMMERCIAL P.U.D.  
METROPOLITAN DISTRICT NO. 2



87-28920 10/08/87 12,09 - REFA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER

LEGAL DESCRIPTION - Castle Pines Commercial Metropolitan District No.2

A Tract of land located in Section 27 and the Southwest Quarter of Section 22, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado being described as follows:

Commencing at the Northeast corner of said Section 27 as monumented by a found rebar and considering the North line of the Northeast Quarter of said Section 27 to bear North 89°08'00" West to the North Quarter corner of said Section 27 as monumented by a 1" steel rod in a mound of rocks with all bearings contained herein relative thereto; thence South 60°54'49" West, 2491.02 feet to the POINT OF BEGINNING of this description; thence South 30°14'25" East, 1138.31 feet; thence along a curve to the right having a delta of 179°59'59", a radius of 580.00 feet, an arc of 1822.12 feet and a chord which bears South 59°46'27" West, 1160.00 feet; thence North 28°37'53" West, 516.47 feet; thence South 53°40'15" West, 586.58 feet to the Westerly line of U.S. Highway No. 85 right-of-way; thence along said Westerly line the following courses: North 40°54'01" West, 431.60 feet; thence along a curve to the right having a delta of 05°49'00", a radius of 2835.00 feet, an arc of 287.81 feet, and a chord which bears North 37°59'31" West, 287.69 feet; thence North 35°05'01" West, 1341.90 feet; thence along a curve to the left having a delta of 03°14'00", a radius of 2322.00 feet, an arc of 131.04 feet, and a chord which bears North 36°42'01" West, 131.02 feet; thence departing said Westerly line, North 51°40'59" East, 120.00 feet; thence along a curve to the left having a delta of 15°41'54", a radius of 2442.00 feet, an arc of 669.08 feet and a chord which bears North 46°09'58" West, 666.99 feet; thence North 34°25'40" East, 674.67 feet; thence North 45°33'22" East, 472.68 feet; thence North 51°08'12" East, 529.78 feet; thence North 40°25'41" East, 281.64 feet; thence South 54°41'58" East, 390.08 feet; thence South 72°52'34" East, 406.12 feet; thence South 24°01'25" East, 691.67 feet; thence South 00°19'35" East, 1017.88 feet; thence along a curve to the right having a delta of 62°29'07", a radius of 580.00 feet, an arc of 632.53 feet and a chord which bears South 63°16'38" East, 601.65 feet to the POINT OF BEGINNING of this description except the following described parcel:

A Tract of land located in Section 27, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado being described as follows:

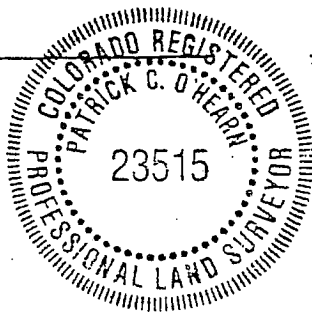
8728920 - 10/08/87 12:09 - RITA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER \*  
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\$629.00

Commencing at the Northeast corner of said Section 27 as monumented by a found rebar and considering the North line of the Northeast Quarter of said Section 27 to bear North 89°08'00" West to the North Quarter corner of said Section 27 as monumented by a 1" steel rod in a mound of rocks with all bearings contained herein relative thereto; thence South 60°27'44" West, 2600.42 feet to the POINT OF BEGINNING of this description; thence South 30°13'32" East, 1120.00 feet; thence along a curve to the right having a delta of 179°59'59", a radius of 470.00 feet, an arc of 1476.55 feet and a chord which bears South 59°46'28" West, 940.00 feet; thence North 30°13'32" West, 1120.00 feet; thence North 59°46'28" East, 940.00 feet to the POINT OF BEGINNING of this description containing a net acreage of 131.78 acres, more or less.

SURVEYOR'S CERTIFICATE

I, PATRICK C. O'HEARN, do hereby certify that this legal description was prepared by me or under my direct supervision and is true and correct to the best of my knowledge.

1-8-87  
Date



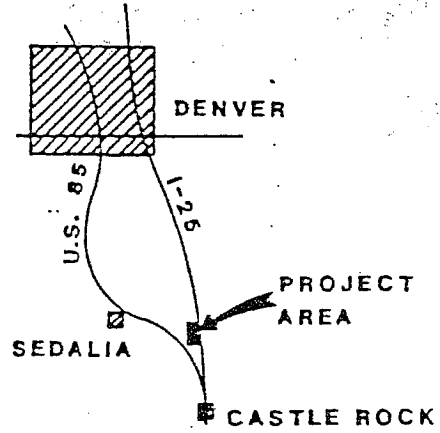
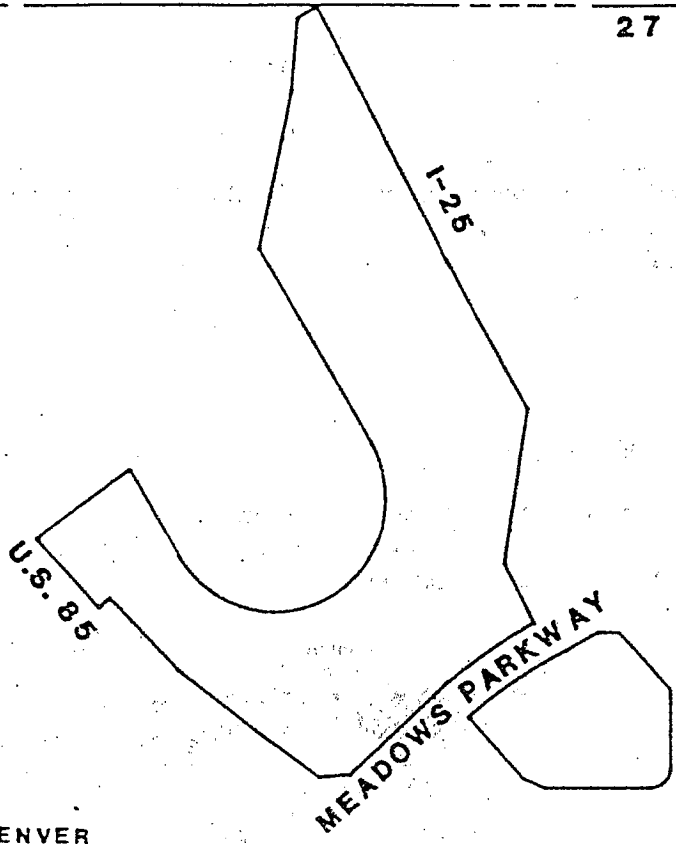
Patrick C. O'Hearn  
PATRICK C. O'HEARN  
Professional Land Surveyor  
Colorado Registration Number 23515

CLERK & RECORDER  
COLO.  
GRAIN DOUGLAS CO.

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SCALE 1" = 1000'

VICINITY MAP  
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CASTLE PINES COMMERCIAL P.U.D.  
METROPOLITAN DISTRICT NO. 3



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\$629.00

LEGAL DESCRIPTION - Castle Pines Commercial Metropolitan District No. 3

A Tract of land located in Section 27, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado being described as follows:

Commencing at the Northeast corner of said Section 27 as monumented by a found rebar and considering the North line of the Northeast Quarter of said Section 27 to bear North 89°08'00" West to the North Quarter corner of said Section 27 as monumented by a 1" steel rod in a mound of rocks with all bearings contained herein relative thereto; thence North 89°42'44" West, 1857.84 feet to the Westerly line of the Frontage Road along U.S. Interstate No. 25 and the POINT OF BEGINNING of this description; thence along said Westerly line, South 27°47'20" East, 2323.76 feet; thence departing said Westerly line, South 09°02'18" West, 802.61 feet; thence South 25°40'18" East, 333.26 feet to the Northerly line of Meadows Parkway; thence along said Northerly line the following courses: along a non-tangent curve to the left having a delta of 11°51'55", a radius of 3100.00 feet, an arc of 641.98 feet and a chord which bears South 54°55'03" West, 640.83 feet; thence South 48°59'06" West, 600.22 feet; thence departing said Northerly line, South 86°28'40" West, 164.54 feet; thence North 53°43'17" West, 410.00 feet; thence North 51°14'42" West, 507.75 feet; thence North 42°12'51" West, 500.40 feet; thence South 48°55'01" West, 74.50 feet to the Easterly right-of-way line of U.S. Highway No. 85; thence along said Easterly right-of-way, North 40°54'01" West, 472.52 feet; thence departing said Easterly right-of-way North 53°40'15" East, 586.58 feet; thence South 28°37'53" East, 516.47 feet; thence along a curve to the left having a delta of 179°59'59", a radius of 580.00 feet, an arc of 1822.12 feet and a chord which bears North 59°46'27" East, 1160.00 feet; thence North 30°14'25" West, 1138.31 feet; thence North 12°32'06" East, 821.81 feet; thence North 05°26'47" East, 363.75 feet; thence North 62°12'40" East, 120.00 feet to the POINT OF BEGINNING of this description, containing 82.08 acres, more or less.

SURVEYOR'S CERTIFICATE

I, PATRICK C. O'HEARN, do hereby certify that this legal description was prepared by me or under my direct supervision and is true and correct to the best of my knowledge.

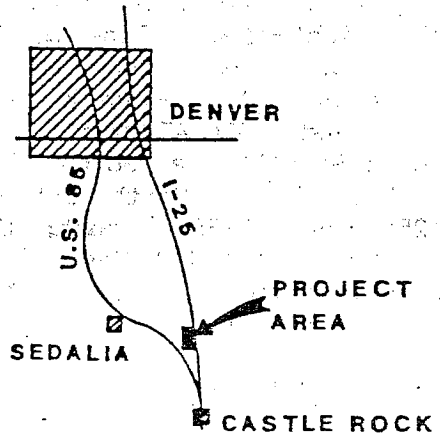
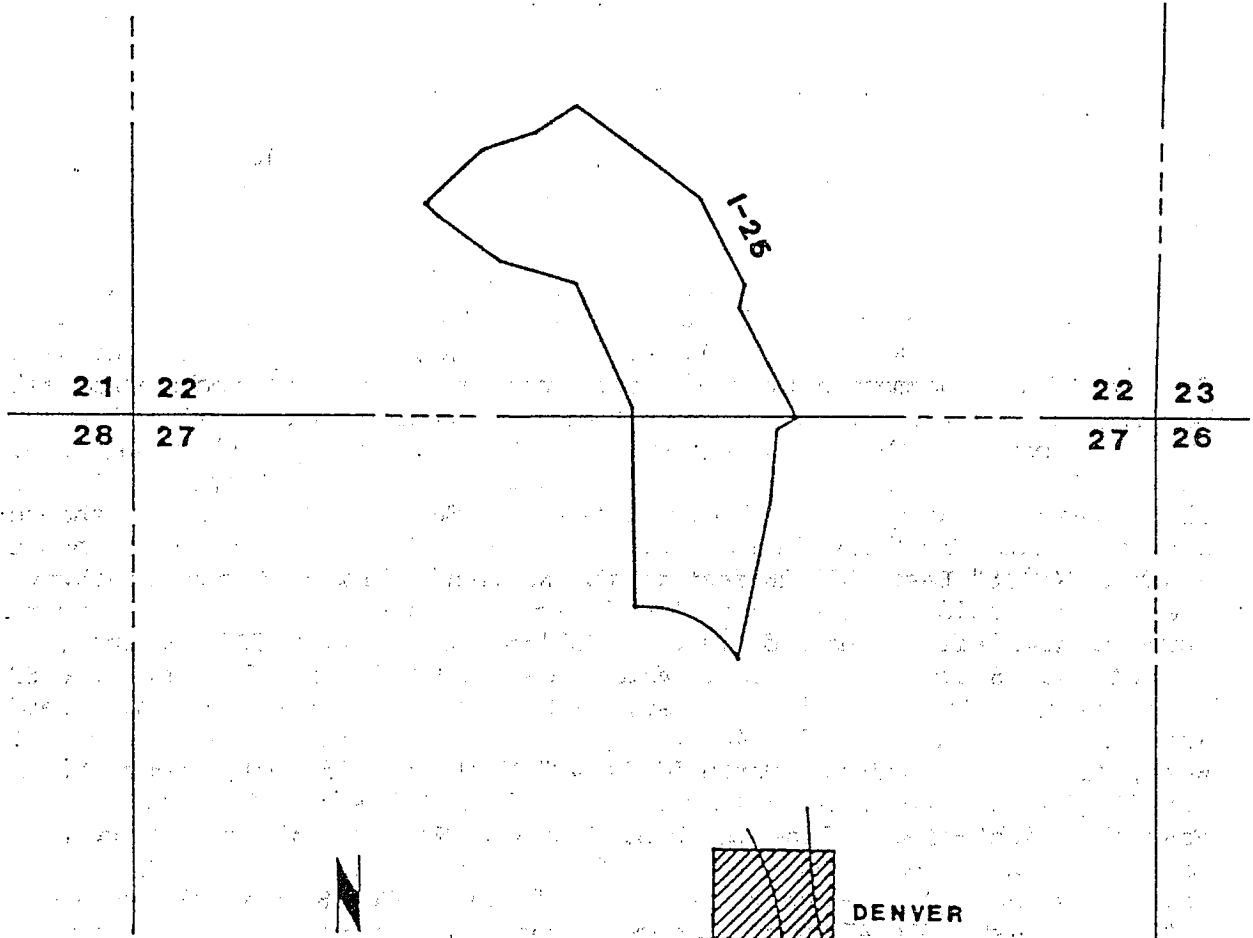
1-8-87  
Date



Patrick C. O'Hearn  
PATRICK C. O'HEARN  
Professional Land Surveyor  
Colorado Registration Number 23515

12:09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER

87-28920 (0/08) 57  
R 751 - P 721A



SCALE 1" = 1000'

VICINITY MAP  
N.T.S.

CASTLE PINES COMMERCIAL P.U.D.  
METROPOLITAN DISTRICT NO. 4



8728920 - 10/08/87 12:09 - RETA  
B0751 - P0722 -  
CRAIN DOUGLAS CO. COLO. CLERK & RECORD;  
\$629.00 - 170/174

LEGAL DESCRIPTION - Castle Pines Commercial Metropolitan District No. 4

A Tract of land located in the North Half of Section 27 and the South Half of Section 22, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado being described as follows:

Commencing at the Northeast corner of said Section 27 as monumented by a found rebar and considering the North line of the Northeast Quarter of said Section 27 to bear North 89°08'00" West, to the North Quarter corner of said Section 27 as monumented by a 1" steel rod in a mound of rocks with all bearings contained herein relative thereto; thence North 89°42'44" West, 1857.84 feet to the Westerly line of the Frontage Road along U.S. Interstate No. 25 and the POINT OF BEGINNING of this description; thence departing said Westerly line, South 62°12'40" West, 120.00 feet; thence South 05°26'47" West, 363.75 feet; thence South 12°32'06" West, 821.81 feet; thence along a non-tangent curve to the left having a delta of 62°29'07", a radius of 580.00 feet, an arc of 632.53 feet and a chord which bears North 63°16'38" West, 601.65 feet; thence North 00°19'35" West, 1017.88 feet; thence North 24°01'25" West, 691.67 feet; thence North 72°52'34" West, 406.12 feet; thence North 54°41'58" West, 390.08 feet; thence North 46°52'50" West, 90.44 feet; thence North 48°13'41" East, 402.59 feet; thence North 72°32'32" East, 290.23 feet; thence North 57°35'21" East, 249.12 feet; thence South 53°03'16" East, 786.68 feet to the Westerly line of U.S. Interstate No. 25 right-of-way; thence along said Westerly line, South 27°41'32" East, 494.69 feet; thence departing said Westerly line, South 13°21'03" West, 121.72 feet to the Westerly line of the Frontage Road along U.S. Interstate No. 25; thence along said Westerly line South 27°47'20" East, 640.00 feet to the POINT OF BEGINNING of this description, containing 49.44 acres, more or less.

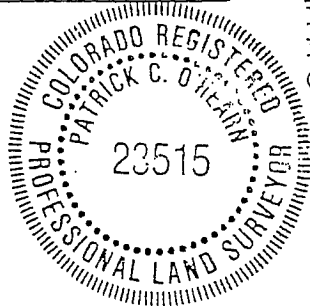
SURVEYOR'S CERTIFICATE

I, PATRICK C. O'HEARN, do hereby certify that this legal description was prepared by me or under my direct supervision and is true and correct to the best of my knowledge.

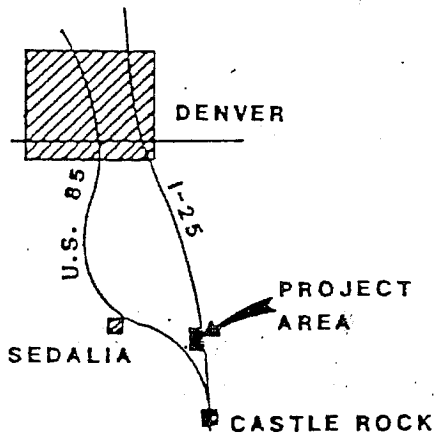
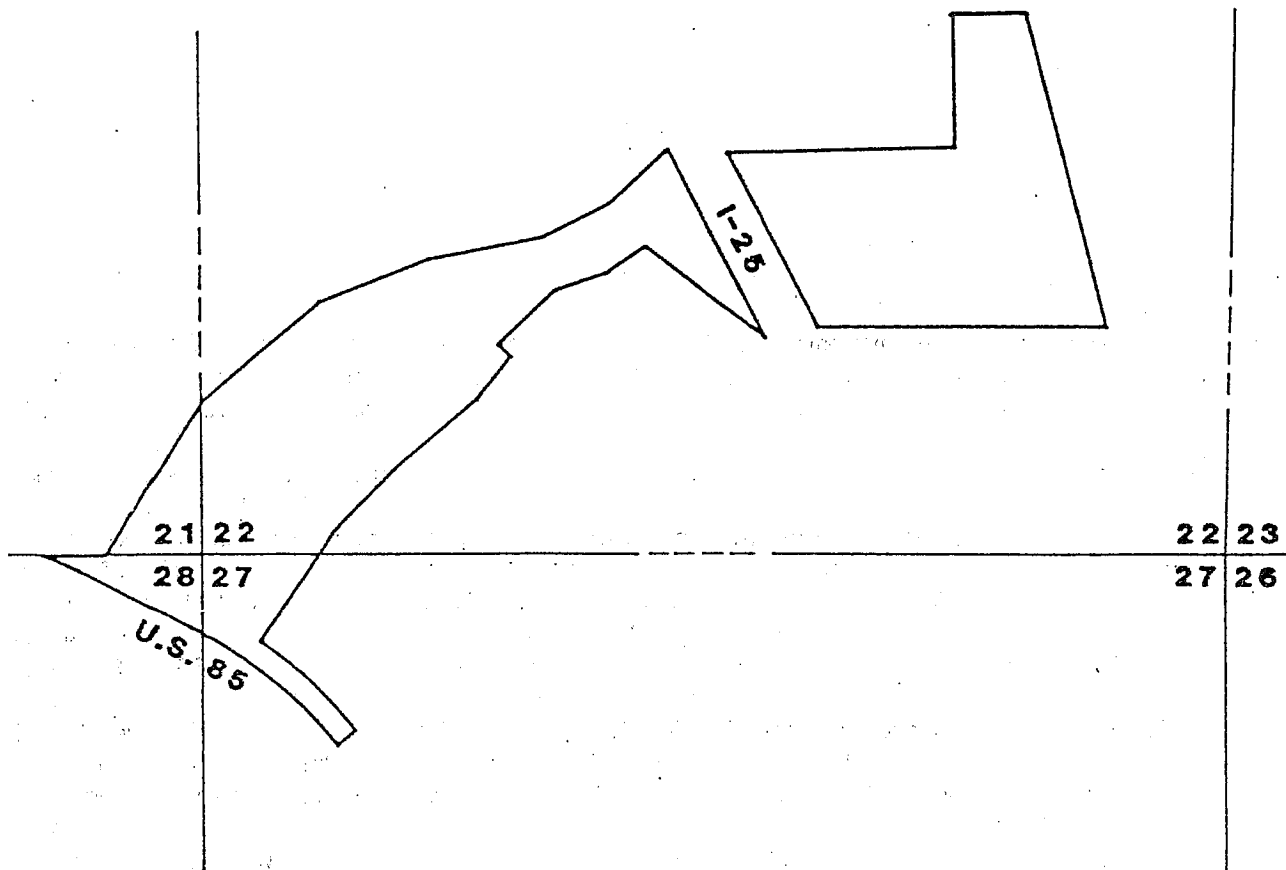
1-8-87  
Date

Patrick C. O'Hearn

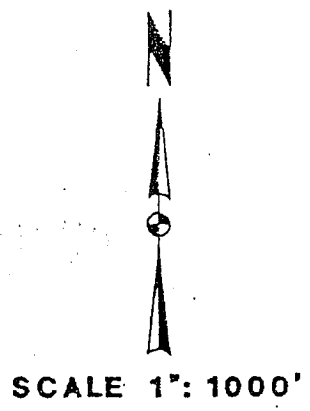
PATRICK C. O'HEARN  
Professional Land Surveyor  
Colorado Registration Number 23515



87-28920 10/28/87  
B 751 - P 722A  
12/09 - RETA A. GRAIN DOUGLAS CO. COLO. CLERK & RECORDER \$600.



**VICINITY MAP**  
N.T.S.



**CASTLE PINES COMMERCIAL P.U.D.  
METROPOLITAN DISTRICT NO. 5**



8728920 - 10/08/87 12:09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER  
 B0751 - P0723 - \$629.00 - 171/ 17

LEGAL DESCRIPTION - Castle Pines Commercial Metropolitan District No. 5

A Tract of land located in the South Half of Section 22, the Southeast Quarter of Section 21, the Northeast Quarter of Section 28 and the Northwest Quarter of Section 27, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado being described as follows:

Commencing at the Southeast corner of said Section 22 as monumented by a found rebar and considering the South line of the Southeast Quarter of said Section 22 to bear North 89°08'00" West, to the South Quarter corner of said Section 22 as monumented by a 1" steel rod in a mound of rocks with all bearings contained herein relative thereto; thence North 26°33'30" West, 1295.71 feet to the POINT OF BEGINNING of this description; thence North 89°11'30" West, 1499.10 feet to the Easterly right-of-way line of U.S. Interstate No. 25; thence along said Easterly right-of-way, North 24°53'01" West, 31.60 feet; thence North 27°44'59" West, 972.59 feet to the Southerly line of Happy Canyon South, according to the recorded plat thereof; thence along said Southerly line, North 89°36'28" East, 1193.24 feet; thence North 00°04'23" East, 678.79 feet to the Northerly line of the Southeast Quarter of said Section 22; thence along said Northerly line, North 89°37'21" East, 377.00 feet; thence departing said Northerly line, South 13°50'05" East, 1647.79 feet to the POINT OF BEGINNING of this description.

Together with the following described Tract.

Commencing at the Southeast corner of said Section 22 as monumented by a found rebar and considering the South line of the Southeast Quarter of said Section 22 to bear North 89°08'00" West to the South Quarter corner of said Section 22 as monumented by a 1" steel rod in a mound of rocks with all bearings contained herein relative thereto; thence North 64°21'23" West, 2615.62 feet to the POINT OF BEGINNING of this description; thence North 53°03'16" West, 786.68 feet; thence South 57°35'21" West, 249.12 feet; thence South 72°32'32" West, 290.23 feet; thence South 48°13'41" West, 402.59 feet; thence South 46°52'50" East, 90.44 feet; thence South 40°25'41" West, 281.64 feet; thence South 51°08'12" West, 529.78 feet; thence South 45°33'22" West, 472.68 feet; thence South 34°25'40" West, 674.67 feet; thence along a non-tangent curve to the right having a delta of 15°41'54", a radius of 2442.00 feet, an arc of 669.08 feet and a chord which bears South 46°09'58" East, 666.99 feet; thence South 51°40'59" West, 120.00 feet to the Westerly right-of-way line of U.S. Highway No. 85; thence along said Westerly right-of-way, along a non-tangent curve to the left having a delta of 23°59'00", a radius of 2322.00 feet, an arc of 971.96 feet and a chord which bears North 50°18'31" West, 964.88 feet; thence North 62°18'01" West, 838.52 feet to the South line of the Southeast Quarter of said Section 21; thence along said South line, South 89°24'24"

87-28920 10/08/87  
B 751 - P 723A  
12/09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER  
\$ 6.25

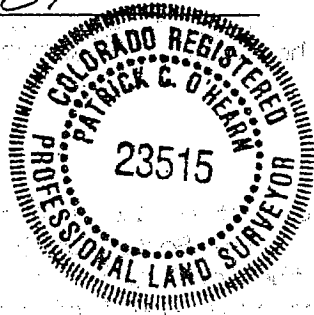
East, 325.63 feet; thence departing said South line, North 32°43'04" East, 921.49 feet; thence North 50°45'10" East, 780.25 feet; thence North 69°47'45" East, 607.42 feet; thence North 80°24'48" East, 604.97 feet; thence North 64°25'51" East, 397.87 feet; thence North 50°08'45" East, 397.15 feet to the Westerly right-of-way line of U.S. Interstate No. 25; thence along said Westerly right-of-way, South 27°41'32" East, 1084.11 feet to the POINT OF BEGINNING of this description.

Containing a net acreage of 101.76 acres, more or less.

SURVEYOR'S CERTIFICATE

I, PATRICK C. O'HEARN, do hereby certify that this legal description was prepared by me or under my direct supervision and is true and correct to the best of my knowledge.

1-9-87  
Date



Patrick C. O'Hearn  
PATRICK C. O'HEARN  
Professional Land Surveyor  
Colorado Registration Number 23515

8728920 - 10/08/87 12:09 - RETA A. RAIN DOUGLAS CO. COLO. CLERK & RECORDER - 172/ 179  
B0751 - P0724 - 3679.00

APPENDIX B

Non-Tributary Water Projections

8728920 - 10/08/87 12:09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER  
B0751 - P0725 - \$637.00 - 173/ 179

CPCP Water Availability Summary

Aquifer and Well	Township	Range	Sec	LOCATION	Distance From Section Lines	Avail. Annual Approp. (af/yr)	Previous Decreed Amts (af/yr)	Well Numbers	Case No(s)	New Appl. Amt. Remain. Unapprop. (af/yr)	Est. Saturated Thickness (ft)	Est. Well Depth (ft)	
<u>Upper Dawson</u>													
CPUDA-1	T7S	R67W	27	NW	NE 325'FNL, 1941'FWL	61	-	-	-	61	100	120	
<u>Lower Dawson</u>													
CPLDA-1	T7S	R67W	27	SE	NW 1950'FNL, 1750'FWL	116	-	958	W-5990 W-8457-76	96	187	420	
<u>Denver</u>													
CPDE-1	T7S	R67W	27	SE	NW 1950'FNL, 1750'FWL	174	15	25368-F 25369-F	81CW257 81CW258	159	325	1275	
<u>Arapahoe</u>													
CPLA-1	T7S	R67W	27	SE	NW 1950'FNL, 1750'FWL	189	-	-	-	189	300	1775	
<u>Larimie-Fox Hills</u>													
CPLFH-1	T7S	R67W	27	SE	NW 1950'FNL, 1750'FW	72	-	-	-	72	152	2390	
TOTAL											612	15	577

Prepared by, Jehn & Wood, Inc.      8728920 - 10/08/87 12:      - RETA A. CRAIN DOUGLAS CO. COLO. CLERK      RECORDER  
R0751 - P0726 -      \$689.00      - 174/ 179

APPENDIX C

Detailed Cost Estimates

8728920 - 10/08/87 12:09 - RETA A. GRAIN DOUGLAS CO. COLO. CLERK & RECORDER  
B0751 - P0727 - \$629.00 - 175/ 179

ITEM	UNIT COST	UNITS	PHASE 1 QUANTITY	PHASE 1 COST	PHASE 2 QUANTITY	PHASE 2 COST	PHASE 3 QUANTITY	PHASE 3 COST	PHASE 4 QUANTITY	PHASE 4 COST	TOTAL QUANTITY	TOTAL COST
<b>RAW WATER SYSTEM</b>												
<b>1 NON-TRIB WELL FIELD</b>												
UPPER DANSON	\$61,110 EA		0	\$0	0	\$0	0	\$0	1	\$61,110	1	\$61,110
LOWER DANSON	\$115,500 EA		1	\$115,500	0	\$0	0	\$0	0	\$0	1	\$115,500
DENVER	\$285,810 EA		0	\$0	0	\$0	1	\$285,810	0	\$0	1	\$285,810
AGAPAHOE	\$383,800 EA		0	\$0	1	\$383,800	0	\$0	0	\$0	1	\$383,800
LARAMIE FOX-HILLS	\$383,100 EA		0	\$0	0	\$0	0	\$0	1	\$383,100	1	\$383,100
<b>2 PIPING</b>												
12" DIP	17.30 LF		10,000	\$173,000	0	\$0	0	\$0	0	\$0	10,000	\$173,000
8" DIP	12.40 LF		0	\$0	0	\$0	0	\$0	2,000	\$24,800	2,000	\$24,800
3 PUMPING TO HTP	25,000 LS		0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
<b>SUBTOTAL</b>				\$288,500		\$383,800		\$285,810		\$469,010		\$1,427,120
<b>POTABLE WATER SYSTEM</b>												
<b>1 WATER TREATMENT</b>												
1,000,000 LS				\$300,000		\$300,000		\$200,000		\$200,000	1	\$1,000,000
<b>2 DISTRIBUTION PIPING</b>												
18" DIP	27.35 LF		10,000	\$273,500	0	\$0	0	\$0	0	\$0	10,000	\$273,500
16" DIP	25.20 LF		0	\$0	4,400	\$110,880	0	\$0	0	\$0	4,400	\$110,880
12" DIP	17.30 LF		13,800	\$238,740	5,240	\$90,652	0	\$0	0	\$0	19,040	\$329,392
8" DIP	12.40 LF		750	\$9,300	4,550	\$56,420	2,570	\$31,868	500	\$6,200	8,370	\$103,788
3 PRV STATION	\$22,000 EA		1	\$22,000	2	\$44,000	1	\$22,000	0	\$0	4	\$88,000
5 STORAGE TANK	\$500,000 LS		1	\$250,000	1	\$250,000	0	\$0	0	\$0	1	\$500,000
<b>SUBTOTAL</b>				\$1,093,540		\$851,952		\$253,868		\$706,700		\$2,405,560
<b>REUSE IRRIGATION SYSTEM</b>												
<b>1 DISTRIBUTION PIPING</b>												
24" DIP	45.00 LF		3,000	\$135,000	0	\$0	0	\$0	0	\$0	3,000	\$135,000
16" DIP	25.20 LF		950	\$23,940	0	\$0	0	\$0	0	\$0	950	\$23,940
12" DIP	17.30 LF		5,500	\$95,150	0	\$0	0	\$0	2,210	\$38,233	7,710	\$133,383
8" DIP	12.40 LF		4,700	\$58,280	0	\$0	2,080	\$25,792	3,700	\$45,880	10,480	\$129,952
6" DIP	11.00 LF		2,050	\$22,550	8,210	\$90,310	0	\$0	0	\$0	10,260	\$112,860
2 BOOSTER STATION	70,000 LS		0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
3 STORAGE TANK	0 LS											
<b>SUBTOTAL</b>				\$334,920		\$90,310		\$25,792		\$84,113		\$535,135
<b>SANITARY SEWER</b>												
<b>1 COLLECTION SYSTEM</b>												
8" PVC	12.00 LF		8,780	\$105,360	3,000	\$36,000	1,600	\$19,200	1,550	\$18,600	14,930	\$179,160
4' DIA HAIRDOLE Ø12	\$1,200 EA		31	\$37,200	9	\$10,800	7	\$8,400	5	\$6,000	52	\$62,400
BORE CASING 125	\$150 LF		0	\$0	0	\$0	0	\$0	120	\$18,000	120	\$18,000
BOPE CASING US 85	\$100 LF		120	\$12,000	0	\$0	0	\$0	0	\$0	120	\$12,000
2 SHARE WTP EXPAN	3.75 GAL		78,478	\$294,293	165,835	\$621,881	76,457	\$286,714	91,910	\$344,663	412,680	\$1,547,550
HW FLOW												
<b>SUBTOTAL</b>				\$448,853		\$668,681		\$314,314		\$387,263		\$1,819,110

ITEM	UNIT COST	UNITS	PHASE 1		PHASE 2		PHASE 3		PHASE 4		TOTAL	
			QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST
<b>DRAINAGE IMPROVEMENTS</b>												
<b>1 ROADSIDE SHALES</b>												
EXCAVATION	5.00 CY		2,482	\$12,410	667	\$3,335	1,111	\$5,555	1,870	\$9,100	6,080	\$30,400
REVEGETATION	300.00 AC		1.7	\$510	0.5	\$150	0.7	\$210	1.2	\$360	4	\$1,230
ECPH	7.50 SY		4,070	\$30,150	1,080	\$8,100	1,800	\$13,500	3,068	\$23,010	9,968	\$74,760
TYPE C INLET	1,527.00 EA		0	\$0	0	\$0	0	\$0	12	\$18,324	12	\$18,324
<b>2 DETENTION PONDS</b>												
GRADINGS/EXCAV	1.50 CY		14,040	\$35,100	9,690	\$24,225	0	\$0	5,810	\$14,525	29,540	\$73,850
REVEGETATION	1,000.00 AC		3.8	\$3,800	2.7	\$2,700	0	\$0	1.6	\$1,600	8	\$8,100
OUTLET STRUCTURES	6,000.00 EA		1	\$6,000	0	\$0	0	\$0	0	\$0	2	\$12,000
OUTLET STRUCTURES	6,000.00 EA		0	\$0	1	\$6,000	0	\$0	0	\$0	1	\$6,000
OUTLET STRUCTURES	5,700.00 EA		0	\$0	0	\$0	0	\$0	0	\$0	1	\$5,700
OUTLET STRUCTURES	4,190.00 EA		0	\$0	1	\$4,190	0	\$0	0	\$0	1	\$4,190
OUTLET STRUCTURES	3,800.00 EA		0	\$0	1	\$3,800	0	\$0	0	\$0	1	\$3,800
UNDERDRAINS	1,500.00 EA		1	\$1,500	3	\$4,500	0	\$0	1	\$1,500	5	\$7,500
RIPRAP BASINS	45.00 CY		67	\$3,015	100	\$4,500	0	\$0	0	\$0	167	\$7,515
SPILLWAYS (RIPRAP)	45.00 CY		133	\$5,985	399	\$17,955	0	\$0	133	\$5,985	665	\$29,925
6'X6' CBC	180.00 LF		200	\$36,000	0	\$0	0	\$0	0	\$0	200	\$36,000
4'X6' CBC	151.00 LF		0	\$0	0	\$0	0	\$0	0	\$0	50	\$7,550
36" RCP	44.22 LF		0	\$0	50	\$2,711	0	\$0	0	\$0	50	\$2,711
33" RCP	41.00 LF		0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
30" RCP	34.61 LF		0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
21" RCP	24.50 LF		0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
18" RCP	22.00 LF		0	\$0	50	\$1,100	0	\$0	0	\$0	50	\$1,100
TRASH RACKS	2,500.00 EA		1	\$5,000	0	\$0	0	\$0	0	\$0	2	\$5,000
TRASH RACKS	1,500.00 EA		0	\$0	2	\$3,000	0	\$0	0	\$0	2	\$3,000
<b>4 HEADWALLS</b>												
6'X6' DBL	8,000.00 EA		1	\$8,000	0	\$0	0	\$0	0	\$0	1	\$8,000
6'X6'	7,000.00 EA		1	\$7,000	0	\$0	0	\$0	0	\$0	1	\$7,000
54"	6,500.00 EA		0	\$0	1	\$6,500	0	\$0	0	\$0	1	\$6,500
48"	6,000.00 EA		0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
43"	6,000.00 EA		1	\$6,000	0	\$0	0	\$0	0	\$0	1	\$6,000
33"	5,000.00 EA		2	\$10,000	0	\$0	0	\$0	0	\$0	2	\$10,000
27"	4,670.00 EA		2	\$9,340	0	\$0	0	\$0	0	\$0	2	\$9,340
21"	4,200.00 EA		2	\$8,400	0	\$0	0	\$0	0	\$0	2	\$8,400
<b>5 VAULTS</b>												
REDUCING DBL 6X6	3,000.00 EA		1	\$3,000	0	\$0	0	\$0	0	\$0	1	\$3,000
JUNCTION 6X12	2,500.00 EA		1	\$2,500	0	\$0	0	\$0	0	\$0	1	\$2,500
JUNCTION CBC	2,000.00 EA		3	\$6,000	0	\$0	0	\$0	0	\$0	3	\$6,000
<b>6 MANHOLES</b>												
72"	1,250.00 EA		6	\$7,500	4	\$5,000	0	\$0	0	\$0	10	\$12,500
60"	950 EA		5	\$4,750	11	\$10,450	0	\$0	15	\$14,250	31	\$29,450
48"	800 EA		3	\$2,400	0	\$0	9	\$7,200	9	\$7,200	21	\$16,800
M1 RISERS 48"	350 EA		18	\$6,300	0	\$0	0	\$0	5	\$1,750	23	\$8,050
<b>7 STORM SEWER</b>												
66" RCP	120.00 LF		1,500	\$180,000	0	\$0	0	\$0	0	\$0	1,500	\$180,000
54" RCP	100.00 LF		1,180	\$118,000	2,040	\$204,000	0	\$0	0	\$0	3,220	\$322,000
48" RCP	80.00 LF		0	\$0	0	\$0	0	\$0	940	\$75,200	940	\$75,200
42" RCP	62.00 LF		1,770	\$109,740	0	\$0	0	\$0	0	\$0	1,770	\$109,740
36" RCP	46.50 LF		350	\$16,275	750	\$34,875	0	\$0	0	\$0	1,100	\$51,150
33" RCP	41.00 LF		500	\$20,500	0	\$0	0	\$0	0	\$0	500	\$20,500
27" RCP	34.00 LF		0	\$0	0	\$0	0	\$0	500	\$17,000	500	\$17,000

ITEM	UNIT COST	UNITS	PHASE 1		PHASE 2		PHASE 3		PHASE 4		TOTAL QUANTITY	TOTAL COST
			QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST		
<b>DRAINAGE IMPROVEMENTS (CONT)</b>												
24" RCP	27.00 LF		0	\$0	0	\$0	550	\$14,850	1,660	\$44,820	2,210	\$59,670
18" RCP	22.00 LF		0	\$0	0	\$0	200	\$4,400	636	\$13,992	836	\$18,392
6x6 CBC	180.00 LF		2,260	\$406,800	0	\$0	0	\$0	0	\$0	2,260	\$406,800
4x8 CBC	191.00 LF		1,660	\$317,060	0	\$0	0	\$0	0	\$0	1,660	\$317,060
4x6 CBC	151.00 LF		4,100	\$619,100	0	\$0	0	\$0	0	\$0	4,100	\$619,100
<b>8 STREET DRAINAGE</b>												
TYPE R INH (DBL)	2,891.00 LF		66	\$197,406	6	\$17,946	22	\$65,802	50	\$149,550	144	\$430,704
18" RCP	22.00 LF		6,655	\$146,410	600	\$13,200	3,200	\$70,400	2,000	\$44,000	12,455	\$274,010
HANDHOLES 48"	800.00 EA		15	\$12,000	3	\$2,400	7	\$5,600	7	\$5,600	32	\$25,600
<b>9 REMOVALS</b>												
24" CHP	300.00 EA		1	\$300	0	\$0	0	\$0	0	\$0	1	\$300
4'x4' BOX CULVERT	800.00 EA		1	\$800	0	\$0	0	\$0	0	\$0	1	\$800
<b>SUBTOTAL</b>												
				\$2,365,651		\$380,137		\$187,517		\$469,666		\$3,402,971
<b>STREETS</b>												
<b>170' ROW - 6-12' LANES</b>												
1 STRIPPING	2.00 CY	LF	1,200	\$4,780	2,340	\$4,680	0	\$0	3,600	\$13,000	10,980	\$22,460
2 EXCAVATION	\$2.50 CY		5,325	\$13,313	6,150	\$15,375	0	\$0	16,000	\$40,000	27,475	\$68,688
3 SUBGRADE PREP	\$1.25 SY		10,650	\$13,313	12,266	\$15,333	0	\$0	32,000	\$40,000	54,916	\$68,645
4 ASPHALT 6"	\$10.00 SY		9,550	\$95,500	11,200	\$112,000	0	\$0	28,800	\$288,000	49,550	\$495,500
5 BASECOURSE 12"	\$7.00 SY		9,550	\$66,850	11,200	\$78,400	0	\$0	28,800	\$201,600	49,550	\$346,850
6 6" CURB W/ 2' GUTTER	\$37.00 LF		1,200	\$38,400	1,400	\$44,800	0	\$0	3,600	\$115,200	6,200	\$198,400
7 LIGHTING 1/300'	\$1,600.00 EA		5	\$8,000	6	\$9,600	0	\$0	14	\$36,400	25	\$65,000
8 SIDEWALKS 2-6'	\$8.00 SY		1,500	\$12,000	1,850	\$14,800	0	\$0	4,800	\$38,400	8,150	\$65,200
<b>100' ROW - 3-12' LANES</b>												
1 STRIPPING	\$1.00 CY	LF	11,400	\$11,400	0	\$0	0	\$0	0	\$0	11,400	\$11,400
2 EXCAVATION	\$2.50 CY		8,430	\$21,075	0	\$0	0	\$0	0	\$0	8,430	\$21,075
3 SUBGRADE PREP	\$1.25 SY		25,250	\$31,563	0	\$0	0	\$0	0	\$0	25,250	\$31,563
4 ASPHALT 6"	\$10.00 SY		50,500	\$505,000	0	\$0	0	\$0	0	\$0	50,500	\$505,000
5 BASECOURSE 12"	\$7.00 SY		45,500	\$318,500	0	\$0	0	\$0	0	\$0	45,500	\$318,500
6 6" CURB W/ 2' GUTTER	\$32.00 LF		11,400	\$364,800	0	\$0	0	\$0	0	\$0	11,400	\$364,800
7 LIGHTING 1/300'	\$1,600.00 EA		40	\$64,000	0	\$0	0	\$0	0	\$0	40	\$64,000
8 SIDEWALKS 2-6'	\$8.00 SY		15,100	\$120,800	0	\$0	0	\$0	0	\$0	15,100	\$120,800
<b>80' ROW - 3-12' LANES</b>												
1 STRIPPING	\$2.00 LF		0	\$0	0	\$0	8,700	\$17,400	0	\$0	8,700	\$17,400
2 EXCAVATION	\$2.50 CY		0	\$0	0	\$0	6,300	\$15,750	0	\$0	6,300	\$15,750
3 SUBGRADE PREP	\$1.25 SY		0	\$0	0	\$0	19,250	\$24,063	0	\$0	19,250	\$24,063
4 ASPHALT 6"	\$10.00 SY		0	\$0	0	\$0	38,500	\$385,000	0	\$0	38,500	\$385,000
5 BASECOURSE 12"	\$7.00 SY		0	\$0	0	\$0	33,750	\$236,250	0	\$0	33,750	\$236,250
6 6" CURB W/ 2' GUTTER	\$32.00 LF		0	\$0	0	\$0	8,600	\$275,200	0	\$0	8,600	\$275,200
7 LIGHTING 1/300'	\$1,600.00 EA		0	\$0	0	\$0	28	\$44,800	0	\$0	28	\$44,800
8 SIDEWALKS 2-6'	\$8.00 SY		0	\$0	0	\$0	19,200	\$153,600	0	\$0	19,200	\$153,600
<b>SUBTOTAL</b>												
				\$1,762,865		\$300,988		\$1,184,200		\$772,600		\$4,020,653

28920 - 10/08/87 12:09 - REYA A. CRAIN P. GLAS CO. COLO. CLERK & RECORDER  
 751 - P0730 - \$629.00 - 178/ 179

CASTLE PINES COMMERCIAL - OPINION OF COST  
 LORUS - CIRCOSTJ.ARS - RMV/CPCE5 15-JAN-87

TST CONSULTING ENGINEERS  
 PAGE 4

ITEM	UNIT COST	UNITS	PHASE 1		PHASE 2		PHASE 3		PHASE 4		TOTAL	TOTAL
			QUANTITY	COST	QUANTITY	COST	QUANTITY	COST	QUANTITY	COST		
<b>LANDSCAPING</b>												
SUBTOTAL		6,420,650 LS		\$1,500,000		\$1,500,000		\$1,920,650		\$1,500,000		\$6,420,650
<b>FIRE IMPROVEMENTS</b>												
SUBTOTAL		150,000 LS		\$0		\$0		\$150,000		\$0		\$150,000
<b>OFF-SITE STREET INES</b>												
		\$2,410,100		\$752,500		\$769,600		\$888,000		\$0		\$2,410,100
<b>TOTAL</b>												
				\$8,546,829		\$4,945,468		\$5,210,151		\$3,888,852		\$22,591,299
<b>CONTINGENCIES 20%</b>												
				\$1,709,366		\$989,094		\$1,042,030		\$777,770		\$4,518,260
<b>TOTAL FACILITIES COST</b>												
				\$10,256,194		\$5,934,561		\$6,252,181		\$4,666,622		\$27,109,558

5728920 - 10/08/87 12:09 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER  
 751 - P0731 - \$629. 179/ 179

338  
\$1

**AGREEMENT**  
**(Castle Pines Commercial Development)**

DC9124113

**DATE:** July 26, 1991

**PARTIES:** **TOWN OF CASTLE ROCK** ("Town"), a home rule municipal corporation, 680 North Wilcox, Castle Rock, Colorado, 80104.

**CASTLE PINES HOLDINGS, INC.** ("CPH"), a Colorado corporation, 950 17th Street, Suite 2240, Denver, Colorado, 80202.

**RECITALS:**

A. Pursuant to an Annexation and Development Contract dated January 29, 1987, recorded on October 8, 1987 as Reception No. 8728920, Douglas County, Colorado (the "Annexation Contract"), approximately 420 acres were annexed to the Town as Castle Pines Commercial. The property subject to the Annexation Contract as particularly described in Exhibit A thereto is referred to in this Agreement as the "CP Property".

B. CPH has acquired title to approximately 266 acres of the CP Property. The legal description of the property owned by CPH is set forth in the attached **Exhibit 1** and is referred to as the "Property" in this Agreement.

C. Town and CPH have mutual interest in the proposed development of a factory outlet shopping center on all or a part of approximately 43 acres of the Property described in the attached **Exhibit 2** (the "Project") by the Prime Group, Inc. of Baltimore, Maryland, or its subsidiary or affiliate ("Prime"). Town has approved, or will approve concurrently with this Agreement, an agreement with Prime (the "Development Agreement") whereby certain financial incentives will be extended by Town to Prime for the purpose of enhancing the financial and economic viability of the Project, and CPH has entered into an agreement with Prime (the "Prime Agreement") whereby CPH has agreed to transfer certain portions of the Property to Prime, on the terms and conditions set forth in the Prime Agreement. However, neither the development of the Project nor the consummation of the events contemplated by the Development Agreement is a condition to the effectiveness of this Agreement or the rights and obligations of the parties hereunder; it being the intent and agreement of the parties that this Agreement shall be effective regardless whether the Project is ever developed.

D. Public access to the Project is proposed by construction of a new collector street opening onto Meadows Parkway. Meadows Parkway is an arterial street connecting the I-25 Silver Heights Interchange (the "Silver Heights Interchange") with U.S. Highway 85 ("SH85") and was constructed by the Meadows metropolitan districts ("Meadows Districts"), in conjunction with transportation improvements to service the Meadows P.U.D.,

also located within the Town. By separate agreement, Town and the Meadows Districts have agreed to a method by which the Meadows Districts will receive a portion of Town development impact fees, so that the Meadows Districts may recover a portion of the cost of development of Meadows Parkway, as development utilizing the Parkway proceeds.

E. Town has previously requested that CPH pay to Town a portion of the costs that were incurred by the Meadows Districts in constructing Meadows Parkway. CPH has denied that it has any obligation to pay any of such costs. Nevertheless, Town and CPH have agreed, in settlement of this disagreement and without any party conceding the correctness of any other party's position, that the Property may be subjected to an assessment, upon the terms set forth in this Agreement.

F. Section 20.29 of the Annexation Contract requires that certain improvements to SH85, which abuts the CP Property to the west, be constructed as a condition to development of the CP Property (the "SH85 Improvements"). Acknowledging that access from Meadows Parkway to service the Project and related development within the Property is a practical and efficient alternative to access onto SH85, and that revisions to the SH85 Improvement may be appropriate in light of the future development prospects for the Property, Town is willing to defer the requirement of construction of the SH85 Improvements, in accordance with the provisions of this Agreement. Further, the parties have agreed to share in the cost of SH85 Improvements with Prime in the event the Project develops. Town is willing to modify certain other requirements set forth in the Annexation Contract, in accordance with Section 5, below, in the event the Project is developed.

G. CPH anticipates the submission to Town of a modification to the approved preliminary planned development site plan for the Property (the "Amended Site Plan"). The Amended Site Plan may allow for the elimination, reduction in scope, phasing or deferral of certain of the major transportation improvements including SH85 Improvements, required to be developed under the Annexation Contract. Town is willing to defer the requirements under the Annexation Contract for development of such transportation improvements, until the Amended Site Plan is approved and the Annexation Contract amended accordingly, subject to the further provisions of this Agreement.

#### COVENANTS:

**NOW, THEREFORE, IN CONSIDERATION OF THESE MUTUAL PROMISES, THE PARTIES AGREE AND COVENANT AS FOLLOWS:**

**SECTION 1. Meadows Parkway Costs.** In full satisfaction of Town's request for participation of the Property in the Meadows Parkway development cost, the parties have agreed as follows:

- (a) the Property (except as provided in (d) below) shall be subjected to an assessment in the amount of \$.046 per square foot;

- (b) the required payment to the Town for any portion of the Property shall be determined at the time a final subdivision plat of such portion of the Property is processed through the Town and shall be calculated by multiplying the gross land area of the plat, expressed in square feet, by \$.046. "Gross land area" is defined as the entire surface area within the exterior boundaries of the platted property, without deduction or set-off;
- (c) the required payment for any portion of the Property shall be paid to Town concurrently with final approval of the plats for such portion of the Property and receipt by Town of such payment shall be a condition precedent to the obligation of the Town's authorized representatives to execute and approve the final plat and to record or authorize its recordation in the public records of Douglas County, Colorado;
- (d) notwithstanding the foregoing, the initial 718,740 square feet of the Property platted shall be excepted from the payment obligation of this section 1;
- (e) any portion of the Property may be released from the assessment imposed by this section 1 by the payment of the amount that would be required if such portion of the Property were being platted;
- (f) upon the payment of the required amount for any portion of the Property, the Town shall execute and record such documents as are necessary to release such portion of the Property from the assessment imposed by this section 1; and
- (g) the payment obligation shall not constitute a personal or direct obligation of the owners of the Property, and Town shall have no remedy or right of action against such Property owners for monetary damages in the event of non-compliance with the provisions of this section 1. In the event that a subdivision plat is recorded, inadvertently or otherwise, prior to receipt by Town of full payment for such plat, Town may withhold the issuance of any subsequent land use or construction approvals, including grading or building permits, until the required payment for such plat is paid in full.

Although the term "assessment" is used in this Agreement to describe the financial obligation imposed against the Property, the parties acknowledge that the assessment provided herein is a contractual exaction, and that the provisions of local charter and ordinance and state law applicable to the imposition of assessments under a local or special improvement district are inapplicable. CPH shall not be entitled to credit against street oversizing fees or to any recoupment as a result of payment of the assessments.

**SECTION 2. Transportation Improvements.** Development of the transportation improvements required under section 20.29(a) of the Annexation Contract (the "Transportation Improvements") shall be deferred in accordance with the following provisions:

- (a) if the Project is developed it may be finally platted and developed to full build-out without construction of any Transportation Improvements, irrespective of the provisions of (b) immediately following;
- (b) until such time as the Annexation Contract is revised to reflect the Amended Site Plan, and in particular a revised transportation master plan for the CP Property, Town shall not require the construction or development of any Transportation Improvements, unless the Town's transportation consulting engineer, Felsburg Holt & Ullevig, or in the event this firm discontinues as the Town's transportation consultant, such other consultant mutually acceptable to Town and CPH, certifies that development of one or more of the Transportation Improvements is necessary to address the cumulative impact from the proposed development on the Property, together with other development on the CP Property for which a final subdivision plat and site plan have been approved as of the date of such certification;
- (c) CPH shall have the right to have its own transportation engineer consult and work with Felsburg, Holt & Ullevig in making any determination as to whether Transportation Improvements are needed at any time; and
- (d) with approval by Town of the Amended Site Plan and corresponding amendments to the Annexation Contract, the provisions and requirements of such documents shall govern and supercede the provisions pertaining to the Transportation Improvements in the current version of the Annexation Contract.

The parties acknowledge that the deferral of development of the Transportation Improvements does not constitute a waiver or release by Town of the obligation to participate in the development of the Transportation Improvements as provided in the Annexation Contract, to the extent the Transportation Improvements are hereafter determined to be necessary to service subsequent development on the Property in accordance with the above provisions. In the event the parties do not otherwise agree by amendment to the Annexation Contract, and if the Transportation Improvements are hereafter determined to be necessary to service subsequent development, in accordance with (b) above, the participation in the costs of financing the Transportation Improvements in the manner called for in the current Annexation Contract (including any portion of such costs that are attributable to development of the Project) shall be a condition to development of the balance of the Property, subject to the assumption by Town and Prime of a portion of such participation as provided in section 6, below.

**SECTION 3. Transportation Plan Amendment.** In determining the scope of required transportation improvements for the Amended Site Plan and modification to the Annexation Contract the parties shall consider, among other relevant matters, the following:

- (a) the level of on and off site improvements necessary for safe, and efficient access to the public street and highway system for full development of the Property;
- (b) the interest of the Property developer to construct only those improvements which are actually necessary to adequately service the development, and in this regards, to allow for the phasing of major transportation improvements, wherever possible;
- (c) to conform the scope of transportation improvements with the proposed development plan for the CP Property, taking into account any amendments of the existing site development plan, and/or modifications of the internal transportation network and circulation within the CP Property; and
- (d) the need to accommodate the interests of the owners of the CP Property, other than signatories to this Agreement, in the development of major transportation improvements to service the CP Property.

By subsequent agreement or understanding, the parties shall determine the studies and reports necessary to address these issues, and their respective contribution to such cost, unless this effort is undertaken pursuant to an application for a land use approval or amendment, in which event the applicant shall bear the cost of the studies in accordance with the submittal requirements. It is the intention of the Town and CPH to undertake this reexamination of the transportation improvements as soon as practicable after the date of this Agreement.

**SECTION 4. Interchange Improvements.** No participation in either the studies or the actual development of the "New Interchange", as that term is defined in the Annexation Contract, shall be required as a condition to development of the Project. The parties anticipate that the revised transportation master plan for the CP Property, will call for elimination of the New Interchange. However, the parties further acknowledge that the consent of third parties may be necessary to effectuate an appropriate amendment to the Annexation Contract incorporating a deletion of this transportation improvement.

Town assumes the obligation of the Property and/or Property owners under the Annexation Contract for a participation in improvements to the Silver Heights Interchange as required under Section 20.29(b) of the Annexation Contract (the "Interchange Participation"), attributable to the initial 16.5 acres of development on the Property whether or not the Project is developed. Any additional development of the Property shall be subject to the Interchange Participation, until and unless modified by written agreement;

provided, however, that if the Project is developed, the Town shall assume that portion of the Interchange Participation attributable to the balance (up to an additional 26.5 acres) of the Project which is not assumed by Prime under the Development Agreement.

**SECTION 5. Other Development Provisions.** As stated in Recital C of this Agreement, the development of the Project is not a condition to the effectiveness of this Agreement or the enforceability of the rights and obligations of the parties hereunder. However, the parties have agreed that if the Project is developed the following obligations that might otherwise be imposed by the Annexation Contract or by other Town requirements shall be dealt with as follows for the Project:

- (a) the requirements set forth in Section 7.1 of the Annexation Contract with respect to the dedication of water for the Project shall be satisfied by the conveyance of CPH to the Town, concurrently with the approval of the final subdivision plat for the Project, by quit claim deed of such water rights as may be required to satisfy the present requirements of Section 3.20.040 of the Castle Rock Municipal Code and Resolution 86-30; provided, however that the conveyance shall be of water located in each of the Denver Basin Aquifers, in amounts proportionate to the total amount of water in each aquifer owned by CPH or with respect to which applications by CPH for adjudications are pending; that in no event shall CPH be required to convey to the Town the rights to more water underlying the Property than the quantities designated immediately below to satisfy such water supply requirement for the Project (provided that Town reasonably determines that CPH has such exclusive title and claim to such water); that such dedication shall be made first from the portion(s) of the Property upon which the Project is located; and that CPH shall not be required to provide the Town with any wells or other water collection facilities to service development on the Project;

<u>Aquifer</u>	<u>Amount (AF)/ platted acre of the Project</u>
Arapahoe	.508
Laramie-Fox Hills	.246
Lower Dawson	.124
Denver	.484

- (b) with the exception of the Town's obligations contained in the Development Agreement, neither Town nor CPH shall have any obligation to construct any water, irrigation, sewage, drainage, street, sidewalk or rail systems, or any other infrastructure of public improvements including traffic signals or similar traffic control devices, in connection with the development of the Project or responsibility for insuring the proper completion of any public improvements constructed in connection with the Project;

- (c) the participation of the Property in the SH85 Improvements, as otherwise required under the Annexation Contract and section 2 of this Agreement, shall be modified as provided in section 6, below;
- (d) no fees or other exactions, except those (or in excess of those) routinely imposed upon development in the Town, as described on **Exhibit 3** attached hereto, shall be imposed on development of the Project;
- (e) the streets and other infrastructure to be constructed in connection with the Project shall be located and sized as described and depicted on the attached **Exhibit 4**; CPH shall have the right to connect or use such public infrastructure without payment of any extraordinary surcharges or any other charges for connection or use other than charges, fees or exactions which, at the time of such connection, are imposed by Town on development throughout the Town;
- (f) requirements for the dedication of portions of the Property for public use and/or open space in connection with future development on the Property shall be based on the Annexation Contract, as the same may hereafter be amended, and applicable Town regulations, without taking into account the public land or open space dedicated for the Project.

**SECTION 6. Cost Sharing of SH85 Improvements.** In the event the Project is developed, in whole or in part, the participation of the Property in development of the SH85 Improvements shall be modified from those applicable provisions otherwise obtaining under this Agreement or under the Annexation Contract, as follows:

- (a) with determination by Town under section 2, above, that SH85 Improvements are required to be developed, the Project's proportionate share (expressed as a percentage) of such SH85 Improvements (the "Project Participation") shall be determined by the Town's transportation consultant. CPH shall have the right to have its own transportation engineer consult and work with Town in making any such determinations. The Project Participation shall be calculated by comparing the traffic impact on the required SH85 Improvement(s) attributable to full development of the Project, with the aggregate traffic impact on SH85 Improvements attributable to full development of the CP Property, including the Project. In calculating the Project Participation, the Town's transportation consultant shall take into account existing development within the CP Property at that time, together with projected development which is allowed under applicable zoning and development guidelines;
- (b) CPH shall be required to fund one-third (1/3) of the portion of the development cost of the required SH85 Improvement obtained by multiplying the total cost of such improvement by the Project Participation Percentage (the "Project Cost"). The balance of the Project Cost which is not otherwise contributed

by Prime, as further provided in the Development Agreement between Town and Prime dated as of July 26, 1991, shall be borne by Town;

- (c) each time it is determined that a portion of the SH85 Improvements are needed, the Project Cost for such portion shall be calculated. The Project Percentage for such portion shall then be determined by taking into account the existing development within the CP Property at that time and the projected development for the balance of the CP Property at that time. The parties recognize that the Project Percentage may vary for different portions of the SH85 Improvements as a result of changes over time in actual or projected development on the CP Property.
- (d) the obligation of CPH to construct or participate in the financing of construction of the required SH85 Improvements shall be conditioned upon the Town's performance of its obligations under this section 6; should Town fail to budget, appropriate or authorize for expenditure sufficient funds to discharge Town's share of the Project Cost in the year in which such funds are needed to timely construct the Improvement(s), CPH shall be relieved from its obligation to develop such SH85 Improvement(s) (but shall not be deprived of its right to continue development of the Property) until such funds are committed by Town; and such suspension of the Property owner(s) obligation to develop the SH85 Improvement(s), for which funding is required under this section 6, shall be in lieu of any claims or actions against Town arising under this Agreement, the Annexation Contract, or otherwise under law as a result of Town's failure to budget, appropriate or authorize such funds.
- (e) Town shall make best efforts to obtain the full and timely performance of Prime's obligation to fund its share of the Project Cost; however, neither Town nor CPH shall have any claim against one another, in the event, despite such best efforts, the participation of Prime cannot be obtained; in which event, Town and the Property owner(s) shall assume, equally, Prime's proportionate share of such improvements, and shall jointly determine, and pursue appropriate legal remedies against Prime to recover their loss from Prime's default;
- (f) with expiration of Prime's obligation under the Development Agreement for the Project Cost on July 1, 2001, thereafter Town and CPH share equally in the Project Cost as to any required SH85 Improvements.

The above provisions shall not constitute a release or modification of the owner(s) of the Property to participate in development of SH85 Improvements related to development on the Property, exclusive of the Project.

**SECTION 7. Representations.** Each party represents to the other parties the following:

- (a) that this Agreement, to the extent necessary, has been approved by its governing body or board of directors at a meeting duly noticed and conducted in accordance with applicable law;
- (b) that the person or persons signing this Agreement on behalf of such party are duly authorized to do so;
- (c) that, except as has been previously obtained, no third party's approval of this Agreement or consent to its performance is required;
- (d) with respect to CPH, that The Colorado National Bank of Denver, being the only mortgagee or lienholder of the Property, has consented to the terms of this Agreement. A copy of such consent is attached as **Exhibit 5**.
- (e) that this Agreement constitutes a valid and binding obligation of such party, enforceable in accordance with its terms; and
- (f) with respect to the Town, that neither the Meadows Districts nor any other person or entity has any claims whatsoever against the Town related to recoupment or recovery for the cost incurred by such entities or persons in developing transportation improvements, including Meadows Parkway, or other improvements or infrastructure, with the exception of the oversizing of a water main spanning Plum Creek. Town further represents and agrees that it will make no claim on CPH for recoupment of such oversizing with development of the CP Property; provided that CPH pays to the Town the sum of \$8,333.33 at the time of execution of this Agreement.

**SECTION 8. Compliance with Regulations.** Except as expressly modified or waived pursuant to this Agreement or other agreements entered into with CPH or third parties in conjunction with the Project, the Property shall be developed in accordance with all Town ordinances, rules, regulations and standards, including a timely payment of all fees and exactions imposed pursuant thereto. Town agrees that it will not attempt to impose upon future development on the Property any fees or exactions except those routinely imposed upon development in the Town or imposed pursuant to the Annexation Contract, and that it will not attempt to recover from the balance of the Property any discounts or concessions in such fees or exactions that it may grant to Prime if the Project goes forward.

**SECTION 9. Further Consent.** The provisions of this Agreement, including specifically the provision for payment required in section 1 above, do not apply to the additional approximately 95 acres owned by CP Commercial Properties, Inc. ("CPC") within the CP Property. However, as a condition to this Agreement, the consent of CPC to the provisions on deferral and modification of the transportation improvements specified in

sections 2, 3 and 4, as such provisions may affect the development of such parcel shall be required. CPH shall make best efforts to obtain such consent, in a form reasonably acceptable to Town.

**SECTION 10. Assignment and Binding Effect.** Nothing in this Agreement shall in any way impair the ability of CPH to transfer portions of the Property, subject to the terms of this Agreement. It is the intention of the parties that this Agreement be binding upon the successors in title to the Property, and the parties acknowledge that the Property is both benefitted and burdened by the covenants of this Agreement. Therefore, the covenants and conditions pertaining to development of the Property contained herein shall constitute real covenants binding upon the successors in interest to the Property, whether specific reference to such covenants be made in any document of transfer to the Property. This Agreement shall be recorded with the Douglas County Clerk and Recorder.

**SECTION 11. Notices.** All notices, certifications or demands required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail or nationally recognized overnight delivery, to the following addresses or as otherwise noticed in writing by the parties from time to time:

TOWN: Town of Castle Rock  
Attn: Town Attorney  
680 N. Wilcox Street  
Castle Rock, Colorado 80104

CPH: Castle Pines Holdings, Inc.  
950 17th Street, Suite 2240  
Denver, Colorado 80202

**SECTION 12. Limited Purpose.** Except as specifically provided in this Agreement, this Agreement shall not constitute a modification, repudiation or termination, in whole or in part, of any separate agreement to which the parties to this Agreement may be a party, including specifically the Annexation Contract. It is the intention of the parties, that the performance of this Agreement not impair the contractual rights under the Annexation Contract of any person or entity not a party to this Agreement.

**SECTION 13. Entirety.** Except as expressly provided herein, this Agreement constitutes the entire contract between the parties as to the matters addressed herein and all prior negotiations, representations, understandings, or agreements pertaining to such matters are merged into and superseded by this Agreement.

**SECTION 14. Default and Remedies.** In the event that any party shall fail to fully and timely perform the covenants of this Agreement, the non-defaulting party shall give written notice of such default to the defaulting party. The defaulting party shall have thirty (30) days from the receipt of such notice to cure the default. Subject to the provisions of section 2 which limit the remedies of the Town in the event of non-compliance with the

provisions of that section, if timely cure is not effected, the non-defaulting party shall have the right to enforce this Agreement in law or in equity by decree of specific performance or damages, or such other legal and equitable relief as may be available under the provisions of the laws of the State of Colorado.

**SECTION 15. Litigation.** In the event of litigation regarding this Agreement, the prevailing party/parties shall be entitled to recover its/their attorneys fees and costs in accordance with applicable rule of law. This Agreement shall be construed in accordance with the laws of the State of Colorado.

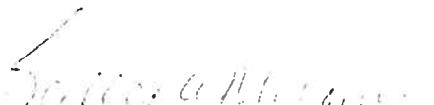
**SECTION 16. Further Assurances.** Each of the parties to this Agreement agree at any time and from time to time to execute such additional documents as may reasonably be requested by any other party in order more fully to carry out or effectuate the provisions of this Agreement.

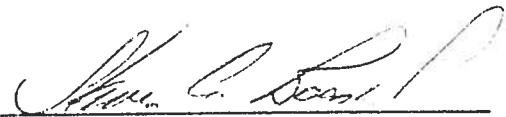
**SECTION 17. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**EXECUTED** by the lawful representatives of the parties, as of the date indicated above.

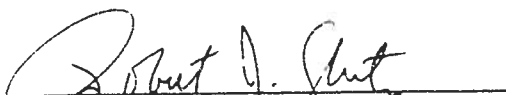
**ATTEST:**

**TOWN OF CASTLE ROCK**

  
\_\_\_\_\_  
Sally Misare, Town Clerk

  
\_\_\_\_\_  
Steven A. Boand, Mayor

**Approved as to form:**

  
\_\_\_\_\_  
Robert J. Slentz, Town Attorney

STATE OF COLORADO )  
 )  
COUNTY OF Denver ) ss.


The foregoing instrument was acknowledged before me this 3/5<sup>th</sup> day of July, 1991, by Steven A. Board, as Mayor and Sally Misare as Town Clerk of the Town of Castle Rock.

Witness my official hand and seal.

My Commission expires: 3/3/93.

Margaret Mackelton  
Notary Public

CASTLE PINES HOLDINGS, INC.

By:   
C.G. Kum, President

STATE OF COLORADO )  
 )  
CITY AND COUNTY OF DENVER ) ss.

The foregoing instrument was acknowledged before me this 3/5<sup>th</sup> day of July, 1991, by C.G. Kum as President of Castle Pines Holdings, Inc.

Witness my official hand and seal.

My Commission expires: 3/3/93.

Margaret Mackelton  
Notary Public

EXHIBIT 1

(Legal Description of the Property)

PARCEL A

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID NORTHEAST QUARTER SOUTHEAST QUARTER WHICH IS 549.4 FEET WEST OF THE EAST QUARTER CORNER OF SAID SECTION 27;  
THENCE NORTH 87 DEGREES 51 MINUTES 30 SECONDS WEST ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER SOUTHEAST QUARTER A DISTANCE OF 379.37 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF TRACT CONVEYED BY DEED IN BOOK 182 AT PAGE 472;  
THENCE SOUTH 0 DEGREES 38 MINUTES WEST ALONG THE EAST BOUNDARY OF SAID TRACT AS IT IS DESCRIBED BY DEED IN BOOK 182 AT PAGE 472 AND PARALLEL WITH THE WEST LINE OF SAID NORTHEAST QUARTER SOUTHEAST QUARTER A DISTANCE OF 600.0 FEET;  
THENCE SOUTH 24 DEGREES 49 MINUTES EAST ALONG THE EASTERLY BOUNDARY OF SAID TRACT AS IT IS DESCRIBED BY SAID DEED IN BOOK 182 AT PAGE 472 A DISTANCE OF 802.33 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTHEAST QUARTER SOUTHEAST QUARTER;  
THENCE SOUTH 88 DEGREES 47 MINUTES EAST ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER SOUTHEAST QUARTER A DISTANCE OF 588.7 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 27;  
THENCE NORTH 0 DEGREES 23 MINUTES EAST ALONG THE EAST LINE OF SAID SECTION 27 A DISTANCE OF 448.9 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 1-25;  
THENCE NORTH 40 DEGREES 24 MINUTES 30 SECONDS WEST ALONG THE SOUTHWESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY 1-25 A DISTANCE OF 651.7 FEET;  
THENCE NORTH 17 DEGREES 55 MINUTES WEST ALONG THE SOUTHWESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 1-25 A DISTANCE OF 393.59 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPT THE SOUTH 50 FEET AND THE EAST 50 FEET OF SAID PARCEL HERETOFORE CONVEYED IN SAID DEED RECORDED IN BOOK 182 AT PAGE 472.

PARCEL B

A TRACT OF LAND LYING IN THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27, BEING THE TRUE POINT OF BEGINNING;

THENCE WEST 840.0 FEET TO THE EAST RIGHT OF WAY LINE OF STATE HIGHWAY NO. 95;

THENCE NORTH 40 DEGREES 30 MINUTES WEST, 360.00 FEET, MORE OR LESS, ALONG SAID RIGHT OF WAY LINE;

THENCE EAST 1096.68 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27;

THENCE SOUTH 273.0 FEET TO THE POINT OF BEGINNING,

EXCEPT THE SOUTH 60 FEET THEREOF CONVEYED IN DOCUMENT RECORDED SEPTEMBER 23, 1968 IN BOOK 187 AT PAGE 98.

PARCEL C

A PORTION OF SECTIONS 22, 27 AND 28 OF TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID SECTION 27, SAID CORNER BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION AND CONSIDERING THE NORTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 27 TO BEAR SOUTH 89 DEGREES 10 MINUTES 01 SECONDS EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE EASTERLY ALONG SAID NORTHERLY LINE SOUTH 89 DEGREES 10 MINUTES 01 SECONDS EAST, 1334.62 FEET TO THE NORTHEAST CORNER OF THE WEST HALF OF THE NORTHWEST QUARTER OF SAID SECTION 27;

THENCE SOUTHERLY ALONG THE EASTERLY LINE OF SAID WEST HALF SOUTH 00 DEGREES 43 MINUTES 25 SECONDS WEST, 353.24 FEET;

THENCE DEPARTING SAID EASTERLY LINE NORTH 81 DEGREES 58 MINUTES 18 SECONDS EAST, 62.47 FEET;

THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 33 DEGREES 33 MINUTES 36 SECONDS, A RADIUS OF 1896.09 FEET, AN ARC OF 1110.61 FEET AND A LONG CHORD WHICH BEARS NORTH 65 DEGREES 11 MINUTES 30 SECONDS EAST, 1094.80 FEET;

THENCE ALONG A COMPOUND CURVE TO THE LEFT HAVING A DELTA OF 17 DEGREES 01 MINUTE 35 SECONDS, A RADIUS OF 2020.00 FEET, AN ARC OF 600.29 FEET AND A LONG CHORD WHICH BEARS NORTH 39 DEGREES 53 MINUTES 54 SECONDS EAST, 598.07 FEET TO THE SOUTHERLY LINE OF THE I-25 FRONTAGE ROAD;

THENCE EASTERLY AND SOUTHEASTERLY ALONG THE SOUTHERLY AND WESTERLY RIGHT OF WAY LINE OF SAID FRONTAGE ROAD SOUTH 89 DEGREES 57 MINUTES 04 SECONDS EAST, 223.04 FEET;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 39 DEGREES  
26 MINUTES 54 SECONDS, A RADIUS OF 236.60 FEET, AN ARC OF  
176.67 FEET AND A LONG CHORD WHICH BEARS SOUTH 70 DEGREES 12  
MINUTES 37 SECONDS EAST, 173.20 FEET;  
THENCE DEPARTING SAID CURVE ON A NON-TANGENT LINE WHICH BEARS  
SOUTH 27 DEGREES 46 MINUTES 51 SECONDS EAST, 2964.06 FEET;  
THENCE SOUTH 17 DEGREES 55 MINUTES 33 SECONDS EAST, 651.76 FEET  
TO THE SOUTHERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION  
27;  
THENCE DEPARTING THE WESTERLY RIGHT OF WAY LINE OF SAID  
FRONTAGE ROAD WESTERLY ALONG SAID SOUTHERLY LINE OF THE  
NORTHEAST QUARTER NORTH 88 DEGREES 50 MINUTES 13 SECONDS WEST,  
176.31 FEET;  
THENCE DEPARTING SAID SOUTHERLY LINE SOUTH 00 DEGREES 37  
MINUTES 48 SECONDS WEST, 1049.59 FEET;  
THENCE NORTH 88 DEGREES 56 MINUTES 47 SECONDS WEST, 230.79  
FEET;  
THENCE NORTH 00 DEGREES 46 MINUTES 08 SECONDS EAST, 1057.39  
FEET;  
THENCE NORTH 89 DEGREES 14 MINUTES 52 SECONDS WEST, 800.48  
FEET;  
THENCE NORTH 00 DEGREES 46 MINUTES 31 SECONDS EAST, 1107.24  
FEET;  
THENCE NORTH 89 DEGREES 13 MINUTES 29 SECONDS WEST, 300.00 FEET  
TO THE EASTERLY LINE OF THE WEST HALF OF SAID SECTION 27;  
THENCE SOUTHERLY ALONG SAID EASTERLY LINE SOUTH 00 DEGREES 47  
MINUTES 36 SECONDS WEST, 1107.52 FEET TO THE CENTER QUARTER OF  
SAID SECTION 27;  
THENCE CONTINUING SOUTHERLY ALONG SAID EASTERLY LINE SOUTH 00  
DEGREES 48 MINUTES 36 SECONDS WEST, 784.45 FEET TO THE  
NORTHERLY RIGHT OF WAY LINE OF COLORADO STATE HIGHWAY NUMBER  
83;  
THENCE NORTHWESTERLY ALONG SAID NORTHERLY LINE OF THE FOLLOWING  
SIX COURSES AND DISTANCES:  
1) NORTH 40 DEGREES 54 MINUTES 11 SECONDS WEST, 1408.14 FEET;  
2) THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 05  
DEGREES 49 MINUTES 00 SECONDS, A RADIUS OF 2835.00 FEET, AN ARC  
OF 287.81 FEET AND A LONG CHORD WHICH BEARS NORTH 37 DEGREES 59  
MINUTES 41 SECONDS WEST, 297.69 FEET;  
3) THENCE NORTH 35 DEGREES 05 MINUTES 11 SECONDS WEST, 1341.90  
FEET;  
4) THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 27  
DEGREES 13 MINUTES 00 SECONDS, A RADIUS OF 2322.00 FEET, AN ARC  
OF 1103.00 FEET AND A LONG CHORD WHICH BEARS NORTH 48 DEGREES  
41 MINUTES 41 SECONDS WEST, 1092.66 FEET;  
5) THENCE NORTH 62 DEGREES 18 MINUTES 11 SECONDS WEST, 828.86  
FEET;

5) THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 00 DEGREES 01 MINUTE 51 SECONDS, A RADIUS OF 11490.00 FEET, AN ARC OF 5.16 FEET AND A LONG CHORD WHICH BEARS NORTH 52 DEGREES 20 MINUTES 00 SECONDS WEST, 5.16 FEET TO THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 29;

THENCE EASTERLY ALONG SAID NORTHERLY LINE SOUTH 89 DEGREES 19 MINUTES 15 SECONDS EAST, 309.32 FEET TO THE POINT OF BEGINNING OF THIS DESCRIPTION.

TOGETHER WITH THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 7 SOUTH, RANGE 57 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 22 AND CONSIDERING THE WESTERLY LINE OF SAID SOUTHEAST QUARTER TO BEAR NORTH 00 DEGREES 05 MINUTES 29 SECONDS EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE NORTHERLY ALONG SAID WESTERLY LINE NORTH 00 DEGREES 05 MINUTES 29 SECONDS EAST, 554.40 FEET;

THENCE DEPARTING SAID WESTERLY LINE SOUTH 89 DEGREES 57 MINUTES 04 SECONDS EAST, 135.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE ALONG A NON-TANGENT CURVE TO THE LEFT HAVING A DELTA OF 10 DEGREES 37 MINUTES 17 SECONDS, A RADIUS OF 2020.00 FEET, AN ARC OF 374.46 FEET AND A LONG CHORD WHICH BEARS NORTH 24 DEGREES 06 MINUTES 08 SECONDS EAST, 373.93 FEET;

THENCE NORTH 18 DEGREES 47 MINUTES 30 SECONDS EAST, 56.87 FEET TO THE WESTERLY RIGHT OF WAY LINE OF INTERSTATE 25;

THENCE SOUTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE SOUTH 27 DEGREES 44 MINUTES 04 SECONDS EAST, 446.82 FEET;

THENCE DEPARTING SAID WESTERLY RIGHT OF WAY LINE NORTH 89 DEGREES 57 MINUTES 04 SECONDS WEST, 378.96 FEET, TO THE POINT OF BEGINNING OF THIS DESCRIPTION, COUNTY OF DOUGLAS, STATE OF COLORADO.

PARCEL D

A PORTION OF LAND LYING IN THE EAST HALF OF SECTION 27 OF TOWNSHIP 7 SOUTH, RANGE 57 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 27, AS MONUMENTED BY A FOUND REBAR WITH CAP MARKED L.S. 6935, AND CONSIDERING THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 27 TO BEAR NORTH 00 DEGREES 28 MINUTES 54 SECONDS EAST TO THE NORTHEAST CORNER OF SAID SECTION 27, AS MONUMENTED BY A FOUND IRON ROD, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER NORTH 88 DEGREES 49 MINUTES 59 SECONDS WEST A DISTANCE OF 2657.30 FEET TO THE CENTER QUARTER OF SAID SECTION 27, AS MONUMENTED BY A FOUND REBAR WITH CAP MARKED L.S. 6935, AND THE POINT OF BEGINNING;

THENCE NORTHERLY ALONG THE WEST LINE OF SAID NORTHEAST QUARTER, SAID WEST LINE BEING THE EAST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 513 AT PAGE 952, NORTH 00 DEGREES 46 MINUTES 08 SECONDS EAST A DISTANCE OF 1107.36 FEET TO THE SOUTHERLY LINE OF A TRACT OF LAND DESCRIBED IN BOOK 516 AT PAGE 770;

THENCE THE FOLLOWING FOUR COURSES ALONG THAT TRACT OF LAND DESCRIBED IN BOOK 516 AT PAGE 770; SOUTH 89 DEGREES 13 MINUTES 36 SECONDS EAST A DISTANCE OF 300.00 FEET;

THENCE SOUTH 00 DEGREES 44 MINUTES 44 SECONDS WEST A DISTANCE OF 1107.22 FEET TO A FOUND REBAR;

THENCE SOUTH 89 DEGREES 14 MINUTES 28 SECONDS EAST A DISTANCE OF 800.14 FEET TO A FOUND REBAR;

THENCE SOUTH 00 DEGREES 44 MINUTES 57 SECONDS WEST A DISTANCE OF 1057.42 FEET TO A FOUND REBAR WITH CAP MARKED L.S. 6935, SAID POINT LYING ON THE NORTH LINE OF A TRACT DESCRIBED IN BOOK 536 AT PAGE 572;

THENCE WESTERLY ALONG SAID NORTH LINE, NORTH 89 DEGREES 03 MINUTES 15 SECONDS WEST A DISTANCE OF 860.59 FEET TO THE EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 85, AS MONUMENTED BY A FOUND REBAR WITH CAP MARKED L.S. 6935;

THENCE NORTHERLY ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 40 DEGREES 53 MINUTES 41 SECONDS WEST A DISTANCE OF 361.67 FEET TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 27, SAID WEST LINE BEING THE EAST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 515 AT PAGE 952;

THENCE DEPARTING SAID EASTERLY RIGHT OF WAY, AND ALONG SAID EAST LINE, NORTH 00 DEGREES 47 MINUTES 06 SECONDS EAST A DISTANCE OF 784.45 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM ANY PORTION OF THE ABOVE DESCRIBED PARCEL WHICH MAY LIE WITHIN A TRACT OF LAND CONVEYED BY A DEED RECORDED ON JANUARY 30, 1959 IN BOOK 127 AT PAGE 91 OF THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE.

PARCEL E

THREE PARCELS OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

A PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27, AND CONSIDERING THE EAST LINE OF SAID NORTHEAST QUARTER TO BEAR NORTH 00 DEGREES 31 MINUTES 04 SECONDS EAST, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER NORTH 88 DEGREES 56 MINUTES 18 SECONDS WEST, 100.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION:

THENCE CONTINUING WESTERLY ALONG SAID SOUTH LINE NORTH 88 DEGREES 56 MINUTES 18 SECONDS WEST, 486.79 FEET TO THE SOUTHEAST CORNER OF PARCEL 2 DESCRIBED HEREIN:

THENCE DEPARTING SAID SOUTH LINE ALONG THE EASTERLY LINE OF SAID PARCEL 2 NORTH 24 DEGREES 58 MINUTES 54 SECONDS WEST, 55.65 FEET TO A LINE THAT LIES 50.00 FEET NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF SAID NORTHEAST QUARTER:

THENCE EASTERLY ALONG SAID PARALLEL LINE SOUTH 88 DEGREES 56 MINUTES 18 SECONDS EAST, 560.74 FEET TO A POINT THAT LIES 50.00 FEET NORTH OF AND 50.00 FEET WEST OF THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER:

THENCE SOUTH 45 DEGREES 47 MINUTES 14 SECONDS WEST, 70.36 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL NO. 2:

A PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27, AND CONSIDERING THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER TO BEAR NORTH 00 DEGREES 31 MINUTES 04 SECONDS EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER NORTH 88 DEGREES 56 MINUTES 18 SECONDS WEST, 586.79 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION:

THENCE CONTINUING WESTERLY ALONG SAID SOUTH LINE NORTH 88 DEGREES 56 MINUTES 18 SECONDS WEST, 744.94 FEET TO THE SOUTHWEST CORNER OF SAID NORTHEAST QUARTER:

THENCE NORTHERLY ALONG THE WEST LINE OF SAID NORTHEAST QUARTER NORTH 00 DEGREES 39 MINUTES 04 SECONDS EAST, 1317.15 FEET TO THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER:

THENCE EASTERLY ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, SOUTH 88 DEGREES 49 MINUTES 53 SECONDS EAST, 400.02 FEET:

THENCE DEPARTING SAID NORTH LINE SOUTHERLY ALONG A LINE 400.00 FEET EASTERLY OF AND PARALLEL WITH THE WEST LINE OF SAID NORTHEAST QUARTER SOUTH 00 DEGREES 39 MINUTES 04 SECONDS WEST, 600.02 FEET:

THENCE SOUTH 24 DEGREES 58 MINUTES 54 SECONDS EAST, 797.31 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

PARCEL 3:

A PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 7 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27, AND CONSIDERING THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER TO BEAR NORTH 00 DEGREES 31 MINUTES 04 SECONDS EAST WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER NORTH 88 DEGREES 56 MINUTES 18 SECONDS WEST, 1331.73 FEET TO THE SOUTHEAST CORNER OF SAID NORTHEAST QUARTER AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION:

THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27, NORTH 88 DEGREES 56 MINUTES 18 SECONDS WEST, 853.43 FEET TO THE EASTERLY RIGHT OF WAY LINE OF COLORADO STATE HIGHWAY NO. 35:

THENCE NORTHERLY ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 40 DEGREES 54 MINUTES 11 SECONDS WEST, 80.69 FEET TO A LINE 60.00 FEET NORTHERLY OF AND PARALLEL WITH THE SOUTH LINE OF SAID NORTHWEST QUARTER:

THENCE DEPARTING SAID RIGHT OF WAY LINE ALONG SAID PARALLEL LINE, SOUTH 88 DEGREES 56 MINUTES 18 SECONDS EAST 906.96 FEET TO THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 27:

THENCE SOUTHERLY ALONG SAID WEST LINE SOUTH 00 DEGREES 39 MINUTES 04 SECONDS WEST, 60.00 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION.

EXCEPTING FROM THE ABOVE PARCELS, THOSE PORTIONS DESCRIBED IN THE FOLLOWING DOCUMENTS:

1. WARRANTY DEED RECORDED FEBRUARY 11, 1986 IN BOOK 623 AT PAGE 787.

2. WARRANTY DEED RECORDED APRIL 1, 1986 IN BOOK 632 AT PAGE 679.

*Callie  
JAS*

EXHIBIT 2

(Legal Description of the Project)

Parcel A

A tract of land located in the East half of Section 27, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado, being described as follows:

Commencing at the East Quarter corner of said Section 27, as monumented by an aluminum pipe with a cap marked PLS 14166, and considering the East line of the Northeast quarter of said Section 27 to bear North 00°28'54" East, to the Northeast corner of said Section 27, as monumented by an iron rod, with all bearings contained herein, relative thereto; thence North 68°57'54" West, 861.39 feet to the Westerly line of Tract "E" of the Meadows Parkway, Phase II, according to the recorded plat thereof and the POINT OF BEGINNING of this description; thence departing said Westerly line South 61°48'37" West, 278.65 feet; thence North 28°11'23" West, 266.21 feet; thence South 61°48'37" West, 113.66 feet; thence North 73°11'23" West, 236.27 feet; thence North 28°11'23" West, 435.98 feet; thence North 16°48'37" East, 236.27 feet; thence North 61°48'37" East, 113.66 feet; thence North 28°11'23" West, 441.09 feet; thence North 80°39'23" East, 257.59 feet; thence North 83°29'52" East, 257.81 feet to the West right-of-way line of the Interstate 25 frontage road; thence along said right-of-way line South 27°45'54" East, 1039.27 feet to the most Northerly corner of said Tract "E"; thence along the Westerly line of said Tract "E" South 08°59'32" West, 325.95 feet to the POINT OF BEGINNING of this description, containing 19.04 acres (829,300 square feet), more or less.

Parcel B

A tract of land located in the East half of Section 27, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado, being described as follows:

Commencing at the East Quarter corner of said Section 27, as monumented by an aluminum pipe with a cap marked PLS 14166, and considering the East line of the Northeast quarter of said Section 27 to bear North 00°28'54" East, to the Northeast corner of said Section 27, as monumented by an iron rod, with all bearings contained herein, relative thereto; thence North 68°57'54" West, 861.39 feet to the Westerly line of Tract "E" of the Meadows Parkway, Phase II, according to the recorded plat thereof; thence departing said Westerly line South 61°48'37"

West, 278.65 feet to the POINT OF BEGINNING of this description; thence South 61°48'37" West, 699.36 feet; thence along a curve to the left having a delta of 08°59'42", a radius of 750.00 feet and an arc length of 117.74 feet; thence along a non-tangent curve to the right having a delta of 45°31'15", a radius of 1500.00 feet, an arc length of 1191.73 feet and a chord which bears North 22°08'48" West, 1160.64 feet; thence North 00°36'49" East, 100.00 feet; thence along a curve to the left having a delta of 25°28'33", a radius of 1000.00 feet and an arc length of 444.64 feet; thence North 80°39'23" East, 553.92 feet; thence South 28°11'23" East, 441.09 feet; thence South 61°48'37" West, 113.66 feet; thence South 16°48'37" West, 236.27 feet; thence South 28°11'23" East, 435.98 feet; thence South 73°11'23" East, 236.27 feet; thence North 61°48'37" East, 113.66 feet; thence South 28°11'23" East, 226.21 feet to the POINT OF BEGINNING of this description, containing 23.42 acres (1,020,300 square feet), more or less.

*OK*  
*AS*

**EXHIBIT 3**

(Fees/Exactions)

Building Permit	=	Dependent on valuation/construction
Plan Check	=	65% of Building Permit Cost
Use Tax	=	3 1/4% of materials or 1 5/8% of total job cost
Street Oversizing	=	\$12 per 100 sq. ft. of building
Capital Plant	=	\$4 per 100 sq. ft. of building
System Development Fees	=	\$4,020 per EQR, increases 5% as of 1/1/92
Tap Fees	=	Depends on size of water and sewer

Note: The description of fees above is approximate, based upon current schedules. The fees may be modified or adjusted from time to time, and is not intended to limit the Town's imposition of additional Town-wide fees or exactions on development or construction

*[Handwritten signature]*  
\_\_\_\_\_  
\_\_\_\_\_

Exhibit 4

**CASTLE ROCK  
FACTORY OUTLET CENTER**

**SCOPE OF PUBLIC IMPROVEMENTS**

General

As required per Section 3 of the Development Agreement between the Town of Castle Rock ("Town") and Colorado Factory Shops Limited Partnership ("Developer") the following summary details the scope of the "Public Improvements" as defined in the Development Agreement.

The Public Improvements shall be designed and constructed in conformance with the following regulations, standards and design criteria:

- Per Castle Rock Municipal Code, Titles 16 through 19 inclusive, with respect to Zoning Ordinances and Subdivision Regulations.
- Per Castle Rock Ordinance No. 3.74 with respect to Standard Construction Specifications for Public Works Improvements.
- Per new Chapter 13.16 of the Castle Rock Municipal Code with respect to conservation of water in irrigated public areas.
- Per accepted civil engineering practice.
- Per the technical findings and analysis performed by Rocky Mountain Consultants or another engineer designated by Developer ("Design Engineer").

In compliance with Castle Rock Subdivision Regulations, the Design Engineer shall prepare and submit plans and specifications depicting the fully-developed Public Improvements (in particular, arterial and/or collector streets, storm drainage systems, sidewalks, streetscaping, street lighting, etc.), in consultation with the Town of Castle Rock and the owner of the adjacent property, Castle Pines Holdings, Inc. ("CPH").

The Public Improvements are to be constructed in connection with the development of a factory outlet shopping center on a 19-acre parcel to be acquired by Developer, although portions of the Public Improvements are also intended to service development of expansions of the factory outlet shopping center on up to an additional 24 acres (the "Project"), and the adjacent property. Some of the Public Improvements are depicted on the drawing attached hereto and made a part hereof.

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### Access Improvements

Consistent with the town's submittal requirements, and per the recommendations of a traffic impact analysis to be provided by the Town, access improvements shall consist of additional acceleration/deceleration laneage at the northerly intersection of Meadows Parkway and the entry road. The width, storage-lane lengths and lane-taper ratios shall be as specified by the traffic impact analysis. The access improvements shall include existing curb removal, new concrete pavement, curbing, striping and signage per the Uniform Code of Traffic Control Devices.

### Street Improvements

Final Plat and Construction Plan submittals for street improvements shall be to final design widths and sections per the subdivision regulations. The street improvements shall be clearly detailed and shall include the following:

- All stripping, clearing, embankment fills and unclassified excavation, subgrade preparation, curb and gutter, and asphaltic or concrete pavement required to complete the street improvements.
- Approximately 400 lineal feet of the divided-arterial entry road shall be surfaced for five (5) travel lanes (approximately 76'-width including a 16' median) from the Meadows Parkway intersection north to the first interior street. Approximately 500 lineal feet of the divided-arterial entry road shall be surfaced for four (4) travel lanes (approximately 64' width including a 16' median) from the first interior street to the Project access street.
- The construction of an additional approximately 1600 lineal feet of the divided-arterial entry road with full-width rough grading (4 lanes), and two surfaced travel lanes extending north along the western boundary of the Project site, together with a temporary cul-de-sac at the northern terminus, shall be bid as an alternate item. This alternate item shall be constructed to the extent that the costs of such construction (as shown by the bid) do not cause the total cost of the Public Improvements (as shown by the bids for the Public Improvements) to exceed \$1,250,000.
- Curb and gutter shall be constructed along all flowlines and medians. A finished entry-median, approximately 16 feet in width shall be constructed for the southern 900 lineal feet of the divided-arterial entry road (that portion constructed to full width). The full access and turning laneage at the Meadows Parkway intersection shall be constructed on both sides of the entry median.
- The Project access street shall exit from the entry road, and extend northeasterly to the Interstate 25 right-of-way. The access street shall be surfaced to four (4) travel lanes, or approximately 64-foot flowline width (including a 16' median), and include a vertical curb and gutter on flowlines and center median, for approximately 1,000 lineal feet. [Note: The access street shall be 4 lanes to the cul-de-sac, notwithstanding the drawing attached hereto.] A temporary cul-de-sac shall be sized to adequate diameter by the Design Engineer to facilitate use by emergency fire

equipment. Cul-de-sac surfacing shall be Class 6 Aggregate Base Course (ABC) or approved equal, and all delineation and/or barricading shall be specified by the Design Engineer, in conformance with UCTCD standards.

- In light of future commercial development adjacent to these street improvements, paving shall not be partial, but to full-design depth. The final design section depth and materials shall be determined by geotechnical investigation and a pavement design analysis. Both asphalt and concrete sections shall be considered.
- PVC conduit shall be provided by all intersections for future electrical, natural gas, telephone or other utility crossings. Conduits shall also be installed for future traffic signalization if so required by the traffic impact analysis. The size and configuration of conduits shall be specified by the Design Engineer and by the appropriate utility companies for which the conduits are installed.
- Traffic and directional signage, striping, temporary erosion mitigation and reseeding shall also be provided.

#### Storm Drainage Improvements

- The storm drainage improvements shall include the completion of a final drainage study for the 43-acre Project site, including any drainage courses traversed or impacted by the Public Improvements and other off-site improvements required under the Development Agreement. CPH shall provide a drainage study for its adjacent property, including determination of the size of the two detention ponds to be constructed as part of the Public Improvements. The storm drainage systems shall be designed per current Urban Storm Drainage Design Standards, mitigating historic sub-basin flows and future developed flows within the given sub-basin. While the overall storm drainage system shall be dictated by the Town's standards and the Developer's and CPH's detention priorities, the extent of the Public Improvements will be dictated largely by the methods which CPH and the Developer select to collect, detain and otherwise discharge developed flows.
- Based on the findings and recommendations of the final drainage study, storm drainage improvements may include minor channelization, erosion mitigation, culvert piping under the entry street, detention ponds, street conduit, and any collection piping and Type "R" inlets as may be required for the entry road and access street segments specified above. The magnitude of the requirements for stormwater detention shall be addressed in the final drainage study and improvements specified herein are for budgetary estimates only.
- The Public Improvements shall include any revegetation and/or slope stabilization require to mitigate the Project's stormwater discharge. All easements required for the off-site drainage improvements must be specified prior to construction.

Off-site/Meadows Water Interconnect

CPH shall provide a utility study of water and wastewater requirements in connection with development of the Project and of CPH's adjacent property, and the adequacy of existing off-site infrastructure. At present, approximately 1,020 LF of 16" D.I.P. watermain in Meadows Parkway is not connected to the Town's water distribution system. The 16" connection to existing, active service must be made at the watermain's current terminus, located at the westerly abutment of the Meadows Parkway bridge. Construction of the interconnection at the Highway 85/Meadows Parkway intersection shall be accomplished by the following:

- Design and construct the 16" D.I.P. watermain to be conventionally installed underground per required depths, bedding and restraint.
- Horizontal alignment shall be accomplished within existing, platted rights-of-way, although additional easements will be required near the eastern terminus (at U.S. Highway 85).
- Construction shall include additional depth encasement and rip-rap scour protection through Plum Creek crossing and shall include a bore-crossing of the Denver Rio Grande Western Railroad right-of-way.
- The water interconnection shall include all street cuts, fittings, valves, air vacs and other appurtenances and shall include testing, special inspection and stream dewatering if required. Per the approved alignment, the Town, or its designee, shall acquire any permanent and/or construction easements, as well as all permits required by the DRCW Railroad, the Colorado Division of Highways and the Army Corps of Engineers.

Internal Water Distribution

Consistent with the utility study performed by CPH and a hydraulic evaluation for the Project performed by the Design Engineer, off-site water systems installed within the previously-described streets shall include:

- Ductile iron watermain (final pipe size[s] to be determined by CPH based upon its utility study) from the existing 16" stubout in Meadows Parkway, approximately 2,500 LF or to 20 feet beyond the northerly property line of the Project site. Also included is approximately 1,000 LF of 8" water line, subject to the hydraulic evaluation, within the Project access street. Distribution shall include all 6" hydrant assemblies per specified Town stationing, and all gate valves, fittings, restraint, blowoffs, and 8" D.I.P. tees and stubouts to other properties to be serviced by the watermain.
- Construct appropriately-sized tees and PRV vault (at location specified by pressure-zone line). The PRV vault shall not be equipped at this time.
- The Design Engineer shall include in the hydraulic analysis adequate data for the Castle Rock Fire Marshall to substantiate the line sizing, fire flows, dynamic pressures and static minimum pressures anticipated by the extension of the existing water distribution system, as described above. The

hydraulic analysis shall also specify specific development thresholds which may dictate future water looping.

#### Wastewater Collection Systems

Wastewater collection improvements shall include:

- Dependent upon the vertical and horizontal alignment of the internal street system, design and construct approximately 3,400 lineal feet of PVC Sewer main (final pipe size to be specified by the Design Engineer subject to the reasonable approval of the Town and CPH) from the northerly property line of the Project site (and the proposed Silver Heights interconnect) thence south within the entry road to a point approximately at the midpoint of the Project site, thence turning west to connect to the existing East Plum Creek interceptor line (as shown on the attached drawing). Also included is a main which begins at the point where the above main turns west and from there, runs southerly in the entry road to the intersection with the Project access street. From this point, it will turn easterly and run up the Project access street a distance of approximately 700 feet. Each of the connections at the Silver Heights line and the East Plum Creek interceptor shall include an additional manhole and flow-metering provisions as may be required by the Plum Creek Wastewater Authority ("PCWA").
- The sewer improvements shall include all manholes and future service stubouts (to be sized) and plugs, designed to serve adjacent properties.
- The alignment of the outfall west of the entry road shall be determined prior to final design by the Design Engineer, with the consent of CPH. Any and all permanent and temporary-construction easements shall be obtained prior to the commencement of construction.
- The sewer improvements shall include connection of the existing Silver Heights' sewer line to the sewer line to be constructed, and the relocation of a portion of the existing Silver Heights line, as shown on the attached map. The disposition, abandonment and/or site reclamation required for the existing Silver Heights' sewage lagoons shall not be included within the Public Improvements.

#### Streetscaping/Pedestrian and Miscellaneous Improvements

The streetscaping improvements shall include the design and construction of a streetscaping corridor along the entry road approximately 20 feet in width, between the proposed easterly curblines and the adjacent property line(s), as described below. Streetscaping and pedestrian improvements on the westerly limits of the entry road are not included within the Public Improvements.

- Construct a 6-ft. detached, meandering, concrete sidewalk along the easterly limits of the entry road to the Project access street, including all handicap-ramps per the Town's subdivision regulations. The sidewalk and the 20 ft. streetscape corridor shall be graded for positive drainage to the curblines.

- Construct approximately 9,600 square feet of landscaping and irrigation in the entry road median, to be designed and installed in conjunction with Developer's proposed Entry Signage.
- Construct or install landscape plantings, shrubs, trees, ground covers, turf, mulches, water taps and irrigation systems along the easterly limits of the entry road to the Project access street, as well as along the southerly limits of the Project access street to the cul-de-sac. The cul-de-sac shall not be landscaped although revegetation of disturbed areas shall be provided. The above streetscaping may include "Xeriscape" design elements and shall meet the Town's current landscape and irrigation design criteria for water conservation.
- ~~Streetlighting and related electrical services shall be constructed concurrently with the streetscape and sidewalk improvements.~~ *OK*
- Construct minimal improvements for emergency access off the D.C. 25 Frontage Road, which may include delineation, shoulder grading, signage, restricted access provisions and any other provisions required by the Town's Fire Marshall. Any access conditions and permitting issues relating to Meadows Parkway must be resolved between the Town and the Colorado Department of Highways.

Electrical Mainfeed and Streetlighting Improvements

- Streetlighting and electrical mainfeed extensions (from U.S. Highway 85 to the Project) shall be constructed and funded independently of this Scope of Public Improvements.

PRELIMINARY COST ESTIMATE

CLIENT: TOWN OF CASTLE ROCK/FACTORY OUTLET CENTER  
 DATE: JULY 25, 1991  
 PROJECT: PROPOSED PUBLIC IMPROVEMENTS

NO.	ACTIVITY/ITEM	QTY.	UNITS	UNIT COST	TOTAL COST
1	REMOVE & HAUL CONCRETE @ ACCEL/DECEL LANES	65	SY	\$30.00	\$1,950.00
2	CONCRETE SAWCUTTING & DOWELLING	650	LF	\$2.80	\$1,820.00
3	EMBANKMENT FILL/COMPACTION/BACKSLOPES	710	CY	\$3.80	\$2,698.00
4	FULL-DEPTH CONCRETE PAVING (8" CONCRETE LANES)	780	SY	\$16.50	\$12,870.00
5	SIGNAGE AND STRIPING	1	LS	\$1,200.00	\$1,200.00
6	SLOPE REVEGETATION/EROSION CONTROL	1	LS	\$500.00	\$500.00
7	RELOCATE EXISTING HYDRANT & VALVE	1	LS	\$1,200.00	\$1,200.00
8	CONSTRUCTION CONTINGENCY	10.0%			\$2,223.80
SUBTOTAL ACCESS IMPROVEMENTS:		N/A	N/A	N/A	\$24,461.80
1	STRIPPING/CLEAR & STOCKPILE TOP SOIL	4,700	CY	\$1.00	\$4,700.00
2	UNCLASSIFIED EXCAVATION (ESTIMATE)	8,300	CY	\$1.50	\$12,450.00
3	EMBANKMENT FILL (HAUL) (ESTIMATE)	25,000	CY	\$2.80	\$70,000.00
4	SUBGRADE PREPARATION	17,300	SY	\$0.75	\$12,975.00
5	TYPE II-B CURB & GUTTER (INCL. MEDIATE)	10,800	LF	\$6.75	\$72,900.00
6	8" FULL-DEPTH ASPHALT	15,000	SY	\$12.75	\$191,250.00
7	TEMPORARY CUL-DE-SAC CONSTRUCTION (FILL & GRAVEL)	600	CY	\$3.30	\$1,980.00
8	MISC. CONDUITS (UTILITIES/SIGNALIZATION)	1	LS	\$8,500.00	\$8,500.00
9	SIGNAGE/DELINATION/STRIPING	1	LS	\$2,500.00	\$2,500.00
10	EROSION CONTROL/REVEGETATION	1	LS	\$6,300.00	\$6,300.00
11	ADJUST MANHOLES & VALVE BOXES	1	LS	\$1,700.00	\$1,700.00
12	CONSTRUCTION CONTINGENCY	10.0%			\$38,525.50
SUBTOTAL STREET IMPROVEMENTS:		N/A	N/A	N/A	\$423,780.50
1	CHANNEL "A" EXCAVATION & SHAPING	7,000	CY	\$2.00	\$14,000.00
2	TYPE "M" RIPRAP OUTLET/INLET	225	CY	\$35.00	\$7,875.00
3	56" F.E.S.	2	EA	\$890.00	\$1,780.00
4	56" RCP	150	LF	\$85.00	\$12,750.00
5	10 FT. TYPE "R" INLETS	2	EA	\$2,200.00	\$4,400.00
6	18" RCP	100	LF	\$35.00	\$3,500.00
7	TEMPORARY GRADING/EROSION CONTROL/REVEGETATION	1	LS	\$2,500.00	\$2,500.00
8	30" RCP/4 INLETS (DESIGN DEPENDENT)	1	LS	\$25,000.00	\$25,000.00
9	REVEGETATION/MIRAFI/MISCELLANEOUS	1	LS	\$4,000.00	\$4,000.00
10	DETENTION PONDS	16,000	CY	\$2.00	\$32,000.00
11	OUTLET STRUCTURE	2	EA	\$8,000.00	\$16,000.00
12	CONCRETE DROP STRUCTURE	6	EA	\$4,000.00	\$24,000.00
13	CONSTRUCTION CONTINGENCY	10.0%			\$14,780.50
SUBTOTAL DRAINAGE IMPROVEMENTS:		N/A	N/A	N/A	\$162,585.50

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PRELIMINARY COST ESTIMATE

CLIENT: TOWN OF CASTLE ROCK/FACTORY OUTLET CENTER  
 DATE: JULY 25, 1991  
 PROJECT: PROPOSED PUBLIC IMPROVEMENTS

NO.	ACTIVITY/ITEM	QTY.	UNITS	UNIT COST	TOTAL COST
1	WEST 16" INTERCONNECT/INSULATE/ENCLOSURE	20	LF	\$50.00	\$1,000.00
2	15" D.I.P. WATER	1,250	LF	\$28.50	\$35,625.00
3	16" D.I.P. ENCASED (W/SPECIAL RODDING & PROTECTION)	180	LF	\$98.00	\$17,640.00
4	DRGW RAILROAD BORE CROSSING	90	LF	\$160.00	\$14,400.00
5	16" GATE VALVES	3	EA	\$1,200.00	\$3,600.00
6	AIR VAC ASSEMBLY	1	EA	\$1,700.00	\$1,700.00
7	BENDS/FITTINGS/APPURTENANCES	1	LS	\$7,800.00	\$7,800.00
8	REMOVE/REPLACE EXISTING ASPHALT (10")	220	SY	\$31.00	\$6,820.00
9	UTILITY MARKERS	1	LS	\$340.00	\$340.00
10	TYPE "M" RIP RAP @ CREEK CROSSING	120	CY	\$40.00	\$4,800.00
11	PERMITS/FEEES/RR FLAGMAN/INSPECTOR/ARMY CORPS	1	LS	\$4,000.00	\$4,000.00
12	EROSION CONTROL/REVEGETATION	1	LS	\$2,000.00	\$2,000.00
13	TRENCH DEWATFRING CONTINGENCY	1	LS	\$10,000.00	\$10,000.00
14	CONSTRUCTION CONTINGENCY	10.0%			\$10,972.00
SUBTOTAL OFFSITE/MEADOWS WATER INTERCONNECT:		N/A	N/A	N/A	\$120,697.50
1	12" D.I.P. ONSITE WATER (T.B.D.)	2,500	LF	\$25.00	\$62,500.00
2	12" GATE VALVES	3	EA	\$950.00	\$2,850.00
3	AIR VAC ASSEMBLY	2	EA	\$1,700.00	\$3,400.00
4	BENDS/FITTINGS/APPURTENANCES/PLUGS/BLOW-OFFS	1	LS	\$6,700.00	\$6,700.00
5	12" X 6" HYDRANT ASSEMBLIES	8	EA	\$1,900.00	\$15,200.00
6	12" X 8" TEES	3	EA	\$450.00	\$1,350.00
7	8" D.I.P.	1,100	LF	\$20.00	\$22,000.00
8	8" GATE VALVES	4	EA	\$500.00	\$2,000.00
9	PRV TEES & VAULT (EQUIP FUTURE)	1	LS	\$9,000.00	\$9,000.00
10	CONSTRUCTION CONTINGENCY	10.0%			\$12,500.00
SUBTOTAL INTERNAL WATER DISTRIBUTION:		N/A	N/A	N/A	\$137,500.00
1	8" PVC SEWER	2,400	LF	\$15.00	\$36,000.00
2	10" PVC SEWER	1,000	LF	\$18.00	\$18,000.00
3	48" MANHOLES (0' - 10' DEPTH)	10	EA	\$1,100.00	\$11,000.00
4	VAULT OR METERING MANHOLE @ INTERCEPTOR	2	EA	\$10,600.00	\$21,200.00
5	8" FUTURE STUBOUTS & PLUGS (INCLUDES S. HEIGHTS)	270	LF	\$25.00	\$6,750.00
6	EPC 27" INTERCEPTOR INTERCONNECT	1	LS	\$2,500.00	\$2,500.00
7	SILVER HEIGHTS RELOCATION	1	LS	\$15,000.00	\$15,000.00
8	CONSTRUCTION CONTINGENCY	10.0%			\$11,045.00
SUBTOTAL SANITARY SEWER:		N/A	N/A	N/A	\$121,495.00

*Callie*  
*JLB*

PRELIMINARY COST ESTIMATE

CLIENT: TOWN OF CASTLE ROCK/FACTORY OUTLET CENTER  
 DATE: JULY 25, 1991  
 PROJECT: PROPOSED PUBLIC IMPROVEMENTS

NO.	ACTIVITY/ITEM	QTY.	UNITS	UNIT COST	TOTAL COST
1	FRONTAGE ROAD/EMERGENCY ACCESS	1	LS	\$3000.00	\$3,000.00
2	6 FT. DETACHED SIDEWALK (ENTRY TO INTERIOR LOOP RD)	800	LF	\$18.00	\$14,400.00
3	MEDIAN LANDSCAPING (ENTRY TO INTERIOR LOOP RD)	9,600	SF	\$2.50	\$24,000.00
4	STREETSCAPE (ENTRY TO INTERIOR LOOP RD)	12,000	SF	\$2.00	\$24,000.00
5	CONSTRUCTION CONTINGENCY	10.0%			\$6,540.00
SUBTOTAL STREETSCAPE/PEDESTRIAN/MISCELLANEOUS:		N/A	N/A	N/A	\$71,940.00

TOTAL HARD COSTS: \$1,062,460.30

NO.	ACTIVITY/ITEM	QTY.	UNITS	UNIT COST	TOTAL COST
1	STUDIES/ENGINEERING DESIGN/SURVEY	7.0%			\$74,372.00
2	SOILS/MATERIALS TESTING	2.0%			\$21,249.00
4	PERMITS/FEES/LEGAL/EASEMENTS/MISC.	1.0%			\$10,625.00
5	PROJECT MANAGEMENT/ADMINISTRATION/INSPECTION	5.0%			\$53,123.00
SUBTOTAL SOFT COSTS:		15.0%			\$159,369.00

GRAND TOTAL PUBLIC IMPROVEMENTS: \$1,221,829.30

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RELOCATE SEWER

DETENTION POND

