ANNEXATION AND DEVELOPMENT CONTRACT

BETWEEN

THE TOWN OF CASTLE ROCK

AND

BELLAMAH COMMUNITY DEVELOPMENT

(BELLAMAH ANNEXATIONS (SOUTHERN PORTION))

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ANNEXATION AND DEVELOPMENT CONTRACT

(BELLAMAH ANNEXATIONS)

THIS AGREEMENT made this ____ day of _____, 19___, 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 BELLAMAH COMMUNITY DEVELOPMENT, a New Mexico general partnership 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 Rock Ranch (Southern Portion), 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 Bellamah Community Development, a New Mexico general partnership

1.3 OWNER The OWNERS of the LAND is: Bellamah Community Development, a New Mexico general partnership

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, Colorado 80104

DEVELOPER:

Bellamah Community Development
Panorama Park
9085 E. Mineral Circle
Suite 230
Englewood, CO 80112

OWNERS: Bellamah Community Development
Panorama Park
9085 E. Mineral Circle
Suite 230
Englewood, CO 80112

With Copies To: Bill Chappell Jr.
Johnson and Lanphere, P.C.
6400 Uptown Boulevard N.E.
Suite 200-W
Albuquerque, NM 87110

James S. Folkestad
Folkestad & Kokish
316 Wilcox Street
Castle Rock, CO 80104

s.c. 11/13/84

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.

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 in 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.

SECTION IV

APPROVING DOCUMENTS

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

(a) Ordinance Nos. 84-17, 84-18, 84-19, 84-20, 84-21, 84-22, 84-23 and 84-24 annexing the lands described in Exhibit "A" hereto;

(b) Resolution No. 84-29, A resolution approving the execution of this Contract;

(c) Ordinance No. 84-33, the Planned Development Ordinance;

(d) Preliminary Site Plan, dated _____.

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 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 ammenities 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 will develope 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 conservation 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 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, OVERSIZING 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, 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.

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 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 similarily 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 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 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.

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.

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 shallbe 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 REQUIREMENT 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 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 & 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.

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, of 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 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 Castle Rock Municipal Code, Chapter 3.12, and the capital plant investment fees as established pursuant to 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 unenforcible, 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.

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 & 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.

(Additional Conditions commence on page 28)

SECTION XX

ADDITIONAL PROVISIONS

20.1 RECOUPMENT. TOWN shall provide for DEVELOPER 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 roadway and drainage structure construction.

Time for such such recoupment, insofar as it relates to private persons, shall be for a period of ten years.

Recoupment will be due, from the owners of all lands annexed subsequent to the date of such amendment, 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.

20.2 WELL PERMIT APPLICATIONS. While it is understood and agreed that water and water rights are to be dedicated to TOWN at time of final plat approval pursuant to the provisions of Section VII hereof, DEVELOPER agrees, that upon request of TOWN, DEVELOPER will fully cooperate with TOWN in the filing of any necessary applications for well permits to facilitate the production of such water.

20.3 WELL SITES. In the event TOWN determines that a well site or sites are required upon the LAND in locations other than

>se areas designated upon the approved preliminary P.U.D. Site Plan for public dedication TOWN agrees to administratively adjust the boundaries of the such designated public land dedication areas so that an equivalent amount of land will be released from the requirement of public land dedication at a mutually agreed location.

20.4 POTENTIAL FUTURE INTERCHANGE. The Board of Trustees may require DEVELOPER to participate in the cost of constructing an interchange with full access onto Interstate Highway 25 in the general area designated upon the approved Preliminary Site Plan as "Potential Interchange" provided that all of the following conditions are met:

(a) That the west end of the main overpass or underpass structure of such interchange be located upon the LAND.

(b) That traffic volumes generated by uses upon the LAND, require such interchange.

(c) That the internal roadway system within the LAND has been connected by DEVELOPER to such interchange.

(d) The owners of that portion of the LAND as is benefited by such interchange shall participate in the cost of construction of the same on a fair and equitable pro rata basis with other benefiting property owners through a general, special or assessment district or association of such districts.

20.5 DOUGLAS LANE/I-25 INTERCHANGE. The LAND shall be required to participate in the cost of constructing a proposed interchange at Douglas Lane/I-25 through a general, special or sessment district or association of such districts on a fair and

equitable pro rata basis together with the owners of other property benefited by such interchange. Until such interchange is completed DEVELOPER agrees that the following limitations upon issuance of certificates of occupancy (for residential units only upon the LAND) shall apply:

(a) Upon completion of the following improvements to the present at grade Douglas Lane railroad crossing, 530 residential certificates of occupancy shall be permitted and authorized:

(i) standard electric signalization and crossarm installation as approved by the Colorado Public Utilities Commission;

(ii) approach improvements to such at grade crossing as approved by the Public Utilities Commission.

(b) Upon completion of a grade separated crossing of the A.T.S.F. track as approved by the Public Utilities Commission, an additional 680 residential certificates of occupancy shall be permitted and authorized for a cumulative total of 1210 such certificates.

(c) Upon completion of a left turn lane to the southbound entry ramp at the intersection of Miller Boulevard and Interstate Highway 25, an additional 490 residential certificates of occupancy shall be permitted and authorized for a cumulative total of 1700.

(d) No certificates of occupancy in addition to the 1700 said certificates authorized above shall be issued for residential structures until and unless the Douglas Lane

Interchange is completed to applicable federal and state requirements.

20.6 METROPOLITAN DISTRICTS. It is the intention of the DEVELOPER to, within ninety (90) days, present petitions of the owners of the LAND for organization of metropolitan districts, pursuant to and in accordance with Title 32, Article 1, Colorado Revised Statutes 1973, as amended. (Failure of DEVELOPER to present such petitions within said ninety (90) day period shall not prevent consideration and approval of the same, but may, in the TOWN'S discretion, terminate DEVELOPER'S right to disconnect as set forth in Sub-paragraph (k) hereof.) It is the intention of TOWN to consider such petitions pursuant to statute and approve metropolitan districts in conformity with the following provisions.

(a) Said districts shall be permitted to provide water improvements, sewer improvements, street improvements, drainage improvements, safety control improvements, park and recreation improvements and transportation services.

(b) TOWN agrees to approve multiple districts, but not to exceed, without further agreement of the Board of Trustees, ten (10) in number.

(c) Each resolution approving said districts shall incorporate by reference a facilities plan and form of Intergovernmental Agreement which shall be in substantial conformity with facilities plans and intergovernmental agreements previously approved by the TOWN.

(d) Whenever, under the provisions of this Contract, 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 Contract or any Facility of Facilities or other public improvement as defined in the district's organizational documents that duty may be delegated by DEVELOPER to the metropolitan districts provided the provision or maintenance thereof is within the scope of authority of the metropolitan districts.

(e) For such period of time as the metropolitan districts are providing the water, sewer and irrigation water facilities as described in the metropolitan district organizational documents TOWN shall collect water, sewer and irrigation development fees on behalf of such districts within the LAND, and TOWN shall not collect said fees on its own behalf except as otherwise provided in the Intergovernmental Agreements. Other fees now in existence (tap fee, street oversizing fee and capital plan investment fee) shall be charged by and for TOWN, subject to the provisions contained in the Intergovernmental Agreements.

(f) For such period of time as the metropolitan districts are providing water, sewer, and irrigation water facilities, and as a consequence of the metropolitan districts' provision of such Facilities, DEVELOPER will not be entitled to credits against future development fees as provided in this Contract. Nothing contained in this Contract shall in any way effect the granting of such credits for any public improvement to be constructed by DEVELOPER in the futhure pursuant to the applicable provisions of the Contract.

(g) In the event the metropolitan districts shall fail or refuse to provide the public improvements or Facilities that DEVELOPER is responsible to construct, operate or maintain pursuant to the provisions of this Contract, DEVELOPER shall construct, operate and maintain such public improvements or Facilities pursuant to the provisions of this Contract, and receive such credits against development fees as are provided for in this Contract.

(h) In the event the metropolitan districts shall fail or refuse to provide the public improvements or Facilities that TOWN is responsible to construct, operate or maintain pursuant to the provisions of this Contract, TOWN shall construct, operate and maintain such public improvements or Facilities pursuant to the provisions of Contract, and charge such development fees as are then charged for provision of the public improvements so contructed. In such event DEVELOPER, its successors or assigns, shall reimburse the TOWN for the actual and reasonable expenses incurred by TOWN in re-assuming TOWN'S responsibilities under Contract.

(i) Whenever any metropolitan district conveys land to TOWN which was previously conveyed to metropolitan district by DEVELOPER, TOWN shall credit said land as against the public land dedication requirement of DEVELOPER.

(j) DEVELOPER and TOWN agree that at the time for recording of each final plat with the lands described in Contract, DEVELOPER and TOWN shall cause a "Statement of

Information" in substantially similar form to that attached as Exhibit B hereto to be executed and placed of public record at the time of filing of said final plat.

(k) Failure of the TOWN to approve metropolitan districts in substantial conformity with the provisions of this section shall give rise to a right of disconnection of the LAND pursuant to Paragraph 14.2 of this Agreement.

(l) In those areas of the LAND utilizing potable water for irrigation and served by a metropolitan district, the TOWN will collect the water and sewer development fees on behalf of the district. Fees would be determined by the district, subject to the provisions of the intergovernmental agreement between the TOWN and district. In such cases the metropolitan district providing such service would not be entitled to any irrigation water development fee, but a fee in lieu of the irrigation water development fee, and in an equal amount to the irrigation water development fee which would be ordinarily be charged within such district, shall instead be retained by the TOWN for the purpose of having alternate water resources. In those areas of the LAND utilizing irrigation (re-use) systems, water, sewer and irrigation development fees will be collected by the TOWN on behalf of the district and paid to the district.

20.7 CREDITS AGAINST DEVELOPMENT FEES. In the event that the Metropolitan District fails or refuses to provide the public improvements or facilities that DEVELOPER is responsible to construct, operate or maintain pursuant to the provisions of this contract, or in the event that the TOWN and DEVELOPER agree to

DEVELOPER'S performance of certain TOWN responsibilities, DEVELOPER shall receive a credit against TOWN development fees as set forth herein.

(a) DEVELOPER shall receive a credit against TOWN development fees in an amount equal to all TOWN approved costs to DEVELOPER in providing such component.

(b) In the event such development fees are increased during such time as DEVELOPER has not recovered all amounts due it upon creditable expenditures, fifty percent (50%) of the amount of any and all such increases shall be forgiven until such time as DEVELOPER is due no further credit from TOWN.

(c) TOWN reserves the right to prepay credits owed DEVELOPER at any time, in which case such credits, as to both the present development fees and forgiveness of any increases to such fees, shall cease.

(d) An estimate of all costs subject to credit shall be certified to TOWN, in a form reasonably acceptable to TOWN, prior to the creation of an obligation to expend funds by DEVELOPER, and actual costs incurred shall be certified to TOWN within one hundred twenty (120) days following completion of the work to which such costs relate, in order to be eligible for such credit. TOWN shall have the right to object to the reasonableness of the amount of such proposed costs, and in the event agreement cannot be reached between TOWN and DEVELOPER such dispute may be resolved judicially, or by private arbitration if agreed to by the parties, provided that during the pendency of such resolution, DEVELOPER may proceed with the

work for which costs are in dispute, and provided further that the amount finally determined to be reasonable shall be the amount of the credit against future development fees allowed DEVELOPER.

(e) For purposes of determining the amount of credits against the foregiveness of increases in development fees, the amount of any development fee pursuant to ordinance as of the date that DEVELOPER certifies the actual cost of such improvements to TOWN shall control, notwithstanding the fact that said improvements may be accepted by TOWN at a later date.

(f) Wherever engineering and legal fees are recoverable in the form of credits hereunder, it is understood and agreed that such fees are those which relate to activities of DEVELOPER in the provision of systems ordinarily constructed by TOWN as distinquished from such engineering and legal costs as may be incurred in acquiring and adjudicating water rights.

APPROVAL OF THE BOARD OF TRUSTEES

This Agreement was considered by the Board of Trustees of the Town of Castle Rock, Colorado, at their regular public meeting held on November 15, 1984, and a Resolution No. 84-29 was passed by a vote of 6 for and Ø against approving this Agreement and directing the Mayor of the Town of Castle Rock and the Town Clerk to execute such Agreement.

APPROVAL BY THE DEVELOPER

This Agreement has been considered and approved by the DEVELOPER as evidenced by the DEVELOPER'S signature hereon as of the date thereof.

TOWN OF CASTLE ROCK

By: George Kennedy 11/20/84
George Kennedy, Mayor (Date)
Town of Castle Rock

ATTEST:

Richard R. Wilson 11/20/84
Richard Wilson, (Date)
Town Clerk

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 20th day of November, 1984, by _____

George J. Kennedy, as Mayor and Richard R. Wilson as Town Clerk of the Town of Castle Rock, Colorado, a municipal corporation.

Witness my hand and official seal.

My commission expires: 10/8/86

Karen E. Schubert
Notary Public
316 Wilcox St.
Address
Castle Rock CO 80104

(SEAL)

DEVELOPER:

BELLAMAH COMMUNITY DEVELOPMENT,
a New Mexico General Partnership

By: Rodney Oates
Rodney Oates,
Western Regional Manager
Bellamah Community Development

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 19th day of November, 1984, by Rodney Oates, Western Regional Manager, of BELLAMAH COMMUNITY DEVELOPMENT, a New Mexico general partnership, on behalf of said general partnership.

Witness my hand and official seal.

My commission expires: 10/8/86

Karen E. Schubert
Notary Public

EXHIBIT "A"

BOOK 554 PAGE 585

LEGAL DESCRIPTION
(TRACT B)

A PARCEL OF LAND LOCATED IN A PORTION OF SECTIONS 21, 22, 27, 28, 29, 32, 33 AND 34, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SECTION 29; THENCE N88°45'07"W AND ALONG THE NORTH LINE OF SAID SECTION 29 A DISTANCE OF 2661.03 FEET TO THE NORTHWEST CORNER OF THE EAST ONE-HALF OF SAID SECTION 29; THENCE S00°17'04"E A DISTANCE OF 5304.83 FEET TO THE SOUTHWEST CORNER OF THE EAST ONE-HALF OF SECTION 29; THENCE S00°02'25"W A DISTANCE OF 2714.45 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 32; THENCE N89°43'58"E A DISTANCE OF 2623.87 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST ONE-QUARTER OF SAID SECTION 32; THENCE S89°13'07"E AND ALONG THE SOUTH LINE OF THE NORTH ONE-HALF OF SAID SECTION 33 A DISTANCE OF 5123.43 FEET TO A POINT ON A LINE 110.09 FEET WESTERLY FROM AND PARALLEL TO THE CENTERLINE OF THE ATCHISON, TOPEKA AND SANTA FE RAILROAD; THENCE N15°40'13"E AND ALONG SAID PARALLEL LINE A DISTANCE OF 789.98 FEET TO THE EAST LINE OF THE NORTH ONE-HALF OF SAID SECTION 33; THENCE S00°20'06"W ALONG SAID EAST LINE A DISTANCE OF 226.87 FEET TO THE WEST RIGHT-OF-WAY LINE OF THE ATCHISON, TOPEKA AND SANTA FE RAILROAD, SAID RIGHT-OF-WAY LINE BEING 50.00 FEET WESTERLY FROM AND PARALLEL WITH THE CENTERLINE OF SAID RAILROAD; THENCE N15°40'13"E AND ALONG SAID ST RIGHT-OF-WAY LINE A DISTANCE OF 548.06 FEET; THENCE 9°16'50"W A DISTANCE OF 515.85 FEET; THENCE N00°41'47"E A DISTANCE OF 600.45 FEET; THENCE S89°59'02"E A DISTANCE OF 678.73 FEET TO THE WEST OF RIGHT-OF-WAY LINE OF SAID RAILROAD; THENCE N15°40'13"E A DISTANCE OF 8673.18 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF A COUNTY ROAD; THENCE N89°56'39"W AND ALONG SAID RIGHT-OF-WAY A DISTANCE OF 1599.18 FEET; THENCE S17°39'12"W A DISTANCE OF 534.49 FEET TO A POINT OF CURVE TO THE RIGHT; THENCE ALONG SAID CURVE A DISTANCE OF 110.68 FEET, SAID CURVE HAVING A RADIUS OF 198.98 FEET AND A DELTA OF 31°52'17" TO A POINT OF NON-TANGENCY; THENCE S17°39'12"W A DISTANCE OF 139.26 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION 22; THENCE N89°05'55"W AND ALONG SAID NORTH LINE A DISTANCE OF 174.23 FEET; THENCE DEPARTING SAID NORTH LINE S59°43'56"W A DISTANCE OF 23.27 FEET TO A POINT OF CURVE TO THE RIGHT; THENCE ALONG SAID CURVE A DISTANCE OF 122.69 FEET, SAID CURVE HAVING A RADIUS OF 245.68 FEET AND A DELTA OF 28°36'44" TO A POINT; THENCE S88°22'40"W A DISTANCE OF 109.25 FEET; THENCE N01°39'20"W A DISTANCE OF 52.19 FEET TO THE WEST RIGHT-OF-WAY LINE OF TWIN OAKS ROAD; THENCE N89°05'55"W ALONG THE NORTH LINE OF THE SOUTHWEST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SECTION 22 A DISTANCE OF 404.36 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST ONE-QUARTER OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION 21; THENCE N89°33'12"W A DISTANCE OF 5286.16 FEET TO THE NORTHWEST CORNER OF THE SOUTH ONE-HALF OF THE SOUTH ONE-HALF OF SAID SECTION 21; THENCE S00°20'09"W A DISTANCE OF 1322.85 FEET TO IE NORTHWEST CORNER OF SAID SECTION 29, SAID POINT ALSO BEING HE TRUE POINT OF BEGINNING, SAID PARCEL CONTAINING 1882.988 ACRES MORE OR LESS.

EXHIBIT "B"

STATEMENT OF INFORMATION REGARDING

_____

METROPOLITAN DISTRICT NO. _____

BE ADVISED THAT _____ SUBDIVISION is located in _____ Metropolitan District No. _____.

The _____ Metropolitan District No. _____ is a special district, formed pursuant to the laws of the State of Colorado by Order of the District Court in the County of Douglas, State of Colorado, for the purpose of constructing public improvements. Those improvements have been and are to be paid for from moneys raised from bond issues. The bond issues, are to be paid by certain fees and charges and a property tax levied on all the real property lying within the boundaries of the Metropolitan District. The mill levy may vary from year to year in the future as needs for payments of principal and interest on said bonds, and for administrative costs, require. When the bonds or other obligations of the District, or any refunding of the same has been accomplished, the Metropolitan District may be dissolved.

The _____ Metropolitan District No. _____ is in the city limits of Castle Rock but is not a part of the town government of Castle Rock. However, its powers and activities are controlled substantially by an Intergovernmental Agreement between the Metropolitan District and the Town of Castle Rock, a copy of which can be obtained from the Town Clerk of the Town of Castle Rock. The intergovernmental agreement, among other things, provides that the Metropolitan District may not engage in any activity, purpose, service or function except to construct the improvements described therein, nor will it add any additional territory to its boundaries, nor permit any territory now included within its boundaries to be excluded, without the written approval of the Board of Trustees of the Town of Castle Rock, except minor inclusions and exclusions as permitted pursuant to the Intergovernmental Agreement.

The above statement is approved by the President of _____ Metropolitan District No. _____ and by the Board of Trustees of the Town of Castle Rock, Colorado.

_____

President, _____ Metropolitan District No. _____

_____

Mayor, Town of Castle Rock

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RE-RECORDING DC9246306

SUSPENSION AGREEMENT

DC9239132

24

This Agreement is made and entered into this 8th day of October, 1992 by and between the **TOWN OF CASTLE ROCK**, a home rule municipal corporation in Douglas County and the State of Colorado organized and existing under and by virtue of the Constitution and laws of the State of Colorado ("the Town,") and **DAWSON RIDGE 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 I, Title 32, Colorado Revised Statutes, as amended ("District 1"), and **DAWSON RIDGE METROPOLITAN DISTRICT NOs.** 2-5, all quasi-municipal corporations and political subdivisions of the State of Colorado, duly organized and acting pursuant to the provisions of Article I, Title 32, Colorado Revised Statutes, as amended ("Districts 2-5").

RECITALS

WHEREAS, on or about August 15, 1985 the Town and District 1, and the Town and each of District 2-5, entered into certain contracts each entitled an "Intergovernmental Agreement"; and

WHEREAS, on or about August 15, 1985 the Town approved the "Service Plan" for District 1 and District 2-5; and

WHEREAS, on or about December 12, 1985, the Town and District 1 entered into that certain "First Amendment to Intergovernmental Agreement", (the Intergovernmental Agreement, Service Plan and First Amendment to Intergovernmental Agreement for District 1 and Districts 2-5 are collectively referred to herein as the "Intergovernmental Agreement(s)"; and

WHEREAS, on or about November 15, 1984 the Town entered into an annexation agreement with Bellamah Community Development recorded December 18, 1984 at book 554, page 543 of the records of Douglas County, Colorado, and annexed property generally known as "Dawson Ridge" into the Town (referred to herein as the "Annexation Agreement"; and

WHEREAS, on or about September 2, 1992, District 1 delivered to the Town a letter advising the Town that District 1 intended, among other things, to attempt to confirm a plan of adjustment of debts under Chapter 9 of the United States Bankruptcy Code (the "Plan") and District 1 and Districts 2-5 provided to the Town a "45-day Notice," attached hereto as Exhibit A and incorporated herein by this reference, pursuant to C.R.S. § 32-1-207 advising the Town of certain activities proposed to be undertaken by such districts; and

WHEREAS, said letter also advised the Town of the intention of District 1 to obtain ownership of all property within the boundaries of District 1 from the trustee for the Bellamah

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Community Development bankruptcy estate and from MDC Land Corporation; and

WHEREAS, District 1 proposed in said letter a method for protecting the Town's rights and interests with respect to property within District 1 while preserving to District 1 the ability to move forward to attempt to confirm and implement its Plan, and preserving to District 1 and Districts 2-5 the ability to complete related activities as generally described in the above-referenced 45 Day Notice without delay; and

WHEREAS, the Plan for District 1 contemplates the issuance of refunding bonds pursuant to an indenture of trust (the "Indenture"); and

WHEREAS, Districts 2-5 are participating in the Plan to the extent of refunding certain obligations to District 1 by amendment of a reimbursement contract which is expected to obligate Districts 2-5 to certify an amount equal to the "Limited Mill Levy" described in the Indenture and pay the revenues derived therefrom to District 1; and

WHEREAS, the Town has filed objections to the Plan and has given indications to District 1 that it may attempt to enjoin certain activities of District 1 in connection with said Plan (the "Objections"); and

WHEREAS, the Town has adopted Ordinance No. 92-15 (the "Oversight Ordinance") which became effective on October 1, 1992 which may impact the Plan, and has adopted Resolution 92-48, which in general terms approves modifications to the Service Plans of each of the districts so as to enable District 1 to attempt to confirm and implement the Plan and permit the actions contemplated by District 1 and Districts 2-5 in connection therewith (the "Resolution); and

WHEREAS, the parties hereto desire to enter into this Agreement for the purposes stated herein, including but not limited to, permitting District 1 to proceed to obtain confirmation of and implement its Plan and to protect the interests of the Town;

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

I. GENERAL PROVISIONS

A. EFFECTIVE DATE OF AGREEMENT.

1. General and Miscellaneous Provisions. Sections I, II, IV and V hereof shall be deemed effective as of 12:00 midnight,

MDT, on October 8, 1992 regardless of the date of execution hereof by the Town, District 1 and Districts 2-5 and shall be binding upon the parties hereto as of said date and time.

2. Section III - Annexation Agreement. Section III of this Agreement setting forth the amendment of the rights and duties of the parties to the Annexation Agreement, including successors in interest thereto (including property owners), shall become effective only as between District 1 and the Town and only with respect to property acquired by District 1 upon acquisition, from time to time, by District 1 of any property within or outside District 1 and shall, upon each such acquisition, be immediately binding on the Town and District 1 with respect to each such acquisition; provided, however; that if any of the events described in subsection 3 of this Section I.A. occur, then Section III hereof shall be null and void at the election of District 1 by notice delivered in writing to the Town.

3. Conditions Subsequent. If any of the following events occur or exist on or before December 31, 1992, (unless such date is extended by the Town for good reason) Section III of this Agreement shall be null and void at the election of District 1 by notice delivered in writing to the Town, it being the intention of the parties hereto that if District 1 is not able to implement its Plan to its satisfaction, this Agreement shall not operate to amend such agreement and the rights and duties of the parties shall revert to the status quo with respect to such agreement.

(a) Failure of District 1 to obtain title to property pursuant to that certain "Settlement Agreement" with the trustee for Bellamah Community Development. Said agreement is expected to "close" on or about October 22, 1992.

(b) Failure of District 1 to obtain title to property pursuant to that certain "Agreement for Purchase and Sale of Real Property" with the MDC Land Corporation. Said agreement is expected to "close" on or about October 20, 1992.

(c) The Plan for District 1 is not confirmed, or an order of confirmation is successfully appealed. Confirmation is expected to occur on or about October 9, 1992 with the appeal period expiring ten (10) days thereafter.

B. TERM OF AGREEMENT.

This Agreement shall remain in full force and effect from and after the effective dates set forth above until terminated as provided herein.

C. SCOPE AND INTENTION OF AGREEMENT.

1. Affect on Rights. This Agreement is intended to affect the rights and obligations of the parties to and contained in the various Intergovernmental Agreements. It is also intended to affect the rights and obligations of the Town and District 1 in and to the Annexation Agreement to the extent District 1 obtains such rights and obligations. It is further intended to affect the rights and obligations of each of the parties hereto with respect to the 45 Day Notice, the Objections, the Oversight Ordinance and the Indenture, and all rights and obligations of each of the parties hereto whether in law or in equity arising under the laws of the state of Colorado and the bankruptcy code with respect to the subject matter of the agreements and other documents referenced herein.

2. Continuation of Powers and Duties. The amendment of the Intergovernmental Agreements, as described in Section II hereof, is not intended to restrain or render District 1 unable to implement its Plan, perform its obligations under said Plan, or to otherwise impair the ability of District 1 or Districts 2-5 to comply with the laws of the state of Colorado. The parties hereto agree that District 1 shall retain full power and authority to attempt to obtain confirmation of its Plan and to fully implement said Plan in the event confirmation is obtained. It is also intended that District 1 and Districts 2-5 shall continue with full power and authority to exist, operate, and carry out their statutory responsibilities. The parties intend that this Agreement shall not affect the Town's duties to provide fire and police services for the property within District 1 and Districts 2-5.

II. AGREEMENTS CONCERNING INTERGOVERNMENTAL AGREEMENT

A. AMENDMENT OF RIGHTS AND OBLIGATIONS.

1. Suspension of Powers. The parties hereto acknowledge that prior to the date of execution hereof certain rights, privileges, duties, and obligations of the parties hereto have arisen pursuant to each of the Intergovernmental Agreements. Certain questions with respect to the satisfactory performance of the Intergovernmental Agreements have arisen and have not been fully answered to the satisfaction of the parties. The parties hereto agree that except as set forth in Section I.C.2 above, and unless consented to in writing by the Town, the powers and authority of District 1 and Districts 2-5 under each of the Intergovernmental Agreements shall be suspended until such powers and authority resume pursuant to the terms hereof. Upon the effective date of this Section II., the Town shall be permitted to close public access to the property within District 1 (except as necessary to give effect to Section III.A.(2) below regarding property acquired from MDC Land Corporation) and Districts 2-5, and the Town's obligations and duties under the Intergovernmental Agreements shall

be suspended until such time as they resume pursuant to the terms hereof.

2. Amendments. The Intergovernmental Agreements for each of the districts shall be amended by:

(a) The addition of the following new Section 4.6 in the Intergovernmental Agreements for District 1 and Districts 2-5.

"SECTION 4.6 Town Retention of Fees. To the extent that the District fails, refuses, or is otherwise unable to construct Facilities under this Intergovernmental Agreement or the Service Plan which the District is obligated to construct under other provisions hereof, if any, and if the Town pays for the construction thereof, the Town shall be entitled to retain all development fees (including the Facilities Development Fees as defined herein or the Town's proprietary system development fees) collected by the Town for the District until such time as the Town has recovered all costs it has paid with respect to such Facilities, if any, together with interest thereon at the rate of ten percent (10%) per anum or the actual interest rate paid on any debt incurred by the Town related to the construction of Facilities within the District, whichever is higher. Furthermore, the District agrees that the Town shall have the right to impose and collect any other fees, rates, or charges legally available to it within the District so long as those charges are universally imposed throughout the Town."

(b) The addition of the following new Section 4.7 in the Intergovernmental Agreements for District 1 and Districts 2-5.

"SECTION 4.7 Capital Reserve. The Town shall retain from the Facilities Development Fees an amount equal to ten percent (10%) of the Town's System Development Fees imposed by the Town under its regulations, as the same may be amended and adjusted from time to time, for the purpose of developing, restoring, rehabilitating, improving, or repairing any water or wastewater facilities utilized, in whole or in part, to provide services to the service area of the District (the "Capital Reserve"). Provided further, however, should the Town subsequently adopt through its regulations a component of the System Development Fee for the exclusive purpose of providing for the repair and replacement of water and wastewater facilities (as opposed to the "purchase" of existing capacity or acquisition of or development of additional system capacity), the capture by the Town of the Capital Reserve shall be reduced by the amount of such component. The Capital Reserve shall be established as a separate fund, and all expenditures from such fund shall be made by budgetary appropriation. "System Development Fees" as used in this section shall mean the charges imposed by the Town as a condition of the right to connect to the municipal wastewater system, which are

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currently imposed under 13.12.080 of the Castle Rock Municipal Code. In the event that the Town develops Facilities and acquires the right to retain the cost of development pursuant to Section 4.6 hereof, the fee retention provisions of such section shall supersede the fee capture of this Section 4.7. Upon the Town's full recovery of its capital investment as provided in Section 4.6, this Section 4.7 shall again be operative. A charge or fee imposed under Town regulations exclusively for the purpose of the acquisition or development of renewable water resources is not considered a System Development Fee or Facilities Development Fee under this agreement and is therefor not subject to capture or collection by the District. The Town does not currently impose under the Town regulations such charge or fee."

c. The addition of the following new Section 4.8 in the Intergovernmental Agreements for District 1.

"SECTION 4.8 Property Sale/Service. The District shall not sell, except as part of a bulk sale of all real property which it acquires, any portion of the property within its boundaries which requires the completion of the sewage lift station which remains for completion by District as of the date hereof (date of the amendment creating this Section 4.8) until such time as the District or the Town have received sufficient funding to complete the construction thereof."

3. Conflicting Provisions. The provisions of this Section II.A. shall supersede any conflicting provisions of the Intergovernmental Agreements, including Article IV thereof. Nothing contained herein shall constrain the power or authority of District 1 or Districts 2-5 to increase its Facilities Development Fees to a level which is deemed sufficient by such district to allow for retention by the Town of the Capital Reserve and still produce the net fees required by such district.

B. RESUMPTION OF RIGHTS AND OBLIGATIONS.

The rights, privileges, duties, and obligations of the parties under the Intergovernmental Agreements suspended by Section II.A.1. above shall not resume with respect to any district until that district has submitted an amendment to its Service Plan to the Town for review and approval. In connection with the Service Plan amendment, the Town will require the upgrade of public facilities to serviceable conditions by District 1 and Districts 2-5.

III. AGREEMENTS CONCERNING ANNEXATION AGREEMENT

A. SUSPENSION OF RIGHTS AND OBLIGATIONS.

(1.) The Town and District 1 acknowledge that prior to the date of execution hereof, certain rights, privileges, duties, and obligations of the parties to the Annexation Agreement have arisen.

It is anticipated that District 1 will become a party, by virtue of acquiring property, to such Annexation Agreement. District 1 and the Town agree that this Section III.A. shall become effective with respect to each real property acquisition made by District 1 for property which is the subject of the Annexation Agreement, and agree that from and after the effective date of this Section III as set forth in Section I.A.2. hereof, and until the rights, privileges, duties, and obligations of the parties under the Annexation Agreement resume as set forth in the following Section, or until this Agreement is rendered null and void pursuant to Section I.A.4. hereof, the parties shall not attempt to enforce any provision of the Annexation Agreement by court action or otherwise. Upon the effective date of this Section III, the Town shall be permitted to close public access to the property within District 1, but shall continue to provide general fire and police services to such property.

(2.) Notwithstanding the foregoing paragraph, the Annexation Agreement shall not be affected, suspended or amended hereby with respect to the property described in Exhibit B, attached hereto and incorporated herein by this reference, in the event MDC Land Corporation or its assignee should reacquire the property described in Exhibit B by foreclosure or deed-in-lieu thereof certain deeds of trust securing certain promissory notes to be issued by District 1 to MDC Land Corporation for acquisition by District 1 of such property from MDC Land Corporation.

B. RESUMPTION OF RIGHTS AND OBLIGATIONS.

The rights, privileges, duties, and obligations of District 1 (if it obtains title to real property subject to the Annexation Agreement) and the Town under the Annexation Agreement shall not resume until such time as District 1, as the owner of property within District 1, and/or a successor owner, has submitted a development plan to the Town for review and approval or until this Agreement is rendered null and void pursuant to Section I.A.3. hereof.

IV. AGREEMENTS CONCERNING OTHER MATTERS

A. NO INJUNCTION OR OTHER ACTION.

The Town hereby agrees that it shall not seek to enjoin, nor affect by any other action, any activities of District 1 or Districts 2-5 generally described in the 45 Day Notice or other activities which are necessary for District 1 to attempt to obtain confirmation of its Plan and to implement said Plan if confirmation is obtained.

B. **WITHDRAWAL OF OBJECTIONS.**

The Town agrees that not later than 12:00 Noon, MDT, on Friday the 9th day of October, the Town shall withdraw its Objections to the Plan by written stipulation in the form attached hereto as Exhibit C hereto, shall so advise the court at the confirmation hearing, and shall take no action which impairs or delays the ability of District 1 to confirm and/or implement its Plan subject to the conditions of the Resolution. The Town shall reasonably cooperate with District 1 to provide such assurances and other documents as are necessary to assist District 1 in obtaining confirmation of its Plan and implementing the Plan in a manner consistent with the objectives of the parties contemplated herein.

C. **AMENDMENT OF PLAN AND INDENTURE.**

1. Plan. The Plan for District 1 shall also be amended to contain an express assumption by District 1 of the Intergovernmental Agreement. The Plan shall be further amended to contain the following statement:

> "Nothing contained in this Plan shall be construed to amend or modify the Intergovernmental Agreement and Service Plan of the Debtor with respect to the obligations of District 1 and the Town of Castle Rock concerning the construction of capital facilities."

2. Indenture. Prior to confirmation of its Plan, District 1 shall amend the Indenture as follows:

The term "Priority Expenses" set forth in Section 1.01 thereof shall be amended by:

1. The addition of the following phrase at the end of clause (ii): ". . . including payment of the costs of capital facilities to be constructed by District 1 under the Intergovernmental Agreement and Service Plan of District 1, if any."

2. And by the addition of the following clause (vi): "such amounts as are or become due to the Town of Castle Rock under the Intergovernmental Agreement, as amended from time to time."

D. **WITHDRAWAL OF NOTICE; COMPLIANCE WITH ORDINANCE.**

As additional consideration for this Agreement, the Town has found that the activities generally described in the 45 Day Notice, and all activities which are necessary for District 1 and Districts 2-5 to confirm and implement the Plan, and to perform the Plan are in compliance with the Oversight Ordinance. The Town's Resolution containing such findings is attached hereto and incorporated herein by this reference as Exhibit D. In return therefor, District 1 and Districts 2-5 hereby withdraw their 45 Day Notice as respects the

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Town and agree that such notice shall not be operative against the Town in any respect.

IV. MISCELLANEOUS PROVISIONS

A. PARTIES INTERESTED HEREIN.

Nothing contained in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the named parties hereto, any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions hereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the specific parties hereto shall be for the sole and exclusive benefit of the specific parties hereto except as otherwise specifically stated herein. The covenants, terms, conditions, and provisions contained herein, and all amendments of the Agreement, shall inure to and be binding upon the successors and assigns of the parties hereto.

B. NOTICES.

All notices given, or required to be given, under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, to the following addresses:

District 1:

Dawson Ridge Metropolitan District No. 1
8055 E. Tufts Ave. Parkway, Suite 1150
Denver, Colorado 80237
Attn: C. Roger Addlesperger

with a copy to:

Ankele, Icenogle, Norton & White, P.C.
8055 East Tufts Avenue Parkway, Suite 1150
Denver, Colorado 80237
Attn: Gary R. White

Districts 2-5:

Dawson Ridge Metropolitan District Nos. 2-5
8055 E. Tufts Ave. Parkway, Suite 1150
Denver, Colorado 80237
Attn: C. Roger Addlesperger

with a copy to:

Ankele, Icenogle, Norton & White, P.C.
8055 East Tufts Avenue Parkway, Suite 1150
Denver, Colorado 80237
Attn: Gary R. White

Town:

Town of Castle Rock
680 N. WILCOX
CASTLE ROCK, CO 80104

Attn: Robert J. Slentz

All notices will be deemed effective one (1) day after hand delivery or three (3) days after mailing. Any party by written notice so provided may change the address to which future notices shall be sent.

C. **SEVERABILITY.**

If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

D. **AMENDMENT.**

This Agreement may be amended from time to time by agreement between the parties hereto; provided, however, that no amendment, modification, or alteration of the terms or provisions hereof shall be binding unless the same is in writing and duly executed by the parties hereto.

E. **ENTIRETY.**

This Agreement constitutes the entire contract between the parties hereto concerning the subject matter herein, and all prior negotiations, representations, contacts, understandings, or agreements pertaining to such matters are merged into and superseded by this Agreement.

F. **RECOVERY OF COSTS AND FEES.**

In the event of any litigation or arbitration proceedings between the parties hereto concerning the subject matter hereof, the prevailing party in such litigation or arbitration proceedings shall be entitled to receive from the defaulting party, in addition to the amount of any judgment or other award entered therein, all costs and charges permitted herein and all reasonable costs and expenses, including reasonable attorneys fees, incurred by the prevailing party in such litigation or arbitration proceedings.

IN WITNESS WHEREOF, District 1, Districts 2-5, and the Town have executed this Agreement on the day and year first above written.

APPROVED AS TO FORM:

TOWN ATTORNEY

TOWN:

By: _____, Mayor

ATTEST:

_____
Sally Misare, Town Clerk

DISTRICT 1:

DAWSON RIDGE METROPOLITAN DISTRICT NO. 1, a Colorado quasi-municipal corporation

By: _____
President

DISTRICTS 2-5:

DAWSON RIDGE METROPOLITAN DISTRICT NOs. 2-5, a Colorado quasi-municipal corporation

By: _____
President

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 9th day of October, 1992, by Steven A. Boand as Mayor * of The Town of Castle Rock, Colorado.

Witness my hand and official seal.

My commission expires: 2-11-94

_____
Notary Public

*and Sally Misare as Town Clerk

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STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 9 day of October, 1992, by C. Roger Addlesperger as President of Dawson Ridge Metropolitan District No. 1, a Colorado quasi-municipal corporation.

Witness my hand and official seal.

My commission expires: 3-25-93

Kathleen Faber
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 9 day of Oct, 1992, by C. Roger Addlesperger as President of Dawson Ridge Metropolitan District Nos. 2-5, Colorado quasi-municipal corporations.

Witness my hand and official seal.

My commission expires: 3-25-93

Kathleen Faber
Notary Public

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B1100 - P0128 - RE-RECORDING $120.00 - 12/ 24

EXHIBIT A
(45 Day Notice)

EXHIBIT B

A PARCEL OF LAND LYING IN SECTION 28, TOWNSHIP 8 SOUTH, RANGE 67 , TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 28 AND CONSIDERING THE NORTH LINE OF SAID SECTION 28 TO BEAR S 88 DEGREES 19 MINUTES 57 SECONDS E, AND ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;
THENCE S 58 DEGREES 45 MINUTES 54 SECONDS E, 2604.44 FEET TO THE POINT OF BEGINNING, SAID POINT OF BEGINNING ALSO BEING A POINT ON A CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 1440.00 FEET, A CENTRAL ANGLE OF 22 DEGREES 27 MINUTES 09 SECONDS (AND WHOSE CHORD BEARS S 03 DEGREES 45 MINUTES 55 SECONDS W), 564.30 FEET TO A POINT OF TANGENT;
THENCE S 08 DEGREES 27 MINUTES 29 SECONDS E ALONG SAID TANGENT, 113.57 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 1442.50 FEET, A CENTRAL ANGLE OF 06 DEGREES 23 MINUTES 54 SECONDS, 161.09 FEET TO A POINT OF REVERSE CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 41.00 FEET, A CENTRAL ANGLE OF 89 DEGREES 54 MINUTES 11 SECONDS, 64.33 FEET TO A POINT OF TANGENT;
THENCE S 71 DEGREES 31 MINUTES 44 SECONDS W ALONG SAID TANGENT, 146.20 FEET;
THENCE S 70 DEGREES 13 MINUTES 51 SECONDS W, 110.35 FEET;
THENCE S 71 DEGREES 31 MINUTES 44 SECONDS W, 871.03 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 980.00 FEET, A CENTRAL ANGLE OF 08 DEGREES 50 MINUTES 07 SECONDS, 151.12 FEET;
THENCE N 30 DEGREES 29 MINUTES 32 SECONDS W DEPARTING SAID CURVE, 1258.32 FEET;
THENCE N 71 DEGREES 07 MINUTES 41 SECONDS E, 289.90 FEET;
THENCE N 21 DEGREES 37 MINUTES 16 SECONDS E, 100.78 FEET;
THENCE N 67 DEGREES 42 MINUTES 46 SECONDS E, 191.07 FEET;
THENCE S 87 DEGREES 15 MINUTES 18 SECONDS E, 442.82 FEET;
THENCE S 58 DEGREES 24 MINUTES 13 SECONDS E, 228.53 FEET;
THENCE N 83 DEGREES 33 MINUTES 27 SECONDS E, 316.32 FEET;
THENCE N 83 DEGREES 27 MINUTES 10 SECONDS E, 215.54 FEET;
THENCE N 72 DEGREES 26 MINUTES 11 SECONDS E, 155.62 FEET;
THENCE S 75 DEGREES 00 MINUTES 30 SECONDS E, 49.77 FEET TO THE POINT OF BEGINNING.

PARCEL NO. B

A PARCEL OF LAND LYING IN SECTION 29, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EXHIBIT B

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 29, AND CONSIDERING THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 29 TO BEAR N 88 DEGREES 37 MINUTES 18 SECONDS W, AND ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;
THENCE S 25 DEGREES 12 MINUTES 57 SECONDS W, 1073.07 FEET TO THE POINT OF BEGINNING, SAID POINT OF BEGINNING ALSO BEING A POINT ON A CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 41.00 FEET, A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS (AND WHOSE CHORD BEARS S 05 DEGREES 30 MINUTES 57 SECONDS E), 64.40 FEET TO A POINT OF TANGENT;
THENCE S 39 DEGREES 29 MINUTES 03 SECONDS W ALONG SAID TANGENT, 461.50 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 780.00 FEET, A CENTRAL ANGLE OF 32 DEGREES 20 MINUTES 37 SECONDS W ALONG SAID TANGENT, 440.31 FEET TO A POINT OF TANGENT;
THENCE S 07 DEGREES 08 MINUTES 26 SECONDS W ALONG SAID TANGENT, 834.43 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 780.00 FEET, A CENTRAL ANGLE OF 00 DEGREES 26 MINUTES 44 SECONDS, 6.07 FEET;
THENCE N 84 DEGREES 01 MINUTES 27 SECONDS W DEPARTING SAID CURVE, 340.64 FEET;
THENCE S 21 DEGREES 20 MINUTES 21 SECONDS W, 722.47 FEET;
THENCE N 81 DEGREES 20 MINUTES 03 SECONDS W, 313.94 FEET;
THENCE N 07 DEGREES 07 MINUTES 03 SECONDS E, 13.17 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 580.00 FEET, A CENTRAL ANGLE OF 51 DEGREES 02 MINUTES 28 SECONDS, 516.68 FEET TO A POINT OF TANGENT;
THENCE N 43 DEGREES 55 MINUTES 25 SECONDS W ALONG SAID TANGENT, 103.36 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 420.00 FEET, A CENTRAL ANGLE OF 73 DEGREES 16 MINUTES 07 SECONDS, 573.09 FEET TO A POINT OF TANGENT;
THENCE N 29 DEGREES 20 MINUTES 42 SECONDS E ALONG SAID TANGENT, 164.50 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 630.00 FEET, A CENTRAL ANGLE OF 35 DEGREES 53 MINUTES 24 SECONDS, 294.63 FEET TO A POINT OF TANGENT;
THENCE N 06 DEGREES 32 MINUTES 42 SECONDS W ALONG SAID TANGENT, 118.81 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 670.00 FEET, A CENTRAL ANGLE 87 DEGREES 37 MINUTES 14 SECONDS, 1024.61 FEET TO A POINT OF TANGENT;
THENCE N 81 DEGREES 04 MINUTES 32 SECONDS E ALONG SAID TANGENT, 348.48 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 770.00 FEET, A CENTRAL ANGLE OF 48 DEGREES 24 MINUTES 31 SECONDS, 650.57 FEET TO A POINT OF TANGENT;

EXHIBIT B

THENCE S 50 DEGREES 30 MINUTES 57 SECONDS E, 141.14 FEET TO THE POINT OF BEGINNING.

PARCEL 2

A PARCEL OF LAND LYING IN SECTIONS 21 AND 22, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 22, AND CONSIDERING THE NORTH LINE OF THE SOUTH HALF OF THE SOUTH HALF OF SECTION 21 TO BEAR N 89 DEGREES 30 MINUTES 19 SECONDS W AND ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;
THENCE N 89 DEGREES 50 MINUTES 15 SECONDS E ALONG THE SOUTH LINE OF TWIN OAKS SUBDIVISION, 404.16 FEET TO THE WESTERLY RIGHT-OF-WAY OF TWIN OAKS ROAD;
THENCE S 02 DEGREES 40 MINUTES 01 SECONDS E ALONG SAID WESTERLY RIGHT-OF-WAY, 52.20 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF TERRITORIAL ROAD;
THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY, THE FOLLOWING THREE (3) COURSES:

1. THENCE S 86 DEGREES 42 MINUTES 49 SECONDS E, 109.24 FEET TO A POINT ON A CURVE;
2. THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 245.68 FEET, A CENTRAL ANGLE OF 28 DEGREES 36 MINUTES 44 SECONDS (A CHORD WHICH BEARS N 73 DEGREES 23 MINUTES 40 SECONDS E, 121.43 FEET) 122.69 FEET;
3. THENCE N 59 DEGREES 49 MINUTES 18 SECONDS E, 23.23 FEET;

THENCE S 89 DEGREES 00 MINUTES 53 SECONDS E, 174.23 FEET;
THENCE S 32 DEGREES 50 MINUTES 19 SECONDS W, 743.69 FEET;
THENCE N 57 DEGREES 09 MINUTES 41 SECONDS W, 140.26 FEET TO A POINT OF CURVE;
THENCE ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 1140.00 FEET, A CENTRAL ANGLE OF 63 DEGREES 49 MINUTES 05 SECONDS, 1225.22 FEET TO A POINT OF TANGENT;
THENCE S 59 DEGREES 01 MINUTES 14 SECONDS W ALONG SAID TANGENT, 688.75 FEET;
THENCE N 30 DEGREES 58 MINUTES 46 SECONDS W, 386.07 FEET;
THENCE N 00 DEGREES 29 MINUTES 41 SECONDS E, 581.20 FEET TO THE NORTH LINE OF THE SOUTH HALF OF THE SOUTH HALF OF SAID SECTION 21;

THENCE S 89 DEGREES 30 MINUTES 19 SECONDS E, ALONG SAID LINE 1684.09 FEET TO THE POINT OF BEGINNING.

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B1092 - P1735 - $120.00 - 17/ 24

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re:	)	
	)	Case No. 90-15400 DEC
DAWSON RIDGE METROPOLITAN DISTRICT NO. 1, a quasi-municipal corporation, in Castle Rock, Douglas County, Colorado,	)	Chapter 9
Debtor.	)	

STIPULATION REGARDING DEBT ADJUSTMENT PLAN

Dawson Ridge Metropolitan District No. 1 (the "District"), through its attorneys, Ankele, Icenogle, Norton & White, and Harding & Ogborn, and The Town of Castle Rock (the "Town"), through its attorneys, Robert J. Slentz and Holden & Jessop, P.C., hereby stipulate as follows regarding the District's Second Modified Third Amended Plan for Adjustment of Debts (the "Plan"):

1. The Town and the District are parties to an Intergovernmental Agreement dated August 15, 1985, as amended by instrument dated December 12, 1985 (the "Town Agreement").

2. The Town and the District have further amended the Town Agreement pursuant to an October 9, 1992 Suspension Agreement by and between the Town, the District, and Dawson Ridge Metropolitan District Nos. 2 through 5, a copy of which is attached hereto as Exhibit A and incorporated herein.

3. The District hereby amends the Plan as follows:

a. Article II, Section 2.29 is added to provide the following definition: "Town Agreement: An Intergovernmental Agreement between the Debtor and the Town of Castle Rock, dated August 15, 1985, as amended by instrument dated December 12, 1985, and as further amended by an October 9, 1992 Suspension Agreement by and between the Town, the District, and Dawson Ridge Metropolitan District Nos. 2 through 5."

b. Article VIII, Section 8.6 is added, as follows: "Pursuant to Sections 365 and 1123(b)(2) of the Bankruptcy Code, the Debtor assumes the Town Agreement."

c. Article IX, Section 9.8 is added, as follows: "Nothing in the Plan is intended to alter, amend, limit, or modify the Service Plan filed by the District

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pursuant to C.R.S. §32-1-201 et seq., except insofar as the Plan adjusts the Debtor's bonded indebtedness described in Section VI of the Service Plan, entitled "Financing Plan."

As so amended, the Plan is captioned "Fourth Amended Plan for Adjustments of Debts."

4. The Town hereby acknowledges that the Town Agreement requires no cure at this time, and waives any right under Section 365 of the Bankruptcy Code to require a showing of adequate assurance of future performance by the District.

5. Subject to the Plan amendments and other provisions set forth herein, the Town hereby withdraws its Objection to Confirmation of Debt Adjustment Plan filed with the Court on October 2, 1992.

6. The Town hereby changes its rejection of the Plan, served on the District's counsel on October 2, 1992, to an acceptance of the Plan as amended herein.

7. C.R.S. §32-1-202 provides for the filing of service plans by Colorado special districts, and the District has filed such a service plan. C.R.S. §32-1-202(2)(b) requires that a district shall notify the governing body of a municipality within which a special district is located, regarding "any alteration or revision of the proposed schedule of debt issuance set forth in the financial plan." C.R.S. §32-1-207(2) requires approval of such municipality with respect to material modifications of the service plan, including "a decrease in the financial ability of the district to discharge the existing or proposed indebtedness . . ." C.R.S. §32-1-207(3)(a) provides that such municipality may move the state district court to enjoin any material departure from the service plan. C.R.S. §32-1-207(3)(b) provides that such municipality may move the state district court to enjoin the issuance of bonds by a special district. To the extent that the Town's approval is required for a material modification of the District's service plan, under either the state statutes cited above or local ordinance, such approval has been given pursuant to the Town's Resolution No. 92-48, a copy of which is attached hereto as Exhibit B and incorporated herein. The Town shall not seek to enjoin the issuance of bonds contemplated by the District's Chapter 9 plan.

DATED this 9th day of October, 1992.

ANKELE, ICENOGLE, NORTON & WHITE

By: Gary R. White by Dale R Brockmeier
Gary R. White
8055 East Tufts Ave. Pkwy., #1150
Denver, Colorado 80237
(303) 773-1666

HARDING & OGBORN

By: Dale R Brockmeier
Dale R. Brockmeier
1200 17th Street, #1000
Denver, Colorado 80202
(303) 629-0300

Attorneys for Dawson Ridge Metropolitan District No. 1

ROBERT J. SLENTZ

Robert J. Slentz by James B. Holden
Town Attorney
680 N. Wilcox St., Drawer 8000
Castle Rock, Colorado 80104
(303) 660-1015

HOLDEN & JESSOP, P.C.

By: James B. Holden
James B. Holden
303 East 17th Avenue, #930
Denver, Colorado 80203
Telephone: (303) 860-7700

Attorneys for The Town of Castle Rock

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B1092 - P1738 - $120.00 - 20/ 24

RESOLUTION NO. 92-48

A RESOLUTION APPROVING A LIMITED AMENDMENT TO THE SERVICE PLANS FOR THE DAWSON RIDGE METROPOLITAN DISTRICT NOS. 1 - 5 AND APPROVING A SUSPENSION AGREEMENT WITH SUCH DISTRICTS

WHEREAS, the Dawson Ridge Metropolitan Districts No. 1 - 5 are organized to provide capital facilities to the development within the municipal boundaries of the Town known as "Dawson Ridge", consisting of approximately 1,883 acres zoned as a mixed use planned development;

WHEREAS, concurrently with annexation of Dawson Ridge to the Town, Town and the annexor, Bellamah Community Development, entered into an Annexation and Development Contract, recorded in the Douglas County, Colorado public records on December 18, 1984 in Book 554 at page 543 (the "Annexation Contract");

WHEREAS, by resolutions dated June 27, 1985 (85-41 through 85-45)) the governing body of the Town approved the organization of the Districts under the Special District Act, the separate service plans for each of the Districts dated August 15, 1985 (the "Service Plan(s)") and an Intergovernmental Agreement dated August 15, 1985 between the Town and each of the Districts, subsequently amended as to District 1 by a First Amendment dated December 12, 1985 (the "IGA(s)")

WHEREAS, Dawson Ridge Metropolitan District No. 1 ("District 1") has issued certain general obligation bonds to fund the development of infrastructure in accordance with its Service Plan and the IGA;

WHEREAS, Districts 2 - 5, inclusive, have made certain general obligation pledges to support, in part, retirement of the outstanding bonds of District 1;

WHEREAS, District No. 1 is insolvent, unable to make payments on its bonds when due, and has filed for bankruptcy under Chapter 9 of the United States Bankruptcy Code in case no. 90-15400DEC, District of Colorado (the "Bankruptcy Action");

WHEREAS, District No. 1 has made application for confirmation of a plan for adjustment of debts currently denominated as the Second Modified, Third Amended Plan for Adjustment of Debts (the "Bankruptcy Plan") in the Bankruptcy Action and confirmation of the Bankruptcy Plan is pending on October 9, 1992;

WHEREAS, the Bankruptcy Plan provides for the issuance of "Exchange Refunding Bonds" by District 1 and the exchange of such bonds for the existing outstanding bonds of the District, and the acquisition by District 1 of certain properties within Dawson Ridge;

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WHEREAS, by ordinance no. 92-15, effective October 1, 1992, the Town adopted Title 11 to the Castle Rock Municipal Code providing for the regulation of special districts within the Town (the "District Ordinance");

WHEREAS, District 1 has requested the authorization and approval of the Town to proceed with confirmation of the Bankruptcy Plan and implementation of the Bankruptcy Plan consistent with the provisions of the District Ordinance and the applicable provisions of the Special District Act;

WHEREAS, the Districts and Town have identified the need to make certain modifications to the respective IGAs with each District in order to address financial issues between the Town and Districts and allow for implementation of the Bankruptcy Plan; and

WHEREAS, the Districts concurrently have withdrawn their previous notice given under the provisions of 32-1-207(3)(b) of the Special District Act in consideration of the Town's authorizations and approvals under the terms of this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO AS FOLLOWS:

SECTION 1. Jurisdiction. The Service Plans of the Dawson Ridge Metropolitan Districts No. 1 - 5 have been materially modified in that certain conditions specified under 11.02.060 of the District Ordinance have occurred since approval of the Service Plans, including the inability of District 1 to retire its indebtedness when due, the filing by District 1 in the Bankruptcy Action, and the failure of the several Districts to realize the revenues and to develop facilities in accordance with the schedules in their Service Plans. Accordingly, the Town Council has jurisdiction under the District Ordinance, to review and authorize amendments to the Service Plans of the several Districts.

SECTION 2. Expedited Service Plan Review. Although the Districts are subject to the provisions of the District Ordinance requiring the submission, processing and review of amendments to their respective Service Plans, the Town Council takes notice of the following exigent circumstances:

A) Confirmation of the Bankruptcy Plan is scheduled for October 9, 1992. The Board of Directors of District 1 has represented to the Town that any delay in confirmation of the Bankruptcy Plan will likely make the confirmation and implementation of the Bankruptcy Plan infeasible, due to the necessity of District 1 to complete numerous ancillary transactions which are a condition to the implementation of the Bankruptcy Plan, as well as the need to issue the Exchange Refunding Bonds prior to the probable effective date of a proposed constitutional initiative presently before the voters of the State of Colorado, ostensibly restricting the issuance of such debt instruments.

B) As referred to in section 4 of this resolution, the Districts have agreed to suspend their authority to construct the additional capital facilities and to issue additional debt (other than the Exchange Refunding Bonds) and such debt instruments as referenced in the attached **Exhibit 1**, until and unless a further Service Plan amendment is approved in accordance with the District Ordinance.

C) 11.02.100 of the District Ordinance allows for a *de facto* amendment to the financial portion of a service plan as necessary to give effect to a court approved debt restructuring. Due to the coincidence of the effective date of the District Ordinance and the confirmation of the Bankruptcy Plan, it is appropriate to treat the Bankruptcy Plan consistent with the treatment of service plan amendments of those special districts with confirmed plans for adjustment of debts as of the effective date of the District Ordinance.

For the above reasons, the Town Council finds it is appropriate to make an expedited and summary review of the application of the Districts for a limited amendment of their Service Plans to comply with the provisions of the District Ordinance.

SECTION 3. Service Plan Amendment. The Town Council authorizes and approves an amendment of the Dawson Ridge Metropolitan Districts No. 1 - 5 Service Plans to the extent necessary to implement the Bankruptcy Plan and to issue the Exchange Refunding Bonds and to take the actions referenced in **Exhibit 1.** This resolution shall constitute approval of the amendment of the "Financial Plan" (as that term is defined in 11.02.150H of the District Ordinance) and approval of the Exchange Refunding Bonds under 11.02.110. By this resolution, no approval or authorization is given to deviation from the Capital Plan (as that term is defined in 11.02.150G) contained within the Service Plans of the several Districts. The Capital Plan may only be amended with compliance of the District Ordinance and the applicable provisions of the Special District Act. The Town Council finds that the limited amendment to the Service Plans of the Districts is justified by the following:

A) The Exchange Refunding Bonds provide for a limited mill levy pledge, and no fixed debt service for the term of the bonds, which may facilitate start-up development activity within the Districts.

B) In the absence of the confirmation of the Bankruptcy Plan and the issuance of the Exchange Refunding Bonds, the pursuit of creditors' remedies under the outstanding bonds of District 1, will likely forestall development of Dawson Ridge for several years, depriving the Town of development and operating revenues.

C) The amendments to the IGAs, as contained in the Suspension Agreement, will allow the Town to develop capital reserves and recoup the Town's investment in capital facilities in Dawson Ridge when development fees are generated in the Districts.

The limited amendment to the Service Plans is authorized solely for the purpose of implementation of the Bankruptcy Plan as presently proposed for confirmation on October 9, 1992 and to authorize performance of the activities set forth in **Exhibit 1**. Any modification of the Bankruptcy Plan which affects the terms or performance of the Suspension Agreement or the terms or conditions of this resolution.

SECTION 4. Further Conditions. The approvals and authorizations under this resolution (other than approval of the Suspension Agreement) shall be subject to the timely satisfaction by the Districts of the following conditions subsequent to the adoption of this resolution:

A) Satisfaction of the stated conditions in the Suspension Agreement by the Districts not later than December 31, 1992.

B) Confirmation of the Bankruptcy Plan on October 9, 1992, or as continued by the Court from time to time.

If these conditions are not satisfied, or waived in writing by Town, the approvals and authorizations hereunder shall be null and void, provided that the Suspension Agreement shall be binding and enforceable according to its terms.

SECTION 5. Suspension Agreement. The Suspension Agreement in the form attached as **Exhibit 2** is approved and the mayor and other proper Town officials are authorized and empowered to execute the instrument by and on behalf of the Town of Castle Rock.

SECTION 6. No Impairment of Contract. The adoption of this resolution, including approval of the Suspension Agreement, shall not impair the contractual rights under the Annexation Contract of any Dawson Ridge property owner or lienholder other than the contractual rights of District 1, as provided in the Suspension Agreement.

SECTION 7. Service Plan Amendment Withdrawal. Districts No. 1 - 5 previously submitted a proposed consolidated service plan for Dawson Ridge Metropolitan Districts No. 1 - 5. The Town Council acknowledges the withdrawal of that service plan amendment, and no approval and authorization thereunder is made or given by approval of this resolution.

SECTION 8. Authorization to Bankruptcy Stipulation. The Town Attorney and special bankruptcy counsel are authorized to execute and tender in the Bankruptcy Action the "Stipulation Regarding Debt Adjustment" in the form attached as **Exhibit 3** .

PASSED, APPROVED, AND ADOPTED this 5th day of October, 1992, by the Town Council of the Town of Castle Rock, Colorado on first and final reading, by a vote of 5 for and 1 against.

ATTEST:

Sally Misare, Town Clerk

TOWN OF CASTLE ROCK

Steven A. Boand, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney