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ANNEXATION AND DEVELOPMENT CONTRACT
BETWEEN
THE TOWN OF CASTLE ROCK
AND
LINCOLN MEADOWS LIMITED PARTNERSHIP

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ANNEXATION AND DEVELOPMENT CONTRACT
(THE MEADOWS ANNEXATION)

THIS AGREEMENT made this 6th day of December, 1984, by and between THE TOWN OF CASTLE ROCK, a Colorado municipal corporation, 318 Fourth Street, Castle Rock, Colorado 80104, hereinafter sometimes referred to as "TOWN", and LINCOLN MEADOWS LIMITED PARTNERSHIP, 7800 East Dorado Place, Englewood, Colorado 80111, hereinafter sometimes referred to as "DEVELOPER", is as follows:

WITNESSETH:

WHEREAS, DEVELOPER desires to annex and develop certain lands within the TOWN, to be known as The Meadows, 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; and

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:

Lincoln Meadows Limited Partnership
7800 East Dorado Place
Englewood, Colorado 80111

1.3 OWNERS. The OWNERS of the LAND are:

Ivan S. Cramer
Evelyn G. Cramer
2535 Liggett Road
Castle Rock, Colorado 80104

and

Lincoln Meadows Limited Partnership
7800 East Dorado Place
Englewood, Colorado 80111

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 are 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:

Lincoln Meadows Limited Partnership
7800 East Dorado Place
Englewood, Colorado 80111

OWNERS:

Ivan S. Cramer
Evelyn G. Cramer
2535 Liggett Road
Castle Rock, Colorado 80104

and

Lincoln Meadows Limited Partnership
7800 East Dorado Place
Englewood, Colorado 80111

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 the 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 the 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 the TOWN.

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

3.7 WARRANTY. "WARRANTY" shall mean the express promise made by the DEVELOPER that such PUBLIC IMPROVEMENTS are and shall be free from defective materials and workmanship. The warranty period for streets, sidewalks, curbs, gutters and bikepaths shall be two (2) years and all other PUBLIC IMPROVEMENTS shall be for a period of one (1) year from and after the date of their initial acceptance by the 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) Resolution No. 84-34, a resolution approving the execution of this Contract;

(b) Resolution No. 84-35, stating TOWN's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the TOWN's intent to annex said property.

(c) Resolution No. 84-36, stating TOWN's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the TOWN's intent to annex said property.

(d) Resolution No. 84-37, stating TOWN's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the TOWN's intent to annex said property.

(e) Resolution No. 84-38, stating TOWN's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the TOWN's intent to annex said property.

(f) Resolution No. 84-39, stating TOWN's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the TOWN's intent to annex said property.

(g) Resolution No. 84-40, stating TOWN's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the TOWN's intent to annex said property.

(h) Resolution No. 84-41, stating TOWN's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the TOWN's intent to annex said property.

(i) Ordinance No. 84-38, annexing the lands described in Exhibit "A" thereto.

(j) Ordinance No. 84-39, annexing the lands described in Exhibit "A" thereto.

(k) Ordinance No. 84-40, annexing the lands described in Exhibit "A" thereto.

(l) Ordinance No. 84-41, annexing the lands described in Exhibit "A" thereto.

(m) Ordinance No. 84-42, annexing the lands described in Exhibit "A" thereto.

(n) Ordinance No. 84-43, annexing the lands described in Exhibit "A" thereto.

(o) Ordinance No. 84-44, annexing the lands described in Exhibit "A" thereto.

(p) Ordinance No. 84-48, the Planned Unit Development Ordinance.

(q) Preliminary Site Plan, dated November 1, 1984, revised ^{DECEMBER 3,} ~~November 20,~~ 1984.

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

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

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

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

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

SECTION VI.

GENERAL DEVELOPER OBLIGATIONS

6.1 COMPLIANCE. The DEVELOPER understands the benefits derived from annexation to the TOWN and is therefore desirous of fulfilling all the standard and additional

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

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

SECTION VII.

WATER

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

rights as are sufficient to provide a WET WATER supply to the platted property.

7.2 WATER NEEDS OF LAND.

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

(b) The DEVELOPER shall receive appropriate credit against the determined water needs based upon 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 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 provide availability and delivery of water, including, but not limited to, title work, drilling permits, well test reports, other available engineering data, water decrees, etc.

7.4 INFRASTRUCTURE, CAPITAL IMPROVEMENTS, OVER-SIZING. The TOWN shall retain the ultimate responsibility, in consideration for development fees charged and collected, to complete necessary capital plant improvements for the municipal water system, including wells, pumps, treatment facilities, 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 the 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 percent (90%) 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 its 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 similarly situated within the TOWN pursuant to ordinance or resolution of the TOWN. DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, all irrigation delivery system infrastructure required upon the LAND to meet the needs of those portions of the LAND which are served by an irrigation

system. Such infrastructure shall include all mains, service lines, valves and connections and other necessary 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.

The 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 be 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 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 shall be reserved to the DEVELOPER subject to a reduction for the WET WATER needs of the dedicated parcels.

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

DEVELOPER may seek recoupment in accordance with applicable TOWN Recoupment Ordinances.

12.3 SOLE REQUIREMENT. Except as 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 SUBSTANTIAL CHANGE, DISCONNECTION. If an initiative or referendum is passed at any time which substantially amends or alters this Contract and/or any of the APPROVING DOCUMENTS, or if the TOWN through its legislative powers unilaterally substantially amends or alters the approved Preliminary Site Plan or the Planned Unit Development Ordinance, the TOWN covenants that it will not object to the OWNER disconnecting a portion or all of the LAND from the TOWN under any applicable provisions of Colorado Law. If TOWN has taken action in reliance hereon to its detriment, disconnection of all or any part of the LAND shall occur upon DEVELOPER'S election, and the damages, if any, associated with the TOWN'S detrimental reliance shall be agreed upon by TOWN and DEVELOPER. If TOWN and DEVELOPER are unable to agree, the damages shall be determined by a court of competent jurisdiction.

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 the last fifteen percent (15%) 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 the 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 unenforceable, DEVELOPER agrees that the terms of such ordinances shall remain as terms of this Agreement (pursuant to the most recent amendment thereof), and that such fees may continue to be charged by TOWN as an exaction upon the LAND pursuant to

the terms of this Agreement. Further, any and all fees recovered prior to such ruling shall also be deemed to have been properly received by TOWN as an exaction under this Agreement. However, it is further agreed 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 29.)

SECTION XX

ADDITIONAL PROVISIONS

20.1 RECOUPMENT. DEVELOPER shall be entitled to recoupment of off-site costs including:

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

(b) Costs of roadway and drainage structure construction. Such recoupment, insofar as it relates to private persons, shall be for a period of ten years.

(c) TOWN shall provide that recoupment will be due from the owners of all lands annexed subsequent to the date of the annexation of the LAND 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, provided, however, that the provisions of this Section 20.1 are modified by Section 20.4 with respect to Silver Heights Interchange improvements. DEVELOPER shall comply with the administrative provisions of any recoupment provisions in effect in order to ensure that the costs expended are properly approved by TOWN for recoupment at the time of expenditure.

20.2 WELL PERMIT APPLICATIONS. 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 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 those areas designated upon the approved Preliminary Planned Unit Development Site Plan for public dedication, TOWN agrees to adjust administratively the boundaries of such 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 SILVER HEIGHTS INTERCHANGE. DEVELOPER agrees to participate in the cost of reconstructing the Silver Heights Interchange and of building the parkway from said Interchange to Highway 85. DEVELOPER agrees to meet all of the following conditions:

(a) Silver Heights Interchange shall be designed and constructed in full compliance with all applicable state and federal regulations.

(b) The LAND shall participate in the cost of reconstruction of the Interchange and the building of the parkway from said Interchange to Highway 85 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.

(c) If TOWN should require oversizing of any feature of the Interchange, the parkway from the Interchange

to Highway 85, or from Highway 85 across the LAND, DEVELOPER shall submit documentation prior to construction upon which prorata cost sharing decisions shall be made jointly by DEVELOPER and TOWN. Oversizing is defined as design requirements over and above minimum design requirements necessary to serve development permitted by The Meadows Planned Unit Development Ordinance.

(d) No certificates of occupancy shall be issued prior to construction of four lanes of the parkway from Highway 85 across the LAND, unless phasing of the development shall begin at the southern end of the development. If phasing of the development begins at the southern end of the development, not more than 500 certificates of occupancy at such southern end shall be issued prior to construction of four lanes of the parkway from Highway 85 across the LAND.

(e) DEVELOPER shall be entitled to no more than 500 additional certificates of occupancy for use in the area served by the parkway prior to the completion of at least four lanes of the parkway from the Silver Heights Interchange to Highway 85.

(f) DEVELOPER shall be entitled to recoupment, as provided in Section 20.1, for the Silver Heights Interchange and the parkway from said Interchange to Highway 85, except that other developers may substitute letters

of credit or other financial commitments acceptable to TOWN in lieu of payment in full upon final platting.

20.5 METROPOLITAN DISTRICTS. It is the intention of DEVELOPER to 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, as amended. 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, reuse or irrigation improvements, drainage improvements, safety control improvements, park and recreation improvements, transportation services and cable television services.

(b) TOWN agrees to approve multiple districts 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 agreements previously approved by the TOWN.

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

this Agreement or any Facility or 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 plant 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 affect the granting of such credits

for any public improvement to be constructed by DEVELOPER in the future 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 Agreement, DEVELOPER shall construct, operate and maintain such public improvements or Facilities pursuant to the provisions of this Agreement, and receive such credits against development fees as are provided for in this Agreement.

(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 Agreement, TOWN shall construct, operate and maintain such public improvements or Facilities pursuant to the provisions of this Agreement, and charge such development fees as are then charged for provision of the public improvements so constructed. 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 this Agreement.

(i) Whenever any metropolitan district conveys land to TOWN which was previously conveyed to the 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 of recording of each final plat for any portion of the LAND, DEVELOPER and TOWN shall cause a Statement of Information of substantially similar form to that attached as Exhibit B hereto to be executed and placed in the 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 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 will 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 will not be entitled to any irrigation water development fee, but a fee in lieu of the irrigation water development fee, and in an amount equal to the irrigation water development fee which would 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.

20.6 CREDITS AGAINST DEVELOPMENT FEES. In the event that the metropolitan districts 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 Agreement, 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 forgiveness 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 distinguished from such engineering and legal costs as may be incurred in acquiring and adjudicating water rights.

20.7 WOLFENSBERGER ROAD. As a condition of annexation, DEVELOPER agrees to participate with others to finance the reconstruction of Wolfensberger Road. DEVELOPER agrees to pay TOWN through mutually acceptable means (letters of credit, bonds or other forms) the sum of \$2,000,000 for improvements to Wolfensberger Road, which may include four lanes with turn lanes from I-25 to the westernmost point at which the LAND abuts Wolfensberger Road, a bridge over Plum Creek and construction of a railroad underpass. Payment shall be made to TOWN as improvement costs are incurred by TOWN. The improvements to Wolfensberger Road which are constructed on the LAND shall become and remain the sole property of DEVELOPER until such time as they are accepted by the TOWN for full maintenance. Until such time as the TOWN accepts full maintenance responsibility for Wolfensberger Road improvements constructed on the LAND, the Wolfensberger Road improvements on the LAND may also be deeded or dedicated to metropolitan districts on the LAND which shall also be empowered to hold the title of and to maintain the Wolfensberger Road improvements constructed on the LAND. This comprises the entire responsibility of DEVELOPER for improvements to Wolfensberger Road for the LAND.

20.8 SEWER SERVICE. DEVELOPER and TOWN will cooperate to cause the LAND to be placed in either the Castle Pines Metropolitan District service area or the TOWN'S service area. If the TOWN'S service area is chosen, alternatives include construction of a new plant on West Plum Creek, a new plant on East Plum Creek, enlargement of an existing plant on East Plum Creek or some combination of these alternatives. Selection of alternatives is to be made jointly not later than December 31, 1984, so that materials can be prepared and submitted to the 208 advisory committee about January 17, 1985, and to DRCOG during the month of March, 1985.

20.9 COOPERATION.

(a) TOWN agrees to cooperate with DEVELOPER, prior to and following annexation, to the extent legally permissible, in applying for new or amended permits, and in adopting new plans or amending existing plans, whenever so required by any governmental entity having proper jurisdiction and authority. Specifically, but not by way of limitation, TOWN agrees that at the earliest possible date it will request an amendment to the Clean Water Plan which designates the LAND to be within the Service Area of the TOWN or of Castle Pines Metropolitan District. TOWN also agrees that thirty days from receipt of appropriate materials from DEVELOPER it will seek an amendment to the DRCOG Regional Growth and Development Plan requesting the appropriate designation for the LAND, if said designation is not included

in the current Regional Growth and Development Plan Update. DEVELOPER, at its sole cost, shall prepare a written request for these amendments. Provided that such request is timely delivered to TOWN, TOWN agrees to submit the request to DRCOG by February 1, 1985, or if it is not timely delivered, to submit said request to DRCOG upon receipt from DEVELOPER. TOWN agrees also that it will ratify and adopt the approved Planned Unit Development Master Plan for the LAND as a part of the TOWN's Master Plan.

(b) TOWN further agrees to cooperate with DEVELOPER in presenting the amendments to the local 208 association and any other appropriate agencies.

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

20.10 CASTLETON CENTER WATER & SANITATION DISTRICT. In the event the parkway from the Silver Heights Interchange to the LAND affects Castleton Center Water & Sanitation District's ability to operate its sewage treatment facilities, DEVELOPER agrees that upon request of said district

DEVELOPER will fully cooperate with said district in seeking a mutually satisfactory method of mitigating or eliminating such effects. If the sewer plant lies in the alignment of the parkway, DEVELOPER will resolve resulting problems at its cost.

20.11 DANIEL'S PARK ROAD. DEVELOPER will share on a pro rata basis the cost of constructing Daniel's Park Road between Highway 85 on the north and Wolfensberger Road on the south. DEVELOPER'S participation in costs shall be required upon completion of access from the LAND to Daniel's Park Road or after 8400 certificates of occupancy for residential units are issued, whichever occurs sooner.

20.12 ADDITIONAL ACREAGE. Upon annexation of the LAND, DEVELOPER will commit to annex by December 31, 1985 a minimum of 200 additional acres to be dedicated open space. All water underlying the additional acreage shall be retained by the DEVELOPER for use on the LAND.

20.13 DENVER METROPOLITAN WATER AGREEMENT (TWO FORKS). DEVELOPER will utilize its participation in the Douglas County Water Authority to provide additional water to meet the needs of the LAND. To the extent there is a surplus, such surplus water will be made available to TOWN as Douglas County Water Authority's contracts with Denver permit such an arrangement.

20.14 DEDICATION TO THE TOWN. Upon final platting, DEVELOPER shall dedicate and deed to the TOWN and to dis-

tracts to be established on the LAND the right to withdraw annually a sufficient portion of nontributary water to provide a water supply to the platted property; provided, that the parties understand that this provision is written in order to enable DEVELOPER to claim a tax depletion allowance. If a court of competent jurisdiction should finally decide that DEVELOPER is not entitled to a tax depletion, then DEVELOPER shall deed or dedicate the water requirement for each plat upon final platting.

20.15 WATER NEEDS OF LAND.

(a) The relative water requirements for various uses within The Meadows shall be determined with reference to an Equivalent Residential Unit (EQR). One EQR shall be deemed to require 336 gallons per day. Such water need not underlie the part of the LAND described on the final plat. Demonstration of such water availability shall be made by means of a water study prepared at DEVELOPER'S expense by a qualified water engineer. Prior to submission of the first preliminary plat on the LAND, DEVELOPER shall submit such study to the TOWN. Thereafter, as each subsequent preliminary plat is submitted, a letter relating anticipated consumption within such preliminarily platted area to said water study shall be presented to the TOWN. Water use criteria to be used in relating such potable consumption to the supply of water shall be as follows:

1 Bedroom Multifamily (1.8 persons) (105 gpd/person)	.56 EQR/unit
2 Bedroom Multifamily (2.4 persons)	.75 EQR/unit
3 Bedroom Multifamily (2.9 persons)	.91 EQR/unit
Single Family Residential (3.2 persons)	1 EQR/unit
Office (4122 sq. ft/EQR) (20 gpd/person)	.06 EQR/person
School (20 Students/EQR) (18 gpd/student)	.05 EQR/person

Where this Agreement does not set forth criteria for particular uses, DEVELOPER may propose the criteria for such uses, subject to the TOWN'S approval utilizing generally accepted criteria. Such approval shall not be withheld unreasonably. If usage demonstrates that the foregoing figures are inaccurate, they shall be changed as may be required. If the parties are unable to agree upon the change, the matter shall be submitted to arbitration.

20.16 SCHOOL PROVISION. The school district's request for 147 acres to be used for school sites shall come from the present open space or public space dedication requirements, with the choice of the site to be made by TOWN with the consultation of the school district. Under no circumstances shall the school district be obligated to accept land for a school site if the only means of access is by bridges across drainage areas.

20.17 HIGHWAY 85. DEVELOPER shall reach an understanding with the Colorado State Highway Department that meets with the approval of TOWN for improvements to Highway 85 between Liggett Road and Daniel's Park Road.

20.18 FIRE/POLICE STATION. A structure will be built on a site mutually agreed upon by TOWN and DEVELOPER to serve as a temporary fire and police station. Said structure will be built by DEVELOPER and leased back to TOWN for one dollar (\$1.00) per year for up to seven (7) years. The structure will be a single family house of no more than 3,000 finished square feet with an oversized garage, unless the parties agree to a different structure at a later date.

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

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 December 6, 1984, and a Resolution, No. 84-34, was passed by a vote of 6 for and 0 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 hereof.

TOWN OF CASTLE ROCK

By: *George Kennedy* 12-6-84
George Kennedy, Mayor (Date)
Town of Castle Rock

Richard L. Wilson 12-6-84
Richard Wilson, (Date)
Town Clerk



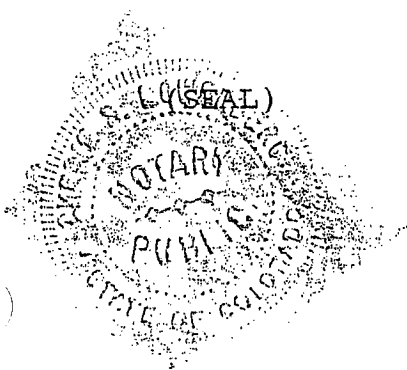
STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 6th day of December, 1984, by George Kennedy, as Mayor and Richard Wilson as Town Clerk of the Town of Castle Rock, Colorado, a municipal corporation.

Witness my hand and official seal.

My commission expires: July 12, 1988

Muri S. Lowenberg
Notary Public
318 Fourth St.
Address
Castle Rock, CO 80104



DEVELOPER

LINCOLN MEADOWS LIMITED PARTNERSHIP,
by Lincoln Savings and Loan Association,
General Partner

By: Robert J. Hubbard, Jr.
Attorney-in-Fact

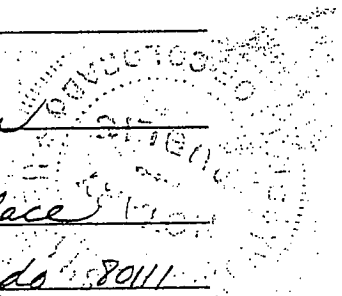
STATE OF COLORADO)
) ss.
COUNTY OF ~~DOUGLAS~~ ARAPAHOE)

The foregoing instrument was acknowledged before me this 7th day of December, 1984, by Robert J. Hubbard, Jr.

Witness my hand and official seal.

My commission expires: 10-18-88

Yvonne Shaffer
Notary Public
7800 E. Dorado Place
Address
Englewood, Colorado 80111



Beginning at the Southeast corner of Section 5, Township 8 South, Range 67 West, of the 6th P.M., County of Douglas, State of Colorado and considering the South line of said Section 5 to bear South $89^{\circ} 58' 23''$ West and all bearings contained herein relative thereto; thence South $89^{\circ} 58' 23''$ West for a distance of 2641.14 feet to the South $\frac{1}{4}$ corner of Section 5; thence North $0^{\circ} 00' 49''$ East along the West line of the Southeast $\frac{1}{4}$ of said Section 5 for a distance of 2611.25 feet to the Northwest corner of the said Southeast $\frac{1}{4}$ of Section 5; thence North $89^{\circ} 56' 05''$ West along the South line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of Section 5 for a distance of 1320.39 feet to the Southwest corner of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Section 5; thence North $0^{\circ} 01' 33''$ East along the West line of the said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ for a distance of 2651.14 feet to the Northwest corner of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of Section 5, said point being also the Southwest corner of the East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 32, Township 7 South, Range 67 West of the 6th P.M.; thence North $00^{\circ} 16' 44''$ West along the West line of the said East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 32 for a distance of 2630.40 feet to the Southwest corner of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32; thence North $00^{\circ} 07' 40''$ West along the West line of the said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ for a distance of 1346.63 feet to the Northwest corner of the said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32; thence North $87^{\circ} 35' 05''$ East along the North line of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ for a distance of 1307.30 feet to the Southeast corner of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32; thence North $0^{\circ} 25' 06''$ West along the East line of the said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ for a distance of 1359.25 feet to the Northeast corner of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 32, said corner being also the Southeast corner of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29; thence South $87^{\circ} 01' 04''$ West along the South line of the said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29 for a distance of 1300.98 feet to the Southwest corner of the said Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence North $0^{\circ} 16' 12''$ East along the West line of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29 for a distance of 1330.59 feet to the Northwest corner of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence North $87^{\circ} 14' 24''$ East along the North line of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ for a distance of 1302.46 feet to the Northeast corner of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 29 being also the Southwest corner of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 29; thence North $0^{\circ} 20' 45''$ East along the West line of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ for a distance of 1325.63 feet to the Northwest corner of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$; thence North $87^{\circ} 26' 57''$ East along the above described North line for a distance of 2604.81 feet to the Northeast corner of the Southeast $\frac{1}{4}$ of Section 29; thence North $0^{\circ} 28' 33''$ East along the East line of the Northeast $\frac{1}{4}$ of said Section 29 for a distance of 2632.75 feet to the Northeast corner of Section 29; thence North $0^{\circ} 28' 45''$ East along the West line of Section 21 for a distance of 818.87 feet to a point; thence along the following courses:

South 59° 58' 05" East for a distance of 668.40 feet to a point.
 South 78° 50' 57" East for a distance of 672.68 feet to a point.
 South 40° 05' 35" East for a distance of 248.39 feet to a point.
 South 58° 33' 45" East for a distance of 210.95 feet to a point.
 South 22° 49' 33" East for a distance of 412.31 feet to a point.
 South 57° 15' 25" East for a distance of 166.43 feet to a point.
 South 89° 17' 36" East for a distance of 820.06 feet to a point.
 South 74° 38' 31" East for a distance of 528.87 feet to a point.
 North 83° 59' 56" East for a distance of 382.10 feet to a point.
 South 87° 06' 54" East for a distance of 394.09 feet,

more or less, to a point on the East line of the West $\frac{1}{4}$ of the
 Northeast $\frac{1}{4}$ of Section 28; thence North 0° 36' 40" East along
 the said East line of the West $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section
 28 for a distance of 504.20 feet to the Northeast corner of the
 West $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 28; thence South 89° 26'
 10" East along the North line of the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$
 for a distance of 109.11 feet to a point on the Westerly R.O.W.
 of The Denver and Rio Grande Western Railroad; thence
 the following courses along the said Westerly R.O.W. of The Denver
 and Rio Grande Western Railroad:

South 64° 50' 00" East for a distance of 1192.05 feet;
 South 61° 22' 22" East for a distance of 177.62 feet; thence
 along a non-tangent curve to the right having a central angle
 of 17° 35' 31", a radius of 1765.53 feet, an arc length of 542.08
 feet and a chord bearing of South 50° 16' 26" East; thence South
 39° 10' 31" East for a distance of 177.62 feet; thence South
 35° 42' 55" East for a distance of 1157.12 feet;
 thence departing said railroad R.O.W. South 41° 49' 21" West
 a distance of 266.18 feet; thence South 22° 58' 41" West a
 distance of 154.62 feet; thence South 40° 20' 22" East a
 distance of 121.90 feet; thence North 84° 55' 28" East a
 distance of 464.67 feet to a point on a non-tangent curve,
 being also a point on the Westerly R.O.W. of The Denver and
 Rio Grande Western Railroad; thence the following courses
 along said Westerly R.O.W.: along a curve to the left having
 a central angle of 00° 50' 21", a radius of 5745.00 feet,
 an arc length of 84.15 feet and a chord that bears South
 40° 37' 18" East; thence South 41° 02' 28" East for a
 distance of 2847.54 feet; thence along a non-tangent curve to
 the right having a central angle of 28° 29' 55", a radius of 1730.00
 feet, and arc length of 860.49 feet and a chord bearing of South
 26° 47' 20" East; thence North 88° 58' 06" West for a distance of
 25.73 feet; thence along a non-tangent curve to the right having
 a central angle of 0° 38' 36", a radius of 1705.00 feet, an arc
 length of 19.14 feet and a chord bearing of South 12° 25' 11"
 East; thence South 12° 06' 08" East for a distance of 325.01 feet;
 thence along a tangent curve to the left having a central
 angle of 10° 45' 56", a radius of 5620.00 feet, an arc length
 of 1055.97 feet and a chord bearing of South 17° 29' 06" East;
 thence departing said railroad R.O.W. South 70° 36' 31" West a distance
 of 911.40 feet; thence South 27° 58' 52" East a distance of 1183.73
 feet to a point on the North line of the West $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of

Section 34; thence South $89^{\circ} 32' 53''$ East along the said North line of the West $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 34 for a distance of 34.23 feet to the Northeast corner of the West $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section; thence South $00^{\circ} 25' 17''$ East along the East line of the said West $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ for a distance of 2653.55 feet to the Southeast corner of the West $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 34; thence South $89^{\circ} 23' 29''$ West along the South line of said Section 34 for a distance of 3939.60 feet to the Southwest corner of Section 34 being also the Northeast corner of Section 4, Township 8 South, Range 67 West of the 6th P.M.; thence South $89^{\circ} 54' 05''$ West along the said North line of Section 4 for a distance of 2627.13 feet to the Northwest corner of the Northeast $\frac{1}{4}$ of Section 4; thence South $00^{\circ} 45' 54''$ East along the West line of the said Northeast $\frac{1}{4}$ of Section 4 for a distance of 2657.74 feet to the Southwest corner of the Northeast $\frac{1}{4}$ of Section 4; thence South $89^{\circ} 31' 55''$ East along the South line of the Northeast $\frac{1}{4}$ of Section 4 for a distance of 2630.79 feet to the Southeast corner of the said Northeast $\frac{1}{4}$ of Section 4; thence North $89^{\circ} 46' 29''$ East along the North line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 3 for a distance of 1298.22 feet to the Northeast corner of the said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$; thence South $00^{\circ} 11' 25''$ West along the East line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ for a distance of 656.22 feet; thence South $53^{\circ} 24' 55''$ West a distance of 2687.00 feet; thence along a non-tangent curve to the right having a central angle of $53^{\circ} 03' 36''$, a radius of 1500.00 feet, an arc length of 1389.11 feet and a chord that bears South $75^{\circ} 33' 39''$ East a distance of 1340.00 feet; thence South $49^{\circ} 09' 51''$ East a distance of 100.00 feet to a point on the Northwesterly R.O.W. of Wolfensberger Road; thence the following courses along said Northwesterly R.O.W.:

South $45^{\circ} 58' 09''$ West for a distance of 444.55 feet.
 South $49^{\circ} 17' 08''$ West for a distance of 70.68 feet.
 South $37^{\circ} 50' 56''$ West for a distance of 257.80 feet.
 South $37^{\circ} 45' 59''$ West for a distance of 207.43 feet.
 South $32^{\circ} 54' 34''$ West for a distance of 58.04 feet.
 South $32^{\circ} 52' 42''$ West for a distance of 21.82 feet to a point on the South line of that parcel of land described in Book 164, Page 220 as recorded in the Douglas County Courthouse, Castle Rock, Colorado; thence departing said Northwesterly R.O.W. and continuing the following courses along said parcel as described in said Book 164 Page 220: South $86^{\circ} 48' 42''$ West along the above described South line for a distance of 413.37 feet; thence North $44^{\circ} 21' 18''$ West for a distance of 510.00 feet; thence North $65^{\circ} 21' 18''$ West a distance of 382.00 feet; thence North $00^{\circ} 21' 18''$ West for a distance of 295.00 feet to the Northwest corner of said parcel of land being also the Southeast corner of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 4; thence departing said boundary as described in Book 164 Page 220 North $89^{\circ} 26' 32''$ West along the above described South line for a distance of 1286.83 feet to the Southeast corner of the Southwest $\frac{1}{4}$ of Section 4; thence North $88^{\circ} 31' 42''$ West along the South line of the said Southwest $\frac{1}{4}$ of Section 4 for a distance of 2732.30 feet to the Point of Beginning.

12p

SECOND ADDENDUM TO ANNEXATION AND DEVELOPMENT CONTRACT

BETWEEN

THE TOWN OF CASTLE ROCK
AND
LINCOLN MEADOWS LIMITED PARTNERSHIP
(MEADOWS WEDGE ANNEXATION
AND OTHER AMENDMENTS)

THIS AGREEMENT is made and entered into this 13th
day of November, 1986, by and between the Town of
Castle Rock ("Town"), a municipal corporation of the State of
Colorado and Lincoln Savings and Loan Association
("Developer"), a California state-chartered savings and loan
association.

Recitals

WHEREAS, Developer is the successor-in-interest to
Lincoln Meadows Limited Partnership as the owner and devel-
oper of that property commonly known as "The Meadows", which
property is legally described in Exhibit "A" to Town Ordin-
ance No. 84-48, The Meadows Planned Unit Development Ordin-
ance; and

WHEREAS, Town and Lincoln Meadows Limited Partner-
ship entered into an annexation and development contract
dated December 6, 1984 and recorded in Book 553 at Page 593
of the records of the Douglas County Clerk and Recorder
(commonly known as "The Meadows Annexation Contract" and
referred to herein as "The Contract"); and

8703285 - 01/30/87 16:13 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 1/ 12
B0698 - P0219 - \$36.00

WHEREAS, Developer desires to annex and develop certain lands adjacent to The Meadows within the Town, 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 provisions of the Contract; and

WHEREAS, Town and Developer also desire to amend the Contract to permit initial development of The Meadows to be congruent with existing roadway improvements.

NOW THEREFORE, in consideration of the mutual promises herein contained, Town and Developer agree as follows:

Covenants and Stipulations

1. The Land is hereby made subject to the provisions of the Contract.

2. Any notices under the Contract should be sent to Lincoln Savings and Loan Association at the following address: 6060 South Willow Drive, Suite 2204, Englewood, Colorado 80111.

3. The "Approving Documents" (as such term is defined in Section 3.2 of the Contract) for the Land are not those documents listed in Section 4.1 of the Contract, but instead are as follows:

a. Resolution No. 86-63, a resolution approving the execution of this Addendum to the Contract;

b. Resolution No. 86-62, stating the Town's finding that the Petition for Annexation of the lands described in Exhibit "A" thereto substantially complies with Section 31-12-107(1), C.R.S., and stating the Town's intent to annex said property.

c. Ordinance No. 86-46, annexing the Lands described in Exhibit "A" thereto.

d. Ordinance No. 86-42, an ordinance amending Castle Rock Ordinance No. 84-48.

e. Amended Meadows Preliminary PD Site Plan, dated October 7, 1986.

The foregoing documents should be considered an addition to the "Approving Documents" listed in Section 4.1 of the Contract.

4. This Addendum shall be deemed to subject the Land to the Contract as if the Land had been annexed to the Town as of the date of execution of the Contract.

5. Sections 20.4(d) and 20.4(e) of the Contract are amended to read as follows:

(d) Prior to the construction of four lanes of the parkway from Highway 85 across the LAND, DEVELOPER shall be entitled to 500 certificates of occupancy for use anywhere upon the LAND.

(e) Prior to the completion of at least four lanes of the parkway from the Silver Heights Interchange to Highway 85, DEVELOPER shall be entitled to 500 additional certificates of occupancy for use anywhere upon the LAND.

IN WITNESS WHEREOF, the parties hereto have caused their names and seals to be affixed the date and year first above written.

TOWN OF CASTLE ROCK

By: *George Kennedy*
George Kennedy, Mayor

ATTEST:

Richard R. Wilson
Richard Wilson, Town Clerk

LINCOLN SAVINGS AND LOAN ASSOCIATION

By: *P. Joseph Knapp*
Attorney-in-Fact

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 21st day of November, 1986, by George J. Kennedy, as Mayor of the Town of Castle Rock, Colorado, a municipal corporation.

Witness my hand and official seal.

8703285 - 01/30/87 16:13 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 7/12
B0698 - P0225 - \$36.00

EXHIBIT "A"

LEGAL DESCRIPTION - Meadows Wedge

A parcel of land lying in the Northeast quarter of Section 34 and the Southeast quarter of Section 27, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado being described as follows:

Commencing at the North quarter corner of said Section 34, as monumented by a 3 inch brass cap and pipe marked LS 2690, and considering the North line of the Northeast quarter of said Section 34, to bear South 88°58'06" East to the Northeast corner of said Section 34 as monumented by a 1 inch axle in a mound of stone, with all bearings contained herein relative thereto; thence South 67°35'24" East 1429.06 feet to the Northerly boundary line of the Meadows P.U.D. and the POINT OF BEGINNING of this description; thence along said Northerly boundary line the following courses: along a non-tangent curve to the right having a central angle of 01°57'12", a radius of 5,620.00 feet, an arc length of 191.59 feet and a chord which bears North 13°04'46" West 191.59 feet; thence North 12°06'08" West 325.01 feet; thence along a curve to the left having a central angle of 00°38'36", a radius of 1705.00 feet, an arc length of 19.14 feet and a chord which bears North 12°25'11" West 19.14 feet to the North line of the Northeast quarter of said Section 34; thence along said North line South 88°58'06" East 25.73 feet; thence departing said North line, along a non-tangent curve to the left having a central angle of 18°15'16", a radius of 1,730.00 feet, an arc length of 551.18 feet and a chord which bears North 21°40'01" West 548.85 feet; thence departing said Northerly boundary line, North 59°12'21" East 49.00 feet to the Westerly right-of-way line of U.S. Highway 85; thence along said Westerly right-of-way line the following courses: along a non-tangent curve to the right having a central angle of 08°05'39", a radius of 2,815.00 feet, an arc length of 397.68 feet and a chord which bears South 31°53'57" East 397.35 feet; thence South 27°51'06" East 655.90 feet; thence departing said Westerly right-of-way line, South 62°08'54" West 300.80 feet to the POINT OF BEGINNING, containing 3.77 acres more or less.

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B0698 - P0229 - \$36.00

MEMORANDUM OF UNDERSTANDING

Lincoln Saving and Loan Association and the Town of Castle Rock
Regarding the Development within The Meadows Filings #1 and 2

WHEREAS, Lincoln Savings and Loan Association in concert with the Meadows Metropolitan Districts is developing The Meadows within the Town of Castle Rock; and

WHEREAS, The Meadows Filings #1 and 2 have been approved by the Board of Trustees of the Town of Castle Rock and are ready for recordation; and

WHEREAS, the Town of Castle Rock has a responsibility to ensure sufficient water supply to The Meadows Filings #1 and 2;

NOW, THEREFORE, in consideration of the mutual covenants stated herein the parties agree as follows;


1. Lincoln Savings and Loan Association shall be entitled to two hundred twenty-five (225) building permits and associated certificates of occupancy within Filings #1 and 2 based upon a water system served by wells A-1 and A-2 and satisfactory storage capabilities.


2. Prior to the issuance of building permits beyond 225, the Town of Castle Rock and Lincoln Savings and Loan Association agree to review the water needs of Filings #1 and 2 to determine what additional system improvements and water sources must be completed for further development.

3. Prior to the issuance of the first certificate of occupancy within Filings #1 and 2, Lincoln Savings and Loan Association agrees to establish a surety acceptable to the Town of Castle Rock to ensure an interconnection with the existing Town of Castle Rock water system based upon appropriate engineering criteria. The necessity for a second interconnection will be reviewed at a later date.

4. The Town of Castle Rock and Lincoln Savings and Loan Association agree to work cooperatively to carry out the terms of this Memorandum of Understanding.

Agreed to this 13th day of July, 1987.


P. Joseph Knopinski, Vice President
American Continental Real Estate Division
for Lincoln Savings and Loan Association


Donald B. Cooper, Town Administrator
Town of Castle Rock

972/910
9116420

AGREEMENT

(Amendment to Annexation and Development Contracts
Re: Meadows Annexation - Third Addendum
Re: South Meadows Annexation - First Addendum
Re: Meadows Parkway Annexation - First Addendum)

DATE: April 25, 1991

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

CASTLE MEADOWS, INC. ("CMI"), a California corporation, c/o 51 Meadows Boulevard, Castle Rock, Colorado, 80104.

MEADOWS METROPOLITAN DISTRICT NO. 4 (the "District"), a quasi-municipal corporation and political subdivision of the State of Colorado, 51 Meadows Boulevard, Castle Rock, Colorado, 80104.

RECITALS:

A. Town and Lincoln Meadows Limited Partnership ("Lincoln Meadows") entered into an Annexation and Development Contract (The Meadows Annexation), referred to herein as the "Meadows Contract" dated December 6, 1984, and recorded on December 12, 1984 at Reception No. 342954 in the records of Douglas County, Colorado. The Meadows Contract sets forth the terms and conditions under which the Town annexed certain real property known as the "Meadows P.U.D.", and permitted development of that property by Lincoln Meadows as developer. The Meadows Contract has previously been modified by a First Addendum dated September 12, 1985, and a Second Addendum dated November 13, 1986.

B. Town and Lincoln Savings and Loan Association ("Lincoln Savings") entered into an Annexation and Development Contract (South Meadows Annexation) referred to herein as the "South Meadows Contract" dated September 26, 1985, and recorded on October 9, 1985 at Reception No. 364371 in the records of Douglas County, Colorado. The Meadows South Contract sets forth the terms and conditions under which the Town annexed certain real property known as the "South Meadows P.U.D." and permitted development of that property by Lincoln Savings as developer.

C. Town and Lincoln Savings entered into an Annexation and Development Contract (Meadows Parkway Annexation) referred to herein as the "Parkway Contract", dated November 20, 1986, and recorded on January 30, 1987 at Reception No. 8703293 in the records of Douglas County, Colorado. The Parkway Contract sets forth the terms and conditions under which the Town annexed certain real property for construction of the arterial street denominated as Meadows Parkway and permitted development of certain commercial properties.

D. The rights and obligations pursuant to the Meadows Contract, as amended, were transferred by Lincoln Meadows' successors to CMI pursuant to an Assignment Agreement dated August 26, 1987. The rights and obligations pursuant to the South Meadows Contract and Parkway Contract were transferred by Lincoln Savings to CMI pursuant to an Assignment Agreement dated August 26, 1987. Collectively, the Meadows Contract, South Meadows Contract and Parkway Contract are referred to herein as the "Development Contracts". The properties annexed pursuant to the several Development Contracts are collectively referred to herein as the "Meadows P.U.D."

E. Subsequent to annexation of the Meadows P.U.D., Town annexed property as the Castle Pines Commercial Annexation. The property annexed thereby is described in the Annexation and Development Contract between the Town and CP Commercial Properties, Inc. recorded as document number 8728920 on October 8, 1987 (the "CP Property"). The CP Property is generally located north and south of Meadows Parkway between Interstate 25 and U.S. Highway 85, immediately east of the Meadows P.U.D.

F. Under Section 20.1 of the Development Contracts (the "Recoupment Provision"), Town is to effect the recoupment for the benefit of the developer thereunder, of a portion of the cost incurred in developing certain offsite transportation and drainage improvements. Such recoupment is to reflect the relative benefit of the infrastructure to properties annexed to the Town, including the CP Property.

G. Pursuant to intergovernmental agreement with the Town, District and/or the Meadows Metropolitan District No. 1 have constructed certain transportation improvements, including Meadows Parkway between I-25 and U.S. Highway 85 (the "Roadway"). District, in its own right, and on behalf of the Meadows Metropolitan District No. 1 has a direct financial interest in the performance by the Town of the Town's obligation under the Recoupment Provision. In addition, CMI and/or District have developed other major transportation improvements, including the Meadows Parkway overpass spanning Plum Creek, U.S. Highway 85/Meadows Parkway intersection, Meadows Parkway through the P.U.D., and financial participation in the Wolfensberger Road grade separated rail crossing, (collectively, the "Transportation Improvements").

H. Under the Recoupment Provision, recoupment is due for the Roadway based upon the impact thereon from full development of the CP Property, with Town's approval of the first final subdivision plat within the CP Property. The Recoupment Provision further provides that the developer's right to recoupment expires if development within the CP Property has not commenced by a date certain. Acknowledging that these provisions could work a hardship on Town or District depending on future events, the parties to this Agreement desire to substitute an alternative mechanism, by which CMI and District may recover a portion of the cost of the Transportation Improvements and Roadway.

I. Pursuant to Chapter 3.12 of the Castle Rock Municipal Code, the Town imposes a street oversizing fee on all new development within the Town (the "Street Fee"). The Transportation Improvements were designed and constructed to partially serve traffic impacts that the Street Fee is intended to address. Consequently, it is appropriate for the

Meadows P.U.D., through the Districts, to capture a portion of the Street Fees imposed on development within the Meadows.

J. For these reasons, Town, CMI and District have agreed to substitute the right of District to capture a portion of the Street Fees within the Meadows P.U.D. in satisfaction of any claim that CMI or District may have to reimbursement to Town for the oversizing of transportation improvements within the Meadows P.U.D., as well as their claims under the Recoupment Provision for the cost of development of the Transportation Improvements and the Roadway.

K. District No. 4 has legal authority to act on behalf of, and contractually bind the sister Meadows metropolitan districts. Any reference in this Agreement to District, is intended to include the right, claim and interest of such other metropolitan districts.

COVENANTS:

THEREFORE, IN CONSIDERATION OF THESE MUTUAL PROMISES, THE PARTIES COVENANT AS FOLLOWS:

1. Modification of Recoupment Rights. Section 20.1 of each of the Development Contracts is modified to read as follows:

20.1 RECOUPMENT. DEVELOPER shall be entitled to recoupment of off-site costs, exclusive of transportation and drainage costs, including:

a. Costs of easements and rights-of-way for water and sanitary sewer utilities only (costs of easement or fee title procurement, administrative and legal costs).

b. (Deleted).

c. TOWN shall provide that recoupment will be due from the owners of all lands annexed subsequent to the date of the annexation of the LAND on an "ability-to-serve" basis, rather than at the time of actual connection to, or utilization of, said improvements, with said amounts being payable, in full, at the time the first final plat is approved for any such owner. DEVELOPER shall comply with the administrative provisions of any recoupment provisions in effect in order to ensure that the costs expended are properly approved by TOWN for recoupment at the time of expenditure.

CMI and/or District's right to recoupment for infrastructure other than transportation or drainage under Section 20.1, or the right to credits for oversizing infrastructure as provided elsewhere in the Development Contracts, shall not be impaired by this modification.

2. Capture of Street Oversizing Fees. Effective with the Commencement Date, as defined below, District in its own behalf, and on behalf of the Meadows Metropolitan

Districts 1, 2, 3, 5, 6 and 7 shall be entitled to capture a portion of the Street Fee (the "Capture"), from all development within the Meadows P.U.D. The amount of the Capture shall be fifty percent (50%) of the Street Fee, as the same may be adjusted from time to time, subject to the following limitations:

- (a) with respect to residential development, the Capture shall be limited to not more than three hundred dollars (\$300.00) per dwelling unit. "Dwelling unit" is defined as a single unit providing complete, independent facilities for one or more persons, including permanent provisions for living, eating, sleeping, and sanitation;
- (b) with respect to non-residential use, the Capture shall be limited to not more than eight dollars (\$8.00) per one hundred (100) square feet, or fractions thereof, of gross floor area of the structure. "Gross floor area" is defined as the sum of the gross horizontal areas of the several floors of a building measuring all horizontal dimensions by the exterior faces of the walls of each such floor.

It is the understanding and intention of the parties that such limitations, or cap, shall apply to the Capture, irrespective of the subsequent legislative or administrative amendment to the method, basis, or amount of the Street Fee. The Capture shall apply only to the real property currently subject to the Development Contracts.

The Commencement Date for the Capture shall be the first day of the month occurring after the recordation of the first final subdivision plat within the CP Property. Prior to the Commencement Date, neither District or CMI shall have any claim or entitlement to any portion of the Street Fees generated from the Meadows P.U.D.

3. Administration. Quarterly, Town shall remit to District the District's portion of the Street Fees collected by Town on residential development within the Meadows P.U.D. in accordance with the provisions of this Agreement. Such quarterly disbursement shall be made by Town no later than the 15th of the month after the end of the calendar quarter, and any amounts not paid by such date shall thereafter bear interest at one percent (1%) per month until paid. Upon reasonable prior written notice, District shall have the right to inspect the books and records of the Town, to determine that Town has made a proper accounting to District of the portion of the Street Fees to which the District is entitled.

4. Release of Claims. CMI and District in its own behalf and on behalf of the other Meadows Metropolitan Districts, accepts performance under this Agreement by Town, in full satisfaction of any right, entitlement or claim that such entities may have to the Street Fees, arising from development of the Transportation Improvements and Roadway. The parties acknowledge that the foregone Street Fee revenue by Town, and the receipt of revenue by District under this Agreement, is wholly dependent on the Commencement Date, and the pace of development within the Meadows P.U.D. Therefore, the net present value of the cost to Town and benefit to District of the capture of Street Fee, is difficult to quantify with any degree of certainty. The parties further acknowledge that each has

completed its own analysis of the financial impact of this Agreement, and has determined that this Agreement is in each party's respective best interest.

5. Pledge. Town irrevocably pledges that portion of the Street Fee subject to the Capture received from development within the Meadows P.U.D. for application in accordance with the provisions of this Agreement. Town shall not pledge or apply the Street Fee for any other purpose, including the repayment of any debt or obligation, such that the entitlement of District to the Street Fee is impaired thereby. In the event Town shall subsequently terminate or reduce the rate of the Street Fee below the rate imposed as of the date of this Agreement (See Exhibit 1), Town shall establish, impose and collect an alternate fee or exaction and pledge a portion of the revenue received therefrom, on new development within the Meadows P.U.D., sufficient to provide District with a revenue stream in parity with the Capture, in both timing and amount.

6. Utilization of Water Facilities. District acknowledges that Town has expressed its intention to extend water and wastewater service to the CP Property, and that, at least initially, water service will be supplied through production facilities constructed by District and dedicated to Town. District authorizes the utilization of such water facilities to Town to provide a municipal water supply to the CP Property, notwithstanding any limitation in the intergovernmental agreement between Town and District, or between Town and the other Meadows Metropolitan Districts 1, 2, 3, 6 and 7, all such intergovernmental agreements dated July, 1985, and all amendments thereto.

7. Authorization. CMI represents to Town that its approval and execution of this Agreement, constitutes approval of same by the Resolution Trust Corporation.

8. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties, their successors and assigns. Specifically, District shall have an absolute right to assign its interest and entitlement to capture the Street Fees to one or more of the Meadows Metropolitan Districts, or third parties, upon ten (10) days prior written notice to Town.

9. Limited Purpose. Except as specifically provided herein, this Agreement is not intended and shall not constitute a modification, in any manner, of the parties pre-existing contractual rights under the terms of the Meadows Contracts or any other agreement or intergovernmental agreement presently in effect. This Agreement shall constitute a Third Addendum to the Meadows Contract and a First Addendum to the South Meadows Contract and Meadows Parkway Contract.

10. Additional Enactments. Nothing contained herein shall preclude the Town's adoption and imposition within the Meadows P.U.D. of any municipal fee or exaction to address development impacts, including transportation and drainage, provided that such fee or exaction is adopted pursuant to the Town's general police and ordinance powers, and is applicable to development within the entire municipality. Further, this Agreement shall not restrict the Town from application of a municipal ordinance implementing a system of

recoupment to the Town and/or private parties for the cost of development of public infrastructure, provided that the contract rights of CMI and District are not impaired thereby.

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

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

Meadows Metropolitan Districts
51 Meadows Boulevard
Castle Rock, Colorado 80104

Castle Meadows, Inc.
51 Meadows Boulevard
Castle Rock, Colorado 80104

12. **Default and Remedies.** In the event that either party shall fail to fully and timely perform the covenants of this Agreement, the non-defaulting party shall give written notice of such default to the defaulting party. The defaulting party shall have thirty (30) days from receipt of such notice to cure the default. If timely cure is not effected, the non-defaulting party shall have the right to enforce this Agreement in law or in equity, by decree of specific performance or damages, or such other legal or equitable relief as may be available under the provisions of the laws of the State of Colorado. In such proceeding, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs. The subsequent legislative action by Town to terminate or reduce the Street Fee below the rate imposed as of the date of this Agreement, (see Exhibit 1), shall constitute an event of default, unless an alternative revenue pledge is then in effect, as authorized by Section 5, above.

13. **Entirety.** This Agreement constitutes the entire contract between the parties and all prior negotiations, representations, understandings, or agreements pertaining to such matters are merged into and superseded by this Agreement.

Executed by the lawful representatives of the parties effective as of the date indicated above.

ATTEST:

Gary R. Higbee Acting
Gary R. Higbee, Town Clerk

TOWN OF CASTLE ROCK

Steven A. Board
Steven A. Board, Mayor

APPROVED AS TO FORM:

Robert J. Slentz
Robert J. Slentz, Town Attorney

MEADOWS METROPOLITAN DISTRICT
NO. 4, quasi-municipal
corporation

By: [Signature]
Attest: [Signature]

CASTLE MEADOWS, INC.
a California corporation

By: Steven C. [Signature]
President

EXHIBIT 1

A. Residential Uses. Hereafter no building permit shall be issued for any dwelling unit until a fee of four hundred forty-five dollars (\$445.00) per dwelling unit has been paid to the Town. For the purposes of this subsection, any remodeling activity which results in the creation of an additional dwelling unit shall be subject to the payment of the fee as specified in this subsection. All such payments shall be deposited into the capital improvements fund.

B. Commercial, Business and Industrial Uses. No building permit shall be issued for the occupancy of any structure to be used primarily for commercial, business or industrial use until a fee in the amount of twelve dollars (\$12.00) per one hundred square feet, or portion thereof, of gross floor area of the structure has been paid to the Town. Any structure located in a business zone, whether intended for commercial business or industrial use, shall be assessed at the rate indicated in this paragraph for commercial, business or industrial uses. All such payment shall be deposited into the capital improvements fund.

RESOLUTION NO. 93-61

A RESOLUTION APPROVING AN
OMNIBUS AMENDMENT TO THE MEADOWS
ANNEXATION AND DEVELOPMENT CONTRACTS

WHEREAS, the Town and Yale Investments, Inc. have identified the need to make certain modifications to the annexation and development contracts pertaining to the Meadows.

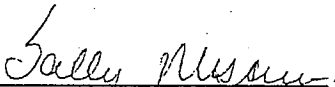
NOW THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CASTLE ROCK, COLORADO, AS FOLLOWS:

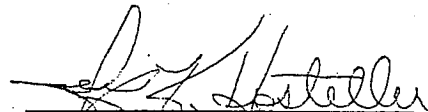
SECTION 1. Approval and Authorization. The "Omnibus Amendment to Annexation Contracts (Meadows)" in the form attached as Exhibit 1 is approved and the Mayor and other proper Town officials are authorized to execute the document by and on behalf of the Town of Castle Rock.

PASSED, APPROVED AND ADOPTED this 9th day of September, 1993, by the Town Council of the Town of Castle Rock, Colorado on first and final reading, by a vote of 7 for and 0 against.

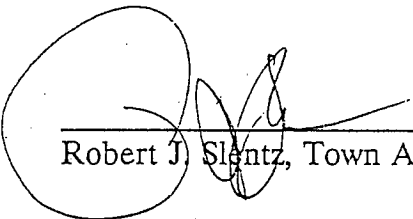
ATTEST:

TOWN OF CASTLE ROCK


Sally Misare, Town Clerk


~~Mark C. Williams, Mayor~~

Approved as to form:


Robert J. Slentz, Town Attorney