

DC8721318

355333

Bk 579, Pg 208

6/14/85

11:16 AM

\$ 150.00

ANNEXATION AND DEVELOPMENT CONTRACT

BETWEEN

THE TOWN OF CASTLE ROCK

AND

FIRST CAPITOL CORPORATION
(THE OAKS OF CASTLE ROCK)

COPY

To Co. Clerk 6-14-85

TABLE OF CONTENTS

	<u>Page</u>
Premises.....	1
SECTION I, PARTIES, ADDRESSES & NOTICE.....	2
Subsection 1.1 TOWN.....	2
Subsection 1.2 DEVELOPER.....	2
Subsection 1.3 OWNER.....	2
Subsection 1.4 ADDRESSES, NOTICE.....	3
SECTION II, ANNEXATION PREMISES.....	4
Subsection 2.1 CONTIGUITY.....	4
Subsection 2.2 AUTHORITY.....	4
SECTION III, DEFINITIONS.....	4
Subsection 3.1 ADMINISTRATIVE PROJECT AREA...	4
Subsection 3.2 APPROVING DOCUMENTS.....	4
Subsection 3.3 DEVELOPMENT CONTROL.....	4
Subsection 3.4 OVERSIZING.....	5
Subsection 3.5 PUBLIC IMPROVEMENTS.....	5
Subsection 3.6 REQUIRED PRIVATE AMENITIES....	5
Subsection 3.7 WARRANTY.....	6
Subsection 3.8 WET WATER.....	6
SECTION IV, APPROVING DOCUMENTS.....	6
Subsection 4.2 COLLECTIVE TITLE.....	6
SECTION V, GENERAL TOWN OBLIGATIONS.....	7
Subsection 5.1 UTILITY SERVICES, RATES.....	7
Subsection 5.2 INSPECTIONS, LIABILITY.....	8
Subsection 5.3 ACCEPTANCE OF PUBLIC IMPROVE- MENTS AND PUBLIC LAND DEDICA- TION.....	8
Subsection 5.4 APPROVAL OF PRIVATE AMENITIES.	8
Subsection 5.5 POLICE, OTHER GOVERNMENTAL SERVICES.....	8
Subsection 5.6 TOWN COOPERATION.....	9
SECTION VI, GENERAL DEVELOPER OBLIGATIONS.....	9
Subsection 6.1 COMPLIANCE.....	9
Subsection 6.2 FIRE DISTRICT.....	9

	<u>Page</u>
SECTION VII, WATER.....	9
Subsection 7.1 WET WATER POLICY.....	9
Subsection 7.2 WATER NEEDS OF LAND.....	10
Subsection 7.3 WATER DOCUMENTS.....	12
Subsection 7.4 INFRASTRUCTION CAPITAL IMPROVEMENTS, OVERSIZING.....	12
Subsection 7.5 CONNECTION, OWNERSHIP.....	14
Subsection 7.6 SEVERANCE.....	14
Subsection 7.7 CASH IN LIEU OF WATER, CREDITS	15
SECTION VIII, IRRIGATION.....	15
Subsection 8.1 IRRIGATION POLICY.....	15
Subsection 8.2 INFRASTRUCTURE, OVERSIZING....	16
Subsection 8.3 CONNECTION, OWNERSHIP.....	17
Subsection 8.4 IRRIGATION OF PUBLIC DEDICATED LANDS.....	17
Subsection 8.5 TOWN RESPONSIBILITY FOR IRRIGATION SYSTEM.....	18
Subsection 8.6 CREDITS.....	18
SECTION IX, SEWER.....	18
Subsection 9.1 SEWER POLICY, INFRASTRUCTURE, OVERSIZING.....	18
Subsection 9.2 CONNECTION, OWNERSHIP.....	19
Subsection 9.3 CREDITS.....	19
SECTION X, DRAINAGE.....	20
Subsection 10.1 DRAINAGE POLICY.....	20
SECTION XI, STREETS.....	20
Subsection 11.1 GENERAL STREET POLICY.....	20
Subsection 11.2 PRIVATE STREETS.....	20
SECTION XII, PUBLIC LAND DEDICATION.....	21
Subsection 12.1 PUBLIC LAND DEDICATION POLICY.....	21
Subsection 12.2 PUBLIC IMPROVEMENT EXTENSION.	21
Subsection 12.3 SOLE REQUIREMENT.....	21
Subsection 12.4 TITLE DOCUMENTS.....	22

	<u>Page</u>
SECTION XIII, PUBLIC IMPROVEMENTS & REQUIRED PRIVATE AMENITIES.....	22
Subsection 13.1 ENGINEERING, CONSTRUCTION....	22
Subsection 13.2 SURETY.....	22
Subsection 13.3 FAILURE TO COMPLETE.....	23
Subsection 13.4 ACCEPTANCE, WARRANTY.....	23
SECTION XIV, PERFORMANCE OF OBLIGATIONS - REMEDIES..	23
Subsection 14.1 DEVELOPER RELIANCE.....	23
Subsection 14.2 SUBSTANTIAL CHANGE, DISCONNECTION.....	23
Subsection 14.3 DEVELOPER DEFAULT.....	24
Subsection 14.4 NON-EXCLUSIVE REMEDY.....	24
SECTION XV, DEVELOPER'S AGREEMENT TO PAY CERTAIN TOWN FEES.....	25
Subsection 15.1 TOWN FEES.....	25
SECTION XVI, DISTRICTS.....	25
Subsection 16.1 DISTRICTS.....	25
SECTION XVII, COLORADO LAW.....	26
Subsection 17.1 APPLICABLE LAW.....	26
SECTION XVIII, BINDING EFFECT.....	26
Subsection 18.1 PARTIES BOUND.....	26
SECTION XIX, CHANGES & ADDITIONAL PROVISIONS.....	26
Subsection 19.1 CHANGES ONLY IN WRITING.....	26
Subsection 19.2 ADDITIONAL SPECIFIC CONDITION CONTROLS.....	27
SECTION XX, ADDITIONAL PROVISIONS.....	28
Subsection 20.1 RECOUPMENT.....	28
Subsection 20.2 WELL PERMIT APPLICATIONS.....	28
Subsection 20.3 WELL SITES.....	29
Subsection 20.4 METROPOLITAN DISTRICTS.....	29
Subsection 20.5 CREDITS AGAINST DEVELOPMENT FEES..	33
Subsection 20.6 MILLER BOULEVARD.....	35
Subsection 20.7 PREPAYMENT OF STREET OVERSIZING FEES/TOWN OPTION AS TO USE.....	36
Subsection 20.8 LAKE GULCH ROAD.....	37
Subsection 20.9 RIDGE ROAD.....	38
Subsection 20.10 PUBLIC LAND DEDICATION.....	38
Subsection 20.11 IMPROVEMENTS UPON DEDICATED LAND..	39
Subsection 20.12 CASH IN LIEU OF PROVISION OF WATER	40
Subsection 20.13 DEDICATION TO THE TOWN.....	40
Subsection 20.14 EXTENSION OF IRRIGATION LINES.....	41
Subsection 20.15 CONTROLLING PROVISIONS.....	41

ANNEXATION AND DEVELOPMENT CONTRACT

(THE OAKS OF CASTLE ROCK ANNEXATION)

THIS AGREEMENT made this ____ day of _____,
1985, by and between THE TOWN OF CASTLE ROCK, a Colorado
municipal corporation, 318 Fourth Street, Castle Rock, CO
80104, hereinafter sometimes referred to as "TOWN",
and First Capitol Corporation, a Colorado corporation

hereinafter sometimes referred to as "DEVELOPER", is as
follows:

WITNESSETH:

WHEREAS, DEVELOPER desires to annex and develop certain
lands within the TOWN of Castle Rock, to be known as
THE OAKS OF CASTLE ROCK,

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: First Capitol Corporation, a Colorado corporation

1.3 OWNER The OWNER of the LAND is:
First Capitol Corporation, a Colorado corporation

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

TOWN:

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

DEVELOPER:

First Capitol Corporation

P. O. Box 22631

Denver, CO 80222

OWNERS:

First Capitol Corporation

P. O. Box 22631

Denver, CO 80222

SECTION II

ANNEXATION PREMISES

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

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

SECTION III

DEFINITIONS

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

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

3.3 DEVELOPMENT CONTROL "DEVELOPMENT CONTROL" shall mean the comprehensive supervision of construction of

all IMPROVEMENTS within an ADMINISTRATIVE PROJECT AREA as such supervision is necessary to insure conformity and compliance with the provisions of this contract, the Planned Unit Development Ordinance and Preliminary Site Plan adopted and approved contemporaneously with this contract, together with all subsequent approved Final Plats, Final Site Plans and modifications. DEVELOPMENT CONTROL shall be exercised by DEVELOPER, its Successors, Representatives, Designees, Agents and Assigns.

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

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

3.6 REQUIRED PRIVATE AMENITIES "REQUIRED PRIVATE AMENITIES" shall mean those private improvements built by the Developer and required by the TOWN as a condition of

final plat or site approval and which are utilized as an offset in behalf of the DEVELOPER against necessary public land dedication or as a credit against fees owed.

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

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

SECTION 1V

APPROVING DOCUMENTS

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

(a) Ordinance No. _____ annexing the lands described in Exhibit "A" hereto;

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

(c) Ordinance No. _____, the Planned Unit Development Ordinance;

(d) Preliminary Site Plan, dated _____.

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

SECTION V

GENERAL

TOWN OBLIGATIONS

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

5.2 INSPECTIONS, LIABILITY The TOWN agrees to perform inspections in a timely manner as requested and required, and to provide appropriate assistance, in order to insure that all construction of public facilities and improvements and all construction of private improvements within the LAND meets all applicable TOWN minimum standards and design criteria. No such inspection or assistance shall pass or transfer any responsibility or liability from DEVELOPER to TOWN for workmanship or quality of the materials, for compliance with engineering or regulation requirements, or for any other liability. In other words, the TOWN makes no warranties based upon its inspections and waives no DEVELOPER liabilities thereon.

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

5.4 APPROVAL OF PRIVATE AMENITIES The TOWN agrees to approve all required private improvements and 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 prove availability and delivery of water, including, but not limited to, title work, drilling permits, well test reports, other available engineering data, water decrees, etc.

7.4 INFRASTRUCTURE CAPITAL IMPROVEMENTS, OVERSIZING
The TOWN shall retain the ultimate responsibility, in consideration for development fees charged and collected, to complete necessary capital plant improvements for the municipal water system including wells, pumps, treatment facilities, reservoirs and transmission lines. The DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, potable water delivery system infrastructure required for the LAND and to meet the needs of the LAND. Such infrastructure shall include all mains, service lines, fire hydrants, valves and connections, pump stations and any other necessary facilities for the delivery of water throughout the LAND. In the event water mains are required to be engineered and constructed which exceed 12" in diameter it shall be presumed that the first 12" shall service the LAND and shall accordingly be paid for by the DEVELOPER and that the oversizing shall be the responsibility

of TOWN. However, if the TOWN engineers determine that the oversized main has been engineered and constructed substantially to service the LAND only, then the DEVELOPER shall pay the entire cost of such line. Prior to the construction of any such line for which the TOWN is to be responsible for a portion of the cost thereof, the DEVELOPER shall secure written bids from no less than two (2) contractors for the placement of such line. Such bids are to include a breakdown of material and labor for such line in a 12" mode and in its oversized mode in order that the TOWN may determine its proportioned cost for the increased sizing which shall be determined by calculating the actual cost difference in labor and material between a 12" line and the oversized line. Such bids are to be submitted to the TOWN for analysis and approval prior to the construction of the line. Should the TOWN fail to approve or disapprove any bid in writing within fifteen (15) days of submittal, then the DEVELOPER may proceed with the bid which it deems most appropriate under the circumstances. The TOWN shall pay its portion after final inspection and acceptance of the line upon completion thereof, and within thirty (30) days following the date of submission of an appropriate statement to the TOWN from the DEVELOPER which shall include invoices and contractor billings.

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

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

the event TOWN desires to purchase such water, it shall give written notification to DEVELOPER of its intention to do so within such thirty (30) day period. Payment shall be made by applying credit against Development Fees to the extent of the value of such surplus water. If insufficient credits exist to pay in full for such surplus water, the TOWN shall pay the balance due, after applying such credits, to the DEVELOPER in cash within sixty (60) days of the date of said notice.

7.7 CASH IN LIEU OF WATER, CREDITS Understanding their rights and obligations contained hereinabove, the parties further agree, that under appropriate circumstances the TOWN may accept cash in lieu of WET WATER, or the parties may also make arrangements for DEVELOPER to construct capital plant improvements as an offset against WET WATER requirements or certain development fees.

SECTION VIII

IRRIGATION

8.1 IRRIGATION POLICY The TOWN has adopted a policy requiring all DEVELOPERS to utilize a three-pipe infrastructure system (water, sewer and irrigation). Such three-pipe system shall be utilized in all use areas other than residential areas. In residential areas, with TOWN approval, DEVELOPER may utilize such three-pipe system. In the event DEVELOPER

deems installation of said three-pipe system within any non-residential area to be technically infeasible and/or not economically justifiable, DEVELOPER shall present evidence of such infeasibility or lack of economic justification to TOWN. TOWN shall review the evidence submitted by DEVELOPER and the Board of Trustees shall make a determination either requiring or not requiring the installation of said three-pipe system.

8.2 INFRASTRUCTURE, OVERSIZING The TOWN shall construct and maintain such capital plant facilities as are necessary to provide effluent to the LAND for irrigation purposes. Such capital plant facilities shall include the necessary transmission line to transport such effluent to the boundary of the LAND. Such effluent shall be provided to users within the LAND at the same rates and connection charges as are then applicable and charged to other users 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 TOWN'S

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

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

SECTION IX

SEWER

9.1 SEWER POLICY, INFRASTRUCTURE, OVERSIZING The TOWN shall provide and maintain such capital plant facilities as are necessary to provide sanitary sewer service to the LAND. The DEVELOPER shall be solely responsible to build and construct, in accordance with TOWN minimum standards and design criteria, all sewage collection system infrastructure required for the LAND and to meet the needs of the LAND. Such infrastructure shall include all mains, service lines, valves and connections, pump stations and other necessary facilities for the recovery of sewage from the LAND. In the event sewer mains are required to be engineered and constructed

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

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

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

SECTION X

DRAINAGE

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

SECTION XI

STREETS

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

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

SECTION XII

PUBLIC LAND DEDICATION

12.1 PUBLIC LAND DEDICATION POLICY It is recognized by the parties that any annexation and development to the TOWN, not only increases the burden upon public utilities and services, but also creates a substantial need for additional public lands for open space, parks, schools and other public facilities. In this regard, DEVELOPER agrees to dedicate to the TOWN at the time of final platting certain parcels of property as shown on the Preliminary Site Plan approved contemporaneously with this Agreement. Credit for all water and water rights appurtenant to such dedicated parcels 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 may be otherwise provided herein, any and all requirements for public lands within THE LAND made by TOWN, any school district or other public entity, shall be met solely from the public lands to be dedicated pursuant to this Section.

12.4 TITLE DOCUMENTS Prior to the acceptance by the TOWN of any tract or parcel of ground to be utilized for public purposes, other than streets, easements and rights-of-way, DEVELOPER shall provide TOWN with sufficient title work to show that the property is free and clear of all liens and encumbrances which might preclude the LAND from being utilized for the purposes intended by the TOWN. Upon acceptance of the conditions of title, such public property shall be deeded to TOWN by Special Warranty Deed. DEVELOPER shall retain such rights-of-way and easements as may be necessary for DEVELOPER to have access to construct utility lines, detention areas or other required PUBLIC IMPROVEMENTS under this Agreement.

SECTION XIII

PUBLIC IMPROVEMENTS &

REQUIRED PRIVATE AMENITIES

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

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

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

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

SECTION XIV

PERFORMANCE OF OBLIGATIONS - REMEDIES

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

14.2 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 last fifteen (15%) percent of the entire developable area.

14.4 NON-EXCLUSIVE REMEDY It is understood and agreed by the parties hereto that the specific remedies provided in this Agreement are not exclusive and that the parties hereto shall have all available remedies in law or equity including but not limited to, specific performance and injunctive relief.

SECTION XV

DEVELOPER'S AGREEMENT TO PAY CERTAIN TOWN FEES

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

SECTION XVI

DISTRICTS

16.1 DISTRICTS TOWN agrees to cooperate with DEVELOPER in the approval of such Districts as may be deemed by TOWN

and DEVELOPER to be reasonably necessary to construct or maintain PUBLIC IMPROVEMENTS, utilities or other improvements of a quasi-public nature which are not to be dedicated to TOWN.

SECTION XVII

COLORADO LAW

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

SECTION XVIII

BINDING EFFECT

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

SECTION XIX

CHANGES & ADDITIONAL PROVISIONS

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

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

(Additional Conditions commence on page 28)

SECTION XX

ADDITIONAL PROVISIONS

20.1 RECOUPMENT. TOWN shall provide for DEVELOPER recoupment of off site costs including:

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

(b) Costs of roadway and drainage structure construction.

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

Recoupment will be due, from the owners of all lands annexed subsequent to the date of such amendment, on an "ability to serve" basis, rather than at the time of actual connection to, or utilization of, said improvements, with said amounts being payable, in full, at the time the first final plat is approved for any such owner. 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. While it is understood and agreed that water and water rights are to be dedicated to TOWN at time of final plat approval pursuant to the provisions of Section VII hereof, DEVELOPER agrees, that upon request of TOWN, DEVELOPER will fully cooperate with TOWN in the filing of any necessary applications for well permits to facilitate the production of such water.

20.3 WELL SITES. In the event TOWN determines that a well site or sites are required upon the LAND in locations other than those areas designated upon the approved preliminary P.U.D. Site Plan for public dedication, the TOWN agrees to administratively adjust the boundaries of the such designated public land dedication areas so that an equivalent amount of land will be released from the requirement of public land dedication at a mutually agreed location.

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

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

(b) TOWN agrees to approve multiple districts, but not to exceed, without further agreement of the Board of Trustees, two (2) in number.

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

(d) Whenever, under the provisions of this Contract, DEVELOPER has the duty to engineer, furnish material for, install, construct, warrant, maintain, repair or otherwise provide or maintain any public improvement as defined in this Contract or any Facility 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 plan investment fee) shall be charged by and for TOWN, subject to the provisions contained in the Intergovernmental Agreements.

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

(h) In the event the metropolitan districts shall fail or refuse to provide the public improvements or Facilities that TOWN is responsible to construct, operate or maintain pursuant to the provisions of this Contract, TOWN shall construct, operate and maintain such public improvements or Facilities pursuant to the provisions of Contract, and charge such development fees as are then charged for provision of the public improvements so 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 Contract.

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

(j) DEVELOPER and TOWN agree that at the time for recording of each final plat with the lands described in Contract, DEVELOPER and TOWN shall cause a "Statement of Information" in substantially similar form to that attached as Exhibit B hereto to be executed and placed of public record at the time of filing of said final plat.

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

(l) In those areas of the LAND utilizing potable water for irrigation and served by a metropolitan district, the TOWN will collect the water and sewer development fees on behalf of the district. Fees would be determined by the district, subject to the provisions of the intergovernmental agreement between the TOWN and district. In such cases the metropolitan district providing such service would not be entitled to any irrigation water development fee, but a fee in lieu of the irrigation water development fee, and in an equal amount to the irrigation water development fee which

would be ordinarily be charged within such district, shall instead be retained by the TOWN for the purpose of having alternate water resources. In those areas of the LAND utilizing irrigation (re-use) systems, water, sewer and irrigation development fees will be collected by the TOWN on behalf of the district and paid to the district.

20.5 CREDITS AGAINST DEVELOPMENT FEES. In the event that the Metropolitan District fails or refuses to provide the public improvements or facilities that DEVELOPER is responsible to construct, operate or maintain pursuant to the provisions of this contract, or in the event that the TOWN and DEVELOPER agree to DEVELOPER'S performance of certain TOWN responsibilities, DEVELOPER shall receive a credit against TOWN development fees as set forth herein.

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

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

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

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

(e) For purposes of determining the amount of credits against the 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.

20.6 MILLER BOULEVARD. DEVELOPER agrees to cooperate with TOWN and other landowners in the construction of that portion of Miller Boulevard which is located upon the LAND as set forth in this Paragraph 20.6. DEVELOPER shall dedicate the entire necessary right-of-way for Miller Boulevard as the same is located upon the LAND, not to exceed 110 feet in width. DEVELOPER shall be required to construct two lanes of Miller Boulevard as the same is located upon the LAND. DEVELOPER shall not be required to extend the construction of said two lanes east from its intersection with Santana Drive to the east boundary of the LAND until such time as Miller Boulevard is under construction from the east to said east boundary, it being the intent of this provision that said portion of Miller Boulevard be completed contemporaneously with said extension from the east to the east boundary of the LAND. TOWN shall provide DEVELOPER with reasonable notice of the fact that said extension of Miller Boulevard from the east to the east boundary of the LAND is under construction and DEVELOPER shall have a reasonable period of time after the date of such notice, with adverse weather conditions and other conditions beyond the control of DEVELOPER being considered, to complete the improvements contemplated in this subsection.

DEVELOPER agrees to construct an acceleration/deceleration lane along the southern boundary of Miller Boulevard at its

intersection with Santana Drive, said lanes to be constructed at such time as Miller Boulevard is completed from the east to the east boundary of the LAND.

DEVELOPER further agrees to design and perform the rough grading for an additional four (4) lanes and median of Miller Boulevard from the westerly boundary of the LAND through the intersection of Miller Boulevard and Santana Drive at the time DEVELOPER constructs two paved lanes of Miller Boulevard at the same location.

Notwithstanding any provision to the contrary contained in this Paragraph 20.6 all improvements required to be made by DEVELOPER hereunder shall be completed before issuance of the 600th certificate of occupancy upon the LAND or September 15, 1995, whichever comes first.

20.7 PREPAYMENT OF STREET OVERSIZING FEES/TOWN OPTION AS TO USE. DEVELOPER agrees to pay \$206,000.00 as a prepayment of street oversizing fees due TOWN from the LAND. Such payment shall be made within thirty days of the date of TOWN'S notification to DEVELOPER that bids have been accepted by the TOWN for the work to which such funds are to be applied, provided however, the following limitations shall apply:

(1) That TOWN shall use such prepaid funds for design and/or construction of that segment of Miller Boulevard extending easterly from the present easterly boundary of the Plum Creek P.U.D. to the easterly boundary of the Oaks at Castle Rock P.U.D.

(2) Any street oversizing fees paid on account of development upon the LAND prior to the date upon which prepayment

to TOWN is made shall be credited as against the amount of such prepayment.

(3) On and after the date upon which such prepayment is made TOWN will waive collection of street oversizing fees upon the LAND until the total amount prepaid is credited to DEVELOPER based upon the amount of such fees at the time such prepayment was made. After all of said prepaid amount is so credited street oversizing fees payable on account of remaining dwelling units, if any, shall be paid as per then effective TOWN ordinance. TOWN shall not be required to refund street oversizing fees prepaid by DEVELOPER in the event the number of dwelling units constructed upon the LAND would not require the imposition of such fees in an amount equal to the amount prepaid.

20.8 LAKE GULCH ROAD.

(1) DEVELOPER agrees to construct an acceleration lane 300 feet in length adjoining Lake Gulch Road prior to the issuance of any certificates of occupancy in Use Area No. 7 as shown on the Preliminary Plan.

(2) DEVELOPER agrees to construct one additional lane of Lake Gulch Road [which shall include the acceleration lane referred to in subparagraph 20.8(1) above] along the western boundary of the land abutting Lake Gulch Road, approximately 1500 feet in length. DEVELOPER shall not be required to extend said construction southeast from the northwest corner of Use Area No. 7 until such time as an additional lane is under construction from Miller Boulevard to the northwest corner of Use Area No. 7, it being the intent of this provision that said construction be

completed contemporaneously with said additional lane's extension from Miller Boulevard to the northwest corner of Use Area No. 7. TOWN shall provide DEVELOPER with reasonable notice of the fact that said extension from Miller Boulevard to said northwest corner of Use Area No. 7 is under construction and DEVELOPER shall have a reasonable period of time after the date of such notice, with adverse weather conditions and other conditions beyond the control of DEVELOPER being considered, to complete the improvements contemplated in this subsection.

Notwithstanding any provision to the contrary contained in this Paragraph 20.8 all improvements required to be made by DEVELOPER hereunder shall be completed before issuance of the 600th certificate of occupancy upon the LAND or September 15, 1995, whichever comes first.

20.9 RIDGE ROAD. DEVELOPER acknowledges that a special improvement district may be formed to make improvements to Ridge Road, and that DEVELOPER and/or its successors and assigns may be subject to assessment for such improvements on a fair and equitable pro rata basis together with all other benefited property owners.

20.10 PUBLIC LAND DEDICATION.

(1) DEVELOPER agrees to construct pursuant to TOWN standards a shelter and to place three picnic tables in the 2.0 acre park located on the northwest corner of the intersection of Miller Boulevard and Santana Drive not later than the time that the bike trail is completed from the north to the northern

boundary of the park. A site plan for said improvements shall be presented to the Director of Parks and Recreation for review.

(2) DEVELOPER will provide off-site, a combined 12 acre school/park site, acceptable to TOWN and the school district, which site shall be provided within 12 months of the approval of this Agreement by the Board of Trustees of TOWN. If and only if an acceptable site can not be located within said 12 month period, DEVELOPER agrees to the following:

(a) To pay to TOWN, a cash in lieu equivalent of a combined 14 acre school/park site at an agreed upon value of \$10,000.00/acre. It being understood that cash in lieu of nine (9) acres shall be paid to TOWN for use of the school district and that cash in lieu of five (5) acres shall be paid to TOWN for TOWN'S park and recreation needs. The terms and conditions of said payment shall be agreed to by TOWN and DEVELOPER;

(b) To construct improvements to the 3.2 acre park adjacent to Use Area No. 8 consisting of a parking area, picnic and play area, said improvements to be constructed contemporaneously with the development of Use Area No. 8.

(c) To construct improvements to the 20.02 acre park adjacent to Use Area No. 4, consisting of a trailhead and parking area, said improvements to be constructed contemporaneously with the development of Use Area No. 4.

20.11 IMPROVEMENTS UPON DEDICATED LAND. DEVELOPER shall have no responsibility to construct improvements upon dedicated land unless specifically agreed to herein.

20.12 CASH IN LIEU OF PROVISION OF WATER. It is agreed that DEVELOPER may provide cash in lieu of "wet" water to the extent water availability for approved uses upon the LAND can not be demonstrated upon the LAND pursuant to the provisions of Castle Rock Municipal Code, Chapter 13.12. Such cash in lieu of water shall be provided in the amount established by resolution for such cash in lieu of payments and shall be payable at the time of final plat approval of any plat for which water availability can not be demonstrated. With TOWN agreement DEVELOPER may pre-pay such cash-in-lieu of payments, and if a mutually satisfactory installment purchase plan is formulated, DEVELOPER may make such pre-payments in such installments. To the extent actual water production from the aquifers appurtenant to the LAND either exceeds or is less than the TOWN approved water study concerning the LAND, the amount of water for which cash-in-lieu of water must be provided shall be adjusted based upon such actual production. TOWN shall not unreasonably refuse to accept such cash in lieu of water payments, or supply water pursuant to the provisions hereof, and shall only refuse to do so on the basis of a demonstrated water shortage.

20.13 DEDICATION TO THE TOWN. Upon final platting, DEVELOPER shall dedicate and deed to the TOWN and to districts 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.

20.14 EXTENSION OF IRRIGATION LINES. In the event DEVELOPER does not elect to utilize irrigation water in the residential portions of the LAND and a determination is made that extension of such line is not technically or economically feasible for the non-residential areas DEVELOPER shall not be required to participate in the cost of extending such lines. In the event some portion of the LAND utilizes irrigation water DEVELOPER shall only be required to participate in such cost on a fair and equitable basis in relation to all other users of said system, based upon the relative supply needs of said users. Nothing contained in this paragraph shall be construed to relieve DEVELOPER of the responsibility to pay TOWN development fees charged on account of, or in lieu of re-use development fees.

20.15 CONTROLLING PROVISIONS. In the event of a conflict between the provisions of this Agreement or the Planned Unit Development Ordinance approved contemporaneously herewith and any contrary ordinance, regulation, policy or other such provision of the TOWN, the provisions of this Agreement or said Planned Unit Development Ordinance, as the case may be, shall control.

_____, as Mayor and

Phyllis J. Brown ^{Deputy} as Town Clerk of the Town of Castle Rock, Colorado, a municipal corporation.

Witness my hand and official seal.

My commission expires: 7-12-88

Christa A. Lounsbury
Notary Public

Address

(S E A L)

DEVELOPER

FIRST CAPITOL CORPORATION, a Colorado corporation

By: [Signature] 4/1/85
PRESIDENT (Date)

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me
this 1st day of April, 1985, by David R. Dennig.

Witness my hand and official seal.

My commission expires: 10/9/86

Hazen E. Schubert
Notary Public

316 Wilcox Street
Address

Castle Rock, CO 80104

A parcel of land lying in portions of Section 13, Township 8 South, Range 67 West and Section 18, Township 8 South, Range 66 West of the 1st P.M., County of Douglas, State of Colorado being more particularly described as follows:

Beginning at the Northeast corner of the Southeast 1/4 of the Northeast 1/4 of said Section 13 and considering the East line of the Northeast 1/4 of Section 13 to bear North $00^{\circ}36'29''$ West as per Bell Companies Survey 1982, with all bearings contained herein relative thereto; thence North $00^{\circ}36'29''$ West a distance of 859.50 feet; thence South $89^{\circ}59'39''$ West a distance of 614.83 feet; thence North $00^{\circ}00'21''$ West a distance of 460.00 feet; thence North $89^{\circ}59'39''$ East a distance of 610.00 feet; thence North $88^{\circ}59'39''$ East a distance of 1146.19 feet; thence South $00^{\circ}03'51''$ East a distance of 1321.28 feet; thence North $89^{\circ}04'32''$ East a distance of 1316.66 feet; thence South $00^{\circ}00'06''$ West a distance of 661.37 feet; thence North $89^{\circ}06'12''$ East a distance of 660.00 feet; thence South $00^{\circ}00'05''$ West a distance of 661.69 feet; thence North $89^{\circ}07'51''$ East a distance of 533.99 feet to the Northerly line of that easement described in Book 176 at Page 315, as filed in the Douglas County Clerk and Recorder's office; thence along said Northerly easement line the following courses: North $62^{\circ}38'56''$ East a distance of 45.54 feet; thence North $31^{\circ}35'31''$ East a distance of 47.04 feet; thence North $89^{\circ}07'51''$ East a distance of 786.05 feet to the Westerly R.O.W. of Ridge Road; thence departing said Northerly easement line and along said Westerly R.O.W., South $00^{\circ}52'08''$ East a distance of 60.00 feet to the point of intersection with the Southerly line of that easement described in said Book 176, at Page 315; thence the following courses along the said Southerly easement line: South $07^{\circ}51''$ West a distance of 726.05 feet to a point of curvature; thence along a curve to the left having a central angle of $39^{\circ}05'31''$, a radius of 45.27 feet, an arc length of 30.89 feet, and a chord that bears South $69^{\circ}35'06''$ West a distance of 30.29 feet to the point of tangency; thence South $50^{\circ}02'20''$ West a distance of 532.02 feet to a point of curvature; thence along a curve to the right having a central angle of $49^{\circ}05'43''$, a radius of 741.58 feet, an arc length of 635.44 feet, and a chord that bears South $74^{\circ}35'12''$ West a distance of 616.18 feet to the point of tangency; thence North $80^{\circ}51'57''$ West a distance of 64.90 feet to a point of curvature; thence along a curve to the left having a central angle of $20^{\circ}40'30''$, a radius of 956.80 feet, an arc length of 345.26 feet, and a chord that bears South $88^{\circ}47'48''$ West a distance of 343.39 feet to the point of tangency; thence South $78^{\circ}27'33''$ West a distance of 21.77 feet to a point of curvature; thence along a curve to the left having a central angle of $25^{\circ}29'30''$, a radius of 854.17 feet, an arc length of 380.03 feet, and a chord that bears South $65^{\circ}42'48''$ West a distance of 376.91 feet to the point of tangency; thence South $52^{\circ}58'03''$ West a distance of 69.18 feet to a point of curvature; thence along a curve to the left having a central angle of $05^{\circ}00'33''$, a radius of 929.05 feet, an arc length of 81.22 feet, and a chord that bears South $50^{\circ}27'46''$ West a distance of 81.20 feet to the point of tangency; thence departing said Southerly easement

line North 42°02'30" West a distance of 60.00 feet to a point on a non-tangent curve; thence along said non-tangent curve to the right having a central angle of 03°28'53", a radius of 989.05 feet, an arc length of 60.10 feet, and a chord that bears North 49°41'57" East a distance of 60.09 feet to a point on the northerly line of said easement thence departing said Northerly line North 37°11'44" West a distance of 198.83 feet to a point of curvature; thence along said curve to the left having a central angle of 58°14'10", a radius of 73.63 feet, an arc length of 176.48 feet and a chord that bears North 16°18'49" West a distance of 168.98 feet to the point of tangency; thence South 84°34'06" West a distance of 332.67 feet; thence North 10°39'10" West a distance of 294.45 feet; thence South 89°54'08" West a distance of 2556.98 feet; thence South 00°52'36" East a distance of 29.50 feet; to a point on the north R.O.W. of Lake Gulch Road as defined on a monumented land survey by Bell Companies in March 1982; thence the following courses along the said northerly R.O.W. of Lake Gulch Road; North 41°31'14" West a distance of 73.46 feet to a point of curvature; thence along said curve to the right having a central angle of 04°16'00", a radius of 5729.58 feet, an arc length of 426.67 feet; and a chord that bears North 39°23'14" West a distance of 426.57 feet to the point of tangency; thence South 52°44'46" West a distance of 40.00 feet; thence North 37°15'14" West a distance of 478.50 feet; to a point of curvature; thence along said curve to the left having a central angle of 12°31'13", a radius of 2658.03 feet; an arc length of 80.83 feet and a chord that bears North 43°30'50" West a distance of 79.68 feet to the point of tangency; thence departing the northerly R.O.W. of Lake Gulch Road North 83°30'18" East a distance of 668.53 feet; thence North 00°55'58" West a distance of 934.70 feet; thence North 89°59'51" East a distance of 1667.26 feet to the Point of Beginning, containing 221.82 acres more or less.

EXHIBIT "B"

STATEMENT OF INFORMATION REGARDING

METROPOLITAN DISTRICT

BE ADVISED THAT _____ SUBDIVISION is located in the
_____ Metropolitan District.

The _____ Metropolitan District is a special district, formed pursuant to the laws of the State of Colorado by Order of the District Court in the County of Douglas, State of Colorado, for the purpose of constructing public improvements. Those improvements have been and are to be paid for from moneys raised from bond issues. The bond issues, are to be paid by certain fees and charges and a property tax levied on all the real property lying within the boundaries of the Metropolitan District. The mill levy may vary from year to year in the future as needs for payments of principal and interest on said bonds, and for administrative costs, require. When the bonds or other obligations of the District, or any refunding of the same has been accomplished, the Metropolitan District may be dissolved.

The _____ Metropolitan District is in the city limits of Castle Rock but is not a part of the town government of Castle Rock. However, its powers and activities are controlled substantially by an Intergovernmental Agreement between the Metropolitan District and the Town of Castle Rock, a copy of which can be obtained from the Town Clerk of the Town of Castle Rock. The intergovernmental agreement, among other things, provides that the Metropolitan District may not engage in any activity, purpose, service or function except to construct the improvements described therein, nor will it add any additional territory to its boundaries, nor permit any territory now included within its boundaries to be excluded, without the written approval of the Board of Trustees of the Town of Castle Rock, except minor inclusions and exclusions as permitted pursuant to the Intergovernmental Agreement.

The above statement is approved by the President of
_____ Metropolitan District and by the Board of
Trustees of the Town of Castle Rock, Colorado.

President, _____
_____ Metropolitan
District

Mayor, Town of Castle Rock

FIRST AMENDMENT
TO
ANNEXATION CONTRACT
FIRST CAPITOL CORPORATION
(THE OAKS OF CASTLE ROCK)

This first amendment ("First Amendment") to that certain contract entitled "Annexation and Development Contract Between The Town of Castle Rock and First Capitol Corporation (The Oaks of Castle Rock) ("Contract") entered into between the Town of Castle Rock, State of Colorado, a Colorado municipal corporation, and First Capitol Corporation, a Colorado corporation, on March 21, 1985, is entered into this 2nd day of May, 1986, between the said Town of Castle Rock, hereinafter "Town" and the said First Capitol Corporation, hereinafter "Developer". Said Contract provided for the annexation of the real property described in Exhibit A to Contract, which real property is identified therein and in this First Amendment as (the "Land").

WITNESSETH:

WHEREAS, certain matters have arisen which were unanticipated at the time Town and Developer entered into Contract; and

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained the parties hereto agree to amend Contract as follows:

SECTION I
SCOPE OF AMENDMENT

1.1 Scope of Amendment. Whenever the provisions of this First Amendment vary from the provisions set forth in Contract the provisions of this First Amendment shall control and be binding upon and inure to the benefit of the parties; their successors and

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 1/32
B0646 - P0694 - \$96.00

assigns. In all other and further respects the provisions of Contract shall remain in full force and effect and be binding upon the parties and their successors and assigns.

SECTION II
AGREEMENT TO CREATION OF SPECIAL IMPROVEMENT DISTRICT

2.1 Special Improvement District. Developer agrees to execute that document entitled "PETITION FOR IMPROVEMENTS AND CREATION OF SPECIAL IMPROVEMENT DISTRICT", a copy of which is attached to this First Amendment as Exhibit A.

SECTION III
PROVISION OF WATER TO LAND

3.1 Town's Provision of Water. In consideration of Developer's agreement to participate in the creation of special improvement district as hereinabove stated, Town agrees to provide water to the Land from the Town's existing water system for the first 200 equivalent single family residential units to be constructed upon the Land. (Equivalent single family residential units shall be defined pursuant to Town of Castle Rock Resolution No. 84-2 as presently adopted.) Town shall provide said water until such time as the water needs of the Land reach 200 equivalent single family residential units as so defined. On or before the date upon which the water needs of the Land reach said point Developer or metropolitan district(s) shall cause facilities for the production of "wet" water as defined in Contract to be installed upon Land to provide for the water needs of Land. It is understood that it is the intent of this provision that the water needs served initially by the 200 equivalent single family residential units of capacity provided by Town shall ultimately be provided by facilities to be

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 2/ 32
B0646 - P0695 - \$96.00

constructed by Developer or metropolitan district(s) and that said 200 units shall at such time again become part of the general water supply capacity of the Town.

SECTION IV
PROVISION OF FACILITIES BY METROPOLITAN DISTRICT(S)

4.1 Metropolitan district(s), (if formed pursuant to the provisions of the Contract), will have the responsibility to provide "wet" water to the Land together with the means to develop and deliver such water, including the 200 units referred to in Section III above. Therefore, in the event such metropolitan district is formed, development fees shall be charged by Town for said 200 units and shall be paid to the metropolitan districts less any handling fee as provided for by subsequent intergovernmental agreement between Town and the proposed metropolitan district(s). In the event such facilities are provided by Developer rather than metropolitan district(s) the provisions of Section V shall control.

SECTION V
PROVISION OF FACILITIES BY DEVELOPER
CREDITS AGAINST DEVELOPMENT FEES

5.1 Improvements Deemed Wholesale, Credits Provided. A portion of the entire principal amount expended by the Special Improvement District created as set forth hereinabove shall be considered to have been expended for wholesale water facilities of the Town. That portion is currently estimated to be \$283,028. Unless such facilities are provided by metropolitan district(s), (in which case the provisions of Section III will control), said amount, or such amended principal amount as is finally expended, shall be creditable as against Town Water Development Fees in the manner set forth in Section XX, Paragraph 20.5 of the Annexation Contract which

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 3/ 32
B0646 - P0696 - \$96.00

is the subject of this Amendment. Amounts creditable shall be deemed to be a prepurchase of capacity in the Town's water system and such capacity as such amounts would purchase as of the date of this agreement shall be available to the Developer until such time as all creditable amounts have been recovered by Developer. In that such amounts represent a prepurchase of capacity in the Town's water system as a whole any changes in such system which result in the Land's being served in another pressure zone, from an alternate source of supply or other such change will not require additional contributions on the part of the Owner or Developer to the extent system components are provided pursuant to this Agreement.

SECTION VI
MISCELLANEOUS

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

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

If to the Developer: First Capitol Corporation
 P. O. Box 22631
 Denver, CO 80222

6.2 Amendments. This First Amendment may be amended in writing, which said amendment or amendments shall be approved by the Board of Trustees of the Town and the Developer, and signed by the Mayor of the Town and President of the Developer.

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

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 4/ 32
B0646 - P0697 - \$96.00

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

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

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

TOWN OF CASTLE ROCK

By: George J. Kennedy
George J. Kennedy, Mayor

ATTEST:

Richard R. Wilson
Richard R. Wilson,
Town Clerk

FIRST CAPITOL CORPORATION,
a Colorado corporation

By: [Signature]
President

ATTEST:

Jane S. Carson
Secretary

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 5/ 32
B0646 - P0698 - \$96.00

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 2nd day of May, 1986, by George J. Kennedy as Mayor and Richard R. Wilson as Town Clerk of the Town of Castle Rock, Colorado, a municipal corporation.

Witness my hand and official seal.

My commission expires: 10-22-88

Phyllis L Brown
Notary Public

(SEAL)

STATE OF COLORADO)
) ss.
COUNTY OF Douglas)

The foregoing instrument was acknowledged before me this 2nd day of April, 1986, by David R. Dennis as President and Tommy Carson as Secretary of First Capitol Corporation, a Colorado corporation.

Witness my hand and official seal.

My commission expires: 10/18/86

Wesley E. Schubert
Notary Public

(SEAL)

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0699 - \$96.00 6/ 32

EXHIBIT "A"

STATE OF COLORADO)	
)	<u>PETITION FOR IMPROVEMENTS</u>
COUNTY OF DOUGLAS)	<u>AND CREATION OF</u>
)	<u>SPECIAL IMPROVEMENT DISTRICT</u>
TOWN OF CASTLE ROCK)	

The undersigned property owners hereby petition the Board of Trustees of the Town of Castle Rock, Colorado, for the creation of a special improvement district and for the construction, installation, and acquisition of certain water system improvements therein, the entire costs of which are to be assessed against the undersigned property owners. This petition is submitted pursuant to Section 31-25-503, C.R.S. In accordance therewith, the petitioners hereby state:

1. The special improvement district petitioned for shall be a single district, to be designated "Special Improvement District No. 1986-1", and shall consist of two (2) noncontiguous parcels, a legal description of which is set forth in Exhibit A attached hereto and incorporated herein by reference.

2. The undersigned constitutes one hundred percent (100%) of the property owners to be assessed, and pursuant to Section 31-25-503(4.5), C.R.S., such property owners hereby request waiver of the notice, publication, and hearing provided for in Section 31-25-503(4), C.R.S.

3. A description of the improvements petitioned for and the estimated costs thereof are set forth in Exhibit B attached hereto and incorporated herein by reference.

4. The requested method of assessment is as follows: the total costs of the improvements to be constructed, installed, and acquired, including all related costs, shall be assessed against the property described in Exhibit A on an area basis, within Area A and Area B, so that the percentage of the total costs assessed against each acre or portion thereof is equal to the percentage such acre or portion thereof is of all the property within Area A and Area B described in Exhibit A.

The assessment against the property in Area A shall be \$346,032 and shall be apportioned on a per acre basis of \$483.21 per acre on the basis of 716.11 acres of land subject to assessment.

The assessment against the property in Area B shall be \$853,968 and shall be apportioned on a per acre basis of \$3,849.82 per acre on the basis of 221.82 acres of land subject to assessment.

Upon the division of property into plats, lots or other subdivisions of the property described in Exhibit A, the costs shall be apportioned to each parcel at the time of approval of

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 7/ 32
 B0646 - P0700 - \$96.00

such parcel by the Town, so that each parcel shall bear a proportionate share of the total costs of improvements within each Area on a per acre basis.

At the time of dedication to and acceptance by the Town of the portion of each subdivision determined to be for public use, (i.e., streets, public park and recreation property and open space) the owner of the property shall pay the assessment in full against each acre or portion thereof that is apportioned for public use and the Town shall receive such dedicated land free and clear of the assessment.

5. The above method of assessment will result in an equitable method of distributing the costs of the improvements petitioned for, so that the assessment will not exceed the special benefit conferred upon the property in the district by such improvements.

6. The undersigned also request the Town to issue its special assessment bonds in accordance with law for the purpose of paying the costs of constructing, installing, and acquiring the improvements, and requests issuance of such bonds and adoption of an ordinance assessing the property in Exhibit A as soon as the costs of the improvements can be ascertained, and before construction.

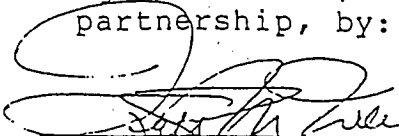
7. The undersigned recognizes that the Town may incur costs and potential liabilities in connection with the improvements, the bonds, and the district, and hereby offers to enter into an agreement with the Town concerning such matters, substantially in the form of Exhibit C attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, We have hereunto set our hands this 29th day of April, 1986.

By:  _____ PRC

For: First Capitol Corporation

Rangeview Ranch, a limited partnership, by:

 _____
General Partner

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 8/ 32
B0646 - P0701 - \$96.00

EXHIBIT A

DESCRIPTION OF PROPERTY TO BE ASSESSED

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0702 - \$96.00 - 9/ 32

AREA A

The S 1/2 of the NW 1/4 and the SW 1/4 of Section 28; the E 1/2 of Section 32; the N 1/2 of the NW 1/4, the SW 1/4 of the NW 1/4 and the NW 1/4 of the SW 1/4 of Section 33, Township 7 South, Range 65 West of the 6th P.M.; and Lot 1, Block 8, Castle Oaks Filing No. 1, County of Douglas, State of Colorado being more particularly described as follows:

Beginning at the Southeast corner of said Section 32: Thence S 89° 32' 37" W along and with the South line of said Section 32 with all bearings contained herein relative thereto a distance of 2655.14 feet to the South 1/4 corner of said Section 32; Thence N 00° 19' 01" W along and with the North-South center line of said Section 32 a distance of 5282.83 feet to the North 1/4 of said Section 32; Thence N 89° 22' 35" E along and with the North line of the Northeast 1/4 of said Section 32 a distance of 2652.87 feet to the Northeast corner of said Section 32; Thence N 00° 22' 02" W along and with the West line of said Section 28 a distance of 3999.92 feet; Thence N 89° 21' 57" E a distance of 2631.69 feet to the North-South center line of said Section 28; Thence S 00° 25' 38" E along and with said North-South centerline a distance of 3986.85 feet to the South 1/4 corner of said Section 28; Thence S 00° 19' 35" E along and with the North-South centerline of said Section 33 a distance of 1325.11 feet; Thence S 89° 07' 07" W a distance of 1317.79 feet; Thence S 00° 20' 03" E a distance of 2647.76 feet; Thence S 89° 13' 35" W a distance of 1317.41 feet to the West line of said Section 33; Thence S 00° 20' 31" E along and with said West line a distance of 1322.64 feet to the Point of Beginning.

ALONG WITH: Lot 1, Block 8, Castle Oaks Filing No 1, County of Douglas, State of Colorado.

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0703 - \$96.00 10/ 32

parcel of land lying in portions of Section 13, Township 8 South, Range 67 West and Section 18, Township 8 South, Range 66 West of the F.M., County of Douglas, State of Colorado being more particularly described as follows:

beginning at the Northeast corner of the Southeast 1/4 of the Northeast 1/4 of said Section 13 and considering the East line of the Northeast 1/4 of Section 13 to bear North 00°36'29" West as per Bell Companies Survey 1982, with all bearings contained herein relative thereto; thence North 00°36'29" West a distance of 859.50 feet; thence South 00°59'39" West a distance of 614.83 feet; thence North 00°00'21" West a distance of 460.00 feet; thence North 89°59'39" East a distance of 0.00 feet; thence North 88°59'39" East a distance of 1146.19 feet; thence South 00°03'51" East a distance of 1321.28 feet; thence North 00°04'32" East a distance of 1316.66 feet; thence South 00°00'06" West a distance of 661.37 feet; thence North 89°06'12" East a distance of 0.00 feet; thence South 00°00'05" West a distance of 661.69 feet; thence North 89°07'51" East a distance of 533.99 feet to the Northerly line of that easement described in Book 176 at Page 315, as filed in the Douglas County Clerk and Recorder's office; thence along said northerly easement line the following courses: North 62°38'56" East a distance of 45.54 feet; thence North 31°35'31" East a distance of 47.04 feet; thence North 89°07'51" East a distance of 786.05 feet to the westerly R.O.W. of Ridge Road; thence departing said Northerly easement line and along said Westerly R.O.W., South 00°52'08" East a distance of 60.00 feet to the point of intersection with the Southerly line of that easement described in said Book 176, at Page 315; thence the following courses along the said Southerly easement line: South 00°07'51" West a distance of 726.05 feet to a point of curvature; thence along a curve to the left having a central angle of 39°05'31", a radius of 45.27 feet, an arc length of 30.89 feet, and a chord that bears South 69°35'06" West a distance of 30.29 feet to the point of tangency; thence South 50°02'20" West a distance of 532.02 feet to a point of curvature; thence along a curve to the right having a central angle of 49°05'43", a radius of 741.58 feet, an arc length of 635.44 feet, and a chord that bears South 74°35'12" West a distance of 616.18 feet to the point of tangency; thence North 80°51'57" West a distance of 64.90 feet to a point of curvature; thence along a curve to the left having a central angle of 20°40'30", a radius of 956.80 feet, an arc length of 345.26 feet, and a chord that bears South 88°47'48" West a distance of 343.39 feet to the point of tangency; thence South 00°27'33" West a distance of 21.77 feet to a point of curvature; thence along a curve to the left having a central angle of 25°29'30", a radius of 854.17 feet, an arc length of 380.03 feet, and a chord that bears South 65°42'48" West a distance of 376.91 feet to the point of tangency; thence South 52°58'03" West a distance of 69.18 feet to a point of curvature; thence along a curve to the left having a central angle of 05°00'33", a radius of 929.05 feet, an arc length of 81.22 feet, and a chord that bears South 50°27'46" West a distance of 81.20 feet to the point of tangency; thence departing said Southerly easement

8610130 - 06/16/86 15:58 - RETA A. GRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 11/ 32
B0646 - P0704 - \$96.00

North 42°02'30" West a distance of 60.00 feet to a point on a non-tangent curve; thence along said non-tangent curve to the right having a central angle of 03°28'53", a radius of 969.05 feet, an arc length of 60.10 feet, and a chord that bears North 49°41'57" East a distance of 60.09 feet to a point on the northerly line of said segment thence departing said Northerly line North 37°11'44" West a distance of 198.83 feet to a point of curvature; thence along said curve to the left having a central angle of 58°14'10", a radius of 332.67 feet, an arc length of 176.48 feet and a chord that bears North 18°49" West a distance of 168.98 feet to the point of tangency; thence South 84°34'06" West a distance of 332.67 feet; thence North 39°10" West a distance of 294.45 feet; thence South 89°54'08" West a distance of 2556.98 feet; thence South 00°52'36" East a distance of 9.50 feet; to a point on the north R.O.W. of Lake Gulch Road as defined on a monumented land survey by Bell Companies in March 1982; thence the following courses along the said northerly R.O.W. of Lake Gulch Road; North 41°31'14" West a distance of 73.46 feet to a point of curvature; thence along said curve to the right having a central angle of 04°16'00", a radius of 5729.58 feet, an arc length of 426.67 feet; and a chord that bears North 39°23'14" West a distance of 426.57 feet to the point of tangency; thence South 52°44'46" West a distance of 426.57 feet; thence North 37°15'14" West a distance of 478.50 feet; to a point of curvature; thence along said curve to the left having a central angle of 12°31'13", a radius of 2658.03 feet; an arc length of 30.83 feet and a chord that bears North 43°30'50" West a distance of 30.83 feet to the point of tangency; thence departing the northerly R.O.W. of Lake Gulch Road North 83°30'18" East a distance of 668.53 feet; thence North 00°55'58" West a distance of 934.70 feet; thence South 89°59'51" East a distance of 1667.26 feet to the Point of Beginning, containing 221.82 acres more or less.

8610130 - 06/16/86 15:58 - REFA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0705 - \$96.00
12/ 32

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS AND ESTIMATE OF COSTS

Description of Improvements

Improvements include 2.0 M.G. buried, concrete, clear-water storage reservoir (not included in Special Improvement District); a 24/18-inch transmission pipeline to provide service to and from this reservoir; an 18-inch transmission line through the Oaks at Castle Rock, connecting the proposed 24/18-inch transmission pipeline to the proposed tank, with the Town's distribution system located near Baldwin Park; and modifications to the M-1 Water Treatment Plant and Pump Station.

Cost of Improvements

The project costs (subsequently defined) are to be funded from the following sources:

o Cash Contribution from the Villages at Castle Rock Metropolitan District No. 1	\$186,000
o Share of Bond Sale for Heritage Farms (Area A)	\$272,500
o Share of Bond Sale for The Oaks at Castle Rock (Area B)	\$672,500
TOTAL	\$1,131,000

The costs of the Improvements are as follows:

Green Zone Transmission Line to Tank

24-inch DIP, 7300 ft.	\$307,000
18-inch DIP, 5600 ft.	\$179,000
Rock Excavation	\$40,000
Valves and Appurtenances	\$39,000
Modifications to M-1	\$20,000
Design, Sureveying, Soils, and Inspection	\$41,000
Legal and Administrative	\$47,000
Contingencies	\$69,000
TOTAL	\$731,000

The Oaks Transmission Line

18-inch DIP, 700 ft.	\$28,000
12-inch DIP, 7050 ft.	\$176,000
Rock Excavation	\$68,000
Valves and Appurtenances	\$25,000
PRV Vault	\$23,000
Design, Survey, Soils, and Inspection	\$32,000
Legal and Administrative	\$16,000
Contingencies	\$32,000
TOTAL	\$400,000
GRAND TOTAL	\$1,131,000

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER \$96.00 13/ 32

Boettcher Company, Inc.

TOWN OF CASTLE ROCK
 DOUGLAS COUNTY, COLORADO
 SPECIAL ASSESSMENT BONDS NO. 1906-1
 Debt Service Report
 \$1,200,000.00
 Dated Date 5/ 1/1986
 Delivery Date 5/ 1/1986

Date	Principal	Coupon	Interest	Periodic Payment	Annual Payment (12/31)
12/ 1/1986			\$60,830.00	\$60,830.00	\$60,830.00
6/ 1/1987			\$52,140.00	\$52,140.00	\$104,280.00
12/ 1/1987			\$52,140.00	\$52,140.00	\$224,280.00
6/ 1/1988	\$120,000	7.7500%	\$52,140.00	\$172,140.00	\$214,980.00
12/ 1/1988			\$47,490.00	\$167,490.00	\$205,380.00
6/ 1/1989	\$120,000	8.0000%	\$47,490.00	\$162,690.00	\$195,480.00
12/ 1/1989			\$42,690.00	\$157,740.00	\$185,280.00
6/ 1/1990	\$120,000	8.2500%	\$42,690.00	\$152,640.00	\$174,900.00
12/ 1/1990			\$37,740.00	\$147,450.00	\$164,340.00
6/ 1/1991	\$120,000	8.5000%	\$37,740.00	\$142,170.00	\$153,540.00
12/ 1/1991			\$32,640.00	\$136,770.00	\$142,560.00
6/ 1/1992	\$120,000	8.6500%	\$32,640.00	\$131,280.00	\$131,400.00
12/ 1/1992			\$27,450.00	\$125,700.00	
6/ 1/1993	\$120,000	8.8000%	\$27,450.00	\$120,000	
12/ 1/1993			\$22,170.00	\$114,280.00	
6/ 1/1994	\$120,000	9.0000%	\$22,170.00	\$108,560.00	
12/ 1/1994			\$16,770.00	\$102,840.00	
6/ 1/1995	\$120,000	9.1500%	\$16,770.00	\$97,120.00	
12/ 1/1995			\$11,280.00	\$91,400.00	
6/ 1/1996	\$120,000	9.3000%	\$11,280.00	\$85,680.00	
12/ 1/1996			\$5,700.00	\$80,000.00	
6/ 1/1997	\$120,000	9.5000%	\$5,700.00	\$74,320.00	
12/ 1/1997				\$68,600.00	
Totals	\$1,200,000		\$757,250.00	\$1,957,250.00	\$1,957,250.00

Use of Proceeds:
 Cost of Construction - \$945,000
 Capitalized Interest - 160,000
 (through 12-1-87)
 Project Administration - 5,000
 Costs of Issuance - 47,000
 Underwriter's Discount - 43,000
 Par Amount of Issue \$1,200,000

Net Effective Interest Rate 9.402941%
 Bond Years to Maturity 8.500.00
 Average Life to Maturity 7.0833
 Accrued Interest to Delivery Date s.00

Participation Percentage:
 The Oaks (71.164%) \$853,968
 Heritage Farms (28.836%) \$346,032

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
 B0646 - P0707 - 14/ 32
 \$96.00

EXHIBIT C

FORM OF PROPOSED AGREEMENT

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0708 - \$96.00 - 15/ 32

AGREEMENT

THIS IS AN AGREEMENT by and between:

THE TOWN OF CASTLE ROCK, Colorado,
a municipal corporation (the "Town")

and

First Capitol Corporation
a Colorado corporation

and

Rangeview Ranch, a limited partnership
(collectively the "Property Owners")

WHEREAS, the Property Owners are the owners of certain real property within the Town, which property is described in Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, the Property Owners are desirous of causing to be constructed, installed, and acquired various water system improvements to provide water to the Property Owner's Oaks of Castle Rock and Heritage Farm Project in the Town, such improvements being more particularly described in Exhibit B attached hereto and incorporated herein by reference (the "Project"); and

WHEREAS, pursuant to applicable law, the Property Owners have petitioned the Town to create a special improvement district (the "District"), issue special assessment bonds (the "Bonds"), and construct, install, and acquire the Project; and

WHEREAS, the Property Owners desire that a particular method of assessment be utilized for determining the amount of the assessment to be levied against their property, that particular improvements be constructed, and that particular properties be included within the District; and

WHEREAS, in order to protect the Town from potential liabilities and costs in connection therewith, and in order to allow the Property Owners to obtain the type of improvements and

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0709 - \$96.00 - 16/ 32

be assessed in the manner they desire, the Property Owners have offered to enter into this Agreement; and

WHEREAS, in consideration of the mutual covenants and promises contained herein, the Town and the Property Owners agree as follows:

1. The Project to be constructed, installed, and acquired shall consist of the water system improvements described in Exhibit B attached hereto and incorporated herein by reference, with such variations or modifications which may later prove to be necessary. The estimated total cost of the Project, including all related costs, is \$1,200,000, plus an amount not exceeding 6% additional for any costs of inspection, collection, and incidentals.

2. The property which should be included within the District and assessed for the entire cost of the Project is the property described in Exhibit A attached hereto and incorporated herein by reference (the "District Property"). The Property Owners realizes that, while other properties may arguably be benefited by the Project, the District Property receives the greatest benefits, and the Property Owners consent to limiting the property to be included within the District and assessed for the cost of the Project to the District Property. In addition to the other matters addressed herein, the Property Owners hereby agree not to make, and hereby waive and surrender any and all right to make any protest or objection to or before the Board of Trustees or any court, agency, or other public body concerning the limiting of the properties to be assessed for the entire cost of the Project to the District Property.

3. The total cost of the Project shall be assessed against the District Property equally, on an area basis, so that the percentage of the total costs assessed against each acre or portion thereof is equal to the percentage such acre or portion thereof is of all the District Property.

The assessment against the property in Area A shall be \$346,032 and shall be apportioned on a per acre basis of \$483.21

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 17/ 32
B0646 - P0710 - \$96.00

per acre on the basis of 716.11 acres of land subject to assessment.

The assessment against the property in Area B shall be \$853,968 and shall be apportioned on a per acre basis of \$3,849.82 per acre on the basis of 221.82 acres of land subject to assessment.

Upon the division of property into plats, lots or other subdivisions of the property described in Exhibit A, the costs shall be apportioned to each parcel at the time of approval of such parcel by the Town, so that each parcel shall bear a proportionate share of the total costs of improvements within each Area on a per acre basis.

At the time of dedication to and acceptance by the Town of the portion of each subdivision determined to be for public use, (i.e., streets, public park and recreation property and open space) the owner of the property shall pay the assessment in full against each acre or portion thereof that is apportioned for public use and the Town shall receive such dedicated land free and clear of the assessment.

The Property Owners agree that the above method of assessment will result in an equitable distribution of the costs so that the assessment will not exceed the benefit conferred upon the District Property by the Project. The Property Owners agree that the above estimated assessment, plus an amount not exceeding 6% for any additional costs of inspection, collection, and incidentals previously not provided for within the bond issue, may be less than the market value increase of such property as a result of the Project. In addition to other matters addressed herein, the Property Owners hereby agree not to make, and hereby waive and surrender any and all right to make any protest or objection to or before the Board of Trustees or any court, agency, or other public body concerning the amount of the assessment against the District Property, as estimated herein.

4. In consideration of the Town taking the action to create the District and construct the Project in accordance with this Agreement, the Property Owners do hereby themselves, on

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER \$96.00
B0646 - P0711 - 18/ 32

behalf of their heirs, executors, administrators, successors, and assigns, generally release and forever hold harmless the Town, its officers, and representatives, free from any and all known or unknown claims, demands, actions, and causes of action of any type or nature arising out of, or in any manner directly or indirectly related to, the validity of or any alleged defects in the ordinances, resolutions, motions, contracts, or other matters adopted or executed, or to be adopted or executed, concerning the creation of the District, the issuance of special assessment bonds by the District, the construction, installation, and acquisition of the Project, and the levy and collection of assessments by the District (the "Proceedings"); provided however, that such Proceedings shall not be inconsistent herewith.

5. The Property Owners expressly covenant with the Town never to institute or participate in any suit or action at law or in equity against the Town by reason of any claim, demand, action, or cause of action of any type or nature arising out of, or in any manner directly or indirectly related to the validity of the Proceedings. Any and all defects in the Proceedings, whether procedural or substantive, are hereby waived by the Property Owners.

6. The Property Owners having full knowledge of their right to appear in person or to be represented by counsel at any hearing on the District, agree to make no formal oral or written objection with respect to the matters referred to herein.

7. The covenants of the Property Owners contained herein shall be binding upon their heirs, executors, administrators, successors, and assigns, and shall run with the land. This Agreement shall be recorded with the Douglas County Clerk and Recorder as provided by law.

8. The Property Owners have executed a Certificate of Ownership and Authority in connection with this Agreement, which is attached hereto as Exhibit C and incorporated herein by reference.

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 19/ 32
B0646 - P0712 - \$96.00

9. This Agreement constitutes the entire agreement of the parties and may not be changed except by a written amendment subscribed to by the Town and the Property Owners.

10. This Agreement shall be governed by the laws of the State of Colorado.

11. It is further understood and agreed that if any of the provisions hereof should contravene, or be invalid under, the laws of the particular state, county, or jurisdiction where used, such contravention or invalidity shall not invalidate this Agreement, the intention being that the various provisions and sections hereof are severable.

WHEREAS, the parties have executed this Agreement this _____ day of _____, 1986.

(S E A L)

TOWN OF CASTLE ROCK, COLORADO

Town Clerk

Mayor

(S E A L)

ATTESTED:

By: _____
David R. Dennig
Title: President

By: _____
Joann Carson
Title: Secretary

(S E A L)

RANGEVIEW RANCH, A LIMITED PARTNERSHIP
By General Partner

By: _____
General Partner

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 20/ 32
B0646 - P0713 - \$96.00

STATE OF COLORADO)
)
COUNTY OF DOUGLAS) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1986, by _____ and _____ as officers of First Capitol Corporation, a Colorado corporation.

WITNESS my hand and official seal.

Subscribed and sworn to before me this _____ day of _____, 1986.

(NOTARY SEAL)

Notary Public

My commission expires _____

STATE OF COLORADO)
)
COUNTY OF DOUGLAS) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 1986, by _____ as general partner of Rangeview Ranch, a limited partnership.

WITNESS my hand and official seal.

Subscribed and sworn to before me this _____ day of _____, 1986.

(NOTARY SEAL)

Notary Public

My commission expires _____

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 21/ 32
B0646 - P0714 - \$96.00

STATE OF COLORADO)
)
COUNTY OF DOUGLAS) ss.
)
TOWN OF CASTLE ROCK)

The foregoing instrument was acknowledged before me this _____ day of _____, 1986, by _____ and _____ as Mayor and Town Clerk, respectively, of the TOWN OF CASTLE ROCK, COLORADO, a municipal corporation.

WITNESS my hand and official seal.

Subscribed and sworn to before me this _____ day of _____, 1986.

(NOTARY
SEAL)

Notary Public

My commission expires _____

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0715 - \$96.00
22/ 32

EXHIBIT A

(Attach legal description of District Property)

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0716 - \$96.00 - 23/ 32

AREA A

The S 1/2 of the NW 1/4 and the SW 1/4 of Section 28; the E 1/2 of Section 32; the N 1/2 of the NW 1/4, the SW 1/4 of the NW 1/4 and the NW 1/4 of the SW 1/4 of Section 33, Township 7 South, Range 66 West of the 6th P.M.; and Lot 1, Block 8, Castle Oaks Filing No. 1, County of Douglas, State of Colorado being more particularly described as follows:

Beginning at the Southeast corner of said Section 32; Thence S 89° 32' 37" W along and with the South line of said Section 32 with all bearings contained herein relative thereto a distance of 2655.14 feet to the South 1/4 corner of said Section 32; Thence N 00° 19' 01" W along and with the North-South center line of said Section 32 a distance of 5282.83 feet to the North 1/4 of said Section 32; Thence N 89° 22' 36" E along and with the North line of the Northeast 1/4 of said Section 32 a distance of 2652.87 feet to the Northeast corner of said Section 32; Thence N 00° 22' 02" W along and with the West line of said Section 28 a distance of 3999.92 feet; Thence N 89° 21' 57" E a distance of 2631.69 feet to the North-South center line of said Section 28; Thence S 00° 25' 38" E along and with said North-South centerline a distance of 3986.85 feet to the South 1/4 corner of said Section 28; Thence S 00° 19' 35" E along and with the North-South centerline of said Section 33 a distance of 1325.11 feet; Thence S 89° 07' 07" W a distance of 1317.79 feet; Thence S 00° 20' 03" E a distance of 2647.76 feet; Thence S 89° 13' 35" W a distance of 1317.41 feet to the West line of said Section 33; Thence S 00° 20' 31" E along and with said West line a distance of 1322.64 feet to the Point of Beginning.

ALONG WITH: Lot 1, Block 8, Castle Oaks Filing No 1, County of Douglas, State of Colorado.

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 24/ 32
B0646 - P0717 - \$96.00

AREA B

parcel of land lying in portions of Section 13, Township 6 South, Range 67 West and Section 18, Township 8 South, Range 66 West of the 1st P.M., County of Douglas, State of Colorado being more particularly described as follows:

beginning at the Northeast corner of the Southeast 1/4 of the Northeast 1/4 of said Section 13 and considering the East line of the Northeast 1/4 of Section 13 to bear North 00°36'29" West as per Bell Companies Survey 1962, with all bearings contained herein relative thereto; thence North 00°36'29" West a distance of 859.50 feet; thence South 9°59'39" West a distance of 614.83 feet; thence North 00°00'21" West a distance of 460.00 feet; thence North 89°59'39" East a distance of 10.00 feet; thence North 88°59'39" East a distance of 1146.19 feet; thence South 00°03'51" East a distance of 1321.28 feet; thence North 9°04'32" East a distance of 1316.66 feet; thence South 00°00'06" West a distance of 661.37 feet; thence North 89°06'12" East a distance of 60.00 feet; thence South 00°00'05" West a distance of 661.69 feet; thence North 89°07'51" East a distance of 533.99 feet to the Northerly line of that easement described in Book 176 at Page 315, as filed in the Douglas County Clerk and Recorder's office; thence along said northerly easement line the following courses: North 62°38'56" East a distance of 45.54 feet; thence North 31°35'31" East a distance of 47.04 feet; thence North 89°07'51" East a distance of 786.05 feet to the westerly R.O.W. of Ridge Road; thence departing said Northerly easement line and along said Westerly R.O.W., South 00°52'08" East a distance of 60.00 feet to the point of intersection with the Southerly line of that easement described in said Book 176, at Page 315; thence the following courses along the said Southerly easement line: South 9°11'51" West a distance of 726.05 feet to a point of curvature; thence along a curve to the left having a central angle of 39°05'31", a radius of 45.27 feet, an arc length of 30.89 feet, and a chord that bears South 69°35'06" West a distance of 30.29 feet to the point of tangency; thence South 50°02'20" West a distance of 532.02 feet to a point of curvature; thence along a curve to the right having a central angle of 49°05'43", a radius of 741.58 feet, an arc length of 635.44 feet, and a chord that bears South 74°35'12" West a distance of 616.18 feet to the point of tangency; thence North 80°51'57" West a distance of 64.90 feet to a point of curvature; thence along a curve to the left having a central angle of 20°40'30", a radius of 956.80 feet, an arc length of 345.26 feet, and a chord that bears South 88°47'48" West a distance of 343.39 feet to the point of tangency; thence South 8°27'35" West a distance of 21.77 feet to a point of curvature; thence along a curve to the left having a central angle of 25°29'30", a radius of 854.17 feet, an arc length of 380.03 feet, and a chord that bears South 65°42'48" West a distance of 376.91 feet to the point of tangency; thence South 52°58'03" West a distance of 69.18 feet to a point of curvature; thence along a curve to the left having a central angle of 05°00'33", a radius of 929.05 feet, an arc length of 81.22 feet, and a chord that bears South 50°27'46" West a distance of 81.20 feet to the point of tangency; thence departing said Southerly easement

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 25/ 32
B0646 - P0718 - \$96.00

North 42°02'30" West a distance of 60.00 feet to a point on a non-tangent curve; thence along said non-tangent curve to the right having a central angle of 03°28'53", a radius of 969.05 feet, an arc length of 60.10 feet, and a chord that bears North 49°41'57" East a distance of 60.09 feet to a point on the northerly line of said segment thence departing said Northerly line North 37°11'44" West a distance of 198.83 feet to a point of curvature; thence along said curve to the left having a central angle of 58°14'10", a radius of 3.63 feet, an arc length of 176.48 feet and a chord that bears North 18°49" West a distance of 168.98 feet to the point of tangency; thence South 84°34'06" West a distance of 332.67 feet; thence North 39°10" West a distance of 294.45 feet; thence South 89°54'08" West a distance of 2556.98 feet; thence South 00°52'36" East a distance of 9.50 feet; to a point on the north R.O.W. of Lake Gulch Road as defined on a monumented land survey by Bell Companies in March 1982; thence the following courses along the said northerly R.O.W. of Lake Gulch Road; North 41°31'14" West a distance of 73.46 feet to a point of curvature; thence along said curve to the right having a central angle of 04°16'00", a radius of 5729.58 feet, an arc length of 426.67 feet; and a chord that bears North 39°23'14" West a distance of 426.57 feet to the point of tangency; thence South 52°44'46" West a distance of 1.00 feet; thence North 37°15'14" West a distance of 478.50 feet; to a point of curvature; thence along said curve to the left having a central angle of 12°31'13", a radius of 2658.03 feet; an arc length of 0.83 feet and a chord that bears North 43°30'50" West a distance of 9.68 feet to the point of tangency; thence departing the northerly R.O.W. of Lake Gulch Road North 83°30'18" East a distance of 668.53 feet; thence North 00°55'58" West a distance of 934.70 feet; thence North 89°59'51" East a distance of 1667.26 feet to the Point of Beginning, containing 221.82 acres more or less.

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 26/ 32
B0646 - P0719 - \$96.00

EXHIBIT B

Description of Improvements

Improvements include 2.0 M.G. buried, concrete, clear-water storage reservoir (not included in Special Improvement District); a 24/18-inch transmission pipeline to provide service to and from this reservoir; an 18-inch transmission line through the Oaks at Castle Rock, connecting the proposed 24/18-inch transmission pipeline to the proposed tank, with the Town's distribution system located near Baldwin Park; and modifications to the M-1 Water Treatment Plant and Pump Station.

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0720 - \$96.00 - 27/ 32

EXHIBIT C

(Attach Certificate of Ownership and Authority)

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0646 - P0721 - \$96.00 - 28/ 32

CERTIFICATE OF OWNERSHIP AND AUTHORITY

I, the undersigned officer of First Capitol Corporation, a Colorado corporation (the "Property Owner"), which entity is contracting with the Town of Castle Rock, Colorado, in connection with the creation of a special improvement district for the purpose of financing certain water system improvements, which contract is dated May 2, 1986, (the "Agreement") hereby certify as follows:

1. The Property Owner is a corporation duly organized and validly existing under the laws of the State of Colorado.

2. The Agreement has been duly executed, acknowledged, and delivered on behalf of the Property Owner by David R. Denny, as President of the Property Owner, and the seal of the Property Owner has been affixed thereto and attested by Joann L. Carson, as Corporate Secretary of the Property Owner.

3. The Agreement constitutes the valid and binding obligation of the Property Owner enforceable in accordance with its terms.

4. The Property Owner is the fee owner of the District Property designated as Area B, as described in Exhibit A to the Agreement.

5. The execution by the Property Owner of the Agreement and the performance by the Property Owner of its obligations thereunder are within the Property Owner's powers in its capacity as a corporation, require no consent or approval of or filing, other than filings in the ordinary course of the Property Owner's business, with any governmental or other regulatory agency, and do not conflict with or constitute a breach of or default under, any indenture, commitment, agreement, or other instrument to which the Property Owner is a party or by which it is bound or under any existing law, rule, regulation, ordinance, judgment, order, or decree to which the Property Owner is subject.

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 29/ 32
B0646 - P0722 \$96.00

8610130 - 06/16/86 15:58 - RETA A. C. N DOUGLAS CO. COLO. CLERK & RECORDER 30/ 32
B0646 - P0723 - .00

6. There is no action, suit, proceeding, inquiry, or investigation at law or in equity, or before or by any court, public board, or body pending or, to the best of our knowledge, threatened against the Property Owner (nor to the best of our knowledge is there any basis therefor) which in any way would adversely affect the validity or enforceability of the Agreement.

7. Each of the below-named individuals whose signatures appear on the Agreement was at the time of the acts as aforesaid and is on the date hereof the duly elected or appointed incumbent in the office of the Property Owner indicated after his name and the signature set forth opposite his name is his genuine signature and each such officer was and is duly authorized to perform such acts:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
<u>DAVID R. DENNIG</u>	<u>PRESIDENT</u>	<u>[Signature]</u>
<u>JOANN L. CARSON</u>	<u>CORPORATE SECRETARY</u>	<u>[Signature]</u>

IN WITNESS WHEREOF, I have hereunto set my signature and affixed the official corporate seal of First Capitol Corporation, a Colorado corporation, this 29th day of April, 1986.

(S E A L)

FIRST CAPITOL CORPORATION

By: [Signature]

Title: PRESIDENT

ATTESTED:

By: [Signature]

Title: Corporate Secretary

CERTIFICATE OF OWNERSHIP AND AUTHORITY

I, the undersigned General Partner of Rangeview Ranch, a limited partnership (the "Property Owner"), which entity is contracting with the Town of Castle Rock, Colorado, in connection with the creation of a special improvement district for the purpose of financing certain water system improvements, which contract is dated May 2, 1986, (the "Agreement") hereby certify as follows:

1. The Property Owner is a limited partnership duly organized and validly existing under the laws of the State of Colorado.

2. The Agreement has been duly executed, acknowledged, and delivered on behalf of the Property Owner by Keith M. Williams, as General Partner of the Property Owner.

3. The Agreement constitutes the valid and binding obligation of the Property Owner enforceable in accordance with its terms.

4. The Property Owner is the fee owner of the District Property designated as Area A; as described in Exhibit A to the Agreement.

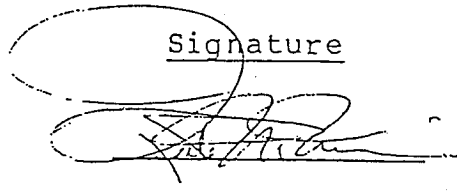
5. The execution by the Property Owner of the Agreement and the performance by the Property Owner of its obligations thereunder are within the Property Owner's powers in its capacity as a limited partnership, that it has received consent from the requisite number of limited partners to sign such Agreement, and does not conflict with or constitute a breach of or default under, any indenture, commitment, agreement, or other instrument to which the Property Owner is a party or by which it is bound or under any existing law, rule, regulation, ordinance, judgment, order, or decree to which the Property Owner is subject.

6. There is no action, suit, proceeding, inquiry, or investigation at law or in equity, or before or by any court, public board, or body pending or, to the best of our knowledge, threatened against the Property Owner (nor to the best of his


8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 31/ 32
B0646 - P0724 - \$96.00

knowledge is there any basis therefor) which in any way would adversely affect the validity or enforceability of the Agreement.

7. The below-named individuals whose signature appears on the Agreement was at the time of the acts as aforesaid and is on the date hereof the General Partner of the Property Owner indicated after his name and the signature set forth opposite his name is his genuine signature and such officer was and is duly authorized to perform such acts:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
<u>KEITH M. Williams</u>	General Partner	

IN WITNESS WHEREOF, I have hereunto set my signature this 29th day of April, 1986.

RANGEVIEW RANCH, a Limited Partnership by

General Partner

8610130 - 06/16/86 15:58 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 32/ 32
B0646 - P0725 - \$96.00

SECOND AMENDMENT TO ANNEXATION AND DEVELOPMENT CONTRACT
BETWEEN THE TOWN OF CASTLE ROCK AND FIRST CAPITOL CORPORATION

Agreement made this 9th day of July, 1987,
by and between the Town of Castle Rock, a Colorado municipal
corporation, hereinafter ("Town") and First Capitol Corporation,
a Colorado corporation, hereinafter ("Developer").

WHEREAS, pursuant to the annexation of the real property
described in the attached Exhibit "A" to the Town, Developer and
Town entered into an Annexation and Development Contract dated
June 14, 1985, recorded in Book 579, Page 208, Douglas County,
Colorado (the "Annexation Contract"); and

WHEREAS, Section 20.10 of the Annexation Contract provides
for the terms and conditions by which the public land dedication
requirement for the Property is to be satisfied; and

WHEREAS, the Town and Developer have determined that
pursuant to subparagraph (2)(a) of Section 20.10 of the
Annexation Contract a cash payment shall be made in lieu of
dedication of a 14 acre school/park site; and

WHEREAS, by this Agreement the parties intend to specify the
terms and conditions which such cash in lieu of payment shall be
made by Developer to Town; and

NOW, THEREFORE, in consideration of these mutual promises it
is agreed as follows:

1. Cash in Lieu of Payment. Developer shall pay to Town
the cash sum of \$140,000.00 at such time as (1) the first final
plat creating residential lots within the property is filed for
public record with the Douglas County Clerk and Recorder, or (2)

8721318 - 07/21/87 09:05 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 1/ 6
B0735 - P0675 - \$18.00

June 14, 1990, whichever occurs last. The \$140,000 payment shall be in full satisfaction of Developer's obligation under 20.10 (2) (a), and shall relieve Developer from providing the 14 acre school/park site.

2. Notices. Except as otherwise provided herein, all notices or payments required to be given under this Agreement shall be in writing and shall be hand delivered or sent by certified mail, return receipt requested, to the following addresses:

Town:

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

Developer:

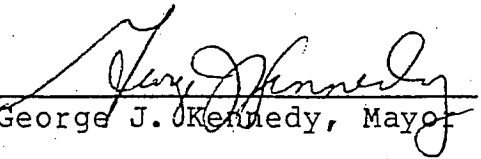
First Capitol Corporation
P.O. Box 22631
Denver, CO 80222

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

3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the assigns and successors of the parties.

IN WITNESS WHEREOF, the Town and Park have executed this Agreement on the day and year both first written.

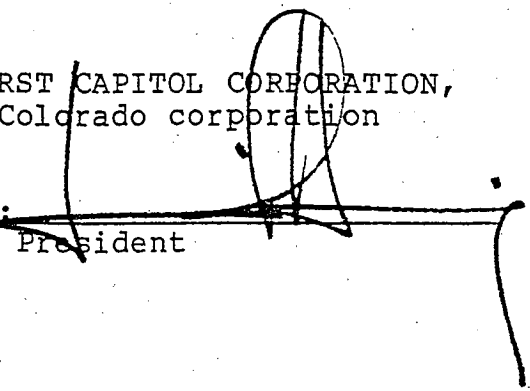
TOWN OF CASTLE ROCK,
a Colorado municipal corporation

By: 
George J. Kennedy, Mayor

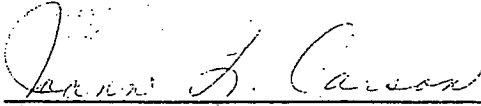
ATTEST:

By: 
Phyllis L. Brown, Town Clerk

FIRST CAPITOL CORPORATION,
a Colorado corporation

By: 
President

ATTEST:


Secretary

Resol 87-117

A parcel of land lying in portions of Section 13, Township 8 South, Range 67 West and Section 18, Township 8 South, Range 66 West of the 1st P.M., County of Douglas, State of Colorado being more particularly described as follows:

Beginning at the Northeast corner of the Southeast 1/4 of the Northeast 1/4 of said Section 13 and considering the East line of the Northeast 1/4 of Section 13 to bear North 00°36'29" West as per Bell Companies Survey 1982, with all bearings contained herein relative thereto; thence North 00°36'29" West a distance of 859.50 feet; thence South 89°59'39" West a distance of 614.83 feet; thence North 00°00'21" West a distance of 460.00 feet; thence North 89°59'39" East a distance of 610.00 feet; thence North 88°59'39" East a distance of 1146.19 feet; thence South 00°03'51" East a distance of 1321.28 feet; thence North 89°04'32" East a distance of 1316.66 feet; thence South 00°00'06" West a distance of 661.37 feet; thence North 89°06'12" East a distance of 660.00 feet; thence South 00°00'05" West a distance of 661.69 feet; thence North 89°07'51" East a distance of 533.99 feet to the Northerly line of that easement described in Book 176 at Page 315, as filed in the Douglas County Clerk and Recorder's office; thence along said Northerly easement line the following courses: North 62°38'56" East a distance of 45.54 feet; thence North 31°35'31" East a distance of 47.04 feet; thence North 89°07'51" East a distance of 786.05 feet to the Westerly R.O.W. of Ridge Road; thence departing said Northerly easement line and along said Westerly R.O.W., South 00°52'08" East a distance of 60.00 feet to the point of intersection with the Southerly line of that easement described in said Book 176, at Page 315; thence the following courses along the said Southerly easement line: South 89°07'51" West a distance of 726.05 feet to a point of curvature; thence along a curve to the left having a central angle of 39°05'31", a radius of 45.27 feet, an arc length of 30.89 feet, and a chord that bears South 69°35'06" West a distance of 30.29 feet to the point of tangency; thence South 50°02'20" West a distance of 532.02 feet to a point of curvature; thence along a curve to the right having a central angle of 49°05'43", a radius of 741.58 feet, an arc length of 635.44 feet, and a chord that bears South 74°35'12" West a distance of 616.18 feet to the point of tangency; thence North 80°51'57" West a distance of 64.90 feet to a point of curvature; thence along a curve to the left having a central angle of 20°40'30", a radius of 956.80 feet, an arc length of 345.26 feet, and a chord that bears South 88°47'48" West a distance of 343.39 feet to the point of tangency; thence South 78°27'33" West a distance of 21.77 feet to a point of curvature; thence along a curve to the left having a central angle of 25°29'30", a radius of 854.17 feet, an arc length of 380.03 feet, and a chord that bears South 65°42'48" West a distance of 376.91 feet to the point of tangency; thence South 52°58'03" West a distance of 69.18 feet to a point of curvature; thence along a curve to the left having a central angle of 05°00'33", a radius of 929.05 feet, an arc length of 81.22 feet, and a chord that bears South 50°27'46" West a distance of 81.20 feet to the point of tangency; thence departing said Southerly easement

8721318 - 07/21/87 09:05 - RITA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 5/6
B0735 - P0679 - \$18.00

line North 42°02'30" West a distance of 60.00 feet to a point on a non-tangent curve; thence along said non-tangent curve to the right having a central angle of 03°28'53", a radius of 989.05 feet, an arc length of 60.10 feet, and a chord that bears North 49°41'57" East a distance of 60.09 feet to a point on the northerly line of said easement thence departing said Northerly line North 37°11'44" West a distance of 198.83 feet to a point of curvature; thence along said curve to the left having a central angle of 58°14'10", a radius of 173.63 feet, an arc length of 176.48 feet and a chord that bears North 66°18'49" West a distance of 168.98 feet to the point of tangency; thence South 84°34'06" West a distance of 332.67 feet; thence North 00°39'10" West a distance of 294.45 feet; thence South 89°54'08" West a distance of 2556.98 feet; thence South 00°52'36" East a distance of 729.50 feet; to a point on the north R.O.W. of Lake Gulch Road as defined on a monumented land survey by Bell Companies in March 1982; thence the following courses along the said northerly R.O.W. of Lake Gulch Road; North 41°31'14" West a distance of 73.46 feet to a point of curvature; thence along said curve to the right having a central angle of 04°16'00", a radius of 5729.58 feet, an arc length of 426.67 feet; and a chord that bears North 39°23'14" West a distance of 426.57 feet to the point of tangency; thence South 52°44'46" West a distance of 10.00 feet; thence North 37°15'14" West a distance of 478.50 feet; to a point of curvature; thence along said curve to the left having a central angle of 12°31'13", a radius of 2658.03 feet; an arc length of 580.83 feet and a chord that bears North 43°30'50" West a distance of 579.68 feet to the point of tangency; thence departing the northerly R.O.W. of Lake Gulch Road North 83°30'18" East a distance of 668.53 feet; thence North 00°55'58" West a distance of 934.70 feet; thence South 89°59'51" East a distance of 1667.26 feet to the Point of Beginning, containing 221.82 acres more or less.

8721318 - 07/21/87 09:05 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 6/ 6
 B0735 - P0680 - \$18.00

13 P
6502

**THIRD AMENDMENT TO ANNEXATION CONTRACT
(THE OAKS OF CASTLE ROCK)**

DC9549870

DATE: October 23, 1995

PARTIES: **TOWN OF CASTLE ROCK**, a home rule municipality, ("Town"), 680 N. Wilcox Street, Castle Rock, Colorado 80104

TORA, INC., a Colorado corporation, ("Developer"), c/o William Harvey, 4752 Moonshine Ridge Trail, Parker, CO 80134

RECITALS:

A. Concurrently with execution of this Agreement, Developer has obtained title from Town title to the real property described in the attached *Exhibit "1"* (the "Property"). The Property is subject to Annexation and Development Contract recorded on June 14, 1985 in Book 579 at Page 208 of the public records of Douglas County, Colorado, as amended by the First Amendment to Annexation Contract recorded on June 16, 1986 in Book 646 at Page 694 and a Second Amendment to Annexation Contract recorded on July 21, 1987 in Book 735 at Page 675 (the "Annexation Contract").

B. The Parties have identified the need to amend the Annexation Contract in accordance with their separate agreement under which Developer acquired title to the Property from Town. In addition, by this Agreement the Town will establish certain development entitlements for the benefit of the Property in consideration of the Town's retention of the Water Rights associated with the Property described in the attached *Exhibit "2"*.

NOW, THEREFORE, in consideration of these mutual promises and covenants, the parties agree as follows:

Section 1. Merger. The First Amendment to Annexation Contract in its entirety, and sections 7.1, 7.2, 7.3, 7.6, 7.7 and Article VIII of the original Annexation Contract are superseded and merged into the provisions of this Agreement. The aforementioned provisions shall no longer be of any force or effect.

Section 2. Water Credit. A credit is established against the Town's water rights dedication requirements for the benefit of the Property as follows (the "Water Credit"):

9549870 - 10/24/95 11:46 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1295 - P1046 - \$65.00 - 1/ 13

AQUIFER	AF	AF/SFE	SFE
Lower Dawson	77.2	.55	140
Denver	70.5	.55	128
Arapahoe	118.7	.55	216
Laramie Fox-Hills	11.3 ¹	.55	21
TOTAL	277.7		505

The Water credit is expressed in a single family equivalent, or "SFE". An SFE is the measure of average annual wholesale water production which the Town must develop to meet the imputed demand from a single family residence under applicable Town regulations. Consequently, a Water Credit of one (1) SFE represents that the holder has satisfied the Town's water dedication requirement for one single family residence (.55 acre feet per SFE) or the equivalent demand attributable to multi-family or non-residential uses under applicable Town regulation.

The Water Credit shall be applied to meet the Town's water rights dedication requirements for development on the Property.

- (a) at the time of final subdivision plat approval by the total SFE assigned to all residential and accompanying irrigation uses identified within the plat; and
- (b) at the time of final PD site plan approval (if so identified on the final PD sit plan), or otherwise at issuance of a building permit, for any use not ascertained at final subdivision plat approval by the amount of the SFE assigned to use such.

SFE assignments to specific uses shall be made in accordance with Town ordinance and regulations as amended from time to time.

The demand attributed to residential and non-residential development shall be reduced to reflect the substitution of reuse or non-potable water for potable water irrigation in accordance with established engineering criteria. In order to estimate the water demand at the time of final plat approval, Town may apply an empirical planning formula based upon platted

¹ Per 4.04.020 of the Castle Rock Municipal Code recognized at 34% of decreed annual rate of withdrawal.

area and debit the Water Bank (as that term is defined in section 4, below) accordingly. However, when all potable and irrigation tap sizes are known, the Water Bank shall be adjusted to reflect SFE assignment in accordance with this Agreement.

Section 3. Additional Water Resources. If the Water Credit is exhausted prior to full buildout of the Property, Developer shall be required to provide additional water resources, reasonably acceptable to the Town, which may include water rights to properties within or without the corporate limits of the Town, provided that the water rights so offered to the Town can be legally withdrawn through water production and distribution facilities of the Town then in service, or, scheduled to be placed in service with a reasonable period of time, as determined in the Town's discretion. Alternatively, Developer may provide cash in lieu of dedication if so authorized and, in accordance with the terms of applicable Town ordinance. Absent provision of such additional water resources by Developer, Town shall not be obligated to approve further development within the Property after exhaustion of the Water Credit.

The Water Credit shall be increased by:

- (a) Any increase in the annual yield under any final or amended decree affecting the Water Rights or the Residual Rights after conveyance to Town by the Water Court; and
- (b) Upon the conveyance to and acceptance by Town of any portion of the Residual Rights or other qualifying water resources accepted by Town.

The amount of such increase in the Water Credit shall be based upon applicable criteria under Town regulation and ordinance then in effect with respect to the conversion of water rights to SFE, provided that in converting the yield from any decreed water right into SFE, the equation of .55 AF/SFE shall be utilized, except to the extent that such water rights are not recognized on an acre/foot per acre/foot basis under Town Ordinance or policy then in effect.²

Section 4. Water Bank. In order to properly account for the Water Credit, Town shall administratively establish and update an account, designated The Oaks Water Bank. The Water Bank shall periodically be "debited" or "credited" in accordance with sections 2 and 3, above. With execution of this Agreement, the Water Bank shall have the following entries:

² For example, under current Town ordinance only 34% of the decreed yield for the Laramie Fox-Hills aquifer is recognized for conversion into SFE credit.

THE OAKS WATER BANK

DATE	ENTRY	SFE DEMAND	SFE SUPPLY
10/15/95	Contract execution		505
Net Credit			505

With any entry made by Town, Developer shall receive notification in writing, and any objection to such entry shall be reviewed by Town, and corrected as appropriate. Any objection not resolved to the satisfaction of the developer at the administrative level, shall be referred to a mutually acceptable independent water engineer whose determination made in accordance with this Agreement shall be final and binding.

Section 5. Ownership and Transfer of Water Credit. The Water Credit constitutes a development entitlement, held and administered by the Town for the benefit of the Property. The Water Credit shall be applied in accordance with the above protocol on a "first-come, first-serve" basis to approved subdivisions of the Property. No purported assignment or allocation of the Water Credit as between the owner(s) of the Property shall be effective or binding upon the Town. The Water Credit may not be assigned or transferred without the express written approval of Town, in whole or in part, until all of the Property has been subdivided and all water demand for approval land uses determined in accordance with this Agreement, provided that the Water Credit, in whole or in part, may be transferred for utilization on the Property described in the attached *Exhibit "3"*, if and when such property is annexed to the Town of Castle Rock, by an instrument complying with the requirements of (c) of this section. Any Water Credit remaining of after full development of the Property shall be considered a personal property interest of the Developer, or its assignee of record, irrespective of whether Developer then has any interest in the Property and may be sold or transferred to satisfy the Town's water dedication requirements on other properties, subject to the following terms and restrictions:

- (a) the property to which the Water Credit is assigned must be located within the corporate limits of the Town and such property can be legally and physically served through the Town's water system;
- (b) the yield of such Water Credit to satisfy the water dedication requirements

of such property shall be determined by the applicable annexation or development contract and/or Town ordinance in effect at the time of transfer;

- (c) the transfer shall be evidenced by a duly acknowledged instrument executed by the transferor (and all mortgagees and lienholders, if any), specifying the number of SFE transferred, and the property to which the Water Credit is to be transferred. Such assignment shall be binding upon Town only upon receipt by Town of a recorded copy of an instrument substantially in conformance with these requirements. In the absence of compliance, Town may disregard a purported assignment. Upon written request, Town will confirm in writing whether a proposed transfer will be in substantial compliance and binding upon Town, in accordance with this section.

The Water Credit may not be transferred for utilization outside the corporate limits of the Town without the express written consent of the Town.

Section 6. Oversizing. Street classifications within the Property (i.e. local or collector)

~~shall be determined solely upon the internal traffic to be generated from development on the Property, as determined by transportation analysis, taking into account approved zoning densities.~~ If such transportation analysis supports classification of all internal streets as local streets, Developer shall not be required to participate in the construction of any collector status streets, except as is necessary to transition from a local street to a collector or arterial status street providing access to the Property.

Section 7. Limited Purpose. The Water Credit is applied to satisfy the Town's water rights dedication requirements. This Agreement does not address the respective rights and obligations of the parties as to the provision of facilities to withdraw, treat, store and distribute potable water to the Property, nor the imposition of capital recovery charges by the Town, such as system development or tap fees, as a condition to the right to connect to the municipal water system. The designation of the Water Credit in terms of a quantity of SFE does not constitute

a limitation or modification of the approved zoning densities for the Property.

Section 8. Notice. Any notice required to be given under this Agreement shall be effective upon hand delivery, facsimile transmission or three (3) days after posting in the United States Mail postage prepaid to the parties at the following address:

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

TORA, Inc.
c/o William Harvey
4752 Moonshine Ridge Trail
Parker, CO 80134

Section 9. Litigation. In the event that litigation ensues under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other litigation cost from the party against whom a judgment or decree is entered.

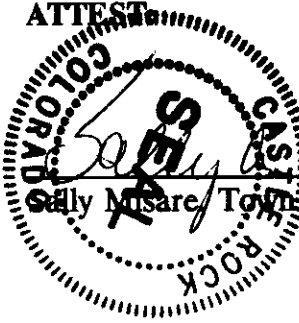
Section 10. Binding Effect. This Agreement shall be binding upon, and inure to the benefit of the assigns and successor of the parties.

Section 11. Entire Agreement. This agreement contains the entire and complete understanding and agreement of the parties, and any prior or contemporaneous parole agreements are merged into the provisions of this Agreement.

Section 12. Amendment. This Agreement may only be amended by a writing formally acknowledged by all parties to this Agreement.

Section 13. Recordation. This Agreement shall be recorded with the Douglas County Clerk and Recorder, to provide record notice of its provisions.

ATTEST


Sally Misare, Town Clerk

TOWN OF CASTLE ROCK



Mark C. Williams, Mayor

EXHIBIT "1"

A TRACT OF LAND LOCATED IN SECTION 13, TOWNSHIP 8 SOUTH, RANGE 67 WEST, AND SECTION 18, TOWNSHIP 8 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 18, AS MONUMENTED BY NO. 4, REBAR, AND CONSIDERING THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18 TO BEAR NORTH 00 DEGREES 01 MINUTE 25 SECONDS EAST TO THE NORTHEAST CORNER OF SAID SECTION 18, AS MONUMENTED BY A STONE, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

THENCE SOUTH 89 DEGREES 08 MINUTES 31 SECONDS WEST, 593.53 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 35 AND THE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE ALONG THE SOUTHERLY LINE OF A 60 FOOT WIDE ACCESS EASEMENT, AS DESCRIBED IN BOOK 601, PAGES 165 AND 168, THE FOLLOWING COURSES:

SOUTH 89 DEGREES 08 MINUTES 39 SECONDS WEST, 602.27 FEET;

THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 41 DEGREES 35 MINUTES 53 SECONDS, A RADIUS OF 507.30 FEET, AN ARC OF 668.31 FEET AND A CHORD WHICH BEARS SOUTH 68 DEGREES 20 MINUTES 42 SECONDS WEST, 360.28 FEET;

THENCE SOUTH 47 DEGREES 32 MINUTES 46 SECONDS WEST, 308.28 FEET;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 51 DEGREES 42 MINUTES 46, A RADIUS OF 707.45 FEET, AN ARC OF 638.52 FEET AND A CHORD WHICH BEARS SOUTH 73 DEGREES 24 MINUTES 09 SECONDS WEST 617.07 FEET;

THENCE NORTH 80 DEGREES 44 MINUTES 28 SECONDS WEST, 64.88 FEET;

THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 20 DEGREES 49 MINUTES 26 SECONDS, A RADIUS OF 950.61 FEET, AN ARC OF 345.50 FEET AND A CHORD WHICH BEARS SOUTH 88 DEGREES 50 MINUTES 49 SECONDS WEST, 343.60 FEET;

THENCE SOUTH 78 DEGREES 26 MINUTES 05 SECONDS WEST, 21.37 FEET;

THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 25 DEGREES 25 MINUTES 09 SECONDS, A RADIUS OF 855.02 FEET, AN ARC OF 379.33 FEET AND A CHORD WHICH BEARS SOUTH 65 DEGREES 43 MINUTES 31 SECONDS WEST, 376.23 FEET;

THENCE SOUTH 53 DEGREES 00 MINUTES 56 SECONDS WEST, 69.76 FEET;

THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 04 DEGREES 57 MINUTES 58 SECONDS, A RADIUS OF 937.42 FEET, AN ARC OF 81.25 FEET AND A CHORD WHICH BEARS SOUTH 50 DEGREES 31 MINUTES 57 SECONDS WEST, 81.23 FEET;

THENCE ALONG A NON-TANGENT LINE, NORTH 41 DEGREES 56 MINUTES 32 SECONDS WEST, 60.00 FEET TO THE BOUNDARY LINE AS RESOLVED BY A BOUNDARY LINE AGREEMENT IN BOOK 703 AT PAGE 622;

THENCE ALONG SAID BOUNDARY LINE THE FOLLOWING COURSES:

ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A DELTA OF 03
 DEGREES 27 MINUTES 07 SECONDS, A RADIUS OF 997.42 FEET, AN ARC
 OF 60.10 FEET AND A CHORD WHICH BEARS NORTH 49 DEGREES 46
 MINUTES 33 SECONDS EAST, 60.08 FEET;
 THENCE ALONG A NON-TANGENT LINE, NORTH 37 DEGREES 13 MINUTES
 39 SECONDS WEST, 199.07 FEET;
 THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 58 DEGREES
 14 MINUTES 08 SECONDS, A RADIUS OF 173.17 FEET, AN ARC OF
 176.01 FEET AND A CHORD WHICH BEARS NORTH 66 DEGREES 20 MINUTES
 43 SECONDS WEST, 168.53 FEET;
 THENCE SOUTH 84 DEGREES 32 MINUTES 13 SECONDS WEST, 332.68
 FEET;
 THENCE NORTH 00 DEGREES 37 MINUTES 42 SECONDS EAST, 294.41
 FEET;
 THENCE PARALLEL WITH THE SOUTH LINE OF THE NORTH HALF OF THE
 NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 13, SOUTH
 89 DEGREES 55 MINUTES 48 SECONDS WEST, 1202.74 FEET TO THE
 RANGE LINE BETWEEN SAID SECTION 18 AND SAID SECTION 13;
 THENCE CONTINUING ALONG SAID PARALLEL LINE, SOUTH 89 DEGREES
 55 MINUTES 48 SECONDS WEST, 1353.91 FEET;
 THENCE DEPARTING SAID PARALLEL LINE SOUTH 00 DEGREES 47
 MINUTES 29 SECONDS EAST, 521.54 FEET;
 THENCE SOUTH 00 DEGREES 54 MINUTES 15 SECONDS EAST, 207.45
 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF LAKE GULCH ROAD
 THENCE DEPARTING SAID BOUNDARY LINE AND ALONG SAID EASTERLY
 RIGHT-OF-WAY LINE THE FOLLOWING COURSES:

NORTH 41 DEGREES 31 MINUTES 14 SECONDS WEST, 73.46 FEET;
 THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 04 DEGREES
 16 MINUTES 00 SECONDS, A RADIUS OF 5680.07 FEET, AN ARC OF
 422.98 FEET AND A CHORD WHICH BEARS NORTH 39 DEGREES 23 MINUTES
 14 SECONDS WEST, 422.88 FEET;
 THENCE ALONG A NON-TANGENT LINE, SOUTH 52 DEGREES 44 MINUTES
 46 SECONDS WEST, 10.00 FEET;
 THENCE NORTH 37 DEGREES 15 MINUTES 14 SECONDS WEST, 478.50
 FEET;
 THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 11 DEGREES
 47 MINUTES 02 SECONDS, A RADIUS OF 2824.63 FEET, AN ARC OF
 580.94 FEET AND A CHORD WHICH BEARS NORTH 43 DEGREES 08 MINUTES
 45 SECONDS WEST, 579.91 FEET;
 THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY LINE AND ALONG THE
 SOUTH LINE OF THAT PROPERTY DESCRIBED IN BOOK 549 AT PAGE 947
 ALONG A NON-TANGENT LINE, NORTH 83 DEGREES 36 MINUTES 31
 SECONDS EAST, 678.03 FEET TO THE WEST LINE OF THE EAST HALF OF
 THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION
 13;
 THENCE ALONG SAID WEST LINE, NORTH 00 DEGREES 58 MINUTES 45
 SECONDS WEST, 928.54 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF
 MILLER BOULEVARD AS PLATTED IN BALDWIN PARK, ESTATES FILING
 NO. 2, ACCORDING TO THE RECORDED PLAT THEREOF;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE ALONG A NON-TANGENT CURVE TO THE RIGHT HAVING A DELTA OF 02 DEGREES 36 MINUTES 08 SECONDS, A RADIUS OF 615.00 FEET, AN ARC OF 27.93 FEET AND A CHORD WHICH BEARS NORTH 75 DEGREES 08 MINUTES 59 SECONDS EAST, 27.93 FEET TO THE SOUTH LINE OF BALDWIN PARK ESTATES FILING NO. 2 AS RESOLVED BY QUIT CLAIM DEEDS IN BOOK 586 AT PAGES 543 AND 545;

THENCE ALONG SAID SOUTH LINE NORTH 89 DEGREES 55 MINUTES 18 SECONDS EAST, 1639.35 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 13;

THENCE ALONG THE RANGE LINE BETWEEN SAID SECTION 13 AND SAID SECTION 18 AND ALONG THE EAST BOUNDARY LINE OF THE AFOREMENTIONED BALDWIN PARK ESTATES FILING NO. 2 AS RESOLVED BY SAID QUIT CLAIM DEEDS, NORTH 01 DEGREE 11 MINUTES 22 SECONDS WEST, 854.44 FEET;

THENCE DEPARTING SAID RANGE LINE AND ALONG THE NORTH BOUNDARY LINE OF THE AFOREMENTIONED BALDWIN PARK ESTATES FILING NO. 2, SOUTH 89 DEGREES 59 MINUTES 05 SECONDS WEST, 619.45 FEET;

THENCE ALONG THE EAST BOUNDARY LINE OF THE AFOREMENTIONED BALDWIN PARK ESTATES FILING NO. 2, NORTH 00 DEGREES 00 MINUTES 55 SECONDS WEST, 460.00 FEET TO THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 13;

THENCE ALONG SAID NORTH LINE, NORTH 89 DEGREES 59 MINUTES 05 SECONDS EAST, 610.00 FEET TO THE NORTHEAST CORNER OF SAID SECTION 13;

THENCE ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 18, NORTH 88 DEGREES 59 MINUTES 35 SECONDS EAST, 1146.14 FEET TO THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18;

THENCE ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER, SOUTH 00 DEGREES 34 MINUTES 46 SECONDS WEST, 1317.67 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

THENCE ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18, NORTH 89 DEGREES 07 MINUTES 47 SECONDS EAST, 12.08 FEET;

THENCE DEPARTING SAID SOUTH LINE, SOUTH 00 DEGREES 03 MINUTES 16 SECONDS WEST, 3.75 FEET;

THENCE NORTH 89 DEGREES 06 MINUTES 23 SECONDS EAST, 1319.99 FEET TO A POINT ON THE NORTH - SOUTH CENTERLINE OF SAID SECTION 18 FROM WHICH THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18 BEARS NORTH 00 DEGREES 02 MINUTES 11 SECONDS EAST, 3.21 FEET;

THENCE ALONG SAID NORTH - SOUTH CENTERLINE, SOUTH 00 DEGREES 02 MINUTES 11 SECONDS WEST, 656.87 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18;

THENCE NORTH 89 DEGREES 12 MINUTES 34 SECONDS EAST, 659.86 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18;

THENCE SOUTH 00 DEGREES 02 MINUTES 00 SECONDS WEST, 660.67

FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE
SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 18;
THENCE SOUTH 07 DEGREES 40 MINUTES 40 SECONDS EAST, 3.68 FEET;
THENCE NORTH 89 DEGREES 10 MINUTES 08 SECONDS EAST, 534.00
FEET;
THENCE NORTH 62 DEGREES 46 MINUTES 35 SECONDS EAST, 45.56
FEET;
THENCE NORTH 32 DEGREES 17 MINUTES 23 SECONDS EAST, 47.51
FEET;
THENCE NORTH 89 DEGREES 08 MINUTES 39 SECONDS EAST, 785.65
FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 35;
THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE SOUTH 00 DEGREES
08 MINUTES 46 SECONDS EAST, 60.16 FEET TO THE POINT OF
BEGINNING OF THIS DESCRIPTION.

9549870 - 10/24/95 11:46 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1295 - P1056 - \$65.00

11/ 13

UNOFFICIAL COPY

EXHIBIT "2"

THE WATER RIGHTS

All water and water rights to the described property in *Exhibit "1"*, including the right, conditional, or absolute to withdraw Denver Basin Groundwater (nontributary and nontributary) under the terms of the following described water rights decrees:

82CW304, 82CW306 and 84CW281, District Court, Water Division No. 1, Colorado.

Consisting of the following annual appropriations:

Lower Dawson Aquifer	77.2
Denver Aquifer	70.5
Arapahoe Aquifer	118.7
Laramie Fox-Hills	<u>33.3</u>
TOTAL	<u>299.7</u>

UNOFFICIAL COPY
9549870 - 10/24/95 11:46 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1295 - P1057 - \$65.00 12/13

EXHIBIT "3"

PROPERTY DESCRIPTION

A PARCEL OF LAND SITUATED IN THE NORTH ½ OF SECTION 18, TOWNSHIP 8 SOUTH, RANGE 66 WEST OF THE 6TH. PRINCIPAL MERIDIAN, DOUGLAS COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 18 AND CONSIDERING THE NORTH LINE OF SAID SECTION 18 TO BEAR S89°03'00"W WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO:

THENCE S89°03'00"W ALONG SAID NORTH LINE A DISTANCE OF 393.00 FEET TO THE WEST LINE OF RIDGE ROAD AND THE TRUE POINT OF BEGINNING:

THENCE S89°03'00"W ALONG SAID NORTH LINE A DISTANCE OF 2247.00 FEET

THENCE S00°02'30"W A DISTANCE OF 1654.36 FEET;

THENCE N89°10'30"E A DISTANCE OF 690.00 FEET;

THENCE N00°02'30"E A DISTANCE OF 630.00 FEET;

THENCE N89°10'30"E A DISTANCE OF 784.36 FEET;

THENCE N00°02'30"E A DISTANCE OF 690.00 FEET;

THENCE N89°10'30"E A DISTANCE OF 929.23 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF RIDGE ROAD;

THENCE N18°33'30"W ALONG SAID WEST R-O-W A DISTANCE OF 209.34 FEET;

THENCE N11°32'32"W ALONG SAID WEST R-O-W A DISTANCE OF 447.60 FEET TO THE POINT OF BEGINNING.

CONTAINING 62.44 ACRES MORE OR LESS

9549870 - 10/24/95 11:46 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1295 - P1058 - \$65.00 - 13/ 13