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BOOK 448 PAGE 420
CARROLL MYER
RECORDER 5/05.00
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DEVELOPMENT CONTRACT

PLUM CREEK

AGREEMENT made this 27th day of July, 1982, by and between THE TOWN OF CASTLE ROCK, STATE OF COLORADO, a Colorado municipal corporation, hereinafter referred to as "Town", and EDI-CASTLE ROCK LANDHOLDINGS, LTD., a Colorado corporation, or its successors or assigns, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer desires to develop certain lands within the Town of Castle Rock, to be known as Plum Creek, more particularly described in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the parties hereto desire to set forth the respective duties and responsibilities of each with respect to the development of said land; and the mutual promises herein contained, the parties agree as follows:

SECTION I.

DEVELOPER-UNIFIED DEVELOPMENT CONTROL

A. "Developer" as used herein shall mean EDI-CASTLE ROCK LANDHOLDINGS. LTD., a Colorado corporation, or its designees, successors or assigns in the capacity of Developer. Developer shall at all times be charged with the responsibility of providing unified developmental control for such development activities as may take place in the area described in Exhibit "A" attached hereto, in addition to the other responsibilities of Developer as set forth herein.

SECTION II.

GENERAL RESPONSIBILITIES OF TOWN

A. To permit Developer to connect with the Town's water mains and sewer lines at such reasonably accessible locations as determined by the Town.

B. To furnish water and sewer service to users of such services within the area described in Exhibit "A" and charge such rates and connection charges as are then applicable and charged by Town Ordinance to other users of such services within the Town. To furnish reuse water service when such amounts of effluent become available under such conditions and at such rates as are set forth hereinafter.

C. To accept for continual maintenance water mains, sewer mains, effluent transmission lines, manholes, fire hydrants and all other appurtenant structures, as soon as these are completed to Town approved specifications, subject to a one-year warranty by Developer against defective materials and/or workmanship which year shall commence as set forth in Section II, Paragraph H, below.

D. To provide uninterrupted water, reuse water and sewer service, including adequate fire protection to the Plum Creek Development described in Exhibit "A" and the uninterrupted return of effluent, if applicable, to the development as provided in Section V herein. "Uninterrupted" as used herein shall mean continuous service excepting temporary interruptions in service caused by factors outside of the control of Town or made necessary for maintenance and repair. In such cases Town agrees to exercise reasonable diligence in restoring services.

E. To accept for continual maintenance all dedicated or deeded streets, bikepaths, culverts, bridges, drainage structures, and all other appurtenant structures, as soon as the same are completed to Town approved specifications, subject to a one-year warranty by Developer against defective materials and/or workmanship which year shall commence as set forth in Section II, Paragraph H., below.

F. To accept for continual maintenance all dedicated or deeded curb, gutter, sidewalks, hiker-biker trails and all other appurtenant structures, as soon as they are completed to Town Approved specifications subject to a one-year warranty by Developer against defective materials and/or workmanship which

ear shall commence as set forth in Section II, Paragraph H., below.

G. To install meter pits and water meters, as per Town specifications.

H. Developer's one-year warranty, as set forth in Section II, Paragraph C., E., and F., above, shall commence upon acceptance of the warranted installation by Town. Town's acceptance shall be evidenced by a letter executed by the Town's Building/Construction Inspector or other official subsequently designated by Town. Developer's warranty, with regard to the installations therein described, shall expire on the first anniversary date of said letter. Said letter, or a letter specifically enumerating and describing those defects which preclude Town's acceptance of said installations shall be sent to Developer within thirty (30) working days of Developer's written request for inspection and acceptance, provided such inspection may be reasonably accomplished within such thirty (30) days. If such inspection cannot be so accomplished, Town may notify Developer in writing as to the additional time required, but in no event to exceed an additional thirty (30) days. Failure of Town to respond to Developer's request for inspection and acceptance within said thirty (30) day period (or sixty (60) day period if extended by Town in writing as above set forth) shall constitute acceptance of the installations described in said letter and the one-year warranty shall commence on the thirty-first (31st) (or sixty-first (61st), as the case may be) working day following the date of said letter for the installations described therein.

I. Developer shall have no responsibility to erect additional public improvements or to maintain public improvements within any finally platted area, from and after the date of acceptance, of such public improvements, subject to the one-year warranty as set forth above.

J. Town shall provide all municipal services, including police and fire protection as are furnished to other developed areas within Town's corporate limits.

SECTION III.

GENERAL RESPONSIBILITIES OF DEVELOPER

A. To engineer, furnish material for, and install at Developer's expense, a water main running from the point of connection as designated by Town, to the property line of the land described in Exhibit "A", to agreed upon size and specifications. To engineer, furnish material for, and install at Developers expense, water mains within the area described in Exhibit "A" to Town approved specifications, and to engineer, furnish material for and install at Developers expense, service lines running from said mains to the property line of individual lots. If such service lines are to be installed within streets to be dedicated to Town, they shall be installed prior to paving. In the case of both such off site and on site mains, Developer shall have the responsibility to construct any such mains up to and including 12 inches in diameter, at its expense, when so required by Town. Provided projected or actual need is demonstrated by Town for oversizing to sizes greater than 12 inches in diameter and Developer is made aware of such requirement in writing prior to the installation of the main in question, Developer shall install mains larger than 12 inches in diameter. Developer shall be notified by Town of any requirement for such oversizing not more than 30 days from the date plans for such line or lines are submitted to Town. The additional cost (materials only) incurred in constructing mains which exceed 12 inches in diameter, which is caused by requirements of lands other than those described in Exhibit "A", be paid by Town at the time said improvements are constructed, provided Developer has, before such improvements are constructed, certified the costs thereof to Town, specifying the Town's share of such costs. In the case of any objections to the amount of such costs by Town, the issues shall be submitted to arbitration or adjudication in a

Court of competent jurisdiction, at the option of Town, while the work is proceeding as provided in Section VI, Paragraph B., below. Nothing contained herein shall be construed to prevent Developer from receiving recoupment for its expenses, pursuant to Town Ordinance 8.08.

B. To engineer, furnish material for, and install at Developer's expense, to Town approved specifications, sewer lines or mains, connecting to existing facilities at such location as is designated by Town, to construct such sewer lines or mains within the area described in Exhibit "A", with manholes as required in accordance with Town approved specifications, and to install all service sewer lines running from the main to the property line of the individual lots, to Town approved specifications. Any lift stations which may be permitted shall be engineered, supplied and installed at Developer's expense, to Town approved specifications. If such service sewer lines, mains or lift stations are to be installed within streets to be dedicated to Town, they shall be installed prior to paving. Developer shall have the responsibility to construct any such lines or mains (other than individual sewer service lines) up to and including 12 inches in diameter at its expense, when required to do so by Town, and to design and furnish lift stations, if required, to accommodate 12 inch line or main capacity, provided need therefore is demonstrated by Town and Developer is made aware of such requirement prior to the installation of such line. In the event Developer is required to install such lines or mains in sizes exceeding 12 inches in diameter, the additional cost (materials only) incurred in constructing mains which exceed 12 inches in diameter, which is caused by requirements of lands other than those described in Exhibit "A", shall be paid by Town at the time the same are constructed, provided Developer has, before such improvements are constructed, certified the cost thereof to Town, specifying the Town's share of such costs. In the case of any objection to the amount of such costs by Town the issues shall be submitted to arbitration or adjudication in a

Court of competent jurisdiction, at the option of the Town, while the work is proceeding as provided in Section VI, Paragraph B, below. Nothing contained herein shall be construed to prevent Developer from receiving recoupment for its expenses, pursuant to Town Ordinance 8.08.

C. To engineer, furnish material for, and install at Developer's expense, curb, gutter, sidewalks, hiker-biker trails and necessary appurtenances where required, in accordance with Town approved specifications on each dedicated street as developed.

D. To engineer, furnish material for, and install at Developer's expense, dedicated streets and hiker-biker trails as shown on final plats, according to Town approved specifications.

E. To present plats to the Town for approval showing all property lines, easements, curb cuts (if applicable), rights-of-way. dedications and other data as required by Town Subdivision Regulations, and State Statutes. The plats shall be signed by all required Town officials and recorded within twenty (20) days of approval by the Town, provided said plat has been executed by all other required parties.

F. To convey, free and clear of all liens and encumbrances, all public sewer lines and water mains installed to the Town and to dedicate all public streets, roads and easements. The same shall be accomplished by dedication on the plat or with consent of Town by Deed.

G. To install non-electric on-site traffic and street signs, and street lighting, to Town approved specifications.

H. The parties agree that all of the above obligations of Developer shall be at such Developer's expense and shall be at no expense to the Town, and that the Town shall not be liable for installation of any necessary utilities and/or connections thereto, except to dig meter pits and install water meters for the fee provided therefor.

I. Developer shall pay to the Town such tap and development fees as are established by ordinances of the Town, and charged to others within the Town. Credits for such fees, whether paid in cash or in the form of credits against such fees, shall be fully transferable to subsequent owners of any lot for which such fees have been paid or credited.

SECTION IV.

SURETIES FOR PUBLIC IMPROVEMENTS

A. "Public improvements" as used in this Section IV shall include and be limited to public streets, including curb, gutter, sidewalks, street lighting, signage and striping appurtenant thereto, public bikepaths, public hiker-biker trails, water and sewer mains, and lines and manholes, drainage structures, fire hydrants, lift stations, and other necessary appurtenant structures. In some instances, Developer may be constructing wells and effluent treatment and transmission facilities, which will ultimately be dedicated to Town. The surety requirements in these instances are separately treated hereinbelow.

B. It is agreed that the completion of all public improvements to be dedicated to the Town shall be assured by appropriate bond, irrevocable letter of credit (acceptable to Town in its sole discretion), cash escrow, or other appropriate surety acceptable to Town in its sole discretion. Such letters of credit, cash escrows or other appropriate sureties (excepting performance bonds) shall be in an amount equal to one and one-half times the cost of said improvements, and shall be released in whole or in part as the subject improvements are dedicated to and accepted by Town. In the event construction of the improvements assured by any such surety (other than a performance bond) have not been completed, dedicated to and accepted by Town at least 120 days prior to the time of the expiration of such surety, Town shall have the right to require new sureties, and/or to increase the amount of such sureties in an amount equal to the increase in the cost of completing such public improvements occasioned by inflation. At such time as

said improvements are dedicated to and accepted by Town, 94 percent of the original amount of such letter of credit, cash escrow. or other appurtenant surety shall be released by Town. The remaining 6 percent will be released upon expiration of the surety. provided any breaches of said warranty have been corrected to Town's reasonable satisfaction. Such releases shall not be unreasonably withheld. The administrative project areas shall be mutually agreeable and shall be utilized by Town and Developer in determining the amount of all such sureties.

C. In the event Developer elects not to post such bond, letter of credit or cash escrow. Developer may complete such facilities and dedicate the same to the Town, provided that, prior to Town's acceptance of such dedication, no structure shall receive a certificate of occupancy within the designated project area in which such public improvements are to be completed. No sale of any lot shall be closed in any administrative project area prior to completion of such facilities until and unless Town certifies the completion of improvements within said administrative project area. The administrative project areas referred to herein shall be mutually agreeable and shall be utilized by Town for purposes of making determinations as to completeness of public improvements and issuance of certificates of occupancy. In such event, Developer shall post a bond, letter of credit or cash escrow in an amount equal to 10 percent of the actual cost of such improvements before any such certificate of occupancy is issued, which cash escrow shall be in the name of the Developer and the Town and deposited in an interest bearing account at a mutually agreeable financial institution. Such escrow shall be released by the Town at the expiration of the warranty period, provided any breaches of said warranty have been corrected to Town's reasonable satisfaction, with all interest accumulated thereon being paid to Developer.Such release shall not be unreasonably withheld. In addition to the other remedies granted to Town in this paragraph C, Town reserves the right to withhold the issuance of building permits to Developer in the

event of Developer's breach of the provisions of this paragraph, provided Developer is given ten (10) days notice of the alleged breach with an opportunity to correct the same within such ten (10) day period.

SECTION V.

ADDITIONAL PROVISIONS

A. WATER

(1) Developer shall secure all necessary water and water rights, and deed or dedicate the same to the Town of Castle Rock free and clear of all liens and encumbrances, according to the water usage criteria set forth in Section V. A. (6), as will enable the Town to provide for the water needs of the area described in Exhibit "A" attached hereto, other than those water needs of the golf course to be constructed which needs are separately addressed in subsection C. of this section.

(2) In the event the amount of water which can be put to use underlying the lands described within Exhibit "A" is not sufficient to provide for the water needs of the lands described in Exhibit "A" as such needs are determined with reference to the approved preliminary site plan for Plum Creek, and the approved planned unit development ordinance, or as the same may be subsequently amended, the Developer shall be responsible for obtaining such additional water as shall enable the Town to adequately serve said development or amend said development plans so that the water rights provided to the Town will adequately serve said development.

(3) All water and water rights appurtenant to the lands described in Exhibit "A", excepting such water and water rights as are necessary to provide for the irrigation of the golf course (but not to exceed 280 acre feet annually), as are owned by Developer shall

be deeded or dedicated to Town at time of approval of the preliminary site plan and Planned Unit Development Ordinance and at such times as additional water and water rights are obtained by Developer. The Town shall not unreasonably withhold approval of any final plat on account of alleged water insufficiency if adequate water and water rights are made available by Developer.

(4) While it is understood and agreed that such deeded or dedicated water shall become part of the Town's entire water supply and be subject to use at any location within the Town, as demand dictates, such water as is needed to fully develop the area described in Exhibit "A", according to the approved preliminary site plan and planned unit development ordinance, will be, at all times, provided by Town from such water for use within the area described within Exhibit "A" attached hereto and Town agrees that it will not undertake to provide water service to areas not presently being served by Town without regard for Town's commitment to provide such water as is needed to so develop the area described in Exhibit "A", so as to insure that said quantities of water are available to Developer.

(5) The cost of extending the water system (other than for oversizing required by Town for which Developer shall be compensated pursuant to the provisions of Section III. A.) from within the area described in Exhibit "A" to a point of connection with the then existing Town system. as designated by Town, shall not be recoverable by Developer in the form of credits against Town fees. Such amounts will be recoverable by Developer by recoupment from owners whose lands are benefited thereby. To such end, Town agrees to cooperate with Developer by enforcement of its recoupment ordinance with regard to areas annexed at

time of such extension, or by securing such recoupment to Developer by annexation contract with regard to areas so benefited as are annexed subsequent to such extension. Recoupment from the owners of such areas as are annexed to the Town as of the date of this Agreement shall be as presently set forth in Town of Castle Rock Ordinance No. 8.08. Recoupment from owners whose lands are annexed to the Town subsequent to the date of this Agreement shall be on an "ability to serve" basis rather than being controlled by the actual date of such owners' connection. Town agrees to incorporate provisions in such annexation contracts as will effectuate this end, said recoupment amounts to be payable, in full, at the time the first final plat is approved for such owner.

(6) If not demonstrated prior to the time of approval of each final plat, Developer shall at time of approval of each final plat demonstrate water availability for each portion of the area described in Exhibit "A". Water availability shall be computed using the following standards: 450 gallons per single family dwelling unit per day, 200 gallons per condominium or townhouse dwelling unit per day.

(7) Town and Developer will cooperate in applying for permits for such well or wells as will be required to provide for the water needs of the lands described in Exhibit "A".

(8) Excluding the wells necessary to irrigate the golf course which are dealt with separately hereunder, Developer will drill such well or wells upon the lands described in Exhibit "A", or in other locations, as will enable Town to provide water service to residential and commercial users with the lands described in Exhibit "A". Said wells shall be dedicated to Town, subject to Developer's one year

warranty as set forth hereinabove, which shall be assured by a bond, letter of credit or cash escrow in an amount equal to ten percent (10%) of the actual cost of such wells. Such escrow shall be released by Town at the expiration of the warranty period, provided breaches of said warranty have been corrected to Town's reasonable satisfaction, with all interest accumulated thereon being paid to Developer. Such release will not be unreasonably withheld. The entire cost of such wells shall be recoverable by Developer in the form of a credit against development fees as set forth in Section VI.

(9) Other than as specifically provided to the contrary herein, Town shall be responsible for installation of all necessary components of a working municipal water system of sufficient capacity to adequately serve the area described within Exhibit "A", including, but not limited to wells, treatment, storage facilities, and all other necessary appurtenances.

(10) Developer shall have the perpetual right to use such natural precipitation as may be stored upon the lands described in Exhibit "A" under the prior appropriation doctrine for irrigation purposes.

B. SEWER

(1) All new sewer lines, whether located within the area described within Exhibit "A" or located outside of such area, which are made necessary by the development of the lands described in Exhibit "A" shall be at Developer's expense, except where Town participates in line oversizing as provided in Section III, paragraph B and subject to the recoupment provisions contained in subparagraph (2) hereunder.

(2) The cost of extending the sewer system (other than for oversizing required by Town for which Developer shall be compensated pursuant to the provisions of Section

III, paragraph B.) from within the area described in Exhibit "A" to a point of connection with the then existing Town system, as designated by Town, shall not be recoverable by Developer in the form of credits against Town fees. Such amounts will be recoverable by Developer by recoupment from owners whose lands are benefited thereby. To such end, Town agrees to cooperate with Developer by enforcement of its recoupment ordinance with regard to areas annexed at time of such extension, or by securing such recoupment to Developer by annexation contract with regard to areas so benefited as are annexed subsequent to such extension. Recoupment from the owners of such areas as are annexed to the Town as of the date of this Agreement shall be as presently set forth in Town of Castle Rock Ordinance No. 8.08. Recoupment from owners whose lands are annexed to the Town subsequent to the date of this Agreement shall be on an "ability to serve" basis rather than being controlled by the actual date of such owners' connection. Town agrees to incorporate provisions in such annexation contracts as will effectuate this end, said recoupment amounts to be payable, in full, at the time the first final plat is approved for such owner.

(3) Operation and enlargement of existing sewer plants, construction and operation of future sewer plants and construction and operation of re-use transmission, storage, and treatment facilities, together with all other items necessary to a working municipal sewer system except as specifically provided to the contrary herein, shall be the responsibility of Town.

(4) While it is acknowledged by Town and Developer that Town may be obliged to serve those areas annexed to Town as of the date of the agreement to the limits of its existing sewer line capacity, Town agrees that it

will give notice to Developer of any pending annexation or development contracts concerning lands which may have an effect on such line capacity and make provisions in the annexation contracts addressing subsequent annexation so that sufficient capacity may be reserved in sewer lines constructed by Developer to permit Developer to utilize such lines for the sewerage transmission requirements of the area described in Exhibit "A", if such capacity is not exceeded by service to the aforementioned previously annexed areas.

C. IRRIGATION REQUIREMENTS - GOLF COURSE

Notwithstanding any provision herein to the contrary, the following is agreed between Town and Developer in regard to irrigation of the golf course to be constructed by Developer, at its sole expense, upon the lands described in Exhibit "A".

(1) Town and Developer will cooperate in applying for permits for such well or wells as will be required to irrigate said golf course as hereinafter set forth.

(2) That Developer will designate and drill such well or wells upon the lands described in Exhibit "A" as will enable Developer to commence irrigation of the golf course, at Developer's expense.

(3) That at the time such wells are completed, such wells, and the necessary water rights to assure production of 280 acre feet of annual production, shall be conveyed to that entity which shall be responsible for the continued operation and maintenance of the golf course (hereinafter "course operator"). Such instrument of conveyance shall contain provisions to insure that such wells and water rights shall be continually utilized for the irrigation of such golf course, and be owned and held by the entity responsible for operation and maintenance of such course, its successors and assigns, for so long as a golf course

is maintained upon the land.

(4) That until, if ever, irrigation of the golf course from said wells ceases, Developer or course operator will bear the entire expense of operation and maintenance of said wells, and the same will be operated as part of a private system. In the likely event that such well or wells produce water in excess of the 280 acre feet annually required for golf course irrigation, one such well shall be designated by Developer as a "shared well". The amount of production from such well (taking into account the production from other golf course wells) as exceeds the required 280 acre feet, shall be made available for use by Town as part of its municipal water system. Such "shared well" shall be owned and operated by the Developer or course operator, provided the cost of operation and maintenance thereof shall be shared on a prorata basis with Town and Developer bearing the percentage of such costs as relates to the amount of water withdrawn for the respective uses of each. Depreciation of such well based on a thirty-five (35) year life for the well and ten (10) year life for the pump, shall also be shared on a prorata basis with the Developer being paid such depreciation based on its original cost of such well.

(5) It is understood and agreed by and between Town and Developer that Developer's responsibility to provide sufficient amounts of water to provide for all non-golf course needs of the development proposed upon the lands described in Exhibit "A", as set forth in Section V. A. hereof, is in no way affected by the provisions of this Section V. C. and that such needs must be provided for by Developer, its successors and assigns.

(6) At such time in the future as Developer or course operator may provide for the irrigation of the golf course from the use of effluent (subject to the further provisions of this Section), the 280 acre feet reserved to Developer or course operator for golf course irrigation, and the wells utilized to produce the same, shall be dedicated to the Town as part of the municipal water supply. In such case, said 280 acre feet shall be credited towards Developer's obligation to provide for the water needs of the development as set forth above, and Developer shall receive a credit against future development fees as provided in Section VI. hereof for the depreciated value, if any, of the wells formerly used to produce such 280 acre feet. Such depreciated value shall be determined as hereinafter set forth.

(7) At such time as the facilities necessary to implement either of Developer's options as set forth above are completed and operational, Developer shall dedicate such wells to the Town in a functioning condition, ordinary wear and tear excepted, without warranty. Developer shall receive a credit against future development fees in an amount equal to the "depreciated value" of such wells. Such depreciated value shall be computed as follows: (i) with regard to all costs associated with such wells other than the costs of the pumps and installation of the same, by subtracting an amount equal to 1/35 of such costs from the initial total cost amount for such items for each year or portion of year that such wells are used by Developer for irrigation purposes; and (ii) with regard to the cost of pumps and installation of same, by subtracting an amount equal to 1/10 of such cost for each such year or portion of year of irrigation use.

In the event such initially installed pumps or other items relating to such wells are replaced by Developer prior to their dedication to Town, depreciation on such replacement items shall commence as of the date they are placed in service, but further provided that Developer shall receive no credit for the original (replaced) items.

(8) In the event Developer or course operator elects to irrigate the golf course with reuse water, Developer or course operator shall construct, at its expense, and to specifications to be agreed upon between Town and Developer a reuse system of sufficient capacity to carry such amounts of effluent as will be needed to irrigate the golf course to be constructed by Developer upon the lands described in Exhibit "A".

(9) Upon completion of such reuse system to agreed specifications, it shall be dedicated to the Town to be owned and operated by Town as a part of Town's municipal sewage disposal system, subject to warranty as set forth in Section II. H. above, which shall be assured by a bond, letter of credit or cash escrow in an amount equal to ten percent (10%) of the actual cost of such system. Such escrow shall be released by Town at the expiration of the warranty period, provided breaches of said warranty have been corrected to Town's reasonable satisfaction, with all interest accumulated thereon being paid to Developer. Such releases will not be unreasonably withheld. Town shall compensate Developer for such system in an amount equal to Developer's cost of constructing such facility by granting Developer a credit against future development fees payable by Developer. Such credit will be allowed as more specifically set forth in Section VI. below.

(10) In the event Developer elects to utilize effluent to irrigate the golf course, Town agrees to furnish 280 acre feet annually of the effluent from such facilities to Developer or course operator or their successors and assigns as Developer or course operator, for purposes of irrigation of the golf course to be constructed upon the lands described in Exhibit "A", for so long as Developer, course operator or their successors or assigns maintains a golf course upon said lands, provided that the entire cost of delivering so much of the effluent as Developer or course operator may use for such irrigation purposes from its point of discharge upon the lands described in Exhibit "A" to its points of distribution, and the distribution of such effluent for irrigation purposes, shall be that of the Developer or course operator, their successors or assigns. Such amount of effluent as is above required, shall be furnished to Developer or course operator, their successors or assigns in consideration of payment to Town of a rate to be determined based upon the Town's actual costs of operation and maintenance of the re-use system, or an amount equal to 16% of the Town's rate for potable water, supplied to large users, whichever is greater.

(11) In the event the amount of water produced by Developers' golf course wells or the amount of effluent produced and furnished Developer, course operator, or their successors or assigns, is insufficient due to emergency conditions, Town agrees to provide water from its domestic water system for irrigation of the golf course, at a rate to be negotiated.

D. EFFLUENT

(1) Developer, course operator, or their successors or assigns, at their sole option, shall have the right to purchase effluent from the Town's municipal sewage system which is attributable to the water used at the development described in Exhibit "A" and placed into the Town's municipal sewage system, together with the right to purchase such other effluent as Developer needs from Town's system, up to 280 acre feet per year. Developer shall have the option to have the effluent delivered to the development through a pipeline constructed by Developer as set forth hereinabove. Developer shall have the right to store such effluent in uncovered waste water storage facilities located on the development from which the Developer can pump and utilize the effluent. The cost of such on-site waste water storage facilities shall be Developer's expense and Developer shall have the right to locate and size such storage facilities in its sole discretion. Developer shall have no other or further responsibility for the construction, operation and maintenance of effluent storage facilities. Any line constructed by Developer to convey effluent from the Town's municipal sewer system to development shall be dedicated to the Town in consideration of Town's extending a credit against future development fees to Developer as set forth in Section VI hereof, subject to Developer's one year warranty as set forth in section II.H. above, to be owned, operated and maintained by Town as part of its sewage disposal system, provided however that Developer shall have, at all times, the right to use so much or all of the capacity of such line as is needed by Developer to deliver 280 acre feet to its golf course and such additional amounts as are needed to properly irrigate

such other areas as are irrigated by such effluent. Town shall have the entire responsibility of procuring necessary easements and rights of way for such pipeline, at Town's expense.

(2) Town shall take whatever steps are necessary, to insure that there are no impediments to Developer from receiving all of the effluent produced by the development described in Exhibit "A", as well as to utilize any other additional available effluent that Developer may wish to utilize, as provided in Section V. D. (1) above.

E. PERMITS, PLANS AND PLAN AMENDMENTS

To the extent legally permissible, Town agrees to cooperate with Developer in application for new permits or the amendment of existing permits, and in the adoption of new plans or the amendment of existing plans so as to effectuate the provisions of this Agreement, whenever required to do so by any governmental entity having such jurisdiction and authority.

F. RE-USE IRRIGATION OF DEDICATED LANDS

Developer agrees that, if the re-use option is selected and whenever the same is consistent with line extensions of such re-use water system, that Developer will make such provisions as are reasonably necessary to facilitate the Town's connection to such system for purposes of irrigation of dedicated lands. The cost of such connection and of the irrigation system for Town's purpose, shall be Town's responsibility. Any oversizing of such system required by needs of Town for irrigation of dedicated lands shall be paid by Town following certification of the costs thereof as in the case of oversized sewer and water facilities as set forth hereinabove.

SECTION VI.

CREDITS AGAINST WATER AND SEWER DEVELOPMENT FEES

A. Inasmuch as Developer will be providing and installing certain improvements to the Town's physical plant, as more specifically set forth herein, which would ordinarily be provided and installed by the Town through expenditure of funds paid to Town in the form of water and sewer development fees, Town hereby agrees to give certain credits to Developer as against future water and sewer development fees in the following manner:

(1) Fifty percent (50%) of the amount of such water and sewer development fees shall be payable to the Town in cash, 50% of such amounts shall not be so paid, but shall be allowed by Town in the form of credit against such fees.

(2) In the event such water and sewer development fees are increased during such time as Developer has not recovered all amounts due it upon creditable expenditures, 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. Provided, however, that the 50% of such fees as are payable in cash shall be subject to any future general increases as are generally imposed by Town.

(3) Town reserves the right to prepay such amounts as it may owe 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.

B. An estimate of all costs subject to credit shall be certified to Town, in a form reasonably acceptable to Town, at least fifteen (15) days prior to the creation of an obligation to expend funds by Developer, and the actual costs incurred shall be certified to Town within 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 in binding arbitration before the American Arbitration Association, or other mutually agreeable arbitrator in the event such Association ceases to exist, at the option of Town. Developer may proceed with the work for which costs are in dispute pending such litigation or arbitration, provided that the amount so determined shall be the amount of the credit against future development fees allowed Developer.

C. For purposes of determining the amount of credits against and forgiveness of increases in development fees, the amount of Town's development fee pursuant to Town Ordinance as of the date that Developer certifies the actual cost of such improvements to Town after completion of improvements, shall control. notwithstanding the fact that said improvements may be accepted by Town at a later date.

D. At no time shall the aggregate cost of all facilities required to be constructed by Developer which are subject to a credit against water and sewer development fees exceed an amount equal to 50% per cent of the total amount of such fees payable as a result of Developer's activities on the parcel of land described in Exhibit "A" attached hereto. Such aggregate cost shall be determined with reference to the amount of such fees at the time such facilities are required.

SECTION VII.

DRAINAGE AND EROSION CONTROL

A. Drainage and erosion control measures shall be accomplished by Developer pursuant to Town Subdivision Regulations, adopted public improvement specifications, and such amendments thereto and additional regulations as may, from time to time, be reasonably enacted by Town.

SECTION VIII.

PUBLIC LAND DEDICATION

A. The location and acreage of lands to be dedicated to the Town, not to exceed 5.0% is as located upon the Planned Unit Development Preliminary Site Plan approved contemporaneously herewith and incorporated herein by reference. Such lands will be dedicated to Town at the time of final platting of the areas in which the same are located or by mutual agreement at the time of Town's need.

B. Developer shall bear responsibility of extending utilities, streets, sidewalks, bike paths, and hiker-biker trails through and adjacent to such dedicated lands if such extensions are a part of Developer's development plans, as the same are located upon approved final site development plans or plats. Provided, however, that in the event such extensions are also adjacent to lands other than those described in Exhibit "A", or other lands owned by Developer, and in the further event that such other lands are at such time annexed to the Town, the expense of such extensions shall be shared with the owners of such other lands in accordance with applicable Town recoupment ordinances, as amended. With regard to such areas annexed subsequent to the date of such extensions, the Town agrees to incorporate appropriate provisions in subsequent annexation contracts for such areas to effectuate this provision.

C. Town shall extend a forty-five day right of first refusal to Developer in the event Town determines not to devote lands dedicated by Developer to Town within the area described in Exhibit "A" to public purposes. Town shall offer said lands to Developer upon the same terms and conditions, and for the same price as those proposed to a bona-fide third party purchaser.

D. Any requirements for public lands by any school district or other public entity shall be met from the public lands to be dedicated pursuant to this Section.

E. Notwithstanding any provision above to the contrary, Developer, within thirty (30) working days of the date of this agreement, shall cause the amount of Fifty Thousand Dollars ($50,000.00) to be deposited in such Colorado financial institution as it shall initially and from time to time designate. Such amount shall be deposited in escrow, subject to instructions which shall stipulate substantially as follows; (i) that the escrow agent shall hold said amount, accumulating and compounding the interest until (a) the date of issuance of the certificate of occupancy for the fifteen hundredth (1500th) residential dwelling unit within the area described in Exhibit A or the tenth (10th) anniversary date of the establishment of the escrow, whichever occurs first; (ii) that in the event such escrow is to be terminated due to the issuance of the 1500th certificate of occupancy, Developer and Town, in cooperation with the school district, shall conduct a census as to the number of children enrolled in schools operated by Douglas County School District RE-1, grades K through 12, and residing in the area described in Exhibit "A"; (iii) if said number equals 280 or less, escrow agent shall be directed to disburse the principal amount in escrow together with all accumulated interest thereon, to Developer, its successors or assigns; (iv) if said number equals 281 or more, escrow agent shall be directed to disburse the principal amount together with all accumulated interest thereon to Town; (v) that in the event such escrow is to be terminated due to the attainment of the 10th anniversary date, the escrow agent shall given written notice to Town and Developer or its successors and assigns. Such notice shall recite the occurrence of said 10th anniversary and further state that Town and Developer shall have six months from and after such date to arrive at a mutually agreed disposition of the principal amount in escrow and the accumulated interest thereon, and give notice

to the escrow agent of such agreement together with instructions as to said disposition; and (vi) that in the event such notice as to agreement is not delivered to escrow agent within the six month period that escrow agent shall deposit all sums in escrow (principal and accumulated interest) into the Registry of the District Court for Douglas County and the escrow shall be closed.

SECTION IX.

MAJOR ROADWAYS

A. Developer agrees to complete an overpass across the Denver and Rio Grande trackage at a point indicated on Exhibit "G" attached hereto. The specifications for such overpass shall be as follows:

(i) Railroad overpass shall conform to Denver and Rio Grande Western Railroad Company standard highway overpass requirement.

(ii) Developer shall be responsible for the grading and construction of a two lane approach ramp to the overpass on the east side of the railroad right of way, provided, however that prior to such construction, Town and Developer may enter into a contract whereby Developer will construct a four lane approach ramp requiring Town to reimburse Developer for the additional costs associated with the additional earth work required, as more specifically set forth below.

(iii) Railroad overpass structure shall consist of two (2) twelve (12) foot driving lanes, together with one (1) five (5) foot wide pedestrian and bike way along the south side of such driving lanes and separated therefrom by a barrier. Town and Developer may enter into a contract for oversizing the foundation and structure of such overpass requiring Town to reimburse Developer for the cost of such oversizing, as more specifically set forth below.

(iv) Developer shall give notice to Town, accompanied by its design drawings and specifications for such construction, setting forth the total cost of the overpass, the Town's share of such cost and the proposed construction commencement date, not less than thirty-five (35) days prior to the commencement of construction. On or before the 20th day following the date of such notice, Town shall signify to Developer whether or not it intends to participate in such construction. Payment of Town's share of the cost of such construction shall be payable within sixty (60) days following completion of said construction.

B. Said overpass shall be completed to such specifications prior to the date that any certificate of occupancy is issued within the area described in Exhibit "A". Town agrees not to restrict development of the lands described in Exhibit "A" from and after the date of completion of said overpass, provided Developer is not otherwise in default under the terms of this agreement.

C. Town agrees to fully cooperate with Developer to secure approval of the Public Utilities Commission and Denver and Rio Grande Railroad for both a temporary construction crossing and said overpass.

D. Town agrees, within 15 days of the date of this Agreement, to finalize plans for the location of that portion of Miller Boulevard which extends westerly from the west end of the overpass structure to South Wilcox Street, and to apply for an entryway permit from the Colorado Highway Department to South Wilcox Street for said Miller Boulevard. On or before the date that such overpass is completed by Developer, Town agrees to construct, or cause others to construct, said portion of Miller Boulevard, so as to provide fully improved access to the lands described in Exhibit "A". Town agrees to diligently pursue the completion of these responsibilities. The specifications required by the Town for such construction shall be similar to

the specifications required pursuant to paragraph H. of this Section.

E. Developer agrees to extend Miller Boulevard from the east end of the overpass described above to its point of intersection with the major north-south roadway shown upon Exhibit D, attached hereto, at the same time as the overpass is constructed. The specifications for such extension shall be as set forth in paragraph I. of this Section.

F. Developer agrees to extend Miller Boulevard from the point of intersection referred to in Paragraph E. of this Section to the eastern boundary of the lands described in Exhibit "A" within 120 days of the date upon which the last of the first 800 certificates of occupancy is issued for dwellings within the area described in Exhibit "A", provided that, Town has acquired the necessary right of way and has contracted for the completion of Miller Boulevard from the eastern boundary of the lands described in Exhibit "A" to Lake Gulch Road, including the crossing of Sellers Gulch. In the event Town has not done so, Developer's responsibility to so extend Miller Boulevard shall be postponed until Town's obligations, as set forth above, are completed.

G. Developer shall have no responsibility for the completion of Miller Boulevard easterly from the east boundary of the lands described in Exhibit "A" except that developer will participate with Town and other landowners in the construction of a bridge or other crossing of Sellers Gulch, provided that Developers contribution will not exceed 15% of the total cost of said structure.

H. Developer agrees to dedicate at the time of final plat approval of any plat or plats within which a portion of said Miller Boulevard is located, a right-of-way for said roadway of 110 feet in width.

I. Developers responsibility for construction of Miller Boulevard as required herein shall be as follows: Construction of the south one-half of Miller Boulevard consisting of two 12 foot traffic lanes, all turning lanes south of the median strip,

a detached five foot wide sidewalk along the south side of the south one-half of said street together with a curb on the south side of said south one-half of said street and drainage structures appurtenant thereto, as per plans and to agreed upon specifications.

J. Town shall have the responsibility of enlarging Miller Boulevard beyond the specifications set forth in this Section.

K. Developer shall not be required to construct or participate in the construction of a separated railroad grade crossing at the point that Douglas Lane or any replacement roadway therefore crosses the Denver and Rio Grande right-of-way, or in any improvement to Douglas Lane itself, or in the construction of a replacement or supplemental roadway therefore, excepting in its capacity as a general tax payer within the Town of Castle Rock, or as a tax payer or the party subject to assessment in a special improvement district formed for the purpose of constructing such separated grade crossing, provided further that any such district shall encompass all areas receiving significant benefit from such improvement.

L. All golf cart crossings of the north-south collector shall be grade separated crossings.

M. Developer agrees to construct a pedestrian underpass beneath that one-half of the fill for the east approach to the Denver and Rio Grande overpass referred to above, which is its responsibility, pursuant to the provisions of subsection A. (ii) above.

N. No sidewalks shall be required along the north-south collector referred to hereinabove, provided that a hiker-biker/golf cart trail is constructed as a substitute therefore.

SECTION X.

PRIVATE STREETS

A. It is contemplated that a majority of the local streets to be constructed within the area described in Exhibit "A" shall be private streets. Said streets shall be constructed to the specifications set forth in Exhibit "I" attached hereto, unless otherwise mutually agreed.

B. Sidewalks, curbs and gutters shall not be required along said private streets, so long as pedestrian access is provided by a system of hiker-biker paths.

SECTION XI.

PREPAID DEVELOPMENT FEES

In the event Developer should elect to prepay any Development fees chargeable to it pursuant to Town Ordinance and Town agrees to accept the such fees, Town agrees, in that event, to issue appropriate receipts for the same, and agrees that such receipts shall be assignable to purchasers of lots for which the such fees were paid.

SECTION XII.

APPROVAL OF DEVELOPMENT PLANS-
OBLIGATIONS OF DEVELOPER

A. Developer is entering into this agreement and undertaking the obligations imposed upon Developer herein contained in reliance upon the Towns concurrent approval of its development plans, as set forth in the approved preliminary site plan and planned unit development ordinance approved on the date of this instrument. Performance of the obligations of Developer hereunder is expressly conditioned upon Developers being permitted by Town to develop the lands described in Exhibit "A" in substantial conformity with said approved site plan and ordinance.

SECTION XIII.

NOTICES

Any notice required to be given hereunder shall be deemed given on the date the same is deposited in the U.S. mail, certified, postage prepaid, return receipt requested, to the parties hereto at the addresses hereinafter noted, or such other address as either party may designate, in writing, pursuant to the provisions of this section.

TOWN:

Town of Castle Rock
310 Third Street
Castle Rock, Colorado 80104

DEVELOPER:

EDI - Castle Rock Landholdings, Ltd.
c/o William J. Ash III
13693 East Iliff Avenue
Aurora, Colorado 80014

In addition to the notices hereinabove required, Town agrees to notify Developer, pursuant to the provisions of this section, of any action contemplated by Town which would materially affect the provisions set forth in this agreement.

SECTION XIV.

SEVERABILITY CLAUSE

A. Should any provision hereof be determined to be illegal or contrary to public policy by any Court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.

SECTION XV.

BINDING EFFECT

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

SECTION XVI.

APPROVAL BY BOARD OF TRUSTEES

This Agreement was considered by the Board of Trustees of the Town of Castle Rock, Colorado, at their regular public meeting held on July 27, 1982, and approved by a vote of 5 for and 1 against.

DONE AND SIGNED this 27 day of July, 1982, at Castle Rock, Colorado.

TOWN OF CASTLE ROCK

By: _____
Timothy L. White, Mayor
Town of Castle Rock

ATTEST:

Bonnie M. Ackerman
Town Clerk, Acting

EDI-CASTLE ROCK LANDHOLDINGS, LTD.

By: _____
William J. Ash, III., President

ATTEST:

Pamela M Decklar
Secretary

EXHIBIT A

Sheet 1 of 2

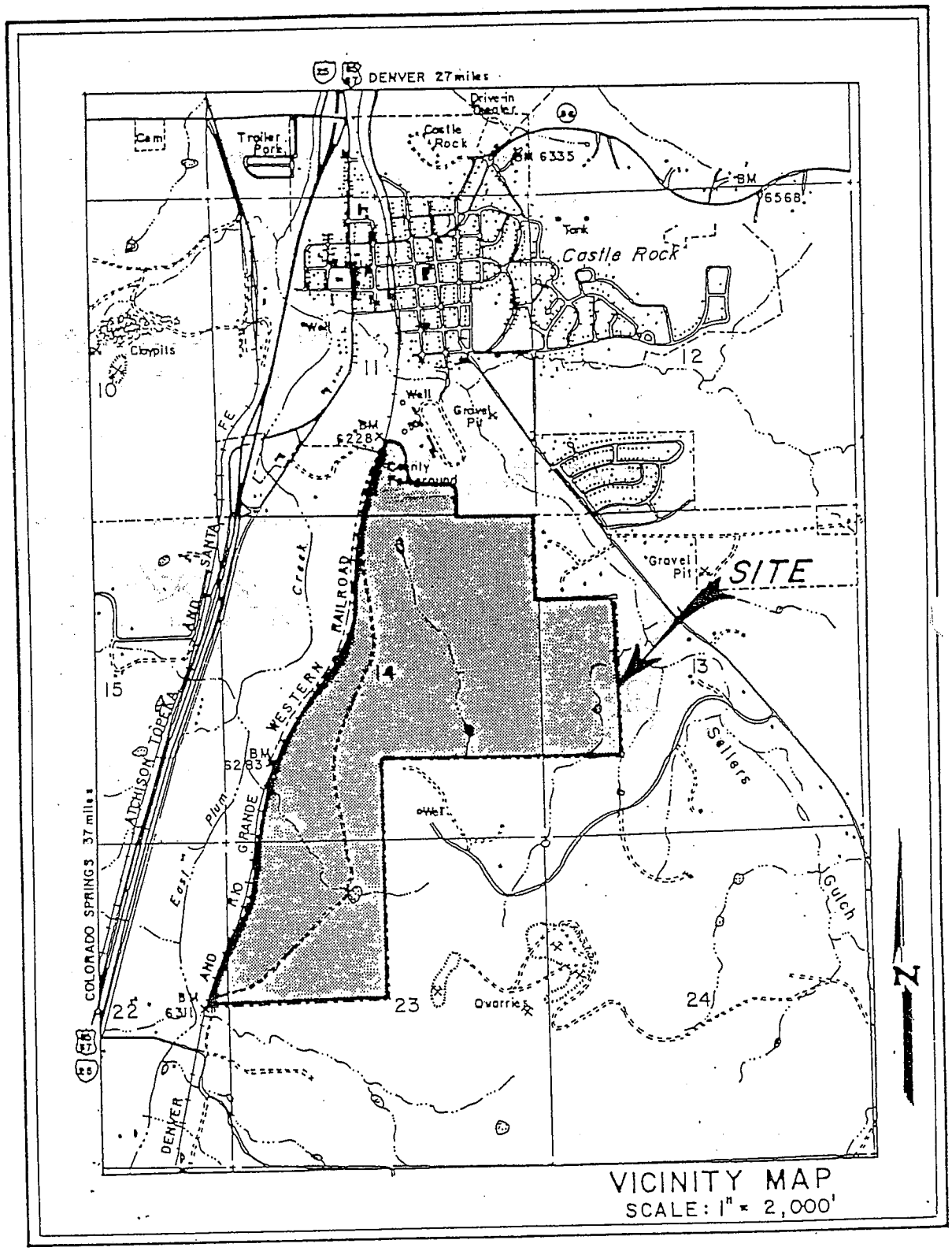


EXHIBIT A

Sheet 2 of 2

LEGAL DESCRIPTION

A part of the S 1/2 of Section 11, West 1/2 of Section 13, Section 14, the NW 1/4 of Section 23 and the NE 1/4 of Section 22, all in T.8S., R.67W. of the 6th P.M. County of Douglas, State of Colorado, more particularly described as follows:

BEGINNING at the NE corner of Section 14;

Thence S.1°08'39"E., a distance of 1316.92 feet;
Thence N.89°48'56"E., a distance of 1326.73 feet;
Thence S.1°00'33"E., a distance of 1317.46 feet;
Thence S.0°54'15"E., a distance of 1315.30 feet;
Thence S.89°55'45"W., a distance of 1317.60 feet;
Thence N.89°31'17"W., a distance of 2610.64 feet;
Thence S.0°32'13"E., a distance of 1323.46 feet;
Thence S.0°09'44"W., a distance of 2655.22 feet;
Thence N.89°44'59"W., a distance of 2626.69 feet;
Thence N.89°02'36"W., a distance of 330.72 feet;

more or less to a point on the Easterly Right of Way line of the Denver and Rio Grande Western Railroad; Thence N.13°41'57"E., along said Easterly right of way line, a distance of 103.28 feet to a point of curve, said curve and all succeeding curves included within this parcel of land are non-tangent curves;

Thence along the arc of said curve to the right having a central angle of 4°58'00", a radius of 2814.93 feet, an arc of 244.02 feet, and a chord bearing of N.18°11'13"E, 243.94 feet to the end of said curve;

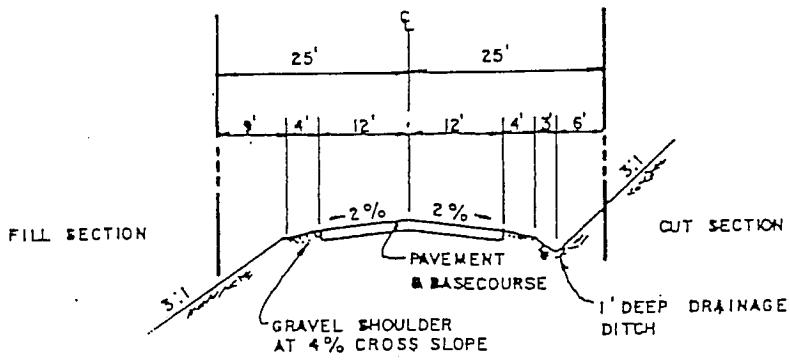
Thence N.22°40'29"E., a distance of 297.35 feet;
Thence N.23°40'13"E., a distance of 693.40 feet;
Thence N.22°33'54"E., a distance of 302.83 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle or 12°00'00", a radius of 2654.51 feet, an arc of 555.96 feet, and a chord bearing of N.14°22'13"E., 554.94 feet to the end of said curve;
Thence N.6°10'32"E., a distance of 302.83 feet;
Thence N.5°04'13"E., a distance of 99.80 feet;
Thence N.6°09'54"E., a distance of 195.81 feet;
Thence S.89°34'58"E., a distance of 50.22 feet;
Thence N.6°09'34"E., a distance of 94.31 feet to a point or curve;
Thence along the arc of said curve to the right having a central angle of 6°37'00", a radius of 2504.51 feet, an arc of 289.23 feet, and a chord bearing of N.11°40'43"E., 289.07 feet to the end of said curve;
Thence N.17°11'52"E., a distance of 294.19 feet;
Thence N.18°17'13"E., a distance of 413.80 feet;
Thence N.19°05'55"E., a distance of 288.81 feet;
Thence N.89°28'38"W., a distance of 51.74 feet;
Thence N.19°17'57"E., a distance of 24.26 feet, to a point of curve;
Thence along the arc of said curve to the right having a central angle of 13°14'00", a radius of 2767.97 feet, an arc of 639.30 feet, and a chord bearing of N.27°57'13"E., 637.88 feet to the end of said curve;
Thence N.36°36'29"E., a distance of 297.30 feet;
Thence N.37°37'13"E., a distance of 547.20 feet;
Thence N.35°45'29"E., a distance of 364.70 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle of 22°24'00", a radius of 1908.47 feet, an arc of 746.12 feet, and a chord bearing of N.20°52'13"E., 741.38 feet to the end of said curve;
Thence N.5°58'57"E., a distance of 364.70 feet;
Thence N.4°07'13"E., a distance of 585.80 feet;
Thence N.5°10'55"E., a distance of 297.16 feet to a point of curve;
Thence along the arc of said curve to the right having a central angle of 6°04'00", a radius of 2635.90 feet, an arc of 279.10 feet, and a chord bearing N.10°21'13"E., 278.97 feet to the end of said curve;
Thence N.15°31'31"E., a distance of 297.17 feet;
Thence N.16°35'13"E., a distance of 693.30 feet;
Thence S.0°41'52"W., a distance of 182.63 feet;
Thence N.16°35'13"E., a distance of 554.96 feet;
Thence N.16°19'03"E., a distance of 161.40 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle of 0°35'14", a radius of 5796.42 feet, an arc of 59.42 feet, and a chord bearing of N.15°29'18"E., 59.42 feet to the end of said curve;

Thence S.88°57'40"E., a distance of 213.01 feet;
Thence S.22°37'09"E., a distance of 696.08 feet;
Thence S.86°45'14"E., a distance of 581.93 feet;
Thence S.0°05'31"W., a distance of 654.58 feet;
Thence S.88°28'34"E., a distance of 1287.50 feet; to the Point of Beginning, containing 623.1437 acres more or less.

EXHIBIT G

This Exhibit will be completed at such time as the Miller Boulevard Alignment is determined as set forth in Section X (D) of this Development Contract.

EXHIBIT I

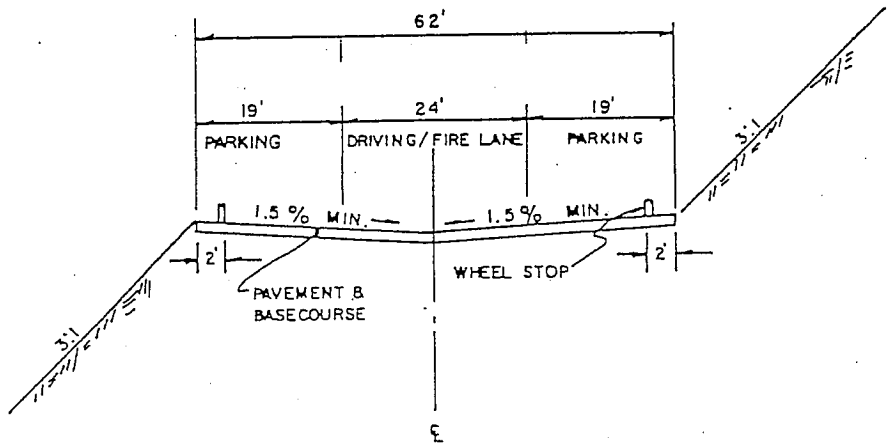


SINGLE FAMILY

STREET SECTION

50' R.O.W.

NOTE: WHERE NECESSARY TO BETTER CONTROL DRAINAGE, THE DEVELOPER HAS THE OPTION TO CONSTRUCT INVERTED CROWNS ON SINGLE FAMILY STREETS.



MULTI-FAMILY

PARKING LOT SECTION

(PRIVATE)

NOTE: PARKING RATIO = 1 ½ TO 1
FULL SIZE SPACE = 8.5' X 19'
COMPACT SPACE = 7.5' X 17' UP TO 40% OF REQUIRED SPACES
PRIVATE DRIVES = 24' WIDE W/ INVERTED CROWN
FIRE LANES = 24' WIDE

DC9538927

PLUM CREEK
WATER RIGHTS DEDICATION AGREEMENT
AND FIRST AMENDMENT TO DEVELOPMENT CONTRACT

DATE: June 22, 1995

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

HOLMBY LEISURE COUNTRY CLUB LTD. ("Owner"), a Colorado corporation, 331 Players Club Drive, Castle Rock, Colorado 80104.

RECITALS:

A. Owner is the record owner of approximately 277 acres of real property within the corporate boundaries of the Town, described in the attached ***Exhibit 1*** ("the Property"). Approximately 217 acres of the Property, together with certain other real property, was annexed to the Town pursuant to Development Contract dated July 27, 1982, recorded as Reception No. 289595 of the real estate records of the Clerk and Recorder of Douglas County, Colorado (the "Development Contract"). The parcel described in the Development Contract is referred to as the "PC Parcel". Approximately 60 acres of the Property was annexed to the Town pursuant to an Annexation and Development Contract dated November 22, 1985, recorded as Reception No. 369875 of the same records (the "Annexation Contract"). The parcel described in the Annexation Contract is referred to as the "PCS Parcel".

B. Under the Development Contract, Owner is obligated to convey certain water and water rights associated with the Property concurrently with the Town's approval of zoning of the Property. Under the Annexation Contract water rights are to be conveyed to Town at the time of approval of a final subdivision plat in quantities sufficient to meet the demand created by development authorized by such plat. Current Town ordinances require the conveyance of all water rights at the time of initial land use approval. Owner will convey to Town at this time all of the water rights associated with the Property, and the right to withdraw water as such water rights are described in the legal description to the deed form attached as ***Exhibit 2*** (the "Water Rights"), in consideration of the development entitlements granted the Property by Town pursuant to this Agreement. The provisions of this Agreement amend the specified sections of the Development Contract and Annexation Contract.

COVENANTS:

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

Section 1. Property Conveyance. Concurrently with execution of this Agreement by the parties, Owner shall convey to Town, by the designated document of conveyance, the following

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Property interests:

(a) the Water Rights by special warranty deed, free and clear of liens and encumbrances in the form attached as ***Exhibit 2*** ;

(b) the rights to withdraw the Denver Basin groundwater underlying the platted streets previously dedicated to Town by quit claim deed as described in the attached ***Exhibit 3*** ; and

(c) all Owner's interest in any well permits relating to the Water Rights issued by the State Engineer for wells sites on the Property by written assignment.

The conveyance of the Water Rights shall transfer to Town the right to use and reuse to extinction the water withdrawn under the Water Rights, subject to §37-90-137(9)(b) and (c) and the decrees to the Water Rights. Owner shall execute such additional instruments of conveyance and other documents which Town reasonably determines are necessary to grant the Town the exclusive ownership, management and control of the Water Rights and to acquire good title to the above-described property interests. In addition to the above described conveyances, if, in the future, the Town reasonably determines that well site(s) are needed on the Property and, further, that the public land or open space parcels designated on the Plum Creek Preliminary P.U.D. Site Plan will not suffice for such well site(s), then Owner shall cooperate with Town to determine appropriately sized well sites, easements and access at such time as Town determines that well development on the Property is necessary. Upon mutual agreement between the parties as to the location of any such well sites and easements, Owner shall convey such sites and easements to Town at no cost to Town. The well site(s) and related easements shall be maintained by and at the expense of the Town. Any portion of the Property made subject to a final subdivision plat shall be released from this covenant, except to the extent the well site and/or related easements and access are dedicated to Town with the plat or previous conveyances to Town by deed are recognized on such plat. Owner shall use best efforts to assist Town, at no expense to Owner, in Town's acquisition of easements from third parties necessary for maintenance of existing wells on the PC Parcel.

Section 2. Water Credit. In consideration of the concurrent conveyance to Town of the Water Rights and the previous dedication by Owner of the ground water underlying platted

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areas, a credit is established against the Town's water rights dedication requirements for the benefit of the Property as follows (the "Water Credit"):

Source	AF	AF/SFE	SFE
Platted areas[1]	**351.8**	**.45**[2]	**782**
Water Rights - PC Parcel			
Lower Dawson[3]	**62.0**	**.55**	**113**
Denver	**62.0**	**.55**	**113**
Arapahoe	**120.2**	**.55**	**218**
Laramie Fox-Hills[4]	**16.6**	**.55**	**30**
Water Rights - PCS Parcel			
Lower Dawson	**9.0**	**.55**	**16**
Denver	**0**	**.55**	
Arapahoe	**32.0**	**.55**	**58**
Laramie Fox-Hills[4]	**4.8**	**.55**	**9**
Water Storage Tank Agreement Credit	**16.2**	**.45**	**36**
Gross Supply	**674.6**		**1375**
Less Supply Reserved for Golf Course[5]	**(83.7)**	**.45**	**(186)**
Net Credit	**590.9**		**1189**

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1 260.97 acres prior plat conveyances (246.88 acres) and current conveyance of dedicated streets (14.09).

2 Based upon stipulated demand set forth in Development Contract.

3 Subject to adjustment in accordance with Section 3, below.

4 Pursuant to 4.04.020 of the Castle Rock Municipal Code recognized at 34% of decreed rate.

5 280 AF reserved, less 196.3 AF under 145.6 acres of golf course. See Section 5.

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Section 3. **Further Adjudication.** Under the decrees for the Water Rights to the PC Parcel (the "PC Parcel Decrees") additional withdrawals may be made from the Denver aquifer upon satisfaction of the conditions set forth in the PC Parcel Decrees. Under the Decree for the PCS Parcel (the "PCS Parcel Decree")[6] withdrawals from Denver aquifer are conditioned on approval of a plan for augmentation. Notwithstanding the conveyance of the Water Rights, Owner retains the right, at its expense, to make the necessary application(s) under the PC Parcel Decrees and/or PCS Parcel Decree (collectively, the "Decrees")[7] to the Water Court to obtain the legal right to such additional withdrawals and/or obtain an adjudication that the ground water in the Denver aquifer underlying the PC and PCS Parcels should be classified as "nontributary." Town shall join in such applications as a co-applicant and cooperate with Owner in its efforts to obtain such increased withdrawals or a nontributary adjudication subject to the conditions and limitations of this section 3. Owner shall be solely responsible to obtain approval for any plan(s) for augmentation required pursuant to C.R.S. § 37-90-137(9)(c) and/or the Decrees. In providing water to replace depletions during pumping pursuant to any such court-approved plan(s) for augmentation, Owner may use return flows from the PC and PCS Parcel water rights discharged through municipal wastewater treatment plants and/or originating from lawn irrigation, provided that such lawn irrigation return flows have first been quantified by the Court decree or administrative action by the State Engineer and that the Owner has obtained a decree consistent with those of the Town for such replacements during pumping of the affected aquifer(s). All return flows from any of the PC and PCS Parcel water rights ultimately dedicated to the Town which are in excess of the requirements of the plan(s) for augmentation and of C.R.S. § 37-90-137(a)(b) and (c) shall be the property of Town to use in its discretion. If such plan(s) for augmentation require replacement of post-pumping depletions and Owner commits to implement such augmentation plans, it shall be the sole responsibility of Owner to acquire, at its expense, such water resources as are necessary for such replacement and, absent further express agreement between Town and Owner, no Town water

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[6] 81CW442A, 81CW422B, 83CW104, 85CW367 and 85CW388.

[7] 85CW197

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resources shall be used to replace such post-pumping depletions. The PC and PCS Parcel water rights may be used for augmentation of post-pumping depletions at Owner's discretion so long as the Water Bank is debited for such use in accordance with the applicable provisions of this Agreement below and the Water Credit is not reduced below zero as a result. The quantity of the Laramie Fox-Hills water which is not included in the Water Credit (66%) is not available for such augmentation purposes.

Section 4. Application of Water Credit. The Water Credit established pursuant to section 2, above, and any increases to the Water Credit made pursuant to section 6, below, 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 site 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 such use.

SFE assignments to specific uses shall be made in accordance with Town ordinance and regulations, as amended from time to time except as provided in section 6 below with respect to the conversion of the Reserved Rights (as defined in section 5) to SFE. 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 area and debit the Water Bank (as that term is defined in section 7, below) accordingly. However, when all potable and irrigation tap sizes are known, the Water Bank shall be adjusted to reflect SFE assignments made in accordance with this Agreement.

Section 5. Reserved Rights. Owner has reserved 280 acre feet of withdrawals authorized by the Decrees for the purpose of irrigating the golf course located within the Plum Creek P.U.D. (the "Reserved Rights"). At the option of Owner and upon Owner's satisfaction of any

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conditions imposed by the Development Contract, Owner may convey to Town by special warranty deed, free and clear of any lien or encumbrances, all or any portion of the Reserved Rights for credit to the Water Bank in accordance with section 6, below. Owner shall not cause or allow the severance of the Reserved Rights from ownership of the Property until the Property has been fully subdivided and final site plan approved for all such subdivision, provided, however, that this restriction shall expire by its terms on July 1, 2015. Town's obligations to provide water from its domestic water system as described in Section V.C.11 of the Development Contract are not altered or amended by this Agreement.

Section 6. Additional Water Credit. If the Water Credit is exhausted prior to full buildout of the Property, Owner shall be required to provide additional water resources, reasonably acceptable to the Town, which may include the Reserved Rights, or 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. Alternatively, Owner 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 Owner, 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 PC Parcel and the PCS Parcel water rights including Water Court approval of the applications referenced in section 3, above[8]; and

(b) Upon the conveyance to and acceptance by Town of any portion of the Reserved Rights, or other qualifying water resources.

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 decreed water rights to SFE[9], provided that in converting the yield from the Reserved Rights into SFE, the equation of .45 AF/SFE shall be utilized.

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[8] The increase shall be net of the reduction in permitted withdrawals of the Lower Dawson under the Decree.

[9] 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.

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Section 7. Water Bank. In order to properly account for the Water Credit, Town shall administratively establish and update an account, designated the Plum Creek Water Bank. The Water Bank shall periodically be "debited" or "credited" in accordance with sections 4, 5 and 6 above. With execution of this agreement and conveyance of the Water Rights, the Water Bank shall have the following entries:

PLUM CREEK WATER BANK

DATE	ENTRY	SFE DEMAND	SFE SUPPLY
	Net Credit		1189
	Demand attributed to existing final subdivision plat[10]	578	
	Water Credit		611

With any entry made by Town, Owner shall receive notification in writing, and any objection to such entry shall be reviewed by the Town, and corrected as appropriate. Any objection not resolved to the satisfaction of Owner 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 8. Ownership and Transfer of Water Credit. The Water Credit constitutes an appurtenance to the Property, 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-served" basis to approved subdivisions of the Property. No purported allocation of the Water Credit as between the owner(s) of the Property shall be effective or binding upon the Town provided however Owner may assign the Water Credit to a successor in interest to the Property as part of Owner's disposition of the Property. The Water Credit may not be assigned or transferred for use offsite of the Property 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. Any Water Credit

[10] Calculated at .45 AF/SFE.

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remaining thereafter shall be considered a personal property interest of Owner, or its assignee of record, irrespective of whether Owner 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;

(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 9. 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 10. Unified System. Owner acknowledges that the Town will manage the water resources conveyed pursuant to this Agreement as part of its unified municipal water system, and Town is not restricted by this Agreement from distributing the potable water produced from the Water Rights to any area of the Town, provided, however, that the Town shall make

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available and provide water required for development within the PC and PCS Parcels in the amounts credited to the Plum Creek Water Bank, and Town agrees that it will not undertake to provide water service to areas not presently being served by Town without regard for Town's commitment to provide such water as has been credited to the Plum Creek Water Bank, so as to insure that said quantities of water are available to Owner.

Section 11. Merger and Supersession. All rights and obligations of Town and Owner under sections V.A. (1), (2), (3), (4), and (6) of the Development Contract and sections 7.1, 7.2, 7.3 and 7.7 of the Annexation Contract are merged into the executory covenants of this Agreement, and neither party to this Agreement shall have any claim for non-performance or breach, if any, of the referenced sections in the Development Contract or Annexation Contract. To the extent that any provision of the Development Contract or Annexation Contract conflicts with this Agreement, the provisions of this Agreement shall control. All other provisions of the Development Contract and Annexation Contract shall continue in full force and effect.

Section 12. 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

Holmby Leisure Country Club Ltd.
331 Players Club Drive
Castle Rock, Colorado 80104

Section 13. 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 14. 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.

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Section 15. Survival. This Agreement and all representations and covenants shall survive the concurrent transfer of property interests required to be made hereunder.

Section 16. Binding Effect. The Agreement shall apply to the Property and its covenants shall be binding upon the successors and assigns of the parties in the same manner and to the same effect as if such successors were signatories to the Agreement. Such successors and assigns are intended beneficiaries of this Agreement. The parties acknowledge that the Property is both benefitted and burdened by the mutual covenants of the Agreement, and such covenants shall constitute real covenants binding upon successors in interest to the Property, including any mortgagees or lienholders, irrespective of whether specific reference to the Agreement or its covenants is made in any instrument affecting title to the Property.

Section 17. Amendment. This Agreement may only be amended by a writing formally acknowledged by all parties to this Agreement.

Section 18. 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

Approved as to form:

Robert J. Slentz, Town Attorney

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B1283 - P0145 - $105.00 - 10/ 21

STATE OF COLORADO)
) **ss.**
COUNTY OF)

The foregoing instrument was acknowledged before me this 18th day of August, 1995, by Mark C. Williams, as Mayor and Sally Misare as Town Clerk of the Town of Castle Rock.

Witness my official hand and seal.

My Commission expires: 9-16-95.

Jennifer L Kay
Notary Public

ATTEST **HOLMBY LEISURE COUNTRY CLUB LTD.**

Marguerite E Barge
Secretary

STATE OF COLORADO)
) **ss.**
COUNTY OF Douglas)

The foregoing instrument was acknowledged before me this 28th day of July 1995, by John Chen as President of Holmby Leisure Country Club, Ltd., and Marguerite E. Barge as Secretary.

Witness my official hand and seal.
My Commission expires: 7-10-98.

Notary Public

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B1283 - P0146 - $105.00 - 11/ 21

EXHIBIT 1

LEGAL DESCRIPTION

A part of the S 1/2 of Section 11, West 1/2 of Section 13, Section 14, the NW 1/4 of Section 23 and the NE 1/4 of Section 22, all in T.8S., R.67W. of the 6th P.M. County of Douglas, State of Colorado, more particularly described as follows:

BEGINNING at the NE corner of Section 14;

Thence S.1°08'39"E., a distance of 1316.92 feet;
Thence N.89°48'56"E., a distance of 1326.73 feet;
Thence S.1°00'33"E., a distance of 1317.46 feet;
Thence S.0°54'15"E., a distance of 1315.30 feet;
Thence S.89°55'45"W., a distance of 1317.60 feet;
Thence N.89°31'17"W., a distance of 2610.64 feet;
Thence S.0°32'13"E., a distance of 1323.46 feet;
Thence S.0°09'44"W., a distance of 2655.22 feet;
Thence N.89°44'59"W., a distance of 2626.69 feet;
Thence N.89°02'36"W., a distance of 330.72 feet;

more or less to a point on the Easterly Right of Way line of the Denver and Rio Grande Western Railroad; Thence N.13°41'57"E., along said Easterly right of way line, a distance of 103.28 feet to a point of curve, said curve and all succeeding curves included within this parcel of land are non-tangent curves;

Thence along the arc of said curve to the right having a central angle of 4°58'00", a radius of 2814.93 feet, an arc of 244.02 feet, and a chord bearing of N.18°11'13"E, 243.94 feet to the end of said curve;

Thence N.22°40'29"E., a distance of 297.35 feet;
Thence N.23°40'13"E., a distance of 693.40 feet;
Thence N.22°33'54"E., a distance of 302.83 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle or 12°00'00", a radius of 2654.51 feet, an arc of 555.96 feet, and a chord bearing of N.14°22'13"E., 554.94 feet to the end of said curve;
Thence N.6°10'32"E., a distance of 302.83 feet;
Thence N.5°04'13"E., a distance of 99.80 feet;
Thence N.6°09'54"E., a distance of 195.81 feet;
Thence S.89°34'58"E., a distance of 50.22 feet;
Thence N.6°09'34"E., a distance of 94.31 feet to a point or curve;

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Thence along the arc of said curve to the right having a central angle of 6°37'00", a radius of 2504.51 feet, an arc of 289.23 feet, and a chord bearing of N.11°40'43"E., 289.07 feet to the end of said curve;
Thence N.17°11'52"E., a distance of 294.19 feet;
Thence N.18°17'13"E., a distance of 413.80 feet;
Thence N.19°05'55"E., a distance of 288.81 feet;
Thence N.89°28'38"W., a distance of 51.74 feet;
Thence N.19°17'57"E., a distance of 24.26 feet, to a point of curve;
Thence along the arc of said curve to the right having a central angle of 13°14'00", a radius of 2767.97 feet, an arc of 639.30 feet, and a chord bearing of N.27°57'13"E., 637.88 feet to the end of said curve;
Thence N.36°36'29"E., a distance of 297.30 feet;
Thence N.37°37'13"E., a distance of 547.20 feet;
Thence N.35°45'29"E., a distance of 364.70 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle of 22°24'00", a radius of 1908.47 feet, an arc of 746.12 feet, and a chord bearing of N.20°52'13"E., 741.38 feet to the end of said curve;
Thence N.5°58'57"E., a distance of 364.70 feet;
Thence N.4°07'13"E., a distance of 585.80 feet;
Thence N.5°10'55"E., a distance of 297.16 feet to a point of curve;
Thence along the arc of said curve to the right having a central angle of 6°04'00", a radius of 2635.90 feet, an arc of 279.10 feet, and a chord bearing N.10°21'13"E., 278.97 feet to the end of said curve;
Thence N.15°31'31"E., a distance of 297.17 feet;
Thence N.16°35'13"E., a distance of 693.30 feet;
Thence S.0°41'52"W., a distance of 182.63 feet;
Thence N.16°35'13"E., a distance of 554.96 feet;
Thence N.16°19'03"E., a distance of 161.40 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle of 0°35'14", a radius of 5796.42 feet, an arc of 59.42 feet, and a chord bearing of N.15°29'18"E., 59.42 feet to the end of said curve;
Thence S.88°57'40"E., a distance of 213.01 feet;
Thence S.22°37'09"E., a distance of 696.08 feet;
Thence S.86°45'14"E., a distance of 581.93 feet;
Thence S.0°05'31"W., a distance of 654.58 feet;
Thence S.88°28'34"E., a distance of 1287.50 feet; to the Point of Beginning, containing 623.1437 acres more or less.

EXCEPT that portion of the property which is part of the Plum Creek Golf Course, and EXCEPT those properties described in Book 747 at Page 595 and in Book 587 at Page 300 of the Douglas County, Colorado records.

Also, EXCEPT the following platted areas:

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1. Plum Creek Boulevard, Filing No. 1, recorded 2/3/83 at Reception No. 298460.

2. Estates Above Plum Creek, Filing No. 1, recorded 2/3/83 at Reception No. 298461.

3. Estates Above Plum Creek, Filing No. 2, recorded 2/3/83 at Reception No. 298463.

4. Estates Above Plum Creek, Filing No. 3, recorded 3/25/82 at Reception No. 301171

5. Tournament of Players Club at Plum Creek, Filing No. 1, recorded 6/13/83 at Reception No. 305820.

6. Plum Creek Golf Course Maintenance, Filing No. 1, recorded 6/13/83 at Reception No. 305822.

7. Estates Above Plum Creek, Filing No. 4, recorded 11/28/83 at Reception No. 316988.

8. Mount Royal Drive, Filing No. 1, recorded 11/29/83 at Reception No. 317034.

9. Players Club Villas Townhome (Pt. Blk 2), Filing No. 2, recorded 11/29/83 at Reception No. 317035.

10. Players Club Villas Townhome, Filing No. 1, recorded 12/16/83 at Reception No. 318160.

11. Plum Creek Fairway 5 Townhome, Filing No. 1, recorded 12/16/83 at Reception No. 318162.

12. Plum Creek Fairway 4, Filing No. 1, recorded 5/23/84 at Reception No. 328198.

13. Players Club Villas Townhome, Filing No. 2 (amended Block 1), recorded 12/10/84 at Reception No. 341581.

14. Plum Creek Fairway 6, Filing No. 1, recorded 4/17/85 at Reception No. 351048.

15. Plum Creek Fairway 5, Filing No. 2, recorded 4/17/85 at Reception No. 351050.

16. Players Club Villas Townhome, Filing No. 2 (amended Blk 2), recorded 8/22/85 at Reception No. 360422.

17. Plum Creek Commercial, Filing No. 1, recorded 9/11/85 at Reception No. 361819.

18. Plum Creek Fairway 18 (amended), Filing No. 1, recorded 12/18/85 at Reception No. 370741.

19. Players Club Estates, Filing No. 1 (amended), recorded 4/25/86 at Reception No. 8605584.

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20. Plum Creek Commercial, Filing No. 3, recorded 2/20/87 at Reception No. 8705178.

21. Emerald Drive, Filing No. 1, recorded 12/16/87 at Reception No. 8735431.

22. Plum Creek Parkway, Filing No. 1, recorded 12/16/87 at Reception No. 8785434.

23. Players Crossing at Plum Creek Villages, Filing No. 1, recorded 2/4/94 at Reception No. 9407234.

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B1283 - P0150 - $105.00 - 15/ 21

EXHIBIT 2

SPECIAL WARRANTY DEED

GRANTOR: Holmby Leisure Country Club Ltd.
331 Players Club Drive
Castle Rock, Colorado 80104

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

Grantor, for the consideration of ten dollars and other good and valuable consideration, in hand paid, sells and conveys to Grantee and its assigns and successors:

> The right to withdraw and use the nontributary and/or not-nontributary ground water underlying the property described on ***Exhibit "A"*** hereto in accordance with the decrees of the District Court for Water Division No. 1, State of Colorado in Case Nos. 81CW422A, 81CW422B, 83CW104, 85CW367, 85CW388 and 85CW197.

With all appurtenances and warrants the title to same against all persons claiming under it.

Signed this ____ day of _____, 1995.

GRANTOR:

HOLMBY LEISURE COUNTRY CLUB LTD.

By:_____

Its:_____

STATE OF COLORADO)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 1995 by _____ as _____ for Holmby Leisure Country Club Ltd.

Witness my official hand and seal.

My Commission expires: _____

_____
Notary Public

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EXHIBIT A

LEGAL DESCRIPTION

A part of the S 1/2 of Section 11, West 1/2 of Section 13, Section 14, the NW 1/4 of Section 23 and the NE 1/4 of Section 22, all in T.8S., R.67W. of the 6th P.M. County of Douglas, State of Colorado, more particularly described as follows:

BEGINNING at the NE corner of Section 14;

Thence S.1°08'39"E., a distance of 1316.92 feet;
Thence N.89°48'56"E., a distance of 1326.73 feet;
Thence S.1°00'33"E., a distance of 1317.46 feet;
Thence S.0°54'15"E., a distance of 1315.30 feet;
Thence S.89°55'45"W., a distance of 1317.60 feet;
Thence N.89°31'17"W., a distance of 2610.64 feet;
Thence S.0°32'13"E., a distance of 1323.46 feet;
Thence S.0°09'44"W., a distance of 2655.22 feet;
Thence N.89°44'59"W., a distance of 2626.69 feet;
Thence N.89°02'36"W., a distance of 330.72 feet;

more or less to a point on the Easterly Right of Way line of the Denver and Rio Grande Western Railroad; Thence N.13°41'57"E., along said Easterly right of way line, a distance of 103.28 feet to a point of curve, said curve and all succeeding curves included within this parcel of land are non-tangent curves;

Thence along the arc of said curve to the right having a central angle of 4°58'00", a radius of 2814.93 feet, an arc of 244.02 feet, and a chord bearing of N.18°11'13"E, 243.94 feet to the end of said curve;

Thence N.22°40'29"E., a distance of 297.35 feet;
Thence N.23°40'13"E., a distance of 693.40 feet;
Thence N.22°33'54"E., a distance of 302.83 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle or 12°00'00", a radius of 2654.51 feet, an arc of 555.96 feet, and a chord bearing of N.14°22'13"E., 554.94 feet to the end of said curve;
Thence N.6°10'32"E., a distance of 302.83 feet;
Thence N.5°04'13"E., a distance of 99.80 feet;
Thence N.6°09'54"E., a distance of 195.81 feet;
Thence S.89°34'58"E., a distance of 50.22 feet;
Thence N.6°09'34"E., a distance of 94.31 feet to a point or curve;

Thence along the arc of said curve to the right having a central angle of 6°37'00", a radius of 2504.51 feet, an arc of 289.23 feet, and a chord bearing of N.11°40'43"E., 289.07 feet to the end of said curve;
Thence N.17°11'52"E., a distance of 294.19 feet;
Thence N.18°17'13"E., a distance of 413.80 feet;
Thence N.19°05'55"E., a distance of 288.81 feet;
Thence N.89°28'38"W., a distance of 51.74 feet;
Thence N.19°17'57"E., a distance of 24.26 feet, to a point of curve;
Thence along the arc of said curve to the right having a central angle of 13°14'00", a radius of 2767.97 feet, an arc of 639.30 feet, and a chord bearing of N.27°57'13"E., 637.88 feet to the end of said curve;
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Thence N.37°37'13"E., a distance of 547.20 feet;
Thence N.35°45'29"E., a distance of 364.70 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle of 22°24'00", a radius of 1908.47 feet, an arc of 746.12 feet, and a chord bearing of N.20°52'13"E., 741.38 feet to the end of said curve;
Thence N.5°58'57"E., a distance of 364.70 feet;
Thence N.4°07'13"E., a distance of 585.80 feet;
Thence N.5°10'55"E., a distance of 297.16 feet to a point of curve;
Thence along the arc of said curve to the right having a central angle of 6°04'00", a radius of 2635.90 feet, an arc of 279.10 feet, and a chord bearing N.10°21'13"E., 278.97 feet to the end of said curve;
Thence N.15°31'31"E., a distance of 297.17 feet;
Thence N.16°35'13"E., a distance of 693.30 feet;
Thence S.0°41'52"W., a distance of 182.63 feet;
Thence N.16°35'13"E., a distance of 554.96 feet;
Thence N.16°19'03"E., a distance of 161.40 feet to a point of curve;
Thence along the arc of said curve to the left having a central angle of 0°35'14", a radius of 5796.42 feet, an arc of 59.42 feet, and a chord bearing of N.15°29'18"E., 59.42 feet to the end of said curve;
Thence S.88°57'40"E., a distance of 213.01 feet;
Thence S.22°37'09"E., a distance of 696.08 feet;
Thence S.86°45'14"E., a distance of 581.93 feet;
Thence S.0°05'31"W., a distance of 654.58 feet;
Thence S.88°28'34"E., a distance of 1287.50 feet; to the Point of Beginning, containing 623.1437 acres more or less.

EXCEPT that portion of the property which is part of the Plum Creek Golf Course, and EXCEPT those properties described in Book 747 at Page 595 and in Book 587 at Page 300 of the Douglas County, Colorado records.

Also, EXCEPT the following platted areas:

1. Plum Creek Boulevard, Filing No. 1, recorded 2/3/83 at Reception No. 298460.

2. Estates Above Plum Creek, Filing No. 1, recorded 2/3/83 at Reception No. 298461.

3. Estates Above Plum Creek, Filing No. 2, recorded 2/3/83 at Reception No. 298463.

4. Estates Above Plum Creek, Filing No. 3, recorded 3/25/82 at Reception No. 301171

5. Tournament of Players Club at Plum Creek, Filing No. 1, recorded 6/13/83 at Reception No. 305820.

6. Plum Creek Golf Course Maintenance, Filing No. 1, recorded 6/13/83 at Reception No. 305822.

7. Estates Above Plum Creek, Filing No. 4, recorded 11/28/83 at Reception No. 316988.

8. Mount Royal Drive, Filing No. 1, recorded 11/29/83 at Reception No. 317034.

9. Players Club Villas Townhome (Pt. Blk 2), Filing No. 2, recorded 11/29/83 at Reception No. 317035.

10. Players Club Villas Townhome, Filing No. 1, recorded 12/16/83 at Reception No. 318160.

11. Plum Creek Fairway 5 Townhome, Filing No. 1, recorded 12/16/83 at Reception No. 318162.

12. Plum Creek Fairway 4, Filing No. 1, recorded 5/23/84 at Reception No. 328198.

13. Players Club Villas Townhome, Filing No. 2 (amended Block 1), recorded 12/10/84 at Reception No. 341581.

14. Plum Creek Fairway 6, Filing No. 1, recorded 4/17/85 at Reception No. 351048.

15. Plum Creek Fairway 5, Filing No. 2, recorded 4/17/85 at Reception No. 351050.

16. Players Club Villas Townhome, Filing No. 2 (amended Blk 2), recorded 8/22/85 at Reception No. 360422.

17. Plum Creek Commercial, Filing No. 1, recorded 9/11/85 at Reception No. 361819.

18. Plum Creek Fairway 18 (amended), Filing No. 1, recorded 12/18/85 at Reception No. 370741.

19. Players Club Estates, Filing No. 1 (amended), recorded 4/25/86 at Reception No. 8605584.

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B1283 - P0154 - $105.00 - 19/ 21

EXHIBIT "3"

QUIT CLAIM DEED

GRANTOR: Holmby Leisure Country Club Ltd.
331 Players Club Drive
Castle Rock, Colorado 80104

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

Grantor, for the consideration of ten dollars and other good and valuable consideration, in hand paid, sells and quit claims to Grantee and its assigns and successors:

The right to withdraw and use the nontributary and/or not-nontributary groundwater underlying the following property:

1. Emerald Drive Subdivision, Filing No. 1, recorded December 16, 1987 at Reception No. 8735431 of the public records of Douglas County, Colorado; and

2. Plum Creek Parkway, Filing No. 1, recorded December 16, 1987 at Reception No. 875434 of the public records of Douglas County, Colorado.

In accordance with the decrees of the District Court, Water Division No. 1, Case Nos. 81CW422A, 81CW422B, 83CW104, 85CW367 and 85CW388.

with all appurtenances.

Signed this ___ day of _____, 1995.

GRANTOR:

HOLMBY LEISURE COUNTRY CLUB LTD.

By: _____

Its: _____

9538927 - 08/21/95 15:54 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1283 - P0155 - $105.00 - 20/ 21

STATE OF COLORADO)
) **ss.**
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ day of _____ _____, 1995 by _____ as _____ for Holmby Leisure Country Club Ltd.

Witness my official hand and seal.
My Commission expires: _____

_____
Notary Public

f:\user\legal\plumcree\qcdeed.ex3

9538927 - 08/21/95 15:54 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1283 - P0156 - $105.00 - 21/ 21

DC9629173

FIRST AMENDMENT TO PLUM CREEK WATER RIGHTS DEDICATION AGREEMENT AND SECOND AMENDMENT TO DEVELOPMENT CONTRACT

DATE: May 23, 1996

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

HOLMBY LEISURE COUNTRY CLUB, LTD., ("Owner"), a Colorado corporation, 331 Players Club Drive, Castle Rock, Colorado 80104.

RECITALS:

A. Town and Owner are parties to the "Plum Creek Water Rights Dedication Agreement and First Amendment to Development Contract" dated June 22, 1995, recorded August 21, 1995 at Reception No. 95388927, beginning in Book 1283 at Page 136 of the real estate records of the Douglas County Clerk and Recorder (the "Plum Creek Agreement"). All terms initially capitalized in this document shall have the meaning given to such terms in the Plum Creek Agreement.

B. The Development Contract addresses the rights and responsibilities of Town and Owner with respect to the utilization of treated effluent for the purpose of irrigation of the golf course on the Property. The parties have determined that performance of the applicable provisions in the Development Contract concerning effluent delivery to the golf course is undesirable. The parties desire to substitute this contractual arrangement for the existing effluent provisions in the Development Contract.

C. Town desires to acquire from Owner all its rights to municipal effluent under the Development Contract.

COVENANTS:

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

Section 1. Option Payment. Owner shall have the right, but not the obligation, to increase the Water Credit for the Property by purchasing from Town additional water rights in accordance with the following (the "Option"):

(a) The maximum aggregate purchase shall not exceed 280 acre feet which may be purchased in installments of 10 acre feet or more;

9629173 - 05/30/96 14:49 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1344 - P2282 - $25.00 - 1/ 5

(b) The Option price shall be $1200 per acre foot for payments made prior to December 31, 2001; $1500 per acre foot thereafter;

(c) Full payment of the installment shall accompany the exercise of the Option;

(d) The acre feet purchased shall be converted into SFE in accordance with Sections 5 and 6 of the Plum Creek Agreement in the same manner as "Reserved Rights"; and

(e) The Option shall expire on December 31, 2015.

Section 2. Water Bank Credit. Upon Owner's exercise of the option described in Section 1 of this First Amendment, the Plum Creek Water Bank shall be credited at the rate of 0.45 acre feet per SFE. Any water credits created pursuant to this paragraph shall be referred to as "Golf Course Credits." The parties agree that at the time of execution of this First Amendment, the Plum Creek Water Bank contains 525 SFE credits. The first 525 SFE debits to the Plum Creek Water Bank occurring after the date of this First Amendment shall be to the 525 SFEs currently in the Bank. Future debits in excess of 525 SFE shall be to any Golf Course Credits. When the Property has been wholly subdivided and all water demand for approval of land uses determined in accordance with the Plum Creek Agreement ("Full Buildout"), Town will either buy back from Owner all Golf Course Credits left in the Plum Creek Water Bank at the price paid for such credits by Owner pursuant to this First Amendment (either $1200 per acre foot or $1500 per acre foot)[1] or, if the Town declines to repurchase the remaining Golf Course Credits, the restriction in Section 8 of the Plum Creek Agreement on the transfer of the Golf Course Credits shall no longer be of any effect and Owner shall be entitled to transfer the Golf Course Credits for use anywhere within the municipal boundaries of the Town. Town shall make its election as to repurchase of the Golf Course Credits 60 days after the date Full Buildout is determined. Any other water credits to the Plum Creek Water Bank provided by Owner subsequent to the date of this Agreement shall be the last to be debited (no debits against such additional water credits until after the exhaustion of the currently existing 525 SFEs and any Golf Course Credits). Any such credits remaining

[1] It will be assumed that the Golf Course Credits are used on a FIFO basis (first in - first out).

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B1344 - P2283 - $25.00 - 2/ 5

in the Bank after Full Buildout shall be governed by Section 8 of the Plum Creek Agreement.

Section 3. Golf Course Wells. The Owners shall retain ownership of two wells designated for golf course irrigation use located in Tract B, Plum Creek Fairway 5 Subdivision, Filing No. 2, Douglas County, Colorado, which wells are more specifically described as follows:

> EDI Well DA-2: Well Permit Nos. 26506-F and 28386-F as described in the decrees of the Water Court of the District Court for Water Division No. 1 in Case Nos. 81CW422B, 83CW104, and 85CW367
>
> EDI Well DEN-2: Well Permit No. 44637-F as described in the decrees of the District Court for Water Division No. 1 in Case Nos. 81CW422A, 83CW104, and 85CW388

or any replacement or additional wells associated with the above-described wells (collectively, the "Golf Course Wells"). Owner shall be responsible for operation and maintenance of the Golf Course Wells and related appurtenances, and shall have such perpetual easements as are necessary and convenient upon Tract B for the operation and maintenance of said wells. Town and Owner do hereby agree to cooperate in exchanging such instruments as will effectuate the provisions of this section.

Section 4. Emergency Use. In the event the amount of water produced by the Golf Course Wells is insufficient due to emergency conditions, Town shall provide water from its domestic water system for irrigation of the golf course; provided that Town has not declared an emergency under Section 13.12.070 of the Castle Rock Municipal Code and is currently providing water to other public irrigation uses in the same portion of the Town's water distribution system. Owner shall make diligent efforts to restore golf course well production. Owner shall repay the Town for such provision of water by pumping from the Golf Course Wells into the Town's water distribution system the same amount of water as was provided by the Town to Owner for irrigation of the golf course during the emergency conditions. Such repayment may occur after the irrigation season during which the emergency occurred.

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B1344 - P2284 - $25.00 - 3/ 5

Section 5. Assignment. Owner assigns to Town any and all contract interest and right to the following provisions of the Development Contract including the right to effluent referenced therein:

V.C. (8)
(9)
(10)
(11)

D. (1)
(2)

F.

Neither Town nor Owner shall have any rights to performance by the other party of contractual provisions in the Development Contract referenced above.

Section 6. Ratification. As modified by this Agreement, the parties ratify and confirm their respective rights and obligations under the Plum Creek Agreement and the Development Contract.

Section 7. Recordation. This Agreement shall be recorded with the Douglas County Clerk and Recorder, to provide record notice of its provisions.

ATTEST:

Sally A. Misare, Town Clerk

TOWN OF CASTLE ROCK

Donald K. Jones, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney

9629173 - 05/30/96 14:49 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1344 - P2285 - $25.00 - 4/ 5

STATE OF COLORADO)
) **ss.**
COUNTY OF)

The foregoing instrument was acknowledge before me this 29th day of May ___, 1996, by Sally A. Misare as Town Clerk and Donald K. Jones as Mayor of the Town of Castle Rock, Colorado.

Witness my official hand and seal.

My commission expires: 9-21-99

JENNIFER L. KING NOTARY PUBLIC STATE OF COLORADO

MY COMMISSION EXPIRES: SEPTEMBER 21, 1999

Jennifer L King
Notary Public

ATTEST:

N/A

HOLMBY LEISURE COUNTRY CLUB LTD.,
a Colorado corporation.

President

STATE OF COLORADO)
) **ss.**
COUNTY OF Douglas)

The foregoing instrument was acknowledge before me this 28th day of May ___, 1996, by John Chen as President for Holmby Leisure Country Club, Ltd., a Colorado corporation.

Witness my official hand and seal.

My commission expires: 7-10-98

KEITH A. WOLF NOTARY PUBLIC STATE OF COLORADO

Keith A Wolf
Notary Public

f:\...\plumcreek\wateragr.ame
May 24, 1996

99629173 - 05/30/96 14:49 - RETA A CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1344 - P2286 - $25.00 - 5/ 5

99018160 - 03/01/99 10:29 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1673 - P1766 - $35.00 - 1/ 7

SECOND AMENDMENT TO PLUM CREEK WATER RIGHTS DEDICATION AGREEMENT AND THIRD AMENDMENT TO DEVELOPMENT CONTRACT

99018160

DATE: February 12, 1998.

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

HOLMBY LEISURE COUNTRY CLUB, LTD. ("Owner"), a Colorado corporation, 331 Players Club Circle, Castle Rock, Colorado 80104.

RECITALS:

A. Town and Owner are parties to the Plum Creek Water Rights Dedication Agreement and First Amendment to Development Contract dated June 22, 1995, recorded August 21, 1995 at Reception No. 95388927, beginning in Book 1283 at Page 136 (the "Plum Creek Agreement") and the First Amendment to Plum Creek Water Rights Dedication Agreement and Second Amendment to Development Contract, dated May 23, 1996, recorded May 30, 1996 at Reception No. 9629173, beginning in Book 1344 at Page 2282 (the "First Amendment"), of the public records of Douglas County, Colorado. All terms initially capitalized in this document shall have the meaning given to such terms in the Plum Creek Agreement.

B. The Plum Creek Agreement and First Amendment concerned property owned by Owner of approximately 277 acres within the corporate boundaries of the Town. Owner and Town desire to add to the Plum Creek Agreement and First Amendment and additional 3.66 acres of property owned by H.J. Resource Corporation, a Colorado corporation, and within the corporate boundaries of the Town, described in the attached ***Exhibit 1*** (the "Additional Property"). H.J. Resource Corporation consents to the inclusion of the Additional Property under the Plum Creek Agreement and First Amendment.

C. The Plum Creek Agreement and the First Amendment were intended by the parties to apply to both the "PC Parcel" and the "PCS Parcel" as described in Recital A in the Plum Creek Agreement. The legal description of the PCS Parcel was inadvertently omitted from Exhibit 1 to the Plum Creek Agreement. The parties desire to correct this omission and have so provided herein.

COVENANTS:

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

Section 1. Inclusion of Additional Property. All references to the Property in the Plum Creek Agreement and the First Amendment shall be modified to include the Additional Property.

Section 2. Water Rights Conveyance. Owner will convey to Town, concurrently with the execution of this Agreement by the parties, all of the underground water rights associated with the Additional Property by bargain and sale deed in the form attached as ***Exhibit 2***.

Section 3. Water Credit. In consideration of the concurrent conveyance to Town of the water rights described above, the Plum Creek Water Bank described in the Plum Creek Agreement and First Amendment will be credited for 3.3 acre feet and 6 SFEs.

Section 4. Correction of Omission of PCS Parcel Legal Description. Exhibit 1 to the Plum Creek Agreement is hereby modified to include the legal description of the Plum Creek South parcel, referred to in the Plum Creek Agreement as the "PCS Parcel," as set forth on ***Exhibit 3*** attached hereto. All references to the Property in the Plum Creek Agreement, the First Amendment, and this Second Amendment shall be understood to include the PCS Parcel.

Section 5. Recordation. This Agreement shall be recorded with the Douglas County Clerk and Recorder, to provide record notice of its provisions.

ATTEST:, **TOWN OF CASTLE ROCK**

Sally A. Misare, Town Clerk ~~Donald K. Jones~~, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney

STATE ~~OF~~ COLORADO)
) ss.
COUNTY OF Dyle **)**

The foregoing instrument was acknowledged before me this 22nd day of February, 1999 by Sally A. Misare as Town Clerk and ~~Donald K. Jones~~ as Mayor of the Town of Castle Rock, Colorado.

Witness my official hand and seal.
My commission expires: 6-31-02

(SEAL)

Notary Public

JUDY HOSTETLER
NOTARY PUBLIC
STATE OF COLORADO

ATTEST:

HOLMBY LEISURE COUNTRY CLUB, LTD.,
a Colorado corporation

By: _____ By: _____

Its: _____ Its: Vice President

STATE OF COLORADO)
) ss.
COUNTY OF Dgls)

The foregoing instrument was acknowledged before me this 9th day of February, 1998 by Peter Rinehart as Vice-President and _____ as _____ for Holmby Leisure Country Club, Ltd.

Witness my official hand and seal.
My commission expires: 10-31-02

(SEAL)

_____
Notary Public

APPROVED AND CONSENTED TO:

H.J. RESOURCE CORPORATION

By: _____

Its: V.P.

JUDY HOSTETLER
NOTARY PUBLIC
STATE OF COLORADO

STATE OF COLORADO)
) ss.
COUNTY OF Dgls)

The foregoing instrument was acknowledged before me this 9th day of February, 1998 by Peter Rinehart as Vice-President for H. J. Resource Corporation.

Witness my official hand and seal.
My commission expires: 10-31-02

(SEAL)

_____
Notary Public

f:\...\plumcree\am2wrda

JUDY HOSTETLER
NOTARY PUBLIC
STATE OF COLORADO

EXHIBIT 1

A PORTION OF THE SOUTHEAST 1/4 OF SECTION 11, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 11, AND CONSIDERING THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 11 TO BEAR N 88°28'34" W, WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO; THENCE N 88°28'34" W, 741.64 FEET ALONG SAID SOUTH LINE TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID SOUTH LINE N 88°28'34" W, 545.86 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 11; THENCE ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 11 N 00°05'31" E, 584.58 FEET; THENCE S 42°16'44" E, 809.72 FEET TO THE TRUE POINT OF BEGINNING;

COUNTY OF DOUGLAS
STATE OF COLORADO

99018160 - 03/01/99 10:29 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1673 - P1770 - $35.00 - 5/ 7

EXHIBIT 2

BARGAIN AND SALE DEED

GRANTOR: **HJ RESOURCE CORP.**
P.O. Box 1021
Castle Rock, CO 80104

GRANTEE: **TOWN OF CASTLE ROCK**, a Colorado municipal corporation,
680 N. Wilcox Street
Castle Rock, CO 80104

Grantor, for the consideration of ten dollars and other good and valuable consideration, in hand paid, hereby sells and conveys to Grantee any and all water rights underlying the following described property in the County of Douglas, State of Colorado:

See attached ***Exhibit 1***

with all its appurtenances.

Signed this ___ day of _____, 1998.

GRANTOR:
HJ RESOURCE CORP.

By: _____

Its: _____

STATE OF COLORADO)
) **ss.**
COUNTY OF)

The foregoing instrument was acknowledged before me this _____of _____, 1998 by _____ as _____ for HJ Resource Corp.

Witness my official hand and seal.
My commission expires: _____.

(S E A L)

_____
Notary Public

EXHIBIT 2

QUIT CLAIM DEED

GRANTOR: **HOLMBY LEISURE COUNTRY CLUB, LTD.**
331 Players Club Drive
Castle Rock, CO 80104

GRANTEE: **TOWN OF CASTLE ROCK**, a
Colorado municipal corporation,
680 N. Wilcox Street
Castle Rock, CO 80104

Grantor, for the consideration of ten dollars and other good and valuable consideration, in hand paid, hereby sells and quit claims to Grantee any interest Grantor may have in the water rights underlying the following described property:

See attached ***Exhibit 1***

with all appurtenances thereto.

Signed this ___ day of _____, 1998.

GRANTOR:

HOLMBY LEISURE COUNTRY CLUB, LTD.

By: _____

Its: _____

STATE OF COLORADO)
) **ss.**
COUNTY OF)

The foregoing instrument was acknowledged before me this _____ of _____, 1998 by _____ as _____ for Holmby Leisure Country Club, Ltd.

Witness my official hand and seal.
My commission expires: _____.

(S E A L)

_____
Notary Public

99018160 - 03/01/99 10:29 - CAROLE R. MURRAY DOUGLAS CO. COLO. CLERK & RECORDER
B1673 - P1772 - $35.00 - 7/ 7

Exhibit 3

Legal Description of "Plum Creek East" Parcel

The Southwest 1/4 of the Southeast 1/4 of Section 14, and part of the Northwest 1/4 of the Northeast 1/4 of Section 23, all in Township 8 South, Range 67 West of the 6th Principal Meridian, County of Douglas, State of Colorado, described as follows:

Beginning at the South 1/4 corner of said Section 14; thence along the Westerly, Northerly and Easterly lines of the Southwest 1/4 of the Southeast 1/4 of said Section 14 as follows:

1) N 00° 31' 13" W, 1323.46 feet to the Northwest corner;
2) thence S 89° 31'18" E, 1305.32 feet to the Northeast corner;
3) thence S 00° 50' 29" E, 1321.61 feet to the Southeast corner;

thence S 00° 52' 06" E along the Easterly line of the Northwest 1/4 of the Northeast 1/4 of said Section 23, 202.81 feet to a point on a curve on the centerline of a roadway easement described in Book 178, Page 263; thence leaving said Easterly line and along the centerline of said roadway easement for the next two (2) courses:

1) along the arc of a curve to the left having a radius of 734.20, a central angle of 04° 31' 19", and an arc length of 57.94 feet to a point of tangency;
2) thence N 64° 08' 13" W, 95.20 feet;

thence leaving said centerline S 44° 56' 35" W, 1673.76 feet to the Southwest corner of said Northwest 1/4 of the Northeast 1/4; thence N 00° 09' 44" E along the Westerly line of aid Northwest 1/4 of the Northeast 1/4, 1327.61 feet to the POINT OF BEGINNING.

Contains 60.0404 Acres, more or less.

8298S