

3 1 0 8 1 5

BOOK 488 PAGE 299

RETTA L. CRAIN

REGISTER

\$900.00

AUG 30 4 30 PM '83

ANNEXATION CONTRACT

SCOTT RANCH

AGREEMENT made this 21st day of June, 1983, by and between THE TOWN OF CASTLE ROCK, STATE OF COLORADO, a Colorado municipal corporation, hereinafter referred to as "Town", and PARK FUNDING CORP., a Colorado corporation, or its successors or assigns, hereinafter referred to as "Developer".

WITNESSETH:

WHEREAS, Developer desires to annex certain lands to the Town of Castle Rock, to be known as Scott Ranch, more particularly described in Exhibit "A", (hereinafter "the land") 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;

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

SECTION I.

DEVELOPER-UNIFIED DEVELOPMENT CONTROL

1.1. "Developer" as used herein shall mean PARK FUNDING CORP., 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 on the land, in addition to the other responsibilities of Developer as set forth herein. Developer shall warrant all

public improvements constructed by it and its subcontractors, and shall exercise reasonable care in requiring sub-developers to warrant such improvements as may be constructed by sub-developers and their subcontractors.

1.2. "Sub-Developer" as used herein shall mean developers of portions of the land, under the unified developmental control of Developer. Sub-Developers shall warrant all public improvements constructed by them.

SECTION II.

GENERAL RESPONSIBILITIES OF TOWN

2.1. To permit Developer and Sub-Developers to connect with Town's water and sewer and reuse water systems at such reasonably accessible locations as determined by Town.

2.2. To furnish water, sewer and reuse water service to users of such services within land and charge such rates and connection charges as are then applicable and charged by Ordinance to other users of such services within the Town.

2.3. To accept for continual maintenance all dedicated or deeded water mains and lines, sewer mains and lines, effluent (reuse) transmission mains and lines, manholes, fire hydrants, streets, curbs, gutters, sidewalks, 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 or Sub-Developer against defective materials and/or workmanship which year shall commence as set forth in Section IV.

2.4. To install meter pits and water meters, to Town specifications.

2.5. To 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 AND/OR SUB-DEVELOPER

3.1. To install and dedicate public improvements, as required, pursuant to Town Subdivision Regulations and Town standard construction specifications. The term "public improvements" shall mean on site public streets and striping, curb, gutter, sidewalks, bikepaths, water, sewer and reuse mains, transmission lines and service lines, manholes, drainage structures, lift and pump stations, non-electric traffic and street signs and street lighting. All such public improvements shall be dedicated to Town by plat, or with the consent of Town, by deed.

3.2. In the construction of on site water mains and sewer lines, (or off site mains or lines to the extent the same are made necessary by the service needs of the land) Developer or Sub-Developer shall have the responsibility to construct any such mains, lines or reuse mains up to and including 12 inches in diameter, at Developer's or Sub-Developer's expense, when so required by Town. In applicable circumstances, Developer or Sub-Developer will receive recoupment for its expenses, pursuant to Town ordinance. In the event Town requires Developer or Sub-Developer to construct mains or lines exceeding 12 inches in

diameter (except in cases where needs of the land itself require mains or lines of greater size) Town shall reimburse Developer in an amount equal to the additional costs incurred in such oversizing.

3.3. Any lift or pump stations which may be permitted by Town shall be engineered and installed at Developer's or Sub-Developer's expense, to Town specifications. In the event any temporary lift or pump stations are required, Developer or Sub-Developer shall pay the expense of removal of the same.

3.4. From and after the date of Town's acceptance, subject to the one-year warranty as set forth herein, Developer or Sub-Developer shall have no responsibility to erect additional public improvements or to maintain public improvements within any finally platted area, except in instances wherein the land owned by Developer or Sub-Developer or portions thereof may be made subject to assessment or taxation by means of its inclusion within a special improvement district.

3.5. Developer agrees that prior to Town's issuance of the 400th certificate of occupancy within the area described in Exhibit A, developer shall have completed one of the following measures to mitigate traffic impact arising out of development upon the land; developer shall have secured the necessary access and constructed a roadway from the land to Front Street, or; shall have completed the proposed "belt route" extending north from Colorado Highway 86 to a point of connection with Interstate Highway 25, north of the Town of Castle Rock, or; shall have submitted a traffic study, subject to Town approval, which

substantiates the conclusion that two access points serving the residential portion of the land (at Canyon Drive and Colorado Highway 86) are adequate to serve the development.

3.6. Developer agrees to submit a preliminary master plan for a bike and pedestrian trail system to Town at such time as plans for a golf course are finalized, or within 180 days of the date of this agreement, whichever occurs first.

3.7. Developer agrees that golf cart crossings of major public streets shall be grade separated.

3.8. Developer shall provide any improvements (other than electric signalization) which may be required as a condition of securing entry to Colorado Highway 86 at the point shown on the preliminary site plan approved contemporaneously herewith.

3.9. The parties agree that all of the above obligations of Developer or Sub-Developer shall be at such Developer's expense and shall be at no expense to Town.

3.10. Developer or Sub-Developer shall pay to Town such tap, development and other fees as are established by ordinance 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.

SECTION IV.

DEVELOPER'S WARRANTY PUBLIC IMPROVEMENTS

4.1. Developer's or Sub-Developer's one-year warranty, as set forth in Subsection 2.3., shall commence upon acceptance of the warranted installation by Town. Acceptance shall be evidenced by a letter executed by Town's Building/Construction

Inspector or other official designated by Town. Developer's or Sub-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 or Sub-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 or Sub-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 or Sub-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.

4.2 In the event Town and Developer or Sub-Developer are unable to agree as to what modifications need be made to any such public improvement to secure its acceptance by Town, such dispute, at the option of Town, shall 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.

SECTION V.

SURETIES FOR PUBLIC IMPROVEMENTS

5.1. "Public improvements" as the terms is used in this Section V shall include and be limited to those items enumerated in Subsection 3.1 above, and such other public improvements as Developer agrees to construct.

5.2. "Administrative Project Areas" as the term is used in this Section V shall mean such logical development areas as are agreed to and designated by Town and Developer for the purpose of making determinations regarding completion of public improvements and the amount of the sureties required under the provisions of this section. Designated administrative project areas may include all or any part of one or more areas described in any plat or site plan.

5.3. It is agreed that the completion of all dedicated public improvements shall be assured by appropriate bond, cash escrow, irrevocable letter of credit (acceptable to Town in its sole discretion), or other appropriate surety (acceptable to Town in its sole discretion). Such sureties (excepting performance bonds which shall be in even amount) 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 said 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 surety (other than a performance bond) shall be released by Town. The remaining 6 percent will be released upon expiration of the warranty period provided any breaches of said warranty have been corrected to Town's reasonable satisfaction. Such releases shall not be unreasonably withheld. Administrative project areas shall be utilized by Town and Developer in determining the amount of all such sureties. In the case of performance bonds, Developer or Sub-Developer, upon completion and acceptance of the work, shall post an additional surety as set forth in Subsection 5.4 below to insure corrections required within the warranty period.

5.4. In the event Developer or Sub-Developer elects not to post such surety, Developer or Sub-Developer may complete such facilities and dedicate the same to Town, provided that, prior to Town's acceptance of such dedication, no structure shall receive a certificate of occupancy within any designated administrative 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. Upon such completion, dedication and acceptance, Developer or Sub-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, (cash escrows shall be deposited in the name of Developer or Sub-Developer and Town in an interest bearing account at a mutually agreeable financial institution). Such escrow shall be released by 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 or Sub-Developer. Such release shall not be unreasonably withheld.

SECTION VI.

WATER

6.1. Developer shall dedicate and deed all water appurtenant to the land to Town at time of annexation.

6.2. Developer or Sub-Developer shall demonstrate water availability adequate for the uses shown upon each final site plan presented for Town approval at the time such plan is presented. Such water need not underlie the land described on the final site plan in question. Water use criteria to be used in such demonstration shall be as set forth in Ordinance No. 83-6 or as amended. In instances where said ordinance does not set forth criteria for particular uses, the criteria for such uses may be proposed by Developer or Sub-Developer subject to Town approval utilizing generally accepted criteria. Town agrees that reuse of effluent shall, to the extent that an operational reuse water system is implemented by Developer or Sub-Developer, and sufficient amounts of effluent are available to such system at

At the time of its implementation, eliminate the necessity for demonstration of water availability for irrigation uses. In the event that a functioning reuse system is implemented by Developer or Sub-Developer after final site plan approval, the water capacity used to demonstrate availability for such area's irrigation needs shall become available for other uses and may be used to demonstrate such availability in future final site planned areas within the Town of Castle Rock. In the case of conservation practices, if the same appear as restrictions upon the face of the approved final site plan, and are filed for the public record, such restrictions shall be given full credit as evidence of reduction of water needs for any area subject to such site plans.

6.3. While it is understood and agreed that the water to be deeded or dedicated to Town, pursuant to subparagraph 6.1 above, shall become part of the Town's water supply, subject to use at any location within the Town as demand dictates, an amount of water equal to the amount so deeded or dedicated shall at all times be allocated to the water requirements of the land as such requirements are determined with reference to the uses approved pursuant to the approved preliminary site plan and planned unit development ordinance. Town agrees that it will not undertake to provide water service to areas not presently being served by Town without regard for Town's commitments to provide such water to the land so as to insure that such quantities of water are available to Developer, at such time as Developer commences development in any area and to the extent of such areas needs.

6.4. The cost of extending the water system from the land 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 may be recoverable by Developer by recoupment from owners whose lands are benefited thereby pursuant to Town recoupment ordinance.

6.5. Town and Developer agree to cooperate fully in all matters concerning the development of said water and water system, including, but not limited to, securing of permits, and acquisition of all rights of way and easements. It being acknowledged by the parties that time is of the essence in the successful acquisition and development of such rights, Town hereby vests broad discretion in Developer to do such things and perform such acts as may be necessary or advisable to accomplish this end, subject to the concurrence of Town.

6.6. In the event Ordinance No. 83-16, establishing the P.U.D. District for the land is repealed, by whatever means, it is understood and agreed that the Board of Trustees, or its successors, as the general governing body of the Town or City of Castle Rock, shall forthwith deed back to Developer, its successors or assigns, all water and water rights conveyed to Town pursuant to this Agreement, free and clear of all liens and encumbrances. Provided, however, that water determined necessary to serve any area for which a final site plan has been approved or which has been deeded or dedicated to Town prior to the date of such repeal shall remain with Town. Any such water deeded back to Developer pursuant to the provisions of this paragraph

shall not be transported, as clear water, unless the areas from which such waters are taken are first de-annexed from the Town or City of Castle Rock.

6.7. It is understood and agreed that Town shall not undertake to develop any water within the land independently of Developer unless it can be demonstrated by Town that notwithstanding Town's development of such water, sufficient water will remain in the first four major aquifers underlying the land as will permit the full development of such area with such uses and densities as are permitted pursuant to the approved Preliminary Site Plan approved contemporaneously herewith and Ordinance No. 83-16, as the same are constituted as of the date hereof, or are subsequently amended with consent of Developer. In the event such full development is accomplished without full utilization of such aquifers Town may independently develop such unutilized water, provided however, that credit for such water under the provisions of Ordinance No. 83-6 as amended (or under the provisions of any ordinance substituted therefore) shall be fully transferable and assignable.

6.8. Developer will drill and case such wells at such time as they are needed to furnish water to the land to applicable Town and/or State requirements.

6.9. Developer will install all necessary pumping, filtering and treatment facilities for each well and/or well field, together with construction of well houses to Town specifications, at such time as they are needed to furnish water to the land.

6.10. It is understood and agreed that all costs to Developer in performing those responsibilities set forth in subparagraphs 6.8 and 6.9 above shall be repaid Developer in the form of credits against water development fees as more particularly set forth in Section XII.

6.11. Other than as specifically provided to the contrary in this Section VI and in Section III above, Town shall furnish all other components of a working municipal water system. In the event Town deems it fiscally impossible or imprudent to provide any such components and any such components are provided by Developer, Developer shall be repaid all costs associated with the provision of such components in the form of credits against water development fees as set forth in Section XII.

6.12. The foregoing provisions of this Section VI notwithstanding, it is recognized by Town and Developer that although permits have been applied for and all other necessary measures have been taken by Developer to insure development of the underground water resources appurtenant to the land, (and that Developer agrees to use due diligence, in cooperation with Town, to insure that such permits are issued and to develop said water resources) that such permits may not be fully processed and approved prior to initial development upon the land. In this event, it is agreed as follows:

(i) That water for the first 400 dwelling units or other uses on the land (but in no event more water that would be required to serve 400 dwelling units excluding the golf course, the water requirements of which will be separately provided for

under the provisions of Section IX hereof) may be provided from water developed within the Town of Castle Rock by Developer but outside of the land described in Exhibit "A".

(ii) If, at such time as residential and/or other uses upon the land are consuming the amount of water referred to in subparagraph (i) above annually, sufficient underground water resources upon the land have not been developed to accommodate future development needs upon the land, Developer shall either, (a) cease development upon the land until such time as sufficient water resources are developed upon the land to permit resumption of development, or (b) provide Town with a deed or deeds for water rights, which rights are located outside the Town limits and which are sufficient to provide for the water needs of such areas within the land as are described in final site plans presented to Town for approval.

(iii) Such deed(s) shall be delivered to Town at the time of approval of each final site plan describing areas within the land until such time as sufficient water resources are developed upon the land to provide water for such uses according to the provisions of this agreement.

(iv) Such deed(s) shall be placed in escrow, with a mutually agreeable escrow agent, to be held by such agent until Town and Developer jointly notify escrow agent in writing that the water needs of the land (excluding the golf course separately addressed in Section IX hereof) are being met by the water resources of the land and that such deed or deeds shall be redelivered to Developer, or that said water resources are

insufficient to provide for the water needs of the land in which case, upon determination by Town and Developer of the amount of any shortage in said water resources, Developer shall forthwith execute and deliver to escrow agent its deed for the number of acre fee of shortage so determined. Said deed shall be for water located outside of the Town limits. Escrow Agent shall thereupon deliver such deed to Town and redeliver the deed or deeds previously delivered into escrow to Developer.

(v) In the event of any dispute between the Town and Developer as to any matters contained in this Subparagraph 6.12, such dispute, at the option of Town, 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 and escrow agent shall be instructed to deliver all escrowed documents into the registry of the Douglas County District Court for disposition as per court order.

SECTION VII.

SEWER

7.1. All new sewer lines, whether located within the land or located outside of such area, which are made necessary by the development of the land shall be at Developer's expense, subject to the recoupment provisions contained herein.

7.2. The cost of extending the sewer system from within the land 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

may be recoverable by Developer by recoupment from owners whose lands are benefited thereby pursuant to Town recoupment ordinance.

7.3. Other than as specifically provided to the contrary in this Section VII and Section III above, operation and enlargement of existing sewer plants, construction and operation of future sewer plants together with all other components necessary to a working municipal sewer system, shall be furnished by Town. In the event Town deems it fiscally impossible or imprudent to provide any such components and any such components are provided by Developer, Developer shall be repaid all costs associated with the provision of such components in the form of credits against sewer development fees as set forth in Section XII, except that Developer shall not receive such credits for temporary pump or lift stations.

SECTION VIII.

EFFLUENT

8.1. In addition to the amounts of effluent to which Developer previously has acquired contractual rights, Developer or its successors or assigns shall have the right to such additional amount of effluent from Town's municipal sewage system as is attributable to the water used by the development upon the land and placed into Town's municipal sewage system, together with the right to request such other effluent as is available from Town's system. Developer shall have the responsibility to construct any effluent-irrigation lines that may be constructed upon the land. In the event a golf course is constructed upon

the land, Developer shall provide an effluent storage reservoir of sufficient capacity to insure adequate irrigation of said course.

8.2. Town shall furnish effluent-irrigation water service to the land at the same rates and connection charges as are then applicable and charged pursuant to general ordinance to other users of such water within the Town.

8.3. Town and Developer will take whatever steps are necessary, to insure that there are no impediments to Developer from receiving all of the effluent produced by the development upon the land and such additional amounts of effluent as Developer has previously acquired contractual rights to utilize.

8.4. Other than as specifically provided to the contrary in this Section VIII and Section III above, Town shall furnish all other components necessary to a working effluent-reuse system including but not limited to construction and operation of reuse transmission storage and treatment facilities. In the event Town deems it fiscally impossible or imprudent to provide any such components and any such components are provided by Developer, Developer shall be repaid all costs associated with the provision of such components in the form of credits against reuse water development fees as set forth in Section XII. With regard to effluent storage facilities, it is understood and agreed that Town will either construct or give credit for construction of effluent storage reservoirs designed to reasonable aesthetic quality standards but will not be required to construct or give credit for construction of said reservoirs to the aesthetic standards of Developer. In the event Developer desires to

improve the aesthetic qualities of any such reservoir, the additional cost of such improvement shall be at Developer's expense, without credit against effluent development fees.

SECTION IX.

IRRIGATION REQUIREMENTS - GOLF COURSE

9.1. Developer may designate and utilize such well or wells upon the land or other lands owned by Developer as will enable Developer to commence irrigation of the golf course, at Developer's expense.

9.2. Such wells, and the necessary water rights to assure proper irrigation of said golf course, shall be licensed for such use by that entity which shall be responsible for the continued operation and maintenance of the golf course (hereinafter "course operator"). Such instrument shall contain provisions to insure that such wells and water rights shall be continually utilized for the irrigation of such golf course, until an effluent-irrigation system, is constructed pursuant to the provisions of Section VIII hereof.

9.3. 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 land as set forth hereinabove, is in no way affected by the provisions of this Section and that such needs must be provided for by Developer, its successors and assigns.

9.4. At such time as Developer commences to utilize effluent to irrigate the golf course to be constructed upon land, Town agrees to furnish (in addition to such amount of effluent as Town is contractually obligated to provide for by separate

contract for the duration of the term of said contract) such amounts of effluent as are reasonably necessary to properly irrigate such golf course to Developer or course operator or their successors and assigns, for so long as a golf course is maintained upon said land. Provided, however, that nothing contained herein shall obligate Town to provide more effluent than can be legally or physically provided.

9.5. In the event the amount of water produced by Developer's 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.

SECTION X.

PERMITS, PLANS AND PLAN AMENDMENTS

10.1. 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. Developer shall be responsible for obtaining highway entry permits from the Colorado Highway Department, provided Town will cooperate fully in the process of securing such permits.

10.2. Plats and plans requiring signatures of Town officials shall be executed and recorded within twenty (20) days of approval by the Board of Trustees, provided said plat or plan has been executed by all other required parties, the required fees paid and other ordinance requirements met.

SECTION XI.

RE-USE IRRIGATION OF DEDICATED LANDS

11.1. Developer agrees that, at such time as the re-use system is implemented 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 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 XII.

CREDITS AGAINST WATER AND SEWER DEVELOPMENT FEES

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

(a) In the event that Developer provides, or performs any service in connection with the provision of any component of Town's water, sewer, or reuse water systems, which is not the specific responsibility of Developer as set forth in this agreement, Developer shall receive a credit against the appropriate Town development fee in an amount equal to all costs to Developer in providing such component.

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

(c) Town reserves the right to prepay 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.

12.2. 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 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, at the option of Town, 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. 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.

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

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

SECTION XIII.

IMPROVEMENT OF DEDICATED LANDS

13.1. Town and Developer agree that they may enter into agreements whereby Developer agrees to improve dedicated lands for Town in exchange for re-conveyance of other dedicated lands to Developer for use as private development areas. The provisions of this Section shall not apply to improvements made by Developer at the insistence of any other recipient of publicly dedicated lands other than the Town of Castle Rock.

SECTION XIV.

PUBLIC LAND DEDICATION

14.1. The location and acreage of lands to be dedicated to Town, is as located upon the Planned Unit Development Preliminary Site Plan approved contemporaneously herewith. 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.

14.2. Developer shall bear responsibility of extending utilities, streets, sidewalks, and bike paths 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 the subject land or other lands owned by Developer, and in the further event that such other lands are at such time annexed to 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.

14.3. 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 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.

14.4. 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.

SECTION XV.

PRIVATE STREETS

15.1. It is contemplated that some local streets to be constructed within the land may be private streets. Said streets shall be constructed to the specifications set forth in Exhibit "B" attached hereto, unless otherwise mutually agreed.

15.2. Unless required due to Town storm drainage regulations or as part of the master trail system referred to in subsection 3.8 above, sidewalks, curbs and gutters shall not be required along said private streets, so long as reasonable pedestrian access is provided by a system of pedestrian and/or bike paths.

SECTION XVI.

APPROVAL OF DEVELOPMENT PLANS-
OBLIGATIONS OF DEVELOPER

16.1. Developer is entering into this agreement and undertaking the obligations imposed upon Developer herein contained in reliance upon Town's 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 land in substantial conformity with said approved site plan and ordinance.

SECTION XVII.

AMENDMENT OF RECOUPMENT ORDINANCE

17.1. Town intends to amend its recoupment ordinance to provide for developer recoupment of:

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

(b) Costs of roadway and drainage structure construction.

17.2. Said ordinance is intended to also be amended to enlarge time for such recoupment, insofar as it relates to private persons, to a period of ten years.

17.3. Further, said ordinance is intended to be amended to provide that recoupment will be due, from the owners of all lands annexed subsequent to the date of such amendment, on an "ability to serve" basis, rather than at the time of actual connection to, or utilization of, said improvements, with said amounts being payable, in full, at the time the first final plat is approved for any such owner.

SECTION XVIII.

EXCLUSION OF LAND FROM FIRE DISTRICT

18.1. Developer shall have the responsibility of making and diligently pursuing application for exclusion of the land from the fire district in which it is now situated through, if necessary, a final determination by the Douglas County District Court. Town will fully cooperate in this application.

SECTION XIX.

NOTICES

19.1. 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:

Park Funding Corp.
DTC 30, 8301 E. Prentice Avenue, #305
Englewood, Colorado 80111

19.2. 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 XX.

SEVERABILITY CLAUSE

20.1. 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 XXI.

BINDING EFFECT

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

SECTION XXII.

APPROVAL BY BOARD OF TRUSTEES

22.1. This Agreement was considered by the Board of Trustees of the Town of Castle Rock, Colorado, at their regular public meeting held on June 21, 1983, approved by a vote of 6 for and 0 against, and agreed to by the parties on said date.

TOWN OF CASTLE ROCK

By: [Signature]
Timothy L. White, Mayor
Town of Castle Rock

ATTEST:

[Signature]
Florence Bush, Town Clerk

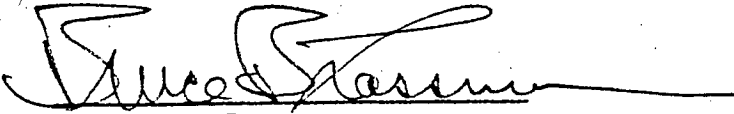
PARK FUNDING CORP., a Colorado corporation

By: [Signature]
Kenneth E. Ash, Vice President

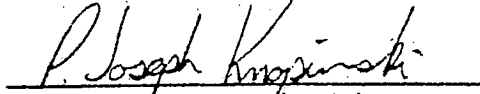
ATTEST:

[Signature]
James B. Folkestad,
Assistant Secretary

Approved as to form:



Bruce B. Lassman,
Town Attorney



P. Joseph Knopinski,
Town Administrator

PROPERTY DESCRIPTION:

A parcel of land located in Section 1, Township 8 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows:

Beginning at the Southeast corner of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 1 and considering the South line of said North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ to bear S 88°45'04"W with all bearings contained hereon relative thereto:

Thence S 88°45'04"W along said South line a distance of 2754.46 feet to the Southwest corner of said North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$;

Thence S 89°02'41"W a distance of 1365.76 feet to the Southwest corner of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 1;

Thence S 89°02'41"W along the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 1 a distance of 360.76 feet to a point that is 1005.00 feet Easterly from the Southwest corner of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$;

Thence N 0°57'19"W a distance of 75.00 feet;

Thence S 89°02'41"W parallel with the South line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ a distance of 960.40 feet to a line 40.00 feet East of and parallel with the West line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$;

Thence S 2°33'27"W along said parallel line a distance of 75.14 feet to the South line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$;

Thence S 89°02'41"W along said South line a distance of 40.00 feet to the Southwest corner of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$;

Thence N 2°33'27"E along the West line of said Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ a distance of 410.09 feet;

Thence S 88°33'36"E a distance of 27.62 feet to a point of curve;

Thence Southeasterly along the arc of a curve to the right a distance of 240.02 feet, said curve has a radius of 270.00 feet and a central angle of 50°56'00" to a point of reverse curve;

Thence Southeasterly along the arc of a curve to the left a distance of 14.57 feet, said curve has a radius of 430.00 feet and a central angle of 1°56'29";

Thence N 46°16'27"E a distance of 514.52 feet;

Thence N 2°43'46"E a distance of 872.67 feet;

Thence N 86°03'33"W a distance of 603.50 feet to a point in the West line of the South $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Section 1;

Thence N 3°51'27"E along the West line of Section 1 a distance of 2522.39 feet to the Northwest corner of said Section 1;

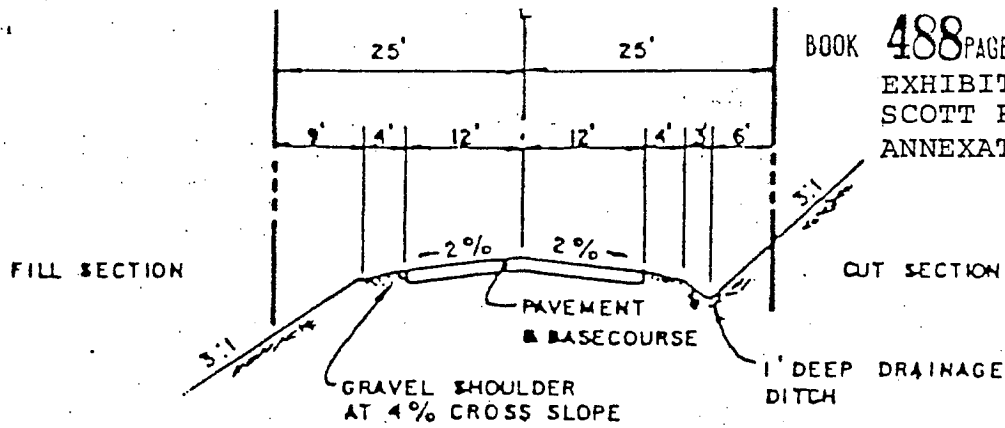
Thence N 89°58'06"E a distance of 2588.39 feet to the Northeast corner of the North $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Section 1;

Thence S 1°23'21"W a distance of 1358.90 feet to the Northwest corner of the South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of said Section 1;

Thence N 89°14'25"E a distance of 2642.87 feet to the Northeast corner of the South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of said Section 1;

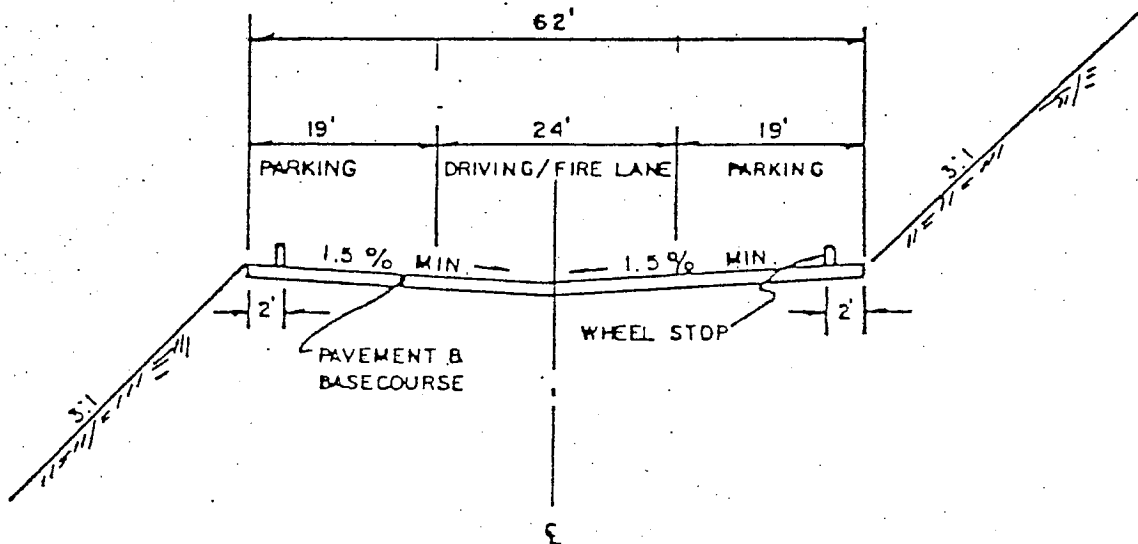
Thence S 0°55'16"E along the East line of said Section 1 a distance of 2649.90 feet to the point of beginning;

This parcel of land contains 396.322 acres, more or less.



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 1/2 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

FIRST AMENDMENT
TO
ANNEXATION CONTRACT
SCOTT RANCH

RETA A. CRAIN
DOUGLAS COUNTY

JUL 31 9 27 AM '85

270

REC'D & RECORDED
CLERK
COLO. CRAIN DOUGLAS CO.
RETA A. - 08/22/86 14:24 - \$30.00
F0020

This first amendment ("First Amendment") to that certain contract entitled "Annexation Contract Scott Ranch" ("Contract") entered into between The Town of Castle Rock, State of Colorado, a Colorado municipal corporation, and Park Funding Corp., a Colorado corporation, on June 21, 1983 is entered into this 5th day of April, 1984, between the said Town of Castle Rock, hereinafter "Town" and the said Park Funding Corp., hereinafter "Master Developer".

WITNESSETH:

WHEREAS, certain circumstances have changed since Town and Master Developer entered into Contract, most importantly the formation of The Villages at Castle Rock Metropolitan Districts No. 7, the "Metro District", the boundaries of which are now coterminous with the boundaries of the lands annexed as Scott Ranch described in Exhibit "A" attached to the Contract; and,

WHEREAS, certain rights, duties, and responsibilities of both the Town and Master Developer pursuant to Contract are now to be performed by the Metro District;

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

SECTION I
SCOPE OF AMENDMENT

1.1 Scope of Amendment. Whenever the provisions of this First Amendment vary from the provisions set forth in Contract the provisions of this First Amendment shall control and be binding upon and inure to the benefit of the parties; their successors and assigns. In all other and further respects the provisions of Contract shall remain in full force and effect and be binding upon the parties and their successors and assigns.

SECTION II
INCORPORATION BY REFERENCE
CERTAIN TERMS DEFINED

2.1 The following documents are incorporated hereto by this reference as if fully set forth, and shall herein be referred to as follows:

(i) The Facilities Plan for The Villages at Castle Rock Metropolitan District No. 7, dated March, 1984, ("Facilities Plan").

(ii) The Intergovernmental Agreements between the Town and The Villages at Castle Rock Metropolitan District No. 7, the ("Intergovernmental Agreement").

(iii) The petitions for organization of Metropolitan District No. 7, the ("Petition").

(iv) The resolution of the Town approving the Petition of Metropolitan District No. 7, the ("Resolution").

(v) All of the above documents shall be collectively referred to herein as the ("Organizational Documents").

8616325 - 08/22/86 14:24 - RFTA A. CRAIG DOUGLAS CO. COLO. CLERK & RECORDER \$30.00
B0661 - P0021 - 2/ 10

SECTION III
DELEGATION OF DUTIES TO METROPOLITAN DISTRICT

3.1 Delegation of Certain of Master Developer's Duties to Metro District. Whenever, under the provisions of Contract, Master Developer has the duty to engineer, furnish material for, install, construct, warrant, maintain, repair or otherwise provide or maintain any public improvement as defined in Contract or any Facility or Facilities or other public improvement as defined in the Organizational Documents that duty shall be delegated by Master Developer to the Metro District provided the provision or maintenance thereof is within the scope of authority of the Metro District as set forth in the Organizational Documents.

3.2 Delegation of Certain of Town's Duties to Metro District. Whenever, under the provisions of Contract, Town has the duty to engineer, furnish material for, install, or construct the public improvements as defined in Contract or any Facility or Facilities as defined in the Organizational Documents that duty shall be delegated to the Metro District provided the provision thereof is within the scope of authority of the Metro District as set forth in the Organizational Documents.

SECTION IV
WATER, SEWER AND IRRIGATION
WATER DEVELOPMENT FEES AND
CREDITS AGAINST FUTURE DEVELOPMENT FEES

4.1 Water, Sewer, and Irrigation Development Fees. For such period of time as the Metro District is providing the water, sewer and irrigation water facilities as described in the Organizational Documents Town shall collect water, sewer and irrigation development fees on behalf of the District within the area described in Exhibit

8616825 - 08/22/86 14:24 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER \$30.00
R0661 - P0022 - 3/ 10

A to Contract, and Town shall not collect said fees on its own behalf except as otherwise provided in the Intergovernmental Agreements. Other fees now in existence (tap fee, street oversizing fee and capital plant investment fee) shall be charged by and for Town, subject to the provisions contained in the Intergovernmental Agreement.

4.2 Suspension of Credits Against Development Fees. For such period of time as Metro District is providing water, sewer, and irrigation water facilities, and as a consequence of the Metro District provision of such Facilities, Master Developer will not be entitled to credits against future development fees as provided in Contract. Nothing contained in this First Amendment shall in any way effect credits against future development fees previously granted Master Developer, nor shall it in any way effect the granting of such credits for any public improvement to be constructed by Master Developer in the future pursuant to the applicable provisions of the Contract.

SECTION V
PROVISION OF PUBLIC IMPROVEMENTS OR
FACILITIES BY MASTER DEVELOPER OR TOWN

5.1 Provision of Public Improvements by Master Developer. In the event Metro Districts shall fail or refuse to provide the public improvements or Facilities that Master Developer is responsible to construct, operate or maintain pursuant to the provisions of Contract, Master Developer shall construct, operate and maintain such public improvements or Facilities pursuant to the provisions of Contract, and receive such credits against development fees as are provided for in Contract.

8616825 - 08/22/86 14:24 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER \$30.00
B0661 - P0023 - 4/ 10

5.2 Provision of Public Improvements by Town. In the event Metro District fails or refuses to provide the public improvements or Facilities that Town is responsible to construct, operate or maintain pursuant to the provisions of Contract, Town shall construct, operate and maintain such public improvements or Facilities pursuant to the provisions of Contract, and charge such development fees as are then charged for provision of the public improvements so constructed. In such event, Master Developer, its successors or assigns, shall reimburse the Town for the actual and reasonable expenses incurred by Town in re-assuming Town's responsibilities under Contract.

SECTION VI
PUBLIC LAND DEDICATION

6.1 Public Land Dedication by Metro District. Whenever the Metro District conveys land to Town which was in turn conveyed to Metro District by Master Developer, Town shall credit said land as against the public land dedication requirement of Master Developer.

SECTION VII
AMENDMENT TO SECTION VI OF CONTRACT
(WATER)

7.1 Amendment Regarding Water. Notwithstanding any provision to the contrary contained in said Section VI of the Contract it is agreed as follows:

- (i) Master Developer shall cause a water transmission line to be extended from the existing line located at the intersection of Valley Drive and Colorado Highway 86 to an existing line located at the intersection of Canyon Drive and Oakwood Drive. Master Developer shall also cause the necessary pressure reducing valves to be installed. Such line extension and valve installation shall be to Town specifications.

8616825 - 08/22/86 14:24 - BETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER \$30.00
D0661 - P0024 - 5/ 10

(ii) Master Developer shall cause a water transmission line connecting wells within the area known as The Villages at Castle Rock to the Town's existing system or complete wells and connect the same to Town's system to serve the area described in Exhibit A to Contract prior to January 1, 1986.

(iii) Master Developer shall, in consideration of such line extension, and/or such line extension or provision of other water sources have use of water from Town's existing water system for the first 400 equivalent single family residential units [for the period set forth in Subsection 7.1 (ii) above] to be constructed within the lands described in Exhibit A to Contract. (Equivalent single family residential units shall be defined pursuant to Town of Castle Rock Resolution No. 84-2 as presently adopted.)

(iv) It is understood and agreed that in consideration of the Master Developer's performance of the promises as set forth in this Section 7.1 that Master Developer shall not be required to pay any water, sewer or irrigation water development fees to Town relating to the water used pursuant to the provisions of this Section.

SECTION VIII
REIMBURSEMENT OF CERTAIN TOWN EXPENSES

8.1 Master Developer agrees that should Metro Districts, within a reasonable time after formation, fail or refuse to reimburse the Town for the Metro District's pro rata share of the reasonable Town costs relating to formation of the District, that Master Developer will so reimburse the Town.

8616825 - 08/22/86 14:24 - BETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - \$30.00
R0661 - P0025 - 6/ 10

SECTION IX
STATEMENT CONCERNING DISTRICTS

9.1 Recordation of Statement. Master Developer and Town agree that at the time for recording of each final plat with the lands described in Contract, Master Developer and Town shall cause a "Statement of Information" in substantially similar form to that attached as Exhibit A hereto to be executed and placed of public record at the time of filing of said final plat.

SECTION X
MISCELLANEOUS

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

- If to the Town: Town of Castle Rock
 318 Fourth Street
 Castle Rock, CO 80104
- If to the Master Developer: Park Funding Corp.
 DTC Building 30
 Suite 305
 8301 E. Prentice Avenue
 Englewood, CO 80111

10.2 Amendments. This First Amendment may be amended in writing, which said amendment or amendments shall be approved by the Board of Trustees of the Town and the Master Developer, and signed by the mayor of the Town and president of the Master Developer.

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

10.4 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of

8616825 - 08/22/86 14:24 - RETA A. CHAIN DOUGLAS CO. COLO. CLERK & RECORDER 7/ 10
R0661 - P0026 - \$30.00

competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

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

TOWN OF CASTLE ROCK

By: [Signature]
Mayor

(SEAL)

ATTEST:

[Signature]
Town Clerk

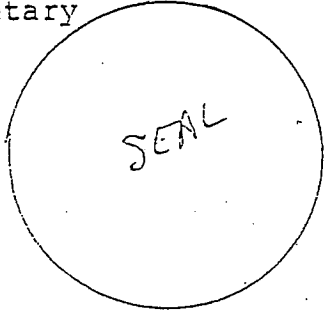
PARK FUNDING CORP.

By: [Signature]
President

(SEAL)

ATTEST:

[Signature]
Secretary



8616825 - 08/22/86 14:24 - RETA A. GRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 8/ 10
D0661 - P0027 - \$30.00

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 21st day of June, 1984, by Carol Kennedy, Mayor of the Town of Castle Rock, a municipal corporation.

Witness my hand and official seal.

My commission expires: 7-12-88

Cheri A. Leunberg
Notary Public
318 North Street
Address
Castle Rock, CO 80104

(SEAL)

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 2nd day of June, 1984, by DAVID H. FEINBERG, as President of Park Funding Corp., a Colorado corporation.

Witness my hand and official seal.

My commission expires: June 9, 1985

Frances Jackson
Notary Public
8201 E. Fiestras
Address
Bldg. 30 Suite 205
Englewood, CO 80111

8616825 - 08/22/86 14:24 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B0661 - P0028 - \$30.00 9/ 10

EXHIBIT A

PROPERTY DESCRIPTION:

A parcel of land located in Section 1, Township 8 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado, more particularly described as follows:

Beginning at the Southeast corner of the North $\frac{1}{2}$ of the Southeast $\frac{1}{2}$ of said Section 1 and considering the South line of said North $\frac{1}{2}$ of the Southeast $\frac{1}{2}$ to bear S 88°45'04"W with all bearings contained hereon relative thereto:

Thence S 88°45'04"W along said South line a distance of 2754.46 feet to the Southwest corner of said North $\frac{1}{2}$ of the Southeast $\frac{1}{2}$;

Thence S 89°02'41"W a distance of 1365.76 feet to the Southwest corner of the Northeast $\frac{1}{2}$ of the Southwest $\frac{1}{2}$ of said Section 1;

Thence S 89°02'41"W along the South line of the Northwest $\frac{1}{2}$ of the Southwest $\frac{1}{2}$ of said Section 1 a distance of 360.76 feet to a point that is 1005.00 feet Easterly from the Southwest corner of said Northwest $\frac{1}{2}$ of the Southwest $\frac{1}{2}$;

Thence N 0°57'19"W a distance of 75.00 feet;

Thence S 89°02'41"W parallel with the South line of said Northwest $\frac{1}{2}$ of the Southwest $\frac{1}{2}$ a distance of 960.40 feet to a line 40.00 feet East of and parallel with the West line of said Northwest $\frac{1}{2}$ of the Southwest $\frac{1}{2}$;

Thence S 2°33'27"W along said parallel line a distance of 75.14 feet to the South line of said Northwest $\frac{1}{2}$ of the Southwest $\frac{1}{2}$;

Thence S 89°02'41"W along said South line a distance of 40.00 feet to the Southwest corner of said Northwest $\frac{1}{2}$ of the Southwest $\frac{1}{2}$;

Thence N 2°33'27"E along the West line of said Northwest $\frac{1}{2}$ of the Southwest $\frac{1}{2}$ a distance of 410.09 feet;

Thence S 88°33'36"E a distance of 27.62 feet to a point of curve;

Thence Southeasterly along the arc of a curve to the right a distance of 240.02 feet, said curve has a radius of 270.00 feet and a central angle of 50°56'00" to a point of reverse curve;

Thence Southeasterly along the arc of a curve to the left a distance of 14.57 feet, said curve has a radius of 430.00 feet and a central angle of 1°55'29";

Thence N 46°16'27"E a distance of 514.52 feet;

Thence N 2°48'46"E a distance of 872.67 feet;

Thence N 86°03'33"W a distance of 603.50 feet to a point in the West line of the South $\frac{1}{2}$ of the Northwest $\frac{1}{2}$ of said Section 1;

Thence N 3°51'27"E along the West line of Section 1 a distance of 2522.39 feet to the Northwest corner of said Section 1;

Thence N 89°58'06"E a distance of 2588.39 feet to the Northeast corner of the North $\frac{1}{2}$ of the Northwest $\frac{1}{2}$ of said Section 1;

Thence S 1°23'21"W a distance of 1258.80 feet to the Northwest corner of the South $\frac{1}{2}$ of the Northeast $\frac{1}{2}$ of said Section 1;

Thence N 89°14'25"E a distance of 2642.87 feet to the Northeast corner of the South $\frac{1}{2}$ of the Northeast $\frac{1}{2}$ of said Section 1;

Thence S 0°55'16"E along the East line of said Section 1 a distance of 2649.90 feet to the point of beginning;

This parcel of land contains .396.322 acres, more or less.

8616825 - 08/22/86 14:24 - RETA A. GRAIN DOUGLAS CO. COLO. CLERK & RECORDER 10/ 10
R0661 - P0029 \$30.00

SECOND AMENDMENT
TO
ANNEXATION CONTRACT
SCOTT RANCH

This second amendment ("Second Amendment") to that certain contract entitled "Annexation Contract Scott Ranch" ("Contract") entered into between The Town of Castle Rock, State of Colorado, a Colorado municipal corporation, and Park Funding Corp., a Colorado corporation, on June 21, 1983, and to that First Amendment to Annexation Contract Scott Ranch ("First Amendment") entered into April 5, 1984, (between said same parties) is entered into this 23rd day of October, 1986, between the said Town of Castle Rock, hereinafter "Town" and the said Park Funding Corp., hereinafter "Master Developer".

WITNESSETH:

WHEREAS, certain circumstances have changed since Town and Master Developer entered into Contract and First Amendment;

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

SECTION I
SCOPE OF AMENDMENT

1.1 Scope of Amendment. Whenever the provisions of this Second Amendment vary from the provisions set forth in Contract and the First Amendment the provisions of this Second Amendment shall control and be binding upon and inure to the benefit of the parties; their successors and assigns. In all other and further respects the provisions of Contract and the First Amendment shall remain in full force and effect and be binding upon the parties and their successors and assigns.

8703064 - 01/29/87 13:25 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 1/ 6
R0697 - P0621 \$18.00

SECTION II
CERTAIN TERMS DEFINED

2.1 Wet Water. "Wet Water" is defined as actual raw water available to the Town which is reasonably capable of treatment to State Health Department potable standards and which is further available for delivery to the Town's water system.

SECTION III
ADDITIONAL PROVISIONS

3.1 Provision of Water. Section 6.1 of Contract is hereby repealed and the following language inserted in its place.

Except as otherwise provided herein, Master Developer, at the time of final platting, shall deed to the Town and dedicate upon each final plat, free and clear of all liens and encumbrances such water and water rights as are sufficient to provide a wet water supply to the platted property. Such water as has been previously conveyed to the Town prior to the date of this Amendment shall be reconveyed to Developer on or before October 1, 1986.

3.2 Surplus. The following provision should be added as Section 6.13 to Contract:

To the extent that the Land, at the time of the last final plat or after ninety (90%) percent build out, whichever occurs later, has an agreed upon surplus of water (total appurtenant non-tributary and/or tributary sources plus augmentation credits based upon effluent and return flows less total water requirements based upon approved uses as adjusted for irrigation reuse and conservation system implementation), the Developer shall be allowed to transfer such surplus water to

8703064 - 01/29/87 13:25 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 2/ 6
B0697 - P0622 - \$18.00

other lands owned by Developer within the corporate limits of the Town of Castle Rock. Developer may transfer such surplus water to other lands not owned by him within the corporate limits of the Town of Castle Rock, but only after offering said surplus water to the Town of Castle Rock at the cash-in-lieu of water rate in effect by Town Resolution or Ordinance at the time of the offer. Developer shall, pursuant to the notification requirements set forth in this Contract, give thirty (30) days written notice to the Town of his intention to sell said surplus water. In the event Town desires to purchase such water, it shall give written notification to Developer of its intention to do so within such thirty (30) day period. Payment shall be made by applying credit against Development Fees to the extent of the value of such surplus water. If insufficient credits exist to pay in full for such surplus water, the Town shall pay the balance due, after applying such credits, to the Developer in cash within sixty (60) days of the date of said notice.

3.3 Cash in Lieu of Water, Credits. The following provision should be added as Section 6.14 to Contract:

Understanding their rights and obligations contained hereinabove, the parties further agree, that under appropriate circumstances the Town may accept cash in lieu of Wet Water, or the parties may also make arrangements for Developer to construct capital plant improvements as an offset against Wet Water requirements or certain development fees.

SECTION IV
MISCELLANEOUS

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

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

If to the Master Developer: Park Funding Corp.
DTC Building 30
Suite 305
8301 E. Prentice Avenue
Englewood, CO 80111

4.2 Amendments. This Second Amendment may be amended in writing, which said amendment or amendments shall be approved by the Board of Trustees of the Town and the Master Developer, and signed by the mayor of the Town and president of the Master Developer.

4.3 Additional Documents. The parties agree to execute such further and additional documents, including but not limited to such water deeds as are necessary to effectuate the provisions of this Agreement. Said deeds shall describe the same water and be in the same form as those deeds conveying such water to Town which have previously been tendered to the Town and placed of public record in Book 594 at Pages 761 through 854, Douglas County Records.

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

4.5 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of

competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

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

TOWN OF CASTLE ROCK

By: *[Signature]*
Mayor

(SEAL)

ATTEST:

[Signature]
Town Clerk

PARK FUNDING CORP.

By: *[Signature]*
Vice President

(SEAL)

ATTEST:

[Signature]
Secretary

8703064 - 01/29/87 13:25 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER - 5/ 6
R0697 - P0625 - \$18.00

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 14th day of January, 1987, by George J. Kennedy, Mayor of the Town of Castle Rock, a municipal corporation, and Richard R. Wilson, Town Clerk of the Town of Castle Rock, a municipal corporation.
Witness my hand and official seal.

My commission expires: 10-22-88

Phyllis L. Brown
Notary Public
318 fourth street
Address
Castle Rock, Co 80104

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 25th day of November, 1986, by Gene Myers, as President of Park Funding Corp., a Colorado corporation, and Joseph Berenbaum as Secretary.
Witness my hand and official seal.

My commission expires: 9-9-90

Sharon Ramsey
Notary Public
8301 E. Prentice #305
Address
Englewood, Colo

8703064 - 01/29/87 13:25 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER 5/ 6

THIRD AMENDMENT
TO
ANNEXATION CONTRACT
SCOTT RANCH
(WOODLANDS)

This third amendment ("Third Amendment") to that certain contract entitled "Annexation Contract Scott Ranch" ("Contract") entered into between The Town of Castle Rock, State of Colorado, a Colorado municipal corporation, and Park Funding Corp., a Colorado corporation, on June 21, 1983, as amended April 5, 1984, ("First Amendment"), as further amended on October 23, 1986, ("Second Amendment") is entered into this 7th day of January, 1988 between the said Town of Castle Rock, hereinafter "Town" and the said Park Funding Corp., hereinafter "Master Developer".

WITNESSETH:

WHEREAS, certain circumstances have changed since Town and Master Developer entered into Contract; and,

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

SECTION I
SCOPE OF AMENDMENT

1.1 Scope of Amendment. Whenever the provisions of this Third Amendment vary from the provisions set forth in Contract or any previous amendment the provisions of this Third Amendment shall control and be binding upon and inure to the benefit of the parties; their successors and assigns. In all other and further respects the provisions of Contract and any previous amendments

shall remain in full force and effect and be binding upon the parties and their successors and assigns.

SECTION II
TRAIL SYSTEM

2.1 Specifications. Trails shall be constructed of concrete and should be eight feet in width.

2.2 Assignment of Responsibility to Construct Trails. Pursuant to the provisions of former agreements between the parties hereto it is recognized by the parties Master Developer's responsibility to construct all trails mentioned in this Section II (except those trails referred to in Subsection 2.3 and 2.2 hereof, to be constructed by Town) has been assigned by Master Developer to The Villages at Castle Rock Metropolitan District No. 7.

2.3 School Trail. In consideration of the provision of certain water facilities, sanitary sewer facilities, storm water and detention facilities and arterial roadways by The Villages at Castle Rock Metropolitan District No. 7 for the new Town recreation center, the Town hereby agrees to construct that segment of the trail system extending from Point A to Point B on Exhibit "A" attached hereto. It is understood and agreed that Town may require third party participation in the construction of the school trail. Nothing herein contained shall be construed to relieve any third party of any such responsibility. The term third party shall not be construed to mean any affiliated entity of Master Developer.

2.4 Recreation Center Trail (North Segment). In further consideration of the provision of certain water facilities, sanitary sewer facilities, storm water and detention facilities and arterial roadways by The Villages at Castle Rock Metropolitan District No. 7 for the new Town recreation center, the Town hereby agrees to construct that segment of the trail system extending from Point C to Point D on Exhibit "A" attached hereto.

2.5 Other Agreements. It is acknowledged and agreed by the parties hereto that there are other agreements which are approved contemporaneously with this Agreement as between the parties hereto and certain metropolitan districts providing services to the area addressed in this Agreement and other areas being developed by affiliated entities with the Master Developer. These agreements are specifically addressed in Section 3.5 of the Intergovernmental Agreement between the Town of Castle Rock and The Villages at Castle Rock Metropolitan District No. 10 and that agreement as set forth in a letter dated January 7, 1988 and signed by Gene Myers, President, of The Villages at Castle Rock Metropolitan District No. 7 and George Kennedy, Mayor of the Town of Castle Rock regarding the Canyon Drive water line, said agreements are incorporated herein by this reference, and are related to the provisions of Subsections 2.3 and 2.4, above.

2.6 Upper Woodlands Trail. Master Developer shall construct that segment of the trail system extending from Point E eastward to Point F as set forth on Exhibit "B" attached hereto on or before the date that the first certificate of occupancy is

issued for a dwelling unit located within Block 1, Woodlands Filing No. 7. Master Developer shall construct that segment of the trail system extending from said Point F to Point G (a point on the eastern most boundary of said Woodlands Filing No. 7) on or before the date that a certificate of occupancy is issued for the first dwelling to be located within Blocks 2 through 6 inclusive, Woodlands Filing No. 7. In the event that the provisions of this subsection dictate that the trail system from Point F to Point G is required prior to completion of the trail system from Point E to Point F, then in that event, the trail system from Point E to Point G shall be completed prior to the date on which the first certificate of occupancy is issued for the first dwelling to be located within Blocks 2 through 6 inclusive, Woodlands Filing No. 7.

2.7 Upper Woodlands Trail - Trail Links. Master Developer shall construct the short "trail links" which connect the trail extending from Point E to Point F as set forth on Exhibit "B" attached hereto (the "spine trail") to the residential streets hereinafter mentioned. Such trail links shall be completed to Town specifications as set forth in Section 2.1 hereof, and shall be dedicated to the Town upon easements dedicated to the Town. The trail link extending from the spine trail to Smokey Hill Court shall be completed on or before the date of issuance of the first certificate of occupancy for a dwelling unit located on Lots 1 through 14 inclusive, Block 1, Woodlands Filing No. 7. The trail link connecting Sundance Circle to the spine trail

shall be completed on or before the date of issuance of the first certificate of occupancy for a dwelling unit located on Lots 15-26 inclusive, Block 1, Woodlands Filing No. 7. The trail link connecting Trappers Lane to the spine trail shall be completed on or before the date of issuance of the first certificate of occupancy for a dwelling unit located on Lots 27-35 inclusive, Block 1, Woodlands Filing No. 7. The trail link connecting Windwood Lane to the spine trail shall be completed on or before the date of issuance of the first certificate of occupancy for a dwelling unit located on Lots 36-39 inclusive, Block 1, Woodlands Filing No. 7.

2.8 North Trail. The north trail extending northward from Point H to Point I as identified on Exhibit "B" shall be completed on or before the date that the first certificate of occupancy is issued for any dwelling unit located within any finally platted area through which said trail passes. It is expressly understood and agreed between the parties that the issuance of a certificate of occupancy within a finally platted area through which said respective trails pass shall not necessitate the construction of the entire trail but shall mandate construction of such portion of such trail as is necessary to connect such finally platted area to the spine trail.

2.9 Recreation Center Trail (South Segment). The recreation center trail (south segment) extending southward from Point C to Point N as identified on Exhibit "A" shall be

completed on or before the date that the first certificate of occupancy is issued for any dwelling unit located south of the areas identified upon Exhibit "C" (referred to in Section VI hereof) and west of Woodlands Boulevard.

SECTION III
BRISTLE CONE DRIVE EXTENSION

3.1 Extension. Bristle Cone Drive, shall be extended eastward from the eastern boundary of the Woodlands Filing No. 7 Final Plat to its intersection with Founders Parkway on or before the date on which the first certificate of occupancy is issued for any dwelling unit located within said Woodlands Filing No. 7.

SECTION IV
PUBLIC LAND DEDICATION

4.1 Public Land Dedication. On or before the date that the final plat for Woodlands Filing No. 7 is filed for the public record, Master Developer will deliver a fully executed special warranty deed describing the approximately 3.2 acres located on the map attached hereto as Exhibit "C" (identified as "Parcel A") shall be delivered to Town in complete satisfaction of Master Developer's responsibility to Town for dedication of usable public land within the Scott Ranch P.U.D. as approved August 30, 1983 (sometimes also referred to as The Woodlands). Provided however, Master Developer hereby agrees not to alienate that 1.8 acres as approximately located upon Exhibit "C" hereto (identified as "Parcel B") for a period of two years from the date of execution of this Agreement unless said parcel is

conveyed expressly subject to the conditions of this two year reservation. At any time prior to the expiration of such two year period, Master Developer or its assigns agree to convey Parcel B to Town free and clear of all liens and encumbrances for a purchase price equal to Master Developer's cost. It is anticipated that such purchase price shall be obtained by Town from third parties as cash in lieu of dedicated land. The term third party shall not be construed to mean any affiliated entity of Master Developer.

SECTION V SURETIES

5.1 Sureties. In the event Master Developer or its assignee has not completed those public improvements enumerated in Section II and Section III hereof, on or before the date upon which such performance is due pursuant to the provisions of such sections then in that event Master Developer or its assignee shall provide a surety to the Town to insure completion of the public improvements enumerated in said sections. Said surety shall be in the form approved by the Town and in the amount equal to 125% of the actual cost of such improvements. Such sureties shall be released upon completion of such improvements to Town specifications.

SECTION VI MISCELLANEOUS

6.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be

STATE OF COLORADO)
) SS.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 14th
day of January, 1988, by Gene W. Myers, General
Manager, of Park Funding Corp., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 10/8/90

Karen E. Schickel
Notary Public

Exhibit "A"

TRAIL

TRAIL

CANYON CARS DR.

TRAIL

TRAIL

C

B

RIDGE TRAIL DR.

NTS

134

133

ODLANDS BLVD

207

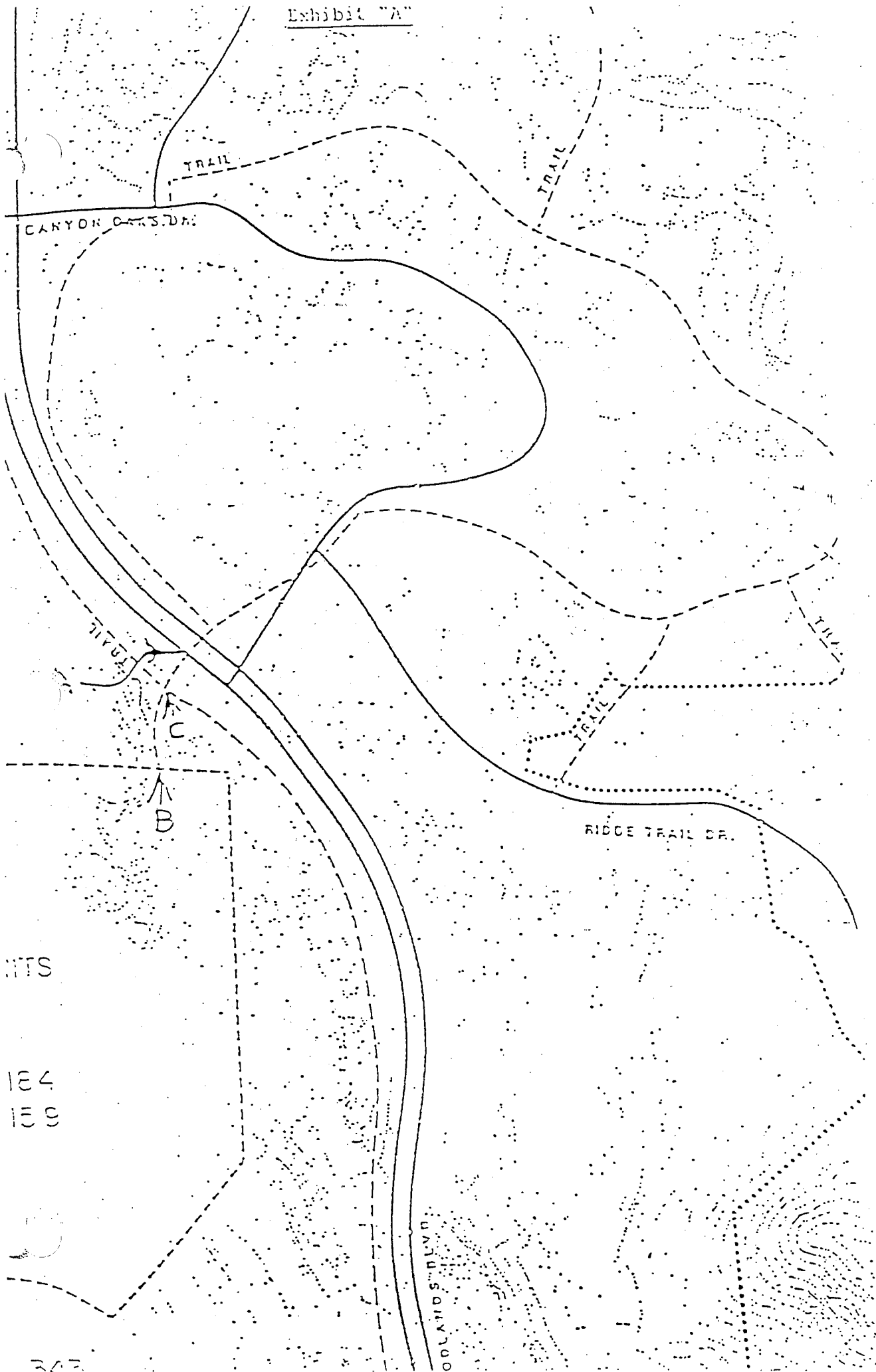
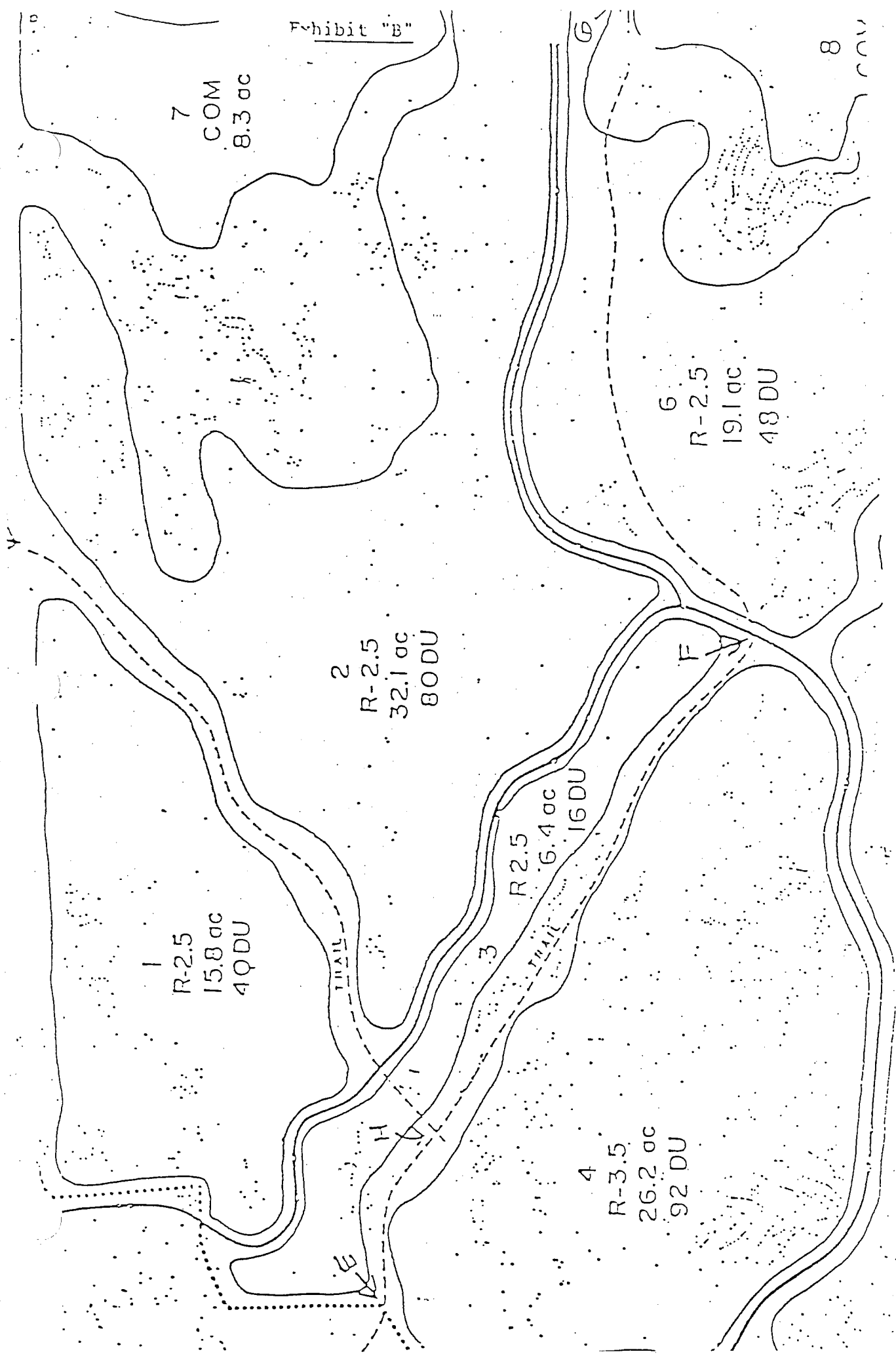


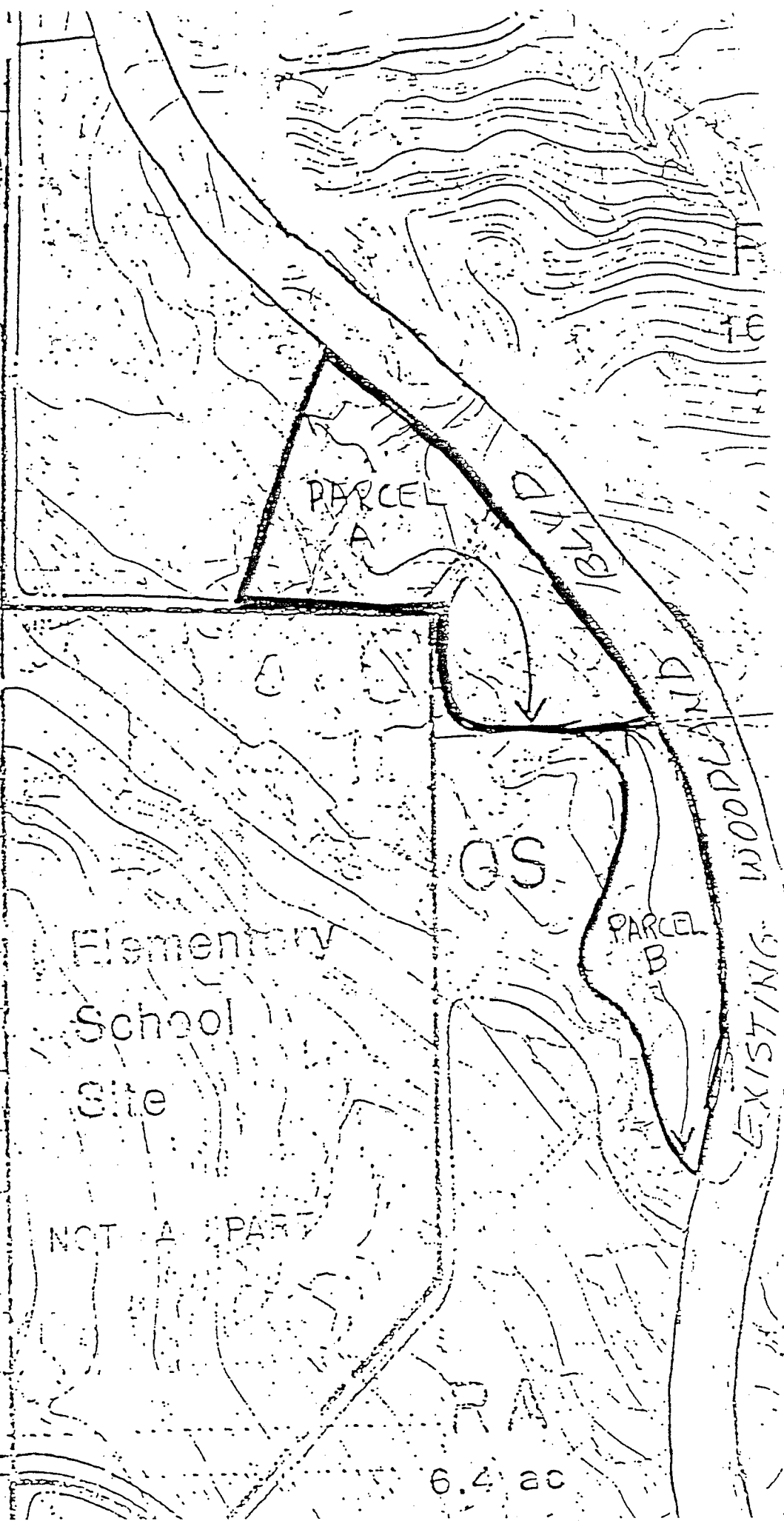
Exhibit "B"



Woodlands

Land
Education

Exhibit "C"



Elementary
School
Site

PARCEL
A

PARCEL
B

GS

NOT A PART

EXISTING WOODLAND ROAD

6.4.20