

**THIRD AMENDMENT TO
THE MEADOWS
(FOURTH AMENDMENT)
DEVELOPMENT AGREEMENT**

This THIRD AMENDMENT TO THE MEADOWS (FOURTH AMENDMENT) DEVELOPMENT AGREEMENT (this “Amendment”) is made as of _____, 2015 between CASTLE ROCK DEVELOPMENT COMPANY, a Colorado corporation, and CASTLE ROCK LAND CO., LLC, a Colorado limited liability company (collectively, “Owner”) and TOWN OF CASTLE ROCK, a home rule municipal corporation (“Town”).

RECITALS

A. Owner and Town are parties to that certain THE MEADOWS (FOURTH AMENDMENT) DEVELOPMENT AGREEMENT dated April 14, 2003 and recorded on July 10, 2003 at Reception No. 2003102970 in the official real property records of Douglas County, Colorado (the “Records”), as amended by that certain First Amendment to The Meadows (Fourth Amendment) Development Agreement dated April 16, 2013 and recorded on May 17, 2013 at Reception No. 2013041129 in the Records and a Second Amendment to The Meadows (Fourth Amendment) Development Agreement dated July 19, 2013, and recorded July 19, 2013 at Reception No. 2013060323 in the records (as amended, the “Agreement”). Any capitalized terms used in this Amendment without further definition shall have the meanings ascribed to them in the Agreement.

B. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall control. This Amendment, when taken together with the Agreement, shall constitute a single contract and in all instances where the term “Agreement” is used, it is deemed to mean the Agreement as modified by this Amendment.

C. Pursuant to Section 12.01 of the Agreement, the Agreement may be amended if made in writing and duly executed by the Town and Owner. In addition, as set forth in the attached Joinder, Mortgagee has consented to this Amendment.

COVENANTS

Now, therefore, in consideration of these mutual promises, the parties agree and covenant as follows:

Section 1. Amendment. Section 1.01 of the Agreement is amended to amend the following definition:

District Agreements: the Meadows Metropolitan Districts Consolidated Service Plan, as Amended and Restated October 1, 1993, together with the following:

- (a) Master Intergovernmental Agreement Between the Town of Castle Rock and the Meadows Metropolitan Districts Nos. 1-7 dated December 1, 1991;
- (b) First Amendment to Master Intergovernmental Agreement (Meadows Metropolitan Districts) dated October 1, 1993;
- (c) Second Amendment to Master Intergovernmental Agreement (Meadows Metropolitan District No. 1) dated December 12, 1996;
- (d) Third Amendment to Master Intergovernmental Agreement (Meadows Metropolitan Districts) dated_____, 2015.

Section 2. Amendment. Section 5.05 of the Agreement is amended in its entirety to read as follows:

5.05 Special Purchase Rights. Owner shall have the right to purchase additional development entitlements to be credited to the Water Bank in accordance with this section (Purchase Credit). The price of the Purchase Credit is \$2,244/SFE. The right to acquire Purchase Credit expires on December 31, 2027. Owner may acquire Purchase Credit by the tender to Town of the full price in cash or certified funds, together with a notice designating the quantity and the purchase price calculated in accordance with this section.

The Purchase Credit is final and irrevocable, but not transferable except as otherwise set forth in this section. If Purchase Credit remains in the Water Bank (see 5.08) after full development of the Property (see 5.09), the Town, at Owner's option, shall redeem the Purchase Credit at Owner's original acquisition cost, without interest. In the event Owner does not elect to offer the Purchase Credit for repurchase by Town, Owner may transfer any remaining Purchase Credit to a water bank (or banks) established to serve any other properties located within the Town that are owned by Owner. If the Town fails to redeem the Purchase Credit as provided in this section, the restriction on transferability of the Purchase Credit shall be lifted and Owner may convey any remaining Purchase Credit to any owner of property within the Town.

Section 3. Amendment. Article VII of the Agreement is amended in its entirety to read as follows:

**ARTICLE VII
WATER AND WASTEWATER**

7.01 Required Water Facilities. After January 1, 2015, Owner shall not be required to develop water production (wells), treatment, storage, transmission, and other water improvements for which the Town imposes System Development Fees under the Town Regulations (Water Facilities). Town shall develop sufficient Water Facilities to serve development on the Property through build out in consideration of the payment of System Development Fees by the permittee seeking water service from the Town (or the party contractually obligated to pay such System Development Fee under 9.02). Provided however, Town and Owner acknowledge that once paid by the permittee the System Development Fees are subject to allocation between the Town and Districts as provided in the District Agreements.

7.02 Well Sites. (Owner shall be responsible for obtaining final approval of the HCP at its expense and thereafter for compliance with all terms and conditions imposed under the HCP (see 6.10) relating to the development of the Alluvial Augmentation Plan.) In order to support Town's obligation to develop Water Facilities, Owner shall convey to Town designated well fields within the Public Lands together with necessary access, construction and water line easements concurrently with conveyance of the first well developed by the Town in the well field.

7.03 Wastewater. Through prior direct investment in wastewater treatment Facilities authorized under the District Agreements and specific provisions in the Meadows Filings 11 and 12 SIA's, Owner/Districts acquired prepaid wastewater treatment entitlements (Prior Wastewater SFE). However, the Prior Wastewater SFE has been exhausted through application by Owner on development within the Meadows. Consequently, the wastewater component of the System Development Fees is imposed and collected by Town in accordance with the Town Regulations, but subject to the allocation of such fees as provided

in the District Agreements. Town shall develop sufficient wastewater treatment to serve development of the Property through full build out.

7.04 Water and Wastewater Enterprise. The Town will discharge its obligations under this Agreement related to Water Facilities and wastewater facilities and operation and maintenance of such Facilities through its Water and Wastewater Enterprises, respectively.

Section 4. District Agreements. This Amendment is to take effect in conjunction with and in reliance upon the District Agreement referenced in (d) of Section 1. If for any reason such District Agreement does not take effect or is declared invalid by a final judicial decree, this Third Amendment shall thereafter be of no force or effect. This Section 4 shall take precedence over Section 3.02.

Section 5. Ratification. In all other respects, the Agreement shall remain in full force and effect.

TOWN:

ATTEST:

TOWN OF CASTLE ROCK

Sally A. Misare, Town Clerk

Paul Donahue, Mayor

Approved as to form:

Robert J. Slentz, Town Attorney

COUNTY OF)
) ss.
STATE OF)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by Sally A. Misare as Town Clerk and Paul Donahue as Mayor for the Town of Castle Rock, Colorado.

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

(S E A L)

Notary Public

OWNER:

CASTLE ROCK DEVELOPMENT COMPANY

By: _____

Its: _____

COUNTY OF _____)

) ss.

STATE OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2015 by _____ as _____ for Castle Rock Development Company.

Witness my official hand and seal.

My commission expires: _____

(S E A L)

Notary Public

CASTLE ROCK LAND CO., LLC,
a Colorado limited liability company

By: _____

Its: _____

COUNTY OF _____)

) ss.

STATE OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by _____ as _____ for Castle Rock Land Co., LLC, a Colorado limited liability company.

Witness my official hand and seal.

My commission expires: _____

(S E A L)

Notary Public

MORTGAGEE JOINDER

By execution of this Amendment, Castle Rock Land Co., LLC, as Mortgagee, subordinates its lien and interest in the Retained Property created by Deed of Trust recorded January 3, 2003 at Reception No. 2003001595, as amended and/or partially released from time to time, to the real covenants and restrictions of this Amendment. Mortgagee shall have no affirmative obligation hereunder, nor shall Town have the right to seek performance of the Agreement, as amended by this Amendment, from Mortgagee except in the event Mortgagee acquires legal title to the Retained Property, in which event Mortgagee shall be bound by the terms, conditions and restrictions of the Agreement, as amended by this Amendment.

MORTGAGEE:

CASTLE ROCK LAND CO., LLC,
a Colorado limited liability company

By: _____
Its: _____

COUNTY OF)
) ss.
 STATE OF)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____ as _____ for Castle Rock Land Co., LLC.

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

(S E A L)

Notary Public