

June 14, 2017

Charles J. Smith
Attorney at Law
303.223.1289 tel
303.223.8089 fax
cjsmith@bhfs.com

VIA FED-EX AND EMAIL

Town of Castle Rock
100 North Wilcox Street
Castle Rock, Colorado 80104
Attention: Robert Slentz, Town Attorney
Email: BSlentz@CRgov.com

RE: Amendment to the Public Finance Agreement ("PFA") by and among Citadel Development, LLC, a Delaware limited liability company ("Developer"), the Town of Castle Rock ("Town"), Miller's Landing Business Improvement District ("District"), and the Castle Rock Urban Renewal Authority ("Authority")

Dear Mr. Slentz:

As we recently discussed, upon review of Exhibit A to the PFA, it has come to our mutual attention that the legal description for the Property (as defined in the PFA) contains an error. More specifically, it does not include the entirety of the approximately 65-acres that all parties intended to include within the definition of the Property in the PFA and on Exhibit A.

Therefore, we have agreed to a simple amendment to the PFA to replace Exhibit A with a new Exhibit A, which includes the complete and accurate legal description for the entire Property. Likewise, the Sales Tax Credit Ordinance (as defined in the PFA) that was approved by the Town Council pursuant to Ordinance No. 2017-003 refers to Exhibit A of the PFA to describe the Property. Updating Exhibit A to the PFA will have the effect of correcting the reference in the Sales Tax Credit Ordinance as well.

As the Town is aware, Developer is under contract to acquire the Property. The closing of the acquisition is scheduled for June 29, 2017, with little or no opportunity for an extension. The PFA is of critical importance to the development of the Project (as defined in the PFA), and in turn amending the PFA to include the entire Property is a critical path item for Developer's acquisition of the Property. If this amendment is not approved and finalized prior to the closing of Developer's acquisition, it could jeopardize Developer's ability to finance the acquisition of the Property and the development of the Project. If the amendment is approved by regular ordinance, it will require a second reading, which cannot occur until well after the scheduled closing.

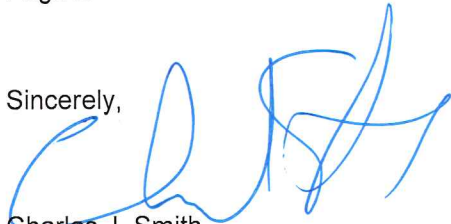
Therefore, in light of these exigent circumstances, we respectfully request that Council approve the amendment of the PFA by means of an emergency ordinance, which can be approved on June 20, 2017, and would not require a second reading. There is no harm in taking this approach and it will not compromise the rights of the public, as it was the intent of the parties all along to include the entire approximately 65 acres within the Property that is subject to the PFA and Sales Tax Credit Ordinance.

Thank you for your consideration of this request and we look forward to working together on development of the Project.

410 Seventeenth Street, Suite 2200
Denver, CO 80202-4432
main 303.223.1100

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Sincerely,

A handwritten signature in blue ink, appearing to be 'CJ Smith', written over the word 'Charles J. Smith'.

Charles J. Smith

cc VIA FED-EX:

Castle Rock Urban Renewal Authority
100 North Wilcox Street
Castle Rock, Colorado 80104

Miller's Landing Business Improvement District
c/o Spencer Fane LLP
1700 Lincoln St., Suite 2000
Denver, Colorado 80203

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