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DEVELOPMENT AGREEMENT PERTAINING TO VESTED RIGHTS

FOR

CIMARRON PARK

**CITY OF ARVADA, COLORADO,
a Colorado municipal corporation,**

and

**CIMARRON PARK LLC
a Colorado limited liability company**

**DEVELOPMENT AGREEMENT PERTAINING TO VESTED RIGHTS
FOR
CIMARRON PARK**

THIS AGREEMENT ("Agreement") is made and entered into as of the 1st day of August 2005, by and between the CITY OF ARVADA, COLORADO, a Colorado municipal corporation ("City"), and CIMARRON PARK LLC, a Colorado limited liability company ("Landowner").

Recitals

A. Landowner owns, and has been engaged in, or is contemplating, efforts to obtain development approvals for, certain property (the "Property") situated in the City of Arvada, the description of which is set forth in Exhibit A and incorporated herein by this reference.

B. Additional development approvals, with the concomitant expenditure of substantial funds on planning, engineering, and related matters, are necessary in order to secure approval of a Site Specific Development Plan ("SSDP") related to the Property, pursuant to § 3.23.2 of the Arvada Land Development Code and C.R.S. § 24-68-101 et seq.

C. The City's Land Development Code ("LDC") provides a means, pursuant to § 3.23.11 ("Early Vested Rights"), by which a landowner may achieve a reasonable level of certainty with respect to early (pre-SSDP) approvals such as those described in Recital A herein, in reliance upon which substantial expenditures may be made, while minimizing certain potential inflexibilities, risks and liabilities of the City associated with, and more appropriate to, the later approval of an SSDP.

D. The Parties anticipate that development of the Property may occur in phases, over an extended period of time under current market conditions. Such development will require that Landowner and/or Jefferson Center Metropolitan District No. 2 (together with its related financing districts, "JCMD") may make substantial, up-front investments in public and private infrastructure improvements which will serve the needs of the Property and the City, including without limitation, roads, storm drainage facilities, water lines, sanitary sewer lines, and off-site municipal facilities. Such investments can be supported only if there are assurances that the development of the Property, once approved by the City, will be allowed to proceed to ultimate completion.

E. The City's Land Development Code provides a means, pursuant to §§ 3.23 ("Vested Rights") and 3.12 ("Development Agreements"), to both extend the statutory three-year period for Statutory Vested Rights created pursuant to an SSDP, and allow for additional "staged" periods of Statutory Vested Rights, upon satisfaction of pre-determined performance obligations.

F. The Parties hereto are desirous of utilizing the above-referenced provisions, with respect to development of the Property, in order to provide for orderly and well-planned growth, promote economic development and stability within the City, ensure reasonable certainty, stability and fairness in the land use planning process, secure the reasonable investment-backed

expectations of the Landowner and its investors, foster cooperation between the public and private sectors in the area of land use planning, and otherwise achieve the goals and purposes of the Arvada Land Development Code and the Vested Rights Statute.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Landowner agree as follows:

ARTICLE 1

GENERAL PROVISIONS

1.1 This Development Agreement is authorized by, and pursuant to, the Arvada Land Development Code; more specifically, §§ 3.23 and 3.12 thereof.

1.2 The provisions of this Agreement shall constitute covenants or servitudes which shall touch, attach to, and run with the land comprising the Property, and the burdens and benefits of this Agreement shall bind and inure to the benefit of the Property and all estates and interests in the Property and all successors in interest to the Parties to this Agreement, except as otherwise provided herein.

1.3 The mutual execution and recordation of this Agreement shall effect the waiver, rescission, and termination of any rights or entitlements that the Landowner may otherwise have or claim under the following agreements only: Jefferson Center Comprehensive Development Plan (dated August 4, 1989), the Jefferson Center Subdivider's Agreement (dated November 14, 1990, and recorded at reception no. 91004731), the Jefferson Center Annexation Agreement (dated December 6, 1989, and recorded at reception no. 91004730), the JCMD No. 1 Intergovernmental Agreement (dated December 7, 1989, and recorded at reception no. 91004732), and the Jefferson County Intergovernmental Agreement (between Jefferson County, the City of Arvada, JCMD No. 1, and the Jefferson Center Associates, and dated 1989), either directly or by their incorporation into any other agreement.

ARTICLE 2

EARLY VESTED RIGHTS

2.1 Pursuant to § 3.23.11 of the Arvada Land Development Code, and with respect to the Property, upon adoption of an ordinance authorizing this Agreement, there shall be established Early Vested Rights as to the following specific matters:

Present zoning on the Property or such subsequent zoning as mutually agreed upon by the parties hereto, together with general land use designations approved as part of any existing or subsequently approved Outline Development Plan, Concept Plan, or similar document; provided, however, that any development pursuant to such zoning and land use designations is subject to, and

must comply with, all applicable requirements and procedures for any subsequently required land use approval(s) (e.g., Outline Development Plan, Concept Plan, Final Plat, or similar document), as more specifically set forth in and required by the LDC, and further provided that, notwithstanding any contrary provision of the LDC, Landowner may continue any established uses on the Property (including agricultural uses and limited residential use relating to the existing residential home on the Property), and/or establish new agricultural uses on the Property (e.g., grazing of livestock and/or growing of crops, but excluding contained animal feeding operations) prior to development of the Property, but will discontinue such agricultural uses within any phase of the project once vertical development commences within that phase.

2.2 The Early Vested Rights established hereby shall be effective for a period of FIVE (5) YEARS from the effective date as defined in § 3.23.11 I of the LDC, unless within such period an SSDP establishing Statutory Vested Rights is approved for all or any portion of the Property. As to any portion of the Property for which an SSDP has been approved, the Early Vested Rights shall be deemed to have been replaced by Statutory Vested Rights, to which the provisions of this Agreement shall apply.

2.3 The Early Vested Rights established hereby shall be subject to all provisions of § 3.23.11 of the LDC, and the additional following conditions, special provisions, or limitations:

In the event Landowner secures the approval of an SSDP during the term of the Early Vested Rights, such rights shall be deemed expired and replaced by Statutory Vested Rights pursuant to LDC § 3.23.2, which Statutory Vested Rights shall be effective for a period of 5 years and subject to extension for additional periods upon the satisfaction of performance obligations, as set forth elsewhere herein. In the event an SSDP is not secured during the term of the Early Vested Rights, but within such period one hundred percent (100%) of the Phase I infrastructure improvements contained within the Master Infrastructure Plan has been substantially completed in the opinion of both the City and JCMD, such term of Early Vested Rights shall be extended for an additional period of five (5) years (with expiration and replacement by Statutory Vested Rights in the event of an SSDP, as set forth above). In any event, any term of Early Vested Rights may be extended upon the mutual consent of the Parties and amendment of this Agreement. "Master Infrastructure Plan," for purposes hereof, shall mean the Master Infrastructure Plan referred to in the Master Redevelopment Agreement ("MRA") between the City of Arvada, Arvada Urban Renewal Authority and Jefferson Center Metropolitan District No. 2, dated as of April 4, 2005, as such plan existed on the date of execution of the MRA.

ARTICLE 3

EXTENSION OF STATUTORY VESTED RIGHTS PERIOD

3.1 Pursuant to § 3.12.2.M of the LDC, any Statutory Vested Rights created pursuant to § 3.23.2 of the LDC and based upon the approval of an SSDP applicable to any portion of the Property shall be effective for an initial period of FIVE (5) YEARS, notwithstanding the statutory presumptive period of three (3) years.

3.2 In that this Development Agreement is executed substantially prior to the approval of an SSDP pertaining to the Property, the provisions of § 3.12.4 of the LDC shall apply only to actions subsequent to the effective date of the SSDP, not subsequent to the execution of the Development Agreement.

ARTICLE 4

ADDITIONAL VESTED RIGHTS PERIODS

4.1 The initial term of the Statutory Vested Rights, as set forth in § 3.1 hereof, shall automatically extend for TWO (2) additional periods as set forth below:

(a) The initial five-year period shall be extended by five (5) years (to a total of ten (10) years) if, prior to expiration of the initial five (5) year period, Landowner has substantially completed construction of one-third (1/3) of the residential dwelling units, commercial space (measured on a gross square footage basis), and other site improvements contemplated in the approved SSDP.

(b) The initial term, as extended pursuant to subsection 4.1(a) above, shall be further extended through the earlier to occur of (A) the expiration of the Increment Period (i.e., the twenty-five (25) year revenue-sharing period under the MRA), (B) the end of the 20th year of the cumulative period of Early Vested Rights and Statutory Vested Rights, or (C) the completion of development of the Property under the terms and conditions of the SSDP, if, on or before the tenth (10th) anniversary of the effective date of the Statutory Vested Rights referenced in § 3.1 hereof, Landowner has substantially completed construction of two-thirds (2/3) of the residential dwelling units, commercial space (measured on a gross square footage basis), and other site improvements contemplated in the approved SSDP.

(c) It is the intention of the parties hereto that the Landowner be afforded up to a cumulative total period of Early Vested Rights/Statutory Vested Rights of twenty (20) years (not extending beyond the Increment Period) as necessary to complete development of the Property under the terms and conditions of the SSDP.

4.2 After expiration of the Early Vested Rights and all terms of the Statutory Vested Rights, the Property shall continue to be subject to the charter, ordinances, rules and regulations of the City for so long as it is located within the municipal boundaries of the City, and the rights established by this Agreement shall be deemed terminated and of no further force or effect; provided, however, that such termination shall not affect any common-law vested rights obtained prior to such termination, or any right, whether characterized as vested or otherwise, arising from

subsequent Development Agreements, a PUD, or a Final Plat, as applicable, or from City permits, approvals or other entitlements for the Property which were granted or approved prior to, subsequent to, concurrently, or in conjunction with the approval of this Agreement.

ARTICLE 5

REMEDIES

5.1 With respect to Early Vested Rights as established herein, in the event of a breach or default by the City, Landowner shall be entitled to recover from the City only those costs as set forth in § 3.23.11 G(1) of the LDC. In the event of a breach or default by the City pertaining to Statutory Vested Rights created by the approval of an SSDP, or the extension of such Statutory Vested Rights as provided for herein, Landowner shall be entitled to recover from the City any damages and/or compensation available to Landowner pursuant to C.R.S. § 24-68-105(1)(c). Notwithstanding the foregoing, Landowner's remedies for a default by the City resulting from a successful citizen-initiated measure or citizen-initiated referendum which would constitute a breach of § 16 of the Intergovernmental Agreement By And Between The City Of Arvada And The Jefferson Center Metropolitan District No. 2 ("IGA"), dated as of April 4, 2005, and concerning a matter for which Statutory Vested Rights have been granted to the Landowner(s), shall be limited to the equitable remedy of specific performance, regardless of the outcome of any litigation contemplated by § 16.4 of the IGA.

ARTICLE 6

MISCELLANEOUS

6.1 Except as otherwise set forth in this Agreement, this Agreement may be amended or terminated only by mutual consent in writing of the City and Landowner(s) following the procedures required for approval of this Agreement.

6.2 Any titles of the several parts and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

6.3 No third-party beneficiary rights are created in favor of any person not a party to this Agreement. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties hereto, their successors and assigns, including successor owners of Lots or portions thereof, and nothing contained in this Agreement shall give or allow any claim or right of action by any other or third person under this Agreement.

6.4 The laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement.

6.5 This Agreement shall be binding upon and, except as otherwise provided in this Agreement, shall inure to the benefit of the successors in interest or the legal representatives of the Parties hereto. Landowner(s) shall have the right to assign or transfer all or any portion of its interests, rights or obligations under this Agreement to third parties acquiring an interest or estate

in the Property, including, but not limited to, purchasers or long term ground lessees of individual lots, parcels, or of any improvements now or hereafter located within the Property, provided that to the extent Landowner assigns any of Landowner's obligations under this Agreement, the assignee of such obligations shall expressly assume such obligations. The express assumptions of any of Landowner's obligations under this Agreement by its assignee or transferee shall, upon written notice to the City, thereby relieve Landowner of any further obligation under this Agreement with respect to the matter so assumed. To the extent the duties and obligations of the Landowner are not assumed by the transferee, the Landowner shall remain obligated hereunder.

6.6 If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall, unless amended or modified by mutual consent of the Parties, continue in full force and effect so long as enforcement of the remaining provisions would not be inequitable to the Party against whom they are being enforced under the facts and circumstances then pertaining.

6.7 This Agreement may be executed in counterparts each of which shall constitute one and the same instrument.

6.8 A notice, demand, or other communication under this Agreement by any Party to the other shall be in writing and shall be sufficiently given if delivered in person, by prepaid overnight express mail or reputable overnight courier service, or if it is transmitted by facsimile and confirmed by transmission log records; and

(a) In the case of the Landowner, is addressed to or delivered as follows:

Cimarron Park LLC
c/o Church Ranch Corporate Center
10050 Wadsworth Blvd.
Westminster, CO 80021
Attention: Gregg A. Bradbury
Facsimile: (303) 469-4293

with a copy to:

Otten, Johnson, Robinson, Neff & Ragonetti, P.C.
950 Seventeenth Street
Suite 1600
Denver, CO 80202
Attention: Munsey L. Ayers
Facsimile: 303-825-6565

(b) In the case of the City, is addressed to or delivered as follows:

City of Arvada
8101 Ralston Road
Arvada, Colorado 80002
Attention: City Manager
Facsimile: (303) 431-3933

with a copy to:


City of Arvada
8101 Ralston Road
Arvada, Colorado 80002
Attention: City Attorney
Facsimile: (303) 431-3933

or to such other address with respect to any such Party as that Party may, from time to time, designate in writing and forward to the other as provided in this section. Notices shall be deemed given upon receipt.

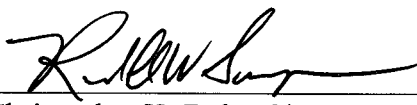
IN WITNESS WHEREOF, the City and the Landowner have caused this Agreement to be duly executed as of the day first above written.

THE CITY:

CITY OF ARVADA, COLORADO, a
Colorado municipal corporation

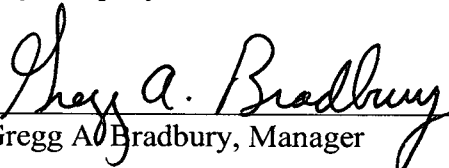
By: 
Ken Fellman, Mayor

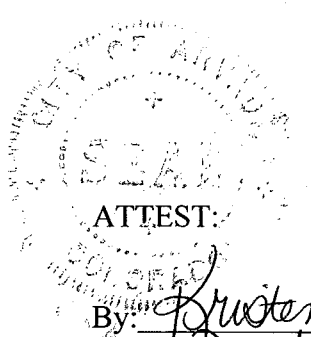
APPROVED AS TO FORM:

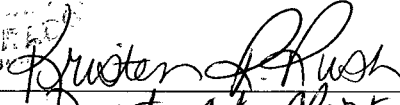
By: 
for Christopher K. Daly, City Attorney

LANDOWNER:

CIMARRON PARK LLC, a Colorado limited
liability company

By: 
Gregg A. Bradbury, Manager



ATTEST:
By: 
Title: Deputy City Clerk

STATE OF COLORADO)
) ss.
COUNTY OF Jefferson)

The foregoing instrument was acknowledged before me this 21st day of July, 2005 by Gregg A. Bradbury as Manager of Cimarron Park LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 6-22-2006

Kandi R McKay
Notary Public

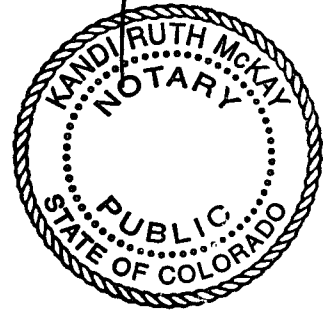


EXHIBIT A
Legal Description of the Property

CIMARRON PARK
Outline Development Plan and Rezoning

A Part of the NE $\frac{1}{4}$ of Section 24, Township 2 South, Range 70 West of the 6th Principal Meridian
City of Arvada, Jefferson County, Colorado

Legal Description

OVERALL CIMARRON PARK

A PARCEL OF LAND LOCATED IN SECTION 24, TOWNSHIP 2 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN, COUNTY OF JEFFERSON, STATE OF COLORADO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 24, TOWNSHIP 2 SOUTH, RANGE 70 WEST OF THE SIXTH PRINCIPAL MERIDIAN; THENCE N89°40'01"W ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 30.01 FEET TO THE TRUE POINT OF BEGINNING;

THENCE S00°53'18"E ALONG A LINE THAT IS 30' WESTERLY AND PARALLEL TO THE EASTERLY LINE OF SAID NORTHEAST QUARTER OF SECTION 24, A DISTANCE OF 2638.34 FEET; THENCE S00°05'48"E ALONG A LINE THAT IS 30' WEST OF AND PARALLEL TO THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 1277.74 FEET; THENCE S89°55'22"W A DISTANCE OF 2610.66 FEET; THENCE N60°11'27"W A DISTANCE OF 1704.41 FEET; THENCE N01°02'34"W A DISTANCE OF 429.48 FEET TO A POINT ON THE SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 24; THENCE S89°55'42"W ALONG SAID SOUTHERLY LINE OF THE NORTHWEST QUARTER OF SECTION 24, A DISTANCE OF 1170.03 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 24; THENCE N01°06'02"W ALONG THE WESTERLY LINE OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 2663.29 FEET TO THE NORTHWEST CORNER OF SAID SECTION 24; THENCE S89°55'27"E ALONG THE NORTHERLY LINE OF SAID NORTHWEST QUARTER OF SECTION 24, A DISTANCE OF 2657.52 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 24; THENCE S89°40'01"E ALONG THE NORTHERLY LINE OF THE NORTHEAST QUARTER OF SAID SECTION 24 A DISTANCE OF 2618.03 FEET TO THE TRUE POINT OF BEGINNING.

SAID PARCEL CONTAINS 426.614 ACRES MORE OR LESS.

PREPARED BY RICHARD A. NOBBE
FOR AND IN BEHALF OF
MARTIN/MARTIN, INC.
12499 WEST COLFAX AVENUE
LAKEWOOD, COLORADO 80215
(303) 431-6100
(303) 431-4028 FAX
14597.C.01