

**SECOND AMENDED AND RESTATED
REGIONAL FACILITIES CONSTRUCTION AGREEMENT**

THIS SECOND AMENDED AND RESTATED REGIONAL FACILITIES CONSTRUCTION AGREEMENT ("Agreement") is made as of Nov 22, 1996, by and between STONEGATE VILLAGE METROPOLITAN DISTRICT ("Village"), and LINCOLN PARK METROPOLITAN DISTRICT (formerly known as STONEGATE CENTER METROPOLITAN DISTRICT) (whether known by either name, hereinafter referred to as "Lincoln Park"), both quasi-municipal corporations and political subdivisions of the State of Colorado (collectively hereinafter referred to as the "Districts").

RECITALS

WHEREAS, the purposes for which each of the Districts were formed are provision of water, sanitation, street, transportation and parks and recreation facilities and services; and

WHEREAS, pursuant to Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., the Districts may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of costs, the imposition of taxes, and the incurring of debt; and

WHEREAS, each District has, pursuant to Section 32-1-205 C.R.S., prepared a Service Plan (individually, the "Service Plan" and collectively, the "Service Plans") and have received all required governmental approvals therefor; and

WHEREAS, each Service Plan discloses and establishes the necessity for and desirability of an intergovernmental agreement concerning the construction, operation, and maintenance of certain regional facilities and the provision of services; and

WHEREAS, each District was organized with the approval of the County of Douglas, State of Colorado, and with the approval of their respective electors, fully contemplating cooperation between the Districts as provided in their respective Service Plans; and

WHEREAS, at a special election of the qualified electors of the Village District duly called and held on February 21, 1984, in accordance with law and pursuant to due notice, a majority of the those qualified to vote and voting at such election voted in favor of the Village District incurring indebtedness in an amount not to exceed \$53,000,000 by entering into a certain Facilities Construction Agreement with the Lincoln Park District; and

WHEREAS, at a special election of the qualified electors of the Lincoln Park District duly called and held on February 21, 1984, in accordance with law and pursuant

to due notice, a majority of the those qualified to vote and voting at such election voted in favor of the Lincoln Park District incurring indebtedness in an amount not to exceed \$53,000,000 by entering into a certain Facilities Construction Agreement with the Village District; and

WHEREAS, Village and Lincoln Park entered into a Regional Facilities Construction Agreement dated February 22, 1984 ("Original Facilities Agreement"), under which some of the facilities contemplated thereunder were built; and

WHEREAS, the Districts amended and restated in its entirety the Original Facilities Agreement by entering into a First Amended and Restated Regional Facilities Construction Agreement, dated April 15, 1992 ("First Amended Agreement"); and

WHEREAS, the Districts desire to once again amend and restate in its entirety the First Amended Agreement to: (a) accurately reflect the current obligations and duties of the Districts, in particular to transfer more authority from Lincoln Park to Village; (b) to provide revised schedules relating to the construction, operation and maintenance of the facilities constructed thereunder and the Facilities (as defined below) considered hereunder, and (c) to allocate responsibility for the ownership, construction and operation of the water and sewer systems serving both Lincoln Park and Village to Village, subject to the terms hereof; and

WHEREAS, the Service Plans in effect on the date hereof, and the schedules of Revised Village District Development Costs attached hereto and incorporated herein as Exhibit "A" are referred to herein as the "Schedule"), describe the water distribution system, facilities and services ("Water Facilities"), the sanitary sewer system, facilities and services ("Sewer Facilities"), the street and roadway improvements, facilities and services ("Roads"), and the park and recreation improvements, facilities and services ("Recreation Facilities") (collectively, the "Facilities"); and

WHEREAS, Exhibit A describes the Facilities to be financed from the proceeds of general obligation indebtedness previously issued and to be issued by Village on or before December 31, 1996, and other funds currently held by Village and available for the purposes of financing Village's commitments hereunder; and

WHEREAS, the Districts agree that the Facilities are needed by the Districts and that the Facilities will benefit the residents and property owners in both Districts in terms of cost, quality and level of service; and

WHEREAS, with the exception of the Roads, each District has agreed that Village will own, operate and construct the Facilities benefiting both Districts, and that Village will, to the extent that Village is to benefit thereby, pay the costs of construction of such Facilities as set forth in this Agreement; and

COVENANTS

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and stipulations herein, the Districts agree as follows:

ARTICLE I TERM OF AGREEMENT

This Agreement shall become effective on and as of the date first written above and shall remain in full force and effect unless terminated in accordance with its terms.

ARTICLE II CONSTRUCTION OF FACILITIES

2.1 Construction Coordination.

a. The Districts agree that, except as provided under Section 9.8, Village will contract for and supervise construction of the Facilities contemplated in this Agreement as described in the Schedule. The Districts shall by mutual agreement schedule the phasing of construction to accommodate the progress of development within the Districts.

b. All construction shall be subject to receipt of all necessary governmental approvals, and shall be contracted for in accordance with Colorado and any other applicable laws, rules, regulations and orders.

c. Village shall make available to Lincoln Park copies of any and all designs, plans, construction drawings, construction contracts and related documents concerning the Facilities as Lincoln Park may request from time to time.

d. Village shall diligently and continuously prosecute to completion construction of the Facilities in such manner as Village shall reasonably determine to be in the best interests of both Districts.

2.2 Review of Construction. For the purposes of coordinating the construction efforts contemplated hereby, and except as may be mutually agreed in the case of minor construction projects, the Districts shall select and retain an engineer, acceptable to both, to prosecute any and all contracts for construction in accordance with their terms, and as necessary to be on the site of the construction of any Facility contemplated by this Agreement to inspect and observe all phases of construction and testing ("Engineer").

2.3 Completion of Construction. Except as may be mutually agreed in the case of minor construction projects, prior to any acceptance of the completed construction

of any Facility, or phase thereof, and prior to the issuance of a final certificate of payment under the terms of any construction contract, the Engineer shall be required by Village to review, in accordance with standard practices, the completed Facility in question, and shall only approve final payment and issue a final certificate of payment if the Engineer, in good faith, believes that construction has been accomplished in compliance with the conditions and terms of the construction contract involved.

2.4 Construction Cost. The construction cost of the Facilities and related components shall include those elements of cost contemplated in the Schedule, which may include but shall not be limited to the following:

- a. All costs of materials attributable to the actual Facilities, including all related components and materials used therein. For those items for which any construction contract provides that payment is to be made on a per unit basis, the construction cost shall be that amount actually paid pursuant to the construction contract so providing, which sum shall reflect the cost of the actual quantities used.
- b. All labor costs incurred in the actual construction of the Facilities.
- c. All costs attributable to the construction of the Facilities or any part or component thereof incurred as a result of change orders approved in accordance with any construction contract.
- d. All costs incurred for design engineering, construction engineering, landscape architecture and engineering, soil testing and inspection, and line and systems testing and inspection attributable to the Facilities.
- e. Site and right of way acquisition costs, including legal fees.
- f. All legal, accounting, and other professional costs incurred in connection with the construction of the Facilities.

2.5 Construction Claims. Village agrees that it shall, to the extent practical and cost-effective as reasonably determined by Village, assert against any contractor involved in constructing any portion of the Facilities which are contemplated by this Agreement any claim that Village or Lincoln Park may have against the contractor according to the terms of any construction contract and/or construction guarantee and/or warranty. Village specifically agrees that it will enforce such guarantees, promises and warranties of a contractor whenever requested to do so by Lincoln Park if (i) such request presents a plausible claim under the terms of the construction contract, construction guarantee, or warranty, and (ii) Lincoln Park agrees in writing to individually bear any costs associated with such enforcement.

ARTICLE III ROADS

3.1 Construction. Subject to the continuing availability of funds, as provided for herein, Village shall cause the construction of the Roads within Village in accordance with the timing and cost allocation set forth in the Schedule.

3.2 Ownership, Operation, Maintenance and Replacement Costs. It is intended and anticipated that the streets and related components comprising Roads shall be dedicated to and maintained by Douglas County. Until said dedication and acceptance by the County, and unless agreed otherwise the operation, maintenance and replacement of the Roads within Village, and the cost thereof, shall be performed by Village

3.3 Extent of Road System. It is intended and anticipated that Village shall finance and construct those Roads identified on the Schedule.

ARTICLE IV SEWER FACILITIES

4.1 Conveyance and Future Construction.

a. Within 30 days of the date hereof, Lincoln Park shall convey to Village, by instruments in forms reasonably acceptable to Village, all right, title, and interest of Lincoln Park to the entire sanitary sewer system serving Lincoln Park and Village. No liens shall encumber any property so conveyed. Such conveyances shall include the entire sanitary sewage treatment, collection, and transmission system which includes, but shall not be limited to, accumulated operations and maintenance reserves in the approximate amount of Two hundred sixty-five thousand, five hundred ten dollars (\$265,510), (as adjusted to account for accumulations to the date of closing,) treatment facilities, collection mains and laterals, transmission lines, and/or storm sewer, flood and surface drainage facilities and systems, including detention/retention ponds and associated irrigation facilities, and all necessary, incidental, and appurtenant chattels and facilities, land and easements now owned or, in cases where the facilities have been dedicated or otherwise conveyed to the County, maintained by Lincoln Park within and without the boundaries of the Districts.

b. As soon as is practicable, Lincoln Park shall assign to Village, by instruments in forms reasonably acceptable to Village and any other relevant jurisdiction, all permits or other evidences of authority now held by Lincoln Park to operate the sanitary sewer system serving Lincoln Park and Village.

c. Subject to the continuing availability of funds, as provided for herein, Village shall cause the construction of the Sewer Facilities in accordance with the timing and cost allocation set forth in the Schedule.

d. It is intended and anticipated that Village shall finance, construct, and operate a sewer system adequate to service an ultimate build-out of at least 2,531 SFE's within Village as it now exists or may hereafter be expanded, including units currently in place or under construction and that in addition, the sewer system shall provide service to Lincoln Park as provided herein.

4.2 Effluent Disposal. It is recognized that the effluent from wastewater treatment may be disposed of through a slow rate land application system, utilizing irrigation sprinkler systems and the application of effluent on greenbelt and other vegetated areas within Lincoln Park and Village. Each District shall take all action reasonably necessary to ensure the availability within its boundaries of the amount of acreage to be used for land application that is contemplated in the Service Plan of each District, as the same may be amended from time to time.

4.3 Dedication of Sewer Capacity. In order to ensure adequate sewage treatment capacity for the Village development, and subject to the terms and conditions hereof, the Districts agree that 550,000 gallons per day of sewage treatment capacity made available in the Sewer Facilities shall be dedicated for the term of this Agreement to serve sewer taps in Village. In addition, so long as Village is able to meet the need for sewage treatment capacity in Lincoln Park, as evidenced by the prompt issuance and servicing of combined water and sewer taps, as and when requested by owners of property within Lincoln Park, Village may utilize the capacity dedicated hereunder to Lincoln Park on a temporary basis, in its discretion, to serve customers within or without Village.

4.4 Sewer Facilities Expansion. Sewage treatment capacity in excess of the 550,000 gallons per day dedicated to Village hereunder is hereby irrevocably dedicated to Lincoln Park; Provided that the availability and use of such capacity shall be subject to the terms of this Agreement.

4.5 Capacity Limitations. The allocations of sewage treatment capacity described above shall be dedicated to each District, for allocation by Village to users within their respective boundaries in accordance with Article X of this Agreement; provided, however, that either District may sell sewage capacity to the other District pursuant to the provisions of Section 10.4 below, or any other mutually acceptable agreement if, in the exercise of its discretion and judgment, the seller District deems the capacity in question to be in excess of that necessary to serve the users within its boundaries.

4.6 Sanitary Sewer System Capacity.

a. Sanitary sewer system capacity in excess of that reserved unto Village as described above shall be made available to Lincoln Park as requested, provided, however, that Lincoln Park shall have paid the total costs of any line extension, increase of treatment plant capacity, or other enlargement of the system necessary to provide service to taps in Lincoln Park, and Lincoln Park, subject to the provisions of Section 4.6b

shall own, in perpetuity, a beneficial right to the number of EQR's of treatment capacity which Lincoln Park shall have paid the costs to serve. There shall be no limit to the number of taps to which Lincoln Park is entitled under this Section 4.6, provided Lincoln Park pays the costs therefor. "Costs," for purposes of this Agreement shall include, but not be limited to, the costs of engineering, permit application and acquisition, rights of way and easement acquisition, and any other cost incurred in the context of providing the capacity and facilities necessary to serve Lincoln Park.

b. The beneficial right to sanitary sewer system capacity reserved to Lincoln Park shall be expressly subject to Lincoln Park's continued and complete payment of the actual capital costs for any sanitary sewer system expansion and the continued payment of all costs and the fulfillment of all obligations under this Agreement for such capacity.

ARTICLE V WATER FACILITIES

5.1 Conveyance and Future Construction.

a. Within 30 days of the date hereof, Lincoln Park shall convey to Village, by instruments in forms reasonably acceptable to Village, all right, title, and interest of Lincoln Park to the entire water supply system serving Lincoln Park and Village. No liens shall encumber any property so conveyed. Such conveyances shall include accumulated operations and maintenance reserves in the approximate amount of Sixty-four thousand, seven hundred and four dollars (\$64,754) (as adjusted to account for accumulations to the date of closing,) the complete potable and non-potable local water supply, treatment, storage, transmission, and distribution system, which shall include, but shall not be limited to, transmission lines, distribution mains and laterals, irrigation facilities, storage facilities, land and easements, and all necessary, incidental, and appurtenant facilities and chattels within and without the boundaries of the Districts.

b. As soon as is practicable, Lincoln Park shall assign to Village, by instruments in forms reasonably acceptable to Village and any other relevant jurisdiction, all permits now held by Lincoln Park to operate the water system serving Lincoln Park and Village.

c. Within 30 days of the date hereof, Lincoln Park shall transfer, by special warranty deed acceptable to Village, all of Lincoln Park's right, title and interest in and to those water rights set forth on Exhibit "B" attached hereto and incorporated herein by this reference. The parties also acknowledge and agree that the performance of this Agreement is further conditioned upon the transfer, by Stonegate Developments, Inc. and without cost to Village, by special warranty deed acceptable to Village, all of Stonegate Developments Inc.'s right, title and interest in and to those water rights set forth on Exhibit "B" attached hereto and incorporated herein by this reference.

d. The parties further acknowledge and agree that all of the water rights to be transferred hereunder, together with others, are the subject of a certain water augmentation plan approved by the District Court, Water Division No. 1, State of Colorado in case number 89-CW-136 (the "Augmentation Plan"), the maintenance of which is in the best interests of the parties as well as Stonegate Developments Inc. To the extent allowed by law the parties hereby commit, one to the other, to cooperate together toward the maintenance, protection and, where possible the improvement, of the rights afforded by the Augmentation Plan, which cooperation shall include the financial contribution of the costs of such efforts, pro rata based upon the parties' relative ownership interest of the rights (measured by the acre foot) which are the subject of the Augmentation Plan.

e. Subject to the continuing availability of funds, as provided for herein, Village shall cause the construction of the Water Facilities in accordance with the timing and cost allocation set forth in the Schedule.

f. It is intended and anticipated that Village shall finance, construct, and operate a water and irrigation system adequate to provide potable water service for an ultimate build-out of at least 2,531 SFE's within Village as it now exists or may hereafter be expanded, including units currently in place or under construction, as well as provide irrigation service to the Stonegate Community Park, Challenger Park, and the E-470 right of way (as defined in that certain agreement entered into by and between Lincoln Park and the E-470 Authority and calling for the provision by Lincoln Park of water for the purpose of irrigating certain E-470 right of way) and that, in addition, the water system shall provide service to Lincoln Park as provided herein. It is acknowledged and agreed that the water rights to be transferred pursuant to this Agreement, if used in conformance with the Augmentation Plan, may exceed the rights necessary to provide the described services, and it is further acknowledged and agreed that to that extent the rights, and the corresponding interest in the Augmentation Plan, are irrevocably reserved unto Lincoln Park for the purpose of Village providing the water service contemplated hereunder; Provided that the availability and use of such water service shall be subject to the terms of this Agreement.

5.2 Water System Capacity.

a. Water system capacity shall be made available to Lincoln Park as requested, provided, however, that Lincoln Park shall have paid the total costs of any line extension, well construction, increase of treatment plant or system capacity, water rights over and above those dedicated above, or other enlargement of the system necessary to provide service to taps in Lincoln Park, and Lincoln Park, subject to the provisions of Section 5.2b shall own, in perpetuity, a beneficial right to the number of EQR's of treatment capacity and water rights which Lincoln Park shall have paid the costs to serve. There shall be no limit to the number of taps to which Lincoln Park is entitled under this Section 5.2, provided Lincoln Park pays the costs therefor.

b. The beneficial right to water system capacity reserved to Lincoln Park shall be expressly subject to Lincoln Park's continued and complete payment of the actual capital costs for any water system expansion and the continued payment of all costs and the fulfillment of all obligations under this Agreement for such capacity.

5.3 Water Rights: Acquisition, Ownership and Use.

a. To the extent that the water rights and Augmentation Plan referenced and transferred hereunder are insufficient, each District shall provide to the Water Facilities water rights sufficient to supply its own anticipated needs for water.

b. Water rights shall be acquired by each District prior to the time that they shall become necessary for the drilling and operation of additional wells designated in the final construction budget for any Budget Year.

c. In consideration for and as a condition to the services to be provided by Village to Lincoln Park pursuant to this Agreement, all water rights acquired by Lincoln Park for purposes of this Agreement, as described on Exhibit "B," attached hereto and incorporated herein by this reference, shall be transferred and conveyed to Village, in fee and without further consideration being required, but subject to a deed covenant restricting such water rights to use in providing water to the Water Facilities; provided, however, such covenant shall not restrict Village's right to sell treated water on a contract basis to third parties outside of the Districts, to the extent there is treated water available in excess of the needs of users within the geographical boundaries of both Districts (as configured on the date of this Agreement), and provided further that, to the extent that the water rights transferred to Village hereunder are necessary to serve the ultimate build-out within Village as it now exists or may hereafter be expanded, including the irrigation of the Stonegate Community Park, Challenger Park and the E-470 right of way, then the Parties acknowledge and agree that such rights will be unavailable for the purpose of providing services to Lincoln Park.

d. Each District's beneficial right to capacity in the Water Facilities shall be limited to the amount of water rights acquired by such District pursuant to this Section 5.3, and Village shall not be required to deliver to Lincoln Park treated water in excess of such water rights.

e. Following acquisition of any water rights by either District for use in the Water Facilities, and subject to the provisions of any contract for acquisition of such water rights, Village shall have the right, but not the obligation, to undertake all actions necessary to adjudicate, permit, or otherwise perfect and preserve such water rights for use in supplying the Water Facilities. Water rights acquisition costs (including legal and other consultants' fees required to perfect and allow for the practical use of any such rights paid by Village under this Section 5.3e) shall be paid directly by the District acquiring such water rights.

5.4 Dedication of Lincoln Park Water Taps.

a. The Districts agree that the first 2,531 3/4" water tap equivalents to be developed and delivered through the Water Facilities, as well as the water capacity necessary to serve the Stonegate Community Park, Challenger Park and the E-470 right of way, shall be dedicated in perpetuity to supply water taps in Village.

b. Water taps in excess of those described above are dedicated in perpetuity to supply water taps to Lincoln Park.

c. So long as Village is able to meet the need for water taps in Lincoln Park, as evidenced by the prompt issuance and servicing of combined water and sewer taps, as and when requested by owners of property within Lincoln Park, Village may utilize the water taps dedicated hereunder to Lincoln Park on a temporary basis, in its discretion, to serve customers within or without Village.

5.5 Capacity Limitations. The allocations of water taps described above shall be dedicated to each District, for allocation by Village to users within their respective boundaries in accordance with Article X of this Agreement; provided, however, that either District may sell taps to the other District pursuant to the provisions of Section 10.4 below, or any other mutually acceptable agreement if, in the exercise of its discretion and judgment the seller District deems the number of taps in question to be in excess of that number necessary to serve the users within its boundaries.

**ARTICLE VI
PARK FACILITY**

6.1 Ownership, Operation, Maintenance and Replacement Costs of the Park Facility. The Park Facilities and related components shall be owned, operated, and maintained by Village at Village's expense.

6.2 Other Recreation Facilities. In the event that future changes in the Schedule add additional Recreation Facilities within and desired by Village, unless otherwise agreed, their financing, construction, ownership, and operation shall be completed by Village. In addition, the Districts acknowledge and agree that certain recreational facilities and amenities have been constructed by Village previously, and their operation and maintenance shall also be funded and completed by Village.

6.3 Lincoln Park Recreational Facilities. In the event Lincoln Park elects to construct, acquire, own, operate, or maintain recreational facilities within Lincoln Park, such facilities and activities shall be at Lincoln Park's expense.

ARTICLE VII
FINANCING OF FACILITIES
GENERAL TERMS

7.1 No Additional Electoral Approval of Debt Required. Because the authorization and issuance of debt for purposes of the Original Facilities Agreement and this Agreement and the construction of the Facilities pursuant to the terms thereof was approved at special elections held in both Districts in 1987, in accordance with law and pursuant to due notice, this Agreement, which amends, restates and extends those obligations of the Original Facilities Agreement, requires no further electoral approval of debt.

7.2 Total Construction Costs. Except as set forth herein or unless specifically agreed otherwise by the Districts, the costs of constructing the Facilities set forth in the Schedule shall be borne by Village in accordance with the timing and allocations set forth in the Schedule.

7.3 Automatic Revision of Schedule. The costs of construction and the general purposes and Facilities to which the costs are allocated, as shown on the Schedule, are the Districts' best estimate of the total costs, nature, and timing thereof. Accordingly, it is agreed that the projects comprising the Facilities and costs may not necessarily be started or completed, and/or spent, respectively, in the year indicated. But while the parties may at any time agree to modify the timing of construction and nature of the Facilities, it is also agreed that certainty as to the total costs of the Facilities, and the availability of funds for the completion of those Facilities, is essential. To that end:

7.3.1 To the extent that a Facility scheduled to be commenced or completed in any given year on the Schedule is not commenced or completed, for any reason, then in that event, unless the Districts agree otherwise, its commencement and/or completion shall automatically be rescheduled for the following year or years until the same is either completed or, through the mutual agreement of the Districts, abandoned, and the costs of the same shall automatically be reallocated and reappropriated for expenditure in the following year or years as the case may be, and in each case the Schedule shall be amended accordingly.

7.3.2 If for any other reason money allocated to a specific facility or general facility category is not spent, then in that event, unless otherwise agreed by the Districts, the money shall be reallocated and reappropriated to that facility category (i.e., water facility, sewer facility, road facility or recreation facility) for expenditure in the following year or years, and the Schedule shall be amended automatically to reflect that reallocation. By way of example, if the cost of constructing a particular Water Facility is less than that estimated on the Schedule, or if by mutual agreement a particular Water Facility is not built and is abandoned by the Districts as a scheduled project, then the remaining amount shall automatically be set over to the following year or years and used

by Village for shortfalls in the cost of constructing any other specific Water Facilities reflected on the Schedule, or for such other Water Facility capital project purposes as the Districts may, in the hereafter described budget process, determine. Interest earnings on the money held by Village pursuant to this Agreement may be spent upon any Facility, or upon any additional financial obligation of Village, as the Board of Village, in the exercise of its sole discretion, may determine.

7.3.3 If for any other reason money allocated to a general facility category is not spent, and by agreement of the parties there remain no additional specific projects to be constructed within that general category, then in that event, as and if agreed by the Districts, the money shall either be reallocated and reappropriated to a different general facility category and specific project (i.e., water facility, sewer facility, road facility or recreation facility) for expenditure in the following year or years, and the Schedule shall be amended by agreement to reflect that reallocation, or the money shall be reallocated to the retirement of the principal of the Village District's outstanding debt.

7.4 Effectuation of Pledge of Security, Current Appropriation. The obligations described hereunder are, unless otherwise stated, current obligations of the Districts for which reserves are available or will be available within the calendar year 1996. The sums herein provided to pay the amounts to be paid hereunder are hereby appropriated for that purpose, and said amounts for each year shall be included in the annual budget and the appropriation resolution or measures to be adopted or passed by the Board in each year respectively while any of the obligations herein authorized are outstanding and unpaid. No provisions of any constitution, statute, resolution or other order or measure enacted after the execution of this Agreement shall in any manner be construed as limiting or impairing the obligation to levy ad valorem taxes, without limitation of rate or amount, or as limiting or impairing the obligation to levy, administer, enforce and collect the ad valorem taxes as provided herein for the payment of the obligations hereunder.

ARTICLE VIII FINANCING OF FACILITIES

8.1 Village Funding of Exhibit A Facilities. From existing funds available for such purpose and from the proceeds of the issuance by Village of its General Obligation Refunding and Improvement Bonds Series 1996, Village hereby appropriates and allocates the amounts shown on Exhibit A for the construction of the Facilities listed in Exhibit A. Collectively, the amounts so appropriated and allocated shall be referred to as the "Initial Funds".

8.2 Initial Funds Use. In conformity with the Schedule, a sum equal to such Initial Funds shall be disbursed by Village only for construction of the Facilities listed in

Exhibit A hereof, as the same may be amended from time to time by the mutual agreement of the Districts.

8.3 No Lincoln Park Financial Obligation. Lincoln Park shall have no financial obligation whatsoever to assist Village in the financing of the Facilities shown on Exhibit A.

8.4 1992 Bonds-Guarantee; Reimbursement Agreement. The Districts acknowledge and agree that Mobil Corporation (the "Guarantor") shall be released from its guarantee of security for the issuance of its General Obligation Refunding and Improvement Bonds, Series 1992A, if such release is approved by the holders of such bonds or the bonds are refunded in a manner that allows the release of such guarantee. The Districts agree that there is no obligation outstanding or to be incurred of either District pursuant to Section 8.4 of the Amended Facilities Agreement.

**ARTICLE IX
FINANCING OF LINCOLN PARK MANDATORY FACILITIES;
ANNUAL CONSTRUCTION BUDGET;
CONSTRUCTION FUND**

9.1 Applicable to Lincoln Park Facilities Only. This Article shall apply only to those Facilities that Lincoln Park determines to be in the best interests of Lincoln Park and that Lincoln Park elects to finance.

9.2 Preliminary Construction Budget.

a. Each year the Board of Directors of Lincoln Park ("Lincoln Park Board"), in consultation with the Board of Directors of Village ("Village Board") and/or its designee, shall prepare an itemized annual budget for construction of the portion of the Facilities to be constructed for the benefit of Lincoln Park in the following year in accordance with the provisions of this Article.

b. A preliminary construction budget shall be provided to the Lincoln Park Board and the Village Board on or before September 20 of each calendar year (the "Planning Year") for the budget period January 1 to December 31 of the immediately following calendar year (the "Budget Year"). The preliminary budget shall set forth estimated construction costs separately for each of the elements contemplated in the Schedule consisting of the Water Facilities, the Sewer Facilities, the Roads, and the Recreation Facilities as therein identified, and proposed to be constructed during the Budget Year ("Budget Elements") and shall set forth the Budget Elements separately for Village and Lincoln Park.

c. In the event that Lincoln Park designates as "mandatory" (or equivalent) certain portions of the Water Facilities, the Sewer Facilities, the Roads, and the Recreation

Facilities included in the preliminary budget for each Budget Year, and provides sufficient funds to Village to pay their entire costs of construction, then Village shall utilize such funds from Lincoln Park to construct the mandatory Facilities. The estimates of construction costs for each Budget Element by Lincoln Park shall include the current best estimates of the cost of constructing those Budget Elements contemplated in the proposed budget, including, without limitation, costs of materials, labor, change orders, design engineering, construction engineering, landscape architecture and engineering, testing, soil inspection and testing, and all site acquisition costs including legal fees, and any other costs incurred in the furtherance of the construction of the Lincoln Park mandatory Facilities.

9.3 Budget Revision. Each mandatory Budget Element in the preliminary budget, and no other, shall be included in the final budget amounts due from Lincoln Park unless Village shall timely propose additions to or deletions from the preliminary budget. In the event Village shall propose additions to or deletions from the preliminary budget, the items included in the preliminary budget that are not proposed for deletion shall be included in the final budget. The portions of the Budget Elements proposed to be added or deleted shall be added or deleted only pursuant to an agreement approved by a majority vote of each of the Village Board and the Lincoln Park Board, with such agreement being set forth in a written resolution of each such Board duly adopted on or before November 30, of the Planning Year. Absent such a resolution, except as set forth in Section 9.4 below, the preliminary budget shall be the final budget.

9.4 Automatic Budget Revision. In the event Village fails to propose written proposals for additions or deletions to the preliminary budget in a timely fashion, or in the event such proposals are proposed timely and no resolution by each Board concerning said proposal is adopted in a timely fashion, both as provided above, then the preliminary budget shall be the final budget only insofar as the dollars budgeted therein for Water Facilities, Sewer Facilities, Roads and Recreation Facilities do not exceed the amounts allocated for those categories of Facilities by Lincoln Park.

9.5 Appropriation of and Provision for Construction Funds. Upon approval of a final budget pursuant to Article IX of this Agreement, Lincoln Park shall budget and allocate funds for the Budget Year as required to meet the estimated cost of those mandatory Facilities included in the final budget. It is anticipated that said funds for construction shall be provided through existing funds of the Lincoln Park, the issuance of general obligation bonds by Lincoln Park in amounts sufficient to meet its financial obligations as the same are set forth in the Service Plan and in this Agreement, and such other sources as may be available to Lincoln Park for such purpose; provided, however, that Lincoln Park shall retain the discretion and authority to provide for and raise said funds in any manner lawfully available to Lincoln Park. Nothing contained herein shall be deemed or construed to be a surrender or delegation of Lincoln Park powers with respect to the determination of the manner in which the financial obligations imposed by this Agreement are to be satisfied and otherwise discharged.

9.6 Deposit and Disbursements of Construction Funds. Upon determination of the final budget and no later than March 1 of the applicable Budget Year, Lincoln Park shall make a deposit to the Construction Account (interest-bearing, if available), owned by Lincoln Park, to be used exclusively for funding the construction of the Facilities. Village shall have exclusive authority to draw upon the Construction Account. Village shall account for the funds withdrawn from the Construction Account and shall make no payment from the account until Village certifies to Lincoln Park that the Engineer has inspected the work for which payment is to be made and certified the progress and quality of such work to be in substantial compliance with applicable contract requirements, such certification shall not be unreasonably withheld. If and in the event cost estimates as budgeted shall not be sufficient to cover actual costs incurred for the portions of the Lincoln Park mandatory Facilities included in the final budget, and in the event construction contract change orders and similar such causes shall increase the costs incurred for such Facilities construction, Village shall call for such supplemental deposits to the Construction Account by Lincoln Park as may be necessary to cover such increased costs. Lincoln Park shall make supplemental deposits into the Construction Account within 30 days of such a call by Village. Any interest earned on deposited construction funds shall be first applied toward payment of any actual construction costs. Any excess of estimated construction costs deposited by Lincoln Park (and earned interest not expended for construction as provided herein) shall be returned to Lincoln Park within 60 days following final payment of all costs relating to the completion of each and every mandatory Facility ordered by Lincoln Park.

9.7 Village Review. Village may review the list of mandatory Facilities presented by Lincoln Park and may, based upon reasonable and generally accepted engineering standards, refuse to allow the connection of any such Facility to the facilities owned by Village, but only if such connection has either (1) not been prosecuted in accordance with this Agreement or (2) notwithstanding the compliance with this Agreement the connection or operation of the Facility would be materially and/or physically detrimental to Village facilities and their operation. It is the express understanding of the Districts that access to the Facilities for the purpose of serving the area within Lincoln Park is hereby anticipated, assured and guaranteed, subject only to the express terms hereof, and that so long as the users to be served are lawfully developing and using the property within Lincoln Park, as evidenced by their obtainment of the necessary development approvals from the appropriate jurisdictions, and their continuing use of the Facilities in accordance herewith, Village shall make the facilities available to Lincoln Park and its constituents.

9.8 Village May Authorize Lincoln Park to Construct. The Village Board, in its discretion, may elect to have all or any reasonable portion of the mandatory Lincoln Park Facilities to be constructed or acquired by Lincoln Park without Village involvement other than enforcement of such Village Rules, Regulations, and Standards as are generally applicable to such Facilities.

**ARTICLE X
OWNERSHIP AND OPERATION OF
WATER AND SEWER FACILITIES**

10.1 Facilities. Ownership of all Facilities, excluding Roads as provided in Article III of this Agreement, shall be in Village. With the exception of the Roads, Village shall be responsible for the construction, operation and maintenance of all Facilities subject to Section 10.2 below.

10.2 Village Operation and Maintenance of the Water and Sewer Facilities. For purposes of this Agreement and to clarify the continuing obligation of Village to provide water and sewer service to Lincoln Park and its inhabitants, the territory currently within the boundaries of Lincoln Park, and as the same may be enlarged from time to time, is hereinafter referred to as the "Contract Service Area."

10.2.1. Village agrees to furnish water and sewer service within the Contract Service Area for all uses and purposes to which it is lawfully authorized, of a quality, and in quantities so as to provide adequate service to all users in the Contract Service Area, except as specifically permitted by the terms of this Agreement. Except as herein permitted, the water and sewer service so rendered by Village shall be pursuant to the same policies and standards as if the contract service area were inside Village. Village hereby adopts the policies and standards of Lincoln Park as they exist on the date hereof; nothing herein, however, shall prohibit Village from amending such policies and standards in a fair, reasonable, and nondiscriminatory manner.

10.2.2 Lincoln Park grants to Village the right to construct, own, use, connect, disconnect, modify, renew, extend, enlarge, replace, convey, abandon or otherwise dispose of any and all of the pipes and other devices including fire hydrants for distributing water to and accepting and treating sewage from users within the Contract Service Area and to enable Village to perform its obligations as set forth in paragraph 10.2.1 above. For purposes of this Agreement all pipes and other devices including fire hydrants used for providing such services to users within the Contract Service Area shall hereinafter be referred to as "water and sewer service facilities." Lincoln Park grants to Village the right to occupy any place, public or private, which Lincoln Park might occupy for the purpose of fulfilling the obligations of Village as set forth in paragraph one hereof. To implement the purposes of this Agreement Lincoln Park agrees to exercise such authority, to do such acts, and to grant such easements as may reasonably be requested by Village, provided that any legal, engineering, technical or other services required, or costs incurred, for the performance of this obligation shall be performed by a person or persons in the employment of, and paid by, Village.

10.2.3 Subject to receipt by Village of appropriate rates, charges, fees, tolls, or combinations thereof, as set forth in paragraph 10.2.4 below, Village agrees to maintain water and sewer service facilities it owns or which come under its dominion hereunder

with reasonable and normal care to the extent that such maintenance is necessary to the furnishing of the water and sewer service provided for hereunder and to construct, operate, maintain and keep a complete inventory of such additional physical facilities as are necessary or desirable to accomplish the obligations it has undertaken for Lincoln Park as set forth in Section 10.2.1 hereof.

10.2.4 Village may establish, revise, impose and collect charges for the water and sewer service it provides users in the Contract Service Area hereunder, which charges shall be referred to as "service charges." In addition, Village may at any time impose or discontinue system development charges, tap fees, participation charges, and such other rates, fees, tolls, charges or combinations thereof, which are utilized for any purpose, including granting a service user the right to take water and sewer service through the water or sewer system Village owns or controls in the Contract Service Area, which charges shall be referred to as "connection charges." Service charges and connection charges are separate charges and one does not include the other or any part thereof. Connection charges shall be uniform among members of each class of users within the Contract Service Area. Methods of collection and schedules of charges for service may be applied uniformly among users similarly situated. Methods of collection and schedules of connection charges for the Contract Service Area shall be determined by Village. Village shall have sole authority to impose and collect all charges; Provided, however, that Lincoln Park may request that Village impose for Lincoln Park's benefit surcharges to Village's service, systems development and connection charges, in such amounts as Lincoln Park may reasonably require for the purpose of supplementing other Lincoln Park revenues in the payment by Lincoln Park of any general obligation bonds or for the provision of capital reserves, and Village hereby agrees to and shall impose and collect such surcharges in the same manner and along with its own charges and shall remit the same to Lincoln Park as and when collected.

10.2.5 It is mutually agreed that the duration of this Agreement is such that the passage of time will require changes in the charges to be made for the service to be rendered hereunder in the Contract Service Area, and that the most feasible way to insure fairness will be to keep charges for the rendering of service outside Village, but within Lincoln Park, uniformly related to charges for the rendering of service inside Village, for similar service. It is therefore agreed that Village may modify the schedule of charges for service provided hereunder, from time to time, in its discretion, provided:

a. Such modification will become effective not earlier than ten (10) days after any changed schedule of charges shall be adopted by Village.

b. Village will take reasonable steps to notify Lincoln Park and each user in the Contract Service Area of such change within a reasonable time after such change shall have been adopted.

c. The new charges within Lincoln Park will not be disproportionately greater for service outside Village than for similar water service inside Village; provided, however that Village shall be and is authorized to take into account differentials in the cost of providing services to Lincoln Park as compared to the cost of providing the same services to users within its own boundaries, and to take into account the fact that some portion of the Village's costs of providing services within its own boundaries may be offset by the imposition and collection of ad valorem taxes against property within those boundaries. Village shall at all times have reasonable discretion to establish and apply criteria for determining, as to both outside and inside Village, rate structure, necessary plant, plant value, and operation, maintenance and depreciation expense, provided the application of the criteria shall be made as if there were no differential between charges inside and outside Village.

10.2.6 All the general rules and regulations and amendments thereto placed in force by Village from time to time concerning the operation of Village's water and sewer systems and conditions of service from those systems shall be as fully enforceable in the Contract Service Area as inside Village. Lincoln Park retains the full right to make and enforce rules not inconsistent with Village rules to govern uses in the Contract Service Area. Lincoln Park agrees to exercise any rule making or police power it may have to assist Village in enforcing Village's rules and regulations including those made to protect purity and safety of the water supply and to prevent waste of water in the Contract Service Area.

10.2.7 Both parties to this agreement recognize that the water supply for the Contract Service Area is dependent upon material resources from which the supply is variable in quantity and beyond the control of Village. Similarly, the provision and expansion of sewer services to the Contract Service Area is dependent upon the continued availability and operation of adequate treatment facilities which in turn are subject to the oversight and control of the County Department of Health, the Cherry Creek Basin Wastewater Authority, and the State of Colorado. No liability shall attach to Village on account of any failure to accurately anticipate availability of the water supply, the availability of sewage treatment capacity or the possibility that it may be expanded, or because of an actual failure of the water supply, due to occurrence beyond the reasonable control of Village. Subject to receipt of appropriate rates, charges, fees, tolls, or combinations thereof, as set forth in paragraph four above, Village agrees to provide adequate facilities to make available to the users within the Contract Service Area permanent water and sewer services in view of historical experience and known development schedules in existence as of the date hereof, so far as reasonably possible. If conditions develop such that it becomes apparent to Village that all areas outside Village for which such services has been committed cannot be supplied adequately pursuant to this and similar agreements, Village reserves the right to discontinue the granting of additional taps hereunder provided, however, Village shall be obligated to exercise this right of discontinuance uniformly outside Village.

10.2.8 The parties agree that Village may, in order to comply with any applicable law, rule, directive or order, and to enable it to provide adequate services to both Village and Lincoln Park, as well as other customers of Village in times of shortage or other

practical or legal limitations on the ability of Village to provide the services contemplated hereby, limit the delivery of water and sewer services, and/or restrict the use of water delivered hereunder. The extent to which limitation of services may be necessary to enable Village to provide adequately for all users of Village's systems is a fact to be determined by Village as occasion may require. The current determination by Village on this subject, which will not be changed without good reason is as follows:

"The welfare of Village and its inhabitants requires stable water and sewer services not only for them but also that part of the adjacent area dependent on Village for the delivery of water and sewer services. While it is the purpose of Village to maintain systems and supplies adequate to meet the needs of all dependent upon Village for water and sewer services, there are many elements which make it uncertain whether such services can always be adequate for all, and therefore in times of shortage or other practical or legal limitation, water use, and therefore the use of Village's sewer systems will be curtailed on the following basis, the first listed curtailment being adopted to meet the least serious situation and the succeeding curtailment being adopted in addition to prior listed curtailments, the last to meet the gravest possible situation and one which every reasonable precaution must be taken to avoid, to-wit:

a. Restriction of uses (such as irrigation), which can be accomplished without serious injury to person or property and prohibition of non-essential uses.

b. Prohibition of irrigation except for commercial greenhouses.

c. Prohibition of every use except for domestic use and for essential commercial enterprises and industry.

d. Prohibition of all use except domestic uses.

e. In order to enable Village to provide an adequate supply of water to the people of Village without impairment of essential deliveries of water under this and similar agreements, Village will impose any restrictions or prohibitions contemplated by Item a. through d., above, uniformly inside and outside Village."

10.2.9 In order to reduce the likelihood of the limitation of delivery of services to users dependent upon Village for water and sewer services, Village may suspend the making of new main extensions and taps in the Contract Service Area; provided, however, that Village shall be obligated to exercise this right of suspension uniformly among all areas outside Village which are similarly situated. Village agrees to give six months written notice to Lincoln Park of such suspension, unless circumstances require a shorter period.

10.2.10 All water furnished by Village in providing water service hereunder is on a leasehold basis for the use of water users in the Contract Service Area for all the various purposes for which Village has been decreed the right to appropriate water. Such right to use water by said water users does not include any right to make a succession of uses of such water and upon completion of the primary use by the water users all dominion

over the water so leased reverts completely to Village. Except as herein specifically otherwise provided, all property rights to the water to be furnished by Village hereunder are reserved in Village. Nevertheless, it is mutually agreed that there is no obligation on Lincoln Park or on the water users within Lincoln Park with respect to creating any particular volume of return flow from water delivered hereunder.

10.2.11 Public fire hydrants may be installed by Village, or others as required by Village rules, in the due course of business in the Contract Service Area according to standards of effectiveness followed inside Village. Private fire hydrants may be installed at locations other than those dictated by said standards of effectiveness. All fire hydrants shall be installed pursuant to all applicable rules, regulations and standards.

10.2.12 All water and sewer service facilities installed or replaced by Village in the Contract Service Area shall be installed pursuant to its rules, regulations and standards. Said facilities shall be the property of Village.

10.2.13 No enlargement of the Contract Service Area by Lincoln Park, or any other amendment of this Agreement, may be made except by mutual agreement entered into with the same formality as that employed in the execution of this Agreement.

10.2.14 Lincoln Park agrees that it will neither directly nor indirectly furnish, nor authorize the furnishing, of any water and/or sewer service within the Contract Service Area through the Water and Sewer Facilities; Provided, however that nothing herein shall be construed as limiting Lincoln Park's power to provide an independent source of water and sewer services to the inhabitants of Lincoln Park not connected to the Water and Sewer Facilities.

10.2.15 It is agreed that the damage to Village for failure of Lincoln Park to perform this Agreement in all its essential parts will be not less than the reproduction cost of the part of the facilities installed, replaced or used by Village to supply said Contract Service Area, which damage Lincoln Park agrees to pay immediately upon the occurrence of such failure.

10.2.16 To the extent permitted by law, Village agrees to save Lincoln Park harmless from the claims of third persons arising out of Village's operation, maintenance, extension and enlargement of Village's facilities under color of this Agreement and to defend, at its expense, all actions for damages arising out of such action which may be brought against Lincoln Park by third persons. In the event of an occurrence or loss out of which a claim arises or could arise, Lincoln Park agrees to transmit in writing, and at once any notice or information received or learned by Lincoln Park concerning such claim. Except at its own cost, Lincoln Park agrees not to voluntarily make any payment, assume any obligation or incur any expense in connection with the subject matter of this paragraph. No claim shall lie against Village hereunder unless as a condition precedent thereto, Lincoln Park has fully complied with the provisions of this Agreement nor until the amount of Lincoln Park's obligation to pay shall have been fully determined.

10.2.17 In the event Lincoln Park seeks to dissolve pursuant to C.R.S. 32-1-701 et. seq., as amended, written notification of the filing or application for dissolution shall be provided to Village concurrently with such filing. The plan for dissolution shall include provision for continuation of this Agreement, with responsible party(ies) acceptable to Village being substituted for Lincoln Park as party to this agreement, said party to assume all obligations and rights of Lincoln Park hereunder. If no such provision is made for assumption of contractual obligation, then immediately upon dissolution of Lincoln Park, this Agreement shall be null, void and of no further force or effect and Village shall have no further obligation to provide services pursuant to the terms hereof.

10.3 Village Discretion. Lincoln Park agrees that much of Village's obligation to serve Lincoln Park and its inhabitants set forth hereunder is a matter of discretion and response to ever changing demands upon the respective Facilities involved, and Lincoln Park further agrees that where Village is impliedly authorized to exercise its judgment under any of the provisions of this Agreement, its judgment shall not be questioned unless clearly unreasonable.

10.4 Interdistrict Tap Sales. In addition to the ability of the Districts to, at any time, negotiate a mutually agreeable exchange of water or sewer capacity, Village shall have a first right of refusal with respect to any water and sewer tap of Lincoln Park which is declared to be excess and offered for sale by Lincoln Park. For purposes of said right of first refusal, any sale of water and sewer taps by Lincoln Park to Village shall be on terms no less favorable to Lincoln Park than the following:

10.4.1 Tap Purchase Price. The purchase price of the water and sewer taps to be sold shall be the same price as that which said taps were offered to the public during the period immediately preceding the date upon which Lincoln Park determines that it has excess capacity.

10.4.2. Notification; Exercise. Upon determination that excess water and sewer taps are available for sale, the Lincoln Park Board shall notify Village in writing and allow it at least 180 days in which to consider purchasing all or any number of such excess water and sewer taps on the terms provided in Section 10.4.1 above. By return written notice delivered to Lincoln Park prior to the expiration of such 180 day period, Village may elect to purchase all or any number of such excess water and sewer taps at closing to occur not more than 60 days following delivery of such return notice.

10.4.3. Failure to Exercise. In the event Village shall fail to timely notify Lincoln Park of its desire to purchase any of the excess water and sewer taps offered, Lincoln Park shall be relieved of all obligation under the first right of refusal contained in this Section 10.4, with respect to such offered taps.

ARTICLE XI BREACH AND NON-BREACH

11.1 Non-Termination. The parties agree that no breach of this Agreement shall justify or permit termination of the continuing obligations of this Agreement.

11.2 Breach, Remedies. In the event of breach of any provision of this Agreement, in addition to contractual remedies, either District may ask a court of competent jurisdiction to enter a writ of mandamus to compel the Board of Directors of the defaulting District to perform its duties under this Agreement, and either District may seek from a court of competent jurisdiction temporary and/or permanent restraining orders, or orders of specific performance, to compel the other to perform in accordance with the obligations set forth under this Agreement including, without limitation, its obligations with respect to issuing bonds or otherwise incurring indebtedness in order to raise funds required for payments hereunder. If, at any time, there shall cease to be electors in Village, or if no electors of Village are willing to act as Directors of Village, Lincoln Park may ask a court of competent jurisdiction to designate the proper persons to assume control of Village for purposes of causing the performance of Village's obligations under this Agreement.

11.3 Non-Breach, Non-Default. In the event that the trustee identified in any trust indenture, trust agreement or similar instrument providing for the use of a trustee to enforce and defend the rights of the holders of general obligation bonds of Village has the authority, in the event of default in the debt service payments for such bonds, to direct the utilization of Village funds in a manner that causes Village's obligations under this Agreement not to be paid in a timely manner, then such failure by Village to pay such amounts as they come due shall not be a default or breach of this Agreement. During such time as such trustee undertakes the foregoing actions, the operations of this Agreement shall be temporarily suspended, but all amounts otherwise payable by Village hereunder shall be deemed to be critical capital projects that the trustee shall pay in accordance with the priorities provided in the trust agreement or similar document. The Agreement shall continue in full force and effect immediately after the trustee ceases to perform such actions following default in the payment of the Village bonds.

ARTICLE XII MISCELLANEOUS

12.1 Relationship of Parties. This Agreement does not and shall not be construed as creating a relationship of joint venturers, partners, or employer-employee between the Districts.

12.2 Liability of Districts. No provision, covenant or agreement contained in this Agreement, nor any obligations herein imposed upon each District nor the breach thereof, nor the issuance and sale of any bonds by a District, shall constitute or create an indebtedness of the other District within the meaning of any Colorado constitutional provision or statutory limitation. Neither District shall have any obligation whatsoever to repay any debt or liability of the other District.

12.3 Assignment. Neither this Agreement, nor any of either District's rights, obligations, duties or authority hereunder may be assigned in whole or in part by either District without the prior written consent of the other District. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment

shall not be deemed to be consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

12.4 Modification. This Agreement may be modified, amended, changed or terminated, except as otherwise provided herein, in whole or in part, only by an agreement in writing duly authorized and executed by both Districts. No consent of any third party shall be required for the negotiation and execution of any such agreement.

12.5 Waiver. The waiver of a breach of any of the provisions of this Agreement by either District shall not constitute a continuing waiver or a waiver of any subsequent breach by the other District of the same or another provision of this Agreement.

12.6 Integration. This Agreement contains the entire agreement between the Districts and no statement, promise or inducement made by either District or the agent of either District that is not contained in this Agreement shall be valid or binding.

12.7 Severability. Invalidation of any of the provisions of this Agreement or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstance, shall not affect the validity of any other provision of this Agreement.

12.8 Survival of Obligations. Unfulfilled obligations of both parties arising under this Agreement shall be deemed to survive the expiration of the term of this Agreement and the completion of the facilities which are the subject of this Agreement, and shall be binding upon and inure to the benefit of the Districts and their respective successors and permitted assigns.

12.9 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado.

12.10 Headings for Convenience Only. The headings, captions and titles contained herein are intended for convenience and reference only and are not intended to define, limit or describe the scope or intent of any of the provisions of this Agreement.

12.11 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or upon three business days following mailing by registered or certified mail, postage prepaid, addressed as follows:

If to Village:

Stonegate Village Metropolitan District
C/O R.S. Wells Corp., 6040 Greenwood Plaza Blvd., Ste. 120,
Greenwood Village, CO 80111-4801

If to Lincoln Park:

Lincoln Park Metropolitan District
C/O R.S. Wells Corp., 6040 Greenwood Plaza Blvd., Ste. 120,
Greenwood Village, CO 80111-4801.

or at other such addresses as said parties may hereafter or from time to time designate by written notice to the other party given in accordance with this Section.

12.12 Government Authority. The Districts shall comply with any and all valid state, federal or local laws or regulations covering the subject of this Agreement, and any and all valid orders, regulations or licenses issued pursuant to any federal, state or local law or regulation governing the subject of this Agreement.

12.13 Defined Terms. Any capitalized term used in this Agreement and not specifically defined herein shall have the same meaning as when such term is used in the Service Plans of the Districts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ATTEST:

Rami Wade
Secretary

LINCOLN PARK METROPOLITAN
DISTRICT

John B. Kemper
President

ATTEST:

Susan Seaman
Secretary

STONEGATE VILLAGE METROPOLITAN
DISTRICT

Mark A. Seaman
President

STATE OF COLORADO)
COUNTY OF ARAPAHOE) ss.

The foregoing instrument was acknowledged before me this 22nd day of November, 1996 by John B. Kemper as President and Rami Wade as Secretary of the LINCOLN PARK

METROPOLITAN DISTRICT.

Witness my hand and official seal.

My commission expires: March 25, 1999.Elizabeth A. Blair
Notary Public

(NOTARY SEAL)

STATE OF COLORADO)
COUNTY OF ARAPAHOE) ss.The foregoing instrument was acknowledged before me this 20th day of November, 1996 by Keith A. Specht as President and Juanita Plamack as Secretary of the STONEGATE VILLAGE METROPOLITAN DISTRICT.

Witness my hand and official seal.

My commission expires: March 25, 1999.Elizabeth A. Blair
Notary Public

(NOTARY SEAL)

EXHIBIT A

REVISED VILLAGE DISTRICT DEVELOPMENT COSTS

		REVISED COSTS
A.	ROADS	
	1. JORDAN ROAD & BRIDGE	\$251,000
	2. STONEGATE PARKWAY NORTH	\$435,000
	3. CHAMBERS POTOMAC (2 LANE)	\$450,000
	4. TRAFFIC SIGNAL (2)	\$300,000
	5. LINCOLN AVENUE	\$128,300
	6. TRAFFIC SIGNAL	<u>\$150,000</u>
		\$1,714,300
B.	SEWER FACILITIES	
	1. SEWER PLANT EXPANSION	\$230,000
	2. EFFLUENT IRRIGATION	\$ 84,000
	3. EFFLUENT RESERVOIR MODIFICATIONS	\$300,000
	4. EMERGENCY POWER WWTP	<u>\$ 75,000</u>
		\$689,000
C.	WATER FACILITIES	
	1. REDRILL WELL CA-1	\$350,000
	2. DRILL KA-15	\$550,665
	3. LOWER KA-18 PUMP	\$140,000
	4. PUMP STATION MODIFICATIONS	\$235,575
	5. OUTFIT LFH-2 WELL	\$441,450
	6. CHERRY CREEK ALLUVIAL WELL	\$384,750
	7. STORAGE & TRANSMISSION LINES	\$750,000
	8. REDRILL CA-2	<u>\$400,000</u>
		\$3,252,440
D.	RECREATION FACILITIES	
	1. TENNIS COURT X 2	\$ 70,000
	2. MULTI PURPOSE COURT (2)	\$ 40,000
	3. MISC. LANDSCAPING	\$100,000
	4. MISC. RECREATION IMPROVEMENTS	<u>\$200,000</u>
		\$410,000

EXHIBIT B
WATER RIGHTS TO BE TRANSFERRED
TO STONEGATE VILLAGE METROPOLITAN DISTRICT

BY LINCOLN PARK

A. 645 acre feet annual yield, decreed to the Arapahoe formation well designated C.A. No. 2, and adjudicated in Colorado Water Division No. 1 Case No. W-7609.

B. 150 annual acre feet, decreed to the Laramie Fox Hills formation well designated LFH-1, and adjudicated in Colorado Water Division No. 1 Case No. 80CW413;

C. 80 annual acre feet, decreed to the Arapahoe formation well designated KA-18, and adjudicated in Colorado Water Division No. 1 Case No. 80CW411;

D. 300 annual acre feet, decreed to the Arapahoe formation well designated C.A. No. 1, and adjudicated in Colorado Water Division No. 1 Case No. W-7609;

E. Well site permit and access rights to the Laramie Fox Hills formation well designated LFH-2.

F. Well site permit and access rights to the Arapahoe formation well designated KA-17.

BY SDI

103 annual acre feet, decreed to the Arapahoe formation well designated KA-18, and adjudicated in Colorado Water Division No. 1 Case No. 80CW411;