

547817 06/24/1999 03:23P B1136 P905 M ALSDORF
1 of 23 R 118.00 D 0.00 GARFIELD COUNTY CO

Date/Time of Last Edit
June 22, 1999 1:53 pm

CARDIFF GLEN SUBDIVISION IMPROVEMENTS AGREEMENT

THIS AGREEMENT is made and entered into this 22nd day of June, 1999, by and between the CITY OF GLENWOOD SPRINGS, COLORADO ("City"), and STUDIO 3 LAND COMPANY, LLC., a Colorado limited liability company ("Developer"):

WITNESSETH:

A. Developer is the owner in fee simple of a parcel of real property (the "Subdivision") situated in the City of Glenwood Springs, County of Garfield, State of Colorado, more particularly described as Parcel 1, SECOND AMENDED PLAT OF GLENWOOD LIMITED SUBDIVISION, City of Glenwood Springs, County of Garfield, according to the plat thereof recorded June 7, 1999, as Reception No. 546750, of the records of the Clerk and Recorder of Garfield County, Colorado ("Property"), which Property is the same as that depicted on the SUBDIVISION PLAT OF CARDIFF GLEN, P.U.D. ("Plat").

B. Developer has designated the subdivision as Cardiff Glen Subdivision and wishes to obtain the City's approval of the Plat and further desires the City to approve the Plat in accordance with the terms and conditions of this Agreement.

C. On April 27, 1999, the City of Glenwood Springs Planning and Zoning Commission recommended to the City Council approval of a major development and subdivision application ("Application") which was subject to certain conditions. The City Council approved the Application on June 3, 1999.

D. Obtaining Plat approval will add to the value of the Developer's land and will inure to the Developer's benefit and the Developer recognizes and acquiesces to the jurisdiction of the City to impose the restrictions and conditions as set forth in this Agreement, and Developer agrees to perform each and every one of them.

NOW, THEREFORE, in consideration of the promises cited herein above and the mutual covenants and promises contained herein, the sufficiency of which is acknowledged, the parties hereto agree as follows:

1. **PLAT APPROVAL.** Having reviewed the Plat in accordance with the procedures set forth in the Glenwood Springs Municipal Code, the City hereby approves the Plat and incorporates it by reference, subject to the terms and conditions of this agreement, all security posted for the completion of public improvements, and in accordance with the City's charter, code and ordinances. The Developer shall submit two (2) reproducible copies of the Plat for signature by City authorities. All public improvements agreed to be constructed by the Developer ("Public Improvements") shall be constructed in substantial accordance with the approved plat and associated

Ann C. Kirwin, Esq.
Ireland, Stapleton, Pryor & Pascoe, P.C.
1675 Broadway, Suite 2600
Denver, CO 80202



223545

208.1999 0010

Plat Recorded on June 24, 1999

Date/Time of Last Edit
June 22, 1999 1:53 pm

CARDIFF GLEN SUBDIVISION IMPROVEMENTS AGREEMENT

THIS AGREEMENT is made and entered into this 22nd day of June, 1999, by and between the **CITY OF GLENWOOD SPRINGS, COLORADO** ("City"), and **STUDIO 3 LAND COMPANY, LLC.**, a Colorado limited liability company ("Developer"):

WITNESSETH:

A. Developer is the owner in fee simple of a parcel of real property (the "Subdivision") situated in the City of Glenwood Springs, County of Garfield, State of Colorado, more particularly described as Parcel 1, SECOND AMENDED PLAT OF GLENWOOD LIMITED SUBDIVISION, City of Glenwood Springs, County of Garfield, according to the plat thereof recorded June 7, 1999, as Reception No. 546750, of the records of the Clerk and Recorder of Garfield County, Colorado ("Property"), which Property is the same as that depicted on the SUBDIVISION PLAT OF CARDIFF GLEN, P.U.D. ("Plat").

B. Developer has designated the subdivision as Cardiff Glen Subdivision and wishes to obtain the City's approval of the Plat and further desires the City to approve the Plat in accordance with the terms and conditions of this Agreement.

C. On April 27, 1999, the City of Glenwood Springs Planning and Zoning Commission recommended to the City Council approval of a major development and subdivision application ("Application") which was subject to certain conditions. The City Council approved the Application on June 3, 1999.

D. Obtaining Plat approval will add to the value of the Developer's land and will inure to the Developer's benefit and the Developer recognizes and acquiesces to the jurisdiction of the City to impose the restrictions and conditions as set forth in this Agreement, and Developer agrees to perform each and every one of them.

NOW, THEREFORE, in consideration of the promises cited herein above and the mutual covenants and promises contained herein, the sufficiency of which is acknowledged, the parties hereto agree as follows:

1. **PLAT APPROVAL.** Having reviewed the Plat in accordance with the procedures set forth in the Glenwood Springs Municipal Code, the City hereby approves the Plat and incorporates it by reference, subject to the terms and conditions of this agreement, all security posted for the completion of public improvements, and in accordance with the City's charter, code and ordinances. The Developer shall submit two (2) reproducible copies of the Plat for signature by City authorities. All public improvements agreed to be constructed by the Developer ("Public Improvements") shall be constructed in substantial accordance with the approved plat and associated

development plan documents prepared by Banner Associates, Inc., listed on Exhibit A attached hereto, as they may be modified from time to time with the City's concurrence.

2. **CARDIFF GLEN SUBDIVISION PHASING.** Cardiff Glen Subdivision will require approximately five phases for the completion of construction, each phase representing approximately two years of construction, which shall be measured from the date of recording of the Plat. The Schedule of Phasing and the respective Public Improvements for each Phase are listed on Exhibit B attached hereto. Phase One Public Improvements have been outlined in Table One and this Agreement outlines security for said improvements. As Developer begins each phase of the project by subjecting additional land to the terms of the Declaration for Cardiff Glen Subdivision, that Phase shall become subject to the terms of this Subdivision Improvements Agreement. Developer and the City shall amend this Agreement for each of Phases two through five for the cost of the specified Public Improvements and the security to be provided therefor. City acknowledges the right of Developer to complete development of the Property as set forth in the Plat for a period of ten years.

3. **COST OF PUBLIC IMPROVEMENTS.** All Public Improvements associated with the subdivision shall be constructed and paid for by the Developer or his agents in accordance with all relevant provisions of the Glenwood Springs Municipal Code and accompanying policies, including the City's Electric Line Extension Policy as it exists at the time of construction of the Public Improvements. Upon construction and written acceptance by the City of the Public Improvements, the Public Improvements shall become the property of the City in accordance with the Municipal Code, relevant policies, and the Line Extension Policy. Upon completion of the Public Improvements, Developer shall provide City with as-built drawings and certification by an engineer that the Public Improvements have been substantially completed. The Developer or its contractor shall provide a one-year construction warranty, following which City shall take over all maintenance of the Public Improvements.

4. **SECURITY FOR COMPLETION OF PUBLIC IMPROVEMENTS.** The Developer shall complete the required Public Improvements for each phase prior to issuance of a building permit for the construction of any building in that development phase. If Developer requires a building permit for a building in that development phase prior to completion of the Public Improvements for that phase, Developer shall provide security to the City for the completion of the Public Improvements for each phase in the form of letter of credit or other means of security acceptable to the City and Developer in accordance with the Municipal Code in the amount of the Public Improvements still to be completed in that phase. Table One below shows the total cost of Public Improvements in Phase 1, security for which shall be provided by a letter of credit for \$1,454,468.75, submitted to the City at the time of execution of this Subdivision Improvements Agreement. Exhibit C shows the engineering cost estimates for the Phase One Public Improvements.

Table One
Phase One Public Improvements

Water Storage Facility (@ 42% pro rata share)	\$231,000.00
On Site Sanitary Sewer (Phase 1)	\$220,715.00
On Site Domestic Water (Phase 1)	\$272,556.25
Road System (Phase 1)	\$249,807.50
Drainage and Irrigation	\$126,570.00
Private Utilities	\$222,220.00
Summerville Ball Field Improvements	\$100,000.00
Landscape Improvements (Phase 1)	\$ 31,590.00
Total	\$1,454,468.75

5. BUILDING PERMIT, SYSTEM IMPROVEMENT AND OTHER FEES.

Except as specifically set forth herein, all improvements in the subdivision shall be subject to all system improvement fees, building permit fees, and other fees as required by the City charter, code and ordinances for such construction as those fees exist at the time of application for a building permit.

6. PHASED COMPLETION OF IMPROVEMENTS PRIOR TO ISSUANCE OF CERTIFICATE OF OCCUPANCY. For each Phase as set forth on Exhibit B attached hereto, all utility service improvements and other Public Improvements shall be completed prior the issuance of any certificates of occupancy for any structure or portion of thereof in that phase of the Property.

7. INSPECTION. The City may enter any portion of the subdivision for the purpose of making inspections to determine whether the Developer is in compliance with the obligations set forth in this Agreement. Developer shall retain an on-site engineer for inspections during the construction of Public Improvements. If the City determines that any Public Improvements as set forth in this Agreement have not been constructed and installed as required, the City shall furnish the Developer with a list of specific deficiencies. Except as otherwise set forth herein, the City shall not be required to issue any final certificate of occupancy so long as the list of deficiencies remain. If the City determines the Developer has not cured the deficiencies nor presented the City an acceptable plan for cure within thirty (30) days after presentation of the list to the Developer, the City may, but need not, cause such additional work to be done as it deems necessary to complete any Public Improvements or to cure any listed deficiencies. Developer shall be liable to the City for the entire cost of such additional work, whether performed by the City's employees or by others at the direction of the City. If the Developer does not pay the City the costs of such additional work including, as may be appropriate, the cost the City expends for materials, for services of those not employed by the City, and for the apportioned cost of wages and benefits paid for by the City for hours of the City Employees, then the City may, upon ten (10) days notice to the Developer, have a lien against all or any part of the Phase of the development under construction still owned by Developer. The City may certify the amount of such lien to the Garfield

County Treasurer for collection, enforcement and remittance of general property taxes or assessments. In addition, if attorney's fees are incurred by the City to enforce this agreement, they shall be paid by the Developer.

8. UTILITY AND DRAINAGE EASEMENTS. All utility and drainage easements shall be accessible to the City at all times. In the event any unauthorized structure is constructed which obstructs partially or wholly City access to said easements, the City may request access from the Developer or owner of the underlying fee land. If such access is refused, City retains the right to remove such obstruction at the sole expense of the Developer or owner of the underlying fee land, except that once City has accepted maintenance of the streets and utilities, the cost of removing and replacing all authorized improvements (such as asphalt paving) shall be at the City's expense. Easements for the off-site Water Facilities Easement from Glenwood Land Company and the sewer easement agreement from the Roaring Fork School District RE-1 or acceptable letter agreements shall be obtained prior to the issuance of a development permit for Phase One Public Improvements. Final easements shall be obtained prior to the issuance of any final certificate of occupancy in Phase One. The Water Facilities Easement shall provide for dedication to the City at the City's request.

9. DEED RESTRICTIONS. The City has requested and the Developer has agreed to provide a minimum of twenty percent (20%) of residential inventory within the Cardiff Glen Subdivision as deed-restricted inventory, provided the City participates in the acquisition of local, state or federal grants, reduction or elimination of municipal improvements fees (example: system improvement fees, excluding credits set forth in Sections 12, 13 and 14 below) or any other financial mechanism that will provide subsidy money for the purpose of reducing the sales/rental prices of constructed residential units. All subsidy money will be applied to units at a dollar for dollar value. A minimum subsidy of ten percent (10%) of the base sale/rental price for any given unit will result in that unit being deed restricted in perpetuity. The City and the Developer shall agree to continue to work toward this goal and in so doing identify those units that are of greatest benefit to the community to receive subsidy. Developer and City shall cooperate with the County Housing Authority or other qualified organization to produce an acceptable deed restriction, generally requiring that qualified buyers or renters meet the test of 60%, 80% or 120% of median income for Garfield County, Colorado, work in Garfield County, Colorado a minimum of nine months during any calendar year, and occupy the unit. The Developer will conduct the initial sales/rental of all units and as such be responsible for filing the deed restriction at the time of sale/rental. Enforcement of the deed restriction and ensuring that the deed restriction is subsequently followed shall be the responsibility of the City and/or the Garfield County Housing Authority. The maximum sales price after the initial sale by Developer shall be limited to the annual rate of inflation plus the cost of certain permitted permanent, functional, non-decorative capital improvements, not to exceed 10% over the life of the unit. The Developer may deed restrict additional units beyond the goal of 20% minimum and beyond those affected by City-sponsored subsidies. The City and Developer may negotiate the general provisions further, and upon agreement, will modify this provision of this Agreement.

10. FRONTIER HISTORICAL SOCIETY DONATION. The City has requested and the Developer has agreed to provide \$6,250.00 to the Frontier Historical Society as a match to the Society's grant from the State Historical Society. This donation shall be provided by Developer prior to issuance of the development permit for Phase One.

11. SUMMERVILLE PARK IMPROVEMENTS. The City has requested, and the Developer has agreed, to provide funds for the construction of a baseball field to be located at Summerville Park as identified on the final plat of the Cardiff Glen Subdivision no later than July 1, 2000. The amount of funds to be made available from the Developer shall be \$100,000.00. Security for this obligation shall be included in the letter of credit for Phase One provided in Paragraph 4 above.

12. DOMESTIC WATER SYSTEM. Developer shall construct a 500,000-gallon water storage tank and delivery system ("Domestic Water System") on the hill west of the Property, pursuant to a Water Facilities Easement to the City to be recorded concurrently with this Agreement, and City shall designate Developer, its successors and assigns, as a designated representative for the purpose of constructing the Domestic Water System and the Raw Water Irrigation System as set forth in this Agreement. The Domestic Water System is intended to provide adequate treated water and fire flow water (which water is provided by the City) to the Property, to the nearby proposed Park East project (both fire flow and treated water) and to Glenwood Park subdivision (fire flow water only). The actual cost of construction of the Domestic Water System (which has been estimated at \$550,000) is to be shared by Developer (42%), City (42%) and the developer of the proposed Park East Subdivision (16%). The City shall require as part of its final plat approval for the Park East Subdivision that the applicant pay its 16% pro rata share and its proportionate 29.9% share of the City's 42% share of the Domestic Water System to Developer at the time of recording the Plat for the Park East Subdivision. If the Park East Subdivision plat is not recorded by the time Developer is obligated to go forward with construction of the tanks on the Domestic Water System, Developer's obligation to construct the Domestic Water System with sufficient storage to be used by the proposed Park East Subdivision, the construction and cost of the physical system will be promptly renegotiated between the City and Developer. The City shall pay the balance of its share of the costs either in cash or by crediting water system improvement fees at the Property, valued at \$3,354.21 per EQR ("Water System Credits"). The Water System Credits shall apply to the first unit in the project to apply for a building permit and shall continue to apply to each subsequent unit thereafter until the Water System Credits are exhausted. To the extent other projects in the area are approved prior to the time Developer has recovered its Water System Credits, the City agrees to require from those applicants, at the time of recording of the plat for such projects, a pre-paid cost reimbursement to the Developer for Developer's excess prepayment of Water System Credits. Any increase in the water system improvement fees shall also be paid to Developer as an interest reimbursement.

Developer shall obtain approval for the Domestic Water System by a special use permit. Developer agrees to promptly apply for and diligently pursue the special use permit following recordation of this Agreement.

Prior to final special use permit approval, Developer, City and, if applicable, the developer of the proposed Park East Subdivision shall have entered into a cost-sharing agreement, substantially in accordance with the Memorandum of Understanding attached hereto as Exhibit D ("Memorandum of Understanding").

13. RAW WATER IRRIGATION. Developer shall construct and provide a raw water irrigation system ("Raw Water Irrigation System") prior to completion of Phase Two. The City, having acquired all of the water rights to the Property upon annexation, shall provide the raw water to service the system. The Water Facilities Easement that will provide the easement for domestic water shall also cover the Raw Water Irrigation System in the location set forth in the Water Facilities Easement. Developer shall provide easements across the Property for the domestic water and raw water irrigation systems, but City shall be responsible for obtaining other necessary easements from the Roaring Fork River to deliver the raw water to the easement covered by the Water Facilities Easement. Provided that the City supplies the raw water and can obtain the other necessary easements from the Roaring Fork River to the Property and the Water Facilities Easement, Developer agrees to have the Raw Water Irrigation System completed during Phase Two and understands no further phases may be undertaken until completion of the raw water irrigation system. If the Raw Water Irrigation System cannot be completed because the water is not supplied or the connecting easements are not obtained, Developer may continue with the remaining phases and purchase from the City at its current rate up to 92,000 gallons of treated water for outdoor irrigation use which is excess capacity in the original treated water storage tank to be constructed by Developer. Upon completion of the Raw Water Irrigation System, Developer thereafter agrees to use only raw water for outdoor irrigation in the Project (subject to the continued supply of raw water by the City).

The actual cost of construction of the Raw Water Irrigation System (including costs of obtaining an alternate point of diversion from the river, if necessary) is to be shared by Developer, City, the developer of the proposed Park East Subdivision, and others who may wish to use the Raw Water Irrigation System. The parties shall enter into a Raw Water Irrigation System Use Agreement which shall provide that the participants each pay their pro-rata share of the costs of the Raw Water Irrigation System, based upon the proportion of land irrigated by each participant bears to the total of all land irrigated by the Raw Water Irrigation System. The City shall require as part of its final plat approval for the Park East Subdivision that the applicant pay its pro rata share of the Raw Water Irrigation System to Developer at the time of recording the Plat for the Park East Subdivision. If the application for the Park East Subdivision plat is not recorded by the time Developer is obligated to go forward with construction of the Raw Water Irrigation System, the size, construction and cost of the physical system will be promptly

renegotiated. The City shall pay its share of the costs in cash or by crediting Water System Credits up to a total of its prorata share of the costs of the Raw Water Irrigation System. In addition, the City agrees to a 25% reduction in the Domestic Water System system improvement fees for each property served by the Raw Water Irrigation System to reflect the reduced dependency on treated water. After completion of the Raw Water Irrigation System, the City shall refund to Developer an additional 25% for each previous systems improvement fee paid or credited by the Developer. To the extent other projects in the area are approved prior to the time Developer has recovered its Water System Credits and its pro rata share of the Raw Water Irrigation System, the City agrees to require from those applicants, at the time of recording of the plat for such projects, a pre-paid cost reimbursement to the Developer for Developer's payment of its prorata share of the costs of the Raw Water Irrigation System.

Prior to final approval of the special use permit for construction of the Raw Water Irrigation System, Developer and the City shall enter into a use agreement with the appropriate parties, substantially under the terms described under "Raw Water Irrigation" in the Memorandum of Understanding.

14. SEWER BOTTLENECKS. The City has identified certain upgrades that are necessary to the City's Central Valley Interceptor, and acknowledges that others are committed to fund certain priority upgrades to avoid sewer bottlenecks. Developer will pay its system improvement fees for sewer connections ("Sewer System Fees") as it builds improvements in each of its phases. Developer also acknowledges that it will not be allowed to make connections to the sewer system unless and until the required upgrades are made. Developer agrees to prepay up to \$200,000 of its Sewer System Fees ("Sewer System Credits") toward the remaining Priority 4 and Priority 5 system upgrades (as identified in the City's Central Valley Interceptor Upgrade Needs dated September 17, 1997) to the City, upon thirty days' written notice from the City. The City thereafter agrees to reimburse to Developer its actual Sewer System Credits at the rate of \$2,010.14 per unit until the Sewer System Credits are exhausted.

15. GRAND RIVER PARK. Construction on Grand River Park (an amenity solely for the benefit of the owners of the Project and not for the general public) shall be begun during Phase Two and shall be at least 50% completed with landscaping, sod, and trees (weather permitting) before commencement of Phase Three. The remainder shall be completed prior to the end of Phase Five. Developer shall be responsible for dust control.

16. TRAFFIC IMPROVEMENTS. Developer agrees to participate in the design and its equitable pro rata share of construction costs for improvements at the intersection of Four Mile Road and County Road 116 (also known as Midland Road) to compensate for traffic generated by the Project when other improvements on adjacent Four Mile Road are performed. If the southerly Roaring Fork River Bridge is constructed prior to the issuance of the final certificate of occupancy for the Property, Developer shall install necessary improvements, identified in the traffic plan report prepared by Banner Associates, to Airport Road adjacent to the Property, provided that the timing of such improvements shall coincide with the Fourmile/Midland intersection improvements.

17. MISCELLANEOUS IMPROVEMENTS. Developer shall provide additional Public Improvements as described in the plan documents listed on Exhibit A.

18. LIABILITY. Developer shall indemnify and hold harmless the City, its officers, agents, employees and Third Party Insurers, from any and all suits, actions, and claims of every nature and description caused by, arising from or on account of, any act or omission of the Developer, or of any other person or entity for whose act or omission Developer is liable (but excluding the gross negligence or willful misconduct of City, its employees, contractors, agents, or officials), with respect to such construction or the improvements; and Developer shall pay any action, or claim together with all reasonable expenses and attorney's fees incurred by the City in defending any such suit, action or claim. The Developer shall require that all contractors and other employees engaged in construction of improvements shall maintain adequate workman's compensation insurance and public liability coverage and shall faithfully comply with the provisions of the Federal Occupational Safety and Health Act.

19. DRAINAGE LIABILITY. The Developer shall indemnify and hold harmless the City for any liability the latter may have on account of any adverse change in the nature, direction, quantity, or quality of historical drainage flow resulting from the development of this subdivision. In addition, the Developer promises to reimburse the City for any and all costs including, but not limited to, reasonable attorney's fees, which the City incurs in acquiring or condemning any rights of way or easements which the City is required to acquire or condemn, or which the City is held to have acquired or condemned, for drainage solely as a result of the development of this subdivision.

20. BREACH OF AGREEMENT. The parties shall have all available remedies for breach hereof in law or in equity, including, but not limited to, specific performance and damages. If at any time this Agreement or any part hereof has been breached by the Developer, the City may draw on security posted pursuant to this Subdivision Improvements Agreement (Public Improvements Guarantee), may withhold approval of any and all building permits, certificates of occupancy (except as provided in paragraph 4 above and in respect to any structure for which a building permit has been issued), and water permits applied for in the subdivision, and until the breach has been corrected by the Developer, shall be under no obligation to approve or to issue any additional building permits, certificates of occupancy, or water licenses for any are within the Subdivision. The City may use the proceeds for engineering expenses, consultants' fees and charges, legal fees and costs, subdivision improvements, reimbursements, or other expenses connected with the subdivision but is not obligated to complete the Public Improvements. The waiver of any one or more breaches of this Agreement shall not constitute a waiver of the remaining terms thereof. Should any litigation be commenced between the parties hereto concerning any provision hereof or the rights or duties of any person in relation hereto, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for its attorneys' fees and costs incurred in such litigation which will be determined by the court in such litigation or in a separate action brought for that purpose.

21. **RELEASE OF SECURITIES.** The Developer may, at the sole discretion of the Developer, upon completion, inspection by the City and acceptance by the City of a Public Improvement, ask for, and the City shall not unreasonably withhold, release of security for said Public Improvements. In certain circumstances the Developer may apply for partial releases of security for certain Public Improvements which have been partially completed but due to overall project phasing or construction sequencing, may be deemed functional and acceptable by the City, provided that the Public Improvement within the phase is completed. The City is not required to issue partial releases for only a portion of a Public Improvement within a phase. Once a Public Improvement has been completed, inspected by the City and accepted by the City, the City shall release security for that Public Improvement within thirty (30) days of acceptance of that Public Improvement.

22. **RECORDING OF AGREEMENT.** This agreement shall be recorded and shall be a covenant running with the Property herein described in order to put prospective purchasers or other interested parties on notice as to the terms and provision hereof. Upon completion of the Public Improvements required to be installed by the Developer under this agreement and payment of all costs for same, together with payment of all fees due to City under this agreement, the City will execute and deliver an acknowledgment of satisfaction of the terms and obligations of the Agreement in a recordable form. Upon recordation of such acknowledgment, this Agreement shall be deemed to have been fully satisfied and released as a burden upon such property.

23. **PARAGRAPH TITLES.** Paragraph titles in this Agreement are for are for convenience only and are not to be used to construe or interpret this Agreement.

24. **BINDING EFFECT.** The provisions of this Agreement shall bind and inure to the benefit of the parties and their successors in interest of all kinds. Developer's lender, currently WestStar Bank, and its successors or assigns shall be intended beneficiaries of this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement to be effective upon the date set forth above.

CITY OF GLENWOOD SPRINGS, COLORADO

By:


Sam Skramstad, Mayor


Robin S. Clumens, City Clerk


KATHY H. TRAUGER-DEPUTY CLERK

DEVELOPER:

STUDIO 3 LAND COMPANY, LLC, a Colorado
limited liability company

By:


Thomas G. Stevens, Manager

By:

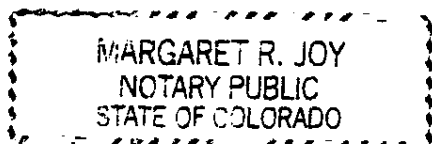

John R. Baker, Manager

STATE OF COLORADO)
)ss.
COUNTY OF GARFIELD)

The foregoing Agreement was acknowledged before me this 22nd day of June, 1999, by Thomas G. Stevens and John R. Baker as Managers of Studio 3 Land Company LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 12/23/2000



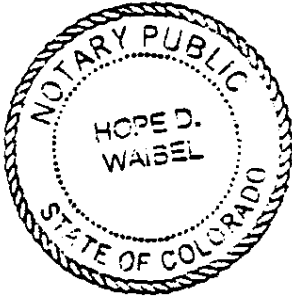

Notary Public

STATE OF COLORADO)
)ss.
COUNTY OF GARFIELD)

The foregoing Agreement was acknowledged before me this 23rd day of June, 1999, by Sam Skramstad as Mayor of the City of Glenwood Springs, Colorado.

Witness my hand and official seal.

My commission expires: 2/24/2003



Hope D. Waibel
Notary Public

Date/Time of Last Edit
June 22, 1999 1:53 pm

EXHIBIT A
Approved Plat and Associated Development Plan Documents

<u>Document</u>	<u>Date</u>
Plat of Cardiff Glen PUD, Subdivision of Cardiff Glen PUD Filing One	6/7/99
Sanitary Sewer Plans, Profiles and Details S1 to S14	3/15/99
Water Plan and Details W1 to W4	3/15/99
Shallow Utilities Plan SU1 to SU2	3/15/99
Road Plans, Profiles & Details RD1 to RD20	3/15/99
Traffic Signage Plan	1/29/99
Grading and Drainage Plan -- Storm Water Management Plan and Details DR1 to DR2	3/16/99
Irrigation Schematic Plan	3/11/99
Landscape Plan	3/16/99, 4/2/99, 5/14/99
Engineering Costs for Phase One	6/15/99
Summerville Park -- Costs for Baseball Fields per memo from Andrew McGregor	6/15/99
Landscape Costs from The Stevens Group	6/15/99

EXHIBIT B
Schedule of Phasing

<u>Phase</u>	<u>Description</u>	<u>Public Improvement</u>
1	Lots 67 - 91	Culver Circle Morgan Street Winters Lane East 1/3 of Crawford Way Domestic water system Off-site sewer line
2	Lots 95 & 96	Stockton Road Raw-water irrigation system* Summerville Park* 50% of Grand River Park
3	Lots 37 - 66 Lots 93 & 94	Buffam Road Shepard's Lane Breen Way West 2/3 of Crawford Way
4	Lots 1 - 10 Lot 92	Fanning Place Teeters Lane Clark Street
5	Lots 11 - 36 Midland Commercial Center	Complete Grand River Park Community Center Midland Avenue**

Note: Work identified under Phases 2 through 5 may change depending on market conditions.

*Will be completed earlier if possible depending on off-site raw water irrigation system source.

**Paving of Midland Avenue and the intersection of Four Mile Road and Midland Avenue is contingent upon a schedule to be established by the City.

EXHIBIT C
Engineering Cost Estimates for Phase One Public Improvements

8/15/89

BANNER

**PHASE I - INFRASTRUCTURE IMPROVEMENTS
ENGINEER'S OPINION OF PROBABLE COST**

SANITARY SEWER IMPROVEMENTS SCHEDULE "A"					
ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL	
Mobilization	1	LS	\$3,000.00	\$3,000.00	
Staging	1	LS	\$2,200.00	\$2,200.00	
Clearing and Grubbing	1.1	AC	\$6,250.00	\$6,875.00	
8" SDR 35 PVC (< 15')	2250	LF	\$39.00	\$87,750.00	
48" Dia. Manhole	10	EA	\$2,950.00	\$29,500.00	
Adjust 48" Manhole	4	LF	\$80.00	\$320.00	
4" PVC Service 25' Average	25	EA	\$800.00	\$20,000.00	
8" x 4" Service Connection	40	EA	\$475.00	\$19,000.00	
6" PVC Service	1	EA	\$900.00	\$900.00	
8" x 8" Service Connection	2	EA	\$550.00	\$1,100.00	
Saw-Cut Existing Asphalt	80	LF	\$4.25	\$382.50	
Remove Existing Asphalt	100	SY	\$5.00	\$500.00	
Remove Existing Sidewalk	100	SF	\$3.00	\$300.00	
Class 6 Aggregate Base Course	75	TON	\$17.50	\$1,312.50	
Remove Existing Curb and Gutter	25	LF	\$3.00	\$75.00	
Replace Existing Curb and Gutter	25	LF	\$17.50	\$437.50	
Replace Existing Asphalt	25	TON	\$105.00	\$2,625.00	
Replace Existing Sidewalk	125	SF	\$5.00	\$625.00	
4" Topsoil Placed	200	CY	\$27.00	\$5,400.00	
Storm Water Management Plan	1	LS	\$2,800.00	\$2,800.00	
Revegetation	1	LS	\$2,500.00	\$2,500.00	
Televise Sanitary Sewer	2250	LF	\$1.05	\$2,362.50	
Engineering Inspection	1	LS	\$12,750.00	\$12,750.00	
Geotechnical Testing	1	LS	\$9,000.00	\$9,000.00	
Traffic Control	1	LS	\$4,000.00	\$4,000.00	
Rock Clause	1	LS	\$5,000.00	\$5,000.00	
Sub-Total				\$220,715.00	

8/15/99

BANNER**WATER IMPROVEMENTS (LESS TANK)
SCHEDULE "B"**

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
Mobilization	1	LS	\$6,000.00	\$6,000.00
Staging	1	LS	\$2,500.00	\$2,500.00
Saw-Cut Existing Asphalt	665	LF	\$4.25	\$2,828.25
Remove Existing Asphalt	600	SY	\$5.00	\$3,000.00
Replace Existing Asphalt	136	TON	\$105.00	\$14,280.00
Class 6 Aggregate Base Course	254	TON	\$17.50	\$4,445.00
Tie-in to existing Water	1	LS	\$2,500.00	\$2,500.00
4" D.I.P. Service	26	LF	\$40.00	\$1,040.00
8" D.I.P.	1680	LF	\$35.00	\$58,100.00
12" D.I.P.	1520	LF	\$42.00	\$63,840.00
Fire Hydrant Assembly	5	EA	\$2,800.00	\$14,000.00
4" Gate Valve	1	EA	\$750.00	\$750.00
8" Gate Valve	12	EA	\$950.00	\$11,400.00
8" 45 Degree Bend	2	EA	\$525.00	\$1,050.00
8" X 8" X 8" Tee	3	EA	\$550.00	\$1,650.00
8" X 8" X 4" Tee	1	EA	\$550.00	\$550.00
12" Gate B Fly or Gate Valve	8	EA	\$1,300.00	\$10,400.00
12" 45 Degree Bend	1	EA	\$800.00	\$800.00
12" 22-1/2 Degree Bend	2	EA	\$600.00	\$1,200.00
12" X 12" X 8" Tee	4	EA	\$800.00	\$3,200.00
12" X 12" X 12" Tee	1	EA	\$725.00	\$725.00
1" Copper Service Connection w/ tap	25	EA	\$1,300.00	\$32,500.00
Geotechnical Testing	1	LS	\$10,000.00	\$10,000.00
Revegetation	1	LS	\$2,000.00	\$2,000.00
Storm Water Management Plant	1	LS	\$1,500.00	\$1,500.00
Traffic Control	1	LS	\$7,500.00	\$7,500.00
Inspection Fees	1	LS	\$15,000.00	\$15,000.00
Sub-Total				\$272,558.25

6/15/89

BANNER

SUBDIVISION ROADWAY AND PARKING AREAS
SCHEDULE "C"

ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	TOTAL
Mobilization	1	LS	\$4,500.00	\$4,500.00
Clearing and Grubbing Roads	3.8	AC	\$5,500.00	\$20,900.00
Unclassified Excavation	1950	CY	\$5.00	\$9,750.00
Embankment Material	1300	CY	\$4.00	\$5,200.00
Hot Bituminous Asphalt Grade "CX"	1025	TON	\$45.00	\$46,125.00
Aggregate Base Course Class 6	2465	TON	\$17.00	\$41,905.00
(for Roadways - C & G and Sidewalk)				
Aggregate Base Course Class 6 (6" Alleys)	350	TON	\$17.50	\$6,125.00
Curb & Gutter	3200	LF	\$13.50	\$43,200.00
Handicap Ramp	18	EA	\$150.00	\$2,400.00
6' Wide V-panel	5	EA	\$600.00	\$3,000.00
3' Wide V-panel	315	LF	\$12.50	\$3,937.50
96" Wide Sidewalk (4")	4600	SF	\$3.00	\$13,800.00
60" Wide Sidewalk (4")	11430	SF	\$3.00	\$34,290.00
4" Aggregate Base Course Class 6 (96" sidewalk)	155	TON	\$13.00	\$2,015.00
Signage	12	EA	\$180.00	\$2,160.00
Misc. Striping	1	LS	\$2,000.00	\$2,000.00
Geotechnical Testing	1	LS	\$8,000.00	\$8,000.00
Storm Water Management Plan	1	LS	\$2,500.00	\$2,500.00
Sub-Total				\$248,807.50

6/15/89

BANNER**PRIVATE UTILITIES
SCHEDULE "D"**

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
Mobilization	1	LS	\$3,500.00	\$3,500.00
Staging	1	LS	\$1,500.00	\$1,500.00
Gas Main	3300	LF	\$13.00	\$42,900.00
Gas Service	980	LF	\$11.00	\$10,780.00
Primary Electric	2127	LF	\$45.00	\$95,715.00
Secondary Electric, Cable TV, and Telephone	25	EA	\$555.00	\$13,875.00
Set Vault	18	EA	\$950.00	\$17,100.00
Telephone Cable & Pedestals	1300	LF	\$8.50	\$11,050.00
Cable TV	1300	LF	\$11.00	\$14,300.00
Geotechnical Testing	1	LS	\$ 5,500.00	\$5,500.00
Storm Water Management	1	LS	\$1,000.00	\$1,000.00
Inspection Fees	1	LS	\$5,000.00	\$5,000.00
Sub-Total				\$222,220.00

**DRAINAGE & IRRIGATION IMPROVEMENTS
SCHEDULE "E"**

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
Mobilization	1	LS	\$5,600.00	\$5,600.00
Staging	1	LS	\$2,400.00	\$2,400.00
Misc. Drainage Improvements	1	LS	\$50,000.00	\$50,000.00
18" CMP	50	LF	\$31.00	\$1,550.00
Irrigation Mainline	1552	LF	\$35.00	\$54,320.00
Irrigation Services	14	EA	\$650.00	\$9,100.00
Geotechnical Testing	1	LS	\$ 3,700.00	\$3,700.00
				\$126,570.00

6/15/98

BANNER

PHASE I - INFRASTRUCTURE IMPROVEMENTS
ENGINEER'S OPINION OF PROBABLE COST
COST SUMMARY

COST SCHEDULE	SCHEDULE	TOTAL
SANITARY SEWER LINE	"A"	\$220,715.00
WATER LINE	"B"	\$272,556.25
SUBDIVISION ROADWAYS AND PARKING AREAS	"C"	\$249,807.50
PRIVATE UTILITIES	"D"	\$222,220.00
DRAINAGE & IRRIGATION IMPROVEMENTS	"E"	\$126,570.00
TOTAL		\$1,091,868.75
WATER TANK & SUPPLY LINE IMPROVEMENTS		\$231,000.00

CARDIFF GLEN SUBDIVISION
Estimate of Landscape Development Costs
PHASE 1
Prepared June 22, 1999

The Stevens Group
INCORPORATED

Trail System - Phase 1

Item	Quantity	Unit Cost	Extended Cost	
crusher fines trail	600	\$ 7.00	\$ 4,200.00	
concrete walk	0	\$ 15.00	\$ -	
SUBTOTAL			\$ 4,200.00	\$ 4,200.00

Subdivision Perimeter Landscaping

Evergreen Trees	28	\$ 300.00	\$ 8,400.00	
Aspen Trees	17	\$ 200.00	\$ 3,400.00	
Cottonwood Trees	0	\$ 200.00	\$ -	
Ornamental Trees	0	\$ 275.00	\$ -	
Shrubs	20	\$ 35.00	\$ 700.00	
Sod/Seed	10,000	\$ 0.25	\$ 2,500.00	
Irrigation	10,000	\$ 0.30	\$ 3,000.00	
Finish Grading	10,000	\$ 0.10	\$ 1,000.00	
Fencing	640	\$ 7.00	\$ 4,480.00	
SUBTOTAL			\$ 23,480.00	\$ 23,480.00

Streetscape Landscaping

Ash Trees	12	250	\$ 3,000.00	
Sod/Seed	1,400	0.25	\$ 350.00	
Irrigation	1,400	0.3	\$ 420.00	
Finish Grading	1,400	0.1	\$ 140.00	
SUBTOTAL			\$ 3,910.00	\$ 3,910.00

TOTAL **\$ 31,590.00**

Date/Time of Last Edit
June 22, 1999 1:53 pm

EXHIBIT D

Memorandum of Understanding

Domestic Water Storage, Raw Water Irrigation, Sewer Improvements Fees

Studio 3

LAND COMPANY, LLC.

May 24, 1999

PROJECT MEMO: Cardiff Glen Subdivision

TO: Mike Kopp, Andrew McGregor, Larry Thompson (City of Glenwood Springs)
John Baker (Studio 3 Land Company)
Jim Horn, Bruce McKinnen (Park East)

FROM: Tom Stevens (Studio 3 Land Company, LLC.)

RE: Memorandum of Understanding

Domestic Water Storage, Raw Water Irrigation, Sewer Improvements Fees

Based upon meeting with City staff on Thursday May 20th and Monday May 24th, the following represents a summary of understanding of the negotiations for construction and financing of water and sewer improvements as they pertain to the Cardiff Glen and Park East developments. Due to the timing of the approval process, it is assumed that the Park East Subdivision will receive final approvals after Cardiff Glen. However, Park East shall, upon its approvals, become a party to this agreement.

Domestic Water Storage

1. Cardiff Glen/Park East 3 will finance and construct a 500,000 gallon storage facility to be located on land owned by Glenwood Land Company and available via easement.
2. The City shall be responsible, as a pro rata member, for the cost associated with 42% of the total cost of construction of the 500,000 gallon storage facility. This 42% represents 120,000 gallons of fire flow storage capacity (24%) and 92,000 gallons of excess storage capacity (18%).
3. As compensation for financing the City's pro rata share (42%), Cardiff Glen/Park East shall receive credits towards future tap fees. To establish the actual amount of credit, the actual cost of the storage facility will be multiplied by 42%. This will establish the dollar value which will have been paid for (financed) by Cardiff Glen/Park East. This dollar figure will then be converted into EQRs based on the current dollar value of EQRs. This quantity of EQRs will then represent the quantity of EQR credit due Cardiff Glen/Park East.
4. It is anticipated that raw water will be provided for the Cardiff Glen Subdivision and Park East Subdivision irrigation purposes. However, if raw water is unavailable, and domestic water must be used, the 92,000 gallons of excess storage may be used. In this circumstance, this 92,000 gallons, or 18% shall not be available for credits towards tap fees and shall be the financial responsibility of Cardiff Glen/Park East. The City shall not appropriate this 92,000 gallons of domestic water to other entities until it has received written conformation from

Cardiff Glen/Park East that raw water has been obtained and it has no need for the 92,000 gallons of excess storage water. Under no circumstance shall notification to the City happen later than the completion of Phase 2 of the Cardiff Glen Subdivision. Furthermore, it is anticipated that, due to the prior commitment by the City, Cardiff Glen and Park East, the final parameters associated with the development of the raw water irrigation system shall be finalized during the summer of 1999. Once this is finalized, Cardiff Glen/Park East shall provide the City the written notification that the 92,000 gallons is no longer required.

4. Cardiff Glen/Park East shall negotiate an easement for the purpose of the storage facility, not to exceed 1 million gallons, plus associated irrigation storage, access and maintenance from Glenwood Land Company (Owner) to the benefit of the City.
5. Studio 3 (Cardiff Glen) shall prepare and submit an application for Special Review permit for the construction of the storage facility. The application will be drafted with the Glenwood Land Company as "Land Owner", Cardiff Glen/Park East as "Developer" and the City as "System Owner/Operator".

The attached "*Cardiff Glen P.U.D. - Park East Subdivision Water Storage Tank cost Sharing Calculation*" has been provided as an exhibit to this memo.

Raw Water Irrigation

Based on prior commitments by the City of Glenwood Springs, Park East and Cardiff Glen, RE-1 School District as well as anticipated interest by Mountain Valley Development, Red Cliff condominiums and Lewis, a raw water irrigation system will be developed to service these properties (see attached South Glenwood Springs Raw Water Irrigation System Cost Sharing Calculation). As such any unit for which raw water irrigation is provided shall be the beneficiary of a 25% reduction in tap fees.

It is currently a condition of approval that Cardiff Glen provide raw water irrigation prior to the completion of Phase two of its development or four years from development commencement. Given this condition and the fact that raw water supply is not a condition for the completion of Phase One of the Cardiff Glen development, Phase One will have the ability to use domestic water until raw water is available.

Sewer Improvements Fees

Studio 3 shall agree to pre pay sewer improvements fees to the City of Glenwood Springs on an as needed basis as outlined in the attached April 19, 1999 memo from Jim Horn and attached hereto (see Section 2, Sewer Bottlenecks).

All parties should review this memorandum of understanding carefully. If you have any comments, questions or corrections please contact me immediately.