

**CONSOLIDATED DEVELOPMENT AGREEMENT
FOR BUFFALO HILLS RANCH PUD**

THIS CONSOLIDATED DEVELOPMENT AGREEMENT FOR BUFFALO HILLS RANCH PUD (aka "REUNION") is made and entered into this 17th day of December, 2001, by and among the CITY OF COMMERCE CITY, COLORADO, a Colorado municipal corporation ("City"), and SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership, d/b/a SHEA HOMES; L.C. FULENWIDER, INC., a Colorado corporation; DIBC BUFFALO HILLS RANCH, LLC, a Colorado limited liability company; DIBC 96th and POTOMAC, LLC, a Colorado limited liability company; and FFP-DIA, LLC, a Colorado limited liability company (collectively referred to herein as the "Owners").

Recitals

A. WHEREAS, THIS CONSOLIDATED DEVELOPMENT AGREEMENT (hereinafter the "Agreement") is being entered into for the express purpose of amending, supplementing and consolidating certain provisions contained in a series of agreements and related documents (the "Entitlement Documents") previously entered into between the City of Commerce City, Colorado and the aforementioned Owners, to wit:

1. Buffalo Hills Ranch PUD Zone Document, approved by the City Council of the City of Commerce City on July 17, 2000;
2. Annexation Agreement (AN-159-00-A), entered into on May 15, 2000;
3. Annexation Agreement (AN-159-00-B), entered into on May 15, 2000;
4. Annexation Agreement (AN-141-97), entered into on January 19, 1998;
5. Annexation Agreement (AN-142-97), entered into on January 19, 1998;
6. Annexation Agreement (AN-143-97), entered into on January 19, 1998;
7. Agreement Regarding Annexation and Property Development for Golf Course Service Facilities (the "Golf Course Agreement"), entered into on August 24, 1994, together with the First Amendment thereto entered into on October 25, 1994, and the Second Amendment thereto entered into on January 15, 1995; and
8. Agreement (the "455 Company Agreement"), entered into on October 2, 1989; and

B. WHEREAS, the separate legal descriptions for all of the real property interests which were the subject of the aforementioned agreements were previously consolidated into and superceded by that certain Legal Description contained within and made a part of the above-referenced Buffalo Hills Ranch PUD Zone Document, which PUD Zone Document and Legal Description is attached hereto as Exhibit A, and which describes in full all of the real property

which is the subject of this Agreement, which real property is hereinafter referred to as the "Property;" and

C. WHEREAS, the City has previously acknowledged in various of the above-referenced agreements that the Owners' "intent to plan and develop the Property as a residential community with ancillary commercial, retail and business uses is consistent with proper planning and zoning principles," and further that, "zoning for the Property for such purposes is proper and compatible with planned development in the area . . ."; and

D. WHEREAS, the City has previously acknowledged in various of the above-referenced agreements that, "In order to allow [Owners] a reasonable time to develop the Property, City agrees that said zoning shall remain in effect and be vested" for varying lengths of time subject only to Owners' request for a change of zoning, and further that, "In no event shall the development of the Property be subject to any action on the part of City causing or resulting in any moratorium, suspension, delay, slow-down or other reduction applicable to the issuance by the City of building permits, certificates of occupancy or other routine authorizations . . ."; and

E. WHEREAS, the Buffalo Hills Ranch PUD Zone Document contains precise Development Plans, Development Standards, and a Land Use Summary for the Property, which set forth in considerable detail the land use entitlements which pertain to the various sub-parcels of the Property, effectively serving as a site specific development plan for the Property; and

F. WHEREAS, the parties hereto wish to ratify and affirm the Owners' vested rights to develop the Property in a manner consistent with the Buffalo Hills Ranch PUD Zone Document, and further in a manner consistent with the laws of Colorado as set forth in Sections 24-68-101, et seq., of the Colorado Revised Statutes in effect as of the Effective Date (the "Vested Property Rights Act") and the duly adopted regulations of the City of Commerce City, Colorado as contained in Article VI of Chapter 17 of the Municipal Code ("Vested Property Rights Regulations"); and

G. WHEREAS, the parties hereto wish to set forth their agreement with respect to additional and supplemental matters pertaining to the development of the Property.

Agreement

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

ARTICLE 1
DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below.

1.1 "Agreement" means this Agreement.

1.2 "Effective Date" means the effective date of the City Council Ordinance approving the execution of this Agreement in accordance with the terms of the Vested Property Rights Act. On such date, this Agreement shall become binding upon and enforceable by the parties hereto.

1.3 "Exhibits" means the following Exhibits to this Agreement, all of which are incorporated herein by reference and made a part of this Agreement: (a) Buffalo Hills Ranch PUD Zone Document and Legal Descriptions; and (b) the Golf Course Agreement.

1.4 "Owners" means SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership, d/b/a SHEA HOMES; L.C. FULENWIDER, INC., a Colorado corporation; DIBC BUFFALO HILLS RANCH, LLC, a Colorado limited liability company, DIBC 96th and POTOMAC, LLC, a Colorado limited liability company; FFP-DIA, LLC, a Colorado limited liability company; and the successors and assigns of Owners.

1.5 "Property" means the real property described in Exhibit A.

1.6 "Public Improvements" means street and transportation improvements, water system improvements, sanitary sewer system improvements, storm drainage and detention improvements, street light improvements, earthwork improvements, and any other public improvements as may be authorized by law pursuant to Title 31 and Title 32 of the Colorado Revised Statutes as the same may be amended from time to time.

1.7 "Vested Property Rights Act" means Sections 24-68-101, et seq. of the Colorado Revised Statutes in effect as of the Effective Date.

1.8 "Vested Property Rights Regulations" means Article VI of Chapter 17 of the Municipal Code of the City of Commerce City, Colorado.

ARTICLE 2
STREETS AND CROSSINGS

2.1 Conveyance of rights-of-way. Owners shall convey to the City all rights-of-way and utility easements reasonably required by the City and/or the Commerce City Northern Infrastructure General Improvement District (GID), and design and fully improve to City's standards all public streets that are adjacent to and abutting the exterior boundaries of the Property, and all local public streets within the Property. Owners shall convey to the City the rights-of-way that are adjacent to and abutting the exterior boundaries of the Property at the time of platting of immediately adjacent property.

2.2 Improvement of arterial streets. Owners shall improve or shall pay to improve one-half of the proposed width for arterial streets abutting the Property to such standards as are set forth in the New Lands Transportation Plan adopted by the City. Owners shall not be required by the City to improve or pay to improve such arterial streets to standards exceeding those of the New Lands Transportation Plan of the City. Provided, however, this Agreement shall not be construed to abridge the right of any independent regional district or authority to enter into negotiations with Owners for additional improvements to said arterial streets. Improvement of said arterial streets shall qualify Owners for a Transportation Impact Fee credit pursuant to Article 10 of this Agreement.

2.3 Maintenance of Landscaping. For the period during which the right-of-way has been conveyed, but has not been improved to its projected width, Owners agree to landscape and maintain that portion of the conveyed right-of-way between the existing road and the main entrance to the Owners' Property for a width of not more than 50 feet on either side of the improved right-of-way.

2.4 City acceptance of streets. City will accept all streets conveyed hereunder for maintenance and repairs as follows:

(a) Those streets constructed by the City or under contract of the City shall be accepted for maintenance and repair as of the date of completion of the construction pursuant to City standards.

(b) Those streets constructed by Owners, by any District, or under contract with the Owners, their successors or assigns, shall be initially accepted by the City upon completion of construction in accord with City standards or after correction pursuant to City standards of any defects in said streets, whichever date shall last occur. Thereafter the City will maintain said streets. The Owners shall warrant construction of said streets for one year after initial acceptance by the City.

ARTICLE 3

STORM DRAINAGE

3.1 Owners shall convey rights-of-way, and design and construct storm drainage facilities in conformance with the regulations and ordinances of the City, and in conformance with a Storm Drainage Plan to be submitted concurrently with a Final Plat and Developer's Agreement for the Property, all subject to approval by the City Engineer. Improvement of said storm drainage facilities may qualify Owners for a Drainage Impact Fee credit pursuant to Article 10 of this Agreement.

ARTICLE 4

PUBLIC FACILITY EXTENSION

4.1 Extension by the Owners of streets, storm drainage, street lighting, and other public improvements from the developed areas of the City to the Property shall be pursuant to a reimbursement agreement to reimburse Owners from lands abutting such facilities which benefit such intervening lands or pursuant to credits given to the Owners against impact fees payable by

Owners as provided in Article 10 of this Agreement. If extension is not feasible, temporary infrastructure improvements may be provided subject to agreement of the parties.

ARTICLE 5

VESTED PROPERTY RIGHTS

5.1 Vested Property Rights. This Agreement, and the Buffalo Hills Ranch PUD Zone Document, both individually and collectively, are hereby declared to constitute an approved "site specific development plan" for the Property as that term is defined in the Vested Property Rights Act and the Vested Property Rights Regulations. Accordingly, the Owners shall, throughout the twenty (20) year term of this Agreement, enjoy the right to undertake and complete the development and use of the Property in a manner consistent with the terms and conditions of said site specific development plan, together with any subsequently approved amendments thereto. Except as the Vested Property Rights Act expressly provides otherwise, the vested property rights created hereby preclude any zoning or land use action by City or pursuant to an initiated measure of the City which would alter, impair, prevent, diminish, impose a moratorium on development or otherwise delay the development or use of the Property as set forth in the site specific development plan, in accordance with C.R.S. §24-68-105(1).

5.2 Duration of Vested Property Rights. The vested property rights created by this Agreement and the Buffalo Hills Ranch PUD Zone Document shall run with the land and shall remain in force and effect for a period of twenty (20) years from the Effective Date of this Agreement. By its execution of this Agreement, the City finds the twenty (20) year duration of vested property rights to be warranted in light of all relevant circumstances, including, but not limited to, the size and phasing of the development, economic factors and market conditions.

5.3 Upon Expiration of Vested Property Rights. Upon expiration of the twenty (20) year period of vested property rights provided for herein, the Owners of the Property shall continue to enjoy the development prerogatives associated with the zoning and land use approvals contained in the Buffalo Hills Ranch PUD Zone Document, subject to the charter, ordinances, rules and regulations of the City for so long as the Property is located within the municipal boundaries of the City. The statutory vested property rights established by this Agreement shall be deemed terminated and of no further force or effect; provided, however, that such termination shall not affect any common-law vested rights obtained prior to such termination or any other rights, whether characterized as vested or otherwise, arising from any approvals or other entitlements for the Property which were granted prior to or subsequent to the Effective Date hereof.

5.4 Compliance with General Regulations. Subject to the terms and conditions of the Vested Property Rights Act, and except as otherwise provided in this Agreement, the establishment of vested property rights pursuant to this Agreement shall not preclude the application on a uniform and non-discriminatory basis of City ordinances or regulations which are general in nature and are applicable to all property within the jurisdiction of City, including, but not limited to City-wide impact fee ordinances and regulations, and building, fire, plumbing, electrical and mechanical codes.

ARTICLE 6
SUBDIVISION EXEMPTION

6.1 Subdivision Exemption. The Property shall be exempt from the requirements of "Existing Subdivision" or an "Existing Parcel," as referenced in Section 17-89(d) of the Municipal Code of the City of Commerce City, which codifies the subdivision regulations of the City, so as to allow the conveyance of all or any portion of the Property by Owners, from time to time, to any one or more grantees for the express purpose of development of the conveyed tracts by such grantees in accordance with the City's ordinances, rules and regulations.

ARTICLE 7
STATUTORY DISTRICTS

7.1 Creation of Districts. Subject to City's rights of review and approval or denial under the laws of the State of Colorado, which approval shall not be unreasonably withheld, City shall approve the creation of one or more districts, including but not limited to special districts, general improvement districts and metropolitan districts, authorized pursuant to Title 31 and Title 32 of the Colorado Revised Statutes as the same may be amended from time to time (the "Districts"), as requested by Owners for the purpose of the acquisition, construction, installation, financing and/or maintenance of certain capital improvements and facilities, and for the provision of certain services which may be required to develop the Property. Such capital improvements and facilities may include all improvements permitted by said Titles 31 and 32, including, but not limited to: water and sanitary sewer lines; storm drainage and detention improvements; traffic and transportation facilities, including streets, bridges, roads, interchanges, signalization, safety protection improvements and other transportation facilities; and parks and recreation facilities. Any approval of such Districts, when requested by Owners, may include the following conditions, unless waived by City, which waiver shall not be unreasonably withheld:

- (a) No District shall levy, charge or collect a sales tax.
- (b) All improvement plans of the Districts shall be subject to review and approval by City.
- (c) The Districts shall obtain all necessary permits and pay all prescribed fees associated with any and all improvements to be made.
- (d) All improvements constructed by the Districts shall be designed, constructed, and warranted in accordance with the standards and specifications of City.
- (e) City shall be the sole provider of municipal services to the Property, including police protection, street maintenance, zoning and code enforcement, and all other services as City may customarily provide to the residents of City; provided, however, that the Districts may, at their option, provide supplemental street, median, landscape (including irrigation) and other facility maintenance services.
- (f) City shall not incur any expense in the formation or operation of the Districts or in the retirement of capital obligations related thereto.

(g) The Districts, when organized, shall not exceed the boundaries of the Property, or have its powers altered in any way, without the prior approval of City.

7.2 Engineering by Owners. By provisions of this Agreement, Owners have the right to engineer, furnish material for, install, construct, warrant, maintain, repair or otherwise provide for or maintain certain improvements and facilities (public or private) as desired by Owners in connection with development of the Property. All or any portion of that right or duty may be delegated by Owners to the Districts so long as such responsibilities are within the scope of the statutory authority of said Districts.

7.3 Maintenance Fee and Charges of District. Except as provided in Section 7.1(a), nothing in this Agreement shall be construed to prohibit or preclude the Districts from establishing, fixing, levying, charging or collecting any rate, fee or charge, in addition to the rates, fees and charges to be collected by City.

7.4 City Authorization. Subject to City's rights of review and approval under the laws of the State of Colorado, which approval shall not be unreasonably withheld, City agrees to take such actions as may be required to permit Owners to organize and utilize, for the purpose of providing public facilities and services, without restriction except insofar as provided by law, any such other municipal financing and public improvements authorities, districts and devices consistent with the intent of this Agreement, so long as City is not liable for repayment of any indebtedness in connection therewith.

7.5 Non-Waiver of Owners. Nothing in this Agreement shall be construed or deemed to mean that Owners have in any manner waived their right as provided by law to object to or withhold consent to the formation of any statutory district formed by the City or any third party or by both.

ARTICLE 8 PUBLIC IMPROVEMENTS

8.1 Allocation of Sales and Use Tax Collected Within Property.

(a) In consideration of the covenants and agreements contained herein, City agrees to enter into an agreement with Owners or any Districts created by Owners to serve the Property, which agreement shall allow Owners and/or said Districts to utilize or allow to be utilized, for the purposes described hereafter, an amount equal to thirty-three percent (33%) of any City sales and use tax collected within the Property (not to exceed 33% of a 3% sales and use tax) and building permit fees collected in connection with the Property. Such amount shall hereinafter be referred to as "Public Improvement Monies." No diversion may be made pursuant to this section of any sales and use tax revenues pledged to the payment of any of the City's sale and use tax revenue bonds.

(b) Subject to the limitations described in this Section, Public Improvement Monies shall be utilized by Owners and/or said Districts for payment of bonded indebtedness or other financing of Public Improvements within or adjacent to the Property. Payments of Public Improvements Monies shall be made to Owners, or to such Districts as have undertaken responsibility for the improvements upon approval by City

of the specific improvements to be financed, the method of financing and the amount to be expended. Such payments shall be made quarterly. Upon granting such approval, City's obligation shall continue until all debt instruments issued to fund such facilities have been retired, but not later than twenty (20) years from the date of commencement of construction of improvements. The provisions of this Section may be implemented pursuant to an intergovernmental agreement between City and said Districts or pursuant to an agreement between the City and Owners.

8.2 Allocation Based on Taxes Collected. It is agreed that all funds to be used for the purposes described herein shall be based upon the prior year's actual sales and use tax collections and building permit fees and shall be utilized for the purposes described herein only when monies are actually collected by City to be used hereunder.

ARTICLE 9 **REIMBURSEMENT AGREEMENTS**

9.1 Reimbursement for Oversizing and Extension of Utilities. To the extent water and sewer lines are oversized or extended onto adjacent property by Owners or Districts for the benefit of third parties, the City, for a period of 15 years from installation of such facilities, will require cash payment from any such third parties to Owners, Districts or City, as appropriate, pursuant to a reimbursement agreement for the cost of oversizing and extension plus the cost of financing and carrying costs, such cash payments to be made at the time of final platting. Such reimbursement requests will be subject to approval by the appropriate water and sanitation provider.

ARTICLE 10 **IMPACT FEES**

10.1 Impact Fees. The Owners agree to pay City impact fees uniformly charged throughout the City at the time of issuance of a building permit per lot for transportation, drainage, and parks, trails and recreation facilities.

(a) Drainage Impact Fee. The Owners agree to pay the City a draining impact fee of \$430.00 per lot. As drainage impact fees are adopted or amended by the City, Owners agree to pay the drainage impact fee that is consistent with the adopted drainage impact fee schedule.

(b) Transportation Impact Fee. The Owners agree to pay the City transportation impact fee per lot in compliance with the City's adopted or amended transportation impact fee schedule.

(c) Parks, Trails and Recreation Facilities Impact Fee. The Owners agree to pay the City impact fee per lot for parks, trails and recreation facilities in compliance with the City's adopted or amended parks, trails and recreation facilities impact fee schedule.

(d) Credit Against Impact Fees. The City shall give the Owners a credit against any impact fees if the City directs the Owners to make improvements to facilities

to which such impact fees, in the normal course of development, would be allocated. Any credits against the impact fees shall be negotiated and processed administratively through the City. However, if building permits are applied for prior to initial acceptance of the improvements directed by the City, the required impact fees shall be paid at the time of issuance of each building permit and refunded by the City to the extent of credit entitlements when invoices for actual costs incurred for construction of the improvements are submitted to the City and verified.

10.2 Fees in Lieu of Land Dedication for Schools. If Owners do not dedicate the quantity of land required by City ordinance, then the Owners agree to pay the fees in lieu of land dedication for schools on a per lot basis in compliance with the City adopted schedule at the time of issuance of building permit. As fees in lieu of land for schools are adopted or amended by the City, the Developer agrees to pay the fee that is consistent with the adopted fee schedule.

10.3 Fees in Lieu of Land for Parks, Trails and Recreation Facilities. If Owners do not dedicate the quantity of land required by City ordinance, then the Owners agree to pay the fee in lieu of dedication of land for public parks, trails and recreation facilities in compliance with the City adopted schedule at the time of issuance of building permit. As fees in lieu of land for public parks, trails and recreation facilities are adopted or amended by the City, the Developer agrees to pay the parks, trails and recreation facilities impact fee that is consistent with the adopted parks, trails and recreation facilities impact fee schedule.

ARTICLE 11

GOLF COURSE PROPERTY AS PUBLIC LAND

11.1 Credit for Golf Course Property. It is agreed and understood that the Golf Course Property, as defined in the Golf Course Agreement, shall be considered open space for purposes of the subdivision regulations of the City, and conveyance thereof by Owners to City pursuant to said Golf Course Agreement shall entitle Owners to a credit for such conveyance against any future requirement of land dedication and/or payment of cash in lieu thereof for subdivision and development of the Property. Provided, however, that this Article 11 is intended only to exempt Owners from further dedications of open space and land for schools or payment of cash in lieu thereof and shall not relieve Owners from dedication of rights-of-way, or streets and utility easements required in conjunction with future development of land by Owners in the City.

ARTICLE 12

CITY'S OBLIGATIONS

12.1 City's Obligations. In fulfillment of its obligations hereunder, the City shall:

(a) Cause its staff to timely approve or disapprove any written submittals by Owners of any plans, specifications, drawings, details or other pertinent data required in connection with any water line, sanitary sewer line, storm drainage, or other utility serving the Property, or any improvements within any dedicated rights-of-way of the Property. Any such disapproval shall set forth the items disapproved together with the reasons for such disapproval.

(b) Use its best efforts to secure, at Owners' expense, construction and maintenance agreements from governmental or private entities in order to allow Owners to fulfill their obligations under this Agreement and to proceed with the development of the Property.

(c) Cooperate with Owners in any filings, applications or other administrative procedures with governmental entities other than the City which are necessary to allow Owners to fulfill their obligations hereunder and to develop the Property.

(d) Provide police and other municipal services to the Property to the same extent as those services are provided by the City elsewhere throughout the City, pursuant to the City's general and uniformly applied policies.

(e) Not unreasonably withhold or delay its consent or approval when any consent or approval is required pursuant to the terms of this Agreement or otherwise in connection with the development of the Property.

ARTICLE 13 **MISCELLANEOUS**

13.1 Term of Agreement. The term of this Agreement shall be twenty (20) years from the Effective Date hereof.

13.2 Covenants. The provisions of this Agreement shall constitute covenants or servitudes which shall touch, attach to and run with the land comprising the Property, and the burdens and benefits of this Agreement shall bind and inure to the benefit of the Property, the Owners thereof, their heirs, successors and assigns.

13.3 Amendment of Agreement. This Agreement may be amended or terminated only by mutual consent in writing by the City and the Owners of the Property or any portion thereof affected by such amendment or termination, following the public notice and public hearing procedures required for the original approval and execution of this Agreement.

13.4 Remedies. The remedies provided in this Agreement are not exclusive. In addition to the remedies provided for herein, the parties hereto shall have all remedies in law or equity including, but not limited to, specific performance and damages. In the event of a breach or default by the City of this Agreement, Owners shall be entitled to recover from the City such damages and/or compensation as is provided for pursuant to C.R.S. § 24-68-105(1)(c) as of the Effective Date, together with any remedy otherwise available at law or in equity. Furthermore, in the event of a breach or default by either the City or the Owners of the terms or provisions of this Agreement or the Exhibits made a part hereof, the prevailing party in any litigation or arbitration shall be entitled to recover from the other party reasonable attorneys fees and costs.

13.5 Titles of Sections. The titles of the several articles and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

13.6 No Third-Party Beneficiary. No third-party beneficiary rights are created in favor of any person not a party to this Agreement. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the parties hereto, their heirs, successors and assigns, including successor owners of any lot(s) or an other portion(s) of the Property, and nothing contained in this Agreement shall give rise to or allow any claim or right of action hereunder by any other person or party. Notwithstanding the foregoing, it is expressly understood and agreed by the parties hereto that the right of the Owners to receive, and the obligation of the City to pay, any credits or reimbursements hereunder shall accrue exclusively to the original parties to this Agreement and to any statutorily empowered districts created by the Owners pursuant hereto, but to no others.

13.7 Venue. Venue for any action to enforce or interpret the terms of this Agreement shall be in the District Court of Adams County, Colorado.

13.8 Applicable Law. The laws of the State of Colorado shall govern the interpretation and enforcement of this Agreement.

13.9 Assignment. This Agreement shall be binding upon and shall inure to the benefit of the successors in interest or the legal representatives of the parties hereto. Owners shall have the right to assign or transfer all or any portion of its interests, rights or obligations under this Agreement to third parties acquiring an interest or estate in the Property, including, but not limited to, purchasers or long term ground lessees of individual lots, parcels, or of any improvements now or hereafter located upon or within the Property.

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

13.11 Entire Agreement. This Agreement, together with the Buffalo Hills Ranch PUD Zone Document, constitutes the entire understanding and agreement between the parties hereto with respect to the limited scope of the subject matters contained herein, and to that extent, replaces and supersedes the Entitlement Documents and any other prior understandings or agreements, written or oral, between the parties concerning the Property, EXCEPT FOR the provisions of the Golf Course Agreement, as referenced in Item 7, Recital A of this Agreement, to the extent that the provisions thereof are not inconsistent with this Agreement, and to that extent such provisions are deemed unmodified and are hereby ratified and affirmed, and shall remain in full force and effect in accordance with their terms.

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

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

THE CITY:

CITY OF COMMERCE CITY, COLORADO,
a Colorado municipal corporation

By: E.E. Casey Hayes
E.E. Casey Hayes, Mayor

ATTEST:

By: Judith D. Ridgely
Judith Ridgely, City Clerk

APPROVED AS TO FORM:

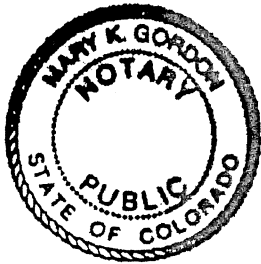
By: Robert R. Gehler
Robert R. Gehler, City Attorney

STATE OF COLORADO)
) ss.
COUNTY OF Adams)

The foregoing instrument was acknowledged before me this 19th day of November, 2001, by E.E. Casey Hayes, as Mayor, and attested to by Judith Ridgely, as City Clerk of the City of Commerce City, a Colorado municipal corporation.

Witness my hand and official seal.

My commission expires: March 13, 2004



My Commission Expires Mar. 13, 2004

Mary K. Gordon
Notary Public

OWNERS:

SHEA HOMES LIMITED PARTNERSHIP, a
California limited partnership, d/b/a SHEA
HOMES

By: J.F. Shea Co., Inc. a Nevada corporation,
its general partner

By: [Signature]
Its: Asst. Secretary

By: [Signature]
Its: Assistant Secretary

ATTEST:

Secretary

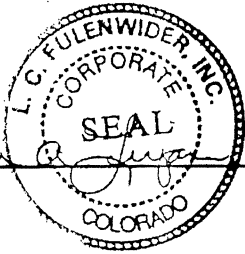
L.C. FULENWIDER, INC., a Colorado
corporation

By: [Signature]

Name: L. C. Fulenwider, III
Title: President

ATTEST:

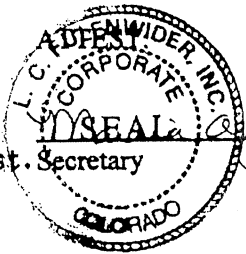
[Signature]
Asst. Secretary



DIBC BUFFALO HILLS RANCH, LLC, a
Colorado limited liability company

By: L. C. Fulenwider, Inc.
a Colorado Corporation

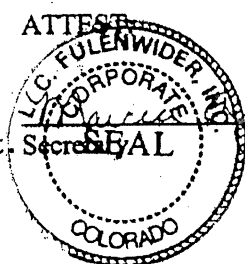
By: [Signature]
Name: L. C. Fulenwider, III
Title: President

Asst. Secretary [Signature]


DIBC 96th and POTOMAC, LLC, a Colorado
limited liability company

By: L. C. Fulenwider, Inc.,
a Colorado corporation

By: [Signature]
Name: L. C. Fulenwider, III
Title: President

Asst. Secretary [Signature]


FFP-DIA, LLC, a Colorado limited liability
company

By: [Signature]
Name: John E. Freyer
Title: Manager

ATTEST: WITNESS:

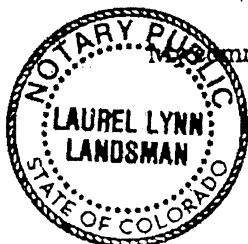
[Signature]
Secretary

ⓈJ.F. Shea Co., Inc., a Nevada corporation,
general partner of

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 7th day of December, 2001, by Jeffrey D. Willis as Assistant Secretary of SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership, d/b/a SHEA HOMES.

Witness my hand and official seal.



My commission expires: 9-30-2002

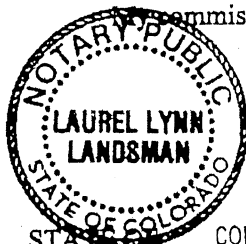
Laurel Lynn Landsman
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

ⓈJ.F. Shea Co., Inc., a Nevada corporation,
general partner of

The foregoing instrument was acknowledged before me this 7th day of December, 2001, by Jeffrey H. Donelson as Assistant Secretary of SHEA HOMES LIMITED PARTNERSHIP, a California limited partnership, d/b/a SHEA HOMES.

Witness my hand and official seal.



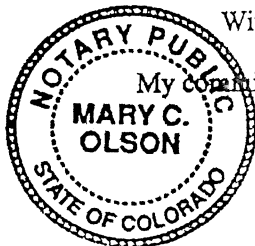
My commission expires: 9-30-2002

Laurel Lynn Landsman
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 11th day of December, 2001, by L. C. Fulenwider, II as President of L.C. FULENWIDER, INC., a Colorado corporation.

Witness my hand and official seal.



My commission expires: 9/22/05

Mary C. Olson
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 11th day of December, 2001, by L. C. Fulenwider, III as President, of L. C. / of DIBC BUFFALO HILLS RANCH, LLC, a Colorado limited liability company. Fulenwider, Inc., as Managing Member

Witness my hand and official seal.

My commission expires: 9/22/05



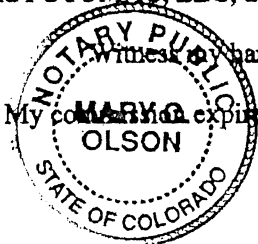
Mary C. Olson
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 11th day of December, 2001, by L. C. Fulenwider, III as President of L. C. / of DIBC 96th and POTOMAC, LLC, a Colorado limited liability company. Fulenwider, Inc., as Managing Member

Witness my hand and official seal.

My commission expires: 9/22/05

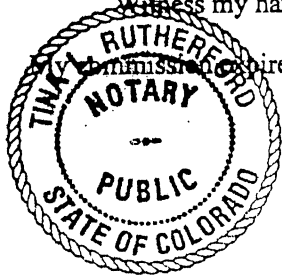


Mary C. Olson
Notary Public

STATE OF Colorado)
City and) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 17 day of December, 2001, by John E. Freyer as Manager of FFP-DIA, LLC, a Colorado limited liability company.

Witness my hand and official seal.



Commission Expires: 3-19-2003

Tina L. Rutherford
Notary Public

EXHIBIT A
Buffalo Hills Ranch PUD Zone Document and Legal Description of Property

Filed for record in the office of the Adams County Clerk and Recorder, in
the State of Colorado, on the 27th day of October, 2000;
Reception No. CO725646
PUD No. 3262