

**CASTLE HIGHLANDS FILING NO. 2
SUBDIVISION IMPROVEMENTS AGREEMENT**

DC01019901

DATE: October 26, 2000.

PARTIES: **TOWN OF CASTLE ROCK**, a Colorado municipal corporation ("Town"),
100 Wilcox Street, Castle Rock, Colorado 80104. 26
136

CASTLE ROCK EQUITIES, L.L.C., a Colorado limited liability company,
and **CHARLOTTE HARBOR DEVELOPMENT, LLC**, a Colorado limited
liability company, 288 Clayton Street, #301, Denver, Colorado 80206.

RECITALS:

A. Subdivider desires to plat and subdivide certain property as Castle Highlands Filing No. 2 (the "Subdivision"), more particularly described in the attached **Exhibit 1** (the "Property").

B. The subdivision regulations of the Castle Rock Municipal Code require that the Subdivider construct the public improvements necessary to provide municipal utilities and services to the Subdivision in accordance with Town public works regulations. By this Agreement, the parties address the conditions for construction of such improvements and certain other issues concerning development of the Subdivision.

C. This Agreement is intended to protect the Town from any liability or cost which may result from the failure of the Subdivider to complete construction of such public improvements to Town standards. This Agreement is not made for the benefit of any other party and no representation is made by Town to any owner of a lot or tract within the Subdivision that all necessary Subdivision infrastructure will be completed by the Town in the event of a default by Subdivider.

COVENANTS:

NOW, THEREFORE, in consideration of these mutual promises, the parties agree and covenant as follows:

Section 1. Definitions. The following words when capitalized in the text shall have the meanings indicated:

Agreement: this Castle Highlands Filing No. 2 Subdivision Improvement Agreement.

Code: the Castle Rock Municipal Code, as amended.

Development Agreement: the Annexation and Development Contract between the Town and Resource Exploration and Mining, Inc. (Castle Highlands Annexation) recorded on December 12, 1984 at Reception No. 342930, beginning in Book 553 at Page 332 of the Records.

Director: the Town's Director of Public Works, or his designee.

Filing 1: the property platted as Castle Highlands Filing No. 1, recorded at Reception No. 961293 of the Records.

Final Plat: the final subdivision plat for the Subdivision as approved by the Town.

Final Site Plan: the final site plan for the Subdivision as approved by the Town.

Improvements: the water, wastewater, stormwater drainage, transportation, park and recreation, landscaping or other systems or infrastructure required to serve the Subdivision as identified and described in the Plans (whether on-site or off-site), which upon their completion are to be dedicated to the Town for operation and maintenance by the Town, but excluding the Wolf Rd Work.

Landscaping: the Landscaping required and/or prescribed under the Final Site Plan or applicable subdivision and zoning regulations.

Phase: the distinct development zones of the Subdivision, designated as Phases on the Phasing Plan.

Phase Improvements: those Improvements required to be constructed with a particular Phase (or if applicable, the sub-Phase), as prescribed in the Phasing Plan, but excluding Landscaping.

Phase Landscaping: the Landscaping required to be installed with a particular Phase (or if applicable, the sub-Phase).

Phasing Plan: the Phasing Plan attached as *Exhibit 2* which lists those Improvements which must be constructed with each designated Phase and certain Improvements which are common to the Subdivision and Filing 1, and which must be constructed to serve the Subdivision if development of the Subdivision should precede the development of Filing 1.

Plans: the description of the Improvements on the Preliminary Plat, Phasing Plan and related documents as modified and supplemented by approved construction plans and drawings, together with the Landscaping Plan approved with the Final Site Plan.

Preliminary Plat: the Castle Highlands preliminary subdivision plat approved by the

Town.

Property: the property described in the attached *Exhibit 1*.

Records: the public records of Douglas County, Colorado maintained by the Clerk and Recorder.

Subdivision: Castle Highlands Filing No. 2.

Town Regulations: the Code, inclusive of the Town public works regulations, as the same may be amended from time to time.

Wolf Rd Work: the improvements to Wolfensberger Road described in the Plans.

Certain other terms are defined elsewhere in this Agreement. Section references are to the numbered sections of this Agreement.

Section 2. Construction of Improvements. The Improvements shall be constructed in strict accordance with the Plans, or to the extent not otherwise provided in the Plans, in accordance with applicable Town ordinances, rules and regulations. The Improvements may be constructed by Phase, in accordance with the applicable Phasing Plan, if any, and section 8. If so approved by the Director, a sub-Phasing plan may be implemented such that Phase Improvements are developed only as necessary to service specific sub-Phases. The Phasing Plan is based on the sequential development of the Phases in the order listed on the Phasing Plan.

In the event Subdivider has not obtained all necessary Town permits and approvals and commenced construction of one or more of the Improvements within one year of the date of recordation of this Agreement, the Town's approval of the Subdivision shall lapse. As a condition to commencement of construction of any of the Improvements thereafter, Subdivider shall demonstrate to the Town Council good cause for the delay and its good faith intention and financial ability to proceed and complete development of the Subdivision; provided that Subdivider shall not be required to resubmit a land use application for the Subdivision

Phase Improvements must be completed not later than one year after the date of issuance of the first public works permit for such Phase, provided that the completion date may be extended by the Director for up to 6 months if justified due to adverse weather, material unavailability, or other unanticipated and unavoidable circumstances beyond the control of Subdivider, as determined by the Director.

The requirements for completion of Landscaping are contained in section 7.

Section 3. Restrictions Pending Completion of Improvements. No building permits shall be issued by Town within any Phase until the Phase Improvements are

substantially completed, except when authorized by the Director, as further provided in this section. Substantial completion occurs when the Improvement is functional and operable in all material respects, although not completed to the standard required for formal acceptance by the Town for operation and maintenance. No certificates of occupancy shall be issued for structures within a Phase unless the Phase Improvements have been accepted by the Town as provided in section 4.

The Director, in his/her absolute discretion, may authorize issuance of one or more designated building permits prior to substantial completion, if unusual and unanticipated circumstances warrant granting a relaxation of the substantial completion requirement. In such event, the Director may impose the condition that all work must cease under such building permit if the Phase Improvements are not substantially completed by the date specified in the permit. Unless the underlying Security is a cash escrow, or letter of credit, Subdivider shall establish a cash escrow in the amount of 115% of the estimated cost of completion of the Phase Improvements, which escrow shall be supplemental to the underlying Security. In no event shall the Director authorize the issuance of a building permit unless there is adequate emergency access to the site and the water system is completed sufficiently to provide adequate fire flows for fire protection.

The requirements for completion of Landscaping are contained in section 7.

Section 4. Acceptance of Improvements. Upon substantial completion of the Phase Improvements, Subdivider may request inspection. Town shall make inspection within five (5) working days of the date Subdivider requests final inspection, and Town shall notify Subdivider of non-conforming work within five (5) working days after the inspection is made. Subdivider shall have 30 days from the date of receipt of Town's inspection report to remedy the non-conforming work unless the remedial work is delayed due to weather conditions, in which event the work shall be completed as soon as reasonably feasible thereafter.

With cure of non-conforming work, receipt of as-built plans and initial acceptance of the Phase Improvements by Town, Subdivider shall promptly convey its interest in the Phase Improvements by document in the form attached as *Exhibit 3*. With conveyance of the Phase Improvements, the applicable warranty period commences.

The acceptance process for Landscaping is addressed in section 7.

Section 5. Responsibility for Improvement Construction. Subdivider shall be obligated to perform the covenants of Subdivider under this Agreement, unless the obligations with respect to certain off-site Improvements are undertaken by the developer of Filing 1 (the "Filing 1 Improvements"). Subdivider acknowledges that Town's obligation to issue development approvals within the Subdivision is dependent on the timely construction of the Filing 1 Improvements, and in the event the Filing 1 Improvements are not completed by others, the restrictions on development approvals under section 3 shall be applicable, even though Subdivider is not in default of this Agreement.

Section 6. Improvements Security. In accordance with Town Regulations, Subdivider shall provide Town with a letter of credit, cash escrow deposit or performance bond approved by the Town Attorney in the amount of 115% of the estimated construction cost of the Phase Improvements (the "Security"). The Security for each respective Phase shall be delivered to Town prior to and as a condition of the issuance of the first public works permit within such Phase. All construction cost estimates shall be submitted by Subdivider's registered civil engineer and reviewed and approved by the Town's engineering division, which cost estimates shall be used to estimate the Security requirement. Subdivider shall have the right to substitute permitted equivalent Security from a homebuilder for the Security provided by the Subdivider.

The purpose of the Security is to provide Town with the financial resources to mitigate any public health and safety hazards and/or regrade and revegetate the Property and/or complete construction or installation of any of the Phase Improvements, should Subdivider default in its obligation to complete the Phase Improvements (the "Remedial Work"). The Town retains the absolute discretion to determine what Remedial Work, if any, is undertaken by Town on the Phase Improvements, in the event of such default. Any portion of the Security not utilized in the Remedial Work shall be returned to the obligor on the Security, or in the event a letter of credit or cash escrow is furnished by Subdivider, to Subdivider.

With Town's initial acceptance of the Phase Improvements, the Security shall be reduced to 15% of the actual construction cost of the Phase Improvements in accordance with Town Regulations. The warranty portion of the Security shall be released as authorized in the Town Regulations. The release of the Security applicable to Landscaping is subject to the further restrictions and requirements of section 7.

Section 7. Landscaping. Subdivider shall make best efforts to complete all Phase Landscaping in conjunction with completion of the Phase Improvements as provided in section 2. Inspection of Phase Landscaping by the Town shall be made in the same manner as prescribed for Phase Improvements under section 4.

With Town's acceptance of the Phase Landscaping concurrently with the Phase Improvements, the Security pertaining to the Phase Landscaping shall be reduced to 15% of the actual cost of the Phase Landscaping. In such event, the warranty Security pertaining to the Phase Landscaping shall be released in accordance with Town Regulations.

In the event that at the time the Town accepts the Phase Improvements the Phase Landscaping is not sufficiently completed to allow the Town's acceptance, the following provisions shall apply:

- (a) Subdivider shall make a cash deposit to the Town in the amount of 115% of the estimated completion cost of the Phase Landscaping to be held by Town

as security for completion of the Phase Landscaping (the "Landscape Deposit");

- (b) the amount of the Landscape Deposit shall be determined by the Town after review of the cost estimate of completion furnished by the Subdivider's landscape architect or contractor;
- (c) the Landscape Deposit must be made prior to and as a condition of the issuance of the first building permit within the Phase;
- (d) upon receipt of the Landscape Deposit the Town will release that portion of the Security applicable to the Phase Landscaping.
- (e) the Landscape Deposit shall not accrue interest;
- (f) Subdivider shall have 180 days from the date the Landscape Deposit is deposited with the Town to complete the Phase Landscaping;
- (g) within 10 days of completion of the Phase Landscaping and acceptance by the Town, Town shall return to Subdivider the Landscape Deposit, less a 15% warranty hold-back and the applicable warranty on the Phase Landscaping shall commence;
- (h) if at the end of such 180 day period the Phase Landscaping has not been completed and accepted by Town, Town may use the Landscape Deposit to the extent necessary to complete the Phase Landscaping, and/or make the Landscape Deposit available to the owner of the Private Landscaping to complete the Private Landscaping, provided Town will not be obligated to spend any Town funds to complete the Phase Landscaping in the event the Landscape Deposit is insufficient to fund completion;
- (i) Town shall promptly return to Subdivider any portion of the Landscape Deposit which remains after the Town has completed the Phase Landscaping, less a 15% hold-back for the warranty period;
- (j) the Landscape Deposit held for the warranty shall promptly be released to Subdivider upon expiration of the Landscaping warranty and Town's final acceptance of the Landscaping.

Section 8. Transportation Improvements. In lieu of the Subdivision participating in a special assessment district as contemplated by 20.2 of the Development Agreement, the Subdivider shall fund the Wolf Rd Work as provided in this section. The Town intends to undertake the Wolf Rd Work in conjunction with the development of the Subdivision. Concurrently with issuance of the first public works permit for the

Improvements, Subdivider shall pay into an escrow account for the benefit of the Town, the sum of \$190,912.02 (the "Escrow Funds") for the benefit of the Town, which amount represents the estimated cost of construction of the Wolf Rd Work, based upon the engineer's construction cost estimate by the Subdivider and approved by the Town, attached as **Exhibit 4**. The escrow account shall be maintained at an institution designated by the Town. The Escrow Funds (together with all accrued interest) shall be disbursed to the Town concurrently with the Town's approval of the construction contract for the Wolf Rd Work, or September, 2002, whichever date occurs first. With the deposit of the Escrow Funds, Subdivider is released from any obligation to construct or fund improvements to Wolfensberger Road under the Development Agreement or Town Regulations.

The Subdivision's proportionate share of the cost of the eventual signalization of the Wolfensberger Road/Auburn Drive/Red Hawk Drive intersection was paid by the Filing 1 Subdivider and therefore no additional payment is required for the Subdivision. Town shall determine when the intersection is signalized, based on traffic warrants.

Subdivider shall have no obligation to make a direct financial payment to Town as provided in 20.2 of the Development Agreement, and Town shall collect the street oversizing (transportation) fees from development in the Subdivision. Consequently, 20.2 of the Development Agreement is superceded by this Agreement insofar as the Development Agreement affects the Subdivision. Except as provided in this section 8 and the obligation to pay the transportation fee imposed through the Town Regulations, the Subdivision shall have no obligation to construct or finance the construction of offsite transportation improvements of any nature.

Section 9. Oversizing. At any time before approval of final utility construction plans, but not thereafter, Town may request that Subdivider oversize certain water transmission mains from 12-inches to 15-inches and certain wastewater mains from 12-inches to 15-inches to serve other properties outside the Subdivision. If such oversizing is completed by Subdivider, Town shall reimburse Owner in an amount equal to the difference in the bid price between the smaller and larger line(s) at the time of acceptance by Town for maintenance of these improvements.

Section 10. Water Supply. The Property is subject to the Castle Highlands Water Rights Dedication Agreement dated April 13, 1995, recorded at Reception no. 9527711 in the public records of Douglas County, Colorado (the "Water Agreement"). 146 SFE of the "Water Credit" under the Water Agreement have been applied to meet the water supply requirements for the Subdivision, (the "Subdivision Water Credit"). Town shall not require additional water rights or water resources as a condition to issuance of land use approvals within the Subdivision, so long as the aggregate water demand from development does not exceed the Subdivision Water Credit. To the extent that the water demand created by development on the Property (computed in accordance with the Water Agreement), exceeds the Subdivision Water Credit, additional entitlements under the Water Agreement must be allocated to the Property and/or Subdivider must provide additional water resources in accordance with

chapter 4.04 of the Castle Rock Municipal Code, sufficient to meet the demand in excess of the initial Subdivision Water Credit. Absent compliance with this section, Town may withhold development approvals on the Property for any proposed use, which, after taking into account all previous development within the Subdivision, will create an aggregate water demand in excess of the Subdivision Water Credit (as the same may be subsequently increased in accordance with this section). Should the Subdivision Water Credit not be fully utilized after full development of the Subdivision, the remaining SFE shall revert to the Castle Highlands Water Bank (as that term is defined in the Water Agreement.)

Section 11. Disclosure to Purchaser. Subdivider shall make the following disclosure in any contract for conveyance of any portion of the Property (excluding the sale of a lot to a retail purchaser)

Development of this Property is subject to the Castle Highlands Filing No. 2 Subdivision Improvements Agreement with the Town of Castle Rock. Issuance of development approvals by the Town for your property may be dependent on the completion of certain off-site public improvements by Seller or other parties. Although the Town requires that financial security be provided for construction of public improvements in this subdivision, the Town may not have the financial, legal or practical ability to complete construction of public improvements in the event of a default by the responsible party. The Town regulations and the Subdivision Improvements Agreement address only municipally-owned utilities and therefore the provision of other public utilities such as electricity, natural gas and cable television are governed exclusively by separate contracts, with such utilities over which the Town exercises no control.

Section 12. Application of Development Agreement. The Development Agreement contains certain other conditions and requirements which may, by its terms, apply to the development of the Property. Provided however, with respect to the Subdivision only, all development and financial obligations under the Development Agreement, which are conditions to development approvals on the Subdivision, are set forth in this Agreement Except as expressly modified by this Agreement, the provisions in the Development Agreement shall remain in force and effect. In the event of a conflict between the Development Agreement and this Agreement, this Agreement shall govern and control.

Section 13. No Other Obligations. All land dedications and/or cash-in-lieu payments for land dedication required in connection with the development of the Subdivision, have been made. All public improvements required for the development of the Subdivision, excluding the Improvements and the Wolf Rd Work have been fully completed, or will be completed by the Town or third parties.

Section 14. Default. The following occurrences constitute a default of this Agreement:

- (a) failure to commence or complete construction of the Phase Improvements within the time periods prescribed in this Agreement;
- (b) failure to cure the defective construction or installation of any Phase Improvement within the applicable cure period;
- (c) failure to perform work on the Phase Improvements required by this Agreement within the Subdivision for a period of more than 90 consecutive days except when such delay is due to adverse weather, material unavailability, or other circumstances beyond the control of Subdivider;
- (d) Subdivider's insolvency, the appointment of a receiver for the Subdivider or the filing of a voluntary or involuntary petition in bankruptcy respecting the Subdivider;
- (e) Subdivider has breached, or caused a breach of any other provision of this Agreement.

As a condition to Town's right to exercise its remedies for default, Town shall give written notice to Subdivider of the occurrence of an event of default. Subdivider shall have 30 calendar days from the receipt of such notice to cure the default, unless such cure is necessarily delayed to adverse weather conditions in which event the cure period shall be extended by a number of days equal to the number of days of the unavoidable delay. If timely cure of the noticed default(s) is not accomplished, Town shall thereafter be entitled to pursue its remedies against Subdivider.

Section 15. Town's Rights Upon Default. When any event of default occurs and has not been timely cured, the Town may:

- (a) if the applicable Phase Improvements have not been timely completed, call the Security in accordance with its terms, and apply the Security for the Remedial Work. Subdivider grants to Town and, if applicable, the surety, and their employees, agents and contractors, a non-exclusive right and easement to enter onto the Property after an uncured default for the purpose of undertaking the Remedial Work;
- (b) if Phase Improvements have not been timely completed, withhold issuance of building permits within the affected Phase;
- (d) record a notice of non-compliance with this Agreement in the public records to provide record notice of the default, which notice shall promptly be released by Town upon cure of the default; and

- (e) bring suit against the defaulting party for money damages and/or equitable relief for breach of the Agreement.

Section 16. Indemnification. Subdivider indemnifies and holds the Town harmless from and against all claims, costs and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the construction or repair of the Improvements by Subdivider; provided however such indemnity shall only extend to claims for injury or damage occurring prior to the date of final acceptance of the Improvements by the Town.

Section 17. No Waiver. No waiver of any provision of this Agreement will be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both Town and Subdivider, nor will the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults of the same type. The Town's failure to exercise any right under this Agreement will not constitute the approval of any wrongful act by the Subdivider or the acceptance of any Improvement.

Section 18. Attorney's Fees. Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If the court awards relief to both parties, each will bear its own costs in their entirety.

Section 19. Notice. Any notice required or permitted by this Agreement will be deemed effective when personally delivered in writing or by facsimile, or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified, and return receipt requested, and addressed as follows:

if to Subdivider: Castle Rock Equities, LLC
 Charlotte Harbor Development, LLC
 288 Clayton Street, Suite 301
 Denver, CO 80206

if to Town: Town of Castle Rock
 Attn: Town Attorney
 100 Wilcox Street
 Castle Rock, CO 80104

Section 20. Recordation and Binding Effect. This Agreement shall be recorded with the Clerk and Recorder's Office of Douglas County, Colorado and shall be binding upon the assigns, successors, and grantees of Subdivider in the same manner as if such third parties were signatories to this Agreement.

Section 21. Immunity. Nothing contained in this Agreement constitutes a waiver of

SUBDIVIDERS:

CASTLE ROCK EQUITIES, L.L.C.

By: Sam N. Perry

Its: Member

STATE OF COLORADO)

COUNTY OF Douglas) ss.

The foregoing instrument was acknowledged before me this 8TH day of March, 2001, by Sam N. Perry as member for Castle Rock Equities, LLC.

Witness my official hand and seal.

My Commission expires: 9-21-03.

J. L. King
Notary Public

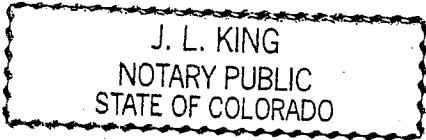


Exhibit 1

LEGAL DESCRIPTION

A PART OF THE SOUTH ONE-HALF OF SECTION 3 AND THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO.

BASIS OF BEARINGS:

THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE CENTER NORTH ONE-SIXTEENTH CORNER OF SAID SECTION 10 BY A 3 1/2" ALUMINUM SURVEYOR'S CAP, L.S. 12046 AND AT THE NORTH ONE-SIXTEENTH CORNER OF SECTION 9 AND 10 BY A 3 1/2" ALUMINUM SURVEYOR'S CAP, L.S. 12046, IS CONSIDERED TO BEAR SOUTH 89 DEGREES 44 MINUTES 08 SECONDS WEST WITH ALL BEARINGS HEREIN RELATIVE THERETO.

PARCEL 1:

COMMENCING AT THE CENTER NORTH ONE-SIXTEENTH CORNER OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN; THENCE SOUTH 89 DEGREES 44 MINUTES 08 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 10, A DISTANCE OF 1614.82 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89 DEGREES 44 MINUTES 08 SECONDS WEST ALONG SAID SOUTH LINE A DISTANCE OF 398.80 FEET, TO A POINT ON THE WESTERLY LINE OF CASTLE HIGHLANDS ANNEXATION AS RECORDED UNDER RECEPTION NO. 342923, DOUGLAS COUNTY, COLORADO;

THENCE THE FOLLOWING FOUR (4) COURSES ALONG SAID WESTERLY LINE OF CASTLE HIGHLANDS ANNEXATION:

1. NORTH 23 DEGREES 57 MINUTES 41 SECONDS WEST, A DISTANCE OF 608.07 FEET;
2. NORTH 62 DEGREES 56 MINUTES 41 SECONDS WEST, A DISTANCE OF 355.56 FEET;
3. NORTH 36 DEGREES 47 MINUTES 28 SECONDS EAST, A DISTANCE OF 96.18 FEET;
4. NORTH 41 DEGREES 36 MINUTES 17 SECONDS EAST, A DISTANCE OF 56.49 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY OF COACHLINE ROAD AS PLATTED IN CASTLE HIGHLANDS FILING NO. 1, RECORDED UNDER RECEPTION NO. 961293, DOUGLAS COUNTY, COLORADO;

THENCE THE FOLLOWING SEVEN (7) COURSES ALONG SAID SOUTHERLY RIGHT OF WAY OF COACHLINE ROAD;

1. NORTH 86 DEGREES 36 MINUTES 17 SECONDS EAST, A DISTANCE OF 48.08 FEET;
2. SOUTH 48 DEGREES 23 MINUTES 43 SECONDS EAST, A DISTANCE OF 104.04 FEET TO A POINT OF CURVE;
3. ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 650.00 FEET, A CENTRAL ANGLE OF 38 DEGREES 18 MINUTES 33 SECONDS AND AN ARC LENGTH OF 434.61 FEET TO A POINT OF TANGENCY;
4. SOUTH 86 DEGREES 42 MINUTES 16 SECONDS EAST, A DISTANCE OF 107.14 FEET TO A POINT OF CURVE;
5. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 550.00 FEET, A CENTRAL ANGLE OF 23 DEGREES 50 MINUTES 28 SECONDS AND AN ARC LENGTH OF 228.86

LEGAL DESCRIPTION

FEET TO A POINT OF TANGENCY;

6. SOUTH 62 DEGREES 51 MINUTES 48 SECONDS EAST, A DISTANCE OF 116.11 FEET TO A POINT OF CURVE;

7. ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 650.00 FEET, A CENTRAL ANGLE OF 06 DEGREES 04 MINUTES 54 SECONDS AND AN ARC LENGTH OF 69.00 FEET TO THE NORTHWESTERLY CORNER OF TRACT A OF SAID CASTLE HIGHLANDS FILING NO. 1 TO A POINT ON CURVE;

THENCE THE FOLLOWING TWO (2) COURSES ALONG SAID WESTERLY LINE OF TRACT A:

1. SOUTH 14 DEGREES 43 MINUTES 44 SECONDS WEST, A DISTANCE OF 328.04 FEET;
2. SOUTH 23 DEGREES 35 MINUTES 46 SECONDS WEST, A DISTANCE OF 154.43 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

COMMENCING AT THE CENTER NORTH ONE-SIXTEENTH CORNER OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN; THENCE NORTH 43 DEGREES 37 MINUTES 56 SECONDS WEST A DISTANCE OF 329.96 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF AUBURN DRIVE AS PLATTED IN CASTLE HIGHLANDS FILING NO. 1, RECORDED UNDER RECEPTION NO. 961293, DOUGLAS COUNTY, COLORADO, BEING THE POINT OF BEGINNING;

THENCE THE FOLLOWING ELEVEN (11) COURSES ALONG THE NORTHERLY RIGHT OF WAY OF COACHLINE ROAD AS PLATTED IN SAID CASTLE HIGHLANDS FILING NO. 1:

1. ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS SOUTH 43 DEGREES 59 MINUTES 59 SECONDS WEST, HAVING A RADIUS OF 750.00 FEET, A CENTRAL ANGLE OF 06 DEGREES 00 MINUTES 58 SECONDS AND AN ARC LENGTH OF 78.75 FEET TO A POINT OF TANGENCY;

2. NORTH 52 DEGREES 00 MINUTES 59 SECONDS WEST A DISTANCE OF 220.34 FEET TO A POINT OF CURVE;

3. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 650.00 FEET, A CENTRAL ANGLE OF 51 DEGREES 22 MINUTES 41 SECONDS AND AN ARC LENGTH OF 582.87 FEET TO A POINT OF TANGENCY;

4. SOUTH 76 DEGREES 36 MINUTES 19 SECONDS WEST A DISTANCE OF 100.00 FEET TO A POINT OF CURVE;

5. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 550.00 FEET, A CENTRAL ANGLE OF 40 DEGREES 31 MINUTES 53 SECONDS AND AN ARC LENGTH OF 389.07 FEET TO A POINT OF TANGENCY;

6. NORTH 62 DEGREES 51 MINUTES 48 SECONDS WEST A DISTANCE OF 116.11 FEET TO A POINT OF CURVE;

7. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 650.00 FEET, A CENTRAL ANGLE OF 23 DEGREES 50 MINUTES 28 SECONDS AND AN ARC LENGTH OF 270.47

LEGAL DESCRIPTION

FEET TO A POINT OF TANGENCY;

8. NORTH 86 DEGREES 42 MINUTES 16 SECONDS WEST A DISTANCE OF 107.14 FEET TO A POINT OF CURVE;

9. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 550.00 FEET, A CENTRAL ANGLE OF 38 DEGREES 18 MINUTES 33 SECONDS AND AN ARC LENGTH OF 367.74 FEET TO A POINT OF TANGENCY;

10. NORTH 48 DEGREES 23 MINUTES 43 SECONDS WEST A DISTANCE OF 104.04 FEET;

11. NORTH 03 DEGREES 23 MINUTES 43 SECONDS WEST A DISTANCE OF 48.08 FEET TO THE SOUTHEASTERLY RIGHT OF WAY OF WOLFENSBERGER ROAD, BEING THE NORTHWESTERLY LINE OF CASTLE HIGHLANDS ANNEXATION AS RECORDED UNDER RECEPTION NO. 342923, DOUGLAS COUNTY, COLORADO;

THENCE THE FOLLOWING SEVENTEEN (17) COURSES ALONG SAID NORTHWESTERLY LINE OF SAID CASTLE HIGHLANDS ANNEXATION:

1. NORTH 41 DEGREES 36 MINUTES 17 SECONDS EAST A DISTANCE OF 143.67 FEET;
2. NORTH 45 DEGREES 47 MINUTES 36 SECONDS EAST A DISTANCE OF 140.94 FEET;
3. NORTH 55 DEGREES 40 MINUTES 17 SECONDS EAST A DISTANCE OF 232.72 FEET;
4. NORTH 57 DEGREES 19 MINUTES 46 SECONDS EAST A DISTANCE OF 45.16 FEET;
5. NORTH 60 DEGREES 31 MINUTES 55 SECONDS EAST A DISTANCE OF 406.98 FEET;
6. NORTH 53 DEGREES 12 MINUTES 57 SECONDS EAST A DISTANCE OF 229.88 FEET;
7. NORTH 52 DEGREES 45 MINUTES 13 SECONDS EAST A DISTANCE OF 124.82 FEET;
8. SOUTH 36 DEGREES 52 MINUTES 41 SECONDS EAST A DISTANCE OF 205.21 FEET;
9. NORTH 53 DEGREES 07 MINUTES 19 SECONDS EAST A DISTANCE OF 396.00 FEET;
10. SOUTH 36 DEGREES 52 MINUTES 41 SECONDS EAST A DISTANCE OF 120.00 FEET;
11. NORTH 53 DEGREES 07 MINUTES 19 SECONDS EAST A DISTANCE OF 90.00 FEET;
12. NORTH 36 DEGREES 52 MINUTES 41 SECONDS WEST A DISTANCE OF 340.00 FEET;
13. NORTH 53 DEGREES 06 MINUTES 52 SECONDS EAST A DISTANCE OF 30.00 FEET;
14. SOUTH 36 DEGREES 52 MINUTES 41 SECONDS EAST A DISTANCE OF 340.00 FEET;
15. NORTH 53 DEGREES 07 MINUTES 19 SECONDS EAST A DISTANCE OF 440.00 FEET;
16. SOUTH 37 DEGREES 04 MINUTES 38 SECONDS EAST A DISTANCE OF 43.81 FEET;

LEGAL DESCRIPTION

17. SOUTH 89 DEGREES 57 MINUTES 19 SECONDS EAST A DISTANCE OF 93.74 FEET;

THENCE THE FOLLOWING EIGHT (8) COURSES:

1. SOUTH 53 DEGREES 07 MINUTES 19 SECONDS WEST A DISTANCE OF 635.08 FEET;
2. SOUTH 36 DEGREES 52 MINUTES 41 SECONDS EAST A DISTANCE OF 139.37 FEET;
3. NORTH 70 DEGREES 08 MINUTES 15 SECONDS EAST A DISTANCE OF 166.39 FEET;
4. NORTH 62 DEGREES 27 MINUTES 49 SECONDS EAST A DISTANCE OF 122.08 FEET;
5. SOUTH 77 DEGREES 18 MINUTES 27 SECONDS EAST A DISTANCE OF 104.20 FEET;
6. SOUTH 66 DEGREES 00 MINUTES 19 SECONDS EAST A DISTANCE OF 61.29 FEET;
7. SOUTH 77 DEGREES 45 MINUTES 36 SECONDS EAST A DISTANCE OF 120.00 FEET;
8. SOUTH 68 DEGREES 12 MINUTES 13 SECONDS EAST A DISTANCE OF 77.26 FEET TO A POINT ON CURVE ON THE WESTERLY RIGHT OF WAY OF AUBURN DRIVE AS PLATTED IN SAID CASTLE HIGHLANDS FILING NO. 1;

THENCE THE FOLLOWING SIX (6) COURSES ALONG SAID WESTERLY RIGHT OF WAY:

1. ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS SOUTH 69 DEGREES 17 MINUTES 43 SECONDS EAST, HAVING A RADIUS OF 830.00 FEET, A CENTRAL ANGLE OF 21 DEGREES 13 MINUTES 50 SECONDS AND AN ARC LENGTH OF 307.55 FEET TO A POINT OF TANGENCY;
2. SOUTH 00 DEGREES 31 MINUTES 33 SECONDS EAST A DISTANCE OF 484.43 FEET TO A POINT OF CURVE;
3. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 970.00 FEET, A CENTRAL ANGLE OF 03 DEGREES 46 MINUTES 45 SECONDS AND AN ARC LENGTH OF 63.98 FEET TO A POINT OF TANGENCY;
4. SOUTH 03 DEGREES 15 MINUTES 12 SECONDS WEST A DISTANCE OF 210.49 FEET TO A POINT OF CURVE;
5. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 370.00 FEET, A CENTRAL ANGLE OF 39 DEGREES 44 MINUTES 31 SECONDS AND AN ARC LENGTH OF 256.64 FEET TO A POINT ON CURVE;
6. NORTH 79 DEGREES 48 MINUTES 53 SECONDS WEST A DISTANCE OF 27.68 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

LEGAL DESCRIPTION

COMMENCING AT THE CENTER NORTH ONE-SIXTEENTH CORNER OF SECTION 10, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, SAID POINT BEING THE POINT OF BEGINNING.

THENCE SOUTH 89 DEGREES 44 MINUTES 08 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTH ONE-HALF OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 10, A DISTANCE OF 61.47 FEET TO THE NORTHEASTERLY RIGHT OF WAY OF COACHLINE ROAD AS PLATTED IN CASTLE HIGHLANDS FILING NO. 1, RECORDED UNDER RECEPTION NO. 961293, DOUGLAS COUNTY, COLORADO;

THENCE ALONG SAID NORTHEASTERLY RIGHT OF WAY, ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS SOUTH 66 DEGREES 23 MINUTES 18 SECONDS WEST, HAVING A RADIUS OF 750.00 FEET, A CENTRAL ANGLE OF 14 DEGREES 25 MINUTES 12 SECONDS AND AN ARC LENGTH OF 188.76 FEET TO A POINT ON CURVE ON THE EASTERLY RIGHT OF WAY OF AUBURN DRIVE AS PLATTED IN SAID CASTLE HIGHLANDS FILING NO. 1;

THENCE THE FOLLOWING SIX (6) COURSES ALONG SAID EASTERLY RIGHT OF WAY OF AUBURN DRIVE:

1. NORTH 10 DEGREES 30 MINUTES 08 SECONDS WEST, A DISTANCE OF 25.70 FEET TO A POINT ON CURVE;
2. ALONG THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS NORTH 45 DEGREES 50 MINUTES 07 SECONDS WEST, HAVING A RADIUS OF 430.00 FEET, A CENTRAL ANGLE OF 40 DEGREES 54 MINUTES 41 SECONDS AND AN ARC LENGTH OF 307.04 FEET TO A POINT OF TANGENCY;
3. NORTH 03 DEGREES 15 MINUTES 12 SECONDS EAST, A DISTANCE OF 210.49 FEET TO A POINT OF CURVE;
4. ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1030.00 FEET, A CENTRAL ANGLE OF 03 DEGREES 46 MINUTES 45 SECONDS AND AN ARC LENGTH OF 67.94 FEET TO A POINT OF TANGENCY;
5. NORTH 00 DEGREES 31 MINUTES 33 SECONDS WEST, A DISTANCE OF 484.43 FEET TO A POINT OF CURVE;
6. ALONG THE ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 770.00 FEET, A CENTRAL ANGLE OF 07 DEGREES 36 MINUTES 03 SECONDS AND AN ARC LENGTH OF 102.15 FEET TO A POINT ON CURVE ON THE NORTH LINE OF THE NORTHWEST ONE-QUARTER OF SAID SECTION 10;

THENCE SOUTH 89 DEGREES 57 MINUTES 03 SECONDS EAST ALONG SAID NORTH LINE A DISTANCE OF 13.24 FEET TO THE EAST LINE OF SAID NORTHWEST ONE-QUARTER OF SECTION 10;

THENCE SOUTH 00 DEGREES 35 MINUTES 11 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 1326.27 FEET TO THE POINT OF BEGINNING.

Exhibit 2

**CASTLE HIGHLANDS PHASING PLAN
FILING 1 AND 2**

Filing 1

The first phase improvements shall consist of the following:

1. Auburn Drive from Wolfensberger Road to the southern boundary of Filing 1.
2. Such sewer, water and storm drainage improvements necessary to service Filing 1.

Secondary access shall be satisfied in one of two ways:

1. An all weather surface roadway extending east from Auburn Drive to Atchison Court; or
2. An extension of Auburn Drive to serve the first phase of Filing 2, combined with an all weather surface roadway on the Coachline Road alignment connecting to Auburn Drive with Wolfensberger.

Public improvements must be conveyed and accepted by the Town prior to the issuance of Certificates of Occupancy.

Filing 2

The public improvements in Filing 1 shall be installed or bonded prior to the issuance of building permits on Filing 2. Public improvements for Filing 1 and 2 may be permitted concurrently.

Phase I: Includes the 50-lot area fronting on Auburn Drive. The improvements shall consist of the following:

1. Auburn Drive from the southern boundary of Filing 1 south to the intersection of Coachline Road.
2. All of the roads, water, sewer and storm sewer to serve the 50-lot area.

Secondary access shall be satisfied in one of two ways:

1. An all weather surface roadway from Auburn Drive to Atchison; or

2. An all weather surface roadway on the Coachline alignment connecting Auburn Drive with Wolfensberger.

Phase IIa: The public improvements in Filing 1 and Filing 2, Phase I shall be installed or bonded prior to the issuance of building permits for Phase IIa. Public improvements for Phase I, II, and/or III may be permitted concurrently.

The 72-lot area fronting on Coachline Road may be split into two sub-phases of approximately 36+ lots each. The public improvements shall include the following:

1. All of the roads, water, sewer, and storm sewer to serve the first 36+ lots sub-phases.
2. The north half of Coachline Road according to the approved construction plans.

Phase IIb: The balance of the 72-lot area may be contained in Filing 2, Phase IIb. The public improvements shall include the following:

1. All of the roads, water, sewer and storm sewer to serve the balance of the 72 lot area.

Phase IIc: The 9 estate lots south of Coachline Road may be constructed at any time in the preceding phases so long as the Filing 1 improvements have been constructed and an all weather surface has been installed within the Coachline Road right-of-way. The public improvements for Phase IIc shall include the following:

1. All of the roads, water, sewer and storm sewer to serve the 9 lot area.
2. The north ½ of Coachline Road from Wolfensberger Road up the intersection of Granger Court.

(EXEMPLAR – NOT FOR EXECUTION)

EXHIBIT 3
PUBLIC IMPROVEMENTS CONVEYANCE AND INITIAL ACCEPTANCE

TRANSFEROR: _____

TRANSFeree: Town of Castle Rock, a municipal corporation ("Town")
680 North Wilcox Street
Castle Rock, Colorado 80104

Transferor has caused to be constructed certain public improvements and facilities described in the attached **Exhibit A** (the "Improvements"), as required by Town to serve Castle Highlands Filing No. 2. Town will assume the obligation for maintenance and operation of the Improvements, located in rights-of-way, easements or other real property owned by Town, upon the conveyance of the Improvements to Town.

THEREFORE, Transferor grants, conveys and transfers to Town all its interest (real or personal) and title to the Improvements subject to the following:

1. Transferor warrants to Town that Transferor has a good title to the Improvements, free and clear of any lien, claim or right of any third party in or to the Improvements, and Transferor will defend Town's title to the Improvements against the claim of any third party.
2. Transferor warrants that the Improvements are located within the easement, right-of-way or other real property interest designated by the Town for siting of the Improvements. Town acknowledges receipt of as-built drawings of the Improvements dated _____.
3. Transferor warrants that, as constructed, all Improvements are in conformance with the current Town of Castle Rock standards and the approved construction plans, and are free from defects in design, material or workmanship. This warranty is for the period prescribed by the Town's Public Works Regulations commencing on the date of acceptance made below.
4. Transferor represents that the approximate amount of direct costs of construction of the Improvements (excluding engineering, financing, insurance, etc.), as determined in accordance with usual and customary construction accounting practices is as follows:

Water _____

(EXEMPLAR – NOT FOR EXECUTION)

Wastewater	_____
Stormwater	_____
Streets	_____
Parks and recreation	_____
TOTAL	=====

5. Transferor concurrently submits to Town the surety attached as **Exhibit B** in the amount of 15% of the above total to secure Transferor's warranty obligation on the Improvements.

TRANSFEROR:

By: _____

Its: _____

ACCORDINGLY, Town accepts for ownership and maintenance of the Improvements effective _____, 200__.

TOWN OF CASTLE ROCK

Engineering Division

Exhibit 4

CASH IN LIEU
ENGINEERS COST OPINION FOR CASTLE HIGHLANDS FILING NO. 2
SHEET 1 OF 3

Since the design professional has no control over the cost of labor, materials, equipment, or over competitive bidding and market conditions, opinions of probable construction cost provided for herein are to be made on the basis of experience and qualifications. These opinions represent the best judgement as a design professional familiar with the construction industry. However, the design professional cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost. If the owner wishes greater assurance as to the construction cost, the owner shall employ an independent cost estimator.

- Estimated asphalt and base course depth is according to Town of Castle Rock codes and may vary according to the recommendations of the Soils Engineer.

Filing No. 2, Wolfensberger Road, Cash in Lieu

Storm Sewer System	\$4,658.85
Street Improvements	\$144,714.02
Signage	\$1,301.00
Striping	\$3,067.36
Erosion Control	\$10,965.30
Remove and Relocate	\$13,828.00
**Colorado APWA Cost Adjustment Factor (.95)	-\$4,978.14
Filing No. 2 Cash In Lieu Subtotal	\$173,556.39
Contingency 10%	\$17,355.64
Filing No. 2, Wolfensberger Road, Total Cash In Lieu	\$190,912.02

SHEET 2 OF 3

FILING NO. 2 WOLFENSBERGER ROAD

I. STORM SEWER FACILITIES

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>AMOUNT</u>
24" RCP	EA	111	\$30.35	\$3,368.85
4" MANHOLE	EA	1	\$1,290.00	\$1,290.00
STORM SEWER TOTAL				\$4,658.85

II. STREETS

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>AMOUNT</u>
Removal of existing asphalt	SY	409	\$6.00	** \$2,454.00
Sawcut of existing asphalt	LF	1,826	\$2.00	** \$3,652.00
*6" Thick Asphalt	SY	4,142	\$13.10	** \$54,260.20
*8" Aggregate Base Course	SY	4,142	\$5.42	** \$22,449.64
Subgrade Preparation	SY	4,142	\$0.49	** \$2,029.58
6" Vertical Curb & Gutter	LF	1,702	\$21.75	\$37,018.50
8" Detached Walk	SY	1,309	\$8.90	** \$11,650.10
Street Lights	EA	7	\$1,600.00	\$11,200.00
STREETS TOTAL				\$144,714.02

III. SIGNAGE

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>AMOUNT</u>
Left curve ahead	EA	1	\$275.00	\$275.00
Speed limit sign	EA	1	\$275.00	\$275.00
"Right lane must turn right"	EA	1	\$275.00	\$275.00
Type I delineators	EA	10	\$15.00	\$150.00
Type II delineators	EA	3	\$17.00	\$51.00
Modified R3-8 sign	EA	1	\$275.00	\$275.00
SIGNAGE TOTAL				\$1,301.00

SHEET 3 OF 3

IV. STRIPING

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>QUANTITY</u>	<u>UNIT COST</u>		<u>AMOUNT</u>
Painted stripes	LF	3,436	\$0.49	**	\$1,683.64
Double paint stripe	LF	1,042	\$0.94	**	\$979.48
24" wide stopbar (plastic)	LF	34	\$2.66	**	\$90.44
Turn arrow	EA	3	\$104.60	**	\$313.80
STRIPING TOTAL					\$3,067.36

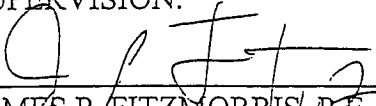
V. EROSION CONTROL

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>QUANTITY</u>	<u>UNIT COST</u>		<u>AMOUNT</u>
Vehicle Tracking Control	EA	1	\$450.00		\$450.00
Earthwork	CY	6,303	\$1.10		\$6,933.30
Silt Fence	LF	1,291	\$2.00		\$2,582.00
Inlet Protection	EA	4	\$250.00		\$1,000.00
EROSION CONTROL TOTAL					\$10,965.30

VI. REMOVE AND RELOCATE

<u>DESCRIPTION</u>	<u>UNIT</u>	<u>QUANTITY</u>	<u>UNIT COST</u>		<u>AMOUNT</u>
Relocate Fence	LF	3,864	\$3.00		\$11,592.00
Relocate Fire Hydrant	EA	1	\$1,850.00		\$1,850.00
Relocate Mailboxes	EA	1	\$186.00		\$186.00
Remove Signage	EA	2	\$100.00		\$200.00
REMOVE AND RELOCATE TOTAL					\$13,828.00

I HEREBY AFFIRM THAT THIS COST OPINION
WAS PREPARED UNDER MY DIRECT
SUPERVISION.



JAMES P. FITZMORRIS, P.E.
COLORADO NO. 28211
FOR AND BEHALF OF JR ENGINEERING

