

105-

4

Douglas County, CO
105.00 P 2383 03/21
1821 P 2383 03/21
CAROLE R. MURRAY Clerk & Recorder

CASTLEWOOD RANCH FILING NO. 1 - PARCEL 2
SUBDIVISION IMPROVEMENTS AGREEMENT

DATE: 12-23, 1999.

DC00018542

21
\$105⁰⁰

PARTIES: TOWN OF CASTLE ROCK, a Colorado municipal corporation ("Town"),
680 N. Wilcox Street, Castle Rock, Colorado 80104.

CASTLEWOOD RANCH LLC, a Colorado limited liability company
("Subdivider"), 8480 East Orchard Road, Suite 5550, Englewood,
Colorado 80111.

RECITALS:

A. Subdivider desires to plat and subdivide certain property within the Town known as Castlewood Ranch Filing No. 1 - Parcel 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 the 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 Castlewood Ranch Filing No. 1 - Parcel 2 Subdivision Improvements Agreement.

Code: the Castle Rock Municipal Code, as amended.

Development Agreement: the Castlewood Ranch Development Agreement dated June 11, 1998, recorded on December 21, 1998 at Reception No. 98105616, beginning in Book 1644 at Page 550 of the Records.

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

District: the Castlewood Ranch Metropolitan District.

Improvements: the water, wastewater, stormwater drainage, transportation, or other systems or infrastructure required to be constructed under applicable Town regulations to serve the Subdivision (whether on-site or off-site), which upon their completion are to be dedicated to the Town for operation and maintenance by the Town. The Improvements are identified and described in the Plans

Landscaping: the landscaping of public right-of-way or other landscaping required under the Site Plan or the Plans.

Plans: the description of the Improvements on the Subdivision preliminary plat and related documents as modified and supplemented by approved construction plans and drawings, together with the landscaping plan approved with the Final PD Site Plan.

Plat: the final Subdivision plat recorded on 3-22-00 at Reception No. 000185A1 of the Records.

Preliminary Plat: the Castlewood Ranch Filing No. 1 preliminary subdivision plat approved by the Town Council on July 8, 1999.

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

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

Site Plan: a final PD site plan required under 17.60.220 of the Code.

Subdivision: the Castlewood Ranch Filing No. 1 - Parcel 2 subdivision.

Town Regulations: the Code, including the Town's public works regulations.

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 Regulations.

In the event the 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.

Improvements must be completed not later than one year after the date of issuance of the first public works permit, provided that the completion date may be extended by the Director for up to six (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 5.

Section 3. Acceptance of Improvements. Upon substantial completion of the Improvements, Subdivider may request inspection. Town shall also make timely interim inspections, as necessary. 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 Improvements by Town, Subdivider shall promptly convey its interest in the Improvements by document in the form attached as *Exhibit 2*. With conveyance of the Improvements, the applicable warranty period commences.

The acceptance process for Landscaping is addressed in section 5.

Section 4. 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 Improvements and the Landscaping (the "Security"). The Security shall be delivered to Town prior to and as a condition of the issuance of the first public works permit. 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.

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 of any of the Improvements or Landscaping, should Subdivider default in its obligation to complete the Improvements or Landscaping (the "Remedial Work"). The Town retains the absolute discretion to determine what Remedial Work, if any, is undertaken by Town in the event of such default.

With Town's initial acceptance of the Improvements, the Security shall be reduced to 15% of the actual construction cost of the Improvements to secure Subdivider's warranty on the Improvements during the warranty period, commencing with initial acceptance of the Improvements. Upon expiration of the warranty period, or in the event warranty matters have not been rectified within the warranty period, as soon thereafter as the Town has finally accepted the Improvements, the balance of the Security shall be refunded or released to Subdivider.

The release of the Security applicable to Landscaping is addressed in section 5.

Section 5. Landscaping. Subdivider shall make best efforts to complete all Landscaping in conjunction with completion of the Improvements as provided in section 2. Inspection of Landscaping by the Town shall be made in the same manner as prescribed for Improvements under section 3. With Town's acceptance of the Landscaping concurrently with the Improvements, the Security pertaining to the Landscaping shall be reduced to 15% of the actual cost of the Landscaping. The warranty Security shall be released in the same manner as the Improvements Security is released under section 4.

In the event that at the time the Town accepts the Improvements the 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 Landscaping to be held by Town as security for completion of the 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 acceptance of the Improvements;
- (d) upon receipt of the Landscape Deposit the Town will release that portion of the Security applicable to the 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 Landscaping;
- (g) with 10 days of completion of the Landscaping and acceptance by the Town, Town shall return to Subdivider the Landscape Deposit, less a 15% warranty holdback and the applicable warranty on the Landscaping shall commence;
- (h) if at the end of such 180 day period the Landscaping has not been completed and accepted by Town, Town may use the Landscape Deposit to the extent necessary to complete the Landscaping;
- (i) Town shall promptly return to Subdivider any portion of the Landscape Deposit which remains after the Town has completed the 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 6. Public Land Dedication. Concurrently with recordation of this Agreement, Subdivider shall, execute and deliver to Land Title Guarantee Company, Castle Rock, Colorado ("Escrow Agent") two special warranty deeds (the "Deeds") conveying to Town Tracts A and C, respectively (as the same are designated on the Plat), for public land dedication. The Tract A and C conveyances, title insurance and quality of title shall be in accordance with the applicable provisions of Article VI of the

Development Agreement. Subdivider shall similarly convey to Town by special warranty deed title to Tract D, which deed shall be recorded concurrently with recordation of this Agreement, since Town has accepted the environmental conditions of Tract D. Property taxes on all Tracts conveyed to the Town shall be prorated and paid by Subdivider with recordation of the applicable Deed.

The Deeds shall be held by Escrow Agent pursuant to the Escrow Agreement attached as *Exhibit 3*, and the provisions of this section 6 (the "Escrow"). At such time as Subdivider has demonstrated to the reasonable satisfaction of Town that there are no known adverse environmental contamination or conditions on one, or both, of the Tracts (and with respect to Tract C, Subdivider has tendered the letter of credit as required under the further provisions of this section 6) Town shall so notify Subdivider, the Escrow Agent shall then record the Deed to the Tract the Town has accepted. If Subdivider has not made such demonstration of acceptable environmental conditions by February 1, 2000, the Escrow Agent shall return the Deed(s) to the Tract(s) for which the Town has not accepted environmental conditions to Subdivider, and the Escrow shall terminate.

Until Town has accepted the environmental conditions to both Tracts A and C (which acceptance shall not be unreasonably withheld), Town shall not be obligated to approve any additional final subdivision plats within the Castlewood Ranch (i.e. the property subject to the Development Agreement).

Concurrently with recordation of the Deed, Subdivider shall furnish Town with a letter of credit in the amount of \$345,000 (the "LC") to secure Subdivider's obligation under the Preliminary Plat to remove the rock and debris from Tract C (the "Rock Removal"), which removal shall be completed not later than December 31, 2000, Subdivider's failure to complete the Rock Removal by that date shall constitute a default under this Agreement and entitle Town to call the LC and apply the proceeds to complete the Rock Removal. Any proceeds from the LC remaining after completion of the Rock Removal by the Town's contractor shall be returned to Subdivider.

Section 7. District Performance. Subdivider may assign any obligation under this Agreement to the District, and Town shall accept conforming performance of such obligation by the District.

Section 8. Default. The following occurrences constitute a default by the Subdivider:

- (a) failure to commence or complete construction of the Improvements and/or Landscaping within the time periods prescribed in this Agreement;

- (b) failure to cure the defective construction of any Improvements within the applicable cure period;
- (c) failure to complete the Rock Removal of the debris from Tract C when required under section 6.
- (d) failure to perform work on the 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;
- (e) 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;
- (f) 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 9. Town's Rights Upon Default. When any event of default occurs and has not been timely cured, the Town may:

- (a) if the applicable Improvements and/or Landscaping and/or Rock Removal have not been timely completed, call the Security, the Landscaping Deposit, or LC (as applicable) in accordance with the terms, and conditions of this Agreement. 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 and Rock Removal;
- (b) record a notice of non-compliance with this Agreement in the public records to provide record notice of Subdivider's default, which notice shall promptly be released by Town upon cure of the default; and

- (c) bring suit against Subdivider for money damages and/or equitable relief for breach of the Agreement.

Section 10. 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.

Section 11. 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 12. 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 13. 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: Castlewood Ranch
8480 East Orchard Road Suite
5550 Englewood, Colorado 80111.

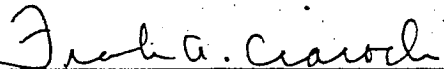
with copy to: Keith M. Pockross
LeBoeuf, Lamb, Greene & MacRae, L.L.P.
633 17th Street
Denver, CO 80202

if to Town: Town of Castle Rock
Attn: Town Attorney
680 N. Wilcox Street
Castle Rock, CO 80104

Section 14. 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.

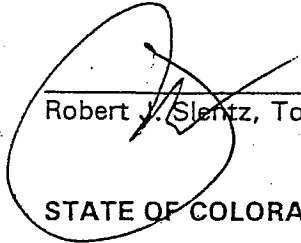
Section 15. Immunity. Nothing contained in this Agreement constitutes a waiver of the Town's sovereign immunity under any applicable state law.

TOWN OF CASTLE ROCK



Frank A. Ciarochi, Town Manager

Approved as to form:

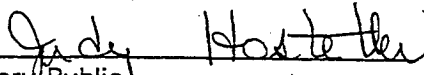


Robert J. Slentz, Town Attorney

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 23rd day
of Dec., 1999, by Frank A. Ciarochi as Town Manager of the Town
of Castle Rock.

Witness my official hand and seal.
My Commission expires: 10-31-02



Notary Public

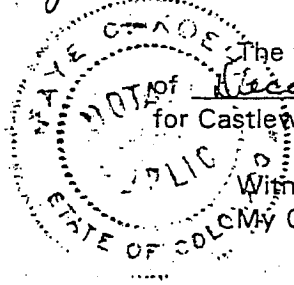
JUDY HOSTETLER
NOTARY PUBLIC
STATE OF COLORADO

SUBDIVIDER:

CASTLEWOOD RANCH LLC, a
Colorado limited liability company.

By: _____
Its: Keith M. Pockross KEITH M. POCKROSS
ATTORNEY-IN-FACT

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



The foregoing instrument was acknowledged before me this 22nd day of December, 1999, by Keith M. Pockross as Attorney-in-Fact for Castlewood Ranch LLC, a Colorado limited liability company.

Witness my official hand and seal.
My Commission expires: 10-4-02.

Angie C. Keelin
Notary Public

EXHIBIT 1

LEGAL DESCRIPTION

THAT PORTION OF THE NORTH HALF OF SECTION 17, TOWNSHIP 8 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

CONSIDERING THE EASTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 17 AS BEARING SOUTH 00 DEGREES 18 MINUTES 16 SECONDS EAST AS MONUMENTED ON THE NORTH BY A 2" ALUMINUM CAPPED MONUMENT STAMPED "GREENHORNE & O'MARA INC. 1995 PLS 28656", WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO;

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 17 FROM WHENCE THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER BEARS SOUTH 00 DEGREES 18 MINUTES 16 SECONDS EAST A DISTANCE OF 1325.36 FEET; THENCE SOUTH 60 DEGREES 52 MINUTES 01 SECONDS WEST A DISTANCE OF 975.27 FEET TO THE POINT OF BEGINNING ON THE SOUTHEASTERLY RIGHT OF WAY LINE OF MIKELSON BOULEVARD AS SHOWN ON THE PLAT OF CASTLEWOOD RANCH - FILING NO. 1 - PARCEL 1, RECORDED AT RECEPTION NO., DOUGLAS COUNTY RECORDS; THENCE LEAVING SAID SOUTHEASTERLY RIGHT OF WAY LINE SOUTH 18 DEGREES 21 MINUTES 55 SECONDS EAST A DISTANCE OF 37.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 430.00 FEET; THENCE SOUTHEASTERLY, SOUTHERLY AND SOUTHWESTERLY A DISTANCE OF 281.97 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37 DEGREES 34 MINUTES 17 SECONDS; THENCE TANGENT TO SAID CURVE SOUTH 19 DEGREES 12 MINUTES 22 SECONDS WEST A DISTANCE OF 95.16 FEET; THENCE SOUTH 25 DEGREES 47 MINUTES 38 SECONDS EAST A DISTANCE OF 35.36 FEET; THENCE SOUTH 19 DEGREES 12 MINUTES 22 SECONDS WEST A DISTANCE OF 60.00 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 22 SECONDS WEST A DISTANCE OF 35.36 FEET; THENCE SOUTH 19 DEGREES 12 MINUTES 22 SECONDS WEST A DISTANCE OF 486.79 FEET; THENCE SOUTH 25 DEGREES 47 MINUTES 38 SECONDS EAST A DISTANCE OF 28.28 FEET; THENCE SOUTH 19 DEGREES 12 MINUTES 22 SECONDS WEST A DISTANCE OF 60.00 FEET; THENCE SOUTH 64 DEGREES 12 MINUTES 22 SECONDS WEST A DISTANCE OF 28.28 FEET; THENCE SOUTH 19 DEGREES 12 MINUTES 22 SECONDS WEST A DISTANCE OF 69.56 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 430.00 FEET; THENCE SOUTHWESTERLY A DISTANCE OF 221.50 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29 DEGREES 30 MINUTES 48 SECONDS; THENCE NON-TANGENT TO SAID CURVE SOUTH 07 DEGREES 29 MINUTES 11 SECONDS WEST A DISTANCE OF 29.46 FEET; THENCE SOUTH 55 DEGREES 21 MINUTES 40 SECONDS WEST A DISTANCE OF 60.09 FEET; THENCE NORTH 78 DEGREES 07 MINUTES 04 SECONDS WEST A DISTANCE OF 29.18 FEET; THENCE SOUTH 58 DEGREES 43 MINUTES 52 SECONDS WEST A DISTANCE OF 75.03 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHWESTERLY A DISTANCE OF 114.48 FEET THROUGH A CENTRAL ANGLE OF 17 DEGREES 43 MINUTES 40 SECONDS; THENCE TANGENT TO SAID CURVE SOUTH 41 DEGREES 00 MINUTES 13 SECONDS WEST A DISTANCE OF 150.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 430.00 FEET; THENCE SOUTHWESTERLY A DISTANCE OF 106.99 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14 DEGREES 15 MINUTES 20 SECONDS; THENCE NON-TANGENT TO SAID CURVE SOUTH 15 DEGREES 16 MINUTES 08 SECONDS WEST A DISTANCE OF 25.71 FEET; THENCE SOUTH 55 DEGREES 33 MINUTES 37 SECONDS WEST A DISTANCE OF 60.87 FEET; THENCE SOUTH 24 DEGREES 43 MINUTES 16 SECONDS EAST A DISTANCE OF 507.35 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 330.00 FEET; THENCE SOUTHEASTERLY A DISTANCE OF 78.53 FEET ALONG SAID CURVE THROUGH A

Exhibit 1

Castlewood Ranch Filing 1 - Parcel 2

THAT PORTION OF THE NORTH HALF OF SECTION 17, TOWNSHIP 8 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, DESCRIBED AS FOLLOWS:

CONSIDERING THE EASTERLY LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 17 AS BEARING SOUTH 00°18'16" EAST AS MONUMENTED ON THE NORTH BY A 2 1/2' ALUMINUM CAPPED MONUMENT STAMPED "GREENHORNE & O'MARA INC. 1995 PLS 28656" AND ON THE SOUTH BY A 2 1/2" ALUMINUM CAPPED MONUMENT STAMPED "GREENHORNE & O'MARA INC. 1995 PLS 28656", WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 17 FROM WHENCE THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER BEARS SOUTH 00°18'16" EAST A DISTANCE OF 1325.36 FEET; THENCE SOUTH 60°52'01" WEST A DISTANCE OF 975.27 FEET TO THE POINT OF BEGINNING ON THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF MIKELSON BOULEVARD, AS SHOWN ON THE PLAN OF CASTLEWOOD RANCH SUBDIVISION - FILING NO. 1 - PARCEL 1, RECORDED AT RECEPTION NO. _____, DOUGLAS COUNTY RECORDS; THENCE LEAVING SAID SOUTHEASTERLY RIGHT-OF-WAY LINE SOUTH 18°21'55" EAST A DISTANCE OF 37.02 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 430.00 FEET; THENCE SOUTHEASTERLY, SOUTHERLY AND SOUTHWESTERLY A DISTANCE OF 281.97 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37°34'17"; THENCE TANGENT TO SAID CURVE SOUTH 19°12'22" WEST A DISTANCE OF 95.16 FEET; THENCE SOUTH 25°47'38" EAST A DISTANCE OF 35.36 FEET; THENCE SOUTH 19°12'22" WEST A DISTANCE OF 60.00 FEET; THENCE SOUTH 64°12'22" WEST A DISTANCE OF 35.36 FEET; THENCE SOUTH 19°12'22" WEST A DISTANCE OF 486.79 FEET; THENCE SOUTH 25°47'38" EAST A DISTANCE OF 28.28 FEET; THENCE SOUTH 19°12'22" WEST A DISTANCE OF 60.00 FEET; THENCE SOUTH 64°12'22" WEST A DISTANCE OF 28.28 FEET; THENCE SOUTH 19°12'22" WEST A DISTANCE OF 69.56 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 430.00 FEET; THENCE SOUTHWESTERLY A DISTANCE OF 221.50 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29°30'48"; THENCE NON-TANGENT TO SAID CURVE SOUTH 07°29'11" WEST A DISTANCE OF 29.46 FEET; THENCE SOUTH 55°21'39" WEST A DISTANCE OF 60.09 FEET; THENCE NORTH 78°07'04" WEST A DISTANCE OF 29.18 FEET; THENCE SOUTH 58°43'52" WEST A DISTANCE OF 75.03 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 370.00 FEET; THENCE SOUTHWESTERLY A DISTANCE OF 114.48 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°43'40"; THENCE TANGENT TO SAID CURVE SOUTH 41°00'13" WEST A DISTANCE OF 150.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 430.00 FEET; THENCE SOUTHWESTERLY A DISTANCE OF 106.99 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°15'19"; THENCE NON-TANGENT TO SAID CURVE SOUTH 15°16'08" WEST A DISTANCE OF 25.71 FEET; THENCE SOUTH 55°33'37" WEST A DISTANCE OF 60.87 FEET; THENCE SOUTH 24°43'16" EAST A DISTANCE OF 507.38 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 330.00 FEET; THENCE SOUTHEASTERLY A DISTANCE OF 23.68 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°06'39"; THENCE NON-TANGENT TO SAID CURVE SOUTH 65°16'44" WEST A DISTANCE OF 160.85 FEET TO THE NORTHEASTERLY SIDELINE OF A 225 FOOT PUBLIC SERVICE COMPANY OF COLORADO EASEMENT, AS DESCRIBED IN BOOK 156 AT PAGE 247, DOUGLAS COUNTY RECORDS; THENCE ALONG SAID NORTHEASTERLY SIDELINE NORTH 24°43'16" WEST A DISTANCE OF 539.30 FEET; THENCE

LEAVING SAID NORTHEASTERLY SIDELINE SOUTH 60°28'23" WEST A DISTANCE OF 225.79 FEET TO THE SOUTHWESTERLY SIDELINE OF SAID 225 FOOT PUBLIC SERVICE COMPANY OF COLORADO EASEMENT; THENCE ALONG SAID SOUTHWESTERLY SIDELINE SOUTH 24°43'16" EAST A DISTANCE OF 690.01 FEET; THENCE LEAVING SAID SOUTHWESTERLY SIDELINE SOUTH 81°15'46" WEST A DISTANCE OF 900.41 FEET; THENCE NORTH 04°21'48" WEST A DISTANCE OF 156.91 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 480.00 FEET, A RADIAL LINE FROM SAID POINT BEARS NORTH 04°21'48" WEST; THENCE SOUTHWESTERLY AND WESTERLY A DISTANCE OF 41.08 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°54'13"; THENCE TANGENT TO SAID CURVE NORTH 89°27'35" WEST A DISTANCE OF 836.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 480.00 FEET; THENCE WESTERLY A DISTANCE OF 47.83 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°42'33"; THENCE NON-TANGENT TO SAID CURVE SOUTH 55°16'46" WEST A DISTANCE OF 44.29 FEET; THENCE NORTH 71°30'34" WEST A DISTANCE OF 55.27 FEET; THENCE NORTH 29°38'42" WEST A DISTANCE OF 36.89 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 480.00 FEET; A RADIAL LINE FROM SAID POINT BEARS NORTH 19°23'06" EAST; THENCE NORTHWESTERLY A DISTANCE OF 344.81 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 41°09'30"; THENCE NON-TANGENT TO SAID CURVE NORTH 70°23'35" WEST A DISTANCE OF 36.89 FEET; THENCE NORTH 22°53'19" WEST A DISTANCE OF 60.00 FEET; THENCE NORTH 24°38'57" EAST A DISTANCE OF 36.89 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 480.00 FEET, A RADIAL LINE FROM SAID POINT BEARS NORTH 73°40'45" EAST; THENCE NORTHWESTERLY A DISTANCE OF 101.49 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°06'52"; THENCE TANGENT TO SAID CURVE NORTH 04°12'23" WEST A DISTANCE OF 142.80 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 420.00 FEET; THENCE NORTHWESTERLY A DISTANCE OF 27.76 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 03°47'12"; THENCE NON-TANGENT TO SAID CURVE NORTH 57°15'27" WEST A DISTANCE OF 33.74 FEET; THENCE NORTH 14°48'59" WEST A DISTANCE OF 50.00 FEET; THENCE NORTH 27°37'29" EAST A DISTANCE OF 33.74 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 420.00 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 68°21'36" WEST; THENCE NORTHWESTERLY A DISTANCE OF 11.13 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°31'07"; THENCE NORTH 23°09'31" WEST A DISTANCE OF 150.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 630.00 FEET; THENCE NORTHWESTERLY A DISTANCE OF 157.50 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE 14°19'26"; THENCE TANGENT TO SAID CURVE NORTH 08°50'05" WEST A DISTANCE OF 57.19 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 570.00 FEET; THENCE NORTHWESTERLY A DISTANCE OF 142.52 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°19'33"; THENCE TANGENT TO SAID CURVE NORTH 23°09'38" WEST A DISTANCE OF 32.98 FEET; THENCE NORTH 68°09'38" WEST A DISTANCE OF 35.36 FEET TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF MIKELSON BOULEVARD, AS SHOWN ON THE PLAT OF VILLAGES AT CASTLE ROCK FILING NO. 4, RECORDED AT RECEPTION NO. 00006965, DOUGLAS COUNTY RECORDS; THENCE ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: (1) NORTH 66°50'22" EAST A DISTANCE OF 186.77 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 3142.50 FEET; (2) THENCE NORTHEASTERLY A DISTANCE OF 922.33 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16°48'59"; (3) THENCE TANGENT TO SAID CURVE NORTH 50°01'23" EAST A DISTANCE OF 547.83 FEET TO THE SOUTHWESTERLY SIDELINE OF A 225 FOOT PUBLIC SERVICE COMPANY OF COLORADO EASEMENT, AS DESCRIBED IN BOOK 156 AT PAGE 247,

DOUGLAS COUNTY RECORDS, SAID POINT BEING THE SOUTHWEST CORNER OF CASTLEWOOD RANCH SUBDIVISION - FILING NO. 1 - PARCEL 1, RECORDED AT RECEPTION NO.

00018539, DOUGLAS COUNTY RECORDS; THENCE LEAVING SAID SOUTHEASTERLY RIGHT-OF-WAY LINE AND ALONG SAID SOUTHWESTERLY SIDELINE SOUTH 24°43'16" EAST A DISTANCE OF 1978.89 FEET; THENCE LEAVING SAID SOUTHWESTERLY SIDELINE NORTH 60°28'23" EAST A DISTANCE OF 419.18 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 370.00 FEET; THENCE NORTHEASTERLY A DISTANCE OF 125.73 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 19°28'10"; THENCE TANGENT TO SAID CURVE NORTH 41°00'13" EAST A DISTANCE OF 150.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 430.00 FEET; THENCE NORTHEASTERLY A DISTANCE OF 133.04 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 17°43'39"; THENCE TANGENT TO SAID CURVE NORTH 58°43'52" EAST A DISTANCE OF 75.62 FEET; THENCE NORTH 10°59'46" EAST A DISTANCE OF 26.90 FEET; THENCE NORTH 55°29'59" EAST A DISTANCE OF 50.16 FEET; THENCE SOUTH 83°05'31" EAST A DISTANCE OF 27.38 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 370.00 FEET, A RADIAL LINE FROM SAID CURVE BEARS NORTH 41°26'11" WEST; THENCE NORTHEASTERLY A DISTANCE OF 189.58 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 29°21'27"; THENCE TANGENT TO SAID CURVE NORTH 19°12'22" EAST A DISTANCE OF 861.51 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE WESTERLY HAVING A RADIUS OF 370.00 FEET; THENCE NORTHEASTERLY, NORTHERLY AND NORTHWESTERLY A DISTANCE OF 242.63 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 37°34'17"; THENCE TANGENT TO SAID CURVE NORTH 18°21'55" WEST A DISTANCE OF 37.02 FEET TO THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF MIKELSON BOULEVARD, AS SHOWN ON CASTLEWOOD RANCH SUBDIVISION - FILING NO. 1 - PARCEL 1, RECORDED AT RECEPTION NO.

00018539, DOUGLAS COUNTY RECORDS; THENCE ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY LINE NORTH 71°38'05" EAST A DISTANCE OF 60.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 83.293 ACRES (3,628,250 SQUARE FEET), MORE OR LESS.

(EXEMPLAR - NOT FOR EXECUTION)

EXHIBIT 2
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 Red Hawk 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

(EXEMPLAR – NOT FOR EXECUTION)

Town's Public Works Regulations. 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	_____
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 _____, 19__.

TOWN OF CASTLE ROCK

Engineering Division

EXHIBIT 3
ESCROW AGREEMENT

Denver, Colorado
Date: _____

Escrow Number: _____
Commitment Number: _____

The undersigned deposit with LAND TITLE GUARANTEE COMPANY as Escrow Holder, the items set forth in Schedule A, to be held and Escrow Holder subject to the terms hereof and the Special Instructions set forth in Schedule B below.

All cash deposits must be accompanied by a Form W-9 Request for Taxpayer Identification Number.

"SCHEDULE A"
(Deposits)

"SCHEDULE B"
(Special Instructions)

- Special Instruction No. 1 (Repairs) Attached
- Special Instruction No. 2 (Intentionally Omitted)
- Special Instruction No. 3 (Lender Completion Instructions) Attached
- Special Instruction No. 4 (Indemnity Agreement-Cash Deposit) Attached
- Special Instruction No. 5 (Intentionally Omitted)
- Special Instruction No. 6 (Depository Instructions) Attached
- Special Instruction No. 7 (F.I.R.P.T.A.)
- All others (See attached Exhibit "A")

The parties to the escrow, by signing below, agree that they have read and will be bound by the General Provisions to the Escrow Agreement on the following page.

SELLER(S):
(If applicable)

BUYER/BORROWER(S):
(If applicable)

Castlewood Ranch LLC
David J. Erb & Co., manager
David J. Erb Pres.

Town of Castle Rock
Joshua Cicoci, Town Manager

Address 8480 E. Orchard Rd #5550
Englewood, CO 80111
Telephone# _____
SSN# or Tax ID# _____
Contact Person _____

Address 680 N Wilcox Street
Castle Rock, CO 80104
Telephone# 303-660-1388
SSN# or Tax ID# _____
Contact Person Robert J. Slentz, Town Attorney

LENDER:
(If applicable)

ESCROW FEES TO BE AS FOLLOWS:

- (a) Set up fee _____
- (b) Annual fee _____
- (c) Miscellaneous _____

By _____
Address _____
Telephone# _____
Tax ID# _____
Contact Person _____

correspondence regarding this escrow shall be addressed to:
LAND TITLE GUARANTEE COMPANY
3033 E. 1ST AVENUE, SUITE 600
DENVER, COLORADO 80206
ATTN: ESCROW COORDINATOR
All Rights Reserved by Land Title Guarantee Company

Received and accepted as to Special Instructions and General Provisions to Escrow Agreement.
LAND TITLE GUARANTEE COMPANY - ESCROW HOLDER

BY: _____

Request for Taxpayer
Identification Number and Certification

Give this form
to the requester. Do
NOT send to the IRS.

(If joint names, list first and circle the name of the person or entity whose number you enter in Part 1 below.)

Castlewood Ranch, LLC Address (number and street) City, state, and ZIP code 8480 E. Orchard Road, #3550 Englewood, CO 80111	List account number(s) here (optional)
---	---

Part I Taxpayer Identification Number Enter your taxpayer identification number. For individuals and sole proprietors, this is your social security number. For other entities, it is your employer identification number. If you do not have a number, see HOW TO OBTAIN A TIN, below.	Part II For Payees Exempt From Backup Withholding (See Instructions)
Social security number _____ OR Employer Identification number _____	Requester's name and address (optional) _____

CERTIFICATION - Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, the acquisition or abandonment of secured property, contributions to an individual retirement arrangement (IRA), and payments other than interest and dividends).

CERTIFICATION INSTRUCTIONS - You must cross out item (2) above if you have been notified by IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. (Also see Signing the Certification under Specific Instructions, on page 2.)

Use of Here	Signature	Date
-------------------	-----------	------

HOW TO OBTAIN A TIN - If you do not have a TIN, apply for one immediately. To apply, get FORM SS-5, Application for a Social Security Number Card (for individuals) from your local office of the Social Security Administration, or FORM SS-4, Application for Employer Identification Number (for businesses and all other entities), from your local Internal Revenue Service office. Complete and file the appropriate form according to its instructions.

If you do not have a TIN, write - APPLIED FOR - in the space for the TIN in Part 1, sign and date the form, and give it to the payee.

PENALTIES - Failure to furnish a TIN. If you fail to furnish your correct TIN to payee, you are subject to a penalty of \$50.00 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Please complete this form and return it to:

LAND TITLE GUARANTEE COMPANY
P.O. BOX 5440 T.A.
DENVER, COLORADO 80217

Address where 1099 interest statement is to be forwarded:

LAND TITLE GUARANTEE COMPANY
ESCROW AGREEMENT GENERAL PROVISIONS

Initials _____
Initials _____

1. Form of Notice. Any instruction, notice or demand to, upon or by Escrow Holder shall be in writing and may be served personally, by U.S. or private mail, courier, telefax or telegram. Notice shall be deemed given on the first business date said notice is received by Escrow Holder. Telephone or other oral instruction, notice or demand need not be received by Escrow Holder, but Escrow Holder shall not be liable for damages or otherwise, if actions are taken based on non-written instructions, if Escrow Holder shall have relied thereon in good faith.
2. Reliance on Notice. Escrow Holder may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instruction in connection with the provisions hereof has been duly authorized so to do.
3. Disbursement Time Requirements. Any notice to Escrow Holder hereunder, shall be given no later than 24 hours prior to the date and time for action by Escrow Holder. Escrow Holder agrees to act upon all notices given to it, which are fully approved by all appropriate parties and which are not conditioned upon any event other than Escrow Holder's actions, not later than 5:00 p.m. on the business day next following the date upon which such notice was received.
4. Laws of Escheat. All Parties are hereby advised that unclaimed funds may be payable to the State of Colorado at some future date pursuant to the laws of escheat, and should Escrow Holder pay any such funds held in the Escrow Deposit, Escrow Holder shall be released from all further responsibility under this Agreement and shall not be liable to any Party so long as such payment was made pursuant to the statutes of Colorado or regulations of the Colorado Department of Revenue.
5. Receipt and Deposit of Proceeds. Escrow Holder shall deposit and invest all the Escrow Deposit Funds in a federally insured institution. If the Escrow Deposit Funds exceed \$100,000.00, Escrow Holder may invest the Escrow Deposit Funds in Government Repurchase Agreements for U.S. Treasury obligations. Escrow Holder shall not be responsible for maximizing the yield on the Escrow Deposit Funds. All Parties hereto shall execute and deliver to Escrow Holder all forms required by Federal, State or other governmental agencies relative to taxation matters and Escrow Holder will file appropriate 1099 or other required forms.
6. Interest Earned on Escrow Deposit Funds. If the Deposit consists partly or entirely of money, then during the period the Escrow Holder is in possession of the Deposit, the money will be deposited in an FDIC insured institution (the "Institution"). Deposits of less than \$1,000.00 shall not bear interest. Deposits of \$1,000.00 to \$100,000.00 shall bear interest at the rate paid by the institution. Deposits of \$100,000.00 or more may be directed by the Parties hereto to other types of investments. Under no circumstances shall Escrow Holder be liable for loss of funds due to bank, savings and loan association or other Institution failure, including employees or agents thereof, suspension or cessation of business, or any action or inaction on the part of the bank, savings and loan association or other Institution, or any delivery service transporting funds to and from such Institution.
7. Fees and Expenses of Escrow Holder. The Escrow Holder shall be entitled to reimbursement in full, or may demand payment in advance, for all costs, expenses, charges, fees or other payments made or to be made by Escrow Holder in the performance of Escrow Holder's duties and obligations under this Agreement. The Parties to the Agreement are jointly and severally liable for the payment to Escrow Holder of Fees and Expenses. Escrow Holder is hereby authorized and directed to disburse to itself in payment of Fees or Expenses from any funds in the Escrow Deposit, whether from principal or interest or both, at any time, and from time to time, as the same may be due and owing. Further, Escrow Holder is hereby authorized to withhold any Fees or Expenses from any disbursement or distribution of Escrow Deposit Funds to any Party or to the Clerk of the Court upon interpleader. In the event that the Deposit shall consist of documents only and funds, Escrow Agent may refuse to distribute any such documents or to otherwise act under this Agreement until all due but unpaid Fees and Expenses have been paid in full.
8. Non-liability of Escrow Holder. Escrow Holder shall not be liable for any mistakes of fact, or errors of judgment, or for any acts or omissions of any kind unless caused by the willful misconduct or gross negligence of Escrow Holder. Escrow Holder shall not be liable for any taxes, assessments or other governmental charges which may be levied or assessed upon the Escrow Deposit or any part thereof, or upon the income therefrom. Escrow Holder may rely upon the advice of counsel and upon statements of accountants, brokers or other persons reasonably believed by it in good faith to be expert in the matters upon which they are consulted, and for any reasonable action taken or suffered in good faith based upon such advice or statements Escrow Holder shall not be liable to anyone.
9. Indemnity of Escrow Holder. The Parties hereto, jointly and severally, agree to indemnify Escrow Holder and hold it harmless as to any liability by it incurred to any other person or entity by reason of this Escrow Agreement, or in connection herewith except for Escrow Holder's own willful misconduct or gross negligence, and to reimburse Escrow Holder for all its expenses, including, but not necessarily limited to attorneys' fees and court costs incurred in connection herewith.
10. Disputes and Interpleader. In the event of any dispute between the Parties as to either law or fact, or in the event any of the Parties hereto fail, for any reason, to fully receipt and acquit the Escrow Holder in writing, Escrow Holder may refuse, in its discretion, to carry out said escrow instructions or to deliver any funds, documents, or property in its hands to anyone and in so doing shall not become liable to demand. Escrow Holder shall be entitled to continue, without liability, to refrain and refuse to act: (a) until all the rights of the adverse claimants have been finally adjudicated by a court having jurisdiction over the Parties and the items affected hereby, after which time the Escrow Holder shall be entitled to act in conformity with such adjudication; or (b) until all differences shall have been adjusted by agreement and Escrow Holder shall have been notified thereof and shall have been directed in writing signed jointly or in counterpart by the Parties and all persons making adverse claims or demands, at which time Escrow Holder shall be protected in acting in compliance therewith. Escrow Holder also has the right to interplead into a court of competent jurisdiction at the expense of the Parties.
11. Request for Written Instructions. Escrow Holder may at any time, and from time to time, request the Parties to provide written instructions concerning the propriety of a proposed payment of funds on deposit, distribution of documents, or other action or refusal to act by Escrow Holder. Should the Parties fail to provide such written instructions within a reasonable time, Escrow Holder may take such action, or refuse to act, as it may deem appropriate and shall not be liable to anyone for such action or refusal to act. Notwithstanding the foregoing, should the terms of the Escrow Agreement be complied with, in the judgment of Escrow Holder, then the Escrow Holder may disburse any funds, distribute documents, or take such action without specific further written instructions from any Party.
12. Resignation of Escrow Holder. Escrow Holder may resign under this Agreement by giving written notice to all of the Parties hereto, effective 30 days after the date of said notice. Upon the appointment by the Parties of a new escrow holder or custodian, or upon written instructions to Escrow Holder for other disposition of the Escrow Deposit, Escrow Holder shall, after retention of its accrued escrow fees and expenses, if any, deliver the Escrow Deposit within a reasonable period of time as so directed, and shall be relieved of any and all liability hereunder arising thereafter.
13. Benefit. All rights and protections afforded to Land Title Guarantee Company hereunder shall inure to and for the fit of Old Republic National Title Insurance Company.
14. Applicable Law. This Agreement shall be governed by the laws of the State of Colorado.
15. Counterparts/Facsimile. This Agreement may be executed in any number of counterparts, each of which when so executed shall constitute the entire agreement between the parties hereto and may be executed in facsimile and such facsimile signature shall be accepted as original signatures. The parties acknowledge and agree that there are no intended or unintended third party beneficiaries who may rely upon or benefit from the provisions of this agreement.

EXHIBIT A

1. Special Warranty Deeds to Tracts A and C of Castlewood Ranch Subdivision - Filing No. 1, Parcel 2 are to be held in escrow by Land Title Guarantee Company, as Escrow Agent, pursuant to attached Subdivision Agreement.
2. 1999 property taxes, due in 2000, for both tracts shall be prorated by Escrow Agent, pursuant to attached Agreement.
3. Escrow shall not be released; i.e. no deeds shall be recorded until all title insurance premiums are paid and policies can be issued to said tracts.