

**CASTLEWOOD RANCH FILING NO. 1 – PARCEL 5
SUBDIVISION IMPROVEMENTS AGREEMENT**

DATE: April 24, 2000.

DC00030586

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. The Town has previously approved a preliminary subdivision plat for Castlewood Ranch Filing 1 (the "Filing 1"). Subdivider desires to obtain final subdivision plat approval for Filing 1 in a series of final plats. This Agreement applies to Parcel 5 of Filing 1 (the "Subdivision").

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 Castlewood Ranch Filing No. 1 – Parcel 5 Subdivision Improvement Agreement.

Castlewood PD: the property subject to the Development Agreement, excluding those portions previously made subject to a subdivision plat

Code: the Castle Rock Municipal Code, as amended.

Development Agreement: the Castlewood Ranch Development Agreement recorded at Reception No. 98105516 of the Records.

Development Unit: a Phase (or if applicable, a sub-Phase) within the Subdivision, or if the Subdivision is not subject to a Phasing Plan, the entire Subdivision.

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

District: the Castlewood Ranch Metropolitan District.

Filing 1: the property previously made subject to the Preliminary Plat.

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

Final Site Plan: the final pd 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.

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

Landscaping: the landscaping of Subdivision tracts required under the Landscape Plan.

Lot Landscaping: the landscaping required on lots, if any, under the zoning regulations as modified by the Final Site Plan, but excluding the landscaping installed by homeowners.

Owner: the party defined under the Development Agreement.

Parcel: a distinct area of the Preliminary Plat, which will be developed independently from the other Parcels.

Parcel Improvements: those Improvements required to be constructed with a particular Parcel, as prescribed on the Preliminary Plat, but excluding Landscaping.

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

Phase Improvements: those Improvements required to be constructed with a particular Phase, as prescribed in the Phasing Plan, but excluding Landscaping.

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

Phasing Plan: the Phasing Plan approved by the Director which sets forth which Improvements must be constructed and the public dedications, if any, which must be made with each Phase.

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

Private Landscaping: the Landscaping on Subdivision tracts to be owned and maintained by parties other than the Town.

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

Public Landscaping: the Landscaping on Subdivision tracts which are dedicated to the Town for ownership and maintenance.

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

Subdivision: Castlewood Ranch No. 1 – Parcel 5.

Town Regulations: the Code and the Public Works Regulations, as the same may be amended from time to time.

Unit Improvements: The Phase Improvements and Phase Landscaping applicable to a Development Unit.

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 4. 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.

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 Development Unit until the Phase Improvements applicable to the Development Unit 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 Development Unit 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 such earlier construction does not create any undue public safety concerns. 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 2**. 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 master developer or District pursuant to the Development Agreement. Subdivider acknowledges that Town's obligation to issue development approvals within the Subdivision is dependent on the timely construction of such Improvements by third parties, and in the event such third parties should fail to complete such Improvements, the restrictions on development approvals under section 4 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 Unit 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 Unit Improvements, should Subdivider default in its obligation to complete the Unit Improvements (the "Remedial Work"). The Town retains the absolute discretion to determine what Remedial Work, if any, is undertaken by Town on the Unit 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 Unit 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, provided that with respect to the Private Landscaping, the Town will give the homeowners association which will maintain the Private Landscaping the opportunity to inspect and comment on the status of completion of the Private Landscaping.

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.

Lot Landscaping shall be completed as a condition of issuance of a certificate of occupancy for each lot, provided that if seasonal conditions require that the Lot Landscaping be installed after occupancy, a temporary certificate of occupancy shall be issued to permit the completion of the Lot Landscaping as soon as seasonal conditions will allow.

Section 8. Development Fees. Under the Development Agreement, certain portions of the water and wastewater system development fees imposed by the Town under the Code were pledged to the Owner and/or District, in recognition of the fact that the Owner and/or District assumed the obligation to construct certain water and wastewater facilities. After the Development Agreement was executed, the Town, Owner and District have determined that the Town will provide certain water capacities to meet the system demand created by development of the Subdivision identified as the Castlewood Share in the attached **Exhibit 3**. Although **Exhibit 3** lists a well field and associated raw water line routing within the Property limits for estimating purposes, the Town reserves the right to develop the two new wells outside of the Property limits. However, Subdivider shall install casings under roadways and provide the Town with appropriate land dedications and easements for future construction of wells and raw water lines within the Property limits.

As a result, the Town will retain \$3,655 of the \$6100 Water System Development Fee (the "SDF") collected for all water connections in the Subdivision. Accordingly Owner, District and Subdivider are released from the obligation under the Development Agreement to develop the water facilities for which the Town is assuming responsibility as indicated in Exhibit 3.

Water facilities for which the Town assumes responsibility include a new Arapahoe and a Denver well. As a matter of Town policy, new wells are not permitted to be connected to the Town's water system unless raw water produced by the wells is in compliance with the Colorado Primary Drinking Water Regulations (the "Regulations"). Despite the use of best engineering and construction practices, it is possible that at least one of these wells may produce water which will not meet the Regulations. A non-conforming well cannot be connected to the Town's potable water system. In that event, the Town, at its expense, would be required to drill a replacement well(s) at an alternate site. In order to provide a contingency fund for construction of a replacement well(s), the portion of the SDFs retained by the Town of \$3,655 is inclusive of \$340 (the "Well Replacement Fee, or "WPF"). The Well Replacement Fee shall be held and applied by the Town as follows:

- (a) the Town will collect the WRF until both the Arapahoe and Denver wells are constructed and tested;
- (b) if both wells will produce water complying with the Regulations, the Town will so certify to the Subdivider and Owner, the Town will return to the Subdivider the full amount of the WRF collected, and thereafter the WRF will no longer be collected by Town (resulting in the Town retaining \$3,315 of the SDF);
- (c) if the Town is required to drill a replacement well(s), the Town shall utilize the WRF collected to construct the replacement well(s), and if the WRF are insufficient to cover the Town's reasonable cost in constructing the replacement wells, the Town shall continue to collect the WRF until such time as Town has fully recovered its investment in the replacement well(s) through the WRF; and
- (d) the Town shall have no claim against Subdivider if the total WRF collected from the Subdivision (as well as other properties subject to the Development Agreement) are insufficient to allow the Town to recoup the cost of constructing replacement wells.

Prior to issuance of the first building permit in the Subdivision, Subdivider shall furnish Town with a consent of Owner and District to the retention by Town of the WSF in accordance with the terms of this Agreement.

In the event that the Development Agreement is subsequently amended to provide for the dual payment of the Owner/District's portion of the SDF in lieu of the Town's collection and remittance to the Owner/District, such amendment shall be binding on Town and Subdivider under this Agreement.

Section 9. Design Standards. The Final Pd Site Plan for the Subdivision contains certain building and design restrictions and requirements, affecting design

elements such as setbacks and building elevations ("Design Guidelines"). Town shall have the right, but not the obligation, to enforce the Design Guidelines through the withholding of building permits or certificates occupancy, in the event of non-compliance.

Section 10. 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 Castlewood Ranch Filing No. 1 – Parcel 3 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 11. 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 12. Default. The following occurrences constitute a default of this Agreement:

- (a) failure to commence or complete construction of the Unit Improvements within the time periods prescribed in this Agreement;
- (b) failure to cure the defective construction or installation of any Unit 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) failure to comply with Design Guidelines;
- (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 also receive notice of a default by Owner under the Development Agreement if such default relates to construction of an Improvement. The defaulting party 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 the defaulting party. Subdivider and Owner shall have the right to cure a default of the other.

Section 13. Town's Rights Upon Default. When any event of default occurs and has not been timely cured, the Town may:

- (a) if the applicable Unit 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 Unit Improvements have not been timely completed, withhold issuance of building permits within the affected Development Unit;
- (c) if the Design Guidelines are not followed, withhold building permits and/or certificates of occupancy as the exclusive remedy;
- (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.

On such terms and conditions as are reasonably acceptable to Town, the Town shall permit Owner or District to undertake the Remedial Work and utilize the Security for such

purpose in the event of an uncured default.

Section 14. 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 15. 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 16. 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 17. 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 LLC
 8480 E. Orchard Road, Suite 5550
 Englewood, CO 80111
 with a copy to
 Keith Pockross, Esq.
 633 Seventeenth Street, Suite 2000
 Denver, CO 80202

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

Section 18. 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.

TOWN OF CASTLE ROCK

Frank A. Ciarochi
Frank Ciarochi, Town Manager

Approved as to form:

Robert J. Stentz
Robert J. Stentz, Town Attorney

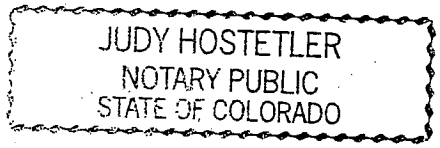
STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 2nd day of May, 2000, by Frank A. Ciarochi as Town Manager the Town of Castle Rock.

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

(SEAL)

Judy Hostetler
Notary Public



SUBDIVIDER:

CASTLEWOOD RANCH LLC, a
Colorado limited liability company.

By: David J. Erb & company, managing member

By: [Signature]

Its: President

STATE OF COLORADO)

ss.

COUNTY OF Dgld)

By: David J. Erb & company, managing member

The foregoing instrument was acknowledged before me this 24th day of April, 2000, by David J. Erb as President for Castlewood Ranch LLC, a Colorado limited liability company.

Witness my official hand and seal.

My Commission expires: 6-31-02

[Signature]
Notary Public

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April 21, 2000

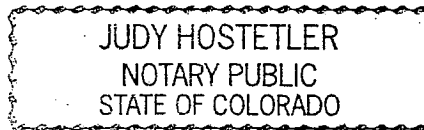


EXHIBIT 1

LEGAL DESCRIPTION:

THOSE PORTIONS OF THE SOUTHEAST QUARTER OF SECTION 8 AND THE NORTHEAST QUARTER OF SECTION 17, TOWNSHIP 8 SOUTH, RANGE 66 WEST OF THE SIXTH PRINCIPAL MERIDIAN, 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 NORTH 1/16 th. CORNER BETWEEN SECTION 16 AND 17 BEARS SOUTH 00°18'16" EAST A DISTANCE OF 1325.36 FEET; THENCE NORTH 74°40'19" WEST A DISTANCE OF 442.28 FEET TO THE TRUE POINT OF BEGINNING, ON THE WESTERLY RIGHT-OF-WAY LINE OF MIKELSON BOULEVARD, AS SHOWN ON THE PLAT OF CASTLEWOOD RANCH SUBDIVISION - FILING NO. 1 - PARCEL 1, RECORDED AT RECEPTION NO. 000 18539, DOUGLAS COUNTY RECORDS; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID MIKELSON BOULEVARD THE FOLLOWING NINE (9) COURSES: (1) THENCE SOUTH 31°51'55" WEST A DISTANCE OF 259.57 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY HAVING A RADIUS OF 657.50 FEET; (2) THENCE SOUTHWESTERLY, WESTERLY AND NORTHWESTERLY A DISTANCE OF 1014.78 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 88°25'47"; (3) THENCE TANGENT TO SAID CURVE NORTH 59°42'18" WEST A DISTANCE OF 106.73 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 742.50 FEET; (4) THENCE NORTHWESTERLY A DISTANCE OF 30.48 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 02°21'06"; (5) THENCE NON-TANGENT TO SAID CURVE NORTH 18°55'27" WEST A DISTANCE OF 34.18 FEET; (6) THENCE NORTH 65°47'31" WEST A DISTANCE OF 50.00 FEET; (7) THENCE SOUTH 67°20'26" WEST A DISTANCE OF 34.18 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 742.50 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 20°28'22" WEST; (8) THENCE NORTHWESTERLY A DISTANCE OF 173.90 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 13°25'10"; (9) THENCE TANGENT TO SAID CURVE NORTH 82°56'48" WEST A DISTANCE OF 22.70 FEET; THENCE LEAVING SAID NORTHERLY RIGHT-OF-WAY LINE OF MIKELSON BOULEVARD NORTH 07°03'12" EAST A DISTANCE OF 15.00 FEET; THENCE NORTH 25°22'07" WEST A DISTANCE OF 170.34 FEET; THENCE NORTH 19°43'48" EAST A DISTANCE OF 167.69 FEET; THENCE NORTH 66°25'42" EAST A DISTANCE OF 196.62 FEET; THENCE SOUTH 54°57'28" EAST A DISTANCE OF 82.07 FEET; THENCE NORTH 51°33'36" EAST A DISTANCE OF 232.05 FEET; THENCE NORTH 80°59'21" EAST A DISTANCE OF 358.00 FEET; THENCE NORTH 00°36'16" WEST A DISTANCE OF 338.43 FEET; THENCE NORTH 65°04'56" EAST A DISTANCE OF 629.79 FEET; THENCE ON THE WESTERLY RIGHT-OF-WAY LINE OF MIKELSON BOULEVARD, AS SHOWN ON THE PLAT OF CASTLEWOOD RANCH SUBDIVISION - FILING NO. 1 - PARCEL 1, RECORDED AT RECEPTION NO. 000 18539, DOUGLAS COUNTY RECORDS; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE AND ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID MIKELSON BOULEVARD THE FOLLOWING SEVEN (7) COURSES: (1) SOUTH 68°53'41" EAST A DISTANCE OF 28.78 FEET; (2) THENCE SOUTH 22°52'17" EAST A DISTANCE OF 282.81 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 657.50 FEET; (3) THENCE SOUTHEASTERLY AND SOUTHERLY A DISTANCE OF 231.26 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20°09'09"; (4) THENCE NON-TANGENT TO SAID CURVE SOUTH 44°18'18" WEST A DISTANCE OF 29.27 FEET; (5) THENCE SOUTH 01°19'44" WEST A DISTANCE OF 50.00 FEET; (6) THENCE SOUTH 41°38'50" EAST A DISTANCE OF 29.27 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 657.50 FEET, A RADIAL LINE FROM SAID POINT BEARS NORTH 84°37'24" WEST; (7) THENCE SOUTHERLY AND SOUTHWESTERLY A DISTANCE OF 303.97 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 26°29'20" TO THE TRUE POINT OF BEGINNING.

CONTAINING 28.599 ACRES (1,245,776 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 The Meadows Filing No. ___. 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. 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:

(EXEMPLAR – NOT FOR EXECUTION)

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 _____, 200__.

TOWN OF CASTLE ROCK

Engineering Division

EXHIBIT 3
Castlewood Ranch Metropolitan District
Opinion of Probable Costs for
Ultimate Water Facilities - Water Supply, Treatment and Storage

Item	Approx. Quantity	Unit	Unit Cost	Total Project Cost	Castlewood Share	Town's Share
WELLS						
Arapahoe Well at Mikelson No. 2 Well Field						
Well Building (sized for 4 wells)	1	EA	\$237,000	\$237,000	\$191,970	\$45,030
Electrical in Building	1	LS	\$150,000	\$150,000	\$121,500	\$28,500
Electrical to Site	1	LS	\$35,000	\$35,000	\$28,350	\$6,650
Site Piping	1	LS	\$30,000	\$30,000	\$24,300	\$5,700
Drill, Pump, Motor, VFD	1	LS	\$385,000	\$385,000	\$385,000	\$0
Subtotal Arapahoe Well				\$837,000	\$751,120	\$85,880
Denver Well at Mikelson No. 2 Well Field						
Drill, Pump, Motor, VFD	1	LS	\$265,000	\$265,000	\$265,000	\$0
Subtotal Denver Well				\$265,000	\$265,000	\$0
Total Wells (Construction)				\$1,102,000	\$1,016,120	\$85,880
RAW WATER LINES						
Raw WL from Mikelson No. 2 Well Field to Mikelson and Lantern Intersection						
18-inch Water Line	1,800	LF	\$55	\$99,000	\$80,190	\$18,810
12-inch Water Line	3,700	LF	\$40	\$148,000	\$119,880	\$28,120
Rock Excavation	5,500	LF	\$12	\$66,000	\$53,460	\$12,540
Subtotal				\$313,000	\$253,530	\$59,470
Total Raw Water Lines (Construction)				\$313,000	\$253,530	\$59,470
WATER TREATMENT PLANT						
WTP Capacity						
1.6 MGD WTP (1530 SFEs x 1060 gpd/SFE = 1,621,800 gpd)	1,621,800	GAL	\$1.20	\$1,946,160	\$1,946,160	\$0
Total Water Treatment Plant (Construction)				\$1,946,160	\$1,946,160	\$0
STORAGE						
Green Zone Water Storage Tank						
2.0 MG Post Tensioned Tank	2,000,000	GAL	\$0.50	\$1,000,000	\$900,000	\$100,000
Total Storage (Construction)				\$1,000,000	\$900,000	\$100,000
GRAND TOTAL ESTIMATED CONSTRUCTION COSTS				\$4,381,160	\$4,115,810	\$245,350
10% CONTINGENCIES				\$438,116	\$411,581	\$24,535
12% ENGINEERING				\$575,673	\$543,287	\$32,386
GRAND TOTAL				\$5,372,949	\$5,070,678	\$302,271

Notes:

1. Facility sizes are based on 1,530 SFEs for Castlewood Ranch.
2. Town's share of well control building and raw water line is 19%. This is based on a total well production for 3 wells of 1300 gpm (Arapahoe = 600 gpm, Denver = 450, Dawson = 250) in which the Town will ultimately build the Dawson well (250/1300 = 0.19).
3. Mikelson No. 2 well field control building will be designed and constructed for four (4) wells (2 to be added later by Town of Castle Rock).
4. Costs do not include site acquisition for wells, WTP, and storage.
5. Unit cost estimates for raw water lines include fittings, valves, and bedding. Costs do not include pavement installation. Assume water lines constructed prior to street paving. Cost are based on actual bids for 12" and 18" water lines in Mikelson Blvd. and Lantern Trail.
6. Town's share of Green Zone storage tank is 10%. Assume that 2.0 MG tank will be constructed in which Castlewood required capacity is 1.8 MG (or 90% of 2.0 MG).