

ORIGINAL

**HILLSIDE AT CASTLE ROCK  
SUBDIVISION IMPROVEMENTS AGREEMENT**

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**DATE:** March 12, 2020.

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

**HILLSIDE AT CASTLE ROCK OWNER, LLC**, a Delaware  
limited liability company, 9116 West Bowles Avenue, Unit 15,  
Littleton, Colorado 80123 ("Subdivider").

**RECITALS:**

A. Subdivider desires to plat certain property as the Hillside at Castle Rock subdivision ("Subdivision"), more particularly described in the attached *Exhibit 1* ("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 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 Town makes no representation 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.

D. Mortgagee is a party to this Agreement solely for the purpose of subordinating its lien and interest in the Property to the terms and conditions of this Agreement.

**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:

AGR16-0013

**Agreement:** this Hillside at Castle Rock Subdivision Improvements Agreement.

**Code:** the Castle Rock Municipal Code, as amended.

**Development Agreement:** the Hillside at Castle Rock Annexation and Development Agreement dated February 5, 2015, recorded in the Records on June 4, 2015 at Reception No. 2015036726.

**Development Exactions:** the fees and charges imposed by Town under the Town Regulations on development, including the Development Impact and System Development Fees.

**Development Impact Fees:** the fees currently imposed under Chapter 3.16 of the Code.

**Director:** the Director of Development Services, or designee.

**Improvements:** the water, wastewater, storm water drainage, transportation, 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.

**Landscaping:** the landscaping required on public areas, streetscapes, or tracts as prescribed in the Site Development Plan, including any landscaping guidelines.

**Phase:** a contiguous geographical area of the Subdivision so designated a specific Phasing Plan submitted to and approved by the Town (or, if applicable, a sub-phase).

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

**Phasing Plan:** the depiction or description in the Plans of the Phases and the Improvements to be constructed with each Phase, as approved by the Director or designee.

**Plans:** the description of the Improvements on the construction drawings approved concurrently with the Plat and related documents.

**Plat:** the final subdivision plat for the Subdivision as 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.

**Site Development Plan:** a site development plan for any portion of the Subdivision as approved by the Town.

**Subdivision:** the Hillside at Castle Rock subdivision.

**Town Regulations:** the Code, inclusive of the Town technical design criteria manuals, as the same may be amended from time to time.

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. The Improvements may be constructed by Phase, in accordance with the applicable Phasing Plan, if any. 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 at least one of the Phases within one year of the date of recordation of this Agreement, the Town's authorization under this Agreement 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 the Improvements for 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 construction 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.

**Section 3. Restrictions Pending Completion of Improvements.** No Phase shall qualify for building permits until the Phase Improvements required by the Phasing Plan for such Phase 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 Phase shall qualify for certificates of occupancy unless the Phase Improvements have been initially 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. 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.

**Section 4. Acceptance of Improvements.** Upon substantial completion of the Phase Improvements, Subdivider may request inspection. Town shall make inspection within 5 working days of the date Subdivider requests final inspection, and Town shall notify Subdivider of non-conforming work within 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 record drawings and initial acceptance of the 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 Improvements and receipt of the warranty surety, the applicable warranty period commences.

**Section 5. Improvements Security.** In accordance with Town Regulations, Subdivider shall provide Town with a letter of credit, cash escrow deposit or performance bond to secure construction of the Phase Improvements. The amount of the Security shall be dependent on the form of Security provided, calculated in accordance with the Town Regulations ("Security"). The form of the Security is subject to approval by the Town Attorney. The Security shall be irrevocable for a period or term extending 60 days beyond the Completion Date. "Completion Date" shall mean the date the Town gives initial acceptance for the Improvements. Security which has a term expiring on or before 60 days after the Completion Date shall contain a provision that unless renewed or substitute Security is provided, prior to its expiration date, it may be called by the Town for lack of adequate Security. The Security shall be delivered to Town prior to and as a condition of the issuance of the first public works permit. The warranty portion of the Security shall be released as authorized in the Town Regulations.

The purpose of the Security is to provide Town with the financial resources to mitigate any public health and safety hazards and/or re-grade and re-vegetate the Subdivision 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.

**Section 6. Landscaping.**

A. Landscaping is required in connection with the Improvements and in connection with the private improvements on the Property as follows: (i) Subdivider shall make commercially reasonable efforts to complete all Landscaping pertaining to the Improvements prior to initial acceptance of the Improvements as prescribed in the Plans; and (ii) Subdivider shall make commercially reasonable efforts to complete all applicable Landscaping pertaining to private improvements on the Property prior to the issuance of a certificate of occupancy for related private improvements.

B. In the event Subdivider is unable to complete installation of the Landscaping in accordance with Subparagraph A, above, the following provisions shall apply:

1. Subdivider shall make a cash deposit to the Town in the amount of 100% of the estimated complete cost of the applicable Landscaping, to be held by the Town as security for completion of the Landscaping ("Landscape Deposit").
2. 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;
3. The Landscape Deposit must be made prior to and as a condition to:
  - a. Initial acceptance of the Improvements under A(i); above; or
  - b. Prior to the issuance of a certificate of occupancy for the private improvements under A(ii), above.
4. The Landscape Deposit shall not accrue interest;
5. Subdivider shall have 180 days from the date the Landscape Deposit is deposited with Town to complete the applicable Landscaping;
6. Within 10 days of completion of the Landscaping and acceptance by the Town, Town shall return the Landscape Deposit to Subdivider;



7. If at the end of the 180 day period the applicable Landscaping has not been completed and accepted by Town, Town may use the Landscape Deposit to the extent necessary to complete the Landscaping, provided Town will not be obligated to spend any Town funds to complete the applicable Landscaping in the event the Landscape Deposit is insufficient to fund completion; and

8. Town shall return to Subdivider any portion of the Landscape Deposit which remains after the Town has completed the Landscaping within 10 days after completion of such Landscaping.

**Section 7. Water Supply.** 60.66 SFE are required to meet the water demand requirements for the Subdivision. 60.66 SFE of the "Water Credit" provided in Article IV of the Development Agreement have been applied to meet such water demand requirements (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 as computed in accordance with the Town Regulations.

To the extent that the water demand created by development on the Property (computed in accordance with Town Regulations), exceeds the Subdivision Water Credit, Subdivider must provide additional water resources computed in accordance with Town Regulations 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 on the Property, that will create an aggregate water demand in excess of the Subdivision Water Credit (as the same may be subsequently augmented 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 Hillside Water Bank, as provided in the Development Agreement.

**Section 8. Wolfensberger Road Right of Way.** Pursuant to 5.08 of the Development Agreement, as condition to recordation of this Agreement and the Plat, Subdivider shall convey to Town, at no cost to Town, the right-of-way described on the attached *Exhibit 3* for the future widening of Wolfensberger Road along the Property.

**Section 9. Wolfensberger Road Improvements.** Pursuant to 5.08.B and 5.08.C of the Development Agreement, as a condition to recordation of this Agreement and the Plat, Subdivider shall pay to Town \$402,028 as cash-in-lieu of construction of the following Improvements, as further provided in the cost estimate attached as *Exhibit 4*:

A. Design and construction of all curb and gutter, storm sewer, and the proposed Wolfensberger Road medians adjacent to the Property on the northerly side of Wolfensberger Road



B. Design and construction of the north-half of Wolfensberger Road street lights adjacent to the Property.

C. Construction of the structural overlay (2-inches) for one-half of Wolfensberger Road abutting the Property.

**Section 10. Traffic Signal Contribution and Conduit Installation.**

Concurrently with and as a condition to recordation of the Plat and this Agreement, Subdivider shall pay to Town \$25,000 as the pro-rata share of the intersection control improvements (signalization or roundabout) at the intersection of Wolfensberger Road/Coachline Road.

**Section 11. Beaver Property Access.** As part of the Improvements, Subdivider shall ensure adequate access is provided to the property adjacent to the Property's northeast boundary in accordance with the Wolfensberger Access Plan dated September 2007, and Addendum #1 of said plan dated March 19, 2008.

**Section 12. Cash-in-lieu of PLD.** Pursuant to 6.01 of the Development Agreement, as a condition to recordation of this Agreement and the Plat, Subdivider shall pay to Town \$133,642 as cash in lieu of public land dedication. Such cash-in-lieu payment shall satisfy the public land dedication requirements for the Property under the Code.

**Section 13. Temporary Drainage Improvements.** The drainage swale located adjacent to the walking trail within Tracts A and K must be extended for full build-out of the Property prior final acceptance of the Improvements. The temporary sedimentation basin located within Tract K used as an interim drainage facility constructed as part of the Improvements may remain in operation until such time as the Improvements are placed into warranted, at which time Subdivider shall either (i) replace the temporary sedimentation basin with alternative drainage improvements approved by Town to route flows to the existing drainage pond, or (ii) upgrade the temporary sedimentation basin to current design standards in accordance with Town Regulations. Subdivider's obligation to construct either (i) or (ii) shall be a condition to final acceptance of the Improvements.

**Section 14. Rock Mitigation Channel.** Subdivider shall be responsible for the ongoing maintenance of the rock mitigation channel, retaining wall and trail. Such maintenance obligation may be assigned to the Hillside at Castle Rock Metropolitan District.

**Section 15. Public Trail Access.** Pursuant to 6.02 of the Development Agreement, Subdivider shall provide two additional public parking spaces within the Property for use as public parking and access to the public open space on the Property. In addition,



Subdivider shall construct the necessary connection trail/maintenance connection to the proposed sidewalk that runs parallel to Coachline Road.

**Section 16. Age Restricted Development.** Pursuant to Article VII of the Development Agreement, the Subdivision shall be developed as an adult-oriented community and comply with the Restrictions and Covenants recorded in the Records on April 30, 2019 at Reception No. 2019022794.

**Section 17. Water Conservation Regulations.** The landscaping of the Property shall conform to the Town's adopted water conservation requirements in effect at the time of the building permit application.

**Section 18. Application of Development Agreement.** The Development Agreement may contain certain other conditions and requirements which apply to the development of the Property. The enumeration in this Agreement of certain of obligations triggered under the phasing plan of the Development Agreement is not inclusive of all such obligations. In the event of a conflict between the Development Agreement and this Agreement, the Development Agreement shall govern and control.

**Section 19. Default.** The following occurrences constitute a default by the Subdivider:

- (a) failure to commence or complete construction of the Phase Improvements within the time periods prescribed in Section 3, above;
- (b) failure to cure the defective construction of any Phase Improvements within the applicable cure period;
- (c) 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 thirty (30) calendar days from the receipt of such notice to cure the default. If timely cure of the noticed default(s) is not accomplished, Town shall thereafter be entitled to pursue its remedies against Subdivider.

**Section 20. 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





9116 West Bowles Avenue, #15  
Littleton, CO 80123

**Section 25. Recordation.** 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 26. Immunity.** Nothing contained in this Agreement constitutes a waiver of the Town's sovereign immunity under any applicable state law.

(Signature pages to follow)



Unofficial Copy



Witness my official hand and seal.

My commission expires: 06/06/2020.

(SEAL)



Sara Mikelson  
Notary Public

Unofficial Copy

**EXHIBIT 1**  
**PROPERTY DESCRIPTION**

A TRACT OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 3 AND THE SOUTHEAST 1/4 OF SECTION 4, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH P.M., TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 3, WHENCE THE SOUTH LINE OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4 BEARS N89°26'32"W, A DISTANCE OF 1,286.69 FEET, SAID LINE FORMING THE BASIS OF BEARING FOR THIS DESCRIPTION;

THENCE N87°15'21"E, A DISTANCE OF 513.50 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF WOLFENSBERGER ROAD, SAID POINT BEING THE POINT OF BEGINNING;

THENCE N49°02'26"W, A DISTANCE OF 72.75 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 24°21'57" AND A RADIUS OF 1,500.00 FEET, AN ARC DISTANCE OF 637.90 FEET (CHORD BEARS N61°13'25"W, A DISTANCE OF 633.10 FEET) TO THE SOUTHEASTERLY CORNER OF A PARCEL OF LAND DESCRIBED BY DEED RECORDED IN BOOK 591 AT PAGE 379 OF THE DOUGLAS COUNTY RECORDS;

THENCE ALONG THE EASTERLY LINE OF SAID PARCEL OF LAND, ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 43°07'18" AND A RADIUS OF 635.00 FEET, AN ARC DISTANCE OF 477.91 FEET (CHORD BEARS N39°12'48"W, A DISTANCE OF 466.71 FEET) TO A POINT;

THENCE N53°24'19"E, A DISTANCE OF 1,064.54 TO A POINT SET ON-LINE;

THENCE CONTINUING N53°24'19"E, A DISTANCE OF 1,064.54 FEET TO THE EAST LINE OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 3;

THENCE S00°11'15"W, A DISTANCE OF 668.18 FEET TO THE NORTHWEST CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 3;

THENCE N89°33'04"E, ALONG THE NORTH LINE OF SAID SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 3, A DISTANCE OF 257.97 FEET TO A POINT;

THENCE S00°09'26"W, A DISTANCE OF 13.38 FEET TO A POINT ON THE NORTH LINE OF A PARCEL OF LAND DESCRIBED BY DEED RECORDED AT RECEPTION NO. 2004076013 OF THE DOUGLAS COUNTY RECORDS;

THENCE ALONG SAID NORTH LINE THE FOLLOWING SIX (6) COURSES:

1. S89°31'34"E, A DISTANCE OF 168.67 FEET;
2. S89°48'17"E, A DISTANCE OF 42.26 FEET;
3. S40°20'15"E, A DISTANCE OF 19.33 FEET;
4. N89°03'34"E, A DISTANCE OF 130.53 FEET;
5. N89°05'46"E, A DISTANCE OF 209.06 FEET;
6. N87°46'26"E, A DISTANCE OF 134.06 FEET TO SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF WOLFENSBERGER ROAD AS DESCRIBED IN RECEPTION NO.'S 2002094311 AND 2015036728 OF THE DOUGLAS COUNTY RECORDS;

**EXHIBIT 1**  
**PROPERTY DESCRIPTION**

THENCE ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE THE FOLLOWING NINE (9) COURSES:

1. S44°24'02"W, A DISTANCE OF 126.36 FEET TO A POINT OF NON-TANGENT CURVE;
2. ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A LENGTH OF 125.76 FEET, A CENTRAL ANGLE OF 6°47'51", A RADIUS OF 1,060.00 FEET AND A CHORD BEARING AND DISTANCE OF S53°26'58"W, 125.69 FEET;
3. S50°03'02"W, A DISTANCE OF 405.64 FEET;
4. N89°33'04"E, A DISTANCE OF 3.72 FEET;
5. S51°32'57"W, A DISTANCE OF 622.74 FEET;
6. S51°41'36"W, A DISTANCE OF 95.42 FEET TO A POINT OF CURVE;
7. ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A LENGTH OF 376.64 FEET, A CENTRAL ANGLE OF 9°13'20", A RADIUS OF 2,339.99 FEET AND A CHORD BEARING AND DISTANCE OF S56°18'16"W, 376.23 FEET;
8. S60°54'56"W, A DISTANCE OF 363.24 FEET TO A POINT OF CURVE;
9. ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A LENGTH OF 78.94 FEET, A CENTRAL ANGLE OF 4°16'00", A RADIUS OF 1,060.00 FEET AND A CHORD BEARING AND DISTANCE OF S58°46'56"W, 78.92 FEET TO THE POINT OF BEGINNING;

CONTAINING 2,201,840 SQUARE FEET OR 50.547 ACRES OF LAND, 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")  
100 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 Hillside at Castle Rock subdivision. 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 in Title 15 of the Town's Municipal Code commencing with 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 \_\_\_\_\_

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

- 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 \_\_\_\_\_, 20\_\_.

TOWN OF CASTLE ROCK

\_\_\_\_\_  
Engineering Division

Unofficial Copy

### EXHIBIT 3

(Right-of-Way conveyed by Special Warranty Deed recorded June 4, 2015; Reception No. 2015036728)

A TRACT OF LAND LOCATED IN THE SOUTHWEST 1/4 OF SECTION 3, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 3, WHENCE THE SOUTH LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 4 BEARS N. 89°26'32" W., A DISTANCE OF 1286.69 FEET, SAID LINE FORMING THE BASIS OF BEARING FOR THIS DESCRIPTION; THENCE N. 89°16'41" E., A DISTANCE OF 533.53 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF WOLFENSBURGER ROAD, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE N 49°02'26" W, A DISTANCE OF 27.25 FEET TO A NON-TANGENT POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 4°16'00" AND A RADIUS OF 1,060.01 FEET, AN ARC DISTANCE OF 78.94 FEET (CHORD BEARS N58°46'56"E, A DISTANCE OF 78.92 FEET) TO A POINT OF TANGENCY;

THENCE N 60°54'56" E, A DISTANCE OF 363.24 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 9°13'20" AND A RADIUS OF 2,339.99 FEET, AN ARC DISTANCE OF 376.64 FEET TO A POINT OF TANGENCY; THENCE N 51°41' 36" E, A DISTANCE OF 95.42 FEET TO A POINT; THENCE N 51°32'57" E, A DISTANCE OF 622.74 FEET TO A POINT; THENCE N 89°33'04" E, A DISTANCE OF 48.73 FEET TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF WOLFENSBURGER ROAD;

THENCE ALONG SAID NORTHWESTERLY RIGHT-OF-WAYLINE OF WOLFENSBURGER ROAD THE FOLLOWING FOUR (4) COURSES:

THENCE S 51°32'57" W, A DISTANCE OF 649.93 FEET TO A POINT; THENCE S 51°35'58" W, A DISTANCE OF 173.87 FEET TO A POINT; THENCE S 50°14'24" W, A DISTANCE OF 80.36 FEET TO A POINT;

THENCE S 60°38'02" W, A DISTANCE OF 667.40 FEET TO THE TRUE POINT OF BEGINNING;

**EXHIBIT 4****Engineer's Opinion of Estimated Costs for Public/Private Improvements  
Wolfsenberger Improvements for Hillside at Castle Rock**

All Costs Include Labor and Materials.

		<b>WOLFSENBERGER PROP GROUP BUDGET</b>			
<b>Item #</b>	<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Total Cost</b>
<b><u>PUBLIC IMPROVEMENTS TO BE INSPECTED</u></b>					
<b>Earthwork</b>					
	Mobilization (See below under transportation)	0	LS	\$ 4,500.00	\$0.00
<b>Professional Services</b>					
	Civil Design	1	EA	\$ 3,600.00	\$3,600.00
	Materials Testing	4%	PCT	\$ 311,142.00	\$12,445.68
	GESC	3%	PCT	\$ 311,142.00	\$7,778.55
	Traffic Control	10%	PCT	\$ 311,142.00	\$31,114.20
<b>Transportation</b>					
	Mobilization	1	EA	\$ 6,400.00	\$6,400
	2" Mill & Overlay (1/2 of Existing Wolfsenberger)	3319	SY	\$ 10.05	\$33,356
	Subgrade Prep (Includes curb)	6483	SY	\$ 2.80	\$18,152
	2.5' Vertical Curb and Gutter	1951	LF	\$ 18.40	\$35,898
	Median Curb & Gutter	2673	LF	\$ 17.00	\$45,441
	Stamped Concrete Flatwork in Median	1069	SF	\$ 10.00	\$10,690
	Demo asphalt for Medians	367	SY	\$ 12.00	\$4,404
	Sawcut for median demo	2200	LF	\$ 3.50	\$7,700
	Utility Conduits in Right-of-Way - <b>Not Part of Agreement</b>				\$0
	Utility Pull Boxes - <b>Not Part of Agreement</b>				\$0
	Public Street Lighting	5	EA	\$ 9,000.00	\$45,000
<b>Water</b>					
	N/A				\$0
<b>Sanitary Sewer</b>					
	N/A				\$0
<b>Drainage</b>					
	Storm Sewer Pipes	300	LF	\$ 250.00	\$75,000
	Inlets	3	EA	\$ 8,500.00	\$25,500
	FES's	1	EA	\$ 3,000.00	\$3,000
					\$365,480.18
<b>10% Contingency</b>					\$36,548.02
<b>Total Public Improvements</b>					<b>\$402,028.20</b>
<b>Grand Total</b>					<b>\$402,028.20</b>
<ol style="list-style-type: none"> <li>1. Surety is calculated based on Public Improvement Costs.</li> <li>2. Inspection Fees are calculated from Public Improvements and Private Improvements to be inspected.</li> <li>3. Use Tax is calculated from the Grand Total of all Improvements minus Earthwork.</li> <li>4. All Costs Shall Include Labor and Material.</li> </ol>					