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**MILESTONE FILING NO. 4
SUBDIVISION IMPROVEMENTS AGREEMENT**

DC98105513

DATE: November 23, 1998.

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

N-ONE, LTD., a Colorado limited partnership and **CROWFOOT CASTLE ROCK, LTD.**, a Colorado limited partnership (collectively, "Subdivider"), 7600 E. Arapahoe Road, Suite 211, Englewood, Colorado 80112.

RECITALS:

A. Subdivider desires to plat and subdivide certain property within the Town known as Milestone Filing No. 4 (the "Subdivision"), more particularly described in the attached *Exhibit 1* (the "Property").

B. The subdivision regulations of the 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.

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: the Milestone Filing No. 4 Subdivision Improvements Agreement.

Annexation Contract: the Annexation and Development Contract between the Town of Castle Rock and Park Funding Corp. (Metzler Ranch Annexations) dated November 15, 1984, recorded on December 26, 1984 beginning in Book 555 at Page 522, and re-recorded on February 20, 1985 beginning in Book 562 at Page 517.

Code: the Castle Rock Municipal Code, as amended.

Development Agreement: The Milestone Commercial Development Agreement dated December 28, 1994, recorded on August 24, 1995 at Reception No. 9539504, as amended by First Amendment dated October 2, 1995, recorded October 3, 1995 at Reception No. 9546738 and Second Amendment dated November 14, 1996, recorded December 16, 1996 at Reception No. 9670247 of the Records.

Improvements: the water, wastewater, stormwater drainage, transportation and landscaping 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.

Phase: a contiguous geographical area of the Subdivision so designated in the Plans.

Phase Improvements: the depiction or description in the Plans of the Phases and the Improvements to be constructed with each Phase, as approved by the Director of Public Works.

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 of Public Works.

Plans: the description of the Public 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 12-21-98 at Reception No. 98105513 of the Records.

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

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

SFE: the water demand created by one single-family residence with a 3/4-inch water tap.

Subdivision: Milestone Filing No. 4.

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 in Phases, in accordance with the Phasing Plan. In the event the Subdivider has not obtained all necessary Town permits and approvals and commenced construction of at least one Phase 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 Improvements thereafter, Subdivider shall demonstrate to the Council good cause for the delay and its good faith intention and financial ability to proceed and complete development of the Subdivision. No building permit for above-grade construction ("Stick Permit") shall be issued by Town within a particular Phase until the applicable Phase Improvements are completed and conveyed to the Town in accordance with section 4, except that:

- (a) the Improvements to Front Street need not be completed prior to issuance a Stick Permit as further provided in section 3; and
- (b) the Town Manager may waive in writing the requirement that a specific Phase Improvement be completed prior to the issuance of a Stick Permit if the Town Manager, or his designee, determines that the completion of such Phase Improvement is not required to provide adequate fire protection and emergency access to the structure and construction site, in which event, the designated Phase Improvement shall be completed prior to and as a condition of issuance of the certificate of occupancy for the subject structure.

Grading, and below-grade construction may commence prior to completion of the Phase Improvements, if otherwise permitted under the Code. Irrespective of whether building permits are requested, Phase Improvements for which construction is undertaken by the Subdivider must be completed not later than one year after the date of issuance of the first public works permit for such Phase, except when timely completion is delayed due to adverse weather, material unavailability, or other

circumstances beyond the control of Subdivider, in which event construction shall be completed as soon thereafter as feasible.

Section 3. Front Street. Subdivider anticipates commencement of construction of the Improvements in the winter of 1998-1999. Seasonal conditions will likely make it infeasible to complete Front Street Phase Improvements until late spring, 1999. Front Street adjacent to the Subdivision is currently an improved arterial and will provide access to the Subdivision during construction of the Improvements. Provided that adequate emergency entry over the Property to building construction on the Subdivision is maintained by Subdivider, Town may issue Stick Permits prior to completion of Front Street. However, the Front Street Phase Improvements must be completed not later than June 15, 1999, or issuance of the first certificate of occupancy, whichever occurs first. If not completed by June 15, 1999, the Town may thereafter withhold all further development approvals on the Property, including additional building permits and certificates of occupancy and such non-compliance shall constitute an event of default. Subdivider agrees to install curb and gutter along the east boundary of Phase 1 Front Street Improvements. Town recognizes that this curb and gutter is the Town's responsibility but due to construction requirements for safety and timing, Subdivider will cause this curb and gutter to be installed with its Phase 1 Front Street Improvements. Town agrees to reimburse Subdivider for this cost through a credit against the future signal required at Trail Boss Drive and Founder's Parkway

Section 4. Acceptance. 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 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 Improvements, Subdivider's warranty period commences.

Section 5. Improvements Security. In accordance with Town regulations, Subdivider shall establish a cash escrow deposit for the benefit of the Town, approved by the Town Attorney in the amount of 115% of the estimated construction cost of the Phase Improvements (the "Security"). The Security for each respective Phase shall be delivered to Town prior to and as a condition of the issuance of the first public works permit for 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. 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 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. 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 to secure Subdivider's warranty on the Phase Improvements during the warranty period, commencing with initial acceptance of the Phase Improvements. Upon expiration of the warranty period, or in the event warranty matters have not been rectified within such warranty period, as soon thereafter as the Town has finally accepted the Phase Improvements, the balance of the Security for the Phase Improvements shall be refunded or released to Subdivider.

Section 6. Water Supply. Chapter 4.04 of the Code requires the conveyance to Town of water rights sufficient to offset the anticipated water demand created by development of the Subdivision. Accordingly, Subdivider will transfer or convey the following property interests to the Town concurrently with recordation of the Plat:

- (a) 18 SFE of the 113 SFE credit granted by Town (in exchange for the prior conveyance of certain water rights) under the Milestone Filing No. 1 Subdivision Improvements Agreement (the "Filing 1 SIA") are hereby transferred for the benefit of the Subdivision. Subdivider represents that sufficient SFE remain for use in Filing 1 to meet the commitment for the "Dillon lots" set forth under section 6 of the Filing 1 SIA.
- (b) Subdivider has caused to be conveyed to the Town by special warranty deed the rights to 104.1 acre feet of Denver Basin ground water as decreed in 85CW274, 85CW275 and 86CW28 (the "Water Rights"). In addition, Subdivider has concurrently paid to Town \$12,334 to defray Town's expense in obtaining not-nontributary Lower Dawson and Denver aquifer augmentation plans and to compensate Town for utilization of Town water resources for post-pumping replacements which may be required in such plans.

Under current Town water policy, the conveyance of the 104.1 acre-feet of the Water rights yields 95 SFE, which together with the transfer of the 18 SFE credit constitutes the "Subdivision Water Credit." In order to properly account for the Subdivision Water Credit, Town shall administratively establish, maintain, and update the Milestone Filing No. 4 Water Bank (the "Water Bank"). With the initial transfer of SFE and conveyance of the Water Rights, the Water Bank shall reflect the following entries:

MILESTONE FILING NO. 4 WATER BANK					
Entry	Date Recorded	Recording Info.	SFE Demand	SFE Supply	Net
Transfer of Filing 1 SFE	10/20/98			18	18
Deed to Water Rights	00/00/00	0000/0000			95
Net Credit					113

47 SFE of the Subdivision Water Credit may be used without condition. The remaining 66 SFE may unto be utilized until Subdivider obtains a release of restrictions on the manner of physical withdrawal of the Water Rights contained in the Quit Claim Deed recorded on August 19, 1994 at Reception No. 944368, beginning in Book 1214 at Page 235 of the Records.

The Water Bank shall be reduced (i.e. debited) at the time of Final PD Site Plan approval within the Subdivision (if so identified on the Final PD Site Plan), or otherwise at issuance of a building permit, by the amount of SFE assigned to a commercial use (including irrigation) based upon section 13.12.090 of the Code. The Water Bank shall be increased (i.e. credited) with conveyance of additional water resources as authorized by this section.

Town shall not require additional water rights or water resources as a condition to issuance of land use approvals within the Subdivision, so long as the aggregate water demand from development does not exceed the Subdivision Water Credit. To the extent that the water demand created by development on the Property (computed in accordance with Town ordinances and regulations), exceeds the Subdivision Water Credit, additional SFE must be allocated to the Property and/or Subdivider must provide additional water resources in accordance with Town water policies then in effect, 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, 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 Subdivider. Thereafter, such surplus Water Credit may be transferred by Subdivider, or its assignee to satisfy the Town's water dedication requirements on other properties, provided the property to which the Water Credit is assigned must be located within the corporate limits of the Town and such property can be legally and physically served through the Town water system.

This section 6 entirely supersedes Article VII of the Annexation Contract.

Section 7. Development Agreement. The Improvements to be constructed by Subdivider are inclusive of the "Facilities," for which development responsibility is allocated to "Owner" under the Development Agreement. This Agreement does not amend the Development Agreement unless expressly provided to the contrary.

Section 8. Off-site Facilities. Pursuant to the letter agreement dated December 12, 1996, attached as *Exhibit 3*, Subdivider has acquired certain rights to utility infrastructure developed within the Metzler Ranch PD. Subdivider shall make the required payments to Town as specified in the letter agreement, and thereafter will be entitled to utilize the infrastructure accordingly.

Section 9. Default. The following occurrences constitute a default by the Subdivider:

- (a) failure to commence or complete construction of the Improvements within the time periods prescribed in section 2 above;
- (b) failure to cure the defective construction of any Improvement within the applicable cure period;
- (c) 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;
- (d) Subdivider's insolvency, the appointment of a receiver for the Subdivider or the filing of a voluntary or involuntary petition in bankruptcy respecting the Subdivider;
- (e) Subdivider has breached, or caused a breach of any other provision of this Agreement.

As a condition to Town's right to exercise its remedies for default, Town shall give written notice to Subdivider of the occurrence of an event of default. Subdivider shall have 30 calendar days from the receipt of such notice to cure the default. If timely cure of the noticed default(s) is not accomplished, Town shall thereafter be entitled to

pursue its remedies against Subdivider.

Section 10. Town's Rights Upon Default. When any event of default occurs and has not been timely cured, the Town may:

- (a) if 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 for the purpose of undertaking the Remedial Work after an uncured default;
- (b) if Improvements have not been timely completed, withhold issuance of building permits, certificates of occupancy and tap connections within the Property;
- (c) 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
- (d) bring suit against Subdivider for money damages and/or equitable relief for breach of the Agreement.

Section 11. 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 12. Delegation of Performance. Subdivider may delegate the responsibility to construct the Phase Improvements to third parties, either as part of a transfer of a portion of the Property or pursuant to a private development agreement. Town shall accept performance by such third party which conforms to the requirements of this Agreement, but Subdivider shall remain a co-obligor under this Agreement unless released by Town in writing.

Section 13. 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 14. 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 15. 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:

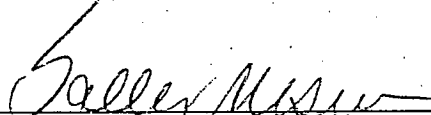
if to Subdivider: N-One, Ltd.
Crowfoot Castle Rock, Ltd.
7600 E. Arapahoe Road, Suite 211
Englewood, CO 80112

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

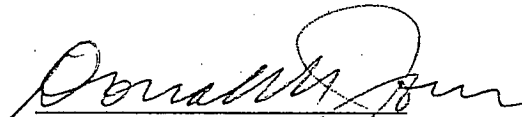
Section 16. Recordation. This Agreement shall be recorded with the Clerk and Recorder's Office of Douglas County, Colorado and shall be binding upon the assigns, successors, and grantees of Subdivider in the same manner as if such third parties were signatories to this Agreement.

Section 17. Immunity. Nothing contained in this Agreement constitutes a waiver of the Town's sovereign immunity under any applicable state law.

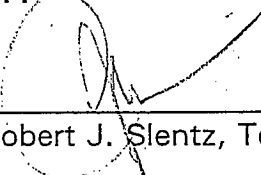
ATTEST:


Sally Misare, Town Clerk

TOWN OF CASTLE ROCK


Donald K. Jones, Mayor

Approved as to form:


Robert J. Slentz, Town Attorney

STATE OF COLORADO)
)
COUNTY OF Dgls) ss.

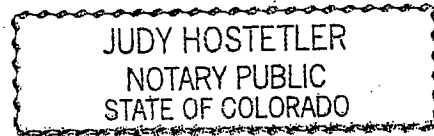
The foregoing instrument was acknowledged before me this 19th day of December, 1998, by Donald K. Jones as Mayor and Sally Misare as Town Clerk of the Town of Castle Rock.

Witness my official hand and seal.
My Commission expires: 10-31-2002

Judy Hostetler
Notary Public

N-ONE, LTD., a Colorado limited partnership.

By: Alan R. Smith
Its: Vice President



STATE OF COLORADO)
) ss.
COUNTY OF Arapahoe)

The foregoing instrument was acknowledged before me this 15th day of December, 1998 by Alan R. Smith as Vice President for N-One, Ltd., a Colorado limited partnership.

Witness my official hand and seal.
My commission expires: 8/17/2000

Paula Coy
Notary Public

(SEAL)

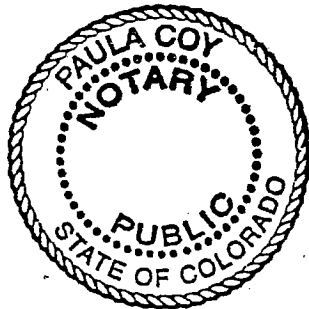


EXHIBIT 1

A PART OF THE NORTH ONE-HALF OF SECTION 35 TOGETHER WITH A PART OF THE SOUTH ONE-HALF OF SECTION 26, TOWNSHIP 7 SOUTH, RANGE 67 WEST, OF THE SIXTH P.M., COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST ONE-QUARTER CORNER OF SAID SECTION 26, THENCE SOUTH 89 DEGREES 49 MINUTES 01 SECONDS EAST, ALONG THE NORTH LINE OF SAID SOUTH ONE-HALF OF SECTION 26, A DISTANCE OF 246.69 FEET TO A POINT ON THE WESTERLY LINE OF MILLER BOULEVARD, FILING NO. 2; THENCE SOUTH 32 DEGREES 27 MINUTES 41 SECONDS EAST, ALONG SAID WESTERLY LINE, A DISTANCE OF 101.15 FEET TO THE NORTHWEST CORNER OF MILESTONE FILING NO. 1, SAID POINT BEING ON THE SOUTHWESTERLY LINE OF SAID MILLER BOULEVARD, FILING NO. 2; THENCE RUNNING THE COMMON LINES OF MILESTONE FILING NO. 1, MILLER BOULEVARD, FILING NO. 2 AND MILESTONE FILING NO. 2, THE NEXT TWO (2) COURSES: 1) ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 68 DEGREES 26 MINUTES 32 SECONDS, AN ARC DISTANCE OF 830.21 FEET, WITH A RADIUS OF 695.00 FEET, A CHORD BEARING OF SOUTH 72 DEGREES 26 MINUTES 42 SECONDS EAST, A DISTANCE OF 781.72 FEET; 2) SOUTH 38 DEGREES 13 MINUTES 26 SECONDS EAST, A DISTANCE OF 826.69 FEET TO THE SOUTHEAST CORNER OF MILESTONE FILING NO. 2 AND THE BEGINNING AT A POINT; THENCE CONTINUING ALONG THE SOUTHWESTERLY LINE OF SAID MILLER BOULEVARD, FILING NO. 2 THE NEXT TWO (2) COURSES: 1) SOUTH 38 DEGREES 13 MINUTES 24 SECONDS EAST, A DISTANCE OF 880.72 FEET; 2) ALONG THE ARC OF A CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 33 DEGREES 24 MINUTES 59 SECONDS, AN ARC DISTANCE OF 1211.76 FEET, WITH A RADIUS OF 2077.69 FEET, A CHORD BEARING OF SOUTH 54 DEGREES 55 MINUTES 56 SECONDS EAST, A DISTANCE OF 1194.66 FEET TO THE NORTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED IN BOOK 1214 AT PAGE 230 OF THE DOUGLAS COUNTY RECORDS; THENCE SOUTH 00 DEGREES 00 MINUTES 23 SECONDS EAST, ALONG THE EAST LINE OF SAID TRACT, A DISTANCE OF 622.49 FEET TO THE SOUTHEAST CORNER OF SAID TRACT BEING ALSO AN ANGLE POINT IN THE NORTH LINE OF METZLER RANCH FILING NO. 1; THENCE SOUTH 81 DEGREES 21 MINUTES 08 SECONDS WEST, ALONG THE NORTH LINE OF SAID METZLER RANCH, FILING NO. 1, A DISTANCE OF 285.96 FEET TO AN ANGLE POINT IN THE WEST LINE OF SAID METZLER RANCH, FILING NO. 1; THENCE SOUTH 08 DEGREES 38 MINUTES 02 SECONDS EAST, ALONG SAID WEST LINE, A DISTANCE OF 174.46 FEET; THENCE DEPARTING SAID WEST LINE ALONG THE ARC OF A CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 60 DEGREES 00 MINUTES 50 SECONDS, WITH A RADIUS OF 140.00 FEET, AN ARC DISTANCE OF 146.64 FEET, A CHORD BEARING OF NORTH 38 DEGREES 38 MINUTES 27 SECONDS WEST, A DISTANCE OF 140.03 FEET; THENCE NORTH 68 DEGREES 38 MINUTES 52 SECONDS WEST, A DISTANCE OF 106.40 FEET TO A POINT ON THE SOUTH LINE OF THAT TRACT OF LAND DESCRIBED IN BOOK 1214 AT PAGE 230 OF THE DOUGLAS COUNTY RECORDS; THENCE SOUTH 81 DEGREES 21 MINUTES 28 SECONDS WEST, ALONG SAID SOUTH LINE, A DISTANCE OF 1221.88 FEET TO THE SOUTHWEST CORNER OF SAID TRACT, SAID POINT BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF INTERSTATE 25 AS DESCRIBED IN BOOK 157 AT PAGE 216 AS PARCEL 24; THENCE NORTH 18 DEGREES 39 MINUTES 56 SECONDS WEST, ALONG SAID EASTERLY LINE AND ALONG THE WESTERLY LINE OF SAID TRACT DESCRIBED IN BOOK 1214 AT PAGE 230, A DISTANCE OF 778.18 FEET TO THE SOUTHWEST CORNER OF SAID MILESTONE FILING NO. 1; THENCE RUNNING ALONG THE SOUTH LINE OF SAID MILESTONE FILING NO. 1 THE NEXT SIX (6) COURSES: 1) NORTH 42 DEGREES 18 MINUTES 26 SECONDS EAST, A DISTANCE OF 17.07 FEET; 2) NORTH 18 DEGREES 37 MINUTES 39 SECONDS WEST, A DISTANCE OF 366.63 FEET; 3) ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 21 DEGREES 33 MINUTES 50 SECONDS, AN ARC DISTANCE OF 376.36 FEET, WITH A RADIUS OF 1000.00 FEET, A CHORD BEARING OF NORTH 07 DEGREES 50 MINUTES 44 SECONDS WEST, A DISTANCE OF 374.14 FEET; 4) NORTH 02 DEGREES 56 MINUTES 03 SECONDS EAST, A DISTANCE OF 22.96 FEET; 5) ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 17 DEGREES 12 MINUTES 16 SECONDS, AN ARC DISTANCE OF 288.26 FEET, WITH A RADIUS OF 960.00 FEET, A CHORD BEARING OF NORTH 11 DEGREES 32 MINUTES 19 SECONDS EAST, A DISTANCE OF 287.18 FEET; 6) NORTH 28 DEGREES 30 MINUTES 15 SECONDS EAST, A DISTANCE OF 119.70 FEET; 7) ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 24 DEGREES 28 MINUTES 27 SECONDS, AN ARC DISTANCE OF 405.80 FEET, WITH A RADIUS OF 950.00 FEET, A CHORD BEARING OF NORTH 39 DEGREES 32 MINUTES 21 SECONDS EAST, A DISTANCE OF 402.72 FEET TO A POINT ON THE SOUTH LINE OF SAID MILESTONE FILING NO. 2; THENCE RUNNING ALONG SAID SOUTH LINE THE NEXT TWO (2) COURSES: NORTH 51 DEGREES 46 MINUTES 34 SECONDS EAST, A DISTANCE OF 116.66 FEET; 2) ALONG THE ARC OF A CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 90 DEGREES 00 MINUTES 00 SECONDS, AN ARC DISTANCE OF 78.54 FEET, WITH A RADIUS OF 50.00 FEET, A CHORD BEARING OF SOUTH 83 DEGREES 13 MINUTES 26 SECONDS EAST, A DISTANCE OF 70.71 FEET TO THE POINT OF BEGINNING, CONTAINING 2,798,669 SQUARE FEET OR 64.25 ACRES MORE OR LESS.

98105513 - 12/21/98 12:56 - RETA A. CRA. DOUGLAS CO. COLO. CLERK & RECORDER 12/ 17
B1644 - P0540 - \$85.00

(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 Milestone Filing No. 4. 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.

(EXEMPLAR - NOT FOR EXECUTION)

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

98105513 - 12/21/98 12:56 - RETA A. CRAIN DOUGLAS CO. COLO. CLERK & RECORDER
B1644 - P0543 - \$85.00 - 15/ 17

N-ONE Ltd.
c/o Park Land Company
7600 E. Arapahoe Road
Suite 211
Englewood, Co. 80112

December 12, 1996

Via: Hand Delivery

Mr. John Franklin
Director of Planning
Town of Castle Rock
680 N. Wilcox Street
Castle Rock, Co. 80104

Re: Metzler Ranch - Regional Detention

N-ONE, Ltd. and Crowfoot Castle Rock Ltd. (collectively 'Owner') hereby agree to participate in the construction of a regional detention pond and stormwater piping system adjacent to and on a portion of land owned by Crowfoot and potentially benefitting Owner (see attached drawing for general details) on the following terms and conditions:

1. Crowfoot shall grant an easement for the construction and perpetual maintenance of a portion of the pond not to exceed 0.5 acres subject to: a) the final configuration and construction plans for the pond being acceptable to Crowfoot, b) The pond is completed by the developer of the Metzler Ranch and initially accepted by the Town of Castle Rock ('Town') by December 31, 1997, c) the contractor building the pond shall carry insurance acceptable to Owner naming Owner and Park Land Company as additional insureds, and d) The easement property shall be credited as open space for the property adjacent to the pond at the time said property is platted.
2. Owner shall pay to the Town a sum not to exceed \$27,384 at the time development on Owner's property requires use of this pond. Development shall mean the issuance by the Town of the first building permit for a structure located on Owner's properties that lie within the drainage basin served by the subject regional detention pond.
3. Crowfoot shall provide an easement to the Town (not to exceed 20 feet in width) adjacent to and running along the south right-of-way line of Founders Parkway for the proposed 54 inch stormwater pipe. Owner shall have the right to review and approve the construction plans (including proposed finished grades). The pipe must be constructed by the developer of the Metzler Ranch and Initially accepted by the Town no later than December 31, 1997. The easement shall be non-exclusive and shall allow sidewalks, landscaping, street lighting, other utilities, etc. The easement property shall be credited as open space for the property adjacent to the easement at the time said property is platted.

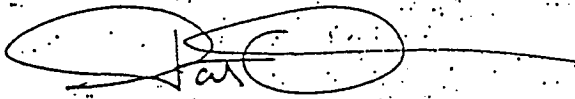
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B1644 - P0544 - \$85.00 - 16/ 17

4. Owner shall pay the Town for Owner's proportionate share of stormwater flows for the portion of pipe actually utilized by Owner. Owner's actual monetary contribution shall be capped at \$19,177. If a portion of pipe is not utilized by Owner then Owner shall not be obligated to pay any contribution for the portion not utilized. Pipe portion shall mean the percentage volume contributed and actual linear footage utilized as compared to the total pipe capacity and length along Owner's east and south property lines as generally shown on the attached drawing. Payment shall be made to the Town at the time the Town issues the first building permit on Owner's property that utilizes a section of the pipe.

Please call with any questions. Thank you for your efforts in resolving this matter.

Sincerely,
Crowfoot Castle Rock Ltd.
by Crowfoot Valley Corp.

N-ONE Ltd.
by Nightingale Investments, Inc.



Patrick S. Vaughn
Vice President



Patrick S. Vaughn
Vice President

cc: Laramie Dawson
Glen Smith
Kieth Pockross
Bob Slentz
Rod Hamilton