

③

**RED HAWK FILING NO. 2
SUBDIVISION IMPROVEMENTS AGREEMENT**

DC00001276

178
85

DATE: December 13, 1999.

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

U.S. HOME CORPORATION, a Delaware corporation ("Subdivider"), 6000 S. Greenwood Plaza Boulevard, Suite 200, Englewood, CO 80111.

RECITALS:

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

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

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

COVENANTS:

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

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

Agreement: this Red Hawk Filing No. 2 Subdivision Improvements Agreement.

Code: the Castle Rock Municipal Code, as amended.

Development Agreement: the Red Hawk Annexation and Development Agreement

dated March 22, 1996, recorded March 26, 1996 at Reception No. 9615291, beginning in Book 1328 at Page 305, as amended by the First Amendment to Red Hawk Annexation and Development Agreement dated January 9, 1997, recorded February 25, 1997 at Reception No. 9710204, beginning in Book 1411 at Page 162, Second Amendment to Red Hawk Annexation and Development Agreement dated February 25, 1999, recorded April 2, 1999 at Reception No. 99029103, beginning in Book 1689 at Page 84 and Third Amendment to Red Hawk Annexation and Development Agreement dated 10-28-99, recorded 1-6-00 at Reception No. 00001274, beginning in Book 1797 at Page 1349, of the Records.

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

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

Landscaping: the landscaping of Subdivision tracts required under the landscape plan made part of the Site Plan, or if none, as required under the Code.

Lot Landscaping: the landscaping required on lots under the Code, as modified by the Site Plan.

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

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) within a particular Phase.

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 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 1-6-00 Reception No. 0000 1275 of the Records.

Preliminary Plat: the Red Hawk Filing No. 2 preliminary subdivision plat approved by the Town Council on July 22, 1999.

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

Property: the real 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.

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

Subdivision: the Red Hawk Filing No. 2 subdivision.

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

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

Section 2. Construction of Improvements. The Improvements shall be constructed in strict accordance with the Plans, or to the extent not otherwise provided in the Plans, in accordance with applicable Town Regulations. The Improvements may be constructed by Phase in accordance with the Preliminary Plat and the applicable Phasing Plan. 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 the Subdivider has not obtained all necessary Town permits and approvals and commenced construction of one or more of the Phase 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.

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 six (6) months if justified, due to adverse weather, material unavailability, or other unanticipated and unavoidable circumstances beyond the control of Subdivider, as determined by the Director.

Section 3. Restrictions Pending Completion of Improvements. No building permits shall be issued by Town within any Phase until the applicable Phase Improvements are substantially completed, except when authorized by the Director, as further provided in this section. Substantial completion occurs when the Improvement is functional and operable in all material respects, although not completed to the standards required for formal acceptance by the Town for operation and maintenance. No certificates of occupancy shall issue for structures within a Phase unless the Phase Improvements have been accepted by the Town as provided in section 4.

The Director, in his absolute discretion, may authorize issuance of one or more designated building permits prior to substantial completion of the Phase Improvements, 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 addition, 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 6.

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 6.

Section 5. Improvements Security. In accordance with Town Regulations, Subdivider shall provide Town with a letter of credit, cash escrow deposit or performance bond approved by the Town Attorney in the amount of 115% of the estimated construction cost of the Phase Improvements and the Phase Landscaping (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.

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

With Town's initial acceptance of the 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 the warranty period, as soon thereafter as the Town has finally accepted the Phase Improvements, the balance of the Security shall be refunded or released to Subdivider.

The release of the Security applicable to Landscaping is addressed in section 6.

Section 6. Landscaping. Subdivider shall make best efforts to complete all Phase Landscaping in conjunction with completion of the Phase Improvements as provided in section 2. Inspection of Phase Landscaping by the Town shall be made in the same manner as prescribed for Phase Improvements under section 4. With Town's acceptance of the Phase Landscaping concurrently with the Phase Improvements, the Security pertaining to the Phase Landscaping shall be reduced to 15% of the actual cost of the Phase Landscaping. The warranty Security shall be released in the same manner as the Phase Improvements Security is released under section 5.

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 (including the landscape mitigation required under section 9) 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. As a further condition to issuance of such temporary certificate of occupancy, the homebuilder shall establish a cash escrow for the benefit of the Town in the amount of 115% of the estimated plant material and installation cost of the required landscaping. Such escrow deposit shall be applied and released in the same manner as the Landscape Deposit.

Section 7. Water Supply. 230 SFE of the "Water Credit" under the Development Agreement have been applied to meet the water supply requirements for the Subdivision, (the "Subdivision Water Credit"). Town shall not require additional water rights or water resources as a condition to issuance of land use approvals within the Subdivision, so long as the aggregate water demand from development does not exceed the Subdivision Water Credit. To the extent that the water demand created by development on the Property (computed in accordance with Town ordinances and regulations), exceeds the Subdivision Water Credit, additional entitlements under the Development Agreement must be allocated to the Property and/or Subdivider must provide additional water resources in accordance with chapter 4.04 of the Castle Rock Municipal Code, sufficient to meet the demand in excess of the initial Subdivision Water Credit. Absent compliance with this section, Town may withhold development approvals on the Property for any proposed use, which, after taking into account all previous development 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 the Red Hawk Water Bank (as that term is defined in the Development Agreement).

Section 8. Golf Course Construction Restrictions. Certain areas of the municipal golf course operated by the Town will be disturbed as part of construction of the Improvements and the private improvements to serve the Subdivision. Subdivider is authorized to enter onto the golf course for such construction subject to the following conditions:

- (a) notice to the Town must be given 24 hours in advance prior to any access on to golf course property;
- (b) construction activity shall be limited to the areas depicted on construction drawings approved by the Town, or within existing utility corridors;
- (c) construction shall take place between November 1, 1999 and March 15, 2000;
- (d) golf course turf removed or destroyed shall be replaced with sod with the same characteristics and appearance as approved by the golf course superintendent;

- (e) continuous erosion control methods shall be implemented and maintained by Subdivider and its contractors through construction, including erosion control blankets;
- (f) non-turf areas shall be re-seeded with a mix approved by the golf course superintendent;
- (g) any damage to cart paths must be replaced to existing condition; and
- (h) any damage to irrigation system must be repaired or replaced with materials approved by the golf course superintendent and/or Town.

Section 9. Ridgeline Mitigation. Town has adopted Ordinance No. 99-15 enacting certain land use restrictions within certain designated areas within the Town (the "Ridgeline Regulations"). The Development Agreement provides that the Property is subject only to 17.14.060(C) of the Ridgeline Regulations, which addresses mitigation of visual impacts. Accordingly, the required Landscaping under the Ridgeline Regulations shall be accomplished in accordance with the requirements of 17.14.060C.2.

Section 10. Default. The following occurrences constitute a default by the Subdivider:

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

As a condition to Town's right to exercise its remedies for default, Town shall give

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

Section 11. 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 and/or Landscaping have not been timely completed, call the Security and the Landscaping Deposit (as applicable) in accordance with the terms, and conditions of this Agreement. Subdivider grants to Town and, if applicable, the surety, and their employees, agents and contractors, a non-exclusive right and easement to enter onto the Property after an uncured default for the purpose of undertaking the Remedial Work;
- (b) if Phase Improvements and/or Landscaping have not been timely completed in accordance with this Agreement, withhold issuance of building permits, certificates of occupancy and tap connections within any Phase for which the Phase Improvements and/or Landscaping have not been completed and accepted;
- (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.

On such terms and conditions as are reasonably acceptable to Town, the Town shall permit Subdivider to undertake the Remedial Work and utilize the Security for such purpose in the event of an uncured default by Builder. In the event Subdivider elects to undertake the Remedial Work, it shall notify the Town in writing, and Town shall have 30-days from receipt if such notice to specify the terms and conditions under which Subdivider may commence the Remedial Work and access the Security to pay for the Remedial Work.

Section 12. 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 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: US Home Corporation
6000 S. Greenwood Plaza Boulevard
Suite 200
Englewood, CO 80111

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

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

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

TOWN OF CASTLE ROCK

Frank A. Ciarochi

Frank A. Ciarochi, Town Manager

Approved as to form:

Robert J. Slentz
Robert J. Slentz, Town Attorney

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 5th day of Jan, 2000, ~~1999~~, by Frank A. Ciarochi as Town Manager of the Town of Castle Rock.

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

Judy Hostetler
Notary Public

JUDY HOSTETLER
NOTARY PUBLIC
STATE OF COLORADO

SUBDIVIDER:

U.S. HOME CORPORATION, a
Delaware corporation.

By: [Signature]
Its: Vice President

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this 12th day of December, 1999, by [Signature] as Vice President for U.S. Home Corporation, a Delaware corporation.

Witness my official hand and seal.
My Commission expires: 12/18/02.

[Signature]
Notary Public



Redhawk/Filing 2 SIA
December 13, 1999

EXHIBIT 1

LEGAL DESCRIPTION

PARCEL 1:

A parcel of land located in the North Half of Section 3, Township 8 South, Range 67 West of the Sixth Principal Meridian, County of Douglas, State of Colorado, being more particularly described as follows:

Commencing at the North quarter corner of said Section 3, thence, along the West line of the Northeast Quarter of said Section 3, South $00^{\circ}31'33''$ East, a distance of 396.86 feet to a point on the boundary of a parcel of land as described at Reception No. 9710201 of the records of said Douglas County and the True Point of Beginning;

thence along said boundary the following ten (10) courses:

1. North $87^{\circ}53'16''$ East, a distance of 40.97 feet;
2. thence South $24^{\circ}03'22''$ East, a distance of 627.70 feet;
3. thence South $03^{\circ}24'37''$ East, a distance of 97.00 feet;
4. thence South $61^{\circ}53'08''$ East, a distance of 87.30 feet;
5. thence North $80^{\circ}44'36''$ East, a distance of 275.37 feet;
6. thence North $66^{\circ}00'09''$ East, a distance of 654.40 feet;
7. thence South $00^{\circ}48'12''$ West, a distance of 369.65 feet;
8. thence South $36^{\circ}24'36''$ East, a distance of 415.28 feet to a point on a curve;
9. thence along the arc of said curve to the left through a central angle of $19^{\circ}54'46''$ an arc distance of 163.34 feet, having a radius of 470.00 feet and a chord bearing South $87^{\circ}30'04''$ East, a distance of 162.52 feet;
10. thence North $44^{\circ}16'07''$ East, a distance of 145.41 feet to a point on the Westerly right-of-way line of Santa Fe Boulevard as shown on the plat of Red Hawk Filing No. 1, a plat recorded in said Douglas County; thence along said Westerly right of way line, South $11^{\circ}42'22''$ East, a distance of 167.66 feet to a point on said boundary of a parcel of land described at Reception No. 9710201 and a point on a curve; thence along said boundary the following ten (10) courses:

1. along the arc of said curve to the left through a central angle of $90^{\circ}00'00''$ an arc distance of 39.27 feet, having a radius of 25.00 feet and a chord bearing North $56^{\circ}42'22''$ West, a distance of 35.36 feet to a point of tangent;
2. thence, along said tangent, South $78^{\circ}17'38''$ West, a distance of 60.69 feet to a point of curve;
3. thence along the arc of said curve to the right through a central angle of $21^{\circ}50'11''$ an arc distance of 201.99 feet, having a radius of 530.00 feet and a chord bearing South $89^{\circ}12'43''$ West, a distance of 200.77 feet;
4. thence South $68^{\circ}00'41''$ West, a distance of 475.27 feet;
5. thence South $20^{\circ}52'09''$ West, a distance of 139.68 feet;
6. thence South $83^{\circ}59'24''$ West, a distance of 61.79 feet;
7. thence North $60^{\circ}19'03''$ West, a distance of 404.15 feet;
8. thence North $78^{\circ}45'14''$ West, a distance of 522.70 feet;
9. thence South $85^{\circ}38'45''$ West, a distance of 681.35 feet;

Continued on next page

EXHIBIT 1, continued

10. thence South 61°02'22" West, a distance of 575.22 feet to a point on the Northeasterly right of way line of Red Hawk Drive as shown on said plat of Red Hawk Filing No. 1 and a point on a curve;

thence along said right of way line the following three (3) courses:

1. along the arc of said curve to the left through a central angle of 74°59'44" an arc distance of 569.38 feet, having a radius of 435.00 feet and a chord bearing North 56°22'02" West, a distance of 529.60 feet to a point of tangent;

2. thence along said tangent, South 86°08'06" West, a distance of 185.94 feet to a point of curve;

3. thence along the arc of said curve to the right through a central angle of 71°56'43" an arc distance of 458.32 feet, having a radius of 365.00 feet and a chord bearing North 57°53'33" West, a distance of 428.80 feet to a point of intersection with said boundary of a parcel of land described at Reception No. 9710201;

thence along said boundary the following seven (7) courses;

1. North 71°23'45" East, a distance of 378.00 feet;

2. thence North 62°38'37" East, a distance of 526.92 feet;

3. thence North 20°52'58" East, a distance of 226.89 feet;

4. thence North 84°58'41" East, a distance of 377.27 feet;

5. thence North 72°20'26" East, a distance of 568.03 feet;

6. thence North 37°33'09" East, a distance of 273.13 feet;

7. thence North 87°53'16" East, a distance of 98.78 feet to the True Point of Beginning,

County of Douglas, State of Colorado

PARCEL 2:

A parcel of land located in the Northwest Quarter of Section 3, Township 8 South, Range 67 West of the Sixth Principal Meridian, County of Douglas, State of Colorado, being more particularly described as follows:

Commencing at the West quarter corner of said Section 3, thence North 55°31'52" East, a distance of 938.18 feet to a point on the boundary of a parcel of land as described at Reception No. 9710201 of the records of said Douglas County and the True Point of Beginning,

thence along said boundary the following two (2) courses:

1. North 07°34'23" West, a distance of 460.09 feet;

2. thence North 39°24'01" West, a distance of 107.29 feet to a point on a curve and a point on the Southwesterly right of way line of Red Hawk Drive as —

Continued on next page

EXHIBIT 1, continued

shown on the plat of Red Hawk Filing No. 1, a plat recorded in said Douglas County at Reception No. 9750684;

thence along said right of way line the following four (4) courses;

1. along the arc of said curve to the left through a central angle of $27^{\circ}50'29''$ an arc distance of 211.38 feet, having a radius of 435.00 feet and a chord bearing South $79^{\circ}56'39''$ East, a distance of 209.30 feet to a point of tangent;

2. thence, along said tangent, North $86^{\circ}08'06''$ East, a distance of 185.94 feet to a point of curve;

3. thence along the arc of said curve to the right through a central angle of $75^{\circ}06'50''$ an arc distance of 478.51 feet, having a radius of 365.00 feet and a chord bearing South $56^{\circ}18'29''$ East, a distance of 444.97 feet to a point of tangent;

4. thence, along said tangent, South $18^{\circ}45'04''$ East, a distance of 176.48 feet to a point of intersection with said boundary of said parcel of land described at Reception No. 9710201;

thence along said boundary the following two (2) courses:

1. South $89^{\circ}47'59''$ West, a distance of 312.24 feet;

2. thence South $75^{\circ}10'35''$ West, a distance of 390.59 feet to the True Point of Beginning,

County of Douglas, State of Colorado.

(EXEMPLAR - NOT FOR EXECUTION)

EXHIBIT 2
PUBLIC IMPROVEMENTS CONVEYANCE AND INITIAL ACCEPTANCE

TRANSFEROR: _____

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

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

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

1. Transferor warrants to Town that Transferor has a good title to the Improvements, free and clear of any lien, claim or right of any third party in or to the Improvements, and Transferor will defend Town's title to the Improvements against the claim of any third party.
2. Transferor warrants that the Improvements are located within the easement, right-of-way or other real property interest designated by the Town for siting of the Improvements. Town acknowledges receipt of as-built drawings of the Improvements dated _____.
3. Transferor warrants that, as constructed, all Improvements are in conformance with the current Town of Castle Rock standards and the approved construction plans, and are free from defects in design, material or workmanship. This warranty is for the period prescribed by the 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 _____, 19__.

TOWN OF CASTLE ROCK

Engineering Division