

RESOLUTION NO. R-014- 072

**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

**A RESOLUTION APPROVING THE SUBDIVISION IMPROVEMENTS AGREEMENT
AND INTERGOVERNMENTAL AGREEMENT FOR CASTLE PINES VILLAGE FILING
NO. R-66**

WHEREAS, Ryan Homes, Inc., Castle Pines Metropolitan District and the Board of County Commissioners of the County of Douglas, State of Colorado (“Douglas County”) desire to enter into a Subdivision Improvements Agreement and Intergovernmental Agreement for Castle Pines Village Filing No. R-66; and

WHEREAS, Douglas County is willing to enter into such an agreement in accordance with the terms and conditions set forth in the Subdivision Improvements Agreement and Intergovernmental Agreement attached hereto; and

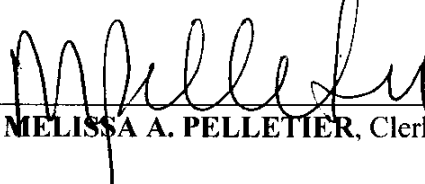
WHEREAS, Ryan Homes, Inc., Castle Pines Metropolitan District and Douglas County are governmental entities authorized to enter into intergovernmental agreements pursuant to the provisions of Article XIV, Section 18(2)(a) of the Colorado Constitution, and Section 29-1-203, C.R.S.; now, therefore,

BE IT RESOLVED, by the **BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF DOUGLAS, STATE OF COLORADO**, that the Subdivision Improvements Agreement and Intergovernmental Agreement for Castle Pines Village Filing No. R-66, a copy of which is attached hereto and incorporated herein, is hereby approved, and the Chair of the Board is authorized to execute the agreement on behalf of Douglas County.

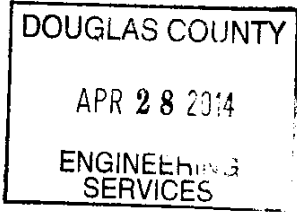
PASSED AND ADOPTED this 24 of June, 2014, in Castle Rock, Douglas County, Colorado.

**THE BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF DOUGLAS, COLORADO**

By: 
ROGER A. PARTRIDGE, Chair

ATTEST: 
MELISSA A. PELLETIER, Clerk to the Board





INTERGOVERNMENTAL AGREEMENT
AND
SUBDIVISION IMPROVEMENTS AGREEMENT

(Castle Pines Village Filing #R-66)

This Agreement is made as of this _____ of _____, 20____, between **Ryan Homes, Inc.**, a Colorado corporation ("Developer"), whose address is 2101 Larimer Street, Suite 101, Denver, Colorado 80205, the **Castle Pines Metropolitan District**, a quasi governmental entity (the "District") whose address is 5880 Country Club Drive, Castle Rock, Colorado 80104, and the **County of Douglas, Colorado, acting by and through its Board of County Commissioners** (the "County"), whose address is 100 Third Street, Castle Rock, Colorado 80104.

1. **GENERAL**

1.1 **Purpose.** The purpose of this Agreement is to provide for the completion of the "Subdivision Improvements," as hereinafter defined, for the "Developer's Property," as hereinafter defined.

1.2 **Definitions.**

Days. The term "days" as used in this Agreement shall refer to calendar days, not business days.

1.3 **Recitals.**

(a) Developer is the owner and sub-divider of the Developer's Property and has presented a final plat of the Developer's Property to the County for approval.

(b) The District and the County require execution of a Subdivision Improvement Agreement whereby Developer agrees to construct improvements required for the Developer's Property which are not constructed by the District and to provide collateral or other suitable assurances to the District and the County to assure completion of the Subdivision Improvements by the Developer.

(c) The County is charged with the statutory responsibility and authority to control and permit the zoning, subdivision, and platting of property located within the County, and in connection therewith oversees the provision of facilities and improvements necessary for the preservation of the public health, safety and welfare of residents of the County.



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(d) This Agreement is intended to provide for the completion of the Subdivision Improvements within the Developer's Property and to protect the District and the County from the cost of completing the Subdivision Improvements.

(e) This Agreement is further intended to assure the County that the Subdivision Improvements required to be constructed under the primary direction of the District will be constructed in compliance with the District's standards for design, construction, installation and acceptance of Subdivision Improvements within the District; and in compliance with Castle Pines Amended Roadway Standards, approved by Douglas County on December 12, 1995, for Roads and Drainage constructed within Castle Pines; and in compliance with the *Douglas County Drainage Design and Technical Criteria Manual*; and in compliance with Chapter 5, "Pavement Design and Technical Criteria" and Chapter 8, "Roadway Inspection and Testing Procedures and Construction Guidelines" of the *Douglas County Roadway Design and Construction Standards* (hereinafter collectively referred to as "Standards.") The County accepts these Standards as the sole standards applicable to the design, construction, inspection, and acceptance of Subdivision Improvements within the boundaries of the District.

(f) This Agreement is not executed for the benefit of third parties such as, but not limited to, (i) materialmen, laborers or others providing work, services or material for the Subdivision Improvements, or (ii) lot or home buyers in the Developer's Property.

1.4 Developer's Property. The "Developer's Property" shall mean all real property within The Settlement at Castle Pines, located in Castle Pines Village in Douglas County, Colorado, the final plat for which has been presented to the County for approval. The Developer's property is legally described as: Lot 1, Block 1, Kimball Subdivision, located in the Southeast Quarter of Section 8, Township 7 South, Range 67 West, 6th P.M., Douglas County, Colorado, more particularly described on Exhibit F attached hereto and made a part hereof.

1.5 Subdivision Improvements. The "Subdivision Improvements" shall mean the water, sewer, street, drainage and other improvements, if any, to be constructed by Developer as set forth and described on the Plans, as hereinafter defined. The specific Subdivision Improvements, the phasing schedule for construction of the Subdivision Improvements, and the estimated costs thereof, are listed on Exhibit A, "Developers Improvements," attached hereto. The Subdivision Improvements in this Agreement refer solely to the Developer's Improvements.

1.6 Plans. The "Plans" shall mean the construction drawings dated April 21st, 2014, entitled The Settlement at Castle Pines Village, prepared by Calibre Engineering Todd A. Johnson, P.E., which are on file with the District and the County.



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1.7 Preliminary Agreements and Acknowledgments.

(a) The parties hereto acknowledge and agree that the District has the authority under its Service Plan to provide for the completion of Subdivision Improvements within its boundaries, including, but not limited to, certain water, sewer, road, and drainage improvements which may be deemed necessary by the District to protect the public health, safety and welfare of its residents.

(b) The parties hereto acknowledge and agree that the District has the authority to assure the completion of the construction of water, sewer, road, and drainage facilities in accordance with the District Service Plan, as amended from time to time.

(c) The parties acknowledge that the County is responsible for reviewing requests for zoning, subdivision, and platting of property within the boundaries of the District, including the platting of individual lots located within parcels to which District Service may be provided. In discharging its responsibility with respect to the platting of such property, the County has determined in order to protect the public health, safety and welfare, that it shall require the Developer to complete the Subdivision Improvements to enable residential units or commercial/industrial structures located within the Developer's Property to obtain sufficient water, sewer, and other services to meet the needs of such property. It has heretofore been the policy of the County to require individual owners of property who desire to subdivide or plat individual properties to enter into a Subdivision Improvements Agreement with the County wherein the owner or developer guarantees to the County the completion of Subdivision Improvements and other facilities which the County considers to be necessary for the subject property.

(d) The parties further acknowledge that the Developer's Property is located in Castle Pines Village, a private subdivision, located within the boundaries of the District. The District provides certain public utilities which are not provided by the County, and, therefore, the District, instead of the County, will have the primary responsibility for assuring the completion of Subdivision Improvements which are necessary to enable District Service to be provided, consistent with the "District Service" definition contained in Resolution 9/90-1.

(e) The parties agree to enter into this three-party Intergovernmental Agreement and Subdivision Improvements Agreement, wherein the Developer guarantees both to the District and the County the completion of the Subdivision Improvements and other facilities which are required to provide District Service for the Developer's Property.

(f) The parties agree that the District shall be required to inspect the Subdivision Improvements to assure that they are constructed in accordance with the

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Plans and the Standards. The County also has the right to inspect the Subdivision Improvements, if it chooses during the construction phase of the Project. By inspection of the Subdivision Improvements, neither the District nor the County assume or accept any liability or responsibility arising from Developer's failure to construct the Subdivision Improvements in accordance with the Plans, Standards or other applicable governmental or quasi-governmental entity regulations

(g) The parties agree that in accordance with its rules and regulations, and based upon the plans and specifications submitted, the County has the right to deny building permits for any residential unit or commercial/industrial structure within the boundaries of the District which fail to have sufficient Subdivision Improvements so as to enable the District to provide the public services needed to protect the public health, safety, and welfare of the residents or occupants thereof.

(h) The parties agree that the District has the right to require the Developer to provide letters of credit, bonds or other collateral acceptable to the County and the District securing Developer's obligation to pay the costs of construction of each phase of the Subdivision Improvements, or in the alternative to withhold water and sewer services from that portion of the Developer's Property with respect to which the property owner or Developer has failed to complete the Subdivision Improvements in accordance with the standards of the District.

II. **CONSTRUCTION OF SUBDIVISION IMPROVEMENTS.**

2.1 **Agreement to Construct.** Subject to and in accordance with the terms and provisions of this Agreement, Developer agrees to cause each phase of the Subdivision Improvements to be constructed and completed at its expense, in accordance with the Plans.

2.2 **Conditions to Obligation to Construct.** The obligation of the Developer to construct and complete each phase of the Subdivision Improvements is conditioned upon and shall arise only upon: (i) approval by the County of the final plat for each phase of development of the Developer's Property, and (ii) obtaining all necessary permits, consents and authorizations for construction of the Subdivision Improvements from the County and the District.

2.3 **Commencement of Construction.** Developer shall commence construction and installation of each phase of the Subdivision Improvements within 60 days after, and shall not commence construction until the Developer has obtained all necessary permits, consents and authorizations for construction of such Subdivision Improvements, including but not limited to approval and sign-off of the Plans by the District and the County.



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2.4 Changes to the Plans. The Developer may make nonmaterial or non-substantial changes to the Plans without prior approval of the District and the County so long as the change does not increase the cost to construct as set forth in Exhibit A by more than 5% per change, or more than 15% for multiple changes or aggregate changes, and so long as the change is in substantial conformance with the Plans. Any changes to the Plans that are material or substantial; or that would increase the cost to construct as set forth in Exhibit A by more than 5% per change, or more than 15% for multiple changes or aggregate changes; or that would prevent substantial conformance with the Plans shall be in writing and shall not be effective until approved by the District and the County. Any review of such change orders by the District and the County shall be completed within seven (7) days of delivery. Any increase in costs resulting from changes to the Plans shall be borne by the Developer. The Developer acknowledges that any such change to the Plans without prior written approval of the District may result in the District refusing to accept the Subdivision Improvements as provided in Section IV of this Agreement. If any change or cumulate changes to the Plans results in an increase to the cost as set forth in Exhibit A in an aggregate amount of more than 15%, then the District and the County reserve the right to require the Developer to increase the collateral securitizing completion of the Subdivision Improvements accordingly.

2.5 Completion Date. The applicable phase of the Subdivision Improvements shall be completed within nine (9) months after the date of commencement of construction unless otherwise agreed by the parties. The Completion Date may be extended with the approval of the District and the County, which approval shall not be unreasonably withheld.

2.6 Standards. The Subdivision Improvements, shall be constructed in accordance with the Plans prepared by the Developer which are approved by the District and the County and, to the extent not otherwise provided in the Plans, in accordance with the Standards and other applicable District and County ordinances, resolutions, rules and regulations, as amended from time to time. The parties agree that each phase of the Subdivision Improvements will be constructed according to the Standards and ordinances, resolutions, rules and regulations in effect at the time of approval of each applicable phase of the Subdivision Improvements. Developer hereby acknowledges that the obligation for operation and maintenance of the Subdivision Improvements will not be accepted by the District until the requirements contained in the Facilities Conveyance Agreement (hereafter, the "Facilities Agreement") have been satisfied, a copy of which is attached hereto as Exhibit B and is incorporated herein by this reference. Developer acknowledges that no inconsistency between the terms of this Agreement and the terms of the Facilities Agreement shall excuse the Developer from complying with the terms of said Facilities Agreement, and to that end, the terms of the Facilities Agreement shall govern acceptance of the Subdivision Improvements by the District.



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2.7 Location of Subdivision Improvements. Unless otherwise agreed, all Subdivision Improvements shall be constructed within easements conveyed, or easements dedicated on plats, to the District, or in streets dedicated to the Castle Pines Homes Association, Inc. (The "Association"). Unless otherwise agreed, no easements shall be accepted by the District which are dedicated on plats of the Developer's Property unless they are dedicated by the use of the dedication language substantially in the form contained in Exhibit C attached hereto, or which are conveyed by easement unless they are conveyed by the use of the form contained in Exhibit D attached hereto. The language of Exhibits C and D may be modified only with the consent of the District and the County. Nothing contained herein shall interfere with the rights of the County to require dedication language to be placed on any plats filed with the County.

III. SECURITY FOR COMPLETION.

3.1 Withholding Water and Sewer Taps. The District may refuse to issue or connect water and sewer taps, or to allow use of taps already owned by the Developer, for any lots or homes within the phase of the Developer's Property for which Subdivision Improvements are being constructed until Preliminary Acceptance by the District (as defined in the Facilities Agreement) of the Subdivision Improvements for the lots or homes to be serviced by the Subdivision Improvements.

3.2 Denial of Building Permits. In accordance with its rules and regulations, the County may refuse to issue building permits for any residential unit or commercial/industrial structure within the boundaries of the District which fail to have sufficient Subdivision Improvements or adequate collateral for construction of the Subdivision Improvements as provided by this Agreement so as to enable the District to provide the public services needed to protect the public health, safety, and welfare of the residents or occupants thereof.

3.3 Deposit of Security for Developer Obligations. In order to assure the completion of the Subdivision Improvements and to secure performance of this Agreement, the Developer shall deposit with the District a form of security acceptable to the District and the County. Such security may consist of an irrevocable letter of credit, bond or other acceptable security, in a form acceptable to the District and the County.

3.4 Security in the form of a Letter of Credit. If the security is in the form of a letter of credit, the security shall be deposited with the District (1) after approval and recordation by the County of the approved final plat for the Developer's Property and (2) prior to commencement of construction on each phase. Said security shall be in an amount equal to 115% of the estimated cost of the Subdivision Improvements, as set forth in Exhibit A. The letter of credit for each phase of the Developer's Property for which



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Subdivision Improvements are being constructed shall be retained by the District until satisfaction of Developer's obligations under this Agreement or earlier release by the District. The District shall not release such security without written approval by the County, which approval shall not be unreasonably withheld.

3.5 Provisions of Letter of Credit. The letter of credit shall be issued by an institution acceptable to the District and the County; shall have an expiration date no earlier than one year after its date of issue; and shall provide that it may be drawn upon from time to time by the District in such amount or amounts as the District or the County may deem necessary to complete the Subdivision Improvements to the District's standards. Draws under any such letter of credit shall be by sight draft accompanied by the original of the letter of credit and accompanied by a certificate signed by the Board of Directors of the District stating that the District is entitled to draw the specified amount under the terms of this Agreement. The right of the District to draw on any letter of credit shall be as provided in, and subject to, the provisions of Sections 5.1 through 5.6 of this Agreement.

3.6 Extension of Letter of Credit. The following provisions shall apply in light of the fact that letters of credit customarily have an expiration date of not more than one year. If Preliminary Acceptance by the District has not occurred for all of the Subdivision Improvements at least thirty days prior to the date of expiration of the letter of credit, or any extension thereof, the District shall be entitled to draw on the letter of credit or other acceptable collateral for the entire remaining amount thereof, as provided in, and subject to the provisions of Sections 6.1 through 6.6 of this Agreement, unless, at least thirty days prior to the date of expiration, the Developer has provided the District with an extension of the letter of credit or other acceptable security, or a replacement letter of credit in an amount equal to the then unreleased amount thereof for an additional one-year period.

3.7 Security in the Form of a Bond. If the security is in the form of a surety bond, the Developer shall provide to the District a surety bond (the "Bond") substantially in the form of the surety bond attached hereto as Exhibit E. The Bond shall be delivered to the District concurrent with or after approval and recordation by the County of the final plat for each phase of the Developer's Property and prior to commencement of construction on each phase. The Bond shall be in an amount equal to 115% of the amount of the estimated Developer's construction costs for the Subdivision Improvements for the phase of the Developer's Property which has been final platted, entitling the District to obtain from the surety such amounts as the District deems necessary to complete the phase of Subdivision Improvements for which such bond applied. The Bond for each phase of the Subdivision Improvements shall be released by the District upon Preliminary Acceptance of the applicable phase of the Subdivision Improvements by the District in accordance with the provisions of Article IV of this Agreement or at such earlier time as the Developer and the District shall agree; provided, however that the District shall not release the Bond without



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written approval by the Douglas County Engineer, which approval shall not be unreasonably withheld.

3.8 Recording of Agreement. After approval of the final plat of the Developer's Property by the County, this Agreement may, at the option and expense of the District or the County, be recorded in the office of the Clerk and Recorder of Douglas County, Colorado. Upon Final Acceptance of all of the Subdivision Improvements by the District and County, the District shall deliver to Developer a letter of Final Acceptance in recordable form if necessary as required by the Facilities Agreement and shall release all Developer's Property from any further effect of this Agreement.

3.9 Plat Restrictions. The parties acknowledge that it is the County's policy to cause plat restrictions to be placed upon Developer's Property prohibiting the conveyance of property within the phase of the Developer's Property for which Subdivision Improvements are being constructed and prohibiting the issuance of any building permits for construction within the Subdivision until sufficient collateral has been provided to the District pursuant to Article III of this Agreement or until Preliminary Acceptance of the applicable phase of the Subdivision Improvements by the District. Such plat restrictions may not be released by the County (1) unless acceptable security has been provided to the District or the Subdivision Improvements have been completed; and (2) unless the County receives written approval of the release by the Board of Directors of the District, which consent may not be unreasonably withheld.

IV. ACCEPTANCE OF IMPROVEMENTS.

4.1 Preliminary Acceptance. Upon the satisfactory completion of the applicable phase of Subdivision Improvements in the Developer's Property, the Developer shall be entitled to seek Preliminary Acceptance thereof by the District in accordance with the Facilities Agreement. It shall be the Developer's responsibility to initiate such acceptance in accordance with the Facilities Agreement and to comply with the terms thereof.

4.2 Partial Release of Security. At the time of Preliminary Acceptance of a completed phase of the Subdivision Improvements, the District and the County will issue a release of the letter of credit, bond or other acceptable security, as provided in Section III. Any release of a letter of credit or other security shall be in writing, signed by the President of the District, or its designee, and by the Douglas County Engineer.

Concurrent with or prior to the application for release of partial security, the Developer shall provide the District and the County with tests, reports and inspection certifications consistent with the Standards, this Agreement and the requirements of Chapter 8, "Roadway Inspection and Testing Procedures and Construction Guidelines" of the *Douglas County Roadway Design and Construction Standards*. The amount to be



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released for the completed Subdivision Improvements shall be 100% of the total construction contract amount for such Subdivision Improvements subject to either: (i) retention of such amounts as may be necessary to enable the District to obtain full Warranty Security as defined below; or (ii) provision of substitute collateral by the Developer in a form acceptable to the District and the County in an amount necessary to provide the full Warranty Security described below. If a plat restriction was placed on Developer's property pursuant to this Agreement, the County will release such plat restriction, subject to the provisions of section 3.9. Prior to release of the letter of credit or other acceptable security or plat restriction, a new letter of credit or other acceptable security, in the amount of 15% ("Warranty Security") of the total costs of each phase of the Developer's Property for which Subdivision Improvements are being constructed shall be delivered to the District by the Developer. The Warranty Security shall remain in effect during the one-year warranty period following Preliminary Acceptance of the completed phase of the Subdivision Improvements and until Final Acceptance of the Subdivision Improvements.

4.3 Maintenance Prior to Final Acceptance. Until Final Acceptance by the District of the applicable phase of the Subdivision Improvements, Developer shall, at Developer's expense, make all needed repairs or replacements to the Subdivision Improvements required by the District in accordance with the District standards in effect at the time of the installation of the Subdivision Improvements and/or on account of defects in materials or workmanship.

4.4 Final Acceptance. At the end of the one-year warranty period for any phase of the Subdivision Improvements, Developer shall be entitled to seek final acceptance thereof by the District ("Final Acceptance") in accordance with the Facilities Agreement. It shall be the Developer's responsibility to initiate such acceptance in accordance with the Facilities Agreement and to comply with the terms thereof. At the time of Final Acceptance of the applicable phase of the Subdivision Improvements in the Developer's Property, Developer shall be entitled to a release of Warranty Security. The release shall be in writing, signed by the President of the District, or its designee. Such release must be approved in writing by the County Engineer, which approval shall not be unreasonably withheld. Upon Final Acceptance of the Subdivision Improvements, the District shall assume full responsibility for repairs and maintenance of the Subdivision Improvements as would normally be the responsibility of the District by law.

4.5 Road Damage. The Developer and the District acknowledge and agree that if there is any road damage to Country Club Parkway, Castle Pines Drive North, Lagae Road, or any other roadway improvements, including but not limited to accessways from Gates 1, 3, and 5 to the entrance of the Settlement at Castle Pines, which is caused by the Developer, contractors, subcontractors, or vendors that are constructing and installing the Subdivision Improvements for the Settlement at Castle Pines, the Developer, at the Developer's cost and



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expense, shall have the responsibility to promptly repair such damaged area(s) and return them to as good or better condition than they were in prior to such damage. Developer hereby agrees to indemnify and save harmless the District from such damage.

4.6 Sanitary and Storm Sewer Video Inspection and Deficiency/Damage Repair. The Developer and the District acknowledge and agree that the Developer will, at its sole cost and expense, cause video inspection of the sanitary sewer and storm sewer at the time of applying for Preliminary Acceptance ("First Inspection") and upon application for Final Acceptance of the Subdivision Improvements ("Second Inspection"). The Developer will, at its sole cost and expense, promptly repair any damage to the sanitary sewer and storm sewer lines arising from faulty or defective workmanship or damage occurring between the First and Second Inspection. Developer hereby agrees to indemnify and save harmless the District from such damage.

V. DEFAULTS AND REMEDIES

5.1 Default by Developer. A default by Developer shall exist after notice and hearing and the opportunity to cure as hereinafter provided if (a) Developer fails to construct the applicable phase of the Subdivision Improvements in substantial compliance with the Standards, Plans and the other requirements of this Agreement; (b) Developer fails to complete construction of the Subdivision Improvements by the Completion Date provided in Exhibit A, as the same may be extended by mutual agreement; (c) Developer fails to cure any noncompliance specified in any written notice of noncompliance within twenty (20) days after receipt of the notice of noncompliance; (d) Developer otherwise materially breaches or fails to comply with any obligation of Developer under this Agreement; (e) Developer becomes insolvent, files a voluntary petition in bankruptcy, is adjudicated a bankrupt pursuant to an involuntary petition in bankruptcy, or a receiver is appointed for Developer; or (f) Developer fails to maintain in full force and effect acceptable security, in the amounts specified in this Agreement. Notice of default as to any phase of the Subdivision Improvements must be given prior to expiration of the warranty period for such phase of the Subdivision Improvements as hereinafter provided.

5.2 Notice and Hearing. In the event a default by Developer is believed to exist by the District or the County, the District shall give written notice thereof to Developer, with a copy to the County Engineer, specifying the default. The Developer shall have fifteen (15) days to cure such default. If the Developer fails to cure such default within the fifteen-day period, the District shall set a date for a hearing before the District to consider the existence of the default. The hearing shall be no less than twenty days after the receipt by the Developer of the notice of default from the District. Written notice of such hearing shall be given to the County, as provided for herein, and the County may be heard at such hearing. Within ten (10) days after such hearing, the District shall determine whether or



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not a default exists, and, if so, shall specify a reasonable time within which Developer shall be required to cure the default.

5.3 Remedies of District. If the District, after notice and hearing as aforesaid, reasonably determines that default by Developer exists, and if Developer fails to cure such default within the time specified by the District following any appeal process as provided for in Section 5.7, the District shall have the following remedies:

(a) Draw on Security:

- (i) If the security is in the form of a letter of credit or other acceptable security, the District shall be entitled to make a draw on the letter of credit or other acceptable security for the amount reasonably determined by the District to be necessary to cure the default in a manner consistent with the approved Plans, including such other reasonably necessary or incidental fees and costs as incurred by the District to cause completion to occur up to the face amount of the letter of credit or other acceptable security.
- (ii) If the security is in the form of a bond, the District shall be entitled to make demand upon the principal and surety of the Bond for performance in accordance with the Bond.

(b) Bring Suit.

The District also retains the right to sue the Developer for recovery of any amount necessary to cure the default over and above the amount available under the letter of credit or other acceptable security, including such other incidental fees and costs, not to include administrative overhead, as are incurred by the District to cause completion to occur. Insofar as the amount to cure is based on construction costs to complete the Subdivision Improvements, such costs of completion of construction shall be based upon bona fide estimates by the District's Project Engineer.

5.4 District Right to Complete Subdivision Improvements. In the event of a default by the Developer and failure to cure, the District shall have the right to complete the applicable phase of the Subdivision Improvements in substantial accordance with the Plans and the other requirements of this Agreement, either itself or by contract with a third party, or by assignment of its rights to a successor developer who has acquired the Developer's Property by purchase, foreclosure, or otherwise. The District, any contractor under the District, or any such successor developer, their agents, subcontractors and employees shall have the non-exclusive right to enter upon the streets and easements shown on the final plat of the Developer's Property. The District shall also have the non-



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exclusive right to reasonable access to any part of the Developer's Property owned by Developer for the purpose of completing the Subdivision Improvements. The District shall provide written notice to the Developer of the District's intent to enter upon the property of Developer for the purpose of completing Subdivision Improvements no later than ten (10) days prior to actual entry upon Developer's Property. Such notice shall be deemed to be received by Developer three (3) days after its deposit by the District into the United States mail, postage prepaid, certified mail, return receipt requested.

5.5 Use of Funds by District. Any funds obtained by District under a letter of credit, a bond or other security, or recovered by the District from the Developer by suit or otherwise, shall be used by the District to pay the costs of completion of the Subdivision Improvements substantially in accordance with the Plans and the other requirements of this Agreement and to pay the reasonable costs and expenses of the District in connection with the default by Developer, including reasonable attorneys' fees. Nothing contained in this Agreement shall be construed as a guarantee by the District to pay the costs of completion of any phase of the Subdivision Improvements beyond any funds obtained by the District under a letter of credit, a bond or other security, or recovered by the District from the Developer by suit or otherwise.

5.6 Protection of Innocent Purchasers. The letter of credit, bond or other acceptable security furnished to the District under this Agreement is designed to assure completion of the Subdivision Improvements and to protect the District from bearing the cost of completing the Subdivision Improvements. Accordingly, the District shall have initial recourse under the letter of credit, bond or other acceptable collateral. The District shall also have recourse against the Developer and the successors and assigns of Developer in its capacity as Developer of the Developer's Property if the funds available under the letter of credit, bond or other acceptable collateral have been exhausted. The District shall not have recourse against third parties who purchase lots or acquire interests in the Developer's Property other than those who acquire lots or interests as a successor or assign of Developer in its capacity as developer of the Developer's Property. For purposes of this section, the term "Developer" shall include any successor or assign whose purpose it is to construct Subdivision Improvements on the Developer's Property for the purpose of selling it to third parties, or otherwise to act as a developer of the property.

5.7 Arbitration and Appeal Process. Except as otherwise provided herein, any controversy or claim arising out of or relating to this Agreement between the Developer and the District shall be determined by the decision of a single neutral Arbitrator. Except as otherwise provided herein, the arbitration hearing shall be conducted in conformance with the Colorado Uniform Arbitration Act of 1975, C.R.S. § 13-22-201, *et seq.*, and shall be convened within thirty (30) days of the original demand by either party. Within seven (7) days of the demand for arbitration by either Party, each Party to this Agreement shall appoint a representative fully authorized to select the Arbitrator. The two party



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representatives shall thereafter appoint an attorney or retired judge as the Arbitrator, unless the Arbitrator's qualifications are mutually agreed to be otherwise. In the event the two party representatives cannot agree on a single Arbitrator with seven (7) days of their appointment, the Arbitrator shall be selected as provided in C.R.S. § 13-22-205, et. seq., consistent with the qualifications provided herein. The Arbitrator's Award shall be final and binding as to all issues presented. Judgment based upon the Award of the Arbitrator may thereafter be entered by any court having jurisdiction. Any time limit, procedure or other provision of this Arbitration agreement may be extended or modified, by mutual agreement of the Parties in writing.

The parties reserve the right to apply to the Courts for equitable relief regarding any controversy or claim arising out of or relating to this Agreement, e.g. preliminary injunction or restraining order.

The above provisions of this paragraph 5.7 shall not be applicable to any controversy or claim arising out of or relating to this Agreement between the County and the Developer, between the County and the District, or among the County, the Developer, and the District, and the County shall not be bound by any decision of the Arbitrator at a proceeding to which the County was not a party. The County may, however, elect to participate in any arbitration, at which time it would agree to be bound by any such decision.

VI. **MISCELLANEOUS.**

6.1 **Indemnification.** The Developer shall indemnify and save harmless the District and the County from any and all suits, actions, claims, judgments, obligations, or liabilities of every nature and description (a) which arise from an event or occurrence prior to the date of Final Acceptance and which are caused by, arise from, or on account of the construction and installation of the Subdivision Improvements; and (b) which arise from an event or occurrence prior to the date of the Final Acceptance and which are asserted by or on behalf of contractors or subcontractors working in the Developers Property, lot owners in the Subdivision, or third parties claiming injuries resulting from defective improvements constructed by Developer. The Developer shall pay any and all judgments rendered against the District and/or the County on account of any such suit, action or claim, together with all reasonable expenses and attorneys' fees incurred by the District and/or the County in defending such suit, action or claim. The District and/or the County shall, within fifteen (15) days after being served with any such claim, suit or action, notify the Developer of its reliance upon this indemnification and provide the Developer with a copy of all documents pertaining to the claim or cause of action. The District and the County agree that the Developer may, on its own behalf, become a party to any such action and the District and the County agree to execute any documents as may be necessary to



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CASTLE PINES METROPOLITAN DISTRICT

allow the Developer to be a party. The Developer is not an agent or employee of the District or the County. Notwithstanding the foregoing, the Developer shall not be required to indemnify the District and/or the County for any actions, claims, judgments, obligations or liabilities arising from the adjudicated liability for negligence or willful misconduct of the District and/or the County or their agents, employees or representatives in connection with or arising from the installation, operation, maintenance, repair, improvement or removal of the subdivision Improvements.

6.2 **Insurance.** The Developer shall require that all contractors engaged in the construction of the Subdivision Improvements maintain worker's compensation insurance. Before proceeding with the construction of the Subdivision Improvements, the Developer shall provide the District with written evidence of property damage insurance and bodily injury insurance in an amount of not less than the maximum amount of liability as may be specified in the Colorado Governmental Immunity Act, and protecting the District and the County against any and all claims for damages to persons or property resulting from construction and/or installation of any Subdivision Improvements pursuant to this Agreement. The policy shall provide that the District and the County shall be notified at least thirty (30) days in advance of any reduction in coverage, termination, or cancellation of the policy. The Developer agrees that any contractors engaged by or for the Developer to construct the Subdivision Improvements shall maintain public liability coverage in limits not less than those described above.

6.3 **No Third Party Beneficiaries.** Except as herein provided, no person or entity, other than a party to this Agreement, shall have any right of action under this Agreement including, but not limited to, lenders, lot or home buyers and materialmen, laborers or others providing work, services, or materials for the Subdivision Improvements.

6.4 **Assignability.** Subject to the provisions hereof, the Developer may convey or transfer title or interests in the Developer's Property without the consent of the District or the County and a grantee or transferee of the Developer shall not be obligated to fulfill any of the obligations of the Developer under this Agreement unless such grantee or transferee is the successor or assignee of the Developer in its capacity as developer of the Developers Property. The Developer may assign its rights and obligations under this Agreement to a party who is the successor or assignee of Developer in its capacity as developer of the Developer's Property without the consent of the District or the County; provided, however, that (a) Developer notifies the District and the County of the assignment and of the name and address of the successor developer; and (b) the successor developer assumes the obligations of the Developer under this Agreement. Unless otherwise agreed in writing by the District and the County, the Developer shall remain liable for performance of the obligations of Developer under this Agreement, including any security to be provided as referenced herein. The District will release the letter of credit or bond if equivalent



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security is offered from an equivalent financial institution, as approved by the District and the County, which approval shall not be unreasonably withheld.

6.5 No Automatic Further Approvals. Execution of this Agreement by the District and the County shall not be construed as a representation or warranty that the Developer is entitled to any other approvals required from the District and/or County, if any, before the Developer is entitled to commence construction of Subdivision Improvements.

6.6 Notices. All notices, consents or other instruments or communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given and received (a) when actually delivered and received personally, by messenger service, or by fax or telecopy delivery; (b) on the next business day after deposit for delivery in an overnight courier service such as Federal Express; or (c) three (3) business days after deposit in the United States mail, by registered or certified mail with return receipt requested. All such notices or other instruments shall be transmitted with delivery or postage charges prepaid, addressed to the party at the address below for that party or to such other address as such party may designate by written notice to the other party:

If to Developer: Ryan Homes, Inc.
2101 Larimer St.
#101
Denver, CO 80205

If to the District: Castle Pines Metropolitan District
5880 Country Club Drive
Castle Rock, Colorado 80108
Attn: Mr. Paul Dannels

With a copy to: Fairfield and Woods, P.C.
Rita M. Connerly, Esq.
1801 California Street, Suite 2600
Denver, Colorado 80202

If to County: Department of Public Works
Attn: County Engineer
100 Third
Castle Rock, Colorado 80104

With a copy to: Mark Hannen, Esq.
Douglas County Attorney



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

101 Third Street
Castle Rock, Colorado 80104

6.7 Further Assurances. At any time, and from time to time, upon request of either party, the other parties agree to make, execute and deliver or cause to be made, executed and delivered to the requesting party any and all further instruments, certificates and documents consistent with the provisions of this Agreement as may, in the reasonable opinion of the requesting party, be necessary or desirable in order to effectuate, complete or perfect the right of the parties under this Agreement.

6.8 Binding Effect. Subject to Section 6.4 above, this Agreement shall run with the land and be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

6.9 Headings for Convenience. All headings and captions used herein are for convenience only and are of no meaning in the interpretation or effect of this Agreement.

6.10 No Implied Waivers. The failure by a party to enforce any provision of this Agreement or the waiver of any specific requirement of this Agreement shall not be construed as a general waiver of this Agreement or any provision herein nor shall such action act to estop the party from subsequently enforcing this Agreement according to its terms.

6.11 Severability. If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, it shall not affect the validity of this Agreement as a whole or any part thereof other than the part declared to be invalid and there shall be substituted for the affected provision, a valid and enforceable provision as similar as possible to the affected provision.

6.12 No Waiver of Sovereign Immunity. Nothing contained in this Agreement shall constitute a waiver of the sovereign immunity or the benefits thereof of the District or the County under applicable state law.

6.13 Consent to Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by any party to this Agreement with respect to this Agreement or the letter of credit shall be deemed proper only if such action is commenced in the District Court for Douglas County, Colorado. Developer expressly waives the right to bring such action in or to remove such action to any other court, whether state or federal.

6.14 Force Majeure. None of the parties shall be liable for failure to perform hereunder if such failure is the result of Force Majeure and any time limit expressed in this Agreement shall be extended for the period of any delay resulting from any Force Majeure.



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CASTLE PINES METROPOLITAN DISTRICT

COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 28th day of APRIL
2014 by KARL KRUEGER as President of Castle Pines Metropolitan
District.

Witness my hand and official seal.

My commission expires: 1/12/2016

Carolyn M. Fraimer
Notary Public



BOARD OF COUNTY COMMISSIONERS
COUNTY OF DOUGLAS

APPROVED AS TO CONTENT:

BY: Roger A. Partridge
Roger A. Partridge
Chair

Douglas DeBord
Douglas DeBord
County Manager

DATE: 6-24-14

DATE: _____

APPROVED AS TO FISCAL CONTENT:
Andrew Copland
Andrew Copland
Director, Finance

APPROVED AS TO FORM:
Justin Deeln
Assistant County Attorney

DATE: 6/10/14

DATE: 5/21/14



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

**Exhibit A
Developers Improvements**



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Infrastructure Quantities for The Settlement at Castle Pines "Exhibit A"

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	ORIGINAL BID
Landscaping					
1	Installation or Transplant of Ponderosa Pines 12' to 18' tall	47	EA	\$695.00	\$32,665.00
Sub Total:					\$32,665.00

SANITARY SEWER					
5	Traffic Control for Sanitary Sewer Tie-In	1	LS	\$4,800.00	\$4,800.00
6	Remove and Dispose Pavement at Sewer Tie-In	1	LS	\$2,400.00	\$2,400.00
7	Connect to Ex. Sanitary Sewer Manhole	1	EA	\$2,750.00	\$2,750.00
8	8" SDR 35 PVC Sanitary Sewer Main	993	LF	\$45.00	\$44,685.00
9	4' Sanitary Sewer Manholes	11	EA	\$3,250.00	\$35,750.00
10	4" Sanitary Sewer Services	12	EA	\$1,000.00	\$12,000.00
11	Sanitary Sewer Main & MH Testing	1	LS	\$5,250.00	\$5,250.00
Sub Total:					\$107,635.00

WATER MAIN					
12	Traffic Control for Water Main Tie-Ins	1	LS	\$4,350.00	\$4,350.00
13	Remove and Dispose Pavement at Water Tie-in	1	LS	\$3,750.00	\$3,750.00
14	Connect to Ex. Water Main w/ 12"x8" Tee	2	EA	\$3,250.00	\$6,500.00
15	8" DIP Water Main	1,002	LF	\$62.50	\$62,625.00
16	8" Gate Valve w/ TB	3	EA	\$2,250.00	\$6,750.00
17	8" 5.125 Degree Bend	1	EA	\$650.00	\$650.00
18	8" 11.25 Degree Bend	4	EA	\$650.00	\$2,600.00
19	8" 22.5 Degree Bend	8	EA	\$650.00	\$5,200.00
20	Fire Hydrant Assembly	1	EA	\$5,600.00	\$5,600.00
21	3/4" Water Services w/p Meter Pit	12	EA	\$940.00	\$11,280.00
22	Pressure & Bac-T Test	1	LS	\$1,750.00	\$1,750.00
Sub Total:					\$111,055.00

STORM SEWER					
23	18" RCP Class III	391	EA	\$50.50	\$19,745.50
24	5' Type R Inlet	2	EA	\$4,650.00	\$9,300.00
25	5' Storm Sewer Manhole	1	EA	\$2,350.00	\$2,350.00
26	Type C Area Inlet	1	EA	\$4,850.00	\$4,850.00

27	18" RCP Flared End Section		3	EA	\$650.00	\$1,950.00
28	Cut-Off Wall		3	EA	\$450.00	\$1,350.00
29	Structural Forebay		1	EA	\$4,960.00	\$4,960.00
30	Micro Pool		1	EA	\$3,675.00	\$3,675.00
31	Buried Type L Rip Rap		4990	SF	\$5.00	\$24,950.00
32	6" Maintenance Path		3625	SF	\$1.00	\$3,625.00
33	Concrete Trickle Channel		45	LF	\$42.00	\$1,890.00
34	Concrete Spillway Weir Wall		1	EA	\$1,150.00	\$1,150.00
Sub Total:						\$79,795.50

ASPHALT						
35	6" Asphalt Pavement 4" Gr S And 2" Gr S And 2" Gr SX Both 75 PG 64-22		2300	SY	\$23.10	\$53,130.00
36	Adjust Valves		2	EA	\$120.00	\$240.00
37	Adjust Manholes		9	EA	\$520.00	\$4,680.00
38	Mobilization		1	EA	\$1,500.00	\$1,500.00
39	Subgrade Preparation Includes Scarification, Fine Grade and Compaction		2300	SY	\$1.75	\$4,025.00
40	6" Asphalt Patching Gr S 75 PG 64-22		67	SY	\$59.05	\$3,956.35
Sub Total:						\$67,531.35

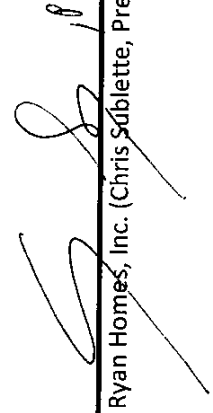
CONCRETE						
41	Mountable Curb & Gutter (Type II-M)		1557	LF	\$10.20	\$15,881.40
42	Trickle Channel- V 4' x 6'		43	LF	\$13.50	\$580.50
43	Cross Pan 8" Thick - 5000 PSI - w/#6 @ 18" OC		842	SF	\$4.73	\$3,982.66
44	Prep/Compaction/Backfill - C&G - Trickle Channel		1,600	LF	\$1.17	\$1,872.00
45	Prep/Compaction/Backfill - Cross Pan		842	SF	\$0.19	\$159.98
46	Micro Pool/Forebay/Sidewalks - Not Included		1	EA	\$0.00	\$0.00
47	Environmental Impact Fee		137	CY	\$1.50	\$205.50
48	Mobilization		1	LS	\$3,000.00	\$3,000.00
Sub Total:						\$25,682.04

TOTAL: \$424,363.89

CS
4/20/14

4/28/14

Date


 Ryan Homes, Inc. (Chris Sublette, Pres.)

**Exhibit B
Facilities Conveyance Agreement**

FACILITIES CONVEYANCE AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____,
____, by and between CASTLE PINES METROPOLITAN DISTRICT, a quasi-municipal
corporation and political subdivision of the State of Colorado ("District"), and Ryan Homes,
Inc., a Colorado corporation ("Developer").

RECITALS

WHEREAS, Developer has constructed certain facilities which are located and
designed to serve property within the boundaries of the District; and

WHEREAS, the facilities are connected to the water and sewer systems of the
District; and

WHEREAS, the District is empowered by C.R.S. Section 32-1-1004, as amended, to
provide water and sewer services within its boundaries; and

WHEREAS, Developer desires to transfer the facilities constructed by it to the
District, and the District desires to obtain said facilities;

NOW THEREFORE, in consideration of the covenants and agreements set forth
herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto
agree as follows:

COVENANTS AND AGREEMENTS

1. Description of Facilities. The facilities which are the subject of this Agreement are
those facilities described in Exhibit 1 which is attached hereto and incorporated herein by
this reference ("Facilities").

2. Preliminary Approval of Facilities by District. Immediately upon completion of the
Facilities, Developer shall deliver a letter to the District requesting inspection and
acceptance of the Facilities. A letter of preliminary acceptance ("Preliminary Acceptance")
of the Facilities shall be delivered by the District to Developer pursuant to this Agreement
upon the following conditions:



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-
- a. The District Engineer has preliminarily inspected, tested and determined that the Facilities meet all applicable standards and specifications of the District as contained in the rules and regulations of the District, as amended, or as contained in plans approved by the engineer in writing.
 - b. Developer has furnished to the District:
 - (1) A complete set of 24" by 36" mylar reproducible "as built" drawings of the Facilities which are certified by a professional engineer registered in the State of Colorado, showing accurate size and location of all Facilities including service line taps;
 - (2) Evidence that all Facilities are free and clear of all grants, bargains, sales, and liens evidenced by recorded documents, as well as all taxes (except for current taxes), and all assessments and encumbrances of whatever kind created by, through, or under Developer;
 - (3) A statement of the certified costs of all Facilities, and a materials list of all Facilities installed; and
 - (4) A bond or other security deemed acceptable by the District which shall cover all maintenance, repair and/or replacement of the Facilities for one (1) year from the date of Preliminary Acceptance by the District or until Final Acceptance, whichever occurs last.
 - (5) A cleaning and video inspection of the sanitary and storm sewer lines. The video shall show all collector and main sewer lines, all sanitary sewer service stub-ins, and provide information allowing for an identification of the camera's location. The costs and expenses of the District's review and analysis of the video inspection shall be paid by Developer within three (3) days of the District's delivery of an invoice.
 - c. Developer has executed and delivered to the District good and sufficient instruments of transfer conveying all of Developer's interest in any easements necessarily accompanying the Facilities, unless the easement has been platted.
 - d. Developer has executed and delivered to the District a good and sufficient bill of sale describing the Facilities, a form of which is attached hereto as Exhibit _____.



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3. **Warranty Period.** Developer warrants all Facilities to be free of defects in workmanship or materials for a period of one (1) year from Preliminary Acceptance ("Warranty Period"). During the Warranty Period, Developer shall maintain, repair and/or replace the Facilities at Developer's expense whether due to defective workmanship, street or utility construction, traffic or other causes. However, the determination of the necessity for Developer to repair or replace the Facilities in whole or in part prior to Final Acceptance shall rest entirely with the District.

4. **Final Acceptance of Facilities by District.** A final acceptance letter ("Final Acceptance") shall be given by District to Developer at the expiration of the Warranty Period, or at such time as all Facilities and repairs have been made, whichever is later, subject to the following conditions.



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- a. Developer has notified the District that the Facilities are ready for final inspection and acceptance; and
- b. Within fourteen (14) days of notification, District shall inspect the Facilities, and any deficiencies discovered have been corrected at the sole expense of Developer. Specific attention shall be paid to assure that manholes and/or valve boxes are centered over the valve operating nut and are free and clear of sand, gravel, stones and other foreign material.

5. Operation and Maintenance of Facilities. Upon Final Acceptance in accordance with Paragraph 4 of this Agreement, the District shall have full responsibility for operation and maintenance of the Facilities and any costs incurred in connection therewith.

6. Warranty of Developer. Developer hereby represents and warrants to the District upon transfer of the Facilities that no further charges for materials furnished or labor performed and no further charges under any contract, deed, mortgage or other instrument are due or are to become due in connection with any of the Facilities nor in connection with interests in real property to be transferred to the District. Developer shall assign to the District any manufacturers, dealers or contractors warranties with respect to the Subdivision Improvements, upon Preliminary Acceptance, as herein defined.

7. Indemnification. Developer hereby agrees to save harmless the District, its successors and assigns, against any and all liability, loss, or damage the District may suffer as a result of claims, demands, costs or judgments against it under the mechanics' lien laws of the State of Colorado, or otherwise, on account of equipment or materials furnished and labor performed for, or on, the Facilities. Said indemnification shall include, but not be limited to, court costs, damages, and reasonable attorneys' fees.

8. Integration. This Agreement represents the entire, integrated agreement between the parties with respect to the matters set forth herein and supersedes all negotiations, representations or agreements respecting those matters, either written or oral.

9. Amendments. This Agreement may be amended only by mutual agreement of the parties hereto, and shall be evidenced by a written instrument authorized and executed with the same formality as this instrument is executed.

10. Enforcement of Agreement. The parties hereto agree and acknowledge that this Agreement may be enforced in law or in equity, by decree or specific performance or damages, or such other legal and equitable relief as may be available.



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11. Survival of Obligations. The provisions of this Agreement shall be deemed to survive the transfer of the Facilities and related interests in real property to be transferred pursuant to this Agreement, and shall be binding upon the successors, transferees, and assigns of the parties hereto.



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IN WITNESS WHEREOF, the parties have caused their names and seals to be affixed the day and year first above written.

CASTLE PINES METROPOLITAN DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, ____ by

_____ as President and _____

_____ as Secretary of CASTLE PINES METROPOLITAN DISTRICT.

Witness my hand and official seal.

My commission expires:

Notary Public



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

DEVELOPER

By: _____

ATTEST:

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of
____ by _____ as _____
of _____ Developer.

Witness my hand and official seal.
My commission expires:

Notary Public



DOUGLAS COUNTY ENGINEERING
CASTLE PINES METROPOLITAN DISTRICT

EXHIBIT 1
(to Facilities Conveyance Agreement)
FACILITIES



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

EXHIBIT 2
(to Facilities Conveyance Agreement)

BILL OF SALE

KNOW ALL PERSONS BY THESE PRESENTS That

_____ hereinafter referred to as _____ for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, paid by Castle Pines Metropolitan District, hereinafter referred to as "District", a quasi-municipal corporation, whose address is 5880 Country Club Drive, Castle Rock, Colorado 80108, organized and existing under the laws of the State of Colorado, County of Douglas, has bargained and sold, and by these presents does grant and convey unto the District, its successors and assigns, the following:

(Insert description of facilities being sold.)

TO HAVE AND TO HOLD the same unto the District, its successors and assigns, to warrant and defend the sale of said property, successors or assigns, against all and every person or persons whomsoever, and warrants that the conveyance of the property to the District, its successors or assigns, is made free from any claim or demand whatever.

IN WITNESS WHEREOF, _____ has hereunto set its hand and seal this day of _____, ____.

By: _____

Title:

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, ____ by _____ as _____ of _____.

Witness my hand and official seal.

My commission expires: _____



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

Notary Public



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

**Exhibit C
Plat Dedication Language**

PLAT DEDICATION LANGUAGE

1. By executing this plat, the owners of the lands described hereon (the "Owners") have laid out, platted and subdivided the lands described in this plat into parcels, lots, blocks, and streets, and into water, sanitary sewer line, general utilities and drainage easements designated as such on this plat, under the name and style of . The Owners hereby grant for the benefit of Castle Pines Metropolitan District (the "District"), the Castle Pines Homes Association, Inc. (the "Castle Pines Association") and other public utility providers, as appropriate, the following easements:

- (a) water, and sewer line easements as shown on this plat for the purposes of constructing, reconstructing, operating, repairing, replacing and/or removing buried or underground water and sanitary sewer line improvements and appurtenances thereto;
- (b) street, road, path and parking easements as shown on this plat for the purposes of constructing, reconstructing, operating, using, maintaining, repairing, replacing and/or removing streets, roads paths and parking areas; and
- (c) general utility and drainage easements as shown on this plat for the purposes of constructing, reconstructing, operating, using, maintaining, repairing, replacing and/or removing utility and drainage facilities, including but not limited to electric lines, gas lines, telephone lines, cable television lines and related appurtenances.

2. In addition to the platted easements described above, the Owners hereby grant for the benefit of the District, the Castle Pines Homes Association and other public utility providers, as appropriate, the following easements:

- (a) Lots shall be subject to an easement for placement, replacement, maintenance and repair of improvements, for irrigation of common area; provided, however, that all above ground improvements utilized for such irrigation purposes shall be placed to comply with the Castle Pines Homes Association Amended and Restated Declaration and other applicable rules and in a manner so as not to unreasonably interfere with the use of the lots;



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CASTLE PINES METROPOLITAN DISTRICT

-
- (b) Lots shall be subject to an easement for encroachment of roadways, paths and parking improvements outside the boundaries of the roadways, paths and parking areas shown on this plat to accommodate and allow for placement as actually constructed; and



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CASTLE PINES METROPOLITAN DISTRICT

-
- (c) Lots shall be subject to easements for encroachment of utility improvements and facilities outside the boundaries of the utility easements as shown on this plat to allow for maintenance and repair of lines and other facilities which are outside the utilities easement boundaries; provided, however, that all such utilities shall be located below the surface of the ground with the exception of electric transformer boxes, telephone service boxes, cable television service boxes and fire hydrants and appurtenances which shall be located to comply with the Amended and Restated Declaration and other applicable rules and in a manner so as not to unreasonably interfere with the use of the lot.



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**Exhibit D
Specific Easement Agreement**

SPECIFIC EASEMENT AGREEMENT

For and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, _____, whose address is _____ (the "Grantor"), hereby grants, bargains, sells and conveys to **CASTLE PINES METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 5880 Country Club Drive, Castle Rock, Colorado 80108, (the "District"), its successors and permitted assigns, a perpetual, non-exclusive easement (the "Easement") to construct, reconstruct, operate, use, maintain, repair, replace and operate certain _____ (the "Improvements"), in, to, through, over, under and across a certain parcel of real property located in Douglas County, Colorado, as more particularly described and shown in Exhibit "A" attached hereto and incorporated herein by this reference (the "Premises"). Such Easement is granted by Grantor and is accepted by District pursuant to the following terms and conditions:

1. The District, its agents, successors and permitted assigns, shall have and exercise the right of ingress and egress in, to, through, over, under and across the Premises for any purpose necessary for the construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal (collectively referred to as "Work") of the Improvements. Any Work shall be done so as not to unreasonably interfere with the use and enjoyment of the Grantor's adjacent property.

2. The Grantor shall not construct or place any structure or building, street light, power pole, yard light, mailbox or sign, whether temporary or permanent, or plant any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature on any part of the Premises, without the consent of the District which consent shall not be unreasonably withheld. Any structure or building, street light, power pole, yard light, mailbox or sign, whether temporary or permanent, or any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature of any kind situated on the Premises as of the date of this Easement may be removed by and at the sole expense of the District without liability therefor. Unless consented to by the District, any structure or building, street light, power pole, yard light, mailbox or sign, whether temporary or permanent, or any shrub, tree, woody plant, nursery stock, garden or other landscaping design feature of any kind placed on the Premises subsequent to the date hereof may be removed by the District at the expense of Grantor without liability to the District.

3. With the exception of removal of those things enumerated or contemplated in paragraph 2 above, upon completion of its activities, the District, to the extent practicable,



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CASTLE PINES METROPOLITAN DISTRICT

shall restore the Premises as nearly as reasonably possible, including the surface of the ground and all permitted landscaping, to the condition it was in immediately prior to the initiation of Work, except as necessarily modified to accommodate the Improvements.

4. The District shall have the right to enter upon the Premises to survey, construct, reconstruct, operate, use, maintain, repair, replace, and remove the Improvements, and to remove objects interfering therewith, including but not limited to the trimming of landscaping. In addition, the District shall have the right, subject to the Grantor's approval, to use so much of the adjoining premises of the Grantor during surveying, construction, reconstruction, use, maintenance, repair, replacement and/or removal of the Improvements as may be reasonably required, and shall restore such adjoining premises as nearly as reasonably possible to the condition they were in immediately prior to the initiation of Work.

5. The District shall have and exercise the right of subjacent and lateral support to whatever extent is necessary and desirable for the operation and maintenance of the Improvements. It is specifically agreed between and among the parties that, except as provided in this Agreement, the Grantor shall not take any action which would impair the lateral or subjacent support for the Improvements.

6. It is expressly acknowledged and agreed that the District shall have the right and authority to assign the Easement or grant licenses therein to any appropriate local governmental entity or to any public utility provider including but not limited to all rights to use, and all obligations associated with, the Easement as are granted to and assumed by the District herein. In addition, subject to the limitations contained herein, the District shall have the right and authority to grant temporary construction easements or license agreements to any appropriate local governmental entity or public utility provider for purposes of construction, reconstruction, operation, use, maintenance, repair, replacement and/or removal of the Improvements consistent herewith.

7. The District agrees that at such time and in the event that the Improvements and/or Easement described herein be abandoned by the District by written notice to Grantor, such Easement shall terminate and the real property interest represented by such Easement shall revert to the Grantor, its heirs, successors and/or assigns.

8. The Grantor warrants, covenants, grants, bargains and agrees to and with the District that the Grantor is well seized of the Premises, and has good right, full power and lawful authority to grant, bargain, sell and convey the Easement in manner and form as aforesaid, and that the Premises are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature whatsoever, except those items of public record as of the date hereof. The Grantor further promises and agrees to warrant and forever defend the District in its quiet and peaceful use and enjoyment of the Easement and in the exercise of its rights hereunder against all and



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CASTLE PINES METROPOLITAN DISTRICT

every person or persons lawfully claiming or to claim the whole or any part thereof, except claims relating to items of public record as of the date hereof.

9. The Grantor reserves the right to grant, with the consent of the District which consent shall not be unreasonably withheld, further easement interests in the Premises to other grantees so long as such interests and uses are not inconsistent with the use of the Easement by the District, its successors and permitted assigns, as described herein.

10. Each and every one of the benefits and burdens of this Easement shall inure to and be binding upon the respective legal representatives, administrators, successors and permitted assigns of the Grantor and the District.

11. The rights and responsibilities set forth in this Easement Agreement are intended to be covenants on the Premises and are to run with the land until this Easement is abandoned or terminated pursuant to the terms set forth herein.

12. Grantor represents and warrants that to its knowledge, without investigation, and assuming due execution of this Easement Agreement by all parties, that there are no other owners, mortgagees, or holders of deeds of trust secured by the Premises other than those specifically enumerated below whose execution or consent is necessary to grant the District the rights set forth in this Easement Agreement.

IN WITNESS WHEREOF, the Parties have executed this Easement Agreement this day of _____, ____.

GRANTOR:

BY:

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ____ day of _____, ____, by _____ as _____ of _____

WITNESS my hand and official seal.

My Commission Expires:

Notary Public



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

DISTRICT:

Castle Pines Metropolitan District
a Quasi-Municipal Corporation

BY:

Title:

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this ___ day of _____
____, by _____ as _____ of Castle Pines Metropolitan District.

WITNESS my hand and official seal.

My Commission expires:

Notary Public



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

**CONSENT AND SUBORDINATION BY MORTGAGORS, HOLDERS OF DEEDS OF TRUST AND
OTHER PARTIES WITH SENIOR INTERESTS IN PROPERTY**

In consideration of the premises herein contained the receipt and sufficiency of which is hereby acknowledged and confessed, each of the signatories to this document do hereby agree and declare that the Easement and the terms and provisions hereof, and any lien or other interest created or perfected thereby covering the real property described herein, shall be, and hereby is, made subordinate, subject and inferior to the Easement, the rights and interests of the beneficiary or grantee thereunder, and any interest or right created or perfected thereby, in the real property herein described; and in the event of a sale upon default under the terms and provisions of any deed of trust or other interest held by any signatory hereto, the Easement shall have the same validity, effect and priority of any lien, right or interest executed, delivered and recorded prior to the execution, delivery and recordation of any interest asserted, held or claimed by any signatory to this document.

**GRANTORS, MORTGAGEES, OR OTHER
HOLDERS OF DEEDS OF TRUST:**

By:

Title:

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
by _____ as _____ of
_____.

WITNESS my hand and official seal.

My commission expires:

Notary Public



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

**Exhibit E
Subdivision Bond**

SUBDIVISION BOND

KNOW ALL MEN BY THESE PRESENTS, that we, (hereinafter called the "Principal") and _____ (hereinafter called the "Surety") are held and firmly bound onto the Board of Directors of the Castle Pines Metropolitan District of Douglas County, Colorado (hereinafter called the "Obligee"), in the full and just sum of _____ laws money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, administrators, executors and assigns jointly and severally, firmly by these presents:

WHEREAS, said Principal has applied to Douglas County for approval and acceptance of a Subdivision known as _____ Filing _____, Douglas County, Colorado and the County has given conditional approval and acceptance to the said Subdivision provided the Principal constructs or causes to be constructed the streets, drainage and other Subdivision improvements as set forth in the Intergovernmental Agreement and Subdivision Improvement Agreement for _____, Filing _____, and complies with all requirements of the Colorado statutes and any regulations of Douglas County and Castle Pines Metropolitan District for the Subdivision on or before _____ 19____ in accordance with the plans and specifications of said Subdivision filed with Obligee, which are by reference made a part hereof.

NOW, THEREFORE, THE CONDITION OF THE OBLIGATIONS IS SUCH that if said Principal shall faithfully perform the installation of all the streets, drainage and other improvements set forth in the Intergovernmental Agreement and subdivision Improvement Agreement for _____, Filing _____, and complies with all requirements of the Colorado statutes and regulations of Douglas County and Castle Pines Metropolitan District for such Subdivision on or before _____, and shall save harmless Douglas County and Castle Pines Metropolitan District, their elected officials and employees from all and any liability of every nature, kind and character which may be incurred in connection with the granting of such conditional approval and acceptance and shall save harmless the County, its elected officials and employees, and the Obligee from all costs and damages which may be suffered by reason of the failure of Principal to faithfully and fully perform said requirements and shall fully reimburse and repay the Obligee for all expenditures of every kind, character and description which may be incurred by the Obligee in making good any and every default which may exist on the part of the Principal in connection with the performance of said



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requirements, then the above obligation shall be void; otherwise, to remain in full force and effect until the performance of all covenants, terms and conditions herein stipulated.



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CASTLE PINES METROPOLITAN DISTRICT

PROVIDED, HOWEVER, that this bond is subject to the following conditions and limitations:

(1) In no event shall the Surety be liable for more than the penalty amount of this bond as stated above.

(2) In the event of default on the part of the Principal under this agreement, the Surety, may, if Oblige so agrees, complete or secure completion of the said improvements and in such event, the Surety's liability shall terminate on completion of said improvements. Otherwise, in the event of default, Surety shall be liable to Obligee for an amount not to exceed the penal amount of this bond.

(3) In the event of default or any disputes concerning Surety's Liability under this bond, all legal fees of the prevailing party shall be paid for by the other parties to this contract.

(4) Any suit or claim under this bond must be instituted before the Principal receives notification of Final Acceptance of the Subdivision Improvements by the Board of Directors of the Castle Pines Metropolitan District of the County of Douglas, Colorado.

THIS SUBDIVISION BOND, SIGNED, SEALED AND DELIVERED this _____ day of _____, _____.

PRINCIPAL

SURETY

By: _____ By:

Name: _____ Name:

Title: _____ Title:

State of Colorado)
)ss.
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, _____ by _____ as _____ (Title) of _____ (Principal).

Witness my hand and official seal.



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CASTLE PINES METROPOLITAN DISTRICT

My commission expires:

Notary Public

State of Colorado)
)ss.
County of)

The foregoing instrument was acknowledged before me this _____ day of
, 19__ by _____, as _____(Title) of _____(Surety).

Witness my hand and official seal.

My commission expires:

Notary Public

CASTLE PINES METROPOLITAN DISTRICT

By:
President

State of Colorado)
)ss.
County of)

The foregoing instrument was acknowledged before me this _____ day of
, ____, by _____, as President of Castle Pines Metropolitan District.

Witness my hand and official seal.

My commission expires:

Notary Public



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT

**BOARD OF COUNTY COMMISSIONS OF THE COUNTY
DOUGLAS, COLORADO**

By: _____
Chairman

State of Colorado)
)ss.
County of)

The foregoing instrument was acknowledged before me this _____ day of _____, _____ by _____, as Chairman of Board of County Commissions, Douglas County.

Witness my hand and official seal.
My commission expires:

Notary Public

Approved as to content:

County Manager

Date:

Approved as to form:

County Attorney

Date:



DOUGLAS COUNTY ENGINEERING
CASTLE PINES METROPOLITAN DISTRICT

EXHIBIT F
Legal Description

A PARCEL OF LAND BEING ALL OF LOT 1, BLOCK 1, "KIMBALL SUBDIVISION" RECORDED AT RECEPTION NUMBER 249982 AND A PORTION OF THAT DEED OF TRUST RECORDED IN BOOK 823 AT PAGE 423, BOTH IN THE OFFICE OF THE CLERK AND RECORDER OF DOUGLAS COUNTY, LOCATED WITHIN THE EAST HALF OF SECTION 8, TOWNSHIP 7 SOUTH, RANGE 67 WEST, OF THE 6TH PRINCIPAL MERIDIAN, IN THE COUNTY OF DOUGLAS, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST BOUNDARY CORNER OF SAID LOT 1, BLOCK 1, "KIMBALL SUBDIVISION", BEING ON THE EASTERLY RIGHT-OF-WAY LINE OF SOUTH DANIELS PARK ROAD AS SHOWN ON THE FINAL RIGHT-OF-WAY PLAT RECORDED AT RECEPTION NUMBER 2003173278 IN THE SAID OFFICE OF THE CLERK AND RECORDER OF DOUGLAS COUNTY, FROM WHENCE THE NORTHWEST CORNER OF THE SOUTHEAST ONE-QUARTER BEARS SOUTH 87°50'54" WEST, 185.65 FEET;

THENCE EASTERLY, ALONG THE NORTHERLY BOUNDARY LINE OF SAID LOT 1, BLOCK 1, "KIMBALL SUBDIVISION" BEING THE SOUTHERLY BOUNDARY LINE OF THE FINAL PLAT OF "CASTLE PINES VILLAGE FILING 15-F" RECORDED AT RECEPTION NUMBER 2007086501 IN THE SAID OFFICE OF THE CLERK AND RECORDER OF DOUGLAS COUNTY, NORTH 87°43'21" EAST, 660.00 FEET TO THE NORTHEAST BOUNDARY CORNER OF SAID LOT 1, BLOCK 1, "KIMBALL SUBDIVISION";

THENCE NORTHEASTERLY, ALONG THE SOUTHERLY BOUNDARY LINE OF THE FINAL PLAT OF "CASTLE PINES VILLAGE FILING 15-D" RECORDED AT RECEPTION NUMBER 2003034870 IN THE SAID OFFICE OF THE CLERK AND RECORDER OF DOUGLAS COUNTY, NORTH 67°17'32" EAST, 212.96 FEET TO THE WESTERLY BOUNDARY LINE OF LOT 1B, OF THE FINAL PLAT "COUNTRY CLUB AT CASTLE PINES GOLF COURSE SUBDIVISION, 2ND AMENDMENT" RECORDED AT RECEPTION NUMBER 2003014781 IN THE SAID OFFICE OF THE CLERK AND RECORDER OF DOUGLAS COUNTY;

THENCE SOUTHERLY, ALONG SAID WESTERLY BOUNDARY LINE OF LOT 1B, THE FOLLOWING FIVE (5) COURSES:

1. SOUTH 17°56'00" WEST, 105.22 FEET;
2. SOUTH 46°05'37" WEST, 134.42 FEET;
3. SOUTH 00°05'37" WEST, 395.00 FEET;
4. SOUTH 31°15'57" EAST, 153.70 FEET;
5. SOUTH 57°15'27" EAST, 0.50 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF COUNTRY CLUB PARKWAY BEING THE MOST NORTHERLY BOUNDARY CORNER AS SHOWN ON THE FINAL PLAT "CASTLE PINES VILLAGE FILING NO. 24" RECORDED AT RECEPTION NUMBER 199730574 IN THE SAID OFFICE OF THE CLERK AND RECORDER OF DOUGLAS COUNTY;

THENCE SOUTHWESTERLY, DEPARTING SAID WESTERLY BOUNDARY LINE OF LOT 1B AND NORTHEASTERLY RIGHT-OF-WAY LINE OF COUNTRY CLUB PARKWAY, ALONG THE NORTHWESTERLY BOUNDARY LINE OF SAID FINAL PLAT "CASTLE PINES VILLAGE



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FILING NO. 24", SOUTH 58°28'26" WEST, 60.46 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF SAID COUNTRY CLUB PARKWAY AND ALSO BEING THE NORTHERLY BOUNDARY LINE OF THE FINAL PLAT "CASTLE PINES VILLAGE FILING NO. 8-B" RECORDED AT RECEPTION NUMBER 199327782 IN THE SAID OFFICE OF THE CLERK AND RECORDER OF DOUGLAS COUNTY;

THENCE WESTERLY, ALONG THE SAID NORTHERLY BOUNDARY LINE OF THE FINAL PLAT "CASTLE PINES VILLAGE FILING NO. 8-B", NORTH 85°18'21" WEST, 106.94 FEET TO THE SOUTHEAST BOUNDARY CORNER OF SAID LOT 1, BLOCK 1, "KIMBALL SUBDIVISION";

THENCE WESTERLY, ALONG THE SOUTHERLY BOUNDARY LINE OF SAID LOT 1, BLOCK 1, "KIMBALL SUBDIVISION", SOUTH 87°42'12" WEST, 659.84 FEET TO THE SOUTHWEST BOUNDARY CORNER OF SAID LOT 1, BLOCK 1, "KIMBALL SUBDIVISION", BEING ON THE SAID EASTERLY RIGHT-OF-WAY LINE OF SOUTH DANIELS PARK ROAD;

THENCE NORTH 00°58'14" EAST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF SOUTH DANIELS PARK ROAD ALSO BEING THE WESTERLY BOUNDARY LINE OF LOT 1, BLOCK 1, "KIMBALL SUBDIVISION", 660.93 FEET TO THE POINT OF BEGINNING.

CONTAINING 11.565 ACRES (503,790 SQ.FT.), MORE OR LESS.



DOUGLAS COUNTY ENGINEERING

CASTLE PINES METROPOLITAN DISTRICT



COLLEGIATE PEAKS BANK

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE: April, 23, 2014

LETTER OF CREDIT NUMBER: 03-14

APPLICANT: Ryan Homes Inc
2101 Larimer Street
Denver, CO 80205

BENEFICIARY: Castle Pines Metropolitan District

AMOUNT: \$424,363.89

EXPIRATION: April 23, 2015

THE SUM 424,363.89 DOLLARS

We hereby issue our Irrevocable Standby Letter of Credit, in Beneficiary's favor for the account of Ryan Homes Inc. for an amount not to exceed FOUR HUNDRED TWENTY FOUR THOUSAND THREE HUNDRED SIXTY THREE AND 89/100 U.S. DOLLARS (\$424,363.89). The purpose of this Irrevocable Standby Letter of Credit is to secure completion of the Subdivision Improvements identified in Exhibit A of the Intergovernmental Agreement and Subdivision Improvements Agreement ("SIA") and the Facilities described in Exhibit 1 of the Facilities Conveyance Agreement for the benefit of the Applicant's Property known as "The Settlement" and more particularly described as Lot 1, Block 1, Kimball Subdivision, located in the Southeast Quarter of Section 8, Township 7 South, Range 67 West, 6th P.M., Douglas County, Colorado.

Funds under this Irrevocable Standby Letter of Credit are available to draw on sight, bearing the clause, "Drawn under Collegiate Peaks Bank Irrevocable Standby Letter of Credit No. 03-14 dated 4/23/2014" and must be accompanied by the following documents:

1. Letter, on Castle Pines Metro District's letterhead, signed by its authorized officer to the effect that the Developer (Ryan Homes Inc.) is in default of Developer's obligations under the SIA or the Facilities Conveyance Agreement relating to the Applicant's Property known as "The Settlement" and more particularly described as Lot 1, Block 1, Kimball Subdivision, located in the Southeast Quarter of Section 8, Township 7 South, Range 67 West, 6th P.M., Douglas County, Colorado.

Partial drawings are permitted. This Credit is not transferable.

Drafts drawn hereunder must indicate the date, number, and expiration date of this Letter of Credit.

We hereby agree to honor draft(s) drawn under and in compliance with the terms of this Credit upon due presentation and delivery of documents specified above to us on or before the expiration date stated above.

2101 N. Ursula St., Unit 25
Aurora, CO 80045-7426
TEL (303) 481-1301
FAX (303) 481-1373

P.O. Box 3009
Buena Vista, CO 81211
TEL (719) 395-2472
FAX (719) 395-5251

885 S. Colorado Blvd.
Denver, CO 80246-8006
TEL (303) 481-1301
FAX (303) 481-1340

3350 Brighton Blvd., Unit 135
Denver, CO 80216-5021
TEL (303) 481-1380
FAX (303) 481-1378

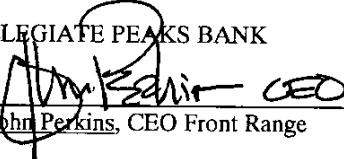
P.O. Box 1226
Salida, CO 81201
TEL (719) 539-1308
FAX (719) 395-5252

This Irrevocable Standby Letter of Credit expires on April 23, 2015, and shall be extended for additional and consecutive one year terms if you have not received by certified mail notification of our intention not to renew this Irrevocable Standby Letter of Credit at least sixty (60) days prior to the original expiration date and each subsequent expiry date. In the event that we send such notice of non-renewal of this Letter of Credit, then this Letter of Credit along with the required documents indicated above may be presented to us by Beneficiary, on or before the then occurring expiry date for full payment to Beneficiary against a draft at sight in the then remaining amount of this Letter of Credit.

This Credit shall be governed by and construed in accordance with the FDIC. This Credit is subject to the internal standby practices 1998 (ISP 98), ICC publication No. 590.

COLLEGIATE PEAKS BANK

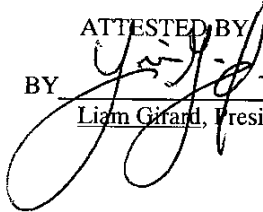
BY



John Perkins, CEO Front Range

ATTESTED BY

BY



Liam Girard, President of River North