

**CASTLE OAKS METROPOLITAN DISTRICT NO. 2
TOWN OF CASTLE ROCK, COLORADO**

2017 ANNUAL REPORT

Pursuant to the Service Plan for Castle Oaks Metropolitan District No. 2 (the "District"), the District is required to submit an annual report to the Town of Castle Rock, Colorado (the "Town") which reflects activity and financial events of the District through the preceding December 31 (the "report year"). Please note, the District has been inactive since October 27, 2015.

To the best of our knowledge, for the year ending December 31, 2017, the District makes the following report:

A. A narrative summary of the progress of the District in implementing its service plan for the report year.

No development has occurred within the District.

B. Except when an exemption from audit has been granted for the report year under the Local Government Audit Law, the audited financial statements of the District for the report year including a statement of financial condition (i.e. balance sheet) as of December 31 of the report year and the statement of operations (i.e. revenues and expenditures) for the report year.

The District is inactive and therefore was not required to file an application for exemption from audit for 2017.

C. Unless disclosed within a separate schedule to the financial statements, a summary of the capital expenditures incurred by the District in development of public facilities in the report year, as well as any capital improvements or projects proposed to be undertaken in the five (5) years following the report year.

There are no planned improvements scheduled for the District.

D. Unless disclosed within a separate schedule to the financial statements, a summary of the financial obligations of the District at the end of the report year, including the amount of outstanding indebtedness, the amount and terms of any new District indebtedness or long-term obligations issued in the report year, the amount of payment or retirement of existing indebtedness or long-term obligations issued in the report year, the total assessed valuation of all taxable properties within the District as of January 1 of the report year, and the current mill levy of the District pledged to debt retirement in the report year.

The District does not have any financial obligations.

E. The District's budget for the calendar year in which the annual report is submitted.

The District is inactive and therefore did not adopt a budget for 2018.

F. A summary of residential and commercial development that has occurred within the District for the report year.

No Residential or Commercial Development has occurred within the District.

G. A summary of all fees, charges and assessments imposed by the District as of January 1 of the report year.

The District does not impose a facilities development fee on the property within the District.

H. Certification of the Boards that no action, event, or condition of Section 11.02.060 (Material Modification of Service Plan) has occurred in the report year.

The Certificate is attached as **Exhibit A**.

I. The names, business addresses and phone numbers of all members of the Boards and its chief administrative officer and general counsel, together with the date, place and time of the regular meetings of the board.

Boards of Directors:

Christian M. Janke
E5X Management
7353 South Alton Way
Centennial, CO 80112
303-770-9111

Craig Campbell
Starwood Land Ventures, LLC
385 Inverness Parkway, Suite 310
Englewood, CO 80112
303-858-9992

Regular Meetings:

The District is inactive and will not hold any regular meetings in 2018.

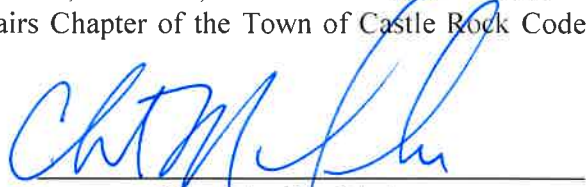
General Counsel:

Kristin B. Tompkins, Esq.
WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law
2154 E Commons Ave, Suite 2000
Centennial, CO 80122

EXHIBIT A

Certification

On behalf of the Board of Directors of the Castle Oaks Metropolitan District No. 2, I hereby certify that with the exception of Section 11.02.060.D, no action, event or condition set forth in Section 11.02.060 of the Intergovernmental Affairs Chapter of the Town of Castle Rock Code has occurred in the report year.



Christian M. Janke, President