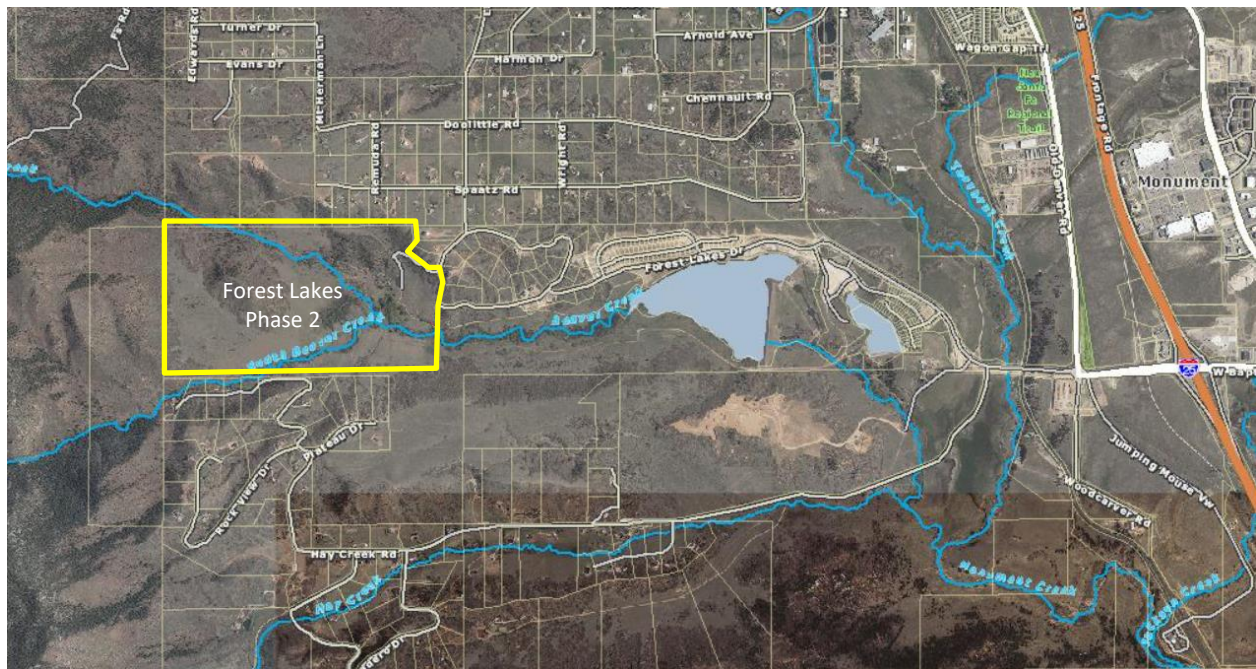


DECEMBER 2018

N.E.S. Inc.
619 North Cascade Ave
Colorado Springs, CO 80903

There are two existing, man-made lakes in the eastern portion of the property that were constructed as part of the Phase 1 development. Road and utility infrastructure are in place in Phase 1 and the majority of lots in the first phase are platted and constructed. The Waterfront Park along the north side of Bristlecone Lake has also been completed.



NATURAL FEATURES ASSESSMENT

Reference is made to the Impact Identification Report prepared by CORE Consultants Inc., the Geologic Hazards Evaluation prepared by CTL Thompson Inc. and the Wildfire Hazard and Mitigation Report by Stephen J. Spaulding.

Topography

The topography of the site is characterized by shallow hills and ridges with elevations ranging from 6,900 to 7,100 feet above sea level. There is a ridge along the northern boundary of the property which forms the edge of a mesa that extends further north. There is a distinctive knoll in the western portion of the Phase 2 area.

The project design preserves these natural features in open space tracts and incorporates access to them via an interconnected trail network.

Vegetation

The vegetation on the site is characterized by pinon-juniper woodlands interspaced with foothill grasslands. The dominant species are mountain mahogany, gamble oak, skunkbush, fringe sage, rabbitbrush, blue grama, and western wheatgrass. There are also some noxious weeds on the site.

The project will maintain the existing vegetation in the open space areas, subject to the requirements of the wildfire mitigation report, which involves the removal of wildfire sources close to proposed building pads, the thinning of dense vegetation and the removal of dead vegetations. The development will also address the requirements for controlling noxious weeds.

Wildlife

The Impact Identification Report prepared by CORE Consultants indicates that Preble's Meadow Jumping Mouse critical habitat has been identified along the western portion of Beaver Creek, as noted on the PUD Development/Preliminary Plan, and is contained wholly within Tract B. The US Fish and Wildlife Service has provided recent correspondence confirming that the proposed development does not impact the PMJM critical habitat area and that the continuation of the proposed regional trail on the existing road through the habitat area is acceptable. The report recommends further surveys to assess the potential impact of construction on nesting areas and other wildlife species as necessary.

Floodplain & Wetlands

The site is within the Fountain watershed. Beaver Creek flows west to east through the southern half of the property. North Beaver Creek drains into Beaver creek from the northwest. These provide temporary and seasonally flooded wetland areas. Portions of the site adjacent to Beaver Creek and North Beaver Creek are within a FEMA designated floodplain. The remainder of the property is outside the 500-year floodplain. All proposed lots are outside the floodplain boundary.

Areas of potentially jurisdictional wetland are identified along Beaver Creek and North Beaver Creek. All lots are outside these wetland areas. Impact to jurisdictional waters is limited to one street crossing and a concrete crossing for the proposed emergency access road/trail. As the impacted areas are less than 0.5 acre, the impact can be addressed by a nationwide permit. This permit will be obtained from the Army Corps of Engineers prior to construction.

Soils and Geology

The Geologic Hazards Evaluation and Preliminary Geotechnical Investigation prepared by CTL Thompson Inc., identifies that portions of the proposed subdivision may be impacted by geologic conditions including shallow groundwater, expansive soils and bedrock, and potential for flood, erosion and debris flow. These conditions can be mitigated by avoidance, regrading, proper engineering design, and construction techniques. Following comments from Colorado Geologic Survey on the initial submittal of the Phase 2 application in January 2018, an additional Debris Flow/Mudflow Analysis was prepared. The recommendations of this analysis resulted in changes to the proposed lot layout, street configuration, grading and culvert design, which are reflected in this revised submittal.