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**CRYSTAL VALLEY RANCH FILING NO. 3  
SUBDIVISION IMPROVEMENTS AGREEMENT**

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**DATE:** November 15, 2004.

**PARTIES:** **TOWN OF CASTLE ROCK**, a Colorado municipal corporation (Town), 100 Wilcox Street, Castle Rock, Colorado 80104.

**MAPLE GROVE LAND LIMITED PARTNERSHIP**, a Minnesota limited partnership, **RICHARD A. PUTNAM**, individually, and **WAYNE E. BROWN FAMILY L.L.C.**, a Minnesota limited liability company (collectively, Subdivider), 7808 Creekridge Circle, Suite 310, Bloomington, MN 55439-2616

**MORTGAGEES:** **Wells Fargo Bank, NA**

**RECITALS:**

A. Subdivider desires to plat and subdivide certain property as Crystal Valley Ranch Filing No. 3 (Subdivision), more particularly described in the attached *Exhibit 1* (Property).

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

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

D. Mortgagee is a party to this Agreement solely for the purpose of subordinating its liens and interest in the Property to the terms and conditions of this Agreement.

**COVENANTS:**

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

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

**Agreement:** this Crystal Valley Ranch Filing No. 3 Subdivision Improvement Agreement.

**Code:** the Castle Rock Municipal Code, as amended.

**Development Agreement:** the Crystal Valley Ranch Development Agreement dated March 22, 2001, recorded December 12, 2001 at Reception No. 01120401, beginning in Book 2210 at Page 2206 of the Records. Amended by First Amendment to Development Agreement dated August 19, 2002, and recorded August 29, 2002 at Reception No. 2002087569, and Second Amendment to Development Agreement dated September 9, 2003 and recorded January 14, 2004 at Reception No. 2004005962 of the Records.

**Director:** the Assistant Town Manager of Development Services or designee.

**Districts:** the Crystal Valley Ranch Metropolitan District Nos. 1 and 2

**Final Site Plan:** the final PD site plan for the Subdivision as approved by the Town.

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

**Landscaping:** the landscaping required on public areas, streetscapes or tracts and/or prescribed under the Final Site Plan or applicable subdivision and zoning regulations.

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

**Phase Improvements:** those Improvements required to be constructed with a particular phase, as prescribed in the Phasing Plan, but excluding

Landscaping.

**Phase Landscaping:** the Landscaping required to be installed within a particular Phase.

**Phasing Plan:** the depiction or description in the Plans of the Phases and the Improvements to be constructed with each Phase, as approved by the Director or designee.

**Plans:** the description of the Improvements on the Preliminary Plat and related documents as modified and supplemented by approved construction plans and drawings, together with the Landscaping Plan approved with the Final Site Plan.

**Plat:** the final subdivision plat for the Subdivision as approved by the Town.

**Preliminary Plat:** the Crystal Valley Ranch Filing No. 3 preliminary subdivision plat approved by the Town.

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

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

**Subdivision:** the Crystal Valley Ranch Filing No. 3 Subdivision.

**Town Regulations:** the Code, inclusive of the Town public works regulations, as the same may be amended from time to time.

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

**Section 2. Construction of Improvements.** The Improvements shall be constructed in strict accordance with the Plans, or to the extent not otherwise provided in the Plans, in accordance with applicable Town ordinances, rules and regulations. The Improvements may be constructed by Phase, in accordance with the applicable Phasing Plan, if any.

In the event Subdivider has not obtained all necessary Town permits and approvals and commenced construction of the initial Phase Improvements as shown on the Phasing Plan approved by the Town within one year of the date of recordation of this Agreement, the Town's approval of the Subdivision shall lapse. As a condition to commencement of construction of any of the Improvements thereafter, Subdivider shall demonstrate to the Town Council good cause for the delay and its good faith intention and financial ability to proceed and complete

development of the Subdivision; provided that Subdivider shall not be required to resubmit a land use application for the Subdivision

Phase Improvements must be completed by either the date specified in the Town Regulations, or if no such date is prescribed, one year after the date of issuance of the first public works permit for such Phase Improvements (Completion Date), provided that the Completion Date shall be extended by the Director for up to 6 months if justified due to adverse weather, material unavailability, or other unanticipated and unavoidable circumstances beyond the control of Subdivider, as determined by the Director. As a condition to such extension, the term of the required Security shall be extended so as to conform with the requirements of Section 5.

The requirements for completion of Landscaping are contained in section 6.

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

The Director, in his/her absolute discretion, may authorize issuance of one or more designated building permits prior to substantial completion, if unusual and unanticipated circumstances warrant granting a relaxation of the substantial completion requirement. In such event, the Director may impose the condition that all work must cease under such building permit if the Phase Improvements are not substantially completed by the date specified in the permit. Unless the underlying Security is a cash escrow, or letter of credit, Subdivider shall establish a separate cash escrow in the amount of 115% of the estimated cost of completion of the Improvements, which escrow shall be supplemental to the underlying Security. In no event shall the Director authorize the issuance of a building permit unless there is adequate emergency access to the site and the water system is completed sufficiently to provide adequate fire flows for fire protection.

The requirements for completion of Landscaping are contained in section 6.

**Section 4. Acceptance of Improvements.** Upon substantial completion of the Phase Improvements, Subdivider may request inspection. Town shall make inspection within five (5) working days of the date Subdivider requests final inspection, and Town shall notify Subdivider of non-conforming work within five (5) working days after the inspection is made. Subdivider shall have 30 days from the

date of receipt of Town's inspection report to remedy the non-conforming work unless the remedial work is delayed due to weather conditions, in which event the work shall be completed as soon as reasonably feasible thereafter.

With cure of non-conforming work, receipt of as-built plans, and delivery of the document in the form attached as **Exhibit 2**, conveying the Phase Improvements to the Town, the Town shall accept the Phase Improvements for ownership, operation, and maintenance, subject to the warranty requirements. On the date of conveyance of the Phase Improvements, the applicable warranty period commences.

The acceptance process for Landscaping is addressed in section 6.

**Section 5. Improvements Security.** In accordance with Town Regulations, Subdivider shall provide Town with a letter of credit, cash escrow deposit or performance bond in the amount of 115% of the estimated construction cost of the Phase Improvements (Security). The form of the Security is subject to approval by the Director. The Security shall be irrevocable for a period of term extending 60 days beyond the Completion Date. The required financial guarantees are referred to as the "Security". The Security for each respective Phase shall be delivered to Town prior to and as a condition of the issuance of the first public works permit within such Phase.

All construction cost estimates shall be submitted by Subdivider's (or as applicable, Districts') registered civil engineer and reviewed and approved by the Town's engineering division, which cost estimates shall be used to estimate the Security requirement. Subdivider shall have the right to substitute permitted equivalent Security from a homebuilder for all or a portion of the Security provided by the Subdivider, subject to the further provisions of section 15.

The purpose of the Security is to provide Town with the financial resources to mitigate any public health and safety hazards and/or regrade and revegetate the Property and/or complete construction or installation of any of the Phase Improvements, should Subdivider or Districts default in its obligation to complete the Phase Improvements (Remedial Work). The Town retains the absolute discretion to determine what Remedial Work, if any, is undertaken by Town on the Phase Improvements, in the event of such default. Any portion of the Security not utilized in the Remedial Work shall be returned to the obligor on the Security, or in the event a letter of credit or cash escrow is furnished by Subdivider or Districts, to such party.

With Town's initial acceptance of the Phase Improvements, the Security shall be reduced to 15% of the actual construction cost of the Phase Improvements in accordance with Town Regulations. The warranty portion of the Security shall be released as authorized in the Town Regulations. The release of

the Security applicable to Landscaping is subject to the further restrictions and requirements of section 6.

**Section 6. Landscaping.** Subdivider shall make best efforts to complete all Phase Landscaping in conjunction with completion of the Phase Improvements as provided in section 2. Inspection of Phase Landscaping by the Town shall be made in the same manner as prescribed for Phase Improvements under section 4.

With Town's acceptance of the Phase Landscaping concurrently with the Phase Improvements, the Security pertaining to the Phase Landscaping shall be reduced to 15% of the actual cost of the Phase Landscaping. In such event, the warranty Security pertaining to the Phase Landscaping shall be released in accordance with Town Regulations.

In the event that at the time the Town accepts the Phase Improvements the Phase Landscaping is not sufficiently completed to allow the Town's acceptance, the following provisions shall apply:

- (a) Subdivider shall make a cash deposit to the Town in the amount of 115% of the estimated completion cost of the Phase Landscaping to be held by Town as security for completion of the Phase Landscaping (Landscape Deposit);
- (b) the amount of the Landscape Deposit shall be determined by the Town after review of the cost estimate of completion furnished by the Subdivider's landscape architect or contractor;
- (c) the Landscape Deposit must be made prior to and as a condition of the issuance of the first building permit within the Phase;
- (d) upon receipt of the Landscape Deposit the Town will release that portion of the Security applicable to the Phase Landscaping.
- (e) the Landscape Deposit shall not accrue interest;
- (f) Subdivider shall have 180 days from the date the Landscape Deposit is deposited with the Town to complete the Phase Landscaping;
- (g) within 10 days of completion of the Phase Landscaping and acceptance by the Town, Town shall return to Subdivider the Landscape Deposit, less a 15% warranty hold-back and the applicable warranty on the Phase Landscaping shall commence;

- (h) if at the end of such 180 day period the Phase Landscaping has not been completed and accepted by Town, Town may use the Landscape Deposit to the extent necessary to complete the Phase Landscaping, provided Town will not be obligated to spend any Town funds to complete the Phase Landscaping in the event the Landscape Deposit is insufficient to fund completion;
- (i) Town shall return to Subdivider any portion of the Landscape Deposit which remains after the Town has completed the Phase Landscaping within 10 days after completion of such Phase Landscaping, less a 15% hold-back for the warranty period;
- (j) the Landscape Deposit held for the warranty shall be released to Subdivider within 10 days of the date of expiration of the Phase Landscaping warranty and Town's final acceptance of the Phase Landscaping.

**Section 7. Water Supply.** 79 SFE of the "Water Credit" provided in Article V of the Development Agreement have been applied to meet the water supply requirements for the Subdivision, (Subdivision Water Credit). 26 SFE shall be allocated to Lot 1, Block 3 of Filing No. 3 and 53 SFE shall be allocated to the remainder of the Subdivision. Town shall not require additional water rights or water resources as a condition to issuance of land use approvals within the Subdivision, so long as the aggregate water demand from development does not exceed the Subdivision Water Credit (as so allocated between Lot 1, Block 3 and the balance of the Subdivision), as computed pursuant to the Town Regulations. To the extent that the water demand created by development on the Property (computed in accordance with Town ordinances and regulations), exceeds the Subdivision Water Credit, additional entitlements under the Development Agreement must be allocated to the Property and/or Subdivider must provide additional water resources computed in accordance with Town Regulations then in effect and in accordance with Chapter 4.04 of the Castle Rock Municipal Code, sufficient to meet the demand in excess of the initial Subdivision Water Credit.

Absent compliance with this section, Town may withhold development approvals on the Property for any proposed use, which, after taking into account all previous development on the Property, will create an aggregate water demand in excess of the Subdivision Water Credit (as the same may be subsequently augmented in accordance with this section). Should the Subdivision Water Credit not be fully utilized after full development of the Subdivision, the remaining SFE shall revert to the Crystal Valley Ranch Water Bank, as provided in the Development Agreement.

**Section 8. Transportation Improvements.**

Prior to and as a condition to the issuance of any building permits on the Property, the following transportation Improvements shall be constructed and substantially completed:

- (a) West Loop Road from Crystal Valley Parkway to the Crystal Valley Ranch Filing No. 1 temporary emergency access roadway; and
- (b) the Crystal Valley Ranch Filing No. 1 temporary emergency access roadway from West Loop Road to Lions Paw Drive.

**Section 9. UPRR Crossing.** The interim and permanent improvements to the Union Pacific Railroad crossing at Crystal Valley Parkway/Douglas Lane shall be made as provided in the letter attached as *Exhibit 3.*

**Section 10. Required Covenant Provisions.** Any declaration creating a scheme of restrictive covenants on the Property shall contain a provision which provides that in the event of a conflict between such covenants and the Town Regulations, the Town Regulations shall govern and control. In the absence of inclusion of such provision, this Agreement shall constitute such declaration of supremacy of the Town Regulations.

**Section 11. Water Conservation Regulations.** The landscaping of all lots shall conform to the Town's adopted water conservation requirements in effect at the time of the building permit application for such lot.

**Section 12. Application of Development Agreement.** The Development Agreement contains certain other conditions and requirements which apply to the development of the Property. In the event of a conflict between the Development Agreement and this Agreement, this Agreement shall govern and control.

**Section 13. Crystal Valley Parkway/Dawson Ridge Interchange.** Town has not required any direct financial participation of the Property in the proposed construction of the Douglas Lane I-25 Interchange (Interchange). In lieu of an assessment against the Property to fund the Interchange construction, Town has limited the level of development in the Crystal Valley Ranch, until the Interchange is constructed, as provided in the Development Agreement. As a result, the proportionate impact/benefit from the Subdivision on the Interchange will be absorbed by Districts and/or Subdivider (as master developer) when the Interchange is funded and constructed.

**Section 14. Construction Damage.** Subdivider shall be responsible for any extraordinary damage to Crystal Valley Parkway and roadways or public improvements internal to the Subdivision, resulting from the gross negligence of contractors working on the Improvements or private improvements. Subdivider may assign responsibility and liability for such construction damage to the builders within the Subdivision. Town consents to such assignment, without relieving Subdivider of the obligation to repair damage, in the event the assignee fails to do so as a result of construction traffic from the Subdivision. Provided however, where a third party assumes the role of Subdivider by applying for a public works permit and constructing public works for dedication to the Town, such third party shall be considered to be the Subdivider for purposes of this section and shall be responsible to the Town for construction damage.

**Section 15. Responsibility for Improvement Construction.** Subdivider shall be obligated to perform the covenants of Subdivider under this Agreement, until and unless the obligations with respect to a designated Phase are assigned to and assumed by a third party (Builder) as follows:

- (a) the Builder acquires title to the Phase from Subdivider;
- (b) the Builder executes the Partial Assumption of Subdivision Improvements Agreement in the form attached as **Exhibit 4**; and
- (c) the Builder furnishes the Town with the Security and rights of entry to assure construction of the Phase Improvements as required by this Agreement.

Upon compliance with the above conditions, Builder shall be solely responsible for completion of the Phase Improvements. However, in the event the applicable Phase Improvements service other Phases and Builder defaults in its obligation to complete the Phase Improvements, Town shall have the right to withhold issuance of building permits and certificates of occupancy for the Subdivision (as further authorized in section 3) that may affect other portions of the Subdivision owned by Subdivider or other Builders. Similarly, if there is a default by Subdivider (or other Builders) in completion of Phase Improvements required to serve Builder's Phase, the right to withhold building permits and certificates of occupancy shall be applicable, even though Builder is not in default of this Agreement.

Subdivider and Builder shall have the right but not the obligation to cure a default by the other. When the provisions of this section are operative, references in this Agreement to Subdivider shall mean Builder, unless the context clearly indicates to the contrary.

Town and Subdivider understand and acknowledge that Lot 1 of the

Subdivision will be developed separately and distinctly from the remainder of the Subdivision. As a result, Town and Subdivider agree that any default by the Builder of Lot 1 of the Subdivision shall not be deemed a default by the Builder of the remainder of the Subdivision and any default by the Builder of the remainder of the Subdivision shall not be deemed a default by the Builder of Lot 1 of the Subdivision.

**Section 16. Disclosure to Purchaser.** Subdivider shall make the following disclosure in any contract for conveyance of any portion of the Property (excluding the sale of a lot to a retail purchaser):

*Development of this Property is subject to the Crystal Valley Ranch Filing No. 3 Subdivision Improvements Agreement with the Town of Castle Rock. Issuance of development approvals by the Town for your property may be dependent on the completion of certain off-site public improvements by Seller or other parties. Although the Town requires that financial security be provided for construction of public improvements in this subdivision, the Town may not have the financial, legal or practical ability to complete construction of public improvements in the event of a default by the responsible party. The Town regulations and the Subdivision Improvements Agreement address only municipally-owned utilities and therefore the provision of other public utilities such as electricity, natural gas and cable television are governed exclusively by separate contracts with such utilities over which the Town exercises no control.*

**Section 17. Statutory Impact Fee Compliance.** For the purpose of interpreting and applying the provisions of CRS §29-20-104.5(6), the parties concur that the "completed application" which triggers the Town's right to impose and collect Development Exactions, as that term is defined in the Development Agreement, is a completed building permit application. Accordingly, the schedule of such Development Exactions in effect at the time of such building permit issuance establishes the level of Development Exactions.

**Section 18. Default.** The following occurrences constitute a default of this Agreement:

- (a) failure to commence or complete construction of the Phase Improvements within the time periods prescribed in this Agreement;
- (b) failure to cure the defective construction or installation of any Phase Improvement within the applicable cure period;
- (c) failure to perform work on the Phase Improvements required by this Agreement within the Subdivision for a period of more than 90

consecutive days except when such delay is due to adverse weather, material unavailability, or other circumstances beyond the control of Subdivider;

- (d) Subdivider's insolvency, the appointment of a receiver for the Subdivider or the filing of a voluntary or involuntary petition in bankruptcy respecting the Subdivider;
- (e) Subdivider has breached, or caused a breach of any other provision of this Agreement.

As a condition to Town's right to exercise its remedies for default, Town shall give written notice to Subdivider of the occurrence of an event of default. Subdivider shall have 30 calendar days from the receipt of such notice to cure the default. However, if Subdivider is unable to effect a cure a default under (a) above, solely due to adverse weather conditions, then the right to cure shall be extended for an additional 90 days provided Subdivider extends the term of the Security to extend 60 days beyond the date of the extended cure period.

If timely cure of the noticed default(s) is not accomplished, Town shall thereafter be entitled to pursue its remedies against Subdivider. As applicable under section 15, Builder shall receive notice of a default and have the right to cure the default.

**Section 19. Town's Rights Upon Default.** When any event of default occurs and has not been timely cured, the Town may:

- (a) if the applicable Phase Improvements have not been timely completed, call the Security in accordance with its terms, and apply the Security for the Remedial Work. Subdivider grants to Town and, if applicable, the surety, and their employees, agents and contractors, a non-exclusive right and easement to enter onto the Property after an uncured default for the purpose of undertaking the Remedial Work, provided such right of entry shall irrevocably terminate when all Improvements are completed and accepted by Town;
- (b) if Phase Improvements have not been timely completed, withhold issuance of building permits until the Phase Improvements have been accepted pursuant to Section 4;
- (d) record a notice of non-compliance with this Agreement in the public records to provide record notice of the default, which notice shall promptly be released by Town upon cure of the default; and

- (e) bring suit against the defaulting party for money damages and/or equitable relief for breach of the Agreement.

In the event the Phase Improvements service other Phases, Town shall have the right to withhold issuance of building permits and certificates of occupancy for such other Phase (as authorized in section 3).

**Section 20. Indemnification.** Subdivider indemnifies and holds the Town harmless from and against all claims, costs and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the construction or repair of the Phase Improvements by Subdivider; provided however such indemnity shall only extend to claims for injury or damage occurring prior to the date of final acceptance of the Phase Improvements by the Town.

**Section 21. No Waiver.** No waiver of any provision of this Agreement will be deemed or constitute a waiver of any other provision, nor will it be deemed or constitute a continuing waiver unless expressly provided for by a written amendment to this Agreement signed by both Town and Subdivider, nor will the waiver of any default under this Agreement be deemed a waiver of any subsequent default or defaults of the same type. The Town's failure to exercise any right under this Agreement will not constitute the approval of any wrongful act by the Subdivider or the acceptance of any Improvement.

**Section 22. Attorney's Fees.** Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, will be entitled to costs, including reasonable attorney's fees and expert witness fees, from the opposing party. If the court awards relief to both parties, each will bear its own costs in their entirety.

**Section 23. Notice.** Any notice required or permitted by this Agreement will be deemed effective when personally delivered in writing or by facsimile, or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified, and return receipt requested, and addressed as follows:

if to Subdivider: Maple Grove Land Limited Partnership  
Richard A. Putnam  
Wayne E. Brown Family L.L.C.  
7808 Creekridge Circle, Suite 310  
Bloomington, MN 55439-2616

if to Town: Town of Castle Rock  
Attn: Town Attorney  
100 Wilcox Street  
Castle Rock, CO 80104



SUBDIVIDER:

MAPLE GROVE LAND LIMITED PARTNERSHIP,  
a Minnesota limited partnership.

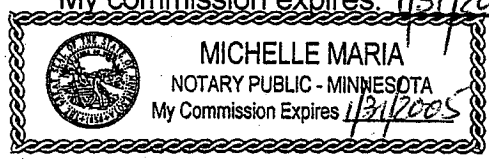
By: *James L. Oskerson*

Its: *General Partner*

STATE OF Minnesota )  
 ) ss.  
COUNTY OF Hennepin )

The foregoing instrument was acknowledged before me this 22 day of October, 2004 by James L. Oskerson as President, James Development Company for General Partner for Maple Grove Land Limited Partnership, a Minnesota limited partnership.

Witness my hand and official seal.  
My commission expires: 1/31/2005



*Michelle Maria*  
Notary Public

*Richard A. Putnam*  
Richard A. Putnam

STATE OF Minnesota )  
 ) ss.  
COUNTY OF Hennepin )

The foregoing instrument was acknowledged before me this 22 day of October, 2004 by Richard A. Putnam

Witness my hand and official seal.  
My commission expires: 1/31/2005

*Michelle Maria*  
Notary Public





## EXHIBIT 1

### PROPERTY DESCRIPTION - BLOCKS 1 & 2

A PARCEL OF LAND LOCATED IN PART OF THE SOUTHWEST QUARTER OF SECTION 24, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO.

BASIS OF BEARINGS: BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, THE EAST TERMINUS BEING THE SOUTHWEST CORNER OF SAID SECTION 23 AND MONUMENTED BY A FOUND 3 1/4" ALUMINUM CAP STAMPED "ARCHER AND ASSOC LS 6935". THE WEST TERMINUS BEING THE SOUTH QUARTER CORNER OF SAID SECTION 23 AND MONUMENTED BY A FOUND 2 1/2" ALUMINUM CAP STAMPED "ARCHER AND ASSOC LS 6935". THE BEARING BEING S 89°47'24" W PER ALTA/ACSM LAND TITLE SURVEY DEPOSITED WITH THE OFFICE OF THE RECORDER, COUNTY OF DOUGLAS AT RECEPTION NUMBER LSP-2682, WITH ALL OTHER BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT SAID SOUTHWEST CORNER OF SECTION 23, THENCE N 79°12'29" E A DISTANCE OF 1,866.82 FEET TO THE POINT OF BEGINNING;

THENCE N 76°23'01" W A DISTANCE OF 177.71 FEET;  
THENCE N 17°57'06" W A DISTANCE OF 87.42 FEET;  
THENCE N 01°30'48" E A DISTANCE OF 802.34 FEET;  
THENCE N 39°43'47" E A DISTANCE OF 534.85 FEET;  
THENCE S 82°46'24" E A DISTANCE OF 261.84 FEET;  
THENCE N 88°21'37" E A DISTANCE OF 134.29 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF LOOP ROAD;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES:

- 1.) S 07°13'36" W A DISTANCE OF 523.93 FEET TO A POINT OF CURVATURE;
- 2.) THENCE ALONG AN ARC OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 945.00 FEET, CENTRAL ANGLE OF 37°52'55" AND AN ARC LENGTH OF 624.81 FEET, THE CHORD OF WHICH BEARS S 26°10'04" W A DISTANCE OF 813.48 FEET TO A POINT OF TANGENCY;
- 3.) S 45°08'32" W A DISTANCE OF 166.04 FEET TO A POINT OF CURVATURE;
- 4.) THENCE ALONG AN ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 955.00 FEET, A CENTRAL ANGLE OF 09°35'24" AND AN ARC LENGTH OF 159.85 FEET, THE CHORD OF WHICH BEARS S 40°18'50" W A DISTANCE OF 159.66 FEET TO THE POINT OF BEGINNING.

CONTAINING 696,292 SQUARE FEET OR 15.98 ACRES MORE OR LESS.

### PROPERTY DESCRIPTION - BLOCK 3

THAT PORTION OF THE SOUTH HALF OF SECTION 24 AND THE NORTHEAST ONE QUARTER OF SECTION 25, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO, DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BASIS OF BEARINGS: THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 24 BEING MONUMENTED AT THE SOUTHWEST SECTION CORNER BY A NUMBER 6 REBAR AND 3 1/2" ALUMINUM CAP AND AT THE SOUTH ONE QUARTER CORNER BY A 10"X10"X11" STONE, SAID LINE IS ASSUMED TO BEAR N89°07'58"E;

COMMENCING AT THE SOUTH ONE QUARTER CORNER OF SAID SECTION 24, THENCE N33°35'43" W A DISTANCE OF 200.00 FEET TO A POINT OF NON-TANGENT CURVATURE ON THE EASTERLY SIDE OF SAID CURVE, MONUMENTED BY A NUMBER 2000

THENCE  
THE LEFT  
LENGTH  
FEET

**(EXEMPLAR – NOT FOR EXECUTION)**  
**EXHIBIT 2**  
**PUBLIC IMPROVEMENTS CONVEYANCE AND INITIAL ACCEPTANCE**

**TRANSFEROR:**

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

Transferor has caused to be constructed certain public improvements and facilities described in the attached **Exhibit A** (the "Improvements"), as required by Town to serve Crystal Valley Ranch Filing No. 3. Town will assume the obligation for maintenance and operation of the Improvements, located in rights-of-way, easements or other real property owned by Town, upon the conveyance of the Improvements to Town.

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

1. Transferor warrants to Town that Transferor has a good title to the Improvements, free and clear of any lien, claim or right of any third party in or to the Improvements, and Transferor will defend Town's title to the Improvements against the claim of any third party.
2. Transferor warrants that the Improvements are located within the easement, right-of-way or other real property interest designated by the Town for siting of the Improvements. Town acknowledges receipt of as-built drawings of the Improvements dated \_\_\_\_\_.
3. Transferor warrants that, as constructed, all Improvements are in conformance with the current Town of Castle Rock standards and the approved construction plans, and are free from defects in design, material or workmanship. This warranty is for the period prescribed by the Town's Public Works Regulations commencing on the date of acceptance made below.
4. Transferor represents that the approximate amount of direct costs of construction of the Improvements (excluding engineering, financing, insurance, etc.), as determined in accordance with usual and customary construction accounting practices is as follows:

Water	_____
Wastewater	_____
Stormwater	_____
Streets	_____
Parks and recreation	_____
TOTAL	_____

5. Transferor concurrently submits to Town the surety attached as **Exhibit B** in the amount of 15% of the above total to secure Transferor's warranty obligation on the Improvements.

TRANSFEROR:

By: \_\_\_\_\_

Its: \_\_\_\_\_

ACCORDINGLY, Town accepts for ownership and maintenance of the Improvements effective \_\_\_\_\_, 200\_\_.

TOWN OF CASTLE ROCK

\_\_\_\_\_  
Engineering Division

# CVR

EXHIBIT 3

October 5, 2004

Mr. Robert J. Slentz  
Town Attorney - Town of Castle Rock  
100 N. Wilcox  
Castle Rock, CO 80104

Crystal Valley  
RANCH

RE: Terms and Conditions of the Interim At-Grade Crossing Improvements and the Final Grade Separated Construction at the Intersection of Crystal Valley Parkway and the Union Pacific Railroad.

Dear Bob:

This letter confirms our understanding that was discussed earlier today regarding the at-grade and the ultimate grade separation of Crystal Valley Parkway and the Union Pacific Railroad intersection. In this regard, certain interim improvements that were described in the recent PBS&J study have been approved for installation by Douglas County, Bob Watts of the Town, the PUC and the Railroad. We have requested the installation of these improvements in writing by Douglas County, the materials have been ordered and we expect installation to occur by the end of October, but not later than November 30<sup>th</sup>, 2004.

With respect to the written approval of the interim at-grade situation with the improvements in place as described above, the Railroad has verbally approved this and we are diligently seeking written approval by the PUC by the end of this week. We acknowledge the responsibility to complete any other improvements which may be required by the RR and/of PUC as a condition to such written approvals.

In regard to the schedule for the grade separation bridge, a copy of our schedule, which we are making every effort to meet, is attached, which would result in the bridge being completed by approximately September 30<sup>th</sup>, 2005. In the event of any delays, we are projecting a worse case scenario of the bridge being completed by June 30<sup>th</sup>, 2006. As you heard in the meeting today, the financing for the bridge is included in bond issue number 2 for Crystal Valley that is closing with Wells Fargo tomorrow and is being funded on Thursday. Therefore, these funds, as noted in the attached list of projects being funded, will be available on Friday of this week. Of the projected bridge cost, \$750,000 has already been funded by Wells Fargo for the acquisition of additional right-of-way needed and is in escrow in the Metro District's construction account, net of payments made for engineering design.

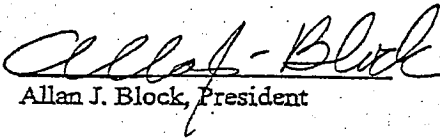
CVR Development ownership group and the CV Metro Districts understand and acknowledge that an agreement regarding the railroad crossing bridge is going to be negotiated and will include contractual consequences, should there be a failure to meet the foregoing deadline regarding the completion of the Crystal Valley Ranch Parkway - Union Pacific Railroad grade-separated crossing by the June 30<sup>th</sup>, 2006 date referenced above. We also understand that this railroad crossing bridge agreement will require the full funding of the construction escrow for the southern two lanes of Crystal Valley Parkway for the grade-separated railroad crossing project upon execution.

CVR ownership group and the CV Metro Districts further understand and acknowledge that the Town will not approve and record any further final plats (with the exception of Filing No. 3) within the Crystal Valley Ranch development until the railroad crossing bridge agreement is executed and the required construction escrow is fully funded as set forth in the previous paragraph. Notwithstanding the foregoing sentence, the Town agrees to continue to review all complete development applications made for the Crystal Valley Ranch development in accordance with the development agreement. The Town and Districts have represented that they will work in good faith to negotiate and execute this agreement as soon as possible.

If you have any questions on this matter, please let me know. I can be reached at 303.883.8166.

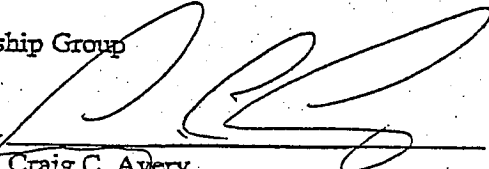
Very truly yours,

Crystal Valley Metro Districts Ownership Group



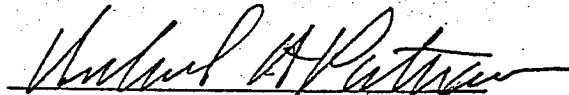
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Allan J. Block, President




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Craig C. Avery  
as President of Craig C. Avery Company,  
a Minnesota corporation,  
a General Partner of the  
Maple Grove Land Limited Partnership



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Richard A. Putnam



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Wayne Brown, as Chief Manager for  
Wayne E. Brown Family L.L.C.

cc: Fred Koch & Art Griffith of Douglas County  
Bob Watts of the Town  
Tom Melton of PBS&J

EXHIBIT 4

PARTIAL ASSIGNMENT AND ASSUMPTION  
OF  
SUBDIVISION IMPROVEMENTS AGREEMENT

This Assignment and Assumption (this "Assignment") is made this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by and between Maple Grove Land Limited Partnership, a Minnesota limited partnership, Richard A. Putnam, individually, and Wayne E. Brown Family, L.L.C., a Minnesota limited liability company, (collectively, Assignor), whose address is 7808 Creekridge Circle, Suite 310, Bloomington, MN 55439-2616, Attention \_\_\_\_\_, and \_\_\_\_\_ a \_\_\_\_\_ (Assignee) whose address \_\_\_\_\_.

The parties agree as follows:

1. Property. The "Property" shall mean the following described property located within the Town of Castle Rock, Douglas County, Colorado:

**(See Attached Legal Description)**

2. Subdivision Improvements Agreement. The "Subdivision Improvements Agreement" shall mean the Crystal Valley Filing No. 3 Subdivision Improvements Agreement dated \_\_\_\_\_ between Assignor and the Town of Castle Rock, a Colorado municipal corporation (Town), recorded \_\_\_\_\_ under Reception No. \_\_\_\_\_ of the Douglas County Records. Terms which are defined in the Subdivision Improvements Agreement shall have the same meaning in this Assignment as defined in the Subdivision Improvements Agreement unless otherwise provided herein or the context otherwise requires.

3. Assumed Obligations. The "Assumed Obligations" shall mean all of the liability and obligations of Assignor as the Subdivider under and pursuant to the Subdivision Improvements Agreement which shall arise or accrue, or be required to be paid or performed, on or after the Effective Date as they pertain to those Phase Improvements which are more particularly described on the attached Exhibit A to this Agreement ("Builder's Improvements") which Exhibit A is incorporated herein by reference, including, without limitation, the following obligations under the Subdivision

Improvements Agreement: (a) the obligation to construct any and all Builders Improvements; (b) the obligation to deliver the Security to the Town pertaining to Builder's Improvements; (c) if required pursuant to the Subdivision Improvements Agreement, the obligation to deliver the Landscape Deposit, if any, pertaining to Builder's Improvements; (d) the obligation to establish a cash escrow for the issuance of a building permit prior to substantial completion of Builder's Improvements pursuant to the Subdivision Improvements Agreement; and (e) the obligation to perform all warranty obligations pertaining to Builder's Improvements.

4. Retained Rights. The "Retained Rights" shall mean the rights and interests of Assignor under the Subdivision Improvements Agreement in connection with any default by Assignee under the Subdivision Improvements Agreement, including, without limitation, the right to receive notice from the Town in connection therewith, to cure any such default by Assignee and to perform the Remedial Work, and to utilize the Security in connection therewith. Assignee acknowledges that it constitutes a "Builder" as contemplated by Section 6 of the Subdivision Improvements Agreement.

5. Assignment. Assignor hereby assigns and transfers to Assignee all right, title and interest of Assignor as the Subdivider under and pursuant to the Subdivision Improvements insofar as such rights pertain to the Builder's Improvements, excluding, however, the Retained Rights, which Retained Rights are accepted and reserved to Assignor.

6. Delegation and Assumption. Assignor hereby delegates the Assumed Obligations to Assignee and Assignee hereby assumes and agrees to pay and perform all of the Assumed Obligations. Assignor shall have the right to obtain the agreement of the Town to release Assignor from any liability for the performance of the Assumed Obligations.

7. Binding Effect. The terms and provisions of this Assignment shall be binding upon, and inure to the benefit of, Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment the day and year first above written.

ASSIGNOR:

ATTEST:

By: \_\_\_\_\_

\_\_\_\_\_

ASSIGNEE: \_\_\_\_\_, a  
\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF )  
CITY AND ) ss.  
COUNTY OF )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 200\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_, and \_\_\_\_\_ as \_\_\_\_\_ of corporation.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_, a  
\_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EXHIBIT A  
TO  
PARTIAL ASSIGNMENT AND ASSUMPTION  
OF  
SUBDIVISION IMPROVEMENTS AGREEMENT

Description of Phase Improvements to be constructed by Assignee

