

**WOODLANDS FILING NO. 10
SUBDIVISION IMPROVEMENTS AGREEMENT**

DATE: May 10, 2001.

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

TERRABROOK WOODLANDS, L.L.C., a Delaware limited liability
company ("Subdivider") 304 Inverness way South, Suite 165,
Englewood, Colorado 80112. 216

RECITALS:

A. Subdivider desires to plat and subdivide certain property as the Woodlands Filing No. 10 (the "Subdivision"), more particularly described in the attached *Exhibit 1* (the "Property").

B. The subdivision regulations of the Castle Rock Municipal Code require that the Subdivider construct certain 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.

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 Woodlands Filing No. 10 Subdivision Improvements Agreement.

Code: the Castle Rock Municipal Code, as amended.

Development Agreement: the Woodlands PD Development Agreement dated July 20, 1994, recorded on November 4, 1994 at Reception No. 9457237, beginning in Book 1229 at Page 79, and First Amendment to Woodlands PD Development Agreement, dated March 23, 2000, recorded June 6, 2000 at Reception No. 00038730, beginning in Book 1853 at Page 1942 of the public records of Douglas County, Colorado.

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

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

Improvements: the water, wastewater, stormwater drainage, transportation, park and recreation, 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 of public areas, which are to be maintained by the Town, required under the Final Site Plan or applicable subdivision and zoning regulations.

LID: the Founders Parkway 1988-2 Local Improvement District created by Town Ordinance No. 1988-2.

LID Assessment Ordinance: Town of Castle Rock Ordinance No. 88-30, approving the improvements to be financed by the LID, and imposing the assessments and assessment lien on properties within the LID.

Phase: a contiguous geographical area of the Subdivision so designated in the Plans (or, if applicable, a sub-Phase).

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 with a particular Phase (or if applicable, the sub-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.

Plans: the description of the Improvements on the Preliminary Plat, Phasing Plan 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 Woodlands Filing No. 10 preliminary subdivision plat approved by the Town on December 14, 2000.

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 Woodlands Filing No. 10 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, and section 4. If so approved by the Director, a sub-Phasing plan may be implemented such that Phase Improvements are developed only as necessary to service specific sub-Phases.

In the event Subdivider has not obtained all necessary Town permits and approvals (which shall not be unreasonable delayed by Town by failing to process, review and comment on applications in a timely manner) and commenced construction of one or more of the Improvements within one year of the date of recordation of this Agreement, the Town's approval of the Plans 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. For purposes of this Section 2, Subdivider's compliance with Section 5 of this Agreement shall presumptively demonstrate Subdivider's good faith intention and financial ability to proceed and complete development of the Subdivision.

Phase Improvements must be completed not later than one year after the date of issuance of the first public works permit for such Phase, provided that the completion date 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.

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 applicable to the 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 concur in the issuance of one or more designated building permits prior to substantial completion of the applicable Phase Improvements, if unusual and unanticipated circumstances warrant relaxing the substantial completion requirement. In such event, the Director may impose the condition that all work must cease under such building permit if the Phase Improvements are not substantially completed by the date specified in the permit. In no event shall the Director concur in 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. Subdivider and Town acknowledge that weather and other seasonal factors and conditions may cause delays in substantial completion of the trail system. It is not the intent of this Agreement to restrict issuance of building permits or certificates of occupancy due solely to such delay in the trail construction if other aspects of the Phase Improvements have been substantially completed and/or accepted, as the case may be.

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

5 working days of the date Subdivider requests final inspection, and Town shall notify Subdivider of non-conforming work within 5 working days after the inspection is made. Subdivider shall have 30 days from the date of receipt of Town's inspection report to remedy the non-conforming work unless the remedial work is delayed due to weather conditions, in which event the work shall be completed as soon as reasonably feasible thereafter.

With cure of non-conforming work, receipt of as-built plans and initial acceptance of the Phase Improvements by Town, Subdivider shall promptly convey its interest in the Phase Improvements by document in the form attached as **Exhibit 2**. With conveyance of the Phase Improvements, the applicable warranty period commences.

The acceptance process for Landscaping is addressed in section 6.

Section 5. Improvements Security. In accordance with Town Regulations, Subdivider shall provide Town with a letter of credit, cash escrow deposit or performance bond approved by the Town Attorney in the amount of 115% of the estimated construction cost of the Phase Improvements (the "Security"). The Security for each respective Phase shall be delivered to Town prior to and as a condition of the issuance of the first public works permit within such Phase. All construction cost estimates shall be submitted by Subdivider's registered civil engineer and reviewed and approved by the Town's engineering division, which cost estimates shall be used to estimate the Security requirement. Subdivider shall have the right to substitute equivalent Security from a homebuilder for the Security provided by the Subdivider.

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 default in its obligation to complete the Phase Improvements (the "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, to Subdivider.

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, any portion of the Security pertaining to the Phase Landscaping shall be released and the following provisions shall apply:

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

Landscaping in the event the Landscape Deposit is insufficient to fund completion;

- (i) Town shall promptly return to Subdivider any portion of the Landscape Deposit which remains after the Town has completed the Phase Landscaping, less a 15% hold-back for the warranty period;
- (j) the Landscape Deposit held for the warranty shall promptly be released to Subdivider upon expiration of the Landscaping warranty and Town's final acceptance of the Landscaping.

Section 7. Water Supply. The Property is subject to the Woodlands Village Water Supply Agreement recorded at Reception No. 9241175 in the Records of Douglas County, Colorado (the "Water Agreement"). The Water Agreement created separate and distinct "Water Credits" for the several parcels of property subject to the Water Agreement, which are accounted for in "Water Banks". Subdivider is the grantee/transferee of the "PFC Entities" Water Bank (now called the "Upper Woodlands Water Bank"), which has a balance of 401 SFE, before accounting for the Supplemental Credit described below. 195 SFE of the Upper Woodlands Water Bank Credit has been applied to meet the water supply requirements for the 195 lots in the Subdivision (the "Subdivision Water Credit"). Additional debits to the Upper Woodlands Water Bank will be made by Town at such time as irrigation taps are made on the Property.

Except for the irrigation debits described above, Town shall not require that Subdivider provide additional water rights or water resources as a condition to issuance of future land use approvals within the Subdivision, so long as development within the Subdivision does not exceed the 195 residential dwelling units approved pursuant to the Plat and the Final Site Plan. To the extent that the water demand (computed in accordance with Town ordinances and regulations) created by development on the Property at a greater density or intensity of use, pursuant to any future amendment to the Plat or the Final Site Plan, exceeds the Subdivision Water Credit, additional entitlements under the Water Agreement must be allocated to the Property and/or Subdivider must provide additional water resources in accordance with chapter 4.04 of the Castle Rock Municipal Code, sufficient to meet the demand in excess of the initial Subdivision Water Credit. No future amendment to Town ordinances and/or regulations which re-defines the formula or method for computing SFE or water demand shall result in a re-calculation of the Subdivision Water Credit for the 195 lots approved pursuant to the Plat and the Final Site Plan.

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 Upper Woodlands Water Bank and may be sold or transferred by Subdivider as provided in Section 4.2 of the Option Agreement dated March 23, 2000 ("Option Agreement") to which Subdivider and Town are parties.

As authorized in the Development Agreement, Subdivider may convey to Town by special warranty deed the rights to the ground water underlying a portion of the Property, which was not previously acquired by the Town with the Water Agreement. Computed pursuant to current Town ordinances and regulations, this conveyance would yield an additional 14 SFE to the Upper Woodlands Water Bank (the "Supplemental Credit"). In the Upper Woodlands Water Bank accounting maintained by the Town, the Supplemental Credit shall be accounted for on a "last-in, last-out" basis. The Supplemental Credit shall be subject to all applicable terms, conditions, and restrictions of the Water Agreement and the Option Agreement. Subdivider anticipates conveying the foregoing water rights to Town contemporaneously with recordation of this Agreement, or shortly thereafter.

Section 8. 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 Woodlands Filing 10 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 9. Application of Development Agreement. The Development Agreement contains certain other conditions and requirements which apply to the development of the Property. Provided however, with respect to the Subdivision only, all Improvement, Security and Environmental Protection obligations which are conditions to development approvals on the Subdivision are set forth in this Agreement, as supplemented by the Town Regulations. Except as expressly modified by this Agreement, the provisions in the Development Agreement shall remain in force and effect and shall govern and control in the event of a conflict between the Development Agreement and this Agreement.

Section 10. Environmental Protection. A Tree Conservation and Mitigation Plan (the "Conservation Plan") was approved by the Town with the Preliminary Plat (sheet 11 of 15). The Conservation Plan defines the areas of the Property, which may be disturbed as necessary to construct the Improvements and the private improvements within designated building envelopes (the locations of which building envelopes may be adjusted pursuant to Note 14 on Sheet 1). The Subdivider shall require its contractors to mark the limits of the permitted construction, and all areas of the Property outside of the construction limits shall be considered "Preservation Areas".

The Public Works construction permit(s) shall require that the applicable Preservation Areas and the limits of construction be consciously marked by fencing, flagging or other acceptable delineation designated by Subdivider and approved by Town, which shall be maintained until the construction is completed. On private lots, the homebuilder shall, prior to the issuance of each building permit, depict on the required site plan, the limits of all clearing and construction and shall mark, flag or fence the Preservation Areas for each permitted home site. The Conservation Plan provides for the relocation of certain trees and the replacement of trees outside the Preservation Areas, which can not be relocated.

If any of the conifer trees designated with green hatch under the Conservation Plan and/or located within a Preservation Area are destroyed in construction, Subdivider shall pay to Town the sum of \$100 per caliper inch (measured at approximately 12 inches from ground level) of the tree destroyed, and Subdivider shall plant two 6-inch caliper Ponderosa Pines for each such tree destroyed. If any Gambel oak of a 2-inch or greater caliper per stem (measured at ground level) is destroyed within Preservation Areas are destroyed, Subdivider shall pay to Town the sum of \$100 per caliper inch. The monies collected by the Town under this section shall be held and used exclusively for tree planting on the Property, as determined by the committee identified in the Conservation Plan.

Whenever conifer trees are relocated or additional trees planted pursuant to this section and/or the Conservation Plan, the replacement trees shall be planted in areas designated by such committee, provided that replacement trees as result of destruction or removal of trees on public or common private lots shall be placed on public/common areas and replacement trees for trees which were located on private lots shall be placed on such lot, to the extent practical.

The obligations placed on Subdivider under this section 10 may be assigned by Subdivider to a homebuilder, provided that such homebuilder expressly acknowledges its responsibilities as it relates to the homebuilder's construction activity on the Property.

Section 11. Public Land Dedication. As a condition to recordation of this Agreement, Tracts D, K, N and R shall be conveyed by special warranty deed, free and clear

of any liens, encumbrances or assessments. Taxes for prior years shall be paid in full and current year taxes shall be prorated and paid to Town with recordation of the deed. With tender of the special warranty deed, Subdivider shall deliver to Town a title insurance commitment proposing to insure the Town's marketable title in these four tracts in the total amount of \$598,100 and pay the premium for the title insurance policy after conveyance.

Town has reviewed and accepted the Phase I environmental assessment for these public lands.

Section 12. LID Assessment Apportionment. Approximately 118.5 acres of the Property are located within the LID, which area is described in the attached *Exhibit 3* (the "Assessment Area"). The unpaid principal balance of the aggregate LID assessment against the Assessment Area is \$302,503.78 as of the date of this Agreement (the "Property Assessment"). Pursuant to section 5 of the LID Assessment Ordinance, the Property Assessment is reapportioned to the 121 lots wholly within the Assessment Area in an equal per lot assessment of \$2,500.03 (the "Lot Assessment"). The lots within the Subdivision which are subject to the Lot Assessment are identified on the attached *Exhibit 4*.

As a condition to the Town's approval of the reapportionment of the Property Assessment to the Lot Assessments, the full amount of the Lot Assessment, together with accrued interest computed in accordance with the LID Assessment Ordinance shall be due and payable in full upon the conveyance of the subject lot by Subdivider (Terrabrook Woodlands L.L.C.), provided such due-on-transfer provision shall not apply to the conveyance by Subdivider to subsidiaries or other affiliates of Terrabrook Woodlands L.L.C.

The Lot Assessment shall constitute a lien against the respective lot in the same manner and effect as the Assessment Lien (the "Lot Assessment Lien"). Upon payment in full of the Lot Assessment, any and other charges imposed under the applicable ordinances and State statutes, including redemption costs, if any, to the Douglas County Treasurer, the Lot Assessment Lien against the subject lot shall be released by Town executing and filing for recordation an appropriate acknowledgement of the full payment thereof. Nothing in this Agreement shall constitute any modification or waiver to the requirement for payment or collection of delinquent LID assessments under applicable Town ordinance and State statutes.

Section 13. Sprinkler Systems. Town has required that sprinkler systems be installed in certain of the homes to be built in the Subdivision, as noted on Sheet 5 of the Preliminary Plat. Although such sprinkler systems will require a separate 1 ½" tap onto the Town's potable water system (with backflow prevention, as approved by the Town), no tap or system development fees will be imposed, nor meter required for such separate sprinkler taps.

Section 14. Subdivider's Default. The following occurrences constitute a default of this Agreement by Subdivider:

- (a) failure to 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) after commencing construction of such Phase Improvements, 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, other than those provisions for which a separate remedy or consequence is provided under the Conservation Plan.

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

Section 16. 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;

- (b) if Phase Improvements have not been timely completed or as otherwise specifically authorized by this Agreement, withhold issuance of building permits within the affected Phase;
- (c) 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
- (d) bring suit against the defaulting party for money damages and/or equitable relief for breach of the Agreement.

Section 17. Town Default and Remedies. In the event Town should fail to timely perform its obligations under this Agreement, Subdivider shall give written notice to Town of such default and Town shall have 10 calendar days from the receipt of such notice to cure the default. If the default is not timely cured, Subdivider shall have the right to seek legal and/or equitable relief against the Town

Section 18. Indemnification. Subdivider indemnifies and holds the Town harmless from and against all claims, costs and liability of every kind and nature, for injury or damage received or sustained by any person or entity in connection with, or on account of the construction or repair of the Improvements by Subdivider; provided however such indemnity shall only extend to claims for injury or damage occurring prior to the date of final acceptance of the Improvements by the Town.

Section 19. 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 20. 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 21. 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: Terrabrook Woodlands, LLC
304 Inverness Way South, Suite 165
Englewood, CO 80112
Attn: Denver General Manager
Fax: (303) 649-1665

with a required copy to: Terrabrook Legal Department
3030 LBJ Freeway, Suite 1500
Dallas, TX 75234
Fax: (972) 443-6191


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

Section 22. Recordation and Binding Effect. This Agreement shall be recorded with the Clerk and Recorder's Office of Douglas County, Colorado and shall be binding upon the assigns, successors, and grantees of Subdivider in the same manner as if such third parties were signatories to this Agreement.

Section 23. Immunity. Nothing contained in this Agreement constitutes a waiver of the Town's sovereign immunity under any applicable state law.

Section 24. Assignment. Subdivider's obligations under this Agreement may be assigned to a homebuilder(s) in conjunction with the conveyance a portion of the Property, provided such assignee expressly assumes Subdivider's obligation insofar as it relates to assignee's interest in that portion of the Property so acquired. Thereafter Subdivider shall be released of any obligation so assumed by an assignee, and Town shall look solely to the assignee in the event of a default by assignee, provided Town may call any Security which was posted by Subdivider and secures the performance of an obligation of the assignee.

TOWN OF CASTLE ROCK



Mark Stevens, Town Manager

Exhibit 1

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A PARCEL OF LAND LYING IN SECTION 1, TOWNSHIP 8 SOUTH, RANGE 67 WEST AND SECTION 6, TOWNSHIP 8 SOUTH, RANGE 66 WEST, BOTH OF THE SIXTH PRINCIPAL MERIDIAN, IN THE TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SOUTH HALF OF THE NORTHEAST QUARTER SAID SECTION 1, WHENCE THE EAST QUARTER CORNER OF SAID SECTION 1 BEARS SOUTH 01°13'47" EAST, AND ALL BEARINGS ARE MADE AS A REFERENCE HEREON; THENCE ALONG THE NORTHERLY LINE OF SAID SOUTH HALF OF THE NORTHEAST QUARTER SOUTH 89°09'13" WEST 54.84 FEET TO THE WESTERLY RIGHT-OF-WAY OF MILLER BOULEVARD AS RECORDED UNDER RECEPTION NO. 8603132 IN THE RECORDS OF THE DOUGLAS COUNTY CLERK AND RECORDER, CASTLE ROCK, COLORADO AND THE TRUE POINT OF BEGINNING; THENCE DEPARTING SAID SOUTHERLY LINE AND ALONG SAID WESTERLY RIGHT-OF-WAY SOUTH 01°12'22" EAST 85.00 FEET; THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY SOUTH 89°09'13" WEST 374.26 FEET; THENCE SOUTH 00°50'47" EAST 243.88 FEET; THENCE SOUTH 08°09'57" EAST 112.52 FEET; THENCE SOUTH 02°47'59" EAST 263.23 FEET; THENCE SOUTH 39°02'09" EAST 277.99 FEET; THENCE SOUTH 00°46'24" EAST 254.12 FEET; THENCE NORTH 89°13'32" EAST 201.12 FEET; THENCE SOUTH 00°46'28" EAST 209.24 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 325.00 FEET AND A RADIAL BEARING OF SOUTH 16°42'05" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE 62.21 FEET THROUGH A CENTRAL ANGLE OF 10°58'00"; THENCE TANGENT TO SAID CURVE SOUTH 62°19'55" EAST 27.25 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 20.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE RADIAL TO SAID CURVE SOUTH 62°19'55" EAST 40.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 20.00 FEET AND A RADIAL BEARING OF SOUTH 62°19'55" EAST; THENCE SOUTHEASTERLY ALONG SAID CURVE 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE TANGENT TO SAID CURVE SOUTH 62°19'55" EAST 227.25 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 275.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 37.40 FEET THROUGH A CENTRAL ANGLE OF 07°47'34" TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 141.00 FEET; THENCE EASTERLY ALONG SAID CURVE 51.97 FEET THROUGH A CENTRAL ANGLE OF 21°07'08"; THENCE TANGENT TO SAID CURVE NORTH 88°45'23" EAST 62.41 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 35.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE 57.43 FEET THROUGH A CENTRAL ANGLE OF 94°00'30" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 1022.10 FEET AND A RADIAL BEARING OF SOUTH 84°44'53" WEST, SAID POINT BEING ALSO ON SAID WESTERLY RIGHT-OF-WAY OF MILLER BOULEVARD; THENCE SOUTHERLY ALONG SAID WESTERLY RIGHT-OF-WAY AND CURVE 149.24 FEET THROUGH A CENTRAL ANGLE OF 08°21'57" TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 35.00 FEET AND A RADIAL BEARING OF NORTH 86°53'10" WEST; THENCE NORTHWESTERLY ALONG SAID CURVE 57.64 FEET THROUGH A CENTRAL ANGLE OF 94°21'27"; THENCE TANGENT TO SAID CURVE SOUTH 88°45'23" EAST 29.33 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 159.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE 80.23 FEET THROUGH A CENTRAL ANGLE OF 28°54'42"; THENCE TANGENT TO SAID CURVE NORTH 62°19'55" WEST 301.07 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 20.00 FEET; THENCE SOUTHWESTERLY ALONG SAID CURVE 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE RADIAL TO SAID CURVE NORTH 62°19'55" WEST 40.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 20.00 FEET AND A RADIAL BEARING OF NORTH 62°19'55" WEST; THENCE NORTHWESTERLY ALONG SAID CURVE 31.42 FEET THROUGH A CENTRAL ANGLE OF 90°00'00"; THENCE TANGENT TO SAID CURVE NORTH 62°19'55" WEST 27.25 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 275.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE 36.74 FEET THROUGH A CENTRAL ANGLE OF 07°39'18"; THENCE SOUTH 00°46'28" EAST 160.94 FEET; THENCE SOUTH 89°38'04" WEST 75.00 FEET; THENCE SOUTH 00°46'28" EAST 102.66 FEET; THENCE SOUTH 53°32'34" EAST 94.20 FEET; THENCE SOUTH 00°46'28" EAST 140.24 FEET; THENCE SOUTH 46°34'02" WEST 315.53 FEET; THENCE SOUTH 00°05'28" EAST 93.80 FEET; THENCE SOUTH 59°17'31" WEST 120.40 FEET; THENCE NORTH 90°00'00" WEST 121.39 FEET; THENCE SOUTH 51°02'58" WEST 77.86 FEET; THENCE SOUTH 01°01'39" EAST 138.76 FEET; THENCE NORTH 88°58'21" EAST 326.35 FEET TO THE NORTHWEST CORNER OF THAT PARCEL DESCRIBED IN RECEPTION NO. 945724 OF SAID DOUGLAS COUNTY RECORDS;

Exhibit 1

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THENCE ALONG THE WESTERLY LINE OF SAID PARCEL SOUTH 01°21'31" EAST 187.39 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL BEING ALSO ON THE SOUTHERLY LINE OF SAID NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 1;
THENCE ALONG SAID SOUTHERLY LINE SOUTH 88°24'25" WEST 2507.92 FEET TO THE SOUTHWEST CORNER OF SAID NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 1;
THENCE ALONG THE SOUTHERLY LINE OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 1 SOUTH 88°40'55" WEST 833.88 FEET TO THE SOUTHEAST CORNER OF THE WOODLANDS FILING NO. 4 RECORDED UNDER RECEPTION NO. 366637 IN SAID DOUGLAS COUNTY RECORDS; THENCE DEPARTING SAID SOUTHERLY LINE AND ALONG THE EASTERLY BOUNDARY OF SAID WOODLANDS FILING NO. 4 THE FOLLOWING (2) TWO COURSES:

1. NORTH 00°39'30" EAST 444.46 FEET;
2. NORTH 53°14'12" EAST 346.14 FEET;

THENCE DEPARTING SAID EASTERLY BOUNDARY AND ALONG THE SOUTHERLY AND EASTERLY BOUNDARIES OF THAT PARCEL OF LAND DESCRIBED IN BOOK 1042, PAGE 195 IN SAID DOUGLAS COUNTY RECORDS THE FOLLOWING THREE (3) COURSES:

1. SOUTH 82°53'16" EAST 540.02 FEET;
2. NORTH 04°48'47" WEST 700.00 FEET;

3. NORTH 22°26'37" WEST 535.85 FEET TO THE MOST SOUTHERLY AND EASTERLY CORNER OF THE WOODLANDS FILING NO. 3 RECORDED UNDER RECEPTION NO. 366636 IN SAID DOUGLAS COUNTY RECORDS;

THENCE DEPARTING SAID SOUTHERLY AND EASTERLY BOUNDARIES AND ALONG THE EASTERLY LINE OF SAID WOODLANDS FILING NO. 3, NORTH 03°43'44" WEST 412.15 FEET TO A POINT ON THE SOUTHERLY BOUNDARY OF THE WOODLANDS FILING NO. 3, 1ST AMENDMENT RECORDED UNDER RECEPTION NO. 9452644 IN SAID DOUGLAS COUNTY RECORDS;

THENCE ALONG SAID SOUTHERLY BOUNDARY THE FOLLOWING THREE (3) COURSES:
NORTH 59°50'20" EAST 94.78 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 243.00 FEET;

NORTHEASTERLY ALONG SAID CURVE 107.84 FEET THROUGH A CENTRAL ANGLE OF 25°25'38" TO THE BEGINNING OF A TANGENT COMPOUND CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 20.00 FEET;

EASTERLY AND SOUTHERLY ALONG SAID CURVE 31.15 FEET THROUGH A CENTRAL ANGLE OF 89°14'10" TO THE WESTERLY RIGHT-OF-WAY OF SADDLEBACK DRIVE BEING ALSO THE EASTERLY BOUNDARY OF SAID WOODLANDS FILING NO. 3;

THENCE ALONG SAID EASTERLY AND NORTHERLY BOUNDARIES THE FOLLOWING SIX (6) COURSES:

1. NON-TANGENT TO SAID CURVE SOUTH 86°30'08" EAST 50.62 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 20.00 FEET AND A RADIAL BEARING OF NORTH 84°30'07" EAST;
2. NORTHEASTERLY ALONG SAID CURVE 33.34 FEET THROUGH A CENTRAL ANGLE OF 95°30'41";
3. NON-TANGENT TO SAID CURVE NORTH 04°23'41" WEST 60.18 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 20.00 FEET AND A RADIAL BEARING OF NORTH 00°00'49" EAST;
4. NORTHWESTERLY ALONG SAID CURVE 29.49 FEET THROUGH A CENTRAL ANGLE OF 84°29'19";
5. NORTH 05°29'52" WEST 211.70 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 480.00 FEET;
6. NORTHERLY ALONG SAID CURVE 62.84 FEET THROUGH A CENTRAL ANGLE OF 07°30'05";
7. DEPARTING SAID EASTERLY RIGHT-OF-WAY NORTH 62°54'07" EAST 154.39 FEET TO THE NORTHWEST CORNER OF SAID SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 1;
8. ALONG SAID NORTHERLY LINE OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 1 NORTH 89°09'13" EAST 2586.02 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 168.737 ACRES (7,350,199 SQ. FT.), MORE OR LESS.

(Exemplar – Not for Execution)

EXHIBIT 2
PUBLIC IMPROVEMENTS CONVEYANCE AND INITIAL ACCEPTANCE

TRANSFEROR:

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

Transferor has caused to be constructed certain public improvements and facilities described in the attached **Exhibit A** (the "Improvements"), as required by Town to serve the Woodlands Filing No. 10. 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 with 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:

(Exemplar – Not for Execution)

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

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

TRANSFEROR:

By: _____

Its: _____

ACCORDINGLY, Town accepts for ownership and maintenance of the Improvements effective _____, 200__.

TOWN OF CASTLE ROCK

Engineering Division

LEGAL DESCRIPTION - PARCEL "14" CDK REALTY CORPORATION
(PORTION WITHIN THE WOODLANDS FILING NO. 10)

A PARCEL OF LAND LYING IN SECTION 1, TOWNSHIP 8 SOUTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN, IN THE TOWN OF CASTLE ROCK, COUNTY OF DOUGLAS, STATE OF COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SOUTH HALF OF THE NORTHEAST QUARTER SAID SECTION WHENCE THE EAST QUARTER CORNER OF SAID SECTION 1 BEARS SOUTH 01°13'7" EAST, AND ALL BEARINGS ARE MADE AS A REFERENCE HEREON; THENCE ALONG THE NORTHERLY LINE OF SAID SOUTH HALF OF THE NORTHEAST QUARTER SOUTH 89°09'13" WEST FEET TO THE WESTERLY RIGHT-OF-WAY OF MILLER BOULEVARD AS RECORDED UNDER RECEPTION NO. 8603132 IN THE RECORDS OF THE DOUGLAS COUNTY CLERK AND RECORDER, CASTLE ROCK, COLORADO AND THE TRUE POINT OF BEGINNING; THENCE DEPARTING SAID SOUTHERLY LINE AND ALONG SAID WESTERLY RIGHT-OF-WAY SOUTH 01°12'22" EAST 85.00 FEET; THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY SOUTH 89°09'13" WEST 374.26 FEET; THENCE SOUTH 00°50'47" EAST 243.88 FEET; THENCE SOUTH 08°09'57" EAST 112.52 FEET; THENCE SOUTH 02°47'59" EAST 263.23 FEET; THENCE SOUTH 39°02'09" EAST 277.99 FEET; THENCE SOUTH 00°46'24" EAST 254.12 FEET; THENCE NORTH 89°13'32" EAST 201.12 FEET; THENCE SOUTH 00°46'28" EAST 209.24 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE THE SOUTHWEST HAVING A RADIUS OF 325.00 FEET AND A RADIAL BEARING OF SOUTH 16°42'05" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE 45.50 FEET THROUGH A CENTRAL ANGLE OF 8°01'19"; THENCE SOUTH 01°21'52" EAST 56.69 FEET; THENCE NORTH 62°19'55" WEST 10.82 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 275.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE 36.74 FEET THROUGH A CENTRAL ANGLE OF 07°39'18"; THENCE SOUTH 00°46'28" EAST 160.94 FEET; THENCE SOUTH 89°38'04" WEST 75.00 FEET; THENCE SOUTH 00°46'28" EAST 102.66 FEET; THENCE SOUTH 53°32'34" EAST 94.20 FEET; THENCE SOUTH 00°46'28" EAST 140.24 FEET; THENCE SOUTH 46°34'02" WEST 315.53 FEET; THENCE SOUTH 00°05'28" EAST 93.80 FEET; THENCE SOUTH 59°17'31" WEST 120.40 FEET; THENCE NORTH 90°00'00" WEST 121.39 FEET; THENCE SOUTH 51°02'59" WEST 77.86 FEET; THENCE SOUTH 01°01'39" EAST 138.76 FEET; THENCE NORTH 88°58'21" EAST 326.35 FEET TO THE NORTHWEST CORNER OF THAT PARCEL DESCRIBED IN RECEPTION NO. 945724 OF SAID DOUGLAS COUNTY RECORDS; THENCE ALONG THE WESTERLY LINE OF SAID PARCEL SOUTH 01°21'31" EAST 187.39 FEET TO THE SOUTHWEST QUARTER OF SAID SECTION 1; THENCE ALONG SAID SOUTHERLY LINE SOUTH 88°24'25" WEST 1979.90 FEET; THENCE NORTH 11°37'00" EAST 447.20 FEET; THENCE NORTH 67°30'48" EAST 300.00 FEET; THENCE NORTH 86°30'48" EAST 375.00 FEET; THENCE NORTH 30°30'48" EAST 260.00 FEET; THENCE NORTH 52°57'49" WEST 1966.00 FEET; THENCE NORTH 32°44'14" EAST 393.80 FEET; THENCE NORTH 01°21'12" EAST 341.67 FEET; THENCE NORTH 89°09'13" EAST 2586.02 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 118.495 ACRES (5,161,642 SQ. FT.), MORE OR LESS.

THIS LEGAL IS FOR INFORMATIONAL PURPOSES ONLY AND WITHOUT WARRANTIES IMPLIED OR EXPRESSED.

Exhibit 4

Lots 1-26, Block 2

Lots 7-42, 44-46, 49-53, Block 3

Lots 23-25, 29-36, 39-49, Block 5

Lots 1-20, Block 6

Lots 1-9, Block 7

The Woodlands Filing No. 10, Town of Castle Rock, County of Douglas