

# **Development Agreement**

**DEVELOPMENT AGREEMENT  
SPRING VALLEY RANCH PLANNED UNIT DEVELOPMENT**

THIS AGREEMENT, is made and entered into between the BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GARFIELD, a body politic and corporate (the "**County**"), SPRING VALLEY HOLDINGS, LLC, a Delaware Limited Liability Company ("**Developer**"), and SPRING VALLEY RANCH COMMUNITY MASTER ASSOCIATION, INC., a Colorado non-profit corporation (the "**HOA**"). The County, Developer, and the HOA may hereinafter be referred to collectively as the "**Parties**".

**WITNESSETH:**

A. Developer is the owner of certain real property located in Garfield County, Colorado, more particularly described in [Exhibit 1](#) ("**Developer's Property**"). The HOA is the owner of certain real property located in Garfield County, Colorado, more particularly described in [Exhibit 2](#) ("**HOA Property**"), which property was conveyed to the HOA by Developer for the purposes described in the Project Plans (defined below). The Developer's Property and HOA Property are collectively referred to as the "**Property**."

B. By Resolution No. 2008-55, which was approved in a public hearing before the Garfield County Board of County Commissioners on December 7, 2007 and memorialized in a Resolution signed on April 21, 2008, recorded in the real property records of Garfield County as Reception No. 747015, and corrected by Resolution No. 2010-38, the Garfield County Board of County Commissioners (the "**Board**") approved the Spring Valley Ranch Planned Unit Development (the "**SVR PUD**"). The SVR PUD contemplates residential and commercial uses with significant active and passive open space areas (the "**Project**"), as documented in Resolution 2010-38, recorded in the real property records of Garfield County as Reception No. 786992 and incorporated by this reference.

C. By Resolution No. 2008-56, which was approved in a public hearing before the Garfield County Board of County Commissioners on December 7, 2007 and memorialized in a Resolution signed on April 21, 2008, recorded in the real property records of Garfield County as Reception No. 747016, the Board approved the Preliminary Plan for the SVR PUD (the "**SVR Preliminary Plan**").

D. The Final Plat for Phase 1 of the Spring Valley Ranch P.U.D. was approved in a public meeting before the Garfield County Board of County Commissioners on September 7, 2010 and memorialized on the Final Plat recorded in the real property records of Garfield County as Reception No. 793243, and on the Subdivision Improvements Agreement recorded in the real property records of Garfield County as Reception No. 793244.

E. Spring Valley Holdings, LLC. in accordance with the Subdivision Improvements Agreement recorded in the real property records of Garfield County as Reception No. 793244 and the 2010 Garfield County Treasurer's Deposit Agreement which is attached to and recorded with the Subdivision Improvements Agreement as Reception No. 793244, has deposited with the Garfield County Treasurer cash in the amount of Two Hundred Sixty-Six Thousand Seventy-Four Dollars and Fifty-Five Cents (\$266,074.55) to secure the construction of Improvements within Phase I Spring Valley Ranch Subdivision and in the amount of Four Thousand Two

Hundred Twenty-Seven Dollars and Zero Cents (\$4227.00) to secure revegetation within Phase I Spring Valley Ranch Subdivision.

F. A Development Agreement between the Garfield County Board of County Commissioners and Spring Valley Holdings, LLC was approved in a public hearing before the Garfield County Board of County Commissioners on September 7, 2010 and memorialized in the Development Agreement recorded in the real property records of Garfield County as Reception No. 793248.

G. The SVR PUD and SVR Preliminary Plan contemplate twenty-one (21) separate phases of development for the Project, wherein each phase will require final plat approval.

H. The SVR PUD, the SVR Preliminary Plan and the Spring Valley Ranch PUD, Phase 1 Final Plat provide that the first phase of development of the Project consists of one parcel (P-1) owned by Developer, on which is located an existing dwelling unit, and the HOA Property, which consists of open space and limited entryway improvements ("**Phase 1**"). Developer does not plan, and Phase 1 does not contemplate, any new dwelling units. The County and the Developer recognize that this configuration represents a unique factual situation that does not create or imply any precedents for other developments in the County.

I. The SVR PUD provides that the start of construction for each phase is based on the date of approval of the final plat for Phase 1 (the "**Phase 1 Final Plat**"); provided, however, that the final plats for all phases of the Project are approved no later than fifteen (15) years after the date of approval of the Phase 1 Final Plat (the "**Phasing Plan**"), and the Phase 1 Final Plat was approved on September 7, 2010.

J. Developer submitted a complete application for the approval by the County of the First Amended Plat of Spring Valley Ranch P.U.D. Phase 1 Final Plat and has, contemporaneously herewith, brought the First Amended Plat of Spring Valley Ranch P.U.D. Phase 1 Final Plat before the Board for final approval. The County has considered and approved the application for approval of the First Amended Plat of Spring Valley Ranch P.U.D. Phase 1 Final Plat and the request to approve this Development Agreement, after notice and public hearing as required by law, and pursuant to the requirements of Section 5-305 of the Garfield County Land Use Resolution of 2008 (the "**LUR**"). The County finds and determines that the Phase 1 Final Plat and the First Amended Plat of Spring Valley Ranch P.U.D. Phase 1 Final Plat constitutes a "Site Specific Development Plan," as that term is defined in C.R.S. § 24-68-102(4)(a) and Section 1-202(B) of the LUR.

K. The First Amended Plat of Spring Valley Ranch P.U.D. Phase 1 Final Plat amends the Spring Valley Ranch P.U.D. Phase 1 Final Plat by removing the Highgrange Pass road right-of-way parcel from the Phase 1 Final Plat and restoring this land to unplatted "Developer's Property". This amended plat also eliminates the improvements associated with and formerly proposed to be constructed within the Highgrange Pass road right-of-way parcel. The Phase 1 Final Plat created two open space parcels that were adjacent to the Highgrange Pass road right-of-way parcel. Both of these open space parcels also adjoin Garfield County Road 115 (CR115) and legal access to each parcel is provided and maintained via the contiguity with CR115.

L. In exchange for the foregoing elimination of the requirement for improvements associated with the Highgrange Pass road right-of-way parcel, County agrees to acknowledge satisfaction of the requirement for the construction of improvements for the Spring Valley Ranch P.U.D. Phase 1 Final Plat and agrees to authorize and direct the Garfield County Treasurer to release the full amount of the cash deposits including Two Hundred Sixty-Six Thousand Seventy-Four Dollars and Fifty-Five Cents (\$266,074.55) deposited to secure the construction of Improvements within Phase I Spring Valley Ranch Subdivision and Four Thousand Two Hundred Twenty-Seven Dollars and Zero Cents (\$4227.00) deposited to secure revegetation within Phase I Spring Valley Ranch Subdivision. The release of all funds to the developer shall occur within 15 days of the execution of this agreement.

M. The Vested Property Rights Statute C.R.S. §§ 24-68-101 et seq. (the "**Statute**") and the LUR provide for the establishment of vested property rights in order to advance the purposes stated therein, and authorize the County to enter into development agreements with landowners providing for vesting of property development for periods greater than three (3) years.

N. Development of the Property in accordance with the SVR PUD, SVR Preliminary Plan, Phase 1 Final Plat, First Amended Plat of Spring Valley Ranch P.U.D. Phase 1 Final Plat and such future final plats that are approved for the various phases of the Project (collectively, the "**Project Plans**") will provide for orderly, well planned growth in accordance with the policies and goals stated in the Garfield County Comprehensive Plan, provide significant trails and open space, promote diversity of housing stock, ensure reasonable certainty and stability in the land use planning process, stimulate economic growth within the County, and otherwise achieve the goals and purposes of the Statute and LUR.

O. Development of the Property will also require substantial investments in infrastructure improvements and public facilities, both on the Property and outside the Property, which will serve the needs of the Property and the County. Such investments can be supported only with assurances that development of the Property can proceed to ultimate completion as provided in the Project Plans and this Agreement.

P. In exchange for the foregoing benefits and other benefits to the County contemplated by this Agreement, together with the public benefits served by orderly and well planned development of the Property, Developer desires to receive vested property rights in the Project Plans in accordance with this Agreement.

Q. In addition, and notwithstanding the foregoing recitals, in light of the current difficulties and volatility of the national housing and lending market, it may not be prudent for Developer to undertake the large expenditures of funds necessary to commence development of Phase 2 and subsequent phases within the time frame set forth in the Phasing Plan. In the event Developer decides not to commence development of phases subsequent to Phase 1 within the time frame set forth in the Phasing Plan or otherwise does not comply with the Phasing Plan, Developer seeks the County's assurance that it will undertake the procedures necessary to return the Property to its prior configuration and rezone the Property from PUD to a zone district that meets the requirements of law. In such event, Developer further seeks the HOA's assurance that it will re-convey the HOA Property back to Developer for the purpose of effectuating the return of the Property to its prior configuration.

R. The mutual promises, covenants, and obligations contained in this Agreement are authorized by the statutes of the State of Colorado and the laws of the County.

**NOW, THEREFORE**, in consideration of the promises cited above and the mutual covenants and promises contained herein, the sufficiency of which is acknowledged, the County and Developer agree as follows:

1. ***Incorporation of Recitals.*** The Parties agree that the aforesaid recitals are true and correct, and those recitals are hereby incorporated into the body of this Agreement.

2. ***General Provisions.***

(a) ***Scope.*** The terms and conditions of this Agreement shall apply to the Property.

(b) ***Phasing.*** Construction of the Project is anticipated to occur in up to twenty-one (21) phases, with Phase 1 being the initial phase of the Project, and construction of subsequent phases occurring in accordance with the Phasing Plan set forth in the SVR PUD.

3. ***Vesting of Certain Property Rights.*** The County and Developer hereby agree that Developer shall have a vested property right to the extent provided in this Agreement to undertake and complete development and use of the Property.

(a) ***Intent of Vesting System.*** The vesting system set forth in this Section 3 balances the County's obligation to protect the public health, safety and welfare of the community and its desire to facilitate the highest quality development with Developer's private property rights and Developer's need to rely on County approvals to achieve an economically viable project.

(b) ***Overview of Vesting System.***

(i) ***Nature of Vested Rights.*** During the term of vested rights set forth in Section 3(d) below, Developer will have the right to develop uses at such densities and in the general locations on the Property described in the approved Project Plans, as such plans may be amended from time to time. Upon County approval of any future final plats that are approved for the various phases of the Project, such plats shall automatically be entitled to the same vested rights as have been granted herein for the same period of vesting which remains under this Agreement.

(c) ***Rights That Are Vested.*** The rights identified herein or as may hereafter be acquired by operation of any state or local vested property rights law shall constitute vested property rights under this Agreement and shall not be taken by the County without just compensation. These rights include the following:

(i) ***No Downzoning.*** The maximum number of residential dwelling units and acres for residential use, and the total gross acres for non-residential uses, as set forth in the Project Plans are hereby vested.

(ii) ***Uses, Densities and Locations.*** The right to develop the Property in accordance with the uses, densities, and general locations set forth in the Project Plans is hereby vested.

(iii) **Site Development Standards.** The right to develop the Property in accordance with the design standards, development standards, and terms and conditions set forth in the Project Plans and the resolutions of the Board approving the same is hereby vested.

(iv) **Timing of Development.** The right to commence and complete development of the Property at such time in such order and at such rate as set forth in the Phasing Plan of the SVR PUD. This provision of this Agreement supersedes any County rules or regulations that require development to be commenced or completed in any specific time frame.

(v) **Subsequent Approvals.** The right to receive all County approvals necessary for development of the Project provided that subsequent final plat submittals or applications for other approvals comply with this Agreement and the Project Plans, and all applicable standards and regulations, including then-current duly-adopted, generally applicable regulations.

(vi) **Site Specific Development Plan.** As to the matters vested under this Agreement and the Project Plans, including any future final plats that are approved by the County for the various phases of the Project, shall be considered a site-specific development plan for the purposes of the Statute and Sections 1-201 and 1-202 of the LUR. The following statement is provided to satisfy the requirements of Section 4-502(H)(2) of the LUR:

*Approval of this plan shall create a vested property right pursuant to article 68 of title 24, C.R.S., as amended.*

(d) **Term of Vested Rights.** In recognition of the size of the Project contemplated by this Agreement and the Project Plans, the time required to complete the Project, the need to proceed in phases, and varying economic cycles and market conditions likely to occur during the course of development of the Project, the County agrees that the rights identified as vested rights in this Section 3 shall be vested for a period of fifteen (15) years from the date of approval of the Phase 1, Final Plat, which was approved on September 7, 2010. Therefore, the vested rights shall be vested through September 7, 2025.

(e) **Adoption, Notice and Effective Date.** The County has adopted this Development Agreement as a legislative act subject to referendum, as required by C.R.S. § 24-68-104(2). As set forth in and required by C.R.S. § 24-68-103(c), within 14 days from the date hereof, the County shall cause to be published in a newspaper of general circulation within the County, a notice advising the general public of the approval of the First Amended Plat of Spring Valley Ranch P.U.D. Phase 1 Final Plat as a Site Specific Development Plan and the creation of vested property rights pursuant to this Development Agreement and C.R.S. §§ 24-68-101 *et. seq.* The effective date of the County's approval of this Development Agreement shall be the date of said publication.

4. **No Obligation to Develop.** Notwithstanding anything to the contrary contained in this Agreement and the Project Plans, Developer shall have no obligation to develop all or any portion of the Property, except as set forth in the Subdivision Improvements Agreement for Phase 1 as the same may be amended. In the event Developer does not commence development of Phase 2 within the time frame set forth in the Phasing Plan and described below, the terms of this Section 4 shall apply.

(a) In accordance with the Phasing Plan, the date for start of construction for Phase 1 shall be April 2011. Therefore, according to the Phasing Plan, the start of construction for Phase 2 must commence by April 2017.

(b) At any time before April 1, 2017, the Developer may notify the County and the HOA of its intent not to proceed with the development of Phase 2 and subsequent phases. In such event, the Developer may withdraw the Project Plans in accordance with the procedure in Section 12-103(E) of the LUR.

(c) In the alternative, the County and Developer agree that the Developer shall be in violation of the Phasing Plan on April 1, 2017 if the Developer does not file with the County an application for approval of a final plat for Phase 2 on or before March 31, 2017, by notice to the Developer and the HOA.

(d) As soon as practicable after the effective date of the withdrawal of the Project Plans described in Section 4(b) above, or the violation of the Phasing Plan described in Section 4(c) above, the Developer may undertake and the County will consider the procedures necessary to return the Property to the configuration that existed prior to the approval of the Phase 1 Final Plat, in accordance with the procedures set forth in 30-28-139, C.R.S. and Section 12-106 of the LUR. As part of such process and immediately upon request of the Developer, the HOA shall convey the HOA Property to Developer, by good and sufficient general warranty deed, free and clear of all liens and encumbrances. Concurrently therewith, if requested by the Developer, the County shall undertake the procedures necessary to rezone the Property from PUD to a zone district that meets the requirements of law. Nothing in this Agreement shall be construed to require any particular action by the BOCC on any such rezoning request.

(e) Completion of the procedures described in Section 4(b) and (d) above, including any appeals thereof, shall constitute a forfeiture of the vested rights set forth in this Agreement. In such event, the County may memorialize the forfeiture of the vested rights set forth in this Agreement by resolution or other appropriate vehicle. In such event, the Developer waives any right to notice and hearing pursuant to Section 12-103(F) and waives all rights pursuant to Section 12-107 of the LUR.

(f) In addition to undertaking the procedures set forth in this Section 4, the County reserves all of its rights, including but not limited to rights of enforcement, at law or in equity with respect to the Project Plans, and including but not limited to the right to enforce the terms of this Agreement or forfeit the rights conferred by this Agreement in accordance with law. Except as expressly set forth in this Section 4, the Developer reserves all of its rights at law or in equity with respect to the Project Plans and any action of the County with respect thereto, including but not limited to the right to enforce the terms of this Agreement.

5. **Severability.** If any provisions or parts of this Agreement are judged unenforceable or invalid, to the extent practicable, such judgment shall not affect, impair, or invalidate the remaining parts of this Agreement, the intention being that the various parts and provisions hereof are severable.

6. **Recording of Agreement.** This Agreement shall be recorded with the Garfield County Clerk and Recorder at Developer's expense and shall be a covenant running with and against all the property, property rights, and improvements contained within the Property described in

Exhibits 1 and 2, in order to put prospective owners, purchasers, successors, assigns, and others acquiring any interest in the Property on notice as to the terms and obligations herein.

7. ***Binding Effect.*** Unless otherwise provided herein, this Agreement shall be binding upon Developer's heirs, successors, assigns, transferees, and any other person or entity acquiring or purchasing any interest in any of the Property.

8. ***Notice.*** Any notice to Developer or the County, which may be given under the terms of this Agreement, shall be in writing and shall be deemed sufficiently given when sent certified U.S. Mail and first class mail, postage prepaid, addressed as follows:

**TO DEVELOPER:**

Spring Valley Holdings, LLC  
Attn: Daniel Goldberg  
Seligman Western Enterprises, Ltd.  
600 Montgomery Street, 40<sup>th</sup> Floor  
San Francisco, CA 94111  
Phone: 415.658.2889  
Fax:

**TO THE HOA:**

Spring Valley Ranch Community Master Association, Inc.  
Attn: Daniel Goldberg  
P.O. Box 1146  
4000 County Road 115  
Glenwood Springs, CO 81602  
Phone: 415.658.2889

**TO THE COUNTY:**

Garfield County Board of County Commissioners  
Attn: Building and Planning Director  
108 Eighth Street, Suite 401  
Glenwood Springs, CO 81601  
Phone: 970.945.8212  
Fax: 970.384.3470

The Parties shall provide notice of any change in the above-referenced information.

9. ***Applicable Law.*** This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado

10. ***Counterparts.*** This Agreement may be executed in counterparts, each of which will constitute one and the same instrument.



**IN WITNESS WHEREOF**, and agreeing to be fully bound by the terms of this Agreement, the Parties have set their hands below on this \_\_\_\_ day of \_\_\_\_\_, 2010.

**DEVELOPER:**

SPRING VALLEY HOLDINGS, LLC,  
a Delaware Limited Liability Company

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

Name: \_\_\_\_\_

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

**ASSOCIATION:**

SPRING VALLEY RANCH COMMUNITY  
MASTER ASSOCIATION, INC., a Colorado  
non-profit corporation

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

Name: \_\_\_\_\_

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

**COUNTY:**

GARFIELD COUNTY BOARD OF  
COMMISSIONERS, COUNTY OF GARFIELD,  
COLORADO, a body corporate and politic

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

Name: \_\_\_\_\_

Its: Chairman

**ATTEST:**

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

Clerk of the Board

## EXHIBIT 1

### DEVELOPER'S PROPERTY

#### LEGAL DESCRIPTION OF DEVELOPER'S PROPERTY

A parcel of land located in Sections 14, 15, 16, 20, 21, 22, 23, 26, 27, 28, 29, 32, 33, and 34, Township 6 South, Range 88 West, Sixth Principal Meridian being more particularly described as follows:

Beginning at the Northwest Corner of said Section 20 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence S 88°16'08" E 2627.19 feet along the north line of said Section 20 to the North Quarter Corner of said Section 20 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence S 88°15'48" E 2625.91 feet along the north line of said Section 20 to the Northeast Corner of said Section 20 being a 2-1/2 inch GLO Brass Cap found in place said corner also being on the west line of said Section 16; thence N 00°00'14" W 2631.77 feet along the west line of said Section 16 to the East Quarter Corner of Section 17, T. 6 S., R. 88 W., 6th P.M. being a 2-1/2 inch GLO Brass Cap found in place; thence N 00°08'04" W 340.70 feet continuing along the west line of said Section 16 to the West Quarter Corner of said Section 16 being a 2-1/2 inch GLO Brass Cap found in place; thence N 00°01'47" E 1047.99 feet continuing along the west line of said Section 16 to the southwest corner of a parcel of land described in Book 795, Page 980 in the office of the Garfield County Clerk and Recorder; thence the following three courses along the boundary of said parcel described in Book 795, Page 980:

1. thence N 89°16'47" E 334.10 feet;
2. thence N 03°35'47" E 252.06 feet;
3. thence N 88°27'52" W 349.87 feet to a point on the west line of said Section 16;

thence N 00°01'47" E 977.15 feet along the west line of said Section 16 to the Northeast Corner of said Section 17 being a 2-1/2 inch GLO Brass Cap found in place; thence N 00°01'20" W 344.80 feet continuing along the west line of said Section 16 to the Northwest Corner of said Section 16 being a 2-1/2 inch GLO Brass Cap found in place; thence N 89°57'15" E 2703.26 feet along the north line of said Section 16 to the North Quarter Corner of said Section 16 being a 2-1/2 inch GLO Brass Cap found in place; thence N 89°57'09" E 2637.87 feet continuing along the north line of said Section 16 to the Northeast Corner of said Section 16 being a 2-1/2 inch GLO Brass Cap found in place; thence N 89°58'17" E 2638.56 feet along the north line of said Section 15 to the North Quarter Corner of said Section 15 being a 2-1/2 inch GLO Brass Cap found in place; thence S 89°59'36" E 1318.31 feet continuing along the north line of said Section 15 to the west line of the NE1/4NE1/4 of said Section 15 being a 3-inch Aluminum Cap (L.S. 15710) found in place whence the northeast corner of said Section 15 being a 2-1/2 inch GLO Brass Cap found in place bears S 89°59'36" E 1318.31 feet; thence S 00°00'09" E 1312.36 feet along the west line of the NE1/4NE1/4 of said Section 15 to the southwest corner of the NE1/4NE1/4 of said Section 15 being a 3-inch Aluminum Cap (L.S. 15710) found in place; thence N 89°55'46" E 1317.67 feet along the south line of the NE1/4NE1/4 of said Section 15 to the southeast corner of the NE1/4NE1/4 of said Section 15 being a 3-inch Aluminum Cap (L.S. 15710) found in place; thence S 89°58'46" E 1320.64 feet along the north line of the SW1/4NW1/4 of said Section 14 to the northeast corner of the SW1/4NW1/4 of said Section 14 being a 3-inch Aluminum Cap (L.S. 15710) found in place; thence S 00°01'34" W 1312.94 feet

along the east line of the SW1/4NW1/4 of said Section 14 to the southeast corner of the SW1/4NW1/4 of said Section 14 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence S 00°01'19" E 2647.58 feet along the east line of the W1/2SW1/4 of said Section 14 to the southeast corner of the W1/2SW1/4 of said Section 14 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence S 89°59'40" E 1318.39 feet along the north line of said Section 23 to the North Quarter Corner of said Section 23 being a 2-1/2 inch GLO Brass Cap found in place; thence S 00°05'23" E 5277.46 feet along the east line of the W1/2 of said Section 23 to the South Quarter Corner of said Section 23 being a 2-1/2 inch GLO Brass Cap found in place; thence S 00°00'49" W 5529.94 feet along the east line of the W1/2 of said Section 26 to the South Quarter Corner of said Section 26 being a 2-1/2 inch GLO Brass Cap found in place; thence S 84°59'30" W 31.37 feet along the south line of said Section 26 to the North Quarter Corner of Section 35, T. 6 S., R. 88 W., 6th P.M., being a 2-1/2 inch GLO Brass Cap found in place; thence S 84°41'15" W 1292.34 feet along the south line of said Section 26 to the southeast corner of Lot 14 of said Section 26 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence N 00°21'37" E 372.49 feet along the east line of said Lot 14, Section 26 to the northeast corner of said Lot 14 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence N 89°53'31" W 1611.72 feet along the north line of said Lot 14 to the northwest corner of said Lot 14 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence S 00°00'14" W 525.17 feet along the west line of said Lot 14 to the Southwest Corner of said Section 26 being a 2-1/2 inch GLO Brass Cap found in place; thence N 89°14'59" W 2647.44 feet along the south line of said Section 27 to the South Quarter Corner of said Section 27 being a 2-1/2 inch GLO Brass Cap found in place; thence N 89°17'11" W 1319.72 feet along the north line of said Section 34 to the northeast corner of the W1/2NW1/4 of said Section 34 being a 2-inch Aluminum Cap (P.E.L.S. 5933) whence the Northwest Corner of said Section 34 being a 2-1/2-inch GLO Brass Cap found in place bears N 89°17'11" W 1319.72 feet; thence S 00°05'58" E a distance of 2353.81 feet to a point on the northerly right-of-way of Garfield County Road 115; thence the following three courses along the northerly right-of-way of said County Road 115:

1. thence 235.33 feet along the arc of a non tangent curve to the right having a radius of 639.07 feet, a central angle of 21°05'53", and the chord bears N 67°17'16" W a distance of 234.00 feet;
2. thence N 56°44'19" W a distance of 393.81 feet;
3. thence 166.52 feet along the arc of a tangent curve to the left having a radius of 310.00 feet, a central angle of 30°46'36", and the chord bears N 72°07'37" W a distance of 164.52 feet;

thence departing said Garfield County Road 115 N 10°35'55" W a distance of 486.06 feet; thence S 84°55'34" W a distance of 563.88 feet; thence S 16°02'33" W a distance of 630.62 feet to a point on the northerly right-of-way of said Garfield County Road 115; thence the following thirty courses along the northerly right-of-way of said County Road 115:

1. thence 168.86 feet along the arc of a non tangent curve to the right having a radius of 2141.07 feet, a central angle of 04°31'07", and the chord bears S 89°13'00" W a distance of 168.81 feet;
2. thence 159.12 feet along the arc of a tangent curve to the right having a radius of 170.00 feet, a central angle of 53°37'43", and the chord bears N 61°42'35" W a distance of 153.37 feet;
3. thence 460.26 feet along the arc of a tangent curve to the right having a radius of 699.53 feet, a central angle of 37°41'54", and the chord bears N 16°02'47" W a distance of 452.01 feet;
4. thence N 02°48'10" E a distance of 238.01 feet;

5. thence 429.79 feet along the arc of a tangent curve to the left having a radius of 912.82 feet, a central angle of  $26^{\circ}58'38''$ , and the chord bears  $N 10^{\circ}41'09'' W$  a distance of 425.83 feet;
6. thence  $N 24^{\circ}10'27'' W$  a distance of 644.62 feet;
7. thence 504.76 feet along the arc of a tangent curve to the left having a radius of 809.79 feet, a central angle of  $35^{\circ}42'49''$ , and the chord bears  $N 42^{\circ}01'52'' W$  a distance of 496.63 feet;
8. thence  $N 59^{\circ}53'17'' W$  a distance of 459.39 feet;
9. thence 167.17 feet along the arc of a tangent curve to the right having a radius of 370.00 feet, a central angle of  $25^{\circ}53'11''$ , and the chord bears  $N 46^{\circ}56'42'' W$  a distance of 165.75 feet;
10. thence  $N 34^{\circ}00'06'' W$  a distance of 1152.91 feet;
11. thence 1191.15 feet along the arc of a tangent curve to the right having a radius of 2377.42 feet, a central angle of  $28^{\circ}42'24''$ , and the chord bears  $N 19^{\circ}38'54'' W$  a distance of 1178.73 feet;
12. thence 245.56 feet along the arc of a tangent curve to the left having a radius of 430.00 feet, a central angle of  $32^{\circ}43'14''$ , and the chord bears  $N 21^{\circ}39'19'' W$  a distance of 242.24 feet;
13. thence 376.29 feet along the arc of a tangent curve to the right having a radius of 1361.75 feet, a central angle of  $15^{\circ}49'57''$ , and the chord bears  $N 30^{\circ}05'57'' W$  a distance of 375.10 feet;
14. thence  $N 22^{\circ}10'58'' W$  a distance of 307.62 feet;
15. thence 580.97 feet along the arc of a tangent curve to the left having a radius of 654.56 feet, a central angle of  $50^{\circ}51'15''$ , and the chord bears  $N 47^{\circ}36'36'' W$  a distance of 562.09 feet;
16. thence  $N 73^{\circ}02'14'' W$  a distance of 636.67 feet;
17. thence 351.46 feet along the arc of a tangent curve to the right having a radius of 766.12 feet, a central angle of  $26^{\circ}17'03''$ , and the chord bears  $N 59^{\circ}53'42'' W$  a distance of 348.38 feet;
18. thence  $N 46^{\circ}45'10'' W$  a distance of 235.64 feet;
19. thence 181.70 feet along the arc of a tangent curve to the left having a radius of 407.41 feet, a central angle of  $25^{\circ}33'14''$ , and the chord bears  $N 59^{\circ}31'47'' W$  a distance of 180.20 feet;
20. thence  $N 72^{\circ}18'24'' W$  a distance of 432.60 feet;
21. thence 264.71 feet along the arc of a tangent curve to the right having a radius of 420.00 feet, a central angle of  $36^{\circ}06'40''$ , and the chord bears  $N 54^{\circ}15'04'' W$  a distance of 260.35 feet;
22. thence 202.78 feet along the arc of a tangent curve to the right having a radius of 933.47 feet, a central angle of  $12^{\circ}26'47''$ , and the chord bears  $N 29^{\circ}58'21'' W$  a distance of 202.38 feet;
23. thence  $N 23^{\circ}44'57'' W$  a distance of 73.66 feet;
24. thence 691.16 feet along the arc of a tangent curve to the left having a radius of 1111.34 feet, a central angle of  $35^{\circ}38'00''$ , and the chord bears  $N 41^{\circ}33'57'' W$  a distance of 680.07 feet;
25. thence  $N 59^{\circ}22'57'' W$  a distance of 217.30 feet;
26. thence 332.51 feet along the arc of a tangent curve to the left having a radius of 930.00 feet, a central angle of  $20^{\circ}29'08''$ , and the chord bears  $N 69^{\circ}37'31'' W$  a distance of 330.75 feet;
27. thence  $N 79^{\circ}52'05'' W$  a distance of 452.89 feet;

28. thence 416.54 feet along the arc of a tangent curve to the right having a radius of 5288.82 feet, a central angle of 04°30'45", and the chord bears N 77°36'43" W a distance of 416.43 feet;
29. thence 250.87 feet along the arc of a curve to the right having a radius of 5288.82 feet, and a central angle of 02°43'04", and the chord bears N 73°59'48" W a distance of 250.84 feet;
30. thence N 72°38'16" W 1244.87 feet to a point on the accepted east line of Lot 4 of said Section 20 whence the southeast corner of a parcel of land recorded under reception number 467225 in the office of the Garfield County Clerk and Recorder being a 2-inch Aluminum Cap (P.E.L.S. 5933) and accepted as a point on the east line of said Lot 4 bears S 01°51'02" W 9.41 feet;

thence N 01°51'02" E 490.79 feet along the accepted east line of said Lot 4 to the northeast corner of said Lot 4 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence N 88°18'52" W 1429.59 feet along the north line of said Lot 4 and Lot 3 of said Section 20 to the northwest corner of said Lot 3 being a 2-inch Aluminum Cap (P.E.L.S. 5933) whence the Southwest Corner of said Lot 20 being a 2-1/2 inch Aluminum Cap (P.L.S. 27929) found in place bears S 00°06'31" E 1008.11 feet; thence N 00°06'31" W 1630.93 feet along the west line of said Section 20 to the West Quarter Corner of said Section 20 being a 2-inch Aluminum Cap (P.E.L.S. 5933); thence N 00°04'12" E 2632.88 feet along the west line of said Section 20 to the Northwest Corner of said Section 20 being the POINT OF BEGINNING containing 5198.85 acres more or less, prior to the following excepted parcel:

**EXCEPTING THE FOLLOWING PARCEL:**

**Section 15 Exception:**

A parcel of land being the Northwest Quarter of the Southwest Quarter of Section 15, Township 6 South Range 88 West, of the Sixth Principal meridian, said parcel being further described as follows:

Beginning at the West Quarter corner of said Section 15 being a 2-1/2 inch GLO Brass Cap found in place, thence N 89°51'07" E 1323.59 feet along the North line of the NW1/4SW1/4 of said Section 15 to the northeast corner of the NW1/4SW1/4 of said Section 15; thence S 00°01'49" E 1540.50 feet along the East line of the NW1/4SW1/4 of said Section 15 to the Southeast Corner of the NW1/4SW1/4; thence S 89°58'25" W 1323.59 feet along the south line of the NW1/4SW1/4 of said Section 15 to the southwest corner of the NW1/4SW1/4 of said section 15; whence the Southwest Corner of said Section 15 being a 2-1/2 inch GLO Brass Cap found in place bears S 00°01'49" E 1537.70 feet; thence N 00°01'49" W 1537.70 feet along the west line of the NW1/4SW1/4 of said section 15 to the northwest corner of the NW1/4SW1/4 of said section 15 being the POINT OF BEGINNING containing 46.76 acres more or less.

The total area minus the exception parcel is 5,152.09 acres more or less.

**ALONG WITH:**

A parcel of land located in Sections 33 and 34, Township 6 South, Range 88 West, Sixth Principal Meridian being more particularly described as follows:

Beginning at the Quarter Corner common to said Sections 33 and 34 being a 2-inch Aluminum Cap (P.E.L.S 5933) thence N 88°27'45" W a distance of 551.40 feet along the south line of the NE1/4 of said Section 33 to a point on the southerly right-of-way of Garfield County Road 114;

thence along the southerly right-of-way of said Garfield County Road 114 the following two courses:

1. thence N 40°27'03" E a distance of 70.18 feet;
2. thence 388.21 feet along the arc of a tangent curve to the right having a radius of 470.00 feet, a central angle of 47°19'32", and the chord bears N 64°06'49" E a distance of 377.27 feet to a point on the southerly right-of-way of Garfield County Road 115;

thence the following four courses along the northerly right-of-way of said Garfield County Road 115:

1. thence 766.87 feet along the arc of a tangent curve to the left having a radius of 2201.07 feet, a central angle of 19°57'44", and the chord bears N 77°47'43" E a distance of 763.00 feet;
2. thence 241.93 feet along the arc of a tangent curve to the right having a radius of 250.00 feet, a central angle of 55°26'50", and the chord bears S 84°27'44" E a distance of 232.60 feet;
3. thence S 56°44'19" E a distance of 393.81 feet;
4. thence 270.44 feet along the arc of a tangent curve to the left having a radius of 699.07 feet, a central angle of 22°09'54", and the chord bears S 67°49'16" E a distance of 268.75 feet to a point on the east line of the W1/2NW1/4 of said Section 34;

thence S 00°05'58" E a distance of 50.95 feet along the east line of the W1/2NW1/4 of said Section 34 to the southeast corner of the W1/2NW1/4 of said Section 34 being a 2-inch aluminum cap (P.E.L.S 5933); thence S 89°51'39" W a distance of 1389.27 feet along the south line of the W1/2NW1/4 of said Section 34 to the point of beginning; containing 10.95 acres more or less.

#### **ALONG WITH:**

A parcel of land located in the Northeast Quarter of Section 33, Township 6 South, Range 88 West, of the 6<sup>th</sup> Principal Meridian, County of Garfield, State of Colorado, being more particularly described as follows:

Beginning at a point on the south line of the Northeast Quarter of Section 33, said point also being on the westerly right-of-way of County Road 114 whence the Quarter Corner common to said Sections 33 and 34 being a 2-inch Aluminum Cap (P.E.L.S 5933), bears S 88°27'45"E a distance of 628.51 feet; thence along said south line of the Northeast Quarter of Section 33 N 88°27'45"W a distance of 305.90 feet to a point on the east boundary of OSP Parcel A of Phase 1, Spring Valley Ranch P.U.D; thence along the east boundary of said OSP Parcel A the following three courses:

1. N 26°06'27" W a distance of 780.49 feet;
2. N 19°01'26" W a distance of 1341.54 feet;
3. N 20°15'05" E a distance of 552.69 feet to a point on the southerly right-of-way of County Road 115;

thence along said County Road 115 right-of-way the following six courses:

1. S 59°53'17" E a distance of 303.82 feet ;
2. along the arc of a curve to the right having a radius of 749.79 feet, and a central angle of 35°42'49" for a distance along the curve of 467.36 feet; the chord of said curve bears S 42°01'52" E a distance of 459.83 feet;
3. S 24°10'27" E a distance of 644.62 feet;
4. thence along the arc of a curve to the right having a radius of 852.82 feet, and a central angle of 26°58'38" for a distance along the curve of 401.54 feet; the chord of said curve bears S 10°41'09" E a distance of 397.84 feet;

5. S 2°48'10" W a distance of 238.01 feet;
6. thence along the arc of a curve to the left having a radius of 759.53 feet, and a central angle of 31°41'42" for a distance along the curve of 420.16 feet; the chord of said curve bears S 13°02'41" E a distance of 414.82 feet to a point on the westerly right-of-way of County Road 114;

thence along said westerly right-of-way of County Road 114 the following two courses:

1. thence along the arc of a curve to the right having a radius of 270.00 feet, and a central angle of 69°20'35" for a distance along the curve of 326.77 feet; the chord of said curve bears S 5°46'46" W a distance of 307.19 feet ;
2. S 40°27'03" W a distance of 99.05 feet to the point of beginning; containing 1,615,585 37.09 acres more or less.

The combined area of the above described three parcels and excluding the five exception parcels is 5,200.13 acres more or less.

**EXHIBIT 2**

**HOA PROPERTY**

- OSP Parcel A
- OSP Parcel B
- OSR Parcel A
- OSR Parcel B
- Highgrange Pass Road Right-of-Way

of Phase 1, Spring Valley Ranch PUD, Garfield County, Colorado, according to the Plat thereof filed with Garfield County Clerk and Recorder as Reception No. 793243.