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1046735 5/10/2012 1:15 PM Tiffany Lee Parker
1 of 20 AGR R\$106.00 D\$0.00 Laplata County Clerk

**CRADER ADDITION
ANNEXATION AGREEMENT**

THIS AGREEMENT, dated this 8TH day of May, 2012, is entered into by and among the City of Durango, a Colorado Municipal Corporation, herein referred to as "City," Rowean Crader and Crader Properties, LLC, herein collectively referred to as "Crader," and GRVP, LLC herein referred to as "GRVP."

WITNESSETH:

WHEREAS, Crader is the owner of four tracts of property comprising approximately 160 acres legally described and identified as attached hereto as Exhibit "A," which exhibit is made a part hereof (hereinafter referred to as the "Property") and which real estate is contiguous to the City limits of the City; and

WHEREAS, Crader desires and proposes to annex said Exhibit "A" Property, and to re-subdivide and develop said Property pursuant to the provisions and regulations as set forth in the City of Durango Land Use and Development Code; and

WHEREAS, GRVP has entered into an agreement with Crader for the acquisition of a portion of the Crader Property, comprising approximately 37 acres and referred to as the "GRVP Tract," which is intended for future commercial development, the closing of which is contingent upon annexation of the Property by the City; and

WHEREAS, pursuant to due legal notice and advertisement in the manner provided by law, the Durango Planning Commission and the Durango City Council have held public hearings as prescribed by law and made recommendations and decisions for approval of the Crader Addition annexation and initial zoning; and

WHEREAS, the City Council of the City of Durango, after due and careful consideration, has concluded that the annexation of the Property to the City and its zoning and development on the terms and conditions herein set forth would further enable the City to control the development of the area and best serve the interests of the City;

NOW, THEREFORE, in consideration of the premises, mutual covenants and agreements herein set forth, the parties hereto agree as follows:

I. CONTRACT ENFORCEMENT PROVISIONS

A. Applicable Law

This Agreement is made pursuant to and in accordance with the provisions of C.R.S., §31-12-101, et seq. and the Code of Ordinances of the City of Durango.

B. Remedies for Default

Crader and GRVP agree to faithfully and timely perform the covenants, conditions and obligations applicable to each of them respectively as herein set forth. Except as otherwise expressly provided in this Agreement, following annexation of the Crader Addition and the transfer of the GRVP Tract to GRVP, the obligations of Crader and GRVP under this Agreement shall be several and not joint and shall be applicable to each party in relation to the portion of the Crader Addition owned by such party. In the event of the default of either Crader or GRVP hereunder, City shall give notice of default to Crader or GRVP, as applicable, at the address hereinafter set forth, specifying the nature and extent of the default with reasonable particularity, and providing the applicable party with a period of sixty (60) days to cure such default or to initiate and diligently pursue procedures necessary to cure such default if the default cannot reasonably be cured within the sixty (60) days allowed.

C. Notice



1. Any notice required pursuant to the terms of this Agreement shall be effective upon receipt if sent through the United States mails, postage prepaid on a certified return receipt requested basis, addressed to the respective parties at the addresses hereinafter set forth or at such other addresses as a party may designate through written notification to the other party at the address hereinafter set forth. For purposes of this paragraph, the refusal of delivery or failure to respond to notices from the United States Post Office shall constitute receipt. Addresses for notice are as follows:

CITY: Gregory S. Hoch, Director of Planning and
Community Development
City of Durango
949 East 2nd Avenue
Durango, CO 81301

CRADER: Rowean Crader and Crader Properties, LLC
C/O Rowean Crader
28481 U.S. Highway 160 E
Durango, CO 81301

GRVP: GRVP, LLC
Attention: Patrick Vaughn
175 Mercado Street, Suite 240
Durango, CO 81301

2. Any party may, by notice, change the address to which communications to it are to be delivered or mailed.

D. Amendments

This Agreement may only be amended through a written instrument executed by the parties hereto, which shall thereafter be appended hereto and become a part hereof. Verbal amendments shall be ineffective for any purpose.

E. Severability

Should any term, provision or condition of this Agreement be determined invalid or unenforceable, the invalidity or unenforceability of any such term, provision or condition shall not affect the validity or enforceability of any other term, provision or condition herein contained, all terms, conditions and provisions herein being independent and severable.

F. Binding Effect

This Agreement shall be binding upon the respective parties hereto, their heirs, successors and assigns.

G. Termination/Invalidation

This Agreement is made in specific anticipation of the annexation of The Crader Addition to the City of Durango. Should such annexation not occur, the terms, provisions and conditions of this Agreement shall be void and unenforceable and all parties hereto shall be relieved of any further obligations with respect to the terms herein set forth.

H. Effective Date

This Agreement shall become effective upon the execution and recording of this Agreement.

I. Execution of Documents

1. Crader and GRVP agree to execute any and all documents necessary to effectuate the terms and provisions of the agreements herein contained and to deliver such documents to the City or to such agencies or offices as the City may designate. Crader



and GRVP further respectively agree that, in conjunction with the performance of their respective obligations set forth within this Agreement, they will each comply with all ordinances, regulations and construction specifications of the City of Durango together with any future ordinances, regulations or specifications that may be hereinafter adopted; provided, however, any such future ordinances, regulations or specifications adopted after the effective date of this Agreement shall be of general applicability and shall not be limited or specifically directed to the Crader Addition.

2. The parties agree that this Agreement and all appurtenant documents shall be recorded in the office of the La Plata County Clerk and Recorded prior to final reading of the annexation ordinance. Crader shall promptly furnish proof of said recording to the City Department of Planning and Community Development.

II. LAND USE PROVISIONS

A. Annexation

The annexation of the Property shall be as specifically set forth on the annexation plat for the Crader Addition.

B. Initial Subdivision

1. The proposed subdivision to be advanced immediately subsequent to this annexation will require dedication of certain rights-of-way ("ROW") and the division of the parcels being annexed and will result in a reconfiguration/re-subdivision of the existing parcels to establish five (5) new lots intended for future development and a parcel ("Parcel A") along Wilson Gulch intended to be dedicated to the City for drainage, open space and trails purposes.
2. The ROW dedication and resultant general lot configuration of the initial subdivision into proposed Lots 1-5 and Parcel A, Open Space and Drainage, is generally depicted on Exhibit B. The Crader Addition as re-subdivided in accordance with Exhibit B shall also be referred to in this Agreement as the "Crader Subdivision."

C. Wilson Gulch Drive and Other Public Streets ROW Dedication

1. The parties agree that, as a part of the Crader Annexation, sufficient street ROW and construction easements shall be dedicated to the City for the extension of Wilson Gulch Drive to connect the existing street system within the adjacent Three Springs development with the new Highway 160 interchange currently under construction by CDOT.
2. Said ROW and easement dedications shall be made a condition to the annexation and shall be reflected in the subdivision platting to be undertaken promptly following approval of this annexation.
3. The full extent and location of the ROW and easement dedications shall be as approved by the Director of Engineering and shall be based upon the final design plans for the Wilson Gulch Drive extension being currently developed by Goff Engineering.
4. At the time of annexation, Crader shall assign and convey to the City all of Crader's right, title and interest in and to that certain easement dated February 12, 1977 and recorded on February 14, 1977 under Reception No. 406946 of the records of the La Plata County Clerk and Recorder, which easement constitutes the existing High Llama Lane right-of-way north of the proposed Wilson Gulch Drive Extension, and which assignment of easement shall be shown on the annexation plat and pending subdivision plat.
5. Crader and GRVP agree to dedicate to the City at no cost Right-of-Way from its proposed lot 3 for the extension of East Owen Road from the existing south Right-of-



Way line of East Owen Road as dedicated by Rancho Vedado Phase 2, recorded under reception number 960726, north up to the proposed Wilson Gulch Road ROW, which dedication shall be shown on the proposed Crader Subdivision Plat. Further, GRVP agrees to construct at its expense a public roadway meeting City of Durango Development Standards from the existing terminus of the improvements on East Owen Road to the intersection with Wilson Gulch Road as a condition of any site plan approval for the development of proposed Lot 3.

Crader and GRVP will dedicate to the City a non-exclusive access and utility easement from East Owen Road to the proposed Lot 4 which access will be sufficient in width to accommodate a future public roadway meeting City of Durango Development Standards. No improvements to this easement are required as a condition of this annexation; however, improvements and dedication of the easement as a public Right-of-Way may be required as a condition of the development of proposed Lot 4.

6. The parties acknowledge that the dedication of ROWs called for in this Agreement and the construction of associated public roads will enhance vehicular access to lands throughout the Grandview Area and will likely eliminate the need for pre-existing access easements burdening the Crader Property. The parties acknowledge that GRVP and Crader will seek to vacate private easements burdening their portions of the Crader Addition if the purpose for which such easements were granted has been eliminated by new ROW dedications. The City agrees to cooperate with GRVP and Crader and provide staff support in seeking the vacation of existing easements that are no longer necessary or used as a result of annexation and development of the Crader Addition.
7. The parties shall agree to seek and cooperate with GRVP in obtaining an updated Three Springs Boulevard Access Permit from CDOT and confirm that CDOT has approved a Crader a-line modification.
8. Additional Right of Way within proposed Lot 1 may be required from future development on that Lot as needed.
9. The parties to this Agreement acknowledge that Crader agrees to offer up for dedication to the City at no cost an 87 foot ROW, with 15 foot temporary construction easements on each side, through Lot 1 from the northwest area of the Lot 1 through the Lot to align with the proposed major signalized intersection referenced in section II.G.2 of this Agreement as described in Exhibit G. The City acknowledges that the location of this offer of ROW dedication may be moved elsewhere within the Lot at a later date in the future so long as the alignment meets the requirements for an arterial roadway. It is further understood that the City may at any time accept the offer of Right-of-Way dedication as described in Exhibit G.
10. Prior to the conveyance of the GRVP Tract to GRVP, Craders shall grant the City an MS4 Drainage Easement for Wilson Gulch storm water, which shall be shown near the northeast corner of Lot 3 on the Crader Subdivision Plat. The location and dimensions of the MS4 Drainage Easement are approximate, and the MS4 Drainage Easement is currently intended for collection and possible treatment of Wilson Gulch Drive storm water prior to connection to the City's existing storm drainage facility within East Owen Road. GRVP and the City agree to modify the MS4 Drainage Easement when Wilson Gulch Road design is completed. The modified easement shall only include the area required for storm water quality treatment and piping as reflected in the final design of Wilson Gulch Road. The parties acknowledge that their mutual best interests may be served by delivering and treating the Wilson Gulch storm water within Lot 3 rather than into the City's existing storm drainage facility within East Owen Road.

D. Initial Zoning



1. Zoning of the annexed Property shall be considered an initial zoning and shall be consistent with the goals, policies, and land use designations of the Durango Comprehensive Plan.
2. The ordinance enacting the zoning of the Property to be annexed shall not be finally adopted by the City Council prior to the date of final adoption of the annexation ordinance, but the annexation ordinance may include the zoning ordinance for the annexed Property.
3. The requested initial zoning designations of PD, Planned Development, and R, Rural shall be applied to the Property as outlined below (based upon lot designations per Exhibit B) and shall become effective ten (10) days following final reading of the annexation ordinance.

Initial Zoning

- PD, Planned Development
- R, Rural

Lots

- Lot 1, 3, 4 and 5
- Lot 2

The specific zoning of parcels within Tracts I and II will be designated in conjunction with the completion of the subdivision process for said Tracts, which is currently pending.

E. Future Land Uses and Density

1. The parcels being annexed are intended for future development consistent with the Future Land Use designations of the Grandview Area Plan (as depicted on Exhibit C) and the terms of this Agreement. All future development/redevelopment shall be subject to City review and approval as identified herein and shall meet all pertinent City development standards as applicable and/or determined as part of any future review process.
2. Proposed Lot 1 (see Exhibit B) has a mixed future land use designation consisting of areas designated Public/Quasi Public, Medium Density Residential and Commercial as depicted on Exhibit C. Future development shall be consistent with the location and extent of these designations. Potential allowable uses for proposed Lot 1 are identified in Exhibit D.
3. Proposed Lot 2 (see Exhibit B) is somewhat constrained topographically and has perceived limited development potential which resulted in a Rural future land use designation as depicted on Exhibit C. Proposed Lot 2 shall be initially zoned R, Rural. Future development shall be consistent with this zoning designation. Should any future use/development of proposed Lot 2 beyond what is allowed under the R zone designation be proposed, such development can be considered through a rezoning and Comprehensive Plan amendment process based upon a site specific development plan proposal.
4. Proposed Lot 3 (see Exhibit B) has a Commercial future land use designation as depicted on Exhibit C. and is envisioned for future regional commercial and office type uses. As part of the annexation consideration, a conceptual development plan for a regional commercial center with a maximum of 256,000 square feet of commercial space has been advanced by GRVP. Potential allowable uses for proposed Lot 3 are identified in Exhibit D.
5. Proposed Lot 4 (see Exhibit B) has a Commercial future land use designation as depicted on Exhibit C and contains an existing commercial mini-storage operation. Continuance of this mini-storage operation is specifically authorized under the initial PD, Planned Development zoning. Future uses are envisioned to include regional commercial and office type uses. Potential allowable uses for proposed Lot 4 are identified in Exhibit D.



6. Proposed Lot 5 (see Exhibit B) has a Commercial future land use designation as depicted on Exhibit C and is envisioned for future regional commercial and office type uses. Potential allowable uses for proposed Lot 5 are identified in Exhibit D.
7. No use of the overall Property (e.g. Lots 1-5) shall be made following annexation of the Property unless specifically allowed for and permitted under the City's building permit or excavation permit procedures, or allowed for in the zone district(s) enacted for the subject Property at the time of or following annexation.
8. The parties acknowledge that the Smart 160 trail is currently being designed within the proposed Parcel A (to be designated as open space and drainage and dedicated to the City upon completion of the Smart 160 trail design or upon development of Lot 3, whichever occurs first). Depending on the final alignment design of the Smart 160 trail, it may be necessary to adjust the actual boundaries of Parcel A, which could also result in storm water management and detention facilities being located within the final boundaries of Parcel A. Notwithstanding any other provision in this Agreement to the contrary, should the final designation of boundaries of Parcel A, resulting in part from the final alignment design of the Smart 160 trail, include property contained in proposed Lot 3, where storm water management and detention facilities are to be located, then the City agrees to allow GRVP to construct such storm water management and detention facilities within Parcel A and to consider entry into a maintenance agreement relative to such facilities that is similar to the maintenance agreement between the City and GRVP related to the Three Springs Southern Open Space storm water management and detention facilities.

F. Future Development Review

1. Any and all future development on the lots to be zoned PD, Planned Development (Proposed Lots 1 and 3-5) shall be in accordance with the City's Planned Development process, requiring detailed reviews and approvals before the Planning Commission and City Council at three (3) stages (conceptual, preliminary and final). Annexation shall be fully completed prior to finalization of any overall Planned Development.
2. As part of the annexation consideration, a conceptual development plan on proposed Lot 3 for a regional commercial center with a maximum of 256,000 square feet of commercial space has been advanced by GRVP and has received approval by the Planning Commission and City Council. Future development of Lot 3 that is consistent with the approved conceptual plan may proceed to the preliminary plan review stage. Any future development that is determined by the Director of Planning and Community Development to be substantially different than the approved conceptual plan shall require consideration of an amended conceptual plan by the Planning Commission and City Council.
3. All subsequent non-residential development on the Property shall, prior to issuance of a building permit, be in accordance with final site development plans, including architectural elevations, submitted to and approved by the City and shall be subject, as applicable, to review and approval by the City of Durango Design Review Board (DRB) for conformance with the City's adopted Commercial Use Design Guidelines. Planned Developments within the overall Crader property on Lots 1, 3, and 4 shall be designed and built in such a way as to reflect a common architectural and/or developmental design theme for each Lot, and compatibility and interconnectivity between lots.
4. Future use and development on proposed Lot 2 shall be consistent with uses identified under the R, Rural zoning designation and shall require the development reviews (site plan review, Special/Conditional Use Permit review, etc.) specified by the Land Use and Development Code for the specific use proposed.

G. Future Project Development



1. With the exception of proposed Lot 4 containing the existing mini-storage units, all future development on the proposed lots within the Crader Addition shall be accessed from the extended Wilson Gulch Drive at access points approved by the City's Director of Engineering as part of future development reviews/approvals. No future certificates of occupancy of structures constructed on the lots shall be issued until the construction of the Wilson Gulch Drive extension is completed. The parties shall cooperate and act in good faith to facilitate any concurrent construction within the lots and the completion of Wilson Gulch Drive so as to eliminate any unnecessary delays in the issuance of certificates of occupancy.
2. The parties to this Agreement acknowledge that, consistent with the Transportation Element of the Grandview Area Plan, the Wilson Gulch Drive extension road design plans will anticipate a point of access along Wilson Gulch Drive to High Llama Lane. Additionally, the parties intend that a signalized intersection shall be located on Wilson Gulch Drive along the southern boundary of Lot 1 and the northern boundary of Lot 3, at the approximate mid-point between the eastern and western property lines of the proposed Lot 1, which will facilitate the flow of commercial, vehicular traffic through those lots. Future development designs of the lots adjacent to this intersection should take this into consideration. The requirement for construction of High Llama Lane north of Wilson Gulch Drive to City street standards as part of any future development of the properties on either side of High Llama Lane will be determined through future development review processes.
3. The parties to this Agreement acknowledge that, consistent with the Transportation Element of the Grandview Area Plan, a network of public streets will be required within the annexed area. Construction of these public streets shall be a requirement of future developments. Except as provided below, no future subdivision of land within the proposed parcels of the Crader Subdivision shall be allowed unless and until a public street system has been advanced, approved and dedicated as part of any future subdivision. The parties acknowledge that Crader is in the process of entering into a boundary adjustment agreement that will result in the granting of two tracts comprising approximately 2.286 total acres of land to Southwest Colorado Mental Health Center Inc., which acreage is located along the southern portion of the eastern boundary of Lot 1, and, notwithstanding the foregoing, that transaction may proceed without the need for approval, dedication or construction of additional public streets, and shall not be considered to be a part of the Crader Subdivision as defined by this Agreement. The land use of these two tracts shall be a parking lot. This exception shall be referred to herein as the "Crader Adjustment," and a plat depicting the Crader Adjustment is attached hereto as Exhibit E.
4. The parties agree that, in order to modify existing drainage and run-off patterns to minimize the impact to proposed Lot 3 and to avoid additional drainage easements within proposed Lot 3, a drainage diversion swale as generally depicted on Exhibit H will need to be constructed within proposed Lot 1. The purpose of said swale is to capture run-off and drainage crossing proposed Lot 1 and to divert said drainage to the southwest corner of proposed Lot 1 to a point where it will be discharged onto the ROW for Wilson Gulch Road and into the existing drainage extending to the main Wilson Gulch drainage channel. The drainage diversion swale across proposed Lot 1 shall be constructed by the City as part of the construction contract for Wilson Gulch Road. An easement for ownership and on-going maintenance of this diversion swale shall be dedicated to the owners and future owners of proposed Lot 3 as part of the Crader Subdivision platting. The City agrees that the easement and the obligation to maintain the swale may be assigned to and assumed by a metropolitan district. At the expense of the developer of Lot 1, and upon agreement from all parties, said swale and easement may be relocated in the future based upon alternative drainage plans approved by the City as part of any future site specific development proposal for Lot 1.
5. Southwest Mental Health Center Inc., while not a party to this agreement, shall submit a site development plan for approval to the City of Durango prior to any construction activity on the Crader Adjustment parcels.



6. No future construction activity, other than that which may occur on the Crader Adjustment tracts, shall begin until the future developers receive approval of final site development plans. Rough grading of the site and a foundation only permit may be allowed once final site development plans have been approved, a Storm Water Quality Permit has been issued for the project and required financial security for public improvements is in place and accepted by the City.
7. Except as to the Crader Adjustment tracts, no building permit shall be issued or conveyance of title to any lot or tract shall be made until the Final Annexation Plat and the Final Plat of any subdivision are recorded in the offices of the La Plata County Clerk and Recorder; provided, however, Crader or GRVP shall be allowed to convey its entire interest in the Property, subject to all terms and conditions of this Annexation Agreement.
8. Except as to the Crader Adjustment tracts, no above ground construction shall occur until such time as the water system improvements are in place and accepted unless temporary fire protection measures are approved by the Fire Department.
9. Future developers shall be responsible for all requirements set forth in all applicable City, State, and Federal codes in effect at the time of construction.
10. All applicable City development fees (building/plumbing permit fees, utility/Plant Investment Fees, Major Street Impact Fees, etc.) shall be paid in accordance with adopted City fee schedules.

H. Future Subdivision

Except as to the Crader Adjustment tracts, future subdivision or resubdivision of land within the annexed area shall be pursuant to and in conformity with the City of Durango Land Use and Development Code and be subject to the review and approval of the Durango Planning Commission and Durango City Council. Following annexation, no resubdivision of any of the proposed 5 lots as initially subdivided shall occur until the PD conceptual development plans for the overall lot have been approved.

III. PUBLIC IMPROVEMENTS

A. Public Improvements to be Provided by Crader or GRVP

1. No public improvements shall be required in association with the annexation. The installation of required landscaping in the public ROW of Wilson Gulch Road within Tracts I and II from Wilson Gulch Road's western terminus to the Crader/Three Springs property line shall be a requirement of future property development. Landscaping improvements within the median of Wilson Gulch Road shall be a publicly funded improvement. Other future public improvements shall be required in association with any future development of the Property. All such future improvements to be provided shall be constructed or installed in accordance with final plans submitted by the future developer, to be approved by the City Engineer prior to start of construction.
2. Installation of required public improvements shall be assured through a Public Improvements Agreement (PIA) with adequate security (bond, letter of credit, etc.) provided in a form acceptable to the City.
3. Crader and GRVP anticipate requesting the City to approve the formation of one or more metropolitan districts or special governmental improvement districts pursuant to Titles 31 and 32, Colorado Revised Statutes, to assist in financing improvements and facilities and maintenance thereof as may be approved by the City Council. The City agrees to consider such requests in good faith and to not unreasonably withhold approval of the same.

B. Financing and Construction of the Wilson Gulch Drive Extension



1. Contemporaneously with the annexation of the Property, the City intends to set in place the financing needed for the City to proceed with construction of the following improvements: (a) an arterial road (as currently being designed by Goff Engineering) from the existing terminus of Wilson Gulch Drive at the west boundary of the Three Springs development west and across the Crader Property and connecting with the new CDOT Interchange; (b) an intersection (to be designed) accessing Lots 1 and 3; and (c) the addition of a second lane (and related approach expansion) to the existing CDOT interchange; provided, however, that it is agreed and understood that public funding for the improvements described herein shall not exceed a principal amount of six million dollars (\$6,000,000).
2. The financing and construction of the Wilson Gulch Drive Extension shall be in accordance with the description attached as Exhibit F.
3. In the context of the Financing Description, to be attached as Exhibit F, the parties shall consider the viability of a City development covenant preventing application within Lots 1 and 3-5 of any moratorium against or prohibition of large, regional retail establishments in the City, during the financing period.

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

CITY OF DURANGO

Ronald P. LeBlanc
Ronald P. LeBlanc, City Manager

5/8/12
Date

ATTEST

[Signature]

5/8/12
Date

CRADER

Rowean Crader
Rowean Crader, Individually and Representing
Crader Properties, LLC

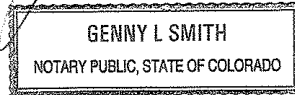
5/10/12
Date

CRADER ACKNOWLEDGMENT

Subscribed and sworn before me this 10th day of May, 2012, in the county of La Plata, State of Colorado by Rowean Crader.

[Signature]
Notary Public

My Commission expires: 7-24-13



GRVP, LLC

[Signature]
Gary Whalen
Authorized Representative

5/10/12
Date



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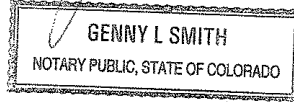
Tiffany Lee Parker
Laplata County Clerk

GRVP, LLC ACKNOWLEDGMENT

Subscribed and sworn before me this 10th day of May, 2012, in the county of La Plata, State of Colorado by Gary Whalen as Authorized Representative for GRVP, LLC.

Genny L Smith
Notary Public

My Commission expires: 7-24-13



- Exhibit A - Legal Description Annexation Area
- Exhibit B - General ROW Dedication and Resultant Initial Proposed Subdivision Lot Configuration
- Exhibit C - Crader Future Land Use Designations per Grandview Area plan
- Exhibit D - Allowable Land Uses in the Crader Annexation for Lots 1-5
- Exhibit E - Crader Adjustment Plat
- Exhibit F - Description for the Financing and Construction of the Extension of Wilson Gulch Drive
- Exhibit G - Crader Offer of Right-of-Way Dedication through proposed Lot 1
- Exhibit H - Drainage Diversion Swale



TRACT I:

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Tiffany Lee Parker
Laplata County Clerk

Township 34 North, Range 9 West, N.M.P.M., La Plata County, Colorado

Section 2: W1/2W1/2

Section 3: S1/2SE1/4

LESS AND EXCEPT the following described tracts of land:

1. Tract described in Quit Claim Deed recorded February 2, 1952 in Book 308 at Page 18.
2. Tract described in Quit Claim Deed recorded June 17, 1953 in Book 320 at Page 274
3. Tract described in Correction Bargain and Sale Deed recorded May 6, 2003 as Reception No. 856202.
4. Tract described in Warranty Deed recorded December 5, 2007 as Reception No. 968804.
5. Tract described in Warranty Deed recorded November 24, 2009 as Reception No. 1006589.
6. That tract of land described as Lot 1-R, Crader Boundary Adjustment, A Boundary Adjustment of Lot 1, Category 1, Project No. 87-39 Boundary Adjustment, Project No. 2008-0140 according to the plat thereof filed for record November 5, 2009 as Reception No. 1005776.
7. That tract of land described in Quit Claim Deed recorded March 7, 2011 as Reception No. 1027777.

TRACT II:

Lot 1-R, Crader Boundary Adjustment, A Boundary Adjustment of Lot 1, Category 1, Project No. 87-39 Boundary Adjustment, Project No. 2008-0140 according to the plat thereof filed for record November 5, 2009 as Reception No. 1005776.

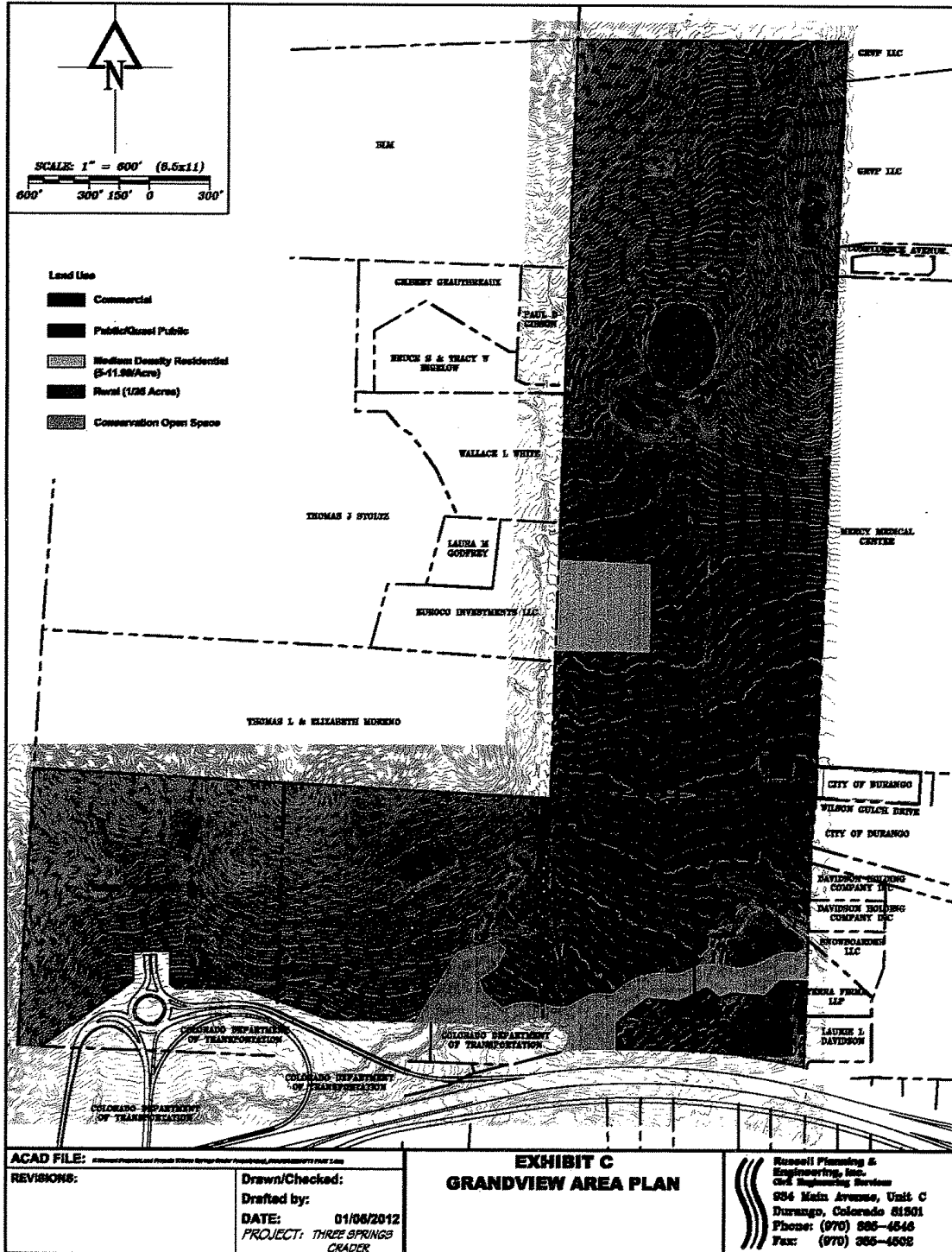
EXHIBIT A

<small>METHOD OF:</small>	AND INITIAL ZONING	
DATE: 01/06/2012		Durango, Colorado 81301
PROJECT: THREE SPRINGS CRADER		Phone: (970) 386-4544
		Fax: (970) 386-4502



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Tiffany Lee Parker
Laplata County Clerk





**Exhibit D – Allowable Uses
Crader Annexation Lots 1-5**

All Uses

All uses identified as allowed within the Rural (R) Zone District and the Planned Development (PD) Zone District set forth in the City of Durango's Land Use and Development Code, subject to the development and/or performance standards and permitting processes for the types of uses set forth.

Allowable Uses in the Crader Annexation Area for Lots 2, 3 and 4

Within a Planned Development:

Amusement Park, Driving Range, Health/Exercise Club, Indoor Commercial Amusement, Indoor Stadium/Area/Theatre, Night Club, Outdoor Recreation;

Extraction (oil and gas), Light Industry, Medical Marijuana Infused Products Manufacturer, Unattended Recycling Collection, Wholesale;

Electrical Substation, Lift Stations, Small Power Production Facility, Distribution Lines, Electrical Transmission Lines;

Broadcasting Center, Telecommunication Facilities, Wireless Communications Facilities;

Taxi or Bus Station, Truck Stop (L or C), Small Package Delivery, Parking Lot, Parking Structure, Self Storage (outside access – L), Self Storage (interior access – A), Warehousing Distribution (L); Community Garden, Feed and Seed Store, Packing: flowers, fruits, nuts, grains, veggies; Hostel, Hotel/Motel (tourist or business), Hotel/Motel (convention), Funeral Home, Place of Assembly, Post Office, Assisted Living/Congregate Care, Hospitals, Clinics, Medical Laboratories, Urgent Care, Medical Offices, Alcohol Beverage Sales – on premise consumption, Commercial Retail, Commercial Retails (late night, 24 hours); Kennels, Medical Marijuana Center, Mixed Use, Office General, Outdoor Retail (light), Outdoor Retail (heavy), Restaurants (all), Commercial Services, Personal Services, Sexually Oriented Retail Establishment, Veterinarian, Fueling or Recharging Station, Heavy Equipment Rental and Sales, Motor Vehicle Repairs and Service (all categories), Motor Vehicle Rental, Motor Vehicle Sales, RV and Boat Sales, Vehicle Wash;

Mixed Use (Residential and Commercial)



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Tiffany Lee Parker
Laplata County Clerk

Allowable Uses in the Crader Annexation Area for Lot 1

Within a Planned Development:

Amusement Park, Driving Range, Health/Exercise Club, Indoor Commercial Amusement, Indoor Stadium/Area/Theatre, Night Club, Outdoor Recreation; Extraction (oil and gas), Light Industry, Medical Marijuana Infused Products Manufacturer, Unattended Recycling Collection, Wholesale; Electrical Substation, Lift Stations, Small Power Production Facility, Distribution Lines, Electrical Transmission Lines; Broadcasting Center, Telecommunication Facilities, Wireless Communications Facilities; Taxi or Bus Station, Truck Stop (L or C), Small Package Delivery, Parking Lot, Parking Structure, Self Storage (outside access – L), Self Storage (interior access – A), Warehousing Distribution (L); Community Garden, Feed and Seed Store, Packing: flowers, fruits, nuts, grains, veggies; Hostel, Hotel/Motel (tourist or business), Hotel/Motel (convention), Funeral Home, Place of Assembly, Post Office, Assisted Living/Congregate Care, Hospitals, Clinics, Medical Laboratories, Urgent Care, Medical Offices, Alcohol Beverage Sales – on premise consumption, Commercial Retail, Commercial Retails (late night, 24 hours); Kennels, Medical Marijuana Center, Mixed Use, Office General, Outdoor Retail (light), Outdoor Retail (heavy), Restaurants (all), Commercial Services, Personal Services, Sexually Oriented Retail Establishment, Veterinarian, Fueling or Recharging Station, Heavy Equipment Rental and Sales, Motor Vehicle Repairs and Service (all categories), Motor Vehicle Rental, Motor Vehicle Sales, RV and Boat Sales, Vehicle Wash.

Mixed Use (Residential and Commercial)

Residential (Low and Medium Density)

Public/Quasi-Public Uses, including Churches/Places of Worship)

Allowable Uses in the Crader Annexation Area for Lot 2

All those uses allowed within the Rural (R) Zone District in the City of Durango's Land Use and Development Code, subject to the development and/or performance standards and permitting processes for the types of uses set forth in the Rural Zone District.



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 16 of 20 AGR RS106.00 D\$0.00

Tiffany Lee Parker
 Laplata County Clerk

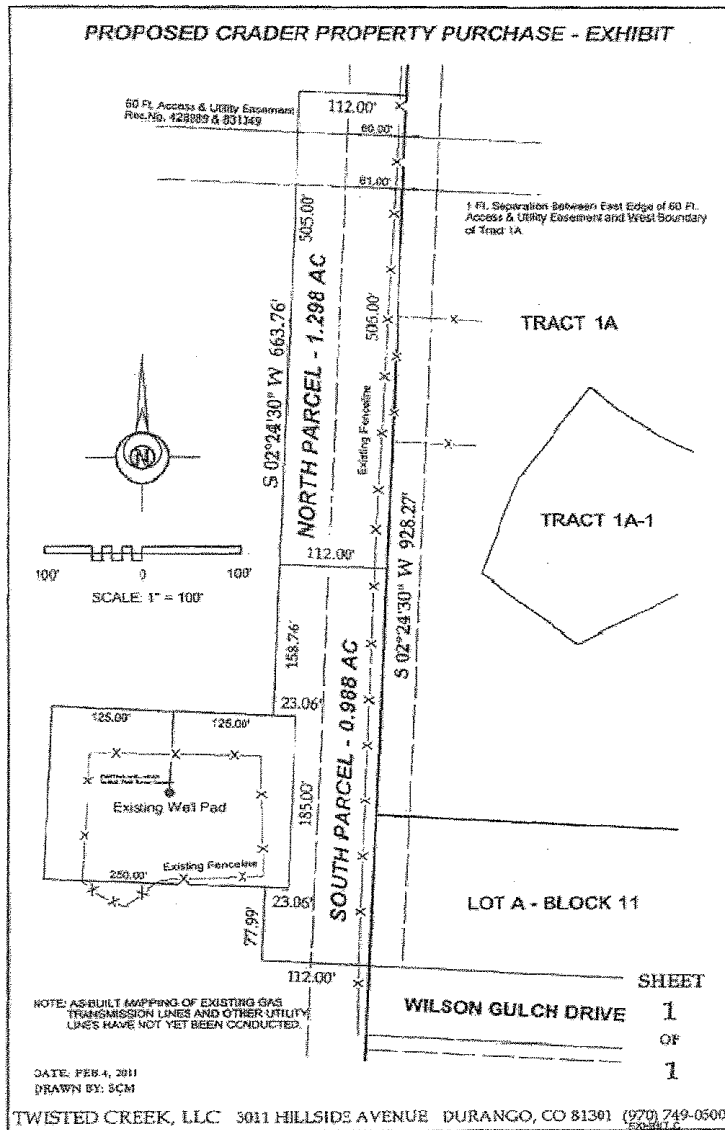


EXHIBIT E

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1046735
17 of 20 AGR

5/10/2012 1:15 PM
R\$106.00 D\$0.00

Tiffany Lee Parker
Laplata County Clerk

EXHIBIT F
DESCRIPTION OF FINANCING

The Wilson Gulch Road improvements will be financed by way of a lease purchase agreement financing which is described in more detail below. The City will sell or lease one or more City owned buildings (the "Property") to a private entity, such as a bank acting as a trustee or a non-profit corporation (the "Lessor"). The Lessor will lease the Property back to the City pursuant to a lease-purchase agreement (the "Lease"). The City's obligation to pay rent pursuant to the Lease will be subject to annual appropriation by the City Council. The Lessor will enter into a Mortgage and Indenture of Trust (the "Indenture") pursuant to which Certificates of Participation ("COPs") will be issued and sold to investors. The COPs are securities which will bear tax-exempt interest payable from the rental payments made by the City pursuant to the Lease. If the City makes all of the payments required by the Lease the Property will be transferred back to the City. If the City fails to appropriate amounts sufficient to make the annual rental payments or otherwise defaults under the Lease, the trustee appointed pursuant to the Indenture will foreclose on and take possession of the Property. The trustee will then attempt to sell or lease the property on behalf of the owner(s) of the COPs.

Prior to the issuance of the COPs, the City will provide the option to GRVP, LLC to purchase the COPs for purposes of accelerating the construction of the Wilson Gulch Road improvements. The exercise of this option will be contingent upon the ability of the City and GRVP to negotiate mutually acceptable repayment terms.

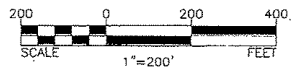
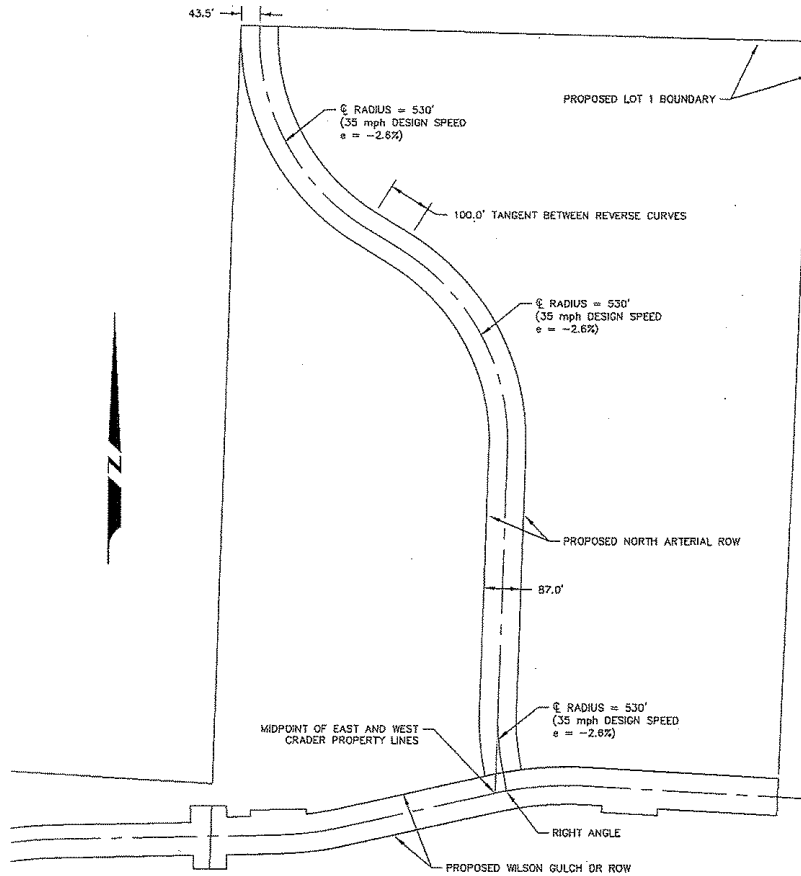
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Exhibit G



GOFF ENGINEERING
& SURVEYING, INC.
126 ROCK POINT
DRIVE SUITE A
P.O. BOX 97
DURANGO,
COLORADO 81302
(970) 247-1705
www.GoffEngineering.com

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18 of 20 AGR RS\$106.00 D\$0.00 Laplata County Clerk



NORTH ARTERIAL ROW 1.30.12



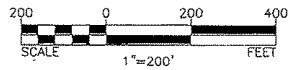
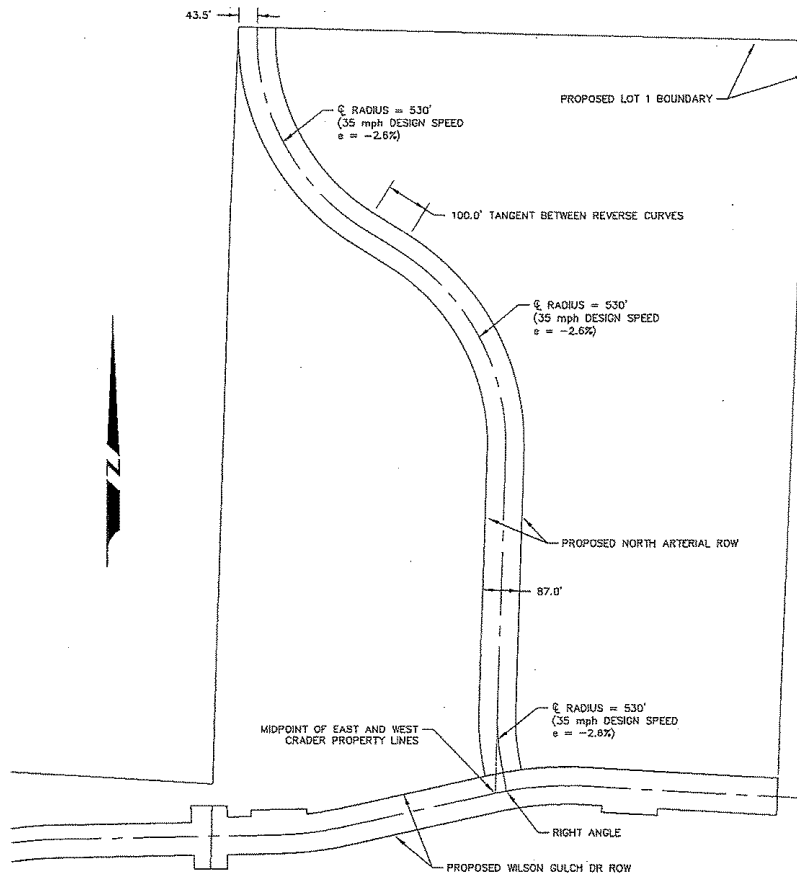
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19 of 20 AGR R\$106.00 D\$0.00

Tiffany Lee Parker
Laplata County Clerk

Exhibit G

GOFF
ENGINEERING + SURVEYING INC

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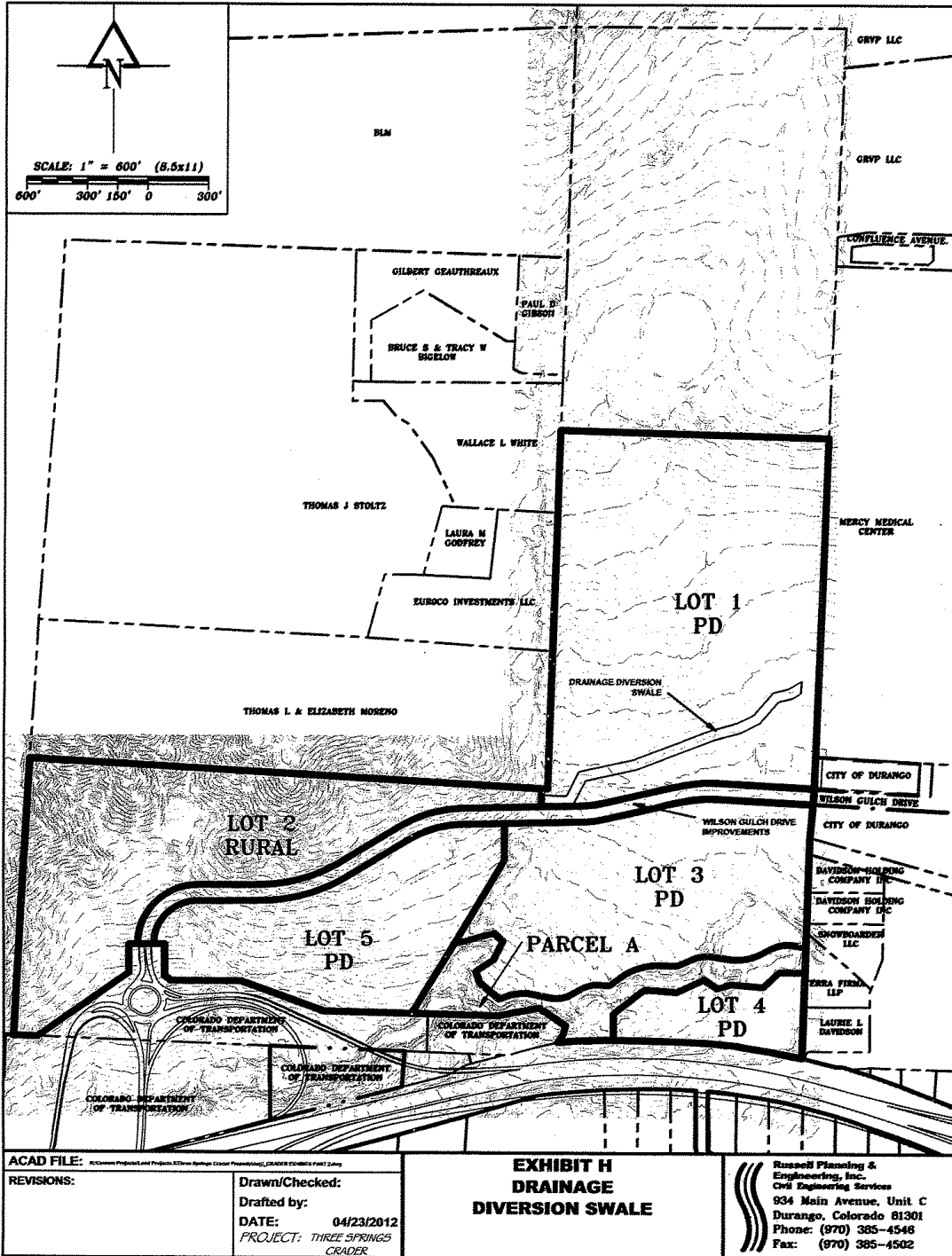


NORTH ARTERIAL ROW 1.30.12



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ACAD FILE:	REVISIONS:
Drawn/Checked:	DATE: 04/23/2012
Drafted by:	PROJECT: THREE SPRINGS GRADER

**EXHIBIT H
 DRAINAGE
 DIVERSION SWALE**

Russell Planning & Engineering, Inc.
 Civil Engineering Services
 934 Main Avenue, Unit C
 Durango, Colorado 81301
 Phone: (970) 385-4546
 Fax: (970) 385-4502