

SUPPLEMENT TO ANNEXATION AGREEMENT

This Supplement to Annexation Agreement (the "Agreement") is made and entered into as of the 14th day of September, 2010, by and between **THE CITY OF GUNNISON, COLORADO**, a Colorado home rule municipality (the "City"), and **GUNNISON VALLEY PARTNERS, LLC**, a Colorado limited liability company ("GVP").

WITNESSETH:

WHEREAS, GVP is the owner of that certain real property described in Exhibit A to this Agreement (the "Property") which was annexed to the City pursuant to the provisions of the Annexation Agreement dated December 3, 2009, and recorded in the real property records of the County of Gunnison, State of Colorado on February 24, 2010, at Reception No. 597048 (the "Annexation Agreement"); and

WHEREAS, the Property is subject to the provisions of the Annexation Agreement; and

WHEREAS, GVP desires to plat the Property and convey the Property to a third party prior to completion of all of the requirements of the Annexation Agreement that are required to be performed prior to any platting of the property subject to the Annexation Agreement; and

WHEREAS, the City is willing to permit GVP to convey the Property without such reports first being provided to and approved by the City only pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the premises and their mutual covenants and promises, the City and the GVP hereby agree as follows:

1. City hereby agrees that, notwithstanding any other provision of the Annexation Agreement to the contrary, GVP may convey the Property without the Annexor under the Annexation Agreement first preparing and obtaining City approval of the Storm Water Management Master Plan required under Section 11.8 of the Annexation Agreement, the water quality reports required under Section 15.2 of the Annexation Agreement, or the highway corridor access control plan for the Property required under Section 16.5 of the Annexation Agreement. GVP agrees to use its best efforts to initiate the preparation of all such plans and reports within thirty (30) days after funding of the escrow described in Paragraph 3 below. GVP agrees to have all such plans and reports completed within twelve months after funding of such escrow.

2. The Property may be conveyed by GVP as provided in Paragraph 1 above on the condition that the Property is conveyed subject to a restriction that no physical development or further subdivision of the Property may occur until such time as the reports and plans described in Paragraph 1 above have been completed and the owner of such parcel of land complies with all other applicable provisions of this Agreement, the Annexation Agreement and City Ordinances.

3. At the time of closing on the sale of the Property, GVP shall escrow the sum of \$265,303.50 from the proceeds of the sale for the purpose of paying the costs of the plans and reports described in Paragraph 1 above and reimbursing the City for third party costs mutually agreed upon by the City and GVP that are incurred by the City in connection with such plans and reports. Such funds shall be escrowed pursuant to an escrow agreement mutually approved by GVP and City. GVP further agrees to reimburse the City from the proceeds of the sale of the Property for expenses previously incurred by the City in connection with the annexation and zoning of the property which is subject to the Annexation Agreement in an amount equal to \$38,585.43.

4. GVP shall provide the City with a copy of the partial release of the deed of trust on approximately nine acres of land owned by GVP and intended to be conveyed to the State of Colorado Division of Wildlife (the "DOW") within thirty (30) days after closing on the sale of the

Property. GVP acknowledges that the land to be conveyed to the DOW must first be subdivided in accordance with the Annexation Agreement and applicable City Ordinances.

5. GVP acknowledges that preparation of the Georgia Avenue Master Plan as required under the Annexation Agreement will be required prior to any development of the Property that extends into Phase IV under the PUD (as defined in the Annexation Agreement).

6. GVP acknowledges that this Agreement does not waive any City ordinance requirements to subdivide the Property.

[Signatures on following pages]

S Dominguez Gunnison County, CO 6
10/07/2010 02:08 PM Pg: 2 of 5
023 R: \$31.00 D: \$0.00


IN WITNESS WHEREOF, the parties hereto have executed this Supplement to Annexation Agreement as of the day and year first above written.

GVP:

GUNNISON VALLEY PARTNERS, LLC, a
Colorado limited liability company

By: SCHUCK GUNNISON LLLP, A
Colorado limited liability limited partnership,
Its: Managing Member

By: Schuck Colorado, Ltd., a Colorado
Corporation, General Partner

By: William D. Schuck
Its: President

Address: 2 North Cascade Avenue, Suite 1280
Colorado Springs, CO 80903
Facsimile: 719-633-6258

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing Agreement was acknowledged before me this 20th day of SEPTEMBER, 2010, by William D. Schuck, as President of Schuck Colorado, Ltd., a Colorado corporation, General Partner of Schuck Gunnison LLLP, a Colorado limited liability limited partnership, Managing Member of **GUNNISON VALLEY PARTNERS, LLC**, a Colorado limited liability company.

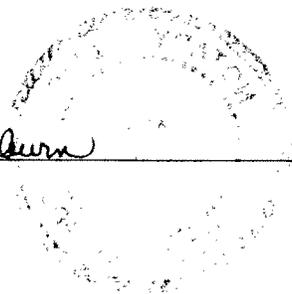
WITNESS my hand and official seal.

My commission expires: MARCH 17, 2014

LEIGH BLACKBURN
Notary Public
State of Colorado

My Commission Expires March 17, 2014

Leigh Blackburn
Notary Public



CITY:

CITY OF GUNNISON, COLORADO, a Colorado home rule
municipal corporation

ATTEST:

Gail A. Davidson
Gail A. Davidson, City Clerk

By: Stu Ferguson
Stu Ferguson, Mayor

Address: 201 West Virginia Avenue
Gunnison, CO 81230
Facsimile: 970-641-8051

APPROVED AS TO FORM:

GUNNISON CITY ATTORNEY'S OFFICE

By: Roderick C. Karchoch

STATE OF COLORADO)
) ss.
COUNTY OF GUNNISON)

The foregoing Agreement was acknowledged before me this 14th day of September, 2010, by
Stu Ferguson, as Mayor of the **CITY OF GUNNISON, COLORADO**, a municipal corporation, and attested to by
Gail A. Davidson, City Clerk.

WITNESS my hand and official seal.

My commission expires: 4-9-2014

Tara Kindall
Notary Public

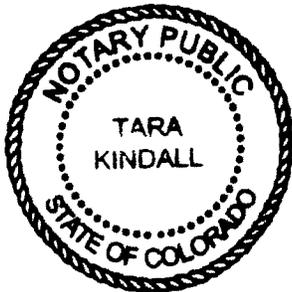




EXHIBIT A

PROPERTY DESCRIPTION

A PORTION OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 50 NORTH, RANGE 1 EAST OF THE NEW MEXICO PRINCIPAL MERIDIAN, GUNNISON COUNTY, COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SAID SOUTHWEST QUARTER OF SECTION 31 AT THE NORTH RIGHT OF WAY LINE OF US HIGHWAY NO. 50 DESCRIBED AT RECEPTION NO. 243917 OF THE RECORDS OF SAID COUNTY;
THENCE N00°25'34"E ON THE WEST LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1315.73 FEET TO A POINT ON A CURVE;
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 700.00 FEET AND A CENTRAL ANGLE OF 06°21'08". FOR AN ARC DISTANCE OF 77.60 FEET, THE CHORD OF SAID CURVE BEARS N73°37'34"E, A DISTANCE OF 77.56';
THENCE ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT, THE CENTER POINT OF SAID CURVE BEARING S19°20'19"E, HAVING A RADIUS OF 400.10 FEET AND A CENTRAL ANGLE OF 18°54'28", FOR AN ARC DISTANCE OF 132.03 FEET;
THENCE N89°34'14"E, A DISTANCE OF 174.08 FEET;
THENCE S89°30'16"E, A DISTANCE OF 110.16 FEET;
THENCE S84°51'22"E, A DISTANCE OF 70.23 FEET;
THENCE S72°41'49"E, A DISTANCE OF 47.30 FEET;
THENCE S36°55'57"E, A DISTANCE OF 55.14 FEET;
THENCE S49°48'20"E, A DISTANCE OF 18.13 FEET;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 200.00 FEET AND A CENTRAL ANGLE OF 37°19'04", FOR AN ARC DISTANCE OF 130.26 FEET;
THENCE S87°07'25"E, A DISTANCE OF 119.97 FEET;
THENCE ALONG THE ARC OF A CURVE TO THE LEFT, HAVING A RADIUS OF 1250.00 FEET AND A CENTRAL ANGLE OF 17°50'51", FOR AN ARC DISTANCE OF 389.37 FEET;
THENCE N75°01'45"E, A DISTANCE OF 118.51 FEET;
THENCE S00°03'06"W, A DISTANCE OF 458.91 FEET;
THENCE S52°14'56"E, A DISTANCE OF 281.07 FEET;
THENCE S00°12'52"E, A DISTANCE OF 668.34 FEET TO THE NORTH RIGHT-OF-WAY LINE OF US HIGHWAY NO. 50 DESCRIBED AT RECEPTION NO. 243917 OF THE RECORDS OF SAID COUNTY;
THENCE S89°52'37"W ON SAID NORTH RIGHT-OF-WAY, A DISTANCE OF 1623.32 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 45.309 ACRES OF LAND, MORE OR LESS.

EXCEPTING THEREFROM: THAT PORTION OF TRACT B, WILSON SUBDIVISION AS RECORDED AT RECEPTION NUMBER 459307 OF THE RECORDS OF SAID COUNTY, LYING EAST OF THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 31, THE NET AREA OF SAID TRACT OF LAND BEING 40.182 ACRES, MORE OR LESS.

THE FOREGOING DESCRIPTION IS BASED ON THE ANNEXATION PLAT OF THE TOMICHI CREEK CORRIDOR ANNEXATION PREPARED BY DEL-MONT CONSULTANTS, INC. RECORDED AT RECEPTION NO. 597050 OF THE RECORDS OF SAID COUNTY AND THE ZONING DESCRIPTIONS FILED WITH THE CITY OF GUNNISON. ALL BEARINGS REFERRED TO HEREIN ARE RELATIVE TO SAID ANNEXATION PLAT. THIS DESCRIPTION IS SUBJECT TO FINAL SURVEY.

Prepared July 1, 2010 for Gunnison Valley Partners, LLC
By: Dennis A. Minchow, Colorado PLS 22577
2 N. Cascade Ave., Suite 1280, Colorado Springs, CO 80903