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RECORDED IN JEFFERSON COUNTY, COLORADO

**DEVELOPMENT AGREEMENT
Arvada Ridge Lot 2**

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THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into and made between Arvada Ridge Market Place, LLC, a Colorado limited liability company, whose address is c/o Shea Properties, 9135 S. Ridgeline Blvd, Suite 100, Highlands Ranch, CO 80129, hereinafter referred to as "Developer", and the City of Arvada, a Colorado municipal corporation whose address is 8101 Ralston Road, Arvada, Colorado 80001, hereinafter referred to as the "City." This Agreement shall be effective following execution by the Developer and the City's Director of Community Development.

RECITALS AND REPRESENTATIONS:

WHEREAS, the Developer owns certain real property located in the east one-half of Section 16, Township 3 South, Range 69 West of the 6th Principal Meridian, County of Jefferson, State of Colorado, as more particularly described in Exhibit A attached to this Agreement and incorporated herein (the "Property").

WHEREAS, the Developer is planning the development of the Property, and the Developer's development and construction plans include the installation of sanitary sewer facilities, water line facilities, storm sewer facilities, irrigation ditch facilities and streets, and sidewalks as shown on City Job No. 3187.

WHEREAS, the Developer has submitted to the City a proposed final development plan for Lot 2 within the Property which includes a final site plan, final landscape plan, architectural elevations, and other supporting documentation for the development of Lot 2. These development plans, as approved by the City, are public records on file and available for review at the City of Arvada, Community Development Department, 8101 Ralston Road, Arvada, Colorado. These plans, as approved by the City, are incorporated into this Agreement for all purposes including illustration and interpretation of the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements of the parties, the approval by the City of the final development plan for Lot 2 within the Property, and other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged by the parties, the parties hereto agree as follows:

1. **RECORDATION.** The Developer shall pay all costs associated with recordation of this Agreement with the Clerk and Recorder of Jefferson County, Colorado.
2. **PUBLIC IMPROVEMENTS.** The Developer shall, at its own expense, design, furnish, construct, and install the public improvements in accordance with the plans and specifications approved by the Cities of Arvada and Wheat Ridge, Colorado (City Job No.

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3187).

3. PUBLIC UTILITY FEES. Developer shall pay all installation charges for lighting, electric and gas required by Xcel Energy in this development.

4. SUBDIVISION MONUMENTATION. In accordance with the applicable Colorado Revised Statutes, as amended, and in accordance with Section 7.7 of the City of Arvada Land Development Code, the Developer shall establish all subdivision monumentation and have the monumentation approved by the Engineering Division prior to issuance of any Certificate of Occupancy for any structure within the Property.

5. CONTRACTOR LICENSING. Before proceeding with any of the work contemplated herein, the Developer shall ensure that all contractors and/or subcontractors employed by the Developer shall be licensed by the City before the contractor and/or subcontractor may commence work on any improvements within the City.

6. DELAYS. The parties have executed this contract such that completion of the improvements shall be subject to strikes, accidents, acts of God, weather conditions which justify a delay in construction in light of standard practices in the building profession, inability to secure labor, fire regulations or restrictions imposed by any government or governmental agency, or other delay resulting from events which are beyond the control of the delaying party and which are agreed to by the parties as justifying delay, which agreement will not be unreasonably withheld.

7. STREET MAINTENANCE. The Developer agrees to maintain, in a reasonable, suitable and proper condition for travel, ingress, and egress, all streets located adjacent to the development until such time as the streets are completed and accepted for maintenance by the City of Wheat Ridge, or the City, as applicable. The Developer shall take all steps necessary to limit and prevent the accumulation of, and to remove accumulated mud, sediment, dirt, trash, and other debris that is "tracked," blown, or otherwise carried onto public property or off-site onto private property during development. Such obligation shall continue until all units and improvements within the Property are completed. If the Developer fails to remedy any conditions caused or generated by the development as contemplated by this paragraph within twenty-four hours of oral or written notice by the City, the Developer agrees to pay to the City any costs incurred by the City in remedying such conditions. Payment of such costs shall be made prior to the City's issuance of additional building permits or Certificates of Occupancy for all or any part of the development and the Developer understands and agrees that the City may revoke existing building permits until such time as costs incurred pursuant to this paragraph are paid in full.

Nothing herein will obligate the City to remedy such conditions or will limit the City in its selection of the method or manner of remedy, including but not limited to contracting with an individual or company to remedy such conditions.

8. PUBLIC IMPROVEMENT DEDICATION. All improvements constructed by the Developer in public rights-of-way, easements, streets or alleys of the City of Arvada or

the City of Wheat Ridge will become the property of the City in which the facility is located immediately upon acceptance of said improvements by the appropriate City and the Developer warrants said improvements for two years from the date of acceptance by the appropriate City. The City may request, and the Developer will provide at the Developer's cost, documentary evidence satisfactory to the City that any public rights-of-way, easements, or other property dedicated, conveyed, acquired, devised, or granted to the City is free and clear of encumbrances which, in the sole opinion of the City, defeat, limit, or impede the City's ability to use the public property as intended.

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9. PAYMENT OF FEES AND CHARGES. The Developer agrees to comply with all the ordinances, rules and regulations of the City, and the City of Wheat Ridge as applicable, and will pay all fees and other charges in a timely manner as required by the City, including but not limited to building permits, inspection fees, tap fees, drainage fees, imposed by the City by ordinance, rule, resolution, motion, or by the terms and conditions of this Agreement.

10. DISCONNECTION FROM THE CITY. The Developer agrees to prepare and assemble the required documentation for requesting the disconnection of Lot 8, Miller Street and Right-of-Way Parcels 1-4 as identified on the final plat of the Property, from the City, followed by a request to annex the parcels to the City of Wheat Ridge, prior to the issuance of a Certificate of Occupancy within the Property.

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11. INSTALLATION OF SIGNALIZATION. The Developer shall be responsible for the installation of traffic signals at the intersections of W. 51st Avenue and Kipling Street, at its sole cost, W. 50th Avenue and the entry into Lot 1, and for upgrading the traffic signal at W. 50th and Kipling Street prior to the issuance of a Certificate of Occupancy for any structure within the Property.

12. WATER LINES. In accordance with the utilities plan set forth in the construction documents referenced by City Job No. 3187, the Developer shall be responsible for the financing and construction of the on-site water distribution system necessary to serve the Property and as approved by Valley Water District.

13. SEWER LINES. In accordance with the utilities plan set forth in the construction documents referenced by City Job No. 3187, the Developer shall be responsible for the financing and construction of the on-site sewer system necessary to serve the Property and as approved by Clear Creek Sanitation District.

14. STORM SEWER AND DRAINAGE IMPROVEMENTS. The Developer shall be responsible for the design and construction of the Urban Drainage and Flood Control Columbine Master Plan drainage improvements across the site and downstream from Kipling Street to Pond 1. The Developer or Kipling Ridge Metropolitan District ("District") shall be responsible for the financing and construction of all said improvements prior to the issuance of a Certificate of Occupancy within the Property.

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The City agrees to contribute \$1,000,000.00 towards the cost of the downstream improvements. Alternative design solutions for the on-site and downstream facilities, which meet the intent and concept of the Columbine Basin Master Drainage Plan, may be submitted for review and approval by Urban Drainage and Flood Control District, the City, and the City of Wheat Ridge.

15. INSTALLATION OF PARKING AND ACCESS LANES. The Developer shall install all parking within, and all access lanes within, the approved final development plan for Lot 2 and to Lot 2 through the Property illustrated on the approved final development plan for Lot 1, regardless of whether or not the improvements are located within Lot 2, prior to the issuance of a Certificate of Occupancy. 4

16. INSTALLATION OF LANDSCAPING. The Developer shall install, at its sole expense, the landscaping as illustrated on the approved final landscape plan for Lot 2 of the Property, regardless of whether or not said landscaping lies within Lot 2, prior to issuance of a Certificate of Occupancy. The City, at its sole discretion, prior to the Developer's completion of the required landscaping, may issue a Certificate of Occupancy upon receipt of the deposit of funds in escrow in an amount of 150% of the estimated cost of providing landscaping in accordance with the approved final landscape plan. Such estimate shall be made by a landscape contractor acceptable to the City. The City, at its sole discretion and upon the City's rejection of an estimate provided by the Developer, may obtain an estimate of the costs of landscaping and such estimate shall be binding upon the Developer in determining the amount of funds to be escrowed for purposes of this paragraph. The City shall release its interest in the escrowed funds only upon completion of all landscaping obligations by the Developer; provided, however, as substantial portions of the landscaping obligations are completed, a portion of the escrowed funds attributable to the costs of the landscaping so completed shall be released to Developer. In the event that the Developer defaults upon its obligations as specified in this paragraph following the escrow of funds, the City may apply all funds toward the completion of the Developer's landscaping obligations upon completion of such obligations. For the purpose of applying such funds toward the completion of the Developer's landscaping obligations "completion" shall mean and include the cost of labor, materials, and contract management. The City shall refund all or part of the escrowed funds not applied to completion of landscaping required by the final landscape plan. The method and manner in which the City elects to undertake and complete the landscaping obligations of a defaulting Developer shall be within the sole discretion of the City; provided, however, that nothing herein shall obligate the City to install or complete the landscaping improvements and nothing herein shall prevent, prohibit, or limit the remedies available to the City to enforce the Developer's obligations under this paragraph.

17. INSTALLATION OF RETAINING WALLS, TEMPORARY AND PERMANENT FENCING. The Developer shall install the retaining walls within Tracts A and C of the Property as currently illustrated on the approved landscape plan prior to the issuance of a Certificate of Occupancy for any structure within the Property. The Developer shall be responsible for the completion of the Tract C design connection to Lot 9 at the time of PDP for Lot 9, and shall complete the construction of the Tract C improvements with the

development of Lot 9. The Developer further agrees to install temporary fencing at the top of the retaining wall within Tract C in conformance with the approved final development plan for Lot 1 prior to the issuance of a Certificate of Occupancy within the Property. The Developer shall replace the temporary fence with a permanent fence in conformance with the approved final development plan for Lot 1 prior to the issuance of a Certificate of Occupancy within Lot 9 of the Property.

18. EROSION CONTROL. The Developer shall meet all requirements and obligations imposed by the State of Colorado concerning management of stormwater and runoff, and in particular, shall comply with all State-imposed requirements associated with state permits issued or governing the stormwater detention ponds located within the Property. The Developer shall fully comply with the applicable sections of the City's Soil Erosion and Sediment Control Ordinance, sections 15-50 through and including 15-58 of the Arvada City Code, and in particular shall comply with section 15-54 pertaining to the use of reasonable practices to control soil erosion and sediment generated by the development of the Property. Compliance with the erosion control shall be a pre-condition of obtaining building permits or Certificates of Occupancy, as the case may be. The City may deny or revoke any permit issued to the Developer in the event of non-compliance with the State or City requirements. The Developer shall also follow any new standards that the City may adopt for erosion control due to drought conditions.

19. LANDSCAPING AND FENCING MAINTENANCE. The Developer or its heirs, successors, assigns, or transferees, including any homeowner's association created by the Developer, shall maintain into perpetuity all landscaping and fencing installed within the Property, that is required by the final landscape plan, regardless of whether the landscaping and fencing, as actually installed, fails to specifically conform to the requirements of the final landscape development plan and regardless of whether the Developer or the City installs the landscaping and fencing.

20. SUBMISSION OF A COMPREHENSIVE SIGN PROGRAM. The Developer acknowledges that the freestanding signage for Lot 2 shall be in conformance with comprehensive sign program for the Property, submitted and approved with the Lot 1 final development plan.

21. TRASH ENCLOSURE. The Developer shall install the trash enclosures in conformance with the final development plan for Lot 2 prior to the issuance of a Certificate of Occupancy within Lot 2.

22. SCREENING OF WALL MOUNTED AND ROOF MOUNTED MECHANICAL EQUIPMENT. The Developer shall screen all wall mounted and roof mounted mechanical equipment on a structure within Lot 2 in conformance with Section 6 of the City's Land Development Code prior to the issuance of a Certificate of Occupancy for a structure within Lot 2.

23. UNDERGROUNDING OF OVERHEAD LINES. The Developer shall be

responsible for the undergrounding of all electric and communication utility lines and services, and all street lighting circuits including the existing utility facilities and structures, which shall be removed or replaced; exempt from this requirement are the high power transmission lines. All overhead lines along existing Miller Street shall be undergrounded prior to the issuance of a Certificate of Occupancy within the Property. All overhead lines along Ridge Road shall be undergrounded prior to the issuance of a Certificate of Occupancy in Lot 9.

24. RECORDATION OF COVENANTS. The Developer shall record the covenants for the Property with the clerk and recorder for Jefferson County, Colorado. A recorded copy of the covenants must be provided to the City and reviewed by the City Attorney prior to the issuance of the first Certificate of Occupancy within the Property.

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25. HARD SURFACES. The Developer shall comply with "Interpretation of Hard Surface Areas," Arvada City Code, Sections 30-49(1).

26. WAIVER. No waiver of any breach or default under this Agreement shall be a waiver of any other or subsequent breach or default. No waiver of one or more of the terms of this Agreement shall constitute a waiver of other terms. No waiver of any provision of this Agreement in any instance shall constitute a waiver of such provision in other instances.

27. BINDING EFFECT. The provisions of this Agreement shall constitute covenants or servitudes which shall touch, attach to and run with the land comprising the Property. The burdens and benefits of this Agreement shall bind and inure to the benefit of all estates and interests in the Property and all successors in interest to the parties to this Agreement. In the event that all or part of the Property is sold, transferred, or otherwise conveyed to additional or multiple parties, Developer shall be released from its obligations as to the portions of the Property so sold and the purchasers of such portions of the Property shall be responsible for all terms, conditions and obligations set forth in this Agreement as it relates to their respective portions of the Property

28. NO THIRD PARTY BENEFICIARIES. Any person other than the City or the Developer receiving services or benefits under this Agreement shall be only an incidental beneficiary, and none of the terms, conditions or covenants in this Agreement shall give or allow any claim, benefit, or right of action by any third person not a party hereto.

29. GOVERNING LAW AND ENFORCEMENT. This Agreement shall be governed by the laws of the State of Colorado. If either party defaults under this Agreement, the non-defaulting party shall deliver written notice to the defaulting party of such default, at the address specified herein, and the defaulting party shall have twenty (20) days from and after receipt of such notice to cure such default. If such default is not of a type which can be cured within such twenty (20) day period and the defaulting party gives written notice to the non-defaulting party within such twenty (20) day period that it is actively and diligently pursuing such cure, the defaulting party shall have a reasonable

period of time given the nature of the default following the end of such twenty (20) day period to cure such default, provided that such defaulting party is at all times within such additional time period actively and diligently pursuing such cure. If any default under this Agreement is not cured as described above, the non-defaulting party shall have the right to enforce the defaulting party's obligations hereunder by an action at law or in equity, including injunction and/or specific performance, and shall be entitled to an award of any damages available at law, in equity, or pursuant to statute. In addition to any other available remedies, it is understood and agreed that the City may, prior to or during the pendency of any action it may bring to enforce this Agreement, withhold or revoke any permits or certificates, including but not limited to building permits and Certificates of Occupancy, for any lot within the Property in the event of a breach of this Agreement by the Developer.

30. **NOTICES.** Any notice or communication required under this Agreement between the City, and Developer must be in writing, and may be given either personally, by Federal Express or similar next day delivery service, or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar next day delivery service, a notice shall be deemed to have been given and received on the immediately following business day. If personally delivered, a notice shall be deemed to have been given and received when delivered to the party to whom it is addressed. Any party may change its address for notices by so notifying the other party in writing.

31. **ATTORNEY'S FEES.** The prevailing part in any legal proceeding brought to enforce rights hereunder shall recover from the other party its reasonable attorney's fees and costs incurred in the enforcement of the terms, conditions and obligations of this Agreement.

32. **FORM OF PAYMENT OF ALL FEES AND CHARGES.** The Developer's payment of fees and charges specified by this Agreement shall be made in the form of certified funds, cashier's check, or cash delivered to the City of Arvada, City Hall, 8101 Ralston Road, Arvada, Colorado 80001. The City shall not accept personal or business checks or drafts not certified by a financial institution as payable.

33. **INSPECTIONS.** The City hereby agrees to inspect the development work and construction performed by the Developer and falling under the City's jurisdiction hereunder expeditiously upon written notification by Developer that such work has been completed.

34. **PARAGRAPH CAPTIONS.** The captions of the paragraphs are set forth only

for the convenience and reference of the parties and are not intended in any way to define, limit or describe the scope or intent of this Agreement.

35. INTEGRATION AND AMENDMENT. This Agreement represents the entire agreement between the parties and there are no oral or collateral agreements or understandings. No representations, warranties or certifications, express or implied, shall exist as between the parties, except as specifically stated in this Agreement. This Agreement may be amended only by an instrument in writing signed by the parties.

36. ASSIGNMENT. All or part of the obligations or responsibilities set forth in this Agreement shall not be assigned by the Developer without the express written consent of the City, except in connection with a sale of all or any portion of the Property as contemplated in paragraph 27. 8

37. SEVERABILITY. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

38. INCORPORATION OF EXHIBITS. Unless otherwise stated in this Agreement, exhibits referenced in this Agreement shall be incorporated into this Agreement for all purposes.

39. REVIEW OF REFERENCED DOCUMENTS. The Developer hereby acknowledges that the public documents referenced in this Agreement, including but not limited to the Arvada City Code, Land Development Code, and Engineering Specifications, were prior to the execution of this Agreement and are presently available for review and inspection at the Arvada City Hall, Engineering Department, 8101 Ralston Road, Arvada, Colorado, from 8:00 a.m. through 5:00 p.m., Monday through Friday.

40. AUTHORIZATION. The signatories to this Agreement affirm and warrant that they are fully authorized to enter into and execute this Agreement, and all necessary actions, notices, meetings and/or hearings pursuant to any law required to authorize their execution of this Agreement have been made.

41. FURTHER ASSURANCES. Each party shall execute and deliver to the other all such other further instruments, documents, resolutions or ordinances as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges under this Agreement.

42. EXPENSES. Except as otherwise provided in this Agreement, Developer and the City shall each bear their respective costs and expenses associated with entering into, implementing and enforcing the terms of this Agreement.

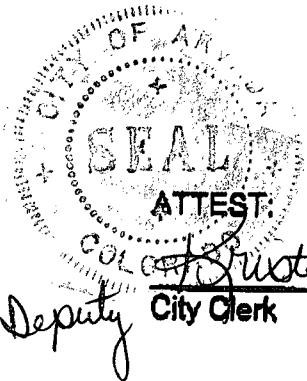
DATED THIS 17 DAY OF March, 2005.

CITY OF ARVADA, a municipal corporation

Michael Smith

for D. Michael Elms
Community Development Director
8101 Ralston Road
Arvada, Colorado 80001-8101

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ATTEST:

Gruden R. Lusk
Deputy City Clerk

APPROVED AS TO FORM:

for Christopher K. Daly
Christopher K. Daly, City Attorney

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Exhibit A
Arvada Ridge Subdivision

A PARCEL OF LAND SITUATED IN THE EAST HALF OF SECTION 16, TOWNSHIP 3 SOUTH, RANGE 69 WEST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF ARVADA, COUNTY OF JEFFERSON, STATE OF COLORADO MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PART OF THE E1/2 OF THE E1/2 OF SECTION 16, TOWNSHIP 3 SOUTH, RANGE 69 WEST OF THE 6TH P.M., CITY OF ARVADA, COUNTY OF JEFFERSON, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE SE1/4 OF THE SE1/4 OF SAID SECTION 16; THENCE N 89°30'14" E ALONG THE NORTH LINE OF SAID SE1/4 OF THE SE1/4 AND NORTH LINE OF THAT CERTAIN LAND AS DESCRIBED UNDER RECEPTION NO. 78012599, JEFFERSON COUNTY RECORDS, A DISTANCE OF 180.00 FEET TO THE NORTHEAST CORNER OF SAID RECEPTION NO. 78012599 AND THE NORTHWEST CORNER OF THAT CERTAIN LAND AS DESCRIBED IN BOOK 818 AT PAGE 172, JEFFERSON COUNTY RECORDS; THENCE ALONG THE COMMON LINES OF SAID RECEPTION NO. 78012599 AND BOOK 818 AT PAGE 172 THE FOLLOWING TWO (2) COURSES:

- (1) S 00°12'54" E A DISTANCE OF 200.00 FEET;
- (2) S 89°30'14" W A DISTANCE OF 150.00 FEET TO THE EAST RIGHT-OF-WAY LINE OF MILLER STREET, SAID LINE BEING 30.00 FEET EAST OF THE WEST LINE OF THE SE1/4, SE1/4 OF SAID SECTION 16;

THENCE S 00°12'54" E, PARALLEL WITH SAID WEST LINE OF THE SE1/4, SE1/4, AND ALONG THE WEST LINE OF SAID BOOK 818 AT PAGE 172 A DISTANCE OF 145.00 FEET TO THE NORTHWESTERLY LINE OF THE PUBLIC SERVICE COMPANY EASEMENT, AS DESCRIBED IN COLORADO STATE BOARD OF LAND COMMISSIONERS BOOK 10, R.O.W. NO. 1049; THENCE N 73°52'36" E ALONG SAID NORTHWESTERLY LINE A DISTANCE OF 1302.94 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF KIPLING PARKWAY, AS DESCRIBED IN COLORADO STATE BOARD OF LAND COMMISSIONERS BOOK 25, R.O.W. NO. 2563, AND RECORDED IN JEFFERSON COUNTY UNDER RECEPTION NO. 84089026; THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING FOUR (4) COURSES:

- (1) N 03°54'45" E A DISTANCE OF 177.80 FEET;
- (2) N 00°14'00" W A DISTANCE OF 212.00 FEET;
- (3) ALONG A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 05°52'22", A RADIUS OF 3859.70 FEET, AN ARC LENGTH OF 395.20 FEET, THE CHORD OF WHICH BEARS N 02°42'00" E, 395.00 FEET;

(4) N 05°38'00" E A DISTANCE OF 139.70 FEET TO THE EAST LINE OF THE SE1/4 OF SAID SECTION 16;

THENCE N 00°12'10" W ALONG SAID EAST LINE AND WESTERLY RIGHT-OF-WAY LINE OF KIPLING PARKWAY A DISTANCE OF 101.04 FEET; THENCE ALONG THE WESTERLY RIGHT-OF-WAY LINE OF KIPLING PARKWAY, AS DESCRIBED IN COLORADO STATE BOARD OF LAND COMMISSIONERS BOOK 25, R.O.W. NO. 2550, AND RECORDED IN JEFFERSON COUNTY UNDER RECEPTION NO. 84075705 THE FOLLOWING FOUR (4) COURSES:

- (1) N 85°15'17" W A DISTANCE OF 22.40 FEET;
- (2) N 00°03'43" E A DISTANCE OF 361.20 FEET;
- (3) N 88°54'47" W A DISTANCE OF 10.00 FEET;
- (4) N 01°05'13" E A DISTANCE OF 530.40 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN RAILROAD (COLORADO & SOUTHERN), AS DESCRIBED IN COLORADO STATE BOARD OF LAND COMMISSIONERS R.O.W. NO. 1062;

THENCE ALONG SAID SOUTHERLY RAILROAD RIGHT-OF-WAY THE FOLLOWING TWO COURSES:

- (1) SOUTHWESTERLY ALONG A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 03°08'04", A RADIUS OF 3225.00 FEET, AN ARC LENGTH OF 176.44 FEET, THE CHORD OF WHICH BEARS S 75°30'05" W, 176.41 FEET TO A POINT OF TANGENT
- (2) S 74°38'30" W ALONG SAID SOUTHERLY RAILROAD RIGHT-OF-WAY LINE A DISTANCE OF 1181.66 FEET TO THE WEST LINE OF THE SE1/4, NE1/4 OF SAID SECTION 16;

THENCE S 00°12'47" E ALONG SAID WEST LINE OF SAID SE1/4, NE1/4 A DISTANCE OF 260.14 FEET TO THE SOUTHWEST CORNER OF THE SE1/4 OF THE NE1/4 OF SAID SECTION 16; THENCE S 00°12'54" E ALONG THE WEST LINE OF THE NE1/4, SE1/4 A DISTANCE OF 1317.39 FEET TO THE POINT OF BEGINNING.

THE ABOVE PARCEL CONTAINS 56.65 ACRES, MORE OR LESS.

NOTE: THE BURLINGTON NORTHERN RAILROAD, REFERENCED IN THE LEGAL DESCRIPTION ABOVE, IS NOW KNOWN AS THE BURLINGTON NORTHERN-SANTA FE RAILROAD, AND WAS FORMERLY KNOWN AS THE COLORADO AND SOUTHERN RAILWAY.

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