

February 26th, 2019

VIA ELECTRONIC AND UNITED STATES MAIL

Town of Crested Butte
c/o Dara MacDonald, Town Manager
Post Office Box 39
Crested Butte, Colorado 81224
dmacdonald@crestedbutte-co.gov

Re: Authorization Letter Agreement for the Town of Crested Butte (the “Town”) to Complete and Submit a Formal Annexation Petition Pursuant to Section 15-1-60 of the Town Code on behalf of Cypress Foothills, LP (“Cypress”) (the “Formal Annexation Petition Authorization Letter”)

Dear Ms. MacDonald,

As you know, Cypress and the Town entered into that certain Pre-Annexation Agreement, dated February 16th, 2016, and recorded in the Office of the Gunnison County Clerk and Recorder at Reception Number 638399. This Pre-Annexation Agreement was subsequently amended twice: first, in the Amendment to Pre-Annexation Agreement dated December 7th, 2016, and recorded in the Office of the Gunnison County Clerk and Recorder at Reception Number 643828; and second, in the Second Amendment to Pre-Annexation Agreement, dated September 7th, 2018, and recorded in the Office of the Gunnison County Clerk and Recorder at Reception Number 656557. The Pre-Annexation Agreement, as amended, is referred to herein as the “Agreement.”

The Agreement contemplated the development of certain property owned by Cypress adjacent to the Town’s public works yard. The Property is bisected by the Slate River, and has been divided into a West Parcel and an East Parcel.¹ The East Parcel was developed through the County. The Agreement contemplates the annexation of the West Parcel into the Town of Crested Butte. The West Parcel is legally described on **Exhibit A** hereto.

With respect to the annexation of the West Parcel, the Agreement specifically provides in paragraph 6.4.1 that:

Following the Requisite Approval from the County, Applicant shall file an annexation petition pursuant to Chapter 15 of the Town Code seeking to annex the West Parcel. The Town shall, as soon as practicable, initiate and process to completion the master planning, annexation, zoning and subdivision processes for the West Parcel consistent with this Agreement. The Town shall consult with Applicant, and Applicant shall cooperate with, the Town’s planning, annexation, zoning and subdivision of the West Parcel, including but not limited to providing the Town all engineering, surveys, and other non-privileged materials related to the Subject

¹ Capitalized terms used herein and not otherwise defined shall have the same meaning as in the Agreement.

Property already in Applicant's possession, custody, or control. However, except as otherwise set forth herein, the completion of these processes for the West Parcel shall be the primary responsibility of, and at the sole cost and expense of, the Town, and all costs to Applicant shall be waived.

Agreement, at ¶ 6.4.1.

Cypress has provided the Town with all engineering, surveys, and other non-privileged materials related to the Subject Property already in Applicant's possession, custody, or control.

Pursuant to a prior authorization letter provided by Cypress to the Town, the Town completed and submitted a concept annexation request on Cypress's behalf pursuant to section 15-1-50 of the Town Code. The Town Council approved this concept annexation request at its January 22nd, 2018 meeting, thereby authorizing the filing of a formal annexation petition.

Since the annexation of the West Parcel and activities related thereto are the primary responsibility of, and at the sole cost and expense of, the Town, the purpose of this Formal Annexation Petition Authorization Letter is to allow the Town to initiate and prosecute to completion the formal annexation process on Cypress's behalf, in order to minimize costs and expense of third-party consultants, for which the Town is financially responsibility under paragraph 6.4.1 of the Agreement.

However, section 31-12-107 of the Colorado Revised Statutes and section 30(1)(b) of article II of the state constitution require Cypress, as the owner of the West Parcel, to actually sign the formal annexation petition. Cypress agrees to sign the formal annexation petition subject to the following conditions:

1. Cypress is given a reasonable opportunity to review and approve the formal annexation petition before signing it.
2. The formal annexation petition shall be consistent with the Agreement.
3. The formal annexation petition shall incorporate, and request approval of, the lot configurations for the six residential lots to be retained by Cypress on the West Parcel as shown on **Exhibit B** hereto (the "Residential Lots").
4. The Residential Lots are unique and located adjacent to wetlands. As such, the subdivision of the Residential Lots cannot be done consistent with any of the Town's existing zoning districts. Applicant and the Town desire to allow for the subdivision of the Residential Lots in a manner that minimizes impacts on wetlands and maximizes the

area and dimensions of the building envelopes on the six lots, as well as the design flexibility of the lot layouts, while maintaining FAR limits consistent with the existing R1D zoning district within Town. Accordingly, the formal annexation petition shall request that the Town create, and the Town shall use its best efforts to create, a new residential zoning district for the Residential Lots in order to achieve the foregoing goals.

5. Pursuant to paragraph 6.2 of the Agreement, “[n]o activities related to the West Parcel, including but not limited to its planning, annexation, zoning, subdivision and development shall delay Applicant’s construction of road and utility infrastructure (including but not limited to the construction of [Pyramid Avenue]) necessary to sell residential lots approved by the County on the East Parcel”
6. Similarly, paragraph 6.4.1.6.A of the Agreement, provides that the “Landscape Maintenance Agreement is the only remaining condition precedent to [Cypress]’s right to commence construction on the River Trail and the landscaping and fencing associated therewith.” Cypress and the Town entered into the Landscape Maintenance Agreement (formally the “Landscape Maintenance, License, and Easement Agreement) on November 1st, 2018, which agreement is recorded in the Office of the Gunnison County Clerk and Recorder at Reception Number 657206. Consequently, Cypress is now entitled to commence construction on the River Trail and landscaping and fencing associated therewith without any additional conditions or requirements, provided such construction is consistent with the Town’s construction season limitations.

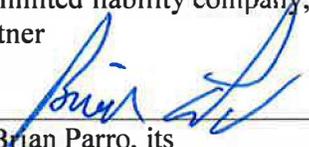
Subject to compliance with the foregoing conditions, this Formal Annexation Petition Authorization Letter extends to those steps necessary for the Town, on Cypress’s behalf, to initiate and prosecute to completion the formal annexation petition pursuant to and in accordance with sections 15-1-60, 15-1-70, and 15-1-80 of the Town Code. A signed General Development Application Form is attached hereto as **Exhibit C**.

Finally, Cypress and the Town recognize, as reflected in paragraph 6.4.1.7 of the Agreement that the annexation and development of the West Parcel is unique and is unlikely to fit neatly into each and every one of the more formulaic requirements of the Town’s annexation and subdivision provisions. The Town Code affords the Town Council the flexibility necessary to annex and develop the West Parcel consistent with this Agreement and in the best interest of the Town’s citizens. *See, e.g.*, § 15-1-60(a)(10) & (b)(2)(d); § 15-1-70(a)(3) & (b)(1); § 15-1-80(b)(7) & (b)(14).

February 26th, 2019
Dara MacDonald
Formal Annexation Petition Authorization Letter
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CYPRESS FOOTHILLS, LP,
a Texas limited partnership

By: CYPRESS FOOTHILLS, GP, LLC,
a Delaware limited liability company, its
General Partner

By: 
Brian Parro, its
Chief Financial Officer
and Vice President

Acknowledged, agreed, and accepted by:

TOWN OF CRESTED BUTTE, a Colorado home rule municipal corporation

By:

Dara MacDonald, Town Manager

ATTEST:

Town Clerk

Exhibits (3)

EXHIBIT A

Legal Description (West Parcel):

A portion of a parcel of land known as Tract Q of Book 516 Page 474, Parcel 13 of Book 552 Page 63, Parcel 1 of Warranty Deed recorded at Reception No. 570819, Parcel 1 of Quitclaim Deed recorded at Reception No.570822, Parcel 1 of the Correction Warranty Deed recorded at Reception No.584439, Parcel 1 of the Special Warranty Deed recorded at Reception No.612899, and the Correction Deed recorded at Reception No.618498 all located in the SW 1/4 of Section 35, Township 13 South, Range 86 W of the Sixth PM, Gunnison County, Colorado being more particularly described as follows:

Beginning at a point on the westerly boundary of Trampe Parcel described in Book 516 Page 494 also being on the easterly right of way line of County Road 317 (Gothic Road) as recorded at Reception No. 00119 and being on the south line of the SW1/4 of said Section 35 from which the southwest Corner of said Section 35 bears N89°43'49"W a distance of 130.05 feet; thence S89°43'49"E a distance of 17.52 feet to a point on the westerly line of the Dyer Subdivision as recorded at Reception No.497990; thence along the westerly, northerly and easterly lines of said Dyer Subdivision the following six (6) courses:

- 1) N00°01'42"W a distance of 15.19 feet,
- 2) N89°58'18"E a distance of 495.36 feet,
- 3) N00°01'42"W a distance of 226.55 feet,
- 4) N61°00'00"E a distance of 620.66 feet,
- 5) S79°30'09"E a distance of 381.57 feet,
- 6) N61°00'00"E approximately 31.96 feet to the high water line of the Slate River; thence more or less along the wetland boundary on the southerly bank of the Slate River the following six (6) courses:

- 1) N66°34'01"W a distance of 53.68 feet,
- 2) N42°06'22"W a distance of 87.35 feet,
- 3) N52°37'46"W a distance of 40.69 feet,
- 4) N39°16'35"W a distance of 115.15 feet,
- 5) N32°48'09"W a distance of 178.03 feet,
- 6) N20°36'39"W a distance of 77.30' to a point on the northerly line of the Trampe Partition Parcel 13 and the southerly line of Spann Parcel 22 as described in Court Decree Amended Order of Partition as recorded in Book 552 at Page 63; thence along the northerly line of said Parcel 13 N90°00'00"W a distance of 547.26 feet to a point on the easterly right of way line of County Road 317 (Gothic Road); thence along said easterly right of way line as described in deeds recorded at Reception No.474960 and 474961 the following five (5) courses:

- 1) S46°12'21"W a distance of 116.48 feet,
- 2) S35°50'27"W a distance of 185.49 feet,
- 3) S35°50'28"W a distance of 88.19 feet,
- 4) S40°05'13"W a distance of 207.37 feet,

5) S39°55'42"W a distance of 238.91 feet; thence continuing along the easterly line of said right of way and westerly line of said Trampe Partition Parcel 13, 155.77 feet along the arc of a non-tangent curve to the left having a radius of 441.28 feet, a central angle of 20°13'30" and a long chord which bears S16°19'42"W a distance of 154.96 feet to a point which is common to the southwest corner of a parcel of land described in Book 518 at Page 403; thence S00°00'04"W continuing along the easterly right of way of said County Road 317 as recorded at Reception No.00119 and in accordance with Court Decree (Judgment) recorded in Book 516 at Page 494, a distance of 117.72 feet to the Point of Beginning.

Said Parcel as described above contains 14.157 acres, more or less.

All bearings shown hereon are relative to a bearing of N89°43'49"W between a GLO brass cap dated 1939 found at the southwest corner of Section 35 and a 3 ¼ inch aluminum cap stamped 18480 and dated 1995 found at the south quarter corner of Section 35.



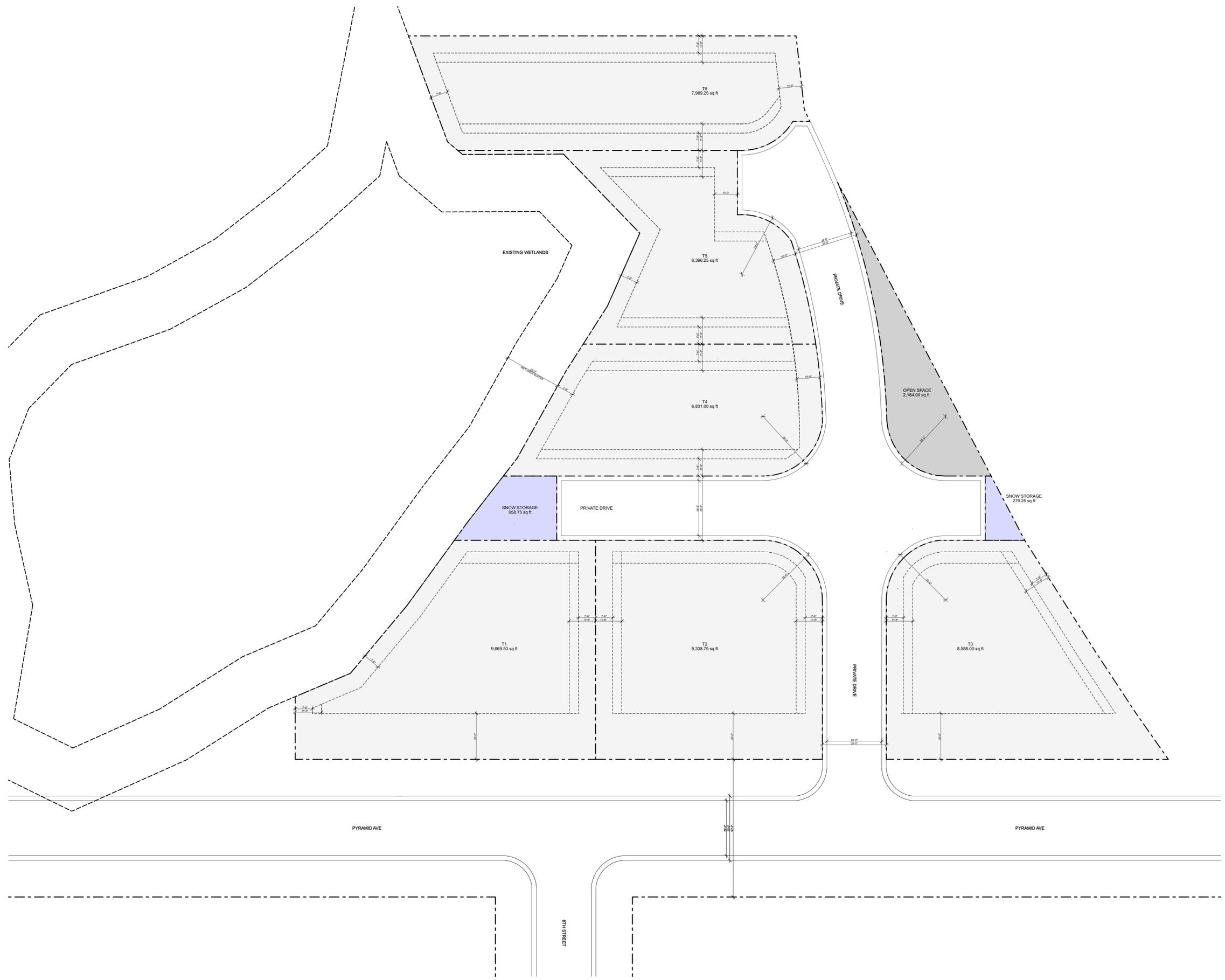
Aspen:
715 West Main Street, #204
Aspen, Colorado 81611

Basalt:
104 Midland Ave, #202
Basalt, CO 81612

forumphi.com
p: 970.279.4157
f: 866.770.5585

TOWNSITE LAYOUT
Crested Butte CO

DATE OF PUBLICATION	1/21/19
PROJECT NO:	1813.00
DRAWN BY:	IS
COPYRIGHT	FORUM PHI LLC



PROPOSED SITE PLAN OPTION A
SCALE: 1" = 20'





GENERAL DEVELOPMENT APPLICATION

PO Box 39
Crested Butte, CO 81224
Phone: 970-349-5338
Email: myerman@crestedbutte-co.gov

1. TYPE OF APPLICATION (Check-off as appropriate)

- Concept Annexation
- Formal Annexation Petition Review
- Sketch Plan
- Preliminary Plan
- Final Subdivision Plan Review
- Water/Waste Water Outside Town Boundary Connection
- Watershed Permit
- Other: _____

2. GENERAL DATA (To be completed by the applicant)

A. Applicant Information

Name of Applicant: Cypress Foothills, LP, Attention: Cameron Aderhold
8343 Douglas Avenue, Suite 200, Dallas, Texas 75225

Mailing Address: _____

Telephone Number: 214-561-8877 FAX: 214-283-1600

Email Address: cameron.aderhold@cypressequities.com

Power of Attorney/ Authorized Representative: Letter Enclosed
 (Provide a letter authorizing agent to represent you, include representative's name, street and mailing address, telephone number, and FAX)

B. Site Data

Name of Development: West Remainder Parcel, Aperture, According To The Plat Thereof Recorded August 1, 2017 Under Reception Number 648057, TBD Title Commitment Enclosed

Street Address: TBD, Crested Butte, CO 81224

Legal Description: Lot N/A Block N/A Subdivision See above (attach description)

Disclosure of Ownership: List all owners' names, mortgages, liens, easements, judgments, contracts and agreements that run with the land. (May be in the form of a current certificate from a title insurance company, deed, ownership and encumbrance report, attorney's opinion, or other documentation acceptable to the Town Attorney)

I certify that I have read the application form and that the information and exhibits herewith submitted are true and correct to the best of my knowledge.

Signature of applicant/agent [Signature] Date 2/26/2019

Signature of property owner By: Brian L. Barr, CFO Date 2/26/2019

Town of Crested Butte
Attn. Dara MacDonald
P.O. Box 39
Crested Butte, CO 81224

Re: Authorization of Cypress Foothills, LP, a Texas limited partnership, for Law of the Rockies, LLC, Schmueser Gordon Meyer, Inc., and Cameron Aderhold, To Act On Its Behalf With Respect To The Formal Request To Annex The West Parcel

To whom it may concern:

Please be advised that Cypress Foothills, LP, a Texas limited partnership ("Cypress") hereby authorizes: (1) Law of the Rockies, LLC, including but not limited to attorney Marcus J. Lock; (2) Schmueser Gordon Meyer, Inc., including but not limited to engineer Tyler Harpel; and (3) Cameron Aderhold to act on its behalf with respect to its formal application and request to annex the West Parcel into with the Town of Crested Butte, Colorado.

Mr. Lock shall act as the primary contact and representative of Cypress with respect to said request and application. His contact information is:

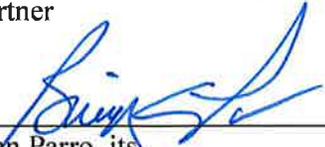
Marcus J. Lock
Law of the Rockies
525 North Main Street
Gunnison, Colorado 81230
Tel: 970-641-1903, ext. 2
Fax: 970-641-1943
mlock@lawoftherockies.com

Cypress hereby consents to the submittal of such application and request by the above designated representatives for the West Parcel, which is more particularly described on **Exhibit A** hereto.

Sincerely,

CYPRESS FOOTHILLS, L.P.,
a Texas limited partnership

By: CYPRESS FOOTHILLS, GP, LLC,
a Delaware limited liability company, its
General Partner

By: 

Brian Parro, its
Chief Financial Officer and Vice President

STATE OF TEXAS)
)ss.
COUNTY OF DALLAS)

The foregoing letter was acknowledged before me this 26th day of February 2019, by Brian Parro, as Chief Financial Officer and Vice President of Cypress Foothills GP, LLC which is the General Partner of Cypress Foothills, LP.

Witness my hand and official seal.

My commission expires: 3-7-22

Stacia Duggan
Notary Public

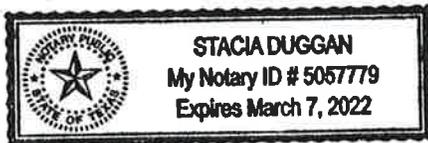


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