

**AGREEMENT OF ANNEXATION OF LOTS 1-5
OF WILD VALLEY NORTH, R.L.U.P. 03-S2076**

This Agreement of Annexation Of Lots 1-5 Of Wild Valley North, R.L.U.P. 03-S2076 ("Agreement of Annexation") is made May 21, 2018, by and between Backbone Valley Road Maintenance Association, a Colorado nonprofit corporation ("BVRMA"), Wild Valley North Homeowners Association ("WVN HOA") and TK3 Holdings, LLC, a Colorado limited liability company by and through its Manager Travis Crites ("TK3") (collectively herein the "Parties").

WITNESSETH

WHEREAS, a certain Declaration of Road Maintenance Covenants and Creation of the Backbone Valley Road Maintenance Association for Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948 was recorded on March 18, 2004, Reception No. 2004-0025459, in the office of the Clerk and Recorder of Larimer County, Colorado, as amended by that First Amendment to Declaration of Road Maintenance Covenants and Creation of the Backbone Valley Road Maintenance Association for Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948 as recorded on January 8, 2009, Reception No. 2009-0001229, in the office of the Clerk and Recorder of Larimer County, Colorado (collectively hereafter the "BVRMA Declaration"); and

WHEREAS, the Backbone Valley Road Maintenance Association ("BVRMA") is a Colorado nonprofit corporation created for the purposes, charged with certain duties, and invested with the powers prescribed by law, the Colorado Common Interest Ownership Act, its Articles of Incorporation, Bylaws, and the BVRMA Declaration; and

WHEREAS, the BVRMA was created to maintain, repair and replace both the Common Elements (as defined in the BVRMA Declaration) as well as the other rights of way and roads within Hidden Valley Estates R.L.U.P. 01-S1901 and Hidden Valley Estates R.L.U.P. 02-S1948 or adjoining properties and Landowners as thereafter annexed; and

WHEREAS, by that Agreement of Annexation of Hidden Valley Estates III, R.L.U.P. 03-S2168 recorded October 27, 2014, Reception No. 2014-0061331, in the office of the Clerk and Recorder of Larimer County, Colorado, BVRMA annexed those lands, properties, lots and rights of way and roads within those lands covered by that Development Agreement and Residual Land Use Restrictions for Hidden Valley Estates III R.L.U.P. recorded June 22, 2005, Reception No. 2005-0050727, in the office of the Clerk and Recorder of Larimer County, Colorado; and

WHEREAS, that certain Development Agreement and Residual Land Use Restrictions for Wild Valley North R.L.U.P. 03-S2076 ("WVN") was recorded on December 7, 2005, Reception No. 2005-0104269, in the office of the Clerk and Recorder of Larimer County, Colorado, and as amended by that First Amendment to the Development Agreement and Residual Land Use Restrictions for Wild Valley North R.L.U.P. as recorded on August 20, 2009, Reception No. 2009-0058263 in the office of the Clerk and Recorder of Larimer County, Colorado (collectively the "WVN Development Agreement"); and

WHEREAS, the owners of WVN Lots 6 through 9 were annexed into the BVRMA by that Agreement of Annexation of Lots 6-9 of Wild Valley North, R.L.U.P. 03-S2076 as recorded on September 31, 2017, Reception No. 2017-0035217, in the office of the Clerk and Recorder of Larimer County, Colorado, (“WVN Annexation Agreement”) with said annexation including BVRMA accepting responsibility for the WVN Annexed Roads as defined in the WVN Annexation Agreement; and

WHEREAS, the lands, properties, lots and rights of way and roads currently included within the BVRMA and the definition of Common Elements includes Hidden Valley Estates R.L.U.P. 01-S1901, Hidden Valley Estates R.L.U.P. 02-S1948 and Hidden Valley Estates III, R.L.U.P. 03-S2168 which shall hereafter be called collectively “Hidden Valley Estates” as well as WVN Lots 6 through 9 of Wild Valley North, R.L.U.P. 03-S2076; and

WHEREAS, under the BVRMA Declaration there is the right and power to annex adjoining properties (or parts thereof), including Landowners (as defined in the BVRMA Declaration), with connecting roads on platted rights-of-way; and

WHEREAS, any annexation of adjoining properties or Landowners is to assure equitable sharing of the associated maintenance and replacement costs between each resulting building site for all roads and Common Elements governed by the BVRMA; and

WHEREAS, this Agreement for Annexation is intended to specifically include the owner(s) of WVN Lots 1 through 5 as well as the owner(s) of the Residual Lots and Outlots within Wild Valley North, R.L.U.P. 03-S2076 as to all roads and Common Elements that currently fall within the responsibility of the BVRMA including but not limited to the WVN Annexed Roads but expressly excluding all portions of Wilderland Way to the west of Arwen Lane should it be built someday; and

WHEREAS, nothing herein is intended to prevent annexation of future owners or roadways subject to separate agreement including but not limited to all portions of Wilderland Way to the west of Arwen Lane should it be built someday; and

WHEREAS, four Easements obligate owners within WVN to help maintain certain roads not located within WVN but rather on lands adjacent to WVN; and

WHEREAS, the easements that govern roads outside of WVN are identified as (1) that Easement Agreement as recorded on December 4, 2002, Reception No. 2002-130952 in the office of the Clerk and Recorder of Larimer County, Colorado, (2) that Grant of Easement and Agreement as recorded on March 18, 2004, Reception No. 2004-0025457 in the office of the Clerk and Recorder of Larimer County, Colorado, (3) that Grant of Easement as recorded on March 18, 2004, Reception No. 2004-0025458 in the office of the Clerk and Recorder of Larimer County, Colorado, and (4) that Easement Agreement as recorded on March 22, 2005, Reception No. 2005-0022336 in the office of the Clerk and Recorder of Larimer County, Colorado (herein collectively the “Easements”); and

WHEREAS, the WVN HOA is obligated to maintain those roads within WVN including the WVN Annexed Roads; and

WHEREAS, the Easements obligate those owners of lots with WVN to maintain the roads subject to the Easements; and

WHEREAS, the WVN HOA is a party to the WVN Development Agreement and is charged with certain duties as to WVN; and

WHEREAS, on or about April 4, 2018, TK3 Holdings, LLC acquired and is currently the owner of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within Wild Valley North, R.L.U.P. 03-S2076; and

WHEREAS, subject to the BVRMA Declaration BVRMA is authorized to execute this Agreement of Annexation for and on their behalf so as to agree to the annexation of adjoining properties and Landowners, including WVN (or limited parts thereof) so as to provide communal maintenance of not only the Common Elements as described in the BVRMA Declaration but also the other rights of way and roads governed by the BVRMA including those within WVN (as limited to the WVN Annexed Roads only); and

WHEREAS, the WVN HOA as a party to the WVN Development Agreement believes it is in the best interests of the Parties to enter into this Agreement of Annexation and is authorized to execute this Agreement for Annexation for and on the behalf of the WVN HOA to agree to the annexation of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within Wild Valley North, R.L.U.P. 03-S2076 for communal maintenance of not only the Common Elements as described in the BVRMA Declaration but also the other rights of way and roads within Hidden Valley Estates as well as the WVN Annexed Roads; and

WHEREAS, Travis Crites as member and manager of TK3 Holdings, LLC believes it is in the best interests of the Parties to enter into this Agreement of Annexation and is authorized to execute this Agreement of Annexation on behalf of WVN Lots 1 through 5 as well as all Residual Lots and Outlot within Wild Valley North, R.L.U.P. 03-S2076 so as to agree to communal maintenance of not only the Common Elements as described in the BVRMA Declaration but also the other rights of way and roads within Hidden Valley Estates as well as the WVN Annexed Roads; and

NOW THEREFORE, pursuant to the provisions of the BVRMA Declaration and the WVN Development Agreement, the Parties hereby agree to the following conditions, stipulations, requirements, terms and provisions:

1. In the event of any conflict between the BVRMA Declaration and this Agreement of Annexation, the BVRMA Declaration shall control.

2. Travis Crites as member and manager of TK3 Holdings, LLC hereby agrees and consents that WVN Lots 1 through 5 as well as all Residual Lots and Outlots within Wild Valley North, R.L.U.P. 03-S2076 shall be annexed into BVRMA. WVN Lots 1 through 5 as well as all

Residual Lots and Outlots within Wild Valley North, R.L.U.P. 03-S2076 shall hereafter be subject to the BVRMA Declaration and By-laws which shall run with the land for the benefit of and be binding upon each present and subsequent owner of any right, title or interest in any portion of WVN Lots 1 through 5 as well as all Residual Lots and Outlot within WVN and their respective heirs, devisees, grantees, successors, representatives and assigns.

3. BVRMA hereby accepts and annexes WVN Lots 1 through 5 as well as all Residual Lots and Outlots within Wild Valley North, R.L.U.P. 03-S2076.

4. Subject to the timing of responsibilities and payments for owners of WVN Lots 1 through 5 as well as all Residual Lots and Outlot within WVN as set forth below in paragraph 7, BVRMA shall communally maintain, repair and replace both the Common Elements as described in the BVRMA Declaration but also the other rights of way and roads within Hidden Valley Estates as well as the WVN Annexed Roads. Hereafter these shall be referred to as the "BVRMA Common Elements & Roads."

5. Subject to the timing of responsibilities and payments for owners of WVN Lots 1 through 5 as well as all Residual Lots and Outlot within WVN as set forth below in paragraph 7, BVRMA shall assess common expenses, reserves and special assessments as described in the BVRMA Declaration as to the BVRMA Common Elements & Roads.

6. Subject to the timing of responsibilities and payments for owners of WVN Lots 1 through 5 as well as all Residual Lots and Outlot within WVN as set forth below in paragraph 7, the amounts to be billed by BVRMA for the BVRMA Common Elements & Roads shall be in accordance with the BVRMA Declaration.

7. As to the timing of responsibilities and payments for owners of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN, it is agreed as follows:

- a. BVRMA shall not assess annual dues or other assessments nor require a reserve reimbursement to BVRMA for WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN until TK3 sells, transfers or otherwise conveys to an unrelated third-party all or any part of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN.
- b. At the closing whereby TK3 sells, transfers or otherwise conveys to an unrelated third-party all or any part of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN, there shall be a payment to BVRMA that shall be considered a reserve reimbursement. The reserve reimbursement shall be deposited into the reserve account for BVRMA. The amount of the reserve reimbursement shall be calculated by the total amount of dollars in the reserve at the time of closing divided by the number of homes or lots participating in the BVRMA at that time and who contributed to the reserve that then exists. This amount shall be paid as part of the proceeds at closing. If not paid at closing, the reserve reimbursement shall be owed by the owner of record at the time demanded by BVRMA.

- c. Assuming TK3 sells, transfers or otherwise conveys to an unrelated third-party all of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN as a collective package to the same owner, then only one reserve reimbursement shall be owed.
- d. If, however, at any time TK3 or any owner after TK3 separately sells, transfers or otherwise conveys any part of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN such that there are different owners of WVN Lots, Residual Lots or Outlots, then a reserve reimbursement shall be due and owing at each closing whereby said property is first separately owned. It is expressly understood and agreed that the reserve reimbursement shall only be due once per Lot, Residual Lot or Outlot when first separately owned. The calculation for subsequent reserve reimbursements shall be under the same formula identified above and based upon the actual BVRMA reserves at the time the properties are separately sold, transferred or otherwise conveyed. If not paid at closing, any additional reserve reimbursement shall be owed by the owner of record at the time demanded by BVRMA.
- e. In the first full calendar year after TK3 sells, transfers or otherwise conveys to an unrelated third-party all or any part of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN, the owner or owners of said WVN properties shall thereafter be responsible for payment to BVRMA all annual dues and assessments as may thereafter exist or be invoiced.
- f. Assuming TK3 sells, transfers or otherwise conveys to an unrelated third-party all of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN as a collective package to the same owner, then that owner shall only be responsible for payment of annual dues and special assessments as if all of WVN Lots 1 through 5 as well as all Residual Lots and Outlots were a single property or single lot. This shall be the same for all successors and assigns thereafter assuming common ownership of all said properties.
- g. If, however, at any time TK3 or any owner after TK3 separately sells, transfers or otherwise conveys any part of WVN Lots 1 through 5 as well as all Residual Lots and Outlots within WVN such that there are different owners of one or more WVN Lots, Residual Lots or Outlots, then thereafter the owner of each separately owned Lot, Residual Lot or Outlot shall be separately invoiced annual dues or special assessments. Each separately owned WVN Lot, Residual Lot or Outlot shall be subject to the same annual dues and assessments as all owners governed by BVRMA pay.
- h. Unless approved otherwise by a majority vote of the BVRMA Board, once a property is separately owned, it cannot thereafter be combined into common ownership to eliminate future annual dues invoices or future assessment

obligations as the annual dues and assessments shall thereafter be treated on a per Lot, Residual Lot or Outlot basis.

8. Whether for initial construction, repair, replacement or maintenance, nothing herein is intended to expressly or impliedly annex into BVRMA (a) that portion of Wilderland Way to the west of Arwen Lane or (b) any other roads or other improvements that may currently exist or exist in the future within WVN Lots 1 through 5, the Residual Lots and the Outlots of Wild Valley North, R.L.U.P. 03-S2076. Any roads or other improvements located now or in the future and within WVN Lots 1 through 5, the Residual Lots and the Outlots of Wild Valley North, R.L.U.P. 03-S2076 shall remain the sole responsibility of the owner(s) of WVN Lots 1 through 5, Residual Lots and Outlots within Wild Valley North, R.L.U.P. 03-S2076.

9. This Agreement of Annexation may be executed in any number of counterparts, each of which when executed and delivered shall constitute a single agreement.

IN WITNESS WHEREOF, the undersigned individually, as members, officers or as trustees of Backbone Valley Road Maintenance Association, Wild Valley North Homeowners' Association and TK3 Holdings, LLC have each executed this Agreement of Annexation and each signatory herein represents and warrants he or she is duly authorized and has legal capacity to execute and deliver for filing this Annexation Agreement.

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Backbone Valley Road Maintenance Association



Stephen Nilsen, BVRMA President

Date: 6-8-2018



Cody L. Balzer, BVRMA Vice-President

Date: 5/24/2018



Gordon Link, BVRMA Treasurer

Date: 6/7/2018



Kay Lucas, BVRMA Secretary

Date: 6/5/2018



Michael W. Routh, Board Member

Date: 5/24/2018



Roger Buehler, Board Member

Date: 5/29/2018

Wild Valley North Homeowners' Association



David W. Micklo
Owner of WVN Lot 6

Date: 7 Jun 18



Sarah C. Micklo
Owner of WVN Lot 6

Date: 07 Jun 18

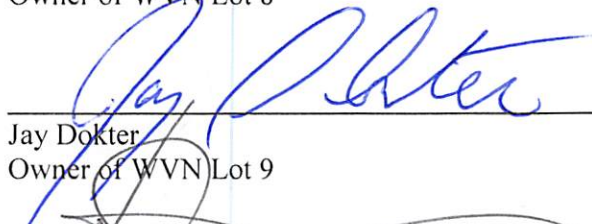
Joseph Dudek
Owner of WVN Lot 7

Date: _____



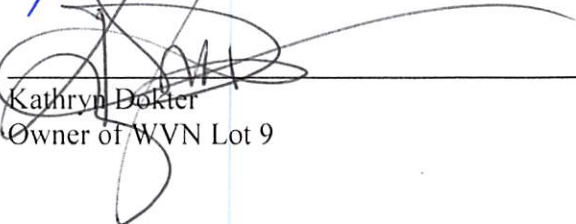
The Valerie L. Buehler Trust, by its Trustee Valerie L. Buehler
Owner of WVN Lot 8

Date: 5.29.18



Jay Dokter
Owner of WVN Lot 9

Date: 6-19-2018



Kathryn Dokter
Owner of WVN Lot 9

Date: 6/19/18

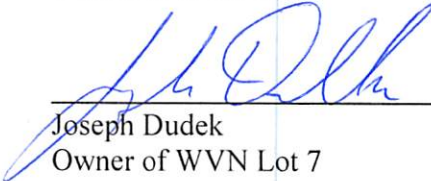
Wild Valley North Homeowners' Association

David W. Micklo
Owner of WVN Lot 6

Date: _____

Sarah C. Micklo
Owner of WVN Lot 6

Date: _____



Joseph Dudek
Owner of WVN Lot 7

Date: 6-19-18

The Valerie L. Buehler Trust, by its Trustee Valerie L. Buehler
Owner of WVN Lot 8

Date: _____

Jay Dokter
Owner of WVN Lot 9

Date: _____

Kathryn Dokter
Owner of WVN Lot 9

Date: _____

Lots 1-5 Of Wild Valley North, R.L.U.P. 03-S2076

Travis Crites
TK3 Holdings, LLC, a Colorado limited liability company
By and through its Manager Travis Crites
Lots 1-5 Of Wild Valley North, R.L.U.P. 03-S2076

Date: May 21, 2018

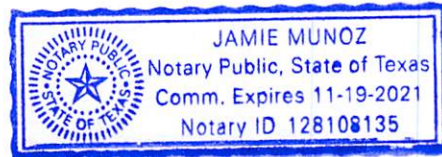
STATE OF TEXAS)
) ss
COUNTY OF Harris)

The foregoing Agreement of Annexation was acknowledged and signed before me this 21 day of May, 2018, by Travis Crites as Manager and Member of TK3 Holdings, LLC.

Witness my hand and official seal.

My commission expires: 11/19/2021

Jamie Munoz
Notary Public



STATE OF COLORADO)
)
COUNTY OF LARIMER)

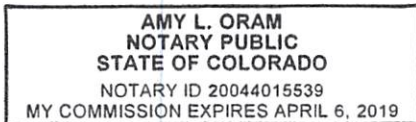
SS

The foregoing Agreement of Annexation was acknowledged and signed before me this 8 day of June, 2018, by Stephen Nilsen.

Witness my hand and official seal.

My commission expires: 4-6-2019


Notary Public



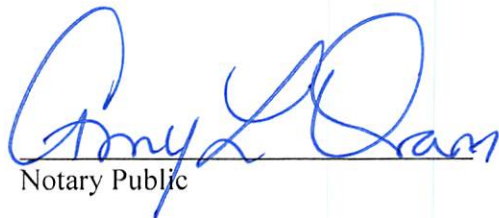
STATE OF COLORADO)
)
COUNTY OF LARIMER)

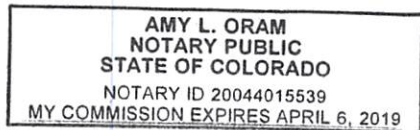
SS

The foregoing Agreement of Annexation was acknowledged and signed before me this 7th day of June, 2018, by Gordon Link.

Witness my hand and official seal.

My commission expires: 4-6-2019


Notary Public

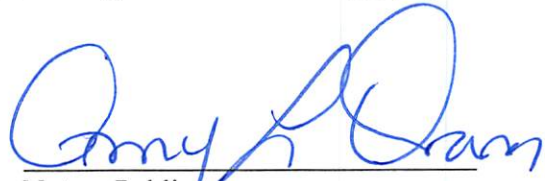


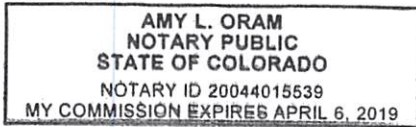
STATE OF COLORADO)
) SS
COUNTY OF LARIMER)

The foregoing Agreement of Annexation was acknowledged and signed before me this 5th day of June, 2018, by Kay Lucas.

Witness my hand and official seal.

My commission expires: 4-6-2019


Notary Public



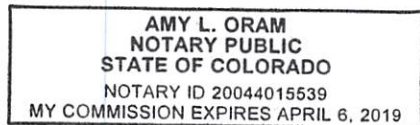
STATE OF COLORADO)
) SS
COUNTY OF LARIMER)

The foregoing Agreement of Annexation was acknowledged and signed before me this 24th day of May, 2018, by Michael W. Routh.

Witness my hand and official seal.

My commission expires: 4-6-2019


Notary Public



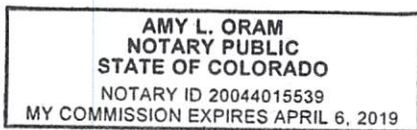
STATE OF COLORADO)
)
COUNTY OF LARIMER) SS

The foregoing Agreement of Annexation was acknowledged and signed before me this 24th day of May, 2018, by Cody L. Balzer.

Witness my hand and official seal.

My commission expires: 4-6-2019


Notary Public



STATE OF MINNESOTA)
)
COUNTY OF _____) SS

The foregoing Agreement of Annexation was acknowledged and signed before me this ___ day of _____, 2018, by Joseph Dudek.

Witness my hand and official seal.

My commission expires: _____

Notary Public

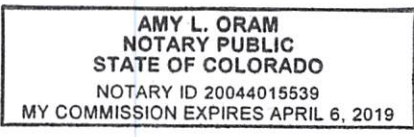
STATE OF COLORADO)
)
COUNTY OF LARIMER) SS

The foregoing Agreement of Annexation was acknowledged and signed before me this 29th day of May, 2018, by Valerie Buehler as Trustee of The Valerie L. Buehler Trust and Roger Buehler.

Witness my hand and official seal.

My commission expires: 4-6-2019

Amy L. Oram
Notary Public



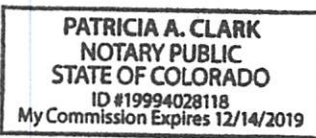
STATE OF COLORADO)
)
COUNTY OF LARIMER) SS

The foregoing Agreement of Annexation was acknowledged and signed before me this 19 day of June, 2018, by Jay and Kathryn Dokter.

Witness my hand and official seal.

My commission expires: 12/14/2019

Patricia A. Clark
Notary Public

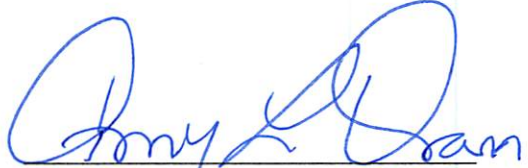


STATE OF COLORADO)
)
) ss
COUNTY OF LARIMER)

The foregoing Agreement of Annexation was acknowledged and signed before me this 7th day of June, 2018, by David and Sarah Micklo.

Witness my hand and official seal.

My commission expires: 4-6-2019


Notary Public

AMY L. ORAM
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20044015539
MY COMMISSION EXPIRES APRIL 6, 2019