

**Commonwealth Land Title Insurance Company
TITLE REPORT**

SCHEDULE A

Title Report No: H0513966-023-CNX-CN

1. **Effective Date:** February 14, 2018 at 8:00 A.M.
2. The estate or interest in the land described or referred to in this Title Report is:
A Fee Simple
3. Title to the estate or interest in the land is at the Effective Date vested in:
HR935, LLC, a Colorado limited liability company (As to Parcel I) and Stroh Ranch Development, LLC, a Colorado limited liability company (As to Parcel II)
4. The land referred to in this Title Report is described as follows:

[See Attached Legal Description](#)

(for informational purposes only) TRAILS ON CROWFOOT FILING 9, Parker, CO

Attached Legal Description

LEGAL DESCRIPTION FOR TRAILS ON CROWFOOT FILING 9

A PARCEL OF LAND BEING A PART OF THE NORTHEAST QUARTER OF SECTION 9, TOWNSHIP 7 SOUTH, RANGE 66 WEST OF THE 6TH PRINCIPAL MERIDIAN, TOWN OF PARKER, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 9 AND CONSIDERING THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9 BEING MONUMENTED AT THE NORTHEAST CORNER OF SAID SECTION 9 BY A 3-1/4" ALUMINUM CAP STAMPED LS 23053 AND AT THE EAST QUARTER CORNER OF SAID SECTION 9 BY A 2-1/2" ALUMINUM CAP STAMPED LS 6935 TO BEAR SOUTH 00°15'06" EAST, 2648.70 FEET WITH ALL BEARINGS CONTAINED HEREIN BEING RELATIVE THERETO;

THENCE SOUTH 00°15'06" EAST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9, A DISTANCE OF 2648.70 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 9;

THENCE SOUTH 89°25'59" WEST ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9, A DISTANCE OF 2568.85 FEET;

THENCE NORTH 00°16'45" WEST, A DISTANCE OF 89.92 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 968.00 FEET, A CENTRAL ANGLE OF 09°17'08", AN ARC LENGTH OF 156.88 FEET, THE CHORD OF WHICH BEARS NORTH 04°21'49" EAST, 156.70 FEET TO A POINT OF TANGENCY;

THENCE NORTH 09°00'23" EAST, A DISTANCE OF 284.62 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1115.00 FEET, A CENTRAL ANGLE OF 05°04'56", AN ARC LENGTH OF 98.90 FEET, THE CHORD OF WHICH BEARS NORTH 02°15'40" EAST, 98.87 FEET TO A POINT OF TANGENCY;

THENCE NORTH 00°16'48" WEST, A DISTANCE OF 187.34 FEET;

THENCE NORTH 44°43'12" EAST, A DISTANCE OF 49.50 FEET;

THENCE NORTH 00°16'48" WEST, A DISTANCE OF 110.00 FEET;

THENCE NORTH 45°16'48" WEST, A DISTANCE OF 49.50 FEET;

THENCE NORTH 00°16'48" WEST, A DISTANCE OF 754.01 FEET;

THENCE NORTH 44°43'12" EAST, A DISTANCE OF 28.28 FEET;

THENCE NORTH 00°16'48" WEST, A DISTANCE OF 94.00 FEET;

THENCE NORTH 89°43'12" EAST, A DISTANCE OF 65.00 FEET;

THENCE NORTH 00°16'48" WEST, A DISTANCE OF 27.17 FEET TO A POINT OF CURVATURE;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT HAVING A RADIUS OF 1560.00 FEET, A CENTRAL ANGLE OF 29°11'26", AN ARC LENGTH OF 794.77 FEET, THE CHORD OF WHICH BEARS NORTH 14°52'31" WEST, 786.20 FEET TO THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9;

THENCE NORTH 89°26'53" EAST ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 9, A DISTANCE OF 2620.27 FEET TO THE POINT OF BEGINNING;

I, WILLIAM F. HESSELBACH JR., A SURVEYOR LICENSED IN THE STATE OF COLORADO, DO HEREBY CERTIFY THAT THE ABOVE LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND CHECKING.

WILLIAM F. HESSELBACH JR., P.L.S. 25369
FOR AND ON BEHALF OF
CVL CONSULTANTS OF COLORADO, INC.
10333 E. DRY CREEK ROAD, SUITE 240
ENGLEWOOD, CO 80112

SCHEDULE B

Exceptions

1. Any facts, rights, interests or claims that are not shown by the Public Records but which could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
3. Any encroachments, encumbrances, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by Public Records.
4. Any lien or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the Public Records.
5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for the value the estate or interest or mortgage thereon covered by this Commitment.
6. Water rights, claims of title to water, whether or not these matters are shown by the Public Records.
7. All taxes and assessments, now or heretofore assessed, due or payable.
8. Notice regarding the Organization of Cherry Creek Basin Authority recorded May 6, 1988 in [Book 790 at Page 718](#).
9. Grant of easement for drainage purposes to the Board of County Commissioners of the County of Douglas, a Political Subdivision of the State of Colorado recorded January 20, 1998 in [Book 1503 at Page 809](#).
10. Terms, conditions, provisions, agreements and obligations contained in the Ruling of the Water Referee and Judgment and Decree of the Court, District Court, Water Division No. 1, State of Colorado, Case No. 98CW264, recorded August 17, 2000 in [Book 1883 at Page 1283](#).
11. Resolution No. R-997-054 Authorizing Acquisition of Right-of-Way for the Crowfoot Valley Road Paving Project recorded April 23, 1997 in [Book 1424 at Page 1857](#).
12. Terms, conditions, provisions, agreements and obligations contained in the Ordinance No. 3.315, Series of 2015 recorded December 16, 2015 at [Reception No. 2015089335](#).
13. Terms, conditions, provisions, agreements and obligations contained in the Hess Ranch – PD Development Guide recorded December 16, 2015 at [Reception No. 2015089336](#) and Hess Ranch Planned Development Map recorded December 16, 2015 at Reception No. 2015089337 and Amended and Restated Stroh/Ranch and Amended and Restated Stroh Ranch/Hess Annexation Agreement recorded December 16, 2015 at Reception No. 2015089338, Assignment and Assumption Agreement recorded August 5, 2016 at Reception No. 2016052345, Hess Ranch Planned Development Amendment No. 1 recorded November 7, 2017 at Reception No. 2017076072, Ordinance No. 3.3151.1, Series of 2017 to Amend the Hess Ranch Development Plan and Guide recorded November 7, 2017 at Reception No, 2017076073

- 14. Any tax, lien, fee or assessments of the Hess Ranch Metropolitan District No. 2 created by the Order of Inclusions recorded December 19, 2016 at [Reception No. 2016093464](#).
- 15. Terms, conditions, provisions, agreements and obligations contained in the First Addendum to the 1992 Service Agreement recorded July 18, 2016 at [Reception No. 2016046751](#).
- 16. Any interest in water rights conveyed to Parker water and Sanitation District, a Colorado special district and political subdivision by Deeds recorded July 18, 2016 at [Reception No. 2016046750](#) and [Reception No. 2016046752](#); together with any rights of ingress and egress therein and any and all assignments thereof or interests therein.
- 17. Terms, conditions, provisions, agreements, easements and obligations, if any contained in the Assignment and Assumption Agreement recorded August 2, 2016 at [Reception No. 2016051397](#).
- 18. Terms, conditions, provisions, agreements and obligations contained in the Consent to Assignment and Purchase and Sale Agreement recorded August 2, 2016 at [Reception No. 2016051401](#).
- 19. Terms, conditions, provisions, agreements and obligations contained in Replacement Agreement for Stroh Ranch and Annexation Agreement for Hess Ranch recorded October 3, 2003 at [Reception No. 2003146585](#), First Amendment recorded November 28, 2005 at Reception No. 2005113640, Second Amendment recorded June 27, 2007 at Reception No. 2007051029 and Hess Ranch Annexation Plat recorded October 3, 2003 at Reception No. 2003146584.
- 20. Any adverse claim based on the assertion that a portion of the land is submerged land as disclosed on ALTA /NSPS Land Title Survey dated June 1, 2016 prepared by CVL Consultants with File No. 8130283701.
- 21. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$13,896,835.00
 Trustor/Grantor: HR935, LLC, a Colorado limited liability company
 Trustee: Public Trustee of Douglas County
 Beneficiary: Trez Capital (2015) Corporation, a British Columbia corporation
 Loan No. not shown
 Recording Date: August 2, 2016
 Recording No: 2016051395

- 22. financing statement described below

Debtor: HR935, LLC, a Colorado limited liability company
 Secured Party: Trez Capital (2015) Corporation, a British Columbia corporation
 Recording Date: August 2, 2016
 Recording No: [2016051396](#)

- 23. Terms, conditions, provisions, agreements and obligations contained in the 30-Foot Exclusive Easement Agreement recorded November 15, 2017 at Reception No. 2017077592.

END OF EXCEPTIONS

THIS IS A TITLE REPORT ONLY. **This is not a commitment to insure.**

The information set forth herein is based on information supplied to Heritage Title Company, Inc. by sources believed to be reliable and is provided for accommodation purposes only. Heritage Title Company, Inc. assumes no liability hereunder unless a policy or policies of title insurance are issued by Heritage Title Company, Inc. and fully paid for and the insured under said policy or policies and party to whom this report was issued have no knowledge of any defect in title not disclosed. Reliance on the information set forth herein is subject to the issuance of a mortgage and/or owner's policy of title insurance by Heritage Title Company, Inc. within six (6) months from the effective date hereof. If a title insurance policy is not issued insuring the property within such time, this title report shall be null and void as of its effective date and shall be deemed to have been furnished for informational purposes only.

LIMITATION LANGUAGE FOR LIMITATION TO AMOUNT OF FEE PAID FOR SEARCH

YOU EXPRESSLY AGREE AND ACKNOWLEDGE THAT IT IS EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE THE EXTENT OF LOSS WHICH COULD ARISE FROM ERRORS OR OMISSIONS IN, OR THE COMPANY'S NEGLIGENCE IN PRODUCING, THE REPORT. YOU RECOGNIZE THAT THE FEE CHARGED IS NOMINAL IN RELATION TO THE POTENTIAL LIABILITY WHICH COULD ARISE FROM SUCH ERRORS OR OMISSIONS OR NEGLIGENCE. THEREFORE, YOU UNDERSTAND THAT THE COMPANY WAS NOT WILLING TO PROCEED IN THE PREPARATION AND ISSUANCE OF THE REQUESTED REPORT BUT FOR YOUR AGREEMENT THAT THE COMPANY'S LIABILITY IS STRICTLY LIMITED.

YOU AGREE THAT MATTERS AFFECTING TITLE BUT WHICH DO NOT APPEAR AS A LIEN OR ENCUMBRANCE AS DEFINED IN THE CUSTOMER AGREEMENT OR APPLICATION ARE OUTSIDE THE SCOPE OF THE REPORT.

YOU AGREE, AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THIS REPORT AND TO THE FULLEST EXTENT PERMITTED BY LAW, TO LIMIT THE LIABILITY OF THE COMPANY, ITS LICENSORS, AGENTS, SUPPLIERS, RESELLERS, SERVICE PROVIDERS, CONTENT PROVIDERS, OR ANY OTHER SUBSCRIBERS OR SUPPLIERS, SUBSIDIARIES, AFFILIATES, EMPLOYEES, AND SUBCONTRACTORS FOR ANY AND ALL CLAIMS, LIABILITIES, CAUSES OF ACTION, LOSSES, COSTS, DAMAGES AND EXPENSES OF ANY NATURE WHATSOEVER, INCLUDING ATTORNEY'S FEES, HOWEVER ALLEGED OR ARISING INCLUDING BUT NOT LIMITED TO THOSE ARISING FROM BREACH OF CONTRACT, NEGLIGENCE, THE COMPANY'S OWN FAULT AND/OR NEGLIGENCE, ERRORS, OMISSIONS, STRICT LIABILITY, BREACH OF WARRANTY, EQUITY, THE COMMON LAW, STATUTE, OR ANY OTHER THEORY OF RECOVERY OR FROM ANY PERSON'S USE, MISUSE, OR INABILITY TO USE THE REPORT, SO THAT THE TOTAL AGGREGATE LIABILITY OF THE COMPANY, ITS EMPLOYEES, AGENTS AND SUBCONTRACTORS SHALL NOT EXCEED THE COMPANY'S TOTAL FEE FOR THIS REPORT.

YOU AGREE THAT THE FOREGOING LIMITATION ON LIABILITY IS A TERM MATERIAL TO THE PRICE YOU ARE PAYING WHICH PRICE IS LOWER THAN WOULD OTHERWISE BE OFFERED TO YOU WITHOUT SAID TERM. YOU RECOGNIZE THAT THE COMPANY WOULD NOT ISSUE THIS REPORT, BUT FOR YOUR AGREEMENT, AS PART OF THE CONSIDERATION GIVEN FOR THIS REPORT, TO THE FOREGOING LIMITATION OF LIABILITY AND THAT ANY SUCH LIABILITY IS CONDITIONED AND PREDICATED UPON THE FULL AND TIMELY PAYMENT OF THE COMPANY'S INVOICE FOR THIS REPORT.

THIS REPORT IS LIMITED IN SCOPE AND IS NOT AN ABSTRACT OF TITLE, TITLE OPINION, PRELIMINARY TITLE REPORT, TITLE REPORT, COMMITMENT TO ISSUE TITLE INSURANCE, OR A TITLE POLICY, AND SHOULD NOT BE RELIED UPON AS SUCH. IN PROVIDING THIS REPORT, THE COMPANY IS NOT ACTING AS AN ABTRACTOR OF TITLE. THIS REPORT DOES NOT PROVIDE OR OFFER ANY TITLE INSURANCE, LIABILITY COVERAGE OR ERRORS AND OMISSIONS COVERAGE. THIS REPORT IS NOT TO BE RELIED UPON AS A REPRESENTATION OF THE STATUS OF TITLE TO THE PROPERTY. THE COMPANY MAKES NO REPRESENTATIONS AS TO THE REPORT'S ACCURACY, DISCLAIMS ANY WARRANTIES AS TO THE REPORT, ASSUMES NO DUTIES TO YOU, DOES NOT INTEND FOR YOU TO RELY ON THE REPORT, AND ASSUMES NO LIABILITY FOR ANY LOSS OCCURRING BY REASON OF RELIANCE ON THIS REPORT OR OTHERWISE.

IF YOU DO NOT WISH TO LIMIT LIABILITY AS STATED HEREIN AND YOU DESIRE THAT ADDITIONAL LIABILITY BE ASSUMED BY THE COMPANY, YOU MAY REQUEST AND PURCHASE A POLICY OF TITLE INSURANCE, A BINDER, OR A COMMITMENT TO ISSUE A POLICY OF TITLE INSURANCE. NO ASSURANCE IS GIVEN AS TO THE INSURABILITY OF THE TITLE OR STATUS OF TITLE. YOU EXPRESSLY AGREE AND ACKNOWLEDGE THAT YOU HAVE AN INDEPENDENT DUTY TO ENSURE AND/OR RESEARCH THE ACCURACY OF ANY INFORMATION OBTAINED FROM THE COMPANY OR ANY PRODUCTS OR SERVICES PURCHASED.

NO THIRD PARTY IS PERMITTED TO USE OR RELY UPON THE INFORMATION SET FORTH IN THIS REPORT, AND NO LIABILITY TO ANY THIRD PARTY IS UNDERTAKEN BY THE COMPANY.

YOU AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, IN NO EVENT WILL THE COMPANY, ITS LICENSORS, AGENTS, SUPPLIERS, RESELLERS, SERVICE PROVIDERS, CONTENT PROVIDERS, OR ANY OTHER SUBSCRIBERS OR SUPPLIERS, SUBSIDIARIES, AFFILIATES, EMPLOYEES, AND SUBCONTRACTORS BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY, OR SPECIAL DAMAGES, OR LOSS OF PROFITS, REVENUE, INCOME, SAVINGS, DATA, BUSINESS, OPPORTUNITY, OR GOODWILL, PAIN AND SUFFERING, EMOTIONAL DISTRESS, NON-OPERATION OR INCREASED EXPENSE OF OPERATION, BUSINESS INTERRUPTION OR DELAY, COST OF CAPITAL, OR

COST OF REPLACEMENT PRODUCTS OR SERVICES, REGARDLESS OF WHETHER SUCH LIABILITY IS BASED ON BREACH OF CONTRACT, TORT, NEGLIGENCE, THE COMPANY'S OWN FAULT AND/OR NEGLIGENCE, STRICT LIABILITY, BREACH OF WARRANTIES, FAILURE OF ESSENTIAL PURPOSE, OR OTHERWISE AND WHETHER CAUSED BY NEGLIGENCE, ERRORS, OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT, BREACH OF WARRANTY, THE COMPANY'S OWN FAULT AND/OR NEGLIGENCE OR ANY OTHER CAUSES WHATSOEVER, AND EVEN IF THE COMPANY HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH DAMAGES OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY FOR SUCH DAMAGES.

THESE LIMITATIONS WILL SURVIVE THE CONTRACT.

