2005-005678 06/02/2005 03:51P AGR SARA L ROSENE
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AMENITY FEE AGREEMENT

This Agreement is entered into to be effective as of the 1st day of June, 2005, by and between **GRANBY REALTY HOLDINGS LLC**, a Colorado limited liability company (hereinafter referred to as "Developer"), and **HEADWATERS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("Headwaters") (Headwaters and Developer are collectively referred to as the "Parties").

RECITALS

A. Headwaters has been duly organized and is acting pursuant to the provisions of Article 1, Title 32, C.R.S. to finance, acquire, construct, install, and provide, and/or operate and maintain certain improvements, infrastructure and services in accordance with its Service Plan and Intergovernmental Agreements with the Town of Granby and Granby Ranch Metropolitan District.

B. Developer is the owner of certain real property (the "Property") described on Schedule 1 attached hereto and incorporated herein by this reference. The Property is located within the current and future boundaries of Headwaters or Granby Ranch Metropolitan District (collectively, the "Districts"). Headwaters is responsible for coordinating, financing, constructing, installing, acquiring, operating and maintaining certain public infrastructure within and without the boundaries of the Districts. The Property is mostly unplatted and undeveloped; it is anticipated by the Parties hereto that the Property will be further subdivided in accordance with applicable law and developed with improvements as permitted by applicable zoning and building ordinances.

C. Headwaters has determined that it is in the best interest of the Districts to acquire, lease, finance, construct, maintain, provide, operate and/or administer certain improvements and services benefiting the Property, which include a golf course, ski area, river park and related improvements, trails, and other recreation improvements, facilities, appurtenances, rights-of-way and other amenities as shall from time to time be acquired, constructed and/or operated under the terms and provisions of the service plans for the Districts (collectively, the "Amenities"). Nothing contained herein obligates the Developer to convey, lease, or otherwise contract for any specific Amenities.

D. As part of the financing of the Amenities, Headwaters will impose and collect certain fees as set forth in this Agreement ("Amenity Fee") for the acquisition, financing, leasing, construction, replacement, operation, maintenance and repair of the Amenities and the Developer is willing to subject the Property to such fees.

E. The intended purpose of the Amenity Fee is to entitle certain minimum use and enjoyment of the Amenities to the owners and purchasers of homes and homesites within the Property, and certain persons not resident within the Property, subject to the terms and provisions set forth herein and as further set forth in any Amenities access plan, rules and regulations or other documentation provided by Headwaters or such entity ("the Operator"), if any, with which

Headwaters shall contract by lease, management agreement or other form of agreement ("Operating Agreement") to operate the Amenities.

F. Headwaters and Developer believe that ownership by Headwaters of the Amenities and provision of the Amenities to such persons in the manner provided herein is in the best interest of the Districts' residents.

IN CONSIDERATION of the above recitals, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. **Amenity Fees.** Pursuant to the Joint Resolution of Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish an Amenity Fee and this Agreement, an Amenity Fee initially imposed at the rate of $10,000 per residential dwelling unit (including, without limitation, condominiums, townhouses, apartments and any other attached dwelling units, and detached single family dwelling units) is established to be collected as provided in Section 3 below by Headwaters in coordination with the Granby Ranch Metropolitan District on a one-time basis with respect to each lot or parcel of land within the Property ("Lot"). The amount of the Amenity Fee for each Lot shall be determined based upon the maximum number of residential dwelling units that may be constructed on the Lot (based upon zoning and the density allocated to such Lot).

2. **Priority Access.** Each residential dwelling unit for which the Amenity Fee has been paid shall be referred to as an "Eligible Property" and shall be entitled to the below listed "Priority Access" to the Amenities, subject to availability of the Amenities from time to time and subject to a plan to be prepared detailing use and access to the Amenities, which may be amended from time to time and shall be administered by the Operator, provided the Priority Access set forth herein shall not be diminished. The owner(s) of each Eligible Property shall designate a person who shall be eligible to receive the Priority Access to one or more of the Fishing, Golf, or Ski Amenities, hereafter referred to as the "Eligible Purchaser." The Priority Access entitlements for an Eligible Purchaser are as follows:

(a) Fishing: Discounted rod fees (to access the Fraser River for fishing at designated times) for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24, and Priority Access to the river camp for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24, including the right to make reservations in advance of the general public and a discounted overnight fee as determined from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement).

(b) Golf: The right of the Eligible Purchaser to reserve tee times in advance of the general public for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24 and/or their

accompanied guests; the right of the Eligible Purchaser to receive up to 16 rounds of golf (four tee times per year with up to four players per tee time) without payment of greens fees for use by the Eligible Purchaser, the Eligible Purchaser's spouse and immediate family members under the age of 24 and/or their accompanied guests; the right of the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24 to receive a 30% discount on greens fees off the rate charged from time to time by the District for members of the general public residing outside of the Town of Granby; and any other entitlement as may be established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement).

(c) Ski: Four free individual passes per year for four persons designated by the Eligible Purchaser for four days each (for a maximum of 16 ski days per year); a discount on all ski lift fees for the right of the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24 as may be established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement) to receive a 30% discount on lift tickets off the rate charged from time to time by the District for members of the general public residing outside of the Town of Granby; and any other entitlement as may be established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement).

(d) Special Access: The right of the Eligible Purchaser to acquire, for additional annual or periodic use fees, additional preferred golf, ski and fishing access for the Eligible Purchaser and the Eligible Purchaser's spouse and immediate family members under the age of 24, pursuant to plans and programs established from time to time by Headwaters in coordination with the Operator (and in accordance with any Operating Agreement) ("Special Access").

3. **Payment of Amenity Fee.** The Amenity Fee shall be payable as follows:

(a) Transfers of Subdivided Lot(s) With Density Allocation of Ten or More Units. Except as otherwise provided in subsection 3(b) below, in the case of a transfer in a single transaction of one or more Lots having a density allocation (as designated by SolVista Corp., its successor or assign, pursuant to Article 1 of the Planned Development Overlay District Preliminary Plan for the Property) (the "Density Allocation"), collectively (if more than one Lot), of ten (10) or more residential units, the Amenity Fee shall be due and payable in full with respect to each such Lot upon the earlier of (i) the first Non-Exempt Transfer of such Lot after the Initial Unrelated Party Transfer, or (ii) the third anniversary of the Initial Unrelated Party Transfer; provided, however, that in the case of any such Lot having a Density Allocation of more than one residential unit, the Amenity Fee with respect to such Lot shall be payable on a per-unit basis on the earlier of (x) the first Non-Exempt Transfer of each residential unit within such Lot after the Initial Unrelated Party Transfer, or (y) the third anniversary of the Initial Unrelated Party Transfer.

(b) Bulk Transfers of Unsubdivided Lots With Density Allocation of 25 or More Units. In the case of a transfer of any unplatted Lot at least 35 acres in size having a Density Allocation of at least 25 residential units to an Unrelated Third Party, the Amenity Fee shall be due and payable with respect to each portion of such Lot based upon the date of subdivision of each such portion (each, a "Platted Portion"), as follows: the Amenity Fee shall be payable with respect to each Platted Portion on a per unit basis (based on the density allocated to each Lot within the Platted Portion) on the earlier of (i) the first Non-Exempt Transfer of each residential unit within such Lot, or (ii) the third anniversary of the date of approval of a subdivision plat whereby such Platted Portion is subdivided into two or more legally transferable Lots.

(c) Transfers of Subdivided Lots With Density Allocation of Fewer than Ten Units. In the case of any other Lots (i.e., Lots not covered by subsections (a) and (b) above), the Amenity Fee shall be due and payable in full with respect to each such Lot upon the earlier of (i) the first Non-Exempt Transfer of such Lot after the Initial Unrelated Party Transfer, or (ii) either the first anniversary of the Initial Unrelated Party Transfer, if no building permit for such Lot is issued within the first year after the Initial Unrelated Party Transfer, or the second anniversary of the Initial Unrelated Party Transfer, if a building permit is issued with respect to such Lot within the first year after the Initial Unrelated Party Transfer; provided, however, that in the case of any such Lot having a Density Allocation of more than one residential unit, the Amenity Fee with respect to such Lot shall be payable on a per-unit basis on the earlier of (x) the first Non-Exempt Transfer of each residential unit within such Lot after the Initial Unrelated Party Transfer, or (y) either the first anniversary of the Initial Unrelated Party Transfer, if no building permit for such Lot is issued within the first year after the Initial Unrelated Party Transfer, or the second anniversary of the Initial Unrelated Party Transfer, if a building permit is issued with respect to such Lot within the first year after the Initial Unrelated Party Transfer.

(d) Responsible Party. If, in accordance with subsections (a), (b) or (c) above, the Amenity Fee is payable upon a transfer of a Lot or residential unit, the Amenity Fee is payable by the transferee(s) of such Lot or residential unit. Otherwise, the Amenity Fee is payable by the party(ies) that is/are the owner(s) of the Lot at the time the Amenity Fee becomes due and payable. The party(ies) responsible for paying the Amenity Fee is/are referred to in this Agreement as the "Responsible Party," and if the Responsible Party consists of more than one party, then the obligation to pay the Amenity Fee shall be the joint and several obligation of all of the parties constituting the Responsible Party.

(e) Definitions. As used herein, (i) the term "Unrelated Third Party" means a party who is not an affiliate or successor of Developer; (ii) the term "affiliate" means any entity which Developer has any direct or indirect ownership interest in, controls, is controlled by, or is under common control with; (iii) the term "successor" means any person or entity acquiring all or substantially all of the Property then owned by Developer (or a successor by merger, consolidation or reorganization of Developer) (iv) the term "transfer" includes any transfer of a direct or indirect ownership interest in the owner of a Lot that results in a change in control of such owner, (v) the term "Initial Unrelated Party Transfer" with respect to any Lot(s) means the first transfer of such Lot(s) to an Unrelated Third Party, (vi) the term "Non-Exempt Transfer"

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means any transfer that is not an Exempt Transfer, and (vii) the term "Exempt Transfer" means any one of the following transfers:

(1) any transfer in which the transferee is an affiliate or successor of Developer;

(2) a transfer without consideration made for the purpose of confirming or correcting a previous transfer;

(3) any decree or order of a court determining or vesting title, such as a dissolution of marriage proceeding or quiet title proceeding;

(4) a transfer of a mineral interest only;

(5) transfers to secure a debt or other obligation (or a release or re-conveyance of any such security);

(6) any other transfer that Headwaters, in its sole discretion, determines should not trigger the payment of the Amenity Fee.

(f) Headwaters May Allow Annual Payments. Notwithstanding anything to the contrary contained in subsections (a) and (b) above, Headwaters may allow the Amenity Fee to be paid in up to four annual payments upon a determination that such payment over time is in the best interest of Headwaters. Deferred payments shall bear interest at such rate as may be determined from time to time in the sole discretion of Headwaters. Any party paying the Amenity Fee over time in accordance with the foregoing provisions shall not be entitled to Priority Access unless and until all such payments (together with all interest thereon) have been made.

The later of (1) the time set forth in subsection (a), (b) or (c) above, as applicable, or (2) the date set forth for final payment by Headwaters as provided in this subsection (f) shall be the "Due Date" for the Amenity Fee.

4. **Out-of-District Users.** Those who have not paid the Amenity Fee who reside outside of the boundaries of the Granby Ranch Metropolitan District, may, at the option of Headwaters, pay (i) the Amenity Fee or such other amount, which shall not be less than the Amenity Fee, as Headwaters in coordination with the Operator (and in accordance with any Operating Agreement) may determine from time to time to receive Priority Access, and (ii) an annual amount, payable on January 1 of each year, equal to at least 100% of the average amount of ad valorem taxes and other amounts payable by residents within Granby Ranch Metropolitan District, as determined by Headwaters, or such greater amount as Headwaters may from time to time determine. Residents in such areas who have not paid such amounts shall not be entitled to Priority Access to the Amenities as described above.

5. **Fee Increases.** The Parties agree the Amenity Fee may be increased as adjusted on an annual basis by the change in the Denver/Boulder/Greeley Cost of Living Index, as

produced by the U.S. Department of Labor Statistics; and may otherwise be increased in such amounts as are determined from time to time by the Board of Directors of Headwaters, to fund the actual costs of the Amenities, not to exceed a cumulative increase of ten percent (10%) per year.

6. **Limitation of Liability**. All covenants and agreements of the Developer made herein are made by the Developer as an entity and not by any principal, owner, manager, operator, employee, director, partner, shareholder or member of the Developer and no such person shall have personal liability for any obligation created by this agreement, whether expressed or implied. The Developer shall not have any obligation to pay the Amenity Fee. Rather it is the obligation of the Responsible Party (as defined in Section 3(c) above).

7. **Subdivision**. Headwaters acknowledges that the Developer reserves the right to subdivide the Property, or any part thereof, and to include the Property in one or more subdivision plats and to execute and deliver dedication deeds as to parts of the Property, as may be required in conjunction with development of the Property and Headwaters hereby consents to such dedications by subdivision plat or by deed and agrees that all parcels of the Property dedicated or conveyed by any such subdivision plat or deed to Grand County, Colorado, or to any quasi-municipal authority, or homeowners/property owners association, or utility providing utility services to the Property, including, without limitation, all streets, roads, greenbelts, parks, open space, rights-of-way and easements, are excepted from the obligation to pay Amenity Fees created hereby and that such parcels so dedicated or conveyed by any such subdivision plat or deed shall be free and clear of the lien created hereby and shall be released in writing herefrom on request of the Developer and Headwaters hereby waives its right to approve or join in the execution of any such subdivision plat or deed and to the extent execution thereof by Headwaters is required by applicable law, hereby (to the extent permitted by applicable law) makes, constitutes and appoints the Developer as its special attorney-in-fact, for it and in its name, place and stead, and on its behalf, and for its use and benefit, to execute, acknowledge, deliver, record and file, as applicable, any such subdivision plat or deed, with full power of substitution, and agrees that this special power of attorney shall be deemed coupled with an interest, shall be irrevocable and shall survive Headwater's dissolution or other termination. Headwaters shall execute in recordable form one or more separate power of attorney documents upon request of Developer.

8. **Lien**. The Amenity Fee imposed hereunder and under the Joint Resolution of the Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish an Amenity Fee is imposed by the District pursuant to Section 32-1-1001(1)(j), C.R.S., for the purpose of financing Amenities serving properties within the Districts and is deemed by the Districts to be necessary in order to fulfill their governmental purposes. As a result, the Amenity Fee, together with any late fees or penalty interest due thereon, constitutes a valid, perpetual lien on and against the Property, such lien securing the payment of such Amenity Fee until paid in full. The District acknowledges and agrees that each Responsible Party shall be obligated to pay only the Amenity Fee payable with respect to the Lot or residential unit owned by such Responsible Party, and the lien referenced herein with respect to such Lot or residential unit secures payment of only such Amenity Fee (together with any late fees or penalty interest due thereon).

9. **Default.** Upon the occurrence of any event of default hereunder with respect to payment of any Amenity Fee, interest on such defaulted Amenity Fee shall accrue at the rate of twelve percent (12%) per annum from the Due Date until paid. Headwaters shall have the following rights and remedies: (i) if the default is a failure to pay, to declare by written notice such defaulted Amenity Fee immediately due and payable in full; (ii) to collect or foreclose its lien against the Lot and/or residential unit for which such Amenity Fee is in default pursuant to Section 32-1-1001(1)(j), C.R.S., or as otherwise provided by Colorado law; or (iii) to initiate an action at law or in equity for actual (but not punitive or consequential) damages arising from any reach of this Agreement or for specific performance. The prevailing party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, in connection with any enforcement action, and such costs and expenses incurred by Headwaters shall be secured by its lien against the Lot and/or residential unit to which such costs and expenses are allocable.

10. **Estoppel Certificates.** Upon request by the owner of any Lot, Headwaters shall issue a certificate stating the amount(s) of the Amenity Fee(s) that have been paid with respect to such Lot. Such certificate shall be furnished within 30 days after receipt of such request. All interested parties shall be entitled to rely upon such certificate.

11. **Restricted Use of Fee Revenue.** Until such time as the purchase price for the Amenities to be purchased by Headwaters pursuant to the Lease Purchase Agreement between Developer and Headwaters dated of even date herewith has been paid in full (and all debt used to finance or refinance such purchase price has been paid in full) (the "Initial Amenities Payment Date"), the revenues generated by the Amenity Fee shall be used solely for the purpose of financing the acquisition, leasing, construction, and replacement of Amenities, which may include, without limitation: (1) the issuance of bonds or (2) reimbursement of amounts advanced by other parties. This restriction on the use of Amenity Fee revenues shall be absolute and without qualification. After the Initial Amenities Payment Date, the revenues generated by the Amenity Fee may be used for the foregoing purposes and/or for the operation, maintenance and repair of Amenities.

12. **Appraisal Required.** The purchase price to be paid by Headwaters in connection with the purchase of any Amenities shall be determined by an appraisal reasonably acceptable to Headwaters.

13. **Warranties, Agreements and Representations.** The Developer makes the following representations, agreements and warranties to Headwaters:

(a) The Developer is the fee owner of the Property and has good, marketable and indefeasible title thereto, subject to all liens, encumbrances and interests of record.

(b) The Developer has the full right, power and authority to enter into, perform and observe the Agreement.

(c) Neither the execution of the Agreement, the consummation of the transactions contemplated hereunder, nor the fulfillment of or compliance with the terms and conditions of the Agreement will conflict with or result in a breach of any term, condition or provision of, or constitute a default under any agreement, instrument, indenture, judgment, order or decree of any court to which the Developer is a party or by which the Property is bound.

14. **Collection Provisions.** All Amenity Fees, late fees and penalty interest shall be paid to the District, in cash or an equivalent form made payable to "Headwaters Metropolitan District." In the event that any such amount is not paid when due, the District shall direct its General Counsel to undertake collection efforts for any and all outstanding amounts, in accordance with the following procedures. The District (or, if so directed, its General Counsel) shall send, by certified mail, a delinquency notice to the Responsible Party for which the District has not received any Amenity Fees five days after the due date thereof. In the event that such delinquent Amenity Fees have not been received by the District 35 days after the mailing of such notice, the District (or, if so directed, its General Counsel) shall send to such Responsible Party, by certified mail, a notice of intent to lien. In the event that the delinquent Amenity Fees have not been paid ten days after the mailing of such notice of intent to lien, the District (or, if so directed, its General Counsel) shall record a lien statement with respect to such unpaid Amenity Fees and shall immediately commence foreclosure proceedings with respect to the subject property. The District shall be entitled to charge reasonable legal fees and costs to the Responsible Party for said collections efforts.

15. **General Provisions.** The Parties hereto further agree as follows:

(a) Time is of the essence hereof; provided, however, if the last day permitted or the date otherwise determined for the performance of any act required or permitted under this Agreement falls on a Saturday, Sunday or holiday, the time for performance shall be extended to the next succeeding business day, unless otherwise expressly stated;

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado;

(c) Should any provision of this Agreement or the application thereof, to any extent, be held invalid or unenforceable, the remainder of this Agreement and the application thereof other than those provisions as to which it shall have been held invalid or unenforceable, shall not be affected thereby and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity;

(d) This Agreement embodies the entire agreement between the Parties hereto concerning the subject matter hereof and supersedes all prior conversations, proposals, negotiations, understandings and agreements, whether written or oral;

(e) All schedules, exhibits and addenda attached to this Agreement and referred to herein shall for all purposes be deemed to be incorporated in this Agreement by this reference and made a part hereof;

(f) Each of the Parties hereto covenants and agrees with the other, upon reasonable request from the other, from time to time, to execute and deliver such additional documents and instruments and to take such other actions as may be reasonably necessary to give effect to the provisions of this Agreement;

(g) This Agreement shall not be amended, altered, changed, modified, supplemented or rescinded in any manner except by a written agreement executed and acknowledged by all of the Parties hereto and attached as an addendum;

(h) Each of the Parties hereto represents to the other that each such Party has full power and authority to execute, deliver and perform this Agreement, that this Agreement constitutes a valid and legally binding obligation of such Party enforceable against such Party in accordance with its terms that such execution, delivery and performance will not contravene any legal or contractual restriction binding upon such Party or any of its assets and that there is no legal action, proceeding or investigation of any kind now pending or to the knowledge of such Parties threatened against or affecting such Party or the execution, deliver or performance of this Agreement;

(i) Any one or more waivers of any covenant or condition by any Party hereto shall not be construed as a waiver of a subsequent breach of the same covenant or condition and a consent or approval to or of any act requiring consent or approval shall not be deemed to waive or render unnecessary such consent or approval to or of any subsequent similar act;

(j) This Agreement, and the rights and obligations provided for herein, shall run with the Property and be binding upon and inure to the benefit of the Parties hereto and their respective lessees, transferees, heirs, legatees, devisees, legal representatives, executors, administrators, successors and assigns. Notwithstanding the foregoing, Headwaters acknowledges and agrees that owner(s) of a portion of the Property shall be jointly and severally obligated to pay only the Amenity Fees payable with respect to such portion of the Property, and Headwaters shall have the right to assert a lien hereunder against such portion of the Property for only the amount of such Amenity Fees, interest and penalties thereon.

(k) Any and all notices or demands provided for herein or given or made in connection herewith shall be in writing and shall be deemed given or made either by personally serving the same upon the Party to be notified or by mailing the same to the Party to be notified, registered or certified mail, return receipt requested, to the address of such Party set forth below:

(i) If intended for the Developer:

Gerald E. Engle
PO Box 8988
Edwards, CO 81632

Marise Cipriani
63331 U.S. Highway 40
PO Box 1110
Granby, Colorado 80446

with a copy to:

Michael A. Putnam
1750 Pillsbury Center
220 South Sixth Street
Minneapolis, MN 55402

Paul V. Timmins Esq.
Holme Roberts & Owen LLP
1700 Lincoln Street, Suite 4100
Denver, Colorado 80203

(ii) If intended for Headwaters:

Headwaters Metropolitan District
Robertson & Marchetti, P.C.
Headwaters District Administrator
Post Office Box 600
Edwards, Colorado 81632

with a copy to:

Headwaters Metropolitan District
c/o Collins Cockrel & Cole
Attn: James P. Collins, Esq.
390 Union Boulevard, Suite 400
Denver, Colorado 80228

Any such demand or notice given or made by mail shall be deemed effectively given or made five (5) days after the same is deposited in the United States mail, postage prepaid, addressed as set forth above. Either Party may designate a different address for the purposes of this provision by notice given in accordance herewith.

EXECUTED as of the date first written above.

GRANBY REALTY HOLDINGS LLC,
a Colorado limited liability company

By: _____
Gerald E. Engle, Manager

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was duly acknowledged before me this 1st day of June, 2005, by Gerald E. Engle, as Manager of Granby Realty Holdings LLC, a Colorado limited liability company, on behalf of said limited liability company.

Witness my hand and official seal.

My commission expires: _____

NOTARY PUBLIC
KAJSA M. WIBERG
STATE OF COLORADO
My Commission Expires JUNE 30, 2007

_____
Notary Public

PO Box 415 Winter Park CO 80482
Address

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HEADWATERS METROPOLITAN DISTRICT

By: _____
Chairman

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was duly acknowledged before me this 1st day of June, 2005, by Julie Krueger, Chairman for **HEADWATERS METROPOLITAN DISTRICT,** a quasi-municipal corporation and political subdivision of the State of Colorado on behalf of said corporation.

My commission expires: _____

NOTARY PUBLIC
KAJSA M. WIBERG
STATE OF COLORADO
My Commission Expires JUNE 30, 2007

_____
Notary Public

PO Box 415 Winter Park CO 80482
Address

#1064692 v12

SCHEDULE 1

Description of the Property

The following property located in Township 1 North, Range 76 West of the 6th P.M., County of Grand, State of Colorado:

Section 3:
The SW1/4SW1/4, EXCEPT that portion lying within the Denver and Rio Grande Western Railroad right-of-way;
N1/2SW1/4;
SW1/4NW1/4.

Section 4:
The S1/2, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way;
S1/2NW1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way;
SE1/4NE1/4.

Section 5:
The SW1/4, EXCEPT SILVERSAGE SUBDIVISION;
W1/2SE1/4;
Lot 5;
Lot 6;
S1/2N1/2, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 6:
That portion of the S1/2NE1/4 located east of Highway 40;
That portion of the N1/2SE1/4 located east of Highway 40 and north of (1) the SILVERSAGE SUBDIVISION, and (2) the tract of land conveyed by SilverCreek Development Company to Teddy Gene Kellner by the Warranty Deed recorded in the real property records of Grand County, Colorado on January 6, 1987, in Book 410 at Page 642.

Section 7 (Entrance Parcel):
That portion of the NE1/4SE1/4 lying Easterly of Highway 40, EXCEPT (1) THE INN AT SILVERCREEK SUBDIVISION, and (2) that portion lying north of the property described in the deed to Val Moritz Village, Inc. recorded in the real property records of Grand County, Colorado on July 14, 1971, in Book 178 at Page 709.

Section 8:
NW1/4NW1/4NW1/4;
E1/2NW1/4NW1/4;
E1/2NW1/4, EXCEPT (1) THE SILVERSAGE SUBDIVISION, (2) THE INNSBRUCK-VAL MORITZ SUBDIVISION, and (3) THE INN AT SILVERCREEK SUBDIVISION;
NE1/4SW1/4, EXCEPT (1) that portion located within THE INNSBRUCK-VAL MORITZ SUBDIVISION, and (2) that portion located within THE LAKEVIEW SUBDIVISION;
Lots 1 and 2;
E1/2E1/2;
NW1/4SE1/4.

Section 9:
Lots 1, 2, 3, 7, 8 and 9;
NE1/4SW1/4;
E1/2NW1/4;
N1/2NE1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 10:
NW1/4NW1/4, EXCEPT that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 15:
W1/2W1/2;

E1/2NW1/4, EXCEPT (1) the 23.99 acre open space parcel shown on the Final Plat of EAGLECREST SUBDIVISION, and (2) that portion located within the Denver and Rio Grande Western Railroad right-of-way.

Section 16:
ALL, EXCEPT (1) the 11.91 acre open space parcel shown on the Final Plat of SKI HAVEN ESTATES - PHASE I SUBDIVISION, (2) that portion of Phase I of THE SUMMIT AT SILVERCREEK platted as THE SUMMIT AT SILVERCREEK CONDOMINIUMS by the As Built Plat recorded in the real property records of Grand County, Colorado on February 22, 1985 at Reception No. 226723, (3) THE MOUNTAINSIDE AT SILVERCREEK PHASE I SUBDIVISION (including the 2.4 acre open space parcel shown on the final plat of such subdivision), (4) THE MOUNTAINSIDE AT SILVERCREEK PHASE II SUBDIVISION (including the 0.22 acre open space parcel shown on the final plat of such subdivision), (5) THE KICKING HORSE LODGES SUBDIVISION, (6) Lots 1 and 2, Block 4, SILVERGATE SUBDIVISION, (7) the two open space parcels shown on the final plat of SILVERGATE SUBDIVISION, and (8) the property described in the Quit Claim Deed from SilverCreek Development Company to The Summit at SilverCreek Homeowner's Association, recorded in the real property records of Grand County, Colorado on April 23, 1990 in Book 462 at Page 890..

Section 17:
E1/2SW1/4;
SE1/4;
E1/2NE1/4.

Section 20:
NE1/4NW1/4;
NE1/4, EXCEPT (1) VAL MORITZ VILLAGE (SECOND FILING), and (2) the 7.8 acre open space parcel shown on the final plat of WESTRIDGE SUBDIVISION;
N1/2SE1/4, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), and (2) VAL MORITZ (SECOND FILING);
SE1/4SE1/4, EXCEPT VAL MORITZ VILLAGE (FIRST FILING).

Section 21:
ALL, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), and (2) VAL MORITZ VILLAGE (SECOND FILING).

Section 22:
W1/2NW1/4.

Section 28:
ALL, EXCEPT (1) VAL MORITZ VILLAGE (FIRST FILING), and (2) that portion conveyed by Val Moritz Group, Ltd., d/b/a SilverCreek Development Company, a Colorado limited partnership to Highlands Property Owners Group, Inc., a Colorado non-profit corporation by instrument recorded August 1, 1990, in Book 467 at Page 130.

Section 29:
NE1/4NE1/4;
S1/2 NE1/4;
SE1/4;
EXCEPT FROM SAID SECTION 29 (1) VAL MORITZ VILLAGE (FIRST FILING), and
(2) the tract of land conveyed by Plaza Resources Company to Grand Investments, LLC by Special Warranty Deed recorded October 13, 1995 at Reception No. 95008910.

Section 32:
NE1/4, EXCEPT that portion lying within the Highway 40 right-of-way.

Section 33:
NW1/4;
NW1/4NE1/4;
S1/2NE1/4, EXCEPT (1) that portion conveyed by Val Moritz Investment Group, et al. to Grand County by instruments recorded May 18, 1983, in Book 328 at Page 625 and 628, June 8, 1983, in Book 329 at Page 809, May 22, 1984, in Book 350 at Pages 946 and 947, July 18, 1984, in Book 354 at Page 124, June 17, 1985, in Book 375 at Pages 46 and 48, August 23, 1985, in Book 379 at Page 963 and September 25, 1985, in Book 381 at Page 755, and (2) that portion conveyed by Val Moritz Investment Group, Ltd., d/b/a SilverCreek Development Company, a Colorado limited partnership to Highlands Property Owners Group, Inc., a Colorado non-profit corporation by instrument recorded August 1, 1990, in Book 467 at Page 130.

Commercial West Parcel:

That portion of Section 6 and Section 7, Township 1 North, Range 76 West of the Sixth P.M., Grand County, Colorado, more particularly described as follows:

All information contained herein is based upon the location of the existing B.L.M. brass cap monuments as established by the Bureau of Land Management dependent resurvey of a portion of Township 1 North, Range 76 West of the Sixth P.M., accepted October 10, 1979 and filed in the Colorado State Office November 1, 1979.

Considering the North line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 as evidenced by an existing B.L.M. brass cap monument at the Northwest corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 and an existing B.L.M. brass cap monument at the Northeast corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 as bearing South 89° 11' 02" East and with all bearings contained herein relative hereto.

Beginning at the Northwest corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7, thence along the North line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 89° 11' 02" East, 980.44 feet to the True Point of Beginning,
thence continuing along the North line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 89° 11' 02" East, 334.12 feet to the Northeast corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7,
thence along the East line of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 07° 12' 35" West, 1,277.49 feet to the Southeast corner of the Northwest one-quarter (NW1/4) of the Northeast one-quarter (NE1/4) of said Section 7 as evidenced by an existing B.L.M. brass cap monument, said point also being the Southwest corner of the Northeast one-quarter (NE1/4) of the Northeast one-quarter (NE1/4) of said Section 7,
thence along the South line of the Northeast one-quarter (NE1/4) of the Northeast one-quarter (NE1/4) of said Section 7 South 87° 57' 16" East, 912.53 feet,
thence North 02° 02' 44" East, 75.00 feet,
thence South 87° 57' 16" East, 114.54 feet to a point on the West right-of-way line of Highway 40, said point being on a curve concave to the Southwest, having a partial central angle of 01° 51' 52" and a radius of 1,282.50 feet, a radial line through said point bears North 82° 24' 55" East,
thence Northwesterly along the arc of said curve and said West right-of-way line 41.73 feet to the end of said curve, a radial line through said end of curve bears North 80° 33' 03" East,
thence along the West right-of-way line of said Highway 40, North 00° 58' 57" West, 243.40 feet to an existing highway right-of-way marker set in concrete,
thence along the West right-of-way line of said Highway 40, North 14° 24' 04" West, 19.16 feet to the Southeast corner of that certain parcel of land described in Deed recorded in Book 151, Page 17, records of said County,
thence along the South and West and North lines of said described parcel the following courses and distances,
North 78° 54' 04" West, 232.66 feet,
thence North 14° 24' 04" West, 572.10 feet,
thence North 75° 35' 56" East, 210.00 feet to the Northeast corner of said described parcel, said point being on the West right-of-way line of said Highway 40,
thence along said West right-of-way line North 14° 24' 04" West, 781.76 feet to the Southeast corner of that certain parcel of land described in Deed recorded in Book 194, Page 624, records of said County,
thence along the South and West and North lines of said described parcel the following courses and distances , South 75° 35' 56" West, 300.00 feet,
thence North 14° 24' 04" West, 382.76 feet,
thence South 89° 54' 04" East, 330.53 feet to the Northeast corner of said described parcel, said point being on the West right-of-way line of said Highway 40,
thence along said West right-of-way line North 14° 24' 04" West, 61.97 feet,
thence North 89° 54' 04" West, 695.50 feet,
thence South 04° 06' 34" West, 836.61 feet, more or less to the True Point of Beginning.

EXCEPT: Any portion of subject property lying within the property described in Book 154 at Page 119.

2005-005678 06/02/2005 03:51P AGR SARA L ROSENE
16 of 16 R 81.00 D 0.00 GRAND COUNTY CLERK

Val Moritz Village Lots:

Lots 1 through 21, 23, and 25 through 32, Block 1,
Lots 1 through 11, and 13 through 17, Block 2,
VAL MORITZ VILLAGE (FIRST FILING),
County of Grand,
State of Colorado.