

4.5.9 That the adequacy of any proposed satisfaction of every condition is subject to the approval of the Board;

4.5.10 That when a condition includes construction of any portion of the infrastructure, such construction, together with the standards, maintenance, replacement, ownership, operation and dedication are subject to approval of the Board but, the standards for and adequacy of construction shall be governed by the UBC;

4.5.11 That except as set forth herein, Mineral County shall never bear any expense or responsibility whatsoever for the planning, engineering, construction, installation, maintenance, repair, replacement, capacity, usability or quality of any portion of the infrastructure of the Development or any other matter within the Development, including private properties and structures;

4.5.12 That if any code is adopted and must be enforced by the County, the Resolution of the Board of County Commissioners of January 2, 1990 (which Resolution dealt with potential civil liability for nonenforcement) shall be fully applicable and the County shall bear no liability for negligent enforcement or nonenforcement of any code and the County does not waive any immunities granted by law with respect to such negligence or nonenforcement.

4.6 In addition to all conditions imposed by applicable laws, the Board imposes the conditions set forth in paragraphs 4.6.1 through 4.6.55.4, below. Each such condition is subject to all paragraphs of this Resolution. Following each condition, there may appear a comment with respect to the status of the potential solution to that condition. Such comments are not binding upon the Board, if the Board determines that the proposed solution does not, in fact or in law, constitute a solution. As to every condition, language of or the submission with the preliminary documents was adequate for the purposes of this Resolution but was inadequate for purposes of Final Approval.

4.6.1 Ownership of the Development - Current ownership of the Tract and mineral rights by the Applicant has not been verified. Current lienholders have not been identified. Current ownership of the water rights, the adequacy of those water rights to fully supply all water needs of the Development at full build-out, the adjudication of those water rights for use in the Development and the holders of any encumbrances on those water rights is presumed from the decree of the water court and the approved Augmentation Plan of the Water Court, Division 3. The current owners of the Tract, mineral rights and water rights and the current holders of any encumbrances shall be required to approve this Resolution in writing prior to adoption by the Board, except that no approval by the United States government shall be necessary on account of its ownership of the mineral rights. An Ownership and Encumbrance Report covering the Tract and the mineral rights and a water attorney's opinion letter covering the water rights and the Plan of Augmentation and the adequacy of title and adjudication for use in the Development and liens against either will be required prior to Final Approval, to verify compliance. All such items shall be at the expense of the Applicant. After recording of this Resolution, no portion of the Tract and no proposed phase of the Development may be conveyed prior to Final Approval. No further division of any lot shown on the recorded Final Plat shall be permitted, in the absence of an approved and recorded Amended Plat. Any person or entity acquiring an ownership or similar interest in any portion of the Tract during the development stage shall automatically stand in the position of the Applicant and be jointly and severally liable with the Applicant, with respect to all of the provisions hereof and of all applicable laws.

4.6.2 Capitalization and net worth of Applicant - The Applicant has provided no evidence or information regarding capitalization or net worth as of the date of this Resolution. This condition and the

financial viability issue is not now satisfied, must be satisfied as a condition of Final Approval and will presumably be satisfied by Applicant's satisfaction of paragraph 4.6.1 and evidence that the Tract and water rights are free and clear of liens and encumbrances

4.6.3 Supplemental Resolutions - The Plat Restriction prohibiting sales of every lot and block shall remain in effect until the recording of a Supplemental Resolution releasing the lot or block from the Plat Restriction. The basic requirement of a Supplemental Resolution to release the Plat Restriction against sales shall also appear in the Plat Restrictions. See 1.3.3 for further provisions.

4.6.4 Use Density Transfers - See paragraph 3.2.5 of this Resolution. Only use density transfers that comply with paragraph 3.2.5 shall be permitted and such limitations shall appear in the Final Plan and in condensed form as a Plat Restriction.

4.6.5 Name of Development - A brief statement shall appear in the Final Plan indicating that the Applicant is fully responsible for the name of the Development, that the County shall have no liability for the choice of such name or any claims of third parties with respect to any copyright or similar violation arising from such name and that the County is indemnified by the Applicant with respect to all such matters, liabilities and claims.

4.6.6 Drainage Plan - The preliminary master drainage plan is as shown on the Master Drainage Plan dated April, 1988 and supplements thereto. The Final Master Drainage Plan must be approved as a condition of Final Approval. Easements for the ownership, installation, maintenance and repair of drainage lines shall be conveyed to the POA without charge at the time of Final Approval. Any easements found to be necessary within a DNP subsequent to Final Approval shall be conveyed to the POA together with new improvements, without charge, as a condition of the Supplemental Resolution for that DNP.

4.6.7 Drainage during construction and mitigation (such as revegetation) of construction impacts - No acceptable plan has been presented as of the date of this Resolution. Such condition may be resolved in general, through the Master Drainage Plan, required in paragraph 4.6.6, above. Such condition shall be specifically resolved with respect to every ADNP prior to approval of that ADNP. Mitigation shall be at the expense of the Applicant. Provisions governing this topic shall appear in the Final Plan and in the Master Covenants.

4.6.8 Sewage treatment and disposal - The County must approve the site designation for a treatment plant, to be located on Lot U-1. Other matters are controlled by and shall be resolved by Applicant's compliance with state and federal laws, rules and regulations. Expansion shall be on a phase by phase basis and each expansion shall be subject to all applicable laws. In addition, the Final Plat shall allow for adequate acreage at full build-out and, together with sewage line easements, shall be dedicated and deeded to the Company without charge at the time of Final Approval. Easements found to be necessary subsequent to Final Approval together with new improvements shall be conveyed to the Company without charge, as a condition of the appropriate Supplemental Resolution. The sewage treatment lines for every phase shall be sized and located to accommodate connections from all other phases, where planned. The Final Plan shall include these provisions. The Company will own, operate, maintain, repair and replace every part of the sewage collection, treatment and disposal systems. All sewage treatment facilities and lines shall be constructed at the expense of the Applicant. The facilities, lines, pumps and plant shall be conveyed to the Company without charge, prior to the appropriate Supplemental Resolution. The sole exception to these provisions arises from the Applicant's current

intention to contract with the Wolf Creek Ski Area for sewage treatment in the early stages of development (not to exceed 60,000 gallons per day), until that facility is at maximum usage. If the Applicant proceeds in this fashion, Applicant must present a written Agreement between the Applicant and the Wolf Creek Ski Area to the Board, prior to Final Approval. Such Agreement shall adequately protect all property owners within the Development, until such time as the Applicant, at its sole cost and expense, shall construct a new sewage treatment facility on Lot U-1. If the Applicant initially utilizes the Wolf Creek Ski Area sewage treatment facilities, no Supplemental Resolution shall be adopted until the Applicant has installed and constructed the force main to the Wolf Creek Ski Area facility and conveyed those improvements and easement rights to the Company without charge. Whether or not the Applicant uses the Wolf Creek Ski Area facility, the Applicant must at some point in time construct a new sewage treatment facility for the Development, if the Development proceeds as intended. When such new facility becomes necessary, the Applicant shall construct and pay for such facility on Lot U-1 (whether or not the Wolf Creek Ski Area participates) and convey it to the Company without charge. No Supplemental Resolutions shall be adopted by the Board between the date that the need for the new facility becomes known and the date of completion and conveyance of the new facility to the Company.

4.6.9 Wetlands and water pollution - All matters are controlled by and shall be resolved by compliance with state and federal laws, rules and regulations. The Preliminary Plat does and the Final Plat must avoid development in the wetlands areas and the prohibition against such development shall be a Plat Restriction, provided that the Plat Restriction shall allow for limited improvements in said wetlands areas (such as water inlets and utility line crossings) but only to the extent approved by the US Army Corps of Engineers. The Master Covenants or phase specific covenants shall control the prohibition on private lots and blocks, in detail. The Final Plan shall also state the prohibitions and method of enforcement. Regulation of such matters is the responsibility of state and federal government.

4.6.10 Solid waste disposal - The Final Plan will address and satisfy this issue as necessary. This condition must be fully satisfied with respect to each DNP, prior to the adoption of a Supplemental Resolution for that DNP. All responsibility for solid waste disposal shall be the responsibility of the POA but the POA may contract with private third parties. The POA's responsibility shall appear in the Master Covenants, the Final Plan and in the Articles of Incorporation of the POA and elsewhere as needed.

4.6.11 State highway access and Forest Service access road to the Development - State highway access is controlled by and shall be resolved by compliance with state laws, rules and regulations. Access across Forest Service Lands, between the state highway and the Development is controlled by and shall be resolved by compliance with federal laws, rules and regulations. (Potential litigation on this subject is considered the primary reason for the language in paragraph 2.7.3 of this Resolution.) The main access road shall be constructed in accordance with federal requirements, shall be completed prior to the Supplemental Resolution covering phase 1 and all rights and obligations with respect to such road shall be assigned and otherwise conveyed and transferred to the POA without charge prior to adoption of the Supplemental Resolution covering phase 1. Responsibility for this and all other rights of way shall appear in the Articles of Incorporation of the POA and in the Master Covenants. The Final Plan shall include pertinent provisions on this subject

4.6.12 Geo-technical engineering and geologic hazards - The Applicant has presented preliminary reports that are adequate for this Resolution and for Final Approval. The Final Plan shall include any necessary, detailed requirements with respect to mitigation, construction and all related issues. No building permit shall be issued unless the proposed construction complies with both the Uniform Building Code (UBC) and all special requirements as described in final reports on these subjects. These

requirements will be a part of the Master Covenants and shall be referenced in the Plat Restrictions with the UBC

4.6.13 Soil Conservation - Such condition shall be resolved in general through the Master Drainage Plan required in Paragraph 4.6.6 above. Completion of the requirements with respect to each DNP will be a condition of adoption of a Supplemental Resolution for that DNP.

4.6.14 Water Conservation - All matters shall be resolved by restrictions on use as Applicant elects to include in the Master Covenants and in the governing documents of the Company.

4.6.15 County design standards - Each element of the Final Plan and Final Plat and all subsequent construction shall comply with these standards, except as described in Article III of this Resolution.

4.6.16 Pedestrian, bicycle and skier crosswalks, trails and over-head crossings - All of the foregoing will be shown on the Final Plat and those not heretofore conveyed to the Wolf Creek Ski Area shall be constructed at the sole cost of the Applicant and the easements therefore shall be dedicated and deeded to the POA without charge at the time of Final Approval. Easements found to be necessary subsequent to Final Approval together with new improvements shall be deeded and conveyed to the POA without charge, as a condition of the appropriate Supplemental Resolution. Actual construction may be on a phase by phase basis. Such easements, across the Wolf Creek Ski Area ski runs, will connect to those shown on the Final Plat and, depending upon the Applicant's agreements with the Ski Area, may or may not be included in appropriate Subdivision Improvements Agreements.

4.6.17 Streets, roadways, alleys - The location of all roads, streets and alleys shown on the Preliminary Plat is acceptable for Final Approval. All streets, roadways and alleys will be sized and located to accommodate extensions into other phases where planned but those extensions will be deeded and dedicated to the POA without charge at the time of Final Approval. The construction and conveyance of the main access road, all roads, streets and alleys within phase 1 and all other roads necessary to support phase 1 (such as access roads to water and sewer facilities) are all a condition of adoption of a Supplemental Resolution covering phase 1. All roads, streets and alleys within the Development shall be constructed within the rights of way dedicated and deeded to the POA, without charge. It is understood that the roads, streets and alleys: Will not be constructed by the County or at any cost to the County; Will not be dedicated to the County but will be dedicated and deeded to the POA forever and shall thereafter be the responsibility of the POA in perpetuity; and, will not be maintained by the County. All roads shall comply with the applicable provisions of this Resolution and with the prevailing County Road standards, except as set forth in paragraphs 3.2.11, 3.2.12 and 3.2.13. These Provisions shall be included in the Final Plan and as Plat Restrictions. The Articles of Incorporation of the POA and the Master Covenants shall include the POA's responsibilities with respect to roads, streets and alleys. Roads or streets crossing Wolf Creek Ski Area property by virtue of easement agreements between the Applicant and the Ski Area shall require the assignment of those easement agreements to the POA.

4.6.18 Cut and fill operations and maintenance easements - The Final Plan shall address these issues in general and the adoption of a Supplemental Resolution shall require satisfaction of these issues with respect to a DNP, including compliance with all requirements imposed under paragraphs 4.6.12 and 4.6.13 of this Resolution

4.6.19 Sign regulations - General language regarding signs including size, location and limitations as set-forth in the Preliminary Draft of the Final Plan was adequate for purposes of this Resolution but inadequate for Final Approval. It is anticipated that all issues will be resolved by the Master Covenants, the Architectural Review requirements and compliance with the Scenic Easement, all of which shall be in acceptable form prior to Final Approval. Further, the sign regulations and provisions regarding enforcement and violation shall appear in the governing documents of the POA. Enforcement will be through the POA and this duty shall be included in the Articles of Incorporation of the POA.

4.6.20 Survey monuments - Will be required as a condition of Final Approval and, to the extent not accomplished prior to Final Approval, will be required as a condition of every Supplemental Resolution.

4.6.21 Architectural controls - The Final Plan will address this issue, in general. Specific controls in the Master Covenants and in the governing documents of the POA shall be approved prior to Final Approval, except controls involving style and appearance. The height limitation on all structures in the Development shall be in accordance with the USFS scenic easement, measured in the same manner as the USFS and this limitation shall be included in the Master Covenants, the governing documents of the POA and the Plat Restrictions. Enforcement shall be through the POA and such duty shall appear in the Articles of Incorporation of the POA.

4.6.22.1 Master Covenants - Master Covenants for the Development shall be approved by the Board and recorded at the time of Final Approval. These Master Covenants shall include, at a minimum, all of the matters specified to be included in the Master Covenants in this Resolution. The Master Covenants shall be enforceable by the County, by the State or Federal governments, by the Applicant, by the POA and by any property owner within the Development. However, no provision of the Master Covenants shall require enforcement by the County, State or Federal governments. No building permit shall be issued until it is first approved by the appropriate Design Review Committee. The Master Covenants shall not be subject to amendment or change of any kind without the consent of the County, if the effect of such amendment or change would alter or diminish the duties or responsibilities of the Applicant, the POA or the Company or change the relationship of those entities to each other or to the property owners within the Development. The Master Covenants shall not be subject to termination or cancellation without the consent of the County. In addition, if a proposed amendment, change or termination of a Covenant involves federal or state requirements, consent of the appropriate agency shall be required. Such Covenants shall be in full force and effect for not less than 25 years.

4.6.22.2 Plat Restrictions - These shall be approved by the Board as a condition of Final Approval and appear on the Final Plat. The Plat Restriction on sales and the general procedures for releasing lots and blocks from such Plat Restriction by way of a Supplemental Resolution shall appear in the Plat Restrictions. Plat Restrictions shall include, at a minimum, all of the matters specified to be included as such in this Resolution. No Plat Restriction can be released, partially released, waived, amended or deleted without a Resolution of the Board and this prohibition shall appear in the Plat Restrictions.

4.6.22.3 Covenants applicable only to specific phases (phase - specific covenants) - These shall be recorded with the Supplemental Resolution covering the DNP to which the covenants are applicable. These covenants shall include, at a minimum, a reference to the Master Covenants. All phase - specific covenants are subject to the approval of the Board.

4.6.23 Lighting - Lighting standards will be established in the Master Covenants and in the governing documents of the POA and, at a minimum, shall require that all outdoor lighting, whether private or owned and operated by the POA, shall be shielded. The installation of all necessary street and open space lighting shall be at the expense of the Applicant and the installation and conveyance to the POA without charge of easements and lighting fixtures (poles, lights, wiring, etc.) shall be a condition of the adoption of a Supplemental Resolution covering each DNP. Lighting on the main access road shall be a condition of a Supplemental Resolution covering phase I. Easements for lines shall require underground installation. All outdoor lighting other than privately owned lighting will be owned, maintained, repaired and replaced by the POA. Lighting not located within a road right-of-way will require separate easements for the POA and such easements shall be deeded to the POA without charge at the time of the adoption of the Supplemental Resolution covering a DNP. The duty and responsibility of the POA described herein shall appear in the Articles of Incorporation of the POA.

4.6.24 Public access road to Alberta Park Reservoir - In the course of acquiring the property from the United States government, the Applicant (or a predecessor in interest) granted an easement to the United States government for the use and benefit of the public with respect to access to Alberta Park Reservoir and the National Forest. Such easement is of record and the Developer shall comply with the requirements of such easement. Such easement shall be surveyed, shown and dedicated to the public forever on the Final Plat. The right of the public shall appear on the Final Plat as a Plat Restriction. See also, paragraph 3.2.13 for required and optional posting requirements. The access as shown on the Preliminary Plat follows a platted roadway. The Applicant may specify a different access on the Final Plat but acknowledges that a change in the route of this easement could require a replat of a significant portion of the Development and, as a result, could require reconsideration of the Preliminary Plat and this Resolution by the Commission and the Board. In the alternative, the Board may allow the easement to be modified in accordance with the USFS requirements without requiring modification of the Preliminary Plat or this Resolution, showing such modified easement only on the Final Plat and in other final documents. In any event, Applicant has no duty beyond the east property line of the Tract.

4.6.25 Divestiture of real property utilized for public purposes, including drainage easements and facilities, roads, streets and alleys, pedestrian and bicycle and skier pathways, including open space, public sites and sites for fire, emergency, shuttle and snow removal vehicles and services - These shall be dedicated and deeded to the POA at the time of Final Approval, without charge. To the extent that they are not so deeded and dedicated, subsequent deeds and conveyances to the POA, without charge, shall be a condition for the approval of an ADNP. To the extent that they are not so deeded and dedicated subsequent to such approval, they shall be a condition for the adoption of a Supplemental Resolution for each DNP, as applicable. In all cases, construction of the necessary facilities, offices and buildings and the purchase of necessary equipment for the provision of fire, emergency, shuttle and snow removal services shall be an expense of the Applicant and conveyed to the POA, without charge. After adoption of the Supplemental Resolution covering the last phase, Applicant shall have no further responsibility. The Articles of Incorporation of the POA and the Master Covenants shall include the ownership, maintenance, repair and replacement of all improvements conveyed and associated with the foregoing. (Note: Easements and sites for water and sewer lines and facilities shall be deeded to the Company, at the time of Final Approval, without charge. To the extent not accomplished prior to Final Approval, subsequent deeds to the Company, without charge, shall be a condition for the adoption of a Supplemental Resolution for each DNP, as applicable.)

4.6.25.1 The Applicant shall assure, in the Final Plan and such other document(s) as required by the Board, that when Applicant constructs a commercial condominium for the offices of the POA and the

Company, it shall construct an additional adequate unit for a sheriff's substation and convey such completed unit to the County, without charge. Such substation shall include sufficient office and dispatch space, a temporary holding cell, an apartment area with kitchen and adequate reserved parking for sheriff vehicles. Such construction shall be a condition of the adoption of a Supplemental Resolution for the DNP first following the month in which the services of the Sheriff were required within the Development more than 15 times per month on the average, for 12 consecutive months.

4.6.25.2 Certain sites consisting of water storage and treatment sites and sewer treatment sites and easements to and from such sites necessary for the completion of a water and sewer system shall be dedicated on the Final Plat and conveyed to the Company without charge prior to Final Approval, regardless of whether or not such sites are necessary for the completion of the initial water and sewer system. Access to these sites shall be assured on the Final Plat.

4.6.26 Shuttle system and guard station - Both the shuttle system and guard station may be essential to mitigate the impacts of the parking variances granted in this Resolution. Accordingly, the Applicant has agreed and shall be legally bound to construct a guard station at the entrance to the Development and to maintain, staff and operate such guard station as set forth in the Master Covenants. Staffing may be a condition of any Supplemental Resolution, at the discretion of the Board. Such guard station shall be dedicated and deeded to the POA in the Final Plat, without charge. When the guard station has been completed, the improvements will be conveyed to the POA, without charge, as a condition of the adoption of the Supplemental Resolution covering phase I. Applicant shall initially staff the guard station and when the POA is financially capable, the POA shall undertake the maintenance, staffing and operation of such station. With respect to the shuttle system, the Applicant agrees that: (1) The Commission and the Board may waive this requirement but there is hereby established a rebuttable presumption that the shuttle will be necessary and this requirement will be waived only upon adequate showing that there is no need for such shuttle system; (2) The Final Plan will include these provisions and will assure that the shuttle system will be owned and operated by the POA and that all portions of the shuttle system shall be purchased by the Applicant and conveyed to the POA without charge; (3) The Board may revoke the parking variance and/or refuse to adopt a Supplemental Resolution as to any DNP based upon the rebuttable presumption that the shuttle system is necessary in order to justify the parking variances or to eliminate congestion. The duties and responsibilities of the POA with respect to the guard station and its potential duties with respect to the shuttle system shall appear in the Articles of Incorporation of the POA and in the Master Covenants.

4.6.27 Property Owners Association - The POA shall legally exist as a condition of Final Approval. The POA shall be fully operational as a condition of the first building permit to be issued. The Applicant shall comply with all applicable paragraphs of this Resolution in the creation and operation of the POA. Subject to appropriate quorum provisions, and to greater voting requirements on specific issues as allowed by the Colorado Common Interest Ownership Act ("CCIOA"), control of the general operation of the POA shall be vested as required by the CCIOA [REDACTED] and specified in the Articles of Incorporation of the POA, provided that the Applicant may reserve the right to appoint and remove the members of the Executive Board and the officers of the POA during the period of time allowed by CCIOA, and further provided that the Applicant may retain control of the Architectural/Design Review Committee until full build-out of the Development. These or similar provisions shall appear in the Articles of Incorporation of the POA and in the Master Covenants. The Articles of Incorporation of the POA and the Master covenants shall make an equitable allocation of "Allocated Interest", consistent with CCIOA, among single-family, multi-family, commercial and hotel properties SSW

4.6.28 Condominium Declarations - All matters are controlled by and shall be resolved by Applicant's compliance with state and federal laws, rules and regulations. This condition shall be fulfilled by adequate covenants for multi-family units, lot by lot or block by block. Approval by the County is not required so long as the lot is zoned multi-family.

4.6.29 Time-Share Declarations - All matters are controlled by and shall be resolved by the Applicant's compliance with state and federal laws, rules and regulations. This condition shall be fulfilled by adequate covenants for time-share units, lot by lot or block by block. Approval by the County is not required so long as the lot is zoned multi-family.

4.6.30 Metropolitan Districts - No Metropolitan District will be utilized for the Development or for the purpose of financing or operating the infrastructure, at the specific request of the Applicant. Applicant acknowledges that, as a result, all financing of the infrastructure shall be private and Applicant is committed to such private financing.

4.6.31 Financing of all infrastructure - Each DNP shall incorporate a separate Subdivision Improvements Agreement in final form as approved by the Board, executed by the Applicant and recorded at the time of the approval of the ADNP. The Subdivision Improvements Agreement for phase 1 shall be executed prior to or at the time of Final Approval. All requirements of a complete infrastructure for each DNP, including buildings, equipment and facilities to be conveyed to the POA and to the Company shall be included in the Subdivision Improvements Agreement for that DNP. The total projected cost of the entire infrastructure of an ADNP, including the expansion of existing infrastructure located on or serving prior DNPs, shall be determined subsequent to the filing of an ADNP and prior to approval, as described in paragraph 1.3.1. Such procedures shall apply to phase 1 as well as all subsequent ADNPs.

4.6.32 Security to guarantee completion of the entire infrastructure - Each Subdivision Improvements Agreement shall require separate security to secure its performance. The form of security shall be a letter of credit in the amount of 125% of the total cost of the infrastructure for that phase, in form approved by the Board, from a lending institution approved by the Board, or other security deemed acceptable by the Board in its sole and absolute discretion. (Also, see paragraph 1.3.1.)

4.6.33 Fire and wildfire protection and emergency services - Because Mineral County, the Town of South Fork, the Town of Pagosa Springs and the Mineral County Fire Protection District cannot provide adequate fire protection or emergency medical services, these services shall be provided by the Applicant until the POA is capable of undertaking the provision of these services. See 4.6.25 for land dedications and deeds to the POA for housing fire and emergency equipment and for the purchase of fire fighting and emergency services equipment. Buildings for housing fire and emergency equipment and all necessary equipment shall be constructed and paid for by the Applicant and conveyed to the POA without charge, prior to adoption of a Supplemental Resolution for the applicable DNP. Expansion of these buildings and of available equipment and personnel to accommodate expanding needs of the Development will be subject to the same provisions. Although adequate fire hydrants shall be installed by the Applicant (except those within buildings) and maintained and replaced by the Company, these hydrants shall be under the control of and for the use of the POA. Such hydrants need not provide treated water. These provisions, as well as the provisions of a wildfire Hazard Mitigation Plan, shall be incorporated into the Master Covenants and the Articles of Incorporation of the POA and Company.

4.6.33.1 Fire Fighting - Based upon the certification to the County with each ADNP, the necessary facilities and equipment shall be included in the Subdivision Improvements Agreement for that phase and the construction and purchases necessary to support the Development, phase by cumulative phase, shall be a condition for the adoption of a Supplemental Resolution for each phase. It is not the County's intention to nor will the County require excessive facilities, equipment or personnel but only what is certified to the County as being adequate at any given stage of the Development.

4.6.33.2 Emergency Services - Based upon the certification to the County with each ADNP, the necessary facilities and equipment shall be included in the Subdivision Improvements Agreement for that phase and the construction and purchases necessary to support the Development, phase by cumulative phase, shall be a condition for the adoption of a Supplemental Resolution for each phase. It is not the County's intention to nor will the County require excessive facilities, equipment or personnel but only what is certified to the County as being adequate at any given stage of the Development. By way of example, at some point a helipad may be both necessary and reasonable and, at such time, would become a condition for approval of an ADNP and for the adoption of a Supplemental Resolution. This is particularly true due to the high altitude of the Development. On that same subject and while the County cannot regulate advertising, the County urges the Applicant to include information regarding altitude sickness, its symptoms and treatments, in all of its advertising.

4.6.34 Police protection - The Applicant has agreed to provide private security protection until adoption of the Supplemental Resolution for phase I. The County will provide police protection via contract with the Applicant, until tax collections are adequate for the County to provide such services without a contract. The amount to be paid to the County under such a contract shall not exceed the County's actual costs incurred in providing the protection. Such police protection does not and shall not include traffic and parking regulation and control and such regulation and control shall be provided by the POA. This duty of the POA will be included in the Articles of Incorporation of the POA. See also paragraphs 4.6.25.1 and 4.6.37 for sheriff's substation.

4.6.35 School facilities - See below and paragraph 4.6.37. Provided however that the following paragraphs 4.6.35 are tentative as of the date of this Resolution. The Final Plan, the Plat Restrictions and other documents utilized for Final Approval shall include and assure the exact and final agreements between the Applicant and the Creede Consolidated School District.

4.6.35.1 The Final Plat shall conditionally reserve approximately 3 acres from Lots U-2, D-9 and D-8 and such reservation shall be a conditional Plat Restriction. Prior to the time that 40 K-12 students attending public schools reside in the Development, the Creede Consolidated School District shall have a one-time option to accept and finalize the dedication or to release the conditional dedication and accept a one-time contribution by the Applicant to the District in the amount of \$350,000.00. If the District accepts the cash contribution, the use of such funds shall be limited to the construction of a school within the Development or within a reasonable distance from the Development (in which case the Applicant must approve the site) or to the cost of transporting students living within the Development to and from other Creede or Creede designated schools, all of which decisions are at the discretion of the District.

4.6.35.2 Regardless of the above paragraph, the Applicant agrees that, subsequent to the time that 70 K-12 students attending public schools reside in the Development, it will match Creede Consolidated School District funds (whether the source of such funds is the District budget, an approved District bond issue for such purpose or state or federal grants for such purpose or a combination of any or all of these sources) dollar for dollar, up to a total contribution by the Applicant of \$750,000.00, for the express

purpose of the construction of a new school building, to be located either within the Development or outside the Development (if the site was or is approved by the Applicant). This commitment requires that the construction of the school be completed within 24 months of the District's receipt of the Applicant's matching funds. The provisions of this paragraph shall likewise be included as a Plat Restriction.

4.6.35.3 The Applicant is authorized to include the adjustment called for in paragraph 4.6.53.1 on the Final Plat, as though that provision appeared in paragraph 3.2.6. In addition, the provisions of these paragraphs 4.6.35 shall appear in the Final Plan and the Master Covenants.

4.6.36 County office facilities - Any building construction or the cost of purchase of a commercial condominium unit for satellite County Offices shall be at the expense of the County but such building or unit will comply with the POA Architectural controls. In constructing office facilities for the POA and the Company, the Applicant will consult with the County on this subject.

4.6.37 Five percent (5%) public site dedication - It is agreed that the 5% dedication will be satisfied by paragraphs 4.6.35 and paragraph 4.6.25.1.

4.6.38 Sub-Division Improvements Agreements - The current form of Agreement has been furnished to the Applicant. The Board reserves the right to amend such form at its sole discretion from the date of this Resolution to the date of approval of the last ADNP.

4.6.39 Snow removal and snow storage - These services shall be provided by the POA and shall be included in the Final Plan, the Master Covenants and the Articles of Incorporation of the POA. See 4.6.25 for dedication of land to the POA for storage of snow removal equipment and vehicles. A building (or part of a building) for storage of adequate snow removal equipment shall be included in the Subdivision Improvements Agreement for phase 1, constructed at the Applicant's expense and conveyed to the POA without charge prior to the adoption of a Supplemental Resolution for phase 1. The costs for subsequent expansion of buildings and the purchase of necessary equipment shall be included in each subsequent Subdivision Improvements Agreement. Additional buildings (or building space) and necessary equipment shall be paid for by the Applicant and conveyed to the POA without charge. The POA shall be responsible for the operation, maintenance, repair and replacement of all equipment and the building(s). In addition, a Supplemental Resolution covering phase 1 shall not be adopted until snow storage is assured. At such time as off-site snow storage is necessary, Applicant shall also present a signed Agreement, either with the Wolf Creek Ski Area or in Permit or License form with the USFS, permitting the deposit of snow on the property of either or both, as the case may be. Such signed Agreement, Permit or License shall be a condition of the adoption of any Supplemental Resolution applied for after the necessity for off-site snow storage is identified.

4.6.40 Water rights / legal availability - Most if not all matters are controlled by and shall be resolved by compliance with state laws, rules and regulations and, particularly, through the Office of the State Engineer of the State of Colorado and the Water Court for Division 3, State of Colorado. The Plan of Augmentation approved by the Water Court in 1990 must be amended as required by the Water Court decree or Colorado law to recognize the changes in the Development, as proposed, subsequent to the approval of such Plan. Such Amended Decree is a condition of Final Approval. Such Amended Decree shall allow for administration of the Plan by the Company.

4.6.41.1 Water and Sewer - A Supplemental Resolution will not be adopted for a completed DNP until adequate potable water and sewage treatment facilities and adequate fire-fighting water and hydrants