

Re-recorded with Resolution GUNNISON COUNTY CO JOANNE M. BEITINGER  
468475 BK 725 PG 323 06/20/96 10:35A  
attached as required by  
Article III, Paragraph J. GUNNISON COUNTY CO JOANNE M. BEITINGER, RECORDER

DEED, GRANT OF LICENSES, RESERVATION AND  
GRANT OF EASEMENTS AND OPTION AGREEMENT  
STATE DOCUMENTS EN  
JUN 28 1996  
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No Fee No Fee

THIS DEED, GRANT OF LICENSES, RESERVATION AND GRANT OF EASEMENTS AND OPTION AGREEMENT (this "Agreement") is made as of the 15th day of April, 1996 by and between the NEWPORT PROPERTIES, INC., a Colorado corporation (herein referred to as "Newport"), having an address of 385 Country Club Drive, P.O. Box 879, Crested Butte, Colorado 81224 and the SKYLAND METROPOLITAN DISTRICT, GUNNISON COUNTY, COLORADO, having an address of 350 Country Club Drive, Room 112, Crested Butte, Colorado (herein referred to as the "District").

RECITALS:

WHEREAS, Newport is the owner of certain real property located in Gunnison County, Colorado, consisting of the parcels of real property legally described, and designated, respectively, as the "Unplatted Development Property", the "Platted Development Property" and the "Country Club Property" on Exhibit A attached hereto and incorporated herein by this referenced (the Country Club Property, the Unplatted Development Property and the Platted Development Property are, collectively, hereinafter referred to as the "Newport Lands"); and

WHEREAS, the Newport Lands are situated within the boundaries of the District; and

WHEREAS, pursuant to a certain Water Development Agreement dated as of July 19, 1995 between Newport and the District (the "Water Development Agreement"), Newport agreed, among other things, to donate and convey to the District all of its right, title and interest to a portion of the Unplatted Development Property upon which is located the reservoir commonly known as "Lake Grant" and the dam forming Lake Grant, together with certain water storage rights in Lake Grant and in certain of the ponds located on the Golf Course Property; and

WHEREAS, pursuant to the Water Development Agreement, the District, among other things, agreed to provide Newport with certain rights to utilize Lake Grant and its waters for recreational purposes, including the right to construct and maintain docks and other recreational facilities upon the lands surrounding Lake Grant; and

WHEREAS, subsequent to the execution and delivery of the Water Development Agreement, certain disagreements arose between the District and Newport with respect to the extent of the property encompassed by the term "Lake Grant" utilized therein and the legal description thereof, and also with certain other matters surrounding the conveyance contemplated thereby; and

WHEREAS, Newport and the District have resolved those disagreements and have entered into this Agreement to provide a comprehensive resolution thereof; and

WHEREAS, this resolution is embodied in this Agreement and includes the following elements:

A. Newport shall donate, convey and grant to the District a portion of the real property located within the Unplatted Development Property, being the area of land bounded by the high water line of Lake Grant together with certain area located below the spillway of the Lake Grant dam, such area being legally described on Exhibit B attached hereto and incorporated herein by this reference (the "Lake Parcel"); and

B. Newport shall donate, convey and grant to the District certain real property surrounding the Lake Parcel, which real property is legally described on Exhibit C attached hereto and incorporated herein by this reference (the "Open Space Parcel"); and

C. The donation, conveyance and grant of the Lake Parcel and the Open Space Parcel shall be subject to the reservation by Newport of certain perpetual and temporary easements and other rights in, to, upon and across the Lake Parcel and the Open Space Parcel in order to facilitate and accommodate the development of the Newport Lands; and

D. The District shall accept the grant of the Lake Parcel and the Open Space Parcel subject to certain perpetual and temporary easements and other rights in favor of Newport for the uses and purposes herein described and shall grant to Newport certain recreational licenses as herein described; and

E. The District shall grant to Newport an option to purchase a portion or portions of the Open Space Parcel in order to facilitate and accommodate the future development of the Unplatted Development Property; and

~~F. Newport shall donate, grant and convey to the District its interest in and to the water storage rights in Lake Grant and the Lake Parcel, which are legally described on Exhibit D attached hereto and incorporated herein by this reference (the "Lake Grant Water Rights"), and further shall donate, grant and convey to the District the water storage rights in certain of the ponds located on the Country Club Property (the "Golf Course Ponds"), which rights are legally described on Exhibit E attached hereto and incorporated herein by this reference (the "Golf Course Pond Water Rights"); the Lake Grant Water Rights and the Golf Course Pond Water Rights are, collectively, the "Water Rights"); and~~

11. The District shall agree to the continued use by Newport, its successors and assigns, without charge, of water from Lake Grant for the purpose of irrigating the golf course located on the Country Club Property; and

WHEREAS, the elements of the resolution outlined above are more particularly described and delineated in the text of this Agreement, and the District and Newport have agreed upon all of the terms and conditions set forth below.

NOW THEREFORE, in consideration of the foregoing premises and representations, warranties, undertakings and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the following grants, agreements, covenants and restrictions are made:

## ARTICLE I

### GRANT OF LAKE PARCEL AND OPEN SPACE PARCEL; DISTRICT COVENANT; GRANT OF RECREATIONAL LICENSES; RESERVATION OF EASEMENTS; OPTION IN FAVOR OF NEWPORT

#### A. Grant of Lake Parcel and Open Space Parcel:

Newport, by these presents, does grant, bargain, sell, and convey unto the District, its successors and assigns forever, all right, title, interest, claim and demand which Newport has in and to the Lake Parcel and the Open Space Parcel, with all their respective improvements, hereditaments and appurtenances, RESERVING, unto Newport, its successors and assigns, and its successors in title to the Newport Lands benefited thereby, the Irrigation Facilities Easements, and the Temporary Access Easement hereinafter described;

TO HAVE AND TO HOLD the said Lake Parcel and Open Space Parcel unto the District and its successors and assigns forever. Newport, for itself and/or its successors and assigns, does covenant and agree that it shall and will WARRANT AND FOREVER DEFEND the said Lake Parcel and Open Space Parcel in the quiet and peaceable possession of the District, its successors and assigns, subject to the reservations of the Irrigation Facilities Easements and the Temporary Access Easement, and to the Recreational Licenses and the Option herein granted and the other covenants and agreements contained herein, against all and every person or persons claiming the whole or any part thereof, by, through or under Newport.

#### B. District Covenant.

The District covenants and agrees with Newport, its successors and assigns, and with Newport's successors in title to either of the Platted Development Property and the Unplatted Development Property, or to any portion thereof, that the Lake Parcel and the Open Space Parcel shall at all times be held by the District, its successors and assigns, only for the operation and maintenance of the Lake Grant Dam and the Lake Grant reservoir and any other District purposes not inconsistent with the same being considered "open space" under the Land Use Resolution of Gunnison County, Colorado, and shall, subject to the rules and regulations of the District, including those related to public safety, be made available for recreational purposes to all owners of real property within the District's jurisdictional boundaries, and their respective tenants, subtenants, family members, servants and invitees.

C. Grant of Recreational Licenses.

In consideration of the conveyance of the Lake Parcel and the Open Space Parcel made by Newport to the District pursuant to Section 1.A. of this Agreement, the District has agreed to grant, and does hereby grant to Newport the "Lake Recreation License" and the "Open Space Recreation License" described below (collectively, the "Recreational Licenses"):

1. **Lake Recreation License.** The District hereby grants unto Newport, its successors and assigns, and to Newport's successors in title to either of the Platted Development Property and the Unplatted Development Property, a non-exclusive license and right to utilize the Lake Parcel and the waters of Lake Grant situate thereon, as the same may exist from time to time, for any and all recreational purposes, including, without limitation, boating, fishing and swimming (the "Lake Recreation License").

2. **Open Space Recreation License.** The District hereby grants unto Newport, for itself, and its successors and assigns, and to Newport's successors in title to either the Unplatted Development Property and the Platted Property, or any portion of thereof, a non-exclusive license and right to utilize the Open Space Parcel for purposes of (i) ingress and egress to and from the Lake Parcel; and (ii) for any and all recreational purposes, including, without limitation, picnicking, hiking and cross-country skiing (the "Open Space Recreation License").

3. **Special Recreational License Rights of Newport.** It is expressly acknowledged and agreed that the Recreational License rights granted to Newport, and its successors and assigns, under the Lake Recreation License and the Open Space Recreation License shall specifically include the right (but under no circumstances any obligation) in connection with the development, marketing and sale of the Unplatted Development Property and/or the Platted Development Property, to construct, maintain, use and enjoy within the Lake Parcel and the Open Space Parcel such recreational facilities (the "Newport Recreational Facilities") as Newport shall deem necessary or desirable to construct and or maintain in connection with its development, sales and marketing efforts, including, without limitation, swimming areas, boat docks, picnic grounds, playgrounds, access roads, parking areas and other facilities. Prior to constructing any Newport Recreational Facilities, Newport shall provide the District with materials identifying in reasonable detail, the type, extent and location of the Newport Facilities to be constructed in order to obtain the District's prior approval of same. The District shall grant such approval unless the proposed Newport Recreational Facilities either (a) conflict with, duplicate, or otherwise interfere with any then existing or then planned Additional Recreational Facilities (as defined below) or (b) would interfere with the proper functioning of the Lake Grant dam. The District shall provide approval or disapproval, as the case may be, of such proposed Newport Recreational Facilities within a reasonable time after submission of such materials by Newport, but not later than thirty (30) days after such submission. Any and all Newport Recreational Facilities shall be constructed at the sole cost and expense of Newport, shall be completed free and clear of any liens for labor and/or materials. From and after construction of any Newport Recreational Facilities through the time of conveyance of same to the District or the Skyland Community Association (the "Association"), as provided below, Newport shall maintain

the Newport Recreational Facilities in good and serviceable condition at Newport's sole expense, and shall maintain liability insurance protecting against accident or injury occurring in connection with such Newport Recreational Facilities constructed by it (which insurance shall have limits of not less than \$1,000,000), and shall cause the District to be named as an additional insured on any policies of insurance so obtained by Newport. Newport further agrees, to the extent the same is not covered by the insurance required to be maintained by Newport hereunder, to indemnify the District from any liability for injury to persons or damage to property arising in connection with the Newport Recreational Facilities or otherwise related to the exercise by Newport of its license rights granted hereunder. The license rights of Newport, its successors and assigns, shall also include the right to utilize any Newport Recreational Facilities, and the Lake Parcel and Open Space Parcel, generally, for purposes of conducting marketing and other special events with respect to their efforts to market and sell property within the Platted Development Property and the Unplatted Development Property ("Special Events"), and Newport's rights in that regard shall include the right to utilize portions of the Newport Recreational Facilities, the Lake Parcel and/or the Open Space Parcel as may be necessary to hold such special events. However, it is understood and agreed by Newport that such Special Events shall be subject to the non-exclusive right of use of the Newport Recreational Facilities by all residents of the District. Newport shall provide the District with prior written notice of any Special Events so as to avoid scheduling conflicts with any events to be held by the District or the Association. Newport agrees that no later than the date upon which Newport has sold ninety-five percent (95%) of the lots or parcels of land within the Unplatted Development Property and the Platted Development Property (the "Recreational Facilities Turnover Date"), any Newport Recreational Facilities shall be conveyed to either the District or to the Association, as determined by the District, and at such time the special license right of Newport to construction any additional Newport Recreational Facilities shall terminate.

4. Duration of Recreational Licenses. The Recreational Licenses herein granted to Newport shall commence and be effective upon the date this Agreement becomes effective and shall remain in full force and effect until the earlier to occur of either (a) the date upon which Newport, its successors or assigns, shall have sold and conveyed each and every lot or tract of land within the Platted Development Property and the Unplatted Development Property to third party purchasers or (b) the date which is two (2) years after the Recreational Facilities Turnover Date, at which time the License rights of Newport hereunder shall cease and terminate. Prior to such time, however, it is expressly acknowledged and agreed that the Recreational Licenses herein granted shall not be subject to termination by the District.

5. District Right to Construct Additional Recreational Facilities. The District and/or, subject to a license granted by the District to the Association for such purpose, (and further subject to any restrictions or rights of approval imposed upon the Association by the District in such license) the Association, at its or their sole expense, shall have the right to construct and maintain upon the Lake Parcel and the Open Space Parcel recreational facilities in addition to, or complimentary to ("Additional Recreational Facilities"), the Newport Recreational Facilities, if any, constructed by Newport; provided, however, it is acknowledged and agreed that any Additional Recreational Facilities so constructed shall be at the sole risk of the District and/or the Association, as the case may be, and shall be subject to the obligation of the

constructing party to relocate or demolish same at its own expense in the event such Additional Recreational Facilities are constructed prior to Final Plat Approval (as hereinafter defined) and the same are located in any area constituting "Reacquired Land" subject to conveyance to Newport under the Option granted in Section I.F. below. Accordingly, the District and/or the Association shall consult with Newport prior to commencing any construction of Additional Recreational Facilities to determine if the location of same are within any area contemplated at the time of consultation to be necessary for the Final Plat (hereinafter defined) and therefor subject to the Option.

D. Irrigation Facilities Easements Reserved:

The conveyance of the Lake Parcel and the Open Space Parcel made by Newport to the District pursuant to Section I.A. of this Agreement is subject to the reservation by Newport, for itself, and its successors and assigns, and Newport hereby reserves unto itself, its successors and assigns, and as an appurtenance to and for the benefit of the Country Club Property, and to Newport's successors in title to the Country Club Property, or to any portion thereof, a perpetual non-exclusive easement for the operation, use, maintenance, repair, replacement, relocation, and construction of Irrigation Facilities (hereinafter defined) on, over, under and across (a) that portion of the Open Space Parcel legally described on Exhibit F attached hereto and incorporated herein by this reference (the "Irrigation Facilities Parcel"), (b) that portion of the Lake Parcel upon which, as of the date of this Agreement, is situated any portion of the road providing vehicular ingress and egress to and from Newport's existing pumphouse on the Irrigation Facilities Parcel and Skyland Drive, and (c) that portion of the Lake Parcel upon which, as of the date of this Agreement, there is located any water intake piping through which waters of Lake Grant are pumped to the existing pumphouse on the Irrigation Facilities Parcel or any outflow piping through which water is conveyed from the pumphouse on the Irrigation Facilities Parcel to the Country Club Property (collectively, the "Irrigation Facilities Easements"). It is acknowledged and agreed that the Irrigation Facilities Easements do not grant to Newport the exclusive use of the Irrigation Facilities Parcel, as the Irrigation Facilities Parcel is a portion of the Open Space Parcel and, as such, is available for use by all owners of property within the District for recreational purposes; provided Newport's use of the Irrigation Facilities located within the Irrigation Facilities Parcel shall be to the exclusion of all other persons except as specifically provided herein. As used herein, the term "Irrigation Facilities" shall mean any and all facilities necessary or useful in connection with the conveyance of water from Lake Grant to the Country Club Property for the purpose of irrigating the golf course now or hereafter located thereon, and shall include, without limitation, a pumphouse and pumping facilities therein, an access road providing vehicular ingress and egress to the pumphouse facility, intake piping from the waters of Lake Grant to the pumphouse and outflow piping from the pumphouse to the Country Club Property, and electrical, telephone and any other utility lines which may be necessary or useful in operating any of the foregoing.

Any and all Irrigation Facilities existing as of the date of this Agreement on or under the Irrigation Facilities Parcel or on or under any of the Lake Parcel subject to the Irrigation Facilities Easement, together with any replacements, improvements or additions to such Irrigation Facilities, are and shall at all times remain the sole property of Newport, its successors

and assigns Newport, its successors and assigns, shall have the right and entitlement to utilize and enjoy all such Irrigation Facilities to the exclusion of any and all other persons, including the District; provided only that the District shall have the non-exclusive right to utilize the access road forming a part of the Irrigation Facilities for purposes of performing its public services, but such access road shall in no event be available for use to the general public.

Newport, its successors and assigns, shall have the absolute right to operate, maintain, repair, replace or improve any and all of the Irrigation Facilities in the same or substantially the same location as exist on the date of this Agreement. However, in the event Newport, its successors and assigns, desire to relocate any existing Irrigation Facilities to another area within the Irrigation Facilities Parcel or construct new additional Irrigation Facilities within the Irrigation Facilities Parcel, the location of same shall be subject to the prior approval of the District which approval shall not be unreasonably withheld or delayed. Newport shall have the obligation to maintain all Irrigation Facilities from time to time existing in good condition and repair at Newport's sole cost and expense.

#### F. Temporary Access Easement.

Newport hereby reserves unto itself, its successors and assigns, a temporary non-exclusive easement (the "Temporary Access Easement") on, over and across the existing roadway or track located within the Open Space Parcel which runs generally in a northwesterly direction from the northerly terminus of the right of way of Skyland Drive for purposes of vehicular and pedestrian ingress, egress, passage and traffic to and from all portions of the Unplatted Development Area. The Temporary Access Easement shall be automatically terminated and of no further force and effect upon the date that construction of the northerly extension of Skyland Drive providing vehicular traffic to that portion of the Unplatted Development Property lying northerly of the Open Space Parcel has been paved. Upon request of the District after the termination of the Temporary Access Easement in accordance with its terms, Newport shall execute and deliver any instrument reasonably requested by District to evidence the termination of the Temporary Access Easement.

#### F. Option to Purchase Portions of the Open Space Parcel In Favor Of Newport.

It is expressly acknowledged by the District that Newport intends to cause the Unplatted Development Property to be zoned for residential purposes and subjected to a plat of subdivision delineating the lots, roadways and other areas of that development. To this end, Newport has caused a preliminary sketch plan of its intended development to be prepared, which is entitled "Skyland Sketch Plan, Filing 3 and Replat of Initial Filing, Gunnison County, Colorado", prepared by Design Workshop Inc. dated June 25, 1995, which was approved by the Planning Commission of Gunnison County on December 18, 1995 under LOC 1995-008 and further approved by the Gunnison County Board of Commissioners on January 23, 1996 (the "Sketch Plan"). The Sketch Plan, although indicating the various boundaries of the proposed development, is not a final depiction thereof, and the final boundaries of the development are subject to change as the result of engineering, zoning and other concerns not heretofore fully addressed by Newport. The final boundary lines of the roads, lots and other areas of the intended



development, as finally determined, will be reflected in a plat (the "Final Plat") meeting all requirements of Colorado law, and will be subject to final approval by the appropriate authorities of Gunnison County, Colorado ("Final Plat Approval").

The District acknowledges that the legal description for the Open Space Parcel, as set forth on Exhibit C attached hereto, was prepared by Newport's surveyors from a plan thereof prepared for the District by Wright Water Engineers dated November, 1995, which has been represented to Newport to have been based upon the locations of the boundaries of the roads and lots surrounding the Open Space Parcel anticipated by the Sketch Plan, but the District further acknowledges that in order to prepare a Final Plat for which Final Plat Approval may be obtained, changes in those boundaries may be necessitated to address engineering and other issues relative thereto, and that these adjustments may make it necessary or desirable for Newport to reacquire title to a portion or portions of Open Space Parcel for purposes of subjecting same to its Final Plat for the Unplatted Development Property. Newport agrees, subject to the foregoing, to use its best efforts to prepare a Final Plat which has as few and as minor alterations to the boundary lines of the Open Space Parcel as possible. In order to accommodate Newport's reacquisition of title to such portion or portions of the Open Space Parcel, District hereby grants to Newport, its successors and assigns, the right and option to purchase from the District, and the District hereby agrees to sell and convey to Newport, such portion or portions of the Open Space Parcel as Newport shall require be conveyed to it so as to accommodate its preparation of the Final Plat and to obtain the Final Plat Approval (the "Option"). The Option shall be exercised, if at all, by Newport's written notice given to the District accompanied by a legal description or descriptions of the portion or portions of the Open Space Parcel to be purchased (the "Reacquired Land"), together with a survey depicting the Reacquired Land. After receipt of such notice of exercise, and concurrently with the Final Plat Approval, the District shall deliver to Newport a good and sufficient deed to the Reacquired Land, conveying title to Newport free and clear of any and all liens, claims or encumbrances on the Reacquired Land created by or through the District against Newport's delivery to the District of the purchase price of One Dollar (\$1.00). (Notwithstanding the foregoing, in the event Newport is required to hold title to the Reacquired Property as a condition to obtaining Final Plat Approval, the District shall convey such title prior thereto. The District further agrees to execute any documents or instruments reasonably requested by Newport so as to evidence to any public authority the District's obligation to deliver title to any Reacquired Land to Newport in connection with Final Plat Approval). Newport shall have the right, at its sole expense, to obtain a title insurance commitment and/or policy insuring the District's delivery of clear title as aforesaid, provided that if such commitment raises any exceptions created by or through the District after the date hereof, the District shall be obligated, at its sole expense, to cause the title insurer to remove such exceptions from the commitment or insure over same to the satisfaction of Newport. In addition to the foregoing, the District hereby agrees to grant to Newport, its successors or assigns, such easements, either temporary or permanent, over portions of the Open Space Parcel as Newport, its successors or assigns, may reasonably require for purposes of (a) implementing the construction of the roads, water mains, sewer mains and other utilities and infrastructure improvements to be constructed in accordance with the Final Plat of the Unplatted Development Property or (b) for the installation, use and maintenance of any of the water mains, sewer mains or other utilities and infrastructure improvements necessary to service the Unplatted



Development Property as provided in the Final Plat. It is the express agreement of the District and Newport that the obligation of the District to convey the Reacquired Land to Newport, its successors or assigns, upon exercise of the Option is such that money damages will not adequately compensate Newport for any default or failure to perform the District's obligation to so convey the Reacquired Land, and accordingly the parties agree that Newport shall, as a matter of right, be entitled to specific enforcement of such obligation through appropriate proceedings in equity.

In recognition of the requirements of this Option and the interests of Newport in the Open Space Parcel created hereby, the District covenants and agrees that until such time as the Final Plat Approval is obtained and the Final Plat recorded, the District shall not convey any interest in the Open Space Parcel, or any portion thereof, which would affect, encumber or otherwise give rise to any right of use to any party in any Reacquired Land. The rights of Newport, its successors and assigns, under this Option constitute a present vested interest in the Open Space Parcel, prior and superior to any right or interest which may be granted or conveyed by the District in any portion of the Open Space Parcel prior to the time the Option is exercised by Newport, its successors or assigns, and it is the express intention of the parties hereto that the conveyance to Newport, its successors or assigns, of any Reacquired Land pursuant to the exercise of this Option shall render any such right or interest void to the extent it purports to affect title to the Reacquired Land. Newport, on behalf of itself and its successors and assigns, covenants and agrees that upon recording of the Final Plat for the Unplatted Development Portion for which Final Plat Approval is obtained, it shall execute and deliver to the District a recordable instrument releasing and terminating its rights under this Option as to all of the Open Space Parcel other than that portion, if any, constituting the Reacquired Land.

## ARTICLE II

### GRANT OF WATER RIGHTS; COVENANTS RESPECTING WATER RIGHTS GRANTED

#### A. Grant of Water Rights.

Newport, by these presents, does grant, bargain, sell, and convey unto the District, its successors and assigns forever, the Lake Grant Water Rights and the Golf Course Pond Water Rights;

TO HAVE AND TO HOLD the said Lake Grant Water Rights and Golf Course Pond Water Rights unto the District, and its successors and assigns forever. Newport, for itself and or its successors and assigns, does covenant and agree that it shall and will WARRANT AND FOREVER DEFEND the Lake Grant Water Rights and the Golf Course Pond Water Rights in the quiet and peaceable possession of the District, its successors and assigns, subject to the other covenants and agreements contained herein, against all and every person or persons claiming the whole or any part thereof, by, through or under Newport.

B. Covenants Respecting Water Rights. With respect to the Water Rights herein conveyed, the District and Newport covenant and agree as follows:

1. The District covenants to use its best efforts to maintain the decrees for the Water Rights herein conveyed, and any decrees for additional water rights in Lake Grant decreed in all water court applications pending as of the date of the Water Development Agreement or in any such applications made thereafter or subsequent hereto (the "Additional Lake Grant Rights"), in full force and effect.

2. The District shall not annex additional lands into the District unless the owners of such additional lands convey to the District water rights of sufficient quantity, quality and priority to dependably serve (and to fulfill any augmentation or substitute supply requirements for service of) the area annexed, independent of and without any reliance on the Water Rights conveyed hereunder and the Additional Lake Grant Rights, it being understood that the water rights referred to above are dedicated solely for the use of the property within the District's present boundaries, including irrigation of the golf course now or hereafter located on the Country Club Property.

3. The use of the Subject Water Rights shall continue to be governed by the "Water Use Agreement" dated June 23, 1989, between Mayflower West Corp. and the District and recorded in the office of the Clerk and Recorder of Gunnison County, Colorado, at Book 667, Page 952, Reception No. 414658 until such time as Newport and the District mutually agree upon the operational plan ("the Operating Plan") referred to in Section 3.b. of said Water Use Agreement (and the parties reaffirm their agreement to mutually agree upon such an Operating Plan as provided therein). Newport, its successors and assigns, and its successors in title to the Country Club Property, shall have the right to the use of water from Lake Grant and the Golf Course Ponds for the purpose of irrigating the golf course now or hereafter located on the Country Club Property without charge by the District, both before and after the completion of the Operating Plan; provided that Newport, its successors and assigns, shall bear the full cost of maintaining and operating the piping, pumps and other Irrigation Facilities necessary to convey such water from Lake Grant to the Country Club Property for such irrigation purposes. It is acknowledged and agreed by Newport that its use of the waters of Lake Grant and the golf course ponds for irrigation of the golf course will be subject to the terms of the plan of augmentation that the District is currently in the process of having approved in Case No. 95CW193, which the parties agree to take into consideration in connection with the preparation of the Operating Plan.

4. The District acknowledges and agrees that the conveyance of the Golf Course Pond Water Rights to the District does not include a conveyance of any of the Country Club Property underlying such Golf Course Ponds, which is and remains the property of Newport, its successors and assigns, but such conveyance does include, and Newport hereby grants to the District, perpetual easements for the storage of water within such Golf Course Ponds and for the flow of water from the points of diversion to these Golf Course Ponds and from the Golf Course Ponds to the Slate River over the stream bed located on the Country Club Property, as such stream bed now exists or hereafter may exist. Newport covenants and agrees that it shall take no action to disturb or otherwise alter the flowage of water from the point of diversion or from its

source to the Golf Course Ponds, through such Golf Course Ponds, or from the Golf Course Ponds to the Slate River, and further agrees that in the event such a blockage of water flow occurs, the District shall be permitted to use reasonable means to cure such blockage so as to permit normal water flow to resume. In order to afford the District access to such ponds to perform the work necessary to restore normal water flow as aforesaid, Newport hereby grants to the District the right of access to the ponds for such purpose across the Country Club Property. Such right of access shall be provided across such portions of the Country Club Property as Newport shall, from time to time, utilize to access those ponds, and the District shall utilize such access right, and perform such repairs to the ponds, in a manner so as to avoid unreasonable interference with the use of the golf course located on the Country Club Property.

5. The parties hereto agree that in the event of any default by one party in performing its obligations under this Section II.B. or the Operating Plan, the non-defaulting party may bring suit in the District Court in and for Gunnison County, Colorado, and shall be entitled to injunctive relief and specific performance, including but not limited to mandatory performance of said obligations of the defaulting party, as well as recovery of actual damages, pre-judgment and post-judgment interest, attorney fees and costs.

### ARTICLE III

#### GENERAL PROVISIONS.

A. Recitals Incorporated. The Recitals to this Agreement set forth above, and the definitions of terms provided in such Recitals, are incorporated hereby by this reference and made a part of this Agreement for all purposes.

B. Persons Entitled to Utilize License Rights, Easement Rights and Rights of Use on Behalf of the Parties. The license rights, easement rights and rights of use of Newport, its successors and assigns, and the District, its successors and assigns, reserved, created and conferred in this Agreement shall extend to those parties, and to their respective agents, employees, contractors, licensees, invitees and permittees.

C. Covenants Running with the Land. The covenants and agreements of the parties made herein shall be covenants running with the lands affected thereby, and shall be binding upon, and inure to the benefit of the District and Newport, and their successors and assigns.

D. Appurtenant Easements. The various easements reserved and granted herein are intended to be, and shall constitute, easements appurtenant to the lands benefited by such easements according to their terms, and such easements shall inure to the benefit of any successor in title to any portion of the lands so benefited notwithstanding that any instrument conveying title to such lands may not include a reference to such easement. No such easement may be assigned separate or apart from the land benefited thereby.

E. Severability. If any term of this Agreement, to any extent, shall be held invalid or unenforceable, the remaining terms and provisions hereof shall not be affected thereby, but each such remaining term and provision shall be valid and enforced to the fullest extent permitted by law.

F. Perpetuities. If any of the options, privileges, covenants or rights created by this Agreement would otherwise be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rules imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of George H.W. Bush, former President of the United States.

G. Enforcement. In the event of a default by any party of any covenant or agreement to be kept or performed by such party under the terms of this Agreement, the other party shall have any and all remedies available to it at law or in equity to seek damages resulting from such breach or to seek specific performance or other equitable relief to cause such party to perform any obligation hereunder; provided, however, that the provisions of this section shall not serve to alter the right of any party to any specific form of relief which may be provided elsewhere in this Agreement.

H. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original.

I. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.

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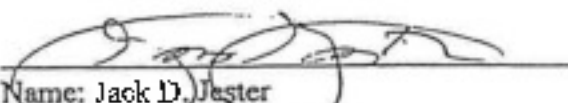
**J. Conditions Precedent.** This Agreement, and the various grants, reservations, covenants and agreements herein provided, shall not be effective between the parties hereto until all of the following conditions are satisfied: (1) This Agreement shall have been approved and accepted in its entirety by a resolution of the District's Board of Directors ("Approving Resolution"); (2) This Agreement shall have been executed and acknowledged by both Newport and the District; and (3) This Agreement, with the District's Approving Resolution appended, shall have been recorded in the official records of the Clerk and Recorder of Gunnison County, Colorado.

IN WITNESS WHEREOF, the parties hereto have executed this Deed, Grant of Licenses, Reservation and Grant of Easements and Option Agreement as of the 15th day of April, 1996.

**NEWPORT:**

**NEWPORT PROPERTIES, INC., a**  
Colorado corporation

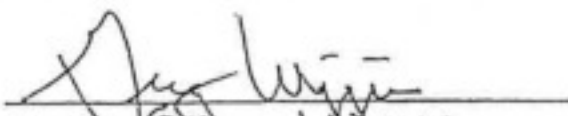
By:

  
Name: Jack D. Jester  
Its: Vice President

**THE DISTRICT:**

**SKYLAND METROPOLITAN DISTRICT,**  
**GUNNISON COUNTY, COLORADO**

By:

  
Name: Greg Higgins  
Its: President

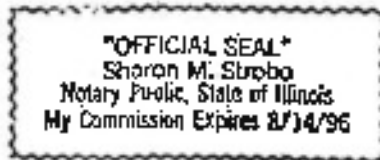
BK PG  
787 116

BK PG  
785 336

STATE OF ILLINOIS       )  
                                  )  
COUNTY OF COOK        )

I the undersigned Sharon S. Strobo, a Notary Public, in and for said County in said State, hereby certifies that Jack D. Jester, the Vice President of Newport Properties, Inc., a Colorado corporation, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he as such Vice President and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this 13<sup>th</sup> day of June, 1996.



Sharon M. Strobo  
Notary Public

My commission expires: 8-14-96

BN RW  
787 117

BN PB  
785 337

STATE OF Colo )  
COUNTY OF Gunnison )

I the undersigned J. M. MURPHY a Notary Public, in and for said County in said State, hereby certifies that Greg Wiggins the President of the Skyland Metropolitan District, Gunnison County, Colorado, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that being informed of the contents of the instrument, he as such President of the Skyland Metropolitan District, Gunnison County, Colorado and with full authority, executed the same voluntarily for and as the act of said District.

Given under my hand and official seal, this 19 day of June, 1996



J. M. Murphy  
Notary Public

My commission expires:

8-1-98

**THIS INSTRUMENT PREPARED BY:**

Kris E. Curran  
Coffield Ungaretti & Harris  
3500 Three First National Plaza  
Chicago, Illinois 60602



BK PG  
787 118

BK PG  
785 338

## SCHEDULE OF EXHIBITS

EXHIBIT A	Legal descriptions of the "Unplatted Development Property", the "Platted Development Property" and the "Country Club Property" comprising the Newport Lands
EXHIBIT B	Legal description of the Lake Parcel
EXHIBIT C	Legal description of the Open Space Parcel
EXHIBIT D	Legal description of the Lake Grant Water Rights
EXHIBIT E	Legal description of the Golf Course Pond Water Rights
EXHIBIT F	Legal description of the Irrigation Facilities Parcel

BK PG  
787 119

BK PG  
785 339

EXHIBIT A  
TO  
DEED, GRANT OF LICENSES, RESERVATION AND  
GRANT OF EASEMENTS  
AND OPTION AGREEMENT BETWEEN  
NEWPORT PROPERTIES, INC. AND  
SKYLAND METROPOLITAN DISTRICT,  
GUNNISON COUNTY, COLORADO

Legal Description of Newport Lands

I. LEGAL DESCRIPTION OF THE "UNPLATTED DEVELOPMENT PROPERTY"

Township 14 South, Range 86 West, 6th P.M.

Section 1: E1/2, E1/2NW1/4

Section 12: The N1/2NE1/4, except that portion previously conveyed by Quit Claim Deed recorded December 6, 1946 in Book 268 at page 312.

EXCEPTING THEREFROM that property described in Right-of-Way Deed from Charles M. Ruland and Imogene M. Ruland to the County of Gunnison recorded July 23, 1952 in Book 291 at page 45.

ALSO EXCEPTING THEREFROM that property described in Deed of Trust recorded April 29, 1983 in Book 592 at page 126.

ALSO EXCEPTING THEREFROM that property described in the Plat of Skyland-Second Filing, said plat being filed July 26, 1984 as Reception No. 382370.

AND FURTHER EXCEPTING THEREFROM that property described in Warranty Deed from Newport Properties, Inc., a Colorado corporation to The Crested Butte Recreational Development Co., a Colorado corporation as recorded May 27, 1994 in Book 746 at page 156.

Township 14 South, Range 85 West, 6th P.M.

Section 6: Lot 6, being the NW1/4SW1/4, Lot 7, being the SW1/4SW1/4

Section 7: NW1/4NW1/4, except that portion previously conveyed by Quit Claim Deed recorded December 6, 1946 in Book 268 at page 312.

EXCEPTING FROM ALL OF THE ABOVE DESCRIBED PROPERTY: That land platted as Skyland, Initial Filing according to the recorded plat thereof bearing Reception No. 363852 and Replat of portions of Skyland, Initial Filing, filed April 26, 1983 as Reception No. 373701.

County of Gunnison,  
State of Colorado.

II. LEGAL DESCRIPTION OF THE "PLATTED DEVELOPMENT PROPERTY"

The following Lots within Skyland, Initial Filing, according to the recorded Plat thereof bearing Reception No. 363852 and Replat of portions of Skyland, Initial Filing filed April 26, 1983 as Reception No. 373701:

S-17, S-18,  
S-19, and S-20

Multi-Family Tract 3, EXCEPT that portion as described in Warranty Deed recorded November 5, 1982 in Book 586 at page 101 and in Quit Claim Deed recorded December 14, 1984 in Book 613 at page 232, copies of which are attached hereto.

- ALSO -

Lots C-1, C-2, and C-3, SKYLAND INITIAL FILING, according to the official plat thereof, bearing Reception No. 363852,

- ALSO -

The River Tract and the Employee Housing Tract as described on the recorded Plat of Skyland, Initial Filing, bearing Reception No. 363852, EXCEPTING THEREFROM that land conveyed to the East River Regional Sanitation District in Quit Claim Deed recorded in Book 610 at page 598.

County of Gunnison,  
State of Colorado.

BK PG  
707 121

BK PG  
785 341

### III. LEGAL DESCRIPTION OF "COUNTRY CLUB PROPERTY"

The Clubhouse Tract, and that property described as the Golf Course on the Plat of Skyland, Initial Filing, according to the recorded plat thereof bearing Reception No. 363852 and Replat of portions of Skyland, Initial Filing, according to the recorded Plat thereof bearing Reception No. 373701, TOGETHER WITH that easement in Grant of Golf Course Easement as recorded December 2, 1993 in Book 736 at page 267.

Gunnison County,  
State of Colorado.

EXHIBIT B  
TO  
DEED, GRANT OF LICENSES, RESERVATION AND  
GRANT OF EASEMENTS  
AND OPTION AGREEMENT BETWEEN  
NEWPORT PROPERTIES, INC. AND  
SKYLAND METROPOLITAN DISTRICT,  
GUNNISON COUNTY, COLORADO

Legal Description of Lake Parcel

A tract of land situated in the northeast  $\frac{1}{4}$  of Section 1, Township 14 South, Range 86 West of the 6th Principal Meridian, County of Gunnison, State of Colorado, being more particularly described as follows:

Beginning at a point of intersection on the centerline of the Lake Grant Dam (Station 4+15.37), and the easterly right-of-way line of Skyland Drive as shown on record map Skyland - Initial Filing, County of Gunnison, State of Colorado (Reception No. 363852), from which the East  $\frac{1}{4}$  of said Section 1 bears S 79°13'22" E 831.82 feet and the NE corner of said Section 1 bears N 18°26'39" E 2622.00 feet; thence along the easterly right-of-way line of Skyland Drive 54.52 feet along the arc of a curve to the right having a radius of 798.04 feet, a central angle of 03°54'52", and subtending a chord bearing of N 72°51'14" W 54.51 feet; thence leaving said right-of-way line N 19°06'12" E 25.85 feet; thence N 35°29'26" W 137.54 feet; thence N 48°16'16" W 285.08 feet; thence N 36°29'49" W 113.24 feet; thence N 35°23'38" W 264.76 feet; thence N 31°48'30" W 148.62 feet; thence N 27°41'28" W 219.15 feet; thence N 03°42'28" E 190.48 feet; thence N 30°11'55" E 96.50 feet; thence N 11°44'47" E 128.15 feet; thence N 48°52'50" E 125.43 feet; thence S 56°14'26" E 165.13 feet; thence S 77°25'36" E 85.55 feet; thence S 53°32'21" E 64.06 feet; thence S 60°44'34" E 71.51 feet; thence S 33°32'26" E 71.73 feet; thence S 42°49'22" E 167.38 feet; thence S 42°03'48" E 148.38 feet; thence S 51°45'54" E 162.81 feet; thence S 57°52'09" E 137.40 feet; thence S 70°39'21" E 190.97 feet; thence S 22°00'31" E 201.61 feet; thence S 33°55'16" E 126.84 feet; thence S 40°50'33" W 94.10 feet; thence S 61°00'24" W 116.82 feet; thence S 54°36'45" W 67.12 feet; thence S 55°44'28" W 67.96 feet; thence S 50°45'47" E 30.30 feet to the centerline of Lake Grant Dam (Station 0+00) from which the E  $\frac{1}{4}$  of said Section 1 bears S 50°59'17" E 599.02 feet; thence S 50°45'47" E 23.95 feet; thence S 31°56'56" W 44.51 feet; thence S 57°44'11" W 30.00 feet; thence S 05°55'28" E 20.00 feet; thence S 57°44'11" W 34.04 feet; thence S 06°05'55" E 56.18 feet; thence S 04°41'55" W 51.95 feet; thence S 13°23'58" W 63.64 feet; thence S 23°49'27" W 21.81 feet to the easterly right-of-way line of Skyland Drive; thence along said right-of-way line 107.33 feet along the arc of a curve to the left, having a radius of 586.58 feet, a central angle of 10°29'03", and subtending a chord bearing of N 71°25'05" W 107.18 feet; thence continuing along said right-of-way line N 76°39'36" W 150.01 feet; thence 25.75 feet along the arc of a curve to the right, having a radius of 798.04 feet, a central angle of 01°50'56", and subtending a chord bearing of N 75°44'08" W 25.75 feet to the point of beginning, containing 23.30 acres more or less.

BK	PG
787	123
HN	PL
785	343

EXHIBIT C  
TO  
DEED, GRANT OF LICENSES, RESERVATION  
AND GRANT OF EASEMENTS  
AND OPTION AGREEMENT BETWEEN  
NEWPORT PROPERTIES, INC. AND  
SKYLAND METROPOLITAN DISTRICT,  
GUNNISON COUNTY, COLORADO

Legal Description of  
Open Space Parcel

A tract of land situated in the NE Quarter of Section 1, Township 14 South, Range 86 West of the 6th Principal Meridian, County of Gunnison, State of Colorado, being more particularly described as follows:

Beginning at a point on the east line of said Section 1 from which the E $\frac{1}{4}$  of said section bears S 00°16'08" W 650.00 feet; thence N 89°43'52" W 175.00 feet along the boundary of multi-family Tract 5 of Skyland Initial Filing recorded in said County; thence continuing along said tract boundary S 00°16'08" W 71.36 feet; thence S 57°38'50" W 257.04 feet; thence S 32°21'10" E 210.00 feet; thence S 43°02'33" W 297.55 feet to a point on the easterly right-of-way line of Skyland Drive as shown on said Skyland Initial Filing; thence along said right-of-way 180.01 feet along the arc of a curve to the left, having a radius of 586.58 feet, a central angle of 17°34'57", and subtending a chord N 67°52'07" W 179.30 feet; thence continuing along said right-of-way N 76°39'36" W 150.01 feet; thence 631.42 feet along the arc of a curve to the right having a radius of 798.04 feet, a central angle of 45°20'00", and subtending a chord N 53°59'36" W 615.08 feet; thence N 31°19'36" W 106.57 feet; thence S 58°40'24" W 10.00 feet to a point on the northerly end of said right-of-way; thence leaving said right-of-way N 31°19'36" W 374.55 feet; thence 360.16 feet along the arc of a curve to the right having a radius of 470.00 feet, a central angle of 43°54'20", and subtending a chord N 09°22'26" W 351.41 feet; thence N 12°34'42" E 249.67 feet; thence 414.17 feet along the arc of a curve to the left having a radius of 295.00 feet, a central angle of 80°26'29", and subtending a chord N 27°38'32" W 380.98 feet; thence N 67°51'47" W 156.14 feet; thence 197.11 feet along the arc of a curve to the right having a radius of 365.00 feet, a central angle of 30°56'29", and subtending a chord N 52°23'33" W 194.72 feet; thence N 36°55'18" W 36.78 feet; thence 225.88 feet along the arc of a curve to the right having a radius of 80.00 feet, a central angle of 161°46'29" and subtending a chord N 43°57'56" E 157.98 feet; thence S 55°08'58" E 544.12 feet; thence 319.77 feet along the arc of a curve to the left having a radius of 630.00 feet, a central angle of 29°04'54" and subtending a chord S 69°41'25" E 316.35 feet; thence S 84°13'53" E 18.67 feet; thence S 00°00'00" E 155.97; thence S 45°00'00" E 707.11 feet; thence N 90°00'00" E 682.69 feet to a point on the east line of said Section 1; thence S 00°16'08" W 436.69 feet along the east line of said Section 1 to the point of beginning, said tract contains 27.64 acres more or less.

EXCEPTING THEREFROM, the real estate known by the parties hereto as the "Lake Parcel", being a tract of land situated in the northeast 1/4 of Section 1, Township 14 South, Range 86

West of the 6th Principal Meridian, County of Gunnison, State of Colorado, being more particularly described as follows:

Beginning at a point of intersection on the centerline of the Lake Grant Dam (Station 4+15.37), and the easterly right-of-way line of Skyland Drive as shown on record map Skyland - Initial Filing, County of Gunnison, State of Colorado (Reception No. 363852), from which the East  $\frac{1}{2}$  of said Section 1 bears S 79°13'22" E 831.82 feet and the NE corner of said Section 1 bears N 18°26'39" E 2622.00 feet; thence along the easterly right-of-way line of Skyland Drive 54.52 feet along the arc of a curve to the right having a radius of 798.04 feet, a central angle of 03°54'52", and subtending a chord bearing of N 72°51'14" W 54.51 feet; thence leaving said right-of-way line N 19°06'12" E 25.65 feet; thence N 35°29'26" W 137.54 feet; thence N 40°16'16" W 285.08 feet; thence N 36°29'49" W 113.24 feet; thence N 35°23'38" W 264.76 feet; thence N 31°48'30" W 148.62 feet; thence N 27°41'28" W 219.15 feet; thence N 03°42'28" E 190.48 feet; thence N 30°11'55" E 96.50 feet; thence N 11°44'47" E 128.15 feet; thence N 48°52'50" E 125.43 feet; thence S 56°14'26" E 165.13 feet; thence S 77°25'36" E 85.55 feet; thence S 53°32'21" E 64.06 feet; thence S 60°44'34" E 71.51 feet; thence S 33°32'26" E 71.73 feet; thence S 42°49'22" E 167.38 feet; thence S 42°03'48" E 146.38 feet; thence S 51°45'54" E 162.81 feet; thence S 57°52'09" E 137.40 feet; thence S 70°39'21" E 190.97 feet; thence S 22°00'31" E 201.61 feet; thence S 33°55'16" E 126.84 feet; thence S 40°50'33" W 94.10 feet; thence S 61°00'24" W 116.82 feet; thence S 54°36'45" W 67.12 feet; thence S 55°44'28" W 67.96 feet; thence S 50°45'47" E 30.30 feet to the centerline of Lake Grant Dam (Station 0+00) from which the E  $\frac{1}{2}$  of said Section 1 bears S 50°59'17" E 599.02 feet; thence S 50°45'47" E 23.95 feet; thence S 31°56'56" W 44.51 feet; thence S 57°44'11" W 30.00 feet; thence S 05°55'28" E 20.00 feet; thence S 57°44'11" W 34.04 feet; thence S 06°05'55" E 56.18 feet; thence S 04°41'55" W 51.95 feet; thence S 13°23'58" W 63.64 feet; thence S 23°49'27" W 21.81 feet to the easterly right-of-way line of Skyland Drive; thence along said right-of-way line 107.33 feet along the arc of a curve to the left, having a radius of 586.58 feet, a central angle of 10°29'03", and subtending a chord bearing of N 71°25'05" W 107.18 feet; thence continuing along said right-of-way line N 76°39'36" W 150.01 feet; thence 25.75 feet along the arc of a curve to the right, having a radius of 798.04 feet, a central angle of 01°50'56", and subtending a chord bearing of N 75°44'08" W 25.75 feet to the point of beginning, containing 23.30 acres more or less.



EXHIBIT D  
TO  
DEED, GRANT OF LICENSES, RESERVATION  
AND GRANT OF EASEMENTS  
AND OPTION AGREEMENT BETWEEN  
NEWPORT PROPERTIES, INC. AND  
SKYLAND METROPOLITAN DISTRICT,  
GUNNISON COUNTY, COLORADO

Lake Grant Water Rights

The Lake Grant Reservoir and the water rights decreed thereto in Case No. W-2100, Division 4 Water Court, State of Colorado, and previous decrees and adjudications, as specified below:

- A. Decree and Adjudication Date: Case No. W-2100 (Division 4 Water Court) - April 17, 1975  
Previous Decree and Adjudication Date: Case No. 5782 (Gunnison County District Court), October 28, 1965
- B. Appropriation Date: June 1, 1920
- C. Amount: 168.38 acre feet
- D. Point of Diversion: NE1/4, Section 1, Township 14 South, Range 86 West, 6th P.M., whence the East Quarter Corner of said Section 1 bears South 77° 13' East, 849 feet, Gunnison County.

EXHIBIT E  
TO  
DEED, GRANT OF LICENSES, RESERVATION  
AND GRANT OF EASEMENTS  
AND OPTION AGREEMENT BETWEEN  
NEWPORT PROPERTIES, INC. AND  
SKYLAND METROPOLITAN DISTRICT,  
GUNNISON COUNTY, COLORADO

Golf Course Pond Water Rights

Skyland Resort and Country Club No. 5 Pond, No. 7 Pond, No. 11 Pond, and No. 16 Pond and the water rights decreed thereto in Case No. 87CW241, Division 4 Water Court, State of Colorado, as specified below:

- A. Decree Date: October 26, 1988
- B. Appropriation Date: November 17, 1981
- C. Amounts:

Pond No. 5 - 8.2 acre feet

Pond No. 7 - 3.0 acre feet

Pond No. 11 - 1.5 acre feet

Pond No. 16 - .85 acre feet

- D. Points of Diversion (Gunnison County):

Pond No. 5 - NE1/4 NW1/4 NW1/4 Section 7, Township 14 South, Range 85 West, 6th P.M., at a point whence the NE Corner of Section 12 of Township 14 South, Range 86 West, 6th P.M., bears North 59° 20' 50" West 871.55 feet.

Pond No. 7 - SW1/4 SE1/4 SE1/4 Section 1, Township 14 South, Range 86 West, 6th P.M., at a point whence the NE Corner of Section 12 of said Township and Range bears South 78° 46' 0" East 929.53 feet.

Pond No. 11 - SW1/4 NW1/4 SE1/4 of Section 1, Township 14 South, Range 86 West, 6th P.M., at a point whence the NE Corner of Section 12 of said Township and Range bears South 50° 47' 51" East 2933.38 feet.

Pond No. 16 - SW1/4 NW1/4 SE1/4 of Section 1, Township 14 South, Range 86 West, 6th P.M., at a point whence the NE Corner of Section 12 of said Township and Range bears South 54° 12' 21" East 2924.86 feet.

BK PG  
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BK PG  
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EXHIBIT F  
TO  
DEED, GRANT OF LICENSES, RESERVATION  
AND GRANT OF EASEMENTS  
AND OPTION AGREEMENT BETWEEN  
NEWPORT PROPERTIES, INC. AND  
SKYLAND METROPOLITAN DISTRICT,  
GUNNISON COUNTY, COLORADO

Legal Description of Irrigation Facilities Parcel

A tract of land situated in the northeast  $\frac{1}{4}$  of Section 1, Township 14 South, Range 86 West of the 6th Principal Meridian, County of Gunnison, State of Colorado, being more particularly described as follows:

Beginning at a point on the northwesterly boundary of Multi-Family Tract 5 as shown on record map, Skyland Initial Filing (Reception No. 362852), from which the East  $\frac{1}{4}$  of said Section 1 bears S  $41^{\circ}23'15''$  E 589.01 feet; thence along said tract boundary S  $32^{\circ}21'10''$  E 210.00 feet; thence S  $43^{\circ}02'33''$  W 297.55 feet to the northwest corner of said tract on the easterly right-of-way line of Skyland Drive as shown on said record map; thence along the easterly right-of-way line of Skyland Drive 72.67 feet along the arc of a curve to the left, having a radius of 586.58 feet, a central angle of  $07^{\circ}05'54''$ , and subtending a chord bearing N  $62^{\circ}37'36''$  W 72.62 feet; thence leaving said right-of-way N  $23^{\circ}49'27''$  E 21.81 feet; thence N  $13^{\circ}23'58''$  E 63.64 feet; thence N  $04^{\circ}41'55''$  E 51.95 feet; thence N  $06^{\circ}05'55''$  W 56.18 feet; thence N  $57^{\circ}44'11''$  E 34.04 feet; thence N  $05^{\circ}55'28''$  W 20.00 feet; thence N  $57^{\circ}44'11''$  E 30.00 feet; thence N  $31^{\circ}56'56''$  E 44.51 feet; thence N  $50^{\circ}45'47''$  W 29.95 feet to the centerline of Lake Grant Dam (Station 0+00) from which the E  $\frac{1}{4}$  of said Section 1 bears S  $50^{\circ}59'17''$  E 599.02 feet; thence N  $50^{\circ}45'47''$  W 30.30 feet; thence N  $55^{\circ}44'28''$  E 67.96 feet; thence N  $54^{\circ}36'45''$  E 40.91 feet; thence S  $32^{\circ}21'10''$  E 19.10 feet to the point of beginning, containing 1.294 acres more or less.