

WHEREAS, the Applicant is required to and has agreed to chip or bury all slash on-site or remove the slash from the site for disposal; and

WHEREAS, the Applicant has agreed to voluntarily provide, on or before the recording date of this resolution, a onetime \$10,000.00 donation to the Grand County Housing Fund to address the affordable housing goal of the Master Plan; and

WHEREAS, at the recording of the final plat, the five (5) trail easements shown within the final plat shall be dedicated by separate deed to the public; and

WHEREAS, the Applicant has agreed to make off-site improvements to Spinner, Bryant and Cranmer Avenues in the area adjacent to the proposed development as part of the Phase 2 construction, as set forth in the Subdivision Improvements Agreement; and

WHEREAS, a joint traffic study was prepared by the Applicant together with three other concurrent proposed developments within Winter Park Ranch to determine the combined impacts of the four (4) proposed developments, and the study recommended no changes and the Colorado Department of Transportation has issued the required access permit to Grand County; and

WHEREAS, the Applicant requests three variances to the Grand County Road and Bridge Standards:

- a. The Applicant requests the Board to waive the required two points of access to Phase III (buildings 5, 6, and 7) and Phase IV (buildings 8 and 9) because the proximity of the drives to the intersections would not accommodate the proposed development site layout; and
- b. The applicant requests the Board to reduce the required minimum radius of curvature for all the drives from 75 feet to 55 feet to facilitate the proposed development site layout; and
- c. The applicant requests the Board to approve a lower "K" value for two intersections: the intersection of Driveway A with Spinner Avenue and the intersection of Driveway D with Cranmer Avenue; and

WHEREAS, the County Engineer concurs with the Applicant's three variance requests due to the lengths of the drives, the number of the buildings, the proximity of adjacent parking areas to the buildings for access by the East Grand Fire District, the projected average daily trips to and from the development and the estimated low speed for the drives; and

WHEREAS, pursuant to Resolution No. 2006-2-18 recorded at reception no. 2006-001694, the applicant has provided to Grand County funds in the amount of Twelve Thousand Nine Hundred Seventy Five and 00/100 Dollars (\$12,975.00) to be placed into escrow by the County Treasurer for future road improvements on County Road 8; and

WHEREAS, the Applicant has entered into a Subdivision Improvements Agreement, a copy of which is attached hereto as 'Exhibit A' and is incorporated by reference as if set forth in full herein; and

WHEREAS, the Applicant has entered into a Water Quality/Wastewater Agreement, a copy of which is attached hereto as 'Exhibit B' and is incorporated by reference as if set forth in full herein; and

WHEREAS, the Application is in compliance with the Grand County Zoning Regulations, the Grand County Subdivision Regulations, the Grand County Master Plan, the Grand County Road and Bridge Standards except as to the approved variances, and the Grand County Storm Drainage Design and Criteria Manual; and

WHEREAS, at the Public Hearing held on October 23, 2007, the Board admitted into evidence and reviewed Exhibits A-MM, heard testimony from the Applicant and various residents who reside in Grand County; and

WHEREAS, the Board finds as follows:

- 1) The Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, applies to this project.
- 2) The Property is located in the Residential Zone District. A use permitted as a matter of right in the residential district is "multi-family" dwellings. The definition of dwelling, multi-family in the Zoning Regulations is "a building or portion thereof designed for or occupied by two or more families living independently of each other."
- 3) Based on the following documents submitted by the Applicant, which are incorporated by reference as if set forth in full herein and which have been relied upon by this Board to insure that the use of the property will be a residential use, not a commercial use (see Resolution No. 2007-5-3), and in reliance upon those documents, this development shall be approved.
 - a. Declaration for the Ridge at Winter Park Condominiums
 - b. The definition of "Time Share" as found in the Grand County Zoning Regulations

Now Therefore the Board Concludes as Follows:

- a. The Project is a timeshare development as defined by Grand County Regulations and/or State Statutes.
- b. The platted uncovered swimming pool is a permitted "Open Space" use as that term is defined in Section 1.6 (20) of the Grand County Subdivision Regulations.
- c. The open space proposal meets the requirements of the subdivision regulations because the dedication is to the common use of all residents.
- d. The use of the property described in the findings above is a residential use, not a commercial use.
- e. The Applicant has agreed to several mitigation requests made by the neighboring community to lessen the development's impacts to the neighboring community.

WHEREAS, at the October 23, 2007 Public Hearing, the Board approved the Ridge at Winter Park Condominium Final Plat with staff recommendations and the three requested variances to the Grand County Road and Bridge Standards as being in the best interests of the health, safety, and welfare of the citizens of Grand County

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GRAND, STATE OF COLORADO that the Ridge at Winter Park Condominium Final Plat -- a Resubdivision of Tracts D, E, F, and G, the Summit at Winter Park Ranch Recorded at Reception No. 197823 located in the NW ¼ Section 21, Township 1 South, Range 75 West of the 6th P.M., Grand County, State of Colorado be and is hereby approved with staff recommendations and three variances to the Grand County Road and Bridge Standards, the Chairman of the Board is authorized to sign the plat, and the County Attorney is authorized to record the plat.

BE IT FURTHER RESOLVED that the Chairman of the Board is authorized to execute the Subdivision Improvements Agreement, and the County Attorney is authorized to record the Subdivision Improvements Agreement, attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that the Chairman of the Board is authorized to execute the Water Quality/Wastewater Agreement, and the County Attorney is authorized to record the Water Quality/Wastewater Agreement, attached hereto as Exhibit B.

Upon motion duly made and seconded the foregoing resolution was adopted by the following vote:

Sara L. Rosene Aye
Nancy Stusit Aye
Gary Binghamer Aye

Commissioners

STATE OF COLORADO }
 } SS.
County of Grand }

I,, County Clerk and ex-officio Clerk of the Board of County Commissioners in and for the County and State aforesaid do hereby certify that the annexed and foregoing Order is truly copied from the Records of the Proceedings of the Board of County Commissioners for said Grand County, now in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County, at Hot Sulphur Springs, this day of A.D. 20.....
County Clerk and ex-officio Clerk of the Board of Commissioners.

.....

Exhibit A

SUBDIVISION IMPROVEMENTS AGREEMENT

This Agreement is made as of this 5 day of February, 2008, between SILVERLEAF RESORTS, INC ("Developer"), whose address is 1221 River Bend Drive, Suite 120, Dallas, TX 75247 and the BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GRAND ("County"), whose address is 308 Byers Avenue, P.O. Box 239, Hot Sulphur Springs, Colorado 80451, Attention: Kristen Manguso, Planning Director.

I. GENERAL.

1.1 Purpose. The purpose of this Agreement is to provide for the completion of the Subdivision Improvements as hereinafter defined, for the Subdivision, as hereinafter defined.

1.2 Recitals.

(a) Developer is the owner and subdivider of the Subdivision and has presented a final plat of the Subdivision to the County for approval.

(b) The subdivision statutes of the State of Colorado, Section 30-28-137, C.R.S., and the Subdivision Resolution of the County authorize the execution of a subdivision improvements agreement between the County and Developer whereby the Developer agrees to construct any required public improvements for the Subdivision and to provide security for completion of the Subdivision Improvements.

(c) This Agreement will provide for the completion of the Subdivision Improvements within the Subdivision and will protect the County from the cost of completing the Subdivision Improvements.

(d) This Agreement is not executed for the benefit of third parties such as, but not limited to, materialmen, laborers or others providing work, services or material for the Subdivision Improvements or lot or home buyers in the Subdivision.

1.3 Subdivision. The "Subdivision" shall mean The Ridge Condominium, Grand County, Colorado, the final plat for which has been presented to the County and is expected to be approved by the County at the time of, and in connection with, approval of this Agreement by the County.

1.4 Subdivision Improvements. (a) The "Subdivision Improvements" shall mean all improvements to the roads, demolition and removal of excess utilities, retaining walls, utility installation, erosion control and landscaping for The Ridge, as set forth and described on attached Exhibit "A" and on the Plans on file with the Grand County Planning Department.

(a) Subdivision Improvements for Phase 1 shall mean all of the improvements specified as Phase 1 in Exhibit "A" attached hereto and incorporated by reference as set forth herein.

(b) Subdivision Improvements for Phase 2 shall mean all of the improvements specified as Phase 2 in Exhibit "A" attached hereto and incorporated by reference as set forth herein.

(c) Subdivision Improvements for Phase 3 shall mean all of the improvements specified as Phase 3 in Exhibit "A" attached hereto and incorporated by reference as set forth herein.

(d) Subdivision Improvements for Phase 4 shall mean all of the improvements specified as Phase 4 in Exhibit "A" attached hereto and incorporated by reference as set forth herein.

1.5 Plans. The "Plans" shall mean the engineered construction drawings completed by Cascade Engineering dated October 12, 2007, final improvement plans for Cranmer Avenue from Balsh Ave to Spinner Street dated January 7, 2008 a Phase III Drainage Report prepared by Cascade Engineering dated September 14, 2007, a Stormwater Management Plan prepared by Cascade Engineering dated September 14, 2007, a landscape plan prepared by Gary Roessler, dated September 18, 2007, a phased construction plan completed by Cascade Engineering dated October 12, 2007 and a construction cost estimate prepared by Cascade Engineering. The plans are on file with the Department of Planning and Zoning. These plans include proper removal and disposal of slash, in conjunction with best management practices as provided by the Colorado State Forest Service. A copy of the construction cost estimate is attached herein as Exhibit "A".

II. CONSTRUCTION OF SUBDIVISION IMPROVEMENTS.

2.1 Agreement to Construct. Subject to and in accordance with the terms and provisions of this Agreement, the Developer agrees to cause the Subdivision Improvements to be constructed and completed at its expense, in accordance with the Plans and requirements of this Agreement.

2.2 Final Plat Approval as Condition. The obligation of the Developer to construct and complete the Subdivision Improvements is conditioned upon and shall arise only upon approval and recordation of the Final Plat of the Subdivision by the County.

2.3 Commencement and Completion of Construction - Phases 1, 2, 3 and 4. If the Developer posts security and the plat restriction is released with regard to any Phase of the subdivision, the Developer shall commence construction and installation of the Subdivision Improvements for such Phase within sixty (60) days from the date of receipt by the County of security for the amount of the remaining construction cost of the uncompleted Subdivision Improvements of said Phase(s) as identified on Exhibit "A" of the Agreement. Said Phase(s) shall be completed within twenty four (24) months after the date of receipt of security for said Phase(s) ("Completion Date"). The Completion Date will not be extended.

2.4 Construction Standards. The Subdivision Improvements shall be constructed in accordance with the Plans approved by the Planning Department and County Engineer and to the

extent not otherwise provided in the Plans, in accordance with the County's ordinances, resolutions, and regulations.

2.5 Warranties of Developer. Developer warrants that the Subdivision Improvements will be installed in a good and workmanlike manner and in substantial compliance with the Plans and requirements of this Agreement and shall be substantially free of defects in materials and workmanship and free of liens. These warranties of the Developer shall remain in force and effect as to any completed Subdivision Improvements until the lapse of two (2) years after Preliminary Acceptance of the Subdivision Improvements as hereinafter provided in this Agreement.

2.6 Title to Subdivision Improvements. All Subdivision Improvements shall be constructed within streets or easements dedicated in the final plat of the Subdivision or conveyed by other recorded instruments at the time the final plat is recorded. Subdivision Improvements for private roads shall be in accordance with the Grand County Road and Bridge Standards. Title to the property shown on the final plat shall be vested, at the time the final plat is presented to the County for approval, in the Developer and any other parties executing the final plat and shall be certified by a title company.

III. SECURITY FOR COMPLETION

3.1 Plat Restriction as Security for the construction of a Phased Subdivision. To secure the costs of construction of the subdivision improvements as required by the Grand County Subdivision Regulations, the Developer has agreed that no unit or lot in any Phase of the Subdivision shall be conveyed, sold, transferred or certificate of occupancy issued for any construction on any of the lots or units, until ALL subdivision improvements have been completed for that Phase or other security acceptable to the County is provided as hereinafter set forth. As the Developer completes all subdivision improvements in each Phase, prior to a release of the lots or units for sale, Developer shall deposit with the County an irrevocable letter of credit or other security acceptable to the County, in an amount equal to 10% of the estimated costs of all subdivision improvements (warranty security). Upon completion of all subdivision improvements and deposit with the County of the warranty security the units or lots shall be released for sale by resolution of the Board of County Commissioners.

If, prior to the completion of the construction of the subdivision improvements, the Developer desires a release of the plat restriction aforesaid, the Developer may deposit with the County an irrevocable letter of credit or other security acceptable to the County, equal to the cost of all remaining subdivision improvements plus 10% of the total cost of all improvements (warranty security). The irrevocable letter of credit shall be retained by the County until satisfaction of the Developer's obligations under this Agreement are met, and may be released, in part, as portions of the subdivision improvements are 100% complete.

No conveyance or transfer of title of any unit, units or other tract of land within any Phase of the Subdivision with uncompleted Subdivision Improvements, shall be made, nor any certificate of occupancy issued, unless an approved letter of credit or other security acceptable to the County, with updated phased cost estimates, has been deposited and approved by Resolution of the Board

of County Commissioners or unless all public improvements of a Phase have been completed and approved by Resolution of the Board of County Commissioners and an irrevocable letter of credit or other security acceptable to the County in the amount of ten percent (10%) of the estimated cost of said Subdivision Improvements has been deposited with the County as provided in Section 4.2 below. The irrevocable letter of credit or other security acceptable to the County shall be retained by the County until satisfaction of the Developer's obligations under this Agreement or earlier release by the County.

3.1. Provisions for Letter of Credit. A letter of credit shall be in an amount equal to one hundred percent (100%) of the estimated cost to complete construction of the Subdivision Improvements remaining incomplete at the time of the sale of Units plus ten percent (10%) of the total cost of all improvements as of the date the letter of credit is provided. The bank shall be a Colorado Bank and approved by the County. The letter of credit shall have an expiry date no earlier than two years after its date of issue; and shall provide that it may be drawn upon from time to time by the County in such amount or amounts as the County may designate as justified, such amounts not to exceed, in the aggregate, the amount of the letter of credit. Draws under any such letter of credit shall be by a Resolution signed by the Board of County Commissioners of Grand County stating that the County is entitled to draw the specified amount under the terms of this Agreement. The right of the County to draw on any letter of credit shall be as provided in, and subject to, the provisions of Sections 5.1 through 5.6 of this Agreement.

3.2. Additional Requirements for Release of any Units. No conveyance or transfer of title to any Units or tracts of land within any Phase with uncompleted Subdivision Improvements shall be made, nor any certificate of occupancy issued, unless proof of central water and sewer taps, shown to be paid in full from the Winter Park Ranch Water and Sanitation District, is provided.

3.3. Recording of Agreement. After approval of the final plat of the Subdivision by the County, this Agreement may, at the option of the County and expense of the Developer, be recorded in the office of the Clerk and Recorder of Grand County. Upon Final Acceptance of all of the Subdivision Improvements by the County, the County shall deliver to the Developer a recordable executed document which shall release all property within the Subdivision from any further effect of this Agreement.

IV. ACCEPTANCE OF IMPROVEMENTS.

4.1 Preliminary Acceptance. Upon the satisfactory completion of the Subdivision Improvements of the Subdivision, the Developer shall be entitled to obtain preliminary acceptance thereof by the County ("Preliminary Acceptance") in accordance with the following provisions.

Upon such completion, the Developer shall give written notice to the Planning Department in compliance with Section 2.6 of the Grand County Road and Bridge Standards. Notice shall request an inspection of the completed Subdivision Improvements ("Preliminary Inspection Improvements Notice"). The County shall inspect the completed Subdivision Improvements within thirty (30) days after receipt by the Planning Department of all documents

required as stated in Section 2.6 of the Grand County Road and Bridge Standards and, if the Planning Department finds that the specified improvements have been completed substantially in accordance with the Plans and the other requirements of this Agreement, the Planning Department shall request a Resolution from the Board of County Commissioners evidencing Preliminary Acceptance within thirty (30) days after the inspection.

If, upon inspection of the completed Subdivision Improvements, the Planning Department finds that the specified improvements have not been completed substantially in accordance with the Plans and the other requirements of this Agreement, the Planning Department shall issue a written notice of noncompliance within thirty (30) days after the inspection specifying the respects in which the completed Subdivision Improvements have not been completed substantially in accordance with the Plans and the other requirements of this Agreement. Developer shall thereupon take such action as is necessary to cure any noncompliance and, upon curing the same, shall give a new Preliminary Inspection Notice to the Planning Department. Upon the giving of such a new Preliminary Inspection Notice, the foregoing provisions of this Section 4.1 shall be applicable as if the new Preliminary Inspection Notice were a Preliminary Inspection Notice under the foregoing provisions of this Section 4.1.

4.2 Partial Release of Security. At the time of Preliminary Acceptance of completed Subdivision Improvements in each Phase, the County shall issue a written release of the letter of credit as provided in Section 3.1 of this agreement or release the units in that Phase from the restriction from sale. The amount to be released for the completed Subdivision Improvements shall be the total amount of the letter of credit for each Phase, or the units from the restriction from sale for each completed Phase. Prior to release of the letter of credit, an irrevocable letter of credit in the amount of ten percent (10%) ("Warranty Security") of the total costs of the Subdivision Improvements shall be delivered to the County by the Developer. The Warranty Security shall remain in effect during the two-year warranty period and for sixty (60) days thereafter following Final Acceptance of the completed Subdivision Improvements.

4.3 Maintenance Prior to Final Acceptance. Until Final Acceptance by the County of the Subdivision Improvements, Developer shall, at the Developer's expense, make all needed repairs or replacements to the Subdivision Improvements required on account of defects in materials or workmanship and shall be responsible for ordinary repairs and maintenance thereof including street sanding, snow removal, and cleaning.

4.4 Final Acceptance. At the end of the two-year warranty period for the Subdivision Improvements, the Developer may obtain final acceptance thereof by the County ("Final Acceptance") in accordance with Section 2.6.3 of the Grand County Road and Bridge Standards (Final Acceptance) and the following provisions.

No later than sixty (60) days prior to the expiration of the warranty period of the Subdivision Improvements, Developer shall give written notice to the Planning Department requesting a final inspection of the Subdivision Improvements ("Final Inspection Notice"). The County shall inspect the Subdivision Improvements within thirty (30) days after receipt by the Planning Department of the Final Inspection Notice, and if the Planning Department finds that the Subdivision Improvements are substantially free of defects in materials and workmanship

and have been repaired and maintained as and to the extent required in this Agreement, the Planning Department shall request a Resolution from the Board of County Commissioners evidencing Final Acceptance of the Subdivision Improvements.

If, upon final inspection of the Subdivision Improvements, the Planning Department finds the Subdivision Improvements are not substantially free of defects in materials and workmanship or have not been repaired and maintained as required under this Agreement, the Planning Department shall issue a written notice of noncompliance within thirty (30) days after the final inspection specifying the respects in which the Subdivision Improvements are not substantially free of defects in materials and workmanship or have not been repaired and maintained as required under this Agreement. Developer shall thereupon take such action as is necessary to cure any noncompliance and, upon curing the same, shall give a new Final Inspection Notice to the Planning Department. Upon the giving of such new Final Inspection Notice, the foregoing provisions of this Section 4.4 shall be applicable as if the Final Inspection Notice were a Final Inspection Notice under the foregoing provisions of this Section 4.4.

At the time of Final Acceptance of the Subdivision Improvements in each Phase of the Subdivision, Developer shall be entitled to a release of the Warranty Security for that Phase. The release shall be in writing, signed by the County Engineer.

Prior to Final Acceptance of all of the Subdivision Improvements, "as constructed" engineered drawings shall be submitted to the County in accordance with County policy.

V. DEFAULTS AND REMEDIES

5.1 **Default by Developer.** A default by the Developer shall exist after notice and hearing and an opportunity to cure as hereinafter provided if (a) Developer fails to construct the Subdivision Improvements in substantial compliance with the Plans and the other requirements of this Agreement; (b) Developer fails to complete construction of the Subdivision Improvements by the Completion Date provided herein as the same may be extended; (c) Developer fails to cure any noncompliance specified in any written notice of noncompliance within a reasonable time after receipt of the notice of noncompliance; (d) Developer otherwise breaches or fails to comply with any obligation of the Developer under this Agreement; (e) Developer becomes insolvent, files a voluntary petition in bankruptcy, is adjudicated a bankrupt pursuant to an involuntary petition in bankruptcy, or a receiver is appointed for the Developer; (f) Developer fails to maintain in full force and effect a letter of credit in the amounts specified in this Agreement; (g) If the Developer violates the provisions of Section 3.1 of this Agreement. Notice of default as to any Phase of the Subdivision Improvements must be given prior to expiration of the warranty period for such Phase of the Subdivision Improvements as hereinafter provided.

5.2 **Notice and Hearing.** In the event a default by the Developer is believed to exist, the County shall give written notice thereof to the Developer, specifying the default and setting a date for hearing before the Board of County Commissioners to determine the existence of the default. Pending the Hearing the Board of County Commissioners may draw upon the letter of

credit (or other security) which is security for the Subdivision Improvements for the amount reasonably determined by the County to be necessary to cure the default in a manner consistent with the approved Plans, up to the face amount of the letter of credit (or other security), provided however that none of the security shall be spent by the County pending the Hearing. The Hearing shall be no less than fourteen (14) days after the receipt by the Developer of the notice of default from County. Within thirty (30) days after such Hearing, the Board of County Commissioners shall determine whether or not a default exists and, if so, shall specify a reasonable time within which the Developer shall be required to cure the default. Any appeal of a decision by the Board of County Commissioners shall be pursuant to CRCP 106.

5.3 Remedies of County. If the Board of County Commissioners, after notice and hearing as aforesaid, determines that a default by the Developer exists, and if the Developer fails to cure such default within the time specified by the Board of County Commissioners, the County may (a) make a draw on the letter of credit (or other security) (if not already drawn) for the amount reasonably determined by the County to be necessary to cure the default in a manner consistent with the approved Plans up to the face amount of the letter of credit; (b) and/or sue the Developer for recovery of any amount necessary to cure the default over and above the amount of the available security; (c) and/or vacate any portion of the Subdivision plat for which Subdivision Improvements have not been completed; (d) and/or exercise other remedy by law.

5.4 County Right to Complete Subdivision Improvements. The right of the County to complete or cause completion of the Subdivision Improvements as hereinabove provided shall include the following rights. The County shall have the right to complete the Subdivision Improvements, in substantial accordance with the Plans, the estimated construction costs, and other requirements of this Agreement, either itself or by contract with a third party or by assignment of its rights to a successor developer who has acquired the Subdivision by purchase, foreclosure, or otherwise. The County, any contractor under the County, or any such successor developer, their agents, subcontractors and employees shall have the non-exclusive right to enter upon the streets and easements shown on the final plat of the Subdivision and upon any part of the Subdivision owned by the Developer for the purpose of completing the Subdivision Improvements.

5.5 Use of Funds by County. Any funds obtained by the County as security, or recovered by the County from the Developer by suit or otherwise, shall be used by the County to pay the costs of completion of the Subdivision Improvements substantially in accordance with the Plans and the other requirements of this Agreement and to pay the reasonable costs and expenses of the County in connection with the default by the Developer, including reasonable attorneys' fees, with the surplus, if any, to be returned to the Developer.

5.6 Protection of Innocent Purchasers. The letter of credit (or other security) furnished to the County under this Agreement is designed to assure completion of the Subdivision Improvements and to protect the County from bearing the cost of completing the Subdivision Improvements. Accordingly, the County shall have recourse only under the letter of credit and against the Developer and the successors and assigns of the Developer in its capacity as developer of the Subdivision and shall not have recourse against third parties who purchase lots or acquire interests in the Subdivision other than those who acquire lots or interests as a

successor or assignee of the Developer in its capacity as developer of the Subdivision.

VI. MISCELLANEOUS.

6.1 Indemnification. The Developer shall indemnify and save harmless the County from any and all suits, actions, claims, judgments, obligation, or liabilities of every nature and description which arise from an event or occurrence prior to the date of Final Acceptance and which are caused by, arise from, or on account of the construction and installation of the Subdivision Improvements; and any and all suits, actions, claims, or judgments which arise from an event or occurrence prior to the date of the Final Acceptance and which are asserted by or on behalf of contractors or subcontractors working in the Subdivision, lot owners in the Subdivision, or third parties claiming injuries resulting from defective improvements constructed by Developer. This indemnification shall not apply to claims arising from the negligent acts or omissions of the County. The Developer shall pay any and all judgments rendered against the County on account of any such suit, action, or claim. The County shall, within fifteen days after being served with any such claim, suit, or action, notify the Developer of its reliance upon this indemnification and provide the Developer with a copy of all documents pertaining to the claim or cause of action. The Developer may provide proper legal representation for the County in said action, in which case the Developer shall not be responsible for any additional legal fees incurred by the County. The County agrees that the Developer may also, on its own behalf, become a party to any such action and the County agrees to execute any documents as may be necessary to allow the Developer to be a party. The Developer is not an agent or employee of the County.

6.2 Insurance. Developer shall require that all contractors engaged in the construction of the Subdivision Improvements maintain worker's compensation insurance. Before proceeding with the construction of improvements, the Developer shall provide the Planning Department with written evidence of property damage insurance and bodily injury insurance in an amount of not less than Six Hundred Thousand Dollars (\$600,000.00) each, or such other maximum amount of liability as may be specified in the Colorado Governmental Immunity Act, and protecting the County against any and all claims for damages to persons or property resulting from construction and/or installation of any Subdivision Improvements pursuant to this Agreement. The policy shall provide that the County shall be notified at least thirty days in advance of any reduction in coverage, termination, or cancellation of the policy. Such notice shall be sent by certified mail to the Planning Department, return receipt requested. The Developer agrees that any contractors engaged by or for the Developer to construct the Subdivision Improvements shall maintain public liability coverage in limits not less than those described above.

6.3 No Third Party Beneficiaries. Except as herein provided, no person or entity, other than a party to this Agreement, shall have any right of action under this Agreement including, but not limited to, lenders, lot or home buyers and materialmen, laborers or others providing work, services, or materials for the Subdivision Improvements.

6.4 Assignability. Subject to the provisions of Section 3.1 above, the Developer may convey or transfer title or interests in the Subdivision without the consent of the County and a grantee or transferee of the Developer shall not be obligated to fulfill any of the obligations of the Developer under this Agreement unless such grantee or transferee is the successor or

assignee of the Developer in its capacity as developer of the Subdivision. The Developer may assign its rights and obligations under this Agreement to a party who is the successor or assignee of the Developer in its capacity as developer of the Subdivision without the consent of the County; provided, however, that (a) Developer notifies the County of the assignment and of the name and address of the successor developer, and (b) the successor developer assumes the obligations of the Developer under this Agreement. Unless otherwise agreed by the County, the Developer shall remain liable for performance of the obligations of the Developer under this Agreement. The County shall release the letter of credit (or other security) furnished by the Developer only if the County accepts new security from any successor developer of the Subdivision.

6.5 No Automatic Further Approvals. Execution of this Agreement by the County shall not be construed as a representation or warranty that the Developer is entitled to any other approvals required from the County, if any, before the Developer is entitled to commence development of the Subdivision or to transfer ownership of property in the Subdivision.

6.6 Notices. All notices, consents or other instruments or communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given and received (a) when actually delivered and received personally, by messenger service, or by fax or telecopy delivery; (b) on the next business day after deposit for delivery in an overnight courier service such as Federal Express; or (c) three (3) business days after deposit in the United States mail, by registered or certified mail with return receipt requested. All such notices or other instruments shall be transmitted with delivery or postage charges prepaid, addressed to the party at the address below for that party or to such other address as such party may designate by written notice to the other party:

If to Developer: Silverleaf Resorts, Inc.
Robert E. Mead
1221 River Bend Drive, Suite 120
Dallas, TX 75247

If to County: Grand County Planning Department
Attn: Kristen Manguso
308 Byers Avenue, P.O. Box 239
Hot Sulphur Springs, CO 80451

6.7 Further Assurances. At any time, and from time to time, upon request of either party, the other party agrees to make, execute and deliver or cause to be made, executed and delivered to the requesting party any and all further instruments, certificates and documents consistent with the provisions of this Agreement as may, in the reasonable opinion of the requesting party, be necessary or desirable in order to effectuate, complete or perfect the rights of the parties under this Agreement.

6.8 Binding Effect. Subject to Section 6.4 above, this Agreement shall run with the land and be binding upon the inure to the benefit of the parties hereto and their respective

successors and assigns.

6.9 Headings for Convenience. All headings and captions used herein are for convenience only and are of no meaning in the interpretation or effect of this Agreement.

6.10 No Implied Waivers. The failure by a party to enforce any provision of this Agreement or the waiver of any specific requirement of this Agreement shall not be construed as a general waiver of this Agreement or any provision herein nor shall such action act to estop the party from subsequently enforcing this Agreement according to its terms.

6.11 Severability. If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, it shall not affect the validity of this Agreement as a whole or any part thereof other than the part declared to be invalid and there shall be substituted for the affected provision, a valid and enforceable provision as similar as possible to the affected provision.

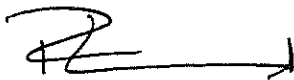
6.12 No Waiver of Sovereign Immunity. Nothing contained in this Agreement shall constitute a waiver of the sovereign immunity of the County under applicable state law.

6.13 Consent to Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by either party to this Agreement with respect to this Agreement, a letter of credit or Warranty Security shall be proper only if such action is commenced in the District Court for Grand County, Colorado. The Developer expressly waives the right to bring such action in or to remove such action to any other court, whether state or federal.

6.14 Force Majeure. Neither party shall be liable for failure to perform hereunder if such failure is the result of Force Majeure and any time limit expressed in this Agreement shall be extended for the period of any delay resulting from any Force Majeure. "Force Majeure" shall mean causes beyond the reasonable control of a party such as, but not limited to, weather conditions, acts of God, strikes, work stoppages, unavailability of or delay in receiving labor or materials, faults by contractors, subcontractors, utility companies or third parties, fire or other casualty, or action of government authorities.

6.15 Entire Agreement. This Agreement, and any agreement or document referred to herein, constitutes the entire understanding between the parties with respect to the subject matter hereof and all other prior understandings or agreements shall be deemed merged in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

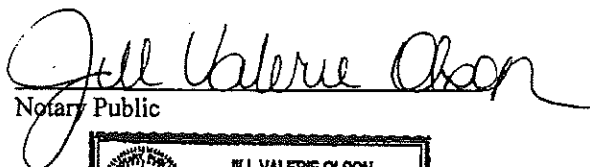


Robert E. Mead as Chief Executive Officer, Silverleaf Resorts, Inc.

STATE OF TEXAS
COUNTY OF DALLAS

The foregoing instrument was acknowledged before me by Robert E. Mead as CEO
_____, of Silverleaf Resorts, Inc. this 30th day of January, 2008.

My Commission Expires: 6-21-09


Notary Public

BOARD OF COUNTY COMMISSIONERS
COUNTY OF GRAND



BY: 
Chairman of the Board

DATE: _____

ATTEST: _____
Grand County Clerk and Recorder

APPROVED:

Anthony J. DiCola
Grand County Attorney

DATE: _____

**CASCADE ENGINEERING
AND DRAINAGE, INC.**

PO BOX 1406, FRASER, CO 80442
(970)726-4105 (970)726-4743 FAX

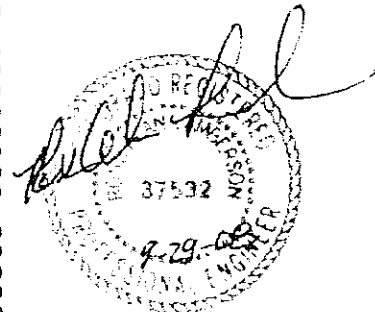
OPINION OF PROBABLE COSTS

PROJECT: **THE RIDGE AT WINTER PARK CONDOMINIUM**
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

PHASE I

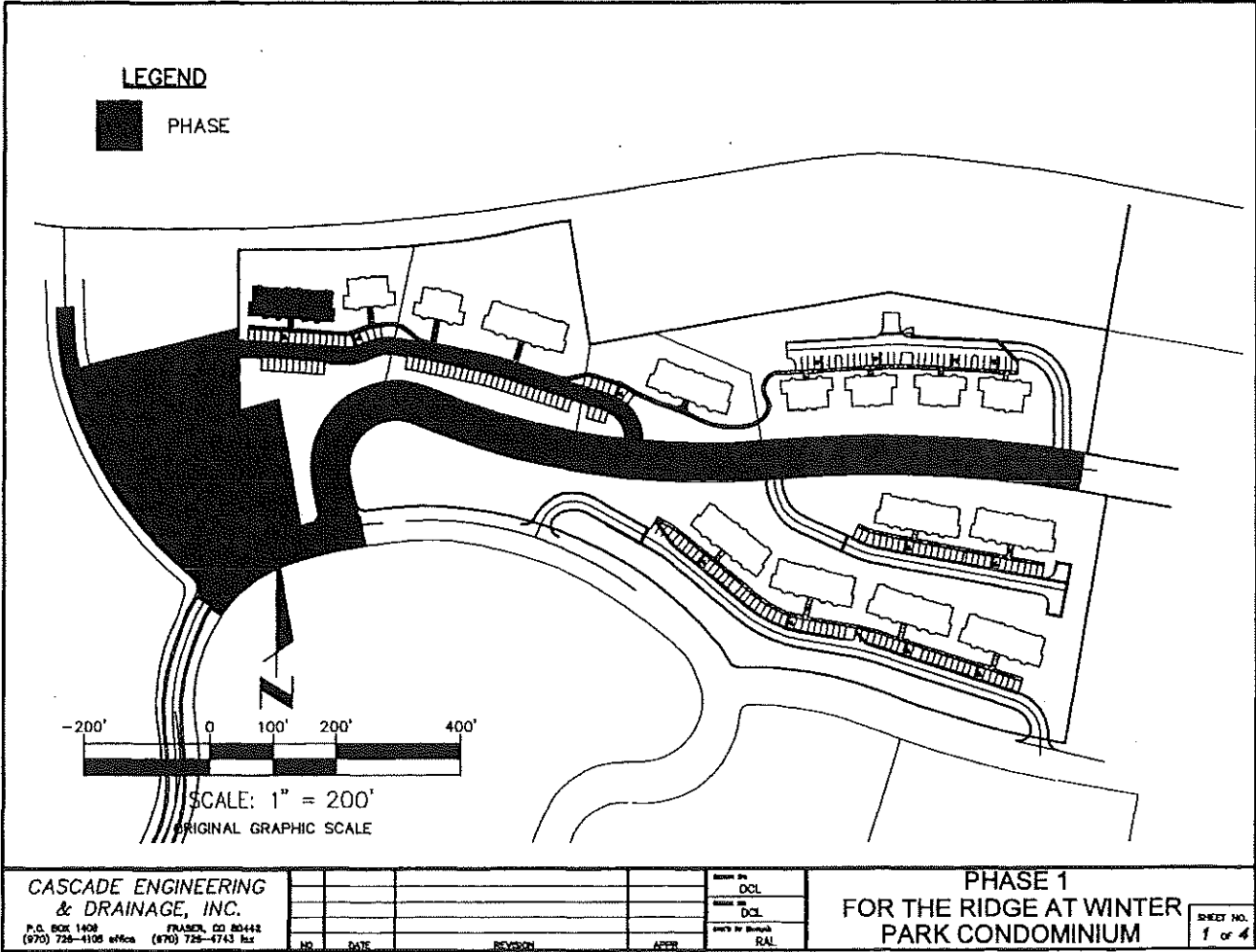
9/25/2008

IMPROVEMENT	QTY	UNIT	UNIT COST	EST TOTAL COST
Road/Drive				
Site Clearing/Slash Removal	1	LS	\$15,000	\$15,000
Subgrade Construction- FILL	3550	CY	\$4.5	\$15,975
Subgrade Construction- CUT	3020	CY	\$3.5	\$10,570
Import fill material	530	CY	\$10.5	\$5,565
Topsoil removal and stockpile (inc. w/cut)	1	LS	\$2,000	\$2,000
Topsoil export from site (excess)	1	LS	\$1,000	\$1,000
Surfacing (sub-base, base) 7" A.B.C.	3920	SY	\$8	\$31,360
Paving (pavement) 4" A.C.	3720	SY	\$33	\$122,760
Signs	2	EA	\$500	\$1,000
Spinner Improvements (Adjacent to Project)				
Subgrade Construction- CUT/FILL	1	LS	\$11,000	\$11,000
Surfacing (Sub-base, base) 9" A.B.C.	1480	SY	\$8	\$11,840
Paving (pavement) 5" A.C.	1360	SY	\$34	\$46,240
Cranmer Improvements (Adjacent to Project)				
Pavement Overlay (1-1/2" THICK)	765	SY	\$9.5	\$7,268
Subgrade Construction- FILL	2335	CY	\$7.5	\$17,513
Subgrade Construction- CUT	835	CY	\$3.5	\$2,923
Surfacing (Sub-base, base) 9" A.B.C.	4195	SY	\$8	\$33,560
Paving (pavement) 5" A.C.	3621	SY	\$34	\$123,114
Concrete				
Sidewalk and Vertical Curb	141	LF	\$32	\$4,512
Valley Pan	326	LF	\$22	\$7,172
Landscape				
Spruce Trees (6')	23	EA	\$450	\$10,350
Aspen Trees (10'-12')	13	EA	\$140	\$1,820
Native Shrub (5 gal.)	52	EA	\$44	\$2,288
Wild Flowers (2-1/4" pots)	50	EA	\$8.5	\$425
Mulch and Native Grass Seed	1	LS	\$2,100	\$2,100
Drip Irrigation System	1	LS	\$1,700	\$1,700
Drainage				
Culverts	49	LF	\$42	\$2,058
Rock Retaining Walls	377	LF	\$27	\$10,179
Stacked Stone Retaining Walls	0	LF	\$255	\$0
Detention Facilities	0	LS	\$13,000	\$0
Erosion Control Matting/Ditches	265	LF	\$12	\$3,180
Straw Waddles	87	LF	\$2.40	\$209
Inlet Protection	1	LS	\$120.00	\$120
Vehicle Tracking Control Pad	1	LS	\$600.00	\$600
Utilities				
Water Main	0	LF	\$48	\$0
Manholes	0	EA	\$3,000	\$0
Sewer Mains	0	LF	\$48	\$0
Electric	1	LS	\$4,000	\$4,000
Gas	1	LS	\$1,500	\$1,500
Sewer Services	1	EA	\$2,600	\$2,600
Water Services	1	EA	\$3,100	\$3,100
Misc				
Fire Mitigation/Tree Removal	285	EA	\$75	\$21,375
Swimming Pool at Club House	1	LS	\$150,000	\$150,000
Clean-Up				
Site Clean-Up	1	LS	\$1,500	\$1,500
Professional Services	1	LS	\$12,000	\$12,000
SUBTOTAL OF COSTS				\$701,474
TOTAL (Subtotal x 1.20)				\$841,769



HYDROLOGY AND CIVIL ENGINEERING SERVICES

RECEPTION#: 2008009400, 09/30/2008 at 11:10:11 AM, 17 OF 30 Doc Code:RES,
Sara L. Rosene, Grand County Clerk and Recorder, Colorado



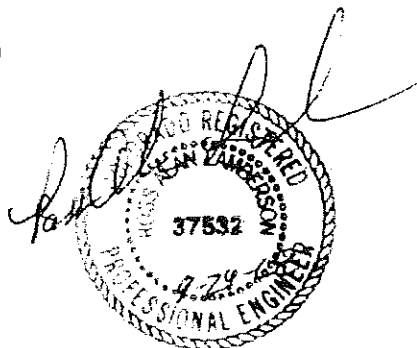
CASCADE ENGINEERING
AND DRAINAGE, INC.
PO BOX 1406, FRASER, CO 80442
(970)726-4105 (970)726-4743 FAX

OPINION OF PROBABLE COSTS

PROJECT: THE RIDGE AT WINTER PARK CONDOMINIUM
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

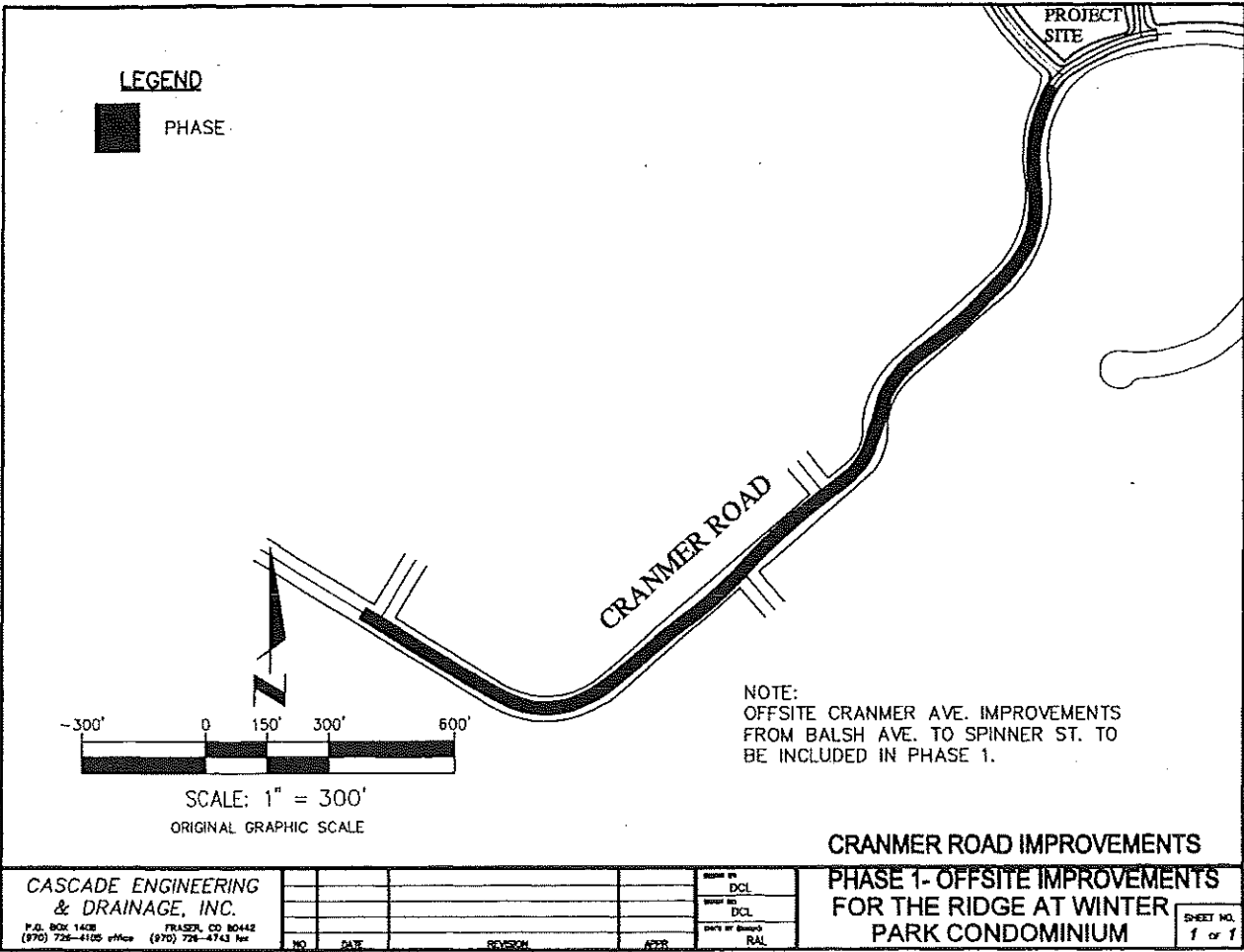
CRANMER ROAD, OFFSITE IMPROVEMENTS
9/25/2008

IMPROVEMENT	QTY	UNIT	UNIT COST	EST TOTAL
Cranmer Improvements (Between Spinner and Balsh)				
Shoulder extension-1' to 4' Wide	1	LS	\$5,500	\$5,500
Pavement Replacement	12330	SF	\$4.75	\$58,568
Pavement Overlay (1-1/2")	565	TONS	\$115	\$64,975
Subgrade Construction (ditches, etc.)	1400	LF	\$32	\$44,800
Culvert Extensions	1	LS	\$1,000	\$1,000
Erosion Control Matting (Side slopes)	1300	LF	\$12.2	\$15,860
Misc. Miscellaneous	1	LS	\$1,000	\$1,000
Clean-Up Site Clean-Up	1	LS	\$3,000	\$3,000
SUBTOTAL OF COSTS				\$194,703
TOTAL (Subtotal x 1.20)				\$233,643



HYDROLOGY AND CIVIL ENGINEERING SERVICES

RECEPTION#: 2008009400, 09/30/2008 at 11:10:11 AM, 19 OF 30 Doc Code:RES,
Sara L. Rosene, Grand County Clerk and Recorder, Colorado



**CASCADE ENGINEERING
AND DRAINAGE, INC.**

PO BOX 1406, FRASER, CO 80442
(970)726-4105 (970)726-4743 FAX

OPINION OF PROBABLE COSTS

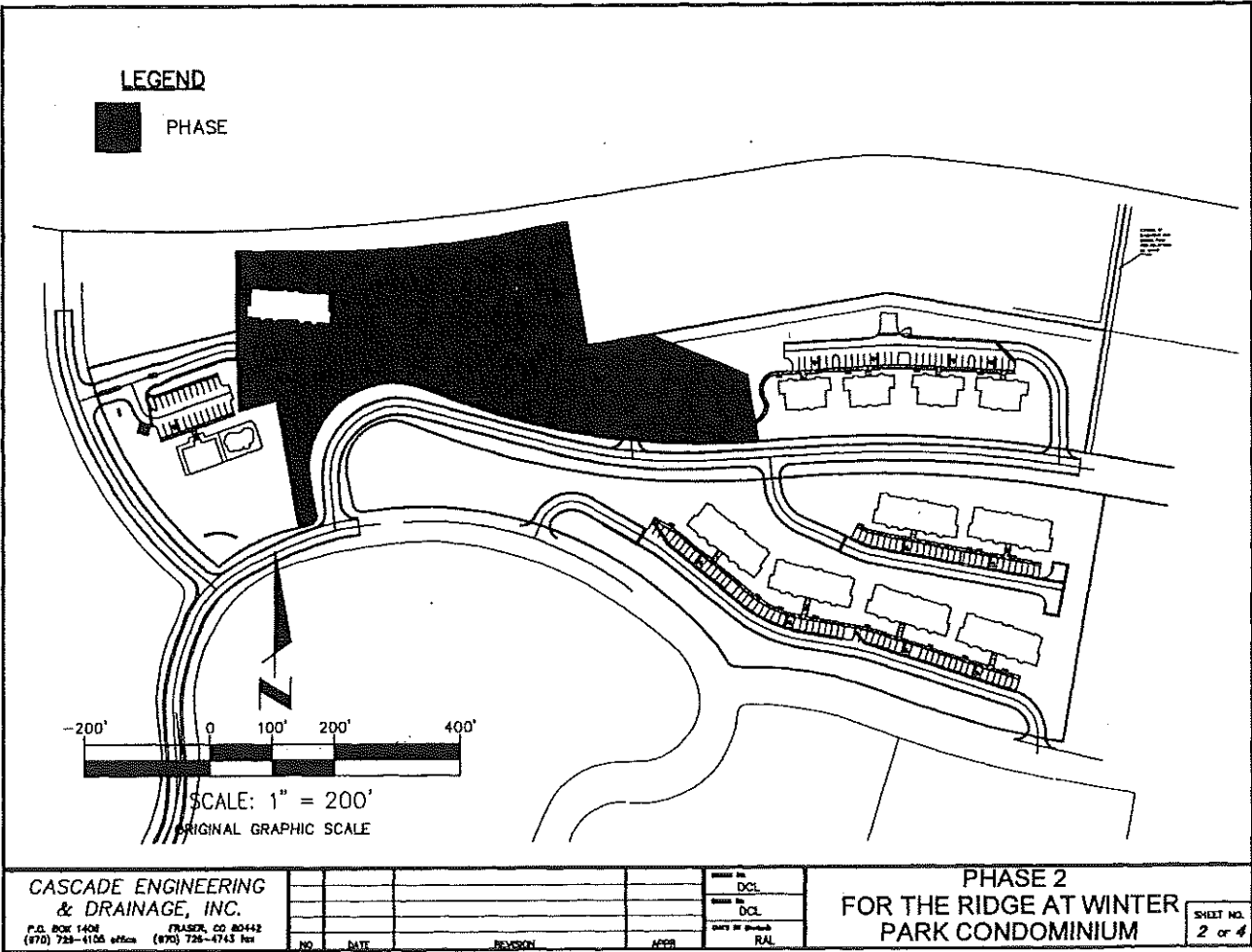
PROJECT: THE RIDGE AT WINTER PARK CONDOMINIUM
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

PHASE 2

		9/25/2008			
	IMPROVEMENT	QTY	UNIT	UNIT COST	EST TOTAL
Road/Drive	Site Clearing/Slash Removal	1	LS	\$47,000	\$47,000
	Subgrade Construction- FILL	10180	CY	\$4.5	\$45,810
	Subgrade Construction- CUT	3450	CY	\$3.5	\$12,075
	Import fill material	6730	CY	\$10.5	\$70,665
	Topsoil removal and stockpile	1	LS	\$6,500	\$6,500
	Topsoil export from site (excess)	1	LS	\$2,000	\$2,000
	Surfacing (sub-base, base) 5" A.B.C.	5890	SY	\$8	\$47,120
	Paving (pavement) 4" A.C.	5290	SY	\$33	\$174,570
	Signs	1	EA	\$500	\$500
*Costs for Driveway A are included w/Phase 1					
Concrete	Sidewalk and Vertical Curb	988	LF	\$32	\$31,616
	Valley Pan	661	LF	\$22	\$14,542
Landscape	Spruce Trees (6')	60	EA	\$450	\$27,000
	Aspen Trees (10'-12')	58	EA	\$140	\$8,120
	Native Shrub (5 gal.)	140	EA	\$42	\$5,880
	Wild Flowers (2-1/4" pots)	38	EA	\$8.5	\$323
	Mulch and Native Grass Seed	1	LS	\$12,200	\$12,200
	Drip Irrigation System	1	LS	\$9,400	\$9,400
Drainage	Culverts	31	LF	\$42	\$1,302
	Rock Retaining Walls	510	LF	\$27	\$13,770
	Stacked Stone Retaining Walls	1053	LF	\$255	\$268,515
	Detention Facilities/Catch Basin	1	LS	\$16,500	\$16,500
	Erosion Control Matting/Ditches/Side Slopes	1383	LF	\$12.0	\$16,596
	Rip Rap Ditch/Spillway	227	LF	\$8.3	\$1,873
	Straw Waddies	520	LF	\$2.40	\$1,248
Utilities	Water Main	0	LF	\$48	\$0
	Manholes	7	EA	\$3,000	\$21,000
	Sewer Mains	834	LF	\$48	\$40,032
	Electric	1	LS	\$16,000	\$16,000
	Gas	1	LS	\$4,000	\$4,000
	Sewer Services	5	EA	\$1,300	\$6,500
	Water Services	5	EA	\$1,600	\$8,000
Misc.	Fire Mitigation/Tree Removal	475	EA	\$75	\$35,625
Clean-Up	Site Clean-Up	1	LS	\$1,800	\$1,800
	Professional Services	1	LS	\$30,000	\$30,000
	SUBTOTAL OF COSTS				\$998,082
TOTAL (Subtotal x 1.20)					\$1,197,698

HYDROLOGY AND CIVIL ENGINEERING SERVICES

RECEPTION#: 2008009400, 09/30/2008 at 11:10:11 AM, 21 OF 30 Doc Code:RES,
Sara L. Rosene, Grand County Clerk and Recorder, Colorado



**CASCADE ENGINEERING
AND DRAINAGE, INC.**

PO BOX 1406, FRASER, CO 80442
(970)726-4105 (970)726-4743 FAX

OPINION OF PROBABLE COSTS

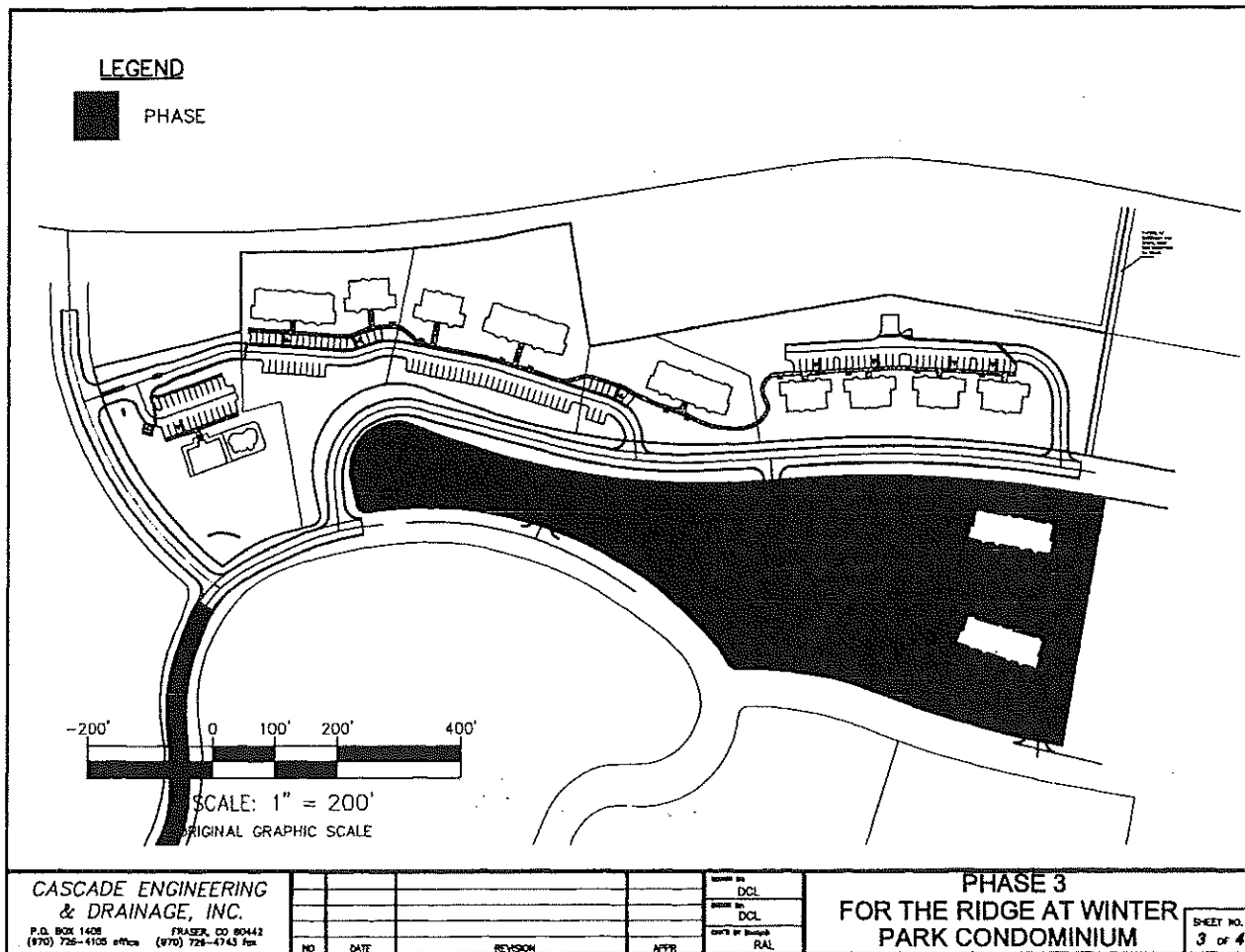
PROJECT: THE RIDGE AT WINTER PARK CONDOMINIUM
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

PHASE 3

		9/25/2008				
IMPROVEMENT		QTY	UNIT	UNIT COST	EST TOTAL	
Road/Drive	Site Clearing/Slash Removal	1	LS	\$56,500	\$56,500	
	Subgrade Construction- FILL	10850	CY	\$4.5	\$48,825	
	Subgrade Construction- CUT	10625	CY	\$3.5	\$37,188	
	Import fill material	0	CY	\$10	\$0	
	Topsoil removal and stockpile (inc. w/cut)	1	LS	\$9,000	\$9,000	
	Topsoil export from site (excess)	1	LS	\$4,000	\$4,000	
	Surfacing (sub-base, base) 8" A.B.C.	6790	SY	\$8	\$54,320	
	Paving (pavement) 4.5" A.C.	6440	SY	\$33	\$212,520	
	Signs	2	EA	\$500	\$1,000	
Concrete	Sidewalk and Vertical Curb	1086	LF	\$32	\$34,752	
	Valley Pan	1090	LF	\$22	\$23,980	
Landscape	Spruce Trees (6')	53	EA	\$450	\$23,850	
	Aspen Trees (10'-12')	64	EA	\$140	\$8,960	
	Native Shrub (5 gal.)	117	EA	\$42	\$4,914	
	Wild Flowers (2-1/4" pots)	37	EA	\$8.5	\$315	
	Mulch and Native Grass Seed	1	LS	\$16,200	\$16,200	
	Drip Irrigation System	1	LS	\$12,100	\$12,100	
	Pedestrian Trail	0	LS	\$5.5	\$0	
Drainage	Culverts	130	LF	\$40	\$5,200	
	Rock Retaining Walls	770	LF	\$27	\$20,790	
	Stacked Stone Retaining Walls	1193	LF	\$255	\$304,215	
	Detention Facilities	1	LS	\$12,500	\$12,500	
	Erosion Control Matting/Ditches	615	LF	\$12.0	\$7,380	
	Rip Rap Ditch/Spillway	305	LF	\$8.5	\$2,627	
	Straw Waddles	1005	LF	\$2.40	\$2,412	
Utilities	Water Main	839	LF	\$48	\$40,272	
	Manholes	8	EA	\$3,000	\$24,000	
	Sewer Mains	563	LF	\$48	\$27,024	
	Electric	1	LS	\$24,000	\$24,000	
	Gas	1	LS	\$6,000	\$6,000	
	Sewer Services	6	EA	\$1,050	\$6,300	
	Water Services	6	EA	\$1,350	\$8,100	
Misc.	Fire Mitigation/Tree Removal	760	EA	\$75	\$57,000	
Clean-Up	Site Clean-Up	1	LS	\$3,000	\$3,000	
	Professional Services	1	LS	\$36,000	\$36,000	
	SUBTOTAL OF COSTS				\$1,135,243	
	TOTAL (Subtotal x 1.20)				\$1,362,291	

HYDROLOGY AND CIVIL ENGINEERING SERVICES

RECEPTION#: 2008009400, 09/30/2008 at 11:10:11 AM, 23 OF 30 Doc Code:RES,
Sara L. Rosene, Grand County Clerk and Recorder, Colorado



**CASCADE ENGINEERING
AND DRAINAGE, INC.**
PO BOX 1406, FRASER, CO 80442
(970)726-4105 (970)726-4743 FAX

OPINION OF PROBABLE COSTS

PROJECT: THE RIDGE AT WINTER PARK CONDOMINIUM
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

PHASE 4

		9/25/2008				
IMPROVEMENT		QTY	UNIT	UNIT COST	EST TOTAL COST	
Road/Drive	Site Clearing/Slash Removal	1	LS	\$38,500	\$38,500	
	Subgrade Construction- FILL	2225	CY	\$4.5	\$10,013	
	Subgrade Construction- CUT	4550	CY	\$3.5	\$15,925	
	Import fill material	0	CY	\$10	\$0	
	Topsoil removal and stockpile (inc. w/cut)	1	LS	\$4,500	\$4,500	
	Topsoil export from site (excess)	1	LS	\$1,225	\$1,225	
	Surfacing (sub-base, base) 8" A.B.C.	2648	SY	\$8	\$21,184	
	Paving (pavement) 4.5" A.C.	2098	SY	\$33	\$69,234	
	Signs	1	EA	\$500	\$500	
Concrete	Sidewalk and Vertical Curb	528	LF	\$32	\$16,896	
	Valley Pan	212	LF	\$22	\$4,664	
Landscape	Spruce Trees (6')	39	EA	\$450	\$17,550	
	Aspen Trees (10'-12')	38	EA	\$140	\$5,320	
	Native Shrub (5 gal.)	66	EA	\$42	\$2,772	
	Wild Flowers (2-1/4" pots)	25	EA	\$8.5	\$213	
	Mulch and Native Grass Seed	1	LS	\$6,200	\$6,200	
	Drip Irrigation System	1	LS	\$5,200	\$5,200	
	Pedestrian Trail	264	LF	\$5.5	\$1,452	
Drainage	Culverts	50	LF	\$40	\$2,000	
	Stacked Stone Retaining Walls	933	LF	\$255	\$237,915	
	Detention Facilities	1	LS	\$12,500	\$12,500	
	Erosion Control Matting/Ditches	200	LF	\$12.0	\$2,400	
	Rip Rap Ditch/Spillway	150	LF	\$8.5	\$1,275	
	Straw Waddles	1136	LF	\$2.40	\$2,726	
Utilities	Water Main	0	LF	\$48	\$0	
	Manholes (in Phase II)	0	EA	\$3,000	\$0	
	Sewer Mains (in Phase II)	0	LF	\$48	\$0	
	Electric	1	LS	\$12,000	\$12,000	
	Gas	1	LS	\$3,000	\$3,000	
	Sewer Services	4	EA	\$1,300	\$5,200	
	Water Services	4	EA	\$1,600	\$6,400	
Misc.	Fire Mitigation/Tree Removal	380	EA	\$75	\$28,500	
Clean-Up	Site Clean-Up	1	LS	\$2,000	\$2,000	
	Professional Services	1	LS	\$20,000	\$20,000	
SUBTOTAL OF COSTS					\$557,263	
TOTAL (Subtotal x 1.20)					\$668,716	

HYDROLOGY AND CIVIL ENGINEERING SERVICES

RECEPTION#: 2008009400, 09/30/2008 at 11:10:11 AM, 25 OF 30 Doc Code:RES,
Sara L. Rosene, Grand County Clerk and Recorder, Colorado

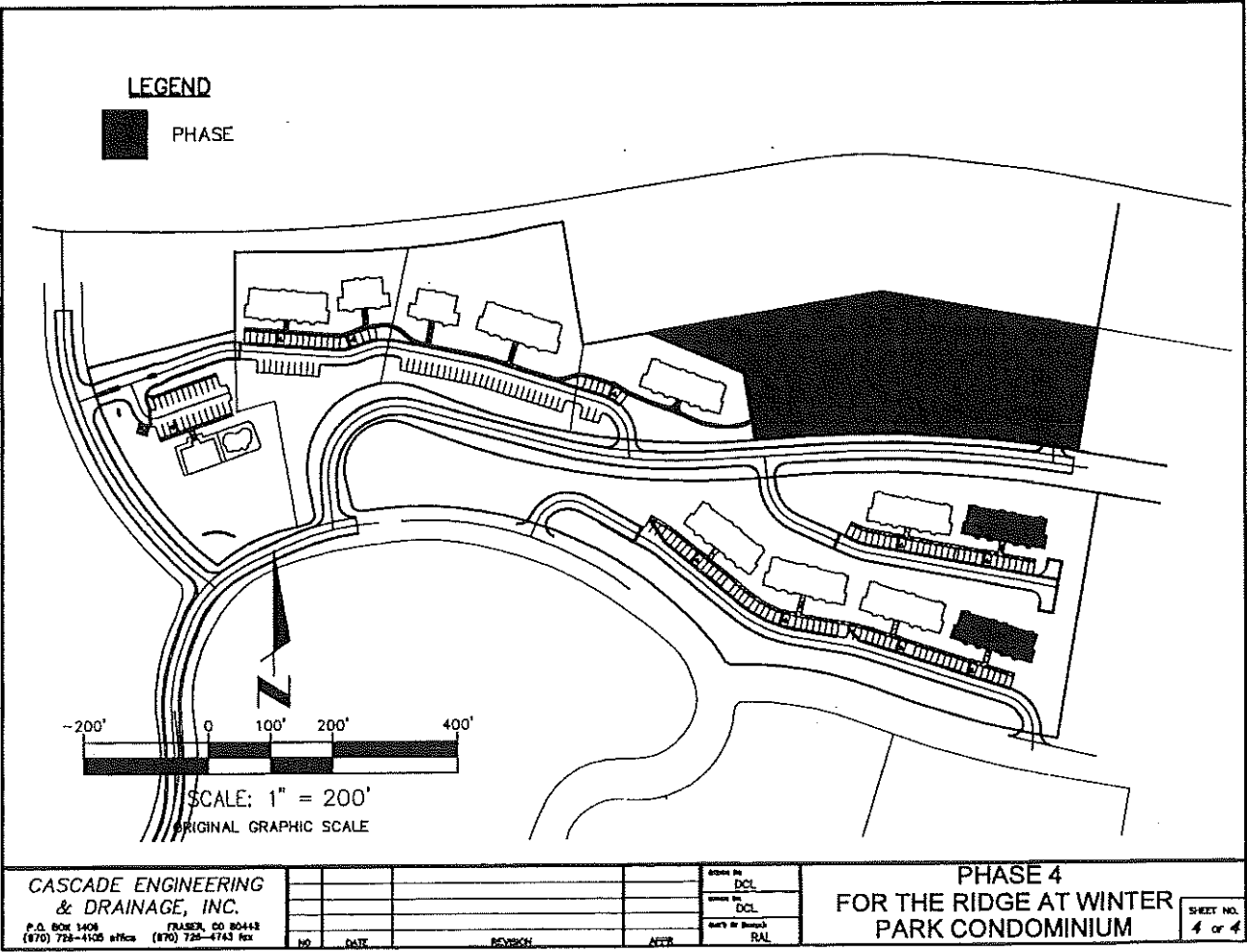


Exhibit B

WATER QUALITY/WASTEWATER AGREEMENT

This Water Quality/Wastewater Agreement (the "Agreement") made this 5 day of February, 2008, between **SILVERLEAF RESORTS, INC.**, represented by Joe W. Conner, Chief Operating Officer, ("Developer"), whose address is 1221 River Bend Drive, Suite 120, Dallas, TX 75247 and the **BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF GRAND** ("County"), whose address is 308 Byers Avenue, P.O. Box 239, Hot Sulphur Springs, Colorado 80451, Attention: Kristen Manguso, Planning Director.

I. RECITALS

A. WHEREAS, Subdivider is the owner of real property located in the Winter Park Ranch Subdivision, Re-subdivision of the Summit at Winter Park Ranch, Tracts D, E, F and G, located in the SE ¼ of Section 21, Township 1 South, Range 75 West of the 6th PM, Grand County, Colorado, which subdivider has caused to be platted and subdivided as The Ridge Condominium (the "Subdivision"), as evidenced by the plat recorded _____, 2008, at Reception No. _____ in the real property records of Grand County, Colorado (the "Plat");

B. WHEREAS, the County has expressed concern of increased non-point source water pollution caused by drainage and runoff from development, and the protection of water quality in Grand County and more specifically the river drainage basins of Grand County;

C. WHEREAS, the County wishes to provide the framework for wastewater treatment in the event that over time non-point source water pollution has been found to have materially degraded water quality in the river drainage basins of Grand County;

D. WHEREAS, the Subdivider and Association wish to cooperate in addressing the County=s concern of increased non-point source water pollution caused by drainage and runoff from development, and protection of water quality in the river drainage basins of Grand County through the escrow of certain funds from the sale of lots within the subdivision, all as more particularly set forth below;

E. WHEREAS, Grand County has adopted 208 Water Quality Standards to provide guidance which will provide a level of protection for the surface and groundwater resources in the county;

F. WHEREAS, Policy 1 of the 208 Water Quality Standards provides the following:

"Policy 1: Water Quality

The surface and groundwaters of the region shall be protected to maintain the current and designated uses of those waters. The physical, chemical, and biological conditions shall be maintained for the benefit of present and future

generations of residents and visitors of the region. Waters of the region not currently supporting classified uses shall be restored as soon as is financially and technically feasible."

G. WHEREAS, the Grand County Master Plan recommends that the county and towns should take steps to maintain and improve the water quality in rivers and streams throughout Grand County and minimize the impact of development on the environment;

H. WHEREAS, C.R.S. 30-28-133 (5) provides as follows:

"(5) No subdivision shall be approved under section 30-28-110 (3) and (4) until such data, surveys, analyses, studies, plans, and designs as may be required by this section and by the county planning commission or the board of county commissioners have been submitted, reviewed, and found to meet all sound planning and engineering requirements of the county contained in its subdivision regulations."

I. WHEREAS, C.R.S. 30-28-136 (1) (g) provides as follows:

"(1) Upon receipt of a complete preliminary plan submission, the Board of County Commissioners or its authorized representatives shall distribute copies of prints of the plan as follows:

(g) When applicable, to the county, district, or regional health department or the state department of public health and environment for its review of the on-lot sewage disposal reports, for reviews of the adequacy of existing or proposed sewage treatment works to handle the estimated effluent, and for a report on the water quality of the proposed water supply to serve the subdivision. The department of public health and environment or county, district or regional health department to which the plan is referred may require the subdivider to submit additional engineering or geological reports or data and to conduct a study of the economic feasibility of a sewage treatment works prior to making its recommendations. No plan shall receive the approval of the Board of County Commissioners unless the department of public health and environment or county, district or regional health department to which the plan is referred has made a favorable recommendation regarding the proposed method of sewage disposal."

J. WHEREAS, in lieu of the study of the economic feasibility of a sewage treatment works pursuant to C.R.S. 30-28-136 (1) (g) the Subdivider, Association and County are desirous of entering into this Agreement.

II. AGREEMENT

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Approval of Subdivision. The County has approved the Subdivision, and the Plat has been recorded, based upon the Subdivider's and Association's cooperation to address the County's concern of increased non-point source water pollution caused by drainage and runoff from development, and the protection of water quality in Grand County and more specifically the river drainage basins of Grand County through the escrow of certain funds from the sale of units within the Subdivision.

2. East Grand Water Quality Board. The Subdivider and Association agree to contribute a \$200.00 annual fee to the East Grand Water Quality Board for purposes of offsetting costs associated with water quality monitoring. East Grand Water Quality Board shall assess the annual fee for the subdivision. The Subdivider and/or Association is required to provide proof to the County that the assessed annual fee has been paid in full, and shall continue making payment of the annual fee so long as the same remains in existence.

3. Escrow of Funds From Unit Sales. The Subdivider, Association and County wish to take steps herein to provide for a fund to be used to protect, improve and monitor water quality in the river basins of Grand County. Accordingly, the Subdivider and Association agree to provide the County with funds for protecting, improving and monitoring water quality. More specifically, the Subdivider and the Association agree to contribute \$500.00 per unit, for a total of \$68,000.00 for all units within the Subdivision. To implement the above agreement, the Subdivider and Association have deposited, in full, the amount of \$68,000.00 with the Grand County Treasurer in a specific escrow account. More, the Subdivider, Association and County hereby agree to the following procedure:

(a) All funds deposited under this escrow agreement shall accrue interest at a rate commensurate with comparably-sized commercial deposits. Interest earned on the escrow account shall follow the escrowed funds out of escrow.

4. Miscellaneous Provisions.

(a) Power and Authority. Each of the parties executing this Agreement represent and warrant that they have full power and authority to do so and the same constitutes a valid and binding commitment of behalf of such party.

(b) Entire Agreement. This Agreement, together with the exhibits attached hereto, contains the entire understanding and agreement between the parties and supersedes any and all prior negotiations, understandings or oral agreements regarding the subject matter hereof.

(c) Amendments/Waiver. This Agreement may not be amended nor any rights hereunder waived except by an instrument in writing signed by the parties sought to be charged with such amendment or waiver. The waiver by any party of any provisions of this Agreement on one occasion shall not be deemed a waiver of any subsequent breach of the same or any other provisions hereof.

(d) Remedies. Upon the breach of any provision of this Agreement, the nonbreaching party shall be entitled to enforce the provisions of this Agreement in law or in equity, and relief in the nature of specific performance or damages or both may be awarded, subject to the provisions of the laws of the State of Colorado.

(e) No Third Party Beneficiaries. Except as herein provided, no person or entity, other than a party to this Agreement, shall have any right of action under this Agreement.

(f) Governing Law and Venue. This Agreement shall be interpreted in accordance with and governed by the laws of the State of Colorado and shall be construed without regard to the party or parties responsible for its preparation and shall be deemed to have been prepared jointly by the parties. The forum for resolution of any and all disputes arising hereunder shall be the District Court in and for Grand County, State of Colorado.

(g) Paragraph Headings. The paragraph headings herein are inserted for convenience of reference only and do not define, limit or prescribe the scope of this Agreement of any exhibit attached hereto.

(h) Time of Essence. Time is of the essence in performing the terms of this Agreement and all of its provisions.

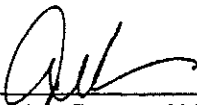
(i) Recordation. This Agreement may be recorded by any of the parties hereto.

(j) Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of each of the parties and their respective successors, assigns, heirs and personal representatives.

(k) Counterparts. This Agreement may be executed and delivered in counterparts, each of which shall be deemed to be a duplicate hereof, but all of which shall constitute one and the same document.

Executed as of the date first set forth above.

Silverleaf Resorts, Inc


By Joe W. Conner, Chief Operating Officer

STATE OF TEXAS)
COUNTY OF DALLAS ss))

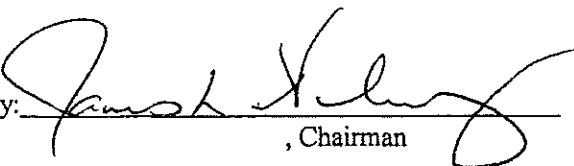
The foregoing instrument was acknowledged before me this 31 day of January,
2008, by Joe W. Conner

My commission expires _____




Notary

BOARD OF COUNTY COMMISSIONERS OF
GRAND COUNTY, COLORADO

By: 
_____, Chairman

ATTEST:

Grand County Clerk & Recorder