

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 heirs 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.

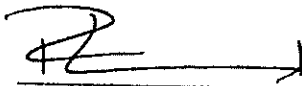
6.12 No Waiver of Sovereign Immunity. Nothing contained in this Agreement shall constitute a waiver of the sovereign immunity of the County under applicable state law.

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.



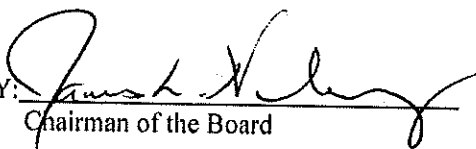
Robert E. Mead as Chief Executive Officer, Silverleaf Resorts, Inc.

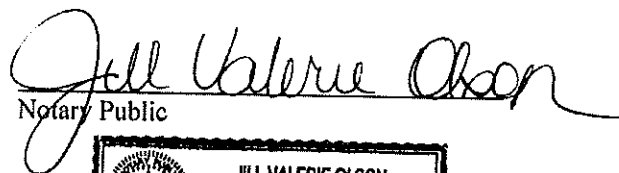
STATE OF TEXAS
COUNTY OF DALLAS

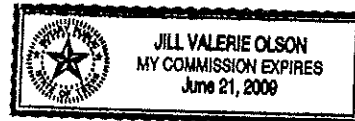
The foregoing instrument was acknowledged before me by Robert E. Mead as CEO
_____, of Silverleaf Resorts, Inc. this 30th day of January, 2008.

My Commission Expires: 6-21-09

BOARD OF COUNTY COMMISSIONERS
COUNTY OF GRAND

BY: 
Chairman of the Board


Notary Public



DATE: _____

ATTEST: _____
Grand County Clerk and Recorder

APPROVED:

Anthony J. DiCola
Grand County Attorney

DATE: _____

**CASCADE ENGINEERING
AND DRAINAGE, INC.**

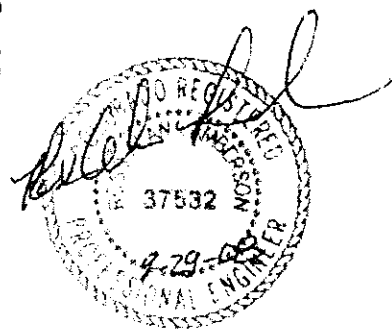
PO BOX 1406, FRASER, CO 80442
(970)726-4105 (970)726-4743 FAX

OPINION OF PROBABLE COSTS

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

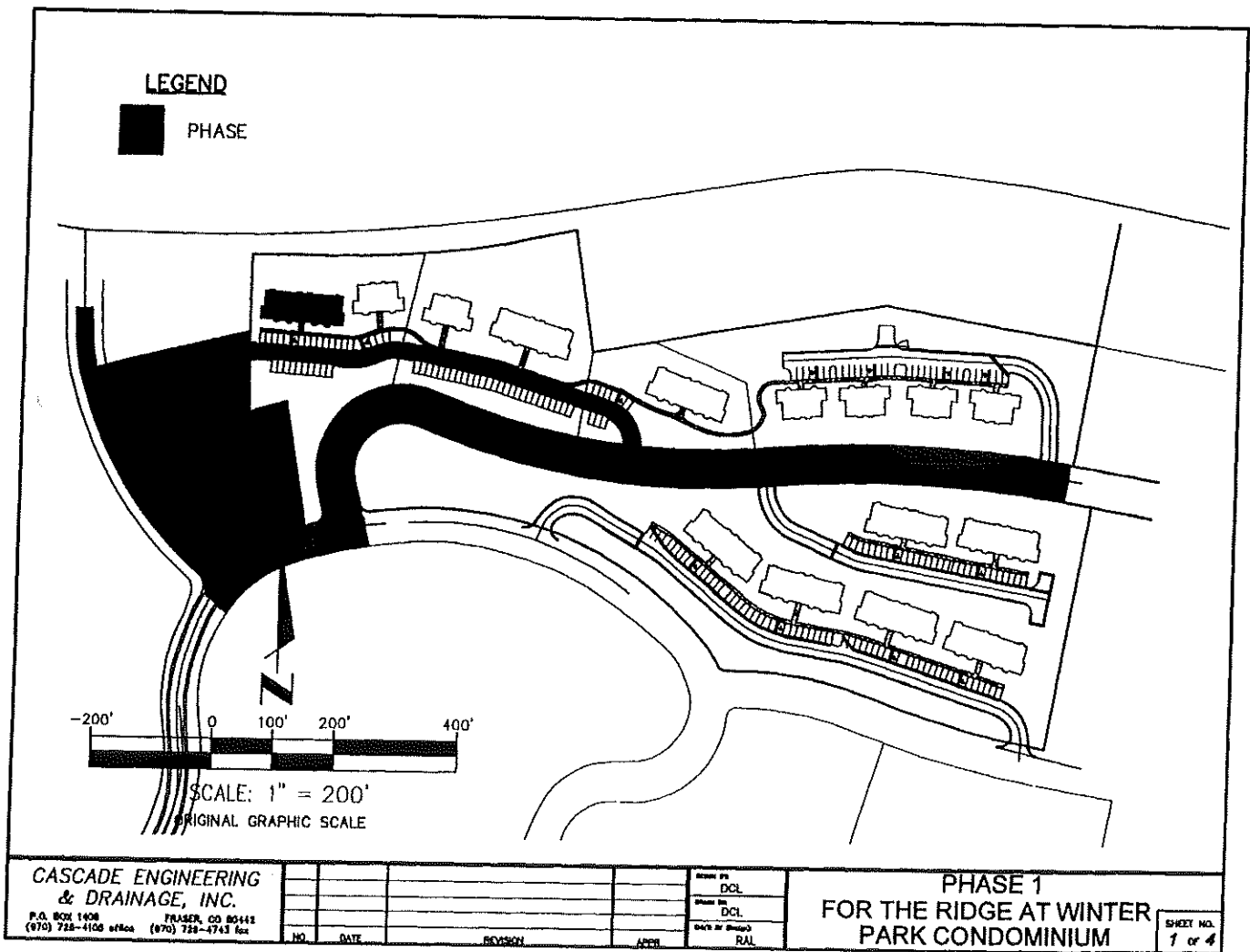
PHASE I

IMPROVEMENT		9/25/2008	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	\$460	\$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#: 2008009402, 09/30/2008 at 11:26:49 AM, 13 OF 21 Doc Code:SUBAGR,
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

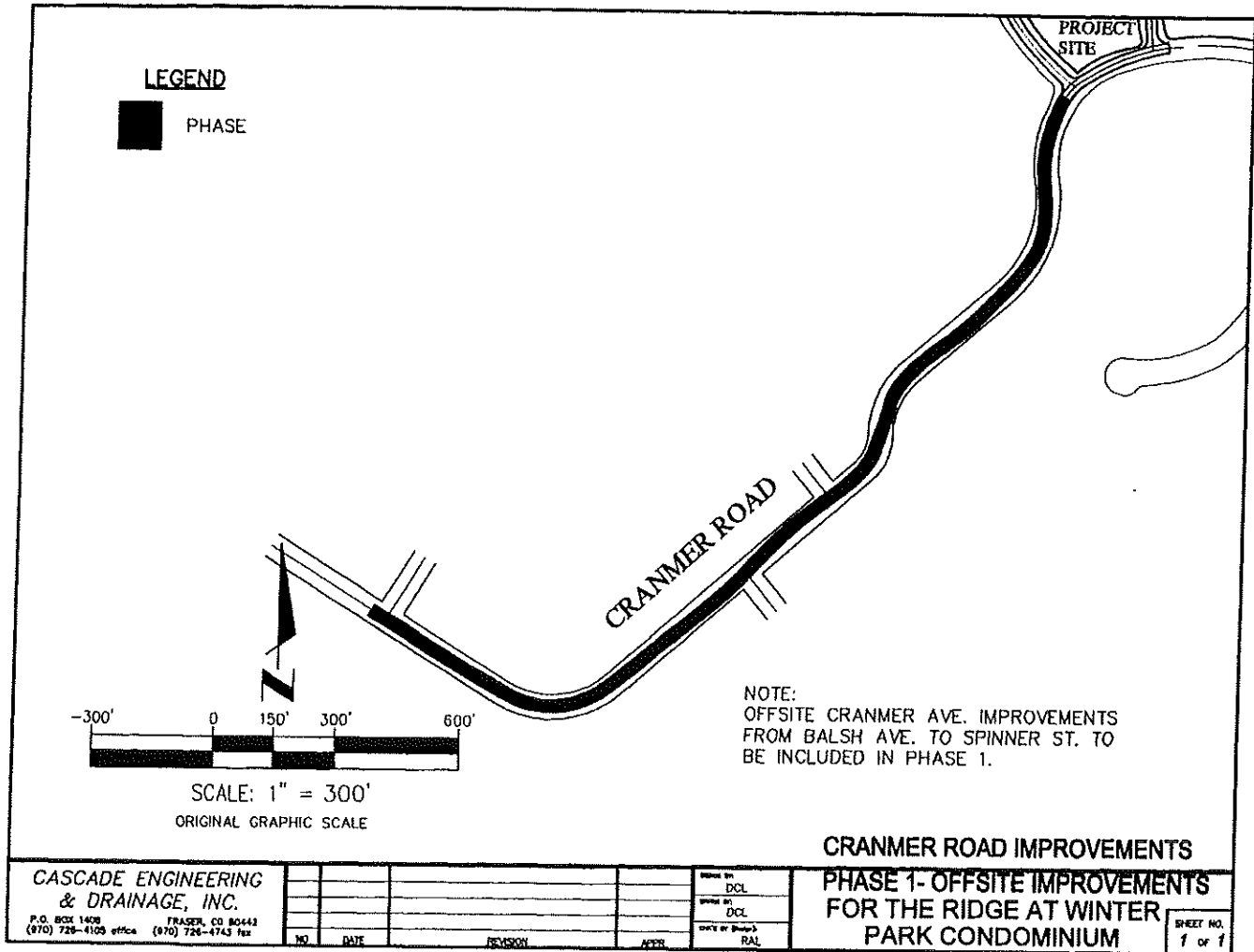
PROJECT: THE RIDGE AT WINTER PARK CONDOMINIUM
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

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



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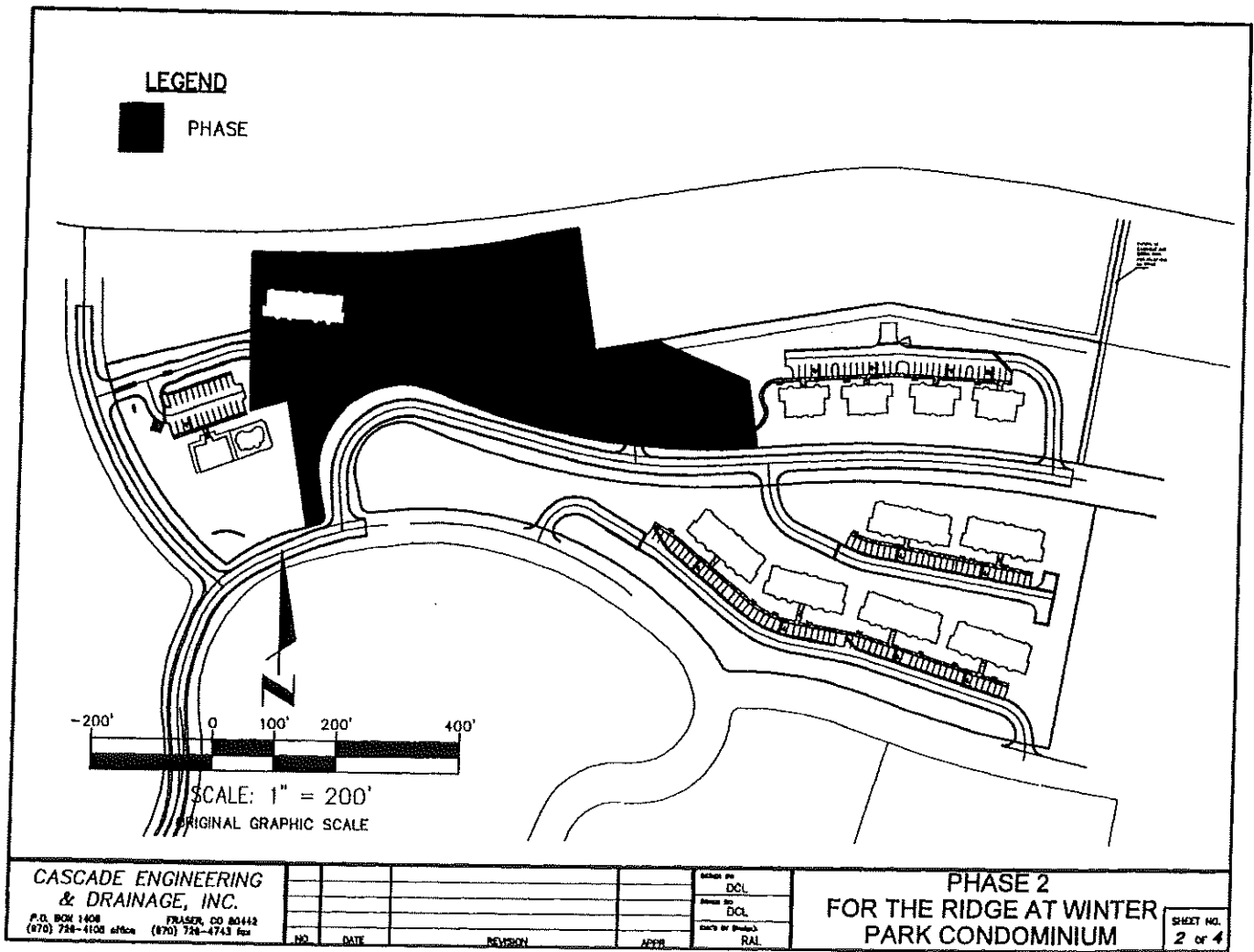
PROJECT: THE RIDGE AT WINTER PARK CONDOMINIUM
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

PHASE 2

IMPROVEMENT		9/25/2008	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

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OPINION OF PROBABLE COSTS

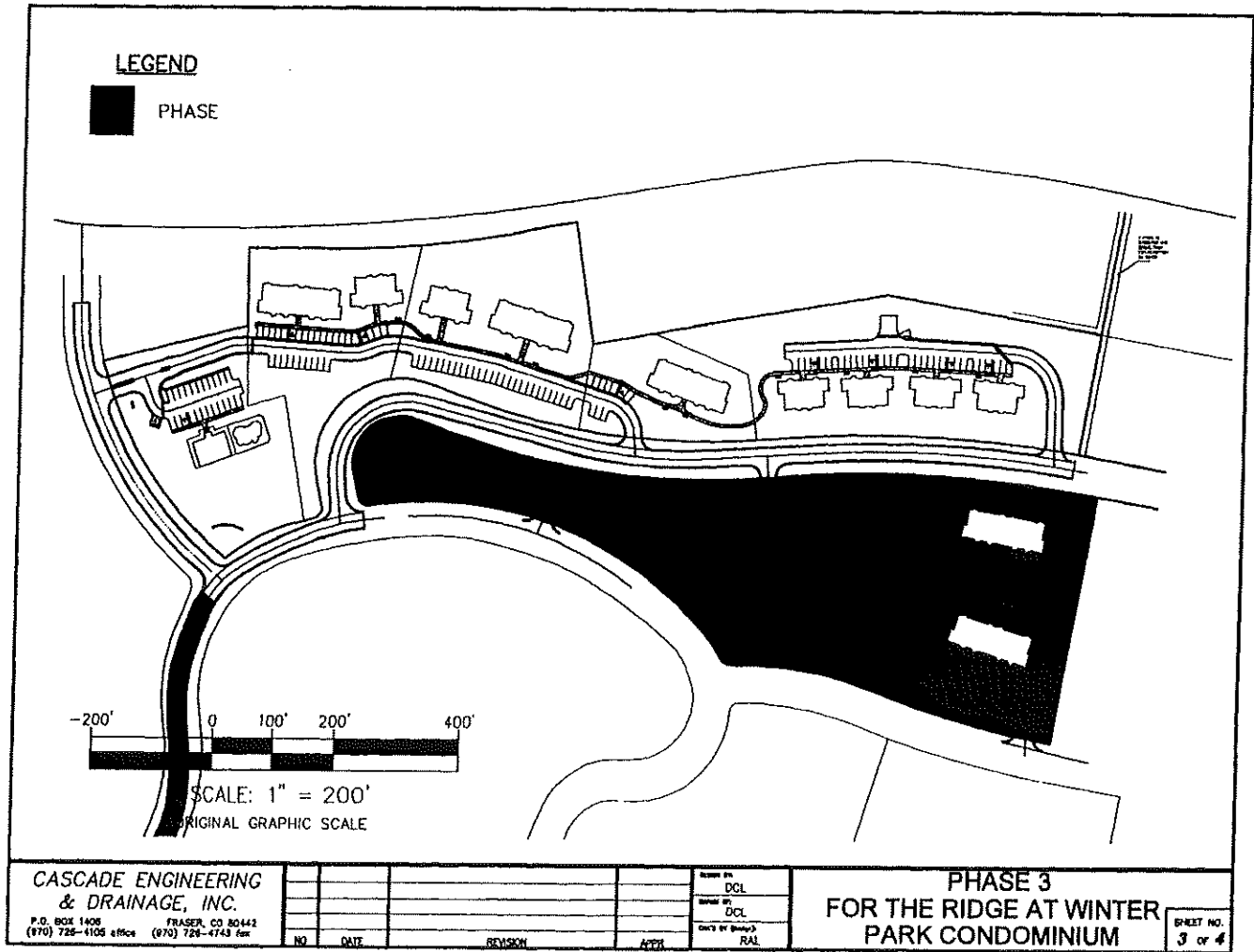
PROJECT: THE RIDGE AT WINTER PARK CONDOMINIUM
Tracts D, E, F, & G, The Ridge at Winter Park Ranch Subdivision

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	300	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

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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	8	LF	\$48	\$0	
	Manholes (in Phase II)	8	EA	\$3,000	\$0	
	Sewer Mains (in Phase I)	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

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