

to service that DNP, in its entirety, are actually available to each lot line. The Applicant will create the Company, under the provisions of CRS 7-42-101, et. eq., prior to Final Approval. At that time, the necessary land required by the Company for all water and sewer facilities and easements to serve the entire Development will be dedicated and deeded to the Company, without charge. All buildings, equipment, water (potable and hydrant) and sewer line, including raw water storage tanks, lines to the water treatment plant, water pumps, the water treatment plant, lines to and through each phase, fire hydrants, sewage lines through each DNP to the force main or to the waste water treatment plant, the line to the Wolf Creek Ski Area treatment plant (in the early years of development) and the waste water treatment plant outfall (in later years), shall all be included in each Subdivision Improvements Agreement as applicable, constructed and purchased by the Applicant and conveyed to the Company without charge, in return for the number of shares corresponding to the number of water taps within that DNP. Such construction, purchase and conveyance shall be a condition of each Supplemental Resolution, as needed for each DNP.

4.6.41.2 As a condition of the adoption of a Supplemental Resolution for phase 1, the Subdivision Improvements Agreement for phase 1 shall include and the Applicant shall construct, pay for and convey the following water facilities to the Company without charge, at a minimum: All diversions, canals and pipelines contemplated or required by the Amended Plan of Augmentation; One or more lines to one or more raw water storage tanks; Adequate storage tanks to fully supply phase 1; One or more lines from the raw water storage tank to the water treatment plant on Lot U-1; The water treatment plant itself; All water mains and lines necessary to provide a potable adequate water supply to each lot in the first phase at one lot line and including firefighting hydrants located as certified to the County in the ADNP; and all pumps, motors and electrical equipment to operate the system.

4.6.41.3 As a condition of the adoption of a Supplemental Resolution for phase 1, the Subdivision Improvements Agreement for phase 1 shall include and the Applicant shall construct, pay for and convey the following sewage facilities to the Company without charge, at a minimum: A complete sewage collection system, from each lot line of each lot within phase 1 to Lot U-1; All force mains necessary to such system; and either a force main from Lot U-1 to the Wolf Creek Ski Area treatment plant with a binding Agreement (See 4.6.8) between the Company and the owner of that facility or, in the alternative, a complete sewage treatment plant on Lot U-1 adequate for phase 1 and an adequate outfall line and outfall facility.

4.6.41.4 Expansion of the foregoing facilities and the construction, purchase and conveyance of new facilities, pumps, lines, etc. to the Company without charge, as needed for any future DNP, shall be included in the Subdivision Improvements Agreement for that DNP and shall be a condition for the adoption of a Supplemental Resolution for that DNP.

4.6.41.5 Basic provisions of the Bylaws of the Company: The Bylaws of the Company shall include provisions identical to the Articles of Incorporation as described in paragraph 1.3.4 and such further provisions deemed appropriate by the Applicant, including the imposition of tap and monthly service fees and the uses thereof.

4.6.42 Water quality - All matters are controlled by and shall be resolved by compliance with state and federal laws, rules and regulations. The Company shall be responsible for such compliance and such duty shall be included in the Articles of Incorporation of the Company.



4.6.43 Divestiture of sufficient of Applicant's water rights to the Company, sufficient to service each phase of the Development - A Supplemental Resolution will not be adopted for any DNP until adequate water rights have been conveyed to the Company without charge, for the provision of full and adequate water service to the future owners of all properties with in that DNP, based upon the acreage, uses, zoning and density within that DNP, and such conveyance will be subject to the terms and conditions of the approved Augmentation Plan. Such water rights will be conveyed to the Company in a manner that will never permit the severance of such water rights from the Development. As with all other certifications to the County, the County will rely upon the water right's certification provided with each ADNP and may request assistance from the office of the Colorado State Engineer to confirm the sufficiency of the total water rights to be conveyed to the Company with each DNP, including phase 1. The conveyance of the water rights shall be a condition of the adoption of a Supplemental Resolution on each DNP and the determination of the amount of water rights to be conveyed shall be accomplished as described above and in paragraph 1.3.1. The conveyance of the water rights to the Company shall be consideration to the Company for the issuance of the appropriate number of shares to the Applicant.

4.6.44 Utilities / availability (electricity, telephone, cable TV, propane gas, natural gas) - It is assumed that electricity issues will be governed by and shall be resolved by Applicant's compliance with public utilities, state and federal laws, rules and regulations and by contractual arrangements with the San Luis Valley Rural Electric Cooperative, Inc. (SLVREC, Inc) or alternative utility company. Any direct costs to be incurred by Applicant, whether paid to a utility company or to others (contractors, materialmen, etc.) in acquiring and constructing adequate electric service and facilities for each DNP shall be included in the Subdivision Improvements Agreement covering that DNP. All other arrangements for the provision of adequate electric service to each DNP shall be governed by the tariffs, rules, regulations, policies and contracts dictated by the utility company. As for telephone, cable TV, propane gas and natural gas, Applicant may provide these through private companies but the costs shall not be included in any Subdivision Improvements Agreements.

4.6.45 Utilities /major sites/easements - All electrical, telephone, cable TV and similar utility lines will be underground and this requirement shall appear in the Master Covenants and as a Plat Restriction. Utility sites and all utility easements, to the extent known, shall be shown on the Final Plat and shall be dedicated as such on that Plat. Such sites and easements will be deeded or dedicated to the POA without charge or to the SLVREC, Inc. at the time of Final Approval. Easements not identified on the Final Plat will be conveyed as necessary and appropriate on a phase by phase basis, prior to the adoption of a Supplemental Resolution for each DNP.

4.6.46 Wood burning fireplaces - At the time of the adoption of this Resolution, a study on this issue is not concluded. The Applicant agrees that, prior to Final Approval, the Commission and the Board will consider the following: The conclusions of the study; An estimate of the impact of wood burning fireplaces on the area of the Development and on the environment within a 10 mile radius of the Development; A recommended plan for restricting the number of such fireplaces, if warranted by the study and other valid evidence; and a method of enforcing said plan at all times in the future. The Applicant and the Board agree that the Plat Restrictions will include basic provisions and that Master Covenants will establish a system of controls and restrictions as determined necessary by the Board, so that the air quality of the County will not be adversely impacted by wood burning fireplaces in or within 10 miles of the Development. However, if such restrictions prove inadequate, the Board may reject the adoption of a Supplement Resolution for any DNP until additional covenants and restrictions are implemented, to mitigate the detrimental effects arising from such inadequacies. The POA will enforce

the covenants and Plat Restrictions and such duty shall be included in the Articles of Incorporation of the POA

4.6.47 Wildlife - A release of liability shall be required by the State and the County with respect to damage arising from wildlife and this release shall be included in the Plat Restrictions. Animal control services shall be provided by the POA and this service will be included in the Articles of Incorporation of the POA. The County shall have no responsibility for the provision of animal control services except as provided by state statute or subsequently adopted County regulations and no liability for action or inaction of the state or federal governments or the POA that impact the Development, including the introduction of species in proximity to the Development and the determination of the status of those species.

4.6.48 Employee housing - The Applicant acknowledges the significant need for adequate employee housing and has assured the County that portions of Development zoned for multi-family housing may be set aside for and developed as employee housing or, in the alternative, the Applicant will make every effort to mitigate the lack of on-site employee housing by providing off-site housing, buses and similar methods. The County has no regulations requiring employee housing and, based upon the current status of Colorado law, has little or no authority to adopt such regulations. The only means available to the County to compel employee housing is to deny the variances requested by the Applicant and the County elects not to proceed in that fashion but rather, to rely upon the Applicant's assurances.

4.6.49 Animal control - This subject will be included in the Master Covenants and in the Articles of Incorporation of the POA and will be enforced by the POA.

4.6.50 Noise - Such matters shall be governed by Applicant's compliance with state and federal laws, rules and regulations, by inclusion of appropriate restrictions in the Master Covenants and shall be included in the Articles of Incorporation of the POA as one of its duties. Enforcement shall be through the POA and, when applicable, the Mineral County Sheriff.

4.6.51 Additional Parking - If additional parking should prove necessary after the development of any DNP and the Applicant has taken no action with respect to such need, the Board may compel the creation of additional parking in any subsequent DNP, over and above the parking requirements of that DNP as shown on the Final Plat and in the Final Plan and, if the Applicant fails to provide for such additional parking in the ADNP for that phase, the Board may decline to approve the ADNP for that phase. The POA shall own, repair and maintain such additional parking and all public-type parking areas. Also, see paragraphs 3.3 and 3.4.

4.6.52.1 Adoption of Codes and Enforcement - The Applicant represents and understands that the success of the Development will require the implementation of and enforcement of the UBC. The Applicant agrees that the UBC, including future amendments, shall be adopted by reference in a Plat Restriction and in the Master Covenants and the Articles of Incorporation of the POA shall include the duty of enforcement. The only condition which shall allow the Plat Restriction covering the UBC to be released or the Articles of Incorporation to be amended to delete the duty to enforce the UBC, is that either the County has adopted and is enforcing the entire UBC in the Development or that the Development has been incorporated as a Town and the Town has adopted and is enforcing the UBC. The procedures described in these paragraphs 4.6.52 shall also be incorporated in the Master Covenants and as Plat Restrictions. The provisions of the UBC shall be enforced by the POA or by any committee or subdivision of the POA. In particular: An Applicant for a POA Building Permit shall first file his, her, their or its plans and architectural drawings with the POA and pay the applicable POA fees. No POA or

County Building Permit shall ever be issued until the property upon which the structure is to be located is included in a DNP. The POA shall review the drawings and compel compliance with the Master Covenants, the Plat Restrictions, the UBC, rules and regulations of the POA including architectural review, the scenic easement and all other applicable laws. When in compliance, the POA will issue a POA Building Permit. The POA shall then certify to the County in writing through a registered professional engineer that the plans, as drawn, will comply with each and all of the foregoing. Such certification, the plans and the POA Building Permit shall be delivered to the Land Use Administrator, together with an application for a Mineral County Building Permit and the then applicable County fees. If the Land Use Administrator finds the application, fees, POA Building Permit and certification to be in order, a Mineral County Building Permit will be promptly issued in accordance with the Mineral County Building Permit regulations then in effect and then and only then may construction proceed. If such items are not in order, the Land Use Administrator will promptly advise the POA of that fact and of the specific deficiencies.

4.6.52.2 The POA shall be solely responsible for monitoring all construction and the compliance of such construction with the approved plans and all applicable laws. When the construction is complete, in compliance and ready for occupancy, the POA shall issue a Certificate of Occupancy to the Applicant and shall transmit a copy of such Certificate to the Land Use Administrator on the date of issuance. While a POA Building Permit and County Building Permit may be issued prior to the Adoption of a Supplemental Resolution covering the DNP in which the structure is to be located, no POA Certificate of Occupancy shall ever issue until the Supplemental Resolution is adopted and no building shall be occupied until the POA Certificate of Occupancy is issued.

4.6.52.3 The POA shall utilize registered professional engineers (and other professionals when necessary) for all plan reviews, approvals, certifications, construction monitoring, construction techniques, UBC requirements, the satisfaction of UBC requirements and the issuance of POA Certificates of Occupancy. A registered professional engineer shall act as the "building official" as defined in the UBC, shall sign the POA Building Permits and Certificates of Occupancy and such Certificates shall certify that, in the professional judgment of the engineer, the completed structure complies with the UBC in all respects. The POA Bylaws will permit the imposition of fees for a POA Building Permit sufficient to recover all of its cost and expenses incurred in the foregoing process.

4.6.52.4 The Master Covenants and the Plat Restrictions shall further provide that the UBC and the above requirements may be enforced by a civil action filed in the District Court of Mineral County, Colorado by the POA. In addition, if the POA neglects to properly enforce the UBC, civil action may be filed by the Applicant, by the County and by any property owner within the Development. The Articles of Incorporation of the POA shall provide that the UBC must be enforced by the POA in all respects, including any type of civil action necessary. The UBC shall be adopted with such amendments as necessary to provide the POA with all and maximum enforcement authority.

4.6.52.5 Codes may be adopted by the County, in whole or in part, County wide or not County wide but as allowed by law, at the sole discretion of the County. If, for any reason, deliberate or negligent, a failure of the Applicant or of the POA, mistake of fact or mistake of law, litigation by a property owner, the Applicant or the POA, the foregoing effort to impose the UBC through the POA fails to adequately protect the property owners, Applicant acknowledges that the County can and will adopt the UBC with respect to the Development. Then, upon presentation of a building permit application, the County shall retain, as its advisor and enforcement expert, some private individual or entity registered as engineers in the State of Colorado and such engineer shall review all plans and construction for

compliance. All costs, expenses and fees incurred by the County for the inspection and administration of building plans, the inspection and approval or disapproval of construction and/or construction techniques and the issuance of certificates of occupancy shall be included in the cost of a Mineral County Building Permit. If the County adopts the UBC covering the Development, the County will be fully responsible for enforcement and will allow the release of the UBC Plat Restriction and the amendment of the Articles of Incorporation of the POA.

4.6.53 Hotel Parking Variance - The hotel parking variance is approved in paragraph 3.2.14. However, depending upon the conditions at the time, alternative parking may be required in the DNP in which the hotel is located or in the alternative, off-lot or off-site parking and the shuttle system may be required, or both. However, a minimum of 75% of all on-site hotel parking will be sheltered and this provision shall appear as a Plat Restriction.

4.6.54 All other approvals and permits as required by applicable law including the Colorado Department of Health and Public Utilities Commission and all other state and federal agencies having any jurisdiction with respect to the Development - To the extent deemed necessary by the Board, such approvals and permits shall be obtained prior to Final Approval. To the extent not necessary at that time, all approvals and permits required for a DNP will be required in the approval of the ADNP and obtained prior to the adoption of a Supplemental Resolution for that DNP.

4.6.55.1 For every phase, the Applicant shall present an ADNP to the Land Use Administrator that complies with paragraph 1.3.1, the use densities and zoning shown on the Final Plat and all applicable laws. The ADNP for phase 1 must be presented well in advance of Final Approval, since Final Approval and approval of the ADNP for phase 1 will be simultaneous.

4.6.55.2 The Land Use Administrator shall review the ADNP to verify compliance with all the matters set forth in paragraph 1.3.1, paragraph 2.7.4.1 and paragraph 4.6.55.1 and shall request such changes as to assure compliance. If additional information is necessary, such as additional details on the infrastructure and the cost of the infrastructure, the Land Use Administrator may request such information and details. The proposed Subdivision Improvement Agreement and proposed security shall be referred to the Mineral County Attorney who shall request such changes as necessary to assure compliance with current Board policy as to the form of the Agreement and acceptable security.

4.6.55.3 The ADNP shall be referred to the Commission as described in paragraph 1.3.1 and the Land Use Administrator and Mineral County Attorney shall make their recommendations to the Commission. No public hearing or meeting shall be necessary for action by the Commission unless requested by the Applicant or unless, after the first such meeting, the Commission intends to reject the ADNP for good cause, substantially modify it or attach significant conditions. Such hearing or meeting shall be conducted within 30 days of the first meeting of the Commission. The Commission shall make its written recommendation to the Board as specified in paragraph 1.3.1.

4.6.55.4 After delivery of the Commission's recommendation to the Board, the Board shall consider the ADNP. No public hearing or meeting shall be necessary for action by the Board unless requested by the Applicant or unless the Board intends to reject the ADNP for good cause, substantially modify it from the recommended version or attach significant new conditions. Such hearing or meeting shall be conducted within 30 days of the Board's receipt of the ADNP and the Board shall make its decision as provided in paragraph 1.3.1. The approved Subdivision Improvements Agreement will be

executed and the approved security for such Agreement shall be delivered to the Board prior to the adoption of the resolution approving the ADNP.

V FINDINGS

5.1 The Board finds that:

5.1.1 There is an appropriate esthetic relationship to the surrounding area.

5.1.2 The internal street circulation system is designed for the type of traffic generated, safety, emergency services, separation from living areas, convenience, access, noise and exhaust control. Proper circulation in parking areas in terms of safety, convenience, separation and screening is or will be assured.

5.1.3 All of the provisions concerning the UBC have been considered and, given the fall-back provisions of paragraph 4.6.52.5, it appears that application of the UBC to the Development is assured.

5.1.4 Functional open space in terms of optimum preservation of natural features, including wetlands, drainage areas, areas of excessive slope, recreation, views, convenience and function have been considered.

5.1.5 Variety and privacy in terms of needs of individuals and families have been considered.

5.1.6 Pedestrian, skier and bicycle traffic in terms of safety, separation, convenience, access, points of destination and attractiveness have been considered.

5.1.7 The comprehensive use and duties of the POA and the Company have been considered.

5.1.8 Building types in terms of appropriateness to density, site relationship, bulk, orientation, spacing, materials, color, texture, storage, signs and lighting have been considered.

5.1.9 Landscaping in terms of purpose, such as screening, ornamental types used and materials used, maintenance, suitability and effect on a neighborhood, have been considered.

5.2 Code references hereafter are to Article 6 of the County Zoning Regulations.

5.3 The Board finds that the Application contains all required information and documentation except 6.13 (B) (7) which the Board believes is impossible of performance at this time and therefore should be temporarily waived by the Board. A general description appears in the Application and such general description is adequate. However, such matters shall be addressed to the satisfaction of the Board prior to Final Approval.

5.4 The Board finds that the Application addresses 6.13 (E) (2) but is very general in nature. Accordingly, special emphasis must be placed on the conditions described in paragraph 4.6 hereof which deal with financing. However, such matters shall be addressed to the satisfaction of the Board prior to Final Approval.

5.5 The Board finds that the Application addresses 6.13 (F) in a general fashion and that samples have been or are to be provided. However, such sample documents are not and cannot be in final form. Such documents shall be in final form and approved as to form by the Board prior to Final Approval.

County Commissioner Rodney G. Wintz made a motion to adopt the foregoing Resolution. County Commissioner Karl P. Kolisch seconded the adoption of the foregoing Resolution. The roll having been called, the vote was as follows:

County Commissioner/Chairman Wardell
County Commissioner Kolisch
County Commissioner Wintz

VOTE

Yes
Yes
Yes



58954 10/12/2000 12:54P B102 P878 RES
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58954 10/12/2000 12:54P B102 P878 RES
35 of 39 R 0.00 D 0.00 N 0.00 Mineral County

Adopted at a special meeting of the Board of County Commissioners of Mineral County, Colorado, held on the 24th day of August, 2000, at the Mineral County Courthouse, Creede, Colorado.

Stephen S Wardell
Chairman/Commissioner

Robney G. West
Commissioner

Tom P. Hill
Commissioner

ATTEST:

Jessica Wyley
Mineral County Clerk and Recorder

Approved by the Owners of the Water Rights:
Leavell-McCombs Joint Venture
By each Joint Venturer:

B.J. McCombs
B.J. McCombs, Venturer

Charles S. Leavell
Leavell Management Group, Inc., Venturer
By Charles S. Leavell, President

Mary Lee Pinkerton
CK Properties LLC, Venturer
Mary Lee Pinkerton, Chairman

Mary Lee Pinkerton
Estate of Charles H. Leavell, Venturer
By Mary Lee Pinkerton, Executor

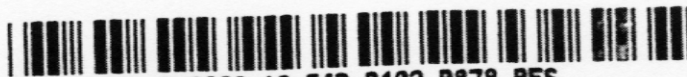
Approved by the Applicant/Owners of the Tract and all Mineral Rights:
Leavell-McCombs Joint Venture
By each Joint Venturer:

B.J. McCombs
B. J. McCombs, Venturer

Charles S. Leavell
Leavell Management Group, Inc., Venturer
By Charles S. Leavell, President

Mary Lee Pinkerton
CK Properties LLC, Venturer
Mary Lee Pinkerton, Chairman

Mary Lee Pinkerton
Estate of Charles H. Leavell, Venturer
By Mary Lee Pinkerton, Executor



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Approved:

Kingsbury Pitcher
Kingsbury Pitcher, Individually

Charity Jane Pitcher
Charity Jane Pitcher, Individually

Kingsbury Pitcher TTEE
Kingsbury Pitcher, Trustee, Kingsbury Pitcher and
Charity Jane Pitcher Revocable Trust

Charity Jane Pitcher TTEE
Charity Jane Pitcher, Trustee, Kingsbury
Pitcher and Charity Jane Pitcher Revocable
Trust

Kingsbury Pitcher, CEO
Wolf Creek Ski Corporation
By Kingsbury Pitcher, CEO



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Approved by the Mineral County Planning
Commission:

Mark Ales
Chairman

Paul Woodward

Member

Clayton Phipps
Member

James B. [Signature]
Member

Andrea [Signature]
Member

B. [Signature]

Member

ABSTAIN JODY FAIRCHILD

Member