

Secretary file copy

AGREEMENT.

BOOK 473 PAGE 688

(4) Mount Princeton Homeowner's Association, Inc., a Colorado Non profit Corporation, (hereinafter "MPIOA"), and Dennis L. Osborn and Mt. Princeton Hot Springs, Inc., a Colorado Corporation also know as Mt. Princeton Hot Springs (hereinafter collectively know as "Owner"), for and in consideration of the premises and the mutual covenants and agreements contained herein, agree as follows:

1. Roads. Owner agrees to convey to MPIOA by quitclaim deed the roads within Mount Princeton Hot Springs Subdivision, Sections A and B, in Chaffee County, Colorado, (hereinafter "the subdivision") together with any rights acquired in that portion of the access roadways which lies over and upon the property formerly owned by the Nixon Trust, together with a roadway and utility easement over and upon the property of owner being 25 feet on each side of centerline of the existing access roadways. MPIOA agrees to accept the roadways and to maintain the same for the benefit of the owners of property in the subdivision and will assume all obligations of owner concerning said roadways and will release owner from all liability thereon. The owner does convey the right to relocate Hancock Lane on property of the owner from the Chalk Creek bridge to the west line of Lot 1 of the subdivision and the owner commits to acquire within one year from the date of this agreement and to record in the name of MPIOA a fifty foot wide easement on Cottonwood Lane on the former Nixon Trust property.

2. Water Distribution System. Owner agrees to convey to MPIOA the water distribution system serving the subdivision including all pipes, connections and associated items, together with any interest acquired in the utility easements over and upon property formerly owned by the Nixon Trust, and a thirty foot utility easement, fifteen feet on either side of water lines currently in place over and upon the property of owner and the right to relocate said water lines to facilitate a new crossing over Chalk Creek. MPIOA agrees to accept the water lines and to improve and maintain the same for the benefit of the owners of property in the subdivision and will assume all obligations of owner concerning said water lines and will release owner from all liability thereon, except the owner shall continue to maintain for three months and clean as necessary all lines polluted by the June 9, 1985 breakage of the collection line from Spring #1 to #2. MPIOA also agrees to transmit thru the water lines hereby conveyed water to serve the undeveloped owner property consisting of about 200 acres to the east of the subdivision not to exceed 75 gallons per minute peak demand, provided this additional quantity of water is made available at the water supply point at a temperature and pressure required of the supply to the subdivision and provided the developer of same 200 acres provides a system design compatible with MPIOA planned system and does pay appropriate share of cost for increased facilities to accommodate that added flow.

3. Water Supply. Owner agrees to provide for the benefit of the subdivision at the pumphead (in the subdivision water line in the pump house) of the supply system, peak demand of 75 gallons per minute of potable water meeting the requirements of the Colorado Department of Health at a temperature that does not cause damage or leakage to the subdivision water system and not less than 75 pounds per square inch pressure (upon demand for that pressure by MPIOA) with standby power capability to be provided within 3 years in accord with the design criteria published by Colorado Department of Health. During the first 3 year period of this agreement, the period stipulated in para. 4 below for the rebuilding of the water supply, the water demand rate by MPIOA shall not exceed one-third of the water available from the Springs. Said water supply

MPIOA / Mt. Princeton

shall be provided at an annual cost equal to the proportionate share of the subdivision, according to quantity of water used, of the total cost of collecting, cooling and pumping water for the preceding year. MPHIOA is herein granted a right to 75 GPM of water, then no charge shall be made for a right to water. The total annual cost to MPHIOA shall include only the prorata of these actual costs: Operation and repair labor, material and supplies; vehicle operation at \$.20 per mile; electricity costs (by separate meter); water samples; water supply improvements (20 yr. amortization at 10% interest); and 8 % of the above costs for administration and all other costs. The subdivision proportionate share of said total annual costs, as confirmed by audit by MPHIOA, shall be paid by MPHIOA to owner, in arrears, half on 7/1 and half on 12/31. Owner shall present to MPHIOA on or before 3/1 each year a complete and detailed account of these total annual costs for the previous year and the owners books for said annual cost shall be subject to review by MPHIOA by appointment. The agreed amount due for 1985 shall be \$2,750 due 12/31/85. The cost for subsequent years shall be based on prior years audited cost as per above except the 1985 cost for repair of water supply facilities shall be excluded from the said annual cost.

4. Repair of Water Supply Facilities. MPHIOA agrees to provide all materials and design, including cost of engineering, for the following repair to the water collection, cooling and supply system in an attempt to cause compliance with the requirements of the Colorado Department of Health: (a) Improve spring #2 water connections and piping, (b) replace water collection line from spring #2 and #3, (c) remove spring #1 from the potable water system, (d) improve piping from spring #4 to collector pipe and support that pipe, (e) seal spring box of springs #4 and #5 and support the piping to those springs, (f) revise the pumphouse piping to include flow measurement meters, cooling device isolation valves and air test devices, and (g) a tank for providing 30 minute chlorine detention time and other piping changes, all as shown on the MPHIOA design plans to be approved by the Colorado Department of Health (Drwg.sh.1of2-12/5/84 and Drwg.sh.2of2-5-2-85). Owner will timely provide all labor, construction tools and equipment necessary to make the above repairs. Owner hereby grants full authority to MPHIOA to perform these improvements and agrees not to hinder the performance thereof and hereby releases and agrees to hold MPHIOA harmless from any liability resulting from the improvements and work performed. Owner agrees to pay all fines assessed by the Colorado Department of Health and the Courts and to comply with all its requirements, including continued employment of a certified water plant operator, the rebuild of the water source facilities within 3 years of execution of this agreement which is stipulated as a condition in the Colorado Department of Health approval of the MPHIOA water supply repair plans.

5. Pool. In recognition of developer commitments to subdivision property owners and the historic use of the hot springs swimming pool by the property owners of the subdivision, the owner does hereby grant to the MPHIOA members the right to use the hot springs without charge during normal hours. MPHIOA agrees to bill \$25 per lot per year to all lots in the subdivision and to make payment to the owner of those proceeds and the owner agrees to use that payment for the improvement of that hot springs pool.

6. Conveyances. In consideration of developer responsibilities to MPHIOA members, the owner agrees to convey by quitclaim deed directly to MPHIOA or an agent stipulated in writing by MPHIOA, the following previously described conveyances: Paragraph #1-Roads, road rights of ways and easements and stated right for road relocation; Paragraph #2- Water distribution system and water line easements; and Paragraph #3- Water supply. These conveyances shall be free and clear of all liens and encumbrances except Deeds of Trust recorded in Book 463 at page 311 and Book 463 at page 315 which shall be released at no cost to MPHIOA at such

time as the obligations are satisfied by owner.

In consideration of Paragraph #4 - Repair of Water Supply Facilities of this agreement and the entailed responsibilities assumed by MPHIOA, Owner does herewith make payment of \$15,000 to MPHIOA as partial compensation of MPHIOA cost of said repair.

7. Assignment. Owner hereby assigns to MPHIOA any rights to charge for delivery of water, tap fees, road maintenance and services within the subdivision and owner releases to MPHIOA any rights granted by the Declaration of Reservation, restrictions and covenants of the subdivision as recorded in 1960.

8. Effective Date. The effective date of the agreements herein contained is the date of signature by the last party to sign. The conveyances called for herein shall be made within 15 days of the effective date of this agreement. The water supply repair to be completed by MPHIOA shall be commenced within 10 days of the later date of this agreement or the Colorado Department of Health approval of MPHIOA plans and shall be completed within 90 calendar days from said later date unless extended to a later date by mutual written consent of all parties to the cause. It is agreed that the owner and MPHIOA will sign and send to the Colorado Department of Health on their respective date of execution of this agreement, the attached respective letters to initiate the repair of the water supply facility.

9. Release of Lis Pendens and Dismissal of Suit. Upon performance of all owner obligations hereunder, MPHIOA will record a release of Lis Pendens and will execute a stipulation for dismissal of the MPHIOA vs Osborn lawsuit.

10. Binding Effect. This agreement shall be binding upon the heirs, successors and assigns of the parties hereto and all agreements contained herein shall constitute agreements running with the land and shall bind the successors in title to the property of the owners known as the Heywood Springs and the Mt. Princeton Hot Springs properties located in Sections 17, 18 and 19, T15S, R78W, 6th P.M., Chaffee County, Colorado. Any modifications of this agreement shall be in writing signed by the parties hereto.

MOUNT PRINCETON HOMEOWNERS ASSOCIATION, INC.

By: David E. Melton Date: 7-25-85
David E. Melton, President,
Rosie Palmeri
Rosie Palmeri, Secretary

DENNIS OSBORN.

By: Dennis L. Osborn Date: 7-26-85
Dennis L. Osborn

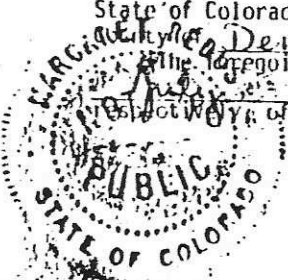
MOUNT PRINCETON HOT SPRINGS, INC.

By: Dennis L. Osborn Date: 7-26-85
Dennis L. Osborn, President

Secretary

State of Colorado)
County of Denver) ss.

The foregoing agreement was acknowledged before me this 23rd day of July, 1985, by David E. Melton and Rosie Palmeri as president and secretary of Mount Princeton Homeowners Association, Inc.



Margaret Reams
Notary Public
My commission expires: 12-07-86
INTRAVEST BANK OF BEAR VALLEY, N.A.
5353 W. DARIMOUTH
DENVER, CO 80227
(LOAN AGENT)

State of Colorado)
County of Chaffee) ss.

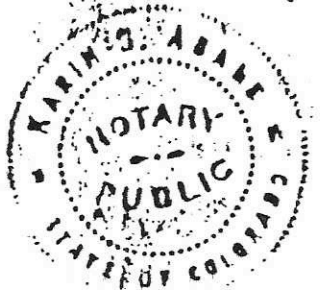
The foregoing agreement was acknowledged before me this 26th day of July, 1985, by Dennis L. Osborn individually and as President of the Mt. Princeton Hot Springs, Inc.



Karin S. Adams
Notary Public
My commission expires: My Commission Expires March 31, 1989
18400 County Rd. 263
Nathrop, Colorado 81236

State of Colorado)
County of Chaffee) ss.

The foregoing agreement was acknowledged before me this 26th day of July, 1985, by Dennis L. Osborn as Secretary of Mt. Princeton Hot Springs, Inc.



Karin S. Adams
Notary Public
My commission expires: _____

My Commission Expires March 31, 1989
18400 County Rd. 263
Nathrop, Colorado 81236

The Buena Vista Development Company does hereby consent to the terms of the foregoing agreement between Mount Princeton Homeowner's Association, Inc. and Dennis L. Osborn and Mt. Princeton Hot Springs, Inc., dated 7 25 88 and agrees and acknowledges that it will be bound by the obligations of the Owner therein.

Date: July 26, 1985

Buena Vista Development Company

By: Charles J. Howard

State of Colorado

County of Chaffee

The foregoing agreement was acknowledged before me this 26th day of July 1985, by Charles J. Howard as duly authorized representative of the Buena Vista Development Company

Karius S. Adams
Notary Public



My commission expires: _____

My Commission Expires March 31, 1989
18400 County Rd. 263
Nathrop, Colorado 81236