

the County sees fit to provide a source of water to the golf course. This condition shall not obligate the County funds in excess of the proceeds of the bond for that purpose.

2. The Developer shall record an adequate deed and file necessary notice with the Water Court for Division 4 evidencing conveyance of all water rights referred to in Case Nos. 92-CW-177, 1778 and 179 to Fairway Pines Golf Partners, Ltd., a Colorado Limited Partnership.
3. The Developer and the County shall enter into a Water Service Agreement in the form attached as Exhibit "A" hereto.

Conditions 1, 2, and 3 are necessary to ensure that there is an adequate source of golf course water without interfering with domestic water supplies. These conditions are in compliance with the Preliminary Development Plan approval, as set forth, in part, above....

and;

WHEREAS, a Golf Course Bonding Agreement was entered by and between the Board of County Commissioners of Ouray County and Log Hill Village Investors, Ltd. on March 11, 1996, which was recorded in the Ouray County Clerk and Recorders Office on September 18, 1996 with Reception # 162742, which calls for the forfeiture of the Bond by December 31, 2002 due to the Developer's failure to meet the conditions set forth in the bond, which are identical to the conditions set forth in Resolution 1996-024 and;

WHEREAS, the Ouray Board of County Commissioners recognize that, while the conditions of the Golf Course Water Bonding Agreement have not been met as of December 31, 2002, an extension to allow the Developer to meet the conditions of the Bonding Agreement would benefit the citizens of the County by allowing the Developer time to complete such conditions in order to ensure that there is an adequate source of golf course water without interfering with domestic water supplies.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Paragraph 1.c. of Resolution No. 1996-024 is hereby amended to read as follows:

If the Developer fails, by March 31, 2003, to meet the conditions set forth in paragraph (b) above, the bond shall be forfeited to the County which shall then be authorized to use the proceeds, together with any interest or income which has been earned on the proceeds, in the manner the County sees fit to provide a source of water to the golf course. This condition shall not obligate the County to provide water or to expend any County funds in excess of the proceeds of the bond for that purpose.

2. Further, Paragraph 3 of the Golf Course Water Bonding Agreement entered on March 11, 1996 and recorded in the Office of the Ouray County Clerk and Recorded on September 18, 1996 with Reception # 162742 is hereby amended to read as follows:

If the DEVELOPER fails, by March 31, 2003, to meet the conditions set forth in paragraph 2 above, the Bond shall be forfeited to the COUNTY which shall then

be authorized to use the proceeds, together with any interest or income which has been earned on the proceeds, in the manner the COUNTY shall see fit in order to provide a source of water to irrigate the said golf course. This paragraph shall not obligate the COUNTY to provide water or to expend any COUNTY funds in excess of the proceeds of the bond for that purpose.

This Resolution shall take effect immediately upon its adoption.

Executed this 23rd day of December 2002

THE BOARD OF COUNTY COMMISSIONERS OF
OURAY COUNTY, COLORADO

BY: _____
Bill Ferguson, Chairman

Alan Staehle, Vice-chairman

Don Batchelder, Member

ATTEST: _____

STATE OF COLORADO)
)SS.
COUNTY OF OURAY)

I, Shelli Banks, Deputy 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 Resolution is truly copied from the records of the Proceedings of the Board of County Commissioners for said Ouray County, now in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County, at Ouray, this 23rd day of December, A.D. 2002.

Shelli Banks, Deputy County Clerk & Recorder