

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

GRAY HEAD AT TELLURIDE PROPERTY OWNERS ASSOCIATION, INC.
P. O. Box 697
TELLURIDE, COLORADO 81435

State Documentary Fee
Date MAY 11, 1999
\$ EXEMPT RJG

SPACE ABOVE THIS LINE RESERVED FOR USE BY RECORDER

QUIT CLAIM DEED

THIS QUIT CLAIM DEED made this 11th day of May, 1999, between Gray Head Development Corp., a Colorado corporation, whose address is P. O. Box 697, Telluride, Colorado 81435 as GRANTOR, and Gray Head at Telluride Property Owners Association, Inc., a Colorado non-profit corporation, P. O. Box 697, Telluride, Colorado 81435 as GRANTEE.

WITNESSETH, that GRANTOR, for and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold, conveyed, and QUIT CLAIMED, and by these presents, does remise, release, sell, convey, and QUIT CLAIM unto GRANTEE, its successors and assigns, forever, all the right, title, interest, claim and demand which GRANTOR has in and to any and all water and water rights, ditches and ditch rights and easements, reservoir and reservoir rights, and/or springs and springs rights together with all easements and other appurtenances thereto, located in Water Division No. 4, San Miguel County, Colorado, which are appurtenant to or which have been historically used upon the real property more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, including without limitation the following:

- 1. 100% of the Willow Creek Sawmill Ditch
Decreed on October 24, 1997
Case No. 96CW299, District Court, Water Division No. 4

Legal description of point of diversion: the East bank of Willow Creek from whence the Southeast Corner of Section 24, Township 43 North, Range 9 West of the N.M.P.M., bears South 67°30" East, a distance of 7,900 feet, in San Miguel County, Colorado.

- 2. 50% of the Summit Creek Ditch
Case No. 95CW216 (pending), District Court, Water Division No. 4

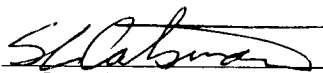
Legal description of point of diversion: headgate is in the NE¼ NE¼ Section 15, Township 43 North, Range 10 West, N.M.P.M., 50 feet from the North Section Line and 700 feet from the East Section Line in San Miguel County, Colorado.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever, of GRANTOR, either in law or equity, to the only proper use, and benefit of GRANTEE, its successors and assigns forever. The singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, GRANTOR has executed this QUIT CLAIM DEED on the 11th day of May, 1999.

GRANTOR:

GRAY HEAD DEVELOPMENT CORP.,
a Colorado corporation

By: 
Steven L. Catsman, President

STATE OF COLORADO)
) ss.
COUNTY OF SAN MIGUEL)

The foregoing instrument was acknowledged before me this 11th day of May, 1999, by Steven L. Catsman as President of Gray Head Development Corp., a Colorado corporation.

Witness my hand and official seal.

My commission expires: 9-7-01


Notary Public

MARK ELLERBECK
NOTARY PUBLIC
STATE OF COLORADO

My Commission Expires 09/07/2001
124 E. Pacific
Telluride, CO 81435

GRAY HEAD PROPERTY

All of Section 23, the E 1/2 NE 1/4 of Section 22, the NE 1/4 SE 1/4 of Section 22, the NE 1/4 NW 1/4 of Section 26 and the N 1/2 NE 1/4 of Section 26, Township 43 North, Range 10 West, New Mexico Principal Meridian more particularly described as follows:

Beginning at the northeast corner said Section 26, thence S 00°17'37" N, 1323.38 feet to the southeast corner said N 1/2 NE 1/4 Section 26; thence N 89°53'36" W, 2648.24 feet to the southwest corner said N 1/2 NE 1/4 Section 26; thence N 89°55'41" W, 1324.39 feet to the southwest corner said NE 1/4 NW 1/4 Section 26; thence N 00°25'22" E, 1331.84 feet to the northwest corner said NE 1/4 NW 1/4 Section 26; thence N 89°46'59" W, 1322.97 feet to the southwest corner said Section 23; thence N 00°21'12" E, 1335.29 feet to the southeast corner said NE 1/4 SE 1/4 said Section 22; thence S 89°59'04" W, 1329.38 feet to the southwest corner said NE 1/4 SE 1/4 Section 22; thence N 00°25'42" E, 3985.75 feet to the northwest corner said E 1/2 NE 1/4 Section 22; thence N 89°33'05" E, 1326.60 feet to the northeast corner said Section 22; thence S 89°34'31" E, 5273.81 feet to the northeast corner said Section 22; thence S 00°10'47" W, 2645.27 feet to the east one-quarter corner said Section 23; thence S 00°10'26" W, 2645.86 feet to the southeast corner said Section 23, said corner being the Point of Beginning,

County of San Miguel, State of Colorado.