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March 15, 1999

Craig Price  
Highlands Golf  
2951 28th Street  
Santa Monica, CA 90451**RE: *Water Rights for Heather Ridge Country Club, Aurora, Colorado***

Dear Craig:

At your request, I have reviewed information from the files of the Colorado State Engineer and the District Court Water Division 1 concerning the water rights associated with Heather Ridge County Club. The water rights are

STRUCTURE	AMOUNT	SOURCE
Well #1, Permit #015103-F	150 a.f. per year	Laramie Fox Hills Aquifer
Well #2, Permit #015104-F	230 a.f. per year	Arapahoe Aquifer
Well #3, Permit #015105-F	280 a.f. per year	Arapahoe Aquifer
Well #4, Permit #015106-F	150 a.f. per year	Laramie Fox Hills Aquifer
Heather Ridge Lake #1	2.36 a.f. per year	surface run-off
Heather Ridge Lake #4	5.18 a.f. per year	surface run-off
Heather Ridge Lake #7	4.30 a.f. per year	surface run-off
Heather Ridge Lake #11	2.18 a.f. per year	surface run-off
Heather Ridge Lake #13	2.30 a.f. per year	surface run-off
Heather Ridge Lake #18	3.97 a.f. per year	surface run-off

Rights for the four wells and six lakes were decreed originally in Case No. W-1433, District Court Water Division 1. The lakes were decreed as conditional water rights. The conditional water rights were perfected, or "made absolute," in Case No. 81CW53.

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All rights are authorized for use irrigating the golf course. All the water rights remain in effect and in good standing. All four wells and all six lakes are located on the property. I understand from talking to the Superintendent that the two Arapahoe wells are used regularly, and the two Laramic Fox Hills are a back-up supply. All of these rights are, therefore, legally and physically available for irrigation of the Heather Ridge Golf Course.

I have not performed a title search, and therefore express no opinion as to title. I am not qualified to evaluate the physical condition of the wells or other structures, and therefore express no opinion on their physical condition, except as reported above.

Very truly yours,



Frederick A. Fendel, III

FAF/bh