

ASSIGNMENT OF STATE WATER LEASE

THIS ASSIGNMENT OF STATE WATER LEASE ("Assignment"), is made as of February 2, 2016 ("Effective Date"), from **Shamrock Preserve, LLC**, a Colorado limited liability company, as successor in interest to The David Wismer and Mary Anne Wismer Trust, whose address is Shamrock Preserve, LLC, Attn. Eric Ryan, 230 Mayfield Lane, Colorado Springs, CO 80906 ("Assignor"), to **PRI #2 LLC**, a Colorado limited liability company, whose address is 6385 Corporate Drive, Suite 200, Colorado Springs, CO 80919 ("Assignee").

RECITALS

A. Assignor and Assignee have entered into that certain Purchase and Sale Agreement (Shamrock Ranch East), dated as of December 1, 2015 (the "Agreement").

B. This Assignment is being made pursuant to the terms of the Agreement for the purpose of assigning to Assignee any and all of Assignor's rights, title and interest in and to that certain State of Colorado State Board of Land Commissioners Groundwater Production Lease No. OT-109328, dated November 6, 2014, between The David A. Wismer and Mary Anne Wismer Trust and the State Board of Land Commissioners (the "State Water Lease").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Representation. Assignor hereby represents, warrants and covenants to Assignee that it has not assigned, pledged or otherwise granted, transferred or conveyed to any other party any interest in or to the State Water Lease.

2. Assignment of Lease. Assignor hereby grants, assigns, transfers, conveys and delivers to Assignee any and all right, title, interest, benefits and privileges of Assignor in, to, and under the State Water Lease, and Assignee hereby accepts such Assignment. The State Water Lease is hereby being transferred to Assignee "AS IS," without any representations or warranties, express or implied.

3. Assumption of Obligations. By acceptance of this Assignment, Assignee hereby assumes and agrees to perform and to be bound by all of the terms, covenants, conditions and obligations imposed upon or assumed by Assignor under the State Water Lease. Said assumption shall have application only to those obligations under the State Water Lease first accruing or arising on or after the Effective Date and shall have no application to obligations accruing or arising prior to the Effective Date.

4. Additional Documents. Assignee and Assignor hereby agree to execute such further documents and take such further actions as the other party or its counsel may reasonably request to effectuate the intent of this Agreement.

5. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, heirs and legatees of the respective parties hereto.

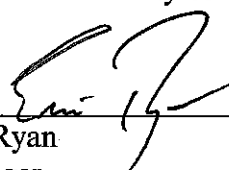
6. Counterparts. This Assignment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

7. Governing Law. This Assignment shall be governed by, interpreted under, and construed and enforceable with, the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first written above.

"ASSIGNOR"


Shamrock Preserve, LLC,
a Colorado limited liability company

By: 
Name: Eric Ryan
Title: Manager

"ASSIGNEE"

PRI #2 LLC,
a Colorado limited liability company

By: **Elite Properties of America, Inc.,**
a Colorado corporation, as Manager

By: 
Name: J. B. Smith
Title: Manager



COLORADO

State Land Board

Department of Natural Resources

APP NO. 3421

LEASE ASSIGNMENT - Groundwater

ASSIGNMENT OF LEASE NO. OT-10932E

Please check if this is a full or partial assignment: FULL ☒ PARTIAL ☐

If there is a conflict between the full/partial box checked above and the acreage assigned indicated below, the specific acreage assigned will control.

In consideration of good and valuable consideration agreed to between the Assignor and Assignee (named below), this lease assignment ("**Assignment**") is entered into between the Assignor and Assignee and they agree as follows:

ASSIGNOR ("**Assignor**") (Name) The David Wismer and Mary Anne Wismer Trust

(Address) c/o Shamrock Preserve, LLC, Attn: David Wismer, 15555 State Highway 83

(City, State, Zip) Colorado Springs, CO 80921

hereby assigns and transfers, subject to approval from the State of Colorado, acting by and through its State Board of Land Commissioners ("**State Land Board**"), all right, title and interest as "Lessee of Record" on the State Land Board's groundwater lease identified above (the "**Lease**") in

640.00 of the Lease lands located in El Paso County, Colorado ("**County**"), ALL,
of: (Acreage Assigned) (Subdivision)

Section 36 Township 11S, Range 66W (collectively, the "**Assigned Lands**"),

including all stipulations and requirements attached and incorporated into the Lease, unto:

ASSIGNEE ("**Assignee**") (Name) PRI #2, LLC, by Elite Properties of America, Inc. as Manager

(Address) 6385 Corporate Drive, Suite 200

(City, State, Zip) Colorado Springs, CO 80919

Reserving unto the Assignor all previously reserved minority reservations of Lease ownership and/or overriding royalties made and filed by the Assignor in the clerk and recorder's office of the County ("**Clerk & Recorder's Office**"), to the extent that such reservations comply with the terms of the Lease. The parties acknowledge that the State Land Board has one "Lessee of Record" on the Lease and does not track minority assignments of overriding royalties or minority leasehold interests in the Lease; however, pursuant to the terms of the Lease, the State Land Board acknowledges that separate contracts for minority leasehold interests and overriding royalties in the Lease may exist between the Assignor, the Assignee and/or other minority owners in documents filed in the Clerk & Recorder's Office and this Assignment does not purport to assign those interests.

As of the Effective Date (as defined below), the Assignee hereby agrees to accept and assume all title, responsibility, liability and interest in, and to abide by all terms and conditions of the Lease being assigned, and will herein be the new "Lessee of Record" for all, or part of the Lease assigned (as specified above). However, pursuant to the terms of the Lease, the State Land Board's approval of this Assignment shall not release the Assignor from any liability for known or unknown waste or damage to the Assigned Lands, including, but not limited to, environmental damage which arose from, or in connection with Assignor's use or occupancy of the Assigned Lands and/or from any liability for violations of the Lease and/or of applicable federal, state, and local laws, regulations, rule, and ordinances including without limitation the rules and regulations of the Colorado Division of Water Resources during Assignor's use or occupancy of the Assigned Lands.

As of the Effective Date, the Assignor represents and warrants to the State Land Board that all rents, royalties and advanced minimum royalties under the Lease are paid up to date, and there are no outstanding reclamation issues.

Consideration Amount: \$100.00 (refer to lease terms), and submit affidavit stating the value of any consideration tendered to Assignor by Assignee.

Lease No. OT-10932E



COLORADO

State Land Board

Department of Natural Resources

The Assignor and Assignee acknowledge that the State Land Board has the right to deny this Assignment, in its sole discretion, and that the State Land Board must approve this Assignment by execution below before this Assignment becomes effective. Further, the Assignor and Assignee agree that the State Land Board's approval of this Assignment does not modify any terms or conditions of the Lease which may be implied by documents provided to the State Land Board related to this Assignment, other than the "Lessee of Record" for the Assigned Lands.

The Assignor and Assignee, by their signatures below, agree to the terms and conditions of this Assignment.

ASSIGNOR:

Assignor Name: The David Wismer and Mary Anne Wismer Trust

Signature: [Signature]

Printed Name: David Wismer

Title: Trustee

Date Signed: 4-18-2017

STATE OF COLORADO

COUNTY OF EL PASO

) ss. ASSIGNOR ACKNOWLEDGMENT

On this 19th day of April, 2017, before me, personally appeared David Wismer, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged to me that he/she executed the same as his/her free act and deed.

My commission expires: 12-02-2017

STATE OF COLORADO

COUNTY OF EL PASO

) ss. ASSIGNEE ACKNOWLEDGMENT

On this 24th day of April, 2017, before me, personally appeared Douglas M. Stimple, to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged to me that he/she executed the same as his/her free act and deed.

My commission expires: 12-02-2017

ASSIGNEE:

Assignee Name: PR#2, L.L.C. by Elite Properties of America, Inc. as Manager

Signature: [Signature]

Printed Name: Douglas Stimple

Title: CEO of Manager

Date Signed: 4-20-17

Phone: 719 592 4333

Notary Public

CHRISTINE L WISE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 19974021715
MY COMMISSION EXPIRES DECEMBER 02, 2017

Notary Public

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NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 19974021715
MY COMMISSION EXPIRES DECEMBER 02, 2017

APPROVAL OF ASSIGNMENT

In consideration of One Hundred dollars (\$100.00) and other valuable consideration, the State Land Board consents to this Assignment of the Lease from the Assignor to the Assignee effective this 14th day of June, 20 17 (the "Effective Date").

State of Colorado, acting by and through the
State Board of Land Commissioners

By: [Signature]

Name & Title: Phillip J. Courtney, Leasing Manager

Lease No. OT-109328





STATE OF COLORADO
STATE BOARD OF LAND COMMISSIONERS

*19th Feb
received*

Groundwater Production Lease No. OT-109328

THIS LEASE (the "Lease") is entered into on November 6, 2014, (the "Effective Date") by and between the State of Colorado, acting through its State Board of Land Commissioners ("the Board" or the "Lessor"), whose address is 1127 Sherman Street, Room 300, Denver, CO 80203, and the David Wismer and Mary Anne Wismer Trust ("the "Wismer Trust" or "Lessee", whether one or more), whose address is 15555 State Highway 83, Colorado Springs, CO 80921.

WHEREAS, the Board granted Patent 8167 on February 27, 1998 transferring Section 36, Township 11 South, Range 66 West of the 6th P.M., in El Paso County, Colorado, to David A. Wismer and Mary Anne Wismer in which the Board reserved all waters under the parcel for a term of fifty years (50 yrs) until February 27, 2048, as well as rights of ingress and egress for the purpose of exploring for water together with enough of the surface as may be necessary for the proper and convenient working of such water, and,

WHEREAS, on August 22, 2012, the Board and the Wismer Trust (together the "Parties") entered into a three-year agreement (the "Agreement") to allow the Wismer Trust to perform due diligence and planning to consider seeking a long term water lease and whereby the Board agreed not to lease the subject water rights to any third party during the term of the Agreement and the Parties may negotiate a water lease before the expiration date of the Agreement, and,

WHEREAS, pursuant to the terms of the Agreement, the Wismer Trust has requested that the Parties negotiate a groundwater lease for all decreed nontributary and not nontributary groundwater rights in the Dawson, Denver, Arapahoe, and Laramie-Fox Hills aquifers underlying said Section 36,

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. DESCRIPTION OF THE LEASED WATER

The Board leases to the Wismer Trust, exclusively for the term and purposes indicated herein, all the not nontributary ("NNT") and nontributary ("NT") groundwater decreed in Case Number 2004-CW-098, Water Division 1 dated May 24, 2005, ("the Decree"), underlying Section 36, Township 11 South, Range 66 West of the 6th P.M. (the "Leased Water") from the Dawson, Denver, Arapahoe, and Laramie-Fox Hills aquifers in the approximate depths as indicated in the Decree. Development and use of the Leased Water is subject to the terms of the Lease and of the Decree, including the average annual amounts available for withdrawal from each aquifer as follows:

Dawson	515 acre-feet per year (NNT)
Denver	577 acre-feet per year (NNT)
Arapahoe	239 acre feet per year (NT)
Laramie-Fox Hills	182 acre feet per year (NT)

2. USE OF THE LEASED WATER

The use of the Leased Water shall be limited to and controlled by the terms of the Decree. Lessee shall have the exclusive right to use, recapture and reuse all such groundwater produced and to take credit for any and all return flows generated by the use of such produced groundwater.

3. LEASE TERM

This Lease shall have a Term beginning with the effective date first written above and ending on February 27, 2048, the date on which all the groundwater rights revert to the Wismer Trust, subject to the payment of compensation and compliance with covenants and agreements contained herein.

4. COMPENSATION

- A. Bonus: A one-time bonus in the amount of \$ 0.00.
- B. Lessee will pay a minimum annual payment of \$21,050.00, payable regardless of annual water production volumes (" Water Opportunity Charge")
- C. Lessee will pay a charge of \$1.00 per 1000 gallons, or \$325.85 per acre foot, for Leased Water produced, as measured at the wellheads. ("Volumetric Charge")

The Water Opportunity Charge payment is due on the Effective Date and annually thereafter on the anniversary date of the Effective Date. The Volumetric Charge is due annually within 30 days after the anniversary date for the preceding lease year.

Effective on November 6, 2024 and every five years thereafter, Lessor may increase the Volumetric Charge based on the increase in the Consumer Price Index - All Urban Consumers, "CPI-U" (CUUR0000SA4), (Base Period 1982-84=100) (the "Index"), as first published by the U. S. Department of Labor, Bureau of Labor Statistics, for the preceding ten year period for the 2024 adjustment, and for the preceding five year period for adjustments thereafter. The increase shall not exceed 10% for the 2024 adjustment or 5% for each 5 year period thereafter.

5. SURFACE ACCESS

The Board does not own the surface of Section 36-11S-66W. In Patent 8167, however, the Board reserved all waters under the parcel and access rights to develop this water. The Wismer Trust will have the sole responsibility for obtaining surface use rights and agreements to allow for the development of the Leased Water. Nothing in this Lease shall diminish the rights reserved by the Board in Patent 8167.

6. CARRIAGE LOSS

Lessee is responsible for, and shall bear, any carriage loss or charge, transit loss, ditch loss (whether by seep, evaporation, or otherwise) or similar loss of the amount of water from measurement of the water at the wellhead.

7. MEASUREMENT DEVICES

Lessee must install all necessary measurement devices and maintain the measurement devices in good working condition.

8. USE OF LEASED WATER

Lessee may not take any actions or fail to act in a manner which could result in the abandonment or diminution of the historic use of the Leased Water or that violates the terms of the Decree or the augmentation plan.

9. NO RIGHTS CONVEYED

This Lease does not convey or confer rights or ownership in the Leased Water other than as specifically stated in this Lease, nor shall any future needs of Lessee for water enable Lessee to make claim against Lessor for any water rights owned or controlled by Lessor.

10. PARTNERSHIP

Nothing in this Lease shall cause the Board in any way to be construed as a partner, a joint venture or associated in any way with the Lessee, or subject the Board to any obligation, loss, charge or expense connected with or arising from the operation or use of the Leased Water or any part thereof.

11. LIABILITY AND INDEMNITY

The Lessee assumes all liability arising directly or indirectly from the Lessee's use or development of the Leased Water under this Lease. This assumption includes, but is not limited to, liability for all personal injuries (including death) and environmental and property damage and destruction caused by or arising out of Lessee's operations, or caused by or arising out of operations conducted by any party at the direction of Lessee; with the exception of any injuries, damage, or destruction caused by the gross negligence or intentional misconduct of Lessor. Lessee agrees to defend, indemnify and hold harmless Lessor from and against liability, damage, expense, claim and judgment arising under this Lease caused by Lessee, or by any party acting at the direction of Lessee, or Lessee's designated operators, agents, employees or assigns. Lessee further agrees to indemnify Lessor for any costs, including costs of suit and fees for consultants, experts, and attorneys, incurred by Lessor in terminating or canceling, enforcing obligations or defending itself against any matter arising under this Lease. This provision shall survive termination, cancellation or relinquishment of this Lease and any cause of action by Lessor to enforce it shall not be deemed to accrue until Lessor's actual discovery of said liability, claim, loss, damage, or exposure.

12. RESERVATIONS TO THE BOARD

This Lease is subject to any and all presently existing easements, rights of way and other interests, whether or not visible on the ground; and, in addition to its reversion upon termination of this Lease, the Board hereby reserves:

- A. Upon termination of this Lease, the right to sell, exchange, or otherwise dispose of all or any portion of the Leased Water subject to this Lease and the Decree.
- B. Ownership of all water, water rights, ditch rights, water stock and/or ditch stock appurtenant to or used in connection with the Leased Water including wells, rights in ditch, water in canal organizations or companies, except those structures constructed or completed by the Lessee. All such rights shall be and remain the property of the Board, except as stated herein.
- C. The right to lease all or any portion of the mineral estate to other persons for the purposes of exploring for and removing minerals, ores, metals, coal, asphaltum, oil, gas, sand, gravel, clay, quarry products, peat, geothermal resources, and all other naturally occurring resources, together with reasonable and adequate rights of entry and surface rights necessary or convenient to exercise such reserved rights, subject to the terms of the Long-Term Agreement to Restrict Mineral Development # LT-3484 between the Board and Shamrock SS, LLC. dated March 31, 2011.
- D. All rights, privileges and uses of every kind or nature not specifically granted to Lessee by this Lease or the Decree.

13. ASSIGNMENTS, SUBLEASING AND ENCUMBRANCES

This Lease shall be binding on the parties hereto, their heirs, representatives, successors and permitted assigns. This Lease shall not be assigned, transferred or sold, voluntarily or by operation of law, without the prior written consent of the Board. Consent to an assignment shall be at the Board's sole discretion and upon such terms and conditions as determined by the Board, including the payment of an assignment fee not to exceed \$100.00, and such consent shall not be unreasonable withheld. Any name change, or changes in ownership of the Lessee shall be considered an assignment.

Assignment or other transfer without written consent of the Board shall not affect a novation of this Lease, and shall, nevertheless, make the assignee responsible and liable, along with the Lessee, for performing this Lease. The acceptance by the Board of any payment due hereunder from any person other than the Lessee shall not be deemed a waiver by the Board of any provision of this Lease or to be consent to any assignment.

14. DEFAULTS AND REMEDIES

- A. Defaults. The occurrences of any one or more of the following events shall constitute a default hereunder by the Lessee:
 - i. Failure by the Lessee to make any payment of rental or other payment required under the Lease when due.

- ii. Use of the Leased Water by the Lessee, its successors and assigns or attempted use of the Leased Water for any other purpose than those permitted by this Lease and the Decree.
- iii. Failure by the Lessee to perform any and all of the covenants, conditions or requirements contained herein.

Any of the above events of default may be cured by the Lessee within thirty (30) days after written notice thereof from the Board to the Lessee in accordance with Paragraph 24.1 - "Miscellaneous, Notices" section of this Lease. If the nature of the Lessee's default is such that more than thirty (30) days are reasonably required to cure such default then the Lessee shall not be deemed to be in default if the Lessee shall commence such cure within said thirty (30) day period and thereafter diligently pursue such cure to completion.

- B. Remedies. In any event of default and in addition to any or all other rights or remedies of the Board hereunder or by the law provided, the Board may exercise the following remedies at its sole option:
- i. Termination. Terminate the Lessee's right to possession of the Leased Water by any lawful means, in which case this Lease shall terminate and the Lessee shall immediately surrender possession of the Leased Water to the Board according to the terms of Paragraph 15 - "Surrender" section of this Lease. In such event of termination the Board shall be entitled to recover from the Lessee:
 - a. The unpaid rental, and other payments owed pursuant to this Lease which have accrued together with interest; and,
 - b. Any other amount necessary to compensate the Board for the Lessee's failure to perform its obligations under this Lease or which would be likely to result therefrom, including, but not limited to, the cost of recovering possession of the Leased Water, expenses of reletting, reasonable damages, reasonable attorneys fees, and any other reasonable costs,
 - c. Compensation for costs incurred for use of the Leased Water, including ongoing obligations under the Decree,
 - d. Interest - The interest shall be one and one half percent (1-1/2%) compounded monthly. Said interest shall accrue from the dates such amounts accrued to the Board until paid by the Lessee.
 - ii. Cumulative Rights. The rights and remedies reserved to the Board, including those not specifically described, shall be cumulative, and the Board may pursue any or all of such rights and remedies, at the same time or separately.

15. SURRENDER

Upon expiration or termination of this Lease prior to February 27, 2048, the Lessee shall peaceably and quietly surrender possession of the Leased Water to the Board.

16. LIENS AND CLAIMS

A. Mechanics' Liens

The Lessee shall not suffer or permit to be enforced against the Leased Water, or any part thereof, or any improvements, any mechanics', material men's, contractors', or subcontractors' liens arising from, or any claim for damage growing out of the work of any construction, or improvement related to the Leased Water, or any other claim or demand howsoever the same may arise, but the Lessee shall pay or cause to be paid all of said liens, claims, or demands before any action is brought to enforce the same against the Leased Water or improvements. The Lessee agrees to defend, indemnify and hold the Board and the Leased Water free and harmless from all liability for any and all such liens, claims, demands, and actions (collectively, the "liens") together with reasonable attorneys fees and all costs and expenses in connection herewith.

B. Rights to Contest

Notwithstanding the foregoing, if the Lessee shall in good faith contest the validity of any such lien, then the Lessee shall at its sole expense defend itself and the Board against the same and shall pay and satisfy any adverse expense or cost or adverse judgment that may be rendered thereon before the enforcement thereof against the Board or the Leased Water, upon the condition that if the Board shall require, the Lessee shall furnish a surety bond satisfactory in form and amount to the Board. Said bond shall not be less than one hundred twenty percent (120%) of such contested lien indemnifying the Board against liability for the same, and holding the Leased Water free from the effect of such lien.

17. NO REPRESENTATIONS OR WARRANTIES

Lessor makes no representations or warranties as to the Leased Water, its quantity, quality, or availability. Lessee may terminate this Lease if the Leased Water does not satisfy the requirements of Lessee in any way. Such termination is the sole recourse. All prior rent and royalty payments will be forfeited.

18. RECORDS

Lessee agrees to keep and to have in possession complete and accurate books and records regarding the Lessee's payment obligations under this Lease, including, but not limited to, contracts and agreements for the sale or exchange, or other disposition of the Leased Water, and records showing the production, water levels, sale, exchange and disposition of any and all Leased Water, including all information necessary to determine the Volumetric Charge for the Leased Water and all information and accounts required under the Decree. In conjunction with the payment of the annual Volumetric Charge, Lessee shall provide to Lessor an annual summary report containing such information as may be necessary to confirm the accuracy of the payment. Lessee shall permit Lessor, at all reasonable hours, to audit, examine, or copy such books, accounts, and records, or to furnish copies of same to Lessor within 10 days of request. Any confidential information reviewed during such audit or examination shall be kept confidential by Lessor to the extent allowed by law. Lessor will not be unreasonable with requests. All said books, accounts, and records shall be retained by Lessee and made available in Colorado to Lessor for a period of not less than 7 years.

19. SURVIVAL OF TERMS, CONDITIONS, RESTRICTIONS, RESERVATIONS, AND COVENANTS

Any term, condition, restriction, reservation or covenant that gives rise to any rights or claims of Lessor against Lessee shall be deemed to survive the termination, relinquishment, surrender, or abandonment of this Lease until all claims and issues have been settled or resolved. Upon termination, surrender, or abandonment of this Lease for any reason, provided Lessor does not expressly take over or assume any of Lessee's obligations hereunder, Lessor shall not be liable or responsible for compliance with the Decree, any laws, rules, regulations, orders, local ordinances or resolutions applicable to this Lease.

20. NO WAIVER

Failure or delay by either party to exercise any right, power or privilege hereunder will not operate as a waiver hereof, nor will any single or partial exercise of any right or privilege hereunder preclude further exercise of the same right or the exercise of any right hereunder. A waiver on one or more occasions of any of the provisions hereof shall not be deemed a continuing one. Acceptance of payments by Lessor shall not be deemed to effect (a) a ratification, renewal, extension, or amendment of this Lease, or (b) a waiver of any rights granted to Lessor, the obligations imposed upon Lessee, express or implied, or the remedies for Lessee's breach, or (c) an estoppel against Lessor preventing Lessor from enforcing Lessor's rights or Lessee's obligations hereunder, express or implied, or from seeking damages for Lessee's breach thereof. No instrument executed by Lessor shall be effective to constitute ratification, renewal, extension or amendment of this Lease unless the instrument is clearly titled to indicate its purpose and intent.

21. INSURANCE

The Lessee at its sole cost and expense shall, during the entire term hereof procure, pay for and keep in full force and effect a comprehensive policy of public liability insurance covering the Leased Water and the improvements, insuring the Lessee in an amount that complies with the policy of the Board, currently one million dollars (\$1,000,000.00), protecting the Board and covering bodily injury, including death to persons, personal injury and property damage liability. Such coverage shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance or use of the Leased Water and shall name the Board as an additional or co-insured.

The policy shall contain a provision that it cannot be cancelled or materially altered either by the insured or the insurance company until thirty (30) days prior written notice thereof is given to the Lessee and the Board. The Lessee shall furnish a duplicate original of such policies or renewal thereof with proof of premium payment to the Board.

No policy of insurance shall include a deductible clause in an amount greater than 1% of the face amount of the policy.

Notwithstanding anything to the contrary contained herein, the Lessee's obligation to carry insurance as provided herein may be brought within the coverage of a "blanket" policy or policies of insurance carried and maintained by the Lessee, so long as such policy(s) segregates the amount of coverage applicable to the Leased Water.

22. NO THIRD PARTY BENEFICIARY

Nothing in this Lease is intended, nor will be deemed, to confer rights or remedies upon any person or legal entity not a party to this Lease.

23. COMPLIANCE WITH LAW

Lessee shall comply fully with all provisions, terms, conditions of all laws, whether local, state or federal, and orders issued thereunder, including but not limited to the rules and regulations of the Colorado Division of Water Resources, the Colorado Ground Water Commission, any ground water management district, and any other state, local, or federal agency or commission with authority to regulate activities pursuant to this Lease. In the event that the Lessee is required to file applications, instruments, and documents with other agencies, Lessee shall notify Lessor of said filing and Lessor reserves the right to request and obtain copies of such applications, instruments, and documents from the Lessee.

24. MISCELLANEOUS

A. False Statements

Any false certification or statement by the Lessee in the application, public disclosure statement or qualification of financial responsibility statement required to be submitted with the application for the Lease, or in any other document or report required to be submitted under this Lease or under the Decree, shall, at the discretion of the Board, result in termination of this Lease and an action for damages.

B. Controlling Documents

In the event of inconsistency or conflict between this Lease and documents incorporated herein by reference, this Lease shall control. In the event of inconsistency or conflict between this Lease and the Decree, the Decree shall control.

C. Compliance with Laws

The Lessee shall comply with the Decree and all applicable federal, state and local ordinances, rules, regulations, and laws regarding the Leased Water and activities conducted in the use thereof. Furthermore the Lessee shall not use or permit the Leased Water to be used in violation of the Decree and any rule, regulation or law or for any purpose tending to damage or harm the Leased Water.

D. Lessee's Authority

If the Lessee is an entity other than an individual, each individual executing this Lease on behalf of said entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity and that this Lease is binding upon said entity in accordance with its terms. The Lessee shall deliver a certified copy of the appropriate document evidencing authorization for such execution.

E. Entire Agreement

This Lease and all documents incorporated herein by reference represent the entire agreement between the Parties. No oral agreement or implied covenant shall be held to vary the provisions hereof.

F. Amendments.

This Lease shall not be amended or ratified except by written document executed by the Parties hereto.

G. Certain Rules of Construction

Time is of the essence in the performance of this Lease. Unless the context clearly implies otherwise, each and every act to be performed or obligation to be fulfilled by the Lessee under this Lease shall be performed or fulfilled at the Lessee's sole cost and expense.

H. Governing Law and Venue

This Lease shall be governed by and construed in accordance with the laws of the State of Colorado and Venue shall be in the City and County of Denver.

I. Notices

Every notice, demand, request, designation, consent, approval or other document or instrument required or permitted to be served hereunder shall be in writing, shall be deemed to have been duly served on the day of receipt and shall be sent by certified United States mail, postage prepaid, return receipt requested, as addressed to the parties hereto. The Parties may change the place for serving of such papers on it, or provide for the delivery of not more than two (2) additional copies, by giving the other party at least ten (10) days prior written notice to such effect.

J. If for any reason provisions of this Lease or the application thereof to any person or circumstances, shall to any extent, be deemed invalid or unenforceable, the remainder of this Lease shall not necessarily be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by law.

K. Costs of Suit: Attorneys Fees

In the event that the Board shall, without fault on the Board's part, be made party to any litigation instituted by the Lessee or by any third party against the Lessee, or by or against any person holding under or using the Leased Water by license of the Lessee, or for the foreclosure of any lien for labor or material furnished to or for the Lessee or any such other person or otherwise arising out of or resulting from any action or transaction of the Lessee or of any such other person, the Lessee hereby indemnifies and holds the Board harmless from and against any judgment rendered against the Board or the improvements or any part thereof, and all costs and expenses, including reasonable attorneys fees, incurred by the Board in or in connection with such litigation.

L. Board's Authority

This Lease is entered into pursuant to the authority granted to the Board by Colorado law.

IN WITNESS WHEREOF, the Board and the Wismer Trust, by their signatures below, agree to the terms of this Lease:

LESSOR: State Board of Land Commissioners

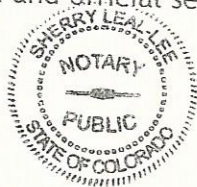
Pete Milonas

Pete Milonas
Minerals Director

State of Colorado
City & County of Denver

The foregoing instrument was acknowledged before me this 15th day of December, 2014, by Pete Milonas, Minerals Director, State Board of Land Commissioners.

Witness my hand and official seal.



[Signature]
Notary Public

My commission expires: 4/22/2015

LESSEE: David Wismer and Mary Anne Wismer Trust

David Wismer
David Wismer

Mary Anne Wismer
Mary Anne Wismer

State of Colorado
City & County of Colorado Springs, El Paso

The foregoing instrument was acknowledged before me this 28th day of November, 2014, by David and Mary Anne Wismer.

Witness my hand and official seal.

[Signature]
Notary Public

My commission expires: 8/7/2014

