

MONSON, CUMMINS & SHOHEIT, LLC

13511 NORTHGATE ESTATES DRIVE, SUITE 250
COLORADO SPRINGS, CO 80921

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Of Counsel: STEVEN T. MONSON

September 29, 2021

Kari Parsons, Planner III
El Paso County Development Services
Transmitted via the EPC EDARP Portal

Re: Grandview Reserve, Filing No. 1 (File #PUDSP2110)

Dear Kari:

My clients, 4 Site Investments, LLC ("4Site") have requested that I provide you a short letter responsive to the Division of Water Resources letter of September 16, 2021 concerning water sufficiency for Filing No. 1 of the Grandview Reserve development in eastern El Paso County. 4Site's consultants at HR Green, LLC will be providing a revised Water Resources Report for this development, but pending completion of that report, I wished to provide you some insights as to the various moving parts concerning this development, the Grandview Reserve Metropolitan District ("GRMD"), and the water supply to be conveyed to GRMD for provision of water service to this proposed development.

As you know, the DWR indicated in its September 16, 2021 letter that it had "not received enough information to render an opinion regarding the potential for causing material injury to decreed water rights, or the adequacy of the proposed water supply". This is largely due to (a) the status of the formation of the GRMD, the ownership and identification of water rights GRMD will utilize when formed to serve the proposed development, and other commitments of the GRMD that might reduce water supplies available for the proposed development. In a nutshell, presently the GRMD has not yet been legally formed, and therefore has neither owned water rights nor other commitments, which of course they cannot have until formation is completed. HR Green and other consultants for 4Site have initiated this process and anticipate formation of GRMD to be completed in late-2021. As such, it is anticipated that, prior to the PUD/Preliminary Plan moving to hearing in early 2022, GRMD will be formed and in ownership of sufficient water resources to allow the DRW to opinion positively as to both the lack of material injury, and the adequacy of supply. Should that process in any way

* Also licensed in Wyoming



be delayed, I suspect that 4Site will wish to move through the PUD and Preliminary Plan process with an “insufficiency” finding as to water supply for Grandview Reserve Filing No. 1, with sufficiency to then be proven during the Final Platting process. I provide the following information to, in conjunction with HR Green’s forthcoming revised Water Resources Report, assist you in addressing the DWR’s concerns:

- GRMD is being formed for the purpose of provision of water service, and other service typically provided by metropolitan districts, to the entirety of the Grandview Reserve development, of which Filing No. 1 is the first to proceed through preliminary planning. As such, GRMD has no other existing obligations beyond Filing No. 1 at present, and all water supplies to be owned and controlled by GRMD will be available for provision of water service to Filing No. 1;
- A copy of the anticipated service area for GRMD is attached hereto as **Exhibit A**, and formation of GRMD is anticipated to be completed in November 2021;
- Upon formation of GRMD, 4Site will promptly transfer its interests in the 140,000 acre feet of nontributary Arapahoe aquifer groundwater subject of Determination No. 511-BD (466.67 annual acre feet, based upon the County’s 300-year rule) to GRMD, creating a water supply more than sufficient for provision of service to Grandview Reserve Filing No. 1 (203.79 annual acre feet – a revision of the WSIS to conform with HR Green’s revised Water Resource Report will be forthcoming). The Special Warranty Deed by which 4Site took ownership of 190,000 acre feet of the Arapahoe aquifer, along with an a Water Exchange Agreement and associated Special Warranty Deed that reduced such supply to the present 140,000 acre feet are collectively attached as **Exhibit B**.
- 4Site is currently under contract for the purchase of an additional 131,250 acre feet (437.5 annual acre feet, based upon the County’s 300-year rule) from JMJK Holdings, LLC (current owner of the bulk of the 4-Way Ranch), subject of Determination No. 510-BD, and anticipates closing on that purchase in early 2022, at which time such water rights will be made available to GRMD, further expanding its water portfolio available for provision of service to further development within the Grandview Reserve. Documentation of ownership will be provided once closing has occurred.
- DWR asserts that Determination Nos. 511-BD and 510-BD provided for use of the groundwater determined therein only by the Woodman Hills Metropolitan District to the 4-Way Ranch Metropolitan District. We do not agree. These determinations were initially issued in 2004, and subsequently modified in 2008 upon application for a change in both place and type of use (copies of the original determinations and 2008 modifications are collectively attached as **Exhibit C**). The 2008 modifications added an additional place of use (Woodman Hills Metro District) – the 4-Way Metro District service area was the original 8,095 acres, and the GRMD service area is a portion of that same acreage – and added municipal and augmentation uses to the prior determinations. While the 2008 modifications do

limit municipal uses to being by the Woodman Hills Metro District and the 4-Way Metro District, there is no such limitation on the other previously determined uses of groundwater (from the original 2004 determinations), to wit: domestic, commercial, lawn irrigation, industrial, livestock watering, and replacement uses. These previously determined uses may be made by any person or entity upon the originally determined place of use, as here, including by the GRMD. That being said, it is fully the applicant's intent to seek a further change of use of the municipal and augmentation uses subject of the 2008 modifications to include GRMD as a municipal user, upon completion of formation of the GRMD, rendering this issue moot.

I hope the foregoing is of assistance in your review of this project. Please do not hesitate to contact me with any questions, comments or concerns and we will continue to keep you apprised as we progress in District formation and conveyance of water resources.

Sincerely,

MONSON, CUMMINS & SHOHET, LLC

/s/ Chris D. Cummins

Chris D. Cummins

encl.

cc: 4 Site Investments, LLC
HR Green, LLC

SPECIAL WARRANTY DEED
Water Rights

THIS SPECIAL WARRANTY DEED dated December 9TH, 2021 between 4 SITE INVESTMENTTS, LLC, a Colorado limited liability company ("Grantor"), and GRANDVIEW RESERVE METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado, whose address is 1271 Kelly Johnson Boulevard, Ste. 100, Colorado Springs, CO 80920 ("Grantee").

WITNESS, that the Grantor, for and in consideration of good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey, and confirm unto the Grantee, its heirs and assigns forever, the ground water, rights to extract ground water, and ground water rights, being in the County of El Paso, State of Colorado, described as follows:

140,000 acre-feet of groundwater based on a 100-year supply, or an average of 1,400 acre-feet annually, of nontributary groundwater in the Arapahoe aquifer underlying the land described in **Exhibit A**, and as determined by the Colorado Ground Water Commission in the Findings and Order of Determination No. 511-BD dated July 22, 2004, and recorded with the El Paso County Clerk and Recorder's Office on September 10, 2004, Reception No. 204153948, all as quantified in and subject to the terms and provisions of said Groundwater Determination No. 511-BD.

TOGETHER, with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in and to the above-described water rights, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said Water Rights above bargained and described, with the appurtenances, unto the Grantee, its heirs and assigns forever. The Grantor, for itself, its heirs, personal representatives, successors and assigns do covenant and agree that it shall and will WARRANT AND FOREVER DEFEND the above bargained Water Rights in the quiet and peaceable possession of the Grantee, its heirs and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor, but not otherwise.

IN WITNESS WHEREOF, the Grantors have executed this Special Warranty Deed on the date set forth above.

(Signatures to follow)

GRANTOR:

4 Site Investments, LLC

By: PAUL J. HOWARD, MANAGER of 4 Site Investments, LLC.

STATE OF COLORADO

)

) ss.

COUNTY OF EL PASO

)

Acknowledged before me this 9th day of December, 2021 by Paul J. Howard, as
MANAGER of 4 Site Investments, LLC.

Witness my hand and official seal.

My Commission expires: 08/10/2024

Jason Umbower

Notary Public

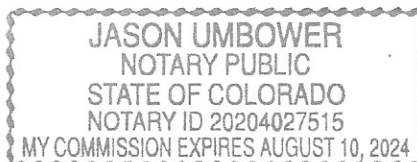


Exhibit A

PARCEL A:

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 21, THE SOUTH HALF OF SECTION 22, THE NORTH HALF OF SECTION 28 AND SECTION 27, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYOR'S CAP STAMPED "PS INC PLS 30087 1996", BEING APPROPRIATELY MARKED, AND BEING MONUMENTED AT THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYOR'S CAP STAMPED "PS INC PLS 30087 1996", BEING APPROPRIATELY MARKED, BEING ASSUMED TO BEAR NORTH 00 DEGREES 52 MINUTES 26 SECONDS WEST, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 21; THENCE NORTH 00 DEGREES 52 MINUTES 26 SECONDS WEST ON THE EAST LINE OF SAID SECTION, A DISTANCE OF 2645.09 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 21, SAID POINT BEING THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 41 MINUTES 08 SECONDS EAST ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 22, A DISTANCE OF 3938.18 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 58 SECONDS EAST ON THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22, A DISTANCE OF 2117.68 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF THE ROCK ISLAND REGIONAL TRAIL AS GRANTED TO EL PASO COUNTY IN THAT WARRANTY DEED RECORDED OCTOBER 21, 1994 IN BOOK 6548 AT PAGE 882, RECORDS OF EL PASO COUNTY, COLORADO; THENCE ON SAID NORTHWESTERLY RIGHT OF WAY, THE FOLLOWING FIVE (5) COURSES:

- (1) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 758.36 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22;
- (2) NORTH 89 DEGREES 38 MINUTES 06 SECONDS EAST ON SAID SOUTH LINE, A DISTANCE OF 36.18 FEET;
- (3) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 3818.92 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27;
- (4) SOUTH 89 DEGREES 39 MINUTES 01 SECONDS WEST ON SAID NORTH LINE, A DISTANCE OF 36.17 FEET;
- (5) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 855.35 FEET TO A POINT ON THE EASTERLY LINE OF SAID SECTION 28;

THENCE NORTH 00 DEGREES 21 MINUTES 45 SECONDS WEST ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 591.16 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER; THENCE NORTH 00 DEGREES 21 MINUTES 38 SECONDS WEST ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 1319.24 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28; THENCE NORTH 89 DEGREES 47 MINUTES 08 SECONDS WEST ON SAID SOUTH LINE, A DISTANCE OF 4692.55 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EXISTING EASTONVILLE ROAD (60.00 FOOT WIDE); THENCE ON SAID EASTERLY RIGHT OF WAY AS DEFINED BY CERTIFIED BOUNDARY SURVEY, AS RECORDED JULY 18, 2001 UNDER RECEPTION NO. 201900096, THE FOLLOWING FIVE (5) COURSES:

- (1) ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS NORTH 04 DEGREES 31 MINUTES 28 SECONDS EAST, HAVING A DELTA OF 24 DEGREES 31 MINUTES 32 SECONDS, A RADIUS OF 1630.00 FEET, A DISTANCE OF 697.73 FEET TO A POINT OF TANGENT;
- (2) NORTH 07 DEGREES 40 MINUTES 18 SECONDS WEST, A DISTANCE OF 777.34 FEET TO A POINT OF CURVE;
- (3) ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 39 DEGREES 01 MINUTES 10 SECONDS, A RADIUS OF 1770.00 FEET, A DISTANCE OF 1205.40 FEET TO A POINT OF TANGENT;
- (4) NORTH 31 DEGREES 20 MINUTES 52 SECONDS EAST, A DISTANCE OF 1517.37 FEET TO A POINT OF CURVE;
- (5) ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 02 DEGREES 07 MINUTES 03 SECONDS, A RADIUS OF 1330.00 FEET, A DISTANCE OF 49.15 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21;

THENCE SOUTH 89 DEGREES 50 MINUTES 58 SECONDS EAST ON SAID NORTH LINE, A DISTANCE OF 3635.53 FEET TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION CONVEYED IN DEED RECORDED AUGUST 24, 2005 AT RECEPTION NO. 205132124;

AND EXCEPT A PORTION OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTHERLY LINE OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE NORTHWEST CORNER AND THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM CAP STAMPED "PS INC 1996 PLS 30087", BEING ASSUMED TO BEAR SOUTH 89 DEGREES 47 MINUTES 04 SECONDS EAST A DISTANCE OF 5285.07 FEET.

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 28; THENCE SOUTH 29 DEGREES 17 MINUTES 14 SECONDS

EAST, A 1315.12 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 58 MINUTES 12 SECONDS EAST, A DISTANCE OF 288.62 FEET; THENCE SOUTH 41 DEGREES 03 MINUTES 22 SECONDS WEST, A DISTANCE OF 139.03 FEET; THENCE SOUTH 41 DEGREES 52 MINUTES 38 SECONDS WEST, A DISTANCE OF 21.11 FEET; THENCE SOUTH 44 DEGREES 47 MINUTES 01 SECONDS WEST, A DISTANCE OF 42.37 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 08 SECONDS EAST, A DISTANCE OF 679.35 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 52 SECONDS WEST, A DISTANCE OF 25.00 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28; THENCE NORTH 89 DEGREES 47 MINUTES 08 SECONDS WEST AND ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28, A DISTANCE OF 934.84 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EASTONVILLE ROAD AS RECORDED IN THE EL PASO COUNTY RECORDS JULY 18, 2001 UNDER RECEPTION NO. 201900096, SAID POINT BEING A POINT ON CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS NORTH 73 DEGREES 08 MINUTES 46 SECONDS WEST HAVING A DELTA OF 06 DEGREES 19 MINUTES 02 SECONDS, A RADIUS OF 1630.00 FEET, A DISTANCE OF 179.72 FEET TO THE POINT OF BEGINNING.

PARCEL B:

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 21 AND A PORTION OF THE NORTH HALF OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, AND BEING MONUMENTED AT THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, BEING ASSUMED TO BEAR N00°52'26"W, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°52'26"W, A DISTANCE OF 2645.09 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 21;

THENCE N89°50'58"W ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21, A DISTANCE OF 1109.51 FEET TO THE POINT OF BEGINNING;

THENCE S00°09'02"W, A DISTANCE OF 3962.55 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SECTION 28;

THENCE N89°47'08"W ON SAID SOUTH LINE, A DISTANCE OF 2589.15 FEET;

THENCE N00°12'52"E, A DISTANCE OF 25.00 FEET;

THENCE N89°47'08"W ON A LINE THAT IS 25.00 FEET NORTHERLY OF AND PARALLEL TO SAID SOUTH LINE, A DISTANCE OF 679.35 FEET;

THENCE N44°47'01"W, A DISTANCE OF 42.37 FEET;

THENCE N41°52'38"E, A DISTANCE OF 21.11 FEET;

THENCE N41°03'22"E, A DISTANCE OF 139.03 FEET;

THENCE S89°58'12"W, A DISTANCE OF 288.62 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EXISTING EASTONVILLE ROAD (60.00 FEET WIDE);

THENCE ALONG THE EASTERLY RIGHT OF WAY LINE OF EASTONVILLE ROAD AS DEFINED BY CERTIFIED BOUNDARY SURVEY AS RECORDED JULY 18, 2001 UNDER RECEPTION NO. 201900096 OF THE RECORDS OF EL PASO COUNTY, COLORADO THE FOLLOWING FIVE (5) COURSES:

1. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 18°12'30", A RADIUS OF 1630.00 FEET, A LENGTH OF 518.00 FEET, WHOSE CHORD BEARS N01°25'57"E WITH A DISTANCE OF 515.83 FEET TO A POINT OF TANGENT;
2. N07°40'16"W, A DISTANCE OF 777.34 FEET TO A POINT OF CURVE;
3. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 39°01'10", A RADIUS OF 1770.00 FEET FOR A LENGTH OF 1205.40 FEET TO A POINT OF TANGENT;
4. N31°20'52"E, A DISTANCE OF 1517.37 FEET TO A POINT OF CURVE;
5. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 02°07'03", A RADIUS OF 1330.00 FEET FOR A LENGTH OF 49.15 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21;

THENCE S89°50'58"E ON SAID NORTH LINE, A DISTANCE OF 2526.02 FEET TO THE POINT OF BEGINNING.

PARCEL C:

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 22 AND A PORTION OF SECTION 27, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, AND BEING MONUMENTED AT THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, BEING ASSUMED TO BEAR N00°52'26"W, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°52'26"W, A DISTANCE OF 2845.09 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 21;

THENCE N89°41'03" ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 22, A DISTANCE OF 701.60 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE N89°41'03"E ON SAID NORTH LINE, A DISTANCE OF 3236.58 FEET;

THENCE S00°41'58"E ON THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22, A DISTANCE OF 2117.66 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF THE ROCK ISLAND REGIONAL TRAIL AS GRANTED TO EL PASO COUNTY IN THAT WARRANTY DEED RECORDED OCTOBER 21, 1994 IN BOOK 6548 AT PAGE 892 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE ON SAID NORTHWESTERLY RIGHT OF WAY THE FOLLOWING FIVE (5) COURSES:

1. S45°55'49"W, A DISTANCE OF 758.36 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22;
2. N89°38'06"E, A DISTANCE OF 36.18 FEET;
3. S45°55'49"W, A DISTANCE OF 8818.92 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27;
4. S89°39'01"W ON SAID NORTH LINE, A DISTANCE OF 36.17 FEET;
5. S45°55'49"W, A DISTANCE OF 344.32 FEET TO THE NORTHEASTERLY CORNER OF A PARCEL OF LAND AS RECORDED UNDER RECEPTION NO. 205132124 OF SAID RECORDS;

THENCE N72°01'49"W ON THE NORTH LINE OF SAID PARCEL, A DISTANCE OF 389.16 TO THE NORTHWESTERLY CORNER OF SAID PARCEL AND BEING A POINT ON THE EASTERLY LINE OF SAID SECTION 28;

THENCE N00°21'45"W ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 115.65 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER;

THENCE N00°21'38"W ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 1319.24 TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28;

THENCE S89°47'08"E, A DISTANCE OF 642.53 FEET;

THENCE N00°09'02"E, A DISTANCE OF 3970.28 FEET TO THE POINT OF BEGINNING.

218091621

8/8/2018 9:00 AM

PGS 4

\$28.00 DF \$0.00

Electronically Recorded Official Records El Paso County CO

Chuck Broerman, Clerk and Recorder

TD1000 N

Special Warranty Deed
(Water Rights)

EXHIBIT B

THIS DEED, made on August 7th, 2018 by FARM CREDIT OF SOUTHERN COLO PCA Grantor(s), of the County of El Paso and State of Colorado for the consideration of *** Ten Dollars and Other Good and Valuable Consideration *** dollars in hand paid, hereby sells and conveys to 4 SITE INVESTMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY Grantee(s), whose street address is 1271 KELLY JOHNSON BOULEVARD STE 100, COLORADO SPRINGS, CO 80920, County of El Paso, and State of Colorado, the following described water rights:

ANY AND ALL WATER RIGHTS INCLUDING BUT NOT LIMITED ARAPAHOE AQUIFER ARE TO BE INCLUDED

Appurtenant to:

See attached "Exhibit A"

also known by street and number as: 0 EASTONVILLE ROAD, PEYTON, CO 80831

and warrants the title against all persons claiming under the Grantor(s).

FARM CREDIT OF SOUTHERN COLO PCA

By: _____

JEREMY M. ANDERSON, PRESIDENT/CEO

State of Colorado)

)ss.

County of EL PASO)

JENNIFER M. MEIS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20084033144
My Commission Expires 09-23-2020

The foregoing instrument was acknowledged before me on this day of August 6, 2018 by JEREMY M. ANDERSON AS PRESIDENT/CEO OF FARM CREDIT OF SOUTHERN COLO PCA

Witness my hand and official seal

My Commission expires: 9-23-2020

Jennifer M. Meis
Notary Public

When Recorded Return to:

4 SITE INVESTMENTS, LLC, A COLORADO LIMITED LIABILITY COMPANY
1271 KELLY JOHNSON BOULEVARD STE 100, COLORADO SPRINGS, CO 80920



Exhibit A**PARCEL A:**

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 21, THE SOUTH HALF OF SECTION 22, THE NORTH HALF OF SECTION 28 AND SECTION 27, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE SIXTH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYOR'S CAP STAMPED "PS INC PLS 30087 1996", BEING APPROPRIATELY MARKED, AND BEING MONUMENTED AT THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYOR'S CAP STAMPED "PS INC PLS 30087 1996", BEING APPROPRIATELY MARKED, BEING ASSUMED TO BEAR NORTH 00 DEGREES 52 MINUTES 26 SECONDS WEST, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 21; THENCE NORTH 00 DEGREES 52 MINUTES 26 SECONDS WEST ON THE EAST LINE OF SAID SECTION, A DISTANCE OF 2645.09 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 21, SAID POINT BEING THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 41 MINUTES 03 SECONDS EAST ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 22, A DISTANCE OF 3938.18 FEET; THENCE SOUTH 00 DEGREES 41 MINUTES 58 SECONDS EAST ON THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22, A DISTANCE OF 2117.66 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF THE ROCK ISLAND REGIONAL TRAIL AS GRANTED TO EL PASO COUNTY IN THAT WARRANTY DEED RECORDED OCTOBER 21, 1994 IN BOOK 6548 AT PAGE 892, RECORDS OF EL PASO COUNTY, COLORADO; THENCE ON SAID NORTHWESTERLY RIGHT OF WAY, THE FOLLOWING FIVE (5) COURSES:

- (1) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 758.36 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22;
- (2) NORTH 89 DEGREES 39 MINUTES 06 SECONDS EAST ON SAID SOUTH LINE, A DISTANCE OF 36.18 FEET;
- (3) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 3818.92 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27;
- (4) SOUTH 89 DEGREES 39 MINUTES 01 SECONDS WEST ON SAID NORTH LINE, A DISTANCE OF 36.17 FEET;
- (5) SOUTH 45 DEGREES 55 MINUTES 49 SECONDS WEST, A DISTANCE OF 855.35 FEET TO A POINT ON THE EASTERLY LINE OF SAID SECTION 28;

THENCE NORTH 00 DEGREES 21 MINUTES 45 SECONDS WEST ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 591.16 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER; THENCE NORTH 00 DEGREES 21 MINUTES 38 SECONDS WEST ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 1319.24 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28; THENCE NORTH 89 DEGREES 47 MINUTES 08 SECONDS WEST ON SAID SOUTH LINE, A DISTANCE OF 4892.55 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EXISTING EASTONVILLE ROAD (60.00 FOOT WIDE); THENCE ON SAID EASTERLY RIGHT OF WAY AS DEFINED BY CERTIFIED BOUNDARY SURVEY, AS RECORDED JULY 18, 2001 UNDER RECEPTION NO. 201900096, THE FOLLOWING FIVE (5) COURSES:

- (1) ON THE ARC OF A CURVE TO THE LEFT, WHOSE CENTER BEARS NORTH 04 DEGREES 31 MINUTES 28 SECONDS EAST, HAVING A DELTA OF 24 DEGREES 31 MINUTES 32 SECONDS, A RADIUS OF 1630.00 FEET, A DISTANCE OF 697.73 FEET TO A POINT OF TANGENT;
- (2) NORTH 07 DEGREES 40 MINUTES 18 SECONDS WEST, A DISTANCE OF 777.34 FEET TO A POINT OF CURVE;
- (3) ON THE ARC OF A CURVE TO THE RIGHT, HAVING A DELTA OF 39 DEGREES 01 MINUTES 10 SECONDS, A RADIUS OF 1770.00 FEET, A DISTANCE OF 1205.40 FEET TO A POINT OF TANGENT;
- (4) NORTH 31 DEGREES 20 MINUTES 52 SECONDS EAST, A DISTANCE OF 1517.37 FEET TO A POINT OF CURVE;
- (5) ON THE ARC OF A CURVE TO THE LEFT, HAVING A DELTA OF 02 DEGREES 07 MINUTES 03 SECONDS, A RADIUS OF 1330.00 FEET, A DISTANCE OF 49.15 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21;

THENCE SOUTH 89 DEGREES 50 MINUTES 58 SECONDS EAST ON SAID NORTH LINE, A DISTANCE OF 3635.53 FEET TO THE POINT OF BEGINNING;

EXCEPT THAT PORTION CONVEYED IN DEED RECORDED AUGUST 24, 2005 AT RECEPTION NO. 205132124;

AND EXCEPT A PORTION OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF EL PASO, STATE OF COLORADO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE NORTHERLY LINE OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, BEING MONUMENTED AT THE NORTHWEST CORNER AND THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM CAP STAMPED "PS INC 1996 PLS 30087", BEING ASSUMED TO BEAR SOUTH 89 DEGREES 47 MINUTES 04 SECONDS EAST A DISTANCE OF 5285.07 FEET.

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 28; THENCE SOUTH 29 DEGREES 17 MINUTES 14 SECONDS

EAST, A 1315.12 FEET TO THE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 58 MINUTES 12 SECONDS EAST, A DISTANCE OF 288.62 FEET; THENCE SOUTH 41 DEGREES 03 MINUTES 22 SECONDS WEST, A DISTANCE OF 139.03 FEET; THENCE SOUTH 41 DEGREES 52 MINUTES 38 SECONDS WEST, A DISTANCE OF 21.11 FEET; THENCE SOUTH 44 DEGREES 47 MINUTES 01 SECONDS WEST, A DISTANCE OF 42.37 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 08 SECONDS EAST, A DISTANCE OF 679.35 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 52 SECONDS WEST, A DISTANCE OF 25.00 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28; THENCE NORTH 89 DEGREES 47 MINUTES 08 SECONDS WEST AND ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28, A DISTANCE OF 934.84 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EASTONVILLE ROAD AS RECORDED IN THE EL PASO COUNTY RECORDS JULY 18, 2001 UNDER RECEPTION NO. 201900096, SAID POINT BEING A POINT ON CURVE; THENCE ON THE ARC OF A CURVE TO THE LEFT WHOSE CENTER BEARS NORTH 73 DEGREES 08 MINUTES 46 SECONDS WEST HAVING A DELTA OF 06 DEGREES 19 MINUTES 02 SECONDS, A RADIUS OF 1630.00 FEET, A DISTANCE OF 179.72 FEET TO THE POINT OF BEGINNING.

PARCEL B:

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 21 AND A PORTION OF THE NORTH HALF OF SECTION 28, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, AND BEING MONUMENTED AT THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, BEING ASSUMED TO BEAR N00°52'26"W, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°52'26"W, A DISTANCE OF 2645.09 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 21;

THENCE N89°50'58"W ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21, A DISTANCE OF 1109.51 FEET TO THE POINT OF BEGINNING;

THENCE S00°09'02"W, A DISTANCE OF 3962.55 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SECTION 28;

THENCE N89°47'08"W ON SAID SOUTH LINE, A DISTANCE OF 2589.15 FEET;

THENCE N00°12'52"E, A DISTANCE OF 25.00 FEET;

THENCE N89°47'08"W ON A LINE THAT IS 25.00 FEET NORTHERLY OF AND PARALLEL TO SAID SOUTH LINE, A DISTANCE OF 679.35 FEET;

THENCE N44°47'01"W, A DISTANCE OF 42.37 FEET;

THENCE N41°52'38"E, A DISTANCE OF 21.11 FEET;

THENCE N41°03'22"E, A DISTANCE OF 139.03 FEET;

THENCE S89°58'12"W, A DISTANCE OF 288.62 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF EXISTING EASTONVILLE ROAD (60.00 FEET WIDE);

THENCE ALONG THE EASTERLY RIGHT OF WAY LINE OF EASTONVILLE ROAD AS DEFINED BY CERTIFIED BOUNDARY SURVEY AS RECORDED JULY 18, 2001 UNDER RECEPTION NO. 201900096 OF THE RECORDS OF EL PASO COUNTY, COLORADO THE FOLLOWING FIVE (5) COURSES:

1. ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 18°12'30", A RADIUS OF 1630.00 FEET, A LENGTH OF 518.00 FEET, WHOSE CHORD BEARS N01°25'57"E WITH A DISTANCE OF 515.83 FEET TO A POINT OF TANGENT;
2. N07°40'18"W, A DISTANCE OF 777.34 FEET TO A POINT OF CURVE;
3. ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 39°01'10", A RADIUS OF 1770.00 FEET FOR A LENGTH OF 1205.40 FEET TO A POINT OF TANGENT;
4. N31°20'52"E, A DISTANCE OF 1517.37 FEET TO A POINT OF CURVE;
5. ALONG THE ARC OF A CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 02°07'03", A RADIUS OF 1330.00 FEET FOR A LENGTH OF 49.15 FEET TO A POINT ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 21;

THENCE S89°50'58"E ON SAID NORTH LINE, A DISTANCE OF 2526.02 FEET TO THE POINT OF BEGINNING.

PARCEL C:

A TRACT OF LAND BEING A PORTION OF THE SOUTH HALF OF SECTION 22 AND A PORTION OF SECTION 27, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING DESCRIBED AS FOLLOWS:

BASIS OF BEARINGS: THE EAST LINE OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO, BEING MONUMENTED AT THE SOUTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, AND BEING MONUMENTED AT THE NORTHEAST CORNER BY A 3-1/4" ALUMINUM SURVEYORS CAP STAMPED ACCORDINGLY, PLS 30087, BEING ASSUMED TO BEAR N00°52'26"W, A DISTANCE OF 5290.17 FEET.

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 21, TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH PRINCIPAL MERIDIAN, EL PASO COUNTY, COLORADO;

THENCE N00°52'26"W, A DISTANCE OF 2645.09 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 21;

THENCE N89°41'03" ON THE NORTH LINE OF THE SOUTH HALF OF SAID SECTION 22, A DISTANCE OF 701.60 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE N89°41'03"E ON SAID NORTH LINE, A DISTANCE OF 3236.58 FEET;

THENCE S00°41'58"E ON THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22, A DISTANCE OF 2117.66 FEET TO A POINT ON THE NORTHWESTERLY RIGHT OF WAY LINE OF THE ROCK ISLAND REGIONAL TRAIL AS GRANTED TO EL PASO COUNTY IN THAT WARRANTY DEED RECORDED OCTOBER 21, 1994 IN BOOK 6548 AT PAGE 892 OF THE RECORDS OF EL PASO COUNTY, COLORADO;

THENCE ON SAID NORTHWESTERLY RIGHT OF WAY THE FOLLOWING FIVE (5) COURSES:

1. S45°55'49"W, A DISTANCE OF 758.36 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 22;
2. N89°38'08"E, A DISTANCE OF 36.18 FEET;
3. S45°55'49"W, A DISTANCE OF 8818.92 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 27;
4. S89°39'01"W ON SAID NORTH LINE, A DISTANCE OF 36.17 FEET;
5. S45°55'49"W, A DISTANCE OF 344.32 FEET TO THE NORTHEASTERLY CORNER OF A PARCEL OF LAND AS RECORDED UNDER RECEPTION NO. 205132124 OF SAID RECORDS;

THENCE N72°01'49"W ON THE NORTH LINE OF SAID PARCEL, A DISTANCE OF 389.16 TO THE NORTHWESTERLY CORNER OF SAID PARCEL AND BEING A POINT ON THE EASTERLY LINE OF SAID SECTION 28;

THENCE N00°21'45"W ON THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 115.65 FEET TO THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER;

THENCE N00°21'38"W ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 28, A DISTANCE OF 1319.24 TO THE SOUTH LINE OF THE NORTH HALF OF THE NORTH HALF OF SAID SECTION 28;

THENCE S89°47'08"E, A DISTANCE OF 642.53 FEET;

THENCE N00°09'02"E, A DISTANCE OF 3970.28 FEET TO THE POINT OF BEGINNING.

Water Rights Exchange Agreement

This Water Rights Exchange Agreement ("Agreement") is entered into this ____ day of _____, 2018 between 4 Site Investments, LLC, a Colorado limited liability company ("4 Site"), and Spring Creek, LLC, a Colorado limited liability company ("Spring Creek"), referred to herein collectively as the "parties" or individually as a "party."

In consideration of the mutual promises and agreements made herein, the receipt and value of which are expressly acknowledged, the parties hereby enter this Agreement pursuant to the following terms and conditions:

1. Water Rights Conveyances. The water rights conveyances described below, each to be made by a separate special warranty deed and warranted to be owned by the respective parties free of any and all encumbrances and liens, are based on a 100-year aquifer life:

a. 4 Site shall convey to Spring Creek the following:

50,000 acre-feet of groundwater in the Arapahoe aquifer underlying the land as (1) described in Exhibit A to the Colorado Ground Water Commission Findings and Order, Determination No. 511-BD, dated July 22, 2004 and recorded with the El Paso County Clerk and Recorder's office on September 10, 2004, Reception No. 204153948, and (2) changed and amended by Colorado Ground Water Commission Findings and Order No. 511-BD, dated December 3, 2008 and recorded on December 10, 2008 at Reception No. 208130577 of said records, all as quantified in and subject to the terms and provisions of said Groundwater Determination No. 511-BD as so amended.

This is a conveyance of 50,000 acre feet of the 190,000 acre feet of groundwater that 4 Site owns in the Arapahoe aquifer under the above Determination 511-BD. Except for the groundwater rights to be received under this Exchange Agreement, 4 Site disclaims to the benefit of Spring Creek all other Denver Basin groundwater underlying or related to its property purchased from Farm Credit of Southern Colorado, PCA, as described in the Sheriff's Confirmation Deed recorded March 22, 2013 at Reception No. 213037411 of the El Paso County Recorder's Office.

b. Spring Creek shall convey to 4 Site the following:

20,000 acre-feet of Non-Tributary groundwater in the Dawson aquifer underlying the land in Area B, Exhibit B, and described in Exhibit A to the Colorado Ground Water Commission Findings and Order, Determination No. 513-BD dated July 22, 2004 and recorded with the El Paso County Clerk and Recorder's office on September 10, 2004, Reception No. 204153949, all as quantified in and subject to the terms and provisions of said Groundwater Determination No. 513-BD.

5,000 acre-feet of Not Non-Tributary groundwater in the Dawson aquifer underlying the land in Area C, Exhibit B, and described in Exhibit A to the

Colorado Ground Water Commission Findings and Order, Determination No. 513-BD dated July 22, 2004 and recorded with the El Paso County Clerk and Recorder's office on September 10, 2004, Reception No. 204153949, all as quantified in and subject to the terms and provisions of said Groundwater Determination No. 513-BD.

Such conveyances between the parties shall be made no later than October 31, 2018 and recorded with the El Paso County Clerk and Recorder.

2. **1031 Exchange.** The equal exchange of the properties contemplated herein are each a part of an integrated, interdependent, mutual and reciprocal plan. Each party intends to structure the exchange of their respective investment property as a tax deferred exchange pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended. Each party agrees to cooperate with each other in structuring this transaction in compliance with the rules and regulations governing tax deferred exchanges. The closing shall occur as directed by the parties to comply with the parties' intent to structure the proposed transaction as an exchange.

3. **Disclaimer.** Notwithstanding any other provision of this Agreement, the water to be exchanged between the parties is being conveyed "as is" and neither party warrants (a) the suitability or quality of the water to be exchanged for any particular purpose or use, (b) the physical aquifer production or the aquifer life, or (c) water quality of the groundwater from aquifers.

4. **Integration; Amendment.** This Agreement constitutes the entire agreement between the parties, and all prior negotiations and agreements concerning the subject matter of this Agreement are considered merged herein. This Agreement shall not be amended except by a separate written agreement that is signed by both parties.

5. **Headings.** The headings used in this Agreement are descriptive and for convenience only; they are not considered part of this Agreement and shall not be relied on to construe or interpret the terms and conditions herein.

6. **Execution; Authority to Bind.** This Agreement may be executed in counterparts, each of which shall be deemed an original but which collectively shall be considered one Agreement. The signatories to this Agreement represent that they have the requisite authority to bind the parties to the terms and conditions of this Agreement.

IN WITNESS HEREOF, the parties hereby enter into this Agreement as of the date first set forth above.

4 Site Investments, LLC ("4 Site")

Peter R. Martz, Manager

Paul Howard, Manager

Spring Creek, LLC ("Spring Creek")

Tracy Lee, Manager



Linda Johnson - Conne, Manager

IN WITNESS HEREOF, the parties hereby enter into this Agreement as of the date first set forth above.

4 Site Investments, LLC ("4 Site")

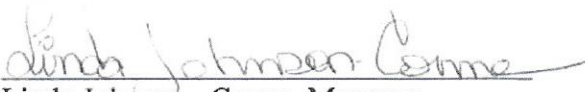
Peter R. Martz, Manager

Paul Howard, Manager

Spring Creek, LLC ("Spring Creek")



Tracy Lee, Manager



Linda Johnson - Conne, Manager

**SPECIAL WARRANTY DEED
(Water Rights)**

THIS DEED is made this 1st day of November, 2018_ between 4 Site Investments, LLC, a Colorado limited liability company ("Grantor") and Spring Creek, LLC, a Colorado limited liability company ("Grantee").

WITNESSETH, that the Grantor, in consideration of funds paid in hand and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey and confirm, unto the Grantee, its heirs and assigns forever, the groundwater, rights to extract groundwater, and ground water rights, being in the County of El Paso, State of Colorado, described as follows:

50,000 acre-feet of groundwater based on a 100-year supply, or an average of 500 acre-feet annually, in the Arapahoe aquifer, underlying the land as (1) described in Exhibit A to the Colorado Ground Water Commission Findings and Order, Determination No. 511-BD, dated July 22, 2004 and recorded with the El Paso County Clerk and Recorder's office on September 10, 2004, Reception No. 204153948, and (2) changed and amended by Colorado Ground Water Commission Findings and Order No. 511-BD, dated December 3, 2008 and recorded on December 10, 2008 at Reception No. 208130577 of said records, all as quantified in and subject to the terms and provisions of said Groundwater Determination No. 511-BD as so amended.

This is a conveyance of 50,000 acre feet of the 190,000 acre feet of groundwater that Grantor owns in the Arapahoe aquifer under the above Determination 511-BD. Except for the groundwater rights to be received by Grantor from Grantee by the contemporaneous Special Warranty Deed of even date, Grantor disclaims to the benefit of Grantee all other Denver Basin groundwater underlying or related to its property purchased from Farm Credit of Southern Colorado, PCA, as described in the Sheriff's Confirmation Deed recorded March 22, 2013 at Reception No. 213037411 of the El Paso County Recorder's Office.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the Grantor, either in law or equity, of, in, and to the above water rights, with the hereditaments and appurtenances, warranted by Grantor to be owned by Grantor free and clear of any and all encumbrances and liens.

TO HAVE AND TO HOLD the said water rights above bargained and described with the appurtenances, unto the Grantee, its heirs and assigns forever. The Grantor, for itself, its heirs and personal representatives or successors, does covenant and agree that it shall and will WARRANT AND FOREVER DEFEND the above-bargained water rights in the quiet and peaceable possession of the Grantee, its heirs and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the Grantor.

Chuck Broerman

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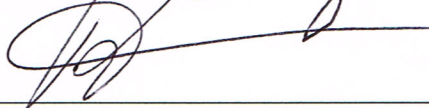
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IN WITNESS HEREOF, the Grantor has executed this deed on the date set forth above.

4 SITE INVESTMENTS, LLC
A Colorado limited liability company



Peter R. Martz, Manager



Paul Howard, Manager

County of El Paso)
) ss.
State of Colorado)

The foregoing SPECIAL WARRANTY DEED (Water Rights) was acknowledged before me this
1 day of November, 2018 by Peter R. Martz, Manager, and Paul Howard, Manager, 4 Site
Investments, LLC, a Colorado limited liability company.

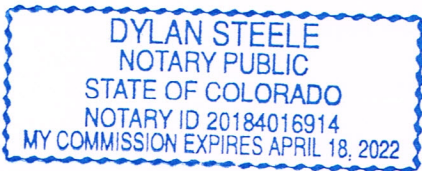
Witness my hand and official seal.

My commission expires April 18, 2022.



Notary Public

[SEAL]



COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER

IN THE MATTER OF AN APPLICATION FOR CHANGE OF WATER RIGHT TO CHANGE THE
TYPE AND PLACE OF USE OF GROUND WATER - FOR DETERMINATION OF WATER
RIGHT NO. 510-BD

APPLICANT: SPRING CREEK LLC AND FOUR WAY RANCH GENERAL PARTNERSHIP

AQUIFER: LARAMIE-FOX HILLS

EXHIBIT C

FINDINGS

In compliance with Section 37-90-111(1)(g), C.R.S., Spring Creek LLC and Four Way Ranch General Partnership (hereinafter "applicants") submitted an application for a change of determination of water right to change the allowed type and place of use of ground water under Determination of Water Right No. 510-BD. Based upon information provided by the applicant and the records of the Division of Water Resources, the Colorado Ground Water Commission (hereinafter "Commission") finds as follows:

1. Pursuant to Section 37-90-107(7), C.R.S., in a Commission Findings and Order dated July 22, 2004, the Commission approved a Determination of Water Right for Four Way Ranch Partnership/Spring Creek, LLC, assigned Determination No. 510-BD. This determination of water right allows the withdrawal of ground water from the Laramie-Fox Hills Aquifer (hereinafter "aquifer"), underlying 8,095 acres, generally described as the W1/2 of Section 1; Sections 2 and 3; the E1/2, the SE1/4 of the NW1/4, the SW1/4 of the SW1/4, and the E1/2 of the SW1/4 of Section 4; the E1/2, a portion of the E1/2 of the W1/2, and the NW1/4 of the NW1/4 of Section 9; Sections 10 and 11; that part of Sections 12, 13, and 14, located northwest of the Highway 24 right-of-way; the NW1/4 and the W1/2 of the SW1/4 of Section 15; most of the E1/2 of Section 16; the E1/2, a portion of the E1/2 of the NW1/4, and a portion of the SW1/4 of Section 21; that part of Sections 22, 23, and 27 located northwest of the Highway 24 right-of-way; the NE1/4 and a portion of the W1/2 of Section 28; a portion of the SE1/4 of Section 29; the N1/2 of the NE1/4 and a portion of the NE1/4 of the NW1/4 of Section 32; and that part of the N1/2 of the NW1/4 of Section 33 located northwest of the Highway 24 right-of-way; all in Township 12 South, Range 64 West of the 6th Principal Meridian, in El Paso County. This area is more completely described in Exhibit A of the above described Findings and Order.
2.
 - a. In accordance with the above Order, the allowed average annual amount of ground water to be withdrawn from the aquifer shall not exceed 2,429 acre-feet.
 - b. The place of use for this allocation of ground water is the above-described 8,095-acre overlying land area.
 - c. The allowed beneficial uses for this allocation are as follows: domestic, livestock watering, lawn irrigation, commercial, industrial and replacement supply.
3. Pursuant to Section 37-90-107(7)(c)(III), C.R.S., an approved determination of water right shall be considered a final determination of the amount of ground water so determined, subject to adjustment by the Commission to conform to actual site-specific aquifer characteristics.

ROBERT C. "BOB" BALINK El Paso County, CO

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4. By an application for change of determination of water right received complete by the Commission on October 9, 2008, the applicants have requested:
 - a. To change the place of use of the subject determination of water right so as to include the service area of Woodmen Hills Metropolitan District service area boundaries. The service area of Woodmen Hills Metropolitan District is located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin.
 - b. To change the type of use so as to include municipal by the Four-Way Ranch Metropolitan District (the service area of which is located within the 8,905 acres originally approved as a place of use), and municipal use by the Woodmen Hills Metropolitan District.
 - c. To change the type of use to include augmentation.
5. In accordance with Section 37-90-112(1) and Section 37-90-111(1)(g), C.R.S., the requested change of determination of water right was published in the Ranchland News newspaper on October 23 and 30, 2008.
6. No objections to the proposed change were received within the time limit set by statute.
7. In accordance with Section 37-90-111(1)(g), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, the Colorado Ground Water Commission finds that the proposed change of determination of water right will not cause material injury to the existing rights of other appropriators within the Upper Black Squirrel Creek Designated Ground Water Basin, subject to the conditions stated in the following Order.

ORDER

Now, therefore, the Colorado Ground Water Commission orders that the application for change of water right to change the type and place of use of ground water for Determination of Water Right No. 510-BD is approved, subject to the following conditions:

8. The place of use is limited to the 8,905 acres originally approved as a place of use, and the service area of the Woodmen Hills Metropolitan District. The approved service area of Woodmen Hills Metropolitan District must be located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin.
9. The type of use is limited to domestic, livestock watering, lawn irrigation, commercial, industrial, replacement, augmentation and municipal by the Four-Way Ranch Metropolitan District and the Woodmen Hills Metropolitan District.
10. The Commission's Findings and Order of July 22, 2004, for Determination of Water Right No. 510-BD, is hereby amended to incorporate the above change. All other terms and conditions in the Findings and Order for Determination of Water Right No. 510-BD shall remain in full force and effect.

Applicant: Spring Creek LLC and Four Way Ranch General Partnership
Aquifer: Laramie-Fox Hills
Determination No.: 510-BD

Page 3

Dated this 3rd day of December, 2008.



Dick Wolfe, P.E.
Executive Director
Colorado Ground Water Commission

By: 

Keith Vander Horst, P.E.
Water Resource Engineer

Prepared by: MAP

**COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER**

IN THE MATTER OF AN APPLICATION FOR DETERMINATION OF WATER RIGHT TO
ALLOW THE WITHDRAWAL OF GROUND WATER IN THE UPPER BLACK SQUIRREL CREEK
DESIGNATED GROUND WATER BASIN

APPLICANT: FOUR WAY RANCH PARTNERSHIP / SPRING CREEK LLC

AQUIFER: LARAMIE-FOX HILLS

DETERMINATION NO.: **510-BD**

In compliance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, Four Way Ranch Partnership / Spring Creek, L.L.C., (hereinafter "applicant") submitted an application for determination of water right to allow the withdrawal of designated ground water from the Laramie-Fox Hills Aquifer.

FINDINGS

1. The application was received complete by the Colorado Ground Water Commission on September 10, 2003.
2. The applicant requests a determination of rights to designated ground water in the Laramie-Fox Hills Aquifer (hereinafter "aquifer") underlying 8,095 acres, generally described as the W1/2 of Section 1; Sections 2 and 3; the E1/2, the SE1/4 of the NW1/4, the SW1/4 of the SW1/4, and the E1/2 of the SW1/4 of Section 4; the E1/2, a portion of the E1/2 of the W1/2, and the NW1/4 of the NW1/4 of Section 9; Sections 10 and 11; that part of Sections 12, 13, and 14, located northwest of the Highway 24 right-of-way; the NW1/4 and the W1/2 of the SW1/4 of Section 15; most of the E1/2 of Section 16; the E1/2, a portion of the E1/2 of the NW1/4, and a portion of the SW1/4 of Section 21; that part of Sections 22, 23, and 27 located northwest of the Highway 24 right-of-way; the NE1/4 and a portion of the W1/2 of Section 28; a portion of the SE1/4 of Section 29; the N1/2 of the NE1/4 and a portion of the NE1/4 of the NW1/4 of Section 32; and that part of the N1/2 of the NW1/4 of Section 33 located northwest of the Highway 24 right-of-way; all in Township 12 South, Range 64 West of the 6th Principal Meridian, in El Paso County. According to a signed statement dated June 23, 2003, the applicant owns the 8,095 acres of land, as further described in said affidavit which is attached hereto as Exhibit A, and claims control of the ground water in the aquifer underlying this land area.
3. The proposed annual amount of ground water to be allocated and withdrawn from the aquifer for intended beneficial uses is the maximum allowable amount.
4. The above described land area overlying the ground water claimed by the applicant is located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin and within the Upper Black Squirrel Creek Ground Water Management District. The Colorado Ground Water Commission (hereinafter "Commission") has jurisdiction.

Robert C. Balink El Paso Cty, CO

09/10/2004

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5. The applicant intends to apply the allocated ground water to the following beneficial uses: domestic, livestock watering, lawn irrigation, commercial, industrial and replacement supply. The applicant's proposed place of use of the allocated ground water is the above described 8,095 acre land area.
6. The quantity of water in the aquifer underlying the 8,095 acres of land claimed by the applicant is 242,850 acre-feet. This determination was based on the following as specified in the Designated Basin Rules:
 - a. The average specific yield of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 15 percent.
 - b. The average thickness of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 200 feet.
7. At this time, there is no substantial artificial recharge that would affect the aquifer within a one hundred year period.
8. Pursuant to Section 37-90-107(7), C.R.S., and in accordance with the Designated Basin Rules, the Commission shall allocate ground water in the aquifer based on ownership of the overlying land and an aquifer life of one hundred years. Therefore, the maximum average annual amount of ground water in the aquifer that may be allocated for withdrawal pursuant to the data in the paragraphs above for the 8,095 acres of overlying land claimed by the applicant is 2,429 acre-feet.
9. The ability of wells permitted to withdraw the authorized amount of water from this non-renewable aquifer may be less than the one hundred years upon which the amount of water in the aquifer is allocated, due to anticipated water level declines.
10. In accordance with Rule 5.3.6 of the Designated Basin Rules, it has been determined that withdrawal of ground water from the aquifer underlying the 8,095 acres of land claimed by the applicant will not, within one hundred years, deplete the flow of a natural stream or its alluvial aquifer at an annual rate greater than one-tenth of one percent of the annual rate of withdrawal and, therefore, the ground water is nontributary ground water as defined in Rule 4.2.19 of the Designated Basin Rules. No more than 98% of the amount of ground water withdrawn annually shall be consumed, as required by the Designated Basin Rules.
11. A review of the records in the Office of the State Engineer has disclosed that none of the water in the aquifer underlying the land claimed by the applicant has been previously allocated or permitted for withdrawal.
12. Pursuant to Section 37-90-107(7)(c)(III), C.R.S., an approved determination of water right shall be considered a final determination of the amount of ground water so determined; except that the Commission shall retain jurisdiction for subsequent adjustment of such amount to conform to the actual local aquifer characteristics from adequate information obtained from well drilling or test holes.

13. In accordance with Section 37-90-107(7), C.R.S., upon Commission approval of a determination of water right, well permits for wells to withdraw the authorized amount of water from the aquifer shall be available upon application, subject to the conditions of this determination and the Designated Basin Rules and subject to approval by the Commission.
14. On February 4, 2004, in accordance with Rule 9.1 of the Designated Basin Rules, a letter was sent to the Upper Black Squirrel Creek Ground Water Management District requesting written recommendations concerning this application. No written recommendations from the district were received.
15. The Commission Staff has evaluated the application relying on the claims to control of the ground water in the aquifer made by the applicant.
16. In accordance with Sections 37-90-107(7) and 37-90-112, C.R.S., the application was published in the Gazette newspaper on February 12 and 19, 2004.
17. No objections to the determination of water right and proposed allocation of ground water were received within the time limit set by statute.
18. In order to prevent unreasonable impairment to the existing water rights of others within the Upper Black Squirrel Creek Designated Ground Water Basin it is necessary to impose conditions on the determination of water right and proposed allocation of ground water. Under conditions as stated in the following Order, no unreasonable impairment of existing water rights will occur from approval of this determination of water right or from the issuance of well permits for wells to withdraw the authorized amount of allocated ground water from the aquifer.

ORDER

In accordance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, the Colorado Ground Water Commission orders that the application for determination of rights to designated ground water in the Laramie-Fox Hills Aquifer underlying 8,095 acres of land, generally described as the W1/2 of Section 1; Sections 2 and 3; the E1/2, the SE1/4 of the NW1/4, the SW1/4 of the SW1/4, and the E1/2 of the SW1/4 of Section 4; the E1/2, a portion of the E1/2 of the W1/2, and the NW1/4 of the NW1/4 of Section 9; Sections 10 and 11; that part of Sections 12, 13, and 14, located northwest of the Highway 24 right-of-way; the NW1/4 and the W1/2 of the SW1/4 of Section 15; most of the E1/2 of Section 16; the E1/2, a portion of the E1/2 of the NW1/4, and a portion of the SW1/4 of Section 21; that part of Sections 22, 23, and 27 located northwest of the Highway 24 right-of-way; the NE1/4 and a portion of the W1/2 of Section 28; a portion of the SE1/4 of Section 29; the N1/2 of the NE1/4 and a portion of the NE1/4 of the NW1/4 of Section 32; and that part of the N1/2 of the NW1/4 of Section 33 located northwest of the Highway 24 right-of-way; all in Township 12 South, Range 64 West of the 6th Principal Meridian, is approved subject to the following conditions:

19. The allocated average annual amount of ground water to be withdrawn from the aquifer shall not exceed 2,429 acre-feet. The allowed maximum annual amount of withdrawal may exceed the allowed average annual amount of withdrawal as long as the total volume of water withdrawn does not exceed the product of the number of years since the date of approval of this determination times the allowed average annual amount of withdrawal.
20. To conform to actual aquifer characteristics, the Commission may adjust the allocated average annual amount of ground water to be withdrawn from the aquifer based on analysis of geophysical logs or other site-specific data if such analysis indicates that the initial estimate of the volume of water in the aquifer was incorrect.
21. No more than 98% of the ground water withdrawn annually shall be consumed. The Commission may require well owners to demonstrate periodically that no more than 98% of the water withdrawn is being consumed.
22. The use of ground water from this allocation shall be limited to the following uses: domestic, livestock watering, lawn irrigation, commercial, industrial and replacement supply. The place of use shall be limited to the above described 8,095 acre land area.
23. The applicant, or subsequent persons controlling this water right, shall record in the public records of the county - in which the claimed overlying land is located - notice of transfer of any portion of this water right to another within sixty days after the transfer, so that a title examination of the above described 8,095 acre land area, or any part thereof, shall reveal the changes affecting this water right. Such notice shall consist of a signed and dated deed which indicates the determination number, the aquifer, a description of the above described land area, the annual amount of ground water (acre-feet) transferred, name of the recipient, and the date of transfer.
24. Subject to the above conditions, well permits for wells to withdraw the authorized annual amount of water from the aquifer shall be available upon application subject to approval by the Commission and the following conditions:
 - a. The wells shall be located on the above described 8,095 acre overlying land area.
 - b. The wells must be constructed to withdraw water from only the Laramie-Fox Hills Aquifer. Upon application for a well permit to construct such a well, the estimated top and base of the aquifer at the proposed well location will be determined by the Commission and indicated on the approved well permit. Plain non-perforated casing must be installed, grouted and sealed to prevent diversion of ground water from other aquifers and the movement of ground water between aquifers.
 - c. The entire depth of each well must be geophysically logged prior to installing the casing as set forth in Rule 9 of the Statewide Nontributary Ground Water Rules, 2 CCR 402-7.
 - d. Each well shall be constructed within 200 feet of the location specified on the approved well permit, but must be more than 600 feet from any existing large-capacity well completed in the same aquifer.

- e. The wells may withdraw the allowed average annual amount of water from the aquifer together in any combination. The total combined annual withdrawal of the wells shall not exceed the allowed average annual amount described in this Order.
- f. A totalizing flow meter or other Commission approved measuring device shall be installed on each well and maintained in good working order by the well owner. Annual diversion records shall be collected and maintained by the well owner and submitted to the Commission or the Upper Black Squirrel Creek Ground Water Management District upon their request.
- g. The well owner shall mark the well in a conspicuous place with the permit number and the name of the aquifer. The well owner shall take necessary means and precautions to preserve these markings.
25. A copy of this Findings and Order shall be recorded by the applicant in the public records of the county – in which the claimed overlying land is located - so that a title examination of the above described 8,095 acre overlying land area, or any part thereof, shall reveal the existence of this determination.

Dated this 22nd day of July, 2004.



Hal D. Simpson
Executive Director
Colorado Ground Water Commission

By: 

Suzanne M. Sellers, P.E.
Designated Basins Chief

Prepared by: EBT

FIND-116-04

EXHIBIT A

Page 1 of 21

GWS-1 (Rev, Sept 1996)

STATE OF COLORADO OFFICE OF THE STATE ENGINEER DIVISION OF WATER RESOURCES

NONTRIBUTARY GROUND WATER LANDOWNERSHIP STATEMENT

I (we) Four Way Ranch Partnership/Spring Creek LLC

(Name)

claim and say that I (we) am (are) the owner(s) of the following described property consisting of 8095 acres in the County of El Paso, State of Colorado:

See Attached Legal Description And Map

and, that the ground water sought to be withdrawn from the Laramie Fox Hills aquifer underlying the above-described land has not been conveyed or reserved to another, nor has consent been given to it's withdrawal by another.

Further, I (we) claim and say that I (we) have read the statements made herein; know the contents hereof; and that the same are true to my (our) own knowledge.

<u>W. T. S.</u>	<u>6/23/03</u>
(Signature)	(Date)
<u>Linda Johnson-Conne</u>	<u>6/23/03</u>
(Signature)	(Date)

INSTRUCTIONS:

Please type or print neatly in black ink. This form may be reproduced by photocopy or word processing means. See additional instructions on back.

Legal Description: Parcel 4200000164

That part of N2, N2 lying East of Eastonville Road
Sec. 28-12-64
Total 140 Acres

Legal Description: Parcel 4200000165

SW4, That part of S2N2 Lying east of Eastonville Road, Sec 28-12-64
That Part of SE4 Lying east of Eastonville Road Sec 29-12-64
That Part of N2N2 Lying east of Eastonville Road Sec 32-12-64
That Part of N2NW4 Lying west of CRI & P RY Sec 33-12-64
Total 556 Acres

Legal Description: Parcel 4200000190

W2, SE4, W2NE4, Sec 2-12-64
All EX RD Sec 3-12-64
Total 1268.7 Acres

Legal Description: Parcel 4200000191

E2NE4 Sec 4-12-64
Total 87.3 Acres

Legal Description: Parcel 4200000192

SW4NE4, S2NW4, S2 Sec 10-12-64
Total 440 Acres

Legal Description: Parcel 4200000193

N2NW4, E2, Part of S2NW4, SW4 Lying East of W R/W Line of CO. Road, Sec 9-12-64
E2, Part of NE4NW4 Lying East of W R/W Line of CO Road, Sec 16-12-64
Total 900.7 Acres

Legal Description: Parcel 4200000194

W2 W/MR Sec 1-12-64
E2NE4 Sec 2-12-64
SW4 L/2MR, N2, SE4 EX RD, W/MR Sec 11-12-64
All Lying NW of CRI & P RY W/MR Sec 12-12-64
All Lying NW of CRI & P RY W/MR Sec 13-12-64
All Lying NW of CRI & P RY W/MR Sec 14-12-64
That Part of N2 and of N2S2 Lying NWLY OF R/W OF US HWY 24 W/4MR Sec 23-12-64

EXHIBIT A

Page 3 of 21

W2SW4, NW4 Sec 15-12-64

All Lying NW of R/W CRI & P Sec 22-12-64

That Part of NW4NE4 and of NW4 and of NW2SW4 Lying NW of RW of CRI & P RY
Sec 27-12-64

Total 3631.7 Acres

Legal Description: Parcel 42000000195

R/W of OLD C&S RY, ALL Lying E of R/W Sec 21-12-64

Total 461.0 Acres

Legal Description: Parcel 4204000001

SE4, SW4SW4, E2SW4, SE4NW4, W2NE4, Sec 4-12-64

Total 410.0 Acres

Legal Description Parcel No: 42000000014

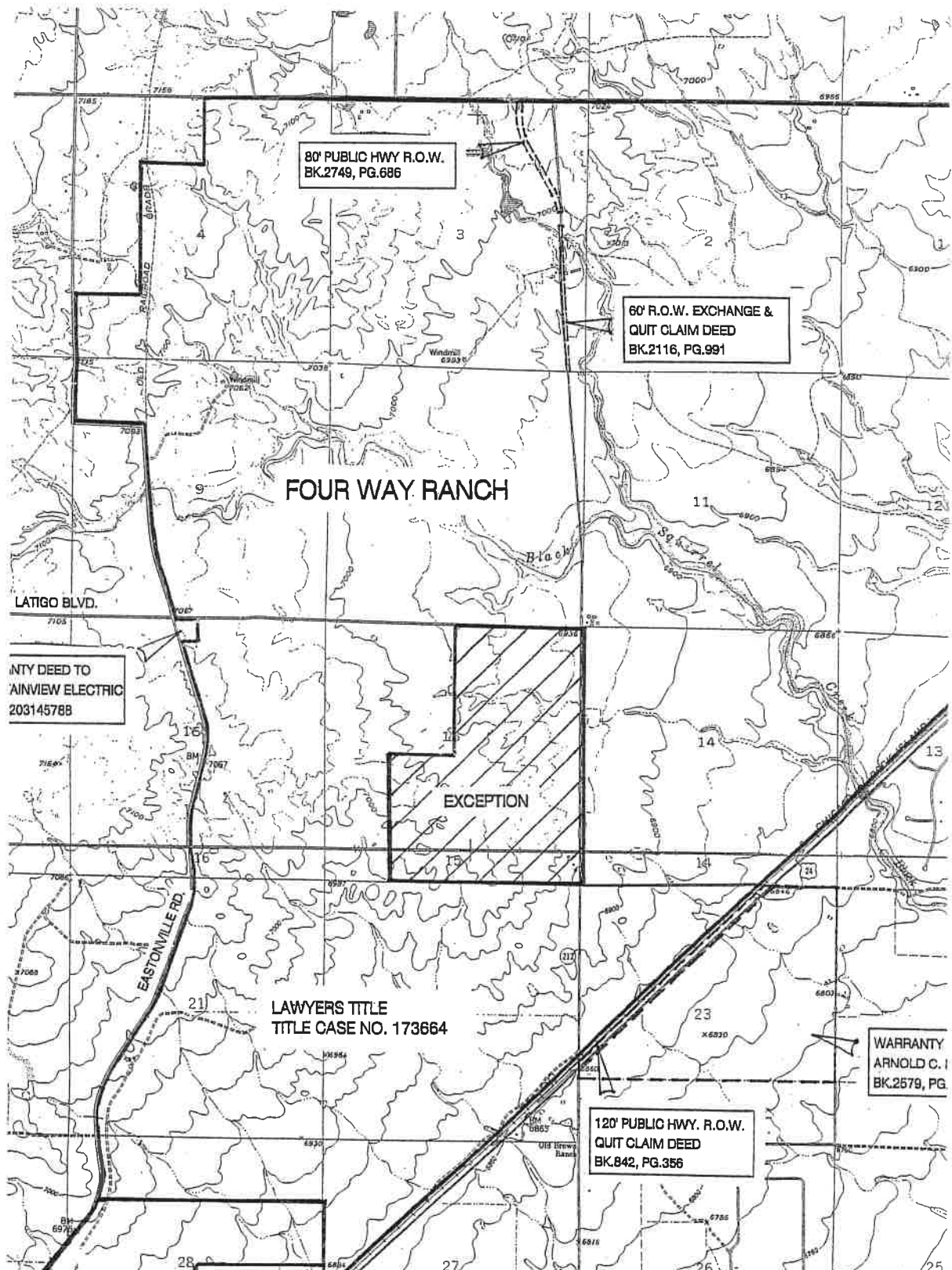
N2N2, SE4NE4 W/MR SEC 10-12-64

Total 200 Acres

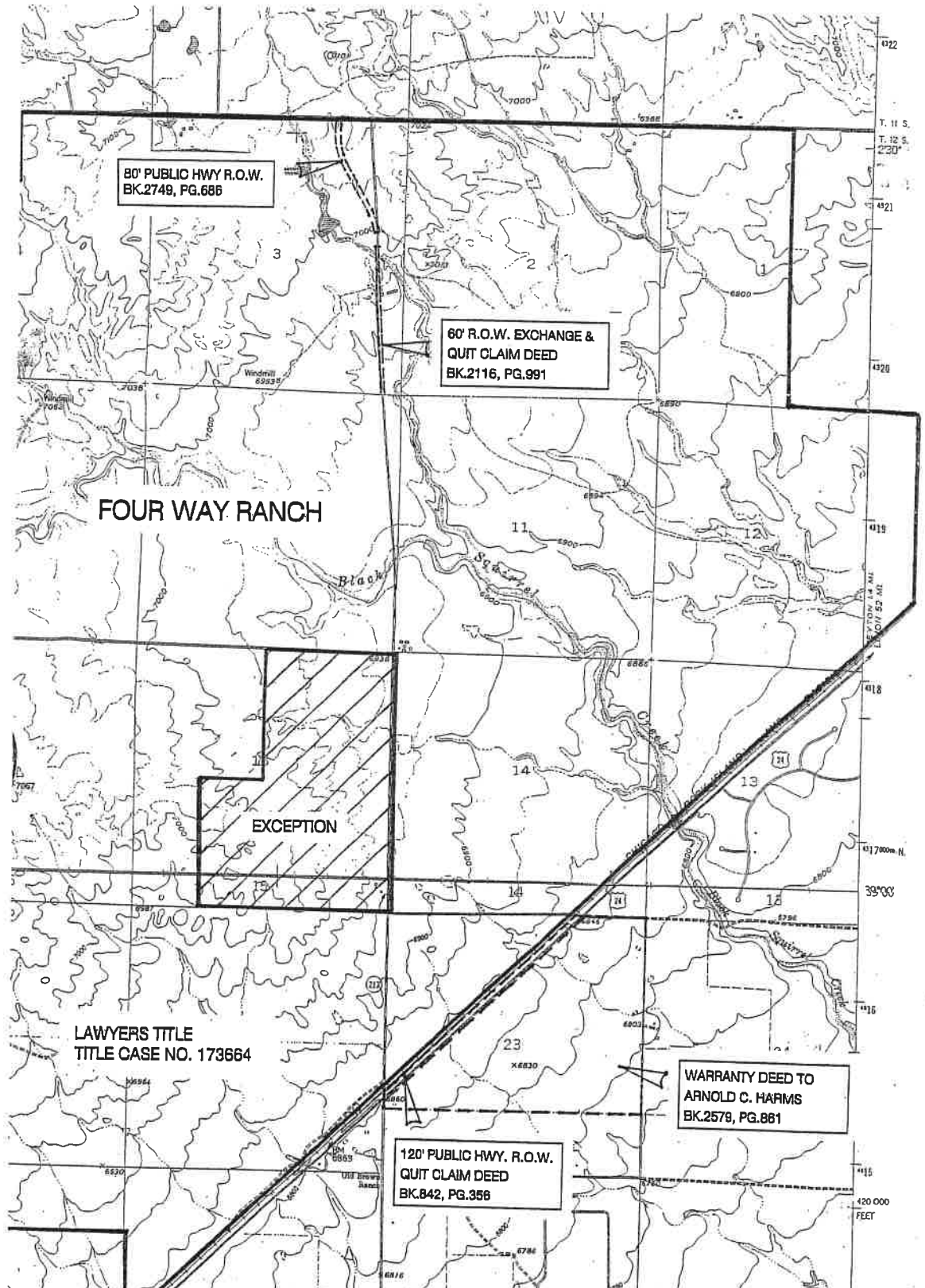
Grand Total 8095 Acres

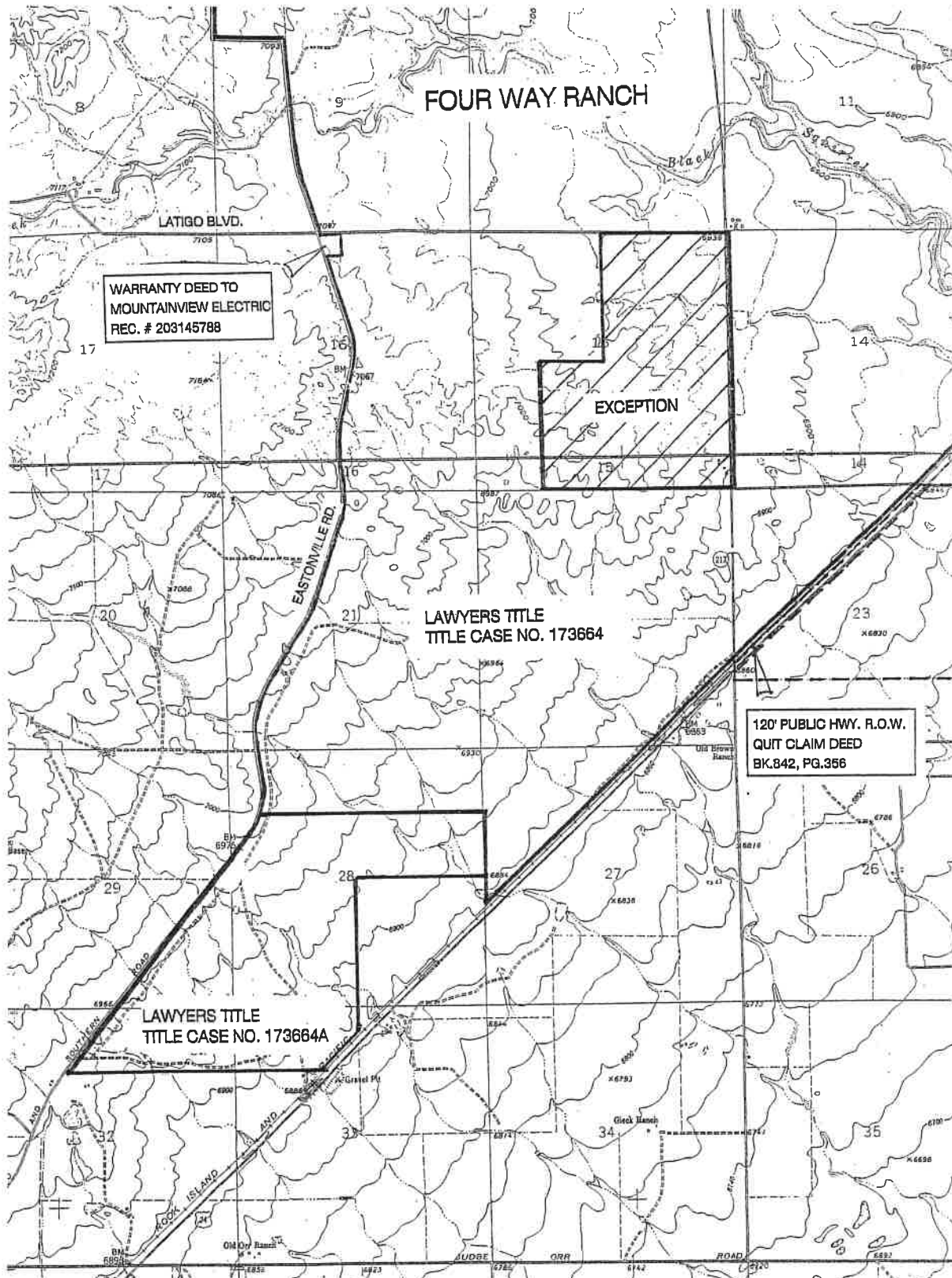
EXHIBIT A

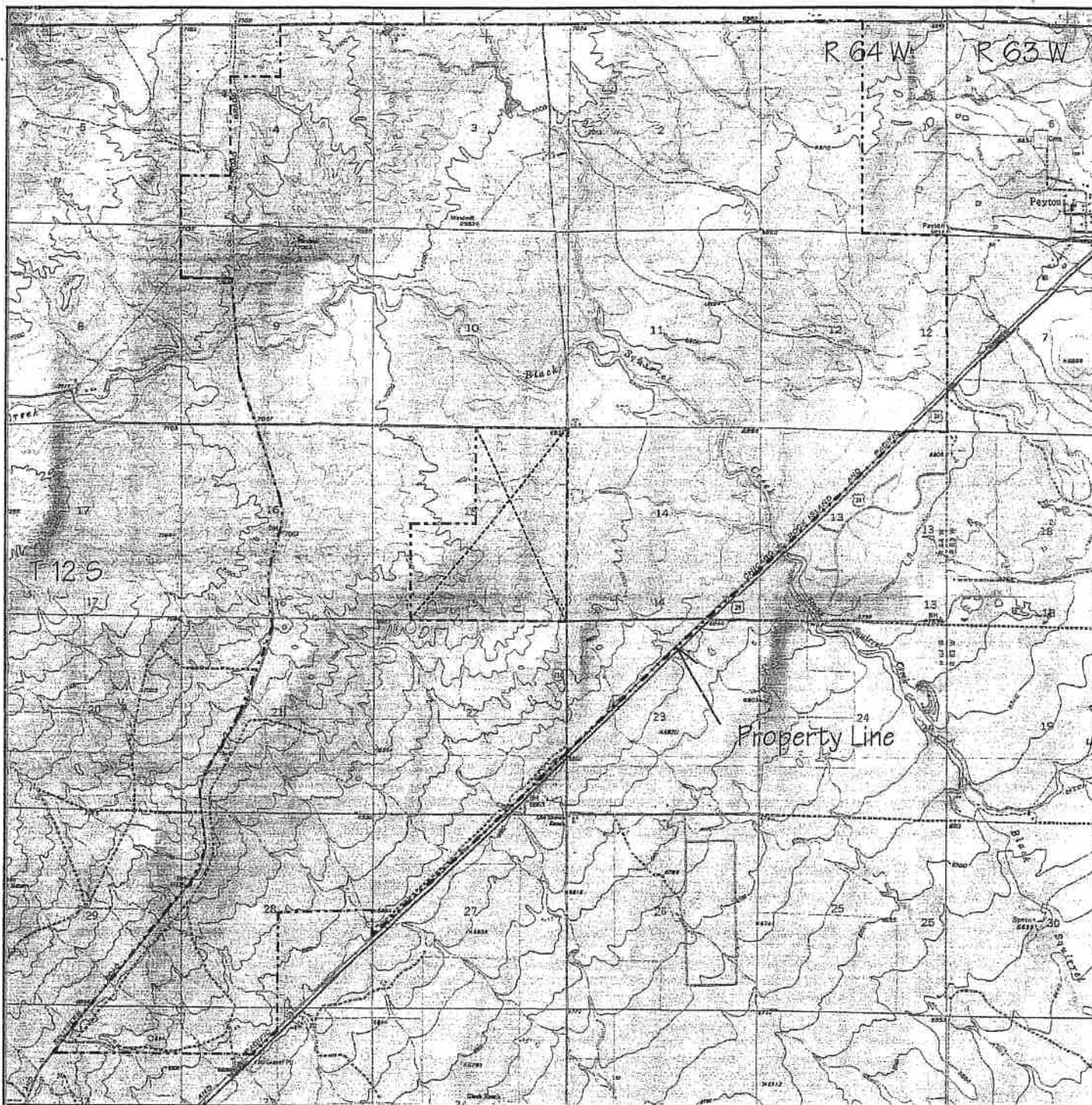
Page 4 of 21



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Location Map

Wm Curtis Wells & Co.
consulting ground water geologists

Figure 1

COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

1. EFFECTIVE DATE: August 4, 2003 at 7:30 a.m. CASE NO. 173664

2. POLICY OR POLICIES TO BE ISSUED:

(a) X ALTA OWNER'S POLICY 1992 AMOUNT \$
ALTA RESIDENTIAL TITLE INSURANCE POLICY-1987 PURCHASE PRICE
PROPOSED INSURED:

A PURCHASER TO BE DETERMINED

(b) ALTA LOAN POLICY, (10-17-92) AMOUNT \$
PROPOSED INSURED:

(c) AMOUNT \$
PROPOSED INSURED:

3. TITLE TO THE FEE SIMPLE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED
TO IN THIS COMMITMENT IS AT THE EFFECTIVE DATE HEREOF VESTED IN :

FOUR WAY RANCH, A COLORADO GENERAL PARTNERSHIP

4. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED ON SCHEDULE A-4 ATTACHED

For title questions, please call Clark Hollis at (719) 475-8850.
For closing questions, please call

This Commitment supersedes Commitment No. 173664 C-6, which is hereby canceled.

Schedule A-Page 1 Commitment No. 173664 C-7 mc
This commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664

SCHEDULE A-4 (DESCRIPTION PAGE)

THE WEST HALF OF SECTION 1;

ALL OF SECTION 2;

ALL OF SECTION 3, EXCEPTING THOSE PORTIONS CONVEYED TO EL PASO COUNTY IN DEEDS RECORDED IN BOOK 2116 AT PAGE 991 AND IN BOOK 2749 AT PAGE 686;

THE SOUTHEAST QUARTER, THE NORTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE EAST HALF OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4;

THE NORTH HALF OF THE NORTHWEST QUARTER, AND THAT PORTION OF THE SOUTH HALF OF THE NORTHWEST QUARTER AND OF THE SOUTHWEST QUARTER LYING EAST OF THE COUNTY ROAD ADJOINING THE RIGHT OF WAY OF THE COLORADO AND SOUTHERN RAILWAY ON THE WEST, AND THE EAST HALF, ALL IN SECTION 9;

ALL OF SECTION 10;

ALL OF SECTION 11;

THE NORTH HALF, THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER LYING NORTH AND WEST OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY ALL IN SECTION 12;

ALL OF SECTION 13 LYING NORTH AND WEST OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY;

THE SOUTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER, THE NORTH HALF AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER LYING NORTH AND WEST OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY, ALL IN SECTION 14;

THE NORTHWEST QUARTER AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 15;

ALL THAT PORTION OF SECTION 16 LYING EAST OF SAID COUNTY ROAD, EXCEPTING THEREFROM, THAT PORTION THEREOF CONVEYED TO MOUNTAIN VIEW ELECTRIC ASSOCIATION, INC. BY DEED RECORDED JUNE 27, 2003 AT RECEPTION NO. 203145788;

THE EAST HALF AND THAT PORTION OF THE WEST HALF OF SECTION 21 LYING EAST OF SAID COUNTY ROAD;

THAT PORTION OF SECTION 22 LYING NORTHWEST OF THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILWAY;

THE NORTH HALF AND THE NORTH HALF OF THE SOUTH HALF OF SECTION 23 EXCEPT THAT PORTION CONVEYED IN WARRANTY DEED RECORDED IN BOOK 2579 AT PAGE 861, AND EXCEPT THAT PORTION

*****CONTINUED**

LEGAL DESCRIPTION
CONTINUED

CASE NO. 173664

CONVEYED TO EL PASO COUNTY IN DEED RECORDED IN BOOK 842 AT PAGE 356, AND EXCEPT ANY PORTION FOUND TO BE LYING WITHIN THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD.

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, AND OF THE NORTHWEST QUARTER, AND OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER LYING NORTHWEST OF THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILWAY ALL IN SECTION 27;

THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 28 AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 28 LYING EAST OF THE COUNTY ROAD (EASTONVILLE ROAD);

ALL IN TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO.

SCHEDULE B--SECTION 1
REQUIREMENTS

CASE NO. 173664

THE FOLLOWING ARE THE REQUIREMENTS TO BE COMPLIED WITH:

- item a PAYMENT TO OR FOR THE ACCOUNT OF THE GRANTORS OR MORTGAGORS OF THE FULL CONSIDERATION FOR THE ESTATE OR INTEREST TO BE INSURED.
- item b PROPER INSTRUMENT(S) CREATING THE ESTATE OR INTEREST TO BE INSURED MUST BE EXECUTED AND FULLY FILED FOR RECORD TO WIT:
 - 1. Warranty Deed from FOUR WAY RANCH, A COLORADO GENERAL PARTNERSHIP vesting fee simple title in the purchaser. (The deed from the partnership must be executed by its general partners, who the public records indicate as being: LINDA D. JOHNSON-CONNE AND W. TRACY LEE, PARTNERS AND CO-MANAGERS.)
- item C Such further requirements as may be deemed necessary by the Company when the identity of the proposed insured has been established to the satisfaction of the Company.

RECORDING FEES: \$1.00 PER DOCUMENT; \$5.00 PER PAGE
TITLE INSURANCE CHARGES: AMOUNT:
OWNER'S POLICY (TBD)

SCHEDULE B-SECTION 1 - COMMITMENT NO. 173664 C-7 mc

This Commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664

SCHEDULE B--SECTION 2
EXCEPTIONS

THE POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY.

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
6. Any and all unpaid taxes, assessments and unredeemed tax sales.
7. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing insurance thereof; water rights, claims or title to water including but not limited to that certain reservation of all minerals, ores and metals of every kind and character and all coal, asphaltum, oil and other like substances in or under said land and the right of ingress and egress for the purpose of mining, together with enough of the surface of same as may be necessary for the proper and convenient working of such minerals and substances as contained in State School Patent recorded in Book 290 at Page 169 and a reservation of all coal as contained in United States Patent recorded in Book 290 at Page 277. (Sections 15 & 16).
8. Any and all ditch and ditch rights, reservoir and reservoir rights, pipelines and all easements and appurtenances thereto including, but not limited to those associated with the Carrick Ditch and pipeline, the Ford White Ditch No. 2, the Hay Creek Reservoir, the Ford White Ditch No. 1, the Railroad Ditch, the Last Chance Ditch and the First Chance Ditch as evidenced in Deeds recorded in Book 1769 at Page 195 and Book 2233 at Page 646.

*****CONTINUED**

Exceptions numbered NONE are hereby omitted.

The Owner's Policy to be issued, if any, shall contain the following items in addition to the ones set forth above:

- (1) The Deed of Trust, if any, required under Schedule B-Section 1, item (b).

SCHEDULE B-SECTION 2 - COMMITMENT NO. 173664 C-7 mc

This commitment is invalid unless the Insuring Provisions and schedules A & B are attached

SCHEDULE B
EXCEPTIONS CONTINUED

CASE NO. 173664

9. Rights of others in and to the continued and uninterrupted flow of Black Squirrel Creek and its tributaries as the same may be found to be coursing through the subject premises.
10. Any right, title, claim or interest of the public in and to any roadway or highway including, but not limited to claims associated with the "Road Order" recorded in Book A at Page 78 and with the right of way of West Scott Road as described in instruments recorded in Book 1810 at Page 396 and recorded November 29, 1997 at Reception No. 97136695.
11. Reservation of 3/4 interest of all oil, gas and other minerals as evidenced in Deed recorded in Book 1688 at Page 500 and in Book 1781 at Page 328. (Section 23)
12. Reservation to the Federal Land Bank of Wichita an undivided one-half interest in and to all oil, gas and mineral rights as contained in Book 1128 at Page 83. Mineral Deed to Lee A. Adams conveying one-fourth interest in and to said minerals recorded in Book 1474 at Page 564 and Mineral Deed to Malco Refineries, Inc. conveying three-sixteenths interest in and to said minerals recorded in Book 1475 at Page 438. Notice of Proper Address and Claim of Interest to perpetuate mineral ownership recorded September 28, 1993 in Book 6269 at Page 1094. Conveyance Assignment and Bill of Sale from Atlantic Richfield Company to Morgan Capital Group recorded in Book 6465 at Page 1485. Quit Claim Deed recorded in connection to said reservation on June 23, 1995 in Book 6671 at Page 147, and Personal Representative's Deed recorded May 29, 1998 at Reception No. 98072480. (N 1/2, N 1/2 S 1/2 Section 23)
13. Reservation of all oil, including the right to enter said land to prospect or drill for oil and the right to remove the same. It is understood that if oil should be found, the grantee (Elisha Baker) herein shall receive 1% royalty as evidenced in Book 598 at Page 239. (Section 1)
14. Reservation of oil, including the right to enter said land to prospect or drill for oil and the right to remove the same. It is understood that if oil should be found, the grantee (R. S. Robinson) herein shall receive 1% royalty as evidenced in Book 658 at Page 202. (Sections 1 and 2)

*****CONTINUED**

SCHEDULE B
EXCEPTIONS CONTINUED

CASE NO. 173664

15. Right of way 50 feet in width for Fidelity Ditch, together with the right to build a headgate or dam across the Black Squirrel Creek recorded in Book 402 at Page 544. (Section 13)
16. Reservation to Arthur H. Norden and Eva Norden an undivided one-half interest in and to all mineral, oil rights in or under said land and the right of ingress and egress contained in Book 1286 at Page 355. Mineral Deed to John E. Stanford recorded in Book 2084 at Page 628. Mineral Deed to Harry Goltz recorded in Book 1996 at Page 707. Quit Claim Deed to Claro Royalty, Inc. recorded in Book 2238 at Page 949. (SW 1/4 Section 11, NW 1/4 Section 14)
17. Conveyance of undivided one-half interest in and to all oil, gas, casinghead gas, gasoline Royalty and Royalty in other minerals that may be mined from subject premises, together with the right of ingress and egress for the purpose of mining, drilling and exploring for a period of 35 years or as long thereafter as oil, gas or other minerals is produced or mined from said lands as evidenced in Deed recorded in Book 1265 at Page 294.
18. Inclusion of the subject property within the Black Squirrel Soil Conservation District as evidenced by Certificate recorded August 13, 1945, in Book 957 at Page 277.
19. Right of Way and/or Easement, given to Mountain View Electric, for electrical purposes, as described in instrument, recorded December 21, 1964 in Book 2049 at Page 890.
20. Right of Way and/or Easement, given to the Mountain States Telephone and Telegraph Company, for communication purposes, as described in instrument, recorded April 2, 1973 in Book 2574 at Page 302. (Section 23)
21. Right of Way and/or Easement, given to Mountain View Electric Association, for electrical purposes, as described in instrument, recorded March 29, 1964 in Book 1852 at Pages 370, 374 and 377, recorded June 24, 1968 in Book 2240 at Page 442 and recorded November 8, 1996 at Reception No. 96142336. (Sections 12, 14, 16, 17 and 23)

*****CONTINUED**

SCHEDULE B
EXCEPTIONS CONTINUED

CASE NO. 173664

22. Right of Way and/or Easement, given to American Telephone and Telegraph Company, for communication purposes, the exact location of which is not specified, recorded October 14, 1963 in Book 1980 at Page 448 and recorded November 18, 1963 in Book 1986 at Page 795. Rule and Order recorded in conjunction therewith on April 24, 1997 at Reception No. 97046029.
23. Right of Way and/or Easement, given to Colorado Telephone Company, for communication purposes, as described in instrument, recorded January 9, 1905 in Book 358 at Page 542. Conveyance to the Mountain States Telephone and Telegraph Company recorded in Book 482 at Page 190.
24. Right of Way for pipeline purposes for the benefit of Diamond Shamrock Pipeline Company the existence of which is evidenced by Rule and Order recorded April 24, 1997 at Reception No. 97046029. (Sections 21 and 28)
25. Terms, conditions, provisions, obligations and easements as contained in and created by Temporary Construction Easement Agreements recorded October 4, 2001 at Reception Nos. 201145336, 201145337 and 201145338. (Sections 10 and 11)
26. Right of Way and/or Easement, given to American Telephone and Telegraph Company, for communication purposes, the exact location of which is not specified, recorded May 7, 1956 in Book 1568 at Pages 568 and 570. (Sections 3 and 4)

Informational Note:

The subject premises appears to be affected by Zoning Resolution recorded in Book 1921 at Page 323.

Colorado Revised Statutes S10-11-122 requires that "every title insurance agent or title insurance company" shall provide, along with each title commitment issued, the following statement:

- (a) That the subject real property may be located in a special taxing district;
- (b) That a certificate of taxes due listing each taxing jurisdiction may be obtained from the county treasurer or the county treasurer's authorized agent;
- (c) That information regarding special districts and the boundaries of such districts may be obtained from the Board of County Commissioners, the County Clerk and Recorder or the County Assessor.

COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

1. EFFECTIVE DATE: August 11, 2003 at 7:30 a.m. CASE NO. 173664A

2. POLICY OR POLICIES TO BE ISSUED:

(a) X ALTA OWNER'S POLICY 1992 AMOUNT \$
ALTA RESIDENTIAL TITLE INSURANCE POLICY-1987 PURCHASE PRICE
PROPOSED INSURED:

A PURCHASER TO BE DETERMINED

(b) ALTA LOAN POLICY, (10-17-92) AMOUNT \$
PROPOSED INSURED:

(c) AMOUNT \$
PROPOSED INSURED:

3. TITLE TO THE FEE SIMPLE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED
TO IN THIS COMMITMENT IS AT THE EFFECTIVE DATE HEREOF VESTED IN :

SPRING CREEK, LLC, A COLORADO LIMITED LIABILITY COMPANY, AS TO PARCEL A;
MERIDIAN MEADOWS, A COLORADO LIMITED PARTNERSHIP, AS TO PARCEL B

4. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED ON SCHEDULE A-4 ATTACHED

For title questions, please call Clark Hollis at (719) 475-8850.
For closing questions, please call

This Commitment supersedes Commitment No. 173664A C-6, which is hereby canceled.

Schedule A-Page 1

Commitment No. 173664A C-7 mc

This commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664A

SCHEDULE A-4 (DESCRIPTION PAGE)

PARCEL A:

THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHWEST QUARTER AND THAT PORTION OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 28 LYING EAST OF THE COUNTY ROAD (EASTONVILLE ROAD); THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 29 LYING EAST OF SAID COUNTY ROAD; THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER AND OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 32 LYING EAST OF SAID COUNTY ROAD, AND THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, LYING NORTH AND WEST OF THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILWAY, ALL IN TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO.

PARCEL B:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 29 IN TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, LYING EAST OF THE COUNTY ROAD (EASTONVILLE ROAD).

SCHEDULE B--SECTION 1
REQUIREMENTS

CASE NO. 173664A

THE FOLLOWING ARE THE REQUIREMENTS TO BE COMPLIED WITH:

- item a PAYMENT TO OR FOR THE ACCOUNT OF THE GRANTORS OR MORTGAGORS OF THE FULL CONSIDERATION FOR THE ESTATE OR INTEREST TO BE INSURED.
- item b PROPER INSTRUMENT(S) CREATING THE ESTATE OR INTEREST TO BE INSURED MUST BE EXECUTED AND FULLY FILED FOR RECORD TO WIT:
 - 1. Warranty Deed from SPRING CREEK, LLC, A COLORADO LIMITED LIABILITY COMPANY vesting fee simple title in the purchaser. (The deed from the company must be executed by its co-managers, who the public records indicate as being: LINDA D. JOHNSON-CONNIE AND W. TRACY LEE, CO-MANAGERS.)
- item c Recordation of a Deed from MERIDIAN MEADOWS, A COLORADO LIMITED PARTNERSHIP, to SPRING CREEK, LLC, A COLORADO LIMITED LIABILITY COMPANY. (As to Parcel B) NOTE: Said Deed must be executed by: see item "d" below.
- item d Recordation of Statement of Authority for MERIDIAN MEADOWS, A COLORADO LIMITED PARTNERSHIP evidencing the existence of the entity and authority of the person authorized to execute and deliver instruments affecting title to real property on behalf of the entity, and containing other information required by CRS 38-30-172.
- item e Such further requirements as may be deemed necessary by the Company when the identity of the proposed insured has been established to the satisfaction of the Company.

RECORDING FEES: \$1.00 PER DOCUMENT; \$5.00 PER PAGE
TITLE INSURANCE CHARGES: AMOUNT:
OWNER'S POLICY (TBD)

SCHEDULE B-SECTION 1 - COMMITMENT NO. 173664A C-7 mc

This Commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664A

SCHEDULE B--SECTION 2
EXCEPTIONS

THE POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY.

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.
4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.
5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
6. Road Order by the Board of Commissioners of El Paso County, Colorado, which provides for public roads, 30 feet in width, adjacent to all exterior section lines recorded in Book A at Page 78.
7. Inclusion of the subject property within the Black Squirrel Soil Conservation District as evidenced by Certificate recorded August 13, 1945, in Book 957 at Page 277.
8. Right of Way and/or Easement, given to Mountain View Electric, for electrical purposes, as described in instrument, recorded December 21, 1964 in Book 2049 at Page 890.
9. Right of Way and/or Easement, given to American Telephone and Telegraph Company, for communication purposes, as described in instrument, recorded November 18, 1963 in Book 1986 at Page 795.
10. Right of Way and/or Easement, given to Colorado Telephone Company, for communication purposes, as described in instrument, recorded January 9, 1905 in Book 358 at Page 542.

*****CONTINUED**

Exceptions numbered NONE are hereby omitted.

The Owner's Policy to be issued, if any, shall contain the following items in addition to the ones set forth above:

- (1) The Deed of Trust, if any, required under Schedule B-Section 1, item (b).
- (2) Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing issuance thereof; water rights, claims or title to water.
- (3) Any and all unpaid taxes, assessments and unredeemed tax sales.

SCHEDULE B-SECTION 2 - COMMITMENT NO. 173664A C-7 mc

This commitment is invalid unless the Insuring Provisions and Schedules A & B are attached

SCHEDULE B
EXCEPTIONS CONTINUED

CASE NO. 173664A

11. Right of Way for pipeline purposes for the benefit of Diamond Shamrock Pipeline Company the existence of which is evidenced by Lis Pendens recorded October 15, 1996 at Reception No. 96131560.
12. Any right, title or interest in favor of Falcon Properties & Investments for property being assessed under El Paso County Schedule No. 42000-00-232.

INFORMATIONAL NOTE:

The subject premises appears to be affected by Zoning Resolution recorded in Book 1921 at Page 323.

COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER

IN THE MATTER OF AN APPLICATION FOR CHANGE OF WATER RIGHT TO CHANGE THE
TYPE AND PLACE OF USE OF GROUND WATER - FOR DETERMINATION OF WATER
RIGHT NO. 511-BD

APPLICANT: SPRING CREEK LLC AND FOUR WAY RANCH GENERAL PARTNERSHIP

AQUIFER: ARAPAHOE

FINDINGS

In compliance with Section 37-90-111(1)(g), C.R.S., Spring Creek LLC and Four Way Ranch General Partnership (hereinafter "applicants") submitted an application for a change of determination of water right to change the allowed type and place of use of ground water under Determination of Water Right No. 511-BD. Based upon information provided by the applicant and the records of the Division of Water Resources, the Colorado Ground Water Commission (hereinafter "Commission") finds as follows:

1. Pursuant to Section 37-90-107(7), C.R.S., in a Commission Findings and Order dated July 22, 2004, the Commission approved a Determination of Water Right for Four Way Ranch Partnership/Spring Creek, LLC, assigned Determination No. 511-BD. This determination of water right allows the withdrawal of ground water from the Arapahoe Aquifer (hereinafter "aquifer"), underlying 8,095 acres, generally described as the W1/2 of Section 1; Sections 2 and 3; the E1/2, the SE1/4 of the NW1/4, the SW1/4 of the SW1/4, and the E1/2 of the SW1/4 of Section 4; the E1/2, a portion of the E1/2 of the W1/2, and the NW1/4 of the NW1/4 of Section 9; Sections 10 and 11; that part of Sections 12, 13, and 14, located northwest of the Highway 24 right-of-way; the NW1/4 and the W1/2 of the SW1/4 of Section 15; most of the E1/2 of Section 16; the E1/2, a portion of the E1/2 of the NW1/4, and a portion of the SW1/4 of Section 21; that part of Sections 22, 23, and 27 located northwest of the Highway 24 right-of-way; the NE1/4 and a portion of the W1/2 of Section 28; a portion of the SE1/4 of Section 29; the N1/2 of the NE1/4 and a portion of the NE1/4 of the NW1/4 of Section 32; and that part of the N1/2 of the NW1/4 of Section 33 located northwest of the Highway 24 right-of-way; all in Township 12 South, Range 64 West of the 6th Principal Meridian, in El Paso County. This area is more completely described in Exhibit A of the above described Findings and Order.
2.
 - a. In accordance with the above Order, the allowed average annual amount of ground water to be withdrawn from the aquifer shall not exceed 2,615 acre-feet.
 - b. The place of use for this allocation of ground water is the above-described 8,095-acre overlying land area.
 - c. The allowed beneficial uses for this allocation are as follows: domestic, livestock watering, lawn irrigation, commercial, industrial and replacement supply.
3. Pursuant to Section 37-90-107(7)(c)(III), C.R.S., an approved determination of water right shall be considered a final determination of the amount of ground water so determined, subject to adjustment by the Commission to conform to actual site-specific aquifer characteristics.

ROBERT C. "BOB" BALINK El Paso County, CO

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4. By an application for change of determination of water right received complete by the Commission on October 9, 2008, the applicants have requested:
 - a. To change the place of use of the subject determination of water right so as to include the service area of Woodmen Hills Metropolitan District service area boundaries. The service area of Woodmen Hills Metropolitan District is located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin.
 - b. To change the type of use so as to include municipal by the Four-Way Ranch Metropolitan District (the service area of which is located within the 8,905 acres originally approved as a place of use), and municipal use by the Woodmen Hills Metropolitan District.
 - c. To change the type of use to include augmentation.
5. In accordance with Section 37-90-112(1) and Section 37-90-111(1)(g), C.R.S., the requested change of determination of water right was published in the Ranchland News newspaper on October 23 and 30, 2008.
6. No objections to the proposed change were received within the time limit set by statute.
7. In accordance with Section 37-90-111(1)(g), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, the Colorado Ground Water Commission finds that the proposed change of determination of water right will not cause material injury to the existing rights of other appropriators within the Upper Black Squirrel Creek Designated Ground Water Basin, subject to the conditions stated in the following Order.

ORDER

Now, therefore, the Colorado Ground Water Commission orders that the application for change of water right to change the type and place of use of ground water for Determination of Water Right No. 511-BD is approved, subject to the following conditions:

8. The place of use is limited to the 8,905 acres originally approved as a place of use, and the service area of the Woodmen Hills Metropolitan District. The approved service area of Woodmen Hills Metropolitan District must be located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin.
9. The type of use is limited to domestic, livestock watering, lawn irrigation, commercial, industrial, replacement, augmentation and municipal by the Four-Way Ranch Metropolitan District and the Woodmen Hills Metropolitan District.
10. The Commission's Findings and Order of July 22, 2004, for Determination of Water Right No. 511-BD, is hereby amended to incorporate the above change. All other terms and conditions in the Findings and Order for Determination of Water Right No. 511-BD shall remain in full force and effect.


Applicant: Spring Creek LLC and Four Way Ranch General Partnership
Aquifer: Arapahoe
Determination No.: 511-BD

Page 3

Dated this 3rd day of December, 2008.



Dick Wolfe, P.E.
Executive Director
Colorado Ground Water Commission

By: 

Keith Vander Horst, P.E.
Water Resource Engineer

Prepared by: MAP

**COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER**

IN THE MATTER OF AN APPLICATION FOR DETERMINATION OF WATER RIGHT TO
ALLOW THE WITHDRAWAL OF GROUND WATER IN THE UPPER BLACK SQUIRREL CREEK
DESIGNATED GROUND WATER BASIN

APPLICANT: FOUR WAY RANCH PARTNERSHIP / SPRING CREEK LLC

AQUIFER: ARAPAHOE

DETERMINATION NO.: 511-BD

In compliance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, Four Way Ranch Partnership / Spring Creek, L.L.C., (hereinafter "applicant") submitted an application for determination of water right to allow the withdrawal of designated ground water from the Arapahoe Aquifer.

FINDINGS

1. The application was received complete by the Colorado Ground Water Commission on September 10, 2003.
2. The applicant requests a determination of rights to designated ground water in the Arapahoe Aquifer (hereinafter "aquifer") underlying 8,095 acres, generally described as the W1/2 of Section 1; Sections 2 and 3; the E1/2, the SE1/4 of the NW1/4, the SW1/4 of the SW1/4, and the E1/2 of the SW1/4 of Section 4; the E1/2, a portion of the E1/2 of the W1/2, and the NW1/4 of the NW1/4 of Section 9; Sections 10 and 11; that part of Sections 12, 13, and 14, located northwest of the Highway 24 right-of-way; the NW1/4 and the W1/2 of the SW1/4 of Section 15; most of the E1/2 of Section 16; the E1/2, a portion of the E1/2 of the NW1/4, and a portion of the SW1/4 of Section 21; that part of Sections 22, 23, and 27 located northwest of the Highway 24 right-of-way; the NE1/4 and a portion of the W1/2 of Section 28; a portion of the SE1/4 of Section 29; the N1/2 of the NE1/4 and a portion of the NE1/4 of the NW1/4 of Section 32; and that part of the N1/2 of the NW1/4 of Section 33 located northwest of the Highway 24 right-of-way; all in Township 12 South, Range 64 West of the 6th Principal Meridian, in El Paso County. According to a signed statement dated June 23, 2003, the applicant owns the 8,095 acres of land, as further described in said affidavit which is attached hereto as Exhibit A, and claims control of the ground water in the aquifer underlying this land area.
3. The proposed annual amount of ground water to be allocated and withdrawn from the aquifer for intended beneficial uses is the maximum allowable amount.
4. The above described land area overlying the ground water claimed by the applicant is located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin and within the Upper Black Squirrel Creek Ground Water Management District. The Colorado Ground Water Commission (hereinafter "Commission") has jurisdiction.

Robert C. Balink El Paso Cty, CO
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5. The applicant intends to apply the allocated ground water to the following beneficial uses: domestic, livestock watering, lawn irrigation, commercial, industrial and replacement supply. The applicant's proposed place of use of the allocated ground water is the above described 8,095 acre land area.
6. The quantity of water in the aquifer underlying the 8,095 acres of land claimed by the applicant is 261,469 acre-feet. This determination was based on the following as specified in the Designated Basin Rules:
 - a. The average specific yield of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 17 percent.
 - b. The average thickness of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 190 feet.
7. At this time, there is no substantial artificial recharge that would affect the aquifer within a one hundred year period.
8. Pursuant to Section 37-90-107(7), C.R.S., and in accordance with the Designated Basin Rules, the Commission shall allocate ground water in the aquifer based on ownership of the overlying land and an aquifer life of one hundred years. Therefore, the maximum average annual amount of ground water in the aquifer that may be allocated for withdrawal pursuant to the data in the paragraphs above for the 8,095 acres of overlying land claimed by the applicant is 2,615 acre-feet.
9. The ability of wells permitted to withdraw the authorized amount of water from this non-renewable aquifer may be less than the one hundred years upon which the amount of water in the aquifer is allocated, due to anticipated water level declines.
10. In accordance with Rule 5.3.6 of the Designated Basin Rules, it has been determined that withdrawal of ground water from the aquifer underlying the 8,095 acres of land claimed by the applicant will not, within one hundred years, deplete the flow of a natural stream or its alluvial aquifer at an annual rate greater than one-tenth of one percent of the annual rate of withdrawal and, therefore, the ground water is nontributary ground water as defined in Rule 4.2.19 of the Designated Basin Rules. No more than 98% of the amount of ground water withdrawn annually shall be consumed, as required by the Designated Basin Rules.
11. A review of the records in the Office of the State Engineer has disclosed that none of the water in the aquifer underlying the land claimed by the applicant has been previously allocated or permitted for withdrawal.
12. Pursuant to Section 37-90-107(7)(c)(III), C.R.S., an approved determination of water right shall be considered a final determination of the amount of ground water so determined; except that the Commission shall retain jurisdiction for subsequent adjustment of such amount to conform to the actual local aquifer characteristics from adequate information obtained from well drilling or test holes.

13. In accordance with Section 37-90-107(7), C.R.S., upon Commission approval of a determination of water right, well permits for wells to withdraw the authorized amount of water from the aquifer shall be available upon application, subject to the conditions of this determination and the Designated Basin Rules and subject to approval by the Commission.
14. On February 4, 2004, in accordance with Rule 9.1 of the Designated Basin Rules, a letter was sent to the Upper Black Squirrel Creek Ground Water Management District requesting written recommendations concerning this application. No written recommendations from the district were received.
15. The Commission Staff has evaluated the application relying on the claims to control of the ground water in the aquifer made by the applicant.
16. In accordance with Sections 37-90-107(7) and 37-90-112, C.R.S., the application was published in the Gazette newspaper on February 12 and 19, 2004.
17. No objections to the determination of water right and proposed allocation of ground water were received within the time limit set by statute.
18. In order to prevent unreasonable impairment to the existing water rights of others within the Upper Black Squirrel Creek Designated Ground Water Basin it is necessary to impose conditions on the determination of water right and proposed allocation of ground water. Under conditions as stated in the following Order, no unreasonable impairment of existing water rights will occur from approval of this determination of water right or from the issuance of well permits for wells to withdraw the authorized amount of allocated ground water from the aquifer.

ORDER

In accordance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, the Colorado Ground Water Commission orders that the application for determination of rights to designated ground water in the Arapahoe Aquifer underlying 8,095 acres of land, generally described as the W1/2 of Section 1; Sections 2 and 3; the E1/2, the SE1/4 of the NW1/4, the SW1/4 of the SW1/4, and the E1/2 of the SW1/4 of Section 4; the E1/2, a portion of the E1/2 of the W1/2, and the NW1/4 of the NW1/4 of Section 9; Sections 10 and 11; that part of Sections 12, 13, and 14, located northwest of the Highway 24 right-of-way; the NW1/4 and the W1/2 of the SW1/4 of Section 15; most of the E1/2 of Section 16; the E1/2, a portion of the E1/2 of the NW1/4, and a portion of the SW1/4 of Section 21; that part of Sections 22, 23, and 27 located northwest of the Highway 24 right-of-way; the NE1/4 and a portion of the W1/2 of Section 28; a portion of the SE1/4 of Section 29; the N1/2 of the NE1/4 and a portion of the NE1/4 of the NW1/4 of Section 32; and that part of the N1/2 of the NW1/4 of Section 33 located northwest of the Highway 24 right-of-way; all in Township 12 South, Range 64 West of the 6th Principal Meridian, is approved subject to the following conditions:

19. The allocated average annual amount of ground water to be withdrawn from the aquifer shall not exceed 2,615 acre-feet. The allowed maximum annual amount of withdrawal may exceed the allowed average annual amount of withdrawal as long as the total volume of water withdrawn does not exceed the product of the number of years since the date of approval of this determination times the allowed average annual amount of withdrawal.
20. To conform to actual aquifer characteristics, the Commission may adjust the allocated average annual amount of ground water to be withdrawn from the aquifer based on analysis of geophysical logs or other site-specific data if such analysis indicates that the initial estimate of the volume of water in the aquifer was incorrect.
21. No more than 98% of the ground water withdrawn annually shall be consumed. The Commission may require well owners to demonstrate periodically that no more than 98% of the water withdrawn is being consumed.
22. The use of ground water from this allocation shall be limited to the following uses: domestic, livestock watering, lawn irrigation, commercial, industrial and replacement supply. The place of use shall be limited to the above described 8,095 acre land area.
23. The applicant, or subsequent persons controlling this water right, shall record in the public records of the county - in which the claimed overlying land is located - notice of transfer of any portion of this water right to another within sixty days after the transfer, so that a title examination of the above described 8,095 acre land area, or any part thereof, shall reveal the changes affecting this water right. Such notice shall consist of a signed and dated deed which indicates the determination number, the aquifer, a description of the above described land area, the annual amount of ground water (acre-feet) transferred, name of the recipient, and the date of transfer.
24. Subject to the above conditions, well permits for wells to withdraw the authorized annual amount of water from the aquifer shall be available upon application subject to approval by the Commission and the following conditions:
 - a. The wells shall be located on the above described 8,095 acre overlying land area.
 - b. The wells must be constructed to withdraw water from only the Arapahoe Aquifer. Upon application for a well permit to construct such a well, the estimated top and base of the aquifer at the proposed well location will be determined by the Commission and indicated on the approved well permit. Plain non-perforated casing must be installed, grouted and sealed to prevent diversion of ground water from other aquifers and the movement of ground water between aquifers.
 - c. The entire depth of each well must be geophysically logged prior to installing the casing as set forth in Rule 9 of the Statewide Nontributary Ground Water Rules, 2 CCR 402-7.
 - d. Each well shall be constructed within 200 feet of the location specified on the approved well permit, but must be more than 600 feet from any existing large-capacity well completed in the same aquifer.

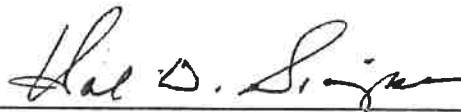
e. The wells may withdraw the allowed average annual amount of water from the aquifer together in any combination. The total combined annual withdrawal of the wells shall not exceed the allowed average annual amount described in this Order.

f. A totalizing flow meter or other Commission approved measuring device shall be installed on each well and maintained in good working order by the well owner. Annual diversion records shall be collected and maintained by the well owner and submitted to the Commission or the Upper Black Squirrel Creek Ground Water Management District upon their request.

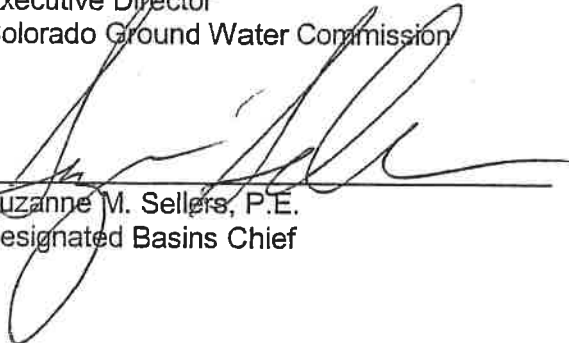
g. The well owner shall mark the well in a conspicuous place with the permit number and the name of the aquifer. The well owner shall take necessary means and precautions to preserve these markings.

25. A copy of this Findings and Order shall be recorded by the applicant in the public records of the county – in which the claimed overlying land is located - so that a title examination of the above described 8,095 acre overlying land area, or any part thereof, shall reveal the existence of this determination.

Dated this 22nd day of July, 2004.



Hal D. Simpson
Executive Director
Colorado Ground Water Commission

By: 
Suzanne M. Sellers, P.E.
Designated Basins Chief

Prepared by: EBT

FIND-117-04

EXHIBIT A

Page 1 of 21

GWS-1 (Rev, Sept 1996)

STATE OF COLORADO
OFFICE OF THE STATE ENGINEER
DIVISION OF WATER RESOURCES

NONTRIBUTARY GROUND WATER LANDOWNERSHIP STATEMENT

I (we) Four Way Ranch Partnership/Spring Creek LLC

(Name)

claim and say that I (we) am (are) the owner(s) of the following described property consisting of 8095 acres in the County of El Paso, State of Colorado:

See Attached Legal Description And Map

and, that the ground water sought to be withdrawn from the Arapahoe aquifer underlying the above-described land has not been conveyed or reserved to another, nor has consent been given to it's withdrawal by another.

Further, I (we) claim and say that I (we) have read the statements made herein; know the contents hereof; and that the same are true to my (our) own knowledge.

W. Tony S. 6/23/03
(Signature) (Date)

Linda Johnson-Corrie 6/23/03
(Signature) (Date)

INSTRUCTIONS:

Please type or print neatly in black ink. This form may be reproduced by photocopy or word processing means. See additional instructions on back.

Legal Description: Parcel 42000000164

That part of N2, N2 lying East of Eastonville Road
Sec. 28-12-64
Total 140 Acres

Legal Description: Parcel 42000000165

SW4, That part of S2N2 Lying east of Eastonville Road, Sec 28-12-64
That Part of SE4 Lying east of Eastonville Road Sec 29-12-64
That Part of N2N2 Lying east of Eastonville Road Sec 32-12-64
That Part of N2NW4 Lying west of CRI & P RY Sec 33-12-64
Total 556 Acres

Legal Description: Parcel 42000000190

W2, SE4, W2NE4, Sec 2-12-64
All EX RD Sec 3-12-64
Total 1268.7 Acres

Legal Description: Parcel 42000000191

E2NE4 Sec 4-12-64
Total 87.3 Acres

Legal Description: Parcel 42000000192

SW4NE4, S2NW4, S2 Sec 10-12-64
Total 440 Acres

Legal Description: Parcel 42000000193

N2NW4, E2, Part of S2NW4, SW4 Lying East of W R/W Line of CO. Road, Sec 9-12-64
E2, Part of NE4NW4 Lying East of W R/W Line of CO Road, Sec 16-12-64
Total 900.7 Acres

Legal Description: Parcel 42000000194

W2 W/MR Sec 1-12-64
E2NE4 Sec 2-12-64
SW4 L/2MR, N2, SE4 EX RD, W/MR Sec 11-12-64
All Lying NW of CRI & P RY W/MR Sec 12-12-64
All Lying NW of CRI & P RY W/MR Sec 13-12-64
All Lying NW of CRI & P RY W/MR Sec 14-12-64
That Part of N2 and of N2S2 Lying NWLY OF R/W OF US HWY 24 W/4MR Sec 23-12-64

EXHIBIT A

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W2SW4, NW4 Sec 15-12-64

All Lying NW of R/W CRI & P Sec 22-12-64

That Part of NW4NE4 and of NW4 and of NW2SW4 Lying NW of RW of CRI & P RY
Sec 27-12-64

Total 3631.7 Acres

Legal Description: Parcel 42000000195

R/W of OLD C&S RY, ALL Lying E of R/W Sec 21-12-64

Total 461.0 Acres

Legal Description: Parcel 42040000001

SE4, SW4SW4, E2SW4, SE4NW4, W2NE4, Sec 4-12-64

Total 410.0 Acres

Legal Description Parcel No: 420000000014

N2N2, SE4NE4 W/MR SEC 10-12-64

Total 200 Acres

Grand Total 8095 Acres

EXHIBIT A

Page 4 of 21

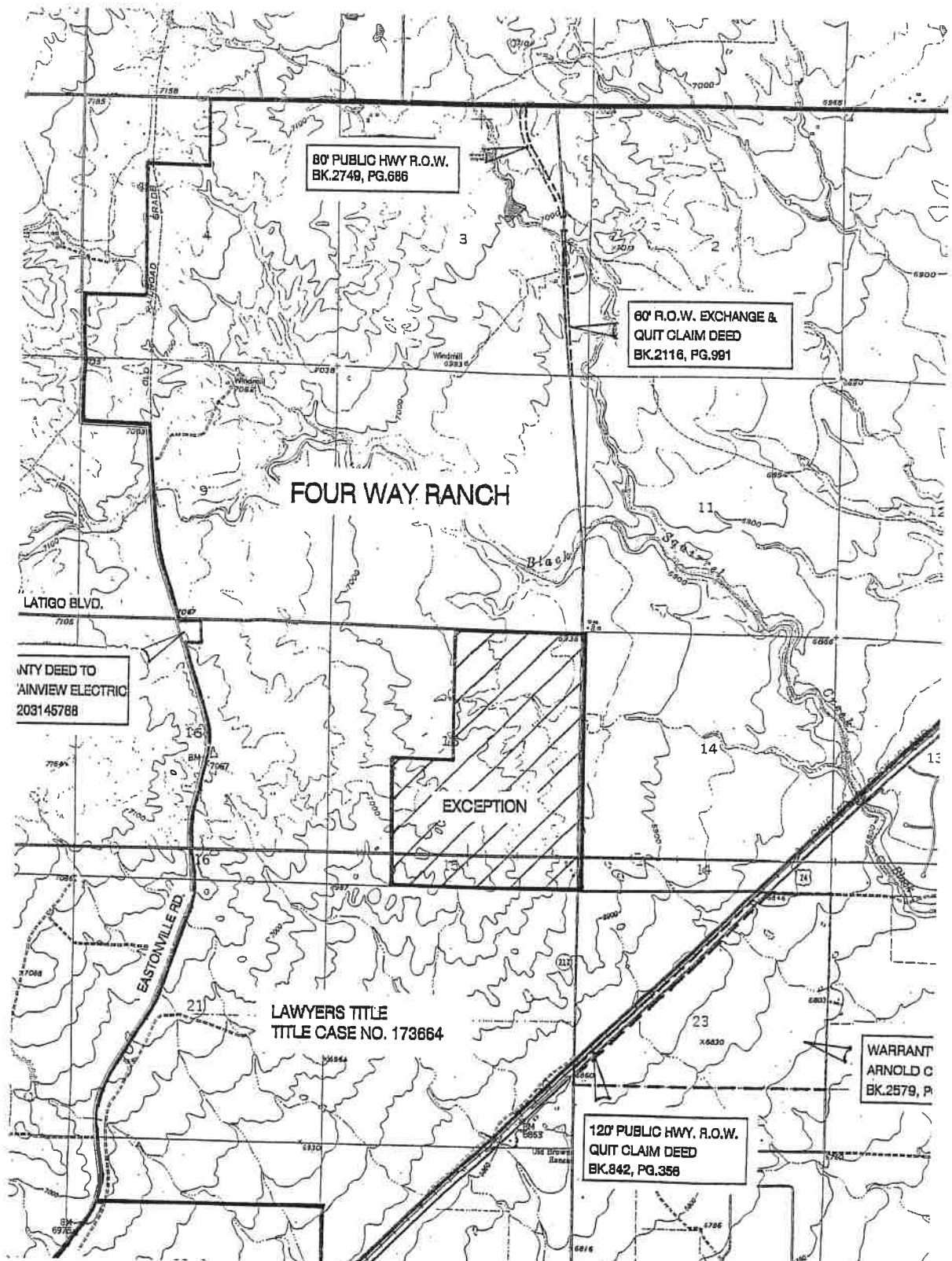


EXHIBIT A

Page 5 of 21

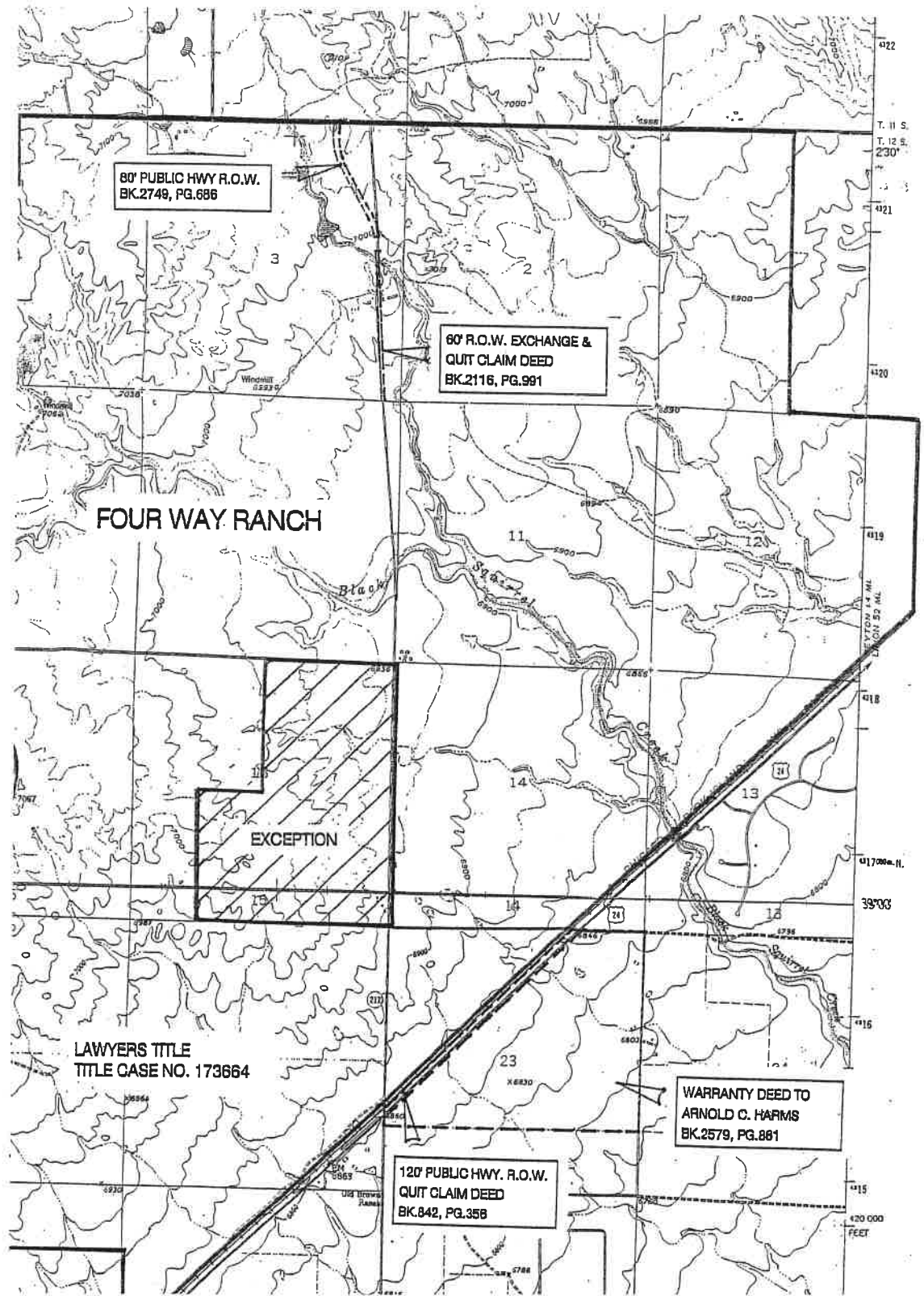
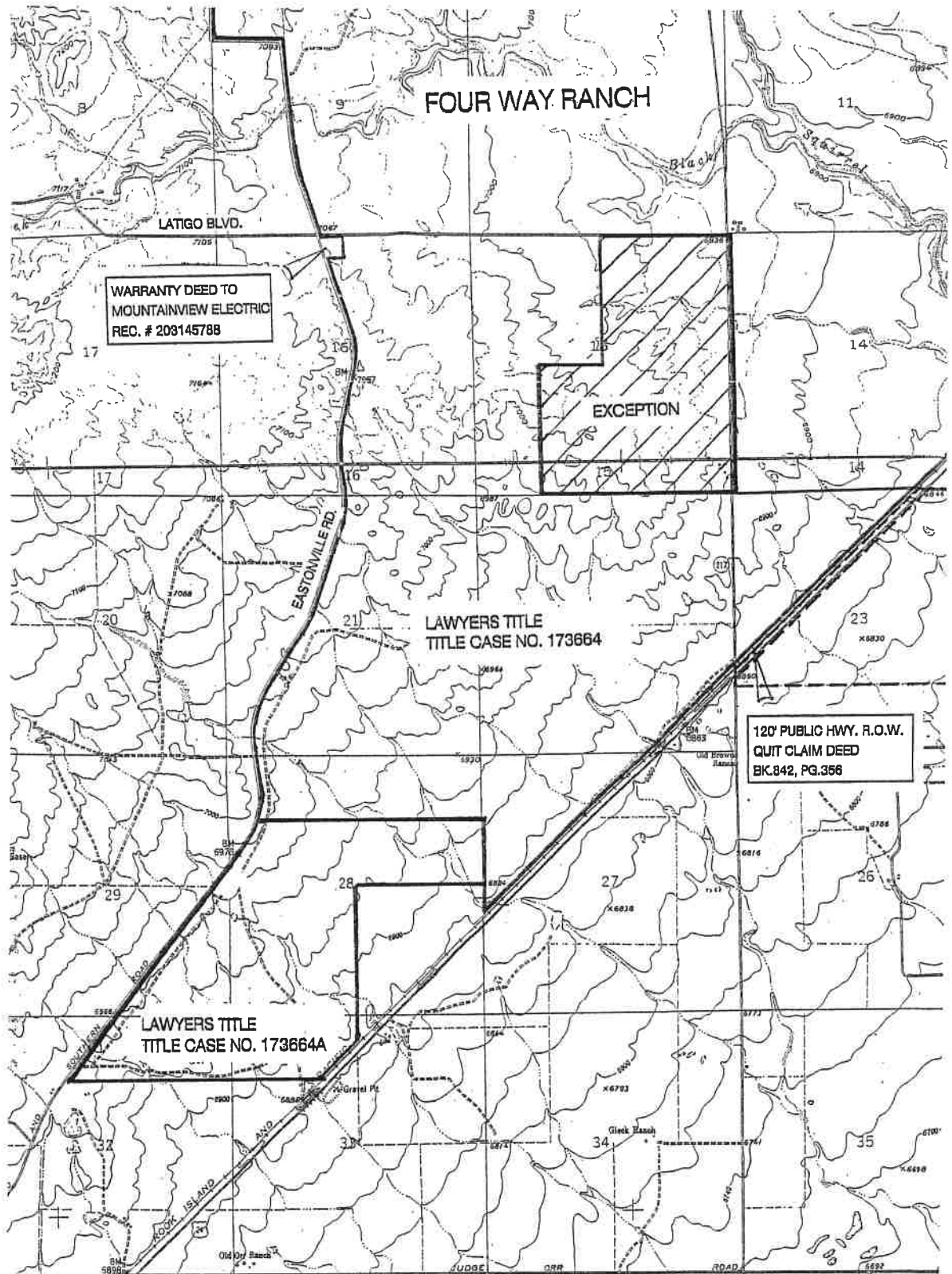
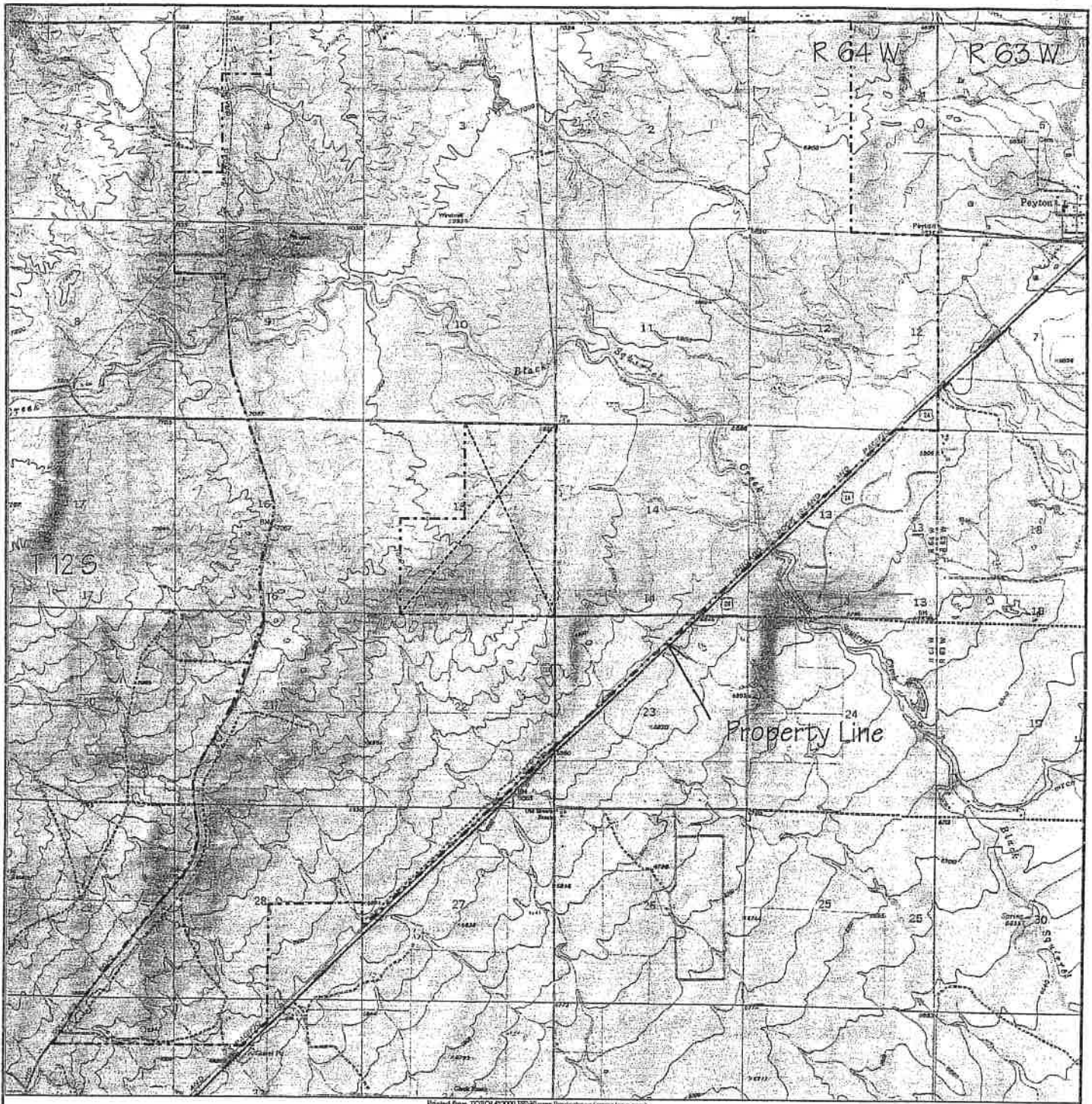


EXHIBIT A

Page 6 of 21





Scale 1" = 4000'

Location Map

Wm Curtis Wells & Co.
consulting ground water geologists

EXHIBIT A

Page 7 of 21

Figure 1

Lawyers Title Insurance Corporation

EXHIBIT A

Page 8 of 21

COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

EFFECTIVE DATE: August 4, 2003

at 7:30 a.m.

CASE NO. 173664

POLICY OR POLICIES TO BE ISSUED:

(a) X ALTA OWNER'S POLICY 1992

AMOUNT \$

ALTA RESIDENTIAL TITLE INSURANCE POLICY-1987

PURCHASE PRICE

PROPOSED INSURED:

A PURCHASER TO BE DETERMINED

(b) ALTA LOAN POLICY, (10-17-92)

AMOUNT \$

PROPOSED INSURED:

(c)

AMOUNT \$

PROPOSED INSURED:

~~TITLE TO THE FEE SIMPLE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED~~
TO IN THIS COMMITMENT IS AT THE EFFECTIVE DATE HEREOF VESTED IN :

FOUR WAY RANCH, A COLORADO GENERAL PARTNERSHIP

THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED ON SCHEDULE A-4 ATTACHED

For title questions, please call Clark Hollis

at (719) 475-8850.

For closing questions, please call

is Commitment supersedes Commitment No. 173664 C-6, which is hereby canceled.

Schedule A-Page 1

Commitment No. 173664 C-7 mc

is commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664

SCHEDULE A-4 (DESCRIPTION PAGE)

THE WEST HALF OF SECTION 1;

ALL OF SECTION 2;

ALL OF SECTION 3, EXCEPTING THOSE PORTIONS CONVEYED TO EL PASO COUNTY IN DEEDS RECORDED IN BOOK 2116 AT PAGE 991 AND IN BOOK 2749 AT PAGE 686;

THE SOUTHEAST QUARTER, THE NORTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE EAST HALF OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4;

THE NORTH HALF OF THE NORTHWEST QUARTER, AND THAT PORTION OF THE SOUTH HALF OF THE NORTHWEST QUARTER AND OF THE SOUTHWEST QUARTER LYING EAST OF THE COUNTY ROAD ADJOINING THE RIGHT OF WAY OF THE COLORADO AND SOUTHERN RAILWAY ON THE WEST, AND THE EAST HALF, ALL IN SECTION 9;

ALL OF SECTION 10;

ALL OF SECTION 11;

THE NORTH HALF, THE SOUTHWEST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER LYING NORTH AND WEST OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY ALL IN SECTION 12;

ALL OF SECTION 13 LYING NORTH AND WEST OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY;

THE SOUTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, THE NORTH HALF OF THE SOUTHEAST QUARTER, ~~THE NORTH HALF AND THAT PORTION OF THE SOUTHEAST QUARTER OF THE~~ SOUTHEAST QUARTER LYING NORTH AND WEST OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD RIGHT OF WAY, ALL IN SECTION 14;

THE NORTHWEST QUARTER AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 15;

ALL THAT PORTION OF SECTION 16 LYING EAST OF SAID COUNTY ROAD, EXCEPTING THEREFROM, THAT PORTION THEREOF CONVEYED TO MOUNTAIN VIEW ELECTRIC ASSOCIATION, INC. BY DEED RECORDED JUNE 27, 2003 AT RECEPTION NO. 203145788;

THE EAST HALF AND THAT PORTION OF THE WEST HALF OF SECTION 21 LYING EAST OF SAID COUNTY ROAD;

THAT PORTION OF SECTION 22 LYING NORTHWEST OF THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILWAY;

THE NORTH HALF AND THE NORTH HALF OF THE SOUTH HALF OF SECTION 23 EXCEPT THAT PORTION CONVEYED IN WARRANTY DEED RECORDED IN BOOK 2579 AT PAGE 861, AND EXCEPT THAT PORTION

*****CONTINUED**

LEGAL DESCRIPTION
CONTINUED

CASE NO. 173664

CONVEYED TO EL PASO COUNTY IN DEED RECORDED IN BOOK 842 AT PAGE 356, AND EXCEPT ANY PORTION FOUND TO BE LYING WITHIN THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD.

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER, AND OF THE NORTHWEST QUARTER, AND OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER LYING NORTHWEST OF THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILWAY ALL IN SECTION 27;

THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 28 AND THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 28 LYING EAST OF THE COUNTY ROAD (EASTONVILLE ROAD);

ALL IN TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO.

SCHEDULE B--SECTION 1
REQUIREMENTS

CASE NO. 173664

THE FOLLOWING ARE THE REQUIREMENTS TO BE COMPLIED WITH:

- item a PAYMENT TO OR FOR THE ACCOUNT OF THE GRANTORS OR MORTGAGORS OF THE FULL CONSIDERATION FOR THE ESTATE OR INTEREST TO BE INSURED.
- item b PROPER INSTRUMENT(S) CREATING THE ESTATE OR INTEREST TO BE INSURED MUST BE EXECUTED AND FULLY FILED FOR RECORD TO WIT:
 - 1. Warranty Deed from FOUR WAY RANCH, A COLORADO GENERAL PARTNERSHIP vesting fee simple title in the purchaser. (The deed from the partnership must be executed by its general partners, who the public records indicate as being: LINDA D. JOHNSON-CONNOR AND W. TRACY LEE, PARTNERS AND CO-MANAGERS.)
- item c Such further requirements as may be deemed necessary by the Company when the identity of the proposed insured has been established to the satisfaction of the Company.

RECORDING FEES: \$1.00 PER DOCUMENT; \$5.00 PER PAGE
TITLE INSURANCE CHARGES: AMOUNT:
OWNER'S POLICY (TBD)

SCHEDULE B-SECTION 1 - COMMITMENT NO. 173664 C-7 mc

This Commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664

SCHEDULE B--SECTION 2
EXCEPTIONS

POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING UNLESS THE
E ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY.

1. Rights or claims of parties in possession not shown by the public records.

2. Easements, or claims of easements, not shown by the public records.

3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.

4. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

5. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

6. Any and all unpaid taxes, assessments and unredeemed tax sales.

7. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing insurance thereof; water rights, claims or title to water including but not limited to that certain reservation of all minerals, ores and metals of every kind and character and all coal, asphaltum, oil and other like substances in or under said land and the right of ingress and egress for the purpose of mining, together with enough of the surface of same as may be necessary for the proper and convenient working of such minerals and substances as contained in State School Patent recorded in Book 290 at Page 169 and a reservation of all coal as contained in United States Patent recorded in Book 290 at Page 277. (Sections 15 & 16).

8. Any and all ditch and ditch rights, reservoir and reservoir rights, pipelines and all easements and appurtenances thereto including, but not limited to those associated with the Carrick Ditch and pipeline, the Ford White Ditch No. 2, the Hay Creek Reservoir, the Ford White Ditch No. 1, the Railroad Ditch, the Last Chance Ditch and the First Chance Ditch as evidenced in Deeds recorded in Book 1769 at Page 195 and Book 2233 at Page 646.

*****CONTINUED**

Exceptions numbered NONE are hereby omitted.

The Owner's Policy to be issued, if any, shall contain the following items in addition to the ones set forth above:

1) The Deed of Trust, if any, required under Schedule B-Section 1, item (b).

SCHEDULE B-SECTION 2 - COMMITMENT NO. 173664 C-7 mc

This commitment is invalid unless the Insuring Provisions and schedules A & B are attached

SCHEDULE B

CASE NO. 173664

EXCEPTIONS CONTINUED

9. Rights of others in and to the continued and uninterrupted flow of Black Squirrel Creek and its tributaries as the same may be found to be coursing through the subject premises.
10. Any right, title, claim or interest of the public in and to any roadway or highway including, but not limited to claims associated with the "Road Order" recorded in Book A at Page 78 and with the right of way of West Scott Road as described in instruments recorded in Book 1810 at Page 396 and recorded November 29, 1997 at Reception No. 97136695.
11. Reservation of 3/4 interest of all oil, gas and other minerals as evidenced in Deed recorded in Book 1688 at Page 500 and in Book 1781 at Page 328. (Section 23)
12. Reservation to the Federal Land Bank of Wichita an undivided one-half interest in and to all oil, gas and mineral rights as contained in Book 1128 at Page 83. Mineral Deed to Lee A. Adams conveying one-fourth interest in and to said minerals recorded in Book 1474 at Page 564 and Mineral Deed to Malco Refineries, Inc. conveying three-sixteenths interest in and to said minerals recorded in Book 1475 at Page 438. Notice of Proper Address and Claim of Interest to perpetuate mineral ownership recorded September 28, 1993 in Book 6269 at Page 1094. Conveyance Assignment and Bill of Sale from Atlantic Richfield Company to Morgan Capital Group recorded in Book 6465 at Page 1485. Quit Claim Deed recorded in connection to said reservation on June 23, 1995 in Book 6671 at Page 147, and Personal Representative's Deed recorded May 29, 1998 at Reception No. 98072480. (N 1/2, N 1/2 S 1/2 Section 23)
13. Reservation of all oil, including the right to enter said land to prospect or drill for oil and the right to remove the same. It is understood that if oil should be found, the grantee (Elisha Baker) herein shall receive 1% royalty as evidenced in Book 598 at Page 239. (Section 1)
14. Reservation of oil, including the right to enter said land to prospect or drill for oil and the right to remove the same. It is understood that if oil should be found, the grantee (R. S. Robinson) herein shall receive 1% royalty as evidenced in Book 658 at Page 202. (Sections 1 and 2)

*****CONTINUED**

SCHEDULE B

CASE NO. 173664

EXCEPTIONS CONTINUED

15. Right of way 50 feet in width for Fidelity Ditch, together with the right to build a headgate or dam across the Black Squirrel Creek recorded in Book 402 at Page 544. (Section 13)
16. Reservation to Arthur H. Norden and Eva Norden an undivided one-half interest in and to all mineral, oil rights in or under said land and the right of ingress and egress contained in Book 1286 at Page 355. Mineral Deed to John E. Stanford recorded in Book 2084 at Page 628. Mineral Deed to Harry Goltz recorded in Book 1996 at Page 707. Quit Claim Deed to Claro Royalty, Inc. recorded in Book 2238 at Page 949. (SW 1/4 Section 11, NW 1/4 Section 14)
17. Conveyance of undivided one-half interest in and to all oil, gas, casinghead gas, gasoline Royalty and Royalty in other minerals that may be mined from subject premises, together with the right of ingress and egress for the purpose of mining, drilling and exploring for a period of 35 years or as long thereafter as oil, gas or other minerals is produced or mined from said lands as evidenced in Deed recorded in Book 1265 at Page 294.
18. Inclusion of the subject property within the Black Squirrel Soil Conservation District as evidenced by Certificate recorded August 13, 1945, in Book 957 at Page 277.
19. Right of Way and/or Easement, given to Mountain View Electric, for electrical purposes, as described in instrument, recorded December 21, 1964 in Book 2049 at Page 890.
20. Right of Way and/or Easement, given to the Mountain States Telephone and Telegraph Company, for communication purposes, as described in instrument, recorded April 2, 1973 in Book 2574 at Page 302. (Section 23)
21. Right of Way and/or Easement, given to Mountain View Electric Association, for electrical purposes, as described in instrument, recorded March 29, 1964 in Book 1852 at Pages 370, 374 and 377, recorded June 24, 1968 in Book 2240 at Page 442 and recorded November 8, 1996 at Reception No. 96142336. (Sections 12, 14, 16, 17 and 23)

*****CONTINUED**

SCHEDULE B
EXCEPTIONS CONTINUED

CASE NO. 173664

22. Right of Way and/or Easement, given to American Telephone and Telegraph Company, for communication purposes, the exact location of which is not specified, recorded October 14, 1963 in Book 1980 at Page 448 and recorded November 18, 1963 in Book 1986 at Page 795. Rule and Order recorded in conjunction therewith on April 24, 1997 at Reception No. 97046029.
23. Right of Way and/or Easement, given to Colorado Telephone Company, for communication purposes, as described in instrument, recorded January 9, 1905 in Book 358 at Page 542. Conveyance to the Mountain States Telephone and Telegraph Company recorded in Book 482 at Page 190.
24. Right of Way for pipeline purposes for the benefit of Diamond Shamrock Pipeline Company the existence of which is evidenced by Rule and Order recorded April 24, 1997 at Reception No. 97046029. (Sections 21 and 28)
25. Terms, conditions, provisions, obligations and easements as contained in and created by Temporary Construction Easement Agreements recorded October 4, 2001 at Reception Nos. 201145336, 201145337 and 201145338. (Sections 10 and 11)
26. Right of Way and/or Easement, given to American Telephone and Telegraph Company, for communication purposes, the exact location of which is not specified, recorded May 7, 1956 in Book 1568 at Pages 568 and 570. (Sections 3 and 4)

Informational Note:

The subject premises appears to be affected by Zoning Resolution recorded in Book 1921 at Page 323.

Lawyers Title Insurance Corporation

Colorado Revised Statutes S10-11-122 requires that "every title insurance agent or title insurance company" shall provide, along with each title commitment issued, the following statement:

- (a) That the subject real property may be located in a special taxing district;
- (b) That a certificate of taxes due listing each taxing jurisdiction may be obtained from the county treasurer or the county treasurer's authorized agent;
- (c) That information regarding special districts and the boundaries of such districts may be obtained from the Board of County Commissioners, the County Clerk and Recorder or the County Assessor.

COMMITMENT FOR TITLE INSURANCE
SCHEDULE A

EFFECTIVE DATE: August 11, 2003

at 7:30 a.m.

CASE NO. 173664A

POLICY OR POLICIES TO BE ISSUED:

(a) X ALTA OWNER'S POLICY 1992

AMOUNT \$

ALTA RESIDENTIAL TITLE INSURANCE POLICY-1987

PURCHASE PRICE

PROPOSED INSURED:

A PURCHASER TO BE DETERMINED

(b) ALTA LOAN POLICY, (10-17-92)

AMOUNT \$

PROPOSED INSURED:

(c)

AMOUNT \$

PROPOSED INSURED:

~~TITLE TO THE FEE-SIMPLE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED~~ - - -
TO IN THIS COMMITMENT IS AT THE EFFECTIVE DATE HEREOF VESTED IN :

SPRING CREEK, LLC, A COLORADO LIMITED LIABILITY COMPANY, AS TO PARCEL A;
MERIDIAN MEADOWS, A COLORADO LIMITED PARTNERSHIP, AS TO PARCEL B

1. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED ON SCHEDULE A-4 ATTACHED

For title questions, please call Clark Hollis
For closing questions, please call

at (719) 475-8850.

This Commitment supersedes Commitment No. 173664A C-6, which is hereby canceled.

Schedule A-Page 1

Commitment No. 173664A C-7 mc

This commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664A

SCHEDULE A-4 (DESCRIPTION PAGE)

PARCEL A:

THE SOUTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHWEST QUARTER AND THAT PORTION OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SECTION 28 LYING EAST OF THE COUNTY ROAD (EASTONVILLE ROAD); THAT PORTION OF THE SOUTHEAST QUARTER OF SECTION 29 LYING EAST OF SAID COUNTY ROAD; THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER AND OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 32 LYING EAST OF SAID COUNTY ROAD, AND THAT PORTION OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, LYING NORTH AND WEST OF THE RIGHT OF WAY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILWAY, ALL IN TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO.

PARCEL B:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 29 IN TOWNSHIP 12 SOUTH, RANGE 64 WEST OF THE 6TH P.M., EL PASO COUNTY, COLORADO, LYING EAST OF THE COUNTY ROAD (EASTONVILLE ROAD).

SCHEDULE B--SECTION 1
REQUIREMENTS

CASE NO. 173664A

THE FOLLOWING ARE THE REQUIREMENTS TO BE COMPLIED WITH:

- item a PAYMENT TO OR FOR THE ACCOUNT OF THE GRANTORS OR MORTGAGORS OF THE FULL CONSIDERATION FOR THE ESTATE OR INTEREST TO BE INSURED.
- item b PROPER INSTRUMENT(S) CREATING THE ESTATE OR INTEREST TO BE INSURED MUST BE EXECUTED AND FULLY FILED FOR RECORD TO WIT:
 - 1. Warranty Deed from SPRING CREEK, LLC, A COLORADO LIMITED LIABILITY COMPANY vesting fee simple title in the purchaser. (The deed from the company must be executed by its co-managers, who the public records indicate as being: LINDA D. JOHNSON-CONNE AND W. TRACY LEE, CO-MANAGERS.)
- item c Recordation of a Deed from MERIDIAN MEADOWS, A COLORADO LIMITED PARTNERSHIP, to SPRING CREEK, LLC, A COLORADO LIMITED LIABILITY COMPANY. (As to Parcel B) NOTE: Said Deed must be executed by: see item "d" below.
- item d Recordation of Statement of Authority for MERIDIAN MEADOWS, A COLORADO LIMITED PARTNERSHIP evidencing the existence of the entity and authority of the person authorized to execute and deliver instruments affecting title to real property on behalf of the entity, and containing other information required by CRS 38-30-172.
- item e Such further requirements as may be deemed necessary by the Company when the identity of the proposed insured has been established to the satisfaction of the Company.

RECORDING FEES: \$1.00 PER DOCUMENT; \$5.00 PER PAGE
TITLE INSURANCE CHARGES: AMOUNT:
OWNER'S POLICY (TBD)

SCHEDULE B-SECTION 1 - COMMITMENT NO. 173664A C-7 mc

This Commitment is invalid unless the Insuring Provisions and Schedules A & B are attached.

CASE NO. 173664A

SCHEDULE B--SECTION 2
EXCEPTIONS

POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING UNLESS THE
E ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY.

Rights or claims of parties in possession not shown by the public records.

Easements, or claims of easements, not shown by the public records.

Discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown by the public records.

Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.

Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

Road Order by the Board of Commissioners of El Paso County, Colorado, which provides for public roads, 30 feet in width, adjacent to all exterior section lines recorded in Book A at Page 78.

Inclusion of the subject property within the Black Squirrel Soil Conservation District as evidenced by Certificate recorded August 13, 1945, in Book 957 at Page 277.

Right of Way and/or Easement, given to Mountain View Electric, for electrical purposes, as described in instrument, recorded December 21, 1964 in Book 2049 at Page 890.

Right of Way and/or Easement, given to American Telephone and Telegraph Company, for communication purposes, as described in instrument, recorded November 18, 1963 in Book 1986 at Page 795.

Right of Way and/or Easement, given to Colorado Telephone Company, for communication purposes, as described in instrument, recorded January 9, 1905 in Book 358 at Page 542.

*****CONTINUED**

Exceptions numbered NONE are hereby omitted.

Owner's Policy to be issued, if any, shall contain the following items in addition to ones set forth above:

The Deed of Trust, if any, required under Schedule B-Section 1, item (b).

Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing suance thereof; water rights, claims or title to water.

Any and all unpaid taxes, assessments and unredeemed tax sales.

SCHEDULE B-SECTION 2 - COMMITMENT NO. 173664A C-7 mc

s commitment is invalid unless the Insuring Provisions and Schedules A & B are attached

Lawyers Title Insurance Corporation

SCHEDULE B

CASE NO. 173664A

EXCEPTIONS CONTINUED

11. Right of Way for pipeline purposes for the benefit of Diamond Shamrock Pipeline Company the existence of which is evidenced by Lis Pendens recorded October 15, 1996 at Reception No. 96131560.
12. Any right, title or interest in favor of Falcon Properties & Investments for property being assessed under El Paso County Schedule No. 42000-00-232.

INFORMATIONAL NOTE:

The subject premises appears to be affected by Zoning Resolution recorded in Book 1921 at Page 323.