



**ASSIGNMENT AGREEMENT OF INTEREST, RIGHTS AND OBLIGATIONS,
INCLUDING PLAN FOR AUGMENTATION
(Case No. 16CW3190 | Water Div. 1)**

This Assignment Agreement of Interests, Rights and Obligations, including Plan for Augmentation is made this 25 day of October 2018, by **PRI #2, LLC**, a Colorado limited liability company, (“Assignor”), and **Flying Horse North Homeowners Association, Inc.**, a Colorado nonprofit corporation, (“Assignee”).

RECITALS

WHEREAS, Assignor is the current owner of certain groundwater rights underlying approximately 701 acres, more or less, and approximately 640 acres, more or less, located in El Paso County, Colorado (“Subject Property”); and

WHEREAS, the Dawson and Laramie-Fox Hills groundwater rights underlying the approximately 701 acres were decreed in Case No. 94CW023(B), Water Division No. 1, and have been conveyed to Assignee by Bargain and Sale Deed dated 10/25, 2018, which is duly recorded in the records of El Paso County, Colorado at Reception No. 218129417; and

WHEREAS, Assignor is the current lessee in a Groundwater Production Lease, No. OT-109328, with the State Board of Land Commissioners, pursuant to which Assignor leases the not nontributary and nontributary groundwater underlying the 640 acres, decreed in Case No. 04CW098, Water Division No. 2 through February 27, 2048. Assignor and Assignee have executed a Water Agreement dated October 25, 2018, which is duly recorded in the records of El Paso County, Colorado at Reception No. 218129421, pursuant to which Assignor is selling Dawson and Laramie-Fox Hills groundwater leased from the State Land Board to Assignee, through February 27, 2048. On February 27, 2048, title to all of the groundwater rights decreed in Case No. 04CW098 reverts to the Assignor, and Assignor has, by separate assignment dated October 25, 2018, which is duly recorded in the records of El Paso County, Colorado at Reception No. 218129417, assigned its February 27, 2048 reversion interest in the Dawson and Laramie-Fox Hills groundwater to Assignee; and

WHEREAS, the use of the Dawson and Laramie-Fox Hills groundwater underlying the Subject Property is included in a plan for augmentation upon the Application of PRI #2, LLC in Case No. 16CW3190, Water Division No. 1 (“Augmentation Decree”); and

WHEREAS, Assignor wishes to assign its rights and obligations in and to the Augmentation Decree described herein to Assignee, and Assignee wishes to accept these rights and obligations;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, Assignor hereby assigns to Assignee, and Assignee assumes the following:

1. Assignor assigns its interests, rights and obligations in the Augmentation Decree to Assignee. Assignee accepts and assumes Assignor's interests, rights and obligations in the Augmentation Decree, including but not by way of limitation, all accounting and administrative responsibilities, and responsibilities and costs for drilling a Laramie-Fox Hills aquifer well or wells to replace post-pumping depletions.

2. With respect to any dispute arising out of this agreement, the prevailing party in any resolution of said dispute shall be entitled to reimbursement of its costs and reasonable attorney's fees, whether the matter proceeds to litigation or not.

Executed this 25 day of October 2018.

PRI #2, LLC
a Colorado limited liability company

[Signature] 10-25-18
Jeffrey B. Smith, Member (date)

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me by Jeffrey B. Smith, member of PRI #2, LLC, on October 25, 2018.

Witness my hand and official seal.

[Signature]
Notary Public
My commission expires: 8/25/21
AMY B GRIER
Notary Public
State of Colorado
Notary ID # 19974011320
My Commission Expires 08-25-2021

Flying Horse North Homeowners Association, Inc.
a Colorado nonprofit corporation

[Signature]
By: DREW BALSIVIK Pres
Print name and title

STATE OF COLORADO

COUNTY OF EL PASO

The foregoing instrument was acknowledged before me by Drew Balsick
member of Flying Horse North Homeowners Association, Inc., on 10/25/17,
2018.

Witness my hand and official seal.

Amy B Grier
Notary Public

My commission expires: 8/25/21

AMY B GRIER
Notary Public
State of Colorado
Notary ID # 19974011320
My Commission Expires 08-25-2021