



**Land Title Guarantee Company
Customer Distribution**



PREVENT FRAUD - Please remember to call a member of our closing team when initiating a wire transfer or providing wiring instructions.

Order Number: **RND55073188-3**

Date: **10/11/2018**

Property Address: **10675 MCCLELLAND ROAD, PEYTON, CO 80831**

PLEASE CONTACT YOUR CLOSER OR CLOSER'S ASSISTANT FOR WIRE TRANSFER INSTRUCTIONS

For Closing Assistance

For Title Assistance

BEN LOWE
5975 GREENWOOD PLAZA BLVD
GREENWOOD VILLAGE, CO 80111
(719) 634-4821 (Work)
(719) 634-3190 (Work Fax)
blowe@ltgc.com

Seller/Owner

S&K NO1 LLC
PO BOX 49681
COLORADO SPRINGS, CO 80949
cherrystoneway@msn.com
Delivered via: Electronic Mail



Land Title Guarantee Company Estimate of Title Fees

Order Number: **RND55073188-3** Date: **10/11/2018**
Property Address: **10675 MCCLELLAND ROAD, PEYTON, CO 80831**
Parties: **A PURCHASER TO BE DETERMINED**
S & K NO. 1, LLC, A COLORADO LIMITED LIABILITY COMPANY

Visit Land Title's Website at www.ltgc.com for directions to any of our offices.

Estimate of Title insurance Fees	
"TBD" Commitment	\$269.00
	Total \$269.00
If Land Title Guarantee Company will be closing this transaction, the fees listed above will be collected at closing.	
Thank you for your order!	

Note: The documents linked in this commitment should be reviewed carefully. These documents, such as covenants conditions and restrictions, may affect the title, ownership and use of the property. You may wish to engage legal assistance in order to fully understand and be aware of the implications of the effect of these documents on your property.

Chain of Title Documents:

[El Paso county recorded 01/14/2005 under reception no. 205007551](#)

ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule A

Order Number: RND55073188-3

Property Address:

10675 MCCLELLAND ROAD, PEYTON, CO 80831

1. Effective Date:

10/04/2018 at 5:00 P.M.

2. Policy to be Issued and Proposed Insured:

"TBD" Commitment

\$5,000.00

Proposed Insured:

A PURCHASER TO BE DETERMINED

3. The estate or interest in the land described or referred to in this Commitment and covered herein is:

A Fee Simple

4. Title to the estate or interest covered herein is at the effective date hereof vested in:

S & K NO. 1, LLC, A COLORADO LIMITED LIABILITY COMPANY

5. The Land referred to in this Commitment is described as follows:

THE SOUTHWEST QUARTER OF SECTION 24 IN TOWNSHIP 12 SOUTH, RANGE 63 WEST OF THE 6TH P.M., EXCEPTING THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER THEREOF CONVEYED TO WILLIAM E. CJOVIG BY DEED RECORDED OCTOBER 13, 1971 IN BOOK 2442 AT PAGE [592](#), EL PASO COUNTY, COLORADO.

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ALTA COMMITMENT

Old Republic National Title Insurance Company

Schedule B, Part I

(Requirements)

Order Number: RND55073188-3

All of the following Requirements must be met:

This proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.

Pay the agreed amount for the estate or interest to be insured.

Pay the premiums, fees, and charges for the Policy to the Company.

Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.

1. A FULL COPY OF THE FULLY EXECUTED OPERATING AGREEMENT AND ANY AND ALL AMENDMENTS THERETO FOR S & K NO. 1, LLC, A COLORADO LIMITED LIABILITY COMPANY MUST BE FURNISHED TO LAND TITLE GUARANTEE COMPANY. SAID AGREEMENT MUST DISCLOSE WHO MAY CONVEY, ACQUIRE, ENCUMBER, LEASE OR OTHERWISE DEAL WITH INTERESTS IN REAL PROPERTY FOR SAID ENTITY.

NOTE: ADDITIONAL REQUIREMENTS MAY BE NECESSARY UPON REVIEW OF THIS DOCUMENTATION.

2. DULY EXECUTED AND ACKNOWLEDGED STATEMENT OF AUTHORITY SETTING FORTH THE NAME OF S & K NO. 1, LLC, A COLORADO LIMITED LIABILITY COMPANY AS A LIMITED LIABILITY COMPANY. THE STATEMENT OF AUTHORITY MUST STATE UNDER WHICH LAWS THE ENTITY WAS CREATED, THE MAILING ADDRESS OF THE ENTITY, AND THE NAME AND POSITION OF THE PERSON(S) AUTHORIZED TO EXECUTE INSTRUMENTS CONVEYING, ENCUMBERING, OR OTHERWISE AFFECTING TITLE TO REAL PROPERTY ON BEHALF OF THE ENTITY AND OTHERWISE COMPLYING WITH THE PROVISIONS OF SECTION 38-30-172, CRS.

NOTE: THE STATEMENT OF AUTHORITY MUST BE RECORDED WITH THE CLERK AND RECORDER.

3. WARRANTY DEED FROM S & K NO. 1, LLC, A COLORADO LIMITED LIABILITY COMPANY TO A PURCHASER TO BE DETERMINED CONVEYING SUBJECT PROPERTY.

NOTE: ADDITIONAL REQUIREMENTS OR EXCEPTIONS MAY BE NECESSARY WHEN THE BUYERS NAMES ARE ADDED TO THIS COMMITMENT. COVERAGES AND/OR CHARGES REFLECTED HEREIN, IF ANY, ARE SUBJECT TO CHANGE UPON RECEIPT OF THE CONTRACT TO BUY AND SELL REAL ESTATE AND ANY AMENDMENTS THERETO.

ALTA COMMITMENT
Old Republic National Title Insurance Company
Schedule B, Part II
(Exceptions)

Order Number: RND55073188-3

This commitment does not republish any covenants, condition, restriction, or limitation contained in any document referred to in this commitment to the extent that the specific covenant, conditions, restriction, or limitation violates state or federal law based on race, color, religion, sex, sexual orientation, gender identity, handicap, familial status, or national origin.

1. Any facts, rights, interests, or claims thereof, not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
2. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and 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 of the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
6. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water.
8. EXISTING LEASES AND TENANCIES.
9. GRANT OF RIGHT OF WAY TO MOUNTAIN VIEW ELECTRIC ASSOCIATION, INC. IN INSTRUMENT RECORDED SEPTEMBER 7, 1982 IN BOOK 3606 AT PAGE [914](#).
10. A 60 FOOT EASEMENT FOR INGRESS AND EGRESS RECORDED OCTOBER 13, 1971 IN BOOK 2442 AT PAGE [592](#).
11. TERMS, CONDITIONS, PROVISIONS, BURDENS, OBLIGATIONS AND EASEMENTS AS SET FORTH AND GRANTED IN COLORADO GROUND WATER FINDINGS AND ORDERS RECORDED JUNE 15, 2006 UNDER RECEPTION NO. [206088234](#), [206088235](#) AND [206088236](#).
12. ANY RIGHTS OR INTERESTS OF THIRD PARTIES WHICH EXIST OR ARE CLAIMED TO EXIST IN AND OVER THE PRESENT AND PAST BED, BANKS OR WATERS OF BRACKETT CREEK. ASSESSOR'S MAP DEPICTING BRACKETT CREEK IS STORED IN OUR SYSTEM AS IMAGE [12405488](#).



LAND TITLE GUARANTEE COMPANY DISCLOSURE STATEMENTS

Note: Pursuant to CRS 10-11-122, notice is hereby given that:

- (A) The Subject real property may be located in a special taxing district.
- (B) A certificate of taxes due listing each taxing jurisdiction will be obtained from the county treasurer of the county in which the real property is located or that county treasurer's authorized agent unless the proposed insured provides written instructions to the contrary. (for an Owner's Policy of Title Insurance pertaining to a sale of residential real property).
- (C) The 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.

Note: Effective September 1, 1997, CRS 30-10-406 requires that all documents received for recording or filing in the clerk and recorder's office shall contain a top margin of at least one inch and a left, right and bottom margin of at least one half of an inch. The clerk and recorder may refuse to record or file any document that does not conform, except that, the requirement for the top margin shall not apply to documents using forms on which space is provided for recording or filing information at the top margin of the document.

Note: Colorado Division of Insurance Regulations 8-1-2 requires that "Every title entity shall be responsible for all matters which appear of record prior to the time of recording whenever the title entity conducts the closing and is responsible for recording or filing of legal documents resulting from the transaction which was closed". Provided that Land Title Guarantee Company conducts the closing of the insured transaction and is responsible for recording the legal documents from the transaction, exception number 5 will not appear on the Owner's Title Policy and the Lenders Policy when issued.

Note: Affirmative mechanic's lien protection for the Owner may be available (typically by deletion of Exception no. 4 of Schedule B, Section 2 of the Commitment from the Owner's Policy to be issued) upon compliance with the following conditions:

- (A) The land described in Schedule A of this commitment must be a single family residence which includes a condominium or townhouse unit.
- (B) No labor or materials have been furnished by mechanics or material-men for purposes of construction on the land described in Schedule A of this Commitment within the past 6 months.
- (C) The Company must receive an appropriate affidavit indemnifying the Company against un-filed mechanic's and material-men's liens.
- (D) The Company must receive payment of the appropriate premium.
- (E) If there has been construction, improvements or major repairs undertaken on the property to be purchased within six months prior to the Date of Commitment, the requirements to obtain coverage for unrecorded liens will include: disclosure of certain construction information; financial information as to the seller, the builder and or the contractor; payment of the appropriate premium fully executed Indemnity Agreements satisfactory to the company, and, any additional requirements as may be necessary after an examination of the aforesaid information by the Company.

No coverage will be given under any circumstances for labor or material for which the insured has contracted for or agreed to pay.

Note: Pursuant to CRS 10-11-123, notice is hereby given:

This notice applies to owner's policy commitments disclosing that a mineral estate has been severed from the surface estate, in Schedule B-2.

- (A) That there is recorded evidence that a mineral estate has been severed, leased, or otherwise conveyed from the surface estate and that there is substantial likelihood that a third party holds some or all interest in oil, gas, other minerals, or geothermal energy in the property; and
- (B) That such mineral estate may include the right to enter and use the property without the surface owner's permission.

Note: Pursuant to CRS 10-1-128(6)(a), It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Note: Pursuant to Colorado Division of Insurance Regulations 8-1-3, notice is hereby given of the availability of a closing protection letter for the lender, purchaser, lessee or seller in connection with this transaction.



**JOINT NOTICE OF PRIVACY POLICY OF
LAND TITLE GUARANTEE COMPANY,
LAND TITLE GUARANTEE COMPANY OF SUMMIT COUNTY
LAND TITLE INSURANCE CORPORATION AND
OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY**

This Statement is provided to you as a customer of Land Title Guarantee Company as agent for Land Title Insurance Corporation and Old Republic National Title Insurance Company.

We want you to know that we recognize and respect your privacy expectations and the requirements of federal and state privacy laws. Information security is one of our highest priorities. We recognize that maintaining your trust and confidence is the bedrock of our business. We maintain and regularly review internal and external safeguards against unauthorized access to non-public personal information ("Personal Information").

In the course of our business, we may collect Personal Information about you from:

- applications or other forms we receive from you, including communications sent through TMX, our web-based transaction management system;
 - your transactions with, or from the services being performed by us, our affiliates, or others;
 - a consumer reporting agency, if such information is provided to us in connection with your transaction;
- and
- The public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates and non-affiliates.

Our policies regarding the protection of the confidentiality and security of your Personal Information are as follows:

- We restrict access to all Personal Information about you to those employees who need to know that information in order to provide products and services to you.
- We maintain physical, electronic and procedural safeguards that comply with federal standards to protect your Personal Information from unauthorized access or intrusion.
- Employees who violate our strict policies and procedures regarding privacy are subject to disciplinary action.
- We regularly assess security standards and procedures to protect against unauthorized access to Personal Information.

WE DO NOT DISCLOSE ANY PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT PERMITTED BY LAW.

Consistent with applicable privacy laws, there are some situations in which Personal Information may be disclosed. We may disclose your Personal Information when you direct or give us permission; when we are required by law to do so, for example, if we are served a subpoena; or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

Our policy regarding dispute resolution is as follows: Any controversy or claim arising out of or relating to our privacy policy, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.



Commitment For Title Insurance

Issued by Old Republic National Title Insurance Corporation

NOTICE

IMPORTANT—READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON. .

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I—Requirements; Schedule B, Part II—Exceptions; and the Commitment Conditions, Old Republic National Title Insurance Company, a Minnesota corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured. If all of the Schedule B, Part I—Requirements have not been met within 6 months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements; and
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - i. comply with the Schedule B, Part I—Requirements;
 - ii. eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - iii. acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.

- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

IN WITNESS WHEREOF, Land Title Insurance Corporation has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A to be valid when countersigned by a validating officer or other authorized signatory.

Issued by:
Land Title Guarantee
Company
3033 East First Avenue Suite
600
Denver, Colorado 80206
303-321-1880


President



Old Republic National Title Insurance Company, a Stock
Company
400 Second Avenue South
Minneapolis, Minnesota 55401
(612)371-1111



Mark Bilbrey, President



Rande Yeager, Secretary

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by Land Title Insurance Corporation. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements; and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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1982 SEP -7 AM 10:53

BOOK 3606 PAGE 914

GRANT OF RIGHT OF WAY

El Paso County Clerk & Recorder

300

KNOW ALL MEN BY THESE PRESENTS, That John J. Scott and Kathryn Scott
Route #2, Calhan, Colo. 80808

of the County of El Paso, and State of Colorado, hereinafter called the "Grantor" in consideration of the Sum of One Dollar (\$1.00) and other valuable consideration to the Grantor in hand paid by the Mountain View Electric Association, Incorporated, a corporation organized and existing under the laws of the State of Colorado, whose post office address is Limon, Colorado, and to its successors or assigns, hereinafter called the "Grantee," the receipt of which consideration is hereby acknowledged by the Grantor, hereby grants unto the Grantee, its successors and assigns, and warrants title thereto, the easement and right of way to construct, maintain, change, renew, relocate, enlarge, and operate its line or lines for the transmission and distribution of electrical energy, and as incident thereto, and, in connection therewith, to construct, maintain, operate, relocate, and enlarge a telephone and/or telegraph line as may be found advisable, including the necessary steel and wood pole towers, poles, wires, guys, stubs and other fixtures, together with the right of ingress and egress and the right to trim or cut down any trees and shrubbery and to control the growth of same by chemical means, machinery, or otherwise, and remove any objects which may interfere with the construction and operation of such lines and structures, over, upon, under, and along a strip of land twenty feet in width, owned by the Grantor, situate in the County El Paso, and State of Colorado, said strip of land being Twenty feet on each side of the following described center line, to-wit: The Westerly property line of Section 24, Township 12 South, Range 63, West of the 6th P.M. El Paso County, Colorado along the East side of McClelland Road Southerly from Scott Road.

Mountain View Electric Association is also given permission to install a guy-wire and anchor at the Southern-most end of a line to be built to serve Victor S. Schaff.

W 1/2 SECTION 24 TOWNSHIP 12 SOUTH RANGE 63 WEST

TO HAVE AND TO HOLD said strip of land for so long as the Grantee, its successors and assigns, shall use the same for the purposes aforesaid, the easement and right of way hereby granted to cease and revert to the Grantor, his heirs and assigns, if the Grantee, its successors and assigns, shall have ceased to use said strip of land for said purposes for a continuous period of two years.

The Grantor covenants and agrees for himself, his heirs, and assigns, not to erect any building or structure within the limits of said strip of land, and the Grantee, its successors and assigns, shall have the right to remove, at Grantee's expense, objects interfering with the construction, maintenance, operation, control and use of said lines.

The Grantor agrees that all poles, wires, cables, and other facilities including any main service entrance equipment, installed in, upon or under the above described easement and right-of-way by Grantee shall remain the property of Grantee, removable at the option of Grantee.

This grant is subject to the right of the Grantor, his heirs and assigns, to pass over said strip of land from one portion of his land to the other portion thereof, and to otherwise use, pasture and cultivate the surface of said strip of land consistent with the use of said strip of land by the Grantee, its successors and assigns, for the purposes aforesaid.

The Grantee, for itself, its successors and assigns, hereby agrees to pay any damage which may arise from constructing, maintaining, operating or removing said electric transmission line or lines so far as the same shall affect fences, irrigation or draining ditches, or growing crops, said damage, if not mutually agreed upon, to be ascertained and determined by three disinterested persons, one thereof to be appointed by the Grantor, his heirs and assigns, one by the Grantee, its successors or assigns, and the third person by the two persons aforesaid, the award of such three persons to be final and conclusive.

The word "Grantor," wherever used herein, shall include either one or more persons, and the masculine wherever used shall include the feminine.

WITNESS the hand and seal of the Grantor this July 22 day of July, 1982

John J. Scott (SEAL)
Kathryn Scott (SEAL)

STATE OF COLORADO)
COUNTY OF El Paso) ss.

The within instrument was acknowledged before me this 21st day of July, 1982 by John J. Scott and Kathryn Scott

My commission expires _____
WITNESS my hand and official seal
Shanda L. Eckelberry
Notary Public

Notary's Address Calhan, Colorado 80808

Replaces: W/o 81-0795 C. E. _____ District No. 07
Victor Schaff MAR 10

This Deed, Made this twenty eight day of September in the year of our Lord

one thousand nine hundred and seventy one between
EARL L. HALE and DAISY M. HALE, in joint tenancy
of the County of El Paso and State of Colorado, of the first part, and
WILLIAM E. GJOVIG and MAURINE L. GJOVIG
of the County of ^{Minnesota}~~Colorado~~ and State of ~~Colorado~~, of the second part;

Witnesseth, That the said part of the first part, for and in consideration of the sum of
Three thousand and 00/100- - - - - DOLLARS,
to the said parties of the first part in hand paid by the said parties of the second part, the receipt whereof is
hereby confessed and acknowledged, have granted, bargained, sold and conveyed, and by these presents do
grant, bargain, sell, convey and confirm unto the said parties of the second part, not in tenancy in common but in
joint tenancy, the survivor of them, their assigns and the heirs and assigns of such survivor forever, all the following
described lot or parcel of land, situate, lying and being in the County of El Paso and State
of Colorado, to-wit:

The Northeast quarter of the Northeast quarter of the Southwest quarter
(~~NE1/4~~^{NE1/4SW1/4}) of Section 24, in Township 12 South, Range 63 West of the
6th P.M., together with an easement, 60 feet in width, for ingress and
egress, said easement being over and across the North 60 feet of the
Northwest quarter of the Northeast quarter of the Southwest quarter
and the North 60 feet of the Northwest quarter of the Southwest quarter
of Section 24, Township 12 South, Range 63 West of the 6th P.M.

Together with all and singular the hereditaments and appurtenances thereto belonging, or in anywise apper-
taining, 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 said parties of the first part, either in law or
equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

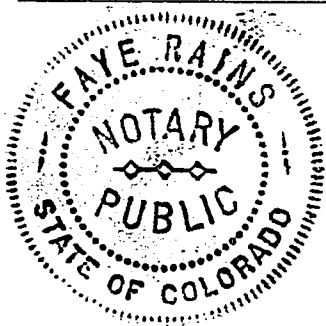
To Have and to Hold the said premises above bargained and described, with the appurtenances, unto the said
parties of the second part, the survivor of them, their assigns and the heirs and assigns of such survivor forever.
And the said parties of the first part, for their selves, ^{their}heirs, executors, and administrators, do
covenant, grant, bargain and agree to and with the said parties of the second part, the survivor of them, their assigns
and the heirs and assigns of such survivor, that at the time of the ensembling and delivery of these presents, they are
well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance,
in law, in fee simple, and have good right, full power and lawful authority to grant, bargain, sell and convey
the same in manner and form aforesaid, and that the same are free and clear from all former and other grants,
bargains, sales, liens, taxes, assessments and incumbrances of whatever kind or nature soever, except general
taxes for 1971 and easements, restrictions, covenants, and reservations of
record if any

and the above bargained premises in the quiet and peaceable possession of the said parties of the second part, the
survivor of them, their assigns and the heirs and assigns of such survivor, against all and every person or persons
lawfully claiming or to claim the whole or any part thereof, the said parties of the first part shall and will
WARRANT AND FOREVER DEFEND.

In Witness Whereof, The said parties of the first part have hereunto set their hand
and seal the day and year first above written.

Signed, Sealed and Delivered in the Presence of

Earl L. Hale Seal
Earl L. Hale
Daisy M. Hale Seal
Daisy M. Hale Seal



STATE OF COLORADO,
County of El Paso ss. The foregoing instrument was
acknowledged before me this 28th day of September, 1971,
*by Earl L. Hale and Daisy M. Hale

Witness my hand and official seal.

My commission expires 3/26/72

Faye Rains
Notary Public

*If acting in official or representative capacity, insert name and also office or capacity and for whom acting.

COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER

S&K LLC
P.O. Box 7650
C/S, CO. 80933

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: S & K NO. 1, LLC

AQUIFER: LARAMIE-FOX HILLS

DETERMINATION NO.: 914-BD

In compliance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, S&K No. 1, LLC (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 19, 2005.
2. The applicant requests a determination of rights to designated ground water in the Laramie-Fox Hills Aquifer (hereinafter "aquifer") underlying 142.1 acres, generally described as the majority of the Southwest quarter of Section 24, Township 12 South, Range 63 West of the 6th Principal Meridian, in El Paso County. According to a signed statement dated August 15, 2005, the applicant owns the 142.1 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.
5. The applicant intends to apply the allocated ground water to the following beneficial uses: domestic, livestock, irrigation, commercial, industrial, and replacement supply. The applicant's proposed place of use of the allocated ground water is the above-described 142.1-acre land area.
6. The quantity of water in the aquifer underlying the 142.1 acres of land claimed by the applicant is 5,435 acre-feet. This determination was based on the following as specified in the Designated Basin Rules:

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

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Rec \$31.00 1 of 6



206088234

- 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 255 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 allowed 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 142.1 acres of overlying land claimed by the applicant is 54.4 acre-feet.
9. 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.
10. 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.
11. 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.
12. 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 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.
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 April 3, 2006, 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 *Ranchland News* newspaper on April 6 and 13, 2006.
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 142.1 acres of land, generally described as the majority of the Southwest quarter of Section 24, Township 12 South, Range 63 West of the 6th Principal Meridian in El Paso County, is approved subject to the following conditions:

19. The allowed average annual amount of withdrawal of ground water from the aquifer shall not exceed 54.4 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 allowed 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. The applicant may pump the allowed average annual amount of withdrawal and the allowed maximum annual amount of withdrawal from one or more wells of a well field in any combination, so long as the total combined withdrawal of the wells does not exceed the amounts described in this Order.

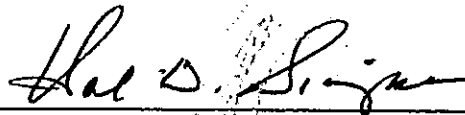
22. No more than 98% of the ground water withdrawn annually shall be consumed. The Commission may require well owners to demonstrate periodically that no more than 98% of the water withdrawn is being consumed.
23. The use of ground water from this allocation shall be limited to the following beneficial uses: domestic, livestock, irrigation, commercial, industrial, and replacement supply. The place of use shall be limited to the above described 142.1-acre land area.
24. 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 142.1-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.
25. Subject to the above conditions, well permits for wells to withdraw the allocated 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 142.1-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. 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.
 - f. 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.

Applicant: S&K No. 1, LLC
Aquifer: Laramie-Fox Hills
Determination No.: 914-BD

Page 5

26. 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 142.1-acre overlying land area, or any part thereof, shall reveal the existence of this determination.

Dated this 8th day of June, 2006.



Hal D. Simpson
Executive Director
Colorado Ground Water Commission

By: 

Keith Vander Horst, P.E.
Supervisor, Designated Basins

Prepared by: GMB

FIND-0606-01

EXHIBIT A

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

RECEIVED

SEP 19 2005

WATER RESOURCES
STATE ENGINEER
COLO.

RECEIVED

AUG 16 2005

WATER RESOURCES
STATE ENGINEER
COLO.

NONTRIBUTARY GROUND WATER LANDOWNERSHIP STATEMENT

I (we) ~~Joe Kraig~~ S+K NO. 1, LLC K
(Name)

claim and say that I (we) am (are) the owner(s) of the following described property
consisting of 150.142-1 acres in the County of El Paso, State
of Colorado:

West One-half of Southwest Quarter, Southeast Quarter of the Northeast Quarter of the Southwest Quarter, West

One-half of the East One-half of the Southwest Quarter and the East One-half of the Southeast Quarter

of the Southwest Quarter, Section 24, Township 12 South, Range 63 West

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.

Joe Kraig MEMBER 8/15/05
(Signature) (Date)

(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.

SK LLC
P.O. Box 7650
COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER *CB*
80933

Joe Francis
3230 Cherry

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: S & K NO. 1, LLC

AQUIFER: ARAPAHOE

DETERMINATION NO.: 915-BD

In compliance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, S&K No. 1, LLC (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 19, 2005.
2. The applicant requests a determination of rights to designated ground water in the Arapahoe Aquifer (hereinafter "aquifer") underlying 142.1 acres, generally described as the majority of the Southwest quarter of Section 24, Township 12 South, Range 63 West of the 6th Principal Meridian, in El Paso County. According to a signed statement dated August 15, 2005, the applicant owns the 142.1 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.
5. The applicant intends to apply the allocated ground water to the following beneficial uses: domestic, livestock, irrigation, commercial, industrial, and replacement supply. The applicant's proposed place of use of the allocated ground water is the above-described 142.1-acre land area.
6. The quantity of water in the aquifer underlying the 142.1 acres of land claimed by the applicant is 4,831 acre-feet. This determination was based on the following as specified in the Designated Basin Rules:

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

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- 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 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 allowed 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 142.1 acres of overlying land claimed by the applicant is 48.3 acre-feet.
9. 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.
10. 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.
11. 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.
12. 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 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.
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 April 3, 2006, 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 *Ranchland News* newspaper on April 6 and 13, 2006.
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 142.1 acres of land, generally described as the majority of the Southwest quarter of Section 24, Township 12 South, Range 63 West of the 6th Principal Meridian in El Paso County, is approved subject to the following conditions:

19. The allowed average annual amount of withdrawal of ground water from the aquifer shall not exceed 48.3 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 allowed 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. The applicant may pump the allowed average annual amount of withdrawal and the allowed maximum annual amount of withdrawal from one or more wells of a well field in any combination, so long as the total combined withdrawal of the wells does not exceed the amounts described in this Order.

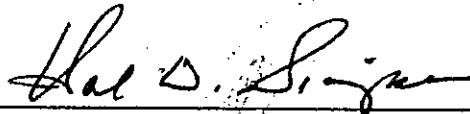
22. No more than 98% of the ground water withdrawn annually shall be consumed. The Commission may require well owners to demonstrate periodically that no more than 98% of the water withdrawn is being consumed.
23. The use of ground water from this allocation shall be limited to the following beneficial uses: domestic, livestock, irrigation, commercial, industrial, and replacement supply. The place of use shall be limited to the above described 142.1-acre land area.
24. 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 142.1-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.
25. Subject to the above conditions, well permits for wells to withdraw the allocated 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 142.1-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. 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.
 - f. 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.

Applicant: S&K No. 1, LLC
Aquifer: Arapahoe
Determination No.: 915-BD

Page 5

26. 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 142.1-acre overlying land area, or any part thereof, shall reveal the existence of this determination.

Dated this 8th day of June, 2006.



Hal D. Simpson
Executive Director
Colorado Ground Water Commission

By: 

Keith Vander Horst, P.E.
Supervisor, Designated Basins

Prepared by: GMB

FIND-0606-02

EXHIBIT A

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

RECEIVED

SEP 19 2005

WATER RESOURCES
STATE ENGINEER
COLO.

RECEIVED

AUG 16 2005

WATER RESOURCES
STATE ENGINEER
COLO.

NONTRIBUTARY GROUND WATER LANDOWNERSHIP STATEMENT

I (we) Joe Kraig S K No. 1, LLC
(Name)

claim and say that I (we) am (are) the owner(s) of the following described property consisting of 150 142.14 acres in the County of El Paso, State of Colorado:

West One-half of Southwest Quarter, Southeast Quarter of the Northeast Quarter of the Southwest Quarter, West

One-half of the East One-half of the Southwest Quarter and the East One-half of the Southeast Quarter

of the Southwest Quarter, Section 24, Township 12 South, Range 63 West

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 its 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.

Joe Kraig MEMBER 8/15/05
(Signature) (Date)

(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.

S&K LLC
P.O. Box 7650
COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER
El Paso Co.
80933

Joe Kuegel
3230 Chingston Hwy
El Paso, CO 80919

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: S & K NO. 1, LLC

AQUIFER: DENVER

DETERMINATION NO.: 916-BD

In compliance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, S&K No. 1, LLC (hereinafter "applicant") submitted an application for determination of water right to allow the withdrawal of designated ground water from the Denver Aquifer.

FINDINGS

1. The application was received complete by the Colorado Ground Water Commission on September 19, 2005.
2. The applicant requests a determination of rights to designated ground water in the Denver Aquifer (hereinafter "aquifer") underlying 142.1 acres, generally described as the majority of the Southwest quarter of Section 24, Township 12 South, Range 63 West of the 6th Principal Meridian, in El Paso County. According to a signed statement dated August 15, 2005, the applicant owns the 142.1 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.
5. The applicant intends to apply the allocated ground water to the following beneficial uses: domestic, livestock, irrigation, commercial, industrial, and replacement supply. The applicant's proposed place of use of the allocated ground water is the above-described 142.1-acre land area.
6. The quantity of water in the aquifer underlying the 142.1 acres of land claimed by the applicant is 5,556 acre-feet. This determination was based on the following as specified in the Designated Basin Rules:

ROBERT C. "BOB" BALINK El Paso County, CO
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- 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 230 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 allowed 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 142.1 acres of overlying land claimed by the applicant is 55.6 acre-feet.
9. 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.
10. 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.
11. 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.
12. 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 land claimed by the applicant will, 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 considered to be not-nontributary ground water. Also, the location of the land claimed by the applicant is closer than one mile from the aquifer contact with the alluvium. Withdrawal of water from the aquifer underlying the claimed land area would impact the alluvial aquifer of Black Squirrel Creek or its tributaries, which has been determined to be over-appropriated. Commission approval of a replacement plan - pursuant to Section 37-90-107.5, C.R.S., and Rule 5.6 of the Designated Basin Rules - providing for the actual depletion of the alluvial aquifer and adequate to prevent any material injury to existing water rights, would be required prior to approval of well permits for wells to be located on this land area to withdraw the allocated ground water from the aquifer.

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 April 3, 2006, 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 *Ranchland News* newspaper on April 6 and 13, 2006.
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 Denver Aquifer underlying 142.1 acres of land, generally described as the majority of the Southwest quarter of Section 24, Township 12 South, Range 63 West of the 6th Principal Meridian in El Paso County, is approved subject to the following conditions:

19. The allowed average annual amount of withdrawal of ground water from the aquifer shall not exceed 55.6 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 allowed 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. The applicant may pump the allowed average annual amount of withdrawal and the allowed maximum annual amount of withdrawal from one or more wells of a well field in any combination, so long as the total combined withdrawal of the wells does not exceed the amounts described in this Order.
22. Commission approval of a replacement plan, providing for actual depletion of affected alluvial aquifers and adequate to prevent any material injury to existing water rights in such alluvial aquifers is required prior to approval of well permits for wells to be located on the overlying land area to withdraw ground water from the aquifer.
23. The use of ground water from this allocation shall be limited to the following beneficial uses: domestic, livestock, irrigation, commercial, industrial, and replacement supply. The place of use shall be limited to the above described 142.1-acre land area.
24. 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 142.1-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.
25. Subject to the above conditions, well permits for wells to withdraw the allocated 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 142.1-acre overlying land area.
 - b. The wells must be constructed to withdraw water from only the Denver 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. 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.

Applicant: S&K No. 1, LLC
Aquifer: Denver
Determination No.: 916-BD


Page 5

- f. 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.
26. 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 142.1-acre overlying land area, or any part thereof, shall reveal the existence of this determination.

Dated this 8th day of June, 2006.



Hal D. Simpson
Executive Director
Colorado Ground Water Commission

By: 
Keith Vander Horst, P.E.
Supervisor, Designated Basins

Prepared by: GMB

FIND-0606-03

EXHIBIT A

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

RECEIVED

SEP 19 2005

RECEIVED

AUG 16 2005

WATER RESOURCES
STATE ENGINEER
COLORADOAUG 16 2005
STATE ENGINEER
COLORADONONTRIBUTARY GROUND WATER LANDOWNERSHIP STATEMENTI (we) Joe Kraig S & K NO. 1, LLC
(Name)claim and say that I (we) am (are) the owner(s) of the following described property consisting of 150 142.1 acres in the County of El Paso, State of Colorado:West One-half of Southwest Quarter, Southeast Quarter of the Northeast Quarter of the Southwest Quarter, WestOne-half of the East One-half of the Southwest Quarter and the East One-half of the Southeast Quarterof the Southwest Quarter, Section 24, Township 12 South, Range 63 Westand, that the ground water sought to be withdrawn from the Denver aquifer underlying the above-described land has not been conveyed or reserved to another, nor has consent been given to its 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.

Joe Kraig MEMBER 8/15/05
(Signature) (Date)

(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.

El Paso County Assessor's Office

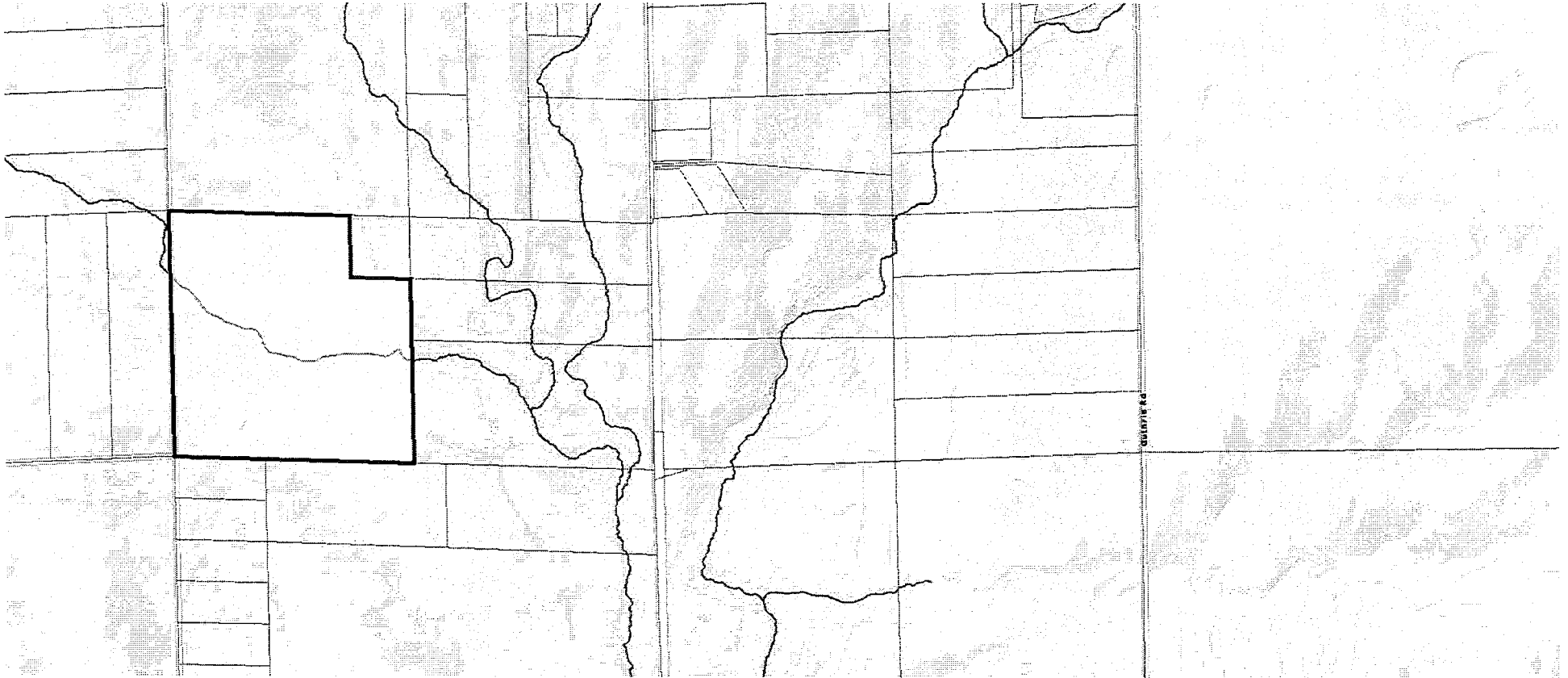
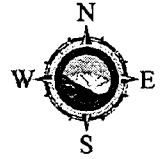
10675 MCCLELLAND RD

SCHEDULE: 3200000112

OWNER: S&K NO1 LLC

C/O JOE KRAIG

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Filed for record the _____ day of _____, A.D.
Reception No. _____

ORDER.

WARRANTY DEED

THIS DEED, Made on this day of January 11, 2005,
between BILLY L. HALE

whose legal address is : 6945 N. BAGGETT RD CALHAN CO 80808
of the Grantor(s), and
S&K NO.1, LLC, A COLORADO LIMITED LIABILITY COMPANY

whose legal address is : PO BOX 7650 COLORADO SPRINGS, COLORADO 80933
of the Grantee(s):

WITNESS, That the Grantor(s), for and in consideration of the sum of (\$147,300.00)

*** One Hundred Forty Seven Thousand Three Hundred and 00/100 ***

DOLLARS

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(s), his heirs and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the _____ County of EL PASO and State of Colorado, described as follows:
THE SOUTHWEST QUARTER OF SECTION 24 IN TOWNSHIP 12 SOUTH, RANGE 63 WEST OF THE 6TH P.M., EXCEPTING THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER THEREOF CONVEYED TO WILLIAM E. CJOVIG BY DEED RECORDED OCTOBER 13, 1971 IN BOOK 2442 AT PAGE 592, EL PASO COUNTY, COLORADO.

also known as street number 10675 MC CLELLAND ROAD, PEYTON, CO 80831

TOGETHER with all and singular and hereditaments and appurtenances thereto 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(s), either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described with appurtenances, unto the Grantee(s), his heirs and assigns forever. The Grantor(s), for himself, his heirs and personal representatives, does covenant, grant, bargain, and agree to and with the Grantee(s), his heirs and assigns, that at the time of the ensealing and delivery of these presents, he is well seized of the premises above conveyed, has good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and has good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form as aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature soever, EXCEPT GENERAL TAXES AND ASSESSMENTS FOR THE YEAR 2005 AND SUBSEQUENT YEARS, AND SUBJECT TO EASEMENTS, RESERVATIONS, RESTRICTIONS, COVENANTS AND RIGHTS OF WAY OF RECORD, IF ANY

The Grantor(s) shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of the Grantee(s), his heirs and assigns, against all and every person or persons lawfully claiming the whole or any part thereof. The singular number shall include the plural, and the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF the Grantor(s) has executed this deed on the date set forth above.

Billy L. Hale
BILLY L. HALE

STATE OF Colorado)
) ss..
County of EL PASO)

The foregoing instrument was acknowledged before me on this day of January 11, 2005,
by BILLY L. HALE

LISA RUBICK
NOTARY PUBLIC
My Commission Expires Nov. 4, 2006

11-4-06
Notary Public

Escrow# CSC55000081
Title# SC55000081

When Recorded Return to: S&K NO.1, LLC, A COLORADO LIMITED
LIABILITY COMPANY

Form COMM.WD WARRANTY DEED (For Photographic Record)