DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WATER RESOURCES

John W. Hickenlooper
Governor

Mike King
Executive Director

Dick Wolfe, P.E.
Director/State Engineer

February 1, 2012

Mr. Michael Applegate, P.E.
Applegate Group, Inc.
1499 West 120th Avenue, Suite 200
Denver, CO 80234

When replying, please refer to:
CUCHARAS NO. 5 DAM, DAMID 160108
Water Division 2, Water District 16
Construction File No.: C-1021C

SUBJECT: Approval of Plans and Specifications for Construction

Dear Mike:

Thank you for submitting for final review and approval of the State Engineer the revised plans and specifications for the proposed spillway modifications and concrete face repairs at the referenced dam and your responses to our review comments by your letter dated January 24, 2012. We have completed our final review of the design and construction documents and have found them to be generally acceptable for construction. We are transmitting the mylar construction drawing cover sheet and one set of the construction drawings with approval signatures. It is noted that the technical specifications are included on Sheet 2 of the construction plans. Additionally, as we discussed, please scan the approved drawings and provide PDF's versions for our use during construction under Rule 9. Our acceptance and approval of the documents are effective as of the date of this letter.

The construction of this project must be performed under the purview of a professional engineer registered in the State of Colorado. Your attention is directed to Rule 9.1 (copy enclosed) of Colorado's *Rules and Regulations for Dam Safety and Dam Construction (Rules and Regulations)* concerning the pre-construction meeting, construction observation, coordination, and documentation requirements for this Large Size, High Hazard dam. Please advise Division 2 Dam Safety Engineer Mark Perry (719-250-5606) of the construction status so he may also meet his obligations under Rule 9.

Please submit "As-Constructed" mylar drawings, including the original (unaltered) certification sheet and one set of drawings in PDF format, upon completion of the construction. Final acceptance of the construction will be contingent upon our receipt and acceptance of the "As-Constructed" drawings, as well as the other requirements of Rule 10 (copy enclosed) of the *Rules and Regulations*.

We look forward to working with you on this construction project and to achieving a successful modification of the spillway in order to bring the dam into compliance with the safe storage restriction.

Sincerely,

William T. McCormick, III, P.E., P.G.
Chief, Dam Safety Branch
for, Deputy State Engineer

Enc: Copies of Rule 9 and 10 of the "Rules and Regulations for Dam Safety and Dam Construction".

ec: Steve Witte, Division Engineer
Mark Perry, Dam Safety Engineer
Doug Brgoch, WD 16 Water Commissioner
Carrie Herbolsheimer, CarrieH@applegategroup.com
Gary Barber, GBarber@2riverswater.com

January 16, 2012

To: Colorado Water Conservation Board (CWCB)

HUB International Insurance Services partners with Two Rivers Water Company (TRWC) as their broker for their insurance placement needs. This letter confirms TRWC's intent to purchase, and HUB International's intent to place on their behalf, crop coverage for alfalfa crops. These are federal insurance programs so the availability is determined by the issuing agency. There are two types of coverage and both types will be purchased as soon as they become available.

Coverage for the peril of "hail" is available each Spring, (May at the earliest) for each growing season while complete forage coverage is offered each Fall for the following year. Full coverage for 2013 will be available for purchase in the marketplace September 30, 2012.

Following the purchase of each type, hail and complete forage coverage, Two Rivers will provide an Evidence of Coverage form (EOC), via HUB International, to CWCB. We expect to have the hail coverage in place perhaps as early as May, 2012. Until then, please feel free to contact us with questions or the need for additional information.

Sincerely,

Nick R

Nick Ross
Client Executive

1125 17th Street, Suite 900
Denver Colorado, 80202
Office (303) 893-0300
Fax 1(866) 243-0727

DOTTER ABSTRACT COMPANY
506 Main Street
Walsenburg, Co 81089
Phone 719-738-1730 Fax 719-738-1012

TITLE INSURANCE
AND
ESCROW SERVICES

December 20, 2011

TO:

TWO RIVERS WATER
2000 S. COLORADO BLVD
ANNEX SUITE 200
DENVER, CO 80222

Attn: Kristy

O & E-TWO RIVERS FILE 29187		**200.00**
TOTAL AMOUNT $200.00		

Check was
mailed
12/22/11
$200 —

OWNERSHIP AND ENCUMBRANCE REPORT

DOTTER ABSTRACT COMPANY
WALSENBURG, COLORADO

SUBSEQUENT TO: February 3, 2011

LEGAL DESCRIPTION:

SEE EXHIBIT A

RECORD OWNER:

THE ORLANDO RESERVOIR NO. 2 COMPANY , LLC

ENCUMBRANCES:

SPECIAL WARRANTY DEED RECEPTION 390207
DEED OF TRUST RECEPTION NO. 390209
UCC FIANCING STATEMENT RECEPTION NO 390210
RECREATIONAL USE AND ACCESS EASEMENT RECEPTION NO. 390211
SPECIAL WARRANTY DEED RECEPTION NO. 391924
STATE OF AUTHORITY RECEPTION NO. 392516
QUIT CLAIM DEED RECEPTION 392518
DEED OF TRUST RECEPTION NO. 392702
STATEMENT OF AUTHORITY RECEPTION NO. 392703
STATEMENT OF AUTHORITY RECEPTION NO. 390204

ABSTRACTORS NOTE: THIS REPORT DOES NOT APPLY NOR IS ANY GUARANTEE MADE WITH RESPECT TO MINERALS, LODE AND PLACER CLAIMS, ROADS, RAILROADS, HIGHWAYS, ALLEYS, WATER RIGHTS, DITCHES, CANALS, RESERVOIRS, PIPELINES, UTILITIES, SCHOOL TRACTS , RIGHTS OF WAY AND EASEMENTS THEREFOR AND ANY INSTRUMENTS RELATING THERETO.

THIS SEARCH IS MADE FOR THE BENEFIT OF: TWO RIVERS WATER

THE LIABILITY HEREUNDER IS SPECIFICALLY LIMITED TO THE AMOUNT OF THE CHARGE HERETOFORE:

THIS SEARCH IS NOT TO BE CONSTRUED AS AN OPINION OF TITLE AND NO ATTEMPT IS MADE TO PASS UPON THE SUFFICIENCY OF ANY INSTRUMENT SHOWN ABOVE OR AS TO MARKETABILITY OF TITLE.

THIS SEARCH COVERS THAT PERIOD OF TIME ENDING: December 7, 2011

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:
1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:
1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:
1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning, Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

390207
Page 1 of 4
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $10.00
02-03-2011 09:57 AM Recording Fee $36.00

DF $10.00

SPECIAL WARRANTY DEED

THIS DEED, made to be effective as of the 28th day of January, 2011, between **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC**, a Colorado limited liability company, whose address is 102 East Pikes Peak Avenue, Suite 200, Colorado springs, Colorado 80903, Grantor, and **TRW ORLANDO WATER ASSETS, LLC**, a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, Colorado 80222, ATTN: John R. McKowen, Grantee:

WITNESS, that the Grantor, for and in consideration of the sum of **Ten and no/100ths Dollars ($10.00)**, 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 successors and assigns forever, all the real property together with improvements, if any (the "Property"), situate, lying and being in the County of Huerfano and State of Colorado, described as follows:

See **Exhibit A** attached hereto and incorporated herein

Together with all and singular the 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, either in law or in equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the Property above bargained and described, with the appurtenances unto Grantee, and Grantee's successors and assigns, forever. Grantor, for Grantor, and for Grantor's heirs, personal representatives, successors, and assigns, covenants and agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of Grantee, and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part of the Property, by, through, or under Grantor.

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

THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC

By: _____
Randle W. Case II, Co-Manager

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

Acknowledged before me this 28th day of January, 2011, by Randle W. Case II, as Co-Manager of The Orlando Reservoir No. 2 Company, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 9-11-2014

Dixie Powers

Notary Public

[SEAL]

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

EXHIBIT A
TO SPECIAL WARRANTY DEED

EXHIBIT A

Order Number: **28446**

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Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 83° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:
1) N 29° 45' 12" W, a distance of 604.71 feet;
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6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
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ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

390209
Page 1 of 21
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
02-03-2011 09:57 AM Recording Fee $111.00

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Mulliken Weiner Karsh Berg & Jolivet, P.C.
Attn: Steven K. Mulliken, Esq.
102 South Tejon, Suite 900
Colorado Springs, CO 80903

DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Deed of Trust") is made as of the 28th day of January, 2011, among the Trustor, **TRW ORLANDO WATER ASSETS, LLC**, a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, CO 80222 (herein "Trustor"), and the Public Trustee of the County of Huerfano, State of Colorado (herein "Trustee"), and the Beneficiary, **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC**, a Colorado limited liability company, whose address is 102 S. Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado 80903 (herein "Lender").

Trustor, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants, transfers, assigns, and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit of and security of Lender, under and subject to the terms and conditions hereinafter set forth, the following described real property located in the County of Huerfano, State of Colorado, and more particularly described on **Exhibit "A,"** attached and incorporated herein by this reference , and in the water rights more particularly described on **Exhibit "B,"** attached and incorporated herein by this reference,

TOGETHER WITH all improvements now or hereafter erected on such property, and all easements, ditch and other rights, head gates, diversion and other structures and appurtenances, rents and tap and water resource fees (subject, however, to the rights and authorities given herein to Lender to collect and apply such tap and water resource fees and rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and rights to water taps and utility service, water decrees now existing and hereafter obtained and all engineering plans and reports and data on such water rights in Trustor's possession or under its control, and all improvements and fixtures, now or hereafter erected upon or attached or related to such property, all proceeds or sums payable in lieu of or as compensation for the loss of or damage to (a) any property described herein, or (b) the property described herein and all rights in and to all pertinent present and future fire and/or hazard insurance policies insuring the real property, all awards made by any public body or decreed by any Court of competent jurisdiction for a taking or for degradation of value in any eminent domain proceeding of the property described herein or any part thereof, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property encumbered by this Deed of Trust;

and all of the foregoing, together with such property, or the leasehold estate if this Deed of Trust is on a leasehold, are herein referred to as the "Property";

TO SECURE to Lender the repayment of the indebtedness evidenced by that certain Promissory Note, dated January 28, 2011, made by Trustor and payable to Lender in the principal amount of Three Million Dollars ($3,000,000.00) (the "Principal") (collectively herein the "Note"), with interest thereon as provided in the Note (the "Interest"), providing for annual payment of Crop Payments and Water Payments as provided in the Note (each an "Installment"), with the balance of the indebtedness, if not sooner paid, being due and payable on January 28, 2014 (the "Maturity Date"); the performance of the obligations of Trustor and Two Rivers Water Company, a Colorado corporation ("TRWC") under that certain Service Agreement dated January 28, 2011 (the "Service Agreement"), between Trustor, TRWC, Lender and Marksheffel-Woodmen Investments, LLC; the payment of all sums, with interest thereon, advanced in accordance herewith to protect the real and personal property encumbered by this Deed of Trust; and the performance of the covenants and agreements of Trustor of the obligations evidenced by the Note herein contained or contained in the Note, the Service Agreement, or any other deed of trust or other document or instrument further evidencing, securing, guaranteeing or executed in connection with the obligations evidenced by the Note (jointly, the "Loan Documents").

Trustor covenants to Lender and Trustee that Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Trustor will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property and otherwise reasonably acceptable to Lender.

TO HAVE AND TO HOLD IN TRUST NEVERTHELESS, that in case of default in the payment of the Note, or any part thereof, or in the payment of the Interest thereon, according to the tenor and effect of the Note or in the payment of any prior encumbrance, principal or interest, if any, or in case of default shall be made or in case of violation or breach of any of the terms, conditions, covenants or agreements herein contained or contained in any other instrument now or hereafter securing the Note, the Lender or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and elect to advertise the Property for sale and demand such sale, then, upon filing notice of such election and demand for sale with Trustee, who shall, upon receipt of such notice of election and demand for sale, cause a copy of the same to be recorded in the recorder's office of the county in which the Property is situated, it shall and may be lawful for Trustee to sell and dispose of the same (en masse or in separate parcels, as Trustee may think best), and all the right, title and interest of Trustor, its successors or permitted assigns therein, at public auction at any place authorized by law as specified in the notice of such sale, for the highest and best price the same will bring in cash, five (5) weeks public notice having been previously given of the time and place of such sale, by advertisement, weekly, in some newspaper of general circulation at that time published in such county, a copy of which notice shall be mailed within ten (10) days from the date of the first publication thereof to Trustor at the address herein given and to such person or persons appearing to have acquired a subsequent record interest in the Property at the address given in the recorded instrument; where only the county and state is given, then such notice shall be mailed to the county seat; and to make and give to the purchaser or purchasers of such Property at such sale a certificate or certificates in writing describing such Property purchased, and

the sum or sums paid therefor, and the time when the purchaser or purchasers (or other person entitled thereto) shall be entitled to a deed or deeds therefor, unless the same shall be redeemed as is provided by law; and Trustee shall, upon demand by the person or persons holding such certificate or certificates of purchase, when such demand is made, or upon demand by the person entitled to a deed to and for the Property purchased at the time such demand is made, the time for redemption having expired, make and execute to such person or persons a deed or deeds to the Property purchased, which deed or deeds shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by Trustee as grantor, and shall convey and quitclaim to such person or persons entitled to such deed as grantee, the Property purchased as aforesaid, and all the right, title, interest, benefit and equity of redemption of the Trustor, its successors and permitted assigns therein and shall recite the sum or sums for which the Property was sold and shall refer to the power of sale herein contained, and to the sale or sales made by virtue thereof; and in case of an assignment of such certificate or certificates of purchase, or in case of the redemption of such Property by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed or deeds; but the notice of sale need not be set out in such deed or deeds and Trustee shall, out of the proceeds of or avails of such sale, after such sale, pay to the Lender hereunder or the legal holder of the Note, the principal and interest due on the Note according to the tenor and effect thereof, and all moneys advanced by such Lender or legal holder of the Note for insurance, taxes and assessments, or other money advanced pursuant to the terms hereof, with interest thereon at the "Default Rate," as more particularly defined in the Note, rendering the surplus, if any, unto Trustor, its successor or permitted assigns; which sale or sales and deed or deeds so made shall be a perpetual bar, both in law and equity, against Trustor, its successors or assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under Trustor. The holder or holders of the Note may purchase the Property or any part thereof; and it shall not be obligatory upon the purchaser or purchasers at any such sale to see to the application of the purchase money. If a release deed is required, it is agreed that Trustor, its successors or permitted assigns, will pay the expense thereof.

Trustor and Lender covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST**. Trustor shall promptly pay, or shall cause borrower to pay, when due the Principal of and Interest on the indebtedness evidenced by the Note, and all prepayment and late charges as provided in the Note or in this Deed of Trust.

2. **FUNDS FOR TAXES AND INSURANCE**. Until such time as an Event of Default under Paragraph 23 has occurred, Trustor shall timely, pay all real property taxes and assessments against the Property and the failure to timely pay such taxes and assessments shall be deemed an Event of Default. Subject to applicable law or to a written waiver by Lender, from and after the occurrence of any "Event of Default" (as hereafter defined) Trustor shall pay to Lender on the due date of each Installment under the Note, until the Note is paid in full, a sum (herein "Funds") equal the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus the yearly premium for the insurance required to be maintained pursuant hereto, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills or other reasonable estimates thereof.

The Funds shall be held by Lender and commingled with the Lender's other funds and, further, Lender shall not be liable to Trustor for interest on such Funds. Lender shall apply the Funds

timely to pay such taxes, assessments, insurance premiums and ground rents. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If at any point during the term hereof, the amount of the Funds held by Lender shall exceed the amount required to pay the taxes, assessments, insurance premiums and ground rents as they fall due during the year in question, such excess shall be, at Trustor's option, either promptly repaid to Trustor or credited to Trustor on future monthly payments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums, and ground rents as they fall due, Trustor shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date notice is mailed by Lender to Trustor requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Trustor any Funds held by Lender. If under Paragraph 23 herein the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **APPLICATION OF PAYMENTS**. Unless applicable law provides otherwise, all payments received by Lender under the Note shall be applied as provided in the Note.

4. **CHARGES; LIENS**. Trustor shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner provided under Paragraph 2 hereof, by Trustor making payment, when due, directly to the payee thereof. Trustor shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Trustor shall make payments directly, Trustor shall promptly furnish to Lender receipts or other appropriate evidence of such payments. Trustor shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Trustor shall not be required to discharge any such lien so long as Trustor shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend such enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **INSURANCE COVERAGES**. Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender reasonably may require, in an amount equal to the full replacement value of the improvements (80% co-insurance clause permitted), as established by a competent insurance appraiser. Comprehensive general public liability insurance will also be obtained, with a company acceptable to the Lender, for an amount not less than $2,000,000.00 combined single limit.

The insurance carrier providing the insurance shall be chosen by Trustor subject to approval by Lender; provided that such approval shall not be unreasonably withheld. It is required that the insurance carrier hold a Policyholders Rating of at least B+ as set forth in the most current issue of Best's Key Rating Guide for property and casualty companies. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Trustor making payment, when due, directly to the insurance carrier.

In the event any policy is not renewed on or before ten (10) days of its expiration, the Lender, to protect its interest, may procure insurance on the improvements, pay the premiums and such sums shall become immediately due and payable with Interest at the rate set forth in the Note until paid and shall be secured by this Deed of Trust. Failure by Trustor to comply may, at the option of Lender, constitute a default under the terms of this Deed of Trust.

All insurance policies and renewals thereof shall be in form reasonably acceptable to Lender and shall include a Lender's loss payable endorsement/standard mortgagee clause in favor of and in form acceptable to Lender, shall provide that the policies may not be canceled, modified, or not renewed except upon the giving of at least thirty (30) days prior written notice to Lender, and shall also provide that any losses shall be payable to Lender and Trustor, as their respective interest may appear, notwithstanding (i) any act, failure to act or negligence contained in such policy by any named insured, (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms thereof, (iii) any foreclosure or other action or proceeding taken by Lender or foreclosure pursuant to any provision of this Deed of Trust, or (iv) any change in title or ownership of the Property. Lender shall have the right to hold the policies and renewals thereof, and Trustor shall promptly furnish to Lender all renewal notices and all receipts of such premiums. In the event of loss, Trustor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Trustor.

Unless Lender and Trustor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair by Trustor of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. In the event of restoration or repair, the insurance proceeds shall be held in escrow by Lender and disbursed to Trustor as construction is completed and Trustor's contractors are paid. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, as determined by Lender, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Lender within thirty (30) days after the date notice is sent by Lender to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Trustor otherwise agree in writing, any such application of proceeds to Principal shall not extend or postpone the due date of the Installments or change the amount of such Installments. If under Paragraph 23 hereof the Property is acquired by Lender, all right, title and interest of Trustor in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. **PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS.** Trustor shall keep the Property, including the dam for the reservoir and all head gates and diversion structures, in good repair and shall not commit waste or permit impairment or deterioration of the Property, including the quality of the Water Rights, and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. Trustor, at Trustor's expense, shall at all times retain and maintain entitlement of Lender's adjacent property to water service from the Water Rights consistent

with its current entitlement and shall take no action or execute any agreements that would remove Lender's adjacent property from or reduce its entitlement to water without the Lender's consent.

7. **COMPLIANCE WITH LAWS; HAZARDOUS MATERIALS**. Trustor shall keep the Property in compliance with any and all applicable federal, state and local laws, ordinances and regulations relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and ground water conditions (collectively the "Environmental Laws"). Trustor shall not use, generate, release, manufacture, store or dispose of on, under or about the Property, or transport to or from the Property, any flammable explosive, radioactive materials, asbestos, petroleum or petroleum products, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under any Environmental Laws (collectively referred to hereafter as "Hazardous Materials"), except in material compliance with all applicable Environmental Laws and in such a manner as would not give rise to any material liability under applicable Environmental Laws including, without limitation, clean-up and remediation obligations. Nothing contained herein shall be construed so as to limit Trustor's ability to use and store janitorial and office supplies in reasonable quantities on the Property, provided such supplies are employed, stored and disposed of in accordance with all Environmental Laws. Trustor hereby agrees to indemnify and hold harmless Lender, its directors, officers, employees, and agents, and any successors to Lender's interest, from and against any and all claims, damages and liabilities arising in connection with the presence, use, storage, release, disposal or transport of any Hazardous Materials on, under, from or about the Property, including, without limitations, (i) all damages directly or indirectly arising out of the use, generation, release, storage or disposal of Hazardous Materials by Trustor or any prior owner or operator of the Property and (ii) all costs of any required or necessary repair, remediation, clean-up or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Property, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release or disposal of Hazardous Materials by any person on or under the Property prior to transfer of title thereto by Lender. THE FOREGOING COVENANTS AND AGREEMENTS, AND TRUSTOR'S OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE REPAYMENT OF THE NOTE AND THE RECONVEYANCE OF THIS DEED OF TRUST.

At any time that Lender reasonably suspects the presence of Hazardous Materials, in, on, under, from or around the Property or upon and after any Event of Default hereunder, Lender shall have the right to require Trustor, at the sole cost and expense of Trustor, to employ a qualified independent environmental firm, acceptable to Lender, to conduct an environmental assessment of the Property to determine whether there is any Hazardous Material above, in, on, under, from or around the Property, such that the Property, any activity related to the Property, or the Hazardous Materials are subject to regulation under Environmental Laws. Lender shall instruct such environmental firm to conduct such assessment in such a manner as to minimize interference with business operations on the Property.

8. **BANKRUPTCY**. The parties agree that Trustor has substantial duties of performance apart from its financial obligations under this Deed of Trust, the Note and the other Loan Documents, and that parties other than the Trustor could not adequately and fully perform the

covenants to be performed by Trustor in this Deed of Trust. The parties also agree that this Deed of Trust is an agreement for the making of loans and for the extension of debt financing or financial accommodations. No assumption of or assignment of this Deed of Trust shall be allowed in bankruptcy. Should an assumption of or assignment of this Deed of Trust be permitted in violation of this covenant, the parties agree that Lender will not have adequate assurance of performance unless and until Lender is allowed access to adequate financial and other information to satisfy itself that the trustee or proposed assignee is fully able to assume the financial and personal covenants of Trustor under this agreement and the Loan Documents, in full accordance with their terms. The parties further agree that the definition of the term "adequate assurance" as set forth in Section 365(b)(3) of the Bankruptcy Code of 1978 shall be applicable directly or by analogy to any determination of adequate assurance in connection with this Deed of Trust.

In the event Trustor becomes a debtor in bankruptcy, the debtor in possession or trustee shall not be permitted to use, sell or lease any of the Property, whether or not in the ordinary course of business, without providing adequate protection to Lender. The parties agree that the language in Section 361 of the Bankruptcy Code of 1978 shall be the definition of the term "adequate protection" in connection with any use, sale or lease of the Property. The cash payment referred to in that section shall mean the full payments required under the Note and all other indebtedness that this Deed of Trust secures.

The parties agree that, because of the extreme financial importance to Lender of this transaction, Lender will be irreparably harmed by any stay of its collection efforts or the exercise of its remedies under this Deed of Trust. If a plan of reorganization is proposed under Chapter 11 of the Bankruptcy Code of 1978, the parties also agree that the plan will be fair and equitable to Lender, as a secured creditor, only if Lender realizes under the plan the full payments required under the Note and all other indebtedness that this Deed of Trust secures.

9. **AMERICANS WITH DISABILITIES ACT**. Intentionally deleted.

10. **PROTECTION OF LENDER'S SECURITY**. If Trustor fails to perform the covenants and agreements contained in this Deed of Trust or in any other Loan Document, or if any action or proceeding is commenced that materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, enforcement of laws or regulations, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, incurrence of attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 10, and interest thereon, shall become additional indebtedness of Trustor secured by this Deed of Trust. Unless Trustor and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Trustor requesting payment thereof, and shall bear interest from the date of disbursement at the Default Rate, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 10 shall require Lender to incur any expense or take any action hereunder.

11. **INSPECTION**. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Trustor notice prior to any such inspection.

12. **REPRESENTATIONS AND WARRANTIES OF TRUSTOR.** In order to induce Lender to execute and deliver this Deed of Trust and perform hereunder, Trustor makes the following representations and warranties to Lender, which representations and warranties shall remain in effect throughout the term of this Deed of Trust, and shall survive and shall be unaffected by any investigations, inspections or inquiries made by Lender, the recording of any of the Loan Documents, or the performance by Lender and Trustor hereunder:

(a) Property: To the best of Trustor's knowledge, neither the whole nor any portion of the Property is subject to any pending condemnation, taking, or other similar proceeding by any public or private authority, and, to the best of Trustor's knowledge, no such condemnation or taking is threatened or contemplated with respect to the Property. Trustor is unaware of, and has not been notified of, any plan, study, or effort by any governmental authority or agency which in any way affects or would affect the present use or zoning of the Property nor any existing, proposed, or contemplated plan to widen, modify, or realign any street or highway adjoining the Property. To the best of Trustor's knowledge, the Property and the occupancy by or operation of the Trustor's business at the Property are not in violation of any law or any building, zoning, fire, health, or other ordinance, code, or regulation, and Trustor has not received any notice or request from any governmental authority, insurance company or board of fire underwriters alleging any such violation or requiring or calling attention to the need for any work, repairs, construction, alterations or installation on or in connection with the Property which has not been heretofore complied with.

(b) Future Modifications to Reservoir and Maintenance of Water Rights. The Property constitutes a reservoir for water, and Trustor agrees that Trustor shall not make any modifications to the reservoir without Beneficiary's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Trustor further covenants and agrees that any modifications to be made to the reservoir shall be made in a good, workman-like manner and in accordance with all applicable laws, rules and regulations of any governmental or quasi-governmental authority which has jurisdiction over the reservoir or the Property or the operation thereof. Trustor covenants and agrees to at all times exercise diligence and competence in the management of the Water Rights and to take all actions necessary, and not take any actions that would be detrimental, to maximizing the quality and value of the Water Rights.

(c) Cooperation with Lender's Land Entitlement Efforts. Lender's retained lands adjacent to the Property are planned for future development, and the Water Rights are intended to be used in the future to provide water service to those adjacent lands when they develop. Trustor covenants and agrees to cooperate with Lender and support Lender's land use entitlement applications and efforts, at no cost to Trustor.

13. **CONDEMNATION**. Trustor shall promptly provide Lender with notice of any condemnation, eminent domain, change of grade or other proceedings with respect to the Property. All moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to, or on account of change of grade affecting, any portion of the Property by reason of any condemnation, eminent domain, change of grade, or other proceeding shall, at the option of the Lender, be paid to the Lender, and such moneys and awards are hereby assigned to Lender, and judgment therefor shall be entered in favor of Lender, and when paid shall be used at its option toward the payment of any indebtedness, taxes, assessments, repairs or other items for the payment of which this Deed of Trust is given as security, whether the same be then due or not and in such order or manner as Lender may determine, or for the restoration or repair of the Property, and any amount not so used shall be released by the Lender to the Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Unless Lender and Trustor otherwise agree in writing, any such application of proceeds to Principal shall not extend or postpone the due date of the Installments or change the amount of such Installments.

Notwithstanding the foregoing provisions, Lender shall allow any such moneys and awards to be used in restoring the Property if (a) the Property is susceptible of restoration in the reasonable judgment of Lender, (b) such restoration can be completed during the term of the Note and (c) there exists no uncured Event of Default. Any such moneys or awards used for such purpose shall be disbursed by Lender in draws, subject to the satisfaction of such conditions and requirements as Lender shall impose. If an Event of Default occurs at any time following any such condemnation, eminent domain, change of grade or other proceeding, or conveyance in lieu thereof, or if the Property is not susceptible of restoration in Lender's reasonable judgment, such moneys and awards shall be paid over or applied by Lender as provided in the preceding paragraph.

14. **TRUSTOR NOT RELEASED**. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest or permitted assignee of Trustor shall not operate to release, in any manner, the liability of the original Trustor. Lender shall not be required to commence proceedings against such successor or assignee or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor.

15. **LENDER'S POWERS**. Without affecting the liability of Trustor or any other person liable for the payment of any obligation secured hereby, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or heretofore released as security for the full amount of all unpaid obligations, Lender may, from time to time and without notice to Trustor (i) release any person so liable, (ii) extend or renew the maturity of any such obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Lender's option any parcel, portion or all of the Property, (v) release any other or additional security for any obligation herein mentioned, or (vi) make compromises, settlements, or other arrangements with debtors in relation thereto.

16. **FORBEARANCE BY LENDER NOT A WAIVER**. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the subsequent exercise of any such right or remedy. Likewise, the waiver by

Lender of any default by Trustor hereunder shall not be deemed to be a waiver of any other or subsequent default by Trustor hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust in the event of Trustor's default hereunder.

17. **REMEDIES CUMULATIVE**. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded at law or in equity, and may be exercised concurrently, independently or successively.

18. **ASSIGNMENT; SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS**. Lender may assign its rights and obligations hereunder by notice to Trustor. Trustor may not assign its rights or obligations hereunder, whether by contract or operation of law, without the prior written consent of Lender, which may be withheld in Lender's sole discretion. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the benefit of, the respective successors and permitted assigns of Lender and Trustor. All covenants and agreements of Trustor shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

19. **NOTICE**. Except for any notice required under applicable law to be given in another manner, (i) any notice to Trustor provided for in this Deed of Trust shall be in writing and shall be delivered by hand delivery, Federal Express, UPS or other reputable overnight delivery service, or first class U.S. mail, postage prepaid, addressed to Trustor at 2000 S. Colorado Boulevard, Denver, CO 80222, or at such other address as Trustor may designate by notice to Lender as provided herein, and (ii) any such notice to Lender shall be in writing and shall be delivered by hand delivery, Federal Express, UPS or other reputable overnight delivery service, or first class U.S. mail, postage prepaid, addressed to Lender at 102 East Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903, or to such other address as Lender may designate by notice to Trustor as provided herein. Any such notice shall be effective when actually delivered, or three (3) days following the date upon deposit with the U.S. mail or one (1) day following deposit with such overnight delivery service, as the case may be. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Lender only when given in the manner designated herein.

20. **UNIFORM DEED OF TRUST; GOVERNING LAW; SEVERABILITY**. This form of Deed of Trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. In the event that any provision or clause of this Deed of Trust or the Note or any other Loan Document conflicts with applicable law, such conflict shall not affect the other provisions of this Deed of Trust or the Note or any other Loan Document which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note and the Loan Documents are declared to be severable, and the provisions of this Deed of Trust which conflict with such controlling law shall be deemed modified as necessary to comply with such law. This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Colorado, except to the extent that Federal laws, rules or regulations preempt

Colorado law, in which case Lender shall be entitled to such Federal rights and remedies without regard to conflicting limitation imposed by Colorado law.

21. **TRUSTOR'S COPY**. Trustor acknowledges receipt of a conformed and completed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

22. **TRANSFER OF THE PROPERTY; ASSUMPTION**. If Trustor or any successor in interest to Trustor or the Property described in this Deed of Trust should, without the prior written consent of Lender, assign the Note or sell, convey, transfer, or alienate the Property or further encumber the Property, or any part thereof, or any interest therein, or be divested of its title or any interest therein in any manner, whether voluntary or involuntary, by contractual arrangement or operation of law, or if Trustor or any successor in interest to Trustor or the Property is a corporation, partnership, limited liability company, or joint venture, and more than fifty percent (50%), in the aggregate, of the equity ownership of such corporation, partnership, limited liability company, or joint venture is, without the prior written consent of Lender, sold, conveyed, transferred or alienated, either voluntarily or involuntarily, by contractual arrangement or operation of law, then Lender shall have the right at its sole option to declare any and all indebtedness arising hereunder, or any other obligation secured by this Deed of Trust, immediately due and payable.

Not less than thirty (30) days prior to any such sale or other transfer, Trustor shall notify Lender in writing of the proposed sale or transfer and shall provide Lender with such information concerning the terms and conditions of the sale or transfer and the creditworthiness and financial condition of the proposed purchaser or transferee as Lender may require. Lender may withhold its consent to any such sale or other transfer in Lender's sole discretion.

A consent and waiver of Lender's option to accelerate shall be subject to (a) the credit of the purchaser or transferee being satisfactory to the Lender; (b) assumption of full and unconditional liability on the indebtedness by all purchasers or transferees of the Property on a joint and several basis; and (c) any other requirements reasonably necessary to protect Lender's interest in the Property. Any agreement regarding Lender's consent and waiver of its option to accelerate must be in writing and reached prior to the date of the sale or transfer. Waiver of any right granted to the Lender by the provisions of this paragraph as to one transaction, event or occurrence shall not be deemed to be a waiver of any right as to any subsequent transaction, event or occurrence.

The sale or transfer of the Property subject to this Deed of Trust or the assignment of the Note shall not operate to release the Trustor or any guarantor of the Note without the express written agreement of Lender, which may be withheld in Lender's sole discretion.

If the ownership of the Property becomes vested in a person, corporation, partnership, limited liability company or joint venture other than Trustor, Lender may, without notice to Trustor, deal with such successor or successors in interest with reference to this Deed of Trust and the debt hereby secured as with the Trustor, and may forebear to sue, alter time for payment of the debt, and change the Interest rate and/or payments of the debt hereby secured, without discharging or in any way affecting the liability of Trustor hereunder or upon the debt secured.

If Lender exercises such option to accelerate, Lender shall give Trustor notice of acceleration in accordance with Paragraph 19 hereof. Such notice shall provide a period of not less than thirty

(30) days from the date the notice is sent within which Trustor may pay the sums declared due. If Trustor fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Trustor, invoke any remedies permitted by Paragraph 23 hereof.

23. ACCELERATION; REMEDIES; NON-RECOURSE. Except as provided in Paragraph 22 hereof, upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, including, but not limited to, the covenants to pay when due any sums secured by this Deed of Trust, or if there shall be filed by or against Trustor an action under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency, or other relief for debtors; or there shall be appointed any trustee, receiver, or liquidator of Trustor of all or any part of the Property, or the rents, issues or profits thereof, or Trustor shall make any general assignment for the benefit of creditors, Lender, at Lender's option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all costs and expenses actually incurred in pursuing the remedies provided in this Paragraph 23, including, but not limited to, reasonable attorneys' fees and costs actually incurred. **The occurrence of any "Event of Default" (as defined in the Note) shall also constitute an "Event of Default" hereunder.** Notwithstanding the foregoing, the obligations under this Deed of Trust shall not be the personal obligations of Trustor or any guarantor or party related to Trustor and Lender's remedies shall be limited to Lender foreclosing or otherwise realizing on the Property which is encumbered by this Deed of Trust.

24. FORECLOSURE; EXPENSE OF LITIGATION. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof for such indebtedness or part thereof. If foreclosure be made by the Trustee, reasonable attorneys' fees for services in the initiation and supervision of such foreclosure proceedings shall be allowed by the Trustee as part of the foreclosure costs. If foreclosure be made through the Court, reasonable attorneys' fee shall be allowed as part of the foreclosure costs. In the event of foreclosure of the lien hereof, whether through the Trustee or through the Court, there shall be allowed and included as additional indebtedness all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after foreclosure sale or entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the Property and the maintenance of the lien of this Deed of Trust, including the reasonable fees of any attorney employed by Lender in any litigation or proceeding affecting this Deed of Trust, the Note or the Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Trustor, with interest thereon at the Default Rate and shall be secured by this Deed of Trust.

25. ASSIGNMENT OF RENTS AND TAP FEES; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Trustor hereby assigns to Lender the rents, tap fees and other revenues of the Property by Trustor in favor of Lender,

provided that Trustor shall, prior to acceleration under Paragraph 23 hereof or abandonment of the Property, have the right to collect and retain such rents, tap fees, water resource fees, and other revenues as they become due and payable. In addition to any other rights and powers conferred on Lender hereunder, Lender shall have the right, after the occurrence of any event of default, to apply for the appointment of a receiver of rents and profits of the whole or any part of the Property without notice, and Lender shall be entitled, as a matter of right, without regard to the value of the Property as security for the amount due or the solvency of Trustor or any other party or parties liable for the payment of such amount, to the ex-parte appointment of such a receiver of rents and profits with the power to lease the Property, or such part thereof as may not then be under lease, and with such other powers as may be deemed necessary, who, after deducting all proper charges and expenses attending the execution of his trust as receiver, shall apply the residue of such rents and profits to the payment and satisfaction of the amount remaining secured hereby, or to any deficiency that may exist after applying the proceeds of the sale of the Property to the payment of the amount due, including interest and any reasonable attorneys' fees for the foreclosure and sale in such order of priority as Lender shall elect.

26. **SECURITY AGREEMENT AND FINANCING STATEMENT UNDER UNIFORM COMMERCIAL CODE.** This Deed of Trust encumbers, and Trustor hereby grants Lender a security interest in, Trustor's interest in all personal property of any kind whatsoever, whether tangible or intangible, whether or not any such personal property is now or hereafter becomes a "fixture" (as hereafter defined), that is used or will be used in construction of, or is or will be placed upon or is derived from or used in any connection with the use, occupancy or enjoyment of the Property.

As used herein, "fixtures" shall include all articles of personal property, furniture and furnishings that are so related to the Property such that an interest arises in them under the real estate laws of the State of Colorado. To the extent of the existence of Collateral encumbered by this Deed of Trust, this Deed of Trust shall constitute a security agreement, and when filed with the Colorado Secretary of State and in the real property records of the county where the Property is situated is intended to create a perfected security interest in such Collateral in favor of Lender and to constitute a "fixture filing" in accordance with the provisions of the Colorado Uniform Commercial Code. This Deed of Trust shall be self-operative with respect to such Collateral, but Trustor agrees to execute and deliver, on demand, such security agreements, financing statements and other instruments as Lender may request in order to impose the lien hereof more specifically upon any such Collateral and to pay the recording and/or filing fees associated therewith. For purpose of treating this Deed of Trust as a security agreement and financing statement, Lender shall be deemed to be the Secured Party, and Trustor shall be deemed to be the Debtor.

27. **EFFECT OF CHANGE IN LAWS REGARDING TAXATION.** If, after the date hereof, any law of the United States, or of the state in which the Property is located, is enacted that deducts from the value of land for the purpose of taxation the amount of any lien thereon, or imposes upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Trustor, or changes in any way the laws relating to the taxation of deeds of trust or mortgages or debts secured by deeds of trust or mortgages or Lender's interest in the Property, or the manner of collection of taxes, so as to affect this Deed of Trust or Lender's interest in the Property, or the debt secured hereby or the holder thereof, then, and in any event, Trustor, upon demand by Lender, shall pay such taxes or assessments, or reimburse Lender therefor.

Notwithstanding the foregoing, Trustor shall not be obligated to pay any portion of Lender's federal, state or municipal income tax.

28. **RECONVEYANCE**. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and release this Deed of Trust with a request for release of deed of trust and release form executed by Lender and such documentation as shall be necessary for the Trustee to effect such release. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Lender shall pay all costs of such reconveyance and recordation, if any.

29. **OTHER DOCUMENTS**. Trustor has also executed other Loan Documents simultaneously with this Deed of Trust. The parties hereto agree that the Loan Documents shall survive the closing, and that a default or violation of any Loan Document that is not cured within any applicable cure period is a default or violation of all Loan Documents and that, as a result thereof, this Deed of Trust can be foreclosed or a default can be declared hereunder.

30. **WAIVER OF DEFENSE**. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense that would not be good and available to the party interposing same in an action at law upon the Note.

31. **WAIVER OF RIGHTS**. As to any action brought by Lender prior to any foreclosure sale by Trustee held pursuant to this Deed of Trust, Trustor hereby waives the right to any notice and to any hearing other than as provided herein and by the statutes and Rules of Civil Procedure of the State of Colorado now in existence. Trustor shall not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, and hereby waives the benefit of such laws. Trustor, for itself and for all who claim through or under it, waives any and all right to have the Property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

32. **SECONDARY FINANCING.** Trustor hereby agrees that there shall be no secondary financing, including, without limitation, any deed of trust, judgment, tax or other liens, on the Property without the prior written consent of Lender.

33. **CROSS-DEFAULT PROVISION.** If Trustor has entered or does in the future enter into any other loan agreement, deed of trust, mortgage or note payable to Lender, a default in the terms and provisions of such other loan agreement, deed of trust, mortgage, or note shall constitute a default hereunder. Nothing in the preceding sentence shall in any way lessen or impair the rights of Lender with respect to this Deed of Trust and the Note. Lender, at its option, may separately enforce the provisions of any loan or note and any deed of trust or mortgage securing it. Default under each loan, note, deed of trust or mortgage shall constitute a separate cause of action, and the institution of proceedings upon one, but not upon both or all, shall not be construed as the splitting of a cause of action by Lender or a waiver of any rights under any other loan, note, deed of trust or mortgage.

IN WITNESS WHEREOF, Trustor has executed and delivered this Deed of Trust as of the date and year first above written.

TRUSTOR:

TRW ORLANDO WATER ASSETS, LLC
a Colorado limited liability company

By: TWO RIVERS WATER, LLC
a Colorado limited liability company
Its sole member

By: Two Rivers Water Company
a Colorado corporation
Its sole member

By: _____
Wayne Harding
Chief Financial Officer and Secretary

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 28th day of January, 2011, by Wayne Harding, as Chief Financial Officer and Secretary of Two Rivers Water Company, a Colorado corporation, as the sole member of Two Rivers Water, LLC, a Colorado limited liability company, as the sole member of TRW Orlando Water Assets, LLC, a Colorado limited liability company, on behalf of the limited liability company.

Witness my hand and official seal.

_____
Notary Public

My commission expires: _____

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:
1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:
1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:
1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

EXHIBIT "B"

WATER RIGHTS

The following water rights situate, lying and being in the County of Huerfano and COLORADO, described as follows:

A) ORLANDO RESERVOIR NO. 2, decreed for a total of 3,110 acre-feet storage, as follows:

I) ORLANDO RESERVOIR NO. 2, for storage of 43,560,000 cubic feet of water (1,000 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication October 3, 1921 (previous adjudication date was October 15, 1901), in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River through and by means of the Orlando Canal No. 3, and Greasewood Arroyo, through and by means of the Greasewood Arroyo Diverting Canal, and as more particularly describes in the aforesaid Decree entered October 31, 1921, in Civil Action No. 1414 (Priority No. 349).

II) ORLANDO RESERVOIR NO. 2, (ENLARGEMENT), for storage of 35,078,750 CUBIC FEET OF WATER (800 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication (conditional) October 3, 1921 in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right made absolute by Decree in Civil Action No. 1414-60, and 1414-62, entered November 1, 1960, and November 8, 1962 (Priority No. 349).

III) ORLANDO RESERVOIR NO. 2, (SECOND ENLARGEMENT), for storage of 1,310 acre-feet of water, for irrigation, date of appropriation October 2, 1906, date of adjudication (conditional) October 3, 1921, in Civil Action 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right partly made absolute November 1, 1960 (320 acre-feet) and April 2, 1962 (990 acre-feet) (Priority No. 367½).

Together with the Orlando Canal No. 3 and the Greasewood Arroyo Diverting Canal, described as follows:

IV) That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th PM, bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubit feet of water per second of time.

V) That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th PM, bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

B) BUTTE VALLEY DITCH, decreed for a total of 9 cubic-feet per second, as follows:

I) BUTTE VALLEY DITCH for diversion of 1.2 cubic-feet of water per second of time, from The Huerfano River for irrigation, date of appropriation May 15, 1862, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 1).

II) BUTTE VALLEY DITCH (ENLARGEMENT) for diversion of 1.8 cubic-feet of water per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1865, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 9).

III) BUTTE VALLEY DITCH (SECOND ENLARGEMENT), for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼, Section 30,

Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 86).

IV) BUTTE VALLEY DITCH (KILLIAN) for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication February 23, 1898 (Killian Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (previous adjudication date of June 12, 1889) (Priority No. 111).

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

C) ROBERT RICE DITCH, decreed for a total of 3.0 cubic feet per second of time, as follows: From the Huerfano River, for irrigation, date of appropriation March 1, 1867, date of adjudication June 12, 1889 (Reed Decree), original decreed point of diversion in NW1/4 Section 22, T. 26 S., R. 66 W., 6th P.M., point of diversion transferred to SW1/4 Section 10, T. 26 S., R. 66 W, 6th P.M.., approximately 1700 feet from the west line and 550 feet from the south line of said Section 10, in Case No. 91CW39, Water Div. 2 on May 19, 1992, Huerfano County, Colorado (Priority 19)

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

390210
Page 1 of 5
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
02-03-2011 09:57 AM Recording Fee $16.00

COLORADO UCC FINANCING STATEMENT

Filing Fee: $18

Follow Instructions Carefully

A. NAME & PHONE OF CONTACT (optional)
Steven K. Mulliken; 719-635-8750

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

[Mulliken Weiner Karsh Berg & Jolivet, PC]
Attn: Steven K. Mulliken
102 S. Tejon, Suite 900
Colorado Springs, CO 80903
[ ]

ABOVE SPACE FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

OR

1a. ORGANIZATION'S NAME: TRW ORLANDO WATER ASSETS, LLC

1b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

1c. MAILING ADDRESS: Attn: John R. McKowen, 2000 S. Colorado Blvd. | CITY: Denver | STATE: CO | POSTAL CODE: 80222 | COUNTRY: USA

[redacted] | ADD'L INFO RE ORGANIZATION DEBTOR | 1e. TYPE OF ORGANIZATION: limited liability company | 1f. JURISDICTION OF ORGANIZATION: Colorado | 1g. ORGANIZATIONAL ID#, if any: 20111043506 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

OR

2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

2c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

[redacted] | ADD'L INFO RE ORGANIZATION DEBTOR | 2e. TYPE OF ORGANIZATION | 2f. JURISDICTION OF ORGANIZATION | 2g. ORGANIZATIONAL ID #, if any ☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

OR

3a. ORGANIZATION'S NAME: The Orlando Reservoir No. 2 Company, LLC

3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS: Attn: Randle Case II, 102 East Pikes Peak Ave., Suite 200 | CITY: Colorado Springs | STATE: CO | POSTAL CODE: 80903 | COUNTRY: USA

4. This FINANCING STATEMENT covers the following collateral:

All fixtures, furnishings and articles of personal property, including but not limited to rents, tap fees and water resource fees, the dam for the reservoir located thereon and all gates and diversion structures, and structures related thereto, that are related to or located on the real property situate in the County of Huerfano, State of Colorado which is more particularly described on Exhibit "A," attached and incorporated herein by this reference, and the water rights more particularly described on Exhibit "B," attached and incorporated herein by this reference.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG LIEN ☐ NON-UCC FILING

6. ☑ This FINANCING STATEMENT is to be filed (for record) in the REAL ESTATE RECORDS [redacted]

8. OPTIONAL FILER REFERENCE DATA

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:
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2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
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7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
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12) N 58° 37' 40" E, a distance of 47.34 feet;
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20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
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25) N 63° 26' 11" W, a distance of 70.12 feet;
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27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:
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2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
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21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:
1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

WATER RIGHTS

The following water rights situate, lying and being in the County of Huerfano and COLORADO, described as follows:

A) ~~ORLANDO RESERVOIR NO. 2, decreed for a total of 3,110 acre-feet storage, as follows:~~

I) ORLANDO RESERVOIR NO. 2, for storage of 43,560,000 cubic feet of water (1,000 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication October 3, 1921 (previous adjudication date was October 15, 1901), in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River through and by means of the Orlando Canal No. 3, and Greasewood Arroyo, through and by means of the Greasewood Arroyo Diverting Canal, and as more particularly describes in the aforesaid Decree entered October 31, 1921, in Civil Action No. 1414 (Priority No. 349).

II) ORLANDO RESERVOIR NO. 2, (ENLARGEMENT), for storage of 35,078,750 CUBIC FEET OF WATER (800 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication (conditional) October 3, 1921 in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right made absolute by Decree in Civil Action No. 1414-60, and 1414-62, entered November 1, 1960, and November 8, 1962 (Priority No. 349).

III) ORLANDO RESERVOIR NO. 2, (SECOND ENLARGEMENT), for storage of 1,310 acre-feet of water, for irrigation, date of appropriation October 2, 1906, date of adjudication (conditional) October 3, 1921, in Civil Action 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right partly made absolute November 1, 1960 (320 acre-feet) and April 2, 1962 (990 acre-feet) (Priority No. 367½).

EXHIBIT
Exhibit
B

Together with the Orlando Canal No. 3 and the Greasewood Arroyo Diverting Canal, described as follows:

IV) That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th PM, bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubit feet of water per second of time.

V) That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th PM, bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

B) BUTTE VALLEY DITCH, decreed for a total of 9 cubic-feet per second, as follows:

I) BUTTE VALLEY DITCH for diversion of 1.2 cubic-feet of water per second of time, from The Huerfano River for irrigation, date of appropriation May 15, 1862, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 1).

II) BUTTE VALLEY DITCH (ENLARGEMENT) for diversion of 1.8 cubic-feet of water per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1865, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 9).

III) BUTTE VALLEY DITCH (SECOND ENLARGEMENT), for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼, Section 30,

Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 86).

IV) BUTTE VALLEY DITCH (KILLIAN) for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication February 23, 1898 (Killian Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (previous adjudication date of June 12, 1889) (Priority No. 111).

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

C) ROBERT RICE DITCH, decreed for a total of 3.0 cubic feet per second of time, as follows: From the Huerfano River, for irrigation, date of appropriation March 1, 1867, date of adjudication June 12, 1889 (Reed Decree), original decreed point of diversion in NW1/4 Section 22, T. 26 S., R. 66 W., 6th P.M., point of diversion transferred to SW1/4 Section 10, T. 26 S., R. 66 W, 6th P.M.., approximately 1700 feet from the west line and 550 feet from the south line of said Section 10, in Case No. 91CW39, Water Div. 2 on May 19, 1992, Huerfano County, Colorado (Priority 19)

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

390211
Page 1 of 23
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
02-03-2011 09:57 AM Recording Fee $121.00

RECREATIONAL USE AND ACCESS EASEMENT AGREEMENT

This **RECREATIONAL USE AND ACCESS EASEMENT AGREEMENT** (the "Agreement"), dated as of January 28, 2011 (the "Effective Date"), is executed by and between **TRW ORLANDO WATER ASSETS, LLC.**, a Colorado limited liability company (referred to herein as "Grantor"), and **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC** ("Orlando"), a Colorado limited liability company, and **MARKSHEFFEL-WOODMEN INVESTMENTS, LLC** ("MWI"), a Colorado limited liability company, whose addresses are 102 East Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado 80903 (Orlando and MWI are referred to herein collectively as "Grantees"). Grantor and Grantees may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

A. Grantor is the owner of approximately 322.21 acres of real property in Huerfano County, Colorado, upon which is located Orlando Reservoir No. 2, which property is more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the "Property"). Grantor is also the owner of certain water rights on the Huerfano River (the "Water Rights") and also owns water storage rights in the Orlando Reservoir No. 2 (the "Water Storage Rights"). Grantor acquired the Property and Water Rights from Orlando pursuant to a Purchase Agreement dated September 22, 2010 and the amendments thereto (collectively the "Purchase Agreement") and Grantor is executing this Agreement pursuant thereto.

B. MWI is the owner of ranches which are in proximity to the Property and are more particularly described on **Exhibit B** attached hereto and incorporated herein by this reference ("MWI's Property").

C. MWI intends to develop MWI's Property in the future for residential, commercial, industrial and other mixed uses with supporting recreational opportunities (the "Future Development"). Grantor and Grantee collectively desire to use the Property for multiple purposes, including, but not limited to, using the Property, including Orlando Reservoir No. 2, to provide recreational opportunities for the benefit of the Future Development, and Grantor is willing to allow such recreational uses in accordance with the terms and conditions of this Agreement.

C. In connection with the Future Development, Grantees intend to form a Title 32 or similar special district and quasi-governmental entity or a property owners association (collectively referred to hereinafter as the "Association") which will hold the easements granted herein for the benefit of the Future Development and property owners within the Future Development who are members of the Association (the "Successor Owners").

D. The Parties desire to create a recreational use and access easement over and across the Property, including Orlando Reservoir No. 2 and the Water Storage Rights (the "Recreational Use and Access Easement") for the benefit of MWI's Property, the Future Development, the Successor Owners and the Association, on the terms set forth herein.

E. The Parties are executing and will record this Agreement to establish the recreational use, access and construction easements and the terms thereof, and to provide for the ongoing maintenance of the easements and allocation of the costs therefor.

AGREEMENT

NOW THEREFORE, in consideration for the foregoing Recitals which are hereby incorporated, the closing pursuant to the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
RECREATIONAL USE, ACCESS AND CONSTRUCTION EASEMENTS

1.1 Consent to Conveyance of Easements to Association. The Parties stipulate and agree that, except as otherwise limited herein, this Agreement and the rights, benefits and obligations created herein may be transferred, assigned and conveyed by Grantees to (i) any or all of their successors or assigns which acquire all or portions of MWI's Property for the purpose of development, or (ii) to the Association, and its successors and assigns, or (iii) to any of Grantees' Transferees in accordance with Section 7.2 below, and upon any full transfer, assignment and conveyance of Grantees' rights hereunder, Grantees shall be released of any obligations hereunder.

1.2 Limitations on Use and Subsequent Conveyance of Easements. The Parties stipulate and agree that the easements created herein shall be for the benefit and use by the Successor Owners, and their guests and invitees, which are members of the Association and the Association (collectively the "Beneficiaries"). Notwithstanding the benefits intended for the Successor Owners, subject to the terms set forth in this Agreement, Grantees or the Association, in their sole and absolute discretion, shall be entitled to determine improvements constructed in the Easement Corridor (as defined below) and to establish rules, regulations, limitations and fees for use of the easements by the Successor Owners and their guests and invitees. Notwithstanding anything to the contrary herein, no Successor Owner of property within the Future Development shall acquire any right, title or interest, separate and apart from such Successors Owner's membership or interest in the Association, in this Agreement or in the recreational use, access or construction easements created herein.

1.3 Recreational Use Easement.

1.3.1 Conveyance of Recreational Use Easement. Grantor hereby grants and conveys to Grantees a perpetual, exclusive recreational use easement on, over, in and across the Property, including Orlando Reservoir No. 2, for the purposes set forth herein below and consisting of the rights hereinafter enumerated (the "Recreational Use Easement").

1.3.2 Purposes of Recreational Use Easement. The purpose of the Recreational Use Easement is to preserve and maintain the area within the Recreational Use Easement boundary (the "Easement Corridor"), to allow the recreational use and enjoyment of the Property by the Beneficiaries for four-season private recreational use (the "Use"). The Parties agree to cooperate reasonably and in good faith in the future to more particularly define and describe the Easement Corridor once more engineering data is developed regarding the fluctuation of water level historically and its location and the needs of the Future Development. Once the Easement Corridor has been defined, the Parties agree to amend this Agreement to more specifically identify the Easement Corridor. The Use shall include, but shall not be limited to the following:

1.3.2.1 Water Use. Orlando Reservoir No. 2 may be used for swimming, electric and non-motorized boating, boat-ramp ingress and egress, boat docks, rowing, kayaking, canoeing, fishing and waterfowl hunting.

1.3.2.2 Beach Use. The Easement Corridor may be used for beach, sunbathing, picnicking and camping uses.

1.3.2.3 Open Space Use. The Easement corridor may be used for visiting, viewing and enjoying scenic sites and natural vegetation, hiking, nature study, cross-country skiing and hunting.

1.3.2.4 Trail Use. The Easement Corridor may be used for motorized use and non-motorized use including but not limited to all terrain vehicles, electric carts, golf carts, walking, hiking, running, cycling, skateboarding, cross-country skiing and horseback riding.

1.3.3 Rights and Obligations Conveyed. The rights and corresponding obligations conveyed by this Recreational Use Easement to Grantees are as follows:

1.3.3.1 To maintain the Easement Corridor as open space free from man-made improvements except as otherwise permitted herein.

1.3.3.2 To lay out, mark, develop, construct, maintain, establish and relocate within the Easement Corridor trails, foot-paths, and access ways for motorized and electric-motorized use (collectively "Pathways"), which Pathways may be created with any material, including but not limited to sand, dirt, stone, brick, asphalt or concrete.

1.3.3.3 To lay out, construct, maintain, establish and relocate within the Easement Corridor fences and gates, constructed with wood or other materials consistent with the natural area.

1.3.3.4 To lay out, mark, construct, maintain and relocate a ramp for boat access to Orlando Reservoir No. 2 and a vehicle parking area (the "Boat Ramp Area").

1.3.3.5 To maintain Orlando Reservoir No. 2 for the Use set forth herein including necessary removal of grass, weeds and plants and stocking of the reservoir with fish.

1.3.3.6 To lay out, mark, develop, construct, maintain, establish and relocate, all within the Easement Corridor, beach, picnicking and camping areas (collectively the "Picnic Areas"), which Picnic Areas may be created with any material, including but not limited to sand, dirt, stone, asphalt or concrete, and which may include permanent or movable picnic tables and overhead coverings, benches, grills, lighting, trash receptacles, bicycle racks and restrooms.

1.3.3.7 To make minor topographical changes to the Easement Corridor for the necessity and convenience of locating and constructing the trails, Picnic Areas and Boat Ramp Areas.

1.3.3.8 To establish and maintain appropriate signage within the Easement Corridor for the necessity and convenience of locating the improvements, providing directions and posting rules, regulations and use restrictions or other appropriate information.

1.3.3.9 To manage vegetation within the Easement Corridor through selective planting and/or removal of trees, shrubs, grasses or exotic or noxious plant species in order to maintain and enhance the scenic, natural, ecological and open space and recreational values of the Easement Corridor.

1.3.3.10 To enter upon the Easement Corridor for all reasonable and necessary construction, maintenance and repair of the Easement Corridor and improvements therein, and to maintain the Easement Corridor and improvements in a good, clean and sanitary condition, free from waste or litter and any condition that is offensive to the public health, safety or welfare or that constitutes a nuisance.

1.4 Access Easement. Grantor hereby covenants and agrees to grant and convey to Grantees a perpetual non-exclusive easement over and across a portion of Grantor's Property (the "Access Area"), to be used for a right-of-way over and across the Property for the purpose of pedestrian, motor vehicle, truck and other vehicular ingress and egress across the Property to the Easement Corridor (the "Access Easement"). The Parties agree to cooperate reasonably and in good faith in efforts to more specifically identify and describe an appropriate Access Area as more engineering and planning for the reservoir and the Future Development is completed, and the Parties agree to amend this Agreement to identify the Access Area once that data has been obtained. Parking shall not be allowed to block or hinder use of the Access Area by the Parties. Consistent with this Agreement, the Access Easement is created for use by the Beneficiaries. Grantor and Grantees shall jointly share the responsibility for and cost of maintenance of the Access Easement.

1.5 Construction and Maintenance Easement. Grantees shall also have the right to enter upon the Access Easement and the Easement Corridor, and temporarily enter upon and utilize such other portions of the Property adjacent to the Access Easement and Easement Corridor as may be reasonably necessary for the purpose of installing and constructing any and all improvements associated with the Recreational Use Easement, including installing all utilities and maintaining, repairing or replacing any improvements located, or to be located, therein or thereon pursuant to the terms of this Agreement (the "Construction Easement"), provided that any resulting damage to the Access Area or the Property shall be restored to the previous or an improved condition after such installation, maintenance or repair by the Party that caused its damage, at that Party's expense.

1.6 Grantor's Rights and Obligations. The Recreational Use Easement granted herein is an exclusive easement, and Grantor shall not grant additional recreational use rights in the Easement Corridor to any other party. Notwithstanding the foregoing, Grantor reserves use of the Easement Corridor for access to and utilization of Orlando Reservoir No. 2 in connection with its Water Rights and Water Storage Rights. Grantor covenants and agrees in good faith that it will utilize Orlando Reservoir No. 2, its Water Rights and Water Storage Rights, in a manner which will not unreasonably interfere with the Recreational Use Easement, Access Easement or Construction Easement. The Parties stipulate and agree that Grantor is unable to guarantee that the water level in the Orlando Reservoir No. 2 will not be depleted due to drought conditions. Notwithstanding this, Grantor covenants and agrees that it will operate and utilize the Orlando Reservoir, its Water Rights and its Water Storage Rights, in such a manner that, except in the event of circumstances and conditions reasonably beyond its control, including an ongoing, long-lasting drought, or maintenance that requires the reservoir to be drained, the recreational use of the Easement Corridor shall be maintained.

ARTICLE II
CONSTRUCTION OF IMPROVEMENTS

2.1 Right to Construct Improvements. At such time as Grantees, its successors, or the Association plan to commence construction of improvements for the Recreational Use Easement or to substantially renovate or change the Easement Corridor, such Party will complete the plans for the construction of the improvements or renovation to the Easement Corridor, and submit those plans to Grantor for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. If Grantor fails to provide comments on the plans for the improvements within thirty (30) days of their submittal, then the plans will be deemed approved. If Grantor objects to the plans, it will note the basis for its objection, and if reasonable, Grantees, their successors or the Association will revise the plans and resubmit them to Grantor for approval, and this process will be repeated until the plans are approved. If the Parties cannot agree on the plans, then this matter will be submitted to arbitration under arbitration rules and before an arbitrator mutually agreed upon between the Parties, and if they cannot agree, then before an arbitrator from the Judicial Arbiter Group in Colorado Springs, Colorado, and under rules specified by the arbiter.

2.2 Responsibility for Costs of Construction of Improvements and Maintenance. The costs of construction of all improvements in the Easement Corridor shall be the responsibility of Grantees, their successors or the Association, except to the extent that the improvements are required by Grantor for Grantor's purposes.

ARTICLE III
MAINTENANCE AND REPAIR

3.1 Easement Corridor Maintenance Obligations. It shall be the responsibility of Grantees, their successors, or the Association, as applicable, to maintain the Easement Corridor and all improvements therein, periodically on a reasonable, "as needed" basis. Such maintenance obligation shall arise upon the Commencement Date.

3.2 Access Area Maintenance Obligations. It shall be the shared responsibility of Grantor and Grantees, their successors or assigns, to maintain the Access Area and all improvements therein, periodically on a reasonable, "as needed" basis. The Parties shall share the costs for such maintenance of the Access Area equally which shall not include shared maintenance for any boat ramps, docks, or the like.

3.3 Dam, Spillway and Related Structures. It shall be the sole responsibility of Grantor, its successors and assigns, to maintain the dam, spillway and related structures for Orlando Reservoir No. 2.

ARTICLE IV
ENFORCEMENT

4.1 General Rights of Enforcement. This Agreement may be enforced as provided hereinafter by each Party. Each Party shall have the right to bring an action against another Party who violates this Agreement to enforce this Agreement and enjoin such violation, to cause any such violation to be remedied and to recover damages caused by such violation. The action may be brought against the Party, the Permittee (as defined in Section 8.3 below) or the person or entity that has caused the damage or violated this Agreement by the other Party or Parties, individually or collectively, subject to the limitations set forth above.

4.2 Enforcement of Obligations by Lien or Action. The obligations set forth in this Agreement shall be personal obligations of each Party. In addition, if any Party fails to pay any obligations required to be paid by such Party pursuant to this Agreement within thirty (30) days, the other Parties shall have the right to file a lien against the applicable portion of the Property which is owned by such breaching Party for the amounts due and owing, together with reasonable attorneys' fees incurred by the non-breaching Party. The delinquent amounts due and owing shall bear interest at the rate of eighteen percent (18%) per annum. An amount due and owing shall be delinquent thirty (30) days after the Party is billed for such amount. The non-breaching Party shall have the right to collect the delinquent amounts by an action to collect such amounts, which action may include the foreclosure of the lien against the Property of the delinquent Party by judicial foreclosure or any action directly against the Party, or both. The right to claim such lien shall be evidenced by the recording of a lien in the real property records of the Clerk and Recorder for Huerfano County, Colorado that meets the following requirements

and includes the following matters: (i) the lien shall reference this Agreement and the authority for the right to file the lien, (ii) the name of the delinquent Party, (iii) the identification of the applicable property against which the lien is to be recorded, (iv) the name of the Party claiming the lien, (v) the amount for which the lien is claimed and a general description for the purpose for which the amounts were paid. A lien must be recorded within nine (9) months after the amounts for which the lien is claimed were incurred. Prior to the recording of the lien, the Party desiring to file the lien shall give written notice to the delinquent Party of the intent of such Party to file a lien, which notice shall be mailed at least ten (10) days prior to the recording of the lien. The lien shall only affect title to Property when recorded. There shall be no priority of such lien that relates back to any earlier date than the date of the lien is recorded. Notwithstanding the foregoing, the Parties agree that there shall be no lien rights under this section for, and any liens pursuant to this section shall not encumber, any portion of the Future Development once it has been subdivided and platted into separate lots.

4.3. Nuisance. Every violation of this Agreement, or any part hereof, is hereby declared to be and constitute a nuisance and every remedy allowed therefore by law or equity against a Party or Permittee shall be applicable against every such violation that may be enforced by each and every Party.

4.4 Attorneys' Fees. In any legal or equitable proceeding for the enforcement of this Agreement, or any provision hereof, whether it be an action for damages, declaratory relief, injunctive relief, to assert or foreclose the lien, or any other action, the prevailing Party in such action shall be entitled to recover from the non-prevailing Party all of its costs incurred in such action and interest thereon at the rate of eighteen percent (18%) per annum from the date of delinquency. Any judgment entered shall provide for interest on the delinquent amounts at the rate of eighteen percent (18%) per annum after the date of entry of judgment. Costs for purposes of this Section 4.4 shall include court costs and reasonable attorneys' fees. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

4.5 No Waiver. The failure of a Party to enforce any of the conditions, covenants, restrictions or reservations contained herein shall in no event be deemed to be a waiver of the right to do so for subsequent violations or the right to enforce any other conditions, covenants, restrictions or reservations contained herein.

4.6 Liability of Owner. Each Party shall be responsible for any violation of this Agreement by the Permittee of such Party. If there is a violation of this Agreement by a Permittee, the other Parties shall have the right to pursue a claim or action against the Permittee or the Party, or both, for such violation.

ARTICLE V
INSURANCE

Upon the Commencement Date, both Grantor and Grantees, their successors or the Association on behalf of Grantee, shall maintain liability insurance with a combined single limit of coverage in the minimum amount of One Million and 00/100 Dollars ($1,000,000.00), or such greater amount as may be customary at the time, to insure against any claims for injury to person or property related to the use of the Property, including the Recreational Use Easement, the Access Easement and the Construction Easement. Grantor and Grantees shall at all times list the other Parties hereto as additional named insureds under such insurance policies. Each Party shall be responsible for requiring that any person or entity doing any work in the Easement Corridor by, or at the request of such Party, has in force and effect a commercial general liability policy in an amount not less than $1,000,000.00 (or such greater amount as may be customary at the time) and worker's compensation insurance for all persons performing any work in the Easement Corridor.

ARTICLE VI
AMENDMENTS, TERM AND TERMINATION

6.1 Amendment. This Agreement, and any provision hereof or any easement granted herein, may be amended by the mutual agreement of the Parties, and the joinder by any Successor Owner to such amendment is not required.

6.2 Term. This Agreement shall continue in full force and effect in perpetuity, subject only to termination, modification or amendment upon the written agreement of all of the Parties pursuant to the terms hereof as provided in this Article VI.

6.3 Termination. This Agreement may only be terminated by the unanimous consent of the Parties, and the joinder by any Successor Owner to such termination is not required. No amendment, modification or termination shall be effective until a written instrument setting forth the terms of such amendment or modification or termination has been duly executed, acknowledged and recorded in the office of the Clerk and Recorder of Huerfano County, Colorado.

ARTICLE VII
BINDING EFFECT

7.1 Run With the Land. This Agreement and the rights granted herein and the provisions hereof shall run with the Grantor's Property, shall be appurtenant thereto, shall be binding upon the Property and all present and future owners of the Property or any portion of the Property, shall inure to the benefit of the MWI's Property and all present and future owners of all or any portion of the MWI's Property as provided herein. Each Permittee of a Party shall also be

bound by the terms, conditions and provisions of this Agreement.

7.2 Successors and Assigns. As set forth in Section 1.1, this Agreement and the rights, benefits and obligations created herein may be transferred, assigned and conveyed by Grantees to (i) successors or assigns which acquire all or portions of MWI's Property for the purpose of development, or (ii) to the Association, and its successors and assigns, or (iii) to a governmental entity or charitable organization qualified to hold conservation or recreational easements (collectively "Grantees' Transferees"). This Agreement shall inure to the benefit of and be binding upon the Parties, Grantees' Transferees, subsequent owners of the Property or any portion of the Property, and their Permittees and their respective heirs, personal representatives, successors and assigns. Grantor and Grantees' Transferees shall be entitled to assign their rights and obligations under this Agreement to any successor of the assigning Party to the Party's Property, but Grantees' Transferees shall not be entitled to assign their rights and obligations under this Agreement to individual Successor Owners. In the case of any such assignment, the rights and obligations under this Agreement of the assigning Party shall become the rights and obligations of that Party's assignee from and after the effective date of the assignment, and the assigning Party shall be released thereafter from any further obligations or liabilities under this Agreement that have not accrued as of the date of the assignment.

ARTICLE VIII
MISCELLANEOUS

8.1 Public Dedication. Nothing contained in this Agreement shall be deemed a gift or dedication of any property referenced herein to the general public or for any public purpose whatsoever, it being the intention of the Parties that this Agreement will be strictly limited to the purposes set forth herein.

8.2 Severability. In the event any clause, sentence or any portion of the terms, conditions, covenants and provisions of this Agreement are deemed illegal, null or void for any reason, or are held by any court of competent jurisdiction to be so, the remaining portions of this Agreement shall remain in full force and effect.

8.3 Permittees. "Permittee" and "Permittees" shall mean and refer individually and collectively to any members, tenants, subtenants, licensees, visitors, agents, occupants or concessionaires of the Parties and the foregoing Parties' and Permittees' respective employees, licensees, invitees and guests.

8.4 Land Benefited. The easements are for the benefit of the Grantees, their successors and assigns, the Association, the Successor Owners and their Permittees, and burden the Property for the benefit of MWI's Property.

8.5 Taxes. Each Party shall be responsible for paying all real property taxes and assessments associated with its fee ownership of such Party's portion of the easement property, and shall not be entitled to reimbursement of any portion of such taxes and assessments from any other Party.

8.6 Notices. All notices which are required or permitted under this Agreement shall be in writing. Notices to a Party or Permittee shall be deemed given if mailed to the Party or Permittee by first class mail addressed to the Party or Permittee, as applicable, at the address for the Party or the Permittee indicated in the public records.

8.7 Cooperation as Amended or Modified. The Parties agree to work cooperatively with each other and communicate as necessary in an effort to maximize each Party's benefits and minimize each Party's costs associated with this Agreement. The Parties anticipate the need may arise to amend or modify this Agreement in the future due to the difficulty of ascertaining each Party's future needs and obligations at the time of execution of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto as of the day and year first above written.

GRANTOR:

TRW ORLANDO WATER ASSETS, LLC, a Colorado limited liability company

By: TWO RIVERS WATER, LLC
a Colorado limited liability company
Its sole member

By: Two Rivers Water Company
a Colorado corporation
Its sole member

By: _____
Wayne Harding
Chief Financial Officer and Secretary

GRANTEES:

MARKSHEFFEL-WOODMEN INVESTMENTS, LLC
a Colorado limited liability company

By: _____

Its: Manager

THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC
a Colorado limited liability company

By: _____

Its: Manager

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, ~~2010~~ 2011, by Wayne Harding, Chief Financial Officer and Secretary of Two Rivers Water Company, Inc., a Colorado corporation, as the sole Member of Two Rivers Water, LLC, a Colorado limited liability company, as the sole member of TRW Orlando Water Assets, LLC, a Colorado corporation, as Grantor.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS NOTARY PUBLIC STATE OF COLORADO My Commission Expires 09/11/2014

Dixie Powers
Notary Public

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011 ~~2010~~, by Randle W. Case II, as Manager of Marksheffel-Woodmen Investments, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS NOTARY PUBLIC STATE OF COLORADO My Commission Expires 09/11/2014

Dixie Powers
Notary Public

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011, ~~2010~~, by Tindle W. Orr II, as Manager of The Orlando Reservoir No. 2 Company, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

Jessica Powers
Notary Public

EXHIBIT A

Legal description of the Grantor's Property

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:
1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:
1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:
1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

EXHIBIT B

Legal description of MWI's Property

LEGAL DESCRIPTION

A Parcel of land located in Township 25 South, Range 66 West of the 6th P.M., in the County of Huerfano, State of Colorado, to-wit:

Section 7: SW ¼ of the SW ¼ lying east of Interstate 25. **Section 17**: W ½; S ½ of the SE ¼. **Section 18**: S ½ of the NE ¼; SE ¼ of the NW ¼; W ½ of the NW ¼; E ½ of the SW ¼; SE ¼ lying east of Interstate 25. **Section 19:** E ½; S ½ of the SW ¼. **Section 20:** All. **Section 28**: N ½; N ½ of the SE ¼; SW ¼; S ½ of the SE 1/4. **Section 29**: All. **Section 30**: All **Section 31**: E ½; SW ¼. **Section 32**: All. **Section 33**: SW ¼; N ½ of the SE ¼; N 1/2.

Excepting there from the following parcel:

A parcel of land located in the NE ¼ of Section 33 and the SE ¼ of the SE ¼ of Section 28, T 25 S, R 66 W, of the 6th P.M. being more particularly described as follows:

Beginning at the corner common to Sections 28 and 33; thence S 00-41-28 E, along the east line of the NE ¼ of the NE ¼ said Section 33, a distance of 734.77 feet; thence S 89-23-02 W, a distance of 537.26 feet; thence N 16-58-42 E, a distance of 982.31 feet; thence N 4-45-37 E, a distance of 1054.54 feet; thence S 90-00-00 E, a distance of 147.01 feet to the northeast corner of the Se ¼ of the Se ¼ of Section 28; thence S 00-20-38 E, along the east line of said SE ¼ of the SE ¼, a distance of 1320.43 feet to the point of beginning.

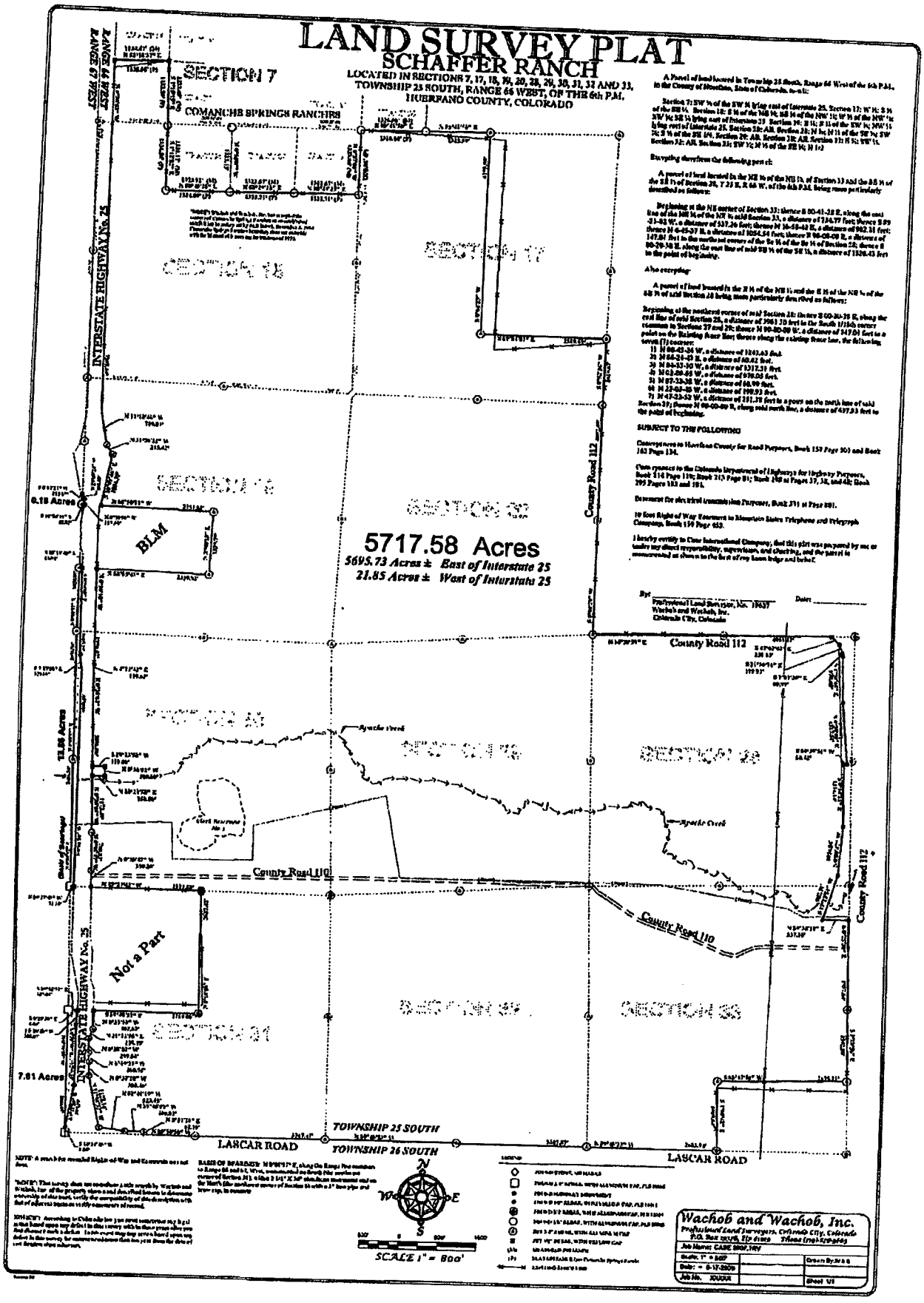
Also excepting:

A parcel of land located in the E ½ of the NE ¼ and the E ½ of the NE ¼ of the SE ¼ of said Section 28 being more particularly described as follows:

Beginning at the northeast corner of said Section 28: thence S 00-20-38 E, along the east line of said Section 28, a distance of 3961.30 feet to the South 1/16th corner common to Sections 27 and 28; thence N 90-00-00 W, a distance of 147.01 feet to a point on the Existing fence line; thence along the existing fence line, the following seven (7) courses:

1) N 00-45-24 W, a distance of 1243.63 feet.
2) N 86-24-43 E, a distance of 60.42 feet.
3) N 04-53-50 W, a distance of 1317.51 feet.
4) N 02-09-55 W, a distance of 978.05 feet.
5) N 07-22-38 W, a distance of 68.99 feet.
6) N 22-05-45 W, a distance of 199.93 feet.
7) N 47-22-52 W, a distance of 251.38 feet to a point on the north line of said Section 28; thence N 90-00-00 E, along said north line, a distance of 497.83 feet to the point of beginning.

Legal
Slagle Ranch


LAND SURVEY PLAT
SCHAFFER RANCH
LOCATED IN SECTIONS 7, 17, 18, 19, 20, 28, 29, 30, 31, 32 AND 33, TOWNSHIP 25 SOUTH, RANGE 66 WEST, OF THE 6th P.M. HUERFANO COUNTY, COLORADO
A Parcel of land located in Township 25 South, Range 66 West of the 6th P.M., in the County of Huerfano, State of Colorado, to-wit:
Section 7: SW ¼ of the SW ¼ lying east of Interstate 25, Section 17: W ½; S ½ of the SE ¼, Section 18: S ½ of the NE ¼; NE ¼ of the NW ¼; W ½ of the NW ¼ SW ¼; NE ¼ lying east of Interstate 25, Section 19: All, Section 20: W ½ SW ¼ lying east of Interstate 25, Section 28: All, Section 29: All, Section 30: All, Section 31: N ½; N ½ of the SE ¼, Section 32: All, Section 33: SW ¼; W ½ of the SE ¼; N ½
Excepting therefrom the following parcels:
A parcel of land located in the NE ¼ of the NE ¼ of Section 33 and the SE ¼ of the SE ¼ of Section 28, T 25 S, R 66 W, of the 6th P.M. being more particularly described as follows:
Beginning at the NE corner of Section 33; thence S 00-41-38 E, along the east line of the NE ¼ of the NE ¼ said Section 33, a distance of 1346.77 feet; thence S 89-31-55 W, a distance of 537.36 feet; thence N 16-58-48 E, a distance of 982.31 feet; thence N 6-05-37 E, a distance of 1054.54 feet; thence S 89-08-08 E, a distance of 147.01 feet to the north east corner of the SE ¼ of the SE ¼ of Section 28; thence S 00-39-38 E, along the east line of said SE ¼ of the SE ¼, a distance of 1326.43 feet to the point of beginning.
Also excepting:
A parcel of land located in the E ½ of the NE ¼ and the E ½ of the NE ¼ of the SE ¼ of said Section 28 being more particularly described as follows:
Beginning at the northeast corner of said Section 28; thence S 00-39-38 E, along the east line of said Section 28, a distance of 1961.20 feet to the South 1/16th corner common to Sections 27 and 28; thence N 89-20-09 W, a distance of 147.01 feet to a point on the Existing fence line; thence along the existing fence line, the following seven (7) courses:
1) N 00-42-34 W, a distance of 1243.63 feet;
2) N 84-54-45 E, a distance of 40.82 feet;
3) N 04-57-30 W, a distance of 1317.31 feet;
4) N 01-20-55 W, a distance of 970.05 feet;
5) N 07-32-36 W, a distance of 66.99 feet;
6) N 32-04-58 W, a distance of 199.93 feet;
7) N 47-32-52 W, a distance of 251.78 feet to a point on the north line of said Section 28; thence N 89-00-00 E, along said north line, a distance of 497.35 feet to the point of beginning.
SUBJECT TO THE FOLLOWING
Conveyance to Huerfano County for Road Purposes, Book 159 Page 301 and Book 163 Page 134.
Conveyance to the Colorado Department of Highways for Highway Purposes, Book 214 Page 110; Book 215 Page 91; Book 288 at Pages 37, 38, and 48; Book 295 Pages 183 and 184.
Easement for electrical transmission Purposes, Book 271 at Page 501.
10 foot Right of Way Easement to Mountain States Telephone and Telegraph Company, Book 159 Page 453.
I hereby certify to Clear International Company, that this plat was prepared by me or under my direct responsibility, supervision, and checking, and the parcel is accurately represented as shown to the best of my knowledge and belief.
By: _____ Date: _____
Professional Land Surveyor, No. 19637
Wachob and Wachob, Inc.
Colorado City, Colorado
SECTION 7
SECTION 17
SECTION 18
SECTION 19
SECTION 20
SECTION 28
SECTION 29
SECTION 30
SECTION 31
SECTION 32
SECTION 33
COMANCHE SPRINGS RANCHES
INTERSTATE HIGHWAY No. 25
RANGE 66 WEST
RANGE 67 WEST
5717.58 Acres
5695.73 Acres ± East of Interstate 25
21.85 Acres ± West of Interstate 25
6.18 Acres
BLM
7.85 Acres
Not a Part
County Road 112
County Road 110
Spanish Creek
LASCAR ROAD
TOWNSHIP 25 SOUTH
TOWNSHIP 26 SOUTH
N
W
E
S
SCALE 1" = 800'
Wachob and Wachob, Inc.
Professional Land Surveyors, Colorado City, Colorado
P.O. Box 10128, Zip 81019 Phone (719) 676-3669
Job Name: CAPE BRAE, HWY
Scale: 1" = 800'
Date: - 6-17-2009
Job No. XXXXX
Drawn By: M & B
Sheet 1/1

LEGAL DESCRIPTION
Case/Edmundsen property

Township 25 South, Range 65 West, of the 6th P.M.

Section 14: All
Section 20: SE ¼; E ½ of the NE ¼
Section 21: All
Section 22: S ½; NE ¼
Section 23: N ½
Section 27: N ½; SW ¼; W ½ of the SE ¼
Section 28: N ½; SW ¼; N ½ of the SE ¼
Section 29: N ½ of the NE ¼; NE ¼ of the NW ¼; SW ¼ of the NE ¼; NE ¼ of the SE ¼; S ½ of the SE ¼; SE ¼ of the SW 1/4
Section 30: S ½ of the SW ¼
Section 31: S ½; NW ¼
Section 32: All
Section 33: All
Section 34: All

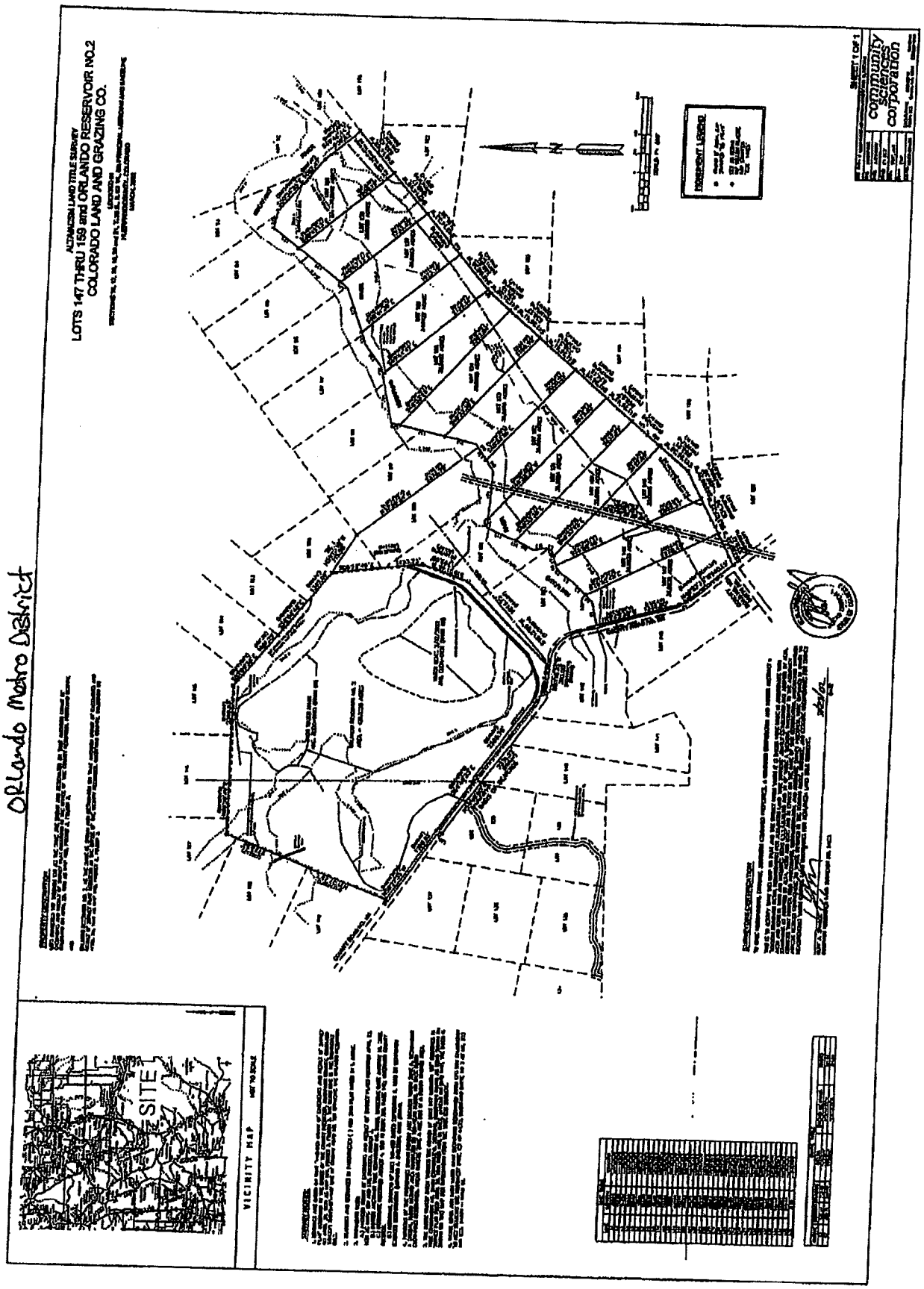
Township 26 South, Range 65 West, of the 6th P.M.

Section 3: E ½; S ½ of the SW ¼; NE ¼ of the SW ¼; Lot 4
Section 4: N ½
Section 5: Lots 2, 3 and 4
Section 6: N ½; NW ¼ of the SE ¼; NE ¼ of the SW ¼

Township 22 South, Range 65 West, of the 6th P.M.

Section 1: Lots 1, 2, 3 and 4

All in the County of Huerfano, State of Colorado.

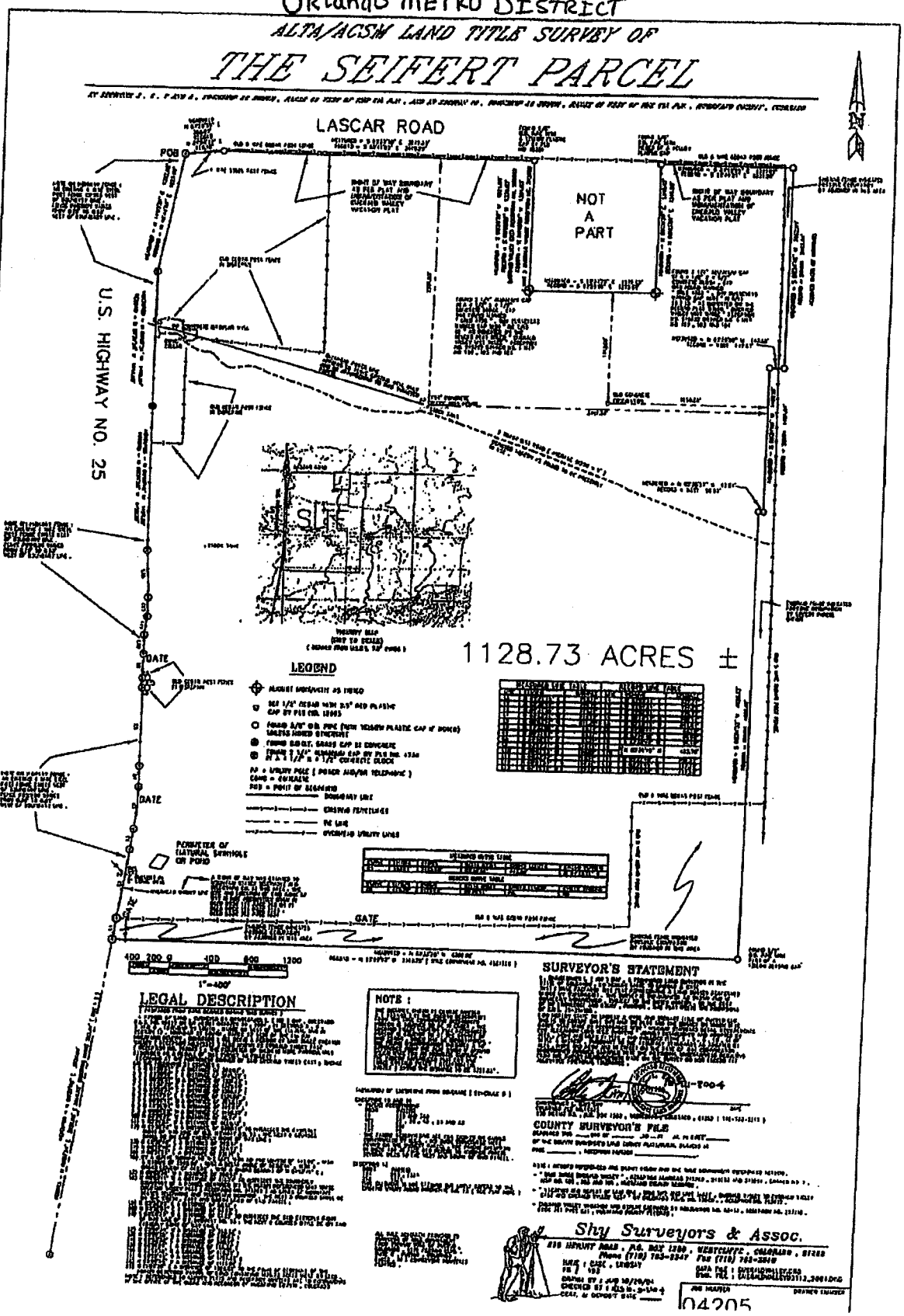


Orlando Metro District

ORlando METRO DISTRICT

ALTA/ACSM LAND TITLE SURVEY OF

THE SEIFERT PARCEL



Orlando Metro District

LEGAL DESCRIPTION

(PREPARED FROM DATA DERIVED DURING THIS SURVEY)

A PARCEL OF LAND , SURVEYED BY CHRISTOPHER L. (KIT) SHY , COLORADO P.L.S. NO. 19883 ON OR ABOUT OCTOBER 14 , 2004 , IN SECTIONS 5 , 6 , 7 AND 8 , TOWNSHIP 26 SOUTH , RANGE 66 WEST OF THE 6th P.M. AND IN SECTION 12 , TOWNSHIP 26 SOUTH , RANGE 67 WEST OF THE 6th P.M. , HUERFANO COUNTY , COLORADO ; ALL BEING A PORTION OF UNIT THREE EMERALD VALLEY (RECEPTION NO.245282) ALSO KNOWN AS EMERALD VALLEY EAST (RECEPTION NO. 293032) ; THE PERIMETER OF WHICH IS MORE PARTICULARLY DESCRIBED AS A RESULT OF THIS SURVEY AS FOLLOWS ;

BEGINNING AT THE NORTHWEST CORNER OF SAID EMERALD VALLEY EAST ; THENCE ON THE FOLLOWING 29 COURSES ;

1) N 84°29'59" E A DISTANCE OF 388.00' ;
2) S 89°20'10" E A DISTANCE OF 3141.30' ;
3) S 00°29'27" W A DISTANCE OF 1321.86' ;
4) S 89°34'25" E A DISTANCE OF 1275.60' ;
5) N 00°29'37" E A DISTANCE OF 1316.47' ;
6) S 89°19'59" E A DISTANCE OF 1321.08' ;
7) S 00°24'42" W A DISTANCE OF 2082.89' ;
8) N 89°36'00" W A DISTANCE OF 147.68' ;
9) S 00°24'08" W A DISTANCE OF 1490.97' ;
10) N 89°36'27" W A DISTANCE OF 49.94' ;
11) S 00°24'53" W A DISTANCE OF 4856.12' ;
12) N 89°35'28" W A DISTANCE OF 6300.90' TO INTERSECT THE EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 . THE NEXT 6 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
13) N 08°32'48" E A DISTANCE OF 222.44' ;
14) N 08°32'48" E A DISTANCE OF 724.75' ;
15) N 08°31'55" E A DISTANCE OF 221.11' ;
16) ON A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 443.09' , WITH A RADIUS OF 2985.00' , WITH A DELTA ANGLE OF 08°33'44" , WITH A CHORD LENGTH OF 442.68' , WITH A CHORD BEARING OF N 04°15'41" E ;
17) N 00°05'38" W A DISTANCE OF 220.95' ;
18) N 00°03'41" W A DISTANCE OF 811.74' TO INTERSECT THE SOUTHERLY BOUNDARY OF A PARCEL IDENTIFIED ON THE HEREIN REFERENCED UNIT THREE EMERALD VALLEY PLAT (RECEPTION NO. 245282) AS LANDS OF MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY . THE NEXT 3 COURSES SHALL BE ON THE SOUTH , EAST AND NORTH LINES OF SAID PARCEL ;
19) N 89°33'00" E A DISTANCE OF 50.17' ;
20) N 00°32'09" E A DISTANCE OF 99.67' ;
21) S 89°56'39" W A DISTANCE OF 51.22' TO INTERSECT THE SAID EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 . THE NEXT 8 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
22) N 00°07'34" W A DISTANCE OF 252.86' ;
23) N 00°02'15" W A DISTANCE OF 200.06' ;
24) N 06°53'33" E A DISTANCE OF 200.91' ;
25) N 00°01'57" E A DISTANCE OF 199.35' ;
26) N 02°56'18" W A DISTANCE OF 499.70' ;
27) N 00°06'48" W A DISTANCE OF 1497.88' ;
28) N 00°07'58" W A DISTANCE OF 1415.04' ;
29) N 11°09'37" E A DISTANCE OF 1222.86' TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND CONTAINING 1128.73 ACRES MORE OR LESS .

NOTE : REFERENCES TO RECORD PLATS AND RECEPTION NUMBERS ARE TO INSTRUMENTS IN THE OFFICE OF THE CLERK AND RECORDER OF HUERFANO COUNTY , COLORADO .

Return Original after Recordation to:
Howard and Jensen LLC
Attn: Lyndsay Ressler
30 E. Kiowa St., Ste 104
Colorado Springs CO 80903

391924
Page 1 of 4
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
09-20-2011 11:21 AM Recording Fee $26.00

SPECIAL WARRANTY DEED

THIS DEED, made to be effective as of the 7th day of September 2011, between **TRW ORLANDO WATER ASSETS, LLC,** a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, Colorado 80222, ATTN: John R. McKowen, Grantor, and **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC,** a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, Colorado 80222, Grantee:

WITNESS, that the Grantor, for and in consideration of the sum of **Ten and no/100ths Dollars ($10.00)**, 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 successors and assigns forever, all the real property together with improvements, if any (the "Property"), situate, lying and being in the County of Huerfano and State of Colorado, described as follows:

See **Exhibit A** attached hereto and incorporated herein

Together with all and singular the 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, either in law or in equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the Property above bargained and described, with the appurtenances unto Grantee, and Grantee's successors and assigns, forever. Grantor, for Grantor, and for Grantor's heirs, personal representatives, successors, and assigns, covenants and agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of Grantee, and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part of the Property, by, through, or under Grantor.

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

TRW ORLANDO WATER ASSETS, LLC

By: _____
Wayne Harding, Manager

STATE OF COLORADO)
) ss.
COUNTY OF ~~EL PASO~~ Denver)

Acknowledged before me this 7th day of September 2011, by Wayne Harding, as Manager of TRW Orlando Water Assets, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 10/13/2012

Notary Public

[SEAL]

MOLLY M. HENESSEE NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/13/2012

EXHIBIT A
TO SPECIAL WARRANTY DEED

392516
Page 1 of 1
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-03-2011 01:14 PM Recording Fee $11.00

STATEMENT OF AUTHORITY

1. This Statement of Authority relates to an entity named TRW Orlando Water Assets, LLC.

2. The type of entity is a Limited Liability Company.

3. The entity is formed under the laws of the State of Colorado.

4. The mailing address is for the entity is 2000 S. Colorado Blvd., Annex Ste. 200, Denver, CO 80222.

5. The name of each person authorized to execute instruments conveying, encumbering or otherwise affecting title to real property on behalf of the entity is: Wayne Harding.

6. The authority of the foregoing persons to bind the entity is not limited/is limited as follows: Not limited.

Wayne Harding, CEO of Two Rivers Water Company, a Colorado Corporation, the sole member of Two Rivers Water, LLC, the sole member of TRW Orlando Water Assets, LLC

STATE OF COLORADO)
)ss.
CITY and COUNTY OF DENVER)

On October 6th 2011, before me, a notary public in and for said state personally appeared Wayne Harding, personally known to me (or provided to me based upon satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument and ~~acknowledged that he/she/they executed the same in his/her/their signature on the instrument the~~ person(s) or entity on behalf of which they acted, executed the instrument.

Witness my hand and official seal.

MOLLY M. HENESSEE NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/13/2012

Notary Public
My Comm. Exp. 10/13/2012

392518
Page 1 of 2
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-03-2011 01:14 PM Recording Fee $16.00

QUIT CLAIM DEED

THIS DEED, made this 21st day of October, 2011, between **TRW Orlando Water Assets, LLC**, of the City and County of Denver and State of Colorado, Grantor, and **Two Rivers Farms F-2, LLC**, whose legal address is 2000 S. Colorado Blvd., Annex Suite 200, Denver, Colorado 80222, Grantee.

WITNESSETH, that the Grantor, for and in consideration of the sum of One Dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold and **QUIT CLAIMED**, and by these presents does remise, release, sell and **QUIT CLAIM** unto the Grantee, its heirs, successors and assigns, forever, all the right, title, interest, claim and demand which the Grantor has in and to the real property, together with improvements, if any, situate, lying and being in the County of Huerfano, State of Colorado described as follows:

See ***Exhibit A***

Together with all and singular the 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, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the Grantor, either in law or equity, to the only proper use, benefit and behoof of the Grantee, its heirs and assigns forever.

IN WITNESS WHEREOF, the Grantor has executed this Deed on the date set forth above.

TRW ORLANDO WATER ASSETS, LLC

By _____

Wayne Harding, CFO of Two Rivers Water Company, a Colorado Corporation, the sole member of Two Rivers Water, LLC, the sole member of TRW Orlando Water Assets, LLC

STATE OF COLORADO)
) SS.
CITY and COUNTY OF DENVER)

The foregoing document was acknowledged before me this 21st day of October, 2011, by Wayne Harding, CFO of Two Rivers Water Company, a Colorado Corporation, the sole member of Two Rivers Water, LLC, the sole member of TRW Orlando Water Assets, LLC.

Witness my hand and official seal.

MOLLY M. HENNESSEE NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/13/2012

_____
Notary Public
My Comm. Exp. 10/13/2012

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:
1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:
1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 30' 02" W, a distance of 101.63 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:
1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

392702
Page 1 of 16
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-28-2011 11:09 AM Recording Fee $86.00

DEED OF TRUST

THIS INDENTURE, made this 9th day of November, 2011, between Two Rivers Farms F-2, LLC, whose address is 2000 S. Colorado Blvd., Annex Ste. 200, Denver, CO 80222, hereinafter referred to as Grantor, and the Public Trustee of the County of Pueblo, State of Colorado, hereinafter referred to as Public Trustee; for the benefit of Buxman Kwitek & Ohlsen, P.C. as Lenders' Agent for the Holders of Certain Notes which are listed below (Beneficiary), whose address is 601 N. Main St., Ste. 200, Pueblo, CO 81003.

WITNESSETH, THAT WHEREAS Two Rivers Farms F-2, LLC has executed Promissory Notes as set forth on exhibit A.

AND WHEREAS, the Grantor is desirous of securing payment of the principal and interest of said Promissory Notes in whose hands soever the said Note may be,

AND WHEREAS, the above listed Promissory Notes rank, and will rank, *pari passu* in right of enforcement with each other. Note Holders have expressly acknowledged and agreed that all such Note Holders shall be treated in a like and equal manner proportionate to the amount of the Note and accrued interest owed to that Note Holder compared to the amount of Notes and accrued interest owed to all such Note Holders, notwithstanding any differences as to the timing of each Note Holder's acquisition of the Notes. All such Note Holders have appointed the "Lenders' Agent" and acknowledged and agreed that the Lender's Agent shall act as the Beneficiary with such powers as are specifically delegated thereto by the terms of this Deed of Trust,

NOW THEREFORE, the Grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said Public Trustee in trust forever, the following described property, situate in the County of Huerfano, State of Colorado, to wit:

See attached Exhibit B.

TO HAVE AND TO HOLD the same, together with all and singular the privileges and appurtenances thereunto belonging, in trust nevertheless, that in case of default in the payment of said Notes or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said Notes, or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements herein contained, the Beneficiary may declare a violation of any of the covenants herein contained and may elect to advertise said property for sale, and demand such sale by filing a notice of election and demand for sale with the Public Trustee. Upon receipt of such notice of election and demand for sale, the Public Trustee shall cause a copy of the same to be recorded in the recorder's office of the county in which said property is situated. The Public Trustee shall then give public notice of the time and place of sale by advertisement to be published for four weeks (once each week for five successive weeks) in some newspaper of general circulation at that time published in the county or counties in which said property is located. A copy of such notice shall be mailed within ten days after the date of the first publication thereof to the Grantor at the address given herein, to such persons appearing to have acquired a subsequent record interest in said property at the address given in the recorded instrument, and to any other persons as may be provided by law. It shall and may then be lawful for the Public Trustee to sell said property for the highest and best price the same will bring in cash and to dispose of the same (en masse or in separate parcels, as the said Public Trustee may think best), together with all the right, title and interest of the Grantor therein, at public auction at any place as may be specified by statute and designated in the notice of sale. The Public Trustee shall make and give to the purchaser of such property at such sale, a certificate in writing containing a description of such property purchased, the sum paid therefor, a statement that said purchaser shall be entitled to a deed therefor, unless the same shall be redeemed as is provided by law; and in the event of a continuance of the sale, a recital that the sale was duly continued. The Public Trustee shall, upon demand by the person holding the said Certificate of Purchase, when said demand is made or upon demand by the person entitled to a Deed to and for the property purchased at the time such demand is made, the time for redemption having expired, make and execute to such person a Confirmation Deed to the said property purchased. Said Confirmation Deed shall be in the ordinary form of a conveyance and shall be signed, acknowledged and delivered by the said Public Trustee and shall confirm the foreclosure sale and sell and convey to

such person entitled to such Confirmation Deed, the property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the Grantor therein. The Public Trustee shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the Beneficiary, the principal and interest due on said Note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said Note for insurance, taxes and assessments, with interest thereon at 8% per annum, rendering the overplus, if any, unto those persons entitled thereto as a matter of law. Said sale and said Confirmation Deed so made shall be a perpetual bar, both in law and equity, against the Grantor and all other persons claiming the said property, or any part thereof, by, from, through or under the Grantor. The holder of said Note may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

The Grantor covenants and agrees to and with the Public Trustee that at the time of the ensealing of and delivery of these presents he is well seized of the said land and tenements in fee simple and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims he may have in or to said lands, tenements and property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same are free and clear of all liens and encumbrances whatever except taxes for current year and subsequent years, easements, reservations and restrictions of record, and the above bargained property in the quiet and peaceable possession of the Public Trustee, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the Grantor shall and will warrant and forever defend.

Until payment in full of the indebtedness, the Grantor shall timely pay all taxes and assessments levied on the property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirement of the Note Holders hereof in an amount which will yield to the holder of the indebtedness, after reduction by co-insurance provisions of the policy, if any, not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the Note Holders as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the Note Holders. At the option of the Note Holders, the original policy or policies of insurance shall be delivered to the Note Holders as further security for the indebtedness. Should the Grantor fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the Note Holders may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of 8% per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the property if not paid by the Grantor. In addition, and at the option of Note holders holding in excess of 50% of the then outstanding principal amount of Notes, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any of the payments required by this paragraph.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor and Beneficiary agree that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (a) remain in possession and control of the Property, (b) use, operate or manage the Property, and (c) collect any Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Deed of Trust, shall have the same meanings as set forth in the

Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49, U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Note Holders that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Note Holder in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Note Holder in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Note Holders and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Note Holders may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Note Holders shall be for Note Holders' purposes only and shall not be construed to create any responsibility or liability on the part of Note Holders to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Note Holders and Beneficiary for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Note Holders and Beneficiary against any and all claims, losses, liabilities, damages, penalties, and expenses which Note Holders and Beneficiary may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of trust and shall not be affected by Note Holders or Beneficiary's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of the Note Holders.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Note Holders. As a condition to the removal of any Improvements, Note Holders may require Grantor to make arrangements satisfactory to Note Holders to replace such Improvements with Improvements of at least equal value.

Note Holders' Right to Enter. Note Holders and their agents and representatives may enter upon the Real Property at all reasonable times to attend to Note Holders' interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of

the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Note Holders in writing prior to doing so and so long as, in Note Holders' sole opinion, Note Holders' interests in the Property are not jeopardized. Note Holders may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Note Holders, to protect Note Holders' interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

If all or any part of the property or an interest therein is sold or transferred by the Grantor without Note Holders' prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Note Holders may, at Note Holders' option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Note Holders shall have waived such option to accelerate if, prior to the sale or transfer, Note Holders and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Note Holders and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Note Holders shall request.

IN CASE OF ANY DEFAULT whereby the right of foreclosure occurs hereunder, the holder of said Note or Certificate of Purchase shall at once become entitled to the possession, use and enjoyment of the property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be; and such possession shall at once be delivered to the holder of said Note or Certificate of Purchase on request, and on refusal, the delivery of such possession may be enforced by the holder of said Note or Certificate of Purchase by any appropriate civil suit or proceeding, and the holder of said Note or Certificate of Purchase, or any thereof, shall be entitled to a Receiver for said property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the Grantor or of the then owner of said property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

IN CASE OF DEFAULT in any of said payments of principal or interest, according to the tenor and effect of said Promissory Note or any part thereof, or of a breach or violation of any of the covenants or agreements herein, by the Grantor, then and in that case the whole of said principal sum hereby secured and the interest thereon to the time of the sale may at once, at the option of the legal holder thereof, become due and payable, and the said property be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the Public Trustee, an attorney's fee and Lenders' Agent fee in reasonable amounts for services in the supervision of said foreclosure proceedings shall be allowed by the Public Trustee as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceedings.

IT IS FURTHER UNDERSTOOD AND AGREED that if a release of this Deed of Trust is required, the Grantor will pay the expense thereof; that all the covenants and agreements herein contained shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

TWO RIVERS FARMS F-2, LLC

By _____
Wayne Harding, CFO

STATE OF COLORADO)
) SS.
COUNTY OF Denver)

The foregoing document was acknowledged before me this 9th day of November, 2011, by Wayne Harding, CFO of Two Rivers Farms F-2, LLC.

Witness my hand and official seal.

_____
Notary Public
My Comm. Exp. 10/13/2012

MOLLY M. HENESSEE
NOTARY
PUBLIC
STATE OF COLORADO

My Commission Expires 10/13/2012

EXHIBIT A

1. Promissory Note dated July 22, 2011 for the principal sum of $100,000.00, payable to the order of JDC Ventures, LLC (Note Holder), whose address is 5445 South Grape Lane, Greenwood Village, CO 80121 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

2. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Susan Doukas (Note Holder), whose address is 190 Oella Ave., Catonsville, MD 21228 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

3. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Bruce Robinson (Note Holder), whose address is 4331 Lake Forest Ct., Finksburg, MD 21048 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

4. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Francis Chan and Jeffrey Chan (Note Holder), whose address is 2400 Powers Ferry Dr., Marietta, GA 30067 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

5. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Frank Guy (Note Holder), whose address is 3326 Glenway Dr., Kensington, MD 20859 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

6. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Raymond G. Tinney 1995 Intervivos Trust, U/A 6/21/95, Raymond Tinney, trustee (Note Holder), whose address is 444 Monroe Dr., Palo Alto, CA 94306 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

7. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Nazim Lokhandwala (Note Holder), whose address is 6202 Rock Glen Dr., Springfield, VA 22152 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

8. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Charles Curtis and Sandra Curtis (Note Holder), whose address is 902 Windsor Lane, Key West, FL 33040 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

9. Promissory Note dated July 22, 2011 for the principal sum of $1,000,000.00, payable to the order of Eleventh Generation LP (Note Holder), whose address is 234 Broughton Lane, Villanova, PA 19085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of

interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

10. Promissory Note dated July 22, 2011 for the principal sum of $1,000,000.00, payable to the order of Martha H. Morris (Note Holder), whose address is 234 Broughton Lane, Villanova, PA 19085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

11. Promissory Note dated July 22, 2011 for the principal sum of $100,000.00, payable to the order of Hugo Zimmerman (Note Holder), whose address is Ulmenweg 3, Zurich, Swirzerland 8057 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

12. Promissory Note dated July 22, 2011 for the principal sum of $200,000.00, payable to the order of Jack Garson and Mary Garson (Note Holder), whose address is 11223 Riverview Dr., Potomac, MC 20854 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

13. Promissory Note dated July 22, 2011 for the principal sum of $12,500.00, payable to the order of Cheryl Williams (Note Holder), whose address is 812 Philadelphia Rd., Joppa, MD 21085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

14. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Gregory A. Harrison (Note Holder), whose address is 16209 Kimberly Grove, Gaitherburg, MD 20878 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

15. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Stephen D. Brown (Note Holder), whose address is 24 Tower Road, Lincoln MA 01773 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

16. Promissory Note dated July 22, 2011 for the principal sum of $100,000.00, payable to the order of Sondra W. Margolies (Note Holder), whose address is 191 Presidential Blvd, #912, Bala Cynwyd, PA 19004 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

17. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Lloyd Grant (Note Holder), whose address is 128 Belglen Way, Los Gatos, CA 95032 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

18. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Norman L. McClain (Note Holder), whose address is P.O. Box 36, Robertsdale, PA 16674 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest

commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

19. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of William Bohlken and Kathy Lynn Adams (Note Holder), whose address is 248 Primrose Road, Burlingame, CA 94010 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

20. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of F. Richard Stark (Note Holder), whose address is 11008 Spring House Ct., Potomac, MD 20854 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

21. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of John R. Rogers (Note Holder), whose address is 219 Winnona Dr., Decatur, GA 30030 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

22. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of James Walker (Note Holder), whose address is 4280 Ten Oaks Rd., Dayton MD 21036 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

23. Promissory Note dated July 22, 2011 for the principal sum of $12,500.00, payable to the order of James Williams (Note Holder), whose address is 812 Philadelphia Rd. Joppa, MD 21085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

24. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Donald S. Darendinger Rev. Trust u/a 7/3/2007 (Note Holder), whose address is 27270 Lillegard Ct., Tracy, CA 95304 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

25. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Adam Linn (Note Holder), whose address is 980 Adams Rd., Winchester VA 22603-1908 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

26. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Presley Reed and Patricia Reed (Note Holder), whose address is 375 Bellevue Dr., Boulder, CO 80302 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

27. Promissory Note dated July 22, 2011 for the principal sum of $30,000.00, payable to the order of Frank Mills and Shirley Mills (Note Holder), whose address is 548 Palo Alto Ave., Palo Alto CA 94301 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in

full with a final interest payment and principal payment due on or before June 30, 2014.

28. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Paul Powell (Note Holder), whose address is 21508 Bethel Rd., Tecumseh, OK 74873 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

29. Promissory Note dated August 5, 2011 for the principal sum of $50,000.00, payable to the order of John J. Blum (Note Holder), whose address is 6 Mink Hollow Ct., Owings Mills, MD 21117 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

30. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of Dominik Barbalace and Belva Barbalace (Note Holder), whose address is 126 Sonata Way, Centreville, MD 21638 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

31. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of John N. Alessandro (Note Holder), whose address is 15 Westgate Rd., Erial NJ 08081 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

32. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of Brenda Forwood (Note Holder), whose address is 1464 Bethel Rd., Garnet Valley, PA 19060 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

33. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of Lawrence Cake and Karen Cake (Note Holder), whose address is 1036 Morgan Run Dr., Finksburg, MD 21048 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

34. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of John Black (Note Holder), whose address is 25335 Marsh Landing Pkwy, Ponte Vedra, FL 32082 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

35. Promissory Note dated August 5, 2011for the principal sum of $16,000.00, payable to the order of James Streett (Note Holder), whose address is 5611 Williams Rd., Hydes, MD 21082 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

36. Promissory Note dated August 5, 2011 for the principal sum of $12,500.00, payable to the order of Constantine Hagepanos (Note Holder), whose address is 7909 Ardmore Ave., Baltimore, MD 21234 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

37. Promissory Note dated August 5, 2011 for the principal sum of $12,500.00, payable to the order of Charles Scheuerman and Lisa Scheuerman, JTWROS (Note Holder), whose address is 12429 Kings Gate Dr., Kingsville, MD 21087 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

38. Promissory Note dated August 5, 2011 for the principal sum of $19,000.00, payable to the order of Timothy Gillis and Patricia Gillis (Note Holder), whose address is 2 Gungarth Ct., Perry Hull MD 21128 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

39. Promissory Note dated August 5, 2011 for the principal sum of $150,000.00, payable to the order of L.A. Walker III and Linda J. Walker (Note Holder), whose address is 5734 Oso Parkway, Corpus Christi, TX 78414 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

40. Promissory Note dated August 26, 2011 for the principal sum of $50,000.00, payable to the order of Michael Berenhaus (Note Holder), whose address is 10648 Muirfield Dr., Potomac, MD 20854 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

41. Promissory Note dated August 26, 2011 for the principal sum of $150,000.00, payable to the order of Elevation Fund, LLC (Note Holder), whose address is attn: Amy Atkinson, 5825 E. Irish Pl., Centennial, CO 80112 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

42. Promissory Note dated August 26, 2011 for the principal sum of $25,000.00, payable to the order of Margaret Elizabeth Crumbley (Note Holder), whose address is 1090 Wrayswood Rd., Watunsville, GA 30677 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

43. Promissory Note dated August 26, 2011 for the principal sum of $25,000.00, payable to the order of Konrad Kuhn and Linda Kuhn (Note Holder), whose address is 5 Water Road, Rocky Point, NY 11778 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

44. Promissory Note dated August 26, 2011 for the principal sum of $50,000.00, payable to the order of SLMI Holdings, LLC (Note Holder), whose address is 1805 N. Carson St., #383, Carson City, NV 89701 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

45. Promissory Note dated August 26, 2011 for the principal sum of $50,000.00, payable to the order of Stanley Minkin and Larisa Minkin, JTWROS (Note Holder), whose address is 503 Tristan Lane, Baltimore, MD 21208 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February

thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

46. Promissory Note dated August 26, 2011 for the principal sum of $12,500.00, payable to the order of Geoffrey Poremba (Note Holder), whose address is 20338 86th Pl. NE, Bothell, WA 98011 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

47. Promissory Note dated August 26, 2011 for the principal sum of $1,000,000.00, payable to the order of IRA Resources, Inc. fbo I. Wistar Morris, IRA (Note Holder), whose address is 6825 La Jolla Blvd., La Jolla, CA 92037 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

48. Promissory Note dated August 26, 2011 for the principal sum of $25,000.00, payable to the order of Ripsaw Partners, LLC (Note Holder), whose address is Milo Tedstrom, 1777 Larimer St., Unit 1510, Denver, CO 80202 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

49. Promissory Note dated September 21, 2011 for the principal sum of $25,000.00, payable to the order of Joseph R. Stanger (Note Holder), whose address is 206 East Dr., Princeton, WV 24740 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

50. Promissory Note dated September 21, 2011 for the principal sum of $12,500.00, payable to the order of George Rosch (Note Holder), whose address is 1005 Dellwood Dr., Fallston, MD 21047 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

51. Promissory Note dated September 21, 2011 for the principal sum of $15,000.00, payable to the order of David Hawks (Note Holder), whose address is 1694 Sun Berry Ct., Finksburg, MD 21048 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

52. Promissory Note dated September 21, 2011 for the principal sum of $25,000.00, payable to the order of Tom Ellison (Note Holder), whose address is P.O. Box 215, Boulder, CO 80306 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

53. Promissory Note dated September 21, 2011 for the principal sum of $12,500.00, payable to the order of Christopher Gordon, IRA (Note Holder), whose address is 4440 Willard Ave., Apt. 736, Chevy Chase, MD 20815 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

54. Promissory Note dated September 21, 2011 for the principal sum of $25,000.00, payable to the order of Robert Stanger (Note Holder), whose address is 401 Pondview Lane, Davidsonville, MD 21035 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in

full with a final interest payment and principal payment due on or before June 30, 2014.

55. Promissory Note dated September 29, 2011 for the principal sum of $39,500.00, payable to the order of Adalyn G. Frank, IRA (Note Holder), whose address is 6053 Florey Rd., Hanover, MD 21076 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

56. Promissory Note dated September 29, 2011 for the principal sum of $25,000.00, payable to the order of Charles R. Biemiller, IRA (Note Holder), whose address is 1805 Oxford Square, Belair, MD 21015 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

57. Promissory Note dated September 29, 2011 for the principal sum of $25,000.00, payable to the order of Thomas Ziemann, IRA (Note Holder), whose address is 1304 Boggs Rd., Forest Hill, MD 21050 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

A) ORLANDO RESERVOIR NO. 2, decreed for a total of 3,110 acre-feet storage, as follows:

I) ORLANDO RESERVOIR NO. 2, for storage of 43,560,000 cubic feet of water (1,000 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication October 3, 1921 (previous adjudication date was October 15, 1901), in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River through and by means of the Orlando Canal No. 3, and Greasewood Arroyo, through and by means of the Greasewood Arroyo Diverting Canal, and as more particularly describes in the aforesaid Decree entered October 31, 1921, in Civil Action No. 1414 (Priority No. 349).

II) ORLANDO RESERVOIR NO. 2, (ENLARGEMENT), for storage of 35,078,750 CUBIC FEET OF WATER (800 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication (conditional) October 3, 1921 in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County,

Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right made absolute by Decree in Civil Action No. 1414-60, and 1414-62, entered November 1, 1960, and November 8, 1962 (Priority No. 349).

III) ORLANDO RESERVOIR NO. 2, (SECOND ENLARGEMENT), for storage of 1,310 acre-feet of water, for irrigation, date of appropriation October 2, 1906, date of adjudication (conditional) October 3, 1921, in Civil Action 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right partly made absolute November 1, 1960 (320 acre-feet) and April 2, 1962 (990 acre-feet) (Priority No. 367½).

Together with the Orlando Canal No. 3 and the Greasewood Arroyo Diverting Canal, described as follows:

EXHIBIT
B

IV) That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th PM, bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubit feet of water per second of time.

V) That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th PM, bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

B) BUTTE VALLEY DITCH, decreed for a total of 9 cubic-feet per second, as follows:

I) BUTTE VALLEY DITCH for diversion of 1.2 cubic-feet of water per second of time, from The Huerfano River for irrigation, date of appropriation May 15, 1862, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 1).

II) BUTTE VALLEY DITCH (ENLARGEMENT) for diversion of 1.8 cubic-feet of water per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1865, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 9).

III) BUTTE VALLEY DITCH (SECOND ENLARGEMENT), for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼, Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 86).

IV) BUTTE VALLEY DITCH (KILLIAN) for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication February 23, 1898 (Killian Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (previous adjudication date of June 12, 1889) (Priority No. 111).

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

C) ROBERT RICE DITCH, decreed for a total of 3.0 cubic feet per second of time, as follows: From the Huerfano River, for irrigation, date of appropriation March 1, 1867, date of adjudication June 12, 1889 (Reed Decree), original decreed point of diversion in NW1/4 Section 22, T. 26 S., R. 66 W., 6th P.M., point of diversion transferred to SW1/4 Section 10, T. 26 S., R. 66 W, 6th P.M.., approximately 1700 feet from the west line and 550 feet from the south line of said Section 10, in Case No. 91CW39, Water Div. 2 on May 19, 1992, Huerfano County, Colorado (Priority 19)

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 83° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:

1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

392703
Page 1 of 1
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-28-2011 11:09 AM Recording Fee $11.00

STATEMENT OF AUTHORITY

1. This Statement of Authority relates to an entity named Two Rivers Farms F-2, LLC.

2. The type of entity is a Limited Liability Company.

3. The entity is formed under the laws of the State of Colorado.

4. The mailing address is for the entity is 2000 S. Colorado Blvd., Annex Ste. 200, Denver, CO 80222.

5. The name of each person authorized to execute instruments conveying, encumbering or otherwise affecting title to real property on behalf of the entity is: Wayne Harding.

6. The authority of the foregoing persons to bind the entity is not limited/is limited as follows: Not limited.

Wayne Harding, CFO

STATE OF COLORADO)
)ss.
COUNTY OF Denver)

On Nov. 9th 2011, before me, a notary public in and for said state personally appeared Wayne Harding, personally known to me (or provided to me based upon satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged that he/she/they executed the same in his/her/their signature on the instrument the person(s) or entity on behalf of which they acted, executed the instrument.

Witness my hand and official seal.

Notary Public
My Comm. Exp. 10/13/2012

MOLLY M. HENESSEE NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/13/2012

390204
Page 1 of 1
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
02-03-2011 09:57 AM Recording Fee $11.00

STATEMENT OF AUTHORITY

Pursuant to Colorado Revised Statutes, Wayne Harding, the undersigned Chief Financial Officer and Corporate Secretary of Two Rivers Water Company, a Colorado corporation, which is the sole member of Two Rivers Water, LLC, which is the sole Member of TRW Orlando Water Assets, LLC, hereby states his authority to execute those documents necessary to effectuate the purchase of certain real property and water rights from Seller, Orlando Reservoir No. 2 Company, LLC. Said documents include, but are not limited to the following: a promissory note, deed of trust, service agreement, covenant-not-to-compete, and incidental closing documents. The transaction is memorialized by that Purchase Agreement dated September 22, 2010 and the amendments thereto. Two Rivers Water, LLC and TRW Orlando Water Assets, LLC are legally formed limited liability companies under the laws of the State of Colorado. The mailing address for TRW Orlando Water Assets, LLC is: 2000 S. Colorado Blvd. Annex Ste. 200, Denver, CO 80222.

Wayne Harding, CFO and Corporate Secretary of Two Rivers Water Company, sole Member of Two Rivers Water, LLC, sole Member of TRW Orlando Water Assets, LLC

STATE OF COLORADO)
) ss.
County of Denver)

Subscribed and sworn to before me this 27th day of January, 2011, by Wayne Harding, CFO and Corporate Secretary of Two Rivers Water Company.

Witness my hand and official seal.
My commission expires: 10/13/2012

Notary Public

MOLLY M. HENESSEE
NOTARY
PUBLIC
STATE OF COLORADO

My Commission Expires 10/13/2012

DOTTER ABSTRACT COMPANY
506 Main Street
Walsenburg, Co 81089
Phone 719-738-1730 Fax 719-738-1012

TITLE INSURANCE
AND
ESCROW SERVICES

December 20, 2011

TO:

TWO RIVERS WATER
2000 S. COLORADO BLVD
ANNEX SUITE 200
DENVER, CO 80222

Attn: Kristy

O & E-TWO RIVERS FILE 29187		200.00
TOTAL AMOUNT $200.00		

Check was
mailed
12/22/11
$200 —

OWNERSHIP AND ENCUMBRANCE REPORT

DOTTER ABSTRACT COMPANY
WALSENBURG, COLORADO

SUBSEQUENT TO: February 3, 2011

LEGAL DESCRIPTION:

SEE EXHIBIT A

RECORD OWNER:

THE ORLANDO RESERVOIR NO. 2 COMPANY , LLC

ENCUMBRANCES:

SPECIAL WARRANTY DEED RECEPTION 390207
DEED OF TRUST RECEPTION NO. 390209
UCC FIANCING STATEMENT RECEPTION NO 390210
RECREATIONAL USE AND ACCESS EASEMENT RECEPTION NO. 390211
SPECIAL WARRANTY DEED RECEPTION NO. 391924
STATE OF AUTHORITY RECEPTION NO. 392516
QUIT CLAIM DEED RECEPTION 392518
DEED OF TRUST RECEPTION NO. 392702
STATEMENT OF AUTHORITY RECEPTION NO. 392703
STATEMENT OF AUTHORITY RECEPTION NO. 390204

ABSTRACTORS NOTE: THIS REPORT DOES NOT APPLY NOR IS ANY GUARANTEE MADE WITH RESPECT TO MINERALS, LODE AND PLACER CLAIMS, ROADS, RAILROADS, HIGHWAYS, ALLEYS, WATER RIGHTS, DITCHES, CANALS, RESERVOIRS, PIPELINES, UTILITIES, SCHOOL TRACTS , RIGHTS OF WAY AND EASEMENTS THEREFOR AND ANY INSTRUMENTS RELATING THERETO.

THIS SEARCH IS MADE FOR THE BENEFIT OF: TWO RIVERS WATER

THE LIABILITY HEREUNDER IS SPECIFICALLY LIMITED TO THE AMOUNT OF THE CHARGE HERETOFORE:

THIS SEARCH IS NOT TO BE CONSTRUED AS AN OPINION OF TITLE AND NO ATTEMPT IS MADE TO PASS UPON THE SUFFICIENCY OF ANY INSTRUMENT SHOWN ABOVE OR AS TO MARKETABILITY OF TITLE.

THIS SEARCH COVERS THAT PERIOD OF TIME ENDING: December 7, 2011

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 83° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:

1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
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19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

390207
Page 1 of 4
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $10.00
02-03-2011 09:57 AM Recording Fee $36.00

DF $10.00

SPECIAL WARRANTY DEED

THIS DEED, made to be effective as of the 28th day of January, 2011, between **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC**, a Colorado limited liability company, whose address is 102 East Pikes Peak Avenue, Suite 200, Colorado springs, Colorado 80903, Grantor, and **TRW ORLANDO WATER ASSETS, LLC,** a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, Colorado 80222, ATTN: John R. McKowen, Grantee:

WITNESS, that the Grantor, for and in consideration of the sum of **Ten and no/100ths Dollars ($10.00)**, 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 successors and assigns forever, all the real property together with improvements, if any (the "Property"), situate, lying and being in the County of Huerfano and State of Colorado, described as follows:

See **Exhibit A** attached hereto and incorporated herein

Together with all and singular the 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, either in law or in equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the Property above bargained and described, with the appurtenances unto Grantee, and Grantee's successors and assigns, forever. Grantor, for Grantor, and for Grantor's heirs, personal representatives, successors, and assigns, covenants and agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of Grantee, and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part of the Property, by, through, or under Grantor.

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

THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC

By: _____
Randle W. Case II, Co-Manager

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

Acknowledged before me this 28th day of January, 2011, by Randle W. Case II, as Co-Manager of The Orlando Reservoir No. 2 Company, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 9-11-2014

Dixie Powers

Notary Public

[SEAL]

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

EXHIBIT A
TO SPECIAL WARRANTY DEED

EXHIBIT A

Order Number: **28446**

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6) S 30° 37' 38" E, a distance of 403.12 feet;
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ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

390209
Page 1 of 21
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
02-03-2011 09:57 AM Recording Fee $111.00

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Mulliken Weiner Karsh Berg & Jolivet, P.C.
Attn: Steven K. Mulliken, Esq.
102 South Tejon, Suite 900
Colorado Springs, CO 80903

DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Deed of Trust") is made as of the 28th day of January, 2011, among the Trustor, **TRW ORLANDO WATER ASSETS, LLC**, a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, CO 80222 (herein "Trustor"), and the Public Trustee of the County of Huerfano, State of Colorado (herein "Trustee"), and the Beneficiary, **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC**, a Colorado limited liability company, whose address is 102 S. Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado 80903 (herein "Lender").

Trustor, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants, transfers, assigns, and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit of and security of Lender, under and subject to the terms and conditions hereinafter set forth, the following described real property located in the County of Huerfano, State of Colorado, and more particularly described on **Exhibit "A,"** attached and incorporated herein by this reference , and in the water rights more particularly described on **Exhibit "B,"** attached and incorporated herein by this reference,

TOGETHER WITH all improvements now or hereafter erected on such property, and all easements, ditch and other rights, head gates, diversion and other structures and appurtenances, rents and tap and water resource fees (subject, however, to the rights and authorities given herein to Lender to collect and apply such tap and water resource fees and rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and rights to water taps and utility service, water decrees now existing and hereafter obtained and all engineering plans and reports and data on such water rights in Trustor's possession or under its control, and all improvements and fixtures, now or hereafter erected upon or attached or related to such property, all proceeds or sums payable in lieu of or as compensation for the loss of or damage to (a) any property described herein, or (b) the property described herein and all rights in and to all pertinent present and future fire and/or hazard insurance policies insuring the real property, all awards made by any public body or decreed by any Court of competent jurisdiction for a taking or for degradation of value in any eminent domain proceeding of the property described herein or any part thereof, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property encumbered by this Deed of Trust;

and all of the foregoing, together with such property, or the leasehold estate if this Deed of Trust is on a leasehold, are herein referred to as the "Property";

TO SECURE to Lender the repayment of the indebtedness evidenced by that certain Promissory Note, dated January 28, 2011, made by Trustor and payable to Lender in the principal amount of Three Million Dollars ($3,000,000.00) (the "Principal") (collectively herein the "Note"), with interest thereon as provided in the Note (the "Interest"), providing for annual payment of Crop Payments and Water Payments as provided in the Note (each an "Installment"), with the balance of the indebtedness, if not sooner paid, being due and payable on January 28, 2014 (the "Maturity Date"); the performance of the obligations of Trustor and Two Rivers Water Company, a Colorado corporation ("TRWC") under that certain Service Agreement dated January 28, 2011 (the "Service Agreement"), between Trustor, TRWC, Lender and Marksheffel-Woodmen Investments, LLC; the payment of all sums, with interest thereon, advanced in accordance herewith to protect the real and personal property encumbered by this Deed of Trust; and the performance of the covenants and agreements of Trustor of the obligations evidenced by the Note herein contained or contained in the Note, the Service Agreement, or any other deed of trust or other document or instrument further evidencing, securing, guaranteeing or executed in connection with the obligations evidenced by the Note (jointly, the "Loan Documents").

Trustor covenants to Lender and Trustee that Trustor is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Trustor will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property and otherwise reasonably acceptable to Lender.

TO HAVE AND TO HOLD IN TRUST NEVERTHELESS, that in case of default in the payment of the Note, or any part thereof, or in the payment of the Interest thereon, according to the tenor and effect of the Note or in the payment of any prior encumbrance, principal or interest, if any, or in case of default shall be made or in case of violation or breach of any of the terms, conditions, covenants or agreements herein contained or contained in any other instrument now or hereafter securing the Note, the Lender or the legal holder of the indebtedness secured hereby may declare a violation of any of the covenants herein contained and elect to advertise the Property for sale and demand such sale, then, upon filing notice of such election and demand for sale with Trustee, who shall, upon receipt of such notice of election and demand for sale, cause a copy of the same to be recorded in the recorder's office of the county in which the Property is situated, it shall and may be lawful for Trustee to sell and dispose of the same (en masse or in separate parcels, as Trustee may think best), and all the right, title and interest of Trustor, its successors or permitted assigns therein, at public auction at any place authorized by law as specified in the notice of such sale, for the highest and best price the same will bring in cash, five (5) weeks public notice having been previously given of the time and place of such sale, by advertisement, weekly, in some newspaper of general circulation at that time published in such county, a copy of which notice shall be mailed within ten (10) days from the date of the first publication thereof to Trustor at the address herein given and to such person or persons appearing to have acquired a subsequent record interest in the Property at the address given in the recorded instrument; where only the county and state is given, then such notice shall be mailed to the county seat; and to make and give to the purchaser or purchasers of such Property at such sale a certificate or certificates in writing describing such Property purchased, and

the sum or sums paid therefor, and the time when the purchaser or purchasers (or other person entitled thereto) shall be entitled to a deed or deeds therefor, unless the same shall be redeemed as is provided by law; and Trustee shall, upon demand by the person or persons holding such certificate or certificates of purchase, when such demand is made, or upon demand by the person entitled to a deed to and for the Property purchased at the time such demand is made, the time for redemption having expired, make and execute to such person or persons a deed or deeds to the Property purchased, which deed or deeds shall be in the ordinary form of a conveyance, and shall be signed, acknowledged and delivered by Trustee as grantor, and shall convey and quitclaim to such person or persons entitled to such deed as grantee, the Property purchased as aforesaid, and all the right, title, interest, benefit and equity of redemption of the Trustor, its successors and permitted assigns therein and shall recite the sum or sums for which the Property was sold and shall refer to the power of sale herein contained, and to the sale or sales made by virtue thereof; and in case of an assignment of such certificate or certificates of purchase, or in case of the redemption of such Property by a subsequent encumbrancer, such assignment or redemption shall also be referred to in such deed or deeds; but the notice of sale need not be set out in such deed or deeds and Trustee shall, out of the proceeds of or avails of such sale, after such sale, pay to the Lender hereunder or the legal holder of the Note, the principal and interest due on the Note according to the tenor and effect thereof, and all moneys advanced by such Lender or legal holder of the Note for insurance, taxes and assessments, or other money advanced pursuant to the terms hereof, with interest thereon at the "Default Rate," as more particularly defined in the Note, rendering the surplus, if any, unto Trustor, its successor or permitted assigns; which sale or sales and deed or deeds so made shall be a perpetual bar, both in law and equity, against Trustor, its successors or assigns, and all other persons claiming the Property, or any part thereof, by, from, through or under Trustor. The holder or holders of the Note may purchase the Property or any part thereof; and it shall not be obligatory upon the purchaser or purchasers at any such sale to see to the application of the purchase money. If a release deed is required, it is agreed that Trustor, its successors or permitted assigns, will pay the expense thereof.

Trustor and Lender covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST**. Trustor shall promptly pay, or shall cause borrower to pay, when due the Principal of and Interest on the indebtedness evidenced by the Note, and all prepayment and late charges as provided in the Note or in this Deed of Trust.

2. **FUNDS FOR TAXES AND INSURANCE**. Until such time as an Event of Default under Paragraph 23 has occurred, Trustor shall timely, pay all real property taxes and assessments against the Property and the failure to timely pay such taxes and assessments shall be deemed an Event of Default. Subject to applicable law or to a written waiver by Lender, from and after the occurrence of any "Event of Default" (as hereafter defined) Trustor shall pay to Lender on the due date of each Installment under the Note, until the Note is paid in full, a sum (herein "Funds") equal the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus the yearly premium for the insurance required to be maintained pursuant hereto, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills or other reasonable estimates thereof.

The Funds shall be held by Lender and commingled with the Lender's other funds and, further, Lender shall not be liable to Trustor for interest on such Funds. Lender shall apply the Funds

timely to pay such taxes, assessments, insurance premiums and ground rents. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If at any point during the term hereof, the amount of the Funds held by Lender shall exceed the amount required to pay the taxes, assessments, insurance premiums and ground rents as they fall due during the year in question, such excess shall be, at Trustor's option, either promptly repaid to Trustor or credited to Trustor on future monthly payments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums, and ground rents as they fall due, Trustor shall pay to Lender any amount necessary to make up the deficiency within thirty (30) days from the date notice is mailed by Lender to Trustor requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Trustor any Funds held by Lender. If under Paragraph 23 herein the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **APPLICATION OF PAYMENTS**. Unless applicable law provides otherwise, all payments received by Lender under the Note shall be applied as provided in the Note.

4. **CHARGES; LIENS**. Trustor shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner provided under Paragraph 2 hereof, by Trustor making payment, when due, directly to the payee thereof. Trustor shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Trustor shall make payments directly, Trustor shall promptly furnish to Lender receipts or other appropriate evidence of such payments. Trustor shall promptly discharge any lien which has priority over this Deed of Trust; provided, that Trustor shall not be required to discharge any such lien so long as Trustor shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend such enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **INSURANCE COVERAGES**. Trustor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender reasonably may require, in an amount equal to the full replacement value of the improvements (80% co-insurance clause permitted), as established by a competent insurance appraiser. Comprehensive general public liability insurance will also be obtained, with a company acceptable to the Lender, for an amount not less than $2,000,000.00 combined single limit.

The insurance carrier providing the insurance shall be chosen by Trustor subject to approval by Lender; provided that such approval shall not be unreasonably withheld. It is required that the insurance carrier hold a Policyholders Rating of at least B+ as set forth in the most current issue of Best's Key Rating Guide for property and casualty companies. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Trustor making payment, when due, directly to the insurance carrier.

In the event any policy is not renewed on or before ten (10) days of its expiration, the Lender, to protect its interest, may procure insurance on the improvements, pay the premiums and such sums shall become immediately due and payable with Interest at the rate set forth in the Note until paid and shall be secured by this Deed of Trust. Failure by Trustor to comply may, at the option of Lender, constitute a default under the terms of this Deed of Trust.

All insurance policies and renewals thereof shall be in form reasonably acceptable to Lender and shall include a Lender's loss payable endorsement/standard mortgagee clause in favor of and in form acceptable to Lender, shall provide that the policies may not be canceled, modified, or not renewed except upon the giving of at least thirty (30) days prior written notice to Lender, and shall also provide that any losses shall be payable to Lender and Trustor, as their respective interest may appear, notwithstanding (i) any act, failure to act or negligence contained in such policy by any named insured, (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms thereof, (iii) any foreclosure or other action or proceeding taken by Lender or foreclosure pursuant to any provision of this Deed of Trust, or (iv) any change in title or ownership of the Property. Lender shall have the right to hold the policies and renewals thereof, and Trustor shall promptly furnish to Lender all renewal notices and all receipts of such premiums. In the event of loss, Trustor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Trustor.

Unless Lender and Trustor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair by Trustor of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. In the event of restoration or repair, the insurance proceeds shall be held in escrow by Lender and disbursed to Trustor as construction is completed and Trustor's contractors are paid. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, as determined by Lender, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Trustor. If the Property is abandoned by Trustor, or if Trustor fails to respond to Lender within thirty (30) days after the date notice is sent by Lender to Trustor that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Trustor otherwise agree in writing, any such application of proceeds to Principal shall not extend or postpone the due date of the Installments or change the amount of such Installments. If under Paragraph 23 hereof the Property is acquired by Lender, all right, title and interest of Trustor in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. **PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS.** Trustor shall keep the Property, including the dam for the reservoir and all head gates and diversion structures, in good repair and shall not commit waste or permit impairment or deterioration of the Property, including the quality of the Water Rights, and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. Trustor, at Trustor's expense, shall at all times retain and maintain entitlement of Lender's adjacent property to water service from the Water Rights consistent

with its current entitlement and shall take no action or execute any agreements that would remove Lender's adjacent property from or reduce its entitlement to water without the Lender's consent.

7. **COMPLIANCE WITH LAWS; HAZARDOUS MATERIALS**. Trustor shall keep the Property in compliance with any and all applicable federal, state and local laws, ordinances and regulations relating to industrial hygiene or to environmental conditions on, under or about the Property, including, but not limited to, soil and ground water conditions (collectively the "Environmental Laws"). Trustor shall not use, generate, release, manufacture, store or dispose of on, under or about the Property, or transport to or from the Property, any flammable explosive, radioactive materials, asbestos, petroleum or petroleum products, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under any Environmental Laws (collectively referred to hereafter as "Hazardous Materials"), except in material compliance with all applicable Environmental Laws and in such a manner as would not give rise to any material liability under applicable Environmental Laws including, without limitation, clean-up and remediation obligations. Nothing contained herein shall be construed so as to limit Trustor's ability to use and store janitorial and office supplies in reasonable quantities on the Property, provided such supplies are employed, stored and disposed of in accordance with all Environmental Laws. Trustor hereby agrees to indemnify and hold harmless Lender, its directors, officers, employees, and agents, and any successors to Lender's interest, from and against any and all claims, damages and liabilities arising in connection with the presence, use, storage, release, disposal or transport of any Hazardous Materials on, under, from or about the Property, including, without limitations, (i) all damages directly or indirectly arising out of the use, generation, release, storage or disposal of Hazardous Materials by Trustor or any prior owner or operator of the Property and (ii) all costs of any required or necessary repair, remediation, clean-up or detoxification and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following transfer of title to the Property, to the full extent that such action is attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release or disposal of Hazardous Materials by any person on or under the Property prior to transfer of title thereto by Lender. THE FOREGOING COVENANTS AND AGREEMENTS, AND TRUSTOR'S OBLIGATIONS PURSUANT TO THE FOREGOING INDEMNITY, SHALL SURVIVE REPAYMENT OF THE NOTE AND THE RECONVEYANCE OF THIS DEED OF TRUST.

At any time that Lender reasonably suspects the presence of Hazardous Materials, in, on, under, from or around the Property or upon and after any Event of Default hereunder, Lender shall have the right to require Trustor, at the sole cost and expense of Trustor, to employ a qualified independent environmental firm, acceptable to Lender, to conduct an environmental assessment of the Property to determine whether there is any Hazardous Material above, in, on, under, from or around the Property, such that the Property, any activity related to the Property, or the Hazardous Materials are subject to regulation under Environmental Laws. Lender shall instruct such environmental firm to conduct such assessment in such a manner as to minimize interference with business operations on the Property.

8. **BANKRUPTCY**. The parties agree that Trustor has substantial duties of performance apart from its financial obligations under this Deed of Trust, the Note and the other Loan Documents, and that parties other than the Trustor could not adequately and fully perform the

covenants to be performed by Trustor in this Deed of Trust. The parties also agree that this Deed of Trust is an agreement for the making of loans and for the extension of debt financing or financial accommodations. No assumption of or assignment of this Deed of Trust shall be allowed in bankruptcy. Should an assumption of or assignment of this Deed of Trust be permitted in violation of this covenant, the parties agree that Lender will not have adequate assurance of performance unless and until Lender is allowed access to adequate financial and other information to satisfy itself that the trustee or proposed assignee is fully able to assume the financial and personal covenants of Trustor under this agreement and the Loan Documents, in full accordance with their terms. The parties further agree that the definition of the term "adequate assurance" as set forth in Section 365(b)(3) of the Bankruptcy Code of 1978 shall be applicable directly or by analogy to any determination of adequate assurance in connection with this Deed of Trust.

In the event Trustor becomes a debtor in bankruptcy, the debtor in possession or trustee shall not be permitted to use, sell or lease any of the Property, whether or not in the ordinary course of business, without providing adequate protection to Lender. The parties agree that the language in Section 361 of the Bankruptcy Code of 1978 shall be the definition of the term "adequate protection" in connection with any use, sale or lease of the Property. The cash payment referred to in that section shall mean the full payments required under the Note and all other indebtedness that this Deed of Trust secures.

The parties agree that, because of the extreme financial importance to Lender of this transaction, Lender will be irreparably harmed by any stay of its collection efforts or the exercise of its remedies under this Deed of Trust. If a plan of reorganization is proposed under Chapter 11 of the Bankruptcy Code of 1978, the parties also agree that the plan will be fair and equitable to Lender, as a secured creditor, only if Lender realizes under the plan the full payments required under the Note and all other indebtedness that this Deed of Trust secures.

9. **AMERICANS WITH DISABILITIES ACT**. Intentionally deleted.

10. **PROTECTION OF LENDER'S SECURITY**. If Trustor fails to perform the covenants and agreements contained in this Deed of Trust or in any other Loan Document, or if any action or proceeding is commenced that materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, enforcement of laws or regulations, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, incurrence of attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this Paragraph 10, and interest thereon, shall become additional indebtedness of Trustor secured by this Deed of Trust. Unless Trustor and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Trustor requesting payment thereof, and shall bear interest from the date of disbursement at the Default Rate, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 10 shall require Lender to incur any expense or take any action hereunder.

11. **INSPECTION**. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Trustor notice prior to any such inspection.

12. **REPRESENTATIONS AND WARRANTIES OF TRUSTOR.** In order to induce Lender to execute and deliver this Deed of Trust and perform hereunder, Trustor makes the following representations and warranties to Lender, which representations and warranties shall remain in effect throughout the term of this Deed of Trust, and shall survive and shall be unaffected by any investigations, inspections or inquiries made by Lender, the recording of any of the Loan Documents, or the performance by Lender and Trustor hereunder:

(a) Property: To the best of Trustor's knowledge, neither the whole nor any portion of the Property is subject to any pending condemnation, taking, or other similar proceeding by any public or private authority, and, to the best of Trustor's knowledge, no such condemnation or taking is threatened or contemplated with respect to the Property. Trustor is unaware of, and has not been notified of, any plan, study, or effort by any governmental authority or agency which in any way affects or would affect the present use or zoning of the Property nor any existing, proposed, or contemplated plan to widen, modify, or realign any street or highway adjoining the Property. To the best of Trustor's knowledge, the Property and the occupancy by or operation of the Trustor's business at the Property are not in violation of any law or any building, zoning, fire, health, or other ordinance, code, or regulation, and Trustor has not received any notice or request from any governmental authority, insurance company or board of fire underwriters alleging any such violation or requiring or calling attention to the need for any work, repairs, construction, alterations or installation on or in connection with the Property which has not been heretofore complied with.

(b) Future Modifications to Reservoir and Maintenance of Water Rights. The Property constitutes a reservoir for water, and Trustor agrees that Trustor shall not make any modifications to the reservoir without Beneficiary's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Trustor further covenants and agrees that any modifications to be made to the reservoir shall be made in a good, workman-like manner and in accordance with all applicable laws, rules and regulations of any governmental or quasi-governmental authority which has jurisdiction over the reservoir or the Property or the operation thereof. Trustor covenants and agrees to at all times exercise diligence and competence in the management of the Water Rights and to take all actions necessary, and not take any actions that would be detrimental, to maximizing the quality and value of the Water Rights.

(c) Cooperation with Lender's Land Entitlement Efforts. Lender's retained lands adjacent to the Property are planned for future development, and the Water Rights are intended to be used in the future to provide water service to those adjacent lands when they develop. Trustor covenants and agrees to cooperate with Lender and support Lender's land use entitlement applications and efforts, at no cost to Trustor.

13. **CONDEMNATION**. Trustor shall promptly provide Lender with notice of any condemnation, eminent domain, change of grade or other proceedings with respect to the Property. All moneys and awards payable as damages and/or compensation for the taking of title to or possession of, or for damage to, or on account of change of grade affecting, any portion of the Property by reason of any condemnation, eminent domain, change of grade, or other proceeding shall, at the option of the Lender, be paid to the Lender, and such moneys and awards are hereby assigned to Lender, and judgment therefor shall be entered in favor of Lender, and when paid shall be used at its option toward the payment of any indebtedness, taxes, assessments, repairs or other items for the payment of which this Deed of Trust is given as security, whether the same be then due or not and in such order or manner as Lender may determine, or for the restoration or repair of the Property, and any amount not so used shall be released by the Lender to the Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. Unless Lender and Trustor otherwise agree in writing, any such application of proceeds to Principal shall not extend or postpone the due date of the Installments or change the amount of such Installments.

Notwithstanding the foregoing provisions, Lender shall allow any such moneys and awards to be used in restoring the Property if (a) the Property is susceptible of restoration in the reasonable judgment of Lender, (b) such restoration can be completed during the term of the Note and (c) there exists no uncured Event of Default. Any such moneys or awards used for such purpose shall be disbursed by Lender in draws, subject to the satisfaction of such conditions and requirements as Lender shall impose. If an Event of Default occurs at any time following any such condemnation, eminent domain, change of grade or other proceeding, or conveyance in lieu thereof, or if the Property is not susceptible of restoration in Lender's reasonable judgment, such moneys and awards shall be paid over or applied by Lender as provided in the preceding paragraph.

14. **TRUSTOR NOT RELEASED**. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest or permitted assignee of Trustor shall not operate to release, in any manner, the liability of the original Trustor. Lender shall not be required to commence proceedings against such successor or assignee or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Trustor.

15. **LENDER'S POWERS**. Without affecting the liability of Trustor or any other person liable for the payment of any obligation secured hereby, and without affecting the lien or charge of this Deed of Trust upon any portion of the Property not then or heretofore released as security for the full amount of all unpaid obligations, Lender may, from time to time and without notice to Trustor (i) release any person so liable, (ii) extend or renew the maturity of any such obligations, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed at any time at Lender's option any parcel, portion or all of the Property, (v) release any other or additional security for any obligation herein mentioned, or (vi) make compromises, settlements, or other arrangements with debtors in relation thereto.

16. **FORBEARANCE BY LENDER NOT A WAIVER**. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the subsequent exercise of any such right or remedy. Likewise, the waiver by

Lender of any default by Trustor hereunder shall not be deemed to be a waiver of any other or subsequent default by Trustor hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust in the event of Trustor's default hereunder.

17. **REMEDIES CUMULATIVE**. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded at law or in equity, and may be exercised concurrently, independently or successively.

18. **ASSIGNMENT; SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS**. Lender may assign its rights and obligations hereunder by notice to Trustor. Trustor may not assign its rights or obligations hereunder, whether by contract or operation of law, without the prior written consent of Lender, which may be withheld in Lender's sole discretion. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the benefit of, the respective successors and permitted assigns of Lender and Trustor. All covenants and agreements of Trustor shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

19. **NOTICE**. Except for any notice required under applicable law to be given in another manner, (i) any notice to Trustor provided for in this Deed of Trust shall be in writing and shall be delivered by hand delivery, Federal Express, UPS or other reputable overnight delivery service, or first class U.S. mail, postage prepaid, addressed to Trustor at 2000 S. Colorado Boulevard, Denver, CO 80222, or at such other address as Trustor may designate by notice to Lender as provided herein, and (ii) any such notice to Lender shall be in writing and shall be delivered by hand delivery, Federal Express, UPS or other reputable overnight delivery service, or first class U.S. mail, postage prepaid, addressed to Lender at 102 East Pikes Peak Avenue, Suite 200, Colorado Springs, CO 80903, or to such other address as Lender may designate by notice to Trustor as provided herein. Any such notice shall be effective when actually delivered, or three (3) days following the date upon deposit with the U.S. mail or one (1) day following deposit with such overnight delivery service, as the case may be. Any notice provided for in this Deed of Trust shall be deemed to have been given to Trustor or Lender only when given in the manner designated herein.

20. **UNIFORM DEED OF TRUST; GOVERNING LAW; SEVERABILITY**. This form of Deed of Trust combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. In the event that any provision or clause of this Deed of Trust or the Note or any other Loan Document conflicts with applicable law, such conflict shall not affect the other provisions of this Deed of Trust or the Note or any other Loan Document which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Note and the Loan Documents are declared to be severable, and the provisions of this Deed of Trust which conflict with such controlling law shall be deemed modified as necessary to comply with such law. This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Colorado, except to the extent that Federal laws, rules or regulations preempt

Colorado law, in which case Lender shall be entitled to such Federal rights and remedies without regard to conflicting limitation imposed by Colorado law.

21. **TRUSTOR'S COPY**. Trustor acknowledges receipt of a conformed and completed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

22. **TRANSFER OF THE PROPERTY; ASSUMPTION**. If Trustor or any successor in interest to Trustor or the Property described in this Deed of Trust should, without the prior written consent of Lender, assign the Note or sell, convey, transfer, or alienate the Property or further encumber the Property, or any part thereof, or any interest therein, or be divested of its title or any interest therein in any manner, whether voluntary or involuntary, by contractual arrangement or operation of law, or if Trustor or any successor in interest to Trustor or the Property is a corporation, partnership, limited liability company, or joint venture, and more than fifty percent (50%), in the aggregate, of the equity ownership of such corporation, partnership, limited liability company, or joint venture is, without the prior written consent of Lender, sold, conveyed, transferred or alienated, either voluntarily or involuntarily, by contractual arrangement or operation of law, then Lender shall have the right at its sole option to declare any and all indebtedness arising hereunder, or any other obligation secured by this Deed of Trust, immediately due and payable.

Not less than thirty (30) days prior to any such sale or other transfer, Trustor shall notify Lender in writing of the proposed sale or transfer and shall provide Lender with such information concerning the terms and conditions of the sale or transfer and the creditworthiness and financial condition of the proposed purchaser or transferee as Lender may require. Lender may withhold its consent to any such sale or other transfer in Lender's sole discretion.

A consent and waiver of Lender's option to accelerate shall be subject to (a) the credit of the purchaser or transferee being satisfactory to the Lender; (b) assumption of full and unconditional liability on the indebtedness by all purchasers or transferees of the Property on a joint and several basis; and (c) any other requirements reasonably necessary to protect Lender's interest in the Property. Any agreement regarding Lender's consent and waiver of its option to accelerate must be in writing and reached prior to the date of the sale or transfer. Waiver of any right granted to the Lender by the provisions of this paragraph as to one transaction, event or occurrence shall not be deemed to be a waiver of any right as to any subsequent transaction, event or occurrence.

The sale or transfer of the Property subject to this Deed of Trust or the assignment of the Note shall not operate to release the Trustor or any guarantor of the Note without the express written agreement of Lender, which may be withheld in Lender's sole discretion.

If the ownership of the Property becomes vested in a person, corporation, partnership, limited liability company or joint venture other than Trustor, Lender may, without notice to Trustor, deal with such successor or successors in interest with reference to this Deed of Trust and the debt hereby secured as with the Trustor, and may forebear to sue, alter time for payment of the debt, and change the Interest rate and/or payments of the debt hereby secured, without discharging or in any way affecting the liability of Trustor hereunder or upon the debt secured.

If Lender exercises such option to accelerate, Lender shall give Trustor notice of acceleration in accordance with Paragraph 19 hereof. Such notice shall provide a period of not less than thirty

(30) days from the date the notice is sent within which Trustor may pay the sums declared due. If Trustor fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Trustor, invoke any remedies permitted by Paragraph 23 hereof.

23. **ACCELERATION; REMEDIES; NON-RECOURSE.** Except as provided in Paragraph 22 hereof, upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust, including, but not limited to, the covenants to pay when due any sums secured by this Deed of Trust, or if there shall be filed by or against Trustor an action under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency, or other relief for debtors; or there shall be appointed any trustee, receiver, or liquidator of Trustor of all or any part of the Property, or the rents, issues or profits thereof, or Trustor shall make any general assignment for the benefit of creditors, Lender, at Lender's option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all costs and expenses actually incurred in pursuing the remedies provided in this Paragraph 23, including, but not limited to, reasonable attorneys' fees and costs actually incurred. **The occurrence of any "Event of Default" (as defined in the Note) shall also constitute an "Event of Default" hereunder.** Notwithstanding the foregoing, the obligations under this Deed of Trust shall not be the personal obligations of Trustor or any guarantor or party related to Trustor and Lender's remedies shall be limited to Lender foreclosing or otherwise realizing on the Property which is encumbered by this Deed of Trust.

24. **FORECLOSURE; EXPENSE OF LITIGATION.** When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof for such indebtedness or part thereof. If foreclosure be made by the Trustee, reasonable attorneys' fees for services in the initiation and supervision of such foreclosure proceedings shall be allowed by the Trustee as part of the foreclosure costs. If foreclosure be made through the Court, reasonable attorneys' fee shall be allowed as part of the foreclosure costs. In the event of foreclosure of the lien hereof, whether through the Trustee or through the Court, there shall be allowed and included as additional indebtedness all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after foreclosure sale or entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of the Property and the maintenance of the lien of this Deed of Trust, including the reasonable fees of any attorney employed by Lender in any litigation or proceeding affecting this Deed of Trust, the Note or the Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Trustor, with interest thereon at the Default Rate and shall be secured by this Deed of Trust.

25. **ASSIGNMENT OF RENTS AND TAP FEES; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** As additional security hereunder, Trustor hereby assigns to Lender the rents, tap fees and other revenues of the Property by Trustor in favor of Lender,

provided that Trustor shall, prior to acceleration under Paragraph 23 hereof or abandonment of the Property, have the right to collect and retain such rents, tap fees, water resource fees, and other revenues as they become due and payable. In addition to any other rights and powers conferred on Lender hereunder, Lender shall have the right, after the occurrence of any event of default, to apply for the appointment of a receiver of rents and profits of the whole or any part of the Property without notice, and Lender shall be entitled, as a matter of right, without regard to the value of the Property as security for the amount due or the solvency of Trustor or any other party or parties liable for the payment of such amount, to the ex-parte appointment of such a receiver of rents and profits with the power to lease the Property, or such part thereof as may not then be under lease, and with such other powers as may be deemed necessary, who, after deducting all proper charges and expenses attending the execution of his trust as receiver, shall apply the residue of such rents and profits to the payment and satisfaction of the amount remaining secured hereby, or to any deficiency that may exist after applying the proceeds of the sale of the Property to the payment of the amount due, including interest and any reasonable attorneys' fees for the foreclosure and sale in such order of priority as Lender shall elect.

26. **SECURITY AGREEMENT AND FINANCING STATEMENT UNDER UNIFORM COMMERCIAL CODE.** This Deed of Trust encumbers, and Trustor hereby grants Lender a security interest in, Trustor's interest in all personal property of any kind whatsoever, whether tangible or intangible, whether or not any such personal property is now or hereafter becomes a "fixture" (as hereafter defined), that is used or will be used in construction of, or is or will be placed upon or is derived from or used in any connection with the use, occupancy or enjoyment of the Property.

As used herein, "fixtures" shall include all articles of personal property, furniture and furnishings that are so related to the Property such that an interest arises in them under the real estate laws of the State of Colorado. To the extent of the existence of Collateral encumbered by this Deed of Trust, this Deed of Trust shall constitute a security agreement, and when filed with the Colorado Secretary of State and in the real property records of the county where the Property is situated is intended to create a perfected security interest in such Collateral in favor of Lender and to constitute a "fixture filing" in accordance with the provisions of the Colorado Uniform Commercial Code. This Deed of Trust shall be self-operative with respect to such Collateral, but Trustor agrees to execute and deliver, on demand, such security agreements, financing statements and other instruments as Lender may request in order to impose the lien hereof more specifically upon any such Collateral and to pay the recording and/or filing fees associated therewith. For purpose of treating this Deed of Trust as a security agreement and financing statement, Lender shall be deemed to be the Secured Party, and Trustor shall be deemed to be the Debtor.

27. **EFFECT OF CHANGE IN LAWS REGARDING TAXATION.** If, after the date hereof, any law of the United States, or of the state in which the Property is located, is enacted that deducts from the value of land for the purpose of taxation the amount of any lien thereon, or imposes upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Trustor, or changes in any way the laws relating to the taxation of deeds of trust or mortgages or debts secured by deeds of trust or mortgages or Lender's interest in the Property, or the manner of collection of taxes, so as to affect this Deed of Trust or Lender's interest in the Property, or the debt secured hereby or the holder thereof, then, and in any event, Trustor, upon demand by Lender, shall pay such taxes or assessments, or reimburse Lender therefor.

Notwithstanding the foregoing, Trustor shall not be obligated to pay any portion of Lender's federal, state or municipal income tax.

28. **RECONVEYANCE**. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and release this Deed of Trust with a request for release of deed of trust and release form executed by Lender and such documentation as shall be necessary for the Trustee to effect such release. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Lender shall pay all costs of such reconveyance and recordation, if any.

29. **OTHER DOCUMENTS**. Trustor has also executed other Loan Documents simultaneously with this Deed of Trust. The parties hereto agree that the Loan Documents shall survive the closing, and that a default or violation of any Loan Document that is not cured within any applicable cure period is a default or violation of all Loan Documents and that, as a result thereof, this Deed of Trust can be foreclosed or a default can be declared hereunder.

30. **WAIVER OF DEFENSE**. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense that would not be good and available to the party interposing same in an action at law upon the Note.

31. **WAIVER OF RIGHTS**. As to any action brought by Lender prior to any foreclosure sale by Trustee held pursuant to this Deed of Trust, Trustor hereby waives the right to any notice and to any hearing other than as provided herein and by the statutes and Rules of Civil Procedure of the State of Colorado now in existence. Trustor shall not apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, and hereby waives the benefit of such laws. Trustor, for itself and for all who claim through or under it, waives any and all right to have the Property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

32. **SECONDARY FINANCING.** Trustor hereby agrees that there shall be no secondary financing, including, without limitation, any deed of trust, judgment, tax or other liens, on the Property without the prior written consent of Lender.

33. **CROSS-DEFAULT PROVISION.** If Trustor has entered or does in the future enter into any other loan agreement, deed of trust, mortgage or note payable to Lender, a default in the terms and provisions of such other loan agreement, deed of trust, mortgage, or note shall constitute a default hereunder. Nothing in the preceding sentence shall in any way lessen or impair the rights of Lender with respect to this Deed of Trust and the Note. Lender, at its option, may separately enforce the provisions of any loan or note and any deed of trust or mortgage securing it. Default under each loan, note, deed of trust or mortgage shall constitute a separate cause of action, and the institution of proceedings upon one, but not upon both or all, shall not be construed as the splitting of a cause of action by Lender or a waiver of any rights under any other loan, note, deed of trust or mortgage.

IN WITNESS WHEREOF, Trustor has executed and delivered this Deed of Trust as of the date and year first above written.

TRUSTOR:

TRW ORLANDO WATER ASSETS, LLC
a Colorado limited liability company

By: TWO RIVERS WATER, LLC
a Colorado limited liability company
Its sole member

By: Two Rivers Water Company
a Colorado corporation
Its sole member

By: _____
Wayne Harding
Chief Financial Officer and Secretary

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 28th day of January, 2011, by Wayne Harding, as Chief Financial Officer and Secretary of Two Rivers Water Company, a Colorado corporation, as the sole member of Two Rivers Water, LLC, a Colorado limited liability company, as the sole member of TRW Orlando Water Assets, LLC, a Colorado limited liability company, on behalf of the limited liability company.

Witness my hand and official seal.

_____
Notary Public

My commission expires: _____

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

EXHIBIT "A"

LEGAL DESCRIPTION

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:
1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 43° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

EXHIBIT "B"

WATER RIGHTS

The following water rights situate, lying and being in the County of Huerfano and COLORADO, described as follows:

A) ORLANDO RESERVOIR NO. 2, decreed for a total of 3,110 acre-feet storage, as follows:

I) ORLANDO RESERVOIR NO. 2, for storage of 43,560,000 cubic feet of water (1,000 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication October 3, 1921 (previous adjudication date was October 15, 1901), in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River through and by means of the Orlando Canal No. 3, and Greasewood Arroyo, through and by means of the Greasewood Arroyo Diverting Canal, and as more particularly describes in the aforesaid Decree entered October 31, 1921, in Civil Action No. 1414 (Priority No. 349).

II) ORLANDO RESERVOIR NO. 2, (ENLARGEMENT), for storage of 35,078,750 CUBIC FEET OF WATER (800 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication (conditional) October 3, 1921 in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right made absolute by Decree in Civil Action No. 1414-60, and 1414-62, entered November 1, 1960, and November 8, 1962 (Priority No. 349).

III) ORLANDO RESERVOIR NO. 2, (SECOND ENLARGEMENT), for storage of 1,310 acre-feet of water, for irrigation, date of appropriation October 2, 1906, date of adjudication (conditional) October 3, 1921, in Civil Action 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right partly made absolute November 1, 1960 (320 acre-feet) and April 2, 1962 (990 acre-feet) (Priority No. 367½).

Together with the Orlando Canal No. 3 and the Greasewood Arroyo Diverting Canal, described as follows:

IV) That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th PM, bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubit feet of water per second of time.

V) That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th PM, bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

B) BUTTE VALLEY DITCH, decreed for a total of 9 cubic-feet per second, as follows:

I) BUTTE VALLEY DITCH for diversion of 1.2 cubic-feet of water per second of time, from The Huerfano River for irrigation, date of appropriation May 15, 1862, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 1).

II) BUTTE VALLEY DITCH (ENLARGEMENT) for diversion of 1.8 cubic-feet of water per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1865, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 9).

III) BUTTE VALLEY DITCH (SECOND ENLARGEMENT), for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼, Section 30,

Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 86).

IV) BUTTE VALLEY DITCH (KILLIAN) for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication February 23, 1898 (Killian Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (previous adjudication date of June 12, 1889) (Priority No. 111).

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

C) ROBERT RICE DITCH, decreed for a total of 3.0 cubic feet per second of time, as follows: From the Huerfano River, for irrigation, date of appropriation March 1, 1867, date of adjudication June 12, 1889 (Reed Decree), original decreed point of diversion in NW1/4 Section 22, T. 26 S., R. 66 W., 6th P.M., point of diversion transferred to SW1/4 Section 10, T. 26 S., R. 66 W, 6th P.M.., approximately 1700 feet from the west line and 550 feet from the south line of said Section 10, in Case No. 91CW39, Water Div. 2 on May 19, 1992, Huerfano County, Colorado (Priority 19)

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

390210
Page 1 of 5
Judy Benine, Clerk & Recorder
Huerfano County, CO
02-03-2011 09:57 AM Recording Fee $16.00 RP: $0.00

COLORADO UCC FINANCING STATEMENT

Filing Fee: $18
Follow Instructions Carefully

A. NAME & PHONE OF CONTACT (optional)
Steven K. Mulliken; 719-635-8750

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Mulliken Weiner Karsh Berg & Jolivet, PC
Attn: Steven K. Mulliken
102 S. Tejon, Suite 900
Colorado Springs, CO 80903

ABOVE SPACE FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

OR 1a. ORGANIZATION'S NAME: TRW ORLANDO WATER ASSETS, LLC

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Attn: John R. McKowen, 2000 S. Colorado Blvd.	Denver	CO	80222	USA

[redacted]	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID#, if any
		limited liability company	Colorado	20111043506 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

OR 2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

[redacted]	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

OR 3a. ORGANIZATION'S NAME: The Orlando Reservoir No. 2 Company, LLC

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Attn: Randle Case II, 102 East Pikes Peak Ave., Suite 200	Colorado Springs	CO	80903	USA

4. This FINANCING STATEMENT covers the following collateral:

All fixtures, furnishings and articles of personal property, including but not limited to rents, tap fees and water resource fees, the dam for the reservoir located thereon and all gates and diversion structures, and structures related thereto, that are related to or located on the real property situate in the County of Huerfano, State of Colorado which is more particularly described on Exhibit "A," attached and incorporated herein by this reference, and the water rights more particularly described on Exhibit "B," attached and incorporated herein by this reference.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG LIEN ☐ NON-UCC FILING

6. ☑ This FINANCING STATEMENT is to be filed (for record) in the REAL ESTATE RECORDS [redacted]

8. OPTIONAL FILER REFERENCE DATA

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:

1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
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18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
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25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

WATER RIGHTS

The following water rights situate, lying and being in the County of Huerfano and COLORADO, described as follows:

A) ~~ORLANDO RESERVOIR NO. 2, decreed for a total of 3,110 acre-feet storage, as follows:~~

I) ORLANDO RESERVOIR NO. 2, for storage of 43,560,000 cubic feet of water (1,000 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication October 3, 1921 (previous adjudication date was October 15, 1901), in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River through and by means of the Orlando Canal No. 3, and Greasewood Arroyo, through and by means of the Greasewood Arroyo Diverting Canal, and as more particularly describes in the aforesaid Decree entered October 31, 1921, in Civil Action No. 1414 (Priority No. 349).

II) ORLANDO RESERVOIR NO. 2, (ENLARGEMENT), for storage of 35,078,750 CUBIC FEET OF WATER (800 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication (conditional) October 3, 1921 in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right made absolute by Decree in Civil Action No. 1414-60, and 1414-62, entered November 1, 1960, and November 8, 1962 (Priority No. 349).

III) ORLANDO RESERVOIR NO. 2, (SECOND ENLARGEMENT), for storage of 1,310 acre-feet of water, for irrigation, date of appropriation October 2, 1906, date of adjudication (conditional) October 3, 1921, in Civil Action 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right partly made absolute November 1, 1960 (320 acre-feet) and April 2, 1962 (990 acre-feet) (Priority No. 367½).

EXHIBIT
tabbies B

Together with the Orlando Canal No. 3 and the Greasewood Arroyo Diverting Canal, described as follows:

IV) That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th PM, bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubit feet of water per second of time.

V) That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th PM, bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

B) BUTTE VALLEY DITCH, decreed for a total of 9 cubic-feet per second, as follows:

I) BUTTE VALLEY DITCH for diversion of 1.2 cubic-feet of water per second of time, from The Huerfano River for irrigation, date of appropriation May 15, 1862, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 1).

II) BUTTE VALLEY DITCH (ENLARGEMENT) for diversion of 1.8 cubic-feet of water per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1865, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 9).

III) BUTTE VALLEY DITCH (SECOND ENLARGEMENT), for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼, Section 30,

Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 86).

IV) BUTTE VALLEY DITCH (KILLIAN) for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication February 23, 1898 (Killian Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (previous adjudication date of June 12, 1889) (Priority No. 111).

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

C) ROBERT RICE DITCH, decreed for a total of 3.0 cubic feet per second of time, as follows: From the Huerfano River, for irrigation, date of appropriation March 1, 1867, date of adjudication June 12, 1889 (Reed Decree), original decreed point of diversion in NW1/4 Section 22, T. 26 S., R. 66 W., 6th P.M., point of diversion transferred to SW1/4 Section 10, T. 26 S., R. 66 W, 6th P.M.., approximately 1700 feet from the west line and 550 feet from the south line of said Section 10, in Case No. 91CW39, Water Div. 2 on May 19, 1992, Huerfano County, Colorado (Priority 19)

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

390211
Page 1 of 23
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
02-03-2011 09:57 AM Recording Fee $121.00

RECREATIONAL USE AND ACCESS EASEMENT AGREEMENT

This **RECREATIONAL USE AND ACCESS EASEMENT AGREEMENT** (the "Agreement"), dated as of January 28, 2011 (the "Effective Date"), is executed by and between **TRW ORLANDO WATER ASSETS, LLC.**, a Colorado limited liability company (referred to herein as "Grantor"), and **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC** ("Orlando"), a Colorado limited liability company, and **MARKSHEFFEL-WOODMEN INVESTMENTS, LLC** ("MWI"), a Colorado limited liability company, whose addresses are 102 East Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado 80903 (Orlando and MWI are referred to herein collectively as "Grantees"). Grantor and Grantees may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

A. Grantor is the owner of approximately 322.21 acres of real property in Huerfano County, Colorado, upon which is located Orlando Reservoir No. 2, which property is more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the "Property"). Grantor is also the owner of certain water rights on the Huerfano River (the "Water Rights") and also owns water storage rights in the Orlando Reservoir No. 2 (the "Water Storage Rights"). Grantor acquired the Property and Water Rights from Orlando pursuant to a Purchase Agreement dated September 22, 2010 and the amendments thereto (collectively the "Purchase Agreement") and Grantor is executing this Agreement pursuant thereto.

B. MWI is the owner of ranches which are in proximity to the Property and are more particularly described on **Exhibit B** attached hereto and incorporated herein by this reference ("MWI's Property").

C. MWI intends to develop MWI's Property in the future for residential, commercial, industrial and other mixed uses with supporting recreational opportunities (the "Future Development"). Grantor and Grantee collectively desire to use the Property for multiple purposes, including, but not limited to, using the Property, including Orlando Reservoir No. 2, to provide recreational opportunities for the benefit of the Future Development, and Grantor is willing to allow such recreational uses in accordance with the terms and conditions of this Agreement.

C. In connection with the Future Development, Grantees intend to form a Title 32 or similar special district and quasi-governmental entity or a property owners association (collectively referred to hereinafter as the "Association") which will hold the easements granted herein for the benefit of the Future Development and property owners within the Future Development who are members of the Association (the "Successor Owners").

D. The Parties desire to create a recreational use and access easement over and across the Property, including Orlando Reservoir No. 2 and the Water Storage Rights (the "Recreational Use and Access Easement") for the benefit of MWI's Property, the Future Development, the Successor Owners and the Association, on the terms set forth herein.

E. The Parties are executing and will record this Agreement to establish the recreational use, access and construction easements and the terms thereof, and to provide for the ongoing maintenance of the easements and allocation of the costs therefor.

AGREEMENT

NOW THEREFORE, in consideration for the foregoing Recitals which are hereby incorporated, the closing pursuant to the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
RECREATIONAL USE, ACCESS AND CONSTRUCTION EASEMENTS

1.1 Consent to Conveyance of Easements to Association. The Parties stipulate and agree that, except as otherwise limited herein, this Agreement and the rights, benefits and obligations created herein may be transferred, assigned and conveyed by Grantees to (i) any or all of their successors or assigns which acquire all or portions of MWI's Property for the purpose of development, or (ii) to the Association, and its successors and assigns, or (iii) to any of Grantees' Transferees in accordance with Section 7.2 below, and upon any full transfer, assignment and conveyance of Grantees' rights hereunder, Grantees shall be released of any obligations hereunder.

1.2 Limitations on Use and Subsequent Conveyance of Easements. The Parties stipulate and agree that the easements created herein shall be for the benefit and use by the Successor Owners, and their guests and invitees, which are members of the Association and the Association (collectively the "Beneficiaries"). Notwithstanding the benefits intended for the Successor Owners, subject to the terms set forth in this Agreement, Grantees or the Association, in their sole and absolute discretion, shall be entitled to determine improvements constructed in the Easement Corridor (as defined below) and to establish rules, regulations, limitations and fees for use of the easements by the Successor Owners and their guests and invitees. Notwithstanding anything to the contrary herein, no Successor Owner of property within the Future Development shall acquire any right, title or interest, separate and apart from such Successors Owner's membership or interest in the Association, in this Agreement or in the recreational use, access or construction easements created herein.

1.3 Recreational Use Easement.

1.3.1 Conveyance of Recreational Use Easement. Grantor hereby grants and conveys to Grantees a perpetual, exclusive recreational use easement on, over, in and across the Property, including Orlando Reservoir No. 2, for the purposes set forth herein below and consisting of the rights hereinafter enumerated (the "Recreational Use Easement").

1.3.2 Purposes of Recreational Use Easement. The purpose of the Recreational Use Easement is to preserve and maintain the area within the Recreational Use Easement boundary (the "Easement Corridor"), to allow the recreational use and enjoyment of the Property by the Beneficiaries for four-season private recreational use (the "Use"). The Parties agree to cooperate reasonably and in good faith in the future to more particularly define and describe the Easement Corridor once more engineering data is developed regarding the fluctuation of water level historically and its location and the needs of the Future Development. Once the Easement Corridor has been defined, the Parties agree to amend this Agreement to more specifically identify the Easement Corridor. The Use shall include, but shall not be limited to the following:

1.3.2.1 Water Use. Orlando Reservoir No. 2 may be used for swimming, electric and non-motorized boating, boat-ramp ingress and egress, boat docks, rowing, kayaking, canoeing, fishing and waterfowl hunting.

1.3.2.2 Beach Use. The Easement Corridor may be used for beach, sunbathing, picnicking and camping uses.

1.3.2.3 Open Space Use. The Easement corridor may be used for visiting, viewing and enjoying scenic sites and natural vegetation, hiking, nature study, cross-country skiing and hunting.

1.3.2.4 Trail Use. The Easement Corridor may be used for motorized use and non-motorized use including but not limited to all terrain vehicles, electric carts, golf carts, walking, hiking, running, cycling, skateboarding, cross-country skiing and horseback riding.

1.3.3 Rights and Obligations Conveyed. The rights and corresponding obligations conveyed by this Recreational Use Easement to Grantees are as follows:

1.3.3.1 To maintain the Easement Corridor as open space free from man-made improvements except as otherwise permitted herein.

1.3.3.2 To lay out, mark, develop, construct, maintain, establish and relocate within the Easement Corridor trails, foot-paths, and access ways for motorized and electric-motorized use (collectively "Pathways"), which Pathways may be created with any material, including but not limited to sand, dirt, stone, brick, asphalt or concrete.

1.3.3.3 To lay out, construct, maintain, establish and relocate within the Easement Corridor fences and gates, constructed with wood or other materials consistent with the natural area.

1.3.3.4 To lay out, mark, construct, maintain and relocate a ramp for boat access to Orlando Reservoir No. 2 and a vehicle parking area (the "Boat Ramp Area").

1.3.3.5 To maintain Orlando Reservoir No. 2 for the Use set forth herein including necessary removal of grass, weeds and plants and stocking of the reservoir with fish.

1.3.3.6 To lay out, mark, develop, construct, maintain, establish and relocate, all within the Easement Corridor, beach, picnicking and camping areas (collectively the "Picnic Areas"), which Picnic Areas may be created with any material, including but not limited to sand, dirt, stone, asphalt or concrete, and which may include permanent or movable picnic tables and overhead coverings, benches, grills, lighting, trash receptacles, bicycle racks and restrooms.

1.3.3.7 To make minor topographical changes to the Easement Corridor for the necessity and convenience of locating and constructing the trails, Picnic Areas and Boat Ramp Areas.

1.3.3.8 To establish and maintain appropriate signage within the Easement Corridor for the necessity and convenience of locating the improvements, providing directions and posting rules, regulations and use restrictions or other appropriate information.

1.3.3.9 To manage vegetation within the Easement Corridor through selective planting and/or removal of trees, shrubs, grasses or exotic or noxious plant species in order to maintain and enhance the scenic, natural, ecological and open space and recreational values of the Easement Corridor.

1.3.3.10 To enter upon the Easement Corridor for all reasonable and necessary construction, maintenance and repair of the Easement Corridor and improvements therein, and to maintain the Easement Corridor and improvements in a good, clean and sanitary condition, free from waste or litter and any condition that is offensive to the public health, safety or welfare or that constitutes a nuisance.

1.4 Access Easement. Grantor hereby covenants and agrees to grant and convey to Grantees a perpetual non-exclusive easement over and across a portion of Grantor's Property (the "Access Area"), to be used for a right-of-way over and across the Property for the purpose of pedestrian, motor vehicle, truck and other vehicular ingress and egress across the Property to the Easement Corridor (the "Access Easement"). The Parties agree to cooperate reasonably and in good faith in efforts to more specifically identify and describe an appropriate Access Area as more engineering and planning for the reservoir and the Future Development is completed, and the Parties agree to amend this Agreement to identify the Access Area once that data has been obtained. Parking shall not be allowed to block or hinder use of the Access Area by the Parties. Consistent with this Agreement, the Access Easement is created for use by the Beneficiaries. Grantor and Grantees shall jointly share the responsibility for and cost of maintenance of the Access Easement.

1.5 Construction and Maintenance Easement. Grantees shall also have the right to enter upon the Access Easement and the Easement Corridor, and temporarily enter upon and utilize such other portions of the Property adjacent to the Access Easement and Easement Corridor as may be reasonably necessary for the purpose of installing and constructing any and all improvements associated with the Recreational Use Easement, including installing all utilities and maintaining, repairing or replacing any improvements located, or to be located, therein or thereon pursuant to the terms of this Agreement (the "Construction Easement"), provided that any resulting damage to the Access Area or the Property shall be restored to the previous or an improved condition after such installation, maintenance or repair by the Party that caused its damage, at that Party's expense.

1.6 Grantor's Rights and Obligations. The Recreational Use Easement granted herein is an exclusive easement, and Grantor shall not grant additional recreational use rights in the Easement Corridor to any other party. Notwithstanding the foregoing, Grantor reserves use of the Easement Corridor for access to and utilization of Orlando Reservoir No. 2 in connection with its Water Rights and Water Storage Rights. Grantor covenants and agrees in good faith that it will utilize Orlando Reservoir No. 2, its Water Rights and Water Storage Rights, in a manner which will not unreasonably interfere with the Recreational Use Easement, Access Easement or Construction Easement. The Parties stipulate and agree that Grantor is unable to guarantee that the water level in the Orlando Reservoir No. 2 will not be depleted due to drought conditions. Notwithstanding this, Grantor covenants and agrees that it will operate and utilize the Orlando Reservoir, its Water Rights and its Water Storage Rights, in such a manner that, except in the event of circumstances and conditions reasonably beyond its control, including an ongoing, long-lasting drought, or maintenance that requires the reservoir to be drained, the recreational use of the Easement Corridor shall be maintained.

ARTICLE II
CONSTRUCTION OF IMPROVEMENTS

2.1 Right to Construct Improvements. At such time as Grantees, its successors, or the Association plan to commence construction of improvements for the Recreational Use Easement or to substantially renovate or change the Easement Corridor, such Party will complete the plans for the construction of the improvements or renovation to the Easement Corridor, and submit those plans to Grantor for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. If Grantor fails to provide comments on the plans for the improvements within thirty (30) days of their submittal, then the plans will be deemed approved. If Grantor objects to the plans, it will note the basis for its objection, and if reasonable, Grantees, their successors or the Association will revise the plans and resubmit them to Grantor for approval, and this process will be repeated until the plans are approved. If the Parties cannot agree on the plans, then this matter will be submitted to arbitration under arbitration rules and before an arbitrator mutually agreed upon between the Parties, and if they cannot agree, then before an arbitrator from the Judicial Arbiter Group in Colorado Springs, Colorado, and under rules specified by the arbiter.

2.2 Responsibility for Costs of Construction of Improvements and Maintenance. The costs of construction of all improvements in the Easement Corridor shall be the responsibility of Grantees, their successors or the Association, except to the extent that the improvements are required by Grantor for Grantor's purposes.

ARTICLE III
MAINTENANCE AND REPAIR

3.1 Easement Corridor Maintenance Obligations. It shall be the responsibility of Grantees, their successors, or the Association, as applicable, to maintain the Easement Corridor and all improvements therein, periodically on a reasonable, "as needed" basis. Such maintenance obligation shall arise upon the Commencement Date.

3.2 Access Area Maintenance Obligations. It shall be the shared responsibility of Grantor and Grantees, their successors or assigns, to maintain the Access Area and all improvements therein, periodically on a reasonable, "as needed" basis. The Parties shall share the costs for such maintenance of the Access Area equally which shall not include shared maintenance for any boat ramps, docks, or the like.

3.3 Dam, Spillway and Related Structures. It shall be the sole responsibility of Grantor, its successors and assigns, to maintain the dam, spillway and related structures for Orlando Reservoir No. 2.

ARTICLE IV
ENFORCEMENT

4.1 General Rights of Enforcement. This Agreement may be enforced as provided hereinafter by each Party. Each Party shall have the right to bring an action against another Party who violates this Agreement to enforce this Agreement and enjoin such violation, to cause any such violation to be remedied and to recover damages caused by such violation. The action may be brought against the Party, the Permittee (as defined in Section 8.3 below) or the person or entity that has caused the damage or violated this Agreement by the other Party or Parties, individually or collectively, subject to the limitations set forth above.

4.2 Enforcement of Obligations by Lien or Action. The obligations set forth in this Agreement shall be personal obligations of each Party. In addition, if any Party fails to pay any obligations required to be paid by such Party pursuant to this Agreement within thirty (30) days, the other Parties shall have the right to file a lien against the applicable portion of the Property which is owned by such breaching Party for the amounts due and owing, together with reasonable attorneys' fees incurred by the non-breaching Party. The delinquent amounts due and owing shall bear interest at the rate of eighteen percent (18%) per annum. An amount due and owing shall be delinquent thirty (30) days after the Party is billed for such amount. The non-breaching Party shall have the right to collect the delinquent amounts by an action to collect such amounts, which action may include the foreclosure of the lien against the Property of the delinquent Party by judicial foreclosure or any action directly against the Party, or both. The right to claim such lien shall be evidenced by the recording of a lien in the real property records of the Clerk and Recorder for Huerfano County, Colorado that meets the following requirements

and includes the following matters: (i) the lien shall reference this Agreement and the authority for the right to file the lien, (ii) the name of the delinquent Party, (iii) the identification of the applicable property against which the lien is to be recorded, (iv) the name of the Party claiming the lien, (v) the amount for which the lien is claimed and a general description for the purpose for which the amounts were paid. A lien must be recorded within nine (9) months after the amounts for which the lien is claimed were incurred. Prior to the recording of the lien, the Party desiring to file the lien shall give written notice to the delinquent Party of the intent of such Party to file a lien, which notice shall be mailed at least ten (10) days prior to the recording of the lien. The lien shall only affect title to Property when recorded. There shall be no priority of such lien that relates back to any earlier date than the date of the lien is recorded. Notwithstanding the foregoing, the Parties agree that there shall be no lien rights under this section for, and any liens pursuant to this section shall not encumber, any portion of the Future Development once it has been subdivided and platted into separate lots.

4.3. Nuisance. Every violation of this Agreement, or any part hereof, is hereby declared to be and constitute a nuisance and every remedy allowed therefore by law or equity against a Party or Permittee shall be applicable against every such violation that may be enforced by each and every Party.

4.4 Attorneys' Fees. In any legal or equitable proceeding for the enforcement of this Agreement, or any provision hereof, whether it be an action for damages, declaratory relief, injunctive relief, to assert or foreclose the lien, or any other action, the prevailing Party in such action shall be entitled to recover from the non-prevailing Party all of its costs incurred in such action and interest thereon at the rate of eighteen percent (18%) per annum from the date of delinquency. Any judgment entered shall provide for interest on the delinquent amounts at the rate of eighteen percent (18%) per annum after the date of entry of judgment. Costs for purposes of this Section 4.4 shall include court costs and reasonable attorneys' fees. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

4.5 No Waiver. The failure of a Party to enforce any of the conditions, covenants, restrictions or reservations contained herein shall in no event be deemed to be a waiver of the right to do so for subsequent violations or the right to enforce any other conditions, covenants, restrictions or reservations contained herein.

4.6 Liability of Owner. Each Party shall be responsible for any violation of this Agreement by the Permittee of such Party. If there is a violation of this Agreement by a Permittee, the other Parties shall have the right to pursue a claim or action against the Permittee or the Party, or both, for such violation.

ARTICLE V
INSURANCE

Upon the Commencement Date, both Grantor and Grantees, their successors or the Association on behalf of Grantee, shall maintain liability insurance with a combined single limit of coverage in the minimum amount of One Million and 00/100 Dollars ($1,000,000.00), or such greater amount as may be customary at the time, to insure against any claims for injury to person or property related to the use of the Property, including the Recreational Use Easement, the Access Easement and the Construction Easement. Grantor and Grantees shall at all times list the other Parties hereto as additional named insureds under such insurance policies. Each Party shall be responsible for requiring that any person or entity doing any work in the Easement Corridor by, or at the request of such Party, has in force and effect a commercial general liability policy in an amount not less than $1,000,000.00 (or such greater amount as may be customary at the time) and worker's compensation insurance for all persons performing any work in the Easement Corridor.

ARTICLE VI
AMENDMENTS, TERM AND TERMINATION

6.1 Amendment. This Agreement, and any provision hereof or any easement granted herein, may be amended by the mutual agreement of the Parties, and the joinder by any Successor Owner to such amendment is not required.

6.2 Term. This Agreement shall continue in full force and effect in perpetuity, subject only to termination, modification or amendment upon the written agreement of all of the Parties pursuant to the terms hereof as provided in this Article VI.

6.3 Termination. This Agreement may only be terminated by the unanimous consent of the Parties, and the joinder by any Successor Owner to such termination is not required. No amendment, modification or termination shall be effective until a written instrument setting forth the terms of such amendment or modification or termination has been duly executed, acknowledged and recorded in the office of the Clerk and Recorder of Huerfano County, Colorado.

ARTICLE VII
BINDING EFFECT

7.1 Run With the Land. This Agreement and the rights granted herein and the provisions hereof shall run with the Grantor's Property, shall be appurtenant thereto, shall be binding upon the Property and all present and future owners of the Property or any portion of the Property, shall inure to the benefit of the MWI's Property and all present and future owners of all or any portion of the MWI's Property as provided herein. Each Permittee of a Party shall also be

bound by the terms, conditions and provisions of this Agreement.

7.2 Successors and Assigns. As set forth in Section 1.1, this Agreement and the rights, benefits and obligations created herein may be transferred, assigned and conveyed by Grantees to (i) successors or assigns which acquire all or portions of MWI's Property for the purpose of development, or (ii) to the Association, and its successors and assigns, or (iii) to a governmental entity or charitable organization qualified to hold conservation or recreational easements (collectively "Grantees' Transferees"). This Agreement shall inure to the benefit of and be binding upon the Parties, Grantees' Transferees, subsequent owners of the Property or any portion of the Property, and their Permittees and their respective heirs, personal representatives, successors and assigns. Grantor and Grantees' Transferees shall be entitled to assign their rights and obligations under this Agreement to any successor of the assigning Party to the Party's Property, but Grantees' Transferees shall not be entitled to assign their rights and obligations under this Agreement to individual Successor Owners. In the case of any such assignment, the rights and obligations under this Agreement of the assigning Party shall become the rights and obligations of that Party's assignee from and after the effective date of the assignment, and the assigning Party shall be released thereafter from any further obligations or liabilities under this Agreement that have not accrued as of the date of the assignment.

ARTICLE VIII
MISCELLANEOUS

8.1 Public Dedication. Nothing contained in this Agreement shall be deemed a gift or dedication of any property referenced herein to the general public or for any public purpose whatsoever, it being the intention of the Parties that this Agreement will be strictly limited to the purposes set forth herein.

8.2 Severability. In the event any clause, sentence or any portion of the terms, conditions, covenants and provisions of this Agreement are deemed illegal, null or void for any reason, or are held by any court of competent jurisdiction to be so, the remaining portions of this Agreement shall remain in full force and effect.

8.3 Permittees. "Permittee" and "Permittees" shall mean and refer individually and collectively to any members, tenants, subtenants, licensees, visitors, agents, occupants or concessionaires of the Parties and the foregoing Parties' and Permittees' respective employees, licensees, invitees and guests.

8.4 Land Benefited. The easements are for the benefit of the Grantees, their successors and assigns, the Association, the Successor Owners and their Permittees, and burden the Property for the benefit of MWI's Property.

8.5 Taxes. Each Party shall be responsible for paying all real property taxes and assessments associated with its fee ownership of such Party's portion of the easement property, and shall not be entitled to reimbursement of any portion of such taxes and assessments from any other Party.

8.6 Notices. All notices which are required or permitted under this Agreement shall be in writing. Notices to a Party or Permittee shall be deemed given if mailed to the Party or Permittee by first class mail addressed to the Party or Permittee, as applicable, at the address for the Party or the Permittee indicated in the public records.

8.7 Cooperation as Amended or Modified. The Parties agree to work cooperatively with each other and communicate as necessary in an effort to maximize each Party's benefits and minimize each Party's costs associated with this Agreement. The Parties anticipate the need may arise to amend or modify this Agreement in the future due to the difficulty of ascertaining each Party's future needs and obligations at the time of execution of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto as of the day and year first above written.

GRANTOR:

TRW ORLANDO WATER ASSETS, LLC, a Colorado limited liability company

By: TWO RIVERS WATER, LLC
a Colorado limited liability company
Its sole member

By: Two Rivers Water Company
a Colorado corporation
Its sole member

By: _____
Wayne Harding
Chief Financial Officer and Secretary

GRANTEES:

MARKSHEFFEL-WOODMEN INVESTMENTS, LLC
a Colorado limited liability company

By: _____

Its: Manager

THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC
a Colorado limited liability company

By: _____

Its: Manager

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, ~~2010~~ 2011, by Wayne Harding, Chief Financial Officer and Secretary of Two Rivers Water Company, Inc., a Colorado corporation, as the sole Member of Two Rivers Water, LLC, a Colorado limited liability company, as the sole member of TRW Orlando Water Assets, LLC, a Colorado corporation, as Grantor.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS NOTARY PUBLIC STATE OF COLORADO My Commission Expires 09/11/2014

_____
Notary Public

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011 ~~2010~~, by Randle W. Case II, as Manager of Marksheffel-Woodmen Investments, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS NOTARY PUBLIC STATE OF COLORADO My Commission Expires 09/11/2014

_____
Notary Public

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011, ~~2010~~, by Randle W. Carr II, as Manager of The Orlando Reservoir No. 2 Company, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

Dixie Powers
Notary Public

EXHIBIT A

Legal description of the Grantor's Property

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:

1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

EXHIBIT B

Legal description of MWI's Property

LEGAL DESCRIPTION

A Parcel of land located in Township 25 South, Range 66 West of the 6th P.M., in the County of Huerfano, State of Colorado, to-wit:

Section 7: SW ¼ of the SW ¼ lying east of Interstate 25. **Section 17**: W ½; S ½ of the SE ¼. **Section 18**: S ½ of the NE ¼; SE ¼ of the NW ¼; W ½ of the NW ¼; E ½ of the SW ¼; SE ¼ lying east of Interstate 25. **Section 19:** E ½; S ½ of the SW ¼. **Section 20:** All. **Section 28**: N ½; N ½ of the SE ¼; SW ¼; S ½ of the SE 1/4. **Section 29**: All. **Section 30**: All **Section 31**: E ½; SW ¼. **Section 32**: All. **Section 33**: SW ¼; N ½ of the SE ¼; N 1/2.

Excepting there from the following parcel:

A parcel of land located in the NE ¼ of Section 33 and the SE ¼ of the SE ¼ of Section 28, T 25 S, R 66 W, of the 6th P.M. being more particularly described as follows:

Beginning at the corner common to Sections 28 and 33; thence S 00-41-28 E, along the east line of the NE ¼ of the NE ¼ said Section 33, a distance of 734.77 feet; thence S 89-23-02 W, a distance of 537.26 feet; thence N 16-58-42 E, a distance of 982.31 feet; thence N 4-45-37 E, a distance of 1054.54 feet; thence S 90-00-00 E, a distance of 147.01 feet to the northeast corner of the Se ¼ of the Se ¼ of Section 28; thence S 00-20-38 E, along the east line of said SE ¼ of the SE ¼, a distance of 1320.43 feet to the point of beginning.

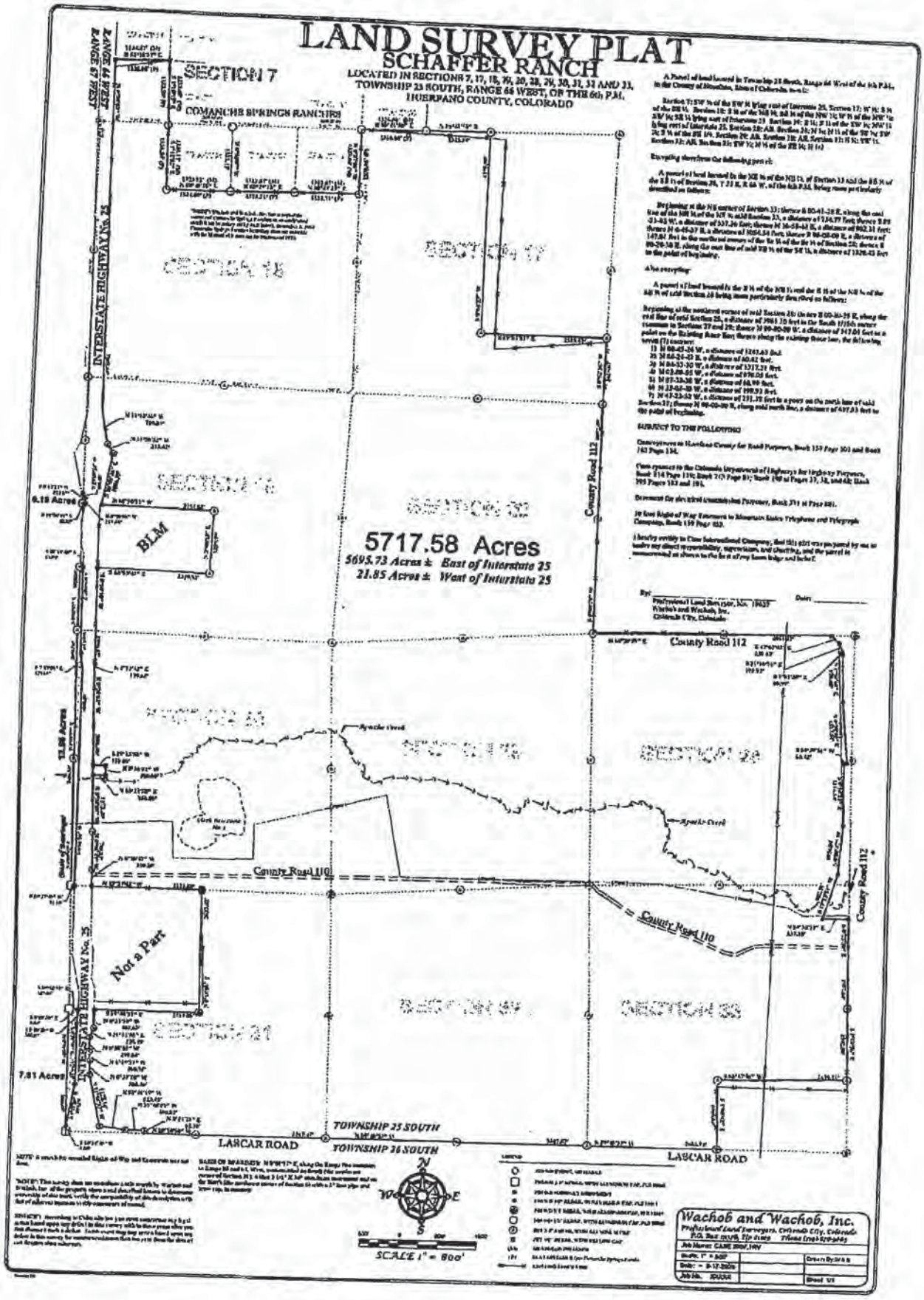
Also excepting:

A parcel of land located in the E ½ of the NE ¼ and the E ½ of the NE ¼ of the SE ¼ of said Section 28 being more particularly described as follows:

Beginning at the northeast corner of said Section 28: thence S 00-20-38 E, along the east line of said Section 28, a distance of 3961.30 feet to the South 1/16th corner common to Sections 27 and 28; thence N 90-00-00 W, a distance of 147.01 feet to a point on the Existing fence line; thence along the existing fence line, the following seven (7) courses:

1) N 00-45-24 W, a distance of 1243.63 feet.
2) N 86-24-43 E, a distance of 60.42 feet.
3) N 04-53-50 W, a distance of 1317.51 feet.
4) N 02-09-55 W, a distance of 978.05 feet.
5) N 07-22-38 W, a distance of 68.99 feet.
6) N 22-05-45 W, a distance of 199.93 feet.
7) N 47-22-52 W, a distance of 251.38 feet to a point on the north line of said Section 28; thence N 90-00-00 E, along said north line, a distance of 497.83 feet to the point of beginning.

Legal - Slaton Ranch


LAND SURVEY PLAT
SCHAFFER RANCH
LOCATED IN SECTIONS 7, 17, 18, 19, 20, 28, 29, 30, 31, 32 AND 33, TOWNSHIP 25 SOUTH, RANGE 66 WEST, OF THE 6th P.M., HUERFANO COUNTY, COLORADO
SECTION 7
COMANCHE SPRINGS RANCH PHS
INTERSTATE HIGHWAY No. 25
County Road 113
County Road 112
County Road 110
BLM
6.18 Acres
TLM Acres
7.81 Acres
Not a Part
5717.58 Acres
5695.73 Acres ± East of Interstate 25
21.85 Acres ± West of Interstate 25
LASCAR ROAD
TOWNSHIP 25 SOUTH
TOWNSHIP 26 SOUTH
SCALE 1" = 800'
Wachob and Wachob, Inc.

LEGAL DESCRIPTION
Case/Edmundsen property

Township 25 South, Range 65 West, of the 6th P.M.

Section 14: All
Section 20: SE ¼; E ½ of the NE ¼
Section 21: All
Section 22: S ½; NE ¼
Section 23: N ½
Section 27: N ½; SW ¼; W ½ of the SE ¼
Section 28: N ½; SW ¼; N ½ of the SE ¼
Section 29: N ½ of the NE ¼; NE ¼ of the NW ¼; SW ¼ of the NE ¼; NE ¼ of the SE ¼; S ½ of the SE ¼; SE ¼ of the SW 1/4
Section 30: S ½ of the SW ¼
Section 31: S ½; NW ¼
Section 32: All
Section 33: All
Section 34: All

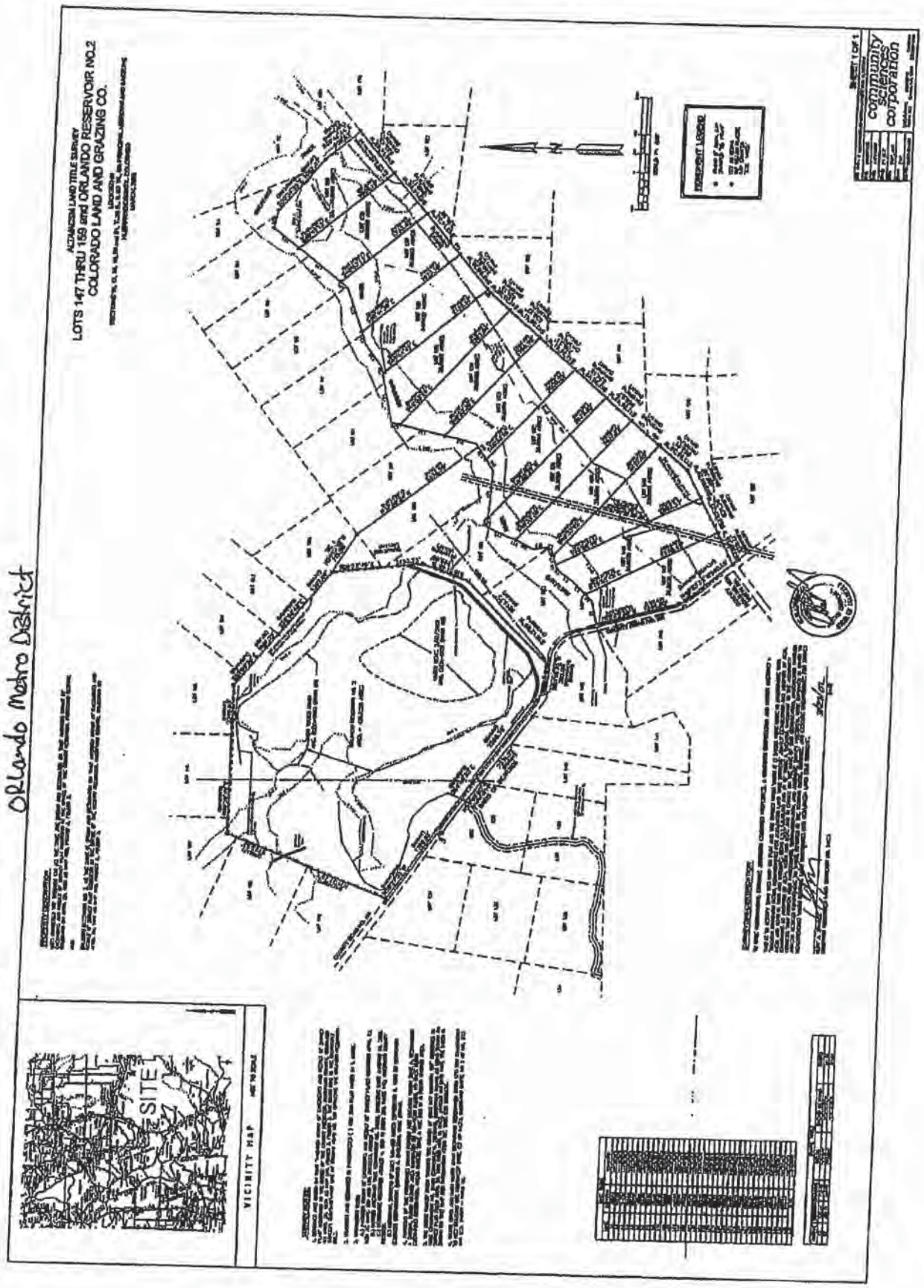
Township 26 South, Range 65 West, of the 6th P.M.

Section 3: E ½; S ½ of the SW ¼; NE ¼ of the SW ¼; Lot 4
Section 4: N ½
Section 5: Lots 2, 3 and 4
Section 6: N ½; NW ¼ of the SE ¼; NE ¼ of the SW ¼

Township 22 South, Range 65 West, of the 6th P.M.

Section 1: Lots 1, 2, 3 and 4

All in the County of Huerfano, State of Colorado.

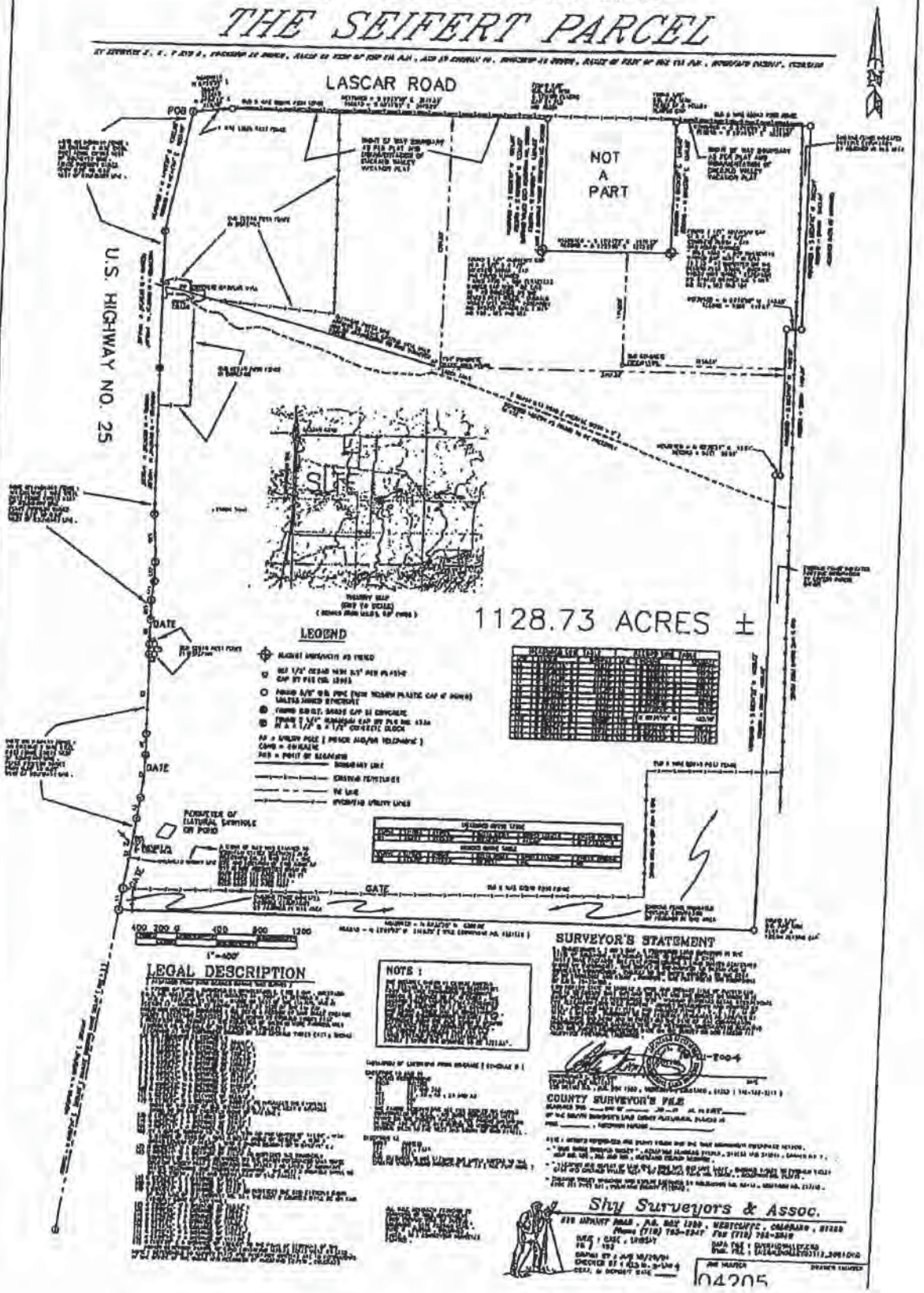


Orlando Metro District

ORlando METRO DISTRICT

ALTA/ACSM LAND TITLE SURVEY OF

THE SEIFERT PARCEL



Orlando Metro District

LEGAL DESCRIPTION

(PREPARED FROM DATA DERIVED DURING THIS SURVEY)

A PARCEL OF LAND , SURVEYED BY CHRISTOPHER L. (KIT) SHY , COLORADO P.L.S. NO. 19883 ON OR ABOUT OCTOBER 14 , 2004 , IN SECTIONS 5 , 6 , 7 AND 8 , TOWNSHIP 26 SOUTH , RANGE 66 WEST OF THE 6th P.M. AND IN SECTION 12 , TOWNSHIP 26 SOUTH , RANGE 67 WEST OF THE 6th P.M. , HUERFANO COUNTY , COLORADO ; ALL BEING A PORTION OF UNIT THREE EMERALD VALLEY (RECEPTION NO.245282) ALSO KNOWN AS EMERALD VALLEY EAST (RECEPTION NO. 293032) ; THE PERIMETER OF WHICH IS MORE PARTICULARLY DESCRIBED AS A RESULT OF THIS SURVEY AS FOLLOWS ;

BEGINNING AT THE NORTHWEST CORNER OF SAID EMERALD VALLEY EAST ; THENCE ON THE FOLLOWING 29 COURSES ;

1) N 84°29'59" E A DISTANCE OF 388.00' ;
2) S 89°20'10" E A DISTANCE OF 3141.30' ;
3) S 00°29'27" W A DISTANCE OF 1321.86' ;
4) S 89°34'25" E A DISTANCE OF 1275.60' ;
5) N 00°29'37" E A DISTANCE OF 1316.47' ;
6) S 89°19'59" E A DISTANCE OF 1321.08' ;
7) S 00°24'42" W A DISTANCE OF 2082.89' ;
8) N 89°36'00" W A DISTANCE OF 147.68' ;
9) S 00°24'08" W A DISTANCE OF 1490.97' ;
10) N 89°36'27" W A DISTANCE OF 49.94' ;
11) S 00°24'53" W A DISTANCE OF 4856.12' ;
12) N 89°35'28" W A DISTANCE OF 6300.90' TO INTERSECT THE EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 . THE NEXT 6 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
13) N 08°32'48" E A DISTANCE OF 222.44' ;
14) N 08°32'48" E A DISTANCE OF 724.75' ;
15) N 08°31'55" E A DISTANCE OF 221.11' ;
16) ON A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 443.09' , WITH A RADIUS OF 2985.00' , WITH A DELTA ANGLE OF 08°33'44" , WITH A CHORD LENGTH OF 442.68' , WITH A CHORD BEARING OF N 04°15'41" E ;
17) N 00°08'38" W A DISTANCE OF 220.95' ;
18) N 00°03'41" W A DISTANCE OF 811.74' TO INTERSECT THE SOUTHERLY BOUNDARY OF A PARCEL IDENTIFIED ON THE HEREIN REFERENCED UNIT THREE EMERALD VALLEY PLAT (RECEPTION NO. 245282) AS LANDS OF MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY , THE NEXT 3 COURSES SHALL BE ON THE SOUTH , EAST AND NORTH LINES OF SAID PARCEL ;
19) N 89°33'00" E A DISTANCE OF 50.17' ;
20) N 00°32'09" E A DISTANCE OF 99.67' ;
21) S 89°56'39" W A DISTANCE OF 51.22' TO INTERSECT THE SAID EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 . THE NEXT 8 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
22) N 00°07'34" W A DISTANCE OF 252.86' ;
23) N 00°02'15" W A DISTANCE OF 200.06' ;
24) N 06°53'33" E A DISTANCE OF 200.91' ;
25) N 00°01'57" E A DISTANCE OF 199.35' ;
26) N 02°56'18" W A DISTANCE OF 498.70' ;
27) N 00°06'48" W A DISTANCE OF 1497.88' ;
28) N 00°07'58" W A DISTANCE OF 1415.04' ;
29) N 11°09'37" E A DISTANCE OF 1222.86' TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND CONTAINING 1128.73 ACRES MORE OR LESS .

NOTE : REFERENCES TO RECORD PLATS AND RECEPTION NUMBERS ARE TO INSTRUMENTS IN THE OFFICE OF THE CLERK AND RECORDER OF HUERFANO COUNTY , COLORADO .

Return Original after Recordation to:
Howard and Jensen LLC
Attn: Lyndsay Ressler
30 E. Kiowa St., Ste 104
Colorado Springs CO 80903

391924
Page 1 of 4
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
09-20-2011 11:21 AM Recording Fee $26.00

SPECIAL WARRANTY DEED

THIS DEED, made to be effective as of the 7th day of September 2011, between **TRW ORLANDO WATER ASSETS, LLC,** a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, Colorado 80222, ATTN: John R. McKowen, Grantor, and **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC,** a Colorado limited liability company, whose address is 2000 S. Colorado Boulevard, Denver, Colorado 80222, Grantee:

WITNESS, that the Grantor, for and in consideration of the sum of **Ten and no/100ths Dollars ($10.00)**, 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 successors and assigns forever, all the real property together with improvements, if any (the "Property"), situate, lying and being in the County of Huerfano and State of Colorado, described as follows:

See **Exhibit A** attached hereto and incorporated herein

Together with all and singular the 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, either in law or in equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the Property above bargained and described, with the appurtenances unto Grantee, and Grantee's successors and assigns, forever. Grantor, for Grantor, and for Grantor's heirs, personal representatives, successors, and assigns, covenants and agrees that Grantor shall and will WARRANT AND FOREVER DEFEND the above bargained premises in the quiet and peaceable possession of Grantee, and Grantee's successors and assigns, against all and every person or persons claiming the whole or any part of the Property, by, through, or under Grantor.

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

TRW ORLANDO WATER ASSETS, LLC

By: _____
Wayne Harding, Manager

STATE OF COLORADO)
) ss.
COUNTY OF ~~EL PASO~~ Denver)

Acknowledged before me this 7th day of September 2011, by Wayne Harding, as Manager of TRW Orlando Water Assets, LLC, a Colorado limited liability company.

WITNESS my hand and official seal.

My commission expires: 10/13/2012

Notary Public

[SEAL]

MOLLY M. HENESSEE
NOTARY
PUBLIC
STATE OF COLORADO

My Commission Expires 10/13/2012

EXHIBIT A
TO SPECIAL WARRANTY DEED

392516
Page 1 of 1
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-03-2011 01:14 PM Recording Fee $11.00

STATEMENT OF AUTHORITY

1. This Statement of Authority relates to an entity named TRW Orlando Water Assets, LLC.

2. The type of entity is a Limited Liability Company.

3. The entity is formed under the laws of the State of Colorado.

4. The mailing address is for the entity is 2000 S. Colorado Blvd., Annex Ste. 200, Denver, CO 80222.

5. The name of each person authorized to execute instruments conveying, encumbering or otherwise affecting title to real property on behalf of the entity is: Wayne Harding.

6. The authority of the foregoing persons to bind the entity is not limited/is limited as follows: Not limited.

Wayne Harding, CEO of Two Rivers Water Company, a Colorado Corporation, the sole member of Two Rivers Water, LLC, the sole member of TRW Orlando Water Assets, LLC

STATE OF COLORADO)
)ss.
CITY and COUNTY OF DENVER)

On October 26th 2011, before me, a notary public in and for said state personally appeared Wayne Harding, personally known to me (or provided to me based upon satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument and ~~acknowledged that he/she/they executed the same in his/her/their signature on the instrument the~~ person(s) or entity on behalf of which they acted, executed the instrument.

Witness my hand and official seal.

MOLLY M. HENESSEE NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/13/2012

Notary Public
My Comm. Exp. 10/13/2012

392518
Page 1 of 2
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-03-2011 01:14 PM Recording Fee $16.00

QUIT CLAIM DEED

THIS DEED, made this 21st day of October 2011, between **TRW Orlando Water Assets, LLC**, of the City and County of Denver and State of Colorado, Grantor, and **Two Rivers Farms F-2, LLC**, whose legal address is 2000 S. Colorado Blvd., Annex Suite 200, Denver, Colorado 80222, Grantee.

WITNESSETH, that the Grantor, for and in consideration of the sum of One Dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, has remised, released, sold and **QUIT CLAIMED**, and by these presents does remise, release, sell and **QUIT CLAIM** unto the Grantee, its heirs, successors and assigns, forever, all the right, title, interest, claim and demand which the Grantor has in and to the real property, together with improvements, if any, situate, lying and being in the County of Huerfano, State of Colorado described as follows:

See ***Exhibit A***

Together with all and singular the 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, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances and privileges thereunto belonging or in anywise thereunto appertaining, and all the estate, right, title, interest and claim whatsoever of the Grantor, either in law or equity, to the only proper use, benefit and behoof of the Grantee, its heirs and assigns forever.

IN WITNESS WHEREOF, the Grantor has executed this Deed on the date set forth above.

TRW ORLANDO WATER ASSETS, LLC

By _____
Wayne Harding, CFO of Two Rivers Water Company, a Colorado Corporation, the sole member of Two Rivers Water, LLC, the sole member of TRW Orlando Water Assets, LLC

STATE OF COLORADO)
) SS.
CITY and COUNTY OF DENVER)

The foregoing document was acknowledged before me this 21st day of October, 2011, by Wayne Harding, CFO of Two Rivers Water Company, a Colorado Corporation, the sole member of Two Rivers Water, LLC, the sole member of TRW Orlando Water Assets, LLC.

Witness my hand and official seal.

MOLLY M. MENESSEE NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/13/2012

_____
Notary Public
My Comm. Exp. 10/13/2012

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 67 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:

1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 909.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 28° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 59' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

392702
Page 1 of 16
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-28-2011 11:09 AM Recording Fee $86.00

DEED OF TRUST

THIS INDENTURE, made this 9th day of November, 2011, between Two Rivers Farms F-2, LLC, whose address is 2000 S. Colorado Blvd., Annex Ste. 200, Denver, CO 80222, hereinafter referred to as Grantor, and the Public Trustee of the County of Pueblo, State of Colorado, hereinafter referred to as Public Trustee; for the benefit of Buxman Kwitek & Ohlsen, P.C. as Lenders' Agent for the Holders of Certain Notes which are listed below (Beneficiary), whose address is 601 N. Main St., Ste. 200, Pueblo, CO 81003.

WITNESSETH, THAT WHEREAS Two Rivers Farms F-2, LLC has executed Promissory Notes as set forth on exhibit A.

AND WHEREAS, the Grantor is desirous of securing payment of the principal and interest of said Promissory Notes in whose hands soever the said Note may be,

AND WHEREAS, the above listed Promissory Notes rank, and will rank, *pari passu* in right of enforcement with each other. Note Holders have expressly acknowledged and agreed that all such Note Holders shall be treated in a like and equal manner proportionate to the amount of the Note and accrued interest owed to that Note Holder compared to the amount of Notes and accrued interest owed to all such Note Holders, notwithstanding any differences as to the timing of each Note Holder's acquisition of the Notes. All such Note Holders have appointed the "Lenders' Agent" and acknowledged and agreed that the Lender's Agent shall act as the Beneficiary with such powers as are specifically delegated thereto by the terms of this Deed of Trust,

NOW THEREFORE, the Grantor, in consideration of the premises and for the purpose aforesaid, does hereby grant, bargain, sell and convey unto the said Public Trustee in trust forever, the following described property, situate in the County of Huerfano, State of Colorado, to wit:

See attached Exhibit B.

TO HAVE AND TO HOLD the same, together with all and singular the privileges and appurtenances thereunto belonging, in trust nevertheless, that in case of default in the payment of said Notes or any part thereof, or in the payment of the interest thereon, according to the tenor and effect of said Notes, or in the payment of any prior encumbrances, principal or interest, if any, or in case default shall be made in or in case of violation or breach of any of the terms, conditions, covenants or agreements herein contained, the Beneficiary may declare a violation of any of the covenants herein contained and may elect to advertise said property for sale, and demand such sale by filing a notice of election and demand for sale with the Public Trustee. Upon receipt of such notice of election and demand for sale, the Public Trustee shall cause a copy of the same to be recorded in the recorder's office of the county in which said property is situated. The Public Trustee shall then give public notice of the time and place of sale by advertisement to be published for four weeks (once each week for five successive weeks) in some newspaper of general circulation at that time published in the county or counties in which said property is located. A copy of such notice shall be mailed within ten days after the date of the first publication thereof to the Grantor at the address given herein, to such persons appearing to have acquired a subsequent record interest in said property at the address given in the recorded instrument, and to any other persons as may be provided by law. It shall and may then be lawful for the Public Trustee to sell said property for the highest and best price the same will bring in cash and to dispose of the same (en masse or in separate parcels, as the said Public Trustee may think best), together with all the right, title and interest of the Grantor therein, at public auction at any place as may be specified by statute and designated in the notice of sale. The Public Trustee shall make and give to the purchaser of such property at such sale, a certificate in writing containing a description of such property purchased, the sum paid therefor, a statement that said purchaser shall be entitled to a deed therefor, unless the same shall be redeemed as is provided by law; and in the event of a continuance of the sale, a recital that the sale was duly continued. The Public Trustee shall, upon demand by the person holding the said Certificate of Purchase, when said demand is made or upon demand by the person entitled to a Deed to and for the property purchased at the time such demand is made, the time for redemption having expired, make and execute to such person a Confirmation Deed to the said property purchased. Said Confirmation Deed shall be in the ordinary form of a conveyance and shall be signed, acknowledged and delivered by the said Public Trustee and shall confirm the foreclosure sale and sell and convey to

such person entitled to such Confirmation Deed, the property purchased as aforesaid and all the right, title, interest, benefit and equity of redemption of the Grantor therein. The Public Trustee shall, out of the proceeds or avails of such sale, after first paying and retaining all fees, charges and costs of making said sale, pay to the Beneficiary, the principal and interest due on said Note according to the tenor and effect thereof, and all moneys advanced by such beneficiary or legal holder of said Note for insurance, taxes and assessments, with interest thereon at 8% per annum, rendering the overplus, if any, unto those persons entitled thereto as a matter of law. Said sale and said Confirmation Deed so made shall be a perpetual bar, both in law and equity, against the Grantor and all other persons claiming the said property, or any part thereof, by, from, through or under the Grantor. The holder of said Note may purchase said property or any part thereof; and it shall not be obligatory upon the purchaser at any such sale to see to the application of the purchase money.

The Grantor covenants and agrees to and with the Public Trustee that at the time of the ensealing of and delivery of these presents he is well seized of the said land and tenements in fee simple and has good right, full power and lawful authority to grant, bargain, sell and convey the same in the manner and form as aforesaid; hereby fully and absolutely waiving and releasing all rights and claims he may have in or to said lands, tenements and property as a Homestead Exemption, or other exemption, under and by virtue of any act of the General Assembly of the State of Colorado, or as any exemption under and by virtue of any act of the United States Congress, now existing or which may hereafter be passed in relation thereto and that the same are free and clear of all liens and encumbrances whatever except taxes for current year and subsequent years, easements, reservations and restrictions of record, and the above bargained property in the quiet and peaceable possession of the Public Trustee, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the Grantor shall and will warrant and forever defend.

Until payment in full of the indebtedness, the Grantor shall timely pay all taxes and assessments levied on the property; any and all amounts due on account of principal and interest or other sums on any senior encumbrances, if any; and will keep all improvements that may be on said lands insured against any casualty loss, including extended coverage, in a company or companies meeting the net worth requirement of the Note Holders hereof in an amount which will yield to the holder of the indebtedness, after reduction by co-insurance provisions of the policy, if any, not less than the then total indebtedness. Each policy shall contain a loss payable clause naming the Note Holders as mortgagee and shall further provide that the insurance may not be canceled upon less than ten days written notice to the Note Holders. At the option of the Note Holders, the original policy or policies of insurance shall be delivered to the Note Holders as further security for the indebtedness. Should the Grantor fail to insure and deliver the policies or to pay taxes or assessments as the same fall due, or to pay any amounts payable upon senior encumbrances, if any, the Note Holders may make any such payments or procure any such insurance, and all monies so paid with interest thereon at the rate of 8% per annum shall be added to and become a part of the indebtedness secured by this Deed of Trust and may be paid out of the proceeds of the sale of the property if not paid by the Grantor. In addition, and at the option of Note holders holding in excess of 50% of the then outstanding principal amount of Notes, the beneficiary may declare the indebtedness secured hereby and this Deed of Trust to be in default for failure to procure insurance or make any of the payments required by this paragraph.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor and Beneficiary agree that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (a) remain in possession and control of the Property, (b) use, operate or manage the Property, and (c) collect any Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Deed of Trust, shall have the same meanings as set forth in the

Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49, U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Note Holders that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Note Holder in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Note Holder in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Note Holders and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Note Holders may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Note Holders shall be for Note Holders' purposes only and shall not be construed to create any responsibility or liability on the part of Note Holders to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Note Holders and Beneficiary for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Note Holders and Beneficiary against any and all claims, losses, liabilities, damages, penalties, and expenses which Note Holders and Beneficiary may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of trust and shall not be affected by Note Holders or Beneficiary's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of the Note Holders.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Note Holders. As a condition to the removal of any Improvements, Note Holders may require Grantor to make arrangements satisfactory to Note Holders to replace such Improvements with Improvements of at least equal value.

Note Holders' Right to Enter. Note Holders and their agents and representatives may enter upon the Real Property at all reasonable times to attend to Note Holders' interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of

the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Note Holders in writing prior to doing so and so long as, in Note Holders' sole opinion, Note Holders' interests in the Property are not jeopardized. Note Holders may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Note Holders, to protect Note Holders' interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

If all or any part of the property or an interest therein is sold or transferred by the Grantor without Note Holders' prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Note Holders may, at Note Holders' option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Note Holders shall have waived such option to accelerate if, prior to the sale or transfer, Note Holders and the person to whom the property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Note Holders and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Note Holders shall request.

IN CASE OF ANY DEFAULT whereby the right of foreclosure occurs hereunder, the holder of said Note or Certificate of Purchase shall at once become entitled to the possession, use and enjoyment of the property aforesaid, and to the rents, issues and profits thereof, from the accruing of such right and during the pendency of foreclosure proceedings and the period of redemption, if any there be; and such possession shall at once be delivered to the holder of said Note or Certificate of Purchase on request, and on refusal, the delivery of such possession may be enforced by the holder of said Note or Certificate of Purchase by any appropriate civil suit or proceeding, and the holder of said Note or Certificate of Purchase, or any thereof, shall be entitled to a Receiver for said property, and of the rents, issues and profits thereof, after such default, including the time covered by foreclosure proceedings and the period of redemption, if any there be, and shall be entitled thereto as a matter of right without regard to the solvency or insolvency of the Grantor or of the then owner of said property and without regard to the value thereof, and such Receiver may be appointed by any court of competent jurisdiction upon ex parte application and without notice - notice being hereby expressly waived - and all rents, issues and profits, income and revenue therefrom shall be applied by such Receiver to the payment of the indebtedness hereby secured, according to the law and the orders and directions of the court.

IN CASE OF DEFAULT in any of said payments of principal or interest, according to the tenor and effect of said Promissory Note or any part thereof, or of a breach or violation of any of the covenants or agreements herein, by the Grantor, then and in that case the whole of said principal sum hereby secured and the interest thereon to the time of the sale may at once, at the option of the legal holder thereof, become due and payable, and the said property be sold in the manner and with the same effect as if said indebtedness had matured, and that if foreclosure be made by the Public Trustee, an attorney's fee and Lenders' Agent fee in reasonable amounts for services in the supervision of said foreclosure proceedings shall be allowed by the Public Trustee as a part of the cost of foreclosure, and if foreclosure be made through the courts a reasonable attorney's fee shall be taxed by the court as a part of the cost of such foreclosure proceedings.

IT IS FURTHER UNDERSTOOD AND AGREED that if a release of this Deed of Trust is required, the Grantor will pay the expense thereof; that all the covenants and agreements herein contained shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the respective parties hereto; and that the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

TWO RIVERS FARMS F-2, LLC

By _____
Wayne Harding, CFO

STATE OF COLORADO)
) SS.
COUNTY OF Denver)

The foregoing document was acknowledged before me this 9th day of November, 2011, by Wayne Harding, CFO of Two Rivers Farms F-2, LLC.

Witness my hand and official seal.

_____
Notary Public
My Comm. Exp. 10/13/2012

MOLLY M. HENESSEE
NOTARY
PUBLIC
STATE OF COLORADO

My Commission Expires 10/13/2012

EXHIBIT A

1. Promissory Note dated July 22, 2011 for the principal sum of $100,000.00, payable to the order of JDC Ventures, LLC (Note Holder), whose address is 5445 South Grape Lane, Greenwood Village, CO 80121 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

2. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Susan Doukas (Note Holder), whose address is 190 Oella Ave., Catonsville, MD 21228 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

3. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Bruce Robinson (Note Holder), whose address is 4331 Lake Forest Ct., Finksburg, MD 21048 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

4. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Francis Chan and Jeffrey Chan (Note Holder), whose address is 2400 Powers Ferry Dr., Marietta, GA 30067 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

5. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Frank Guy (Note Holder), whose address is 3326 Glenway Dr., Kensington, MD 20859 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

6. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Raymond G. Tinney 1995 Intervivos Trust, U/A 6/21/95, Raymond Tinney, trustee (Note Holder), whose address is 444 Monroe Dr., Palo Alto, CA 94306 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

7. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Nazim Lokhandwala (Note Holder), whose address is 6202 Rock Glen Dr., Springfield, VA 22152 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

8. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Charles Curtis and Sandra Curtis (Note Holder), whose address is 902 Windsor Lane, Key West, FL 33040 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

9. Promissory Note dated July 22, 2011 for the principal sum of $1,000,000.00, payable to the order of Eleventh Generation LP (Note Holder), whose address is 234 Broughton Lane, Villanova, PA 19085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of

interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

10. Promissory Note dated July 22, 2011 for the principal sum of $1,000,000.00, payable to the order of Martha H. Morris (Note Holder), whose address is 234 Broughton Lane, Villanova, PA 19085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

11. Promissory Note dated July 22, 2011 for the principal sum of $100,000.00, payable to the order of Hugo Zimmerman (Note Holder), whose address is Ulmenweg 3, Zurich, Swirzerland 8057 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

12. Promissory Note dated July 22, 2011 for the principal sum of $200,000.00, payable to the order of Jack Garson and Mary Garson (Note Holder), whose address is 11223 Riverview Dr., Potomac, MC 20854 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

13. Promissory Note dated July 22, 2011 for the principal sum of $12,500.00, payable to the order of Cheryl Williams (Note Holder), whose address is 812 Philadelphia Rd., Joppa, MD 21085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

14. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Gregory A. Harrison (Note Holder), whose address is 16209 Kimberly Grove, Gaitherburg, MD 20878 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

15. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Stephen D. Brown (Note Holder), whose address is 24 Tower Road, Lincoln MA 01773 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

16. Promissory Note dated July 22, 2011 for the principal sum of $100,000.00, payable to the order of Sondra W. Margolies (Note Holder), whose address is 191 Presidential Blvd. #912, Bala Cynwyd, PA 19004 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

17. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Lloyd Grant (Note Holder), whose address is 128 Belglen Way, Los Gatos, CA 95032 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

18. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Norman L. McClain (Note Holder), whose address is P.O. Box 36, Robertsdale, PA 16674 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest

commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

19. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of William Bohlken and Kathy Lynn Adams (Note Holder), whose address is 248 Primrose Road, Burlingame, CA 94010 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

20. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of F. Richard Stark (Note Holder), whose address is 11008 Spring House Ct., Potomac, MD 20854 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

21. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of John R. Rogers (Note Holder), whose address is 219 Winnona Dr., Decatur, GA 30030 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

22. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of James Walker (Note Holder), whose address is 4280 Ten Oaks Rd., Dayton MD 21036 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

23. Promissory Note dated July 22, 2011 for the principal sum of $12,500.00, payable to the order of James Williams (Note Holder), whose address is 812 Philadelphia Rd. Joppa, MD 21085 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

24. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Donald S. Darendinger Rev. Trust u/a 7/3/2007 (Note Holder), whose address is 27270 Lillegard Ct., Tracy, CA 95304 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

25. Promissory Note dated July 22, 2011 for the principal sum of $25,000.00, payable to the order of Adam Linn (Note Holder), whose address is 980 Adams Rd., Winchester VA 22603-1908 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

26. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Presley Reed and Patricia Reed (Note Holder), whose address is 375 Bellevue Dr., Boulder, CO 80302 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

27. Promissory Note dated July 22, 2011 for the principal sum of $30,000.00, payable to the order of Frank Mills and Shirley Mills (Note Holder), whose address is 548 Palo Alto Ave., Palo Alto CA 94301 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in

full with a final interest payment and principal payment due on or before June 30, 2014.

28. Promissory Note dated July 22, 2011 for the principal sum of $50,000.00, payable to the order of Paul Powell (Note Holder), whose address is 21508 Bethel Rd., Tecumseh, OK 74873 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

29. Promissory Note dated August 5, 2011 for the principal sum of $50,000.00, payable to the order of John J. Blum (Note Holder), whose address is 6 Mink Hollow Ct., Owings Mills, MD 21117 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

30. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of Dominik Barbalace and Belva Barbalace (Note Holder), whose address is 126 Sonata Way, Centreville, MD 21638 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

31. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of John N. Alessandro (Note Holder), whose address is 15 Westgate Rd., Erial NJ 08081 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

32. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of Brenda Forwood (Note Holder), whose address is 1464 Bethel Rd., Garnet Valley, PA 19060 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

33. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of Lawrence Cake and Karen Cake (Note Holder), whose address is 1036 Morgan Run Dr., Finksburg, MD 21048 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

34. Promissory Note dated August 5, 2011 for the principal sum of $25,000.00, payable to the order of John Black (Note Holder), whose address is 25335 Marsh Landing Pkwy, Ponte Vedra, FL 32082 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

35. Promissory Note dated August 5, 2011for the principal sum of $16,000.00, payable to the order of James Streett (Note Holder), whose address is 5611 Williams Rd., Hydes, MD 21082 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

36. Promissory Note dated August 5, 2011 for the principal sum of $12,500.00, payable to the order of Constantine Hagepanos (Note Holder), whose address is 7909 Ardmore Ave., Baltimore, MD 21234 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

37. Promissory Note dated August 5, 2011 for the principal sum of $12,500.00, payable to the order of Charles Scheuerman and Lisa Scheuerman, JTWROS (Note Holder), whose address is 12429 Kings Gate Dr., Kingsville, MD 21087 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

38. Promissory Note dated August 5, 2011 for the principal sum of $19,000.00, payable to the order of Timothy Gillis and Patricia Gillis (Note Holder), whose address is 2 Gungarth Ct., Perry Hull MD 21128 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

39. Promissory Note dated August 5, 2011 for the principal sum of $150,000.00, payable to the order of L.A. Walker III and Linda J. Walker (Note Holder), whose address is 5734 Oso Parkway, Corpus Christi, TX 78414 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

40. Promissory Note dated August 26, 2011 for the principal sum of $50,000.00, payable to the order of Michael Berenhaus (Note Holder), whose address is 10648 Muirfield Dr., Potomac, MD 20854 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

41. Promissory Note dated August 26, 2011 for the principal sum of $150,000.00, payable to the order of Elevation Fund, LLC (Note Holder), whose address is attn: Amy Atkinson, 5825 E. Irish Pl., Centennial, CO 80112 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

42. Promissory Note dated August 26, 2011 for the principal sum of $25,000.00, payable to the order of Margaret Elizabeth Crumbley (Note Holder), whose address is 1090 Wrayswood Rd., Watunsville, GA 30677 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

43. Promissory Note dated August 26, 2011 for the principal sum of $25,000.00, payable to the order of Konrad Kuhn and Linda Kuhn (Note Holder), whose address is 5 Water Road, Rocky Point, NY 11778 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

44. Promissory Note dated August 26, 2011 for the principal sum of $50,000.00, payable to the order of SLMI Holdings, LLC (Note Holder), whose address is 1805 N. Carson St., #383, Carson City, NV 89701 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

45. Promissory Note dated August 26, 2011 for the principal sum of $50,000.00, payable to the order of Stanley Minkin and Larisa Minkin, JTWROS (Note Holder), whose address is 503 Tristan Lane, Baltimore, MD 21208 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February

thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

46. Promissory Note dated August 26, 2011 for the principal sum of $12,500.00, payable to the order of Geoffrey Poremba (Note Holder), whose address is 20338 86th Pl. NE, Bothell, WA 98011 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

47. Promissory Note dated August 26, 2011 for the principal sum of $1,000,000.00, payable to the order of IRA Resources, Inc. fbo I. Wistar Morris, IRA (Note Holder), whose address is 6825 La Jolla Blvd., La Jolla, CA 92037 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

48. Promissory Note dated August 26, 2011 for the principal sum of $25,000.00, payable to the order of Ripsaw Partners, LLC (Note Holder), whose address is Milo Tedstrom, 1777 Larimer St., Unit 1510, Denver, CO 80202 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

49. Promissory Note dated September 21, 2011 for the principal sum of $25,000.00, payable to the order of Joseph R. Stanger (Note Holder), whose address is 206 East Dr., Princeton, WV 24740 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

50. Promissory Note dated September 21, 2011 for the principal sum of $12,500.00, payable to the order of George Rosch (Note Holder), whose address is 1005 Dellwood Dr., Fallston, MD 21047 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

51. Promissory Note dated September 21, 2011 for the principal sum of $15,000.00, payable to the order of David Hawks (Note Holder), whose address is 1694 Sun Berry Ct., Finksburg, MD 21048 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

52. Promissory Note dated September 21, 2011 for the principal sum of $25,000.00, payable to the order of Tom Ellison (Note Holder), whose address is P.O. Box 215, Boulder, CO 80306 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

53. Promissory Note dated September 21, 2011 for the principal sum of $12,500.00, payable to the order of Christopher Gordon, IRA (Note Holder), whose address is 4440 Willard Ave., Apt. 736, Chevy Chase, MD 20815 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

54. Promissory Note dated September 21, 2011 for the principal sum of $25,000.00, payable to the order of Robert Stanger (Note Holder), whose address is 401 Pondview Lane, Davidsonville, MD 21035 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in

full with a final interest payment and principal payment due on or before June 30, 2014.

55. Promissory Note dated September 29, 2011 for the principal sum of $39,500.00, payable to the order of Adalyn G. Frank, IRA (Note Holder), whose address is 6053 Florey Rd., Hanover, MD 21076 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

56. Promissory Note dated September 29, 2011 for the principal sum of $25,000.00, payable to the order of Charles R. Biemiller, IRA (Note Holder), whose address is 1805 Oxford Square, Belair, MD 21015 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

57. Promissory Note dated September 29, 2011 for the principal sum of $25,000.00, payable to the order of Thomas Ziemann, IRA (Note Holder), whose address is 1304 Boggs Rd., Forest Hill, MD 21050 after the date thereof, with interest thereon from the date thereof at the rate of 6% per annum, payable in annual installments of interest commencing February 15, 2012 and due and payable on the 15th day of each February thereafter until paid in full with a final interest payment and principal payment due on or before June 30, 2014.

A) ORLANDO RESERVOIR NO. 2, decreed for a total of 3,110 acre-feet storage, as follows:

I) ORLANDO RESERVOIR NO. 2, for storage of 43,560,000 cubic feet of water (1,000 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication October 3, 1921 (previous adjudication date was October 15, 1901), in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River through and by means of the Orlando Canal No. 3, and Greasewood Arroyo, through and by means of the Greasewood Arroyo Diverting Canal, and as more particularly describes in the aforesaid Decree entered October 31, 1921, in Civil Action No. 1414 (Priority No. 349).

II) ORLANDO RESERVOIR NO. 2, (ENLARGEMENT), for storage of 35,078,750 CUBIC FEET OF WATER (800 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication (conditional) October 3, 1921 in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right made absolute by Decree in Civil Action No. 1414-60, and 1414-62, entered November 1, 1960, and November 8, 1962 (Priority No. 349).

III) ORLANDO RESERVOIR NO. 2, (SECOND ENLARGEMENT), for storage of 1,310 acre-feet of water, for irrigation, date of appropriation October 2, 1906, date of adjudication (conditional) October 3, 1921, in Civil Action 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right partly made absolute November 1, 1960 (320 acre-feet) and April 2, 1962 (990 acre-feet) (Priority No. 367½).

Together with the Orlando Canal No. 3 and the Greasewood Arroyo Diverting Canal, described as follows:

EXHIBIT
B

IV) That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th PM, bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubit feet of water per second of time.

V) That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th PM, bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

B) BUTTE VALLEY DITCH, decreed for a total of 9 cubic-feet per second, as follows:

I) BUTTE VALLEY DITCH for diversion of 1.2 cubic-feet of water per second of time, from The Huerfano River for irrigation, date of appropriation May 15, 1862, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 1).

II) BUTTE VALLEY DITCH (ENLARGEMENT) for diversion of 1.8 cubic-feet of water per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1865, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 9).

III) BUTTE VALLEY DITCH (SECOND ENLARGEMENT), for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼, Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 86).

IV) BUTTE VALLEY DITCH (KILLIAN) for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication February 23, 1898 (Killian Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (previous adjudication date of June 12, 1889) (Priority No. 111).

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

C) ROBERT RICE DITCH, decreed for a total of 3.0 cubic feet per second of time, as follows: From the Huerfano River, for irrigation, date of appropriation March 1, 1867, date of adjudication June 12, 1889 (Reed Decree), original decreed point of diversion in NW1/4 Section 22, T. 26 S., R. 66 W., 6th P.M., point of diversion transferred to SW1/4 Section 10, T. 26 S., R. 66 W, 6th P.M.., approximately 1700 feet from the west line and 550 feet from the south line of said Section 10, in Case No. 91CW39, Water Div. 2 on May 19, 1992, Huerfano County, Colorado (Priority 19)

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 35' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 665.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:

1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 53' 29" W, a distance of 359.64 feet;
3) N 20° 11' 06" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 25' 11" W, a distance of 70.12 feet;
25) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.60 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 39' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 138.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 56' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

392703
Page 1 of 1
Judy Benine, Clerk & Recorder
Huerfano County, CO RP $0.00
11-28-2011 11:09 AM Recording Fee $11.00

STATEMENT OF AUTHORITY

1. This Statement of Authority relates to an entity named Two Rivers Farms F-2, LLC.

2. The type of entity is a Limited Liability Company.

3. The entity is formed under the laws of the State of Colorado.

4. The mailing address is for the entity is 2000 S. Colorado Blvd., Annex Ste. 200, Denver, CO 80222.

5. The name of each person authorized to execute instruments conveying, encumbering or otherwise affecting title to real property on behalf of the entity is: Wayne Harding.

6. The authority of the foregoing persons to bind the entity is not limited/is limited as follows: Not limited.

Wayne Harding, CFO

STATE OF COLORADO)
)ss.
COUNTY OF Denver)

On Nov. 9th 2011, before me, a notary public in and for said state personally appeared Wayne Harding, personally known to me (or provided to me based upon satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged that he/she/they executed the same in his/her/their signature on the instrument the person(s) or entity on behalf of which they acted, executed the instrument.

Witness my hand and official seal.

Notary Public
My Comm. Exp. 10/13/2012

MOLLY M. HENESSEE NOTARY PUBLIC STATE OF COLORADO

My Commission Expires 10/13/2012

390204
Page 1 of 1
Judy Benine, Clerk & Recorder
Huerfano County, CO RP: $0.00
02-03-2011 09:57 AM Recording Fee $11.00

STATEMENT OF AUTHORITY

Pursuant to Colorado Revised Statutes, Wayne Harding, the undersigned Chief Financial Officer and Corporate Secretary of Two Rivers Water Company, a Colorado corporation, which is the sole member of Two Rivers Water, LLC, which is the sole Member of TRW Orlando Water Assets, LLC, hereby states his authority to execute those documents necessary to effectuate the purchase of certain real property and water rights from Seller, Orlando Reservoir No. 2 Company, LLC. Said documents include, but are not limited to the following: a promissory note, deed of trust, service agreement, covenant-not-to-compete, and incidental closing documents. The transaction is memorialized by that Purchase Agreement dated September 22, 2010 and the amendments thereto. Two Rivers Water, LLC and TRW Orlando Water Assets, LLC are legally formed limited liability companies under the laws of the State of Colorado. The mailing address for TRW Orlando Water Assets, LLC is: 2000 S. Colorado Blvd. Annex Ste. 200, Denver, CO 80222.

Wayne Harding, CFO and Corporate Secretary of Two Rivers Water Company, sole Member of Two Rivers Water, LLC, sole Member of TRW Orlando Water Assets, LLC

STATE OF COLORADO)
) ss.
County of Denver)

Subscribed and sworn to before me this 27th day of January, 2011, by Wayne Harding, CFO and Corporate Secretary of Two Rivers Water Company.

Witness my hand and official seal.
My commission expires: 10/13/2012

Notary Public

MOLLY M. HENESSEE
NOTARY
PUBLIC
STATE OF COLORADO

My Commission Expires 10/13/2012

Valuation Analysis of Assets Held by Orlando Reservoir No. 2 Company, LLC

Prepared for

Two Rivers Water Company
2000 S. Colorado Blvd, Suite 420
Denver, CO 80222

By

WestWater Research
2415 E. Camelback Rd, Suite 700
Phoenix, AZ 85016

January 16, 2012

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Executive Summary and Conclusions

Subject Assets

In 2011, Two Rivers Water Company (OTC QB: TURV) acquired 100% interest in Orlando Reservoir No. 2 Company, LLC. Assets held by Orlando Reservoir No. 2 Company, LLC include the Orlando Reservoir No. 2 and its associated water rights, the Butte Valley Ditch and associated water rights, the Robert Rice Ditch and associated water rights, as well as approximately 1,650 acres of previously irrigated and undeveloped grazing land that Two Rivers Water Company intends to develop for organic alfalfa cultivation. These water rights and land are located in Huerfano County, Colorado, and represent the subject of this valuation analysis.

Two Rivers Water Company intends to rehabilitate the Orlando Reservoir No. 2, and bring the land into crop production in support of the company's business plan of profitably managing agricultural land and providing water supplies for future urban uses. This valuation is intended to assist in satisfying Two Rivers Water Company's financial reporting requirements, and to support a Colorado Water Conservation Board loan application. This loan would finance rehabilitation of the Orlando Reservoir No. 2 and the Orlando Canal No. 3 head gate.

Owners of Record

The owner of record of the water rights and land is the Orlando Reservoir No. 2 Company, LLC. The Orlando Reservoir No. 2 Company, LLC is wholly owned by Two Rivers Water Company.

Location

The water rights and land are located in Huerfano County on the Huerfano River generally within Township 26 South, Range 66 West. Maps of the general vicinity and water right places of use are provided in Appendix A.

Inspection of Property

The subject property was inspected by Harry Seely and Matt Payne of WestWater Research on November 14, 2011

Date of Valuation

The market research and analysis continued to January 16, 2012, which is the effective date of the valuation.

Highest and Best Use

The current lack of market demand in alternative uses for the subject assets, in combination with uncertainty regarding the water assets' legal transferability, led to the conclusion that the highest and best use of the subject assets is agricultural. Thus, the market value of the assets is estimated in an agricultural use.

Estimated Value

Based on the information developed in this report, the estimated market value of the Orlando Reservoir No. 2 Company, LLC assets is $5.195 million. The estimated market value of the Orlando Reservoir No. 2, separate from the other assets, is $2.554 million. It is likely that the market value of these assets has not changed significantly since August 2011.

Background and Purpose

Two Rivers Water Company (Two Rivers), a publicly traded farming and water development company, acquired the Orlando Reservoir No. 2 Company, LLC in 2011. Water assets held by Orlando Reservoir No. 2 Company, LLC are located in Huerfano County, Colorado, and include the following:

1. The Orlando Reservoir No. 2 site and associated ditches with decreed water rights for 3,110 acre-feet of storage water.

2. The Butte Valley Ditch with decreed rights totaling 9 cubic-feet per second from the Huerfano River.

3. The Robert Rice Ditch with decreed rights totaling 3 cubic feet per second from the Huerfano River.

In addition, Orlando Reservoir No. 2 Company, LLC owns approximately 1,650 acres of previously irrigated and undeveloped grazing land located within the water rights' decreed place of use. Two Rivers plans to develop the land to organic alfalfa production. Much of the water for alfalfa farming will be provided through diversions to and releases from Orlando Reservoir No. 2, for which Two Rivers is seeking a loan from the Colorado Water Conservation Board (CWCB) to support dam rehabilitation.

A national organic dairy has entered a multi-year agreement to purchase the alfalfa produced by Two Rivers. In addition, Two Rivers has negotiated a water service agreement under which Two Rivers will use the Orlando Reservoir No. 2 Company, LLC water assets to supply raw water to a future residential development in the immediate area.

The purpose of this report is to provide an estimate of value for the assets held by Orlando Reservoir No. 2 Company, LLC. The assignment requires valuation of all Orlando Reservoir No. 2 Company, LLC assets as well as a separate valuation of Orlando Reservoir No. 2. The intended use of the report is for financial reporting and financing activities. The report is organized as follows:

Asset Assessment: This section describes and evaluates the assets of the Orlando Reservoir No. 2 Company, LLC individually and in combination as part of the company's business plan to initiate production of organic alfalfa, and supply water to urban uses.

Market Assessment: This section describes supply and demand conditions in the regional markets for hay, agricultural land, and water rights. Prices and trading activity are summarized. The market assessment is used to narrow the likely market opportunities for the subject assets and evaluate the assets' highest and best use, informing the valuation process.

Data Analysis and Valuation Conclusion: This section identifies the available methods for valuing the subject assets, and selects the preferred approach(es) based upon the market conditions and opportunities relevant to end users within the market region.

Summary and Conclusions: Key findings of the analysis are summarized and reconciled to identify the relevant value for the Orlando Reservoir No. 2 Company, LLC assets.

Asset Assessment

The land and water assets held by Orlando Reservoir No. 2 Company, LLC are located in Huerfano County, Colorado, on the southern Front Range. The assets lie near Interstate 25 and along the Huerfano River, which is tributary to the Arkansas River. The Arkansas River and its tributaries represent an important water source for southeast Colorado's largest urban centers such as Colorado Springs and Pueblo. In addition, the Arkansas River supports significant irrigated agriculture and industry. The immediate vicinity of the subject assets is sparsely populated, with the City of Walsenburg (population 4,100) located 15 miles to the south, and the City of Pueblo (population 106,500) located 41 miles to the north. There is some agricultural land in the area, consisting primarily of alfalfa farms and pasture. Appendix A provides maps of the subject assets and the surrounding area.

Background and Business Plan

Two Rivers is a publicly traded company focused on acquiring and developing water and irrigated farming assets in Colorado. Two Rivers' general business model is to utilize its farmland and water assets to produce irrigated crops. The company's longer-term strategy is to utilize its water assets to support both irrigation and regional urban water needs.

While Two Rivers holds significant farmland and water rights in the Huerfano and Cucharas river basins, this valuation pertains exclusively to the assets held in the Orlando Reservoir No. 2 Company, LLC. The Orlando Reservoir No. 2, LLC is wholly owned by Two Rivers. Assets held in the Orlando Reservoir No. 2 Company, LLC include water rights, water infrastructure, and 1,650 acres of undeveloped grazing land. In addition, Two Rivers has entered several contractual agreements with the former owner of the Orlando Reservoir No. 2 Company, LLC (the Case family) that influence the assets' value. These contractual arrangements with the Case family include a water service agreement, and recreational easement.

The Orlando Reservoir No. 2 Company, LLC water rights and infrastructure were purchased in January 2011, and include the Orlando Reservoir No. 2 and associated ditches, the Butte Valley Ditch, and Robert Rice Ditch. Two Rivers originally intended to use these water rights for irrigation on land located low in the Huerfano River Basin, and applied to the Division of Water Resources for the necessary substitute water supply plan. However, this substitute water supply plan was rejected on the basis that the proposed water use would occur outside the water rights' historic place of use. As a result of this decision, Two Rivers elected to purchase land within the water rights' historic place of use to enable immediate utilization of the water assets. In 2011, Two Rivers purchased 1,650 acres of land through two separate closings. Approximately 250 acres of this land are located on the east side of the Huerfano River in the Butte Valley Ditch's historic place of use, and 1,400 acres are located on the west side of the Huerfano River within the historic place of use of the Orlando Reservoir No. 2 water rights. Two Rivers currently does not own land within the historic place of use of the Robert Rice Ditch water rights.

Currently, much of the land held by Orlando Reservoir No. 2 Company, LLC is vacant and unused with the exception of cattle grazing. It appears that the 1,400 acres to the west of the

Huerfano River has never been tilled or planted for crop production. Two Rivers intends to develop the land for organic alfalfa production, which entails leveling the land and installation of a gated pipe irrigation system. Two Rivers is working to improve the ditch and reservoir infrastructure to provide irrigation water supplies to the farmland. An organic dairy operation has agreed to purchase the alfalfa produced by Two Rivers through a multi-year contract.

In addition to the production of organic alfalfa, development of farmland and annual use of the water assets for irrigation is intended to enhance the water rights' market value by bolstering historic consumptive use. Under Colorado water law, only the volume of water historically consumed may be transferred to new uses. The Orlando Reservoir No.2 Company, LLC water rights have remained partially or fully unused for many of the past 100 years, and therefore offer limited historic consumptive use. After the water rights' historic consumptive use is increased through farming, opportunities for transfer to alternative uses will be improved.

One potential future opportunity for the Orlando Reservoir No. 2 Company, LLC assets is a sale in support of a future master-planned community in the area. The Case family (the prior owners of Orlando Reservoir No. 2, LLC) is planning a residential development project that will encompass the land held by the Orlando Reservoir No. 2 Company, LLC. The Orlando Reservoir No. 2 Company, LLC water assets are the proposed water source for this development. The Case family holds an option to purchase the land back from Orlando Reservoir No. 2 Company, LLC for $2,000/acre after ten years.[1] In addition, via a water service agreement, the Case family has reserved the right to purchase from Two Rivers approximately 1,515 AF CU of water permanently supplied to residential taps for a water resource charge equivalent to $21,450/AF CU.[2] Two Rivers would be responsible for changing the water rights' use in Water Court. If the Case Family has not exercised this right to purchase water within ten years, Two Rivers can terminate the water service agreement and pursue other water asset monetization opportunities.

In summary, the Orlando Reservoir No. 2 Company assets were acquired in support of a business plan that involves the following:

1. Development and improvement of previously irrigated and undeveloped land and water infrastructure to support organic alfalfa production.

2. Sale of organic alfalfa to an organic dairy operation through a multi-year agreement.

3. Enhancement of the historic consumptive use associated with senior water rights on the Huerfano River through multiple years of sustained water use in crop irrigation.

4. Eventual sale of land and water rights to a master-planned land development, or other urban use.

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[1] Master Agreement between Orlando Reservoir No. 2 Company LLC, Family Ranch Holdings LLC, and Two Rivers Water Company. May 9, 2011.

[2] Service Agreement between Orlando Reservoir No. 2 Company LLC, Marksheffel-Woodmen Investments LLC, and Two Rivers Water Company. January 28, 2011.

Land Assets

Location and Accessibility

The Orlando Reservoir No. 2 Company, LLC holds nearly 1,650 acres of land in Huerfano County. The land is located approximately 15 miles north of Walsenburg, the Huerfano County Seat. It is accessible from Denver, the State Capital, by taking Interstate 25 south approximately 150 miles to County Road 104, and then travelling east 1 mile.

Ownership

Two Rivers Water Company purchased the land in 2011 via two separate closings from the Case family for a total price of $3.45 million, paid in $1.5 million of cash and 650,000 shares of common stock in Two Rivers (OTC QB: TURV). In the first closing, Two Rivers acquired 250 acres located on the east bank of the Huerfano River. In the second closing which was restructured and involved the purchase of the entire LLC, Two Rivers obtained 1,400 acres on the west side of the Huerfano River. Two Rivers holds the land in its wholly-owned Orlando Reservoir No. 2 Company, LLC. The Case family had previously acquired more than 7,000 acres in the area in support of a proposed residential development. The Case family holds a contractual right to buy the land back in the future in support of the residential development project for $2,000/acre.[3]

At the time of purchase, a grazing lease was in place on the land. Pursuant to this lease, livestock can graze up to the water's edge and drink from Orlando No. 2 Reservoir. Two Rivers has agreed to allow continued grazing on the land, but is entitled to terminate the grazing lease by providing 12 months written notice.

Physical Features

The 1,650 acres consist of multiple parcels on the west side of the Huerfano River, and a single parcel on river's east bank. Approximately 1,400 acres are on the west side of the Huerfano River, between the river and Interstate 25. Among the parcels on the west side of the river, the highest elevation is approximately 6,000 feet near I-25, with a gradual downward slope to the Huerfano River. Some pumping will be required to deliver water from the Orlando Reservoir No. 2 (elevation 5,920') to portions of the land that lie at a higher elevation.

The remaining land, 250 acres, is located on the east side of the Huerfano River. This parcel is bounded on the west by the Huerfano River and on the east by the Butte Valley Ditch. This land can be characterized as river bottom and is relatively level. Irrigation of the land on the east side of the river by the Butte Valley Ditch is gravity-supplied.

Soil type holds important implications for the land's suitability for farming. Soils are classified and rated by the U.S.D.A Soil Conservation Service. Table 1 lists the primary soils on the

[3] Master Agreement between Orlando Reservoir No. 2 Company, LLC and Family Ranch Holdings, LLC (seller), and Two Rivers Water Company (buyer). Executed May 9, 2011.

subject land assets. The majority of this land is considered prime farmland if irrigated.[4] Two Rivers intends to re-grade and make other improvements to the land where necessary, which will further enhance the land's suitability for farming.

Table 1: Soil Summary for Orlando Reservoir No. 2 Company, LLC Land Assets

Parcel	Soil Type	Percent of Total	Acres
Closing 1 (East of Huerfano River)	Haverson clay loam	6.3%	103.2
	Limon silty clay loam, 0-2% slopes	4.1%	67.0
	Manvel silty clay loam saline, 1-5% slopes	1.1%	18.5
	Razor silty clay, 2-20% slopes	1.4%	23.3
	Ellicott – Las Animas complex, 0-2% slopes, occasionally flooded	2.3%	38.3
Closing 2 (West of Huerfano River)	Baca loam, 1-3% slopes	51.5%	850.0
	Fort Collins loam, 3-9% slopes	5.9%	97.3
	Kim fine sandy loam, 3-9% slopes	2.1%	35.0
	Manzanola clay loam, 0-2% slopes	10.7%	176.2
	Manzanola clay loam, 2-5% slopes	8.2%	135.2
	Midway clay, 3-20% slopes	0.1%	1.6
	Schamber-Midway complex, 3-25% slopes	0.1%	1.2
	Wiley loam, 1-3% slopes	6.3%	103.1
Total			**1,649.9**

[4] Soil Survey Staff, Natural Resources Conservation Service, United States Department of Agriculture. Soil Survey Geographic (SSURGO) Database for [Huerfano County, CO]. Available online at http://soildatamart.nrcs.usda.gov. Accessed [12/20/2011].

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Current Use

Currently, the land is used for cattle grazing pursuant to a grazing lease between Tom Sikes and the previous land owner. The land appears to have never been tilled or planted for crop production. Two Rivers is re-grading and improving the land to facilitate cultivation of organic alfalfa. Planned improvements include installation of gated pipe irrigation systems. The acreage will be brought into production in a sequential phased approach as portions of the land are improved and irrigation system construction is completed.

The fact that the land has never been planted or tilled simplifies the organic certification process. According to the land requirements of the National Organic Program, any field from which harvested crops are intended to be sold, labeled, or represented as "organic," must have had no prohibited substances applied to it for a period of 3 years immediately preceding harvest of the crop.[5] Because no non-organic pesticides or other substances have been applied to the land, organic hay production can begin immediately.

The area immediately surrounding the subject land assets is primarily vacant with limited use for cattle grazing. Some more distant parcels adjacent to the Huerfano River are planted to alfalfa. Limited surrounding crop production further simplifies organic production by helping to ensure that non-organic substances are not inadvertently applied to the subject land.

Improvements

There are currently no improvements on the land with the exception of ditch and reservoir infrastructure. These water improvements are described in subsequent sections.

[5] 7 C.F.R. § 205.202 (2011)

Water Assets

The Orlando Reservoir No. 2 Company, LLC holds a variety of water assets including ditch infrastructure, water storage facilities, and water rights. Table 2 summarizes these assets.

Table 2: Summary of Orlando Reservoir No. 2 Company, LLC Water Assets

Structure Name	Water Right Name	Source(s)	Decreed Volume	Use	Appropriation Date	Priority	Type
Orlando Reservoir No. 2; Orlando Canal No. 3; Greasewood Arroyo Diverting Canal	Orlando Reservoir No. 2	Huerfano River; Greasewood Arroyo	1,000 AF	Irrigation	12/14/1905	349	Storage
	Orlando Reservoir No. 2 (Enlargement)	Huerfano River; Greasewood Arroyo	800 AF	Irrigation	12/14/1905	349	Storage
	Orlando Reservoir No. 2 (Second Enlargement)	Huerfano River; Greasewood Arroyo	1,310 AF	Irrigation	10/2/1906	367.5	Storage
Butte Valley Ditch	Butte Valley Ditch	Huerfano River	1.2 cfs	Irrigation	5/12/1862	1	Direct Flow
	Butte Valley Ditch (Enlargement)	Huerfano River	1.8 cfs	Irrigation	5/15/1865	9	Direct Flow
	Butte Valley Ditch (Second Enlargement)	Huerfano River	3 cfs	Irrigation	5/15/1886	86	Direct Flow
	Butte Valley Ditch (Killian)	Huerfano River	3 cfs	Irrigation	5/15/1886	111	Direct Flow
Robert Rice Ditch	Robert Rich Ditch	Huerfano River	3 cfs	Irrigation	3/1/1867	19	Direct Flow

When Two Rivers originally contracted to acquire the property in January 2011, the company intended to apply the water rights to farmland outside the rights' historic places of use through a substitute water supply plan. However, the state Division of Water Resources denied Two Rivers' application for this substitute water supply plan. As a result, Two Rivers elected to purchase land within the water rights' place of use in order to begin using the water for irrigation. After acquiring the land from the Case family, the water rights and land were transferred into the Orlando Reservoir No. 2 Company, LLC where they are currently held. Water use for alfalfa irrigation began in late 2011, and will increase as farming expands.

Orlando Reservoir No. 2 System

The Orlando Reservoir No. 2 is an off-channel surface storage structure created by an earth dam. The State Engineer's Office Dam ID is 160118. The Orlando Reservoir No. 2 is filled through the Orlando Canal No. 3 diverting from the Huerfano River, and the Greasewood Arroyo Diverting Canal, which takes water from the Greasewood Arroyo.

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Infrastructure Rehabilitation

The Orlando Reservoir No. 2 is currently under a fill restriction until the dam outlet works is rehabilitated. The outlet pipe is a 100-year old corrugated metal pipe, and has collapsed in several locations. In 2011, the dam was intentionally breached at the outlet works location to facilitate construction of new outlet works. The total construction and engineering costs associated with rehabilitating the outlet works and repairing the dam breach are estimated to be $495,200.[6] Following rehabilitation, the physical capacity of Orlando Reservoir No. 2 will be approximately 2,400 AF. While there are 3,110 AF of decreed storage rights (absolute) associated with the reservoir, the dam will have to be raised in order for storage of 3,110 AF to be physically possible.[7]

In addition to repairing the Orlando Reservoir No. 2 outlet works and dam breach, Two Rivers intends to rehabilitate the Orlando Canal No. 3 head gate. The Orlando Canal No. 3 has historically operated using a man-made temporary sand dam to divert decreed flows from the Huerfano River, and transport the water to the Orlando Reservoir No. 2. This diversion method has consistently led to costly maintenance and repairs because high flows are capable of breaching the dam. To avoid future sand dam repair costs, Two Rivers intends to construct a capped sheet pile diversion dam. The total engineering and construction costs of associated with this diversion dam are estimated to be $173,400.[8]

Reliability and Quantification

Supply reliability represents an important determinant of value for water rights. Water rights yielding consistent annual volumes generally attract higher prices than uncertain or intermittent rights. As a result, it is important to assess the reliability of the subject water rights.

There are 3,110 acre-feet per year (AF/yr) of absolute decreed storage water rights associated with the Orlando Reservoir No. 2, priorities 349, 349, and 367.5. These storage water rights divert during the winter storage season, which runs from November 15 through March 15 each year. Relative to other storage rights in the basin, these are fairly senior, meaning that Orlando Reservoir No. 2 is in priority and can be filled nearly every winter. However, in very dry years, the Orlando Reservoir No. 2 water rights may be called out of priority by the senior downstream Welton Ditch rights. If the Welton Ditch places a call on the Huerfano River during the winter storage season, the Orlando Reservoir No. 2 may not receive water. This call occurred most recently during the exceptionally dry winter of 2010-2011.[9]

To enhance the reliability of the Orlando Reservoir No. 2 water rights in dry years, Two Rivers negotiated a no-call agreement with the Welton Ditch. This agreement stipulates that the

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[6] Applegate, C.M. Untitled Feasibility Study. Prepared for Two Rivers Water Company in support of Colorado Water Conservation Board loan application.

[7] Personal Correspondence with Gary Barber, Chief Operating Officer, Two Rivers Water Company. December 2011.

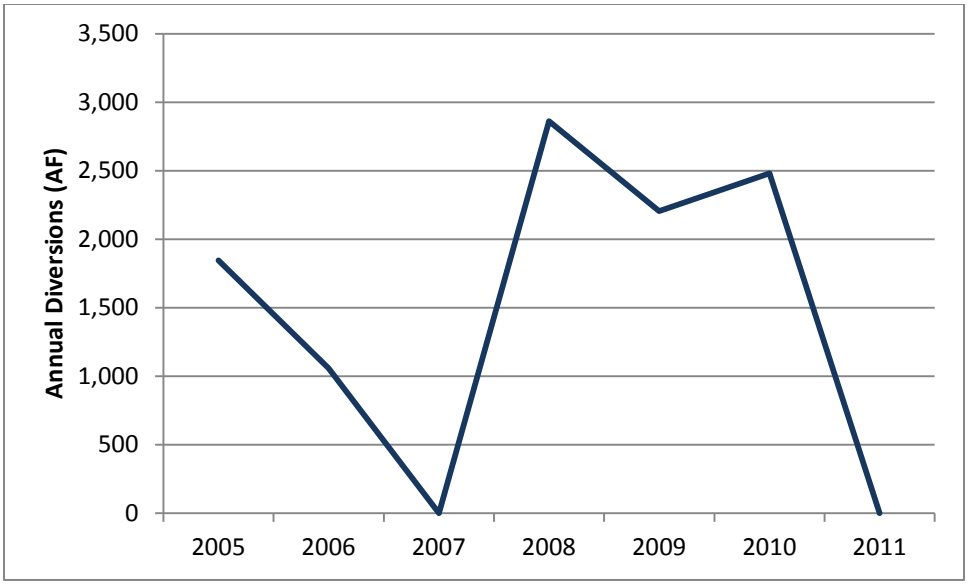
[8] Applegate, C.M. Untitled Feasibility Study. Prepared for Two Rivers Water Company in support of Colorado Water Conservation Board loan application.

[9] Colorado Division of Water Resources. "Call Chronology." Available from http://cdss.state.co.us. Accessed December 20, 2011.

Welton Ditch must not place a call on the Huerfano River during the winter storage season. In exchange, Two Rivers pays $50,000/year to the Welton Ditch, and releases 25% of the water stored in Orlando Reservoir No. 2 for use by the Welton Ditch. These Orlando Reservoir No. 2 releases are timed according to requests by the Welton Ditch. As a result of this no-call agreement, the Orlando Reservoir No. 2 storage water rights are considered fully reliable.

Figure 1 shows historic diversions to Orlando Reservoir No. 2 storage. As shown, historic diversions have fluctuated significantly. In many of the past 50 years, the Orlando Reservoir system has remained unused. Thus, fluctuations in diversions result primarily from limited demand rather than from the water rights' reliability or seniority. Over the 2005-2011 time period, diversions to storage ranged from 0 to 2,861 AF/yr, and averaged 1,493 AF/yr. Following rehabilitation of the outlet works and head gate, the estimated capacity and firm yield of the Orlando Reservoir No. 2 will be 2,400 AF/yr.[10] Pursuant to the no-call agreement with the Welton Ditch, 25% of this firm yield must be delivered to the Welton Ditch. Thus, approximately 1,800 AF/yr are available from the Orlando Reservoir No. 2 for irrigation on the Orlando Reservoir No. 2 Company, LLC land.

Figure 1: Annual Diversions at Orlando Canal No. 3 Head Gate, 2005-2011



Source: Colorado Decision Support Systems. Available from http://cdss.state.co.us
Limited diversion data are available prior to 2005

Two Rivers has indicated that it intends to apply approximately 3.75 AF of water per acre to support organic alfalfa production. Consumptive use data available from Colorado State

[10] To enable storage of the 3,110 AF decreed to the Orlando Reservoir, additional dam construction is required. This quantification is based on personal correspondence with Gary Barber, Two Rivers Chief Operating Officer, and on engineering analyses commissioned by Two Rivers.

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University indicate that this water application volume is reasonable, assuming irrigation system efficiency of 60-85%.[11] As described above, the estimated firm yield of the Orlando Reservoir No. 2 system is 2,400 AF/yr. After releasing 25% of this firm yield to the Welton Ditch pursuant to the no-call agreement, the quantity of water available for Two Rivers' irrigation use from the Orlando Reservoir No.2 system is approximately 1,800 AF/yr. This water quantity is sufficient for full irrigation of 480 acres of alfalfa assuming application of 3.75 AF per acre, less than the total of 1,400 acres that Orlando Reservoir No. 2 is intended to serve. The irrigation water deficit will be addressed via water leases from the Pueblo Board of Water Works (PBWW). PBWW will release the water from upstream storage, and the water will be made available at the Orlando Canal No. 3 head gate through exchange. Two Rivers has applied for Water Court approval of this exchange plan.

In 2011, Two Rivers contracted to lease 500 AF of water from PBWW for a term of 5 years. The price associated with this multi-year contract is $196.54/AF/yr. Any remaining water that Two Rivers needs to lease to provide sufficient irrigation water to the Orlando Reservoir No. 2 Company, LLC land is expected to be available from PBWW through single-year leases secured annually through a competitive bid process.

Transferability

Currently, the Orlando Reservoir No. 2 water rights may only be used within the water rights' historic place of use. This was confirmed in the Division of Water Resources' recent rejection of Two Rivers' application for a substitute water supply plan that involved using the water rights on irrigated land lower in the Huerfano River Basin. Thus, the only viable current beneficial use for the water rights is for irrigation on the parcels of land held by Orlando Reservoir No. 2 Company, LLC and located on the west side of the Huerfano River.[12]

Two Rivers' could file in Division 2 Water Court to transfer the Orlando Reservoir No. 2 water rights to a new purpose or place of use. However, such a transfer would likely require dry-up of historically irrigated land, and would be limited in quantity to the volume of water historically consumed.[13] Because historic use of the water rights has been limited and intermittent, and the historic place of use where dry-up would occur is unclear, the amount of water that could be transferred to a new use is highly uncertain. Estimating the historic consumptive use and transferable volume associated with the water rights is beyond the scope of this analysis.

While the transferability of the Orlando Reservoir No. 2 water rights is unclear, a transfer of the storage infrastructure is possible. There are water users along the Huerfano and Arkansas Rivers that could benefit from acquiring capacity in Orlando Reservoir No. 2. These market opportunities are discussed more fully in the Market Assessment section of this report.

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[11] CoAgMet Crop Water Use (ET) Access. Colorado State University and USDA. Available from http://climate.colostate.edu/~coagmet/

[12] Personal Correspondence with Bill Tyner, Assistant Division 2 Engineer, Colorado Division of Water Resources, and John Van Oort, District 14 & 15 Water Commissioner, Colorado Division of Water Resources. December 22, 2011.

[13] Dry-up of historically irrigated land is often required by Colorado water courts in support of changes to a water right's purpose and place of use. Dry-up helps to ensure that expansion of the water rights does not occur, and that third-party water rights are not adversely impacted. Colorado water law's "no injury" provisions protect senior and junior water rights from any negative impacts resulting from water right transfers.

Beneficial Use History and Validity

In Colorado, water rights can be terminated or abandoned wholly or partially as a result of the owner's intent to permanently discontinue water use.[14] While the owner must demonstrate intent to abandon a water right, ten years of nonuse can create a presumption of the intent to abandon. Presumptions of abandonment can be waived by the division engineer if special circumstances show no intent to abandon.

The Orlando Reservoir No. 2 water rights have been used intermittently over the past 50 years. While the water rights have a limited use history, the associated infrastructure has been reasonably well maintained indicating no intent to abandon. In addition, the water rights are not listed on the Revised Division 2 Abandonment List issued by the Division of Water Resources on December 31, 2011.[15] Thus, the Orlando Reservoir No. 2 water rights are considered valid.

Flexibility

A primary benefit of storage water rights and reservoir capacity is flexibility in timing of use. Timing of releases from Orlando Reservoir No. 2 can be made as necessary for crop irrigation, or to support alternative uses such as those required under the Welton Ditch no-call agreement or other uses subject to state administrative approval. This flexibility is in contrast to direct flow water rights. Use of direct flow rights is limited to the time at which water is physically available and the water rights are in priority. Direct flow water cannot be stored for later use.

Water Quality

Discussions with the Two Rivers farm manager[16] indicate that the quality of the water yielded by the Orlando Reservoir No. 2 water rights is not a limiting factor in alfalfa production. In addition, water quality is not expected to limit the water rights' marketability to alternative uses.

Butte Valley Ditch

The Butte Valley Ditch is a historic irrigation ditch diverting from the Huerfano River below the Orlando Canal No. 3. The ditch was originally decreed to provide water to approximately 600 irrigated acres on the east bank of the Huerfano River.[17]

Reliability and Quantification

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[14] C.R.S. 37-92-103(2)

[15] The state issues abandonment lists every ten years for each water division. These lists contain water rights that the Division Engineer has determined to have been abandoned in whole or in part.

[16] Personal Correspondence with Jerred Hoffman, Senior Farm Manager, Two Rivers Water Company. November 14, 2011.

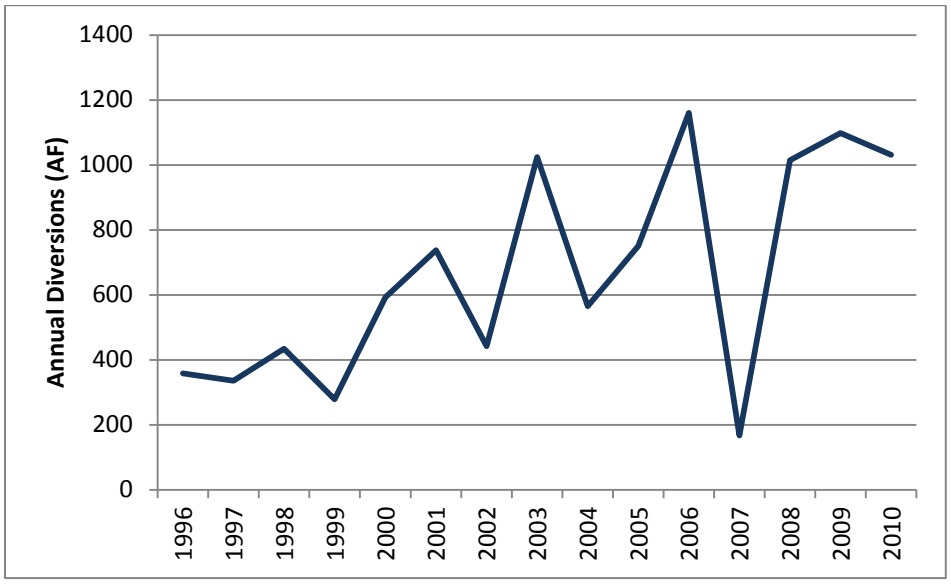
[17] Bishop-Brogden Associates, Inc. "SWSP Request Pursuant to 37-92-308(5) for Two Rivers Water Company in Water Division No. 2." February 28, 2011.

The Butte Valley Ditch holds priorities 1, 9, 86, and 111 on the Huerfano River. The 1, 9 and 86 water rights were adjudicated in the Reed Decree, and therefore are not subject to administrative calls from the Arkansas River.[18] The 1 and 9 water rights collectively yield 3 cfs, and are considered very senior and fully reliable. It is anticipated that these water rights will be able to divert for the entire irrigation season each year as long as water is physically available in the river. These water rights are expected to provide sufficient supplies to irrigate the 250 acres on the east side of the Huerfano River held by the Orlando Reservoir No. 2 Company, LLC. When the entire parcel is planted to alfalfa, Two Rivers intends to apply a total of 937.5 AF to this parcel, equivalent to 3.75 AF per acre. Less water may be needed during years when corn is being used as a rotation crop. Water provided by the Butte Valley Ditch can be directly delivered to this 250-acre parcel through gravity flow, and the parcel appears to be within the water rights' historic place of use.

The Priority No. 86 and 111 water rights associated with the Butte Valley Ditch are junior, and are likely to receive water supplies during periods of high flows only. During drought years, these water rights may be out of priority for the entire irrigation season.

Diversion records for the Butte Valley Ditch from 1915 to 2010 indicate that average head gate diversions were 574 AF/yr. Annual diversions ranged widely from 0 to 1,934 AF/yr.[19] This fluctuation is attributable to changes in water demands annually rather than to the water rights' reliability. Figure 2 displays annual diversions in more recent years. As shown, more than 1,000 AF/yr were diverted in the three most recent years of record (2008-2010).

Figure 2: Annual Butte Valley Ditch Diversions, 1996-2010



Source: Colorado Decision Support Systems. Available from http://cdss.state.co.us

[18] Bishop-Brogden Associates, Inc. "SWSP Request Pursuant to 37-92-308(5) for Two Rivers Water Company in Water Division No. 2." February 28, 2011.

[19] Bishop-Brogden Associates, Inc. "SWSP Request Pursuant to 37-92-308(5) for Two Rivers Water Company in Water Division No. 2." February 28, 2011.

Transferability

Currently, the Butte Valley Ditch water rights may only be used within the water rights' historic place of use. This was confirmed in the Division of Water Resources' recent rejection of Two Rivers' application for a substitute water supply plan that involved using the water rights on irrigated land lower in the Huerfano River Basin. Thus, the only viable current beneficial use for the water rights is for irrigation on the 250-acre parcel of land held by Orlando Reservoir No. 2 Company, LLC and located on the east side of the Huerfano River.[20]

Two Rivers' could file in Division 2 Water Court to transfer the Butte Valley Ditch water rights to a new purpose or place of use. However, such a transfer would likely require dry-up of historically irrigated land, and would be limited in quantity to the volume of water historically consumed. The amount of water that could be transferred to a new use is highly uncertain, and would require detailed engineering analysis of historic consumptive use. Estimating the historic consumptive use volume associated with the water rights is beyond the scope of this analysis.

Beneficial Use History and Validity

Division of Water Resources diversion data indicate only two years of nonuse under the Butte Valley Ditch between 1915 and 2010. The consistent history of diversion and beneficial use under the Butte Valley Ditch indicates that the water rights have not been abandoned. Further, the ditch and head gate infrastructure have been relatively well maintained, indicating no intent to abandon. The Butte Valley Ditch water rights are not listed on the Revised Division 2 Abandonment List issued on December 31, 2011.

Flexibility

The Butte Valley Ditch water rights are direct flow rights and thus are not as flexible in timing of use as the Orlando Reservoir No. 2 rights. However, as a result of the water rights' high reliability, it is expected that water will be available under the rights for irrigation use as needed.

Water Quality

Discussions with the Two Rivers farm manager[21] indicate that the quality of the water yielded by the Butte Valley Ditch water rights is not a limiting factor in alfalfa production. In addition, water quality is not expected to limit the water rights' marketability to alternative uses.

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[20] Personal Correspondence with Bill Tyner, Assistant Division 2 Engineer, Colorado Division of Water Resources, and John Van Oort, District 14 & 15 Water Commissioner, Colorado Division of Water Resources. December 22, 2011.

[21] Personal Correspondence with Jerred Hoffman, Senior Farm Manager, Two Rivers Water Company. November 14, 2011.

Robert Rice Ditch

The Robert Rice Ditch is a historic irrigation water right diverting from the Huerfano River slightly downstream from the Butte Valley Ditch. The water right was originally decreed for irrigation of 150 acres, but the location of these 150 acres was not specified.[22]

Reliability and Quantification

The Robert Rice Ditch holds a single water right, priority 19, on the Huerfano River. The water right was adjudicated in the Reed Decree, and therefore is not subject to administrative calls from the Arkansas River.[23] The water right is decreed for 3 cfs, and is considered moderately reliable. It is anticipated that this water right will be able to divert during a portion of irrigation season each year. However, the water right is often called out of priority during the latter half of the irrigation season. A review of administrative calls on the Huerfano River between 2005 and 2010 indicates that the Robert Rice Ditch was out of priority for significant portions of the second half of the 2006, 2007, 2008, and 2009 irrigation seasons.[24]

Diversion records for the Robert Rice Ditch show that water use under the right has been inconsistent. Since 1992, no water has been diverted. Thus, assessing the water right's reliability and annual yield using diversion records is not applicable.

Transferability

Currently, the Robert Rice Ditch water right can only be used for irrigation. However, a transfer to a new purpose or place of use may be possible with a water court decree. Such a transfer would be limited in quantity to the water right's historic consumptive use volume. This quantity is likely to be low relative to the water right's original decreed volume as a result of the limited use history.

Two Rivers has applied to change the Robert Rice Ditch to municipal and augmentation uses. If approved, this change would facilitate transfer of the water to satisfy currently unmet augmentation demands upstream on the Huerfano River. At this time, the outcome of the Water Court change case is uncertain, and thus the transferability of the water right to uses other than irrigation is unknown.

Beneficial Use and Validity

The Robert Rice Ditch has remained unused since 1992. While this lack of use could result in a presumption of abandonment, the water right is not included on the Revised Division 2 Abandonment list. Thus, the water right is believed to be valid.

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[22] Bishop-Brogden Associates, Inc. "SWSP Request Pursuant to 37-92-308(5) for Two Rivers Water Company in Water Division No. 2." February 28, 2011.

[23] Bishop-Brogden Associates, Inc. "SWSP Request Pursuant to 37-92-308(5) for Two Rivers Water Company in Water Division No. 2." February 28, 2011.

[24] Colorado Division of Water Resources. "Call Chronology." Available from http://cdss.state.co.us. Accessed December 20, 2011.

Flexibility

The Robert Rice water right is a direct flow right and thus is not as flexible in timing of use as the Orlando Reservoir No. 2 rights. The water right will only be usable for irrigation at times when water is physically available and the right is in priority.

Water Quality

Discussions with the Two Rivers farm manager[25] indicate that the quality of the water yielded by the Robert Rice Ditch water right is not a limiting factor in alfalfa production. In addition, water quality is not expected to limit the water rights' marketability to alternative uses.

Contractual Agreements

Welton Ditch No-Call Agreement

In August 2011, Two Rivers completed a no-call agreement with the owners of the Welton Ditch. To ensure the reliability of winter deliveries to storage in the Orlando Reservoir No. 2, this agreement stipulates that the Welton Ditch must not place a call on the Huerfano River during the winter storage season (November 15-March 15). In exchange for giving up its right to call, the Welton Ditch receives $50,000 each year from Two Rivers, and 25% of the water stored in the Orlando Reservoir No. 2. Releases from Orlando Reservoir No. 2 for use by the Welton Ditch are timed according to the Welton Ditch's needs. Any transportation losses are borne by the Welton Ditch.

Five-Year Water Lease Agreement

In September 2011, Two Rivers agreed to lease 500 AF of water from PBWW each year for five years. The type of water provided is trans-mountain water or any other type of water that is fully consumable under Colorado water law. The leased water will be delivered on the Arkansas River at the confluence with the Huerfano River. Two Rivers is responsible to exchanging this water up the Huerfano River to the Orlando Canal No. 2 head gate. Any transportation losses are borne by Two Rivers.

The cost of this leased water is $196.54/AF/yr on a take-or-pay basis, meaning that the cost must be paid whether or not Two Rivers takes delivery of the water. This price is subject to escalation if PBWW's water rates increase, as well as minimal administrative fees.

Alfalfa Supply Agreement

In September 2011, Two Rivers entered a purchase and supply agreement to sell organic dairy quality hay to an organic dairy operation based in Boulder County. The dairy agreed to purchase all the dairy quality alfalfa produced by Two Rivers from approximately 2,000 to

[25] Personal Correspondence with Jerred Hoffman, Senior Farm Manager, Two Rivers Water Company. November 14, 2011.

5,000 acres of irrigated fields. From 2012 through 2014, the dairy will pay $225/ton. Two Rivers is responsible for shipping the hay, but is reimbursed by the buyer for freight costs. The dairy also retains first right of refusal to purchase any hay that tests to lower quality standards at an unspecified, mutually agreeable price.

The agreement remains in place for a three year term, and is automatically extended for an additional 12 months on June 15th of each year unless terminated by either party. The price is renegotiated every three years to reflect current market price levels for hay. Two Rivers must maintain organic certification from US Department of Agriculture at all times.

Water Service Agreement

In January 2011, Two Rivers entered a water service agreement with the Case family. The purpose of the agreement is to reserve the Orlando Reservoir No. 2 Company, LLC water rights for use at the Case family land development in Huerfano County should the development project occur. The agreement also supports Two Rivers' plan to enhance the water assets' historic consumptive use through several consecutive years of irrigation within the historic place of use. Bolstering the historic consumptive use is intended to increase the volume of water that can be transferred to municipal use in support of the proposed land development.

Pursuant to the water service agreement, Two Rivers committed to providing sufficient municipal water rights for 5,000 Single-Family Equivalents (SFEs). This is equivalent to approximately 1,515 acre-feet of consumptive use (AF CU) of water. Two Rivers cannot provide water for other municipal uses until this commitment to the Case family development is completed. In addition, Two Rivers is responsible for changing the water rights' approved use in water court. Once the Case family begins to buy SFEs, compensation to Two Rivers is $6,500/SFE, equivalent to approximately $21,450/AF CU.

The Case family may, in its discretion but subject to a three-year waiting period, select when it will buy SFEs from Two Rivers. However, if the Case family has not requested to purchase SFEs within 10 years, Two Rivers may terminate the agreement in order to pursue other opportunities for monetizing the water rights. Upon notice of termination from Two Rivers, the Case family may pay for 50 or more SFEs to extend the water service agreement.

If the Case family elects to not purchase SFEs, they can purchase the land back from Two Rivers after ten years for $2,000 acre. However, if the Case family purchases at least 2,500 SFEs, the farm land can be reacquired for a total price of $1.

To incentivize use of the Orlando Reservoir No. 2, LLC water rights on land within the rights' historic place of use (enhancing the water rights' historic consumptive use), the service agreement establishes a fee for use of the water in other places. Two Rivers must pay the Case family $40/AF/yr for use of the water rights on land other than the farmland held by Orlando Reservoir No. 2, LLC.[26]

[26] Service Agreement between Orlando Reservoir No. 2 Company LLC, Marksheffel-Woodmen Investments LLC, and Two Rivers Water Company. January 28, 2011.

Other Agreements

Other agreements between Two Rivers and the Case family include a recreational easement, and covenant to not compete. The recreational easement facilitates recreational use of Orlando Reservoir No. 2 for the proposed Case family land development.[27] The covenant to not compete prevents the Case family and Two Rivers from competing to acquire additional land in Huerfano County.[28]

[27] Recreational Use and Access Easement Agreement between TRW Orlando Water Assets LLC, the Orlando Reservoir No. 2 Company LLC, and Marksheffel-Woodmen Investments LLC.

[28] Covenant to not Compete Agreement between Orlando Reservoir No. 2 Company LLC, TRW Orlando Water Assets LLC, and Two Rivers Water Company.

Market Assessment

The following sections provide a summary and review of the regional markets for alfalfa, agricultural land, and water assets. Supply and demand conditions are addressed, as well as trends in market activity and price. This information is used to assess the marketability and potential end uses for the assets held by Orlando Reservoir No. 2 Company, LLC. These factors represent important considerations in determining the appropriate valuation approach(es), and in evaluating subject assets' highest and best use.

Regional Alfalfa Market Trends

This section provides an overview of alfalfa supply, demand, pricing trends, and organic versus conventional production in Colorado, with particular focus on the southeast quadrant of the state and the Arkansas Basin. Colorado is known for high quality alfalfa which is produced throughout the state and performs well at elevations from 3,400 to 8,500 feet.[29] In Colorado, alfalfa is harvested through up to four cuttings per season, depending on growing conditions and climate. With irrigation, two cuttings are possible at most high-elevation sites. Three or four harvests usually are taken throughout the eastern plains and in the lower-elevation intermountain and plateau regions. The good soils, high elevation, clean water, and cool nights associated with Southeast Colorado can result in quality hay production, but the yields are often lower under such conditions.

Supply

According to the 2010 profile of Colorado agriculture, nearly 820,000 acres of alfalfa was harvested statewide producing 2,870,000 tons.[30] This is equivalent to an average of 3.5 tons per acre. This high level of alfalfa production makes Colorado the 10th largest alfalfa producing state in the United States. While alfalfa farming occurs throughout most of the state, Weld County has the largest number of acres in alfalfa production. Weld County is located on the Northern Front Range, and receives irrigation water from the South Platte River and tributaries, as well as from trans-mountain diversions. Colorado's other top alfalfa producing counties are Conejos and Saguache in the San Luis Valley, Rio Blanco in Western Colorado, and Washington in the Republican River Basin. Alfalfa cultivation in southeastern Colorado is focused in the Arkansas Valley, supported by irrigation diversions from the Arkansas River.

Demand

Dairies are the primary demand for high quality alfalfa in southeast Colorado. Many dairies are concentrated in the arid Southwest—in the Texas Panhandle and over into New Mexico, near

[29] Smith, D.H., G.K. Beck, F.B. Peairs, W.M. Brown. 1999. "Alfalfa: Production and Management." *Crop Series*, Colorado State University Cooperative Extension, no. 0.703.

[30] Colorado Agriculture: A Profile, National Agricultural Statistics Service, February 2011.

Clovis and Portales. The milder winters make it easier to milk cows, and there is a good supply of agricultural products such as corn and alfalfa to feed their needs. The lower quality alfalfa that does not meet the test requirements for the dairies is often purchased by local feedlot operations.

Pricing and Trends

Alfalfa quality is rated by "relative food value," or RFV. Growers can send samples of hay to testing laboratories that determine the quality of the feed in a certain cutting of hay. Alfalfa hay that rates in the 180's is considered supreme quality, and additional categories of quality include premium, good, far and utility. The price a grower obtains for alfalfa is directly related to the RFV or quality of the product. Table 3 displays the average annual price per ton for the various alfalfa qualities in southeastern, Colorado. The market information was obtained from the Hay Market Report, which is a publication produced by the Ag Market News division of the United States Department of Agriculture. Following lower prices in 2010, conventional hay prices ranged from $94 to $223 per ton in 2011 depending on quality. The average prices over the time period ranged from $98 to $186 depending on quality.

Table 3: Southeast Colorado Alfalfa
Average Annual Price per Ton by Quality, 2008-2011

Year	Supreme	Premium	Good	Fair	Utility
2008	$185	$170	$146	$123	$106
2009	$195	$176	$150	$140	$104
2010	$139	$133	$123	$97	$87
2011	$223	$204	$183	$167	$94
Average	**$186**	**$171**	**$151**	**$132**	**$98**

Organic Alfalfa Market

Demand for USDA-certified organic alfalfa has grown in recent years. For a farm to be considered "organic," there are some basic guidelines that must be followed. A farm must be certified to be free from the application of commercial pesticides, herbicides, and fertilizers for three years. Documentation to that effect must be provided, and certification is provided by either state or USDA inspectors. Once certified organic, farms manage soil fertility using cultivation practices, crop rotations and compost. Crop pests, weeds and diseases are controlled using physical, mechanical and biological means compliant with organic standards.

Alfalfa grows well when it is fertilized, and commercial applications of nitrates and phosphates stimulate production. However, it is relatively easy to substitute a commercially spread fertilizer such as nitrate pellets with an organic fertilizer such as chicken manure or fish emulsion. Some growers experience a decreased ability to guarantee quality compared to conventional hay due primarily to weed control.

In addition to quality challenges, organic alfalfa growers also frequently experience lower yields than in conventional production. Organic alfalfa growers interviewed in Colorado's San Luis Valley indicated that there are various organic farm management techniques available. These

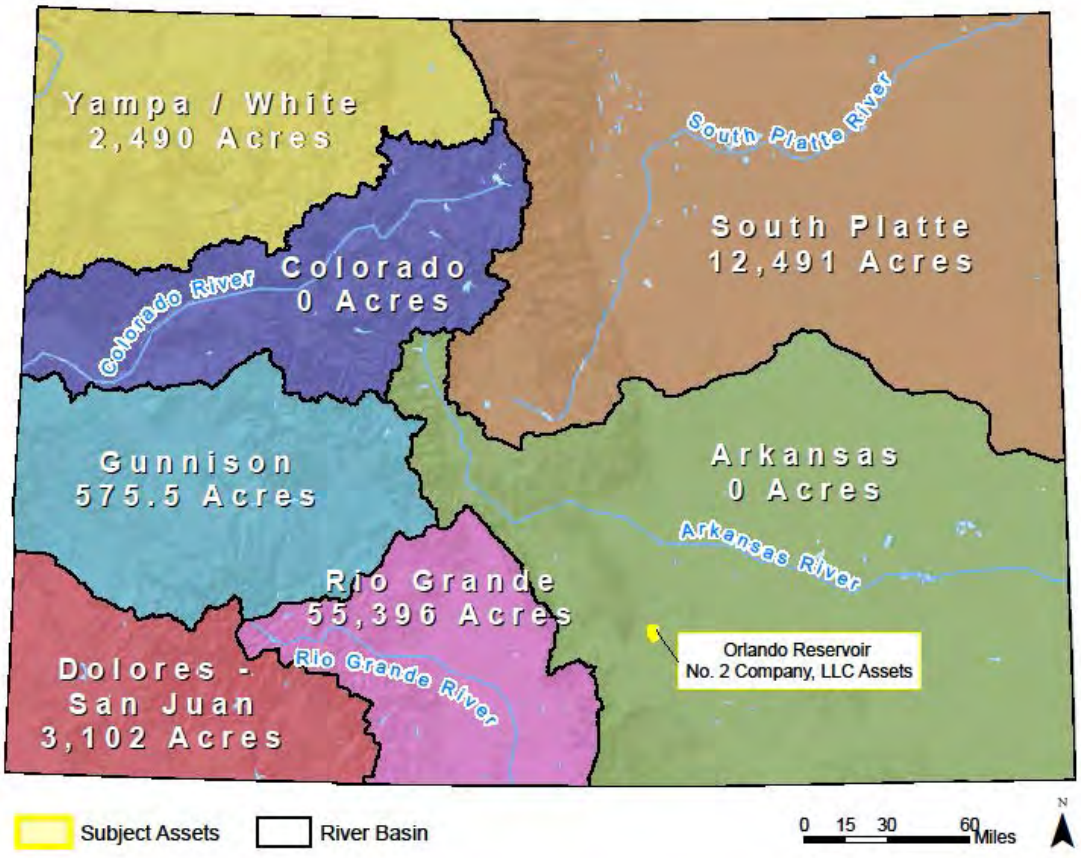
different farm management techniques can influence yields. Farms that applied 3-4 tons per acre of organic compost harvested 4 to 4.5 ton per acre. Properties that did not use any form of fertilizer realized 2 to 2.5 ton per acre.

Price differences between conventional and organic alfalfa result from differences in regional balances of supply and demand, with areas with higher dairy concentrations tending towards higher hay prices. According to a survey conducted by the USDA Agricultural Marketing Service, respondents reported a large spread of price premiums for organic as compared to conventional alfalfa. For example, California's San Joaquin Valley reported a 10 to 26 percent premium for organic alfalfa, while the northern California reported a premium of more than 40%.[31] A major organic dairy headquartered in Colorado reported that organic hay comparable to high-quality conventional alfalfa in relative feed value (RFV) and protein has been selling for about a 20 percent premium over conventional alfalfa prices in Colorado. Conversations with organic growers in San Luis Valley confirmed a 20% premium to organic alfalfa.

Organic alfalfa farming in Colorado is focused in the San Luis Valley. In addition, there is some limited organic alfalfa production on the west slope, and in the South Platte Basin. Figure 3 displays the number of acres planted to organic alfalfa by river basin. As shown, the Rio Grande Basin's San Luis Valley has more than 55,000 acres of organic alfalfa. In contrast, the Arkansas Basin shows very limited organic alfalfa farming. Once established, the Orlando Reservoir No. 2, LLC assets will support one of the only organic alfalfa farming operations in southeast Colorado.

[31] Organic Alfalfa Marketing Report, Sonja Brodt, UC Davis

Figure 3: Acres Planted to Organic Alfalfa by River Basin, 2011



Source: Colorado Department of Agriculture – Contacts & Commodities. December 13, 2011

The Regional Market for Farmland

The purpose of this section is to provide a summary and review of trading in the market for irrigated farmland in southeast Colorado and the Arkansas Basin. There is an active market for agricultural land in southeast Colorado. Farm sales are concentrated in the Arkansas Valley along the Arkansas River. This region is predominately agricultural with some urban and industrial areas, and farmland transactions and valuations are often driven by speculation on urban demand for water rights in the area.

To examine prices and trading activity for farmland, WestWater compiled data on 17 recent alfalfa farm sales in the Arkansas Valley. Each of farms is located below Pueblo Reservoir. The motivation for each of the transactions was to expand production, with some speculation on the possibility of a water right sale to municipalities. Over the 17 sales, 1,819 acres changed hands for a total value of $3.66 million. Most of the sales have involved relatively small

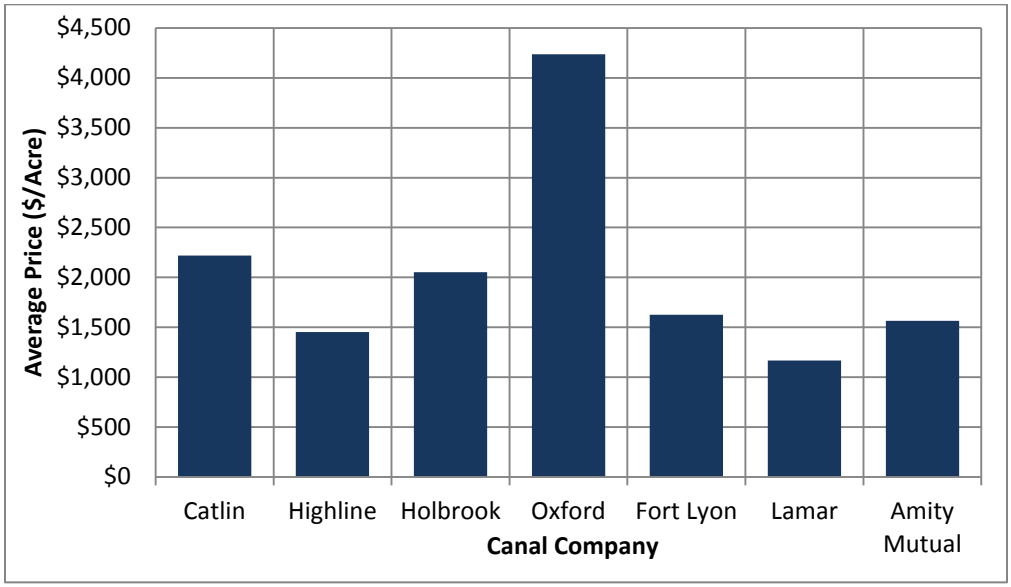
parcels, with an average sale size of 107 acres. Prices ranged from $1,167/acre to $4,238/acre, and averaged $2,079/acre. Table 4 summarizes the observed transactions.

Table 4: Summary of Arkansas Valley Farm Sales, 2008-2011

	Acres	Unit Price ($/acre)
Average	107	$2,079
Median	80	$1,825
Min	25	$1,167
Max	231	$4,238
Stdev	66	$749
Count	17	17

Irrigation water source represents one factor contributing to price variation among the observed farm sales. The value of the water rights appurtenant to a farm strongly influences the overall value of the property. Water right values vary by differences in reliability, location, and volume, among other factors. Water rights for which there is high urban demand are valued more highly than water rights that primarily provide supplies for agriculture. Figure 4 shows the average farm price by water source. As shown, farms on the Oxford Canal attracted a higher per-acre price than farms under other ditches. This results in part from the relatively large volume of water per acre (water duty) that the Oxford Ditch provides.

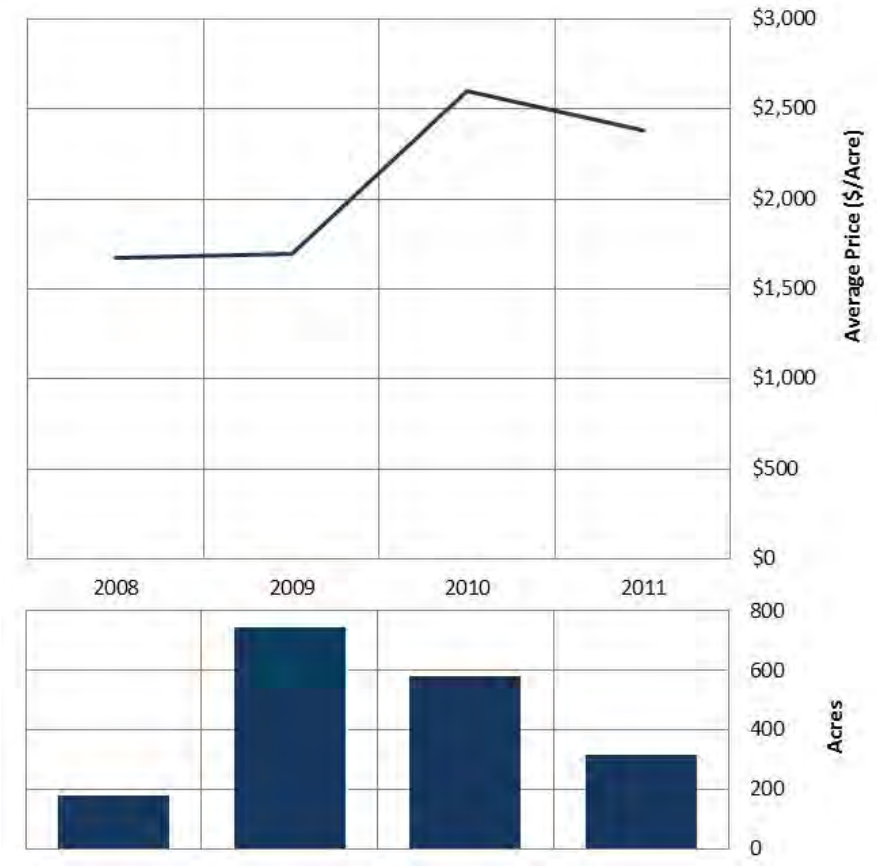
Figure 4: Arkansas Valley Farm Price Variation by Water Source, 2008-2011



Farm prices in the Arkansas Valley have also changed over time. In general, prices have risen in recent years driven by rising commodity prices, and increasing water right values. As Figure

5 shows, the average price in 2011 was up approximately 42% from the average price among sales observed in 2008 although the number of transactions and acreage sold has been limited.

Figure 5: Average Annual Farm Prices and Trading Activity in the Arkansas Valley, 2008-2011



The commercial farming operation being developed by Two Rivers will produce organic alfalfa. No sales of organic alfalfa farms were identified in the Arkansas Basin. It is reasonable to expect that land capable of producing organic alfalfa might attract a premium above conventional land as a result of the higher prevailing market prices for organic alfalfa.

Huerfano County

While irrigated farmland is actively bought and sold in the Arkansas Valley, transactions are less frequent in other areas of the Arkansas Basin. This is particularly true for Huerfano County. A review of land transfers in Huerfano County showed that there is a limited market for large agricultural properties. A search at the Huerfano County Assessor's Office found no sales of irrigated land over 100 acres in the last five years.[32] While a small number of irrigated land sales were identified in Huerfano County through personal interviews with local brokers and appraisers, most of these acquisitions were driven by the land's recreational hunting and

[32] Personal Correspondence with Huerfano County Assessor and Staff, December 19-28, 2011

fishing benefits.[33] No sales of commercial farming operations were identified. In total, four recent sales that included irrigated land in Huerfano County were observed. These transactions are summarized below:

- In 2010, the Middle Creek Ranch sold for a total price of $550,000, or approximately $3,500/acre. The ranch consists of 157 acres with approximately 115 irrigated acres for grass hay production and water rights. There were no improvements on the 157 acre property. The broker disclosed that the property was purchased for recreational use.[34] The location is near La Veta on the Cucharas River west of I-25 near the base of the Sangre de Cristo Mountains.

- In 2008, the Turkey Creek Ranch sold for $1.5 million, or $4,615/acre. The ranch included 325 acres located on the southwestern slope of Greenhorn Mountain near the town of Gardner. Of the 325 deeded acres, 90 acres were irrigated for the production of grass hay. The property did not include any improvements, and the motivation for the purchase was recreational use according to the broker.[35] This property is upstream from Orlando Reservoir No. 2 on the Huerfano River, west of I-25.

- A second ranch near Gardner was sold in 2008 for a reported $3.25 million, or $2,787/acre. Of the 1,166 deeded acres, 260 were irrigated. The motivation of purchase was not confirmed, and the ranch included a custom log home.[36] This property is located upstream from Orlando Reservoir No. 2 on the Huerfano River, west of I-25.

- Prior to 2008, a 520-acre property that sold for $1.9 million, or $3,654/acre. The total irrigated acres are unknown, but the sale did include irrigation water rights. Improvements include 2 homes, and this property was also purchased for recreational use.[37]

In summary, while there is an active market for irrigated farmland in the Arkansas Valley, market activity does not extend to Huerfano County. Market activity in Huerfano County consists primarily of purchases of recreational properties located west of I-25 near the mountains. Some of these purchases of recreational properties included some irrigated acreage producing primarily grass hay. No recent transactions of commercial farmland were identified.

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[33] Personal Correspondence with Larry Mapes, Appraiser and Broker, Reata Realty. January 3, 2012; Personal Correspondence with Jennifer Stites, Senior Appraiser, Farm Credit of Southern Colorado. January 3, 2012; Personal Correspondence with Jeff Hubbard and Mac McWhorter, Mirr Ranch Group. January 4, 2012.

[34] Personal correspondence with Mac McWhorter, Broker, Mirr Ranch Group LLC. January 4, 2012.

[35] Personal correspondence with Jeff Hubbard, Broker, Mirr Ranch Group LLC. January 4, 2012.

[36] Personal correspondence with Larry Mapes, Appraiser, Reata Realty. January 4, 2012.

[37] Personal correspondence with Larry Mapes, Appraiser, Reata Realty. January 4, 2012.

Dry Pasture Land Sales

The land held by Orlando Reservoir No. 2 Company, LLC is currently non-irrigated pasture and grazing land. Understanding observed prices for dry pasture land in the area is critical for assessing demand and the as-is value for this land.

Interviews with Huerfano County real estate professionals were conducted to support an estimated range of dry pasture land values in eastern Huerfano County. According to local brokers and appraisers, the value of dry grazing land in eastern Huerfano County ranges widely from $200/acre to $1,200/acre. Large acreages generally fall in to the lower half of this range. Smaller parcels or "ranchettes" of 35 to 50 acres in rural residential use are rumored to attract prices in the upper end of this range. In addition, land more distant from the mountains with less recreational value reportedly sells for less than land west of I-25.[38]

Where available, data on specific sales of pasture land were collected to help develop a more supportable range of value for dry grazing land. Three sales of dry pasture land in eastern Huerfano County were identified. One of these sales was similar in size to the Orlando Reservoir No. 2 Company, LLC assets, and two were smaller parcels. In addition, data were compiled on five sales of large grazing acreages in other areas of the Arkansas Basin. Each of these sales is described below.

- In July 2009, a 40-acre parcel of dry pasture land in the Tyrone Hills subdivision near Walsenburg sold for $375/acre. This sale occurred near the Orlando Reservoir No. 2 Company, LLC land, but in a slightly more urbanized area. The parcel is significantly smaller than the Orlando Reservoir No. 2 Company, LLC land holdings. In addition, it is rural residential land rather than agricultural land, and is somewhat dated market information. However, in the absence of direct comparable sales, WestWater considers this transaction moderately similar to the Orlando Reservoir No. 2, LLC land assets.[39]

- In June 2011, a 35-acre parcel of dry pasture land in the Colorado Buffalo Ranch Subdivision sold for $571/acre. This land is located very close to the Orlando Reservoir No. 2 Company, LLC assets. While the land is characterized as rural residential land rather than agricultural land, its similar location and recent sale date lead WestWater to believe that this sale is representative of the value of the Orlando Reservoir No. 2, LLC land assets.[40] The sale price requires adjustment to account for differences in sale size.

- In another recent sale in eastern Huerfano County, 1,450 acres of dry grazing land sold along with improvements for a total of $777,000. Improvements accounted for approximately $400,000 of this price, indicating a dry land value of $260/acre. This land is located west of the Orlando Reservoir No. 2 Company, LLC assets near the

[38] Personal Correspondence with Larry Mapes, Reata Realty. January 3, 2012; Personal Correspondence with Jeff Hubbard, Mirr Ranch Group. January 10, 2012; Personal Correspondence with Gail Terry, Colorado Mountain Country Real Estate. January 10, 2012; Personal Correspondence with Paul Machmuller, Fuller Western Real Estate. January 10, 2012; Personal Correspondence with Chuck Liquin, Appraiser. January 10, 2012.

[39] Personal Correspondence with Paul Machmuller, Fuller Western Real Estate. January 10, 2012.

[40] Personal Correspondence with Paul Machmuller, Fuller Western Real Estate. January 10, 2012.

Cucharas Reservoir. The recent sale data, similar parcel size, and similar location lead WestWater to believe that this sale price is representative of the value of the Orlando Reservoir No.2 Company, LLC pasture land assets.

- In September 2010, 5,322 acres of dry grazing land with improvements in Bent County sold for $165/acre. This land is located a long distance east of the Orlando Reservoir No. 2, LLC assets, is significantly larger, and does not offer the same proximity to the mountains and I-25. Thus, the sale is dissimilar from the subject land.

- In October 2010, 22,430 acres of dry pasture in Crowley County North of Ordway sold for $168/acre. This sale is not comparable to the subject assets as a result of differences in location and size.

- In October 2010, 19,721 acres of dry grazing land in Prowers County west of Granada sold for $165/acre. This sale is not comparable to the subject assets as a result of differences in location and size.

- In April 2011, 4,920 acres of dry pasture in Las Animas County east of Trinidad sold for $223/acre. This sale is not comparable to the subject assets as a result of differences in location and size.

- In February 2011, 4,536 acres in Las Animas County east of Trinidad sold for $306/acre. This sale is not comparable to the subject assets as a result of differences in location and size.

In summary, three sales of dry grazing land in eastern Huerfano County were observed. Prices in these sales were generally higher than prices in sales of dry pasture in Prowers, Bent, Crowley, and Las Animas Counties. Higher prices in Huerfano County result from proximity to I-25 and the mountains. In addition, the price difference is attributable to parcel size. The Huerfano County sales involved significantly smaller acreages, while the sales in other counties were much larger agricultural parcels. These sales establish a relevant range of as-is market value for the Orlando Reservoir No. 2 Company, LLC land of $165/acre to $571/acre. The Orlando Reservoir No. 2 Company, LLC land is likely to fall in to the high end of the range due to proximity to I-25, its small size relative to parcels in the low end of the range, and the scenic value associated with mountain views.

The Market for Water Assets in the Arkansas Basin

This section summarizes the market for water rights and storage infrastructure in the Arkansas Basin. The data presented here provide an indication of the marketability and highest and best use of the water assets held by the Orlando Reservoir No. 2 Company, LLC.

Arkansas Basin Water Rights Market

A wide variety of water right assets are traded throughout the Arkansas Basin. These assets include shares in ditch and reservoir companies, trans-mountain water rights, native water rights held by individuals outside of ditch companies, and well augmentation credits. Several major municipalities are active in the market, and many of the largest transactions in the state

in terms of water volume have occurred in the Arkansas Basin. In addition to municipalities, agricultural water users continue to buy water rights periodically.

Native Surface Water Rights

Native surface water rights are defined as legal rights to divert from above-ground water sources hydraulically connected to the Arkansas River. Transfers of these water assets frequently occur as sales of shares in mutual ditch companies, and changes of use for the water rights are subject to water court review to prevent injury to other water users.

Native surface water rights are traded frequently in the Arkansas Basin. In total, WestWater collected comprehensive data on 87 transactions completed between 2002 and 2011. These sales transferred a total water volume of nearly 87,500 AF. Trading primarily involved rights diverting from the Arkansas River. In addition, some transactions of rights on tributary streams such as Fountain Creek and the Purgatoire River occurred. No transactions of Huerfano River water rights were identified other than acquisitions by Two Rivers. The most active buyers over the time period in terms of number of purchases were the Pueblo Board of Water Works, the City of Fountain, Lower Arkansas Valley Water Conservancy District, Security Water District, and Woodmoor Water and Sanitation District.

Table 5 summarizes observed sales of native surface water rights. As shown, the largest transaction transferred 60,000 AF. Large transactions such as this have happened on several occasions in the Arkansas Basin, many of them motivated by plans to transport water via pipeline to the Denver Metropolitan Area for municipal use. Prices ranged widely based on water right location, source, and reliability. The average price for native surface water rights in the Arkansas Basin was $7,070/AF of consumptive use (CU).

Table 5: Summary of Native Water Right Sales in the Arkansas Basin, 2002-2011

	Volume (AF CU)	Price ($/AF CU)
Average	1,006	$7,070
Median	42	$6,500
Min	1.12	$1,071
Max	60,000	$17,857
StDev	6,462	$4,380
Count	87	87

Arkansas Basin water right prices have fluctuated significantly over time, but in general have risen since 2002 (see Figure 6). Trading activity was highest in 2006, when Pure Cycle Corporation (NASDAQ: PCYO) acquired 21,600 shares in the Fort Lyon Canal from High Plains A&M. High Plains acquired the shares previously with plans to transport the water to the Denver area for marketing. When the water court ruled that this plan was speculative and disallowed the transfer, High Plains divested its holdings to Pure Cycle. Pure Cycle's intentions for the water rights are unclear at this time, and the water remains in agricultural use along the canal.

Figure 6: Arkansas Basin Native Water Right Trading Trends, 2002-2011

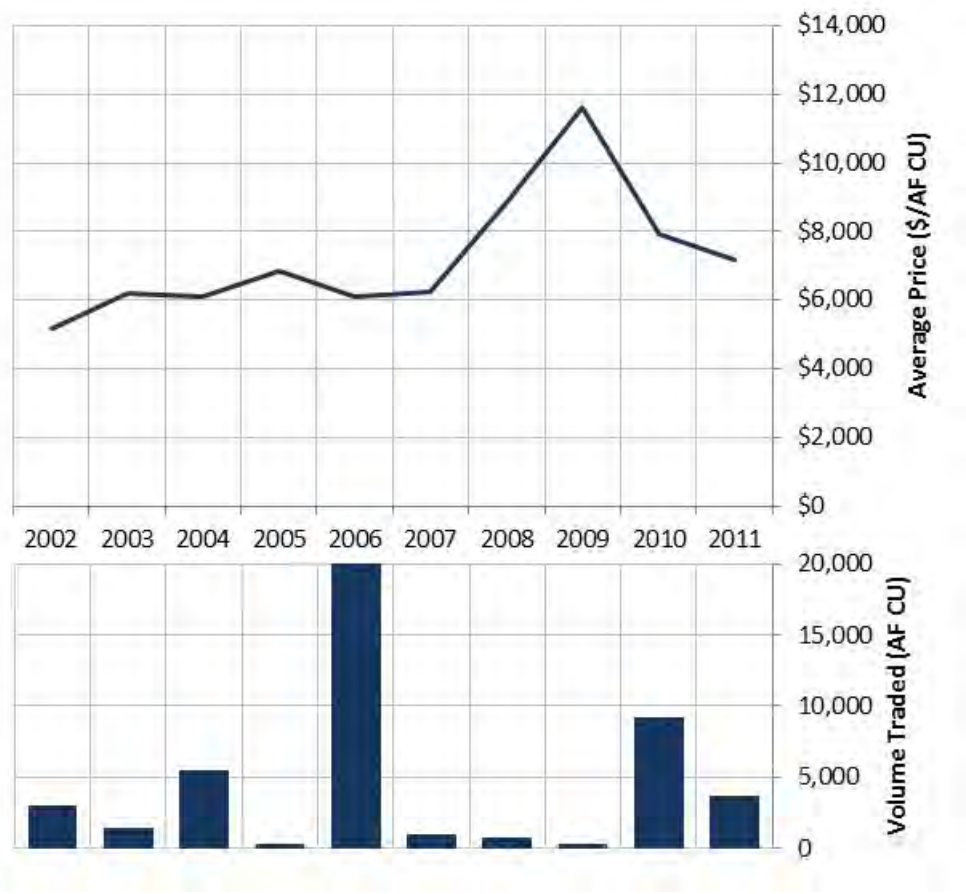
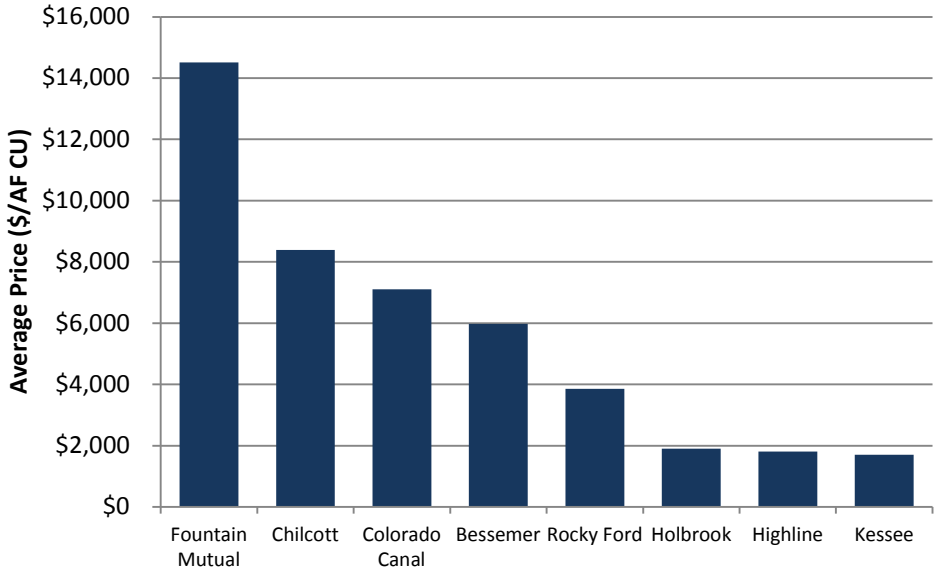


Figure 7 lists average observed prices for commonly-traded ditch company shares in the Arkansas Basin. Each of these ditches provides water supplies based on a portfolio of native surface water rights. Among the ditches, shares in the Bessemer Ditch, Fountain Mutual Irrigation Company, and Colorado Canal attract relatively high prices due to their upstream locations and proximity to cities. Further downstream, prices for water rights such as Holbrook Canal and Rocky Ford shares are lower as a result of legal and physical barriers to conveying these supplies to new upstream urban uses.

Figure 7: Average Price by Ditch, 2002-2011

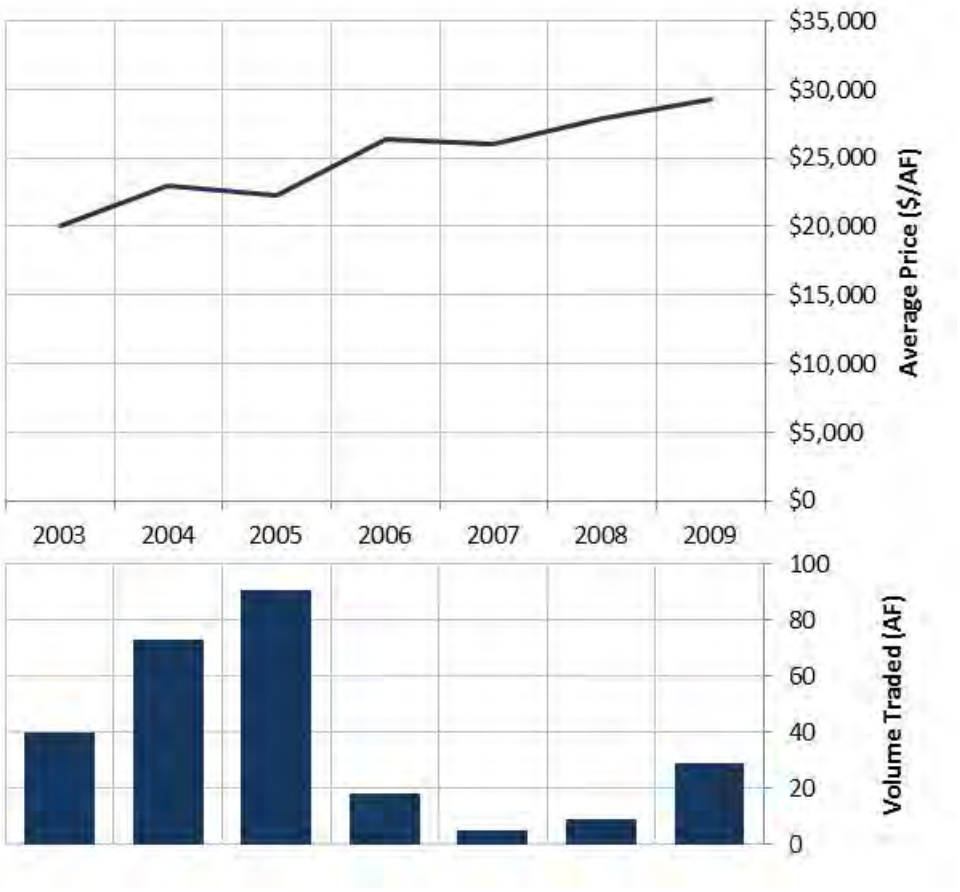


Trans-mountain Water Rights

In addition to native surface water rights, Arkansas Basin water users frequently trade trans-mountain water rights. Trans-mountain water rights provide supplies imported from other basins, and are unique in two ways under Colorado water law. First, trans-mountain water rights can be reused to extinction, meaning that for entities with the necessary infrastructure to capture return flows, the water rights yield additional supplies. Second, transfers of trans-mountain water rights are not subject to the no-injury rule or obligations to keep historic return flows intact. Therefore, trading trans-mountain water rights incurs lower transaction costs due to less regulatory review. As a result of these unique legal characteristics, trans-mountain supplies generally attract higher prices than native water rights.

Trading of trans-mountain water rights in the Arkansas Basin consists primarily of sales of Twin Lakes Irrigation Company shares. Among 23 transactions observed between 2003 and 2009, prices averaged $25,817/AF. Figure 8 shows trends in trading activity and prices for Twin Lakes shares. As shown, prices appreciated at an annual rate of approximately 8% over the time period. Recent buyers for Twin Lakes shares have included the Pueblo West Metropolitan District, Lower Arkansas Valley Water Conservancy District, City of Aurora, and Town of Monument.

Figure 8: Trading Trends for Twin Lakes Irrigation Company Shares, 2003-2009



While water rights are frequently purchased and sold in the Arkansas Basin, this high level of market activity does not extend to the Huerfano River Basin. No water right transfers separate from land, other than those completed by Two Rivers Water Company, are known to have occurred on the Huerfano River.

Water Leasing Market

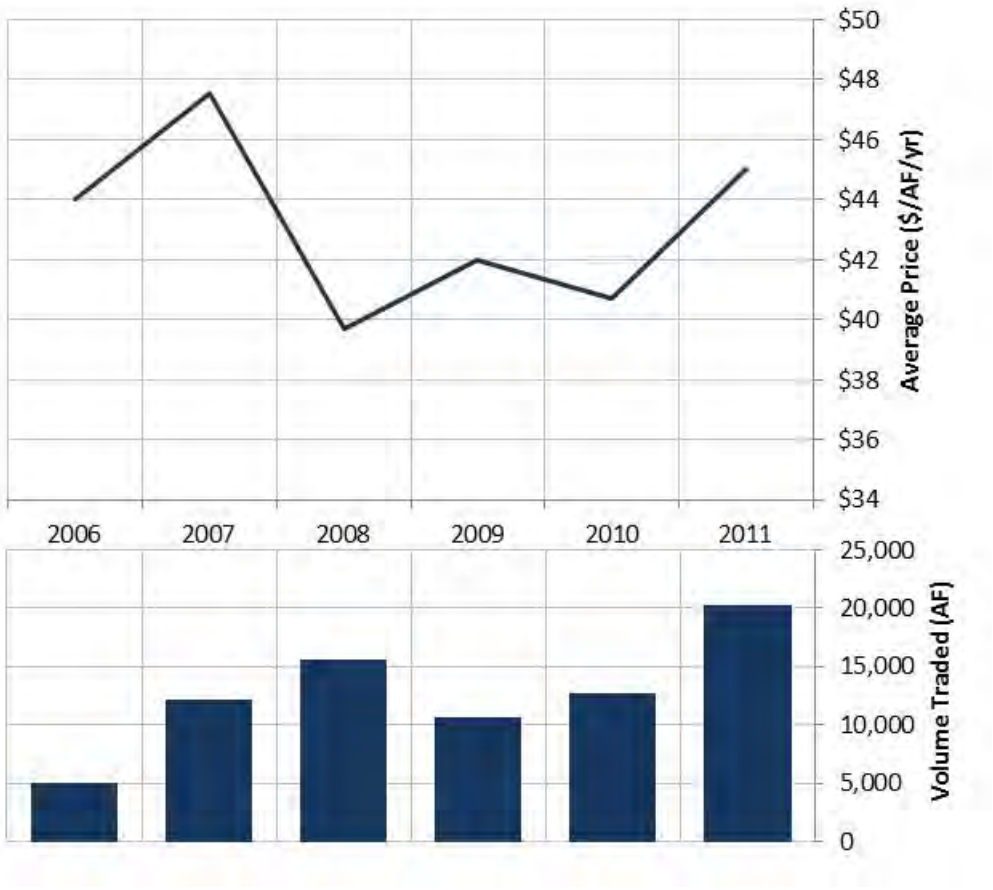
An active water leasing market also exists in the Arkansas Basin. Recent notable market activity has included multiple-year and single-year leases from the Pueblo Board of Water Works. In addition to its recent five-year lease of 500 AF/year to Two Rivers, PBWW recently committed to lease 500 AF/year to the Lower Arkansas Valley Water Conservancy District (LAVWCD) for five years. The LAVWCD intends to use the water to augment irrigation wells. The LAVWCD will pay $200/AF/year.

In addition to multi-year leases, PBWW offers single-year leases. Each year, PBWW solicits bids for single-year leases of water stored in Pueblo Reservoir. In the past, these leases have occurred every year regardless of hydrologic conditions, even in 2002. The volume leased may decrease in dry years. For example, 2011 was a wet year, and more than 20,000 AF were leased. PBWW expects that it will only lease 10,000 AF in 2012 due to low snowpack.

Each potential buyer's bid states the volume of water requested, the offer price, and desired timing for taking the water. Some bidders submit several bids; the first is for the volume of water needed most with a high offer price, with subsequent bids asking for less critical water supplies at a lower offer price. There are always more bids than water available for sale. Water lease requests generally total 60-70,000 AF/year.

Winning bids are generally between $40/AF/yr and $50/AF/yr. In wet years, winning bids may be as low as $30/AF/yr. Hydrologic conditions are the primary determinant of lease rates. In 2011, prices were high despite wet conditions as a result of high commodity prices. The average 2011 lease price was $45.05/AF/yr, whereas the average price was between $39/AF/yr and $42/AF/yr from 2008 through 2010. Figure 9 shows recent trends in prices and trading activity for single-year water leases from PBWW.

Figure 9: Trading Trends for PBWW Spot Market Leases, 2006-2011



Often, PBWW will accept a proposal from a bidder that offers a lower price but is willing to take the water during the spring runoff. This is especially true in years when Pueblo Reservoir is full and a large spring runoff is expected. These buyers often have their own storage, enabling them to re-time the water for later use.

By far, the most active buyers of PBWW single-year leases are agricultural water users including ditch companies and augmentation plans. A few urban buyers lease water for high prices, but they generally request only 3-4 AF/year.

Active augmentation buyers include the Lower Arkansas Water Management Association (LAWMA), Arkansas Groundwater Users Association (AGUA), and Colorado Water Protection and Development Association (CWPDA). CWPDA is the most aggressive bidder for augmentation water, and generally submits bids for large volumes of water at approximately $50/AF/yr.[41]

Super Ditch Company

A recent evolution in the Arkansas Basin market is the creation of the Super Ditch Company. In 2008, the company was formed by farmers and ranchers in six irrigation companies in Southeast Colorado. Modeled after the Palo Verde Irrigation District in Blythe, California, the Super Ditch Company intends to market its water to the growing municipalities along Colorado's Front Range. The Super Ditch Company will employ a rotational fallowing arrangement in which ditch company members will forgo irrigation on a rotational basis. The water supply generated from the forgone irrigation will be leased annually to urban water providers including Colorado Springs.

The initial technical engineering feasibility and hydrological studies, economic analyses, and legal investigations to develop the concept of the lease rotational program were undertaken by the Lower Arkansas Valley Water Conservancy District (LAVWCD). The LAVWCD invested over $750,000 towards the development of the program. In addition, the LAVWCD also obtained grant monies through the state Interbasin Compact Committee and the Colorado Water Conservation Board for the development of the program. Organizers have stated that the Super Ditch Company could lease up to 45,000 acre-feet of water a year, or about 14.7 million gallons, and generate $10 million to $15 million annually for farmers and other water-rights owners.

The Super Ditch Company recently signed term sheets with two entities for water leases. The proposed buyers are the City of Aurora and the Pikes Peak Regional Water Authority (PPRWA). The price in both leases would be $500/AF/yr. The PPRWA agreement would provide a firm yield of 8,020 AF/yr for a term of up to 40 years. The agreement with the City of Aurora would provide up to 10,000 AF/yr for up to three years within any ten-year period. The maximum volume leased would be 133,197 AF over the life of the contract. In both agreements, the water would be delivered in Pueblo Reservoir or another mutually agreed location, and would be decreed for municipal use within the buyer's service area.

The Market for Storage Capacity

In the Arkansas Basin, there is market demand for water storage and reservoir capacity. The primary benefit of storage capacity is the ability to capture excess supplies available during wet seasons, and retime the water to make supplies available during dry periods. A review of storage capacity transactions in the Arkansas Basin identified several sales and leases. Each of these transactions is described below:

- In November 2011, the Penrose Water District (Penrose) purchased capacity in the Brush Hollow Reservoir. Penrose is located on the Arkansas River approximately 15

[41] Personal Correspondence with Alan Ward, Water Resources Division Manager, Board of Water Works of Pueblo, Colorado. January 3, 2012.

miles upstream from Pueblo Reservoir. The Brush Hollow Reservoir is an off-channel storage structure located on the northwest edge of Penrose. Brush Hollow has historically been used by Beaver Park Water, an irrigation company. Penrose purchased 500 AF of floating capacity from Beaver Park Water for a total price of $2.5 million, equivalent to $5,000/AF. In addition, Penrose paid the seller's legal and engineering costs. This price was the seller's original asking price, and the basis for the asking price is unknown. Each year, Penrose pays a portion of reservoir maintenance costs pro-rated according to the amount of capacity owned. To benefit from the storage capacity, Penrose will need to develop conveyance infrastructure from the Arkansas River to the reservoir. Owning storage capacity will improve the flexibility of upstream Arkansas River water rights that Penrose previously purchased with ranchland.[42]

- In seven transactions completed between 1999 and 2006, the Round Mountain Water and Sanitation District purchased a total of 355.8 AF of capacity in DeWeese Reservoir. The unit price in each transaction was $1,000/AF. DeWeese Reservoir is an on-stream storage structure on Grape Creek, an Arkansas River tributary located high in the Basin near Westcliffe in the Wet Mountain Valley. The seller was the DeWeese-Dye Ditch and Reservoir Company.[43]

- In December 2011, the Woodmoor Water and Sanitation District No. 1 (Woodmoor) acquired the JV Ranch located on Fountain Creek near the City of Fountain. Fountain Creek runs south from the mountains near Monument and Colorado Springs to its confluence with the Arkansas River just below Pueblo Reservoir. The JV Ranch purchase was bundled with several water assets, including the Calhan Reservoir and its associated water right. The Calhan Reservoir water right is an absolute storage water right decreed for 716 AF. The reservoir capacity is currently slightly less than this decreed volume as a result of sedimentation. In the original purchase and sale agreement for the JV Ranch property, a total value of $2.3 million was allocated to the Calhan Reservoir infrastructure and water right. However, this assigned value was later revised to $4,000 per acre-foot of water determined by Division 2 water court to be transferable to municipal use within Woodmoor's service area. In addition, Woodmoor received $400,000 credit toward the cost of restoring Calhan Reservoir to its decreed capacity.[44]

- Each year, the Bureau of Reclamation offers single-year leases of excess capacity in Pueblo Reservoir. Interested water users submit applications, which are evaluated for compliance with the National Environmental Policy Act (NEPA). Lease prices are intended to recover Reclamation's costs, and are revised annually. In 2012, prices will by approximately $2/AF. Rates vary across lessees depending on the type of water use and location. Rates are highest for entities located outside the boundaries of the

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[42] Personal Correspondence with Ron Gasser, Manager, Penrose Water District. December 15, 2011.

[43] Personal Correspondence with Tracey Garcia, District Manager, Round Mountain Water and Sanitation District. December 21, 2011.

[44] Personal Correspondence with Jessie Schaffer, District Manager, Woodmoor Water and Sanitation District No. 1. January 3, 2012.

Southeastern Colorado Water Conservancy District. In addition, in-district municipal and industrial (M&I) water users pay more than irrigators (see Table 6).

Table 6: Rate Schedule for Single-Year Leases of Excess Capacity in Pueblo Reservoir, 2012

User Type	Lease Rate ($/AF/yr)
In-District Irrigation	$22.04
In-District M&I	$27.79
Outside District, all Uses	$53.32

In summary, recent observed transactions of reservoir capacity in the Arkansas Basin indicate that there is current market demand for water storage infrastructure in the region. The primary benefit of acquiring storage capacity is the flexibility that storage adds in timing of water use. Water users of all types, agricultural, municipal and industrial, have benefitted from purchases and leases of reservoir capacity in the Arkansas Basin.

Highest and Best Use Analysis

The land and water assets held by Orlando Reservoir No. 2 Company, LLC hold value in their current agricultural use as a result of their ability to generate income through cultivation of organic alfalfa. In addition, there is potential to derive value from a transfer of the assets to alternative uses. These alternative uses may include sales and leases of water rights and storage capacity in support of current municipal and industrial demands, or a sale of the land and water for new urban developments. The existing service agreement between Two Rivers and the Case family demonstrates that there may be market demand for the assets in a new, urban use.

This section evaluates the potential use(s) of the subject assets in order to identify the highest and best use – an important valuation consideration.

Land Assets

The 1,650 acres of previously irrigated and undeveloped grazing land held by the Orlando Reservoir No. 2 Company, LLC are currently intended to be developed for cultivation of irrigated organic alfalfa. This current agricultural use is expected to generate profitable, stable income. An alternative to farming the land could be a sale to a different use. Two sales of vacant grazing land in eastern Huerfano County were identified, indicating that some market demand may exist for the land assets. However, in the Master Agreement with the Case family, Two Rivers agreed to develop the land to irrigated agriculture in part to increase the water rights' historic consumptive use. This prevents Two Rivers from selling the land for an alternative use in the near term. As a result of this contractual commitment, WestWater

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considers the highest and best use of the subject land assets to be agricultural, in the commercial organic farming operation being developed by Two Rivers.

Water Rights

The water rights held by the Orlando Reservoir No. 2 Company, LLC are currently intended to be developed for irrigation use on the land Two Rivers acquired for farming of organic alfalfa. This current agricultural use is expected to generate profitable, stable income. A transfer of water rights in support of urban or augmentation uses represents a potential alternative use for the subject water assets.

As described above, water rights are actively traded in the Arkansas Basin. Various entities including municipalities, water and sanitation districts, irrigators, industry, and well augmentation plans have succeeded in satisfying the need for incremental supplies by purchasing water rights. In addition, the relatively large number of transactions that has occurred over the past several years indicates that there is current market demand for water rights in urban, augmentation, and agricultural uses.

While market demand in urban, augmentation, and agricultural uses currently exists for water rights in the Arkansas Basin, no transactions of water rights separate from land have been observed on the Huerfano River, where the subject water rights are located. In addition, the legal transferability of the Orlando Reservoir No. 2 Company, LLC water rights is highly uncertain as a result of the rights' intermittent use history, and the lack historically irrigated land available for dry-up. Thus, WestWater considers the highest and best use of the subject water rights to be their current use – irrigated agriculture.

Water Storage Infrastructure

There is current market demand for reservoir capacity in support of urban and augmentation uses as evidenced by the recent transactions of water storage infrastructure that have occurred. Water storage capacity is acquired to enhance flexibility in timing of water use. Currently, no potential municipal or industrial buyers for capacity in the Orlando Reservoir No. 2 have been identified.[45] While augmentation demands from the Huerfano County Water Conservancy District upstream on the Huerfano River could potentially be satisfied through acquisition of a small quantity of water rights and storage capacity from Two Rivers,[46] these water needs represent a very small portion of the capacity held by Two Rivers.[47] As a result of the unclear current demand in alternate uses for the full amount of storage capacity in Orlando Reservoir No. 2, and the importance of the reservoir to Two Rivers' planned farming operation, the highest and best use of the Orlando Reservoir No. 2 storage capacity is considered to be water storage for irrigation purposes. There may be some market demand among agricultural users for Orlando Reservoir No. 2 capacity as evidenced by prior leases to the Welton Ditch.

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[45] Personal Correspondence with Gary Barber, Chief Operating Officer, Two Rivers Water Company. January 5, 2012.

[46] Knowles, B. "Two Rivers Offers Water Enterprise Deal." Huerfano Journal. December 8, 2011.

[47] Wolfe, D. "Arkansas River Replacement Plan (Pre-1986) Application Approval – 2011 Plan Year. Huerfano County Water Conservancy District Replacement Plan." Letter to Steve Monson, March 31, 2011.

Summary

As a result of the restrictions on land use asserted in the Master Agreement between Two Rivers and the Case Family, the highest and best use of the subject land assets is in Two Rivers' planned organic alfalfa farming operation. In addition, the unclear current demand and legal transferability of the Orlando Reservoir No. 2 Company, LLC water assets leads to the conclusion that agriculture is their highest and best use.

Orlando Reservoir No. 2 Company, LLC
Asset Valuation

The selection of appropriate valuation technique(s) is determined by the characteristics and nature of the subject water right as well as the availability and quality of information. There are several methods that can be appropriate for valuation. In this analysis, four general valuation methods were considered. These included a "before and after" analysis, a comparable sales approach, cost replacement approach, and an income approach. Each of these approaches and their potential application to the Orlando Reservoir No. 2 Company, LLC assets is discussed below.

Comparable Sales Analysis: The Comparable Sales Approach compares the subject assets with sales of similar assets in order to estimate value. A reasonable number of sales are required to make accurate comparisons. Where necessary, adjustments are applied to account for differences in physical and legal characteristics between the subject property and the observed transactions. The highest and best of use of the subject property was determined to be irrigated agriculture. As a result, this analysis considers sales of irrigated land in the region to assist in valuing the assets held by Orlando Reservoir Company No. 2, LLC. In addition, observed market activity for water storage capacity in the Arkansas Basin is used to support the finding that there is market demand for Orlando Reservoir No. 2.

Income Approach: The Income Approach converts anticipated future benefits or returns in dollars from the ownership of a property into a value estimate. Anticipated future income and or reversions are discounted to a present worth value through the capitalization process. This approach is often used in appraising income-producing properties. It is often challenged by the number of inputs and assumptions that are required and the resulting sensitivity to those inputs and assumptions. This analysis applies an Income Approach to estimate the net returns associated with agricultural production. The net returns estimate the value that the water assets contribute to the land owned by Orlando Reservoir No. 2 Company, LLC.

"Before and After" Analysis: This approach is often implemented through a comparison of the value of the property with and without a particular interest such as water right. For example, under some circumstances, the value of a water right can be estimated by comparing the value of irrigated and dry land farmed property in a particular region. The value of the water right is estimated according to the differential between the two classes of land.

This appraisal assignment requires estimation of the subject assets taken as a whole as well as Orlando Reservoir No. 2 considered individually. A form of "before and after" analysis is implemented in order to value Orlando Reservoir No. 2. In particular, the value of land and the capitalized agricultural income with and without Orlando Reservoir No. 2 is estimated. It is important to note that this does not provide an estimate of the market value of Orlando Reservoir No. 2 if sold separately to an outside buyer. Instead, the approach identifies the value that Orlando Reservoir No. 2 contributes to the bundle of assets owned by Orlando Reservoir No. 2 Company, LLC.

Cost Approach: This analysis also considered a Cost Replacement Approach to estimate the value of the Orlando Reservoir No. 2. In this case, the Cost Approach would estimate the current cost of reproducing or replacing an equivalent quantity of water to that supplied by Orlando Reservoir No. 2 either through construction of a new reservoir or purchase of water

rights capable of providing the same level of irrigation. The approach is commonly used in areas where the market price for water assets is dominated by investment alternatives to increase water supply. It should be noted that in areas where water supplies are constrained, the cost of developing new water sources theoretically represents the maximum value that a buyer would pay for access to water associated with an existing water right provided the water supplies have comparable characteristics (e.g. quality, reliability). It is important that a Cost Replacement analysis only consider projects that are likely to be pursued rather than hypothetical projects that have little chance of being pursued due to financial, political, or physical constraints. This analysis does not implement a Cost Approach due to the unavailability of information from which to assess the feasibility and cost of constructing new reservoir capacity in the Huerfano Basin.

Orlando Reservoir No. 2 Company, LLC

Income Approach

In this analysis, the Income Approach is used to estimate the value of the Orlando Reservoir No. 2 Company, LLC property in the production of irrigated crops. This selection of valuation method is based on the determination that the assets' highest and best use is in the proposed organic alfalfa farming operation. The analysis relies upon a number of inputs and assumptions that, if varied, will affect the estimated value. As previously described, Two Rivers is in the process of improving and developing irrigation systems on 1,650 acres of land that it acquired to support production of organic alfalfa hay. This analysis includes the estimated costs to rehabilitate the existing irrigation infrastructure as well as the costs to convey and apply water from Orlando Reservoir No. 2 to land that will be brought into irrigation along I-25. The following sections describe the key inputs for the Income Approach.

Data and Assumptions

This analysis relies upon published crop production budgets, yields, prices, and irrigation practices as starting points. Crop water requirements were obtained from data maintained by the Colorado Agricultural Meteorological Network (CoAgMet) using historic weather pattern information from the Westcliffe station. The assumptions incorporated into the published sources were modified where necessary to more accurately reflect conditions described by the property owners, farm manager, and observed during the site visit. As applied in this analysis, the Income Approach consists of a discounted cash flow model that considers the revenues and costs associated with producing organic alfalfa on the Orlando Reservoir No. 2 Company, LLC property. Annual net returns to crop production are discounted over the 30-year model period using a 6 percent real discount rate to estimate the net present value of the annual income. Crop prices and production costs are held fixed in the model as changes in market conditions for alfalfa and production inputs cannot be reliably predicted. Key assumptions of the Income Approach applied in this analysis are presented below.

Capital Expenses

To provide reliable irrigation water to support crop production, Two Rivers will incur a number of capital expenses as shown in Table 7. To improve the reliability of diversions of the Huerfano River and avoid periodic repair costs, Two Rivers will improve the existing Orlando Canal No. 3 diversion structure. The estimated cost associated with the improvement is $173,400. The company is also improving the dam and outlet works at Orlando Reservoir No. 2 in order to support a storage capacity of 2,400 AF. The estimated capital cost associated with the reservoir repair is $495,200. In addition to irrigation diversion and storage infrastructure, Two Rivers will incur upfront costs to level 1,400 acres of undeveloped land along I-25 at an estimated cost of $910,000 ($650/acre). The 1,400 acres of land that will be developed is at higher elevation than Orlando No. 2 Reservoir. As a result, a pipeline and pump station will be required to deliver the approximately 5,000 AF/yr needed to irrigate the land. The preliminary estimated cost associated with the pipeline is $1.91 million. To support efficient irrigation on the 1,650 acres, Two Rivers will use a gated pipe, surge flow system. The estimated capital cost associated with development of the irrigation system is $691,350 ($419/acre). The total capital expenses required to support irrigated crop production is estimated to be $4.18 million. The capital costs associated with the reservoir, canal, and pipeline are amortized assuming a 2.5% interest rate and 20-year term. This is consistent with the terms of the proposed CWCB loan. Land leveling costs are allocated evenly across three years to correspond with the expected development timeline. Irrigation system capital costs are amortized according to the expected life of the equipment assuming a 6% interest rate resulting in an amortized capital cost of $38.46 per acre.

Table 7: Estimated Capital Expenses

	Capital Cost ($)	Source
Orlando Canal No. 3	$173,400	Applegate Group
Orlando Reservoir No. 2	$495,200	Applegate Group
Land Leveling	$910,000	Two Rivers
Pipeline and Pump Stations	$1,907,000	Estimated
Gated Pipe – Surge Irrigation System	$691,350	Estimated
Total Capital Expenses	**$4,176,950**	

Water Cost

Agreements

As previously described, Two Rivers has negotiated a “no call” agreement with Welton Ditch during the winter months to facilitate fill of Orlando Reservoir No. 2. The agreement requires annual payment of $50,000 and allocation of 25% of the water stored in the reservoir (up to 500 AF) to Welton Ditch leaving 1,800 AF available to Two Rivers. In order to fully irrigate 1,400 acres of land from Orlando Reservoir, Two Rivers must lease up to 2,800 AF/yr from Pueblo Reservoir to support an “exchange” with downstream water users. To that end, Two Rivers negotiated a 5-year lease of 500 AF for $196.54/AF/yr ($98,270/yr). The remaining water

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supply will be leased in the spot market at an estimated price of $40/AF/yr (approximately $110,000/yr at full development).[48]

Power

The cost to lift water from Orlando Reservoir No. 2 was estimated using the Hazen-Williams formula assuming a cost of power of $0.07/kWh, operating pressure of 65 psi, and 24" mainline diameter. The elevation difference between the reservoir and the irrigated land was estimated to be 55 feet. Applying these assumptions, the estimated power cost is $29/AF/yr. Assuming annual pumping of 5,087 AF/yr to irrigate 1,400 acres (3.61 AF/acre), the total power cost is estimated to be approximately $145,000.

Table 8 provides a summary of the estimated annual water costs. These annual costs are assumed to remain unchanged over the 30-year model period.

Table 8: Estimated Annual Water Cost

	Annual Cost ($/yr)	Source
Pueblo Lease	$98,270	Two Rivers
Pueblo Spot Market	$110,000	PBWW
Welton Ditch No Call Agreement	$50,000	Two Rivers
Power	$145,000	Estimated
Total Annual Water Cost	$403,270	

Crop Production

Two Rivers is developing the land and water to support production of organic alfalfa. This analysis relies upon published crop budgets and reports to estimate annual revenues and production costs associated with growing organic alfalfa in rotation with corn. The crop rotation consists of 5 years in alfalfa (fall planted following corn harvest) followed by one year of corn.

Crop Prices and Yields

The crops considered in the model consist of organically grown establishment year alfalfa, mature alfalfa, and grain corn. During the establishment year, alfalfa is expected to yield 4.2 tons per acre increasing to 6 tons per acre on average for mature alfalfa.[49] Irrigated corn is expected to yield an average of 195 bushels per acre, the most recent 5-year average of reported corn yields on irrigated land in Colorado. The price for organic alfalfa is taken from the multi-year contract that Two Rivers holds with an organic dairy. The corn price is the most recent 5-year average for Colorado. Table 9 summarizes the crop price and yield assumptions applied in the model.

[48] The estimate of spot market water costs is based on average offer prices in winning water lease bids from Pueblo Board of Water Works over the past ten years. Average prices have been $40-$45/AF/yr.

[49] Personal communication with Two Rivers, January 2012.

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Table 9: Estimated Annual Water Cost

Crop	Units	Yield (units/acre)	Price ($/unit)	Revenue ($/acre)
Est. Alfalfa	tons	4.2	$225	$945
Mat. Alfalfa	tons	6.0	$225	$1,350
Corn (grain)	bushels	195	$4.01	$782

It is not expected that all harvested alfalfa will "test" according to the standards identified in the contract with the dairy. As a result, some of the non-test hay will be priced lower than $225/ton. This analysis assumes that 75% of the hay harvested in the first year meets the quality requirements. In the second and third years, the percentage is increased to 80%. By the fourth year and beyond, it is assumed that 90% of the harvested hay meets the quality requirements, on average. Non-test hay is priced at $180/ton, which is the average price of "good" quality conventional hay over the last three years in Colorado including a 20% organic premium.

Crop Production Costs

Alfalfa establishment and production costs were obtained from a 2007 organic alfalfa crop budget published by the University of California. Grain corn production costs were taken from a 2009 crop budget for southern Colorado published by Colorado State University. Costs were adjusted where appropriate to reflect production and growing conditions on the Orlando Reservoir No. 2 Company, LLC property. In particular, fertilizer, harvest, crop insurance, and irrigation costs were changed according to input provided by Two Rivers. Table 10 provides a summary of the production cost by crop.

Table 10: Estimated Annual Crop Production Costs

	Est. Alfalfa	Mat. Alfalfa	Corn
Operating Costs			
Fertilizer	$124	$62	$109
Crop Insurance	$25	$25	$0
Seed	$65	$0	$56
Other	$146	$93	$92
Total Operating Costs	$360	$180	$257
Irrigation Costs			
Labor	$20	$20	$20
Maintenance	$4	$4	$4
Depreciation & Interest	$38	$38	$38
Total Irrigation	$63	$63	$63
Harvest Costs	$112	$149	$55
Overhead	$136	$136	$136
Total Costs	$670	$527	$510

Acres in Production

It is anticipated that Two Rivers will develop the full 1,650 acres by the beginning of the 2014 irrigation season. Table 11 provides the estimated acres in production by crop and year. As shown, the crop mix is assumed fixed from 2017 through 2041.

Table 11: Orlando Reservoir No. 2 Company Crop Mix, 2012-2041

Acres in Production	2012	2013	2014	2015	2016	2017-2041
Est. Alfalfa	639	389	389	0	0	275
Mat. Alfalfa	0	639	1,028	1,417	1,417	1,100
Corn (Grain)	78	156	233	233	233	275
Total Acres	717	1,183	1,650	1,650	1,650	1,650

Income Model Results

Table 12 provides the results of the model. As shown, net returns are negative in the first two years of operations due to high capital costs and limited acres in production. Net revenue increases significantly as more land is brought into production. From 2017 through 2031, net revenues are approximately $440,000 annually. From 2032 through 2041, net revenues increase to more than $600,000 as debt is retired. Using a 6% discount rate, the net present value of net returns over the 30-year period is $5.195 million, or $3,140 per acre, after debt service.

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Table 12: Income Model Results

	2012	2013	2014	2015	2016	2017-2031	2032-2041
Crop Revenue							
Est. Alfalfa	$573,563	$352,800	$352,800	$0	$0	$254,678	$254,678
Mat. Alfalfa	$0	$828,000	$1,332,000	$1,874,250	$1,874,250	$1,455,300	$1,455,300
Corn (Grain)	$60,818	$121,637	$182,455	$182,455	$182,455	$215,036	$215,036
Total Revenue	$634,381	$1,302,437	$1,867,255	$2,056,705	$2,056,705	$1,925,014	$1,925,014
Capital Expenditures							
Reservoir, Headgate, Pipeline	$165,217	$165,217	$165,217	$165,217	$165,217	$165,217	$0
Total CAPEX	$165,217	$165,217	$165,217	$165,217	$165,217	$165,217	$0
Land Preparation Costs	$303,333	$303,333	$303,333	$0	$0	$0	$0
Operating Costs							
Est. Alfalfa	$229,982	$139,989	$139,989	$0	$0	$98,992	$98,992
Mat. Alfalfa	$0	$114,893	$184,827	$254,762	$254,762	$197,815	$197,815
Corn (Grain)	$19,960	$39,920	$59,880	$59,880	$59,880	$70,573	$70,573
Total Operating Costs	$249,942	$294,802	$384,697	$314,642	$314,642	$367,381	$367,381
Water Costs							
Pueblo Lease	$98,270	$98,270	$98,270	$98,270	$98,270	$98,270	$98,270
Pueblo Spot Market	$0	$44,128	$111,483	$111,483	$111,483	$110,067	$110,067
No Call Agreement	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000	$50,000
Orlando Water Lift Costs	$65,940	$97,569	$145,845	$145,845	$145,845	$144,830	$144,830
Total Water Costs	$214,210	$289,966	$405,598	$405,598	$405,598	$403,166	$403,166
Irrigation Costs							
Est. Alfalfa	$40,130	$24,427	$24,427	$0	$0	$17,274	$17,274
Mat. Alfalfa	$0	$40,130	$64,558	$88,985	$88,985	$69,094	$69,094
Corn (Grain)	$4,885	$9,771	$14,656	$14,656	$14,656	$17,274	$17,274
Total Irrigation Costs	$45,016	$74,329	$103,641	$103,641	$103,641	$103,641	$103,641
Harvest Costs							
Est. Alfalfa	$71,281	$43,388	$43,388	$0	$0	$30,682	$30,682
Mat. Alfalfa	$0	$95,041	$152,892	$210,743	$210,743	$163,636	$163,636
Corn (Grain)	$4,278	$8,556	$12,833	$12,833	$12,833	$15,125	$15,125
Total Harvest Costs	$75,559	$146,985	$209,114	$223,577	$223,577	$209,443	$209,443
Overhead Costs							
Est. Alfalfa	$97,111	$42,778	$42,778	$0	$0	$30,250	$30,250
Mat. Alfalfa	$0	$89,444	$143,889	$198,333	$198,333	$154,000	$154,000
Corn (Grain)	$8,906	$17,811	$26,717	$26,717	$26,717	$31,488	$31,488
Total Overhead Costs	$106,017	$150,033	$213,383	$225,050	$225,050	$215,738	$215,738
Net Returns	**($524,913)**	**($122,229)**	**$82,271**	**$618,980**	**$618,980**	**$460,428**	**$625,645**

Comparable Sales

The comparable sales approach cannot be implemented to directly value the assets as a result of the limited applicable sales information and the value-added that will be generated through Two Rivers' organic alfalfa farming operation. However, irrigated farm sale prices in the Arkansas Valley provide useful as a "reality-check" for the results of the income approach.

No recent sales of commercial irrigated alfalfa land were observed in Huerfano County. The irrigated land sales that have occurred in Huerfano County were motivated by the land's recreational value, and thus are not comparable to the subject assets. As a result of the lack of direct comparable sales in Huerfano County, the geographic region of analysis is expanded to include the Arkansas Valley.

A competitive market for alfalfa farms exists in the Arkansas Valley with frequent sales of large irrigated land parcels. Alfalfa land values in the Arkansas Valley are driven by crop yields (income), and speculation on potential future values for appurtenant water rights. After improvements to the irrigation system and farmland, Two Rivers expects that the Orlando Reservoir No. 2 Company, LLC assets will provide alfalfa yields similar to the yields attained on farms in the Arkansas Valley.[50] In addition, a similar speculative value may exist for the Orlando Reservoir No. 2 Company, LLC water assets as evidenced by the service agreement with the Case Family. This service agreement provides for potential future water sales to urban uses in Huerfano County. As a result of these factors, it is reasonable to apply Arkansas Valley farmland values to "reality-check" the market value of the subject assets in their proposed agricultural use estimated in the income approach.

As indicated in the Market Assessment section of this report, recent irrigated alfalfa farm market prices in the Arkansas Valley have ranged from $1,167/acre to $4,238/acre. The value of the Orlando Reservoir No. 2 Company, LLC farming operation estimated in the income approach, $3,140/acre, falls near the middle of this range.

Orlando Reservoir No. 2

This appraisal assignment requires estimation of the subject assets taken as a whole as well as Orlando Reservoir No. 2 considered individually. A form of "before and after" analysis is implemented in order to value Orlando Reservoir No. 2. In particular, the value of land and the capitalized agricultural income with and without Orlando Reservoir No. 2 is estimated. It is important to note that this does not provide an estimate of the market value of Orlando Reservoir No. 2 if sold separately to an outside buyer. Instead, the approach identifies the value that Orlando Reservoir No. 2 contributes to the bundle of assets owned by Orlando Reservoir No. 2 Company, LLC.

[50] Personal Correspondence with Jerred Hoffman, Senior Farm Manager, Two Rivers Water Company. January 5, 2012.

The estimated value of the Orlando Reservoir No. 2 Company, LLC assets via the income approach is $5.195 million. Removing the Orlando Reservoir No. 2 water assets from the analysis results in the following changes to costs and revenues:

- Eliminates firm water supply of 2,400 AF/year provided by Orlando Reservoir No. 2, therefore making irrigation of the 1,400 acres located west of the Huerfano River impossible. As a result, crop revenue from these acres is lost.
- Avoids annual water leasing and pumping expenses associated with irrigating the 1,400 acres on the west side of the Huerfano River.
- The capital expenditures associated with rehabilitating Orlando Reservoir No. 2, Orlando Canal No. 3, and pipeline development are no longer necessary.
- Eliminates the need for the Welton Ditch no call agreement, and the associated annual expense of $50,000.
- Avoids land preparation costs.

Table 13 displays the revised income model results. As shown, the net present value of net returns to the organic farming operation is estimated to be $2.079 million without the use Orlando Reservoir No. 2.

Table 13: Income Model Results after Removing Orlando Reservoir No. 2

	2012	2013	2014	2015	2016	2017-2031	2032-2041
Crop Revenue							
Est. Alfalfa	$187,031	$0	$0	$38,588	$38,588	$38,588	$38,588
Mat. Alfalfa	$0	$270,000	$270,000	$220,500	$220,500	$220,500	$220,500
Corn (Grain)	$32,581	$32,581	$32,581	$32,581	$32,581	$32,581	$32,581
Total Revenue	$219,613	$302,581	$302,581	$291,669	$291,669	$291,669	$291,669
Capital Expenditures							
Reservoir, Headgate, Pipeline	$0	$0	$0	$0	$0	$0	$0
Total CAPEX	$0	$0	$0	$0	$0	$0	$0
Land Preparation Costs	$0	$0	$0	$0	$0	$0	$0
Operating Costs							
Est. Alfalfa	$74,994	$0	$0	$14,999	$14,999	$14,999	$14,999
Mat. Alfalfa	$0	$37,465	$37,465	$29,972	$29,972	$29,972	$29,972
Corn (Grain)	$10,693	$10,693	$10,693	$10,693	$10,693	$10,693	$10,693
Total Operating Costs	$85,687	$48,158	$48,158	$55,664	$55,664	$55,664	$55,664
Water Costs							
Pueblo Lease	$0	$0	$0	$0	$0	$0	$0
Pueblo Spot Market	$0	$0	$0	$0	$0	$0	$0
No Call Agreement	$0	$0	$0	$0	$0	$0	$0
Orlando Water Lift Costs	$0	$0	$0	$0	$0	$0	$0
Total Water Costs	$0	$0	$0	$0	$0	$0	$0
Irrigation Costs							
Est. Alfalfa	$13,086	$0	$0	$2,617	$2,617	$2,617	$2,617
Mat. Alfalfa	$0	$13,086	$13,086	$10,469	$10,469	$10,469	$10,469
Corn (Grain)	$2,617	$2,617	$2,617	$2,617	$2,617	$2,617	$2,617
Total Irrigation Costs	$15,703	$15,703	$15,703	$15,703	$15,703	$15,703	$15,703
Harvest Costs							
Est. Alfalfa	$23,244	$0	$0	$4,649	$4,649	$4,649	$4,649
Mat. Alfalfa	$0	$30,992	$30,992	$24,793	$24,793	$24,793	$24,793
Corn (Grain)	$2,292	$2,292	$2,292	$2,292	$2,292	$2,292	$2,292
Total Harvest Costs	$25,535	$33,283	$33,283	$31,734	$31,734	$31,734	$31,734
Overhead Costs							
Est. Alfalfa	$31,667	$0	$0	$4,583	$4,583	$4,583	$4,583
Mat. Alfalfa	$0	$29,167	$29,167	$23,333	$23,333	$23,333	$23,333
Corn (Grain)	$4,771	$4,771	$4,771	$4,771	$4,771	$4,771	$4,771
Total Overhead Costs	$36,438	$33,938	$33,938	$32,688	$32,688	$32,688	$32,688
Net Returns	**$56,249**	**$171,499**	**$171,499**	**$155,881**	**$155,881**	**$155,881**	**$155,881**
NPV, 2012-2041 (r=6%)	$2,078,692						
Dry Land Value (1,400 acres @ $402/acre)	$562,800						
Total Value (NPV+Dry Land Value)	**$2,641,492**						

While the net present value of net returns of the assets after removing Orlando Reservoir No. 2 is $2.079 million, the estimated market value of the 1,400 acres of dry land must be added to represent the value of the full bundle of remaining assets. As described in the Market Assessment section of this report, observed values for dry grazing land in southeast Colorado ranged from $165/acre to $571/acre. The sales considered most comparable to the dry grazing land held by the Orlando Reservoir No. 2 Company, LLC are the three sales that occurred in eastern Huerfano County. The prices in these sales were $260/acre, $375/acre, and $571/acre. The average of these prices, $402/acre, is considered representative of the market value of the 1,400 acres of pasture land on the west side of the Huerfano River held by the Orlando Reservoir No. 2 Company, LLC. Applying this estimated value to the subject 1,400 acres on the west side of the Huerfano River results in a total value of $562,800 for the land.

Adding $562,800 to the estimated net present value of returns to the farming operation without Orlando Reservoir No.2 provides a total value of $2.641 million. The total value that Orlando Reservoir No. 2 contributes to the organic farming operation is equivalent to the difference between the total value of the LLC with and without Orlando Reservoir No. 2, or $5.195 million minus $2.641 million. Thus, the estimated value of Orlando Reservoir No. 2 is $2.554 million, equivalent to $1,064/AF of firm yield. Table 14 displays this calculation.

Table 14: Before and After Valuation Approach for Orlando Reservoir No. 2

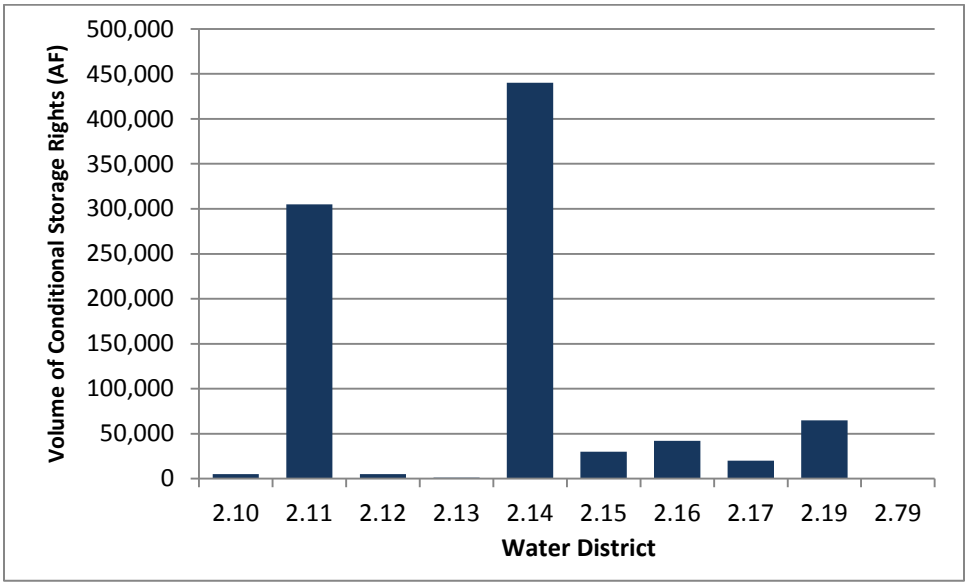
NPV of Revenue for Orlando Reservoir No. 2 Company, LLC with Orlando Reservoir	$5,195,000
NPV of Revenue for Orlando Reservoir No. 2 Company, LLC without Orlando Reservoir	$(2,078,692)
Market Value of 1,400 acres of pasture land	$ (562,800)
Value of Orlando Reservoir No. 2	**$ 2,553,508**

Demand Analysis

Data on demand for water storage capacity, as well as observed transactions, show that Orlando Reservoir No. 2 is marketable in agriculture, its highest and best use. There is significant evidence of demand for water storage capacity throughout the Arkansas Basin. One sign of demand is the large volume of conditional storage rights that have been decreed. Conditional storage rights reserve a priority date for water storage that is planned for future development. Obtaining a conditional storage right indicates that an entity intends to construct new storage or expand existing storage. To maintain the validity of conditional rights, the owner must demonstrate that progress is being made toward developing the right. Currently, the volume of existing conditional storage water rights in the basin far exceeds available

supplies.[51] Figure 10 shows the total volume of conditional water storage rights in the Arkansas Basin by water division. As shown, conditional storage rights total more than 800,000 AF.

Figure 10: Total Volume of Conditional Storage Rights in the Arkansas Basin



Source: CDM, CWCB, and CO DNR. "Appendix H: Summary of Conditional Storage Rights." Statewide Water Supply Initiative.

Further, in its 2011 Consumptive and Nonconsumptive Needs Assessment prepared pursuant to House Bill 05-1177, the Arkansas Basin Roundtable recognized the importance of additional storage in the Arkansas Basin. In addition, development of new storage was recommended. This recommendation was based on a 2008 engineering study finding that 70,700 AF of firm new storage capacity, and 21,500-25,500 AF of long-term excess storage capacity contracts, are required to meet projected Arkansas Basin demands by 2030.[52]

This demand for storage has led many water users acquire excess capacity in Pueblo Reservoir each year in single-year leases with the Bureau of Reclamation. Table 15 details the leases completed for 2012, an indication of current-year demand for water storage. As shown, several of the 2012 lessees are irrigators, demonstrating demand for water storage in agriculture, the highest and best use of Orlando Reservoir No. 2. Total storage capacity leased by irrigators in 2012 is 9,338 AF. Demand for storage in agriculture is also evident in proposals by the Highline Canal and Welton Ditch to construct new reservoirs.[53] While these projects

[51] Throvaldson, J. and J. Pritchett. "Profile of the Arkansas River Basin." Economic Development Report, Department of Agricultural and Resource Economics, Colorado State University. December 2005.

[52] Applegate Group. "Arkansas Basin Consumptive Use Water Needs Assessment." Presentation to Arkansas Basin Roundtable, 2008.

[53] Personal Correspondence with Gary Barber, Chief Operating Officer, Two Rivers Water Company. January 11, 2012.

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were found to be infeasible due to high costs, they show a need for storage. Specific agricultural demand for the Orlando Reservoir No. 2 is demonstrated by previous leases to the Welton Ditch. Other downstream agricultural water users seeking additional supplies that could potentially benefit from acquiring space in the Orlando Reservoir No. 2 might include the CWPDA, AGUA, LAVWCD, and LAWMA.

Table 15: Single-Years Market Leases of Excess Pueblo Reservoir Capacity, 2012

Lessee	Use	Capacity (AF)	Rate ($/AF/yr)
US BLM	Recreation	400	$23.98
CO Water Protective and Development Assn	Irrigation	5,000	$22.04
CO Water Protective and Development Assn	M&I	1,500	$27.79
St. Charles Mesa Water District	M&I	650	$27.79
Upper Arkansas Water Conservancy District	M&I	50	$53.32
Upper Arkansas Water Conservancy District	M&I	700	$27.79
Donala Water and Sanitation District	M&I	499	$53.32
Arkansas Groundwater Users' Assn	Irrigation	1200	$22.04
United Feeders, Inc	M&I	125	$27.79
Widefield Water & San	M&I	400	$27.79
City of Salida	M&I	625	$27.79
City of Rocky Ford	M&I	100	$27.79
Security	M&I	100	$27.79
Bessemer Ditch	Irrigation	1,000	$22.04
CO Parks & Rec	Recreation	1,000	$23.98
LAVWCD	M&I	500	$27.79
LAVWCD	Irrigation	2,000	$22.04
City of Victor	M&I	340	$53.32
CO Dept of Corrections	Irrigation	138	$22.04
Colo Spgs Utilities	M&I	5,000	$27.79
Total	All	21,327	$29.80 average
Total	**Irrigation**	**9,338**	**$22.04 average**

Demand for storage has also resulted in permanent transfers of reservoir capacity in the Arkansas Basin. These transactions were described previously in the Market Assessment section of this report. Observed recent prices have ranged from $1,000/AF to $5,000/AF. However, these sales cannot be used to value the Orlando Reservoir No. 2. The sales occurred in support of urban uses, while the highest and best use of Orlando Reservoir No. 2 is agricultural.

In summary, there is clear demand in the Arkansas Basin among agricultural water users for incremental storage capacity. Willingness to pay for single-year leases of storage capacity appears to be $22.04/AF based on leases of space in Pueblo Reservoir. However, water users value certainty, and are thus likely to pay higher prices in multi-year capacity leases than in single-year leases. In addition, the need for long-term certainty in storage capacity will continue to drive water users to seek permanent acquisitions of reservoir capacity. Based on

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these factors, the assessment that the value of the Orlando Reservoir No. 2 is $1,064/AF appears reasonable.

Summary

As described above, the estimated value that the Orlando Reservoir No. 2 contributes to the bundle of assets held by the Orlando Reservoir No. 2 Company, LLC is $2.554 million, or $1,064/AF for 2,400 AF of capacity. The high demand for storage in the Arkansas Basin and observed transactions support that the Orlando Reservoir No. 2 is marketable, and that this estimated value is reasonable.

Summary and Conclusions

No sales of land or water assets directly comparable to the assets held in the Orlando Reservoir No. 2 Company, LLC were identified. In addition, the highest and best use of the subject assets was determined to be in their proposed agricultural use as a result of uncertainty surrounding the legal transferability of the water assets, and contractual limitations on sales of the land assets. Thus, an income analysis was relied upon to determine the net present value of the net returns to the assets in their proposed agricultural use. The reported findings are summarized as follows:

- The subject assets include a reservoir, canal infrastructure, storage water rights, direct flow water rights, and dry grazing land on the Huerfano River approximately 15 miles north of Walsenburg in Huerfano County.
- Two Rivers acquired the assets in 2011, and intends to develop them to a commercial organic alfalfa farm. Necessary development includes rehabilitation of the water infrastructure, construction of an irrigation system, and re-grading the land.
- Revenue from this operation will come from a multi-year alfalfa supply agreement with an organic dairy that stipulates a price of $225/ton for dairy-quality alfalfa.
- There is potential for selling the water rights for urban uses via a water service agreement with the previous owners of the assets (Case family). The water would supply a residential land development in the immediate area of the assets. However, the viability of such a development is uncertain at this time. In addition, the legal transferability of the water rights in currently unknown as a result of their intermittent use history and a recent Division of Water Resources rejection of Two Rivers' application for a substitute water supply plan.
- A competitive market exists in the Arkansas Basin for farmland, water rights, and water storage capacity. However, market activity and demand are concentrated in the Arkansas Valley and Fountain Creek. Market demand on the Huerfano River near the subject assets is limited.
- The Highest and Best use of the subject assets was determined to be in the proposed organic alfalfa farming operation. This determination was based on the lack of clear market demand for several of the assets, restrictions on land sales implemented in the agreement with the Case family, and the uncertain legal transferability of the water assets.
- An income model was developed to estimate the net present value of the revenue stream provided by organic alfalfa production. Cost and revenue assumptions were based on engineering analyses commissioned by Two Rivers, existing agreements for alfalfa sales, published crop budgets, interviews with Two Rivers' farm manager, and interviews with other local alfalfa growers. The net present value of the net returns was estimated to be $5.195 million, equivalent to $3,140/acre.
- This estimated value is considered to be reliable based on farm sale prices observed in other areas of the Arkansas Basin.

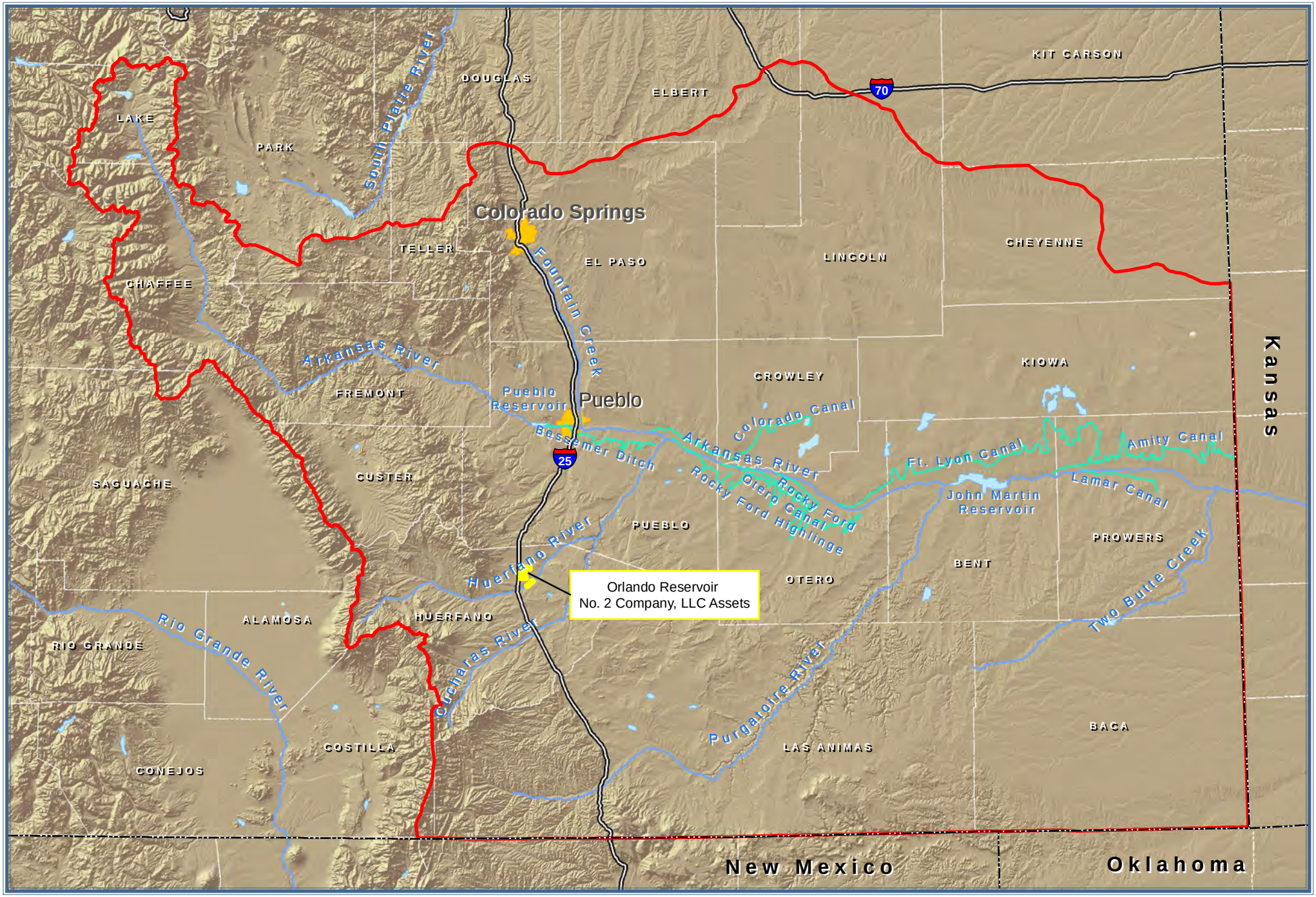
Based upon market data and the analysis presented, it is the appraiser's opinion that the relevant total value of the assets held by the Orlando Reservoir No. 2 Company, LLC is **$5.195 million.**

- The assignment required a valuation of the Orlando Reservoir No. 2 separate from the other assets held by the Orlando Reservoir No. 2 Company, LLC. The selected valuation approaches are "before and after" and comparable sales analyses.
- The "before and after" approach estimates the difference between the net present value of the revenue generated by the assets with Orlando Reservoir No.2, and the net present value of the revenue generated by the assets without Orlando Reservoir No. 2
- With the reservoir, the net present value of the assets' income was estimated to be $5.195 million. Without the costs and water supply benefits of the reservoir, the net present value of the income was $2.079 million. The value of the non income-generating dry land must be added to the estimated $2.079 million, resulting in a total value of $2.641 million for the assets after removing Orlando Reservoir No. 2.
- Subtracting $2.641 million (the value without Orlando Reservoir No. 2) from $5.195 million (the value with Orlando Reservoir No. 2) results in an estimated value of $2.554 million for the reservoir, or $1,064/AF for the 2,400 AF of capacity.
- Market demand and comparable sales in the Arkansas Basin support the assessment that a viable market exists for capacity in Orlando Reservoir No. 2.

Based upon market data and the analysis presented, it is the appraiser's opinion that the relevant stand-alone value for Orlando Reservoir No. 2 is **$2.554 million.**

Appendix A: Maps

Arkansas River Basin Regional Overview

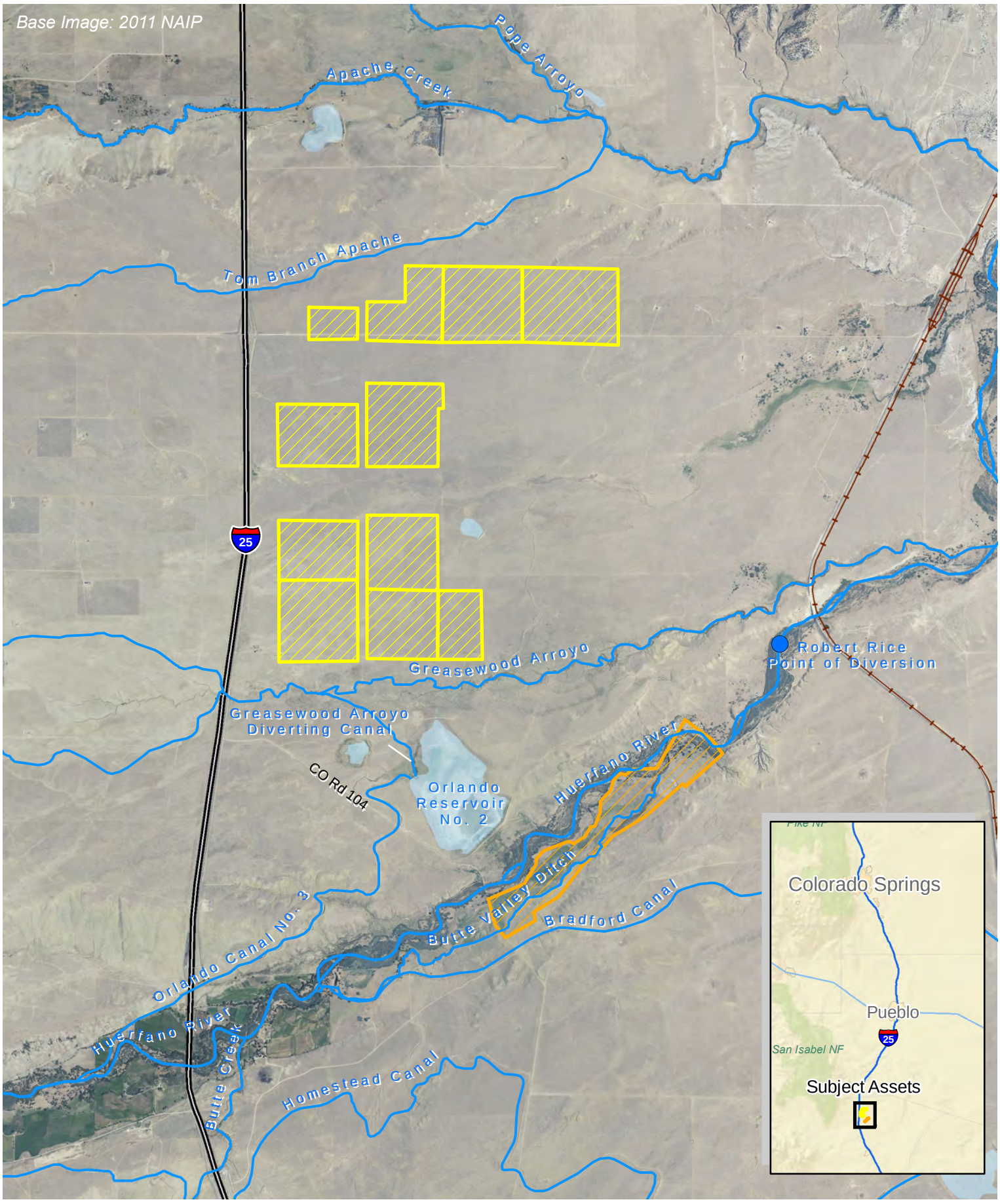


Ditch / Canal | Subject Assets | State Boundary | Arkansas River Basin

0 10 20 40 Miles

N

Two Rivers Water Company Assets



Appendix B: Water Service Agreement

SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement"), dated the 28th day of January, 2011 (the "Effective Date"), is between **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC**, a Colorado limited liability company (referred to hereinafter as "Orlando"), **MARKSHEFFEL-WOODMEN INVESTMENTS, LLC**, a Colorado limited liability company (referred to hereinafter as "MWI"), **TWO RIVERS WATER COMPANY**, a Colorado corporation (referred to hereinafter as "Two Rivers"), and **TRW ORLANDO WATER ASSET, LLC**, a Colorado limited liability company ("TRW"). Orlando, MWI, Two Rivers, and TRW are individually referred to hereinafter as a "Party" and collectively as the "Parties."

Recitals

A. Two Rivers and TRW are in the business of acquiring, developing, managing and administering water rights and water resources for agricultural, energy, and future municipal uses.

B. Orlando and MWI, through affiliate companies and parties, collectively own or control approximately 7,000 acres of real property in Huerfano County, Colorado, which is more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the "Land").

C. The Land is in close proximity to Orlando Reservoir No. 2. and Orlando, which is affiliated with MWI, plans to utilize water from Orlando Reservoir No. 2 in support of MWI's planned development of the Land.

D. Orlando owns and is contemporaneously herewith closing on the sale to Two Rivers of Orlando Reservoir No. 2 and a number of water rights (the "Water Rights") as

described in and pursuant to that certain Purchase Agreement dated September 22, 2010 between Two Rivers and Orlando (the "Purchase Agreement"). The Water Rights are described on **Exhibit B** attached to this Agreement.

E. Pursuant to the terms of the Purchase Agreement, Two Rivers, TRW, and Orlando are entering into this Service Agreement to document the Parties' agreement regarding future water service to be provided to MWI's Future Development (as defined below), administration of the Water Rights, and a Recreational Use Easement in favor of the Future Development, the terms of which are being agreed upon contemporaneously herewith. A copy of the Recreational Use Easement which is being concurrently executed with the Purchase Agreement closing is attached hereto as **Exhibit C**.

Agreement

In consideration of the foregoing Recitals, which are incorporated herein, the closing pursuant to the Purchase Agreement, the mutual covenants of the Parties contained herein, and other good and valuable consideration, the adequacy of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Commitment to Provide Water Service for Future Development. As noted above, Two Rivers and TRW are in the business of acquiring, developing, managing and administering water rights and water resources for agricultural, energy, and future municipal uses. TRW, as assignee of Two Rivers, is acquiring the Water Rights to use those Water Rights initially for agricultural purposes, but with the commitment to MWI, as more particularly set forth below, to convert them to municipal water rights to be used to support MWI's development of the Land. MWI, directly or through its assigns, intends in the future to subdivide and develop the Land for uses which include, but are not limited to, a mixed commercial, industrial, residential,

recreational and other mixed use development (the "Future Development"). Subject to the timeframe set forth below, upon written notice from MWI to TRW that the Future Development will need water service (a "Water Service Request"), TRW agrees to use all commercially reasonable efforts to finalize the provision of potable water for municipal water supplies and service to the Future Development from the Water Rights transferred to TRW pursuant to the Purchase Agreement, which is currently estimated to provide in excess of 5,000 single family equivalent ("SFE") water service taps ("Taps"). The term SFE is not intended to limit the application of the Water Rights for the benefit of only single family homes, but is used as an engineering term of measurement which is customarily used in the industry. TRW shall reserve for the benefit of MWI the annual consumptive use water associated with the Water Rights, as finally determined by the Water Court, which amount is estimated to be sufficient to supply water to MWI for approximately 5,000 SFEs. Subject to its rights under Paragraph 2(c) below, TRW shall not commit to provide any other water, or to serve any other use, with water from the Water Rights (other than for irrigation as provided in paragraphs 8 and 9 herein), unless and until this reservation and obligation to MWE is completely satisfied. In addition, TRW's long-term plans include efforts to acquire additional water rights within this area which would in significant part be stored in the Orlando Reservoir No. 2 and could augment TRW's ability to provide water service to the Future Development. However, TRW's obligations hereunder are limited to providing water to the Future Development (following the Water Service Request as set forth above) as may be produced from the Water Rights with competent and prudent water resource management. The Parties acknowledge that TRW and Two Rivers are not guarantying the amount of water that may be available to the Future Development in the future from the Water Rights as how much water is ultimately provided from the Water Rights is subject to a number of

factors, including, but not limited to, governmental approvals and climatic changes. TRW and Two Rivers are, however, promising to use competence and to prudently manage the water resources and use all commercially reasonable efforts to maximize the number of Taps that can be obtained from the Water Rights.

2. New Service Request Processing.

A. General. MWI shall not be entitled to deliver a Water Service Request to TRW prior to the date that is three (3) years from the Effective Date of this Agreement unless expressly agreed to in writing by TRW. When MWI anticipates that it will commence development, MWI will deliver a Water Service Request to TRW. The Parties understand that the Future Development will likely be constructed in phases and that MWI will provide multiple Water Service Requests to TRW which correlate with the phases of the Future Development. With each Water Service Request, MWI will notify TRW of its anticipated build out for that particular phase (total number of SFE's), anticipated build out schedule for that phase and, therefore, the number of Taps anticipated to be needed for that phase. With its first Water Service Request, MWI will also notify TRW of its then current estimate of the total build out of the Future Development and the maximum number of Taps that are projected to be needed, understanding that this number will be subject to change based on future planning and the results of entitlement efforts.

B. Processing of Water Service Requests. Upon receiving a Water Service Request, TRW, at its expense and with the assistance of Two Rivers, will commence and diligently pursue thereafter efforts to obtain needed approvals to convert that portion of the Water Rights from agricultural to municipal water as is necessary to satisfy the Water Service Request to support that particular phase of the Future Development, and TRW, with the assistance of Two Rivers,

shall use its best efforts to process those applications quickly and successfully to completion. MWI shall cooperate with TRW and Two Rivers as needed in the application process, but MWI shall not be responsible for any costs incurred by TRW in those efforts but MWI shall not be responsible for any costs incurred by TRW in those efforts. Additionally, TRW, with the assistance of Two Rivers, will also promptly commence the design, engineering and permitting of a water treatment plant and water distribution system sized to serve the Future Development, and construct those facilities in appropriate phases as soon as reasonably possible. MWI and TRW will at least quarterly update each other as to the progress of their respective projects and obligations during the land entitlement, water rights adjudication proceedings, and design, permitting and construction of the water treatment plant and distribution systems. The Parties acknowledge that both the land entitlement application process with Huerfano County for the Future Development and the adjudication process of converting the Water Rights from agricultural to municipal water rights to serve the Future Development will take a number of months and may be delayed beyond the control of the Parties, but that the Parties agree to pursue those efforts, to the best of each Party's ability, concurrently and diligently once MWI has issued a Water Service Request.

C. TRW's Right to Terminate. MWI may, in its discretion (but subject to the three-year waiting period), select the time to deliver the various Water Service Requests, provided, however, that if MWI has not submitted its first Water Service Request to TRW within ten (10) years from the Effective Date of this Agreement, then MWI's rights hereunder may be terminated in accordance with the following procedures: If MWI has not issued its first Water Service Request to TRW within ten (10) years from the Effective Date of this Agreement, and if TRW desires to terminate its future water service obligations to MWI hereunder, then TRW shall

give MWI written notice of TRW's desire to terminate its future water service obligations to MWI hereunder (an "Intent to Terminate Notice"), in which case MWI shall have the right, within one (1) year of receipt of that Intent to Terminate Notice, within which to issue to TRW either (a) a Water Service Request (as hereinafter defined) or (b) an Extension Notice (as hereinafter defined). A "Water Service Request" from MWI shall be deemed a commitment from MWI that it is proceeding forward with entitlement work for its Future Development and will be in need of municipal water service in the future and that TRW is expected to commence the necessary water service applications and planning for the water distribution facilities needed to serve the Future Development as provided for herein. In the event MWI timely provides a Water Service Request to TRW after receipt of such Intent to Terminate Notice, then the water service obligations of TRW hereunder shall continue in full force and effect as if no Intent to Terminate Notice was issued provided, however, that MWI, with its Water Service Request notice to TRW, includes payment of the Water Resource Fee (as defined below) for at least 50 SFE Taps and notifies TRW that MWI is requesting service and committing thereafter to purchase at least 50 SFE Taps per year until the Future Development is fully serviced with municipal water. If MWI merely desires to extend its rights and TRW's water service obligations under this Agreement, then MWI may issue an Extension Notice, accompanied by payment equal to the Water Resource Fee for 50 SFE Taps, which shall mean that MWI is merely extending TRW's obligations under this Agreement for an additional year, and with the understanding that TRW's will be entitled to terminate this Agreement one year from the date of MWI's Extension Notice unless MWI again pays an extension fee in the amount of the Water Resource Fee for an additional 50 SFE Taps that next year, and with annual extensions continuing thereafter until MWI either issues a Service Request or fails to extend. It is

understood and agreed between the Parties that if MWI issues a Service Request, its payments shall be deemed prepayment for Taps, and that MWI may purchase those Taps and hold them in escrow until MWI has a customer to utilize those Taps that were purchased by MWI pursuant to this provision. If MWI does not issue either a Water Service Request or an Extension Notice within that one (1) year period from the date of the Intent to Terminate Notice, or fails to pay the Water Resource Fee for at least fifty (50) SFE Taps per year pursuant to the foregoing provisions, then TRW shall be entitled to terminate its future water service obligations to MWI hereunder by written notice to MWI so terminating this Agreement.

D. Self Help. If TRW fails to honor a Water Service Request from MWI which is issued after the initial three (3) year waiting period and does not cure that breach within the notice and cure period under Paragraphs 13 and 14 of this Agreement, then MWI, in addition to any other remedies provided for herein or at law, shall be entitled to self-help to design, plan and construct water treatment and water distribution facilities to serve the Future Development and/or contract with other third parties to provide water service and those facilities.

3. Costs for Water Supplied. TRW will charge MWI or a metropolitan district established by MWI for the support of the Future Development ("MWI's District"), for the raw water delivered at an initial water resource charge equal to $6,500.00 per SFE Tap (the "Water Resource Fee"), which calculation shall also apply for other non-residential uses. If TRW elects to treat the water and deliver potable water for the Future Development as contemplated herein, then TRW, in addition to the Water Resource Fee, shall be entitled to charge a development fee (the "Water Development Fee") calculated to amortize the capital costs to construct and provide the treatment facility and distribution system over its useful life, with a fair rate of return on that capital investment.

TRW will notify MWI of its decision to either provide or not provide water treatment services within thirty (30) days from the date of the Water Service Request from MWI. The Water Resource Fee and the Water Development Fee shall be due and payable at the time of an application for a building permit for a structure based on the number of SFE Taps to be required for that new structure within the Future Development. If TRW elects not to treat and distribute water to the Future Development, MWI will be entitled to do so with that activity not constituting a breach of this Agreement or any covenant not to compete, in which case TRW will still provide the raw water to the Future Development and shall be entitled to the Water Resource Fee (but not the Water Development Fee) in accordance with this Paragraph 3.

4. Wastewater Service. TRW is not offering to provide wastewater service to the Future Development and the Parties understand that MWI will be solely responsible for any wastewater facilities needed to support the Future Development. TRW agrees, without any monetary obligation to TRW, to reasonably cooperate with MWI (and MWI's Districts or property owners associations, as provided for below) in efforts to permit, establish and construct any wastewater facilities to serve the Future Development. If TRW is providing water service to the Future Development, then MWI agrees that TRW shall be entitled to the credit for the return flows, if any, from any wastewater facilities installed by MWI or its affiliates for the Future Development. Nothing in this Paragraph 4. is intended to represent or guaranty to TRW or Two Rivers any amount of return flow credits in the future, or to obligate MWI to install any particular type of wastewater treatment facilities or equipment, all of which shall be in MWI's sole and absolute discretion.

5. Creation of Special District or Property Owners Association for TRW.

A. TRW. Orlando and MWI acknowledge that TRW or Two Rivers may desire to form a Title 32 or similar special district and quasi-municipal government which can hold title to the Water Rights and administer the Water Rights and deliver the water to the Future Development in accordance with this Agreement ("TRW's District"). MWI agrees to cooperate with TRW in those efforts and MWI agrees that TRW may assign its rights under this Agreement to TRW's District, subject to the requirements in this Agreement, and TRW's District may perform the obligations of TRW under this Agreement, provided that TRW's District expressly assumes and agrees to perform TRW's obligations under this Agreement. Nothing contained herein shall obligate MWI to annex any of its Land into TRW's District.

B. MWI. MWI may form one or more Title 32 or similar districts or other entities to hold MWI's rights under this Agreement and receive and distribute the raw water to be delivered by TRW for the Future Development ("MWI's Districts"). MWI's Districts may also construct the water treatment plant and water distribution facilities that may be needed to treat the raw water received for the Future Development if TRW does not provide for the treatment of the water for human consumptive use. MWI's Districts may also provide other infrastructure for the Future Development, as determined by MWI in MWI's sole discretion. If MWI is not successful in forming MWI's Districts, MWI may, at its expense, form one or more property owners association ("POA's") for the Future Development which may perform the functions contemplated to be formed by MWI's Districts. TRW agrees to cooperate with MWI in those efforts and TRW agrees that MWI may assign its rights under this Agreement to one or more of MWI's Districts or POA's and they may perform MWI's obligations under this Agreement, provided that MWI's Districts or POA's, as applicable, expressly assume and agree to perform

MWI's obligations under this Agreement. Nothing contained herein shall obligate TRW or Two Rivers to annex any property into MWI's Districts or POA's.

6. Recreational Easement. TRW acknowledges that MWI desires to use the Orlando Reservoir No. 2 as a recreational amenity and marketing tool for the Future Development and TRW agrees to accommodate such recreational use of the Orlando Reservoir No. 2 subject, however, to the following provisions. TRW and MWI will contemporaneously herewith record a Recreational Use Easement in the form of **Exhibit C** attached hereto and incorporated herein by this reference (the "Recreational Easement"). The Parties agree, however, to make such future modifications to the Recreational Easement as may be required to comply with any applicable laws and regulations or with generally accepted practices for management of municipal water resources in effect at the time of the efforts by TRW to convert the water rights as needed to service the Future Development. At the time MWI commences the entitlement process for the development of the Future Development, the Recreational Easement shall be reviewed and modified, as and if necessary. TRW also acknowledges and consents to MWI's intent to assign the Recreational Easement in the future to MWI's Districts or POA's formed for the Future Development or to another successor to MWI which will hold the Recreational Easement for the benefit of the Future Development and owners within the Future Development. TRW agrees to administer the Water Rights consistent with the terms and limitations of the Recreational Easement as modified or amended in the future as contemplated herein.

7. Administration of Water Rights. From and after the Closing, TRW, in conjunction with Two Rivers, covenants and agrees to, and shall be solely responsible for the costs and efforts required to, maintain the Water Rights in good standing and for the preparation and maintenance of all documentation and record keeping necessary or helpful to that purpose.

Additionally, TRW, in conjunction with Two Rivers, will be responsible for and agrees to prepare, pay the application fees for and prosecute any and all water rights applications and cases necessary to restore the consumptive use of the Water Rights initially, and later change the use of the Water Rights in accordance with TRW's plans, investments and activities, including TRW's agreement to serve municipal water to the Future Development pursuant to this Agreement. MWI agrees, if requested by TRW, to assist and cooperate with TRW in those efforts, but MWI shall not be responsible for any costs incurred by TRW in those efforts. TRW agrees to periodically, but not less often than quarter annually, keep MWI informed of its planned actions with regard to the Water Rights and provide MWI with the opportunity to review and comment on all applications and related filings, including any pertinent engineering data and reports, regarding those Water Rights prior to TRW filing the applications with appropriate authorities. TRW and Two Rivers agree to take all commercially reasonable actions that may be necessary to protect or preserve the Water Rights.

8. TRW's Irrigation Rights. To assist TRW in further developing and maintaining the Water Rights, to the extent owned by MWI, MWI agrees to allow TRW to apply the water to the land historically irrigated by the Water Rights with the condition that those irrigation rights and the application of water for beneficial consumptive use will not interfere with MWI's ability to graze or hunt on the property. Approximately 1,600 acres of land are identified by the applicable water decrees as having been historically irrigated by the Water Rights, and the Parties are endeavoring to more accurately identify the 1,600 acres that have been historically irrigated by the Water Rights and which of those 1,600 acres are owned by MWI (the "Irrigable Land"). Once those acres have been identified, the Parties will agree on an exhibit which identifies those acres which shall constitute the Irrigable Land, and attach that exhibit as **Exhibit**

D to this Agreement. TRW's right to irrigate the Irrigable Land shall be for a five (5) year period from the Effective Date of this Agreement, and thereafter until MWI or MWI's Affiliates gives TRW not less than six months notice that MWI is terminating those irrigation rights. If MWI gives a notice of termination to TRW based on MWI's anticipated need for municipal water and desire to have TRW commence the process of converting the Water Rights to municipal water rights, then TRW's rights to irrigate the Irrigable Land shall terminate six (6) months from such termination notice, unless TRW offers to provide MWI with the municipal water from some other available source of municipal water. Notwithstanding the foregoing, commencing on the date ten years from the date of this Agreement, MWI may terminate any further rights of TRW to irrigate the Irrigable Land by providing TRW not less than three (3) months notice of such termination.

9. Farming of the Irrigable Land and Compensation for Application of Water Rights. Commencing during calendar year 2013, TRW agrees to use commercially reasonable efforts to commence farming operations on the Irrigable Land. TRW may conduct such farming without additional compensation to MWI through the end of the fifth anniversary of the Effective Date and thereafter subject to MWI's termination rights as provided for in Paragraph 8 above. From and after the Effective Date, TRW and Two Rivers agree to pay MWI $40.00 per acre foot of water per year of the water from the Water Rights utilized by TRW for farming or other operations on any land other than the Irrigable Land as measured either at the decreed point of diversion, or a measuring device approved by the Parties, at TRW's option, for those other lands.

10. Grazing. MWI and its affiliates currently use the Land for grazing and have a grazing lease in place with Tom Sikes (the "Grazing Lease"). Pursuant to the Grazing Lease, livestock graze up to the water's edge and drink water from Orlando No. 2 Reservoir and from

the ditches related thereto ("Grazing Activities"). TRW consents to the continued Grazing Activities by MWI and MWI's tenants, provided, however, that TRW shall be entitled to cause MWI to terminate the Grazing Lease and further Grazing activities within the Irrigable Land upon not less than twelve (12) months written notice from TRW to MWI. In such event, TRW, at its expense, shall be entitled to fence off the Irrigable Land.

11. Assignment of Agreement. TRW may, without MWI's or Orlando's consent, assign this Agreement to TRW's District or to an entity in which TRW holds at least a fifty percent (50%) interest. In conjunction with the assignment, TRW agrees to have TRW's District assume TRW's obligations under this Agreement. At and following Closing, MWI and Orlando shall be entitled to assign their rights under this Agreement to MWI's Districts or to the POA's or to any successor or proportionately to any successors to the Future Development or to any land purchased by MWI that may be capable of utilizing the water to be delivered under this Agreement in accordance with this Agreement. Each Party shall notify the other Parties in writing in advance of or concurrently with any assignment of this Agreement to any of the foregoing entities.

12. Mutual Cooperation. The Parties agree to work cooperatively with each other and communicate as necessary in an effort to maximize each Party's benefits and minimize each Party's costs associated with this Agreement. In that regard, TRW agrees in the future to grant to MWI or MWI's Districts such additional access and utility easements as may be reasonably necessary or helpful to the full development of the Future Development and beneficial use and enjoyment of the Recreational Easement (as amended or modified as contemplated herein) and any other rights under this Agreement. MWI agrees in the future to grant to TRW or TRW's District such additional access and utility easements as may be reasonably necessary or helpful to

the full use and enjoyment of the Orlando Reservoir No. 2 and the Water Rights in accordance with the intent of this Agreement. Additionally, TRW shall cooperate with and not oppose any land use entitlement applications submitted for the Future Development by MWI or its successors or assigns to the Land or any portion thereof. The Parties agree to support the formation of the other Party's Districts as provided for in this Agreement, and to work to resolve any issues raised by potentially overlapping Districts, mill levy caps, and other limitations so that each Party can have established the Districts anticipated by this Agreement.

13. Default and Remedies. A Party shall be in default under this Agreement if it fails to perform any of its obligations under this Agreement as they become due or fails to comply with any covenant or restriction contained in this Agreement, and such failure has not been cured within thirty (30) days from the date of a written notice of default from the other Party, provided, however, that if the nature of the default is such that it cannot reasonably be cured within thirty (30) days, then that thirty-day period shall be extended as reasonably needed to complete the cure provided that the defaulting Party has commenced the cure within that thirty-day period and diligently prosecutes the cure to completion thereafter. If the default has not been cured within that thirty-day period, as potentially extended, then the non-defaulting Party shall be entitled to recover its damages resulting from such default. In addition to an action for damages, either Party shall be entitled to an action for specific performance of a Party's obligations or remedies under this Agreement, including the right to receive any SFE Taps derived from the Water Rights. Additionally, if the default is TRW's failure to provide the water to the Future Development as provided for herein, and if the Water Rights have not been transferred to TRW's District as provided for in this Agreement, then MWI shall be entitled to have the Property (as defined in the Purchase Agreement) re-conveyed to Orlando or MWI, at their election, in which

case MWI or Orlando shall be required to refund the Purchase Price (as defined in the Purchase Agreement) to TRW. In any action to enforce this Agreement, or to collect damages on account of any breach of this Agreement, the prevailing Party shall also be entitled to collect all of its costs in such action, including costs of investigation, settlement, reasonable attorneys' fees and all additional costs of collecting any judgment rendered in such action.

14. Notices. All statements, notices or communications which either Party may desire or be required to give to the other under this Agreement shall be in writing and will be deemed to have been given if sent by email and also delivered in one of the following means:

a. By personal delivery to the Parties; or

b. By registered or certified mail, mailed to a Party at the address set forth below.

Notice shall be deemed to have been received, if personally delivered, on the date of delivery; if telecommunicated, when answer back or other confirmation of receipt is received; and if sent by registered or certified mail, three days from the date of mailing. Delivery by Federal Express or other recognized courier shall be deemed personal delivery. Any Party may change its address for notice purposes by notice to the other Parties. The initial addresses of the Parties for notice purposes are as follows:

If to Orlando or MWI:

The Orlando Reservoir No. 2 Company, LLC,
Attn: Randle Case II
102 East Pikes Peak Avenue, Suite 200
Colorado Springs, CO 80903
Email: rwcase@att.blackberry.net; and
rwcase@crlr.net

with a copy to:

Mulliken Wiener Karsh Berg & Jolivet, P.C.
Attn: Steven K. Mulliken
102 South Tejon Street, Suite 900

Colorado Springs, CO 80903
Email: Mulliken@mullikenlaw.com

If to TRW or Two Rivers: Two Rivers Water Company
Attn: John R. McKowen
2000 S. Colorado Boulevard
Denver, Colorado 80222
Email: JMcKowen@2RiversWater.com

with a copy to: KRASSA & MILLER, LLC
Attn: Robert F. T. Krassa
2344 Spruce Street, Suite A
Boulder, CO 80321
Email: bob@krassa.com

and with a copy to: Lyndsay S. Ressler
Thomas G. Martin, Attorney, P.C.
405 South Cascade Ave., Suite 203
Colorado Springs, Colorado 80903
Email: lyndsayressler@hotmail.com

Either Party may, by notice properly delivered, change the person or address to which future notices and deliveries to that Party shall be made.

15. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado. Any action to enforce this Agreement shall be brought in the District Courts of and for the County of Huerfano, Colorado.

16. Headings. The article and section headings in this Agreement are for convenience only, and shall not be used in its interpretation or considered part of this Agreement.

17. Saturdays, Sundays and Holidays. If any payment or delivery of any document is required pursuant to any term of this Agreement to be made on the date which falls on a Saturday, Sunday or legal holiday in the State of Colorado, such payment or delivery shall be made on the first business day following such Saturday, Sunday or legal holiday.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19. Term of Agreement. This Agreement shall commence on the date of its execution and this Agreement and all covenants contained herein continue in full force and effect until such time as all obligations of the Parties to each other hereunder have been fulfilled.

20. Effect of Agreement. All negotiations relative to the matters contemplated by this Agreement are merged herein and there are no other understandings or agreements relating to the matters and things herein set forth other than those incorporated or referenced in this Agreement. This instrument and the related documents set forth the entire agreement between the Parties. No provision of this Agreement shall be altered, amended, revoked or waived except by an instrument in writing signed by the Party to be charged with such amendment, revocation or waiver. Subject to the provisions of Paragraphs 5 and 7, this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective personal representatives, heirs, successors and assigns.

21. Survival of Representations and Warranties. All covenants, agreements, representations and warranties made hereunder or pursuant hereto or in consideration of the transactions contemplated hereby shall survive the Closing under the Purchase Agreement.

22. Joint and Several Liability. If there are more than one entity or person which or who are a Party under this Agreement, the obligations imposed upon the Party under this Agreement shall be joint and several.

23. Severability. If any clause or provision of this Agreement is illegal, invalid or unenforceable under applicable present or future laws, then it is the intention of the Parties that

the remainder of this Agreement shall not be affected, and that in lieu of any such clause or provision there be added as a part hereof a substitute clause or provision as similar in terms and effect to such illegal, invalid or unenforceable clause or provision as may be possible.

24. Timing. Time is of the essence of this Agreement.

25. Future Assurances. From and after the execution of this Agreement, the Parties agree to execute and deliver such other documents and agreements as may be requested by a Party to more fully implement the intent of the Parties as set forth in this Agreement.

26. Authorship. This Agreement has been developed through efforts of both Parties and their respective attorneys and shall not be interpreted for or against any Party on the basis of authorship or origin of any provision hereof.

27. The Parties agree to prepare and record in the real property records for Huerfano County, Colorado, a short form Memorandum of this Agreement.

Wherefore, the Parties have executed this Agreement to be effective as of the Effective Date set forth in the opening paragraph of this Agreement.

[SIGNATURE PAGE FOLLOWS]

THE ORLANDO RESERVOIR NO. 2, COMPANY, LLC, a Colorado limited liability company

By: _____
Manager

MARKSHEFFEL-WOODMEN INVESTMENTS, LLC, a Colorado limited liability company

By: _____
Manager

TWO RIVERS WATER COMPANY
a Colorado corporation (TURV)

By: _____
Wayne Harding
Chief Financial Officer and Secretary

TRW ORLANDO WATER ASSETS, LLC
a Colorado limited liability company

By: TWO RIVERS WATER, LLC
a Colorado limited liability company
Its sole member

By: Two Rivers Water Company
a Colorado corporation
Its sole member

By: _____
Wayne Harding
Chief Financial Officer and Secretary

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011, by Wayne Harding, as President of TWO RIVERS WATER COMPANY, a Colorado corporation d/b/a TWO RIVERS WATER COMPANY, a Colorado corporation.

Witness my hand and official seal.

My commission expires: _____.

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

(SEAL)

Dixie Powers
Notary Public

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011, by Wayne Harding, as President of TRW ORLANDO WATER ASSET, LLC, a Colorado corporation d/b/a TWO RIVERS WATER COMPANY, a Colorado corporation.

Witness my hand and official seal.

My commission expires: _____.

(SEAL)

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

Dixie Powers
Notary Public

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011, by Randle W Case II, as Manager of Marksheffel-Woodmen Investments, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

Dixie Powers
Notary Public

(SEAL)

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011, by Randle W Case II, as Manager of The Orlando Reservoir No. 2 Company, a Colorado Limited Liability Company.

Witness my hand and official seal.

My commission expires: _____.

Dixie Powers
Notary Public

(SEAL)

DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

LEGAL DESCRIPTION
Case/Edmundsen property

Township 25 South, Range 65 West, of the 6th P.M.

Section 14: All
Section 20: SE ¼; E ½ of the NE ¼
Section 21: All
Section 22: S ½; NE ¼
Section 23: N ½
Section 27: N ½; SW ¼; W ½ of the SE ¼
Section 28: N ½; SW ¼; N ½ of the SE ¼
Section 29: N ½ of the NE ¼; NE ¼ of the NW ¼; SW ¼ of the NE ¼; NE ¼ of the SE ¼; S ½ of the SE ¼; SE ¼ of the SW 1/4
Section 30: S ½ of the SW ¼
Section 31: S ½; NW ¼
Section 32: All
Section 33: All
Section 34: All

Township 26 South, Range 65 West, of the 6th P.M.

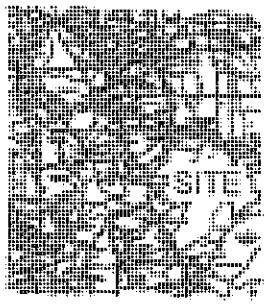
Section 3: E ½; S ½ of the SW ¼; NE ¼ of the SW ¼; Lot 4
Section 4: N ½
Section 5: Lots 2, 3 and 4
Section 6: N ½; NW ¼ of the SE ¼; NE ¼ of the SW ¼

Township 22 South, Range 65 West, of the 6th P.M.

Section 1: Lots 1, 2, 3 and 4

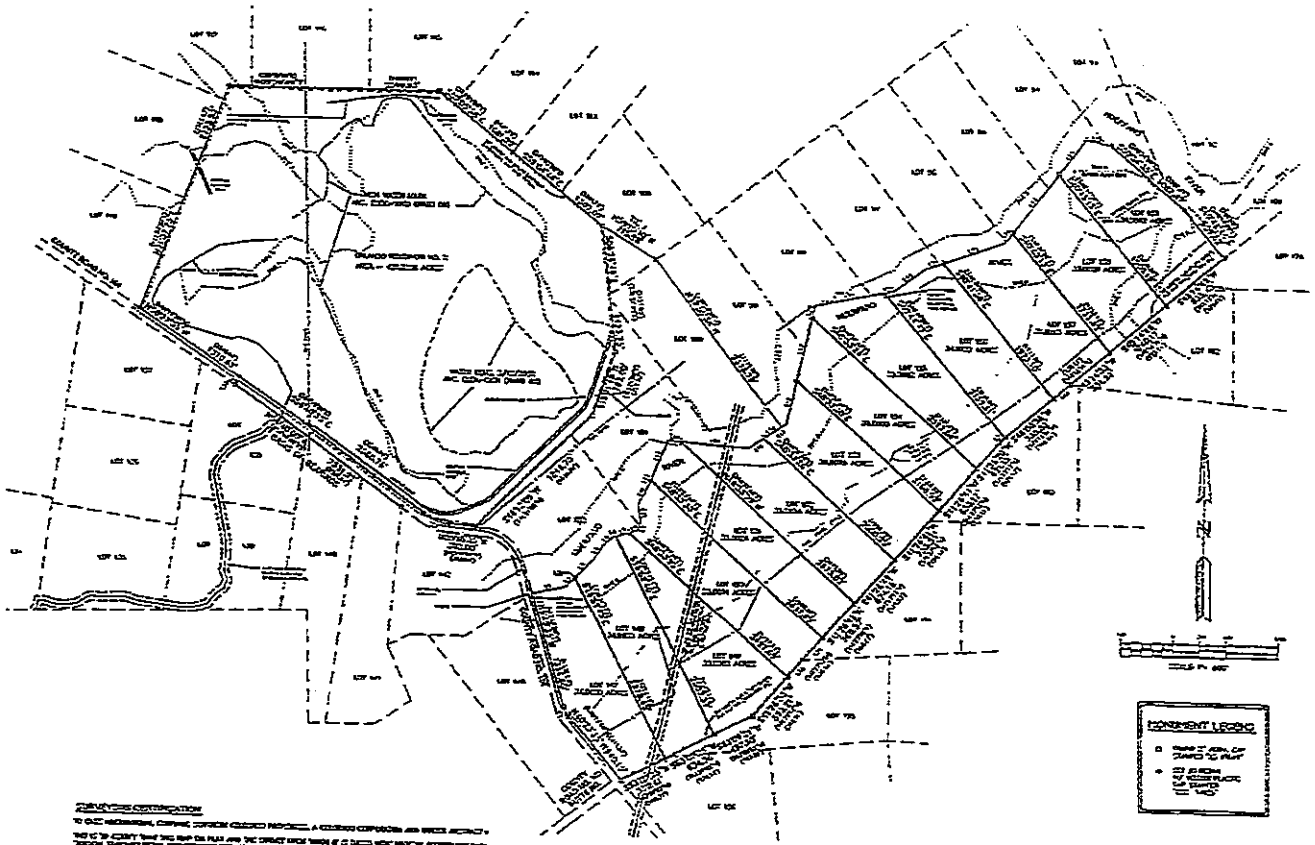
All in the County of Huerfano, State of Colorado.

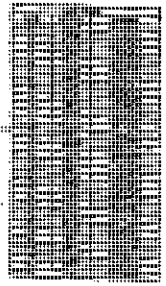
Orlando Metro District



VICINITY MAP NOT TO SCALE

ALTA/ACSM LAND TITLE SURVEY
LOTS 147 THRU 159 and ORLANDO RESERVOIR NO.2
COLORADO LAND AND GRAZING CO.





SHEET 1 OF 1

community sciences corporation

LEGAL DESCRIPTION

A Parcel of land located in Township 25 South, Range 66 West of the 6th P.M., in the County of Huerfano, State of Colorado, to-wit:

Section 7: SW ¼ of the SW ¼ lying east of Interstate 25. **Section 17**: W ½; S ½ of the SE ¼. **Section 18**: S ½ of the NE ¼; SE ¼ of the NW ¼; W ½ of the NW ¼; E ½ of the SW ¼; SE ¼ lying east of Interstate 25. **Section 19:** E ½; S ½ of the SW ¼. **Section 20:** All. **Section 28**: N ½; N ½ of the SE ¼; SW ¼; S ½ of the SE 1/4. **Section 29**: All. **Section 30**: All **Section 31**: E ½; SW ¼. **Section 32**: All. **Section 33**: SW ¼; N ½ of the SE ¼; N 1/2.

Excepting there from the following parcel:

A parcel of land located in the NE ¼ of Section 33 and the SE ¼ of the SE ¼ of Section 28, T 25 S, R 66 W, of the 6th P.M. being more particularly described as follows:

Beginning at the corner common to Sections 28 and 33; thence S 00-41-28 E, along the east line of the NE ¼ of the NE ¼ said Section 33, a distance of 734.77 feet; thence S 89-23-02 W, a distance of 537.26 feet; thence N 16-58-42 E, a distance of 982.31 feet; thence N 4-45-37 E, a distance of 1054.54 feet; thence S 90-00-00 E, a distance of 147.01 feet to the northeast corner of the Se ¼ of the Se ¼ of Section 28; thence S 00-20-38 E, along the east line of said SE ¼ of the SE ¼, a distance of 1320.43 feet to the point of beginning.

Also excepting:

A parcel of land located in the E ½ of the NE ¼ and the E ½ of the NE ¼ of the SE ¼ of said Section 28 being more particularly described as follows:

Beginning at the northeast corner of said Section 28: thence S 00-20-38 E, along the east line of said Section 28, a distance of 3961.30 feet to the South 1/16th corner common to Sections 27 and 28; thence N 90-00-00 W, a distance of 147.01 feet to a point on the Existing fence line; thence along the existing fence line, the following seven (7) courses:

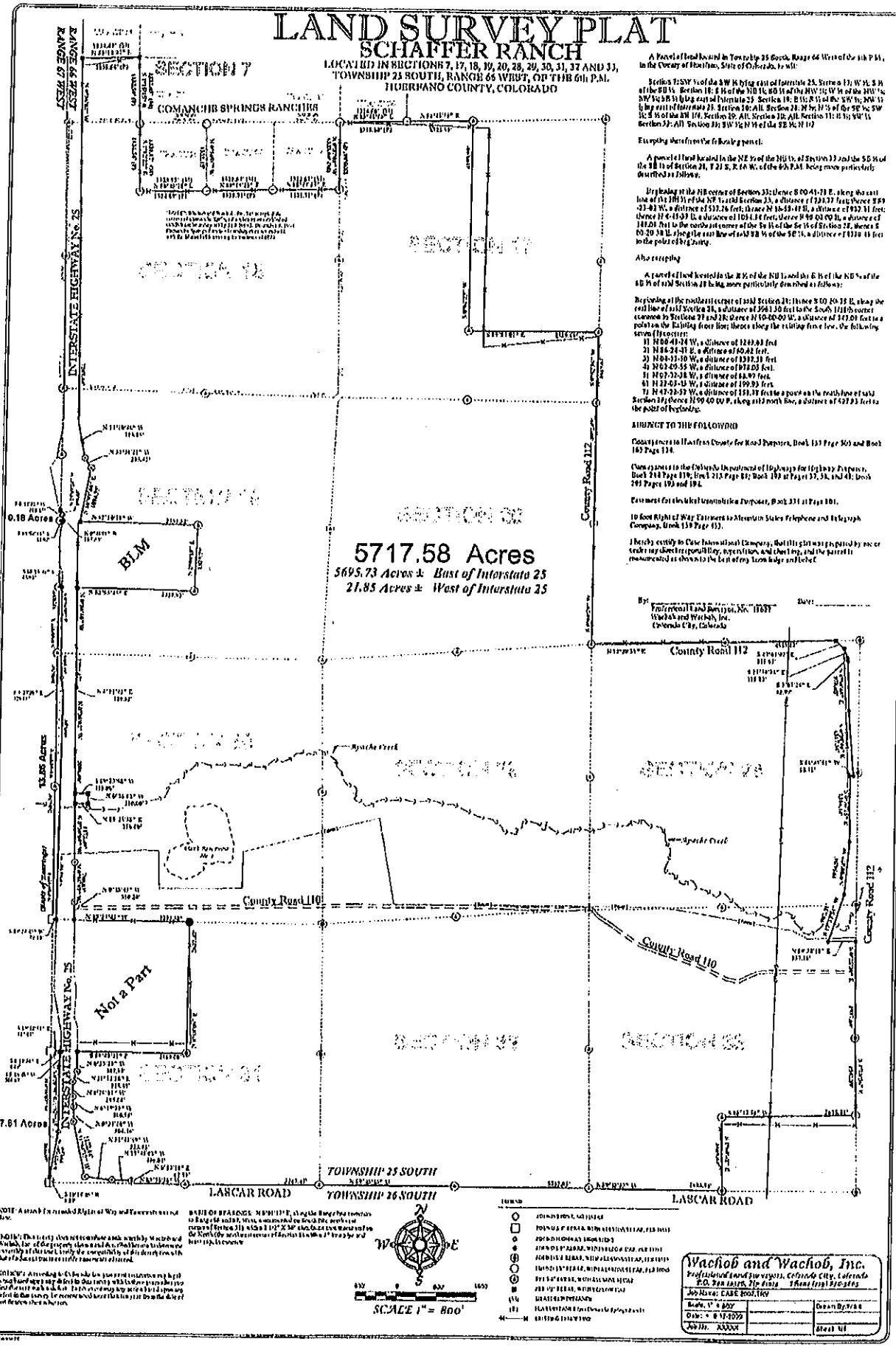
1) N 00-45-24 W, a distance of 1243.63 feet.
2) N 86-24-43 E, a distance of 60.42 feet.
3) N 04-53-50 W, a distance of 1317.51 feet.
4) N 02-09-55 W, a distance of 978.05 feet.
5) N 07-22-38 W, a distance of 68.99 feet.
6) N 22-05-45 W, a distance of 199.93 feet.
7) N 47-22-52 W, a distance of 251.38 feet to a point on the north line of said Section 28; thence N 90-00-00 E, along said north line, a distance of 497.83 feet to the point of beginning.

Legal
Slater Ranch

LAND SURVEY PLAT

SCHAFFER RANCH

LOCATED IN SECTIONS 7, 17, 18, 19, 20, 28, 29, 30, 31, 32 AND 33,
TOWNSHIP 25 SOUTH, RANGE 66 WEST, OF THE 6th P.M.
HUERFANO COUNTY, COLORADO



A Parcel of land located in Township 25 South, Range 66 West of the 6th P.M., in the County of Huerfano, State of Colorado, to wit:

Section 7: SW ¼ of the SW ¼ lying east of Interstate 25, Section 17: W ½, S ½ of the SE ¼, Section 18: E ½ of the NE ¼, NE ¼ of the NW ¼, W ½ of the NW ¼, NW ¼ of the SW ¼ lying east of Interstate 25, Section 19: E ½, E ½ of the SW ¼, NW ¼ lying east of Interstate 25, Section 20: All, Section 28: W ½, W ½ of the SE ¼, SW ¼, S ½ of the NW ¼, Section 29: All, Section 30: All, Section 31: E ½, SW ¼, Section 32: All, Section 33: SW ¼, W ½ of the SE ¼, N ½

Excepting therefrom the following parcel:

A parcel of land located in the NE ¼ of the NE ¼, of Section 33 and the SE ¼ of the SE ¼ of Section 28, T 25 S, R 66 W, of the 6th P.M. being more particularly described as follows:

Beginning at the NE corner of Section 33; thence S 00-41-31 E, along the east line of the NE ¼ of the NE ¼ said Section 33, a distance of 1320.37 feet; thence S 89-27-41 W, a distance of 532.26 feet; thence N 16-18-41 E, a distance of 1332.31 feet; thence N 64-43-37 E, a distance of 1054.14 feet; thence N 90-00-00 E, a distance of 140.00 feet to the north east corner of the S ½ of the SE ¼ of Section 28, thence S 00-20-38 E, along the east line of said S ½ of the SE ¼, a distance of 1320.40 feet to the point of beginning.

Also excepting

A parcel of land located in the E ½ of the NE ¼ and the E ½ of the SE ¼ of the SE ¼ of said Section 28 being more particularly described as follows:

Beginning at the northeast corner of said Section 33; thence S 00-20-38 E, along the east line of said Section 28, a distance of 2641.20 feet to the South 1/16th corner common to Sections 27 and 28; thence N 90-00-00 W, a distance of 343.00 feet to a point on the Existing fence line; thence along the existing fence line, the following seven (7) courses:
1) N 08-43-34 W, a distance of 1240.03 feet
2) N 86-24-31 E, a distance of 60.42 feet,
3) N 04-33-10 W, a distance of 1332.31 feet
4) N 03-09-55 W, a distance of 974.05 feet,
5) N 07-32-38 W, a distance of 68.97 feet,
6) N 12-03-13 W, a distance of 199.93 feet,
7) N 47-23-53 W, a distance of 151.37 feet to a point on the north line of said Section 33; thence N 90-00-00 W, along said north line, a distance of 427.93 feet to the point of beginning.

SUBJECT TO THE FOLLOWING

Conveyance to Huerfano County for Road Purposes, Book 133 Page 503 and Book 163 Page 134.

Conveyance to the Colorado Department of Highways for Highway Purposes, Book 208 Page 119; Book 213 Page 89; Book 193 at Pages 57, 58, and 141; Book 203 Pages 193 and 194.

Easement for electrical transmission purposes, Book 331 at Page 101.

10 foot Right of Way Easement to Mountain States Telephone and Telegraph Company, Book 139 Page 153.

I hereby certify to Cole International Company, that this survey as platted by me or under my direction (personally, supervision, and checking, and the parcels measurements) as shown is to the best of my knowledge and belief.

By: _____ Date: _____
Professional Land Surveyor, No. 17697
Wachob and Wachob, Inc.
Colorado City, Colorado

NOTE: Assumed Centerline Right of Way and Property lines used.

*NOTE: The survey does not examine and, accordingly, Wachob and Wachob, Inc. of the property claims and disclaims no interest in ownership of the land. Clarify the ownership of this description with Buyer, Seller and Title Insurance Company.

NOTICE: According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon.

BASIS OF BEARINGS: N 89°11'00" E, along the Range line common to Range 66 and 67 West, a monumented line of the north and south portion of Section 33, which is 2,642.37 ft. as shown and noted on the North line and southeast corner of Section 33 with a 3" brass cap and monuments thereon.

◇	FOUND REBAR, NO CAP
□	FOUND 4" REBAR, WITH ILLEGIBLE CAP, FLUSH
●	FOUND REBAR, NO CAP
◆	FOUND REBAR, WITH 1 1/2" CAP, FLUSH
Ⓢ	FOUND 1/2" REBAR, WITH ILLEGIBLE CAP, 12" HIGH
○	FOUND 1/2" REBAR, WITH ILLEGIBLE CAP, FLUSH
Ⓟ	FOUND 3/4" REBAR, WITH ILLEGIBLE CAP
■	FOUND 1" REBAR, WITH ILLEGIBLE CAP
(M)	MEASURED DISTANCE
(R)	RECORDED DISTANCE (Recorded Bearing and Distance)
M	EXISTING FENCE LINE

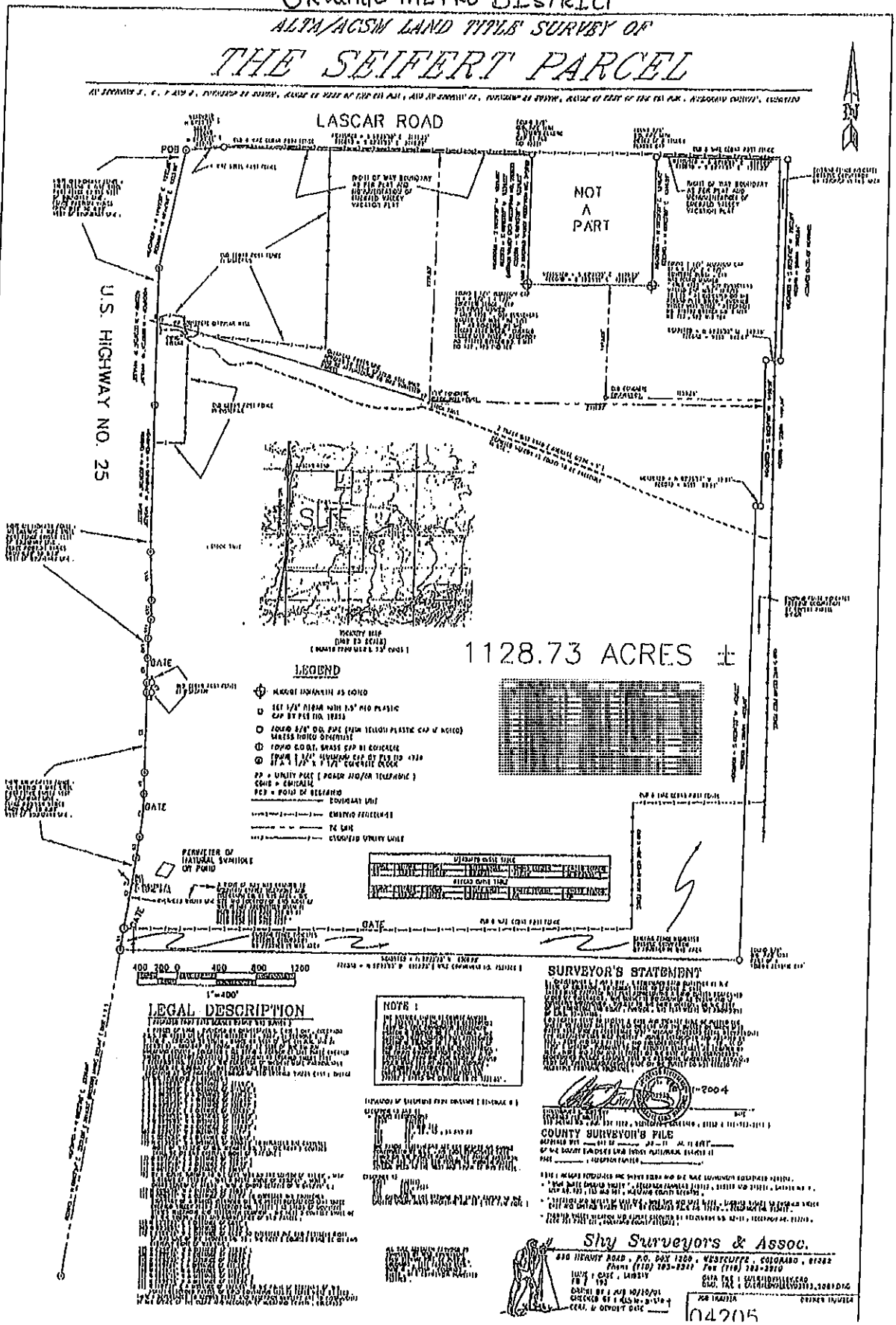
Wachob and Wachob, Inc.
Professional Land Surveyors, Colorado City, Colorado
P.O. Box 1210, Zip 81019 719-676-3741 Phone/Fax

Job Name: CASE PROPERTY		
Scale: 1" = 800'		Drawn By: W & W
Date: 8-17-2009		
Job No. XXXXX		Sheet 1 of 1

ORlando METRO DISTRICT

ALTA/ACSM LAND TITLE SURVEY OF

THE SEIFERT PARCEL



Orlando Metro District

LEGAL DESCRIPTION

(PREPARED FROM DATA DERIVED DURING THIS SURVEY)

A PARCEL OF LAND , SURVEYED BY CHRISTOPHER L. (KIT) SHY , COLORADO P.L.S. NO. 19883 ON OR ABOUT OCTOBER 14 , 2004 , IN SECTIONS 5 , 6 , 7 AND 8 , TOWNSHIP 26 SOUTH , RANGE 66 WEST OF THE 6th P.M. AND IN SECTION 12 , TOWNSHIP 26 SOUTH , RANGE 67 WEST OF THE 6th P.M. , HUERFANO COUNTY , COLORADO ; ALL BEING A PORTION OF UNIT THREE EMERALD VALLEY (RECEPTION NO.245282) ALSO KNOWN AS EMERALD VALLEY EAST (RECEPTION NO. 293032) ; THE PERIMETER OF WHICH IS MORE PARTICULARLY DESCRIBED AS A RESULT OF THIS SURVEY AS FOLLOWS ;

BEGINNING AT THE NORTHWEST CORNER OF SAID EMERALD VALLEY EAST ; THENCE ON THE FOLLOWING 29 COURSES ;

1) N 84°29'59" E A DISTANCE OF 388.00' ;
2) S 89°20'10" E A DISTANCE OF 3141.30' ;
3) S 00°29'27" W A DISTANCE OF 1321.86' ;
4) S 89°34'25" E A DISTANCE OF 1275.60' ;
5) N 00°29'37" E A DISTANCE OF 1316.47' ;
6) S 89°19'59" E A DISTANCE OF 1321.08' ;
7) S 00°24'42" W A DISTANCE OF 2062.89' ;
8) N 89°36'00" W A DISTANCE OF 147.68' ;
9) S 00°24'08" W A DISTANCE OF 1490.97' ;
10) N 89°36'27" W A DISTANCE OF 49.94' ;
11) S 00°24'53" W A DISTANCE OF 4656.12' ;
12) N 89°35'28" W A DISTANCE OF 6300.90' TO INTERSECT THE EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 . THE NEXT 6 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
13) N 08°32'48" E A DISTANCE OF 222.44' ;
14) N 08°32'48" E A DISTANCE OF 724.75' ;
15) N 08°31'55" E A DISTANCE OF 221.11' ;
16) ON A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 443.09' , WITH A RADIUS OF 2985.00' , WITH A DELTA ANGLE OF 08°33'44" , WITH A CHORD LENGTH OF 442.68' , WITH A CHORD BEARING OF N 04°15'41" E ;
17) N 00°08'58" W A DISTANCE OF 220.95' ;
18) N 00°03'41" W A DISTANCE OF 811.74' TO INTERSECT THE SOUTHERLY BOUNDARY OF A PARCEL IDENTIFIED ON THE HEREIN REFERENCED UNIT THREE EMERALD VALLEY PLAT (RECEPTION NO. 245282) AS LANDS OF MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY , THE NEXT 3 COURSES SHALL BE ON THE SOUTH , EAST AND NORTH LINES OF SAID PARCEL ;
19) N 89°33'00" E A DISTANCE OF 50.17' ;
20) N 00°32'09" E A DISTANCE OF 99.67' ;
21) S 89°56'39" W A DISTANCE OF 51.22' TO INTERSECT THE SAID EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 . THE NEXT 8 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
22) N 00°07'34" W A DISTANCE OF 252.86' ;
23) N 00°02'15" W A DISTANCE OF 200.06' ;
24) N 06°53'33" E A DISTANCE OF 200.91' ;
25) N 00°01'57" E A DISTANCE OF 199.35' ;
26) N 02°56'18" W A DISTANCE OF 499.70' ;
27) N 00°06'48" W A DISTANCE OF 1497.88' ;
28) N 00°07'56" W A DISTANCE OF 1415.04' ;
29) N 11°09'37" E A DISTANCE OF 1222.86' TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND CONTAINING 1128.73 ACRES MORE OR LESS .

NOTE : REFERENCES TO RECORD PLATS AND RECEPTION NUMBERS ARE TO INSTRUMENTS IN THE OFFICE OF THE CLERK AND RECORDER OF HUERFANO COUNTY , COLORADO .

EXHIBIT B

THE WATER RIGHTS

WATER RIGHTS

The following water rights situate, lying and being in the County of Huerfano and COLORADO, described as follows:

A) ORLANDO RESERVOIR NO. 2, decreed for a total of 3,110 acre-feet storage, as follows:

I) ORLANDO RESERVOIR NO. 2, for storage of 43,560,000 cubic feet of water (1,000 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication October 3, 1921 (previous adjudication date was October 15, 1901), in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River through and by means of the Orlando Canal No. 3, and Greasewood Arroyo, through and by means of the Greasewood Arroyo Diverting Canal, and as more particularly describes in the aforesaid Decree entered October 31, 1921, in Civil Action No. 1414 (Priority No. 349).

II) ORLANDO RESERVOIR NO. 2, (ENLARGEMENT), for storage of 35,078,750 CUBIC FEET OF WATER (800 acre-feet), for irrigation, date of appropriation December 14, 1905, date of adjudication (conditional) October 3, 1921 in Civil Action No. 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right made absolute by Decree in Civil Action No. 1414-60, and 1414-62, entered November 1, 1960, and November 8, 1962 (Priority No. 349).

III) ORLANDO RESERVOIR NO. 2, (SECOND ENLARGEMENT), for storage of 1,310 acre-feet of water, for irrigation, date of appropriation October 2, 1906, date of adjudication (conditional) October 3, 1921, in Civil Action 1414, District Court, in and for Huerfano County, located in Section 17, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado, sources The Huerfano River and Greasewood Arroyo, and the conditional right partly made absolute November 1, 1960 (320 acre-feet) and April 2, 1962 (990 acre-feet) (Priority No. 367½).

Together with the Orlando Canal No. 3 and the Greasewood Arroyo Diverting Canal, described as follows:

IV) That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th PM, bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubit feet of water per second of time.

V) That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th PM, bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

B) BUTTE VALLEY DITCH, decreed for a total of 9 cubic-feet per second, as follows:

I) BUTTE VALLEY DITCH for diversion of 1.2 cubic-feet of water per second of time, from The Huerfano River for irrigation, date of appropriation May 15, 1862, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 1).

II) BUTTE VALLEY DITCH (ENLARGEMENT) for diversion of 1.8 cubic-feet of water per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1865, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 9).

III) BUTTE VALLEY DITCH (SECOND ENLARGEMENT), for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication June 12, 1889 (Reed Decree), point of diversion in the NW ¼ NE ¼, Section 30,

Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (Priority No. 86).

IV) BUTTE VALLEY DITCH (KILLIAN) for diversion of 3.0 cubic feet per second of time, from The Huerfano River, for irrigation, date of appropriation May 15, 1886, date of adjudication February 23, 1898 (Killian Decree), point of diversion in the NW ¼ NE ¼ Section 30, Township 26 South, Range 66 West, 6th PM, Huerfano County, Colorado (previous adjudication date of June 12, 1889) (Priority No. 111).

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

C) ROBERT RICE DITCH, decreed for a total of 3.0 cubic feet per second of time, as follows: From the Huerfano River, for irrigation, date of appropriation March 1, 1867, date of adjudication June 12, 1889 (Reed Decree), original decreed point of diversion in NW1/4 Section 22, T. 26 S., R. 66 W., 6th P.M., point of diversion transferred to SW1/4 Section 10, T. 26 S., R. 66 W, 6th P.M.., approximately 1700 feet from the west line and 550 feet from the south line of said Section 10, in Case No. 91CW39, Water Div. 2 on May 19, 1992, Huerfano County, Colorado (Priority 19)

Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

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Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

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Together with all ditches, ditch rights, easements, rights of way, and appurtenances, including headgates, measuring devices, and other fixtures thereon.

EXHIBIT C

RECREATIONAL USE EASEMENT

RECREATIONAL USE AND ACCESS EASEMENT AGREEMENT

This **RECREATIONAL USE AND ACCESS EASEMENT AGREEMENT** (the "Agreement"), dated as of January 28, 2011 (the "Effective Date"), is executed by and between **TRW ORLANDO WATER ASSETS, LLC.**, a Colorado limited liability company (referred to herein as "Grantor"), and **THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC** ("Orlando"), a Colorado limited liability company, and **MARKSHEFFEL-WOODMEN INVESTMENTS, LLC** ("MWI"), a Colorado limited liability company, whose addresses are 102 East Pikes Peak Avenue, Suite 200, Colorado Springs, Colorado 80903 (Orlando and MWI are referred to herein collectively as "Grantees"). Grantor and Grantees may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

A. Grantor is the owner of approximately 322.21 acres of real property in Huerfano County, Colorado, upon which is located Orlando Reservoir No. 2, which property is more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference (the "Property"). Grantor is also the owner of certain water rights on the Huerfano River (the "Water Rights") and also owns water storage rights in the Orlando Reservoir No. 2 (the "Water Storage Rights"). Grantor acquired the Property and Water Rights from Orlando pursuant to a Purchase Agreement dated September 22, 2010 and the amendments thereto (collectively the "Purchase Agreement") and Grantor is executing this Agreement pursuant thereto.

B. MWI is the owner of ranches which are in proximity to the Property and are more particularly described on **Exhibit B** attached hereto and incorporated herein by this reference ("MWI's Property").

C. MWI intends to develop MWI's Property in the future for residential, commercial, industrial and other mixed uses with supporting recreational opportunities (the "Future Development"). Grantor and Grantee collectively desire to use the Property for multiple purposes, including, but not limited to, using the Property, including Orlando Reservoir No. 2, to provide recreational opportunities for the benefit of the Future Development, and Grantor is willing to allow such recreational uses in accordance with the terms and conditions of this Agreement.

C. In connection with the Future Development, Grantees intend to form a Title 32 or similar special district and quasi-governmental entity or a property owners association (collectively referred to hereinafter as the "Association") which will hold the easements granted herein for the benefit of the Future Development and property owners within the Future Development who are members of the Association (the "Successor Owners").

D. The Parties desire to create a recreational use and access easement over and across the Property, including Orlando Reservoir No. 2 and the Water Storage Rights (the "Recreational Use and Access Easement") for the benefit of MWI's Property, the Future Development, the Successor Owners and the Association, on the terms set forth herein.

E. The Parties are executing and will record this Agreement to establish the recreational use, access and construction easements and the terms thereof, and to provide for the ongoing maintenance of the easements and allocation of the costs therefor.

AGREEMENT

NOW THEREFORE, in consideration for the foregoing Recitals which are hereby incorporated, the closing pursuant to the Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
RECREATIONAL USE, ACCESS AND CONSTRUCTION EASEMENTS

1.1 Consent to Conveyance of Easements to Association. The Parties stipulate and agree that, except as otherwise limited herein, this Agreement and the rights, benefits and obligations created herein may be transferred, assigned and conveyed by Grantees to (i) any or all of their successors or assigns which acquire all or portions of MWI's Property for the purpose of development, or (ii) to the Association, and its successors and assigns, or (iii) to any of Grantees' Transferees in accordance with Section 7.2 below, and upon any full transfer, assignment and conveyance of Grantees' rights hereunder, Grantees shall be released of any obligations hereunder.

1.2 Limitations on Use and Subsequent Conveyance of Easements. The Parties stipulate and agree that the easements created herein shall be for the benefit and use by the Successor Owners, and their guests and invitees, which are members of the Association and the Association (collectively the "Beneficiaries"). Notwithstanding the benefits intended for the Successor Owners, subject to the terms set forth in this Agreement, Grantees or the Association, in their sole and absolute discretion, shall be entitled to determine improvements constructed in the Easement Corridor (as defined below) and to establish rules, regulations, limitations and fees for use of the easements by the Successor Owners and their guests and invitees. Notwithstanding anything to the contrary herein, no Successor Owner of property within the Future Development shall acquire any right, title or interest, separate and apart from such Successors Owner's membership or interest in the Association, in this Agreement or in the recreational use, access or construction easements created herein.

1.3 Recreational Use Easement.

1.3.1 Conveyance of Recreational Use Easement. Grantor hereby grants and conveys to Grantees a perpetual, exclusive recreational use easement on, over, in and across the Property, including Orlando Reservoir No. 2, for the purposes set forth herein below and consisting of the rights hereinafter enumerated (the "Recreational Use Easement").

1.3.2 Purposes of Recreational Use Easement. The purpose of the Recreational Use Easement is to preserve and maintain the area within the Recreational Use Easement boundary (the "Easement Corridor"), to allow the recreational use and enjoyment of the Property by the Beneficiaries for four-season private recreational use (the "Use"). The Parties agree to cooperate reasonably and in good faith in the future to more particularly define and describe the Easement Corridor once more engineering data is developed regarding the fluctuation of water level historically and its location and the needs of the Future Development. Once the Easement Corridor has been defined, the Parties agree to amend this Agreement to more specifically identify the Easement Corridor. The Use shall include, but shall not be limited to the following:

1.3.2.1 Water Use. Orlando Reservoir No. 2 may be used for swimming, electric and non-motorized boating, boat-ramp ingress and egress, boat docks, rowing, kayaking, canoeing, fishing and waterfowl hunting.

1.3.2.2 Beach Use. The Easement Corridor may be used for beach, sunbathing, picnicking and camping uses.

1.3.2.3 Open Space Use. The Easement corridor may be used for visiting, viewing and enjoying scenic sites and natural vegetation, hiking, nature study, cross-country skiing and hunting.

1.3.2.4 Trail Use. The Easement Corridor may be used for motorized use and non-motorized use including but not limited to all terrain vehicles, electric carts, golf carts, walking, hiking, running, cycling, skateboarding, cross-country skiing and horseback riding.

1.3.3 Rights and Obligations Conveyed. The rights and corresponding obligations conveyed by this Recreational Use Easement to Grantees are as follows:

1.3.3.1 To maintain the Easement Corridor as open space free from man-made improvements except as otherwise permitted herein.

1.3.3.2 To lay out, mark, develop, construct, maintain, establish and relocate within the Easement Corridor trails, foot-paths, and access ways for motorized and electric-motorized use (collectively "Pathways"), which Pathways may be created with any material, including but not limited to sand, dirt, stone, brick, asphalt or concrete.

1.3.3.3 To lay out, construct, maintain, establish and relocate within the Easement Corridor fences and gates, constructed with wood or other materials consistent with the natural area.

1.3.3.4 To lay out, mark, construct, maintain and relocate a ramp for boat access to Orlando Reservoir No. 2 and a vehicle parking area (the "Boat Ramp Area").

1.3.3.5 To maintain Orlando Reservoir No. 2 for the Use set forth herein including necessary removal of grass, weeds and plants and stocking of the reservoir with fish.

1.3.3.6 To lay out, mark, develop, construct, maintain, establish and relocate, all within the Easement Corridor, beach, picnicking and camping areas (collectively the "Picnic Areas"), which Picnic Areas may be created with any material, including but not limited to sand, dirt, stone, asphalt or concrete, and which may include permanent or movable picnic tables and overhead coverings, benches, grills, lighting, trash receptacles, bicycle racks and restrooms.

1.3.3.7 To make minor topographical changes to the Easement Corridor for the necessity and convenience of locating and constructing the trails, Picnic Areas and Boat Ramp Areas.

1.3.3.8 To establish and maintain appropriate signage within the Easement Corridor for the necessity and convenience of locating the improvements, providing directions and posting rules, regulations and use restrictions or other appropriate information.

1.3.3.9 To manage vegetation within the Easement Corridor through selective planting and/or removal of trees, shrubs, grasses or exotic or noxious plant species in order to maintain and enhance the scenic, natural, ecological and open space and recreational values of the Easement Corridor.

1.3.3.10 To enter upon the Easement Corridor for all reasonable and necessary construction, maintenance and repair of the Easement Corridor and improvements therein, and to maintain the Easement Corridor and improvements in a good, clean and sanitary condition, free from waste or litter and any condition that is offensive to the public health, safety or welfare or that constitutes a nuisance.

1.4 Access Easement. Grantor hereby covenants and agrees to grant and convey to Grantees a perpetual non-exclusive easement over and across a portion of Grantor's Property (the "Access Area"), to be used for a right-of-way over and across the Property for the purpose of pedestrian, motor vehicle, truck and other vehicular ingress and egress across the Property to the Easement Corridor (the "Access Easement"). The Parties agree to cooperate reasonably and in good faith in efforts to more specifically identify and describe an appropriate Access Area as more engineering and planning for the reservoir and the Future Development is completed, and the Parties agree to amend this Agreement to identify the Access Area once that data has been obtained. Parking shall not be allowed to block or hinder use of the Access Area by the Parties. Consistent with this Agreement, the Access Easement is created for use by the Beneficiaries. Grantor and Grantees shall jointly share the responsibility for and cost of maintenance of the Access Easement.

1.5 Construction and Maintenance Easement. Grantees shall also have the right to enter upon the Access Easement and the Easement Corridor, and temporarily enter upon and utilize such other portions of the Property adjacent to the Access Easement and Easement Corridor as may be reasonably necessary for the purpose of installing and constructing any and all improvements associated with the Recreational Use Easement, including installing all utilities and maintaining, repairing or replacing any improvements located, or to be located, therein or thereon pursuant to the terms of this Agreement (the "Construction Easement"), provided that any resulting damage to the Access Area or the Property shall be restored to the previous or an improved condition after such installation, maintenance or repair by the Party that caused its damage, at that Party's expense.

1.6 Grantor's Rights and Obligations. The Recreational Use Easement granted herein is an exclusive easement, and Grantor shall not grant additional recreational use rights in the Easement Corridor to any other party. Notwithstanding the foregoing, Grantor reserves use of the Easement Corridor for access to and utilization of Orlando Reservoir No. 2 in connection with its Water Rights and Water Storage Rights. Grantor covenants and agrees in good faith that it will utilize Orlando Reservoir No. 2, its Water Rights and Water Storage Rights, in a manner which will not unreasonably interfere with the Recreational Use Easement, Access Easement or Construction Easement. The Parties stipulate and agree that Grantor is unable to guarantee that the water level in the Orlando Reservoir No. 2 will not be depleted due to drought conditions. Notwithstanding this, Grantor covenants and agrees that it will operate and utilize the Orlando Reservoir, its Water Rights and its Water Storage Rights, in such a manner that, except in the event of circumstances and conditions reasonably beyond its control, including an ongoing, long-lasting drought, or maintenance that requires the reservoir to be drained, the recreational use of the Easement Corridor shall be maintained.

ARTICLE II
CONSTRUCTION OF IMPROVEMENTS

2.1 Right to Construct Improvements. At such time as Grantees, its successors, or the Association plan to commence construction of improvements for the Recreational Use Easement or to substantially renovate or change the Easement Corridor, such Party will complete the plans for the construction of the improvements or renovation to the Easement Corridor, and submit those plans to Grantor for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. If Grantor fails to provide comments on the plans for the improvements within thirty (30) days of their submittal, then the plans will be deemed approved. If Grantor objects to the plans, it will note the basis for its objection, and if reasonable, Grantees, their successors or the Association will revise the plans and resubmit them to Grantor for approval, and this process will be repeated until the plans are approved. If the Parties cannot agree on the plans, then this matter will be submitted to arbitration under arbitration rules and before an arbitrator mutually agreed upon between the Parties, and if they cannot agree, then before an arbitrator from the Judicial Arbiter Group in Colorado Springs, Colorado, and under rules specified by the arbiter.

2.2 Responsibility for Costs of Construction of Improvements and Maintenance. The costs of construction of all improvements in the Easement Corridor shall be the responsibility of Grantees, their successors or the Association, except to the extent that the improvements are required by Grantor for Grantor's purposes.

ARTICLE III
MAINTENANCE AND REPAIR

3.1 Easement Corridor Maintenance Obligations. It shall be the responsibility of Grantees, their successors, or the Association, as applicable, to maintain the Easement Corridor and all improvements therein, periodically on a reasonable, "as needed" basis. Such maintenance obligation shall arise upon the Commencement Date.

3.2 Access Area Maintenance Obligations. It shall be the shared responsibility of Grantor and Grantees, their successors or assigns, to maintain the Access Area and all improvements therein, periodically on a reasonable, "as needed" basis. The Parties shall share the costs for such maintenance of the Access Area equally which shall not include shared maintenance for any boat ramps, docks, or the like.

3.3 Dam, Spillway and Related Structures. It shall be the sole responsibility of Grantor, its successors and assigns, to maintain the dam, spillway and related structures for Orlando Reservoir No. 2.

ARTICLE IV
ENFORCEMENT

4.1 General Rights of Enforcement. This Agreement may be enforced as provided hereinafter by each Party. Each Party shall have the right to bring an action against another Party who violates this Agreement to enforce this Agreement and enjoin such violation, to cause any such violation to be remedied and to recover damages caused by such violation. The action may be brought against the Party, the Permittee (as defined in Section 8.3 below) or the person or entity that has caused the damage or violated this Agreement by the other Party or Parties, individually or collectively, subject to the limitations set forth above.

4.2 Enforcement of Obligations by Lien or Action. The obligations set forth in this Agreement shall be personal obligations of each Party. In addition, if any Party fails to pay any obligations required to be paid by such Party pursuant to this Agreement within thirty (30) days, the other Parties shall have the right to file a lien against the applicable portion of the Property which is owned by such breaching Party for the amounts due and owing, together with reasonable attorneys' fees incurred by the non-breaching Party. The delinquent amounts due and owing shall bear interest at the rate of eighteen percent (18%) per annum. An amount due and owing shall be delinquent thirty (30) days after the Party is billed for such amount. The non-breaching Party shall have the right to collect the delinquent amounts by an action to collect such amounts, which action may include the foreclosure of the lien against the Property of the delinquent Party by judicial foreclosure or any action directly against the Party, or both. The right to claim such lien shall be evidenced by the recording of a lien in the real property records of the Clerk and Recorder for Huerfano County, Colorado that meets the following requirements

and includes the following matters: (i) the lien shall reference this Agreement and the authority for the right to file the lien, (ii) the name of the delinquent Party, (iii) the identification of the applicable property against which the lien is to be recorded, (iv) the name of the Party claiming the lien, (v) the amount for which the lien is claimed and a general description for the purpose for which the amounts were paid. A lien must be recorded within nine (9) months after the amounts for which the lien is claimed were incurred. Prior to the recording of the lien, the Party desiring to file the lien shall give written notice to the delinquent Party of the intent of such Party to file a lien, which notice shall be mailed at least ten (10) days prior to the recording of the lien. The lien shall only affect title to Property when recorded. There shall be no priority of such lien that relates back to any earlier date than the date of the lien is recorded. Notwithstanding the foregoing, the Parties agree that there shall be no lien rights under this section for, and any liens pursuant to this section shall not encumber, any portion of the Future Development once it has been subdivided and platted into separate lots.

4.3. Nuisance. Every violation of this Agreement, or any part hereof, is hereby declared to be and constitute a nuisance and every remedy allowed therefore by law or equity against a Party or Permittee shall be applicable against every such violation that may be enforced by each and every Party.

4.4 Attorneys' Fees. In any legal or equitable proceeding for the enforcement of this Agreement, or any provision hereof, whether it be an action for damages, declaratory relief, injunctive relief, to assert or foreclose the lien, or any other action, the prevailing Party in such action shall be entitled to recover from the non-prevailing Party all of its costs incurred in such action and interest thereon at the rate of eighteen percent (18%) per annum from the date of delinquency. Any judgment entered shall provide for interest on the delinquent amounts at the rate of eighteen percent (18%) per annum after the date of entry of judgment. Costs for purposes of this Section 4.4 shall include court costs and reasonable attorneys' fees. All remedies provided herein or at law or in equity shall be cumulative and not exclusive.

4.5 No Waiver. The failure of a Party to enforce any of the conditions, covenants, restrictions or reservations contained herein shall in no event be deemed to be a waiver of the right to do so for subsequent violations or the right to enforce any other conditions, covenants, restrictions or reservations contained herein.

4.6 Liability of Owner. Each Party shall be responsible for any violation of this Agreement by the Permittee of such Party. If there is a violation of this Agreement by a Permittee, the other Parties shall have the right to pursue a claim or action against the Permittee or the Party, or both, for such violation.

ARTICLE V
INSURANCE

Upon the Commencement Date, both Grantor and Grantees, their successors or the Association on behalf of Grantee, shall maintain liability insurance with a combined single limit of coverage in the minimum amount of One Million and 00/100 Dollars ($1,000,000.00), or such greater amount as may be customary at the time, to insure against any claims for injury to person or property related to the use of the Property, including the Recreational Use Easement, the Access Easement and the Construction Easement. Grantor and Grantees shall at all times list the other Parties hereto as additional named insureds under such insurance policies. Each Party shall be responsible for requiring that any person or entity doing any work in the Easement Corridor by, or at the request of such Party, has in force and effect a commercial general liability policy in an amount not less than $1,000,000.00 (or such greater amount as may be customary at the time) and worker's compensation insurance for all persons performing any work in the Easement Corridor.

ARTICLE VI
AMENDMENTS, TERM AND TERMINATION

6.1 Amendment. This Agreement, and any provision hereof or any easement granted herein, may be amended by the mutual agreement of the Parties, and the joinder by any Successor Owner to such amendment is not required.

6.2 Term. This Agreement shall continue in full force and effect in perpetuity, subject only to termination, modification or amendment upon the written agreement of all of the Parties pursuant to the terms hereof as provided in this Article VI.

6.3 Termination. This Agreement may only be terminated by the unanimous consent of the Parties, and the joinder by any Successor Owner to such termination is not required. No amendment, modification or termination shall be effective until a written instrument setting forth the terms of such amendment or modification or termination has been duly executed, acknowledged and recorded in the office of the Clerk and Recorder of Huerfano County, Colorado.

ARTICLE VII
BINDING EFFECT

7.1 Run With the Land. This Agreement and the rights granted herein and the provisions hereof shall run with the Grantor's Property, shall be appurtenant thereto, shall be binding upon the Property and all present and future owners of the Property or any portion of the Property, shall inure to the benefit of the MWI's Property and all present and future owners of all or any portion of the MWI's Property as provided herein. Each Permittee of a Party shall also be

bound by the terms, conditions and provisions of this Agreement.

7.2 Successors and Assigns. As set forth in Section 1.1, this Agreement and the rights, benefits and obligations created herein may be transferred, assigned and conveyed by Grantees to (i) successors or assigns which acquire all or portions of MWI's Property for the purpose of development, or (ii) to the Association, and its successors and assigns, or (iii) to a governmental entity or charitable organization qualified to hold conservation or recreational easements (collectively "Grantees' Transferees"). This Agreement shall inure to the benefit of and be binding upon the Parties, Grantees' Transferees, subsequent owners of the Property or any portion of the Property, and their Permittees and their respective heirs, personal representatives, successors and assigns. Grantor and Grantees' Transferees shall be entitled to assign their rights and obligations under this Agreement to any successor of the assigning Party to the Party's Property, but Grantees' Transferees shall not be entitled to assign their rights and obligations under this Agreement to individual Successor Owners. In the case of any such assignment, the rights and obligations under this Agreement of the assigning Party shall become the rights and obligations of that Party's assignee from and after the effective date of the assignment, and the assigning Party shall be released thereafter from any further obligations or liabilities under this Agreement that have not accrued as of the date of the assignment.

ARTICLE VIII
MISCELLANEOUS

8.1 Public Dedication. Nothing contained in this Agreement shall be deemed a gift or dedication of any property referenced herein to the general public or for any public purpose whatsoever, it being the intention of the Parties that this Agreement will be strictly limited to the purposes set forth herein.

8.2 Severability. In the event any clause, sentence or any portion of the terms, conditions, covenants and provisions of this Agreement are deemed illegal, null or void for any reason, or are held by any court of competent jurisdiction to be so, the remaining portions of this Agreement shall remain in full force and effect.

8.3 Permittees. "Permittee" and "Permittees" shall mean and refer individually and collectively to any members, tenants, subtenants, licensees, visitors, agents, occupants or concessionaires of the Parties and the foregoing Parties' and Permittees' respective employees, licensees, invitees and guests.

8.4 Land Benefited. The easements are for the benefit of the Grantees, their successors and assigns, the Association, the Successor Owners and their Permittees, and burden the Property for the benefit of MWI's Property.

8.5 Taxes. Each Party shall be responsible for paying all real property taxes and assessments associated with its fee ownership of such Party's portion of the easement property, and shall not be entitled to reimbursement of any portion of such taxes and assessments from any other Party.

8.6 Notices. All notices which are required or permitted under this Agreement shall be in writing. Notices to a Party or Permittee shall be deemed given if mailed to the Party or Permittee by first class mail addressed to the Party or Permittee, as applicable, at the address for the Party or the Permittee indicated in the public records.

8.7 Cooperation as Amended or Modified. The Parties agree to work cooperatively with each other and communicate as necessary in an effort to maximize each Party's benefits and minimize each Party's costs associated with this Agreement. The Parties anticipate the need may arise to amend or modify this Agreement in the future due to the difficulty of ascertaining each Party's future needs and obligations at the time of execution of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto as of the day and year first above written.

GRANTOR:

TRW ORLANDO WATER ASSETS, LLC, a Colorado limited liability company

By: TWO RIVERS WATER, LLC
a Colorado limited liability company
Its sole member

By: Two Rivers Water Company
a Colorado corporation
Its sole member

By: _____
Wayne Harding
Chief Financial Officer and Secretary

GRANTEES:

MARKSHEFFEL-WOODMEN INVESTMENTS, LLC
a Colorado limited liability company

By: _____

Its: Manager

THE ORLANDO RESERVOIR NO. 2 COMPANY, LLC
a Colorado limited liability company

By: _____

Its: Manager

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, ~~2010~~ 2011, by Wayne Harding, Chief Financial Officer and Secretary of Two Rivers Water Company, Inc., a Colorado corporation, as the sole Member of Two Rivers Water, LLC, a Colorado limited liability company, as the sole member of TRW Orlando Water Assets, LLC, a Colorado corporation, as Grantor.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS NOTARY PUBLIC STATE OF COLORADO My Commission Expires 09/11/2014

_____
Notary Public

STATE OF COLORADO)
) **ss.**
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011 ~~2010~~, by Randle W. Case II, as Manager of Marksheffel-Woodmen Investments, LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS NOTARY PUBLIC STATE OF COLORADO My Commission Expires 09/11/2014

_____
Notary Public

STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

This document was acknowledged before me this 28 day of January, 2011, ~~2010~~, by Randle W. Case II, as Manager of The Orlando Reservoir No. 2 Company, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: _____.

(SEAL) DIXIE POWERS
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 09/11/2014

Dixie Powers
Notary Public

EXHIBIT A

Legal description of the Grantor's Property

EXHIBIT A

Order Number: **28446**

A parcel of land located in Sections 17, 18, 19 and 20, Township 26 South, Range 66 West of the 6th P.M., County of Huerfano, State of Colorado, also being a portion of Orlando Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E") being more particularly described as follows:

Beginning at the southeast corner of the Orlando Reservoir No. 2 parcel and the northerly right-of-way line of Huerfano County Road No. 104; thence along said northerly right-of-way line the following three (3) courses:

1) N 85° 18' 00" W, a distance of 303.00 feet;
2) on the arc of a curve to the right, through a central angle of 30° 38' 00", whose radius is 600.00 feet, an arc length of 320.79 feet;
3) 54° 40' 00" W, a distance of 663.85 feet; thence departing said northerly right-of-way line the following twenty-seven (27) courses:

1) N 29° 45' 12" W, a distance of 604.71 feet;
2) N 26° 55' 29" W, a distance of 359.64 feet;
3) N 20° 11' 05" W, a distance of 487.20 feet;
4) N 32° 26' 57" W, a distance of 602.35 feet;
5) N 53° 33' 17" W, a distance of 138.08 feet;
6) N 66° 50' 22" W, a distance of 301.61 feet;
7) N 75° 17' 28" W, a distance of 137.03 feet;
8) N 85° 04' 32" W, a distance of 309.44 feet;
9) S 88° 31' 11" W, a distance of 157.36 feet;
10) N 76° 43' 49" E, a distance of 182.98 feet;
11) N 73° 18' 09" E, a distance of 168.99 feet;
12) N 58° 37' 40" E, a distance of 47.34 feet;
13) N 28° 30' 52" E, a distance of 144.34 feet;
14) N 34° 51' 01" W, a distance of 140.93 feet;
15) N 18° 19' 17" E, a distance of 77.07 feet;
16) N 41° 59' 46" E, a distance of 118.15 feet;
17) N 42° 50' 14" E, a distance of 151.08 feet;
18) N 42° 24' 43" E, a distance of 253.21 feet;
19) N 38° 36' 33" E, a distance of 32.56 feet;
20) N 23° 25' 39" E, a distance of 141.45 feet;
21) N 00° 39' 19" E, a distance of 102.77 feet;
22) N 29° 08' 34" W, a distance of 378.60 feet;
23) N 34° 13' 15" W, a distance of 114.68 feet;
24) N 63° 26' 11" W, a distance of 100.95 feet;
25) N 63° 26' 11" W, a distance of 70.12 feet;
26) on the arc of a curve to the Right, through a central angle of 153° 27' 11", whose radius is 381.91 feet, an arc length of 1022.84 feet;
27) N 00° 01' 00" E, a distance of 27.60 feet, to the North line of the Orlando

Reservoir No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence S 89° 59' 00" E, along said North line a distance of 2047.92 feet; thence departing said North line the following twenty-four (24) courses:

1) S 00° 01' 00" W, a distance of 61.13 feet;
2) S 55° 00' 31" E, a distance of 79.16 feet;
3) S 36° 54' 16" E, a distance of 228.02 feet;
4) S 47° 48' 31" E, a distance of 262.80 feet;
5) S 60° 48' 16" E, a distance of 90.60 feet;
6) S 30° 37' 38" E, a distance of 403.12 feet;
7) S 56° 18' 35" E, a distance of 376.36 feet;
8) S 57° 59' 41" E, a distance of 274.36 feet;
9) S 58° 32' 41" E, a distance of 402.85 feet;
10) S 35° 31' 10" E, a distance of 174.28 feet;
11) S 04° 49' 25" E, a distance of 111.00 feet;
12) S 21° 50' 49" W, a distance of 166.48 feet;
13) S 02° 50' 15" W, a distance of 67.98 feet;
14) N 81° 50' 02" W, a distance of 101.65 feet;
15) S 51° 28' 22" W, a distance of 87.41 feet
16) S 67° 08' 14" W, a distance of 75.69 feet;
17) S 48° 36' 02" W, a distance of 36.58 feet;
18) S 17° 31' 48" W, a distance of 26.11 feet;
19) S 02° 51' 57" W, a distance of 198.14 feet;
20) S 70° 33' 01" E, a distance of 329.43 feet;
21) S 29° 45' 05" E, a distance of 173.68 feet;
22) S 48° 12' 39" E, a distance of 127.54 feet;
23) S 65° 10' 56" E, a distance of 67.41 feet
24) S 45° 50' 50" E, a distance of 175.27 feet to the boundary of Orlando Reservoir

No. 2, per plat of Amended Grant of Easement and Result of Survey Plat recorded April 29, 1981, as Map 170, Pocket 3, Folder 3, (also known as Colorado Land and Grazing, Unit "E"); thence along said boundary the following three (3) courses:

1) S 06° 27' 00" E, a distance of 233.05 feet;
2) S 19° 01' 00" W, a distance of 799.00 feet;
3) S 46° 14' 00" W, a distance of 1850.00 feet, to the Point of Beginning. Containing 322.21 acres, more or less.

ACCORDING TO THE CLERK AND RECORDER FOR HUERFANO COUNTY, COLORADO.

EXHIBIT B

Legal description of MWI's Property

LEGAL DESCRIPTION

A Parcel of land located in Township 25 South, Range 66 West of the 6th P.M., in the County of Huerfano, State of Colorado, to-wit:

Section 7: SW ¼ of the SW ¼ lying east of Interstate 25. **Section 17**: W ½; S ½ of the SE ¼. **Section 18**: S ½ of the NE ¼; SE ¼ of the NW ¼; W ½ of the NW ¼; E ½ of the SW ¼; SE ¼ lying east of Interstate 25. **Section 19:** E ½; S ½ of the SW ¼. **Section 20**: All. **Section 28**: N ½; N ½ of the SE ¼; SW ¼; S ½ of the SE 1/4. **Section 29**: All. **Section 30**: All **Section 31:** E ½; SW ¼. **Section 32**: All. **Section 33**: SW ¼; N ½ of the SE ¼; N 1/2.

Excepting there from the following parcel:

A parcel of land located in the NE ¼ of Section 33 and the SE ¼ of the SE ¼ of Section 28, T 25 S, R 66 W, of the 6th P.M. being more particularly described as follows:

Beginning at the corner common to Sections 28 and 33; thence S 00-41-28 E, along the east line of the NE ¼ of the NE ¼ said Section 33, a distance of 734.77 feet; thence S 89-23-02 W, a distance of 537.26 feet; thence N 16-58-42 E, a distance of 982.31 feet; thence N 4-45-37 E, a distance of 1054.54 feet; thence S 90-00-00 E, a distance of 147.01 feet to the northeast corner of the Se ¼ of the Se ¼ of Section 28; thence S 00-20-38 E, along the east line of said SE ¼ of the SE ¼, a distance of 1320.43 feet to the point of beginning.

Also excepting:

A parcel of land located in the E ½ of the NE ¼ and the E ½ of the NE ¼ of the SE ¼ of said Section 28 being more particularly described as follows:

Beginning at the northeast corner of said Section 28: thence S 00-20-38 E, along the east line of said Section 28, a distance of 3961.30 feet to the South 1/16th corner common to Sections 27 and 28; thence N 90-00-00 W, a distance of 147.01 feet to a point on the Existing fence line; thence along the existing fence line, the following seven (7) courses:

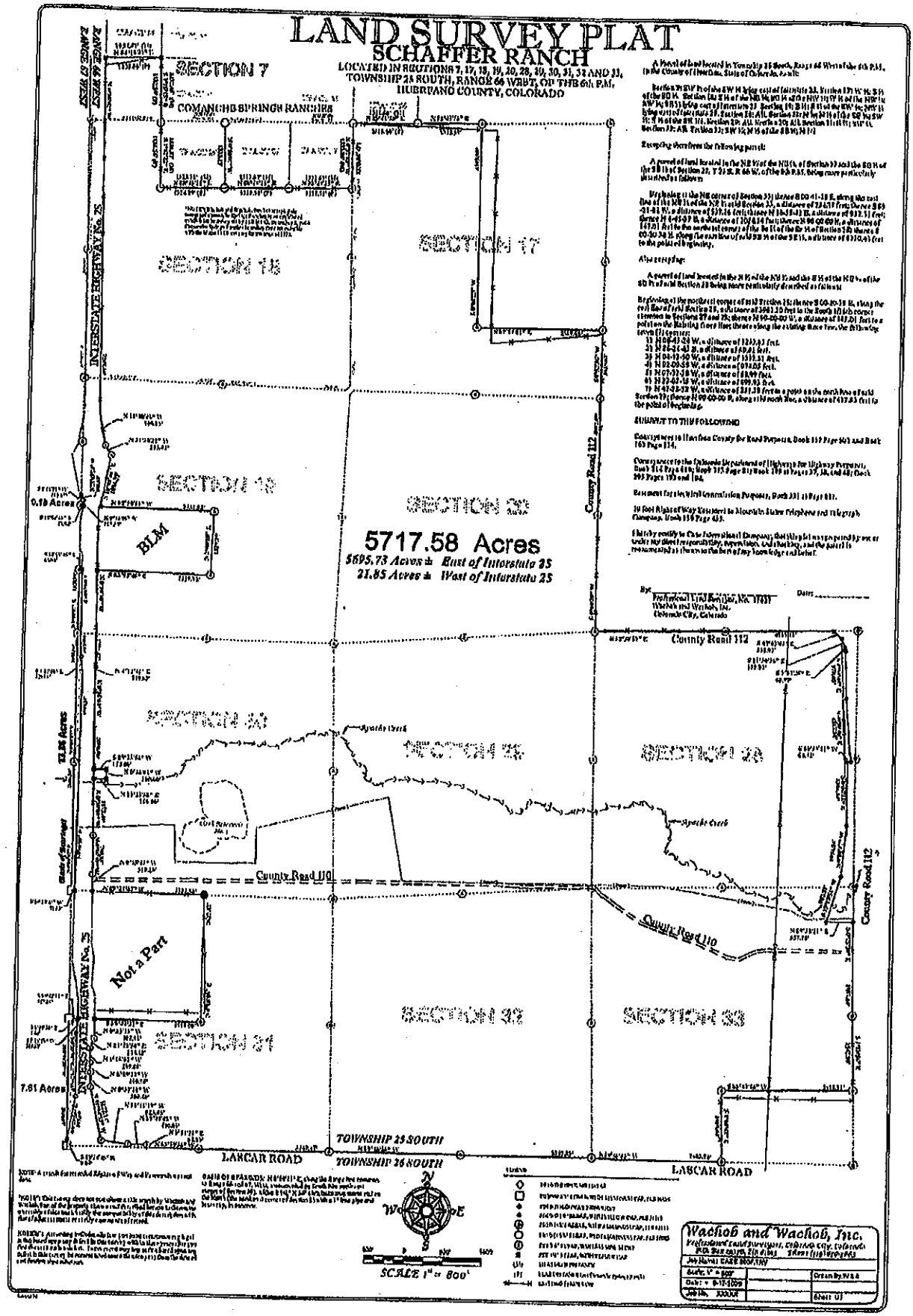
1) N 00-45-24 W, a distance of 1243.63 feet.
2) N 86-24-43 E, a distance of 60.42 feet.
3) N 04-53-50 W, a distance of 1317.51 feet.
4) N 02-09-55 W, a distance of 978.05 feet.
5) N 07-22-38 W, a distance of 68.99 feet.
6) N 22-05-45 W, a distance of 199.93 feet.
7) N 47-22-52 W, a distance of 251.38 feet to a point on the north line of said Section 28; thence N 90-00-00 E, along said north line, a distance of 497.83 feet to the point of beginning.

Legal - Slagle Ranch

LAND SURVEY PLAT

SCHAFFER RANCH

LOCATED IN SECTIONS 7, 17, 18, 19, 20, 28, 29, 30, 31, 32 AND 33,
TOWNSHIP 25 SOUTH, RANGE 66 WEST, OF THE 6th P.M.,
HUERFANO COUNTY, COLORADO



A Parcel of land located in Township 25 South, Range 66 West of the 6th P.M., in the County of Huerfano, State of Colorado, more

Section 8 NW 1/4 of the SW 1/4 lying east of Interstate 25, Section 17 W 1/2, S 1/2 of the SE 1/4, Section 18, E 1/2 of the NE 1/4, NE 1/4 of the NW 1/4, N 1/2 of the NW 1/4 NW 1/4, W 1/2 SW 1/4 east of Interstate 25, Section 19, E 1/2 of the NW 1/4 of the NW 1/4, lying west of Interstate 25, Section 20, All, Section 29 W 1/2 of the SW 1/4, SE 1/4 of the SW 1/4, Section 30, All, North 1/2 N 1/2, All, Section 31, All, Section 32, All, Section 33, All, Section 34, SW 1/4, W 1/2 of the SE 1/4, N 1/2

Excepting therefrom the following parcels:

A parcel of land located in the NE West the NW1/4, of Section 32 and the SE1/4 of the SE1/4 of Section 29, T 25 S, R 66 W, of the 6th P.M., being more particularly described as follows:

Beginning at the NE corner of Section 32; thence S 00°41'-18" E, along the east line of the NE1/4 of the NE 1/4 of Section 32, a distance of 2347.37 feet; thence S 89°-21'-41" W, a distance of 537.16 feet; thence N 18°-58'-43" E, a distance of 937.51 feet; thence N 0°-05'-57" E, a distance of 1074.34 feet; thence N 90°-00'-00" E, a distance of 147.01 feet to the point on the east line of the E1/2 of the E1/2 of Section 29; thence S 00°-30'-34" E, along the east line of the NE1/4 SE1/4 of the SE1/4, a distance of 1310.41 feet to the point of beginning.

Also excepting:

A parcel of land located in the N1/2 of the NE1/4 and the E1/2 of the NE1/4 of the SE1/4 of said Section 29 being more particularly described as follows:

Beginning at the northeast corner of said Section 29; thence S 00°-30'-34" E, along the east line of said Section 29, a distance of 2621.35 feet to the South 1/16th corner common to Sections 28 and 29; thence N 90°-00'-00" W, a distance of 147.01 feet to a point on the Railroad Grant Line; thence along the existing fence line, the following seven (7) courses:

1) N 08°-47'-28 W, a distance of 1210.83 feet.
2) N 08°-31'-43 E, a distance of 49.81 feet.
3) N 04°-13'-30 W, a distance of 1511.31 feet.
4) N 02°-09'-58 W, a distance of 971.85 feet.
5) N 07°-33'-38 W, a distance of 1149.79 feet.
6) N 22°-03'-15 W, a distance of 999.93 feet.
7) N 43°-25'-52 W, a distance of 391.39 feet to a point on the north line of said Section 29; thence N 90°-00'-00 E, along said north line, a distance of 437.83 feet to the point of beginning.

SUBJECT TO THE FOLLOWING

Conveyance to Huerfano County for Road Purposes, Book 119 Page 503 and Book 163 Page 114.

Conveyance to the Colorado Department of Highways for Highway Purposes, Book 314 Page 418; Book 315 Page 81; Book 318 at Page 37, 38, and 48; Book 395 Pages 193 and 194.

Easement for Electrical Communication Purposes, Book 331 at Page 481.

30 Foot Right of Way Easement to Mountain States Telephone and Telegraph Company, Book 119 Page 453.

I hereby certify to Cole Information Company, that this plat was prepared by me or under my direct supervision, from field notes, and that this, and the parcel it represents is true to the best of my knowledge and belief.

By: _____ Date: _____
Professional Land Surveyor, No. 17831
Wachob and Wachob, Inc.
Colorado City, Colorado

Wachob and Wachob, Inc.
Professional Land Surveyors, Colorado City, Colorado
P.O. Box 69 (505 Main) Phone (719) 859-3843

Job Name: SCHAFFER RANCH	
Scale: 1" = 800'	Drawn By: W & A
Date: 9-17-2009	
Job No. XXXXX	Sheet 01

LEGAL DESCRIPTION
Case/Edmundsen property

Township 25 South, Range 65 West, of the 6th P.M.

Section 14: All
Section 20: SE ¼; E ½ of the NE ¼
Section 21: All
Section 22: S ½; NE ¼
Section 23: N ½
Section 27: N ½; SW ¼; W ½ of the SE ¼
Section 28: N ½; SW ¼; N ½ of the SE ¼
Section 29: N ½ of the NE ¼; NE ¼ of the NW ¼; SW ¼ of the NE ¼; NE ¼ of the SE ¼; S ½ of the SE ¼; SE ¼ of the SW 1/4
Section 30: S ½ of the SW ¼
Section 31: S ½; NW ¼
Section 32: All
Section 33: All
Section 34: All

Township 26 South, Range 65 West, of the 6th P.M.

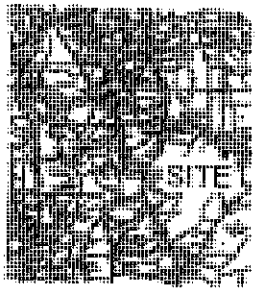
Section 3: E ½; S ½ of the SW ¼; NE ¼ of the SW ¼; Lot 4
Section 4: N ½
Section 5: Lots 2, 3 and 4
Section 6: N ½; NW ¼ of the SE ¼; NE ¼ of the SW ¼

Township 22 South, Range 65 West, of the 6th P.M.

Section 1: Lots 1, 2, 3 and 4

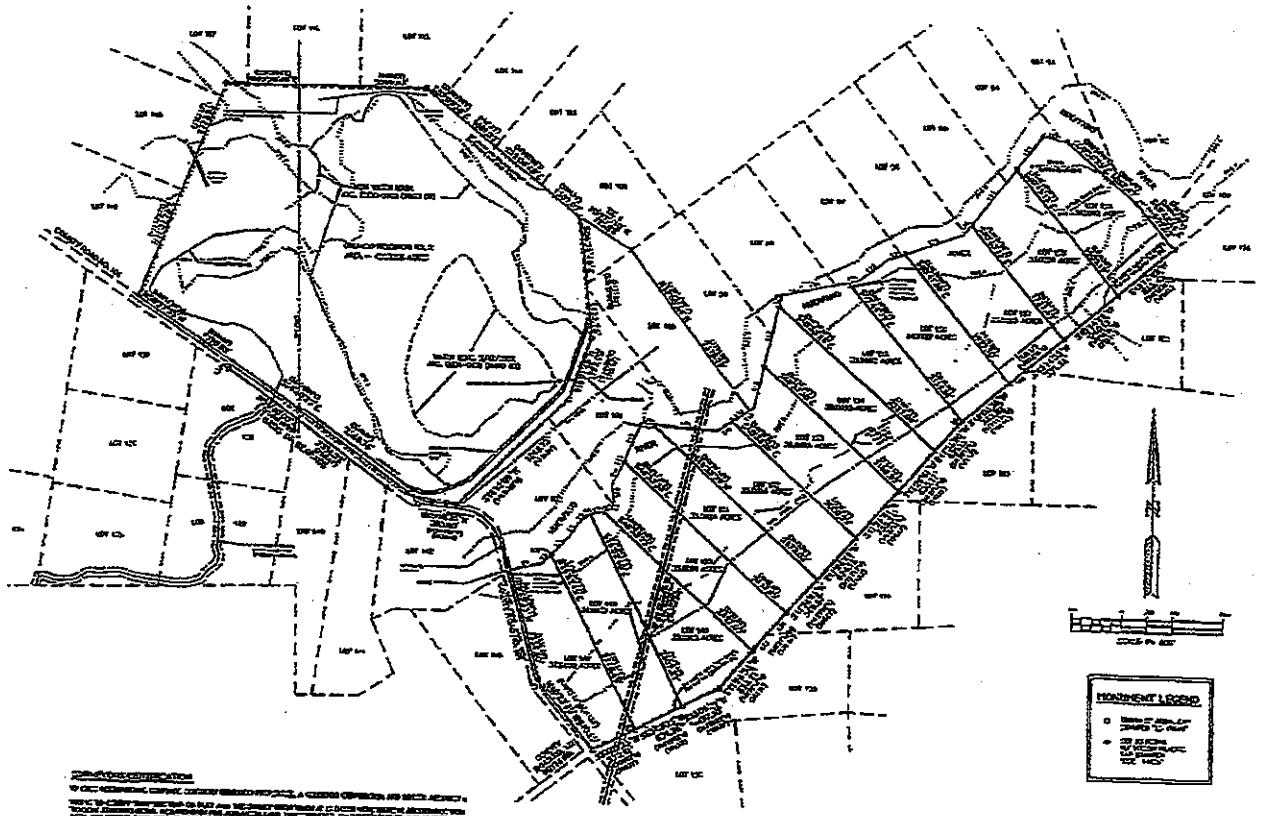
All in the County of Huerfano, State of Colorado.

Orlando Metro District



VICINITY MAP

ALTA/ACSM LAND TITLE SURVEY
LOTS 147 THRU 159 and ORLANDO RESERVOIR NO.2
COLORADO LAND AND GRAZING CO.



MONUMENT LEGEND

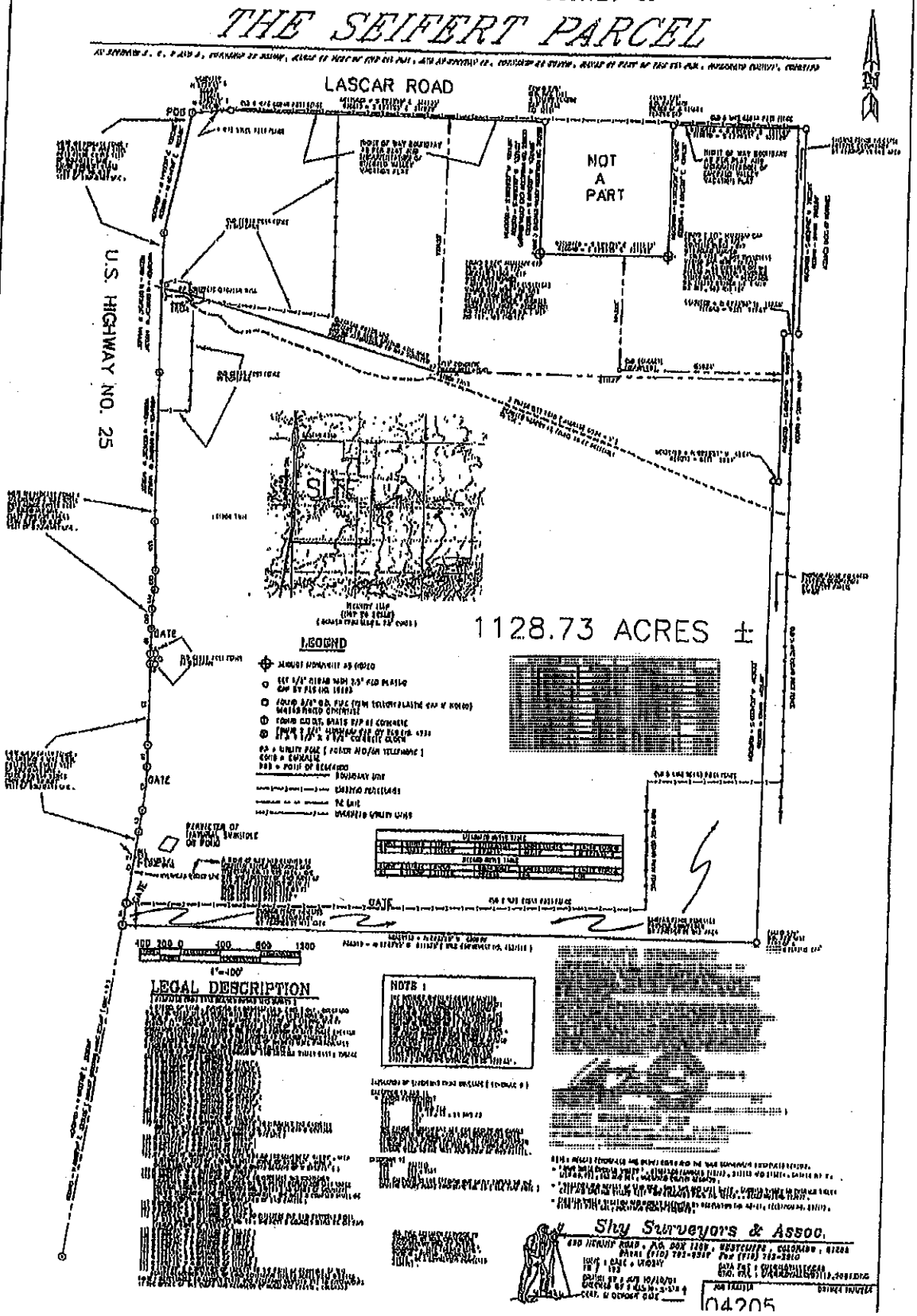
SHEET 1 OF 1

community sciences corporation

ORlando METRO DISTRICT

ALTA/ACSM LAND TITLE SURVEY OF

THE SEIFERT PARCEL



04205

Orlando Metro District

LEGAL DESCRIPTION

(PREPARED FROM DATA DERIVED DURING THIS SURVEY)

A PARCEL OF LAND , SURVEYED BY CHRISTOPHER L. (KIT) SHY , COLORADO P.L.S. NO. 19883 ON OR ABOUT OCTOBER 14 , 2004 , IN SECTIONS 5 , 6 , 7 AND 8 , TOWNSHIP 26 SOUTH , RANGE 66 WEST OF THE 6th P.M. AND IN SECTION 12 , TOWNSHIP 26 SOUTH , RANGE 67 WEST OF THE 6th P.M. , HUERFANO COUNTY , COLORADO ; ALL BEING A PORTION OF UNIT THREE EMERALD VALLEY (RECEPTION NO.245282) ALSO KNOWN AS EMERALD VALLEY EAST (RECEPTION NO. 293032) ; THE PERIMETER OF WHICH IS MORE PARTICULARLY DESCRIBED AS A RESULT OF THIS SURVEY AS FOLLOWS ;

BEGINNING AT THE NORTHWEST CORNER OF SAID EMERALD VALLEY EAST ; THENCE ON THE FOLLOWING 29 COURSES ;

1) N 84°29'59" E A DISTANCE OF 388.00' ;
2) S 89°20'10" E A DISTANCE OF 3141.30' ;
3) S 00°29'27" W A DISTANCE OF 1321.86' ;
4) S 89°34'25" E A DISTANCE OF 1275.60' ;
5) N 00°29'37" E A DISTANCE OF 1316.47' ;
6) S 89°19'59" E A DISTANCE OF 1321.08' ;
7) S 00°24'42" W A DISTANCE OF 2082.89' ;
8) N 89°36'00" W A DISTANCE OF 147.66' ;
9) S 00°24'08" W A DISTANCE OF 1490.97' ;
10) N 89°36'27" W A DISTANCE OF 49.94' ;
11) S 00°24'53" W A DISTANCE OF 4656.12' ;
12) N 89°35'28" W A DISTANCE OF 6300.90' TO INTERSECT THE EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 , THE NEXT 8 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
13) N 08°32'48" E A DISTANCE OF 222.44' ;
14) N 08°32'48" E A DISTANCE OF 724.75' ;
15) N 08°31'55" E A DISTANCE OF 221.11' ;
16) ON A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 443.09' , WITH A RADIUS OF 2965.00' , WITH A DELTA ANGLE OF 08°33'44" , WITH A CHORD LENGTH OF 442.68' , WITH A CHORD BEARING OF N 04°15'41" E ;
17) N 00°08'58" W A DISTANCE OF 220.95' ;
18) N 00°03'41" W A DISTANCE OF 811.74' TO INTERSECT THE SOUTHERLY BOUNDARY OF A PARCEL IDENTIFIED ON THE HEREIN REFERENCED UNIT THREE EMERALD VALLEY PLAT (RECEPTION NO. 245282) AS LANDS OF MOUNTAIN STATES TELEPHONE AND TELEGRAPH COMPANY , THE NEXT 3 COURSES SHALL BE ON THE SOUTH , EAST AND NORTH LINES OF SAID PARCEL ;
19) N 89°33'00" E A DISTANCE OF 50.17' ;
20) N 00°32'09" E A DISTANCE OF 99.67' ;
21) S 89°56'39" W A DISTANCE OF 51.22' TO INTERSECT THE SAID EASTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY NO. 25 , THE NEXT 8 COURSES SHALL BE ON SAID EASTERLY RIGHT OF WAY LINE ;
22) N 00°07'34" W A DISTANCE OF 252.86' ;
23) N 00°02'15" W A DISTANCE OF 200.06' ;
24) N 08°53'33" E A DISTANCE OF 200.91' ;
25) N 00°01'57" E A DISTANCE OF 199.35' ;
26) N 02°56'18" W A DISTANCE OF 499.70' ;
27) N 00°06'48" W A DISTANCE OF 1497.88' ;
28) N 00°07'56" W A DISTANCE OF 1415.04' ;
29) N 11°09'37" E A DISTANCE OF 1222.86' TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED PARCEL OF LAND CONTAINING 1128.73 ACRES MORE OR LESS .

NOTE : REFERENCES TO RECORD PLATS AND RECEPTION NUMBERS ARE TO INSTRUMENTS IN THE OFFICE OF THE CLERK AND RECORDER OF HUERFANO COUNTY , COLORADO .

EXHIBIT D

IRRIGABLE LAND

To be completed post-closing

Appendix C: Water Right Decrees

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of Jackson

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Cullom ✓		84
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David Hart ✓	51	60
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[illegible]	143	140
[illegible]		85
[illegible]	64	79
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[illegible]		117
[illegible]		118
[illegible]	64	73
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[illegible]	64	79
[illegible]		84
[illegible]		102
[illegible]		105
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National Paper Company

1st. No part of this deed shall in any case be taken, deemed or held to confirm, impair or in any manner affect any claim of right or property held or claimed by any person, association or corporation, in or to any ditch or reservoir, or any part thereof or to the land or any part thereof on which any of the same may be situated, or the land held or claimed as a right of way of any of them, or any right, interest or claim of property what ever in or relating to any of them.

2nd No part of this deed shall be taken, deemed or held as affecting in any manner any question or claim of right between the owners or claimants of any such Ditch or reservoir, as between each other, whether as part owners or shareholders therein, or as stock holders in any Corporation or joint stock Company, claiming or to claim the same or any part thereof, nor shall it affect the rights, interests or claims of any consumers of water for irrigation or domestic purposes, whether as part owner, lessee, shareholder or stockholder in any corporation holding or controlling the same, or as purchasers of water therefrom, as against the rights, interests or claims of any other party or parties interested or claiming interest or right in or to such ditch or reservoir as owner, lessee or part owner thereof, or as shareholder or stockholder in any 8 Corporation claiming the same, or as purchasers of water therefrom; neither shall it [illegible]

National Paper Company.

any claim of priority made or resisted as between the parties using water for said purposes from the same ditch or reservoir as to such water.

3rd No part of this decree shall in any manner affect any question between two or more parties claiming or owning priorities herein adjudged on the same stream in any case where the water in such stream sinks and rises to the surface again between the location of the headgates of their respective ditches, or in any dispute as to the identity of the water appropriated by either party out of such sinking and rising stream.

4th This decree shall not affect any question of priority between claimants or owners of ditches used in whole or in part for milling or manufacturing or water power for other purposes, as to any water carried in said ditches for said purpose.

5th This decree shall not affect any claim, interest or right of any Corporation as to the right of property in any ditch or reservoir, or the ground on which the same may be situated, or any question which may arise between the stock holders thereof or between them and the State, People or any party upon the dissolution of such Corporation by expiration of its Charter or otherwise, as to any appropriation of water or rights claimed

National Park Company

by Condemnation proceedings by such corporation during its legal existence.

6th. No part of this decree shall affect in any way any right, claim or interest now or hereafter held or claimed to any appropriation of water made after the closing of testimony touching the construction or enlargement of the ditch or reservoir by means of which said appropriation may have been made.

7th. No part of this decree shall be taken or held as adjudging to any claimant or present or future representatives of any claim to any ditch or reservoir, or party holding, using or controlling the same, any right to take and carry by means of any canal, ditch or reservoir herein mentioned, or by virtue any appropriation herein adjudged, any water from any natural stream except to be applied to the use for which the appropriation was made, nor to allow any excessive use or waste of water whatever, nor to allow any division of water except for lawful and beneficial purposes

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8th. This decree shall be taken, decreed and held as intended to determine and establish the several priorities of right by appropriation of water from the streams ~~within the limits~~ of said Water District No. 16 for irrigation by means of the several ditches and reservoirs

in said District concerning which testimony has been offered in this matter, according to the dates and extent of such appropriations, with the amount of water held to have been appropriated thereby. — Subject to the several last mentioned eight provisions, it is further as to said ditches and reservoirs, and the several appropriations of water by means of them respectively claimed in this matter

Ordered, adjudged and decreed, as in and by the findings of said Referee as follows:

National Paper Company.

And, That ditches that are supplied with water from the Cucharas river and its tributaries except Santa Clara Creek, be and the same are hereby numbered according to the date of their severals and respective appropriations, and said dates are hereby determined and decreed as follows,

No. 1.	Francisco Y Daigre Mill Ditch	May 30" 1863
No. 2.	Calf pasture Ditch	June 15" 1863
No. 3.	Guillen Ditch	May 15" 1865
No. 4.	Walsenburg Ditch	April 30" 1866
No. 5.	Vasquez Alias John R. von Ditch	May 1" 1866
No. 6.	Francisco Y Daigre Strayatalla Ditch	May 30" 1866
No. 7.	Vallejos Ditch	April 1" 186[illegible]
No. 8.	Oso Ditch	May 3" 1868
No. 9.	Gomez Ditch	June 8" 1868
No. 10.	Mc Castill Ditch	December 30" 1868
No. 11.	Romero Ditch	April 1" 1869
No. 12.	Mexican Ditch	April 8" 1869
No. 13.	R. B. Willis Ditch No. 1	May 10" 1870
No. 14.	Trinidad Baca Ditch	May 25" 1870
No. 15.	Smith Crumley Ditch	May 11" 1871
No. 16.	Denton Ditch	June 1" 1871
No. 17.	Duran Ditch	June 13" 1871
No. 18.	David Hart Ditch	June 15" 1871
No. 19.	Barnard Y Alexander Ditch	June 20" 1871
No. 20.	Kincaid Ditch	July 1" 1871
No. 21.	Sanchez Ditch	March 15" 1872
No. 22.	South Sandoval Ditch	May 15" 12 1872
No. 23.	Kincaid and Alexander Ditch.	May 30" 1872
No. 24.	Z. half circle Ditch	May 30" 1872
No. 25.	Ezekiel Gribble Ditch	May 31" 1872

No. 26.	Cucharas Ditch	June 15" 1872
No. 27.	Beaver Dam Ditch	June 25" 1872
No. 28.	North Vela Canon Ditch	March 1" 1873
No. 29.	Patterson Ditch	April 20" 1873
No. 30.	Spanish Peaks Ditch	June 1" 1873
No. 31.	Dutton & McAuliffe Ditch	June 20" 1873
No. 32.	John Harris Ditch No. 1	April 30" 1874
No. 33.	John Harris Ditch No. 2	May 1" 1874
No. 34.	L. D. R. D. Ditch	May 10" 1874
No. 35.	Nate Patterson Ditch	May 15" 1874
No. 36	Ute Ditch	May 15" 1874
No. 37.	Vigil Ditch	May 30" 1874
No. 38.	Kruger Ditch	June 10" 1874
No. 39.	W. R. Willis Ditch	August 1" 1874
No. 40.	Dyer Ditch.	April 15" 1875
No. 41.	John G. Cozad Ditch	June 26" 1875.
No. 42.	Lobato Ditch	June 30" 1875
No. 43.	Sandoval Ditch	May 1" 1876
No. 44.	Highland Ditch	June 1" 1876
No. 45.	Cleven Ditch	May 15" 1877
No. 46.	Staplin Ditch	July 1" 1879
No. 47.	Wayman alias Jim Gribble Ditch	April 1" 1881
No. 48.	John George Ditch	May 15" 1881
No. 49.	Dep Ditch	May 12" 1882
No. 50.	South Side Ditch	June 10" 1882
No. 51.	Gribble & Baker Ditch	May 1" 1883
No. 52.	Lake Miriam Ditch	March 1" 1884
No. 53.	Madrid Ditch No. 2	March 10" 1884
No. 54.	Oakfield Ditch	July 15" 1854
No. 55.	Martin Ditch No. 1	April 1" 1886
No. 56.	Fairview Ditch	March 10" 1887
No. 57.	South Abeyta Highland Ditch.	February 14" 1888
No. 58.	Butte Ditch	June 15" 1888

And the several appropriations of water for said ditches supplied with water from the

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Cucharas River and its tributaries aforesaid, and their respective enlargements, are hereby numbered and declared, with the dates of said appropriations to be as follows, to wit:

No. 1. Francisco & Daigre Mill Ditch, including lateral called Francisco & Daigre Lake Ditch original appropriation May 30" 1863

No. 2. Calf Pasture Ditch, original appropriation June 15" 1863.

No. 3. Francisco & Daigre Mill Ditch, first enlargement June 00" 1864.

No. 4. Guillen Ditch, original appropriation May 15" 1865

No. 5. Walsenburg Ditch, original appropriation April 30" 1866

No. 6. Vasquez alias John Brown Ditch, original appropriation May 1" 1866

No. 7. Francisco & Daigre Ajajatolly Ditch. original appropriation May 30" 1866

No. 8. Ballejos Ditch, original appropriation April 1" 1868.

No. 9. Oso Ditch, original appropriation May 9" 1868.

No. 10. Gomez Ditch, original appropriation June 8" 1868

No. 11. Mc Eastkill Ditch, original appropriation December 30" 1868

No. 12. Romero Ditch, original appropriation April 1" 1869.

No. 13. Ballejos Ditch, first enlargement April 1st 1869

No. 14. Mexican Ditch, original appropriation April 8" 1869.

Company

No. 15. ✓ R.B. Willis Ditch No. 1, original appropriation May 10" 1870

No. 16. ✓ Trinidad Baca Ditch, original appropriation May 25" 1870

No. 17. ✓ Calf pasture Ditch, first enlargement May 1" 1871

No. 18. ✓ Smith Greenley Ditch, original appropriation May 11" 1871

No. 19. ✓ Vasquez alias John Barron Ditch, first enlargement May 20" 1871 orig. appro 71

No. 20. ✓ Denton Ditch, original appropriation June 1" 1871

No. 21. ✓ Duran Ditch, original appropriation June 13" 1871

No. 22. ✓ David Hart Ditch, original appropriation. June 15" 1871

No. 23. ✓ Barnard & Alexander Ditch, original appropriation June 20" 1871

No. 24 ✓ Duncan Ditch, original appropriation July 1" 1871.

No. 25. ✓ Sanches Ditch, original appropriation March 15" 1872

No. 26. ✓ Santa Sandoval Ditch, original appropriation May 15" 1872

No. 27. ✓ Duncan & Alexander Ditch, original appropriation May 30" 1872

No. 28. ✓ Half circle Ditch, original appropriation May 30" 1872

No. 29. ✓ Ezekiel Gribble Ditch, original appropriation May 31" 1872

No. 30. ✓ Cucharas Ditch, original appropriation June 15" 1872

No. 31. ✓ Beaver Dam Ditch, original appropriation June 25" 1872.

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No. 32. ✓ North Vela Canon Ditch, original appropriation March 1" 1873

No. 33. ✓ Patterson Ditch, original appropriation April 20" 1873.

No. 34. ✓ Cucharas Ditch, first enlargement April 25" 1873

No. 35. ✓ Spanish Peaks Ditch, original appropriation June 1" 1873

No. 36 ✓ Denton & McAuliffe Ditch, original appropriation for Denton and McAuliffe Ditch, June 20" 1873

No. 37. ✓ John Harris Ditch No. 1, original appropriation April 30" 1874

No. 38. ✓ John Harris Ditch No. 2, original appropriation May 1" 1874

No. 39. ✓ L. D. R. D. Ditch, original appropriation May 10" 1874

No. 40. ✓ Nate Patterson Ditch, original appropriation May 15" 1874

No. 41. ✓ Ute Ditch, original appropriation May 15" 1874

No. 42. ✓ Vigil Ditch, original appropriation May 20" 1874

No. 43. ✓ Kruger Ditch, original appropriation June 10" 1874

No. 44. ✓ W. R. Willis Ditch, original appropriation August 1" 1874

No. 45. ✓ Dyer Ditch, original appropriation April 15" 1875

No. 46. ✓ Nate Patterson Ditch, first enlargement May 10" 1875

No. 47. ✓ John B. Cozad Ditch, original appropriation June 25" 1873

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No. 48. Lobato Ditch, original appropriation June 30" 1875

No. 49. Sandoval Ditch, original appropriation May 1" 1876

No. 50. Highland Ditch, original appropriation June 1" 1876

No. 51. Cuniver Ditch, original appropriation May 15" 1877

No. 52. Staplin Ditch, original appropriation July 1" 1879

No. 53. Sanchez Ditch, first Enlargement April 1" 1880

No. 54. " Denton & McAuliffe Ditch first Enlargement " March 20" 1881

No. 55. Wayman alias Jim Gribble Ditch, original appropriation April 1" 1881

No. 56. John George Ditch, original appropriation May 15" 1881

No. 57. " Denton & McAuliffe Ditch, Second enlargement " October 21" 1881

No. 58. Dep Ditch, original appropriation May 12" 1882

No. 59. South Side Ditch, original appropriation June 10" 1882

No. 60. Gribble & Bates Ditch, original appropriation May 1" 1883

No. 61. Lake Miriam Ditch original appropriation March 1" 1884

No. 62. Madrid Ditch No. 2, original appropriation March 10" 1884

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National Paper Company.

No. 63, Oakfield Ditch, original appropriation July 15" 1884

No. 64. Sanchez Ditch, second enlargement May 20" 1886

No. 65. Martin Ditch No. 1, original appropriation April 1" 1886

No. 66. Fairview Ditch, original appropriation March 10" 1887

No. 67. South Abeyta Highland Ditch, original appropriation February 14" 1888

No. 68 Butte Ditch, original appropriation June 15" 1888

And the said ditches are entitled to the appropriations and priorities in the order in which they are hereinbefore numbered, as follows, to wit:

No. 1. Francisco & Daigre Mill	1-3
No. 2. Calf Pasture	2-17
No. 3. Guiller Ditch	4
No. 4. Walsenburg Ditch	5
No. 5. Vasquez alias John Brown Ditch	6-19
No. 6. Francisco & Daigre Anajatolla Ditch	7
No. 7. Ballejos Ditch	8-13
No. 8. Ops Ditch	9
No. 9. Gomez Ditch	10
No. 10. McCaskill Ditch	11
No. 11. Romero Ditch	12
No. 12. Mexican Ditch	14
No. 13. R. B. Willis Ditch No. 1	15
No. 14. Trinidad Baca Ditch	16
No. 15. Smith Crumley Ditch	18
No. 16. Denton Ditch	20

National Paper Company.

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No. 17.	Duran Ditch	21
No. 18.	David East Ditch	22
No. 19.	Barnard & Alexander Ditch	23
No. 20.	Kincaid Ditch	24
No. 21.	Sanchez Ditch	25-33-64
No. 22.	South Sandoval Ditch	26
No. 23.	Kincaid & Alexander Ditch	27
No. 24.	Z half circle Ditch	28
No. 25.	Ezekiel Gribble Ditch	29
No. 26.	Cucharas Ditch	30-34
No. 27.	Beaver Dam Ditch	31
No. 28.	North Vista Canon Ditch	32
No. 29.	Patterson Ditch	33
No. 30.	Spanish Peaks Ditch	35
No. 31.	Depue & McAuliffe Ditch	36-54-37
No. 32.	John Harris Ditch No. 1	37
No. 33.	John Harris Ditch No. 2	38
No. 34.	L. D. R. D. Ditch	39
No. 35.	Nate Patterson Ditch	40
No. 36.	Ute Ditch	41
No. 37.	Virgil Ditch	42
No. 38.	Kruger Ditch	43
No. 39.	W. R. Mills Ditch	44
No. 40.	Dyer Ditch	45
No. 41.	John G. Cozad Ditch	47
No. 42.	Lobato Ditch	48
No. 43.	Sandoval Ditch	49
No. 44.	Highland Ditch	50
No. 45.	Carver Ditch	51
No. 46.	Staplin Ditch	52
No. 47.	Wayman alias Jim Gribble Ditch	55
No. 48.	John George Ditch	56
No. 49.	Dep. Ditch	19 58
No. 50.	South side Ditch	59

National Paper Company.

No. 51. Gribble & Baker Ditch 60
No. 52 Lake Miriam Ditch 61
No. 53. Madrid No. 2 62
No. 54. Oakfield Ditch 63
No. 55. Martin Ditch No. 1 65
No. 56. Fairview Ditch 66
No. 57. South Abeyta Highland Ditch . . . 67
No. 58. Butte Ditch 68

And that the ditches that are supplied with water from the Santa Clara creek, be and the same are hereby numbered according to the date of their several and respective appropriations, and said dates are hereby determined and declared as follows:

No. 1. Forestine Ditch, June 10" 1868
No. 2. Cullom Ditch June 10" 1868
No. 3. Mauricio Apodaca Ditch June 1" 1869
No. 4. A. M. Pryor Ditch June 5" 1869
No. 5. Leib Ditch June 15" 1870
No. 6. Henry Schulze Ditch May 1" 1871
No. 7. Apodaca Ditch April 20" 1876
No. 8. Samuel J. Wapp's Ditch June 1" 1884

And the several appropriations of water for said ditches supplied with water from the Santa Clara creek aforesaid, are hereby numbered and declared, with the dates of said appropriations, to be as follows, to wit:

No. 1. Forestine Ditch, original appropriation June 10" 1868
No. 2. Cullom Ditch, original appropriation June 10" 1868
No. 3. Mauricio Apodaca Ditch, original appropriation June 1" 1869.

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No. 4. A. M. Pryor Ditch, original appropriation June 1st 1869

No. 5. Labrie Ditch, original appropriation June 15th 1870

No. 6. Henry Schulze Ditch, original appropriation May 1st 1871

No. 7. Sporleder Ditch, original appropriation April 20th 1876

No. 8. Samuel J. Capps Ditch, original appropriation June 1st 1884.

And that the said ditches that are supplied with water from the Santa Clara Creek aforesaid are entitled to the several appropriations and priorities in the order in which the said ditches are numbered and appropriations are dated hereinbefore.

National Paper Company.

And the amount of water adjudged to the several ditches that are supplied with water from the Ruchsaras river and its tributaries (except the Santa Clara Creek,) and their respective priorities for second of time, is computed and determined as follows, to wit:

No. 1. Francisco & Daigre Mill Ditch, Priority No. 1 — 8.0 cubic feet
" " 3 — 11.20 " "
Total . . . . . 17 " "

No. 2. Calf Pasture Ditch, Priority No. 2 — 1.50 cubic feet
" " 17 — 1.50 " "
Total . . . . . 3 " "

No. 3. Guillen Ditch, Priority No. 4 — 2 Cubic feet

No. 4. Valenburg Ditch, Priority No. 5 — 5.90 Cubic feet

No. 5. Vasquez alias John Brown Ditch
Priority No. 6 — 3.50 Cubic feet
" " 19 — 2.30 " "
Total . . . . . 5.80 " "

No. 6. Francisco & Daigre Manzanilla Ditch,
Priority No. 7 — 1.40 Cubic feet

No. 7. Ballejos Ditch, Priority No. 8 — 2 Cubic feet
" " 13 — 2 " "
Total . . . . . 4 " "

No. 8. Dzo Ditch, Priority No. 9 — 5 Cubic feet

22

No. 9. Gomez Ditch, Priority No. 10 — 3.20 Cubic feet.

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National Paper Company.

No. 10. M^c Caskill Ditch, Priority No. 11, — 2 Cubic feet

No. 11. Romero Ditch, Priority No. 12 — 4.80 Cubic feet

No. 12. Mexican Ditch, Priority No. 14 — 4.90 Cubic feet

No. 13. R. B. Willis Ditch No. 1
Priority No. 15 — 3.20 Cubic feet

No. 14. Trinidad Baca Ditch, Priority No. 16 — .40 Cubic feet

No. 15. Smith Lemmley Ditch,
Priority No. 18 — .40 Cubic feet

No. 16. Denton Ditch, Priority No. 20 — .50 Cubic feet

No. 17. Duran Ditch, Priority No. 21 — .50 Cubic feet

No. 18. David Hart Ditch, Priority No. 22 — .60 Cubic feet

No. 19. Barnard & Alexander Ditch,
Priority No. 23 — 1.80 Cubic feet

No. 20. Kincaid Ditch, Priority No. 24 — 1 Cubic foot

No. 21. Sanchez Ditch, Priority No. 25 — .60 Cubic feet
" " 13 — 1.40 " "
" " 14 — 2.00 " "
Total . . . . . 4 " "

No. 22. South Sandoval Ditch, 23
Priority No. 26 — 2 Cubic feet.

National Paper Company.

No. 23. Kincaid & Alexander Ditch,
Priority No. 27 – 1.70 Cubic feet

No. 24. Z half Circle Ditch,
Priority No. 28 – .70 Cubic feet

No. 25. Ezekiel Gribble Ditch,
Priority No. 29 – .40 cubic feet

No. 26. Cucharas Ditch, Priority No. 30 – .50 Cubic feet
" " 34 – 1.50
Total 7 " "

No. 27. Beaver Dam Ditch,
Priority No. 31 – 1.20 cubic feet

No. 28. North Veta Canon Ditch,
Priority No. 32 – 6 cubic feet

No. 29. Patterson Ditch, Priority No. 33 – 5.10 cubic feet

No. 30. Spanish Peaks Ditch,
Priority No. 35 – 7.40 Cubic feet

No. 31. Denton & McAuliffe Ditch,
Priority No. 36 – 2 Cubic feet
" " 54 – .74 " "
" " 57 – .26 " "
Total 3 " "

No. 32. John Harris Ditch No. 1, 24
Priority No. 37 – 1 Cubic foot

National Paper Company.

No. 33. John Harris Ditch No. 2
Priority No. 38 — 1 cubic foot

No. 34. L. D. R. D. Ditch,
Priority No. 39 — .60 cubic feet

No. 35. Nau Patterson Ditch,
Priority No. 40 — .70 cubic feet
" 116 30 " "
Total . . . . . 1 cubic foot

No. 36. Ute Ditch, Priority No. 41 — 1.50 Cubic feet

No. 37. Vigil Ditch, Priority No. 42 — ~~2~~ 1.50 cubic feet

No. 38. Kruger Ditch, Priority No. 43 — 1.20 Cubic feet

No. 39. W. R. Willis Ditch,
Priority No — 114 — .50 Cubic feet

No. 40. Dyer Ditch, Priority No. 45 — 4.40 Cubic feet

No. 41. John G. Cozad Ditch,
Priority No. 47 — 1.40 cubic feet

No. 42. Labato Ditch, Priority No. 48 — .70 Cubic feet

No. 43. Sandoval Ditch
Priority No. 49 — 1.50 Cubic feet

No. 44. ~~Highland~~ Highland Ditch 25
Priority No. 50 — .80 Cubic feet.

National Paper Company.

No. 45. Lawrence Ditch, Priority No. 51 — .70 cubic feet

No. 46. Stapen Ditch, Priority No. 52 — .40 cubic feet

No. 47. Wayman alias Jim Gribble Ditch,
Priority No. 55 — 1.20 cubic feet

No. 48. John George Ditch,
Priority No. 56 — 3.20 cubic feet

No. 49. Depp Ditch, Priority No. 58 — .60 cubic feet

No. 50. South Side Ditch,
Priority No. 59 — .50 cubic feet

No. 51. Gribbler Baker Ditch,
Priority No. 60 — .40 cubic feet

No. 52. Lake Miriam Ditch,
Priority No. 61 — 20 cubic feet

No. 53. Madrid Ditch No. 2
Priority No. 62 — 7.40 cubic feet

No. 54. Oakfield Ditch,
Priority No. 63 — .24 cubic feet

No. 55. Martini Ditch No. 1,
Priority No. 65 — 1.20 cubic feet

No. 56 Fairview Ditch,
Priority No. 66 — .28 cubic feet

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No. 57. South Alberta Highland Ditch,
Priority No. 67 — 12.80 cubic feet

National Paper Company

No. 55 Butte Ditch
Priority No. 68 — 2 cubic feet.

And the amount of water adjudged to the several ditches that are supplied with water from the Santa Clara Creek, in their respective priorities per second of time is compiled and determined as follows, to wit:

No. 1. Forestine Ditch
Priority No. 1 — 2 cubic feet

No. 2. Cullom Ditch.
Priority No. 2 — .80 cubic feet

No. 3. Mauricio Apodaca Ditch,
Priority No. 3 — 3 cubic feet

No. 4. A. M. Pryor Ditch,
Priority No. 4 — 2.20 cubic feet

No. 5. Labrie Ditch,
Priority No 5 — 2.80 Cubic feet

No. 6. Henry Schulze Ditch,
Priority No. 6 — 3.20 Cubic feet

No. 7. Sporleder Ditch
Priority No. 7 — .60 cubic feet

No. 8. Samuel J. Capps Ditch 27
Priority No. 8 — .50 Cubic feet.

National Paper Company

That the ditches that are supplied with water from the Rio Grande river and its tributaries, except Apache Creek, be and the same are hereby numbered according to the date of their several and respective appropriations, and said dates are hereby determined and decreed as follows:

No. 1	Butte Valley Ditch	May 15"	1862
No. 2	Bo Boyce Ditch	May 15"	1862
No. 3	Consolidated Badiu & Martin Ditch	May 15"	1862
No. 4	Martin Ditch	July 15"	1862
No. 5	John W. Brown Ditch	April 1"	1863
No. 6	Wm Craig Ditch	May 1"	1864
No. 7	Pedro Gomez Ditch	June 1"	1865
No. 8	Dan Mahan Ditch	April 17"	1866
No. 9	Hamlet Ditch	May 1"	1866
No. 10	Woods Ditch	May 1"	1866
No. 11	Roy Ditch	May 1"	1866
No. 12	Jack Allen Ditch	May 1"	1866
No. 13	Baxter Pioneer Ditch	May 3"	1866
No. 14	Chaves Ditch	May 15"	1866
No. 15	Robert Rice Ditch	March 1"	1867
No. 16	Garcia Ditch	April 25"	1867
No. 17	Burns Ditch No. 2	May 31"	1867
No. 18	Medina alias Filipa alias Naranjo & Archuleta Ditch	June 1"	1867
No. 19	Sanchez Ditch	July 15"	1867
No. 20	Martinez Ditch	April 10"	1868
No. 21	Manzanares Ditch No. 1	April 10"	1868
No. 22	Fernandez Ditch	April 18"	1868
No. 23	Sefton Ditch No. 2	April 20"	1868
No. 24	Upper Rio Grande Ditch	May 1"	1868
No. 25	Archuleta Ditch	May 16"	1868

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No. 26.	Manzanares Ditch No. 2	July 16"	1868
No. 27.	Sefton Ditch No. 1	April 10"	1869
No. 28.	Vigil & Chavez Ditch	June 15	1869
No. 29.	Pineda Ditch	April 6"	1870
No. 30.	Lioneros Ditch	April 17"	1870

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National Paper Company

No. 31.	Victor Ditch	May 15" 1870
No. 32.	May Ditch	June 1" 1870
No. 33.	Hames Ditch	April 1" 1871
No. 34.	Palmer Ditch	April 6" 1871
No. 35.	Jaquez Ditch	May 3" 1871
No. 36.	Meadow Ditch	May 15" 1871
No. 37.	Bradford & Swire Ditch	June 6" 1871
No. 38.	Wilson Ditch	May 20" 1872
No. 39.	Gimlet Ditch	June 8" 1872
No. 40.	Jose Maria Ditch	May 1" 1873
No. 41.	Ojo Ditch	May 25" 1873
No. 42.	Spider Web Ditch	April 1" 1874
No. 43.	Deus Pioneer Ditch	June 15" 1874
No. 44.	Mesa y Company Ditch	June 15" 1874
No. 45.	South Side Ditch	April 10" 1875
No. 46.	Lincoln Ditch No. 1	June 1" 1875
No. 47.	Lincoln Ditch No. 2	June 1" 1875
No. 48.	Lincoln Ditch No. 3	June 1" 1875
No. 49.	McClure Ditch	June 25" 1875
No. 50.	Glades Ditch	May 15" 1876
No. 51.	W L Murray Ditch	June 1" 1876
No. 52.	Caldwell Ditch	April 15" 1878
No. 53.	Horseback Ditch	July 1" 1878
No. 54.	Stanley Ditch	May 1" 1879
No. 55.	Robinson Ditch	May 20" 1879
No. 56.	Pathfinder Ditch	May 1" 1880
No. 57.	Meadow Ditch No. 2	May 12" 1880
No. 58.	Mosco Ditch	April 15" 1881
No. 59.	Shields Ditch	May 1" 1881
No. 60.	No. 1, Irrigating Ditch	May 3" 1881
No. 61.	Ramon M.y. Valdez Ditch	May 15" 1881
No. 62.	Swire Ditch	September 30" 1882
No. 63.	Road Ditch No. 1	April 20" 1883

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National Paper Company.

No. 64.	Timothy Ditch	June 1"	1883
No. 65.	Sharpsdale Ditch	June 1"	1883
No. 66.	Brooke Creek Ditch	April 29"	1884
No. 67.	James Carey Ditch,	May 1"	1884
No. 68.	Muddy Ditch	June 25"	1884
No. 69.	Madrid Ditch	May 15"	1886
No. 70.	J. M. Murray Ditch	July 1"	1886
No. 71.	Mill Ditch	December 1"	1887
No. 72.	Montes Ditch	January 7"	1888
No. 73.	Burro Ditch	June 1"	1888

And the several appropriations of water for said ditches supplied with water from the Chicano river and its tributaries aforesaid, and their respective enlargements, are hereby numbered and declared, with the dates of said appropriations, to be as follows, to wit;

No. 1. Butte Valley Ditch, original appropriation May 15" 1862.

No. 2. Rio Boyce Ditch, original appropriation May 15" 1862

No. 3. Consolidated Badito & Martin Ditch, original appropriation by Martin Ditch, May 15" 1862

No. 4. Martin Ditch, original appropriation July 15" 1862

No. 5. John W. Brown Ditch, original appropriation April 1" 1863

No. 6. Consolidated Badito & Martin Ditch, first enlargement Martin Ditch, April 30" 1863

No. 7. William Craig Ditch, original appropriation May 1st 1864.

No. 8. Consolidated Badito & Martin Ditch, original appropriation by Badito Ditch, April 20" 1865. 31

No. 9. Butte Valley Ditch. First enlargement May 15" 1565.

National Paper Company.

No. 10. ✓ Pedro Gomez Ditch, original appropriation, June 1st 1865.

No 11. ✓ Martin Ditch, first enlargement April 1st 1866

No. 12 ✓ Dan Mahan Ditch, original appropriation, April 17th 1866.

No. 13 ✓ Hamlet Ditch, original appropriation, May 1st 1866.

No. 14 ✓ Woods Ditch, original appropriation, May 1st 1866.

No. 15. ✓ Roy Ditch, original appropriation, May 1st 1866.

No. 16. ✓ Jack Allen Ditch, original appropriation, May 1st 1866

No. 17 ✓ Baxter Pioneer Ditch, original appropriation May 8th 1866

No. 18. ✓ Chavez Ditch, original appropriation May 15th 1866

No. 19. ✓ Robert Rice Ditch, original appropriation March 1st 1867.

No. 20 ✓ Garcia Ditch, original appropriation April 25th 1867

No. 21 ✓ Baxter Pioneer Ditch, first enlargement May 1st 1867.

No. 22 ✓ Bruno Ditch No. 2, original appropriation May 31st 1867

No. 23 ✓ Medina, alias Filipa alias Naranjo & Archuleta Ditch, original appropriation, Filipa Ditch, June 1st 1867

No. 24 ✓ Sanchez Ditch, original appropriation, July 15th 1867.

No. 25 ✓ Martinez Ditch, original appropriation April 10th 1868. 32

No. 26 ✓ Manzanares Ditch No. 1. original appropriation April 10th 1868.

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No. 27 ✓ Tenanuez Ditch original appropriation,
April 18th 1865

No. 28, ✓ Sefton No. 2 Ditch, original appropriation
April 20th 1868.

No. 29, ✓ Upper Huerfano Ditch, original appropriation
May 1st 1868

No. 30 ✓ Archuleta Ditch, original appropriation
May 16th 1868.

No. 31, ✓ Manzanares Ditch No. 2, original appropriation
July 10th 1868.

No. 32 ✓ Burns Ditch No. 2, first enlargement,
August 15th 1868.

No. 33, ✓ Upper Huerfano Ditch, first enlargement,
March 15th 1869.

No. 34, ✓ Sefton No. 1 Ditch, original appropriation
April 10th 1869.

No. 35, ✓ Jacob Allen Ditch, first enlargement,
May 1st 1869.

No. 36 ✓ Vigil & Chavez Ditch, original appropriation,
June 15th 1869

No. 37, ✓ Pineda Ditch, original appropriation
April 6th 1870

No. 38 ✓ Pioneros Ditch, original appropriation
April 12th 1870.

No. 39, ✓ Victor Ditch, original appropriation,
May 15th 1870.

No. 40 ✓ May Ditch, original appropriation
June 1st 1870

No. 41 ✓ Kanneo Ditch, original appropriation
April 1st 1871

No. 42 ✓ Palmer Ditch, original appropriation
April 6th 1871

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National Paper Company.

No. 43. ✓ Jaquez Ditch, original appropriation
May 3" 1871

No. 44. ✓ Meadow Ditch, original appropriation
May 5" 1871

No 45. ✓ Olivo Young Ditch, first enlargement, June 1 1871

No. 46. ✓ Bradford & Swire Ditch, original appropriation
June 6" 1871

No. 47. ✓ Bradford & Swire Ditch, first enlargement
May 1" 1872

No. 48. ✓ Wilson Ditch, original appropriation
May 20" 1872

No. 49. ✓ Gimlet Ditch, original appropriation
June 8" 1872

No. 50. ✓ Medina alias Filipa alias Naranjo & Archuleta Ditch, appropriation by construction of lateral, May 1" 1873.

No. 51. ✓ Jose Maria Ditch, original appropriation
May 1" 1873

No. 52. ✓ Ojo Ditch, original appropriation
May. 25" 1873

No. 53. ✓ Spiva web Ditch original appropriation
April 1" 1873

No. 54. ✓ Dero Pioneer Ditch, original appropriation
June 15" 1874

No. 55 ✓ Mears y Company Ditch, original appropriation
June 15" 1874

No. 56. ✓ Palmer Ditch, first enlargement,
April 1" 1875

No. 57. ✓ South Side Ditch, original appropriation
April 10" 1875

No. 58. ✓ Lincoln Ditch No. 1, original appropriation
June 1" 1875 34

No. 59 ✓ Lincoln Ditch No. 2, original construction
June 1" 1875.

National Paper Company

No. 60 ✓ Lincoln Ditch No. 3, original appropriation
June 1st 1875

No. 61. ✓ McClure Ditch, original appropriation
June. 25th 1875

No. 62 ✓ May Ditch, first enlargement
October 10th 1875

No. 63. ✓ Vigil & Chavez Ditch, first enlargement
April 1st 1876.

No. 64. ✓ Glade Ditch, original appropriation
May 13th 1876

No. 65. ✓ W. L. Murray Ditch, original appropriation.
June 1st 1876

No. 66. ✓ Caldwell Ditch, original appropriation
April 15th 1878

No. 67. ✓ Lombaek Ditch, original appropriation
July 1st 1878.

No. 68. ✓ Stanley Ditch, original appropriation
May 1st 1879.

No. 69. ✓ Robinson Ditch, original appropriation
May 20th 1879.

No. 70 ✓ Pathfinder Ditch, original appropriation
May 1st 1880

No. 71 ✓ Meadow Ditch No. 2, original appropriation
May 12th 1880.

No. 72. ✓ Mosco Ditch, original appropriation
April 15th 1881

No. 73. ✓ Shields Ditch, original appropriation
May 1st 1881

No. 74. ✓ No. 1 Irrigating Ditch, original appropriation
Ma. 3rd 1881

No. 75. ✓ Ramon M. y Valdez Ditch, original appropriation
May 15th 1881

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National Paper Company.

No. 76. ✓ Ramon M. y Valdez Ditch, first enlargement April 10" 1882

No. 77. ✓ Swire Ditch, original appropriation September 30" 1882

No. 78. ✓ Road Ditch No. 1, original appropriation April 20" 1883

No. 79. ✓ Timothy Ditch, original appropriation June 1" 1883

No. 80. ✓ Sharpsdale Ditch, original appropriation June 1" 1883

No. 81 ✓ Robinson Ditch, first enlargement March 4" 1884

No. 82. ✓ Brooke Creek Ditch, original appropriation April 29" 1884

No. 83. ✓ James Cary Ditch, original appropriation May 1" 1884

No. 84 ✓ Muddy Ditch, original appropriation June 30" 1884

No. 85. ✓ Madrid Ditch, original appropriation May 15" 1886

No. 86. ✓ Butte Valley Ditch, second enlargement May 15" 1886

No. 87. ✓ James Cary Ditch, first enlargement June 15" 1886

No. 88. ✓ J. M. Murray Ditch, original appropriation July 1" 1886

No. 89. ✓ Medina alias Filipa alias Naranjo & Archuleta Ditch first enlargement of lateral, April 20" 1887.

No. 90. ✓ J. M. Murray Ditch, first enlargement May 1" 1889. 36

No. 91. ✓ Mill Ditch, original appropriation December 1" 1887.

National Paper Company.

No. 92 ✓ Montes Ditch, original appropriation Jan. 7" 1888

No. 93. ✓ Martinez Ditch, first enlargement, March 15" 1888

No. 94 ✓ Vigil & Chavez Ditch, second enlargement March 20" 1888

No 95 ✓ ~~Chavez~~ Ditch, first enlargement March 20, 1888.

No. 96. ✓ Medina alias Filipa alias Naranjo & Archuleta Ditch, second enlargement of lateral, April 15" 1888.

No. 97. ✓ Garcia Ditch, first enlargement May 4" 1888.

No. 98. ✓ Spiderweb Ditch, first enlargement May 13" 1888.

No. 99. ✓ Bruno Ditch, original appropriation June 1" 1858.

And the said ditches are entitled to said appropriations and priorities, in the order in which they are hereinbefore numbered, as follows, to wit.

No. 1.	Butte Valley Ditch,	Nos. 1-9-86
No. 2.	Bo Boyce Ditch	2
No. 3.	Consolidated Badito & Martini Ditch	3-6-8
No. 4.	Martini Ditch	4.11
No. 5.	John W. Brown Ditch	5
No. 6.	Wm Craig Ditch	7
No. 7.	Pedro Gomez Ditch	10.45
No. 8.	Dan Mahan Ditch	12
No. 9.	Hamlet Ditch	13
No. 10.	Woods Ditch	14
No. 11.	Roy Ditch	15
No. 12.	Jack Allen Ditch	16-35
No. 13.	Baker Pioneer Ditch	17-21
No. 14.	Chavez Ditch	18

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National Paper Company.

No. 15. Robert Rice Ditch 19
No. 16. Garcia Ditch . . . . . 20 - 97
No. 17. Bruno Ditch No. 2 . . . . . 22 - 32
No. 18. Medina alias Filipa alias Naranjo
Archuleta Ditch . . . . . 23 - 50 - 89 - 96
No. 19. Sanchez Ditch 24
No. 20. Martinez Ditch . . . . . 25 - 93
No. 21. Manzanares Ditch No. 1 26
No. 22. Fernandez Ditch 27
No. 23. Sefton Ditch No. 2 28
No. 24. Upper Nuerfano Ditch . . . . . 29 - 33
No. 25. Archuleta Ditch 30
No. 26. Manzanares Ditch No. 2. 31
No. 27. Sefton Ditch No. 1 34
No. 28. Vigil & Chavez Ditch . . . 36 - 63 - 94
No. 29. Pineda Ditch 37
No. 30. Pioneer Ditch 38
No. 31. Victor Ditch 39
No. 32. May Ditch . . . . . 40 - 62
No. 33. Haines Ditch 41
No. 34. Palmer Ditch . . . . . 42 - 56
No. 35. Jaques Ditch 43
No. 36. Meadow Ditch 44
No. 37. Bradford & Swire Ditch . . 46 - 47
No. 38. Wilson Ditch 48
No. 39. Gimlet Ditch 49
No. 40. Jose Maria Ditch 51
No. 41. Ojo Ditch 52
No. 42. Spider Web Ditch . . . . 53 - 98
No. 43. Deus Pioneer Ditch 54
No. 44. Mesa Company Ditch . . . 38 55
No. 45. South Side 57
No. 46. Lincoln Ditch No. 1 58

National Paper Company.

No. 47. Lincoln Ditch No. 2 59
No. 48. Lincoln Ditch No. 3 60
No. 49. McClure Ditch 61
No. 50. Glade Ditch 64
No. 51. W. L. Murray Ditch 65
No. 52. Caldwell Ditch 66
No. 53. Hornback Ditch 67
No. 54. Stanley Ditch 68
No. 55. Robinson Ditch 69-81
No. 56. Pathfinder Ditch 70
No. 57. Meadow Ditch No. 2 71
No. 58. Mosco Ditch 72
No. 59. Shields Ditch 73
No. 60. No. 1 Irrigating Ditch 74
No. 61. Ramon M y Valdez Ditch . . . 75-76
No. 62. Swire Ditch 77
No. 63. Road Ditch No. 1 78
No. 64. Timothy Ditch 79
No. 65. Sharpsdale Ditch 80
No. 66. Brooke Creek Ditch 82
No. 67. James Early Ditch 83-87
No. 68. Muddy Ditch 84
No. 69. Madrid Ditch 85
No. 70. J. M. Murray Ditch 88-90
No. 71. Mill Ditch 91
No. 72. Montes Ditch 92
No. 73. Burns Ditch 99

And that the ditches that are supplied with water from the Apache Creek, be and the same are hereby numbered according to the date of their several and respective appropropriations, and said dates are hereby determined and decreed as follows:

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No. 1. Whitman & Matt Ditch, Augusta . 31" 1867

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No. 2. Zan Ditch, April 25" 1870
No. 5. Cavenias Ditch Jan 1" 1873
No. 4. Graham Ditch, June 1" 1871
No. 3. Hicklin Ditch April 1" 1872
No. 6. Henry Strange Ditch April 15" 1873
No. 7. Quillian Ditch June 1" 1873
No. 8. D. K. L. M & P. Ditch November 2" 1887

And the several appropriations of water for ditches supplies, with their several enlargements, from the Apache Creek aforesaid, are hereby numbered and declared, with the dates of said appropriations, to be as follows, to-wit

No. 1 Whitman & Mott Ditch, original appropriation August 21" 1867

No. 2 Zan Ditch, original appropriation April 25" 1870

No. 5 Cavenias Ditch, original appropriation Jan 1" 1873

No. 4 Graham Ditch, original appropriation June 1" 1871

No. 3 Hicklin Ditch, original appropriation April 1" 1872

No. 6 Henry Strange Ditch, original appropriation April 15" 1873

No. 7 Quillian Ditch, original appropriation June 1" 1873

No. 8 Whitman & Mott Ditch, first enlargement September 11" 1873

No. 9 Henry Strange Ditch, first enlargement May 15" 1883

No. 10 D. K. L. M & P Ditch, original appropriation November 2" 1887

National Paper Company

And the said ditches are entitled to said appropriations and priorities in the order in which they are hereinbefore numbered, as follows, to wit:

No. 1. Whitman & Mott Ditch, Nos. 1-5

No. 2. Zaw Ditch 2

No. 3. Cavenis Ditch 3

No. 4. Graham Ditch 4

No. 5. Nicklin Ditch 5

No. 6. Henry Strange Ditch 6-9

No. 7. Quillian Ditch 7

No. 8. D. & R. L., M & P. Ditch 10

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National Paper Company.

And the amount of water adjudged to the several ditches that are supplied with water from the Rio Grande river and its tributaries, (except the Apache Creek,) on their respective priorities for award of time, is computed and determined as follows, to wit:

No. 1. Butte Valley Ditch,
Priority No. 1 — 1.20 Cubic feet
" " 9 — 1.80 " "
" " 86 — 3 " "
Total . . . . 6 Cubic feet

No. 2. Rio Bravo Ditch,
Priority No. 2 — 2 cubic feet

No. 3. Consolidated Baca & Martin Ditch;
Priority No. 3 — 1.30 cubic feet
" " 6 — .64 " "
" " 8 — .66 " "
Total 2.60 " "

No. 4. Martin Ditch,
Priority No. 4 — 1.40 cubic feet
" " 11 — 1.60 " "
Total . . . . 3 " "

No. 5. John W. Brown Ditch,
Priority No. 5 — 3.20 Cubic feet

No. 6. Wm. Craig Ditch, 42
Priority No. 7 — 2.40 Cubic feet

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No. 7. Pedro Gomez Ditch

Priority No. 10 — .32 cubic feet
" " 15 — 1.22 " "
Total . . . . . 1.54 " "

No. 8. Daw Mahan Ditch,
Priority No. 12 — 2.50 cubic feet

No. 9. Hamlet Ditch,
Priority No. 13 — 3.80 cubic feet

No. 10. Woods Ditch,
Priority No. 14 — .80 cubic feet

No. 11. Roy Ditch, Priority No. 15 — .70 cubic feet

No. 12. Jack Allen Ditch,
Priority No. 16 — .80 cubic feet
" " 36 — .40 " "
Total . . . . . 1.20 " "

No. 13. Baxter Pioneer Ditch,
Priority No. 17 — 1.34 cubic feet
" " 21 — .46 " "
Total 1.80

No. 14. Chavez Ditch,
Priority No. 18 — .80 cubic feet
" " 95 — 2.40 " "
Total . . . . . 3.20 " "

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No. 15. Robert Rice Ditch,
Priority No. 19 — 3 cubic feet

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No. 16. Garcia Ditch,

Priority No. 20, — 7.10 Cubic feet
" " 97 — 6.90 " "
Total . . . . 14 " "

No. 17. Burns Ditch No. 2,

Priority No. 22 — .10 Cubic feet
" " 32 — 1.90 " "
Total . . . . 2 " "

No. 18. Medina alias Filipa alias Naranjo & Archuleta Ditch,

Priority No. 23 — 1 Cubic feet
" " 50. 2.40 " "
" " 89 .60 " "
" " 96 .90 " "
Total . . . . 7.90 " "

No. 19. Sanchez Ditch,

Priority No. 24 — .50 Cubic feet

No. 20. Martinez Ditch,

Priority No. 25 — .40 cubic feet
" " 93 — 3.40 " "
Total . . . . 3.80 " "

No. 21. Manzanares Ditch No. 1

Priority No. 26 — 1 cubic feet

No. 22. Fernandez Ditch, 44

Priority No. 27 — 3.70 Cubic feet

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No. 23. Sexton Ditch No. 2,
Priority No. 28 — 1 cubic foot

No. 24. Upper Hueyano Ditch,
Priority No. 29 — .40 cubic feet
" 6 " 33 — 5.60 " "
Total . . . . 6. " "

No. 25 Archuleta Ditch,
Priority No. 30 — 3.68 cubic feet

No. 26. Manzanares Ditch No. 2,
Priority No. 31 — .70 cubic feet

No. 27 Sexton Ditch No. 1
Priority No. 34 — 1.20 cubic feet

No. 28. Vigil & Chavez Ditch,
Priority No. 36 — 2.40 cubic feet
" " 63 — .60 " "
" " 94 — .60 " "
Total . . . . 3.60 " "

No. 29. Pineda Ditch,
Priority 37 — 7 cubic feet

No. 30. Romero Ditch,
Priority No. 38 — 1.10 cubic feet

No. 31. Victor Ditch,
Priority No. 39 — .30 cubic feet

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No. 32. May Ditch, Priority No. 40 — 2 cubic feet
" " 62 — .10 " "
Total . . . . . 2.10 " "

No. 33. Hamer Ditch,
Priority No. 41 — 2.68 cubic feet

No. 34. Palmer Ditch,
Priority No. 42 — 6. cubic feet
" " 56 — 4 " "
Total . . . . 10. " "

No. 35. Jaquez Ditch,
Priority No. 43 — 1. cubic feet

No. 36. Meadow Ditch,
Priority No. 44 — .70 Cubic feet

No. 37. Bradford & Swire Ditch,
Priority No. 46 — 1.04 cubic feet
" " 47 .30 " "
Total . . . . 1.34 " "

No. 38. Wilson Ditch,
Priority No. 48 — .40 cubic feet

No. 39. Gimlet Ditch,
Priority No. 49 — .80 cubic feet

No. 40. Jose Maria Ditch, 46
Priority No. 51 — .24 cubic feet

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No. 41. Ojo Ditch
Priority No. 52 — 2 cubic feet

No. 42. Spiaw Net Ditch
Priority No. 53 — 1.78 cubic feet
" " 98 — .32 " "
1.60 " "

No. 43. Dews Pioneer Ditch,
Priority No. 54 — 4. cubic feet

No. 44. Mesco y Company Ditch,
Priority No. 55 — 3.70 cubic feet.

No. 45. South Side Ditch
Priority No. 57 — .24 cubic feet

No. 46. Lincoln Ditch No. 1,
Priority No. 58 — .36 cubic feet

No. 47. Lincoln Ditch No. 2,
Priority No. 59 — .50 cubic feet

No. 48. Lincoln Ditch No. 3,
Priority No. 60 — .20 cubic feet

No. 49. McClure Ditch,
Priority No. 61 — .50 cubic feet

No. 50. Glade Ditch,
Priority No. 64 — 2 cubic feet

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No. 51. W. L. Murray Ditch,
Priority No. 65 — .60 cubic feet.

No. 52. Cardwell Ditch,
Priority No. 66 — .30 cubic feet

No. 53. Hornback Ditch,
Priority No. 67 — .40 cubic feet

No. 54. Stanley Ditch,
Priority No. 68 — .32 cubic feet

No. 55. Robinson Ditch,
Priority No. 69 — 1. Cubic foot
" " 81 — .50 cubic feet
Total . . . . 1.50 " "

No. 56. Pathfinder Ditch,
Priority No. 70 — .50 cubic feet

No. 57. Meadow Ditch No. 2,
Priority No. 71 — .80 cubic feet

No. 58. Mosco Ditch,
Priority No. 72 — .20 cubic feet

No. 59. Shields Ditch,
Priority No. 73 — .30 cubic feet

No. 60. No. 1 Irrigating Ditch, 48
Priority No. 74 — 10. cubic feet

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No. 61. Ramon M. y Valdez Ditch.
Priority No. 75 — 2.38 cubic feet
" " 76 — 1.42 " "
Total 3.80

No. 62. Swire Ditch,
Priority No. 77 — .12 cubic feet

No. 63. Road Ditch No. 1,
Priority No. 78 — 1.60 cubic feet

No. 64. Timothy Ditch
Priority No. 79 — .28 cubic feet

No. 65. Sharpsdale Ditch,
Priority No. 80 — .12 cubic feet

No. 66. Brooke Creek Ditch,
Priority No. 82 — .80 cubic feet

No. 67. James Carey Ditch,
Priority No. 83 — .60 cubic feet
" " 87 — 2.90 " "
Total . . . . . 3.50 " "

No. 68. Muddy Ditch,
Priority No. 84 — .80 cubic feet

No. 69. Madrid Ditch, 49
Priority No. 85 — .18 cubic feet

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No. 70. J. M. Murray Ditch.
Priority No. 68 1 cubic foot
" " 90 — .50 " "
Total . . . . 1.50 " "

No. 71. Mill Ditch, Priority No. 9. — 3 cubic foot

No. 72. Montes Ditch, Priority No. 92 — 37.64 cubic feet

No. 73. Burns Ditch, Priority No. 99 — 8.20 cubic feet

And the amount of water adjudged to the several ditches that are supplied with water from the Apache Creek, on their respective priorities per second of time, is computed and determined as follows, to wit:

No. 1. Whitman & Mott Ditch,
Priority No. 1 — .30 cubic feet
" " 8 — 2.70 " "
Total . . . . 3. " "

No. 2. Zan Ditch.
Priority No. 2 — 6 cubic feet

Changed to No. 5 on hearing of exceptions Geo Bunn judge

No. ~~5~~ 5 Cavenias Ditch.
Priority No. 5 — .76 cubic feet

Changed to No 3 on hearing of exceptions Geo Bunn judge

No. ~~3~~ Graham Ditch 50
Priority No. ~~3~~ — 1 cubic foot

Changed to No 4 on hearing of Exceptions Geo Bunn Judge

No. ~~4~~ Hicklin Ditch.
Priority No. ~~4~~ — 1 cubic feet.

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No. 6. Henry Strange Ditch.

Priority No. 6 1.50 cubic feet

" " 9—2 " "

Total . . . . 3.50 " "

No. 7. Quillian Ditch.

Priority No. 7— .40 cubic feet

No. 8. D. St. L. M & P. Ditch.

Priority No. 10— 8.60 cubic feet

And the entire amount of water taken from the said several streams under the priorities established by this decree is computed at a flow of cubic feet per second of time as follows, to wit:

From the Cucharas river and its tributaries, (except Santa Clara Creek,) 163.18 cubic feet

From the Santa Clara creek, 16.10 cubic feet

From the Huerfano river and its tributaries, (except the Apache creek) . . . 203.04 cubic feet

From the Apache creek. . . 27.26 cubic feet.

And more particularly in regard to the several ditches and their enlargements, that are supplied with water from the Cucharas river and its tributaries (except the Santa Clara creek, respectively, as follows:

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No. One. Francisco & Dagger Mill Ditch

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That said ditch is entitled to Priorities Nos. 1 and 3, and is claimed by Henry Daigre, R.B. Willis John F. Moore, and John M. Francisco. That it is supplied with water from the Cucharas river, and the headgate is located on the S.W.¼ sec. 28 Twp 29 S. R. 68 W. in Huerfano County. That 600 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation; No. 1, a sufficient amount of water to irrigate 110 acres of land, computed at .80 of a cubic foot per second; and that there be further allowed to flow in said ditch, under and by virtue of Priority No. 3, an additional amount of water sufficient to irrigate 560 acres of land, computed at 11.20 cubic feet per second, and the whole amount of water to which said ditch is entitled is computed at 12. cubic feet per second of time.

No. Two. Calf Pasture Ditch. That said ditch is entitled to Priorities Nos. 2 and 17 and is claimed by Henry Daigre, John F. Moore and F. L. Martin, is supplied with water from the Cucharas river; The head-gate is located 440 feet West of the intersection of Oak Street and Ryus Avenue in the Town of La Veta Huerfano County, Colorado, that 150 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed

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that there be allowed to flow into said ditch from said river for the purpose of irrigation for the benefit of the parties lawfully entitled thereto under and by virtue of Priority of appropriation, No. 12, a sufficient amount of water to irrigate 75 acres of land, computed at 1.50 cubic feet per second; and that there be further allowed to flow in said ditch, under and by virtue of Priority No. 17 an additional amount of water sufficient to irrigate 75 acres of land, computed at 1.50 cubic feet per second; and the whole amount of water to which said ditch is entitled is computed at 3 cubic feet per second of time.

No. Three. Guillen Ditch. That said ditch is entitled to Priority No. 4 and is claimed by Toca Walden. It is supplied with water from the Cucharas river. The head gate is located on NE¼ SE¼ Sec. 7. Twp. 29 S. R. 68 W. and that 100 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 4, a sufficient amount of water to irrigate 100 acres of land computed at 2 cubic feet per second of time

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No. Four. Walsenburg Ditch. That said Ditch is entitled to Priority No. 5 and is

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Claimed by C. O. Urdna, Joseph Bonney, J. Louis Chilton, Jose Archuleta, Francis Venceslado Trujillo, Benigno Alonzo, Urban Tyner, John Georges, A. Lang, Fred Watson, Capt. Martin, J. R. Holmes, It is supplied with water from the Cucharas river, and the head-gate is located on the SW¼ sec. 7 Twp 28 S. R. 66 W. and 295 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 5, a sufficient amount of water to irrigate 295 acres of land, computed at 5.90 cubic feet per second of time

The Vasquez alias John Brown Ditch,

That this is one and the same ditch, claimed by John M. Francisco and Henry Daigre as the Vasquez Ditch, and by Joseph R. Kincaid and L. R. Drum as the John Brown Ditch, It is supplied with water from the Cucharas river; the head-gate is located on the SW¼ of sec. 11 Twp 29 S. R. 68 W.

Under the name of the "Vasquez Ditch", the said ditch is entitled to Priority No. 6, and 175 acres of land have been irrigated therefrom, and under the name of the "John Brown Ditch", it is entitled to Priority No. 19, and 115 acres of land have been irrigated therefrom. And it is hereby adjudged and

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decreed, that if the claimants of said ditch
under the name of the "Vasquez Ditch aforesaid
legally establish their right to Priority of
appropriation No. 6 aforesaid, then in that
case, that there be allowed to flow into said
ditch from said river, for the purpose of irri-
gation, for the benefit of the parties lawfully
entitled thereto, under and by virtue of Priority
of appropriation No. 6, a sufficient amount
of water to irrigate 175 acres of land, com-
puted at 3.50 cubic feet per second of time.
But in case of failure of the claimants who
claim said Priority No. 6, to legally establish
their right to Priority and appropriation No. 6
aforesaid, then in that case, there shall
be allowed to flow into said ditch under
the name of the "John Brown Ditch", for the
purpose of irrigation, for the benefit of the
parties lawfully entitled thereto, under and
by virtue by Priority of appropriation No.
19, a sufficient amount of water to irrigate
115 acres of land, computed at 2.30 cubic
feet per second of time, But in no case
shall water be allowed to flow into said
ditch for more than one of the appropri-
ations claimed for said ditch as aforesaid.

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No. Six. Francisco & Daigre Anajatolla Ditch.

That said ditch is entitled to Priority
No. 7, and is claimed by John F. Moore, Henry
Daigre and J. M. Francisco. It is supplied
with water from the Anajatolla Creek, a Tri-
butary to the Cucharas River. The head-gate is

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located on the NW¼ of sec. 23 Twp. 29 S. R. 68 W. and 70 acres of land are irrigated therefrom. And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 7, a sufficient amount of water to irrigate 70 acres of land, computed at 1.40 cubic feet per second of time.

No. Seven, Vallejos Ditch. That said ditch is entitled to Priorities Nos. 8 and 13, and is claimed by Jose Hilario Vallejos, Antonio Jose Vallejos, Jose Antonio Martinez and Jose Eusebio Martinez; it is supplied with water from the Cucharas river, the head gate is located on the SE¼ NE¼ sec. 2 Twp 28 S.R. 66 W. and a total of 200 acres of land are irrigated from it.

And it is hereby decreed and adjudged that there be allowed to flow into said ditch, from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority No. 8, a sufficient amount of water to irrigate 100 acres of land, computed at 2 cubic feet per second; and that there be allowed a further flow in said ditch, under and by virtue of Priority of appropriation No. 13, an additional amount of water, sufficient to irrigate 100 acres of land, computed at 2 cubic feet per second, and the whole amount

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of water to which said ditch is entitled, is computed at 4 cubic feet per second of time.

No. Eight. Oso Ditch. That said Ditch is entitled to Priority No. 9, and is claimed by Ygnacio Pacheco, Eduardo Cruz, J.B. Cruz, Cornelio Duran, Reyes Gallegos, Jose Maria Martinez, Juan de Dios Martinez, Antonio Salazar, Jose Pacheco, Miguel Gallegos, Santiago Duran, Juan J. Duran, Diego A. Cruz, Jose de la Paz Martinez, Ramon Cordoba, Francisco Cruz, Alejandro Valdez, Juan Luis Martinez, Luis Atencio, Soledad Archuleta, Vicente Ortega and James Lamb.

It is supplied with water from the Cucharas river, the head-gate is located on the NW¼ NW¼ of sec. 25 Twp 28 S.R. 67 W, and 250 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority No. 9, a sufficient amount of water to irrigate 250 acres of land, computed at 5 cubic feet per second of time,

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No. Nine. Gomez Ditch. That said ditch is entitled to priority No. 10, and is claimed by Maria Rosa Gomez, Juan Francisco Gomez and Marion Philps. It is supplied with water

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from the Cuchara river, the head-gate is located on the S E/4 S W/4 of sec. 9 Twp 28 S. R. 66 W. and 160 acres of land are irrigated therefrom

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 10, a sufficient amount of water to irrigate 160 acres of land, computed at 3.20 cubic feet per second of time.

No. Ten. McCaskill Ditch. That said ditch is entitled to Priority No. 11, and is claimed by the Cleveland and Colorado Cattle Company and Leonidas Valdez, it is supplied with water from the Cuchara river, the head-gate is located on the N W/4 N E/4 sec. 27 Twp 27 S R 65 W. and 100 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, a sufficient amount of water to irrigate 100 acres of land, for the benefit of the parties lawfully entitled thereto, computed at 2 cubic feet per second of time.

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No. Eleven. Romero Ditch. That said ditch is entitled to Priority No. 12 and is claimed by Henry D. Gillespie, Lucero Marquez, Lorenzo Romero, Felipe S. Cruz, J. Gromms

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Romero, Juan de Jesus Romero, Desiderio Cruz, and Perfirio Nieto. It is supplied with water from the Cucharas river, the head-gate is located on the N 5/4 NW1/4 of Sec. 33 Twp 28 S. R. 67 W. and 240 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, a sufficient amount of water to irrigate 240 acres of land, computed at at 4.80 cubic ~~inches~~ feet per second of time, under and by virtue of Priority of appropriation No. 12.

No. Twelve. Mexican Ditch. That said ditch is entitled to Priority No. 14, is claimed by Juan Andres Maes, Marcelo Bustos, Jose Vicente Maes, Abundo Bustos, Jose Manuel Espinoza, Andres Pinbal, Nestor Guerrero, Ramon Bustos, Jose de Gracia Bustos, Juan N. Chaves, Felipe Abeyta, Martin Tafoya, Antonio Sanchez

it is supplied with water from the Cucharas river, the headgate is located on the N 5/4 NW1/4 Sec. 31 Twp 27 S. R. 65 W. and 245 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed ~~allowed~~ to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, a sufficient amount of water to irigate 245 acres of land, computed at 4.90 cubic feet per second of time, under and by virtue of Priority of Appropriation No. 14.

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No. Thirteen. R. B. Willis Ditch. No 1. That said ditch is entitled to Priority No. 15, and is claimed by R. B. Willis, it is supplied with water from the Arroyalotta Creek a tributary to the Cucharas river. the head gate is located on sec. 34 Twp 29 S. R. 68 W. and 160 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 15, a sufficient amount of water to irrigate 160 acres of land, computed at 3.20 cubic feet per second of time.

No. Fourteen. Trinidad Baca Ditch. That said Ditch is entitled to Priority No. 16, and is claimed by L. M. McAlister, it is supplied with water from Bear Creek, a tributary to the Cucharas river, the head gate is located on the NW 1/4 NE 1/4 sec. 34 Twp. 29 S. R. 67 W. and 20 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of appropriation No. 16 a sufficient amount of water to irrigate 20 acres of land, computed at .40 cubic foot per second of time.

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No. Fifteen. Smith Crumley Ditch. That said ditch is entitled to Priority No. 18, and is claimed by Rachel Matilda Gribble, it is supplied with water from the Wahaloya Creek a tributary to the Cucharas river, the head-gate is located on the SW¼ Sec. 34 Twp 29 S. R. 68 W. and 20 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of appropriation No. 18, a sufficient amount of water to irrigate 20 acres of land, computed at .02 of a cubic foot per second of time.

No. Sixteen. Denton Ditch. That said ditch is entitled to Priority No. 20, it is claimed by Mary Pattison and L. A. Drum and is supplied with water from the Cucharas river, the head-gate is located on the SE¼ of Sec. 11 Twp 29 S.R. 68 W, and 25 acres of land is irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of appropriation Priority of No. 20, a sufficient amount of water to irrigate 25 acres of land, computed at .58 cubic feet per second of time. 61

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No. Seventeen, Duran Ditch. That said ditch is entitled to Priority No. 71, and is claimed by Manuel Duran, it is supplied with water from the Cucharas river, the head-gate is located on the SE¼ SW¼ of Sec. 29 Twp 27 S. R. 65 W. and 25 acres of land is irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of appropriation No. 71, a sufficient amount of water to irrigate 25 acres of land, computed at .50 cubic feet per second of time.

No. Eighteen, David Hart Ditch, That said ditch is entitled to Priority No. 72, and is claimed by Jerome B. Petrie, it is supplied with water from the Wahatoya Creek a tributary to the Cucharas river the head-gate is located on the NE¼ SW¼ Sec. 3 Twp 29 S. R. 68 W, and 30 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 72, a sufficient amount of water to irrigate 30 acres of land, computed at .60 cubic feet per second of time. 62

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No. Nineteen, Barnard & Alexander Ditch, That said ditch is entitled to Priority No. 23, and is claimed by Virgil Barnard and J. M. Alexander, it is supplied with water from Middle Creek a tributary to the Cucharas river, the headgate is located on the SE¼ of sec. 13 Twp 29 S. R. 69 W. and 90 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 23, a sufficient amount of water to irrigate 90 acres of land, computed at 1.80 cubic feet per second of time.

No. Twenty, Kincaid Ditch, That said ditch is entitled to Priority No. 24 and is claimed by Joseph K. Kincaid, it is supplied with water from the Cucharas river, the headgate is located on the SW¼ sec. 6 Twp 29 S. R. 67 W. and 50 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 24, a sufficient amount of water to irrigate 50 acres of land, computed at 1 cubic foot per second of time.

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for Twenty-one Sanchez Ditch. That said ditch is entitled to Priorities Nos. 25-53 and 64, as hereinafter qualified as to said Priority No. 64.

That is to say if a Claim shall have been filed in the County Clerk's office as required by the Statute, said ditch is claimed by Pablo Sanchez and Magdelena Sanchez and is supplied with water from the Cuchara river, the headgate is located on the SE¼ NW¼ Sec. 28 Twp 27 S. R. 65 W. and a total amount of 200 acres of land is irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 25 a sufficient amount of water to irrigate 30 acres of land, computed at .60 of a cubic foot per second of time and that there be further allowed to flow into said ditch as aforesaid, under and by virtue of Priority No. 53 a sufficient amount of water additional to irrigate 70 acres of land, computed at 1.10 cubic feet per second of time, and that there be further allowed to flow into said ditch as aforesaid, under and by virtue of 64 Priority No. 64, an additional amount of water sufficient to irrigate 100 acres of land, computed at 2 cubic feet per second of time, provided said Claim shall have

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been filed as aforesaid, and the whole amount of water to which said ditch is at present entitled, subject to the provision aforesaid, is computed at 4 cubic feet per second of time.

No. Twenty-two. South Sandoval Ditch, that said ditch is entitled to Priority No. 26, and is claimed by Francisco Baca, George J Cottrell and T. B. Lemmley, it is supplied with water from Middle Creek, a tributary to the Cucharas river, the head gate is located on the SE1/4 sec. 19 Twp 29 S. R. 68 W. and 100 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 26, a sufficient amount of water to irrigate 100 acres of land, computed at 2 cubic feet per second of time.

No. Twenty-three. Kincaid & Alexander Ditch, that said ditch is entitled to Priority No. 27, and is claimed by Jones H Kincaid and John M. Alexander, It is supplied with water from the South Veta Creek, a tributary to the Cucharas river, the head gate is located on the SW1/4 Sec. 18 Twp 29 S. R. 65 68 W. and 85 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from

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said creek a sufficient amount of water to irrigate 85 acres of land, computed at 1.70 cubick feet per second of time.

No. Twenty-four. Z. half Circle Ditch. That said ditch is entitled to Priority No. 28, and is claimed by Aaron L. Prator and Elizabeth A. Prator. It is supplied with water from the Wahatoya Creek, a tributary to the Cucharas river, the head gate is located on the S.W¼ sec. 10 Twp 30 S. R. 68 W. and 10 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of appropriation Priority
No. 28, a sufficient amount of water to irrigate 10 acres of land, computed at .20 of a cubic foot per second of time.

No. Twenty-five. Ezekiel Gribble Ditch. That said ditch is entitled to Priority No. 29. and is claimed by E. A. Baker, it is supplied with water from the Wahatoya Creek a tributary to the Cucharas river, the head gate is located on the NW¼ sec 34 Twp 29 S. R. 68 W. and 20 acres of land are irrigated therefrom. 66

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from the said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto a sufficient amount of water to irrigate

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20 acres of land, computed at .40 of a cubic foot per second of time, under and by virtue of Priority of appropriation No. 29.

No. Twenty-six. Cucharas Ditch, That said ditch is entitled to priorities Nos. 30 and 31, and is claimed by John B. Boyd and Julius G Kruger. it is supplied with water from the Cucharas river, the headgate is located on the SE¼ of SW¼ Sec. 18 Twp 30 S. R. 68 W, and a total of 100 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from the said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 30, a sufficient amount of water to irrigate 25 acres of land, computed at .50 of a cubic foot per second of time; and that there be further allowed, for the purpose aforesaid, under and by virtue of Priority of appropriation No. 31, a sufficient amount of water to irrigate 75 acres of land, computed at 1.50 cubic feet per second of time, and the total amount of water to which said ditch is entitled at the present time is computed at 2 cubic feet per second of Time.

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No. Twenty-seven, Beaun Dam Ditch, That said ditch is entitled to Priority No. 31, and is claimed by Homer Barnard Sr. it is supplied with water from the Cucharas river, the head-gate is located on the NW¼ Sec. 12 Twp 29 S. R. 69 W. and that 60 acres of land are irrigated

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thereof, to-wit:

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 31, a sufficient amount of water to irrigate 60 acres of land, computed at 1.20 cubic feet per second of time.

No. Twenty-eight. North Vela Canon Ditch. That said ditch is entitled to Priority No. 32 and is claimed by Fred Warren, it is supplied with water from North Vela Creek, a tributary to the Cucharas river, the headgate is located on the SE¼ SW¼ Sec. 26 Twp. 28 S. R. 69 W. and 300 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 32, a sufficient amount of water to irrigate 300 acres of land, computed at 6 cubic feet per second of time.

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No. Twenty-nine. Patterson Ditch, That said ditch is entitled to Priority No. 33, and is claimed by Samuel Patterson, Albert Philips, Felix Estes and John Herbin, it is supplied with water from the Cucharas river, the headgate is located on the NW¼ NE¼ Sec. 5 Twp. 30 S. R. 68 W. and 255 acres of

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Land are irigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irigation, for the benefit of the parties legally entitled thereto, under and by virtue of Priority of Appropriation, No. 33, a sufficient amount of water to irigate 255 acres of land, computed at 5.10 cubic feet per second of time.

No. Thirty Spanish Peaks Ditch, That said ditch is entitled to Priority No. 35, and is claimed by Jasper Bruce, Wm. A. Erwin, J. G. Hamilton, P. A. Hayes and J. B. Petrie, it is supplied with water from the Cucharas river, the head gate is located on the N W ¼ N W ¼ sec 8 Twp 30 S. R. 68 W. and 370 acres of land are irigated therefrom,

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 35, a sufficient amount of water to irigate 370 acres of land Computed at 7.40 cubic feet per second of time.

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No. Thirty one. Denton & McAuliffe Ditch, That said ditch is entitled to Priorities Nos. 36-54 and 57, and is claimed by Henry T. Dotson, John M. Dotson, James D. Patterson and A. J. Dodgion, it is supplied with water from

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Wahatoya Creek, a Tributary to the Cuchara river, the head-gate is located on the SW¼ Sec. 14 Twp. 29 S. R. 68 W, and a total amount of 150 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose aforesaid, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 36, a sufficient amount of water to irrigate 100 acres of land, computed at 1 cubic feet per second of time, and that there be further allowed to flow into said ditch as aforesaid, for the purpose aforesaid, under and by virtue of Priority of appropriation No. 54, a sufficient amount of water to irrigate 37 acres of land, computed at .74 of a cubic foot per second of time, and that there be further allowed to flow into said ditch as aforesaid for the purpose aforesaid, under and by virtue of Priority of appropriation No. 57, a sufficient amount of water to irrigate 13 acres of land, computed at .26 of a cubic foot per second of time, and the entire amount of water to which said ditch is entitled at the present time is computed at 3 cubic feet per second of time.

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No. Thirty-two. John Harris Ditch No. 1, that said ditch is entitled to Priority No. 37, and is claimed by C. T. Richey & G. W. Mathews, it is supplied with water from the South Veta Creek, a tributary to the Cuchara river

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the head gate is located on the NW¼ of sec. 19 Twp 28 S.R. 69 W. and 50 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 37, a sufficient amount of water to irrigate 50 acres of land, computed at 1 cubic foot per second of time.

No. Thirty-Three, John Davis Ditch No. 2, that said ditch is entitled to Priority No. 38, and is claimed by C. T. Richie and G. W. Mathews, it is supplied with water from the Santa Vela Creek, a tributary to the Cucharas river, the head gate is located on the NW¼ sec. 19 Twp 28 S. R. 69 W. and 50 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 38, a sufficient amount of water to irrigate 50 acres of land, computed at 1 cubic foot per second of time.

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No. Thirty Four. L. D. R. D. Ditch, that said ditch is entitled to Priority No. 39, it is claimed by Jacob Lo. Dotson, is supplied with water from the Cucharas river, the head gate is located on the SE¼ Sec. 15 Twp 27 S. R. 68 W. and 30

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acres of land are irrigated therefrom.

And it is hereby decreed and adjudged, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of appropriation Priority No. 39, a sufficient amount of water to irrigate 30 acres of land, computed at .60 of a cubic foot per second of time.

No. Thirty four, Nate Patterson Ditch. That said ditch is entitled to Priorities Nos. #0 and #6, and is claimed by Henry Dwight and John T. Moore, it is supplied with water from the Cu-Chanus river, the headgate is located on Sec. 16 Twp 29 S. R. 69 W. and 50 acres of land ~~acres of land~~ are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 40, a sufficient amount of water to irrigate 35 acres of land, computed at .70 cubic foot per second of time; and that there be further allowed an additional amount of water to flow into said ditch as aforesaid, under and by virtue of Priority of appropriation No. 46, sufficient to irrigate 15 acres of land, computed at .30 of a cubic foot per second of time, and the entire amount of water to which said ditch is entitled at the present time is a total of 1

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Cubic foot per second of time.

No. Thirty six. Ute Ditch. That said ditch is entitled to Priority No. 41, and is claimed by Jos. M. Francisco and Wm. F. Francisco, it is supplied with water from the Indian Creek, a tributary to the Cucharas river, the head-gate is located on the S½ S½ sec. 23 Twp 29 S R 69 W. and 75 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the Parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 41, a sufficient amount of water to irrigate 75 acres of land, computed at 1.50 cubic feet per second of time.

No. Thirty seven. Vigil Ditch. That said ditch is entitled to Priority No. 42, and is claimed by Miguel A Vigil, it is supplied with water from Bear Creek a tributary to the Cucharas river, the head-gate is located on the S½ NE¼ sec. 8, Twp 30 S, R. 67 W. and 75 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from the said Creek, for the purpose of irrigation, for the benefit of the Parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 42, a sufficient amount of water to irrigate 75 acres of land computed.

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at 1.50 of a cubic foot per second of time.

No. Thirty eight. Krueger Ditch, That said ditch is entitled to Priority No. 13, and is claimed by Julius G. Krueger, it is supplied with water from Echo creek, a tributary to the Cucharas river, the headgate is located on the NW¼ of sec 17 Twp 30 S. R. 68 W. and 60 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 13, a sufficient amount of water to irrigate 60 acres of land computed at 1.20 cubic feet per second of time.

No. Thirty Nine. W. R. Mills Ditch, That said ditch is entitled to Priority No. 14, and is claimed by W. R. Mills, it is supplied with water from the Cucharas river, the headgate is located on the SW¼ NW¼ of sec. 25 Twp 31 S R 69 W. and 25 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of appropriation No. 14, a sufficient amount of water to irrigate 25 acres of land, computed at .50 of a cubic foot per second of time. 74

No. Forty. Dyer Ditch, That said ditch is

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entitled to Priority No. 45, and is claimed by J M Dalson, A J Dolson and A J Dodgson; it is supplied with water from the Cucharas river, the headgate is located on NE¼ NE¼ Sec. 32 Twp 29 S R 68 W, and 220 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 45, a sufficient amount of water to irrigate 220 acres of land, computed at 1.45 cubic feet per second of time.

No. Forty one. John G Cozad Ditch, that said ditch is entitled to Priority No. 47, and is claimed by John G. Cozad; it is supplied with water from the Cucharas river, the head gate is located on the NW¼ NW¼ Sec. 19 Twp 30 S R 67 W, and 70 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 47, a sufficient amount of water to irrigate 70 acres of land, computed at 1.40 cubic feet per second of time.

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No. Forty two. Labato Ditch, that said ditch is entitled to Priority No. 48, and is claimed by Mrs. L. M. McAllister, it is supplied

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with water from Bear Creek a tributary to the Cucharas river, the headgate is located on ~~the~~ NE Sec 31 Twp 29 S R 67 W and 35 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 118, a sufficient amount of water to irrigate 35 acres of land, computed at .70 of a cubic foot per second of time.

No. Forty-three, Sandoval Ditch, that said ditch is entitled to Priority No. 119, and is claimed by J. M. Fair, Sager Bros, Francisco Barela and George J. Colleras it is supplied with water from Middle Creek, a tributary to the Cucharas river, the headgate is located on the NE¼ Sec. 19 Twp 29 S R 68 W and 75 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No, 119, a sufficient amount of water to irrigate 75 acres of land, computed at 1.50 cubic feet per second of time.

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No. Forty-four, Highland Ditch, that said ditch is entitled to Priority No. 50, and is claimed by John A. Francisco and Wm F.

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Francisco, it is supplied with water from Indian Creek, a tributary to the Cucharas river, the head gate is located on the NW¼ NE¼ Sec 36 Twp 29 S R 69 W. and 110 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 50, a sufficient amount of water to irrigate 40 acres of land, computed at .80 of a cubic foot per second of time.

No. Forty-five. Carey Ditch, that said ditch is entitled to Priority No. 51, and is claimed by J W Carey. It is supplied with water from Wahatoya Creek a tributary to the Cucharas river, the head gate is located on the SE¼ SE¼ Sec 13 Twp 30 S R 68 W. and 35 acres of land are irrigated therefrom. And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 51, a sufficient amount of water to irrigate 35 acres of land, computed at .70 of a cubic foot per second of time.

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No. Forty-six. Staplin Ditch, that said ditch is entitled to Priority No. 52, and is claimed by

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O. D. Staplin, it is supplied with water from the Navajatella Creek, a tributary to the Cucharas river, the head-gate is located on the NW¼ sec. 27 Twp 30 S R 68 W. and 20 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said Creek, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto under and by virtue of Priority of appropriation No. 52, a sufficient amount of water to irrigate 20 acres of land, computed at .40 of a cubic foot per second of time.

No. Forty-seven, Wayman alias Jim Gribble Ditch, That said ditch is one and the same ditch, and is entitled to Priority No. 55, it is claimed adversely under the name of "Wayman Ditch" by Edward W. Chastain and under the name "Jim Gribble Ditch" by E. A. Baker, it is supplied with water from Navajoya Creek a tributary to the Cucharas River, the head-gate is located on NW¼ sec. 34 Twp. 29 S R 68 W, and 30 acres of land are irrigated therefrom by Edward W. Chastain and 30 acres of land are irrigated therefrom by E. A. Baker,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 55.

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a sufficient amount of water to irigate 60 acres of land, computed at 1.20 cubic feet per second of time.

No. Forty-eight. John George Ditch, that said ditch is entitled to Priority No. 56, and is claimed by John George, it is supplied with water from the Cucharas river the head-gate is located on Sec. 10 Twp 28 S R 66 W, and 160 acres of land are irigated therefrom,
And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irigation for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 56, a sufficient amount of water to irigate 160 acres of land, computed at 3.20 cubic feet per second of time.

No. Forty-nine, Dep Ditch, that said ditch is entitled to Priority No. 58, and is claimed by F. M. Fain and F. L. Martin, it is supplied with water from Middle Creek a tributary to the Cucharas river, the head-gate is located on the S, E 1/4 Sec. 20 Twp 29 S R 69 W, and 30 acres of land are irigated therefrom,
And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said Creek, for the purpose of irigation, for the benefit of the parties

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lawfully entitled thereto, under and by virtue of Priority of appropriation No. 58, a sufficient amount of water to irrigate 30 acres of land, computed at .60 of a cubic foot per second of time.

No. Fifty. South Side Ditch, that said ditch is entitled to Priority No. 59, and is claimed by George W Stitcher and Albert Phillips, it is supplied with water from the Cucharas river, the head-gate is located on the NW¼ SE¼ Sec. 5 Twp. 30 S R 68 W, and 25 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from the said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 59 a sufficient amount of water to irrigate 25 acres of land, computed at .50 of a cubic foot per second of time.

No. Fifty-one. Gribble & Baker Ditch, that said ditch is entitled to Priority No. 60, and is claimed by R. M. Gribble and Hiram Baker, it is supplied with water from Huajatolla Creek a tributary to the Cucharas river, the head-gate is located on Sec. 3 Twp 30 S R 68 W, and 13 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said

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ditch from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 60, a sufficient amount of water to irrigate 13 acres of land, computed at .26 of a cubic foot per second of time.

No. Fifty-two. Lake Miriam Ditch, that said ditch is entitled to Priority No. 61, provided a claim shall have been filed in the County Clerk's office as required by Statute, it is claimed by T. F. Martin, is supplied with water from the Cucharas river, the headgate is located on S E 1/4 N E 1/4 Sec. 32 T 28 S R 67 W. and 1000 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that from said river there be allowed to flow into said ditch, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 61, provided said claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 1000 acres of land, computed at 20 cubic feet per second of time.

No. Fifty-three. Madrid Ditch No. 2, that said ditch is entitled to Priority No. 62, provided a a claim shall have been filed in the County Clerk's office as required by Statute, 81 it is claimed by Rosa Gomez, Juan B. Bustos, Eulogio Martinez, Manuel A. Lucero, Juan

F. Chavez, Antonio J Vallejos, Juan J Lucero, Gabriel Madrid, Felix Lucero, Antonio J Bustos, and Antonio A. Martinez, it is supplied with water from the Cucharas river, the head-gate is located on NE¼ SW¼ sec. 2 Twp 28 S R 66 W and 370 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, under and by virtue of Priority No. 62, provided said claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 370 acres of land, computed at 7.40 cubic feet per second of time

No. Fifty-four. Oakfield Ditch. That said ditch is entitled to Priority No. 63, and is claimed by Alexander McDonald, it is supplied with water from Huajatolla Creek a tributary to the Cucharas river, the head-gate is located on the SE¼ NE¼ sec. 27 Twp 30 S R 68 W and 12 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, for the purpose of irrigation, for the benefit of the Parties lawfully entitled thereto, a sufficient amount of water to irrigate 12 acres of land, computed at .24 of a cubic foot per second of time.

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No. Fifty-five. Martin Ditch No. 1, That said

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ditch is entitled to Priority No. 65, provided a claim shall have been filed in the County Clerk's office as required by Statute, it is claimed by T. L. Martin, and is supplied with water from South Veta Creek, a tributary to the Cucharas river, the head-gate is located on the NW¼ Sec. 18 Twp 29 S R 68 W and 60 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 65, provided that said claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 60 acres of land, computed at 1.20 cubic feet per second of time.

No. Fifty-six, Fairview Ditch, that said ditch is entitled to Priority No. 66, and is claimed by Alexander McDonald, it is supplied with water from a branch of Wajatoya Creek, a tributary to the Cucharas river, the head-gate is located on SW¼ NE¼ Sec. 16 Twp 30 S. R. 68 W, and 14 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, a sufficient amount of water, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 66, to irrigate 14 acres of land, computed at

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.78 of a cubic foot per second of time.

No. Fifty-seven, South Abeyta Highland Ditch, That said ditch is entitled to Priority No. 67, provided a statement of claim shall have been filed in the County Clerks' office and with the State Hydraulic Engineer as required by Statute, it is claimed by J. D. Tracy, G. J. Cottral and Annie B. Smith it is supplied with water from South Vela Creek, a tributary to the Cuchara river, the head-gate is located on the SW¼ Sec. 12 Twp 29 S R 69 W, and 640 acres of land lie under said ditch that are being and are proposed to be irrigated therefrom, And it is adjudged and decreed hereby, that there be allowed to flow into said ditch from said creek for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority No. 67, provided a statement of claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 640 acres of land, computed at 12.80 cubic feet per second of time.

No. Fifty-Eight, Butte Ditch, That said ditch is entitled to Priority No. 68, provided a statement of claim shall have been filed in the office of the County Clerk and with the State Hydraulic Engineer as required by Statute it is claimed by Charles Spielman, John Goemer, Charles Mack and C. C. McNutt, it is supplied with water

from the Cucharas river, the head-gate is located on NW¼ NW¼ Sec. 8 Twp 30 S R 68 W, and 150 acres of land are being irrigated and proposed to be irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 68, provided a statement of claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 150 acres of land, computed at 2 Cubic feet per second of time,

And more particularly in regard to the several ditches and their enlargements that are supplied with water from the Santa Clara Creek aforesaid, respectively, as follows:

No. One. Forestine Ditch, that said ditch is entitled to Priority of Appropriation No. 1, and is claimed by Samuel J. Capps, it is supplied with water from the Santa Clara Creek a tributary to the Cucharas river the head-gate is located on the SE¼ SE¼ Sec. 7 Twp 30 S R 66 W and 100 acres of land are irrigated therefrom. 85

And it is hereby adjudged and decreed,

that there be allowed to flow into said ditch from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 1, a sufficient amount of water to irrigate 100 acres of land computed at 1 cubic feet per second of time.

No. Two. Orellana Ditch, that said ditch is entitled to Priority No. 2, and is claimed by Samuel J. Capps, it is supplied with water from the Santa Clara Creek, a tributary to the Cucharas river, the head-gate is located on the N ¼ of NW ¼ sec. 5 Twp 30 S R 66 W and 40 acres of land are irrigated therefrom,

And it it is hereby adjudged and decreed, that there be allowed to flow into said ditch from the said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 2, a sufficient amount of water to irrigate 40 acres of land, computed at .80 of a cubic foot per second of time.

No. Three. Mauricio Apodaca Ditch, that said ditch is entitled to Priority No. 3, it is claimed by A. M. Pryor, and is supplied with water from the Santa Clara Creek, 86 a tributary to the Cucharas river, the headgate is located on the SE ¼ sec. 5 Twp 29 S. R.

66 W, and 130 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, for the use of the parties lawfully entitled thereto, for the purpose of irrigation, under and by virtue of Priority No. 3, a sufficient amount of water to irrigate 130 acres of land, computed at 3 cubic feet per second of time.

No. Four. A. M. Pryor Ditch, that said ditch is entitled to Priority No. 4, it is claimed by A. M. Pryor, and is supplied with water from the Santa Clara Creek, a tributary to the Cucharas river, the head-gate is located on the centre of sec, 19 Twp 28 S R 65 W, and 160 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, a sufficient amount of water to irrigate 160 acres of land, computed at 3.20 cubic feet per second of time, under and by virtue of Priority of appropriation No. 4.

No. Five. Labrie Ditch, that said ditch is entitled to Priority No. 5, it is claimed by A. M. Pryor, and is supplied with water from the Santa Clara Creek, a tributary to the Cucharas river, The head-gate is located near the Center of Sec. 30 Twp 29 S R 63 W and 140 acres of land are

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irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said Creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 5, a sufficient amount of water to irrigate 140 acres of land, computed at 2.80 cubic feet per second of time.

No. Six. Henry Schultze Ditch, that said ditch is entitled to Priority No. 6, it is claimed by O. M. Pryor, and is supplied with water from the Santa Clara Creek a tributary to the Los Angeles river, the head-gate is located on the SW¼ Sec. 31 Twp 1 S R 16 W, and 160 acres of land are irrigated therefrom,

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, for the purpose of irrigation, for the benefit of the Parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 6, a sufficient amount of water to irrigate 160 acres of land, computed at 3.20 cubic feet per second of time.

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No. Seven Sportsler Ditch, that said ditch is entitled to Priority No. 7, it is claimed by O M Pryor and is supplied with water from the Santa Clara Creek

a tributary to the Cucharas river; the head-gate is located on the SE¼ Sec. 5. Twp. 29 S. R. 66 W. and 30 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of No. 7. a sufficient amount of water to irrigate 30 acres of land. Computed at .60 of a cubic foot per second of time.

No. Eight. Samuel J. Copps Ditch; That said ditch is entitled to priority No. 8. It is claimed by Samuel J. Copps, and is supplied with water from Santa Clara creek, a tributary to the Cucharas river; the head-gate is located on the NW¼ Sec. 8. Twp. 30 S. R. 66 W and 25 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 8. a sufficient amount of water to irrigate 25 acres of land. Computed at .50 of a cubic foot per second of time

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And more particularly in regard to the several ditches and their enlargements, that are supplied with water from the Huerfano river & its tributaries (except Apache creek) respectively as follows;

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No. One. Bull Valley Ditch. That said ditch is entitled to priorities Nos. 1, and 86 as hereinafter qualified as to said priority No. 86, that is to say, if a claim has been filed in the County Clerk's office as required by the Statute. Said ditch is claimed by Edwin A. Lewis, M. J. Coots, A. Garda, and Eli Ulery, And is supplied with water from the Powder River. The head-gate is located on the NE¼ Sec. 30. Twp 7 S. R. 66 W. and a total amount of 300 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 1, a sufficient amount of water to irrigate 60 acres of land, computed at 1.20 cubic feet per second of time, and that there be further allowed to flow into said ditch as aforesaid, under and by virtue of appropriation No. 9, a sufficient amount of water additional to irrigate 90 acres of land, computed at 1.80 cubic feet per second of time; And that there be further allowed to flow into said ditch as aforesaid under and by virtue of priority No. 86, an additional amount of water sufficient to irrigate 150 acres of land computed at 3 cubic 90 feet per second of time, provided said claim shall have been filed as aforesaid; And the whole amount of water to which said ditch

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is entitled, subject to the provisions of said, is computed at 6 cubic feet per second of time.

No. Two. Bo Boyce Ditch: That said ditch is entitled to priority No. 2, and is claimed by Felix St Vrain, Marcelino Trujillo and Matias Trujillo; it is supplied with water from the Huerfano River. The head-gate is located on NW¼ SE¼ Sec. 26. Twp. 26 S. R. 67 W. and 100 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue and priority of Appropriation No. 2, a sufficient amount of water to irrigate 100 acres of land, computed at 2 cubic feet per second of time.

No. Three, Consolidated Badito & Martin Ditch: That said ditch is entitled to priorities Nos. 3, 6 and 8. It is claimed by Thomas Sprouel, Juan Augustin Martin and Allan McLean, and is supplied with water from the Huerfano River; the head-gate is located on the NE¼ SE¼ Sec. 5. Twp. 27 S. R. 68 W, and 180 acres of land are irrigated therefrom.

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And it is hereby adjudged and decreed, That there be allowed to flow into

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said ditch from said River, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 3, a sufficient amount of water to irrigate 65 acres of land Computed at 1.30 cubic feet per second of time; and that there be allowed to flow into said ditch as aforesaid under and by virtue of priority No. 6, a sufficient Amount of water additional to irrigate 32 acres of land computed at .64 of a cubic foot per second of time; and that there be further allowed to flow into said ditch as aforesaid, under and by virtue of priority No. 8, an additional amount of water sufficient to irrigate 33 acres of land, Computed at .66 of a cubic foot per second of time; And the Whole amount of water to which said ditch is at present entitled is computed at 2.60 cubic feet per second of time.

No. Four. Martin Ditch. That said ditch is entitled to priorities Nos. 4 and 11 and is claimed by Allan McLean, C. G. Trujillo, Ramon Trujillo, David Manchego, Juan Baca, Encarnacion Martinez, Carpio Archuleta, Francisco Josephy, Juan Garcia, and Delores Lunda. It is supplied with water from the Rio Grande River; the head-gate is located on the NW¼ SE¼ Sec. 4, Twp. 27 S. R. 68 W. and 150 acres of land are irrigated therefrom.

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And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said River for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 4, a sufficient amount of water to irrigate 70 acres of land, Computed at 1.40 cubic feet per second of time and that there be allowed to flow into said ditch as aforesaid under and by virtue of appropriation No. 11, a sufficient amount of water additional to irrigate 80 acres of land, computed at 1.60 cubic feet per second of time and the whole amount of water to which said ditch is at present entitled is computed at 3 cubic feet per second of time.

And the John W. Brown Ditch: That said ditch is entitled to priority No. 5 and is claimed by Isaac N. Hudson J. D. Patterson and Stephen D. Curtis; it is supplied with water from the Navajo River; the head-gate is located on the NW¼ NW¼ Sec. 34. Twp. 26 S. R. 67 W and 160 acres of land are irrigated therefrom; And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said River, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue and priority of Appropriation No. 5, a sufficient amount of water to irrigate 160 acres of land, Computed at 3.20 cubic feet per second of time,

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No. Six. - Wm. Craig Ditch; That said ditch is entitled to priority No. 7. and is claimed by Nathan Hughes and P. J. Kimball; it is supplied with water from the Navajo River; the head-gate is located on Section 31. Twp. 26 N. R. 6 W. and 120 acres of land are irrigated therefrom. And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue and priority of Appropriation No. 7. a sufficient amount of water to irrigate 120 acres of land, computed at 2.40 cubic feet per second of time.

No. Seven. Pedro Gomez Ditch; That said ditch is entitled to priorities Nos. 10 and 45, and is claimed by Pedro J. Gomez, Henry B. Jones, Franz L. Hontek, and William L. Proffitt; it is supplied with water from the Navajo River; the head-gate is located on SW¼ SE¼ Sec. 26. Twp. 26 N. R. 6 W. and 75 acres of land are irrigated therefrom. And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 10, a sufficient amount of water to irrigate 16 acres of land, computed at .32 of a cubic foot per second of time; And that there be further allowed to flow into

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said ditch, as aforesaid, under and by virtue of priority of Appropriation No. 145, a sufficient amount of water to irrigate 61 acres of land - computed at 1.22 cubic feet per second of time; and the whole amount of water to which said ditch is at present entitled, is computed at 1.54 cubic feet per second of time.

No. Eight. Dan Mahan Ditch; That said ditch is entitled to priority No. 12, and is claimed by George Markham, J. D. Patterson, O. T. Sefton and Francisco Antonio Martinez; it is supplied with water from the Rio Grande River; the head-gate is located on SE¼ NE¼ Sec. 32. Twp. 26 S. R. 67 W, and 125 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said River, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 12, a sufficient amount of water to irrigate 125 acres of land, computed at 2.50 cubic feet per second of time

No. Nine. Hamlet Ditch; That said ditch is entitled to priority No. 13, and is claimed by J. B. Hudson and L. C. D. Cowles; it is supplied with water from the Rio Grande River; the head-gate is located on SE¼ NW¼ Sec. 23. Twp. 26 S. R. 70 W and 190 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed

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that there be allowed to flow into said ditch from said river for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 13, a sufficient amount of water to irrigate 190 acres of land, Computed at 3.80 cubic feet per second of time.

No. Ten. Woods Ditch: That said ditch is entitled to priority No. 14, and is claimed by Joseph D. Patterson; it is supplied with water from the Kenefaw river, the head-gate is located on the SE¼NE¼ Sec. 23. Tp. 26 S. R. 70 W, and 40 acres of land are irrigated therefrom And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto under and by virtue of priority of appropriation No. 14, a sufficient amount of water to irrigate 40 acres of land, Computed at .80 of a cubic feet per second of time.

No. Eleven. Roy Ditch: That said ditch is entitled to priority No. 15, and is claimed by Manuel Pinis and Mrs. Delmonica Roy; it is supplied with water from the Kenefaw river, the head-gate is located on the SW¼NE¼ Sec 24 Twp. 26 S. R. 70 W, and 35 acres of land are irrigated therefrom; And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation

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No. 15, a sufficient Amount of Water To irrigate 35 acres of land, Computed at 70 of a cubic foot per Second of time.

No. Twelve, Jack Allen Ditch; That said ditch is entitled To priorities Nos. 16 and 35; and is claimed by Joseph D. Patterson; it is supplied with Water from the Newlands River; the head-gate is located on SW¼NE¼ Sec. 33. Twp. 26 S. R. 27 W; and 60 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, that there be allowed To flow in said ditch, from said River, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 16, a sufficient Amount of water To irrigate 40 acres of land, Computed at .80 of a cubic foot per Second of time; And that there be further allowed To flow into said ditch as aforesaid under and by virtue of Priority of Appropriation No. 35 a sufficient amount of water additional To irrigate 20 acres of land, Computed at .40 of a cubic foot per Second of time; and the Whole amount of water To which said ditch is at present entitled is Computed at 1.20 cubic feet per Second of time.

No. Thirteen, Baxter Pioneer Ditch; That said ditch is entitled To priorities Nos. 17 and 21; And is claimed by Samuel D. P. Baxter, John W. Davis, and John A. Fitz;

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it is supplied with water from the Kuerfano river; the head-gate is located on Sec. 6. Twp. 27 S. R. 68 W, and 90 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 17, a sufficient quantity of water to irrigate 67 acres of land, Computed at 1.34 Cubic feet per second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of Appropriation No. 21, a sufficient amount of water additional, to irrigate 23 acres of land, Computed at .46 of a Cubic foot per second of time; and the whole amount of water to which said ditch is at present entitled is Computed at 1.80 cubic feet per second of time.

No. Fourteen. Chavez Ditch. That said ditch is entitled to priorities Nos. 18 and 95, provided a statement of claim shall have been filed in the County Clerks office, and with the State Engineer, as required by the Statute; it is claimed by George N. Saunders, Tomas Chavez, Antonia Martinez de Chavez, Francisco Antonio Martinez, Jesus Velarde and Juan Andres Molla; it is supplied with water from the Kuerfano River; the head-gate is located on the SW¼ SW¼ Sec. 20 Twp. 26 S. R 69 W, and 160 acres of land lie under said ditch that are being and are proposed to be irrigated therefrom;

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And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 18, a sufficient amount of water to irrigate 40 acres of land, Computed at .80 of a cubic foot per second of time; And that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of Appropriation No. 95, provided a Statement of Claim shall have been filed as aforesaid, a sufficient amount of water, additional, to irrigate 120 acres of land, Computed at 2.40 cubic feet per second of time; and the Whole amount of water to which said ditch is at present entitled, subject to the provisions aforesaid, is Computed at 3.20 cubic feet per second of time.

No. Fifteen. Robert Rice Ditch; That said ditch is entitled to priority No. 17, and is claimed by Henry T. Sefton, R. D. Rice, and Hamilton Doke; it is supplied with water from the Nooksack river; the head-gate is located on the NW¼ Sec. 22, Twp. 26 N. R. 6 W. and 150 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 19, a sufficient Amount of water to irrigate 150 acres of land, Computed at 3 cubic feet per second of time.

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No. Sixteen Garcia Ditch That said ditch is entitled to priorities Nos. 20 and 97, as hereinafter qualified as to said priority No. 97; that is to say, if a claim shall have been filed in the County Clerk's Office, as required by the Statute; Said ditch is claimed by Maria Rufina Rodriguez, Epifanio Martinez, Pedro J. Garcia, Esquipula Apodaca, Pablo Apodaca Candelario Heirs, Joseph Sears, Pedro N. Garcia, Amado Aguires, Jose Antonio Ulibarri, Ventura Medina, Victor Montolla, Eleuterio Santistevan, Pablo Peralta, Jose Ramon Trugillo, Marcial Gelvez, Demetrio Archuleta, Jose D. Medina and Ignacio Martinez; it is supplied with water from the Conejos River; The head-gate is located on SW¼ SE¼ Sec. 28, Twp. 36 S. R. 6 W, and a total amount of 700 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority & Appropriation No. 20, a sufficient amount of water to irrigate 355 acres of land, computed at 7.10 cubic feet per second of time; And that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of Appropriation No. 97, a sufficient amount of water additional ~~amount of water~~ sufficient to irrigate 345 acres of land, computed at 6.90 cubic feet per second of time, provided said claim shall

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have been filed as aforesaid; and the Whole Amount of Water to Which said ditch is at present entitled, subject to the provisions aforesaid, is Computed at 1¼ cubic feet per Second of time.

No. Seventeen. Burns Ditch No. 2: That said ditch is entitled to priorities Nos. 22 and 82, and is claimed by J. B. Houdson and is supplied with water from the Beaverhead river; the head-gate is located on SW¼ SW¼ Sec. 22, Twp. 26 S. R. 7 W. M, and 100 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 22, a sufficient amount of water to irrigate 5 acres of land, Computed at .40 of a cubic foot per Second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of appropriation No. 32, a sufficient amount of water, additional, to irrigate 95 acres of land, Computed at 1.90 cubic feet per Second of time; and the Whole Amount of water to Which said ditch is at present entitled is Computed at 2 cubic feet per Second of time.

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No. Eighteen. Medina alias Filipa alias Naranjo & Archuleta Ditch. That said Medina and Filipa Ditch are one and the same, and is designated herein as the Filipa Ditch; and the Naranjo & Archuleta Ditch is a lateral thereof; the said Filipa Ditch is entitled to priority No. 23, and the said Lateral is entitled to priorities Nos. 50, 89 and 96, provided a statement of claim shall have been filed in the County Clerk's office and with the State Hydraulic Engineer as required by the Statute; that said principal Ditch is adversely claimed, under the name of the Medina ditch by Cruz Naranjo, Antonio Caleto Archuleta and Jose S. Martinez; and under the name of Filipa ditch by J. B. Henderson; it is supplied with water from the Conejos River; the head-gate is located on the W½ NE¼ Sec. 22, Tp. 36 S. R. 7 W. and 200 acres of land are irrigated from said principal ditch, and 195 acres of land lie under said lateral ditch that are being and are proposed to be irrigated from said Lateral. And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the benefit of parties lawfully entitled thereto, under and by virtue of priority No. 23, of said Medina alias Filipa ditch, a sufficient amount of water to irrigate 200 acres of land, computed at 4 cubic feet per second of time; and that there be further allowed to flow through said principal ditch, into the said Lateral, the Naranjo & Archuleta ditch as aforesaid, under and by virtue of priority No. 50, a sufficient amount of water, additional, to irrigate 120 acres of land, computed at 2.40 cubic feet per second of time;

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And that there be further allowed to flow through said principal ditch into said lateral as aforesaid under and by virtue of priority of appropriation No. 89, a sufficient amount of water, additional, to irrigate 30 acres of land, computed at .60 of a cubic foot per second of time; and that there be allowed to flow through said principal ditch into said lateral as aforesaid, under and by virtue of priority of appropriation No. 96, provided that a statement of claim shall have been filed as aforesaid, a sufficient amount of water additional, to irrigate 45 acres of land, computed at .90 of a cubic foot per second of time; and the whole amount of water to which said principal ditch and the said lateral thereof are at present entitled, subject to the provision aforesaid, is computed at 7.90 cubic feet per second of time.

No. Nineteen, Sanchez Ditch: That said ditch is entitled to priority No. 24, and is claimed by Joshua B. Hudson; it is supplied with water from the Huerfano river; the head-gate is located on the W½ SW¼ Sec. 22, Tp. 26 S. R. 70 W; and 25 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 24, a sufficient amount

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of water to irrigate 25 acres of land, Computed at .50 of a cubic foot per second of time.

Nr. Twenty. Martinez Ditch; That said ditch is entitled to priorities Nos. 25 and 93; provided a Statement of claim shall have been filed in the County Clerk's office and with the State Hydraulic Engineer, as required by the Statute; It is claimed by J.C. Henderson, Desiderio Chavez, and Nathan Hughes. It is supplied with water from the Rio Grande river; the head-gate is located on the NW¼ SW¼ Sec. 31, Tp. 26 S.R. 6 E.; and 190 acres of land lie under said ditch, that are being and are proposed to be irrigated therefrom. And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation Nr. 25, a sufficient amount of water to irrigate 70 acres of land, Computed at .40 of a cubic foot per second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of appropriation Nr. 93, provided a Statement of claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 170 acres of land, Computed at 3.40 cubic feet per second of time; and the Whole amount of water to which said ditch is at present, entitled, subject to the provision aforesaid, is Computed at 3.80 cubic feet per second of time.

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Nr. Twenty-One. Manzanares Ditch, No. 1. That said ditch is entitled to priority Nr. 26, and is claimed by John A. Donaghe, Henry T. Safford, Jose de la Cruz Arbeleta, Jacinto Gonzales, Jose Guadalupe Montoya and

Maria Rita Gomez is supplied with water from Nueces River; head-gate is located on SE¼ NE¼ Sec. 2. Twp. 27 S. R. 7 W; and 200 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said River, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 26, a sufficient amount of water to irrigate 200 acres of land, Computed at 4 Cubic feet per second of time.

No. Twenty-Two Fernandez Ditch: That said Ditch is entitled to Priority No. 27, and is claimed by Aaron O. Wilbur and Francisco Rel; it is supplied with water from Turkey creek a tributary to the Nueces River; the head-gate is located on the SE¼ Sec. 28. Twp. 25 S. R. 6 W; and 160 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of Appropriation No. 27, a sufficient amount of water to irrigate 160 acres of land, Computed at 3.20 Cubic feet per second of time.

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No. Twenty-Three. Sefton Ditch No. 2

That said ditch is entitled to priority No. 28; and is claimed by Henry T. Sefton. Is supplied with water from the Kuserawa River; the head-gate is located on SW¼NE¼ Sec. 3. Twp. 27 S. R. 7 W; and 50 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 28, a sufficient amount of water to irrigate 50 acres of land, Computed at 1 cubic foot per second of time.

No Twenty-Four. Upper Kuserawa Ditch;

That said ditch is entitled to priorities Nos. 29 and 33, and is claimed by W. T. Shorb, Charles Deus, Mason Williams, Frederick C. Kahn, Rafael Garcia, John A. J. Wilson, and Daniel B. Castello; it is supplied with water from the Kuserawa River; the head-gate is located on SW¼NE¼ Sec. 4. Twp. 27 S. R. 7 W; and 300 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 29, a sufficient Amount of water to irrigate 70 acres of land,

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Computed at .49 of a cubic foot per second of time; And that there be further allowed to flow into said Ditch as aforesaid under and by virtue of priority of appropriation No. 33, a sufficient amount of water, additional to irrigate 280 acres of land Computed at 5.69 cubic feet per second of time; and the whole amount of water to which said ditch is at present entitled is computed at 6 cubic feet per second of time.

No. Twenty-Five. Archuleta Ditch. — That said ditch is entitled to priority No. 30, and is claimed by Eli Mckannah, B. F. Wright, Antonio C. Archuleta, Pano Cisneros, Refugio Archuleta, and Cruz Archuleta; it is supplied with water from the Rio Grande river; the head-gate is located on the SE¼ NE¼ Sec. 5. Twp. 27 S. R. 7 W; general course N; and 184 acres of land are irrigated therefrom; And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 30 a sufficient amount of water to irrigate 184 acres of land computed at 3.68 cubic feet per second of time.

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No. Twenty-Six. Manzanares Ditch, No. 2. — That said ditch is entitled to priority No. 31, and is claimed by Henry T. Sefton, Cruz Archuleta; it is supplied with water from the

Nueva and rivers the head-gate is located on SE¼ NE¼ Sec. 3. Tp. 27 S. R. 7 W. and 35 acres of land are irrigated thereon.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, and under and by virtue of priority of appropriation No. 31, a sufficient amount of water to irrigate 35 acres of land, computed at .70 of a cubic foot per second of time.

No. Twenty-Seven. Sefton Ditch No. 1.- That said ditch is entitled to priority No. 34, and is claimed by Henry T. Sefton; it is supplied with water from the Nueva and rivers, the head-gate is located on SE¼ NE¼ Sec. 4 Tp. 27 S. R. 7 W. and 60 acres of land are irrigated thereon.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto; under and by virtue of priority of appropriation No. 34, a sufficient amount of water to irrigate 60 acres of land, computed at 1.20 cubic feet per second of time.

No. Twenty-Eight. Vigil & Chavez Ditch.- That said ditch is entitled to priorities Nos. 36. 63 and 94; and is claimed by Pedro Vigil, Joshua B. Hudson, Miguel Antonio Lopez, Manuel Martinez, George N. Sanders, Florencio Chavez, J. Lyman Rutland, Antonio Domingo Lopez.

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Vicente Garcia, Jose E. Archuleta, Jose Manuel Vigil, L. G. Watkins, Mrs. Delfina Roy, Mrs. Juanita Sandoval, and Jose E. Pacheco; Mir supplied with water from the Navajo river; the head-gate is located on W½ SW¼ Sec. 23. Tp. 26 S. R. 7 W. and 180 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 36, a sufficient amount of water to irrigate 120 acres of land, computed at 2.40 cubic feet per second of time; and that there be further allowed to flow into said ditch as aforesaid under and by virtue of priority of appropriation No. 63, a sufficient amount of water additional to irrigate 30 acres of land, computed at .60 of a cubic foot per second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority No. 94, an additional amount of water sufficient to irrigate 30 acres of land, computed at .60 of a cubic foot per second of time; and the whole amount of water to which said ditch is at present entitled, is computed at 3.60 cubic feet per second of time

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No. Twenty-nine. Pineda Ditch: That said ditch is entitled to priority No. 37, and is claimed by C. A. Dillian and W. W. Dillian; it is supplied with water from Turkey creek a tributary to the Navajo river; the head-gate is located between

Sections 7 and 8. Twp. 25 S. R. 69 W; and 100 acres of land are irrigated thereon.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 37, a sufficient amount of water to irrigate 100 acres of land, computed at 2 cubic feet per second of time.

No. Thirty. Saisenros Ditch; That said ditch is entitled to priority No. 38, and is claimed by Jose Victor Saisenros and Antonio A. Cordoba; it is supplied with water from Turkey creek a tributary to the Huerfano river; the head-gate is located on NW¼ SW¼ Sec. 15. Twp. 25 S. R. 69 W; and 55 acres of land are irrigated thereon.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 38, a sufficient amount of water to irrigate 55 acres of land, computed at 1.10 cubic feet per second of time.

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No. Thirty-One, Victor Ditch; That said ditch is entitled to priority No. 39, and is claimed by Jose Victor Saisenros; it is supplied with water from Turkey creek, a tributary to the Huerfano river; the head-gate is located on the SW¼ SW¼ Sec. 15. Twp. 25 S. R. 69 W, and 15 acres

of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 39, a sufficient amount of water to irrigate 15 acres of land, computed at .30 of a cubic foot per second of time.

No. Thirty-Two. Gray Ditch; That said ditch is entitled to priorities Nos. 40 and 62, and is claimed by W. T. Sharp & Charles Dews; it is supplied with water from the Uncompahgre River; the head-gate is located on the SE¼ NE¼ Sec. 1, Tp. 47 S. R. 7 W. and 10.5 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 40, a sufficient amount of water to irrigate 100 acres of land, computed at 2 cubic feet per second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of appropriation by priority No. 62, a sufficient amount, additional, to irrigate 5 acres of land, computed at .10 of a cubic foot of water per second of time; and the whole amount of water to which said ditch is at present entitled is computed at 2.10 cubic feet per second of time.

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No. Thirty Three. Hermes Ditch: That said ditch is entitled to priority No 11, and is claimed by William L Hermes, Jesus de la Cruz Quintana, Manuel Candelario, Pablo Medina, and Estipula Apodaca; it is supplied with water from the Hoverland River, and 134 acres of land are irrigated therefrom; the head-gate is located NW¼ SW¼ sec. 28, Tp. 26 N R 69 W And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said River, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 11, an amount of water sufficient to irrigate 134 acres of land, computed at 2.68 cubic feet per second of time.

No. Thirty-Four. Palmer Ditch: That said ditch is entitled to priority Nos 42 and 56, and is claimed by H. S. Sharp, W. B. Martin, John F. Wilson, Henry Lefthand, Jesus M Valdez, Estipula Archuleta, Ramon M. J. Valdez, Lucino Martinez, Jr. Aragon, Juan B. Rodrigues, Pablo Valdez, Cruz Archuleta, Bidal Vigil, and Manuel Aragon; it is supplied with water from the Hoverland River; the head-gate is located on SE¼ NE¼ Sec. 5. Tp. 27 N R 71 W, and 500 acres of land are irrigated therefrom And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said River, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, and by virtue of priority of appropriation No. 42, a sufficient amount of water to irrigate 300 acres of land, Computed at 6

cubic feet per second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of appropriation No. 56, a sufficient amount of water, additional, to irrigate 70 acres of land, computed at 4 cubic feet per second of time; and the whole amount of water to which said ditch is entitled at present, is computed at 10 cubic feet per second of time.

No. Thirty-Five, Jacques Ditch; That said ditch is entitled to priority No. 43, and is claimed by John M. Craig; it is supplied with water from Custer creek, a tributary of Tuttle creek, a tributary of Honeyman river, and 50 acres of land are irrigated thereby; its head-gate is located on the SW¼ SW¼ of Sec 16, Twp. 25 S. R. 6 W. And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 43, a sufficient amount of water to irrigate 50 acres of land, computed at 1 cubic foot per second of time.

No. Thirty-Six, Meadow Ditch; That said ditch is entitled to priority No. 44; and is claimed by W. A. Parrish and Charles M. Smith; it is supplied with water from Brooke creek, a tributary of Muddy creek, a tributary of Honeyman River; its head-gate is located on NW¼ Sec. 34 Twp. 25 S. R. 7 W; and 35 acres of

Land are irrigated Therefrom.

And it is hereby adjudged and decreed, That there be allowed to flow into said Ditch, from said Creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No 44, a sufficient Amount of Water to irrigate 35 acres of land, Computed at 1/70 of a cubic foot per second of time.

No. Thirty-Seven. Bradford & Snire Ditch. That said Ditch is entitled to priorities Nos. 46 and 47 and it is claimed by J. B. Hudson, Jerrid S. Smith and William Snire; it is supplied with Water from Muddy creek, a Tributary of Kenesaw River, and 67 acres of land are irrigated therefrom; its head-gate is upon SW¼ Sec. 8. 25 N. 71 W.

And it is hereby adjudged and decreed, That there be allowed to flow into said Ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by Virtue of priority of Appropriation No. 46, a sufficient Amount of Water to irrigate 52 acres of land, Computed at 1/01 Cubic feet per second of time; And that there be further allowed to flow into said Ditch, as aforesaid, under and by Virtue of priority of Appropriation No. 47, a sufficient Amount of Water to irrigate 15 acres of land, Computed at .30 of a cubic foot per second of time; and the Whole Amount of Water to which said Ditch is at present entitled is Computed at 1.31 cubic feet per second of time.

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No. Thirty-Eight. Wilson Ditch. That said ditch is entitled to priority No. 48, and is claimed by John A. Wilson; it is supplied with water from the Kuenzano River; the head-gate is located on SE¼ NE¼ Sec. 1, Twp. 27 S. R. 71 W, and 20 acres of land are irrigated thereon.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 48, a sufficient amount of water to irrigate 20 acres of land computed at .40 of a cubic foot per second of time.

No. Thirty-Nine. Swisher Ditch. That said ditch is entitled to priority No. 49, and is claimed by J. L. Swartout and J. S. Patton; it is supplied with water from Pass creek, a tributary of the Kuenzano River; the head-gate is located on NE¼ NE¼ Sec. 20, Twp. 27 S. R. 70 W; and 40 acres of land are irrigated thereon;

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 49, a sufficient amount of water to irrigate 40 acres of land, computed at .80 of a cubic foot per second of time.

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No. Forty. Jose Maria Ditch; That said ditch is entitled to priority No. 51, and is claimed by Jose Maria de Herrera, Encarnacion Martin and Jose Pantelio Solos; it is supplied with water from the Navajo River; the head-gate is located on NW¼ SE¼ Sec. 3. Twp. 27 S. R. 68 W, and 12 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said River, for the purpose of irrigation for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 51, a sufficient amount of water to irrigate 12 acres of land, Computed at .24/ a cubic foot per second of time.

No. Forty-One. Ojo Ditch; That said ditch is entitled to priority No. 52, and is claimed by Pablo Maes, Martin Maes, Nicolas Cruz, and Antonio Trujillo; it is supplied with water from a Spring on Sec. 25. Twp. 25 S. R 69 W and from Rito de las Maeses or Trujillo Cañon, a tributary of Turkey creek, a tributary of the Navajo River; the head-gate is located on SW¼ Sec. 24 and NW¼ Sec. 25. Twp. 25 S. R 69 W. and 100 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said stream, for the purpose of irrigation for the use of the parties lawfully entitled thereto, under and by virtue of priority of Appropriation No. 52 a sufficient amount of water to irrigate 100 acres of land, Computed at .two. cubic feet per second of time.

No. Forty-Two. Spider Web Ditches; That said ditches are entitled to priorities Nos. 53 and 98, and is claimed by G. F. Charles Lang endorsee and Peter Hansen; it is supplied with water from Rito del Alto, a tributary of Muddy creek a tributary of the Huerfano river; the head-gate is located on the N½ SW¼ Sec. 11. Twp. 26 S. R. 71 W. and 80 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditches from said creek, for the purpose of irrigation for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 53, a sufficient amount of water to irrigate 64 acres of land, computed at 1.25 cubic feet per second of time; and that there be further allowed to flow into said ditch, aforesaid, a sufficient amount of water, additional, under and by virtue of priority No. 98, to irrigate 16 acres of land, computed at .32 of a cubic foot per second of time; the whole amount of water to which said ditch is at present entitled is computed at 1.60 cubic feet per second of time.

No. Forty-Three, Deus Pioneer Ditch; That said ditch is entitled to priority No. 54, and is claimed by J. A. J. Wilson, Charles Deus, Manuel Garcia, Tomas Gallegos and Francisco Mestas; it is supplied with water from the Huerfano river; the head-gate is located on NW¼ SW¼ Sec. 1. Twp. 27 S. R. 71 W. and 200 acres of land are irrigated therefrom; 117

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority No. 54, 6 cubic feet of water to irrigate 300 acres of land, Computed at 4 Cubic feet per second of time.

No. Forty-Four. Wilcox & Company Ditch; That said ditch is entitled to priority No. 55, and is claimed by Tomas Maes, Electo Maes, Viterbo Romero, Reinaldo P. Rivera, Damacio Soles, Gabriel Baca, Francisco Antonio Martinez and Francisco Trujillo; it is supplied with water from Cherry creek, a tributary of the Rio Grande River; the head-gate is located on the SW1/4 SW1/4 Sec. 19, Tp. 7 S. R. 70 W, and 160 acres of land are irrigated thereby.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said river, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto under and by virtue of priority of appropriation No. 55, a sufficient amount of water to irrigate 160 acres of land, Computed at 3.20 Cubic feet per second of time.

No. Forty-Five. South Side Ditch; That said ditch is entitled to priority No. 57, and is claimed by W. T. Sharp; it is supplied with water from the Rio Grande River; the head-gate is located on NE1/4 NW1/4 Sec. 6. Tp. 27 S. R. 70 W and 12 acres of land are irrigated thereby;

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And it is hereby adjudged and decreed

that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of the priority of appropriation No. 57, a sufficient amount of water to irrigate 12 acres of land, computed at .24 of a cubic foot per second of time.

No. Forty-six. Lincoln Ditch No. 1. — That said ditch is entitled to priority No. 58, and is claimed by R. M. Lincoln; it is supplied with water from Muddy creek, a tributary of the Kennefaux river; the head-gate is located on the S.W¼ of Sec. 8, Twp. 25 S. R. 7 W, and 18 acres of land are irrigated therefrom:

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 58, a sufficient amount of water to irrigate 18 acres of land, computed at .36 of a cubic foot per second of time.

No. Forty-seven. Lincoln Ditch No. 2. — That said ditch is entitled to priority No. 59, and is claimed by R. M. Lincoln; it is supplied with water from Muddy creek a tributary of Kennefaux river; the head-gate is located on S.W¼ Sec. 7, Twp. 25 S. R. 7 W, and 25 acres of land are irrigated therefrom;

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And it is hereby adjudged and decreed that there be allowed to flow into said ditch

from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 59 a sufficient amount of water to irrigate 25 acres of land, Computed at .50 of a cubic foot per second of time.

No. Forty-Eight. Lincoln Ditch No. 3; That said ditch is entitled to priority of appropriation No. 60; it is claimed by R. M. Lincoln; it is supplied with water from Muddy creek a tributary of the Kootenai River; the head-gate is located on SE¼ Sec. 7. Tp. 25 S. R. 31 W. and 10 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 60. a sufficient amount of water to irrigate 10 acres of land, Computed at .20 of a cubic foot per second of time.

No. Forty-Nine. McCluer Ditch; That said ditch is entitled to priority No. 61, and is claimed by Joshua B. Hudson; it is supplied with water from Muddy creek a tributary of the Kootenai river; the head-gate is located on the SE¼ Sec. 7. Tp. 25 S. R. 31 W; and 25 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed 121
that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation,

for the use of the parties entitled thereto, under and by virtue of priority of appropriation No. 61, a sufficient amount of water to irrigate 75 acres of land, Computed at .50 of a cubic foot per second of time

No. Fifty. Glade Ditch; That said ditch is entitled to priority No. 64; and is claimed by M. N. Parrish and Charles M. Smith; it is supplied with water from Muddy creek, a tributary of the Humboldt river; the head-gate is located on Sec. 16, Twp. 25 S. R. 71 W, and 100 acres of land are irrigated thereform;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek for the purpose of irrigating for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 64, a sufficient amount of water to irrigate 100 acres of land, Computed at Two (2) cubic feet per second of time,

No. Fifty-One. W. L. Murray Ditch; That said ditch is entitled to priority No. 65; and is claimed by W. L. Murray; it is supplied with water from Muddy Creek, a tributary of the Humboldt river; the head-gate is located on the NW1/4 Sec. 18. Twp. 25 S. R. 71 W; and 30 acres of land are irrigated thereform

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And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek for the purpose of irrigation

for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No.65, a sufficient amount of water to irrigate 30 acres of land. Computed at .60 of a cubic foot per second of time.

No. Fifty-Two. Caldwell Ditch: That said ditch is entitled to priority No. 66, and is claimed by Eber A. Snow; it is supplied with water from Bough creek, a tributary of Muddy creek, a tributary of Henefano river; the head-gate is located on the NE¼ SW¼ Sec. 25. Twp. 25 S. R. 72 W; and 15 acres of land are irrigated therefrom:

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 66, a sufficient amount of water to irrigate 15 acres of land. Computed at .30 of a cubic foot per second of time.

No Fifty-Three. Hornbeck Ditch: That said ditch is entitled to priority No. 67 and is claimed by S. D. Hornbeck; it is supplied with water from Muddy creek a tributary of the Henefano river; the head-gate is located on the NE¼ Sec. 18. Twp. 25 S. R. 72 W; and 20 acres of land are irrigated therefrom:

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And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation for the use of the parties lawfully entitled thereto.

under and by virtue of priority of appropriation No. 67, a sufficient amount of water to irrigate 20 acres of land, computed at .40 of a cubic foot per second of time.

No. Fifty-Four. Stanley Ditch; That said ditch is entitled to priority No. 68, and is claimed by Alfred D. McIntire; it is supplied with water from Stanley Creek, a tributary of the Kowsfaw River; the head-gate is located on the NE¼ Sec. 18, Tp. 27 S. R. 7 W. and 16 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said Creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 68, a sufficient amount of water to irrigate 16 acres of land, computed at .32 of a cubic foot per second of time.

No. Fifty-Five. Robinson Ditch; That said said ditch is entitled to priorities Nos. 69 and 81, and is claimed by John M. Robinson; it is supplied with water from Rudd Creek, a tributary of the Kowsfaw River; the head-gate is located on the NE¼ Sec. 2, Tp. 26 S. R. 7 W., and 75 acres of land are irrigated therefrom;

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And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said Creek, for the purpose of irrigation for the use of the parties lawfully entitled thereto,

under and by virtue of priority of Appropria-
tion No. 69, a sufficient amount of water to
irrigate 50 acres of land, estimated at 1 cubic
foot per second of time; and that there be allowed
further to flow into said ditch, as aforesaid,
under and by virtue of priority of appropri-
ation No. 81, a sufficient amount of water to
irrigate 25 acres of land, computed at .50 of a
cubic feet per second of time; and the whole
amount of water to which said ditch is at
present entitled is computed at 1.50 cubic feet
per second of time.

No. Fifty-six. Pathfinder Ditch. That said
ditch is entitled to priority No. 70, and is claimed
by Freemont M. McIntire; it is supplied with
water from the Poudre River; the head-gate is
located on SE¼ Sec. 13, 7 N. R. 72 W., and 25 acres
of land are irrigated therefrom;

And it is hereby adjudged and decreed
that there be allowed to flow into said ditch
from said creek, for the purpose of irrigation,
for the benefit of the parties lawfully entitled
thereto, under and by virtue of priority of appropriation
No. 70, a sufficient amount of water to irrigate
25 acres of land, computed at .50 of a cubic feet
per second of time.

No. Fifty-seven. Meadow Ditch No. 2. That
said ditch is entitled to priority No. 71, and
is claimed by Louis F. Watkins; it is sup-
plied with water from the Poudre River;
the head-gate is located on SW¼ Sec. 24 Twp.

in S. R. 7 W. and 40 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, That there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority No. 71, a sufficient amount of water to irrigate 40 acres of land, computed at .80 of a cubic foot per second of time.

No. Fifty-Eight. Moses Ditch. That said ditch is entitled to priority No. 72, and is claimed by C. B. Sharp; it is supplied with water from Moses creek, a tributary of May creek, a tributary of Mountain River; the head-gate is located on N.E. ¼ Sec. 2 Tp. 27 S. R. 7 W. and 10 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 72, a sufficient amount of water to irrigate 10 acres of land, computed at .20 of a cubic foot per second of time.

No. Fifty-Nine. Shields Ditch. That said ditch is entitled to priority No. 73, and is claimed by Milan D. Brown; it is supplied with water from the Mountain River; the head-gate is located on the SE ¼ NE ¼ Sec 7 Tp. 27 S. R. 7 W. and 15 acres of land, are

irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 73, a sufficient amount of water to irrigate 15 acres of land, computed at .30 of a cubic foot per second of time.

No. Sixty-No. 1. Irrigation Ditch. That said ditch is entitled to priority No. 74, and is claimed by Dolores Cordenos, Refugio Atencio, Pablo Maes, Ramon M. J. Valdez, Reinaldo Atencio, Tomas Maes, Jesus Garcias, Antonio C. Archuleta, Jose E. Martinez, Victoria Ramirez, Pablo Hurtado, Manuel Hurtado, Hector Manzanares, Lento Maes, Guadalupe Hurtado, and Bonifacio Maes; it is supplied with water from the Rio Grande River; the head-gate is located on NW¼ SE¼ Sec. 5, Twp. 27 S. R. 7 W. and 500 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 74, a sufficient amount of water to irrigate 500 acres of land, computed at 10.— Cubic feet per second of time. 127

No. Sixty-One. Ramon M. J. Valdez Ditch;
That said ditch is entitled to priorities Nos.
75, and 76, provided a Statement of claim
shall have been filed in the County Clerks
Office and with the State Hydraulic Engineer
as required by the Statute; it is claimed by
Domingo Valdez, Ramon M. J. Valdez, Claudio
Martinez, and Pablo Valdez; it is supplied
with water from the Huerfano River; the head-
gate is located on S.W¼ N.E¼ Sec. 5. Twp. 27 S
R 71 W, and 190 acres of land are irrigated
therefrom.

And it is hereby adjudged and decreed
that there be allowed to flow into said ditch
for the purpose of irrigation, from said River,
for the use of the parties lawfully entitled
thereto, under and by virtue of priority of
Appropriation No. 75, a sufficient amount of
water to irrigate 119 acres of land, Computed
at 1.88 cubic feet per second of time; and
that there be further allowed to flow into
said ditch, as aforesaid, under and by virtue
of priority of appropriation No. 76, provided
a Statement of claim shall have been filed
as aforesaid, a sufficient amount of water
to irrigate 71 acres of land, Computed at
1.42 cubic feet per second of time; and
that the Whole amount of water to which said
ditch is at present entitled, Subject to the
provisions aforesaid is Computed at 3.30
Cubic feet per second of time. 128

No. Sixty-two. Spring Ditch. That said ditch is entitled to priority No. 77 and is claimed by William Spring; it is supplied with water from Muddy Creek, a tributary of the Uncompahgre river; the head-gate is located on the SW¼ NE¼ Sec. 16. Twp. 25 S. R. 7 W and 6 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 77, a sufficient amount of water to irrigate 6 acres of land, computed at 1/2 of a cubic foot per second of time.

No. Sixty-three. Road Ditch No. 1. That said ditch is entitled to priority No. 78, provided a statement of claim shall have been filed in the County Clerk's office and with the State Hydraulic Engineer as required by the statute; it is claimed by M. A. Parrish, and C. W. Smith; it is supplied with water from Muddy creek, a tributary of the Uncompahgre river; the head-gate is located on the NE¼ NE¼ Sec. 27, Twp. 25 S. R. 7 W; and 80 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto,

under and by virtue of priority No. 78. provided a statement of claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 80 acres of land, computed at 1/60 cubic feet per second of time.

No. Sixty-Four. Timothy Ditch; That said ditch is entitled to priority No. 79, and is claimed by Alfred P. McIntire; it is supplied with water from the Kenaiyan river; the head-gate is located on the SE¼ Sec. 7. Twp. 27 S. R. 7 W; and 14 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed, That there be allowed to flow into said ditch from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 79, a sufficient amount of water to irrigate 14 acres of land, computed at .28 of a cubic foot per second of time.

No. Sixty-Five. Sharpsdale Ditch; That said ditch is entitled to priority No. 80 and is claimed by C. B. Sharp; it is supplied with water from Moose Creek, a tributary of Jay creek, a tributary of the Kenaiyan river; the head-gate is located on NE¼ NE¼ Sec. 2 Twp. 27 S. R. 7 W and 6 acres of land are irrigated therefrom; 130

And it is hereby adjudged and decreed, That there be allowed to flow into said ditch, from said creek, for the purpose of irrigation for the use of the parties lawfully entitled thereto

under and by virtue of priority of appropriation No. 80, a sufficient amount of water to irrigate 6 acres of land, computed at .12 of a cubic foot, per second of time.

No. Sixty-Six. Brooke Creek Ditch. That said ditch is entitled to priority of appropriation No. 82, and is claimed by Brooke Eskridge; it is supplied with water from Brooke creek, a tributary of Muddy creek, a tributary of the Neuse river; the head-gate is located on SW¼ Sec. 34, Twp. 25 S. R. 7 W. and 40 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No 82, a sufficient amount of water to irrigate 40 acres of land, computed at .80 of a cubic foot per second of time.

No. Sixty-Seven. James Cary Ditch. That said ditch is entitled to priorities Nos. 83 and 87, provided a statement of claim shall have been filed in the County Clerk's office, and with the State Hydraulic Engineer, as required by the Statute; it is claimed by Walter A. Monroe, Jonathan Mulligan; the head-gate is located on SE¼ Sec. 8, Twp. 26 S. R. 7 W.; it is supplied with water from Muddy creek, a tributary of the Neuse river, and 175 acres of land are irrigated therefrom.

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And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto under and by virtue of priority of appropriation No. 83, a sufficient amount of water to irrigate 30 acres of land, computed at .60 of a cubic foot per second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of appropriation No. 87, provided a statement of claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 145 acres of land, computed at 2.90 cubic feet per second of time; and the whole amount of water to which said ditch is at present entitled, subject to the provision aforesaid, is computed at 3.50 cubic feet per second of time.

No. Sixty-Eight. Muddy Ditch: That said ditch is entitled to priority No. 84, and is claimed by Brooke Eskridge; it is supplied with water from Muddy creek, a tributary of Beaverhead river; the head-gate is located on the E/4 Sec. 34, Twp. 2 S. R. 7 W. and 40 acres of land are irrigated therefrom.

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said Creek for the purpose of irrigation, for the use of the parties lawfully entitled thereto

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under and by virtue of priority of appropriation No. 84 a sufficient amount of water to irrigate 40 acres of land, computed at .80 of a cubic foot per second of time

No. Sixty-Nine. Madrid Ditch: — That said ditch is entitled to priority No. 85 and is claimed by Mynie Bird; it is supplied with water from Rincon creek, a tributary of the Rio Grande river; its head-gate is located on the NW¼ NW¼ Sec. 30. Twp. 27S. R. 70 W, and 9 acres are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 85, a sufficient amount of water to irrigate 9 acres of land computed at .18 of a cubic foot per second of time.

No. Seventy. J. M. Murray Ditch: — That said ditch is entitled to priorities Nos 88 and 90 and is claimed by J. M. Murray it is supplied with water from Muddy creek a tributary of the Huerfano river; the head-gate is located on Section 16. Twp. 25S. R. 71 W and 75 acres of land are irrigated therefrom; 133

And it is hereby adjudged and decreed

that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the parties entitled thereto, under and by virtue of priority of appropriation No. 88, a sufficient amount of water to irrigate 50 acres of land, computed at 1 cubic foot per second of time; and there be further allowed to flow into said ditch, as aforesaid, by virtue of priority of appropriation No. 90, a sufficient amount of water additional, to irrigate 25 acres of land, computed at .50 of a cubic foot per second of time; and the whole amount of water to which said ditch is so presumptively entitled, is computed at 1.50 cubic feet per second of time.

No. Seventy-One. Mill Ditch; That said ditch is entitled to priority No. 91, provided a statement of claim shall have been filed in the County Clerks office and with the State Hydraulic Engineer, as required by the Statute; it is claimed by J. B. Henderson; it is supplied with water from the Henrys Fork river; the head-gate is located on the SW¼ NW¼ Sec. 23, Twp. 6 S. R. 7 W, and 150 acres of land lie under said ditch and are being and heretofore to be irrigated therefrom;

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And it is hereby adjudged and decreed that there be allowed to flow into said

ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 91, provided a Statement of Claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 150 acres of land, computed at 3 cubic feet per second of time.

No. Seventy-two. Montez Ditch;— That said ditch is entitled to priority No. 92, ~~from the filing of~~ as provided by Statute ~~shall have been filed~~ a Statement of Claim with the County Clerk and Ex-Officio Recorder ~~subject to adverse rights if any such, as provided by Statute~~, ~~may have intervened~~; It is claimed by Jesus de Dios Montez, Reyes Cosies, Santiago Chacon, Victor Hayes, Jose Maria Solines, Cruz Nidel, Tomas Martinez, Jesus Garcia, Domingo Valdez, Juan C. Martinez, Antonio Maria Cruz, Brigido Nestos, Juan Pacheco, Salvador Atencio, Jose de la Luz Atencio, and Olegario Rodrigues; it is supplied with water from the Navajo river; the head-gate is located on the SW¼ NE¼ sec. 4, Tp. 27 S. R. 7 W; and 2470 acres of land are being and purposed to be irrigated therefrom. The full capacity of said ditch as constructed is 37.62 cubic feet per second of time. 135

And it is hereby adjudged and decreed, that there be allowed to said

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into said ditch, from said river, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 92, provided a Statement of claim shall have been filed as aforesaid, a sufficient amount of water to irrigate 240 acres of land as nearly as the capacity of said ditch will permit, which is calculated at 37.6 of cubic feet per second of time, in the Statement of claim filed herein.

No. Seventy-Three. Burns Ditch:- That said ditch is entitled to priority No. 99, provided a Statement of claim shall have been filed in the County Clerk's office and with the State Hydraulic Engineer as required by the Statute; it is claimed by Rosario Manganores, Tomas Maes, Victorio Ramirez Francisco Trujillo, Clento Maes, Dan Maes, Julian Madrid, John O'Burns Antonio Maes, Benigno Maes, Francisco ~~Trujillo~~ A. Martin; it is supplied with water from Chama creek, a tributary of the Navajo river; the head-gate is located on the SE/4 NW/4 Sec 14 Twp. 27 S. R. 7 W, and 410 acres are lying and are presumed to be irrigated thereform;

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And it is hereby adjudged and decreed that there be allowed to flow into said

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ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation, as provided & declared of claims heretofore filed as aforesaid, a sufficient amount of water to irrigate 410 acres of land, computed at 8.20 cubic feet per second of time.

And more particularly in regard to the several ditches and their enlargements, that are supplied with water from Apache creek, a tributary of the Verde river, respectively as follows:

No. One. Whitman & Hoff Ditch;

That said ditch is entitled to priority Nos. 1 and 8, and is claimed by B. F. Whitman; It is supplied with water from Apache creek, a tributary of the Verde river; the head-gate is located on the NW¼ SW¼ Sec. 26, Twp 25 S. R. 6 7 W, and 150 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 1, a sufficient amount of water to irrigate 15 acres of land, computed at 20 of a cubic foot per second of time; and that there be further allowed to flow

into said ditch as aforesaid, under and by virtue of priority of appropriation No. 8 a sufficient amount of water additional to irrigate 135 acres of land, computed at 2.70 cubic feet per second of time; And the whole amount of water to which said ditch is at present entitled is computed at 3 cubic feet per second of time.

No. Irr. Gan Ditch; That said ditch is entitled to priority No. 2, and is claimed by John Lowenbruck, Alex Levy and Nancy M. Reed; it is supplied with water from Apache creek, a tributary of the Neversank river; the head-gate is located on NE1/4 SE1/4 Sec. 25. Tp. 25 S. R. 6 W. and 300 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 2, a sufficient amount of water to irrigate 300 acres of land, computed at 6 cubic feet per second of time

No. Five Carreniss Ditch; That said ditch is entitled to priority No. 8. And is claimed by John Lowenbruck and Alex. Levy. It is supplied with wate

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from Apache creek, a tributary of the Hueneme river; the head-gate is located on the NW 1/4 SE 1/4 Sec. 30 T. 2 S. R. 66 W, and 38 acres are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 85 a sufficient amount of water to irrigate 38 acres of land, computed at .76 of a cubic foot per second of time.

Changed to No 4 on hearing Another under

No. ~~Four~~ Three. Graham Ditch. Said ditch is entitled to priority No. 3 and is claimed by Daniel N. Tolles and N. Bradley; it is supplied with water from Apache creek, a tributary of the Hueneme river; the head-gate is located on NW 1/4 NE 1/4 Sec. 25. Tp. 2 S. R. 66 W, and 50 acres of land are irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of the persons lawfully entitled thereto, under and by virtue of priority of appropriation No. 4, a sufficient amount of water to irrigate 50 acres of land, computed at 1 cubic foot per second of time.

Changed to No 3 on hearing Another under

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No. Four Keithley Ditch: That said ditch is entitled to priority No. 4 and is claimed by Daniel M. Tibbild and N. Bradley. It is supplied with water from Apache Creek, a tributary of the Huerfano River; the head-gate is located on SW¼ SW¼ Sec. 29. Twp. 25 S. R. 67 W. and 200 acres of land are irrigated therefrom:

And it is hereby adjudged and decreed that there be allowed to flow with said ditch from said creek, for the purpose of irrigation for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 4, a sufficient amount of water to irrigate 200 acres of land Computed at 4 cubic feet per Second of time.

Changed to No 4 on hearing Court Judge

No. Six. Henry Strange Ditch: That said ditch is entitled to priorities Nos. 6 and 9. Provided a Statement of claim shall have been filed in the County Clerks office and with the State Hydraulic Engineer as required by the Statute; it is claimed by Mary B. Palmer. It is supplied with water from Apache Creek, a tributary of Huerfano River; the head-gate is located on NW¼ SE¼ Sec. 29. Twp. 25 S. R. 66 W. and 175 acres of land are irrigated therefrom: 140

And it is hereby adjudged and decreed that there be allowed to flow

with said ditch, from said creek, for the purpose of irrigation, for the use of the parties lawfully entitled thereto, under and by virtue of priority of appropriation No. 6, a sufficient amount of water to irrigate 75 acres of land, computed at 1.50 cubic feet per second of time; and that there be further allowed to flow into said ditch, as aforesaid, under and by virtue of priority of appropriation No. 9, as to no provided a statement of claim shall have been filed as aforesaid, a sufficient amount of water, additional, to irrigate 100 acres of land, computed at 2 cubic feet per second of time; and the whole amount of water to which said ditch is at present entitled, subject to the provisions aforesaid, is computed at 3.50 cubic feet per second of time.

No. Seven, Quillain Ditch. That said ditch is entitled to priority No. 7 and is claimed by Daniel M. Childs and A. Bradley; it is supplied with water from the Apache creek, a tributary of the Verde and Salt rivers, the headgate is located on the NW¼ of NE¼ of Sec. 25 Twp. 25 S. R. 6 E., and 20 acres of land are irrigated therefrom. 141

And it is hereby adjudged and decreed, that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation, for the use of

the parties lawfully entitled thereto under and by virtue of priority of appropriation No. 7, a sufficient amount of water to irrigate 20 acres of land, computed at .40 of a cubic foot of water per second of time.

No. Eight. D. K. L. M & P. Ditch. That said ditch is entitled to priority No. 10, provided a statement of claim shall have been filed in the County Clerks office and with the State Hydraulic Engineer as required by the Statute; it is claimed by George Downing, Frank Kaser, Christian Korst, Henry C. Landrum, John Medill and Frank Parsons; it is supplied with water from Apache creek, a tributary of the Hourglass river; the head-gate is located on the SW¼ SE¼ Sec. 26. Twp. 25 S. R 67 W and 480 acres of land are being and proposed to be irrigated therefrom;

And it is hereby adjudged and decreed that there be allowed to flow into said ditch, from said creek, for the purpose of irrigation for the benefit of the parties lawfully entitled thereto under and by virtue of priority of appropriation No. 10, provided a statement of claim has been filed as aforesaid, a sufficient amount of water to irrigate 480 acres of land, computed at 8.60 cubic feet per second of time.

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And more particularly in regard to the following named Reservoirs having their supply of water from said Apache Creek, to wit:

No. One. Jan Ditch Reservoir, that said reservoir is entitled to Priority No. 1, it is claimed by Nancy M. Reid, it is supplied with water from the said Apache Creek through the said Jan Ditch and is located on the NE¼ SE¼ Sec. 25 Twp 25 S R 67 W, and has a capacity of 15.708 cubic feet, and is used to irrigate lands.

And it is hereby adjudged and decreed, that there be allowed to flow into said reservoir, through said ditch, water sufficient, when not otherwise appropriated for irrigating lands, to fill the said reservoir with water and maintain the same to its full capacity aforesaid, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, under and by virtue of Priority of appropriation No. 1 aforesaid.

No. Two. K and M. Reservoir, that said reservoir is supplied with water from the Apache Creek, it is entitled to Priority No. 2, and is claimed by E Kunst and John Medill, it is located on SE¼ SE¼ Sec. 24 Twp 25 S R 67 W and has capacity of 1.667.783 cubic feet, and is to be used for irrigating 180 acres of land and is fed with water through the

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D. X. L. M & P Ditch,

And it is hereby adjudged and decreed, that there be allowed to flow into said reservoir through said ditch, for the purpose of irrigation, for the benefit of the parties lawfully entitled thereto, a sufficient amount of water, under and by virtue of said "Priority of appropriation No. 2," to fill and maintain to its full capacity the said reservoir at such times as the water in said creek be not otherwise appropriated for irrigating lands, and provided a statement of claim shall have been filed in the County Clerk's office and with the State Hydraulic engineer as required by Statute.

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Baker Rialto No/ 2.	IIC.
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State of Colorado,
County of Huerfano, SS. In the District Court.

In the matter of the adjudication of the Priorities to the use of water in Water District No. I6, Colorado.

Comes now James R. Killian, Referee of said Court in the above entitled matter and returns into Court the statements of claim, maps, plats, exhibits, files, proofs, in said matter made and offered by any persons, persons or corporation, or their agents or attorneys,; also an abstact of such testimony as was offered by all claimants to the use of water for irrigation purposes in said Water District No. I6, and the findings of said Referee made on consideration thereof.

And it appearing to the court, that pursuant to an order, made and entered of record, on the I4th. day of October A.D.I895, that legal notice of thie proceeding by publication and posting of notices was given to all of said claimants in said Water District No. I6, as in such cases made and provided by law and that under this proceeding that it is proper for this court to adjudicate said cause.

And that the Court being now fully advised in the premises it is considered, ordered and ajudged by the Court that the report of the proceedings of said Referee herein now on file, be and the same is hereby approved, that the several findings of said Refereeas reported to and filed in this Courtunder the order of the Court made and entered of record on the I4th. day of October A.D.I895, as modified by a subsequent order made and entered on the I5th day of December A.D.I897, be in all things approved and confirmed and that they be taken, deemed, and held in all respectsas the findings of this Court in this matter.

And it is further ordered adjudged and decreed that the decree herein given full force and effectunder an interlocutory order of this Courtmade and entered on the 23rd. day of June A.D. I897, be changed and modifiedand made in words and figures as follows to-wit:

Judge Northcutt ruled that where the Reed & Killian decrees come in conflict then the Reed decrees are to have the right over Killian decrees.

Signed Feb 23, 1898

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The following is a list of such ditches and reservoirs in Water District No. I6, taking their supply of water from the Huerfano River and its Tributaries, giving the number and name of the dith and reservoir, and the date of appropriation of water by original construction or further appropriations:

Ditch No.	Ditch.	Date.
I.	I.	Jan. 25, I86I.
2	Welton	April I5, I86I.
3.	Pryor	May I5, I862.
4.	Pino	May 30 I862.
5.	Hermosilla	April 25, I863.
6.	Field.	June I, I863.
7.	Guillen	May I5, I868. 1865
8.	Huerfano Extension and Muddy Creek	April 2, I866.
9.	School Section	May I5, I866.
I0.	John Berard.	March 20 I867.
II.	Garcia	April 26, I867.
I2	Hayes	May I5, I867.
I3.	Felipa	June I, I867.
I4	Old Time	Aug. I0, I868.
I5.	Mariano	March 8, I869.
I6.	Molla	March I0, I869.
I7. R	Ramos	March I2, I869.
I8.	Vigil No 1	April 1 1869
I9.	Vigil Pass Creek	April I5, I869.
20.	Lucero	May 15 1869
2I	Speed-Proffitt	May 30, I869.
22.	Madrid No. 2.	Feb. I5, I87o.
		March I0, I870/

23.	Maldonado	April 5, I870.
24.	Harmes	April I, I87I.
25.	Branch	April 2, I87I.
26.	Edmisten and Estes	May 20, I87I.
27.	Owens	June 5, I87i.
28.	Duran	June I3, I87I.
29.	Trujillo	Feb. I0, I872.
30.	Maes	March I0, I872.
3I.	Rahn and Martine	April I5, I872.
32.	Edmisten	May 5, I872.
33.	Double Dobie	May I6, I872.
34.	Z Half Circle	May 30, I872.
36	Bruce Irrigating and Domestic Supply	~~March 2, I873.~~ June 8 1872
3[illegible].	Lone Pine Irrigating and Domestic Supply	March 2, I873.
37.	Echo Irrigating	March I7, I873.
38.	West	March 20, I873.
39.	East Side	April I? I873.
40.	House	April 3, I873.
4I.	Spring Irrigating	April 20, I873.
42.	Polito	May I5, I873.
43.	Arnold No. 2.	June I, I873,
44.	Smith	June I, I873.
45.	Ramon Apodaca	Oct. 20, I873.
46.	Frink	March I6, I874.
47.	Hampton	March I5, I874.
48	Rocky Flat	April 2, I874.
49	Blundell	April I5, I874.
50	Kinsey	April I6, I874.
5I	Vigil No. 2.	April 25, I874.
52	Necessary	May 2 I874.

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53	Frank Martin	May 28, 1874.
54	Lewis	June I, 1874.
55	Quintana	June I, 1874.
56	Garden	April I5, 1875.
57	Hurtado	April 1875
58	Deus Malachite Irrigating and Mill	Aug. I5 1875.
59	Childs Lake No. 2.	April 20, 1876.
60	Castro	May 5, 1876.
6I	Kerby No 2	Feb. I6, 1877.
62	Todora	April I, 1877.
63	Stevens	April 2, 1878.
64	Eugenio	Feb. I5, 1879.
65	Robinson and Pettyy	April I, 1879.
66	Toll Gate	April I6 1879.
67		
68		
69	Tiger	Oct I5, 1879.
70	Simons	April I0, 1880
7I	LaVeta Town	May 3, 1880
72	Baker Rialto No.I	May I5, 1881.
73	Baker Rialto No. 2.	May I5, 1881
74	Homestead	Jan. I, 1882.
75	Piedras Amarillas	April I5, 1882,
76.	Pasture	April I5, 1882.
77	, Kerby,	Feb. I, 1883.
78	W. R. Willis No. 2.	April 3, 1883.
79.	John Gribble	April I0, 1883.
80	Galvan	April I0, 1883.
8I	Timothy	June I, 1883.
82.	Frohlic and Paul	June 5, 1883.
83.	Stonewall	June I6, 1883.
84.	Madrid No. 3.	June I6, 1883.

85.	Duhme	Feb. I5, I884.
86	Freeland	April 5, I884.
87.	Caldwell Irrigating	May I7, I884.
88	East White Creek	June I6, I884.
89	Deer Creek	July I5, I884.
90	Pacheco	Nov. 10. I884.
9I.	Pedro Gomez	Feb 5 I885.
92	Wilson No. 2.	March I, I885.
93.	Autobees	April 5, I885.
94	Butte Valley	May I5, I886.
95	Daggett	May 29, I886.
96,	Monroe and More	Feb. I0 I887.
97	Ben Butler	March I5, I887.
98	Aragon	May 2, I887.
99	Mountain View	May 23, I887.
Ioo.	W. R. Willis No. 3	June I7, I887.
I0I	Huerfano Valley	Feb 2, I888. Dec 31 87
I02	Gardner	Feb I[illegible], I888.
I03	Gomez	April I0, I888.
Io4	Devine	April 20, I888.
~~I05.~~		~~Oak Creek Spring~~
I05.	Oak Creek Spring	May I, I888.
I06	Freeland and Turner	June [illegible]5, I888
I07	Pope Brothers	Oct I5, I888.
I08	Bott.	Nov. I I888.
I09	Ellis	Dec12, I888.
II0	Epifanio	Feb. I5, I889.
III	Arnold No. I.	March I5, I889.

II2	Faulkner	April I6 I889.
II3	Smith Crumley	May II, I889.
II4	Russell	May 25, I889.
II5	Tracey Extension	June 2, I889.
II6	White Creek	June I0, I859.
II7	Roy	July I, I889.
II8	Erwin	July I0, I889.
II9	Martin No/ 2.	July I5, I889.
I20	Cyclone	July 20, I859.
I2I	Fry	Jan. I, I890.
I22	Mary A. McLain Enlargement of Devine,	May I? I890.
I23	Butte	June I6, I890
I24.	Mexican Branch	July I3, I890.
I25.	Tom Branch	July I5, I890
I26	Landers	Feb. I, I89i.
I27	[illegible] No. 2	March 28, I89i.
I28	Robinson	April 20, I89i.
I29.	Cyracilla	May I, I89I.
I30	Echo	May I7, I89I
I3I	Petrie	July I5, I89I.
I32.	Laforet	April I, I892.
I33	Luna	April 5, I892.
I34	Farmers	Oct I, I893.
I35	Dog Tow No. 2.	Nov. 8, I893.
I36	√ Sisneros	April I2, I894.
I37	Chapparel	June I5, I894.
I38.	Kerlee	April 20, I895.
I39	Frank	April 25 I895.
I40	Desert Claim	Nov. 2I, I895.

I4I/	Miller	March 5, I896.
I42	Mathews	April I5 I896.
I43	Sowers	April 28, I896.
	Underflow and Seepage Ditches.	
I A.	Ojo Springs	July 20, I892.
2A.	Krier Underflow	June 5, I894.
3 A/	Underflow No. I.	Jan I2, I895.
4A.	Coan Spring	May I, I895.
5A	Gerdon Springs	March 3, I896.

The following is a list of reservoirs in Water District No. I6, used for storage purposes and supplied by ditches taking the supply of water from the Huerfano River and its Tributaries, giving the name of the Reservoir, its pricrity number, date of ~~construction~~ Construction, and storage capacity in cubic feet

No.	Name.	Date.	Cubic Feet.
I.	Maria	May, 3, I872.	I6, 354400.
2.	C. T. Ritchey	Oct. I5, I884.	I,200,000.
3	Robinson	July I, I885.	2,500,000
4	Hayes	July I5, I886	I,448,400.
5	Montez	Jan. 2, I888.	25I,4I0.
6	Huerfano Valley	Feb. 2, I888	87,855,600.
7	LaJoya	April I0, I888	7,74I,400.
8.	Stevens	May I5, I888	9I,I50.
9	Pope Brothers	Oct. I5, I888	4,024,238.
I0	McMillian	Oct. I5, I889	I,045,000.
II	Sharps Orchard	July I, I889	3,696,000.
I2	Ellis	Oct. I, I889	450,000.
I3	McDonald	May I7, I89I,	9I,I50.
I4	Archuleta	July I5, I893	569,400.

The fol lowing is a list of such ditches in Water District No. 6 I6, taking their supply of wa ter from the Huerfano River and its tributaries, giving the number and name of the ditch, and the number of cubic feet of water decreed to each ditch, by either original construction, enlargement, extension or further appropriation of water.

No. I.	Ditch.	Cubic feet.
I.	Bo Boyce	I.
2.	Welton	2.
3.	Pryor	3.
4.	Pino	I.
5.	Hermosilla	4.
6.	Field.	I.
7.	Guillen	2.
8.	Huerfano Extension Muddy Creek	I
9.	School Section	I.
I0.	John Berard	I.
II.	Garcia	2.9.
I2	Hayes	I/2.
I3	Felipa	I.
I4.	Old Time	I/
I5.	Mariano	I.6.
I6.	Molla	3.
I7.	Ramos	2.4.
I8.	Vigil No. I	I.
I9.	Deus Pass creek	I.
20/	Lucero	I.
2I	Speed Profiitt	I.
22.	Madrid No. 2.	7.4.
23.	Maldonado	4.4.
24	Harmes	2.I2.

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25	Branch	I.2.
26.	Edmisten and Estes	I.
27.	Owens	I.
28	Duran	I.
29.	Trujillo	I.
30/	Maes	I.
3I.	Rahn and Martines	I.
32.	Edmisten	I.
33.	Double Dobie	.
34.	Z Half Circle	I.8
35.	Bruce Irrigating and Domestic Supply	I.
36.	Lone Pine Irrigating and Domestic Supply	I.
37.	Echo Irrigating	I.
38.	West	I.
39.	East side	I.
40.	House	I.
4I.	Spring Irrigating I.	I.
42	Polito	I.
43.	Arnold No. 2.	I.
44.	Smith	I.2.
45.	Ramon Apodqca	I.
46.	Frink	I.2
47.	Hampton I.	I.
48. Rocky Flat		I.
49	Blundell	I.
50.	Kinsey	I.8.
5I.	Vigil No2	2.5.
52.	Necessary	I. [redacted]
53	Frank Martin	I.
54.	Lewis	I.
55.	Quintana	I.

56	Gardner	I.
57.	Hurtado	I.
58.	Deus Malachite Irrigating and Mill	I.
59.	Childs Lake No. 2.	I.
60.	Castro	I.
6I.	Kerby No. 2.	I.
62	Teodora	I.
63	Stevens	I.
64.	Eugenio	I.
65.	Robinson and Petty	I.
66	Toll Gate	I.
67	Bear Canon	I.
68.	Stanley	I.
69	Tiger	I.
70	Simons	I.
7I /	LaVeta Town I.5.	1.5
72	Baker Rialto No. I.	I.
73 Baker Rialto No. 2		I.2.
74	Homestead	I.
75	Piedras Amarillas	I.
76.	Pasture	I.
77	Kerby	I.
78	W. R. Willis No. 2	I.
John Gribble		I.6.
80	Galvan	I.
8I.	Timothy	I.
82.	Frohlich and Paul	I.
83	Stonewall	I.
84.	Madrid No.3.	I.

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85.	Duhme	I,4.
86	Frecland	I,3.
87.	Caldwell Irrigating	I.
88	East White creek	I.
89	Deer creek	I.
90.	Pacheco	I.
91.	Pedro Gomez	I.
92.	Wilson No. 2	I.
93.	Autobees	I.
94.	Butte Valley	3.
95	Daggott	6.
96.	Monroe and Moore	I.
97.	Ben Butler	I.
98.	Aragon	I.
99	Mountain View	I.
100.	W. R. Willis No. 3.	I.
101	Huerfano Valley	42.
102.	Gardner	I.5.
103.	Gomez	7.
104.	Devine	I.
105	Oak Creek Springs	I.
106	Freeland and Turner	I.
107.	Pope Brothers	I.
108	Bott	I/2. 1.2
109	Ellis	I3.
110.	Epifanio	3.4.
111	Arnold No. I.	I.5.
112	Faulkner	I.
113	Smith-Crumley	I.2.

II4.	Russel	I.
II5	Tracy Extension	I.
II6	White Creek	I.
II7.	Roy	I.
II8	Erwin	I.
II9.	MartinNo. 2.	I.
I20	Cyclone	I. 2.
I2I.	Fry	I.
I22	Mary A. McLain	I.
I23	Butte	5.
I24.	Mexican Branch	2.
I25.	Tom Branch	2.
I26	Landers	I.
I27.	Ute No. 2.	I.
I28	Robinson	3.
I29.	Cyracilla	I.
I30	Echo	I.
I3I.	Petrie	2.
I32	Laporet	I.
I33	Luna	I.
I34	Farmers	6.
I35	Dog Town No. 2.	I/6
I36.	Sisneros	2.5.
I37	Chapparel	I.
I38	Kerlee	I.
I39.	Frank	I.
I40	Desert Claim	I.
I4I.	Miller	I.
I42	Mathews	I.
I43	Sowers	I.

Underflow Seepage and Spring Ditches.

I A.	Ojo Springs	I.
2A	Krier Underflow	I.
3A.	Underflow No. I.	I.
4A.	Coan Spring	I.
5A.	Gordon Springs	

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More particularly in regard to the said ditches and reservoirs and all priorities to which they are entitled respectively, as follows, to-wit;

No. I. Bo Boyce Ditch.

That said Bo Boyce ditch is entitled to priority No. I.

It is claimed by H. B. Jones, Felix St. Vrainand Marcelino ~~Pato~~Trujillo/ whose post office address is St. Marys, Colorado. The headgate of s od ditch is located on the North bank of the Huerfano River, in the NW I/4 of the S.E. I/4 of Sec. 26, T. 26 S. R. 67 W. The general course is Northeasterly; length 9479 feet; width at bottom 3 feet; depth of water carried I5 inches; grade 23 feet per mile; and the carrying capacity is computed to be a flow of 23.I6 cubic feet of water per second of time. The said ditch has been and is being used for the irrigation of I0 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Bo Boyce ditch, from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto, under and by virtue of the appropriation of water th thereby mad, the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. I, January 25~~m~~ I86I, water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of water persecond of time.

18

No. 2. Welton Ditch.

That said Welton Ditch is entitled to priority no's 2 and 5

It is claimed by W. H. Adams, H. C. Adams, whose post office address is New York City, N. Y. ; James Walsh, Thomas Maney, whose post office address is St. Joseph, Mo.; R. W. Hooker, whose post office address is Undercliff, Colorado; Ludwig Kramer, Minnie Kramer and Clara Kramer, whose post office address is Pueblo, Colorado.

The headgate of said ditch is located on the east bank of Huerfano River, at a point south 60d 33' West 37.39 chains from 1/4 section corner of Secs. 20 and 29, T. 22 S., R. 62 W. The general course is northeasterly; length about 5 miles; width at bottom 6 feet; depth of water carried 18 inches; grade 3.2 feet per mile and the carrying capacity is computed to be a flow of 42 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 560 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Welton ditch, from said Huerfano River, for the use aforesaid for the benefit of the parties lawfully entitled thereto, under and by virtue of the several appropriations of water thereby made, the amounts of water, as of priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 2, April 15,1861, 2 cu. ft. of water per second of time.

[redacted]

By further appropriation of water.
App. Priority No.5,April 15, 1863,9.2 cu.ft. per second of time.

19

No. 3. Pryor Ditch.

That said Pryor ditch is entitled to priority Nos. 3 and 38. It is claimed by Crippon Lawrence and Co., whose post office address is Denver, Colorado.

The headgate of said ditch is located on the south bank of the Huerfano River, at a point on the S. E. I/4 of Sec. II, T. 23 S. R. 63 W. The general course is northeasterly; length 3 1/4 miles; width at bottom 4 feet; depth of water carried I8 inches; grade 5 feet per mile; and the carrying capacity is computed to be a flow of 21.00 cubic feet of water per second of time;

The said ditch has been and is being used for the irrigation of 300 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Pryor ditch, from said Huerfano River, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made, the amounts of water as of priority numbers ad d and dates as follows to-wit.

By original construction.

App.Priority No.3,May I5,I862,3 Cu.ft.per second of time.

~~By Priority No.38, May 15, 1872, 3 cu. ft. per second of time~~

By further appropriationof water.

App. Priority No.38, May I5,I872,3 cu. ft. per second of time.

No. 4. Pino Ditch.

That said Pino Ditch is entitled to priority Nos. 4 and 9.

It is claimed by Juan N. Pino, Manuel Pino, Mrs. M. Medina, Jose Pino, Marcelino Pino, Duvijes Pino, Bartolo Aragon, Timothy Foley, and John Bennettm, whose post office address is St. Marys, Colorado.

The headgate of said ditch is located on the south bank of the Huerfano River, at a point whence the south-west corner of Sec. 36, T. 26 S. R. 68 W. bears North 10d. 15' West 890 feet. The general course is North easterly; length 2 miles; width at bottom 4 feet depth of water carried 18 inches; grade 10 feet per mile; and the carrying capacity is computed to be a flow of 5.2 cubic feet of water per second of tie.

The said ditch has been and is being used for the irrigation of 105 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Pino ditch from said Huerfano River for the useafores id for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of priority number and dates as follows to-wit;

By original constructio'n.App.

App. Priority No. 4, May 30, 1862, water sufficient too irrigate practicablt 25 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

By further appropriation of water.

App. Priority No.9,May 30,1865,1.6 cu.ft.per second of time.

No. 5. Hermosilla Ditch.

That said Hermosilla Ditch is entitled to priority no. 6 and 99. It is claimed by Paul Butler and Blanche Butler Ames, whose post office address is Lowell Mass.

The headgate of said ditch is locatedon the North bank of the Huerfano River, at a point North 50d. 37' East 1671.5 feet from S. W. Corner of Sec. 32, T.23 S., R.63 W. The general course is North easterly; length 5 miles; width at bottom 6 feet; depth of water carried36 inches; grade 2 feet per mile; and the carrying capacity is computed to be a flow of 43.8 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 400 acres of land and takes its supply of water from the Huerfano river.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Hermosilla Ditch from said Huerfano River for the use of resaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 6, April 26, 1863, 4 cu.ft.per second of time.

By further appropriation of water.

App. Priority No. 99, April 25, 1887,4 cu. ft. per seceondof time

No. 6 Field Ditch.

That s id Field ditch is entitled to priority No. 7.

It is claimed by William H. Busk whose post office address is c/e care of Charles C. Stein, Pueblo, Colorado.

The headgate of said ditch is located on the North bank of the Huerfano River, at a point North 48d. 28' East 3465 feet from S. W. corner of S. E. I/4, of Sec. 4, T.22,S. R. 62 W.

The general course is ....; length nearly I mile; width at bottom 4 feet; depth of water carr ied 24 inches; grade I foot in 800 feet; and the carrying capacity is computed to be a f low of I4 1/2 cubic feet of water per second of time;

That said ditch has been and is being used for the irrigation of 35 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into s id Field Ditch from s id Huerfano River, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and dae as follows to-wit;

App. Priority No. 7, June I, I863, water sufficient to irrigate practicably 35 acres of land in an amount not to exceed I cubic foot of water per second of time;

No. 7. Guillen Ditch.

That said Guillen ditch is entitled to priority No. 8.
It is claimed by Fred Walsen whose post office address is Walsenburg, Color do.

The headgate of said ditch is located on the North bank of the Cucharas River, a tributary of the Huerfano River, at a pointin h the N. E. I/4of Sec. 7, T. 29 S., R. 68 W. The general course is Northeasterly; length 78I5 feet; width at bottom 2 feet; depth of water carriedI2 inches; grade 50 feet per mile; and the carrying capacity is computed to be a flow of 2I cubic feet of water per second of time.

That said ditch has been and is being used for the irrigation of I00 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into s id Guillen ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made, the amount of water as of priorty number and date s as follows to-wit;

By original construction.

App. Priority No.8, May I5, I865,2 cu.ft. per second of time;

No. 8. Huerfano Extension and Muddy Creek Ditch.

That said Huerfano Extension and Muddy Creek is entitled to Priority No. 10. It is claimed by the American National Bank of Pueblo, Colorado.

The headgate of said ditch is located on the South bank of the Huerfano River(the original headgate was located at some point on Muddy Creek) a tributary of the Huerfano River)not specifically set forth) at a point in the N.W.1/4 of the S.E.1/4 of Sec. 23, T. 27 S. R 70 W. The general course is northeasterly; length 12180 feet; width at bottom 5 feet; depth of water carried 18 inches grade 20 feet per mile; and the carrying capacity is computed to be a flow of 7 cubic feet of water per second of time The said ditch has been and is being used for the irrigation of 35 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into s aid Huerfano Extension and Muddy Creek ditch from s id Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto, under and by virtue of the several appropriations of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 10, April 2, 1866, water sufficient to irrigate practicably 35 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

No. 9. School Section Ditch.

That said School Section ditch is entitled to priority No. II. It is claimed by Jose Ramon Trujillo and Agapito de los Angelos Mabjnez, whose post office address is Talpa, Colorado.

The headgate of said ditch is located on the North bank of the Huerfano River, at a point whence the south west corner of Sec. 36, T. 27/ S. R. 69, W.(exact point not given). The general course is easterly; length 4000 feet; width at bottom 2 feet;depth of watery carriedI5 inches; grade I5 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be alowed to flow into said School Sect ion ditch from said Huerfano River, for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of waterb thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. II, May I5, I866, water sufficientto, irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. I0. John Berard Ditch.

That said John Berrard Ditch is entitled to: priority Nos. I2 and I49. It is claimed by Hamilton Pope, whose post office addrs is Ute, Colorado.

The headgate of said ditch is located on the West bank of the Huerfano River, at a point whence the S.E. Corner of the S.W.I/4 of the N.W.I/4 of Sec. 2, T.26 SR. 66 W. bears N/ 40d.E. 924 feet. The general course is Northerly; length 2690 feet; width at bottom I.5 feet; depth of water carried I2 inches:grade I2f feet per mile and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said John Berard Ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of wa er thereby made the amounts of water as of prior ity numbers and dates as follows tp-wit:

By original construction.

App. Priority No. I2, March 20, I867, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. I49, March 20, I890, water sufficient to irrigate practicably 5 acres of land, in an amount not to exceed I cubic foot of water per second of time.

No. II. Garcia Ditch.

That said Garcia ditch is entitled to priority Nos. I3 and I27. It is claimed by Maria Rufina Rodrigues, Epifanio Martinez, Tedro J. Garcia, Esquepel Apodaca, Candelario Heirs, Joseph Sears, Pedro A. Garcia, Amador A. Aguires, Jose Antonio Uliban, Venturo Medina, Victor Mortolla, Eluterio Santistevan, Pablo Peralto, Jose Ramon Trujillo, Marcial Galves, Demetrio Archuleta, Jose P. Medina, Doniciana Martinez, Tomas Archuleta Heirs, and Edwin W. Baxter, whose post office address is Badito, Colorado, and W. R. Herrick, Trustee, whose post office address is Denver, Colorado.

The headgate of said ditch is located on the south bank of the Huerfano River, at a point 860 feet south 6Id.west of the N.E. corner S.W.I/4 S.E.I/4 of Sec. 28, T.26, S. R. 69 W. The general course is southerly; length 22II4 feet; width at bottom 6 feet; depth of water carried I8 inches;, grade 20 feet per mile; and the carrying capacity is computed to be a flow of I4 cubic feet of water per second of time.
The said ditch has been and is being used for the irrigation of 300 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Garcia ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto, under and by virtue of the several appropriations of water thereby made, the amounts of water as of priority numbers and dates as follows to-wit;

By original construction.
App. Priority No. I3, April 25, I867, 2.9 cubic ft. per second of time.

By further appropriation of water.App. Priority No. I27, May 4, I888, 3.I cu. ft per second of time.

No. I2. Hayes Ditch.

That said Hayes ditch is entitled to priority No. I4.

It is claimed by R. A. Hayes, whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the North bank of Hayes branch a tributary of the Huerfano River through the Cucharas River, at a point whence the N.W.corner S.W.I/4 S.W.I/4 of Sec. 33, T.29 S., R.68 W., bears S. 8d. 45'W. 925 feet. The general course is Northeasterly; length 3/4 of a mile; width at bottom 3 feet; depth of water carried I2 inchesgrade 20 feet per mile; and the carrying capacity is computed to be a flow of I.2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from the Hayes Branch a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Hayes ditch from said Hayes Branch, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

APP.Priority No.I4,May I5, I867, I.2 cu.ft.per second of time.

29

No. I3. Felipa Ditch.

, That said Felipa ditch is entitled to priority No. I5. It is claimed by Mrs Rosario Archuleta, whose post office address is Malachite Colorado, and W. R. Herrick, whose post office address is Denver, Colorado.

The headgate of said ditch is located on the North Bank of the Huerfano River, at a point in the N.W.I/4 of the N.E.I/4 of Sec. 32, T. 26 S., R. 70 W. The general course is Northeasterly length I2893 feet/width at bottom 3 feet; depth of water carried I5 inches; grade 53 feet per mile; and the carrying capacity is computed to be a flow of 35 cubic feet of water per second of time. The said ditch has been and is being usedv for the irrigation of 40 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Felipa ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

APP. Priority No. I5, June I, I867, water sufficient to irrigate practicably 40 acres of land in an amount not to exceed I cubic foot of water per second of time.

30

No. I4 Old Time Ditch.

That said Old Time ditch is entitled to Priority No. I6, and 33. It is claimed by Mrs. Miguel A. Pallejos, whose post ofice address is Cuchara, Colorado.

The headgate of said ditch is located on the North bank of the Cucharas River, a tributary of the Huerfano River, at a point whence the S.W.corner of the N.W.I/4 S.E.I/4, of Sec. 28, T. 27 S.R. 65 W. bears S. 45d. E. 200 feet.

The general course is north-easterly; length 2620 feet width at bottom 2 feet; depth of water carried I2 inches; grade I0 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 55 acres of land and takes its supply of water from the Cucharas River, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Old Time ditch from said Cucharas River for the use aforesaid for the benefit of them parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No.I6.August I0,I868,water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water .

App. Priority No. 33, August I0, I87I, water sufficient to irrigate practicably 35 acres of land in an amount not to exceed I cubic foot of water per second of time.

77 31

317

No. I5. Mariano Ditch.

That said Mariano ditch is entitled to priority No. I7.

It is claimed by J. A. J. Valdes, whose post office address is Walsenburg. and John Hartman whose post office address is Gardner Colorado.

The headgate of said ditch is located in the East bank of Turkey Creek, a tributary of the Huerfano River, at a point whence the I/4 corner between secs. 3 and 4 T/26, S. R. 69W/ bears N. 7Id. 45' W. 800 feet. The general course is South easterly; length 4475 feet; width at bottom I.5 feet; depth of water carried I2 inches; grade I8 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet or water per second of time.

The said ditch has been and is being used for the irrigation of 80m acres of land, and takes its supply of water from Turkey Creek, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Mariano ditch, from sad Turkey Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue if the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. I7, March 8, I869.I.6 cu. ft. per second of time.

Molla Ditch

No. I6. That said Molla Ditch is entitled to priority Nos. I8, 26 and 60. It is claimed by Jesus M. Velarde, Jose Pacheco, Antonio Quintana, Juan M. Vigil, Rufino Gallegos, Pedro Jose Garcia, Catrida Garcia and Pablo Medina Heirs whose post offive address is Gardner, Colorado.

The headgate of said ditch is located on the South bank of the Huerfano River, at a point on the S.E.I/4 N.W. I/4 Sec. 29, T. 26/ S. R. 69 W. The general course is Northeasterly; length I5649 feet; width at bottom 4 feet; depth of water carried I2 inches; grade 8 feet per mile; and the carrying capacity is computed to be a flow of I0.7 cubic feet of water per second of time The said ditch has been and is being used for the irrigation of 350 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Molla ditch from said Huerfano River, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. I8, March I0, I869, 3 cu.ft.per second of time.

By further appropriation of water.

App.Priority No.26, March I0, I87I, 2 cu.ft.per second of time.

App. Priority No. 60, March I0, I875, 2 Cu.ft.per second of time.

3??

It is further ordered adjudged and decreed that Priority No. 60, in Maes ditch No. 30, and priority No. 60 as decreed herein/ be held and regarded to be as of the same date in point of time of appropriation and use of water, and that said ditches are in every repect equal in their right to the use of water under said priority No. 60, in the amounts respectively decreed to them; and that the water commissioner of Water District No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 60, in proportion to th the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Maes ditch No. 30, as entered herein.

No. I7. Ramos ditch.

That said Ramos ditch is entitled to priority No. I9.

It is claimed by Juan Pacheco, Canuto Baldonado, Mrs Jesus Trujillo, Francisci vigil, and Antonio Lobato, whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the North bank of the Cucharas River, ab tributary of the Huerfano River, at a pint whence the N.E. corner of Sec. 27, T.28 S.R. 67 W., bears N/ 40d. E. 3900 feet; The general course is northeasterly; length 6573 fe feet; width at bottom 2 feet; depth of water carried I8 inches; grade I0 feet per mile; and the carrying capacity is computed to be a flow of 5 cubic feet of water per second of time;

The said ditch has been and is being used for the irrigation of I20 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby orderd adjudged and decreed tha t there be allowed to flow into said Ramos ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority numband date as fpllows to-wit;

App. Priority No. I9, March I2, I869, 2.4cu. ft. per second of time.

35

No. I8. Vigil Ditch.

That said vigil, No. I ditch is entitled to priority Nos. 20 and 83. It is claimed by Edwim W. Baxter whose post office address is Badito Colorado.

The headgate of sa id ditch is located on the south bank of Oak Creek a tributary of the Huerfano River, at a point in the N.W. I/4 N.E.I/4, Sec. I3, T. 27, S. R. 69 W. The general course is Northeasterly; length 6878 feet; width at bottom 2 2/3 feet; depth of water carried .....inches; grade 9.i7 feet per mile; and the carrying capacity is computed to be a flow of I2.66 feet per second of time.

The sid ditch has been and is being used for the irrrigation of 80 acres of land and takes its supply of water from Oak Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Vigil No. I ditch from s id Oak Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amounts of water as of priority numbers and dates as follows to-wit;

By original construction.

APP/ Priority No. 20, April I, I889 , water sufficient to irigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App.Priority No.83,Jan.I,I88I,I cu.ft.of water per second of time

No. I9. Deus Pass Creek Ditch.

That said Deus Pass Creek ditch is entitled to priority Nos. 2I and 27. It is claimed by Charles Deus whose post office addres is Malachite, Colorado.

The headgate of said ditch is located on the East bank of Pass Creek a tributary of the Huerfano River, at a point in th S.W. corner of the N.E.I/4 N.E.I/4, Sec. 5, T.27 S. r. 70 W. The general course is North we terly; length 3/4 mile; widthn at bottom 2 feet; depth of water carried I2 inches; grade 80 feet pae mile and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

That said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from pass Creek a tributary of the Huerfano river.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Deus Pass Creek ditch, from said Pass Creek for the use aforesaid for the benefit of the parties lawfully entitled threrto, under and by virtue of the several appropriatons of water thereby made the amounts of water as of priority number and dates as follows to-wit;

By original construction.

App. Priority No. 2I, May I5, I869, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

By fiurther appropr iation of water.

App. Priority No. 27, March I5, I87I, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. 20 Lucero Ditch.

That said Lucero ditch is entitled to priority No. 22. It is claimed by W. V. Stevens whose post office address is Cucharas Colorado.

The headgate of said ditch is located on the South bank of the Cucharas river a tributary of the Huerfano River. at a point whence the N.W. corner of N.E.I/4 Sec.I, T. 28 S. R.66, W. bears N. Id. 45' w. 684 feet . The general course is Northeasterly; length 3 miles; width at bottom 5 feet;depth of watery carried I6 inches grade 6.6 feet per mile, and the carrying capacity is computed to be a flow of I8 cubic feet of water per second of tie time.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said, Lucer Ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the approrpriation of water there by made the amount of water as of priority number and date as follows to-wit;

By original construction.

App, Priority No. 22, May 30, I869, water suffucient to irrigate practicably 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

38

No I. Maria Reservoir.

It is futther ordered adjudged and decreed that the said Maria Reservoir, claimed by said W. V. Stevens, which is feed from and used in connection with the s id Lucero ditch, as herein decreed for the storage of water and the purpose of irrigating said lands of claimant, the same being located in the N.E.i.4 S.W.I/4 and N.W.I/4 S.E.I/4 Sec. 32, T.27, S.R.65 W., and having a capacity of, I0,354,400 cubic feet of water, is entitled to and do have Reservoir Priority of the number and date as follows towit-

Reservoir Priority No. I. May 3, I872.

No. 21. Speed Proffitt Ditch.

That said Speed Proffit ditch is entitled to priority number 23. It is claimed by William Speed, William L. Proffitt and Luz Gonzales, whose post office address is Walsenburg, Colorado. The headgate of said ditch is located on the South bank of the Huerfano River, at a point South 69d. 50' West from the south east corner of Sec. 19, T. 26 s/ R. 66 W. The general course is northeasterly; length 2600 feet; width at bottom 2 feet; depth of water carried 6 inches ; grade 8 feet per mile; and the carrying capacity is computed to be a flow of 1 cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from the Huerfano river,.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Speed Proffitt ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto, under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 23, February 15, 1870, water sufficient to irrigate practicably 25 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

40

No. 22. Madrid ditch No. 2.

That said Madrid No. 2 ditch is entitled to priority No. 24.

It is claimed by Tomas Espinoza, J. M. Cisneros, Dolores Vallejos, Ramon Gonzales, Felix Lucero, Antonio A. ~~Lucero~~, Martinez, Juan J. Lucero, Juan B. Bustos, Baviania Maes, Teofilo Bustos, Antonio T. Bustos, Concepcion Cisneros, Eulogio Martinez, M. A. Lucero, Antonio Cisneros, Gabriel Madil, Manulita Bustos, and Frederico Chavez whose post office address is Cucharas Colorado.

The headgate of said ditch is located on the south bank of the Cucharas, river, a tributary of the ~~Cucharas r~~ Huerfano River, at a point in the NE1/4 SW1/4, of Sec. 2, T.26, S. R. 66 W.

The general course is northeasterly; length 19853 feet; width at bottom 4i/2 feet; depth of watery carried 12 inches; grade 15 fee per mile; and the carrying capacity is computed to be a flow of 20.9 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 370 acres of land, and takes its supply of water from the Cucharas river a tributary of the Huerfano river.

It is hereby ordered adjudged and decreed that there be allowed to, flow into said Madrid No. 2 ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of wate thereby made the amount of water as of priority number and date as follows to-wit;

By original construction;

App. Priority No. 24, March 10,1870,7.4 cu.ft.per second of time.

No. 23. Maldonado ditch.

That said Maldonado ditch is entitled to priority Nos. 25 and 53. It is claimed by Fred Walsen, Mrs Teodorita N. Garcia, Jorge Kredick and Jose Benito Maes, whose post office address is Walsenburg, Colorado.

The haedgate of sid ditch is located on the South bank of the Cucharas River a tributary of the Huerfano River, at a point W. 900 feetS. 68d. 30' W. 800 feet from the S.W. Corner of NWI/4 of Sec. 5, T. 29 S., R.66 W. The general course is Northeasterly; length 7900 feet; width at bottom 3 feet; depth of water carried I2 inches; grade 6 feet per mile; and the carrying capacity is computed to be a flow of 6 feet of water per second of time.

The said ditch has been and is being used for the irrigation of 240 acres of land and takes itssupply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said ditch from said Cucharas River for the use afoe said for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 25, April 5, I870,4.4 cu.ft.per second of time.

By further appropriation of water.

App. Priority No. 53, April 5, I874, water sufficient to irrigate practicably 20 acres of land in an amount not toexceed I cubic fo foot of water per second of time.

42

No/ 24. Harmes Ditch.

That said Harmes ditch is entitled to priority number 28. It is claimed by William L. Harmes, Jose de La Luz Quintana, Pablo Medina and Esleputa Apodaca, whose post office address is Talpa, Colorado.

The headgate of said ditch is located on the north bank of the Huerfano River, at a point in the N.W.I/4 of the S.W.I/4 of Sec. 28, T. 26, S. R. 69W. , The general course is easterly; length 2.5 miles; width at bottom 4 feet; depth of water carried 36 inches; grade 4.22 feet per mile; and the carrying capacity is computed to be a flow of 5.2 cubic feet of water per second of time;

The said ditch has been and is being used for the irrigation of 106 acres of land and takes its supply of water from the Huerf no River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Harmes ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

APP. Priority No. 28, April I, 1871, 2.12 cu.ft.per second of time.

No. 25. Branch Ditch.

That si d Branch ditch is entitled to priority number No. 29. It is claimed by R. A. Hayes whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the East bank of Hayes Creek, a tributary of the Huerfano River, through the Cucharas River at a point near the south line of Sec. 33, T.29 S.R. 68 W. S. 68d. E. of the S.W. corner S.E.i/4 S.W.I/4, of Sec.33,
The general course is southeasterly; length I/2 mile; width at bottom 2 feet;dept of wate carried I2 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 2.5 cubic feet of water per second of time.
The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from the Hayes Branch a tributary of the Huerfano River Through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Branch ditch from said Hayes Branch for the use aforesaid for the benefit of the partieslawfully entitled thereto under and by virtue of the appropriat on of water thereby made the amount of water as of priority nu ber and date as follows to-wit;

By original construction.

App. Priority No.29,April 2, I87I,I.2 cu.ft.per second of time.

Hayes Reservoir.

It is further ordered adjudged and decreed that the said Hayes Reservoir, claimed by said R. A. Hayes, which is fed from and used in connection with the said Branch ditch, as herein decreed, for the storage of water and the purpose of irrigating lands of the claimant the same being located in the N. I/2 S.W.I/2 Sec. 33, T.29, R.68W., and having a capacity of I,448,400 cubic feet of water is entitled to and do have Reservoir priority of the number and date as follows to-wit;

Reservoir Priority No.4, July I5, I886.

4/5

No. 26. Edmisten and Estes Ditch.

That the said Edmisten and Estes ditch is entitled to Priority Nos. 30 and 76. It is claimed by A. H. Edmisten P. L. Estes and William Ward, whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the West bank of th the Cucharas River, a tributary of the Huerfano River, at a point whence the N.E. corner N.W.I/4 N.E.I/4 of Sec. 5, T. 30 S. R. 68 W. bears North 504 feet. The general course is Northeasterly; length I I/2 miles; width at bottom I.5 feet; depth of water carr ied I2 inches; grade 75 feet per mile; and the carrying capacity is computed to be a flow of 2.5 cubic feet of water per second of time.

The said ditch has beenand is being used for the irrigation of 80 acres of land, and takes its supply of water from the Cucharas river, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allow ed to flow into said Edmisten and Estes ditch from said Cucharas River for the use af oresaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appr opriations of water thereby made the amounts of water as of prior ity numbers and dates as follows to-wit;

By original construction.

App. Priority No. 30, May 20, I87I, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. 76, June I, I879, I/2 cu.ft per second of time.

46

No. 2. C. T. Ritchey Reservoir.

It is hereby ordered adjudged and decreed that the C. T. Ritchey Reservoir, claimed by Calvin T. Ritchey, which is fed from and used in connection with the John Harris No. 2 ditch, the headgate of which is located on the south bank of South Abeyta Creek a tributary of the Huerfano River through the Cucharas River, at a point whence the N.W. corner of Sec. 18, T. 29, S. R. 68 W. b bears N. IId. W. 610 fe t/ as formerly decreed by this court for the Storage of water and the purpose of irrigating lands of Claimant, the same being located S. 23d. 30' E. 360 feet of the N. W. corner of the S.W.I/4 N.W.I/4, Sec. 18, T.29 S. R.68 W. and having a capacity of I,200,000 cubic feet of water, is entitled to and do have Reservoir Priority Noxx of the number and date as follows to-wit.

Reservoir Priority No. 2. Oct 15, 1884.

47

This Agreement Made and entered into this 25th day of April A.D. I898 by and between John F. Read

.333 A

No/ 5. Montez Reservoir.

It is hereby ordered adjudged and decreed that the Montez Reservoir, claimed by Juan de Dios Montez, which is fed from and used in connection with the Montez ditch, the headgate of which is located on the North bank of the Huerfano River, at a point 566 feet S. 68d. E. of the South west corner of the N.W.I/4 N.E.I/4, of Sec. 4, T.27, S. R. 7I W. as formerly decreed by this court, for the storage of water and the irrigation of the lands of the claimant, the same being located on the N.W.i/4 N.W.I/4 Sec.20, T.26, S. R. 70 W. and having a capacity of 25I,4I0 cubic feet of water, is entitled to and do have Reservoir Priority of the number and date as follow to-wit

Reservoir Priority No. 5, January 2, I888.

This Agreement Made and entered into this 25th day of April A.D. 1898 by and between John F. Read

No. 27. Owens Ditch.

That said Owens Ditch is entitled to priority No's. 3I and I5I. It is claimed by Robert Owens whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the East bank of Williams Creek, a tributary of the Huerfano River, at a point whence the quarter corner between Secs. 34 and I3, T.27, S. R. 70 W., bears South 38d. E. 8250 feet. The general course is Southeasterly; length 23I0 feet; width at bottom 2 feet; depth of water carried I8inches. grade 20 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from Williams Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Owens ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto, under and by virtue of the several appropriations of water thereby made the amounts of water as of priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 3i, June 5, I87I, water sufficient to irrigate practicably 30 acres of land in an a ount not to exceed I cubic foot of water per second of time.

App. Priority No. I5I, June 5, I890, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

49

That said Duran ditch is entitled to priority Number 32 and II8.

It is claimed by Manuel Duran, Leonides Valdes, and W. V. Stevens whose post office address is Cucharas Colorado.

The headgate of said ditch is located on the North bank of the Cucharas River, a tributary of the Huerfano River, at a point whence the N.W.corner S.E.1/4 N.W.1/4 of Sec. 29, T.27 S.R. 65W. bears NN. 50d. I0' W. 33I feet; The general course is Northeasterly; length 44I4 feet; width at bottom 26 feet; depth of water carried 24 inches; grade 5.22 feet per mile; and the carrying capacity is computed to be a flow of I9 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I85 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Duran ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 32, June, I3, I87I, water sufficient to irrigate practicably 35 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No.II8, June I, I887, 3 cu.ft. per second of time.

50

No. 28. Trujillo Ditch.

That said Trujillo Ditch is entitled to, priority No. 34.

It is claimed by Mrs. Beatris Trujillo, Juan Duran, Ricardo Vigil Mrs. Encarnacion Olguin and Juan J. Trujillo, whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the North bank of the ~~Huerfano River~~ Cucharas River, a tributary of the Huerafano River, at a point S. 52d. E. 880 feet of the centre of Sec. 32, T. 28S, R. 67w. The general course is north-easterly; length 7100 feet; width at bottom 3 feet; depth of water carried 12 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 9 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 100 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed taht there be allowed to flow into said ditch From said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled there to under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction .

App. Priority No.34, February, 10, 1872, 2 cu.ft.per second of time.

51

No. 30. Maes Ditch.

That said Maes ditch is entitled to Priority Nos. 35 and 60.

It is claimed by Pablo Maes/ Martine Maes, Antonio Lugar, Gregorio Seguro, Felipe Montoya, Feliciana Vallejos, Nicolaza Cruz, Santo Trujillo, Aniceto Chavez, Maria H. Medina, and Jesus C. Mahon, whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the West bank of the a small branch of Turkey Creek, a tributary of the Huerfano River at a point whence the N.E.corner of Sec. 26, T.25 S, R. 69 W. bears S.30d. W 2552 feet. The general course is south westerly; length 9555 feet; width at bottom 2 feet; depth of water carried I2 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 4 cubic of wate per second of time.

The said ditch has been and is being used for the irrigation of 200 acres of land and takes its supply of water from a small branch of Turkey Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Maes ditch from said small branch of Turkey Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers and dates as follows to-wit;

By Original construction.

App. Priority No.35, March I0, I878 I cu.ft.per second of time.

App. Priorit No.60, March I0, I875,3 cu.ft.per second of time.

53

It is further ordered adjudged and decreed that Priority No.60, in Molla ditch, No.I6, and Priority No. 60, as decreed herein, be held and regarded to be as of the same date in point of time of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said priority No.60, in the amounts respectively decreed to them; and that the water commissioner of water district No. I6 ~~No. I6~~ shall at all times regard the above named ditches as being equally entitled to water under said Priority No.60, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly. Reference is hereby made to the decree of said Molla ditch, No. I6 as entered herein.

53

No. 31. Rahn and Martine Ditch.

That said Rahn and Martine ditch is entitled to Priority Nos. 30 and 80. It is claimed by F. C. Rahn and Antonio Martine, whose Post office adress is Malachite, Colorado.

The headgate of said ditch is located on th North bank of the Huerfano River, at a point whence the S.W.corner of the NI/2 N.E.I/4 of Sec.32, T. 26 S. R. 70W., bears E. 378 feet.

The general course is Northeasterly; length I mile; width at bottom 2 feet; depth of water carried I8 inches; grade 40 feet per mile; and the carrying capacity is computed to be a flow of 2.5 cubic feet of water per second of time:

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Rahn and Martine ditch from said Huerfano River for the use aforesaid or the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 86, April I5, I872, water sufficient to irrigate practicably 5 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. 80, April I5, I880, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

54

No. 32. Edmisten Ditch.

That said Edmisten ditch is entitled to Priority Nos? 37 and 92. It is claimed by A. H. Edmisten, whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the East bank of the Cucharas river, a tributary of the Huerfano River, at a point whence the Northwest corner S.W.I/4 N.W.I/4 of Sec.33, T. 29 S. R. 68W. bears N. 38d. 20' W. I4, chains and I50 links. The general course is Northerly; length 3/4 mile; width at bottom 3 feet; depth of watery carried I2 inches; grade 40 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Edmisten ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by the several appropriations of water threrby made the amount of water as of Priority numbers and dates ,as follows to-wit;

By original construction.

App. Priority No.37, May 5, I872, water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of waterper second of time.

By further appropriation of water.

App. Priority No. 92, May5, I883, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

55

Double Dobie Ditch. No. 33.

That said Double Dobie ditch is entitled to Priority Nos. 39 and 82. It is claimed by E.W.Chastain whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the Esat bank of Wajatolla Creek, a tributary of the Huerfano River through the Cucharas River, at a point whence the N.W.1/4 corner N.E.1/4 of Sec. 27, T/ 29 S. R.68 W. bears 56d.45' W. 1380 feet.

The general course is Northeasterly; length 3200 feet; width at bottom 2 feet; depth of water carried 24 inches; grade 16 feet pe per mile; and the carrying capacity is computed to be a flow of of 8 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 40 acres of land and takes its supply of water from Wajatolla Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Double Dobie ditch from said Wajatolla Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations thereby made the amounts of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 39, May 16, 1872, water sufficient to irrigate practicably 15 acres of land in an amount not to exceed 1 cubic foot of waterbper second of time.

By further appropriation of water.

App. Priority No. 82, May 15, 1880, water ufficient to irrigate practicably 25 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

No. 34. Z. Half Circle Ditch.

That said Z Half Circle Ditch is entitled to Priority No. 40.

It is claimed by Elizabeth A. Prator, Agustus Prator, Anna Dick and Leonard Prator, Frank Prator, and Paul Prator, Heirs at Law of H. L. Prator, whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the East bank of Wajatolla Creek, a tributary of the Huerfano River through the Cucharas River, at a point whence the 1/4 Sec. corner of S. line of Sec. 10, T. 30 S. R. 68 W. bears E. 150 feet.

The general course is Northeasterly; length 7740 feet; width 3 feet; depth of water carried 12 inches; grade 52.8 feet per mile; and the carrying capacity is computed to be a flow of 26 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 90 acres of land and takes its supply of water from Wajatolla Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Z Half Circle Ditch from said Wajatolla Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

APP. Priority No. 40, May 30 1872, 1.8 cu. ft. per second of time.

No. 35. Bruce Irrigating and Domestic Supply Ditch.

That said Bruce Irrigating and Domestic Supply Ditch is entitled to Priority Nos. 41 and 110. It is claimed by Jasper Bruce whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the North bank of the Cucharas River a tributary of the Huerfano River, at a point S. 39d. 10' W. 800 feet of N.E. corner of N.W. 1/4 of Sec. 8, T. 30 S. R. 68 W. The general course is north-easterly; length 1875 feet; width at bottom 3 feet; depth of water carried 14 inches; grade 30 2/5 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 75 acres of land and takes its supply of water from the Cucharas River, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Bruce Irrigating and Domestic Supply Ditch from said Cucharas River for the use aforesaid for the benefit of the Parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 41, June 8, 1872, water sufficient to irrigate practicably 25 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

By further Appropriation of water.

App. Priority No. 110, May 5, 1886, 1 cubic foot of water per second of time.

No. I4. Archuleta Reservoir.

It is hereby orderd adjudged and decreed that the Archuleta Reservoir, claimed by Antonio Clito, which is fed from and used in connection with the irrigating No. 2 ditch ~~is~~ the headgate of is located on the .....bank of the Huerfano River, at a point I43 yards IId. west of South from the S.E.corner of S.W.I/4 of N.E.I/4 of Sec. 5, T.27 S. R. 7IW. as formerly decreed by this Court for the storage of water and the purpose of irrigating lands of claimant, the same being located on the S W I/4 N E I/4 Sec. I4, T.27 S. R. ~~2~~I W. and having a capacity of 569,4co cubic feet of water, is entitled to and do have Reservoir Priority of the number and date as follows to-wit;

Reservoir Priority No. I4, July I5, I893.

59

No. 36. Lone Pine Irrigating and Domestic Supply Ditch.

That said Lone Pine Irrigating and Domestic Supply ditch is entitled to priority Nos. 42 and I74. It is claimed by Geoge W/ Kitchen whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the West bank of Cucharas Creek a tributary of the Huerfano River, at a point whence the quarter corner on south line of Sec. 32, T. 29 S. R.68W. bear N. 45d. 45' W. 400 feet; N. 5d. 30' E. I050 feet: N.2d.W 775 feet

The general course is northeasterly; length 3/4 of a mile; width at bottom 2 feet; depth of water carried I2 inches: grade 88.4 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Lone Pine Irrigating and Domestic Supply ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of wher as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority 42, March 2, I873, water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of water per second of time.

Byn further appropriation of water.

App. Priority No. I74, March 2, I895, I cu. ft. per second of tim

100

No. 37. Echo Irrigating Ditch.

That said Echo Irrigating ditch is entitled to Priority No. 43. It is claimed by Jasper Bruce whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the ....bank of Echo Creek , a tributary of the Huerfano River, through the Cucharas River, at a point N. 60d. 40'W. 1030 feet of the S.E. corner of of the N.W.1/4 of Sec. 8, T/ 30 S. R. 68 W. The general course is northeasterly; length 2180 feet; width at bottom 3 feet; depth of water carried 12 inches; grade 15 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 5 acres of land and takes its supply of water from Echo Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Echo Irrigating ditch , from said Echo Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to wit.

By original construction.

App. Priority No. 43, March 17, 1873, water sufficient to irrigate practicably 5 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

61

No. 38. West Ditch.

That said West ditch is entitled to priority Nos. 44 and I09. It is claimed by Fred Dietz, whosen post office address is Silver Cliff Colorado.

The headgate of said ditch is located on the North bank of Williams Creek a tributary of the Huerfano River, at a point whence the N.E.corner of Sec. II, T. 25 S. R. 70 W., bears S.80d. W. 740 feet. The general course is north-easterly; length 4950 feet; width at bottom I.5 feet; depth of wter carried I0 inches; grade 23 feet per mile; and the carrying capacity is computed to be a flow of 3.5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 35 acres of land and takes its supply of water from Williams Creek a tributary of the Huerfno River.

It is hereby ordered adjudged and decreed that there be allowed to flow into s id West Ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of priority , numbers and dates as follows to-wit;

App. Priority No. 44, March 20, I873, water sufficient to irrigate practicably I7 acres of land in an amount no to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. I09, March 20, I886,water sufficient to irrigate practicably I8 acres of land in an amount not to exceed I cubic foot of water per second of time.

62

No. 39. East Side Ditch.That said Esat Side ditch is entitled to Priority Nos. 45, 57, and I7I.

It is claimed by A. H. Quillian and T. J. Quillian, whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the West bank of Williams Cresk, a tributary of the Huerfano River, at a point in the N.E.I/4 N.W.I/4 of Sec. 27, T. 25 S. R. 70 W. The general course is Southerly; length 3/4 of a mile; width at bottom 2 feet; depth of water carried I2 inches; grade 66 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said itch hasbeen and is being used for the irrigation of I8 acres of land and takes its supply of water from Williams Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said East Side ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority Numbers and dates as follows to-wit;

By original construction.

App. Priority No. 45, April I, I873, water sufficient to irrigate practicably 6 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. 57, May 3, I874, water sufficient to irrigate practicably 6 acres of land in an amount not to exceed I cubic foot of water per second of time.

App. Priority No. I7I, May 3, I894, water sufficient to irrigate practicably 6 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. 40. House Ditch.

That said House ditch is entitled to Priority Nos. 46 and 100. It is claimed by A. H. Quillian and T. J. Quillian, whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the East bank of William Creek a tributary of the Huerfano River, at a point in the N.W. I/4 of the S.E.I/4 of Sec. 35, T.24 S. R. 70 W.

The general course is southerly; length I I/2 miles; width at bottom 2 feet; depth of water carried I2 inches; grade 60 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I5 acres of land and takes its supply of water from Williams Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed taht there be allowed to flow into said House Ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto, under andby virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers and dates as follows to-wit.

By origibal construction.

App. Priority No.46, April 3, I873, water sufficient to irrigate 5 acres of land in an amount not to exceed I cubic foot of waterp per second of time.

By further appropriation of water.

App. Priority No. I00, May 3, I884, water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. 4I. Spring Irrigating Ditch.

That said Spring Irrigating ditch is entitled to Priority No.47. It is cliamed by Robert J. Caldwell whose post office address is G rdner, Colorado.

The headgate of said ditch is located on the West bank of Spring Branch, a tributary of the Huerfano River through Pass Creek, at a point I80 yards S.W. from the N.W. corner of Sec.I6 and upon the N.E.I/4 of the N.E.I/4 of Sec. I7, T.27 S. R. 70 W. The general course is northwesterly; length 800 yards; width at bottom I foot; depth of water carried I2 inches; grade 60 feet pe per mile; and the carrying cap city is computed to be a flow of I cubic foot of wter per second of time.

The said ditch has been and is being used for the irrigation of 40 acres of land and takes its supply of water from Spring B Branch a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Spring Irrigating ditch from said Spring Branch for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of, water thereby made the amount of water as of priority number and date as follows to-wit/

By original construction;

App. Priority No. 47. April 20, I873, water sufficient to irrigate practicably 40 acres of land in an amount not to exceed I cubic foot of water per second of time.

65

No. 42. Polito Ditch.

That the said Polito ditch is entitled to priority Nos. 48 and I28. It is claimed by Edward W. Chastain and Estifano Trujillo whose post office addressxixxxiix is LaVeta Colorado.

The headgate of said ditch is located on the West bank of Wajatolla Creek a tributary of the Huerfano River through the Cucharas river, at a point whence the N.W.corner of N.E.I/4 of Sec. 27, T. 29 S. R. 68 WxxxThxxgabears N/ 34d. W. I030 feet;

The general course is north-easterly; length 972 feet; width at bottom 2 feet; depth of water carried I2 inches; grade I6 feet per mile; and the carrying capacity is computed to be a flow of 4 cubic feet of water per sec nd of time.

The said ditch has been and is being used for the irrigation of, 30 acres of land and takes its supply of water from Wajatolla Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Polito ditch from saidxRaixkoWajatolla creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of priority numbers and dates as follows to-wit;

By original construction;

App. Priority No. 48, May I5, I873, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

ny further appropriation of water.

APP.Priority No. i28, May I5, I888, water sufficient to irrigate practicably I5 acres of land i an amount not to exceed I cubic foot of water per second of time.

352

No. 42 Arnold No. 2 Ditch.

That said Arnold No. 2 ditch is entitled to priority nos, 49 and I34. It is claimed by Walter M. Arnold whose post office address is Capps Colorado and Alice M. Unfug whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the North bank of Santa Clara Creek, a tributary of the Huerfano River through the Cucharas River, at a point 400 yards west of the I/4 section corner on the south line of Sec. I7, T. 30, S. R. 66 W.

The general course is north-westerly; length 8907 feet; width at bottom 2 feet; depth of water carried I2 inches; grade 3I feet per mile and the carrying capacity is computed to be a flow of 9.56 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 40 acres of land and takes its supply of water from Santa Clara Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Arnold No. 2 ditch from said Santa Clara Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers anddates as follows to-wit;

App. Priority No. 49, June I, I873, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water. App. Priority No. I34? March I5, water sufficient to irrigate practicably 20 cares of land in an amount not to exceed I Cubic foot of water per second of time

It is further ordered adjudged and decreed that Priority No. 49 in Smith ditch No. 44, and Priority No. 49, as decreed h rein, be held and regardee to be as of the same date in point of time of appropriation and use of water and that said ditches are in every respect equal in their right to the use of water under said priority number 49, in the amounts respectively decreed to them; and that the Water Commissioner of Water District No.? I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 49, in proportion to the respective amounts theret decreed, and that he shall apporti and distribute water to the same accordingly.
Reference is hereby made to the decree of said Smith ditch, No. 44, as entered herein.

It is further ordered adjudged and decreed That Priority No. I34 in Arnold No. I ditch, No. III, and Priority No. I34, as decreed herein, be held and regarded to be as of the same date in point of time of appropriation of water and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. I34, in the amounts respectively decreed to them and that the water commissioner of water district No. I6 shall at al, times regard the above named ditches as being equally entitled to water under said Priority No. I34, in the amounts thereto decreed, and that he shall apportion an distribute water to the same accordingly.
Reference is hereby made to the decree of said Arnold No. I ditch, No. III, as entered herein.

68

No. 44. Smith Ditch.

That said Smith ditch is entitledv to Priority No. 49.
It is claimed by W. J. Smith, whose post office addressis LaVeta Colorado, and Alexander Paddie, whose post of ice address is La. Veta Colorado Emmitsburg, Iowa.

The headgate of said ditch is located on the West bank of Cucharas Creek, a tributary of the Huerfano River, at a point whence the N.W. corner S.E.I/4 S.E.I/4 Sec. 24, T.30 S. R. 69 W .bears N 46d. E. 815 feet and N. 625 feet. The general course is north easterly; length 3/4 of a mile; width at bottom 2 feet; depth of water carried I2 inches; grade I6 feet per mile; and thecarrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from Cucharas Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Smith ditch from said Cucharas Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;
By original construction.
App. Priority No. 49, June I, I873, I.2 cu.ft.per second of time.

It is further ordered adjudged and decreed that Priority No. 49, in Arnold ditch No. 2, No. 243 and Priority No49 , as decreed herein , be held and regarded to be as of the same date in point of time of appropriation and use of water, , and that said ditche are in every respect equal in their right to the use of water under said Priority No. 49, in the amounts respectively decreed to them; and that ther water commissioner of Water District No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 49, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same acco rdingly. Reference is hereby made to the decree of said Arnold No. 2 Ditch, No. 243, as entered herein.

49

No. 45. Ramon Apodaca Ditch.

That said Ramon Apodaca Ditch is entitled to Priority Nos. 80 and 145. It is claimed by A. M. Pryor whose post office address is Pueblo, Colorado.

The headgate of said ditch is located on the north bank of Santa Clara Creek a tributary of the Huerfano River,, through the Cucharas River, at a point in Sec. 3, T. 30 S. R.66W. The general course is .... length ... width at bottom... depth of water carried ... grade ... and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been andis being used for the irrigation of 80 acres of land and takes its supply of water from the Santa Clara Creek a tributary of the Huerfano River through the Cucharas River It is hereby ordered adjudged and decreed that there be allowed ti flow into said Ramon Apodaca Ditch, fro said Santa Clara Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 80, October 20, 1873, water sufficient to irrigate practicably 40 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. 145, October 20, 1889, water sufficient to irrigate practicably 40 acres of land in an amount not to exceed I cubic foot of water per second of time.

70-71

It is further ordered adjudged and decreed that Priority No. 49, in Arnold No. 2 ditch and Priority No. 49 as decreed herein be held and regarded to be as of the same time in point of time of appropriation and use of water and that said ditches are in every respect equal in their right to the use of water under said Priority No. 49, in the amounts respectively decreedto them; and that the water commissioner of water district No. 16 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 49 in the amounts respectively decreed to them and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Arnold No. 2 ditch No. 243, as entered herein.

71

No. 46. Frink Ditch.

That said Frink ditch is entitled to Priority No. 5I.

It is claimed by W. T. Frink whose post office address is Westcliffe, Colorado.

The headgate of said ditch is located on the South bank of Willia Creek a tributary of the Huerfano River, a point whence the N.E.corner of the N.W.I/4 N.E.I/4 of Sec. 3I, T. 25, S. R. 69W. The general course is southerly; length I mile; width at bottom 2 feet; depth of water carried I2 inches; grade I0 feet per mile and the carrying capacity is computed to be a flow of 2.85 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from Williams Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Frink ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. 5I, March 15, 1874, I.2 cu.ft.per second of time.

It is further ordered adjudgedvand decreed that Priority No.5I, in Hampton ditch No. 47, and Priority No. 5I as decreed herein be held and regarded to be as of the same date in point of time of appropriation of water, and that the said ditches are in every respect equal in their right to the use of water under said Priority No. 5I, in the amounts respectively decreed to them. and that the Water Commissioner of Water District No. I6, shall at all times regard the above named ditches as being equally entitled to water under said Priority number 5I, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly. Reference is hereby made to the decree of said Hampton ditch No. 47 as entered herein.

77-73

No. 47. Hampton Ditch.

That said Hampton ditch is entitled to Priority Nos. 5I, 68 ad and I23. It is claimed by Albert S. Campbell whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the South bank of South Abeyta Creek, a tributry of the Huerfano River through the Cucharas River at a point I085 feet N/ 8d. I5'' West of the South east corner of the S.W.I/4 of S.E.I/4 of Sec. 4, T. 29 S. R. 69 W. The general course is South easterly; length I mile; width at bottom 2 feet; depth of water carried I2 inches; grade 75 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 65 acres of land and takes its supply of water from South Abeyta Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Hampton ditch from said South Abeyta Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of priority numbers and dates as follows to-wit;

By original appropriation. App. Priority No. 5I, March I5, I874, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. 68, March I5, I877, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water pervsecond of time.

App. Priority No. I23, March I5, I888, water sufficient to irrigate practicably 25 Acres of land in an amount not to exceed I cubic foot of watern per second of time.

It is further ordered adjudged and decreed that Priority No. 5I in Frink Ditch No. 46, and Priority No. 5I, as decreed herein be held and regarded tobe of as of the same date in point of time of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. 5I, in the amounts respectively decreed to them; and that the water commissioner of water district No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 5I, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Frink ditch No. 46, as entered herein.

15

No. 48. Rocky Flat Ditch.

That said Rocky Flat ditch is entitled to, Priority Nos. 52, 78,97, and I57, It is claimed by R. A. Hayes, H. R. Carson, ~~Willp~~ William Krier, Charles Spielman, T. B. Crumbley, William Bellard whose post office address is La.eta, Colorado.

The headgate of said ditch is located on the West bank of the Cucharas River, a t ributary of the Huerfano River, at a pint whence I/4 corner of Sec. 32, T. 29, S. R. 68 W. bears N. 44d. I5' W. 710 feet.

The general course is northeasterly; length I5756 feet; width at bottom 3 feet; depth of water carried 24 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 6 cubic feet of water per second of time. The said ditch has been and is being used for the irrigation of 300 acres of land and takes its supply of water from the Cucharas River a tributary of he Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Rocky Flat Ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of wate thereby made the amounts of water as of Priority Numbers and date as follows to-wit;

By original construction.

App. Priority No. 52, April 2, I874, water sufficient to irrigate practicably 40 acres of land in an amount not to exceed I cubic foot of wa er per second of time.

By further appropriation of waer.

App.Priority No.78,April2,I880,I.2 cu.ft.per second of time.
App. Priority No.97,April 2, I884,2 cu.ft.per second of time.
App. Priority No.I57,April 2, I89I,2 cu.ft.per second of time.

No. 49. Blundell Ditch.

That said Blundell ditch is entitled to Priority Nos. 54 and I24. It is claimed by Frank Ownbey whose post office address is LaVeta Colorado and The LaVeta Coal Company whose post office address is Pueblo, Colorado.

The headgate of said ditch is located on the North bank of Middle Creek, a tributary of the Huerfano River, through the Cucharas River, at a point whence the S.W.corner S.W.I/4 N.E.I/4 of Sec. I6, T. 29 S. R. 69 W. bears S. 58d. 30' W. 530 feet: The general course is Northeasterly; length 2640 feet; width at bottom 2 feet; depth of water carried I2 inches; grade 32 feet per mile and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 35 acres of land and takes its supply of water from Middle Creek a tributary of he Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Blundell ditch from said Middle Creek for the use aforesaid for the benefit of the partie lawfully enditled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 54, April I0, I874, water sufficient to irrigate practicably 40 acres of lanfd in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.
App. Priority No. I24, April I0, I888, water sufficient to irrigate practicably 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

It is further ordered adjudged and decreed that Priority No. 54, in Kinsey ditch No. 50 abd Priority No. 54 as decreed herein, be held and regarded to be as of the same date inpoint of time of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. 54, in the amounts respectively decreed to them; and that the water commissioner of Water District No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 54, in proportion to the respective amounts thereto decreed, and that he shall appor tion and distribute water to the same accordingly.

Reference is hereby made to the decree of the said kinsey ditch No. 50 as entered herein.

It is further order d adjudged and decreed that Priority No. I24 in Gomez ditch No. I03, and Priority No. I24 as entered herein be held and regarded to be as of the same date in point of time of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. I24, in the amounts respectively decreed to them and that the water commissioner of Water District No. I6, shall at all times regard the above named ditches as being equally entitled to water under said Priority No. I24, in proportion to the respective amounts thereto decreed/ and that he shall apor- tion and distribute water to the same accordingly.

Reference is hereby made to the decree of the said Gomez ditch No. I03 as entered herein.

78

No. 50. Kinsey Ditch.

That said Kinsey ditch is entitled to Priority No. 54.
It is claimed by Alice Vorhees whose post office address is Undercliff, Colorado, and the Heirs of the late Benjamin F. Butler whose post office address is unknown.
The headgate of said ditch is located on the left bank of the Huerfano River, at a point S. 10d. 3' W. 60.76 chains from Sec. cor. of Secs. I5, I6, 2I and 22, T.23 S. R. 63, W.

The general course is northeasterly; length 3 miles; idth at bottom 4 feet; depth of water carried I2 inches; grade 3 feet per mile; and the carrying capacity is computed to be a flow of 8.5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 90 acres of land and takes its supply of water from the Huerfano River.
It is hereby ordered adjudged and decreed that there be allowed to flow into said Kinsey ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amo nt of water as of Priority number and date as follws to-wit.

By original constructi n.

App. Priority No. 54, April I5, I874, I.S cu.ft.per second of time.

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It is further ordered adjudged and decreed that Priority No. 54, in Blundell Ditch No. 49 and Priority No. 54, as decreed herein, be held and regarded to be as of the same date in point of time of the appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. 54, in the amounts respectively decreed to them and that the Water Commissioner of Water district No. 16 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 54, in proportion to the amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Blundell ditch No. 49 as entered herein.

No. 5I. Vigil No. 2 Ditch.

That said Vigil No. 2 ditch is entitled to, Priority Nos.55 and 64. It is claimed by Mrs. M. J. Trujillo, Jesus Trujillo, Mary R. Trujillo, Antonio Trujillo, J.T.Trujillo, Pedro Trujillo Paul Trujilla, Francisci Vigil, Antonio Lobato, Leonore Valdez, Juan Vigil, Juan Pacheco, a d Deciderico Cruz/ whose post office address is Walsenburg, Colorado.

and M. B. Patton and C.R.Lyman, whose post office address is Pueblo, Colorado.

The headgate of said ditch is located on the south bank of the Cucharas River, a tributary of the Huerfano River, at a point in the S.W.I/4 S.E.I/4, Of Sec. 28 T. 28, S. R. 68 W. The general course is easterly; length I.697 feet; width at bottom 3 feet; depth of water carried I8 inches; grade 23 feet per mile and the carrying capacity is computed to be a flow of 35.i4 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 225 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Vigil No. 2 ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of priorit numbers anddates as follows to-wit;

By original construction.

App. Priority No. 55, April 25, I874, 2.5 cu.ft.per second oftime
By further appropriation of water.
App. Priority No. 64, April 25,I876,2 cu.ft.per second of time.

No. 52. Necessary ditch.
That said Necessary ditch is entitled to Priority No. 56.

It is claimed by Jose G. Archuleta, whose post office address is Malachite, Colorado.

The headgate of said ditch is located on the North bank of the Huerfano River, at a point whence the quarter corner between Secs. 4 and 33, T.27 S. R. 71 W. bears N. 3d. E. 1360 feet. The general course is northeasterly; length 1380 feet; width at bottom 1.5 feet; depth of water carried 10 inches; grade 10 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of waterm per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Necessary ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 56, May 2, 1874, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

No. 53. Frank Martin Ditch.

That said Franl Martin ditch is entitled to Priority No. 58.

It is claimed by Frank Ombey whose post offive address is La Veta Colorado, and is alos claimed by The LaVeta Coal Company whose post office address is Pueblo, Colorado.

The headgate of s id ditch is located on the South bank of Middle Creek a tributary of the Huerfano River through the Cucharas River, at a point whence the N.E.corner of the S.W.I/4 N.W.I/4, of Sec. 15, T. 29 S. R. 69 W. bears N.40d.45' W. 353 feet, and N.33d. W. 825 feet; The general course is South easterly/ length 3/4 of a mile; width at bottom 2xfxxxxandxxdepth of water carried I2 inches; grade 50 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of tme.

The said ditch has been and is being used for the irrigation of I4 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Frank Martin Ditch, from said Middle Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to -wit.

By original construction.

App. priority n0/ 58, May 28, I874, water sufficient to irrigate practicably I4 acres of land in amount not to exceed I cubic foot of water per second of time.

83

No. 54. Lewis ditch.

That said Lewis Ditch is entitled to, Priority No. 59 and 66/

It is claimed by The American National Bank, whose post office address is Pueblo, Colorado.

The headgate of said ditch is located on the .....bank of Pass Creek a tributary of the Huerfano River at a point in Sec. 8, T. 27 S. R. 70 W. The general course is northwesterly; length I mile; width at bottom 2 feet; depth of water carried I0 inches; grade 25 feet per mile; and the carrying capacity is computed to be a flow of I 3/5 cubic feet of water per second of time.

That said ditch has been and is being used for the irrigation of 45 acres of land and takes its supply of water from Pass Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into sid Lewis Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as fo Priority number and date as follows to-wit.

By original construction.

App. Priority No. 59, June i, 1879, water sufficient to irrigate practicably I5 acres of land in an amount not, o exceed I cubic foot of water per second of time.

By further appropriation of~~xxxx~~water.

App. Priority No. 66, June I 1876, water sufficient to irrigate practicably 30 acres o land in an amount not to exceed I cubic foot of water per second of time.

84

It is further ordered adjudged and decreed that Priority No. 59, in Quintan Ditch, No. 55, and Priority No/ 59, as decreed herein be held and regarded to be as of the same datein point of time, of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said priority no. 59, in the amounts respectively decreed to them and that the water commissioner of Water district No. 16, shall at all times regard the above named ditches as being equally entitled to water under said priority No. 59, in proportion to the respective amoun s thereto decreed/ and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Quintan Ditch as entered herein.

85

No. 55. Quintana Ditch.

That said Quintana ditch is entitled to priority No. 59. It is claimed by Fred Dietz whose post office address is Silver Cliffe, Colorado.

/ The headgate of said dirch is located on the East ~~bank~~ bank of Williams Creek a tributary of the Huerfano River at a point from which the N.E.corner of SecII, T. 25, s/ R. 70 W. bears S/ 28d/ I08 E. I284 feet. The general course is Northeasterly; length 5280 feet; width at bottom I.5 feet; depth of water carried I0 inches; grade 30 feet per mile; and the carrying capacity is computed to be a flow of 4 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I5 acres of land and takes its supply of water from Williams Creek a tributary of the Huefano River.

It is hereby ordered and adjudged and decreed that there be allowed to flow into said Quintana Ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of waters of Priority number and date as follows to-wit:

By original construction.

App. Priority No. 59, June I, I874, water suffucient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

372

It is further ordered adjudged and decreed that priority No. 59, in Lewis ditch No. 54, and Priority No. 59 as decreed herein, be held and regared to be as of the same d te in point of time of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. 59, in the amounts respectively decreed to them and that the Water Commissioner of Water District No. I6 shall at all times re gard the above named ditches as being equally entitled to water under said Priority No. 59, in proprotion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decreed of s id Lewis Ditch No. 4 54v as entered herein.

87

No. 36. Garden ditch.

That said Garden ditch is entitled to priority No. 6I.

It is claimed by Fred Dietz whose post office address is Silver Cliff, Colorado.

The headgate of said ditch is located on the West bank of Williams Creek a tributary of the Huerfano River, at a point when the N.E. corner of Sec. II, T. 25 S. R. 70 W. beras N. 29d. 35' E. I472 feet; The general course is easterly; length I000 feet: width at bottom 5/6 of a foot; depth of water carried 8 inches; grade I2 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 2 acres of land and takes its supply of water from the Williams Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Garden ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

App Priority No. 6I, April I5, I875, water sufficient to irrigate practicably 2 acres of land in an amount not to exceed I cubic foot of water per second of time.

It is further ordered adjudged and decreed that Priority No. 6I in Hurtado Ditch No. 57 and Priority No. 6I as decreed herein, be held to be as of the same date in point of time in appropriation and use of water , and that said ditches are in every respect equal in theri right to the use of water under said Priority No. 6I. in the amounts respectively decreed to them; and that the Water Commissioner of Water District No. I6, shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 6I , in proprotion of the respective amountsthereto decreed and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Hurtado ditch No. 57 as entered herein.

No. 57. Hurtado Ditch.

That said Hurtado Ditch is entitled to priority No. 6I.

It is claimed by Pablo Hurtado, whose post office address is Malachite, Colorado.

The headgate of said ditch is located on the North bank of Hurtado Creek, a tributary of the Huerfano River, at a point whence the quqrter corners between Secs. II and I4, T. 27 S. R. bears N. Id. W. 2375 feet; The general course is Northeasterly. length I350 feet; width at bottom I.5 feet; depth of water carried I0 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 40 acres of land and takes it s supply of water from Hurtado Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into s id Hurtado Creek Ditch, from said Hurtado Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority No. and date as follws to-wit/

By original construction.

App. Priority No. 6I, April I5, I875, water sufficient to irrigate practicably 40 acres of land in an amount not to,exceed I cubic foot of water per second of time.

90

It is further ordered adjudged and decreed that Priority No. 6I, Garden Ditch No. 56, and Priority No. 6I, as decreed herein/ be held and regared to be as of the same date in point of time in appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. 6I, in the amounts respectively decreed to them. and that the Water Commissioner shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 6I, in proportion to the amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Gardner ditch as entered herein.

No. 58. Deus Malachite Irrigating and Mill Ditch.

That said Deus Malachite Irrigating and Mill Ditch is entitled to Priority No. 62. It is claimed by Charles Deus whose postal office address is Malachite, Clorado.

The headgate of said ditch is located on the North bank of the Huerfano River, at a point 90 yards S. W. from the S.E.corner of the N.E.I/4 N.E.I/4 of sec. I, T. R T. 27 S. R. 7I.W.

The general course of said ditch is North easterly; length I 3/4 miles; width at bottom 5 feet; depth of water carried I5 inches; grade 60 feet per mile; and the carrying capacity is computed to be a flow of I0 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

/ By original construction.

App. Priority No. 62, August, I5, I875, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

av

No. 59. Childs Lake Ditch.

That said Childs Lake ditch is entitled to priority No.s. 63 and I25. It is claimed by Josiah M. Hill whose post office address is is Apache, Colorado, and Crippen Lawrence Investment Company, whose post office address is Denver, Colorado.

The headgate of said dit ch is located on the North bank of Apache Creek, a tributary of the Huerfano River, at a point whence the north-east corner of Sec. 3I, T. 25 S. R. 67 W. bears S. 70d. W. II98 feet; The general course is north-easterly; length more than I mile; width at botto 2 fe t; depth of water carried 12 inches; grade 20 feet per mile; and the carrying capacity is compited to be a flow of 2 cubic feet of water per second of time;

That said ditch has been and is being used for the irrigation of I00 acres of land and takes its supply of water from Apache Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Childs Lake Ditch, from said Apache Creek for the use aforesaid for the benefit of the parties lawfullyn entitled thereto under and by virtue of the several approp riations of water thereby made the amounts of water as of priority numbers and dates as follows to-wit;

By original construction.
App. Priority No. 63, April 20, I876, water sufficient to irrigate pravticably 40 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No.I25,April 20, I888,I.2 cu.ft.per second of time.

It is further ordered adjudged and decreed that Priority No.125 in Devine ditch, No. 104, and Priority No.125, as entered herein, be held and regared to be as of the same ~~xim~~ date in point of time of appropriation and use of water, and that said ditches are in every respevt equal in their right to the use of water under said Priority No. 125, in the amounts respectively decreed to them; and that the Water Commissioner of Water District No. 16, shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 125, in the respective amounts thereyo decreed, and that he shall aportion and distribute water to the same accor dingly.

Reference is hereby made to the decree of said nevine ditch as entered herein.

No. 60, Castro Ditch.

That said Castro ditch is entitl d to priority No. 65.

It is claimed by William L. Hames whose post office address is Talpa, Colorado.

The headgate of said ditch is located on the West Bank of Turkey Creek, a tributary of the Huerafno River, at a point wh whence the quarter corner between Sec's, 26 and 23, T. 26, S. R. 69 W. bears N. 54d. W. 594 feet; The general course is North erly; length 4752 feet; width at bottom I foot; depth of water carried..... inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time;

The said ditch has been and is being used for the irrigation of I2 acres of land and takes its supply of water from Turkey Creek, a tributary of the Huerfano River.

It is hereby ordered adjudged and dcreed that there be allowed to flow into said Castro ditch from said Turkey Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the approrpiation of water thereby made he amount of water as of Priority Number and date as follows to-wit;

By original construction.

App. Priority no. 65, ~~Max~~ May 5, I876, water suffici nt to irrigate practicably I2 acres of land in an amount not to exceed I cubic foot of water eper second of time.

95

No. 61. Kerly No. 2 Ditch.

That said Kerley No. 2 ditch is entitled to Priority No. 67. It is claimed by John Dick Sr. whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the West bank of West Fork of Hayes Branch, a tributary of the Huerfano River, through the Cucharas River, at a point whence the center of Sec. 9, T. 30 S. R. 65 W. bears north 43d. 40' west 668 feet, and North 65d. W. 700 feet: The general course is North-westerly; length I/2 mile; width at bottom I foot; depth of water carried I2 inches; gradev 50 feet per mile and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigat tion of 20 acres of land and takes its supply of water from the West Fork of Hayes Branch a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and d creed that there ha allowed to flow into s od Kerly No. 2 ditch, from said West Fork of Hayes Branch, for the use aforesaid for the benefit of the parti ies lawfully entitled thereto under and by virtue of the several appropriations of water teheby made the amount of water as of Priority number and date as follows to-wit;

By original construction;

App. Priority No. 67, ~~wax~~February I6, I877, water sufficient to irrigate practicably, 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. 62. Teodora Ditch.

That said Teodora Ditch is entitled to Priority No. 69. It is claimed by Juan Benito Maes, whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the North bank of North Abeyta Creek a tributary of the Huerfano River, through the Cucharas River, at a point whence the quarter corner bet een secs. 32 and 29, T. 28 S. R. 67 W. bears N. 10d. 30' East 2378 feet; The general course is Northerly; length 2112 feet; width at bottom 2 feet; depth of water carried 12 inches; grade 8 feet per mile; and the carrying capacity is c omputed to be a flow of 3 cubic feet of water per second of time.

The said ditch has been and is bein used for the irrigation of 12 acres of land and takes its supply of water from the North Abeyta Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Teodoro ditch from s id North Abeyta Creek for the use afores id for the benefit of the pabties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

B y original construction.

App. Priority No. 69, water sufficient to irrigate practicably 12 acres of land in an amount not to exceed 1 cubic ffot of water per second of time.

97

No. 63. Stevens Ditch.

That said Stevens ditch is entitled to Priority No. 70 and I22. It is claimed by John Dick Sr. and Robert Dick, whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the West bank of the West Fork of Hayes Branch, a tributary of the Huerfano River throughthe Cucharas River at a point whence the N.E.corner of Sec. I6, T.30 S. R. 68 W. bears N. 47d. 30' E. I000 feet and EI200 feet; The general course is North;westerly; length I 3/4 mile; width at bottom 2 feet; depth of water carried I8 inches; grade 75 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time:

The said ditch has been and is being used for the irrigationof 35 acres of land and takes its supply of water from the West Fork of Hayes Branch a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowedto flow into said Stevens Ditch from said West Fork of Hayes branch for the use afo resaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority number and date as fodows to-wit;

By original construction.

App. Priority No. 70, April 2, I878,water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. I22, March 2, I888, water sufficient to irrigate practicably 20 acres of land in an a ount not to exceed I cubic foot of water per second of time.

98

No. 8. / Stevens Reservoir.

It is further ordered adjudged and decreed ~~hxixx~~ that the said Stevens Reservoir claimed by John Dick Sr. and Robert Dick which is fed from and used in connection with the Stevens Ditch as herein decreed, for the storage of water and the irrigation of the land of the claimants, the sa e being located at and near the N.W.corner of Sec. I6, T. 30 S. R. 68 W. and having a capacity of 9I,I50 cubic feet of water is ehtitled to and do have reservoir priority of the number and date as follows to-wit;

Reservoir Priority No. 8. May I8, I888.

99

No. 64. Eugenio Ditch.

That said Eugenio Ditch is entitled to Priority No. 7I It is claimed by John Dick Sr. whose posy office address is LaVeta Colorado.

The headgate of said ditch is located on the East bank of the West Fork of Hayes Branch, a tributary of the Huerfano River through the Cucharas River, at a point whence the Northeast corner of sec. I6, T. 30 S. R. 68 W. bears North 30D. ~~RxxRxxxxxxxx~~ 45' E. 2I00 feet; The general course of said ditch is Northeasterly; length 3/4 of a mile; width at bottom I foot; depth of water carried 9 inches; grade 32 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot of water per second of time: The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the West Fork of Hayes Brahch a tributary of the Huerfano river th.ough the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Eugenio Ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of wa ter thereby made the amount of water as of Priority number and d ate as follows to-wit;

By origin l construction.

App. Priority No. 7I, February I5, I879, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cu bic foot of water per second of time.

100

No. 85. Robinson and Petty Ditch.

That said Robinson and Petty ditch is entitled to Priority No. 72 It is cliamed by Walter N. Houser whose post office address is Walsenburg, Colorado.

Theheadgate of said ditch is located on the North bank of Naranjo Creek, a tributary of the Huerfano River, at a point whence the N.E.corner of the Sec. I2, T. 26 S. R. 7I, W. bears N. 39d. E. 3300 feet. The general ourse of said ditch ids north easterly; length 4620 feet; width at bottom 2 feet; depth of water carried I2 inches; grade I0 feet per mile; and the carrying capacity is computed to be a flow of 5 cubic feet of water per second of time.

The said ditch has been and is being used or the irrigattion of 50 acres of land and takes its supply of water from Naranjo Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Robinson and Petty ditch from said Naranjo Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the Appropriat ion of ~~ware~~ Water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Pri ority No. 72, April I, I879, I cu.ft.per second of time.

101

Toll Gate Ditch. No. 66.

That said Toll Gate dotch is entitled to Priority No. 73 and I58. It is claimed by F. M. Ownbey whose post office address is LaVeta Colorado and also claimed by The LaVeta Coal Company whose post office address is Pueblo, Colorado.

The headgate of said ditch is located on the North bank of Middle Creek a tributary of the Huefano River, through the Cucharas River, at a point whence the N.W.corner of the N.E.I/4 of Sec. I6, T. 29 S. R. 69 W. bears N. 2Id. E. 2820 feet; The general course is Easterly; length 3 miles; width at bottom 2 feet; depth of water carried I2 inches; grade 32 feet per mile; and the carrying capacity is computed to be a flow of 5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 95 acres of land and takes its supply of water from the Middle Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Toll Gate ditch from said Middle Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriation of water thereby made the amounts of water as of Priority No. and dates as folows to-wit:

App. Priority No. 73, April I6, I879, water sufficient to irrigate practicably 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water;
~~App. Priority No. I58, April I8, I89I~~, water sufficient to ~~irrigate practicably~~
App. Priority No. I58, April I8,I89I,I.4 cu.ft.per secondof time.

388

107

No. 67. Bear Canon ditch.

That said Bear Canon Ditch is entitle to Priority no.74. It is claimed by F. M. Ownbey whose post office address is La-Veta, Colorado nd The LaVeta Coal Company whose post office qddre address is Pueblo, Colorado.

The haedgate of said ditch is located on the North bank of Bear Canon Creek, a tributary of the Huerfano River, through the Cucharas River, ath a point whence the S. W. Corner of the N.E.I/4 N.E.I/4, of Sec. 2I, T. 29, S. R. 69 W. bears N/ 50 feet; The general course is North easterly; length 2640 feet;width at bottom 2 feet; depth of water carried I2inches; grade I0 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from Bear Canon Creek, a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to, flow into said Bear Canon ditch from said Bear Canon Creek for the use aforesaid for the behefit of the parties lafully entitled thereto under and by virtue of the appropriation of water thereby made te amount of water as of Priority number ad daye as follows to-wit;

App. Priority No. 74, April 22, I879, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

10-2

No. 68. Stanley Ditch.

That said Stanley ditch is entitled to Priority No. 75. It is claimed by Alfred P. McIntire whose post office address is Sharpsdale, Colorado.

The headgate of said ditch is located on the Esat bank of Stanley creek, a tributary of the Huerfano River, at a pint whence the quarter section corner on S. line of Sec. 7, T. 27 S. R. 71 W. bears 8.1 chains west and 4.68 chains north. The general course is north easterly; length 1/2 mile; width at bottom 1.5 feet; depth of water carried 18 inches; grade 150 feet per mile; and the carrying capacity is computed to be a flow of 29.9 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 10 acres of land and takes its supply of water from Stanley creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Stanley ditch from said Stanley creek for the use aforesaid for the benefit of the parties lawfully entitled threto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 75, May 1, 1879, water sufficient to irrigate practicably 10 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

1044

That said Tiger ditch is entitled to priority No. 77 and 84. It is clia ed by F. L. Martin and W.E.Smith whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the West bank of the Cucharas River, a tributary of the Huerfano River, at a point in the S.W.I/4 N.W.I/4, of Sec. 2I, T. 29, S. R. 68 W. The general course is Northerly; length I770 feet; width at bottom I/ 5 feet depth of water carried 9 inches; grade I5.6 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 35 acres of land and takes its supply of water from the Cucha-fas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Tiger ditch from said Cucharas River fo the use aforesaid for the benefit of the parties lawfully entitled theroto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 77, October I5, I879, water sufficient to irrigate practically I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

By furtherv appropriation of water.

App. Priority No. 84, April 20, I88I, water sufficient to irrigate practicably 20 aces of land in an amount not to exceed I cubic foot of water per second of time.

105

No. 70. Simons Ditch.

That said Simons Ditch is entitled to Priority No. 79 and 103. It is claimed by A. D. Simons whose post office address is Capps Colorado.

The headgate of said ditch is located on the North bank of Santa Clara Creek a tributary of the Huerfano River, thro ugh the Cucharas River. at a point whence the N.E.coener of the S.E.I/4 N.W.I/4, sec. 22 T. 30, S. R. 67 W. bears N. 52 d. 30' E. 6I2 feet: The general course is north-easterly; length 2870 feet; width at bottom 2 feet; depth of water carried I2 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 50 acres of land and takes its supply of water from Santa Clara, Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered djudged and decreed that there be allowed to flow into said Simons ditch from said Santa Clara Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit.

By original construction.

App. Pric. by No.79, AprilI0, I880 water sufficient to irrigate practicably 20 acres of land inan amount not to exceed I cubic fo foot of water per sedond of time.
By further appropriation of water.
App. Priority No. I03, June 20, I884, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. 7I. LaVeta Town Ditch.

That said LaVeta Town Ditch is Claimed by the Trusteec of the Incorporated Town of LaVeta, whose post o fice addressis LaVeta Colorado.

The headgate of sadd ditch is located on the East bank of the Cucharas River, a tributary of the Huerfano River a t a point whence the S.W.corner N.W.I/4 N.W.I/4 Sec. 28 T. 29, S. R. 68 W. bears S. 32d. W. 4IO feet; The general course is north-easterly; length 4 miles; width at bottom 2 feet; depth of water cariedI2 inches; grade 52 feet per mile; and the carryin capacity is computed to be a flow of 5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 75 acres of land and takes its supply of water fro the Cucharas River a tributar y of the Huerfa no River.

It is hereby ordered adjudged and decreed that there be allowed to flow into si said LaVeta Town ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amo unt of water as of priority number and date as follows to-wit:

By original construction.

App.Priority No.8I,May 2,I880,I.5 cu.ft.per second of time.

107

No. 72. Baker Rialto No. I Ditch.

That said Baker Rialto No. I ditch is entitled to Priority No.85. It is claimed by George W. Baker whose post office address is Silver Cliff, Colorado.

The headgate of said ditch is located on the North bank of Rio Alto Creek, a tributary of the Huerfano River through Muddy Creek, at a point whence the East quarter Corner of Sec. I0,T.26 S. R. 7I. W. bears S. 87d. E. I50 feet.

The general course is easterly; length 3725 feet; width at bottom 3 feet; depth of water carried I2 inches; grade 6 feet per I00 feet; and the carrying capacity is computed to be a flow of, 2.4 cubic feet of water per second of time.

The said ditch has been and is being used for thr irrigation of 20 acres of land and takes its supply of water from Rialto Creek a tributary of the Huerfano River through the Muddy Creek.

It is hereby ordered adjudged and decreed that there be allowed to flow into, said Baker Rialto No. I ditch from said Baker Rialto ~~xixex~~ Creek for the use aforesi d for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

App. Priority No. 85, May I5, I88I, water sufficient to irrigate 20 cares of land in an amount not to, exceed I cubic foot of water per second of time.

108

It is further ordered adjudged and decreed that the Priority No. 85 in Baker Rialto Ditch No. 2 and Priority No. 85 as decreed herein, be held and regarded to be as of the same date in point of time of appropriation and use of water, and that said ditches are in every respect equal intheir rifghr to the use of water under said Priority No. 85, in the amounts respectively decreed to them; and that the Water Commissioner of Water district No. 16, shall at all times regard the above named ditches as being equally entitled to water under said Priority No 85, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the Decreed of said Baker Rialto No. 2 ditch as entered herein.

107

No. 73. Baker Rialto No. 2 Ditch.

That said Baker Rialto No.2 ditch is entitled to Priority No. 85 It is claimed by George W. Baker, whose post office address is Silver Cliff, Colorado.

The headgate of said ditch is located on the South bank of Rio Alto Creek a tributary of the Huerfano River, through Muddy Creek, at a point whence the quarter corner Sec. 10 T. 26 S. R. 71 W. bears S. 85d. 2225 feet: The general course is South-easterly; length 4850 feet; width at bottom 3 feet; depth of water carried 12 inches; grade 6 inces per 100 feet; and them carrying capacity is computed to be a flow of 2.4 cubic feet of water per second of time.

The s i d ditch has been and is being used for the irrigation of 60 acres of la d and takes its supply of water from Baker Rio Alto Creek a tributary of the Huerfano River through Muddy Creekz.

It is hereby ordered adjudged ad decreed tht there be allowed to flow into said Baker Rio Alto No. 2 ditch from said Rio Alto Creek for the use aforesaid for, he benefit of the parties la - fully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number a and date as follows to-wit;

By original construction.

App. Priority No. 85, May 15, 1881, 1.2 cu.ft.per second of time.

110

It is further ordered adjudged and decreed that Priority No. 85, in Baker Rialto No. I ditch No.72, and Priority No.85, as decreed herein be held and regarded to be as of the same date in point of time of appropriation and use of water, and that said ditchesare in every respect equal in their right to the use of water under said Priority No 85, in the amounts respectively decreed to them. and that the water commissioner of water district No. 16 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 85, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to he same accordingly.

Reference is hereby made to the decree of said Baker Rio Alto ditch No. I , No. 72 as decreed herein.

No. 74. Homestaed Ditch.

That said Homestead Ditch iis entitledy to priority No. 86. It is claimed by John Dick Sr. whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the East bank of Hayes Branch a tributary of the Huerfano River, through the Cucharas River, at a point whence the N.E.corner of Sec. I6,T. 30 S. R. 68 W. bears S. 8d. I5' E. 668 feet. The general course is north- westerly;length I/2 mile; width at bottom I I/6 feet; depth of water carried 9 inches; grade 60 feet per mile and the carrying capacity is computed to be a flow of I cubic foot of water per second of ti me.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from the Hayes Branch a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Homestead Ditch from said Hayes branch for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 86, January I, I882, wayer sufficient to irrigate practicably 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

112

No. 75. Piedras Amarillos Ditch.

That said Piedras Amarillos dotch is entitled to Priority Nos. 87 and I69. It is claimed by Francisco A. Martinez whose post office address is Badito Colorado.

The headgate of s id ditch is located on the North bank of, Oak Creek a tributary of the Huerfano River, at a point whence the quarter corner between secs. I2 and I3, T. 27 S. R. 69 W. bears N. 40d. I9I4 feet. The general course is north-easterly; length I450 feet; width at bottom I.5 feet; depth of water carr.- ed I0 inches; grade 8 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irri- gation of 25 acres of land and takes its supply of water from Oak Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed thatthere be allowed to flow into said Piedraz Amarillos ditch from said Oak Creek for th use aforesaid for the benefit of the parties lawfully entitlen thereto under and by virtue of the several appropriation of water thereby made the amount of water as o Priority number and date as folows to-wit.

By original construction.

App. Priority No. 87, April 5, I882, water sufficiento irri- gate practicably I0 acresm of land in an amount not to exceed I Cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. I69, April 5, I894, water sufficient to irrigae practicably I5 acres of land in an amount not to exceed I cubic f foot of waer per second of time.

No. 76. Pasture Ditch.

That said Pasture ditch is entitled to Priority No. 88.

It is claimed by W. Jasper Smith, whose post office address is LAVETA, Colorado.

The headgate of said ditch is located on the South bank of the Cucharas River, a tributary of the Huerfano River, at a point 200 feet north of the S.W.corner of the N.W.I/4 of Sec. I9, T.30, S. R. 68 W. The general course is north easterly; length about I mile; width at bottom I I/2 feet; depth of water carried I2 inches; grade 27 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic ffeet of water per second of time.

The said ditch has been and is being used for the irrigation of 40 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Pasture ditch from said Cucharas River, for the use aforesad for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction. '87

App. Priority No. 88 April I5,, water sufficient to irrigate practicably 40 acres of land in an amount not to, exceed I cubic foot of water per second of time.

No. 77. Kerby ditch.

That said Kerby ditch is entitled to Priority No. 89. It is claimed by C. M. Mack whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the West bank of Cucharas River, at a point whence the quarter section on section line between secs. 34 and 35, T.30 S.R.69 W. bears east 600 feet; The general course is north-westerly; length 2640 feet; width at bottom 1.5 feet; depth of water carried 12 inches; grade 16 feet per mile ; and the carrying capacity is computed to be a flow of 1 cubic foot of water per second, of time.

The said ditch has been and is being used for the irrigation of 15 acres of land and takes its supply of water from the Cucharas River, a tributary of the Huerfao River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Kerby ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 89, February 1, 1883, water sufficient to irrigate practicably 15 acres of land in an amount not to exceed 1 cubic foot of waterper second of time.

No. 78. W.R.Willis No. 2 Ditch.

That said W.R.Willis No. 2 ditch is entitled to Priority No. 80. It is claimed by W.R.Willis whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the West bank of the Cucharas River a tributary of the Huerfano River, at a point in the N.W.I/4 of Sec.25 SxRxxT. 30 S. R. 69 W. The general course is North-eastetly; length 2370 feet; width at bottom I.2 feet; depth of water carried 6 inches; grade 45 feet per mile; and the carrying capacity is computed to be a flow of .8 of a cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the Cucharas River, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said W.R.Willis No.2 ditch from said Hu Cucharas River, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appro priation of water thereby made the amount of water as of priority number and date as follows to-it.

By original construction.

App. Priority No. 80, April 3, 1883, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic ffot of water per sceond of time.

116

No. 79. John Gribble Ditch.

That said John Gribble ditch is entitled to Priority No. 9I. It is claimed by Jerome B. Petrie whose post office address is LaVeta, and Jefferson B. Cummings, whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the West bank of Wajatolla Creek, a tributary of the Huerfano River, through the Cucharas River, at a point at or near the north west corner of the N.E.I/4 N.E.I/4, Sec. 30 T. 30 S. R. 68 W. The general course is north-easterly; length 3 miles; width at bottom 2 feet; depth of water carried 20 inches; grade .....feet per mile: and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time:

The said ditch has been and is being used for the irrigation of 80 cares of land and takes its supply of water from the Wajatolla Creek a tributary of the Huerfaho River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to, flow into said John Gribble Ditch from said Wajatolla Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit:

Byn original construction

App. Priority No. 9I, April IO, I883, I.6 cu.ft.per second of tim

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It is further ordered adjudged and decreed that priority No. 9I in Galvan ditch No. 80 and Priority No. 9I as entered herein, be held and regarded to be as of the same date in point of time in appropriation and use of water , and that said ditches are in every respect equal in their right to the use of water under said Priority No. 9I , in the amounts respectively decreed to them; and that the Water commissioner of water District No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 9I, in proportion to the amounts thereto decreed and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Galvan Ditch No. 80 as entered herein.

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No. 80. Galvan Ditch.

That said Galvan Ditch is entitled to priority No. 9I.

It is claimed by W.R.Herrick, Trustee, whose post office address is Denver, Colorado.

The headgate of said ditch is located on the ////// bank of Bear Creek, a tributary of the Huerfano River, through the Cucharas River, at a point 545 feetN.25d. I5' W. of the N.E. corner S.E.I/4 Sec.33, T.29 S. R. 69 W. The general course is // length..... width at bottom 3 feet; depth of water carried I2 inches; grade 55 feet per mile; and the carrying capacity is computed to be a flow of/ 9.3 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from Bear Creek, a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Galvan ditch from said Bear Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to wit;

Byn original appropriation.

App. Priority No. 9I, April I0, I883, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

119

It is further ordered adjudged nd decreed that Priority No. 9I in John Gribble ditch No. 79, and Priority No.9I, as decreed here in be held and regarded to be as of the same date in point of tim of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No.9i, in the amounts respectively decreed to them and that the water commission er of Water District No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. 9I, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly. Reference is hereby made to the decreed for said John Gribble Ditch No. 79 as entered herein.

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No. 81. Timothy ditch.

That said Timothy ditch is entitled to Priority No.93. It is claimed by Alfred P. Mc Intire, whose postn office address is Sharpsdale, Colorado.

The headgate of said ditch is located on the South bank of the Huerfano River, at a point whence the quarter corner on S. line of Sec. 7, T.27 S.R.71 W. bears S. 24d. E. 660 feet: The general course is Northeasterly; length 9 1/3 chains; width at bottom 1.5 feet; depth of water carried 18 inches; grade 10 feet per mile; and the carrying capacity is computed to be a flow of .8 of a cubic foot of water per second of time. The said ditch has been and is being used for the irrigation of 10 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow in to s id Timothy ditch from said Huerfano River for the use aforesaod for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. 93, June 1, 1883, water sufficient to irrigate practicably 10 acres of land in an a mount not to exceed 1 cubic foot of water per second of time.

121

No. 82. Frohlich and Paul Ditch.

That said Frohlich and Paul Ditch is entitled to Priority No.s. 94 and I60. It is claimed by Paul Frohlich whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the North bank of the Santa Clara Creek, a tributary of the Huerfano River, through the Cucharas River, at a point whence the S.W. corner of the N.E. I/4 N.W.I/4, of Sec. 23, T. 30 S. R. 67 W. bears S. 82d. 24I0 feet The general course is North-easterly; length 2420 feet; width at bottom I foot; depth of water carried I2 inches grade 20 feet per mile and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of I2 acres of land and takes its supply of water from Santa Clara Creek, a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Frohlich and Paul Ditch from said Santa Clara Creek on the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit;

App. Priority No. 94, June 5, I883, water sufficient to irrigate practicably 2 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. I60, June 5, I893, water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of water per second of time.

[redacted]

No. 83. Stonewall Ditch.

That said Stonewall Ditch is entitled to Priority No. 95.

It is claimed by C.M.Mack whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the North bank of the Cucharas River a tributary of the Huerfano River, at a point whence the gap in the dyke on County Road up Cucharas River in the N.E.I/4 of the N.W.I/4 of Sec. 35, T.30 S.R.69 W. The general course is North -easterly; length I I/4 mile; width at bottom I.5 feet; depth of water carried I2 inches; and the carrying capacity is computed to be a flow of I.5 cubic feet of water per second of time. grade I00 feet per mile.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the Cuharas River a tributary of the Huerfano River.

It is hereby orderedadjudged and decreed that there be allowed to flow into said Stonewall ditch from said Cicharas River or the use aforesaid for the benefit of the parties lawfully entitled thereto, under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit:

By original construction.

App. Priority No. 95, June I6, I883, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

IV B

It is further ordered adjudged and decreed that Priority No. 95, in Madrid ditch No. 3 and Priority No. 95 as decreed herein be held and regarded to be as of the same date in point of time of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of w water under said Priority No. 95, in the amounts respectively decreed to them; and that the water commissioner of Water Distric shall at all times re gard the above named ditches as being equally entitled to water under said Priority No.95 in proportion to the respective amounts thereto decreedand that he shall appotion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Madrid No.3 ditch as entered herein.

12-4

No. 84. Madrid Ditch No.3.

That said Madrid No. 3 ditch is entitled to Priority No. 95. It is claimed by Castello Gallegos, Cervino Bravo, Miguel Bravo Augustin Bravo, Sirico Bravo, heirs of Miguel Bravo deceased whose post office address is Malachite, Colorado.

The headgate of said ditch is located on the East bank of Rincon Creek, a tributary of the Huerfano River, at a point in the N.WW I/4 of Sec. 30 T. 27 S. R. 70 W. The general course is northerly; length 9240 feet; width at bottom I.5 feet; depth of water carried I2 inches; grade 250 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 3I acres of land and takes its supply of water from the Rincon Creek, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Madrid No. 3 ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority Number and date as follows to-wit.

By original construction.

App. Priority no. 95, ~~xxx~~June I6, I883, water sufficient to irrigate practicably 3I acres of land in an amount not to exceed I cubic foot of water per second of time.

411

W5

It is further ordered adjudged and decreed that Priority No. 95 in Stonewall ditch No. 83, and Priority No. 95, as decreed herein be held and regarded to be of the same date in point of time of appropriation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. 95, in the amounts respectively decreed o them; and that the Water Commissioner of Water District No. I6 shall at all times regard the above named ditches to be equally entitled to water under said Priority No. 95, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly; Reference is hereby made to he decree of Said Stonewall ditch No. 83, as entered herein.

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No. 85. Duhme ditch.

That said Duhme ditch is entitled to Priority No. 96. It is claimed by W. J. Caesar, whose post office address is 40 Wall St. New York City.

The headgtae of said ditch is located on the North bank of Santa Clara Creek, a tributary of the Huerfano River through the Cucharas River, at a point in the N.E.I/4 N.E.I/4 of Sec.23, T.30 S. R. 67 W. The general course is Northeasterly; length 3I76 feet; width at bottom 2 feet; depth of water carried I2 inches; grade 50 feet per mile; and the carrying capacity is computed to be a flow of 27 cubic feet of water per second of time.

The said ditch has been and is being used for the ir igation of 70 acres of land and takes its supply of water from Santa Clara Creek, a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into s id Duhme ditch from said Santa Clara Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 96, February I5, I884, I.4 cu.ft.per second of time.

No. 86. Freeland Ditch.

That said Freeland Ditch is entitle d to Pricrit No. 98. It is claimed by William H. Freeland whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the East bank of Williams Creek a tributary of the Huerfano River, at a point whence the S.E.corner of Sec. 24, T. 25 S.R.70 W. bears E. 15d. S. 525 feet. The general course is south-easterly; length 3/4 of a mile; width at bottom I.5 feet; depth of water carried I8 inches; grade I5 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 65 acres of land and takes its supply of water from Williams Creek a tributary of the Huerfano R iver, ~~through th~~ It is hereby ordered adjudged and decreed that there be allowed to flow into s id Freeland Ditch from said Williams Creek for the use aforesaid or the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water threrby made the amount of water as of Priority No. an date as follows to-wit;

By original construction.

App.Priority No.98,April 5,I884,I.3 cu.ft.per second of time.

No. 87. Caldwell Irrigating Ditch.

That said Caldwell Irrigating ditch is entitled to Priority No. 101 and 116. It is claimed by Robert J. Caldwell whose post office address is Gardner Colorado.

The headgate of said ditch is located on the East bank of Pass Creek a tributary of the Huerfano River, at a point 100 yards N.W. from the S.E.corner of the N.E.1/4 Sec. 20, T.27 S. R.71 W.being upon the S.E.1/4 N.E.1/4, of said section. The general course is Northerly; length 2 1/4 feet; width at bottom 3 feet; depth of water carried 12 inches; grade 60 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time:

The said ditch has been and is being used for the irrigation of 80 acres of land and takes its supply of water from Pass Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Caldwell Irrigating ditch from said Pass Creek for the usevaforesaid for the benefit of the parties lawfully entitled thereto underb and by virtue of the several appropriations of water thereby made the amount of water as of Priority number end date as follows to-wit; App. Priority No. 101 ~~116~~, May 17, 1884,1 cu/ft/per second of time.

By further appropriation of water.

App. Priority No. 116, May 17, 1887, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

No. 88. East White Creek Ditch.

That said East White Creek ditch is entitled to priority No. I02 and I79. It is claimed by C. M. Mack whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the East bank of East White Creek, a tributary of the Huerfano River, through the Cucharas River, at a point in the S.W.I/4 N.E.I/4 of Sec. 35, T. 30 S.R.69 W. The general course is Northeasterly; length 5280 feet; width at bottom I.5 feet; depth of water carried I2 inches grade 50 feet per mile and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 40 acres of land and takes its supply of water from East White Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said East White Creek ditch from said East White Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit:

by original construction.

App. Priority No. I02, June I6, I884, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. I79, June I6, I885, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

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No. 89. Deer Creek Ditch.

That said Deer Creek ditch is entitled to priority NO. I04. It is claimed by H. M. Beardsley whose post office address is Jackson County Colorado.

The headgate of said ditch is located on the North b ank of Deer Creek, a tributary of the Huerfano River through the Cucharas River, at a point in the N.W.I/4 S.E.I/4 of Sec. 22 T. 27 S. R. 72, W.: The general course is South easterly; length I/2 mile;width at bottom I.5 feet; depth of water carried I2 inch grade 40 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I5 acres of land and takes its supply of water from Deer Creek, a tributary of the Huerfano River through the Cucharas River.

It ishereby ordered adjudged and decreed that there be allowed to flow into said Deer Creek for the use afiresaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and da e as follows to-wit:

By original construction:

App. Priority No. I04, July I5, I884, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time:

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No. 90. Pacheco Ditch.

That said Pacheco Ditch is entitled to Priority No. 105. It is claimed by Juan P. Pacheco and Francisco Pacheco, whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the south bank of the ~~Huerfano river~~ Cucharas River, a tributary of the Huerfano River at a point 237 feet N.E. from center of Sec. 26, T. 28 S. R.66 W. The general course is North-westerly; length 5796 feet; width at bottom 2I/2 feet depth of water carriedv I2 inches; gradec 23 feet per mile; and the carrying capacity is computed to be a flow of, 5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River,

It is hereby ordered adjudged and decreed that there be allowed a flow into said Pacheco ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled there to under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follow to-wit;

App. Priority No. I05, Nov. I0, I884, water sufficient to irrigae practicably 30 acres of land in an amount not to exceed I cibic f ot of water persecond of time.

No. 91. Pedro Gomez Ditch.

That said Pedro Gomez ditch is entitled to Priority No. 106 and 147. It is claimed by Pedro Gomez, Henry B. Jones, Frans Siegel Fouch, and William L. Proffit, whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the South b bank of the Huerfano River at a point in the S.W.1/4 S.E.1/4 of Sec.26, T. 26 S. R. 67 W. The general course is North-easterly; length 14642 feet; width at bottom 3 feet; depth of water carried 12 inches; grade 15 feet per mile; and the carrying capacity is computed to be a flow of 4.23 cubic feet of water per second of time;

The said ditch has beenandis being used for the irrigation of 70 acres of land and takes its supply of water from the Huerfano River.

It ishereby ordered adjudged and decreed that there be allowed to flow into said Pedro Gomez ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. 106, February 15, 1885, 1 cu.ft.per second of time.

By further appropriation of water.

App. Priority No. 147, February 15, 1890, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

No. 82. Wilson No.2 ditch.

That said Wilson Ditch is entitled to Priority No.107.

It is claimed by J.A.J.Wilson whose post office address is Malachite Colorado.

The headgate of said ditch is located on the North bank of the Huerfano River at a point whence the N.E. Corner of Sec. I. T 27 S.R. 71 W. bears S.200 yards W. The general course is Northeasterly; length 1/4 mile; width at bottom 2 feet; depth of water carried 3 inches; grade 5 feet per mile and the carrying capacity is computed to be a flow of I cubic foot of water per sec ond of time.

The said ditch has been and is being used for the irrigation and 20 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Wilson No. 2 ditch from said Huerfano river for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

Byoriginal construction.

App. priority No. 107. March I, 1885, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

12,11

No. 93. Autobes Ditch.

That said Autobes ditch is entitled to Priority No. I08. and I35. It is claimed by Milton Autobes, whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the East Bank of Middle Turkey Creek, a tributary of the Huerfano River, at a point whence the quarter between secs. 2I and 22 T. 25 S. R. 69 W. bears due north 995 feet;

The general course is South-easterly; length 3462 feet; width at bottom I foot; depth of water carried I2 inches; grade 25 feet per mile and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the Middle Turkey Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Autobes ditch from said Middle Turkey Creek for the use aforesaid for the beneit of the parties lawfully entitled thereto under and by virtie of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original coonstruction.

App. Priority No. I08, April 5, I885, water sufficient to irriga practicably I0 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriationof water.

App. Priority No. I35, April, 6 I889, water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of water per second of time:

135

No. 94. Butte Valley Ditch.

That said Butte Valley Ditch is entitled to Priority No. III. It is claimed by Edwin A. Lewis and Joseph S. McHarg, whose post office addres is Walsenburg Colorado.

The headgate of said ditch is located on the South bank of the Huerfano River at a point 72 1/2 d. W. 2100 feet from the corner of sections 19, 20, 29 and 30, T. 26 S.R.66 W. The general course is northeasterly; length 10850 feet; width at bottom 3 feet; depth of water carried 12 inches; grade 5 feet per mile; and the carrying capacity is computed to be a flow of 6.2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 150 acres of land an takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be alowes to flow into said Butte Valley ditch from said Huerfano River for the use aforesaid for the benef it of the parties lawfully entitled thereto under and by virtue of the appropriation of wate thereby made the amount of wa er as of Prioti ty No. an d date as follows to-wit:

By original construction .

App. Priority No. III, May 15,1886,3 cu.ft.per second of time.

No. 85. Dagget Ditch.

That said Dagget ditch is entitled to Priority No. 112. It is claimed by W. R. Herrick Trustee, whose post office address is Denver Colorado.

The headgate of said ditch is located on the South bank of the Huerfano River, at a point N. 43d.W. 30.75 chainsfrom quarter section corner of Secs. 9 and 16, T. 22 S. R. 62 W.
The general course is Northeasterly; length 3 miles; width at bottom 6 feet; depth of water carried 18 inches; grade 3 feet per mile ; and the carrying capacity is computed to be a flow of 31 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 300 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged anddecreed that there be allowed to flow into said Dagget ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;
App. Priority No. 112, May 29, 1886, 6 cu.ft.per second of time.

No. 96. Monroe and Moore ditch.

That said Monroe and Moore ditch is entitled to priority No. II3. It is claimed by J.A.C.Moore, and Annie G. Monroe, whose post office address is Ute, Colorado.

The headgate of said ditch is located on the West bank of the Huerfano River at a point whence the N.W.corner of the N.W.I/4 N.E.I/4Sec. 2, T.26, S.R. 66 W. bears N.4Id.45' W.1386 feet; The general course is North-easterly; length 3979 feet; width at bottom 2 feet; depth I2 inches; grade 4.5 feet; and the carrying capacity is comp uted to be a flow of, 3.67 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of, land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreedv that there be allowed to flow into, said Monroe and Moore ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows t to-wit:

By original construction.

App. Priority No. II3, February I0, I887, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

13?

No. 97. Ben Butler Ditch.

That said Ben Butler ditch is entitled to Priority No. II4.

It is claimed by Ben Butler Fouch, whose post office address is Sharpsdale, Colorado.

The headgate of said ditch is located on the North bank of Aspen Creek a tributary of the Huerfano River, at a point whence the N.W.corner of NEI/4 of the N.W.I/4 of Sec. I6, T. 27 S.R.72 W/ bears225 feet W. SI0 feet; N. The general course is northeasterly;length I 3/4 miles; width at bottom I foot; depth of water carried 8 inches; grade 27 feetn per mile; and the carrying capacity is computed to be a flow of I cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of land and takes its supply of water from Aspen Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Ben Butler ditch from said Aspen Creek for the use aforesaid for the benefot of the parties lawfully entitled thereto under and by virtue of the appropriation of water there by made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. II4, March I5, I887, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

139

No. 98. Aragon ditch.

That said Aragon ditch is entitled to Priority No. 115. It is claimed by W.R.Herrick whose post office address is Denver, Colorado.

The headgtae of said ditch is located on the ...bank of Chama Creek, a tributary of the Huerfano River, at a point on the WI/2 of the S.W.I/4, Of Sec. I2, T. 20, S.R.7I W. The general course is.... length 400 feet; width at bottom 2 feet; depth of watery carried I2 inches; grade .... feet per mile: and the carrying capacity is computed to be a flow of I0 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I5 acres of landand takes its supply of water from Chama creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Aragon ditch from said Chama Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the approrpiation of wate thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. 115, May 2, 1887, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

140

No. 99. Mountain View Ditch.

That said Mountain View Ditch is entitled to Priority No. II7. It is claimed by F.M.Ownbey whose post office address is LaVeta Colorado. and also claimed by LaVeta Coal Company whose post office address is Pueblo Colorado.

The headgate of said ditch is located on the South bank of Middle Creek a tributary of the Huerfano River through the Cucharas River, at a point whence the S.E.corner of N.W.I/4 of Sec. I6, T. 29 S.R.69.W bears E. 30 feet N. 30 feet:

The general course is Easterly; length I I/4 miles;, width at bottom I foot; depth of water carried I2inches; grade 95 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

The said ditch has been and is being used for the irriga tion of 35 acres of land and takes its supply of water from the Middle Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowe to flow in to said Mountain View Ditch from said Middle Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

It is hereby ordered adjudged and decreed that there be allowed to flow into said

By original constructionL

App. priority No. II7, May 23, I887, water sufficient to irrigate practicably 35 acres of land in an a ount not to exceed I cubic foot of water per second of time.

1141

No. I60 W. R. Willis No. 3 Ditch .

That said W.R.Willis No. 3. ditch is entitled to Priority No. II9. It is claimed by W. R. Willis whose postoffice address, is LaVeta, Colorado.

The headgate of said ditch is located on the East bank of the Cucharas River, a tributary of the Huerfano River at a point whence the N.I/4 corner of Sec.25 T. 30, S.R. 69 W. bears N.47d. 3' E. I4562 feet; The general course is esaterly; length 2700 feet width at bottom I foot; depth of water carried 6 inches; grade 50 feet per mile; and the carrying capacity is computed to be a flow of .8 cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the Cucharas River a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said W.R.Willis No. 3 ditch from said Cucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction. App. Priority No. II9, June I7, I887, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. 101. Huerfano Ditch.

That said Huerfano Valley Ditch is entitled to Priority No./20.

It is claimed by the Huerfano Valley Ditch and Reservoir Association, a corporation whose post office address is Pueblo Colorado.

The headgate of said ditch is located on the North bank of the Huerfano River at a point whence S. 10d. 3' West 60.76 chains distant from the corner to Secs. 15, 16, 21 and 22 T.23 S.R.63, W. The general course is Northeasterly; length 14 miles: width 11 feet; depth of water carried 3.6 feet; grade 1foot to 100; and the carrying capacity is computed to be a flow of 135.3 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 2100 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Huerfano Valley ditch from said Huerfno River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority No number and date as follows to-wit;

By original construction.

App. Priority No. 120, February 2, 1888, 42 cubic feet per second of time.

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It is further ordered adjudged and decreed that the said Huerfano Valley reservoir, claimed by the said Huerfano Valley Ditch and Reservoir Company which is fed from and used in connection with the said Huerfano Valley ditch, as herein decreed for the storage of water and the purpose of irrigating the lands of claimant the same being located on Sec. 12, T.22 S.R. 68 W. and having a capacity of 87,855,000 cubic feet of water is entitled to and do have Reservoir Priority of the number and date as follows to-wit;

Reservoir Priority No. 6, February 2, 1888.

No. I02. Gardner Ditch.

That said Gardner ditch is entitled to Priority No. I2I and I48. It is claimed by William J. Millsap, Charles J: Wright and R. N. Watkins whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the north bank of the Huerfano River, at a point whence the north-west corner of section 27, T 26 S. R. 70 W. bears N. 34d. W. 594 feet; The general course is easterly; length I8467 feet; width at bottom 4 feet; depth of water carried I8 inches; grade 5.28 feet per mile; and the carrying capacity is computed to be a flow of I8.55 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I00 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Gardner ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitld thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit;

By original construction.

A.. Priority No. I2I, February I7/ I888, I.5 cu.ft.per second of time.

By further appropriation of water;

App. Priority No. I48, February I7, I890, water sufficient to irrigate practicably 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

1145

No. I03. Gomez Ditch.

That said Gomez ditch is entitled to Priority No. I24. It is claimed by Maria Rosa Gomez, Juan Francisco Gomez, John F. Read, and C.B.Sharp, whose post office address is Walsenburg, Colorado.

The headgate of said ditch is located on the South bank of the Cucharas River, at a point in the S.E.I/4 of the S.W.I/4 Sec.9, T. 28 S.R. 66.w. The general course is Northeasterly; length I0836 feet; width at bottom; 4.5 feet; depth of water carried 24 inches; grade 50 feet per mile; and the carrying capacity is computed to be a flow of 46.36 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of ~~35~~ 350 acres of land and takes its supply of water from the Cucharas River, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Gomes ditch from said Hucharas River for the use aforesaid for the benefit of the parties lawfully entitled thereto inder and by virtue of the appropriation of water thereby made the amount or water as of Priority number and date as follows to-wit;

By original construction;

App. Priority No. I24, April I0, I868, 7 cu.ft.per second of time

It is further ordered adjudged and decreed that Priority No. I24 in Blundell ditch No. 49, and Priority No. 49[S] as decreed herein be held and regarded to be as of the same date in point of time of appropriation and use of water and that said ditches are in every respect equal in their right to the use of water under said Priority No. 49, inthe amounts respectively decreed to them; and that the water commissioner of water district No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No. I24, in proportion to the respective amounts thereto decreed, and that he shall apportion and distributs water to the same accordingly;

Reference is hereby made to the decree for said Blundell ditch as entered herein.

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No. 7. LaJoya Reservoir.

It is furthery ordered adjudged and decreed that the said LaJoya Reservoir, claimed by said John F. Read, which is fed from and used in connection with the said Gomez and La Joya ditches as herein decreed, for the storage of water and the purpose of irrigating the lands of claimant the same being located I9745 feet east of the point of intersection of the said LaJoya ditch with the said Gomez ditch which point is about 640 feet east of the center of section I0, T.28 S. R. 66 W. and having a capacity of 7,74I,400 cubic feet of water, is entitled to and do have Reservoir Priority ~~Nax~~ of the number and date as follows to-wit;

Reservoir Priority No. 7, April I0, I888.

1116

No. II. Sharps Orchard Reservoir.

It is further ordered adjudged and decreed that the said Sharps Orchard Reservoir, claimed by C.B.Sharp which is fed from and used in connection with the said Gomez and LaJoya ditches, as hereinxdxxxxxxxxxdecreed, for the Storage of water and for the irrigating of the lands of claimant, the same being located in Sec.I T. 28 s. R. 68 W. and having a capacity of 3,696,000 cubic feet of water is entitled to and do have priority of the number and date as follows to-wit:

Reservoir Priority No.II, July I, 1889.

No. I04. Devine Ditch.

That said Devine ditch is entitled to Priority Nos. I25 and I75.

It is claimed by John T. Hopkins, whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the south bank of South Abeyta Creek, a tributary of the Huerfano River through the Cucharas River, at a point whence the the N.W. corner of the S.E.I/4 N.W.I/4 of Sec.II, T.29 S. R. 69 W. bears North 53d. 45' W. I250 feet; The general course is northeasterly; length I mile; width at bottom II/2 feet; depth of water carried I8 inches grade I6 feet per mile and the carrying capacity is computed to be a flow of I.5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of land and takes its supply of water from the South Abeyta Creek a tributary of the Huerfano River through the Cucharasc River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Devine ditch from said South Abeyta Creek for the use aforesaid for the benefit of the parties law fully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority numbers and dates as follows to-wit;

By original construction.
App. Priority No. I25, April 20, I888, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.
By further appropriation of water.
App. Priority No. I75, April 20, I895, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

150

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It is further ordered adjudged and decreed that Priority No. I25 in Childs Lake No. 2 ditch No.59 and Priority No. 59[S] as decreed herein be held and regarded to be as of the same ~~time~~ date in point of time of appropr iation and use of water, and that said ditches are in every respect equal in their right to the use of water under said Priority No. 59[S], in the amounts respectively decreed to them; and that the Water Commissioner of Water District No. I6 shall at all times regard the above named ditches as being equally entitled to water under said Priority No I25, in the respective amounts thereto decreed, and that he shall apportion and distribute water to the same accordingly;

Reference is hereby made to the decree of said Childs Lake No. 2 ditch as entered herein.

It is further ordered adjudged and decreed that Priority No. I75, in Kerlee Ditch No. I37 and Priority No. I75 as decreed here in be held and regarded to be as of the same d ate in point of ti time of appropriation and use of water and that said ditches are in everyb respect equal in their right to the use of wate under said Priority No. I75, in the amounts respectively decreed to them and that the water commissioner of water commissioner of water district No. I6 shall at all times regard the above named dit ches as being equally entitled to water under said Priority No. I75, in proportion to the respective amounts thereto decreed and that he shall apportion and distribute water to the same accordingly.

Reference is hereby made to the decree of said Kerlee Ditch No I37 as entered herein.

437

151

No. I05. Oak Springs Ditch.

That said Oak Springs ditch is entitled to Priority No. I26. It is claimed by Lewis A. Williams and William S. Kinsey, whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the South bank of the North bank of Oak Creek, a tributary of the Huerfano River through Middle Creek thence through the Cucharas River, at a point whence the S.W. corner of Sec. 26 T. 29 S.R.69 W. bears S. 8Id. 45' E. I800 feet; The general course is northeasterly; length 54I5 fe width at bottom 2 feet; depth of water carried I2 inches; grade I5.76 feet; per mile: and the carrying capacity is computed to be a flow of 5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from the North Fork of Oak Creek a tributary of the Huerfano River through Middle Creek, thence through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed toflow into said Oak Springs Ditch, from said North Fork of Oak Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amoun of water as of Priority number and date as folows to-wit.

By original construction.

App. Priority No. I26, May I, I888, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

157

No. 106. Turner and Freeland Ditch.

That said Turner and Freeland and Freeland ditch is entitled to Priority Nos. 129 and 162. It is claimed by William H. Freeland whose post office addre s is Walsenburg Colorado.

The headgate or said ditch is located on the East bank of Williams Creek a tributary of the Huerfano River, at a point 1160 feet N. 32d.W. of the N.W. corner of the N.W. 1/4 S.E. 1/4 of Sec. 24. T.25 S. R. 70 W. The ge neral course is Southeasterly; length 1 3/4 miles; width at bottom 3 feet; depth of water carried 1 8 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 6 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 75 acres of land and takes its supply of water from the Williams Creek a tributary of the Huerfano River.

It is hereby orderedv adjudged and decreed that there be allowed to flow into said Turner and Freeland ditch from said Williams Creek for the use aforesaid for the benefit of the parties lawfully entitled tereto under and by virtue of the several appropriations of water thereby made the amounts of water as of Priority No. and dates as follows to-wit;

By original construction.

App. Priority No. 129, June 5, 1888, waterh sufficient to irrigate practica ly 30 cares of land in an amount not to exceed 1 cubic foot of water per second of time.

By Further appropriat ion of water.

App. Priority No. 162, June 15, 1891, water sufficient to irriga[illegible] practicably 45 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

153

439

No. I07. Pope Brothers Ditch.

That said Pope Brothers Ditch identitled to Priority No. I30. It is claimed by W.R.Herrick, Trustee whose post office address Is Denver Colorado.

The headgate of said ditch is located on the ...bank of the Huerfano River, at a point in the N.W.I/4 of the N.E.I/4 of Sec.25 T. 2[illegible] S.R. 67 W. The general course is north-easterly length 5 I/3 miles; width at bottom 2 feet; depth of wate r carri ed I2 inches; grade ...feet per mile and the carrying capacity is computed to be a flow of 3.84 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I2 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into s id Pope Brothers ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriations of water thereby made the amount of wa er as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I30, October I5, I888, water sufficient to irr gate practicably I2 acres of land in an amount not to exceed I cubic foot of w ter per second of time.

154

No. 9. Pope Brothers Reservoir.

It is further ordered adjudged nd decreed that the said Pope Brothers Reservoir, claimed by said WB. Herrick, Trustee, which is fed from and used in connection with the said Pope Brothers Ditch, as herein described, for the storage of water and the purpose of irrigating the lands of claima nt, the same being located in the N.E.1/4 S.E.1/4 Sec. 8, T.26 S.R.66 W. and having a capacity of 4,024,238, cubic feetn of water , is entitled to and do have priority of the number and date as follows to-wit:

Reservoir Priority No. 9, October 15, 1888.

155

No. I08. Bott Ditch.

That said Bott ditch is entitledv to Priority No. I3I.

It is claime by David F. Bott whose post of fice address is Gardner, Colorado.

The headgate of said ditch is located on the North bank of Muddy Creek a tributary of the Huerfano River, at a point whence the N.E.corner of sec.27, S. R. 7I W. bears North 70d. East I760 feet; The general course is southeasterly; length I7550 feet; width at bottom 2 feet; depth of wate carried I2 inches; grade I6 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from Muddy Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Bott ditch from s id Muddy Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of wate thereby made the amount of wate as of Priority number and date a follows towit;

By original construction.

App. Priority No. I3I, November I, I88I,I.2 cu. ft per second of time.

No. I09. Ellis Ditch. That said Ellis ditch is entitled to Priority No. I32.

It is claimed by S.S.Ellis, J.T. Monroe and Fields McMillen, whose post office address is Undercliff, Colorado.

The headgate of said ditch is located on the ...bank of the Huerfano River at a point 69d. 7' W. I220.42 feet distant from I/4 section corner between Secs. II and I2, T. 23 S.RR 6?, W. The general course is northeasterly; length 6 7/I0 miles; width 6 feet; depth of wter carried ... inches; grade 5 feet per mile; and the carrying capacity is computed to be a flow of 46.60 cubic feet of water per second of time.

The said ditch has been and is being used or the ir rigation of 850 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said, Ellis Ditch from said Huerfano River for the use aforesaid for the benefit of the parties la wfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. I32, December I2, I888, I3,cu.ft.per second of time.

15

No. IO McMillan Reservoir.

It is further ordered adjudged and decreed tht the said McMillan Reservoir, claimed by said F: E. McMillan, which is fed from and used in connectionwith said Ellis Ditch as herein decreed, for the storage of water and the purpose of irrigating lands of claimant, the same being located in the S.E.I I/4 Sec.20, T.22. S.R. 62 W. and having acapacity of of I,045,000 cubic feet of water is entitled to and do have Reservoi Priority Nf the number and date as follows to-wit;

Reservoir Priority No. IO, April I5, I889.

158

No. 12. , Ellis Reservoir.

It is further ordered adjudged and decreed that, the said Ellis Reservoir, claimed by said J.J.Ellis, which is fed from and used in connection with the said Ellis Ditch as herein decreed, for the storage of water and the irrigating the lands of claimant, the same being located in the S.W.I/4 sec.32, T. 22, S R. 62 W. and having a capacity of 450,000 cubic feet of water is entitled to and do have Reservoir Priority of the number and date as follows to-wit;

Reservoir Priority No. 12, October I, 1889.

159

No. IIO. Epifianio Ditch.

That s aid Epifianio Ditch is entitled to Priority No. I33. It is claimed by Epifianio Martinez, Pablo Salaz, Juan N. Salaz, and Ceesanto Aragon whose post office address is Malachite, Colorado.

The headgate of said ditch is located on the West bank of Pass Creek a tributary of the Huerfano River, at a point whence the N.E.I/4 of Sec.20 T. 27 S.R. 70 W. bears N.40dE. 900 feet; the general course is north-westerly; length I3885 feet; width at bottom I foot; depth of water carried I2 inches; grade 20 feet per mile and the carrying capacity is computed to be a flow of 4 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I70 acres of land in an amount not to exceed I cubic foot of water per second of time. and takes its supply of water from Pass Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Epifianio Ditch from s id Pass Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water there by made the amount of water as of Priority Number and date as fol lows to-wit:

By original construction.

App. Priority No. I33, February I5, I889, 3.4 cu.ft.per second of time.

160

No. III. Arnold No.I Ditch.

That said Arnold No.I ditch is entitled to Priority No. I34. It is claimed by Walter M. Arnold, whose post office address is Capps Colorado and Alice M. Unfug, whose post offive addressie Walsenburg, Colorado.

The headgate of said ditch is located on the East bank of Santa Clara Creek a tributary of the Huerfano River, through the Cucharas River, at a point 546 feet N.E. from the S.E. corner of the N.W.I/4 of N.W.I/4, of sec. 20, T. 30 S.R. 66W.

The general course is nor[illegible]-easterly; length 43I8 feet; width at bottom 2 feet; depth of water carried I2 inches; grade 3I feet per mile and the carrying capacity is computed to be a flow of I5.93 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 75 acres of land and takes its supply of water from Santa Clara Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to, flow into said Arnold No. I ditch from s aid Santa Clara Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriation of water thereby made the amount of water as of Priority Number and date as follows to-wit;

By original construction.

App. Priority no.I34,March I5,I889,I.5 cu.ft.per second of time.

It is further ordered adjudged and decreed that Priority No. I34 in Arnold No.2 ditch No. 43, and Priority No. I34, as decreed herein be held and regarded to be as of the same date in point of time of appropriation and use of water and that said ditches are in every respect equal in their right to the use of water under said Priority No. I34, in the amounts respectively decreed to them. and that the water commissioner of water district No. I6, shall at all times regard the above named ditches as being equally entitled to water under said Priority No. ~~I6~~ I34, in proportion to the respective amounts thereto decreed, and that he shall apportion and distribute waterto the same accordingly.

Reference is hereby made to the decree for said Arnold No.2 ditch as entered herein.

No. II2. Faulkner ditch.

That said Faulkner ditch is entitled to Priority no. I36. It is claimed by J.Lowell Moore whose post office address is Emmetsburg, Iowa.

The headgate of said ditch is located on the South bank of Bear Canon Creek, a tributary of the Huerfano River through the Cucha ras River at a point whence the N.E.I of the N.E.I/4 of Sec. 2I T. 29 S.R. 69 W. bears N.45d. E.2070 feet; and N. 52d.e. 474 feet; The general course is southeasterly; length I400 feet; width at bottom I foot; depth of water carried I8 inches; grade 50 feet per mile; and the carrying capicity is computed to be a flow of 3 cubic feet of water per second of time The said ditch has been and is being used for the irrigation of 50 acres of land and takes its supply of water from Bear Canon Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Faulkner ditch from said Bear Canon creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority No. and date as folows to-wit.

App.priority No.i36,April I5,I889,Icu.ft.per second of time.

No. II3. Smith Crumley ditch.

That said Smith Crumley ditch is entitled to Pricrity number I37. It is claimed by James G. Hamilton whose post office addres is LaVeta Colorado.

The headgate of said ditch is located on the ,/,/bank of Wajatolla Creek a tributary of the Huerfano River through the Cucharas River at a point 500 feet from the S.W.corner of the S.E.I/4 of sec.34, T. 29 S.R.68 W. The general course is ..... length 2400 feet; width at bottom 2 feet; depth of water carried I2 inches; grade I63 feet per mile and the carrying capacity is computed to be a flow of I2 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 60 acres of land and takes its supply of water from Wajatolla Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed thatb there be allowed to flow into said Smith-Crumley ditch from said Wajatolla Creek for the use aforesaid for the benefit of the parties law fully entitled thereto under and by virtue of the appropriation of water thereby made the amount of ater as of Priority number and date as follos towit;

by original construction;

App.priority No.I37, May II?I889,I.2 cu.ft.per second of time.

164

No. II4. Russell Ditch.

That said Russell ditch is entitled to Priority No. I38 and I78. It is claimed by Joseph Russell, whose post office address is Apache, Colorado.

The headgate of said ditch is located on the south bank of Apache Creek a tributary of the Huerfano River, at a point whence the I/4 corner of the south line of sec.27 T.25 S.R.67 W. bears N. 37 d. 960 feet; The general course is south easterly; length 3000feet; width at bottom I/5 feet; depth of water carried I5 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot f water per second of time

Thesaid ditch has been and is being used for the irrigation of 25 acres of lan d and takes its supply of water from Apache creek a tributary of the Huerfano River.

It ~~xax xkx~~ is hereby ordered adjudged and decreed that there be allowed to flow into said Russell Ditch from said ~~Huerfano River~~ Apache Creek for the use aforesaid for the benefits of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows towit;

By original construction.

App. Priority No. I38, May 25, I889, water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of water per second of time.

By further appropriation of water.

App. Priority No. I78 May 25, I895, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

165

451

No. II5. Tracy Extension of Highland ditch.

That said Tracy Extension of Highland Ditch is entitled to Priority No. I39. It is claimed by W.R.Logan, whose post office address is Colorado Springs, Colorado.

The headgate of said ditch is located on the North bank of South Abeyta Creek a tributary of the Huerfano River through the Cucharas River at a point whence the N.W.corner of the S.E.I/4 of the S.W.I/4 of sec. I2, T.29 S.R. 69W bears S.30d. W. 425 feet; The general course is north-easterly; width at bottom I foot; depth of water carriedv I2 inches; grade I6 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from South Abeyta Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Tracy Extension of Highland Ditch from said South Abeyta Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I39. June 2, I889, water sufficient to irrigate practicably 25 acres of land in an amount not to exceed I cubic foot of, water per second of time.

No. II6. White Creek ditch.

That said White Creek ditch is entitled to Priority No. I40.

It is claimed by C. M. Mack, whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the North bank of Whi White Creek a tributary of the Huerfano River through the Cucharas River, at a point whence the quarter corner on north line of Sec. 35, T.30, S.R. R.69 W. bears N. I4.45d. W. and distant 36 chains and 60 links; The general course is North-westerly; length 3/4 of a mile; widt at bottom I I/2 foot; depth of water carried I2 inches; grade I6 feet per mile and the carrying capac ity is computed to be a flow of 2/5 of a cubic foot of water per second of time:

The said ditch has been and is being used for the irrigation of I5 acres of land nad takes its supply of water from White Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said White Creek ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority No. and date as follows to-wit;

Syn original construction.

App. Priority No. I40, June I0, I889, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per secon of time.

116

No. II7. Roy ditch.

That said Roy ditch is entitled to priority No. I4I.
It is claimed by Mrs. Delvina Roy whose and Mrs Hallie Clifford whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the South bank of the Huerfano River , at a point in the S.W.I/4 S.E.I/4 of sec. 24, T. 26, S.R. 70 W. and S. I7d. E. 2.i5 chains. The general course is south-easterly; length 3I39.62 feet; width at bottom I.5 feet; depth of water carried I2 inches; and grade is 50 feet per mile and the carrying capacity is computedto be a flow of I7.25 cubic feet od water per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of land and takes its supply pf water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Roy ditch from said Huerfaho River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thee by made the amount of water as f Priority number and date as follows to-wit;

By original constructi on.

App. Priority No. I4I, July I, I889, water seufficient to irrigate practicably 30 cares of land in an amount not to exceed I cubic foot of water per second of time.

No. 118. ERWIN DITCH.

That said Erwin Ditch is entitled to Priority No. 142. It is claimed by J. P. Erwin and W. N. Erwin, whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the East bank of the West Fork of Hayes Branch, a tributary of the Huerfano River through the Cucharas River, at a point whence the S.E. corner N.W. 1/4 S.E. 1/4 of Sec. 28, T. 30, R. 68 W. bears N. 15 D. E. 310 feet; The general course is North-easterly; length 1 Mile; Width at bottom 1 foot; depth of water carried 12 inches; grade 50 feet per mile and the carrying capacity is computed to be a flow of 1 cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of land and takes its supply of water from the West Fork of Hayes Branch a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Erwin Ditch from said West Fork of Hayes Branch for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit:

By Original Construction.

App. Priority No. 142, July 10, 1889, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

No. 118. Martin No. 2 Ditch.

That said Martin No. 2 ditch is entitled to Priority No. 143.

It is claimed by William Fowler, Jose Manuel Martinez, Thomas Sproull, David Manchego, Juan B. Jacques, Thomas Lamb, Juan Garcia, August Unfug, and Michele Bucci, whose post office address is Badito Colorado.

The headgate of said ditch is located on the ....bank of the Huerfano River, at a point in the N.W.1/4 S.E.1/4, of Sec.4, T. 27 S. R. 68 W. The general course is easterly; length 2 miles width at bottom 4 feet; depth of water carried 24 inches; grade 10 feet per mile; and the carrying capacity is computed to be a flow of 39 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 50 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Martin No. 2 ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 143, July 15, 1889, xxxxxxxxxxI. cu.ft.per second of time.

170

No. I20. Cyclone Ditch.

That said Cyclo ne Ditch is entitled to priority nu mber I44. It is claimed by Arthur A. Foote, whose post office address is LaVeta, Colorado, and Lucy P. Yeager, whose post office address is Pueblo, Colorado

The headgate of said ditch is located on the North bank of South Abeyta Creek, a tributary of the Huerfano Ri er through the Cucharas River, at a point whence the N.W.corner of the S.W.I/4 of sec. I2, T. 29 S.R.69 W. bears northeast 575 feet; The general course is Easterly; length 5 miles; width at bottom 4 feet; depth of water carried I2 inches; grade 50 feet per mile; and the carrying capacity is computed to be a flow of 9 cubic fet of water per second of time.

The said ditch has been and is being used for the irrigation of 80 acres of land and takes its supply of water from the South Abeyta Creek, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to, flow into said Cyclone ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follow to-wit;

By originalconstruction.

App. Priority No. I44, July 20, I889,I.6 cu.ft per second of the time.

171

No. I2I. Fry Ditch.

That said Fry ditch is entitled to Priority No. I46.

It is claimed by G.A.Wilkinson, whosepost office address is Bangor Michigan.

The headgate of said ditch is located on the West bank of the West Fork of Hayes Branch a tributary of the Huerfano River through the Cucharas River.

at a point 420 feet east of the S.E.corner E I/2 S.W.I/4 of sec. 2I, T. 30 S. R. 68 W. The general course is north-westerly; length I mile; width at bottom; 2 feet; depth of water carried I2 inches; grade I50 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of tim The said ditch has been and is being used for the irrigation of I2 acres of land and takes its supply of water from the West Fork of Hayes Branch a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and decreedv that there be allowed to flow into said Fry ditch from said West Fork of Hayes Branch for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to- it;

By original construction;

App. Priority No. I46, January I, I880, water sufficient to irrigate practicably I2 acres of land in anamount not to exceed I cubic foot of water per second of time.

No. I22. Mary A. McLain Enlargement of Devine Ditch.

That said Mary A. McLain Enlargement of Devine Ditch is entitled to Priority No. I50. It is claimed by Charles J. Wright, whose post office address is Colorado Springs, Colorado.

The headgate of said ditch is located on the South bank of South Abeyta Creek, a tributary of the Huerfano River through the Cucharas River, at a point whence the N.W.corner of S.E.I/4 N.W.I/4 of Sec.ii, T.29 S.R.69 W. bears N.63d.45' W. I250 feet.

The general course is south-easterly; length 4328 feet; width at bottom 2/3 of a foot; depth of water carried 6 inches; grade I6 feet per mile and the carrying capacity is computed to be a flow of I.5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I5 acres of land and takes its sup ly of water from South Abeyta Creek a tributary of the Huerfano River through the Cucharas River:

It is hereby ordered adjudged and decreed that there be allowed to flow into said Mary A. McLain Enlargement of the Devine Ditch from said South Abeyta Creek for the use aforesaid for the benefi of the parties lawfully entitled thereto inder and by virtue of h the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.
App. Priority No. I50, May I, I890, water sufricient to irrigate practicably I5 acres of land in an amount not to, exceed I cubic feet of water per second of time.

173

No. I23 Butte Ditch.

That said Butte ditch is entitlad to Priority No. I52.
It is claimed by Mrs. Louisa Goemmer and Mrs C.C.McNutt,
whose post office address ss Pueblo, Colorado.
The headgate of said ditch is lo cated on the North bank of the Cucharas River a tributary of the Huerfano River, at a point in the N.W.I/4 of the N.W.I/4 of sec.8 T. 30, S.R. 68 W.S.52d. 23' E. 8I4.I4 feet of the ?.W. corner Sec. 5, T. 30 S.R.68W.
The general course is north-westerly; length 3I090 feetwidth at bottom 4.5 feet; depth of water carried I2 inches grade 4.22 feet per mile; and the carrying capacity is computed to be a flow of I3 cubic feet of water per second of time.
The said ditch has been and is being used for the irrigation of 250 acres of land and takes its supply of water from the Cucharas River, a tributaryn of the Huerfano River.

It is hereby ordered adiudged and decreed that there be allowed to flow into said Butte ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I52, June I5, I890, 5 cu.ft.per second of time.

174

No. I24. Mexican Branch Ditch.

That said Mexan Branch ditch is entitledvto Priority No. I53.

It is cliamed by James Beckwith, whose po t office address is Ute, Colorado, and also claimed by W.R.Herrick whose post office address is Denver, Colorado.

The headgate of said ditch is located on the North Bank of Mexican Branch a tributary of the Huerfano River, at a point in h the NW1/4 N.W.1/4 of sec.I T.26 S.R. 68 W. The general course is north-easterly; length 5665 feet; width at bottom 2 feet; depth of water carried 2 feet; grade I50 feet per mile; and the carry ing capacity is computed to be a flow of I0 cubic feet of water per second of time.

The said ditch has been and is being used or the irrigation of I00 acres of land nd takes its supply of water from Mexican Branch a tributary of the Huerfano River;

It is hereby ordered adjudged and decreed that there be allowed to flow into said Mexican Branch ditch from s id Mexican Branch for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priorityn number and date as follows to-wit;

By original construction .

App.Priority No.I53,July I3,I890,2 cu.ft.per second of time.

175

No. I25. Tom Branch ditch.

That said Tom Branch ditch is entitled to Priority No. I54. It is claimed by James Beckwith, whose post office address is Ute, Colorado, and also claimed by W.R.Herrick, Trustee, whose post office address is Denver, Colorado.

The headgate of said ditch is located on the south bank of Tom Branch, a tributary of the Huerfano River through the the Cucharas River, at a point in the N.E.I/4 S.W.I/4 of sec. 36 T. 25, S.R. 68 W. The general course is south-easterly; length 4675 feet; width at bottom 2 feet; depth of water carried I2 inches; grade I50 feet per mile; and the carrying capacity is computed to be a flow of 5 cubic feet pf water per second of time.

The said ditch has been and is being used for the irrigation of I00 acres of land and takes its supply of water from Tom Branch a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudgedv and decreed that there be allowed to flow into said Tom Branch ditch from said Tom Branch, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to wit;

By original construction.

App.Priority No.I54,July I5,I890,2 cu.ft.per second of time.

176

No./26. Landers Ditch.

That said Landers Ditch is entitled to Priority No. I26.

It is claimed by Harriet Staplin, whose post office addre s is LaVeta, Colorado.

The headgate of said ditch is located on the East bank of Staplin Creek a ributary of the Huerfano River through the Cucha ras River, at a point whence the S.W. corner N.E.I/4 S.E.I/4, sec. 22, T. 30 S.R.68 W. bears S. 65d. 30' W. 350 links and S. 675 links; The general course is North-easterly; length I/2 of a mile; width at bottom I foot; depth of water carried I2 inches; grade 50 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from Staplin Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered & judged and decreed that there be allowed to flow into said Landers Ditch, from said Staplin Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of wate thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I55, February I, I89I, water sufficient to irri gate practic bly 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

177

No. I27. Ute No. 2 Ditch.

That said Ute No.2 ditch is entit led to Priority No. I56.

It is claimed by W.R.Herrick, Trustee, whose post office address is Denver, Colorado.

The headgate of said ditch is located on the bank of Apache Creek, a tributary of the Huerfano River, at a point 400 feet east of the S.W.corner of the S.E.1/4, of Sec. 30 T.25 S.R.67 W. The general course is south-easterly; length 38240 feet; width at bottom 2 feet; depth of water carried 24 inches; grade I00 fet per mile;, and the carrying capacity is computed to be a flow of I5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 20 acres of land and takes its supply of water from Apache Creek, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Ute No.2 Ditch from said Apache Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by vitue of the appropriation of water thereby made the amount of water as of Priority number and date as follo ws to-wit;

By original con struction.

App. Priority No. 156, March 28, I89I, water sufficient to irrigate practicably 20 acres of land in an amount not to exceed I cubic foot of water per second of time.

178

No. 128. Robinson Ditch.

That said Robinson Ditch is entitled to Priority No. 159.

It is claimed by Walter N. Houser whose post office address is Walsenburg/ Colorado.

The headgate of said ditch is located on the North bank of Muddy Creek, a tributary of the Huerfano River, at a point 1150 feetS.W. from the N.E.corner of Sec. 2 and the N.W.corner of Sec. 1, T.26 S.R.71 W. The general course is south-easterly; length 3 miles; width at bottom 4 feet; depth of water carried 18 inches grade 1/2 inch per rod; and the carrying capacity is computed to be a flow of, 4.6 cubic feet pf water per second of time.

The said ditch ha been and is being used for the irrigation of 150 acres of land and takes its supply of water from Muddy Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Robinson ditch from said Muddy Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

by original construction.

App.Priority No.159,April 20,1891,3 cu.ft.per second of time.

119

No. 3. Robinson Reservoir.

It is further ordered adjudged and decreed that the said Robinson Reservoir, claimed by said Walter N. Houser, wh. is fed fr[illegible] and used in connection with the said Robinson Ditch, as herein decreed, for the storage of water and the purpose of irrigating the lands of claimant, the same being located on the S.I/2 N.W. I/4 S.I/2 N.E.I/4, and NEI/4 S.W.I/4, Sec. I7, T.26 S.R.70W. and S.W. N.W.i/4, N.I/2 S.W.I/4, Sec. 8, T.26, S.R.70 W., and having a capacity of 2,500,000 cubic feet of water is entitled to and do have reservoir priority of the number and date as follo ws to-wit;

Reservoir Priority No. 3, July I, I885.

180

No. I29. Cyracilla Ditch.

That said Cyracilla ditch is entitled to Priority No. I60.

It is claimed by Thomas B. Crumley, whose post office address is LaVeta Colorado.

The headgate of said ditch is located on the South bank of Middle Creek a tributary of the Huerfano River, through the Cucharas River, at a point whence the N.W.corner of the SI/2 N.E. I/4 of sec.20 T.29, S.R. 68 W. bears N.23d. 30' E. 253 feet; The general course is North-easterly; length 2640 feet; width at bottom I 2/3 feet; depth of water carried I2 inches; grade I5 feet per mile and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 45 acres of land and takes its supply of water from Middle Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Cyracilla ditch from said Middle Creek, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I60 May I, I891, water sufficient to irrigate practicably 45 acres of land in amount not to, exceed I cubic foot of water per second of time.

No. I30... Echo Ditch.

That said echo ditch is entitled to Priority No. I6I and I72. It is claimed by Alexander McDonald, John Dick Sr. and Robert Dick, whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the East bank of Echo Creek a tributary of the Huerfano River through the Cucharas River at a point whence the S.W.corner of the S.E.I/4 N.E.I/4 Sec. 20 T.30 S.R.68 W. bears S.84d. 30' E.730 feet. The general course is North-easterly; length 4297.5; width at bottom 3 feet; depth of water carried I6 inches: grade I0 feet per mile and the carrying capacity is computed to be a flow of 5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 37 acres of land and takes its supply of water from Echo Creek a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Echo Ditch, from said Echo Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amounts of water as of priority numbers and dates as follows to-wit;

By original construction.

App. Priority No. I6I, May I7, I89I, water sufficient to irrigate practicably 37 acres of land in an amount not to exceed I cubic foot of water per second of time.

App.Priority No.172,May I7,I894,I cu.ft.per second of time.

187

No. I3. McDonald Reservoir.

It is further ordered adjudged and decreed that the said McDonald Reservoir, claimed by said Alender McDonald, which is fed from and used in connection with the said Echo ditch, as herein decreed , for the storage of water and the purpose of irrigating the lands of claimant the same b eing located on the N.W.I I/4 N.W.i/4 Sec.9, T. 30 S.R.68 W. and having a capacity of 529, 000, cubic feet of water is entitled t and do have ~~R~~xxxReservoir Priority of the number and date as follows to-wit;

Reservoir Priority No. I3, May I7, I89I.

No. I3I. Petrie Ditch.

That said Petrie Ditch is entitled to Priority No. I63.

It is claimed by Jerome B. Petrie whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the West bank of Deer creek a tributary of the Huerfano River through the Cucharas River, at a point near the south-east corner of the N.E.1/4 S.E.1/4 of Sec.4, T.30 S.R. 68 W. The general course is Northwesterly; length I mile; width at bottom 2 feet; depth of water carried I2 inches; grade 35 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per seconde of time.

The said ditch has been and is being used for the irrigation of 100acres of land and takes its supply of water from Deer Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Petrie Ditch from said Deer Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

Appropriority No.I63,July I5,I89I:2 cu/ft/per second of time.

No. 132. Laforet Ditch.

That said Laforet ditch is entitled to Priority No. 164.

It is claimed by Antonio A.LaForet, and Juan de Dios Ortibis, whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the West bank of Middle Turkey Creek a tributary of the Huerfano River, at a point in the N.W.1/4 of the S.W.1/4, of sec.15, T.25 S.R.69W. The general course is south-westerly; length 12260 feet; width at bottom 1 1/4 feet; depth of water carried 12 inches; grade 75 feet per mile and the carrying capacity is computed to be a flow of 5.6 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 50 acres of land and takes its supply of water from Middle Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowedto flow into said LaForet ditch from said Middle Turkey Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation o water thereby made the amount of water as of Priority number and date as follows to-wit;

App. Priority No.164,AprilI,1892,1 cu.ft.per second of time.

125

No. 133. Luna Ditch.

That said Luna Ditch isentitled to Priorityn No. I65.

It is claimed by W.H.Clement and Nicolas Luna, whose post office address is Talpa, Colorado.

The headgate of said ditch is located on the North bank of Oak Creek a tributary of the Huervano River, at a point whence the N.W.corner of sec.32, T 27 S.R.69 W. bears N. 49d. 37' E . 5906 feet: The general course is north-easterly; length 8405 feet; width at bottom 2 feet; depth of water carried I0 inches; grade 20 feet per mile; and the carrying capacity is computed to be a flow of 6.6 cubic feet of water per second of t time.

The said ditch has been and is being used for the irrigation of 40 acfes of land and takes its supply of water from Oak Creek a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Luna ditch, from said Oak Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriat ion of water there by made the amount of water as of Priority number and date as follows towit;

By original construction.

App. PriorityNo. I65, April 6, I892,water sufficient to i rigate practicably 40 acres of land in an mount nt to exceed I cubic feet of water per second of time.

No. I34. Farmers Ditch.

xd ~~Xxxxxxx~~ That said Farmers ditch is entitled to Priority Nos. I67 and I77. It is clia med by J.T.Monroe, C.R.and T.E.Griffin and Lawrence Godwin, whose post office address is Undercliff, Colorado.

The headgate of said ditch is located on the E st bank o the Huerfano River, at a point on the S.W.I/4 S.E.I/4 of sec. I5, T.23, S.R.63 W. The general course is North-easterly length 7 miles; depth of water carried 3 3I/I0 feet; grade 3.696 feet per mile; and the carrying capacity is computed to be a flow of 62.3 cubic feet of water per second of time. The said ditch has been and is being used for the irrigation of 600 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Farmers ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriations of water thereby made the amount of water as of Priority numbers and dates as follows to-wit;

By original construction.

App.priority No.I67,May I5,I893,6 cu.ft.per second of time.

By further appropriation of water.

App.Priority No.I77,May I5,I895,I0,cu.ft.per second of time.

No. I35. Dog Town No.2 Ditch.

That said Dog Town No.2 ditch is entitled o Priority No. I68. It is claimed by Field E. McMillen, Ernest Waltz, and L.A.Hinton whose post office address is Undercliff, Colorado.

The headgate of said ditch is loacted on the West bank of the Huerfano River, at a point on the S.E.I/4 S.W.I/4 sec. 3I, T. 22 S.R.62,W. The general course is North-easterly; length 6 miles; width at bottom 7 feet; depth of water carried I.75 feet: grade 4 2/I0feet per mile and the carrying capacity is computed to be a flow of 28.8 cubic feet of water per econd of time.

The said ditch has been and is being used for the irrigation of 80 acres of land and takes its supply of water from the Huerfano River.

It is hereby ordered adjudged and decreed that th re be allowed to flow into said Dog Town No.2 ditch, from said Huerfano River, fot the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows towit.

By original construction.

App. Priority No. I68, November 8, I893, I.6 cu FT per second of time.

198

No. I36. Sisneros Ditch.

That said Sisneros Ditch is entitled to Priority No. I70. It is claimed by Maria delas N.GarciaYganacio Gallegos, MariaM. Trujillo, Maria M. Maes, de Chaves, Antonio Cordoba, and Aron A. Willburn, whose post office address is Gardner, Colorado.

The headgate of said ditch is located on the West bank of Middle Turkey Creek, a tributary of the Huerfano River, at a point whence the S.W. corner of Sec. I5, T.25 S.R.69 W.bears W. I3I5 feet and south I73I feet: The general course is southeasterly; length 23430 feet; width at bottom I.5 feet; depth of water carried 24 inches; grade I00 feet per mile; and the carrying capacity is computed to be a flow of 5 cubic feet of water per second of time.

The said ditch ha been an is being used for the irrigation of ~~xxembisxfex~~ I25 acres of landand takes its supply of water from Middle Turkey Creek a tributary of the Huerfano River .

It is hereby ordered adjudged and decreed that thee be allowed to flow into said Sisneros Ditch from said Middle Turkey Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of wa er as of Priority number and date as follows to-wit;

By original construction.

App.Priority No.I70,April I2, I894,2.5 cu.ft.per second of time.

189

No. I37. Chapparel Ditch.

That said Chapparel ditch is entitled to Priority No.I73L
It is claimed by C.M.Mack, whoseb post office address is LaVeta, Colorado.

The headgate of said ditch is located on the South bank of Chapparel Creek, a tributary of the Huerfano River, thro ugh the Cucharas River, at a point whence the N.W.corner of sec. 36, T. 30 S.R.69 W. bears N.23D. W.60 chains. The general coure is north-westerly; length I/2 mile; width at bottom I foot; depth of water carried I2 inches; grade I6 feet per mile; and t e carrying capacity is computed to be a flow of I.5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of 30 acres of land a nd takes its supply of water from Chapparel Creek a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and devreed that there be allowed to flow into said Chapparel ditch from said Chapparel creek for the usevaforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit:

By original construction;

App. Priority No. I73, June I5, I894, water sufficient to irrigate practicably 30acres of land in an amount not to exceed I cubic foot of water per secohd of time.

476

190

No. I38. Korlee Ditch.

Thatsaid Kerlee Ditch is entitled to Priority No. I75.

It is claimed by R.S.Kerlee whose post office address is Gardner Colorado.

The headgate of said ditch is located on the North bank of the Huerfano River at a point whence the N.E.corner of the N.E.i/4 N.W.I/4 of Sec. I9, T.26, S.R. ~~xkx~~ 69 W. bears N.26d. 30' E I300 feet. The general course is south-easterly; length 2 27 echains; width at bottom 2 feet; depth of water carried I2 inches; grade 7 feet per mi;e; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time. The said ditch has been and is being used for the irrigation of 6 acres of land and takes its supply of water fro the Hu rfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Kerlee Ditch from said Huerfano River for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I75, April 20, I895, water sufficient to irrigate prac ticably 6 acres of land inan amount not to,exceed I cubic foot oi water perysecond of time.

191

It is further oddered adjudgedand decreed that Priority No. I75,in in Devine Ditch No. I04 and Priority No. 175 as decreed herein be held and regarded to be as of the same date in point of time of appropriation and use of water and that said ditches are in every reppect equal in their right to the use of water in proportion to the amounts respectively decreed to them under said Priority No. I75. and that the Water Commissioner of Water District shall at all times regard the above namedv ditches as being equally entitled to water under said Priority No. I75, in proportion to the respective amounts thereto decreed, and that he shall appottion water to the same accordingly.

Reference is hereby made to the decree for said Devine ditch No. I04 as entered herein.

197

No. I39. Frank Ditch.

That said Frank ditch s entitled to Priority No. I76.

It is claimed by Harriett Staplin whose pos t office address is LaVeta, Colorado.

The headgate of said ditch is located on the East bank of Staplin Creek a tributary of the Huerfano River, through the Cucharas River, at a point whence the S.E.I/4 corner of N.E.I/4 N.E.I/4 of sec. 27 T. 30 S.R.68W. bears S. 225 links, E. 375 links; The general course is Norrth-easterly; length I mile; width at bottom 2 feet; depth of water carried I2 inches; grade 32 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot o water per second of time The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from Staplin Creek a tributary of the Huerfano River, through the Cucharas River. It is hereby orderdd adjudged and decreed that there be allowed to flow into said Frank ditch from said Staplin Creek for the use aforesaid for the benefit of the parties lawfully entitled there to under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follo ws to-wit;

By original construction.

App. Priority No. I76, April 2I, I895, water sufficient to irrigate prac t.vably 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

193

No. I40 Desert Claim Ditch.

That said Desert Claim ditch is entitled to Priority No. I80. It is claimed by William N. Erwin, whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the West bank of Hayes Branch, a tributary of the Huerfano River through the Cucharas River, at a point whence the quarter corner on north line of sec.9 T.30 S.R.68 W. bears N. 45d. 45' W. 500 feet; The general course is North-westerly; length 4280 feet; width at bottom I foot; depth of water carried I0 inches; grade 5.8 feet per mile; and the carrying capacity is computed to be a flow of I cubic foot of water per second of time.

The said ditch has been and is being used for the irrigation of 25 acres of land and takes its supply of water from Hayes Bran Branch, a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Desert Claim ditch from said Hayes Branch for the use aforesaid for the benefit of the parties law fully entitled thereto under and by virtue of the several appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I8C, November 2I, I895, water sufficient to irrigate pravticably 25 acres of land in an amount not to exceed I cubic foot of water per second of time.

480

1911

No. I4I. Miller Ditch.

That said Miller Ditch isentitled to Priority No. I8I.

It is claimed by William Miller, and Katie Kiger, whose post office address is Pictou, Colorado.

The headgate of said ditch is located on the South bank of Apache Creek a tributary of the Huerfano River, at a point whence the N.W.corner of the S.W.I/4 of sec.30, T.25, S.R.67 W. bears E.50d. S. 530 feet: The general course is South easterly; length I mile; width at bottom I.5 feet; depth of water carried I2 inches; grade 25 feet per mile; and the carry ing capacity is computed to be a flow of I.5 cubic feet of water per second of time.

The said ditch has been and is being used for the irrigation of I0 acres of land and takes its supply of water from Apache Creek, a tributary of the Huerfano River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Miller ditch from s id Apache Creek for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the several appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. I8I, March 5, I896,water sufficient to irrigate practicably I0 acres of land in an amount not to exceed I cubic foot of water per second of time.

No. I42. Mathews ditch.

That said Mathews ditch is entitled to Priority No. I82.

It is claimed by George Mathews whose post office address is LaVeta, Colorado.

The headgate of said ditch is located on the south bank of South Abeyta Creek a tributary of the Huerfano River, through the Cucharas River at a point whence the north-west corner of Sec. I3, T.29 S.R.69 W. bears 32 D. W.1788 feet; The general course is south-easterly; length I865 feet; width at bottom I.5 feet; depth of water carried I2 inches; grade I5.75 feet; per mile: and the carrying capacity is computed to be a flow of I0 cubic feet of water per second of time.

The said ditch has been and is being used for the irriga tion of I5 acres of land and takes its supply of water from South Abeyta Creek a tributary of the Huerfano River through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Mathews ditch from said South Abeyta Creek for the use aforesaid for the benefit of the parties lawfu ly entitl ed thereto under and by virtue of the appropriation of wate thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

APP. Priority No. I82, April I5, I896, water sufficient to irrigate practicably I5 acres of land in an amount not to exceed I cubic foot of water per second of time.

196

No. I43. ? Sowers ditch.

That said Sowers ditch is entitled to Priority No. I83. It is claimed by Jesse H. Sowers whose post o fice a dress is Capps Colorado.

The headgate of said ditch is located on the south bank of a small tributary of the Xxxx Santa Clara Creek, a tributary of the Huerfano River through the Cucharas River, at a point whence the N.W. corner of the S.W.I/4 N.E.I/4 of Sec. 22, T.30 S. R. 67 W. bears N. 20D. IOE. 475 feet; The general course is North-easterly; length I7I0 feet; width at bottom I foot; depth of water carried I2 inches; grade I2 feet per mile; and the carry ing capacityn is computed to be a flow of I cubic foot of water per second of time.

The said ditch nas been and is being used for the irrigation of I0 acres of land and takes its supply of water from a small tributary of the Santa Clara Creek, a tributary of the Huerfano River, through the Cucharas River.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Sowers ditch from said Small tributary of Santa Clara Creek for the use aforesaid or the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit.

By original construction. [redacted]
App. Priority No. I83, April 28, I896, water suffi cient to ir i-gate practicably I0 acres of land in an amoumt not to exceed I cubic foot of water per second of time.

197

483

No.I A. Ojo Springs Ditch.

That said Ojo Springs ditch is entitled to Priority No. 305 A. It is claimed by J.B.Aragon whose p ost office address is StMary's, Colorado.

The initial point of said ditch is located at a series of springs at a point whence the N.W. corner of sec. 4. T.26 S. R. 67 W. bears N. 42d. 30' W. 2185 feet. The general course is south-easterly; length 1000 feet; width a bottom 2 feet; depth of water carried 12 inches; grade 50 feet per mile: and the carry ing capacity is computed to be a flow of 2 cubic feet of water per second of time.

That said ditch has been and is being used for the irri gation of 5 acres of land and takes itssupply of water from the springs above m entioned, and that said water is not capable of being applied to the lands upon which said springs are located It is hereby ordered adjudged and decreed that there be allowed to flow into said Ojo Springs ditch from said said Springsabove mentioned, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropria- tion of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. 305 A. July 20 1892, water suffi cient to irrigate practicably 5 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

484

191

No. 2 A. Krier Underflow Ditch.

That said Krier Underflow ditch is entitled to priority No. 313 A. It is claimed by William Krier whose post office address is LaVeta, Colorado.

The said ditch draws its supply of wate xfxmmxat a point whence the S.E.corner N.W.1/4 Sec. 29. T. 29 S.R. 68 W. bears S. 45d. W. 150 feet; The general course is north-easterly; length 16 feet; width at bottom 1 foot; depth of water carried 12 inches; grade 10.3 feet per mile; and the carrying capacity is computed to be a flow of 1 cubic foot of water per second of time.

That said ditch has been and is being used for the irrigation of 6 acres of land and takes its supply of water from the underflow or seepage above mentioned, and that said water is noy capable of being applied to the lands upom which underflow orv seepage is located.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Krier Underflow ditch, from said underflow or seepage above mentioned, for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the Appropriation of water thereby made the amount of water as of priority number and date as follows to-wit;

By original construction.

App. Priority No. 313 A. june 5, 1894, water sufficient to irrigate practicably 6 acres of land in an amount not to exceed 1 cubic foot of water per second of time.

No. 3 A. Underflow No.I Ditch.

That s id Underflow No. I ditch is entitled to Priority No. 3I4 A. It is claimed by Clinton B. Sharp, and Mrs Thomas Edwards, whose post office address is Walsenburg, Colorado.

The initial point of said ditch is located in the bed of Bear Creek, at a point whence the S.W.corner Sec. IO, T.28 S.R. 66 W. bears N.57d. 30' W. I650 feet; the general course is north-easterly; length I4350 feet; width at bottom 2 feet; depth of wat er carried I2 inches; grade I2 feet per mile; and the carrying capacity of said ditch is computed to be a flow of 2.5 cubic feet of water perv second of time.

The said ditch has been and is being used for the irri-gation of 30 acres of land and takss its supply of water from the underflow or seepage above mentioned, and that said water is not capable of being applied to the lands upon which underflow or seepage is located.

It is hereby ordered adjudged and decreed that there be allowed to flow into s id Underflow No. I. dotch from said under-flow or seepage above mentioned, for the use afor esaid for the n benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority Number and date as follows to-wit;

By original construction.

App. Priority No. 3I4 A. January I2, I895, water sufficient to irrigate practicably 30 acres of land in an amount not to exceed I cubic foot of water per second of time.

[redacted]

486

700

No. 4 A. Coan Spring Ditch.

That said Coan Spring Ditch is entitled to Priority No. 317 A. It is claimed by Charles H. Coan, N.B.Akers, whose post office address is Seguro, Colorado.

xxxxxThexheadgatexofxsaidxditchxxxxx

The initial point of said ditch is located at a mountain spring whence the I/4 corner between secs. 28 and 29, T. 27 S.R. R.72 W. bears S. xxxxx 67d. E. 2970 feet; The general course is southeasterly; length 2410 feet; width at bottom I foot; depth of water carried I0 inches; grade I50 feet per mile; and the carrying capacity is computed to be a flow of 3 cubic feet of water per second of time.

That said ditch has been and is being used for the irrigation of 40 acres of land and takes its supply of water from the spring above mentioned, and that said water is no t xxxx capable of being applied to lands upon which said spring is located.

It is hereby ordered adjudged and decreed that there be allowed to flow into said Coan Spring Ditch, from said Mountain Spring above mentioned for the use aforesaid for the benefit of the parties lawfully entitled thereto under and by virtue of the appropriation of water thereby made the amount of water as of Priority number and date as follows to-wit;

By original construction.

App. Priority No. 317 A. May I, I895, water sufficient to irrigate practicably 40 acres of land in an amount not to exceed I cubic foot of water per second of time.

[redacted]

201

487

No. 5 A. Gordon Springs Ditch.

That said Gordon Springs ditch is claim ed by Henry Gordon whose post office address is Walsenburg, Colorado.

The initial point of said Ditch is located at Gordon Spring at a point in N.W.I/4 S.W.I/4 sec. 20, T. 28 S.R. 69 W.

The general course is Northeasterly; length 2310 feet; width at bottom 2 feet; depth of water carried 12 inches; grade 16 feet per mile; and the carrying capacity is computed to be a flow of 2 cubic feet of water per second of time.

That said ditch has been and is being used for the irrigation of 50 acres of labd owned by claimant upon whose land the said Gordon Spring arises, and that the waters thereof are capable of being used upon the lands of said claimant.

It is hereby ordered adjudged and decreed that the said Henry Gordon, is entitled to and do have the prior right to the use of the waters of said Gordon Spring as above located and described.

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State of Colorado,

County of Huerfano, ss.

I, Fred O. Roof, Clerk of the District Court in and for said County in the Stae aforesaid do hereby certify the above and foregoing to be a true and correct copy of the decree of said Court establishing the priority of right to the use pf water in Water District No. 16, entered on the 23rd. day of February A.D.1898.

Given under my hand and seal of said Court at Walsenburg, in said County this 18th. day of May A.D.1898.

Fred O. Roof
Clerk

NO. 63.

APPROPRIATION PRIORITY NO. 349. ORLANDO RESERVOIR NO. 2.

RESERVOIR PRIORITY NO. 64.

CONDITIONAL:

APPROPRIATION PRIORITY NO. 349-C.

RESERVOIR PRIORITY NO. 64-C.

ENLARGEMENT:

APPROPRIATION PRIORITY NO. 367½-C.

RESERVOIR PRIORITY NO. 75½-C.

F I N D I N G S

THE COURT DOTH FIND:

I.

That the name of the claimant of said ORLANDO RESERVOIR NO. 2, is The Orlando Canal & Reservoir Company, a Colorado corporation, and its post office address, is Denver, Colorado.

II.

That thename of said reservoir, is The Orlando Reservoir No. 2, and that the same was constructedand has been maintained and operated for the storage of water for agricultural purposes.

III.

That the water for storage in said reservoir has been derived from the Huerfano River, a natural stream of the State of Colorado, through and by means of the Orlando Canal No. 3. And from the Greasewood Arroya, a natural stream of the State of Colorado, and a tributary of the Huerfano River, through and by means of the Greasewood Arroya Diverting Canal.

That the headgate of the Orlando Canal No. 3, is located at a point on the North bank of the Huerfano River, from whence

the West quarter corner of Section 25, Township 26 South, Range 66 West of the 6th P. M., bears North 5° 30' West 973 feet, said canal having a carrying capacity of 130 cubic feet of water per second of time.

That the headgate of the Greasewood Arroya Diverting Canal, is located at a point on the said Greasewood Arroya, from whence the Northeast corner of Section 18, Township 26 South, Range 66 West of the 6th P. M., bears North 68° 3' East 2920 feet, said canal having a carrying capacity of 1500 cubic feet of water per second of time.

IV.

That the said Orlando Reservoir No. 2 is located in Sections 17, 18, and 20, in Township 26 South, Range 66 West of the Sixth P. M. That said reservoir has been filled to its available storage capacity of 43,560,000 cubic feet of water and beneficial use thereof made in the irrigation of 1,000 acres of land.

That it was proposed by said original construction to construct said reservoir to an additional capacity of 35,078,760 cubic feet of water.

That it was also proposed by an enlargement of said reservoir to increase its storage capacity to an additional amount of 111,182,750 cubic feet of water, as of date, October 2, A. D. 1906.

V.

That the original work of construction of said Orlando Reservoir No. 2, was begun on the 14th day of December, A. D. 1905, and was carried on with reasonable diligence to a capacity of 43,560,000 cubic feet of water. Such diligence being used

as to entitle a priority therefor to relate back to the date of commencement of said reservoir for said amount of water.

That while it is proposed to increase the storage capacity of said reservoir an additional amount of 35,078,750 cubic feet of water, by virtue of its original construction, said work of construction has not yet been done.

That while it is proposed by virtue of an enlargement of said reservoir as aforesaid, to construct the same to an additional storage capacity of 111,182,750 cubic feet of water, the work of construction of said enlargement has not yet started.

VI.

That there is lying under said Orlando Reservoir No. 2 7,000 acres of land susceptible of irrigation and proposed to be irrigated therefrom, 1,000 acres of which has been irrigated by means of said reservoir. That water has been beneficially applied to said 1,000 acres of land to the extent of 43,560,000 cubic feet of water.

VII.

That said Orlando Reservoir No. 2 is entitled to Appropriation Priority No. 349, the same being Reservoir Priority No. 64, as of date, the 14th day of December, A. D. 1905, for the storage of 43,560,000 cubic feet of water.

That the said Orlando Reservoir No. 2 is further entitled to Appropriation Priority No. 349-C, the same being Reservoir Priority No. 64-C, as of date, the 14th day of December, A. D. 1905, or of such date as may be determined by the Court or Referee in some appropriate proceeding hereafter as provided by statute, from reasonable diligence has been used in

the construction thereof, and the application of water therefrom to a beneficial use, for the storage of not to exceed an additional amount of 33,078,750 cubic feet of water.

That the said Orlando Reservoir No. 2, is further entitled by virtue of its proposed enlargement, to Appropriation Priority No. 367½-C, the same being Reservoir Priority No. 75½-C, as of date the 2nd day of October, A. D. 1906, or of such date as may be determined by the Court or Referee in some appropriate proceeding hereafter as provided by statute, from which reasonable diligence has been used in the construction thereof and beneficial use of water therefrom made, for the storage of not to exceed an additional amount of 111,182,750 cubic feet of water.

D E C R E E

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED, that the said Orlando Reservoir No. 2 be designated Reservoir No. 63 in Water District No. 16, and that it be allowed Priority No. 64 for reservoir rights, by original construction, as of date, December 14, A. D. 1905, and that there be allowed to flow into the said Orlando Reservoir No. 2, from the unappropriated waters of the Huerfano River, through and by means of the Orlando Canal No. 3, and from the unappropriated waters of the Greasewood Arroya, through and by means of the Greasewood Arroya Diverting Canal, and to the full capacities of said supply ditches, for storage purposes, and for the benefit of the party or parties lawfully entitled thereto, under Appropriation Priority No. 349, the same being Reservoir Priority No. 64, as of date, the 14th day of December, A. D. 1905, to the amount and extent of 43,560,000 cubic feet of water.

1606

CONDITIONAL:

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that there shall be allowed to flow into the said Orlando Reservoir No. 2 from the unappropriated waters of the Huerfano River and Greasewood Arroya, respectively, by the means aforesaid, for storage purposes and for the use and benefit of the party or parties lawfully entitled thereto, by virtue of the original construction of said reservoir, under Appropriation Priority No. 349-C, the same being Reservoir Priority No. 64-C, as of date, the 14th day of December, A. D. 1905, not to exceed an additional amount of 35,078,750 cubic feet of water.

That upon proof in some subsequent proceeding as provided by statute of storage of water and the application thereof to beneficial use within a reasonable time after the entry of this decree, said reservoir will be entitled to a final and absolute decree for so much water and of such date as the same shall have been shown to have been stored and applied to beneficial use with reasonable diligence, but in no event to exceed the maximum amount of 35,078,750 cubic feet of water, in addition to the amount herein absolutely and finally decreed in said reservoir.

ENLARGEMENT -- CONDITIONAL:

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that there shall be allowed to flow into the said Orlando Reservoir No. 2, from the unappropriated waters of the Huerfano River, and the Greasewood Arroya, respectively, by the means aforesaid, for storage purposes, and for the use and benefit of the party or parties lawfully entitled thereto, by virtue of the enlargement of said reservoir, under Appropriation Priority No. 367½-C, the same being Reservoir Priority No. 75½-C, as

of date, the 2nd day of October, A. D. 1906, not to exceed an additional amount of 111,182,750 cubic feet of water.

That upon proof in some subsequent proceeding as provided by statute of storage of water and the application thereof to beneficial use within a reasonable time after the entry of this decree, said reservoir will be entitled to a final and absolute decree for so much water and of such date as the same shall have been shown to have been stored and applied to beneficial use with reasonable diligence, but in no event to exceed the maximum amount of 111,182,750 cubic feet of water, in addition to the amounts of water hereinabove both conditionally, and absolutely and finally decreed to said reservoir.

THE BRADFORD-ROBINSON PTG. CO., DENVER 78669

IN THE MATTER OF THE ADJUDICATION OF PRIORITIES OF RIGHT TO THE USE OF WATER IN DISTRICT NO 16. STATE OF COLORADO.) DECREE.

Now on this 26th day of May, A. D. 1911, the same being one of the juridical days of the regular February 1911 term of this Court, This cause coming on for hearing on motion of the claimants hereinafter named for an interlocutory decree fixing and determing until the further order of the Court, the priorities of right to the use of water in said water District No. 16, as to the ditches hereinafter mentioned; and it appearing to the court that testimony has been submitted to the Referee herein establishing the priorities hereinafter awarded; and it further appearing that a temporary or interlocutory decree is necessary to protect the interests and rights of such claimants in and to the use of water in said Water District, and that it is necessary to have such decree, in order that officials charged with the duty of distributing water in each district may be properly guided and directed as to such distribution.

And the Court being now fully advised in the premises,

It is Ordered, Adjudged and Decreed, That until the further order of the Court herein, the following ditches and reservoirs shall have priorities of right to the use of water in said Water District No. 16, in accordance with the findings and decrees as to such ditches and reservoirs as follows:

The Orlando System of Ditches and Reservoirs.

The Court doth find:

(a) That the Orlando System of Canals and reservoirs is owned by the Pueblo Rocky Ford Irrigation Company, and The Orlando Canal and Reservoir Company, both of said companies being corporations duly organized and existing under and by virtue of the laws of the State of Colorado.

(b) That the ditches and reservoirs of the said The Orlando system of canals and reservoirs consists of the following named ditches and reservoirs.

Name	Date of Appropriation	Capacity
Orlando Canal No. 1.	Nov. 20, 1905	675 cu.ft.pr second.
Orlando Canal No. 2.	Dec. 7, 1905	525 " " "
Orlando Canal No. 3.	Dec. 14, 1905	350 " " "
Orlando Canal No. 5.	Oct. 19, 1906	385 " " "
Orlando Canal No. 5.	May 25, 1909	215 " " "
Bradford Lake Canal	Aug. 28, 1904	2300 " " "
" " " "	March 16, 1910	(additional) 1369 " " "
Greasewood Arroya Diverting Canal	Oct. 8, 1906	1500 " " "
Orlando Reservoir No. 1	Nov. 20, 1905	1,235,020,200 Cu. ft.
Orlando Reservoir No. 2	Dec. 14, 1905	189,821,500 " "
" "/ " 3	Dec. 15, 1905	641,710,000 " "
" " " 4	Dec. 28, 1905	135,733,000 " "
Cucharas Valley Reservoir No. 5	March 14, 1906	3,381,655,500 " "
" " " " 5	July 10, 1910	2,925,687,500 " "
Apache Valley Reservoir No. 6	July 17, 1906	685,656,180 " "
Huerfano Reservoir No. 7	March 7, 1907	5,154,221,318 " "
Huerfano Lake Reservoir No. 8	October 19, 1906	718,217,280 " "
Orlando Diversion "	August 30, 1910	7,557,160 " "
Bradford Lake "	August 26, 1904	1,516,846,320 " "
" " " "	March 16, 1910	2,534,237,680 " "

(c) That the entire system of canals and reservoirs has not yet been completed to its fullest extent, but the claimants have been at all times since the dates of appropriation aforesaid, and now are, diligently prosecuting the construction thereof.

(d) That the portions of said system constructed and capacity thereof are as follows:

THE BRADFORD-ROBINSON PTG. CO., DENVER 78869

Name	Present Capacity
Orlando Canal No. 3,	130 Cu. ft. per second of time
Orlando Canal No. 5.	357 " " " " " "
Bradford Lake Canal	1200 " " " " " "
Greasewood Arroya Diverting Canal	1800 " " " " " "
Orlando Reservoir No. 2	43,560,000 Cu. Ft.
Bradford Lake Reservoir or Reservoir No. 1	1,762,219,800 Cu. Ft.
Cucharas Valley No. 5 Reservoir	1,236,640,500 Cu. Ft.

That approximately 1,000 acres of land have been irrigated from that portion of the system constructed, such irrigation extending from the year 1907, and that for the season of 1911, there are approximately 11,000 acres of land under that portion of the system which has been constructed ready for irrigation.

(e) That the said canals and reservoirs are supplied with waters from the Huerfano River and the Cucharas River, and their tributaries, and that the water flowing therein and to which the said claimants are entitled, consists of the excess and flood waters thereof remaining after supplying senior appropriators: and that the flow thereof is intermittent, depending principally upon sudden rains and floods, and the amount used by senior appropriators, and there is but little, if any steady and continous flow of water available for irrigation purposes from the said Streams, which may be appropriated by the said claimants, whereby the said claimants are required to appropriate and use the excess and flood waters as aforesaid; that by reason of the broken and intermittent character of the water flowing in said streams as aforesaid and to which said claimants are entitled, are the limited time in each irrigation season in which said waters are available, the entire capacity of the said ditches and reservoirs is necessary to practicably and adequately irrigate the land heretofore irrigated therefrom and to be herafter irrigated therefrom.

(f) 1. That the construction of the said Orlando Canal No. 3 was commenced by the survey thereof on the 14th day of December, 1905, and followed by construction with reasonable diligence to a capacity of 130 cubic feet of water per second of time.

2. That the construction of the said Orlando Canal No. 5 was commenced by the survey thereof on the 19th day of October, 1906, and followed by construction with reasonable diligence to a capacity of 357 cubic feet of water per second of time.

3. That the construction of the said Bradford Lake Canal was commenced by the survey thereof on the 28th day of August, 1904, and followed by construction with reasonable diligence to a capacity of 1200 cubic feet of water per second of time.

4. That the construction of the said Greaswood Arroyo Diverting Canal was commenced by the survey thereof on the 18th day of October, 1906, and followed by construction with reasonable diligence to a capacity of 1500 cubic feet of water per second of time.

5. That the construction of the said Orlando Reservoir No. 2 was commenced by the survey thereof on the 24th day of December, 1905, and followed by construction with reasonable diligence to a capacity of 43,560,000 cubic feet.

6. That the construction of the said Bradford Lake Reservoir was commenced by the survey thereof on the 26th day of August, 1904, and followed by construction with reasonable diligence to a capacity of 1,762,219,800 cubic feet.

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7. That the construction of the said Cucharas Valley Reservoir No. 5 was commenced by the survey thereof on the 14 day of March, and followed by construction with reasonable diligence to a capacity of 1,236,640,500 cubic feet.

(g) That the balance of the said system hasnot been completed at the date hereof, though the claimants and owners thereof haveat all times diligently prosecuted the construction of the said system, and at this date, the rights of the said claimants as to the uncompleted portion of said system cannot be definitely fixed.

(h) That in the operation and use of the said canals and reservoirs which have heretofore been constructed, as aforesaid the said claimants have made direct application of the waters so appropriated by and through the said canals and reservoirs.

(i) That the said Reservoirs so constructed by said claimants are also designed to be used for the storage of water therein to be thereafter beneficially applied to the irrigation of lands lying thereunder, and for domestic purposes.

It is Further Ordered, Adjudged and Decreed, That the said Orlando Canal No. 3 be, andit is hereby awarded priority No. ----- as of date December 14, 1905 for 130 cubic feet of water per second of time, the present capacity thereof, and there is permitted to be taken into and diverted through the said canal for irrigation and domestic purposes, the capacity thereof as it at present exists, to-wit: 130 cubic feet of water per second of time, from the Huerfano River and its tributaries, at any and all times that the waters of said streams are not required by senior appropriators of waters therefrom.

That the said Orlando Canal No. 5 be, and it is hereby awarded priority No.-------- as of date October 19, 1906 for 357 cubic feet of water per second of time, and there is hereby permitted to be taken into and diverted through the said canal for irrigation and domestic purposes, the capacity thereof as it at present exists, towit: 357 cubic feet of water per second of time, from the Huerfano River and its tributaries, at any and all times that the waters of said streams are not required by senior appropriators of water therefrom.

That the said Bradford Lake Canal be, and it is hereby awarded priority No.-------- as of date August 28, 1904, for 1200 cubic feet of water per second of time, and there is hereby permitted to be taken into and diverted through the said canal for irrigation and domestic purposes, the capacity thereof as it at present exists, towit, 1200 cubic feet of water per second of time, from the Huerfano River and its tributaries, at any and all times that the waters of said streams are not required by senior appropriators of water therefrom.

It is Further Ordered, Adjudged and Decreed.

That the said Orlando Reservoir No. 2 be, and it is hereby awarded storage priority No.--------as of date December 15, 1905, and there is permitted to be taken into and stored in said reservoir for irrigation and domestic purposes the full capacity thereof, as it at present exists, towit, 43,560,000 cubic feet of water from the said Huerfano River, through the said Orlando Canal No. 3, at any and all times that the waters of said streams are not required by appropriators whose rights are senior in point of time to those of the said claimants of said Orlando Reservoir No. 2.

That the said Bradford Lake Reservoir be and it is hereby awarded a storage priority No.--------as of date August 26, 1904, for 1,516,846,320 cubic feet, and a further storage priority of 245,373,480 cubic feet of water as of date March 16, 1910; and there is hereby permitted to be taken into and stored in said reservoir for irrigation and domestic

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purposes the full capacity thereof, as it at present exists, towit: 1,762,219,800 cubic feet of water from the Huerfano River and its tributaries, through the Bradford Lake Canal, at any and all times that the waters of said stream are not required by appropriators whose rights are senior in point of time to those of the said claimants of said Bradford Lake Reservoir.

That the said Cucharas Valley No 5 Reservoir be, and it is hereby awarded a storage priority No.------, as of date March 14, 1906; and there is hereby permitted to be taken into and stored in said reservoir for irrigation and domestic purposes the full capacity thereof, as it at present exists, towit: 1,236,640,500 cubic feet of water from the Cucharas River, at any and all times, that the waters of said stream are not required by appropriators whose rights are senior in point of time to those of the said claimants of said Cucharas Valley No. 5 Reservoir.

It is Further Ordered, Adjudged and Decreed. That until the further order of the Court herein, the said canals and reservoirs shall be and are entitled to the aforesaid amounts of waters so specifically decreed to each thereof.

The Crane Holmes Canal No. 1, Crane Holmes Canal No. 2, and Crane Holmes Reservoir:

The Court doth find:

(a) That the Homestead Canal and Reservoir Company is a corporation duly organized and existing under and by virtue of the laws of the State of Colorado, and is the claimant and owner of the said The Crane Holmes Canal No. 1, Crane Holmes Canal No. 2, and Crane-Holmes Reservoir.

(b) That the ditches and reservoirs of the said The Homestead Canal and Reservoir Company consists of the Crane-Holmes Canal No. 1, and Crane-Holmes Reservoir, the date of appropriation of which is September 18, 1906, appropriating 250 cubic feet of water per second of time from the Huerfano River and its tributaries.

The Crane-Holmes Canal No. 2, thedate of appropriation of which is September 18, 1906, appropriating 250 cubic feet of water per second of time from Jones Arroya; and the enlargement thereof, the date of appropriation of which is June 10, 1907, appropriating 2630 cubic feet of water per second of time additional.

(c) That the original construction of the said Crane -Holmes Canal No. 1, thesaid Crane-Holmes Reservoir and the said Crane Holmes Canal No. 2, was commenced by the survey thereof on September 14, 1906, and September 18, 1906, and the construction thereof was followed with reasonable diligence to their completion to the present capacity thereof, as follows:

Crane-Holmes Canal No. 1, 65 cubic feet of water per second of time; Crane-Holmes Canal No. 2, 2500 cubic feet of water per second of time: Crane-Holmes Reservoir, 43,560,000 cubic feet.

(d) That there have been irrigated from the said Crane-Holmes canal No. 1 and Crane Holmes Canal No. 2 approximately 700 acres of land, and that the amount of water appropriated thereby is necessary for the practicable and successful irrigation of the said lands.

(e) That the said Canals and Reservoirs have not yet been fully completed, but that the work of construction thereof has been prosecuted with reasonable diligence from the aforesaid dates of appropriation.

(f) That water has been applied during the irrigation season of 1908 and 1909, for the irrigation of lands growing crops, and for other beneficial purposes, to about 700

acres of land lying under said canals; that in the irrigation of the said lands the waters of said Huerfano River and Jones Arroya have been temporarily checked in the said Crane-Holmes Reservoir.

(g) That the said canals and reservoirs so taking their spply of water from the said Huerfano River and Jones Arroya are subject to all prior decreed rights, and that the water flowing in the said streams and to which the said claimants are entitled consists of the excess any flood waters thereof remaining after supplying such senior appropriators; that the flow thereof is intermittent depending principally upon sudden rains and floods, and the amount used by said senior appropriators, and there is but little if any steady and continous flow of water available for irrigation purposes from the said streams which may be appropriated by the said claimant, whereby the said claimant is required to appropriate and use the flood waters as aforesaid; that by reason of the broken and intermittent character of the water flowing in said streams, as aforesaid, and to which the said claimants are entitled, and the limited time in the irrigation season in which such waters are available, the entire capacity of the said ditches and reservoirs is necessary to practicable and adequately irrigate the land heretofore irrigated therefrom, and to be hereafter irrigated therefrom.

It is Further Ordered, Adjudged and Decreed, That the said Crane-Holmes Canal No.1 be, and it is hereby awarded priority No.-------of date September 18, 1906, for 65 cubic feet of water per second of time, the present capacity thereof, and there is hereby permitted to be taken into and diverted through said canal for irrigation and domestic purposes the present capacity, to-wit: 65 cubic feet of water per second of time from the Huerfano River and its tributaries, at any and all times that the waters of said stream are not required by senior appropriators of water therefrom.

That said Crane-Holmes Canal No. 2 be and it is hereby awarded priority No.-------- as of date September 18, 1906, for 250 cubic feet of water per second of time, and a further priroity No. -----, as of date June 10, 1907, for 2250 cubic feet of water per second of time, and there is hereby permitted to be taken into and diverted through the said canal for irrigation and domestic purposes the capacity thereof as it at present exists, towit: 2500 cubic feet of water per second of time, from the Jones Arroya, at any and all times that the waters of said stream are not required by senior appriators of water therefrom.

It is further Ordered, Adjudged and Decreed, That the said Crane-Holmes Reservoir be, and it is hereby awarded a storage priorityNo.-----, as of date September 18, 1906, and there is hereby permitted to be taken into and stored in said reservoir for irrigation and domestic purposes the full capacity thereof, as it at present exists, towit:, 43,560,000 cubic feet of water from the said Huerfano River, through the said Crane-Holmes Canal No. 1, and from the, said Jones Arroya, through the said Crane-Holmes Canal No. 2, at any and all times that the waters of said streams are not required by appropriators whose rights are senior in point of time to those of the said claimant of said Crane-Holmes Reservoir.

The Crane-Holmes Canal No. 3, and Crane-Holmes Reservoir No. 2.

The Court Doth Find:

(a) That the Dickson Reservoir and Irrigation Company is a corporation duly organised and existing under and by virtue of the laws of the State of Colorado, and is the owner of the said Crane-Holmes Canal No. 3 and the Crane-Holmes Reservoir No. 2,

(b) That the ditches and reservoir of the said The DicksonReservoir and Irrigation

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ORDERED

Company consist of the said Crane-Holmes Canal No. 3, the said Crane-Holmes Reservoir No. 2, and an enlargement of the Crane-Holmes canal No. 1; the date of appropriation of which said canals and reservoir is October 18, 1906.

(c) That the original construction of the said Crane-Holmes Canal No. 3 and the said Crane-Holmes Reservoir No. 2 and the enlargement of the said Crane-Holmes Canal No. 1 was comenced by survey on the 18th day of October, 1906, and the construction thereof was followed with reasonable diligence to their completion to the present capacity thereof as follows, towit: Crane Holmes Canal No. 3, 65 cubic feet of water per second of time; Enlargement Crane Holmes Canal No. 1, 65 cubic feet of water per second of time, Crane Holmes Reservoir No. 2, 43,560,000 cubic feet.

(d) That there have been irrigated from the said Crane Holmes Canal No. 3 approximately 700 acres of land, and that the water appropriated thereby is necessary for the practicable and sufficient irrigation of lands.

(e) That the said canals and reservoir have not been fully completed, but that the work of construction thereof has been prosecuted with reasonable diligence from the aforesaid date of construction to the present time.

(f) That water has been applied during the irrigation season of 1908 - 1909 for the irrigation of lands growing crops, and for other beneficial purposes to about 700 acres of land lying under the said canals.

(g) That the said canals and reservoir so taking their supply of water from the said Huerfano River are subject to all prior decreed rights, and that the water flowing in the said stream and to which the said claimants are entitled consists of the excess and flood waters thereof remaining after supplying such senior appropriators; and that the flow thereof is intermittent, depending principally upon sudden rains and floods and the amount so used by said senior appropriators, and there is but little if any steady and continous flow of water available for irrigation purposes from the said stream which may be appropriated by the said claimant, whereby the said claimant is required to appropriate and use the flood waters, as aforesaid; that by reason of the broken and intermittent character of the water flowing in said Stream as aforesaid, and to which the said claimants are entitled, and the limited time in the irrigation season in which such waters are available, the entire capacity of the said ditches and reservoirs is necessary to practicably and adequately irrigate the land heretofore irrigated therefrom and to be hereafter irrigated therefrom.

It is Further Ordered, Adjudged and Decreed, that the Crane-Holmes Canal No. 3 be, and it is hereby awarded priority No.-------as of date October 18, 1906, for 65 cubic feet of water per second of time, the present capacity thereof, and there is hereby permitted to be taken into and diverted through the said canal for irrigation and domestic purposes the capacity thereof, as it at present exists, to-wit:, 65 cubic feet of water per second of time, from the Huerfano River and its tributaries, through and by means of the said Crane-Holmes Canal No. 1, at any and all times that the waters of the said stream are not required by senior appropriators of water therefrom.

And it is Further Ordered, Adjudged and Decreed, that the said Crane-Holmes Reservoir No. 2 be, and it is hereby awarded storage priority No. ------- as of date October 18, 1906, and there is hereby permitted to be taken into and stored in said reservoir for irrigation and domestic purposes, the full capacity thereof as it at present exists, towit: 43,560,000 cubic feet of water from the Huerfano River, through the said Crane-

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Holmes Canal No. 1, and the said Crane-Holmes Canal No. 3, at any and all times that the waters of said stream are not required by appropriators whose rights are senior in point of time to the claimants of the said Crane Holmes Reservoir No. 2.

By the Court:

(Signed) HENRY HUNTER,

Judge.

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DISTRICT COURT, WATER DIVISION NO. 2, COLORADO

Case No. 91CW39

COPY

RULING OF REFEREE

Filed in the office of the Clerk, District Court Water Division No. 2, State of Colorado

CONCERNING THE APPLICATION FOR WATER RIGHTS OF:

CARL W. and M. JOAN REAGAN

IN HUERFANO COUNTY.

APR 22 1992

Clerk

Pursuant to Order of Referral filed and entered in the above case on December 24, 1991, the undersigned Water Referee, having investigated the matter of the Application on file herein, hereby makes the following findings and ruling thereon:

FINDINGS OF FACT

1. That the said Application was filed on December 24, 1991 and was amended on January 13, 1992.

2. That the Water Clerk caused publication of such filing as provided by statute; that publication costs have been paid; that the time for filing Statements of Opposition on the amended application expired on the last day of March, 1992, and that none has been filed.

3. That the said Application concerns a claim for a change of location for the Robert Rice Ditch located in Huerfano County, Colorado.

4. That on April 10, 1992 the Applicant, Carl Reagan and a previous owner, Robert Moore, appeared at the office of the Referee and closely identified the actual location of the headgate on a map marked as Referee's Exhibit A.

5. That in order to comply with C.R.S. 1973, 37-92-304(6) the following findings and conclusions are made:

(a) The historic use to which the water rights involved were put is for irrigation;

(b) The proposed future use of the water rights involved is for irrigation;

(c) Other findings and conclusions relevant to the question of reconsideration of injury to vested rights are none.

6. That Applicants have furnished acceptable proof as to claims made.

IT IS, THEREFORE, ORDERED AS FOLLOWS: That Applicants be, and are hereby, awarded a change of water right, to-wit:

NAME AND ADDRESS: Carl W. and M. Joan Reagan
6800 Burnt Mill Road South
Beulah, CO 81023

CHANGE OF WATER RIGHT

NAME OF DITCH OR OTHER STRUCTURE: Robert Rice Ditch

PRESENT POINT OF DIVERSION: Section 22, T. 26 S, R., 64 W. of the 6th P.M. in Huerfano County, Colorado.

AMOUNT AND PRIORITY OF DIVERSION: 3.0 cfs, March 1, 1867.

COURT WHERE ORIGINAL DECREE ENTERED: District Court in and for Huerfano County, Colorado.

DATE OF DECREE: June 12, 1889.

CHANGE AWARDED: A change in point of diversion from the decreed point to the actual location in the SW1/4 of Section 10, T. 26 S., R. 66 W. of the 6th P.M. in Huerfano County, Colorado, being approximately 1700 feet from the west line and 550 feet from the south line of said Section 10.

IT IS FURTHER ORDERED, and finding is hereby made, that it is not necessary or desirable in this case to include a

condition that the approval or award made herein be subject to reconsideration on the question of injury to vested rights of others.

IT IS FURTHER ORDERED that Applicants shall install and maintain such water measurement devices, recording devices, content gauges and inlet and outlet measurement and recording devices, as the case may be, as are deemed essential by the Office of the State Engineer, and the same shall be installed and operated in accordance with instructions from said Office.

IT IS FURTHER ORDERED that copies of this ruling shall be mailed as provided by statute.

Dated and filed with the Water Clerk this 22nd day of April, 1992.

BY THE REFEREE:

Clyde B. Young, Jr., Water Referee
Water Division No. 2
State of Colorado

Filed in the office of the Clerk, District Court Water Division No. 2, State of Colorado

APR 22 1992

Clerk

COPY

Filed in the office of the Clerk, District Court Water Division No. 2, State of Colorado

MAY 19 1992

Clerk

DISTRICT COURT, WATER DIVISION 2, COLORADO

CASE NO. 91CW39

JUDGMENT AND DECREE

CONCERNING THE APPLICATION FOR WATER RIGHTS OF:

CARL W. and M. JOAN REAGAN IN HUERFANO County.

THE COURT FINDS That no protest has been filed to the Ruling of the Water Referee within the time provided by law, and that said Ruling should be confirmed, approved and adopted.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED That the Ruling of Referee entered on April 22, 1992, be and is incorporated herein by reference and is confirmed, approved and adopted as the judgment of this Court.

Dated: May 19, 1992.

BY THE COURT:

JOHN R. TRACEY, WATER JUDGE

Appendix D: Appraiser Qualifications

WestWater Research LLC

Main
Empire Building
205 N. 10 St., Suite 520
Boise, ID 83702
Tel 208.433.0255
Fax 208.433.5596

West Coast
Bank of America Financial Center
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Vancouver, WA 98660
Tel 360.695.5233
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Intermountain
3935 Graf Street
Bozeman, MT 59715
Tel 406.600.5832
Fax 208.433.5596

East Coast
457 Cider Mill Road
Cornwall, VT 05753
Tel 802.462.3483
Fax 802.462.3217

AREAS OF EXPERTISE:

Agricultural Economics
Natural Resource Economics
Water Market Analysis
Mathematical Programming
Econometrics

EDUCATION:

M.S., Agricultural and Natural Resource Economics, Oregon State University, 1997
B.S., Economics, Pacific Lutheran University, 1993

EXPERIENCE:

Principal, WestWater Research, 2004-present
Senior Economist, Northwest Economic Associates/Entrix, 2003-2004
Economist, Northwest Economic Associates, 1999-2003
Research Associate, Columbia Economics Research Associates, 1998-99
Research Assistant, Department of Agricultural & Natural Resource Economics, Oregon State University, 1995-97
Staff Economist, Economics and Social Analysis Group, Pacific Northwest Laboratories (Battelle), 1993-95

CONTACT INFORMATION:

West Coast Office
805 Broadway Street, Suite 415
Vancouver, WA 98660
Tel: (360) 695-5233
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seely@waterexchange.com

Harry Seely, M.S.

Water Resource Economist

Statement of Qualifications:

Mr. Seely has fifteen years of experience in agricultural and water resource economic analysis. He holds a M.S. in natural resource and agricultural economics from Oregon State University and a B.S. in economics from Pacific Lutheran University. Over the last decade, Mr. Seely has applied mathematical programming and econometric analysis techniques to estimate the value of water. In addition, he has developed a variety of economic models as part of interdisciplinary teams to assess the regional economic costs and benefits of water quality, development and reallocation projects throughout the West.

In recent analyses, Mr. Seely has developed and utilized market information, simulation models, and econometric techniques to estimate the market value of water for federal and state agencies, nonprofits, and private industry in support of water project development and reallocation activities. Currently, Mr. Seely is developing and utilizing market information, simulation models, and econometric techniques to estimate the economic value of water for federal surface water storage feasibility studies in California. He has conducted market and financial analyses of proposed private water development projects in the southwest as well as numerous water right appraisals in support of water acquisitions for urban and instream flow purposes. In earlier analyses, he developed an economic optimization model to assess the potential benefits to agricultural production in the Yakima Basin from proposed new surface storage facilities and the economic effects associated with restrictions on irrigation drain water discharge from 100,000 irrigated acres in California's Central Valley.

Selected Research Projects:

"Vasquez Regional Supply and Demand Valuation, Expert Opinion Vasquez vs. Republic Waste" for Curran TomkoTarski LLP, Hidalgo County, TX, ongoing.

"Assessment of Water Right Acquisition and Leasing Opportunities in the Walker Basin" for National Fish and Wildlife Foundation, Walker Lake, NV, ongoing.

"Market Value of Water Stored in Donner Lake, CA" for Hanson Bridget LLP, Donner Lake, CA, ongoing.

"Columbia Basin Water Resource Economic and Valuation Services" for the National Fish and Wildlife Foundation, Portland, OR, ongoing.

"Development of a Water Pricing Framework for the Upper Klamath Basin, OR" for Klamath Basin Rangeland Trust, Klamath Falls, OR, ongoing.

"Los Vaqueros Expansion Investigation" for MWH under contract with the U.S. Bureau of Reclamation, Sacramento, CA, ongoing.

"Shasta Lake Water Resources Investigation," for MWH under contract with the U.S. Bureau of Reclamation, Shasta Lake, CA, ongoing.

"Upper San Joaquin River Storage Investigation," for MWH under contract with the U.S. Bureau of Reclamation, Sacramento, CA, ongoing.

"Snyderville Basin Water Utility Market Analysis" for Williams & Hunt, Park City, UT, ongoing.

"Santiam Water Control District Canal Research and Stormwater Discharge Agreement Review" for Marten Law, Portland, OR, ongoing.

"Appraisal of Fleischmann Industrial Water Rights" for City of Sumner, Sumner, WA, ongoing.

"Appraisal of McMonigle Water Rights" for City of Yelm, Yelm, WA, ongoing.

"Valuation of Suncadia and Snowden Water Rights" for Washington State Department of Transportation, Yakima, WA, 2010.

"Valuation Analysis of Warm Springs Water Right" for Velinkanje Halverson P.C., Kittitas, WA, 2010.

"Valuation of Long-Term Storage and Extinguishment Credits in the Phoenix and Tucson AMAs" for confidential client, AZ, 2009.

"Walker River Basin, Nevada, Water Rights Appraisal" with Warren and Schiffmacher for U.S. Department of Interior, Appraisal Services Directorate, Walker Lake, NV, 2009.

"Appraisal of Various Colorado Ditch Company Shares" for confidential client, Morgan County, CO, 2009.

"Valuation of the Doelmann Water Right" for City of Tumwater, Tumwater, WA, 2009.

"Water Values in the Scott River Basin" for Siskiyou County Resource Conservation District (RCD), Etna, CA, 2008.

"Market Value Analysis for State Water Project Table A Entitlements" Ducks Unlimited, Lost Hills, CA, 2008.

"Prescott Valley Water Credit Auction" Town of Prescott Valley, Prescott, AZ, 2008.

"Appraisal of the Jones Orchards Water Rights" for The Nature Conservancy, San Francisco, CA, 2008.

"Economic Analysis of the Eastern Snake Plan Aquifer Comprehensive Aquifer Management Plan" for Idaho Department of Water Resources, Eastern Idaho, ID, 2008.

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"Economic Analysis of Manastash Creek Surface Water Rights" Washington Department of Ecology, Manatash Creek, WA, 2008.

Selected Research Projects (continued):

"Columbia Basin Water Transactions Program Annual Economic Report" for the National Fish and Wildlife Foundation, Portland, OR, 2008.

"Appraisal of Water Rights Associated with the Former Olympia Brewery Facility" for Graham and Dunn, Olympia, WA, 2008.

"Valuation of the Chambers Creek Property Water Right" for Pierce County Public Utilities Department, Pierce County, WA, 2008

"Water Market Profile, Wenatchee River Basin" for Bonneville Power Administration and National Fish and Wildlife Foundation, Wenatchee, WA, 2007.

"Valuation Analysis of the Rosario Utilities' Water Rights" for Eastsound Water Users, Orcas Island, WA, 2006.

"Valuation of Boise Cascade Corporation Water Rights" for the Internal Revenue Service, Vancouver, WA, 2006.

"Valuation of Mill Creek Water Right Held by the Wood Family" for The Nature Conservancy, San Francisco, CA, 2006.

"Water Market Profile, Deschutes River Basin" for Bonneville Power Administration and National Fish and Wildlife Foundation, OR, 2006.

"Upper Shasta River Basin Water Values" for The Nature Conservancy, San Francisco, CA, 2007.

"Financial and Economic Analysis of a Proposed Groundwater Bank in California" for confidential client, CA 2006.

"Marketing Plan for Water Rights Held by the Shoshone Bannock Tribes" for the Shoshone Bannock Tribes, Pocatello, ID, 2006

"Valuation of Taneum Canal Company Winter Stockwater Right" for the US Bureau of Reclamation and Washington Department of Ecology, Yakima, WA, 2005.

"Valuation of Water Rights Held by International Paper Company" for International Paper, Gardiner, OR, 2005.

"Water Valuation Analysis for the Lostine River Basin" for the Oregon Water Trust, Lostine Area, OR, 2005.

"Valuation of Water Right Certificate 73396, Trojan Nuclear Plant" for Portland General Electric, Lower Columbia River, OR 2005.

"Austin Ranch Water Rights Valuation Consulting Report" for the Oregon Water Trust, Central Oregon, OR, 2004.

"Preliminary Valuation of Manastash Ditch Association Shares" for Washington Water Trust, Manastash, OR, 2005.

"Valuation of water Rights Held by Clark Fork and Blackfoot LLC at Miltown Dam" the Clark Fork and Blackfoot LLC, MT, 2005.

"Economic Analysis of Critical Habitat Designation for Endangered and Threatened Species: Santa Ana Sucker" for Industrial Economics Incorporated, Cambridge, MA, and the U.S. Fish and Wildlife Service, Alexandria, VA, 2005.

"Valuation of Water Rights G1-26620 and G1-26653 held by Island County" for Island County, WA, 2004.

"Conversion of Oil and Gas Produced Water to Useable Water" for Natural Resources Consulting Engineers, under contract to the Eddy/Lea Regional Commission, Carlsbad, NM, 2004.

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"The Economic Impacts of Improved Water Supply Reliability in the Yakima River Basin" for Benton County, Yakima, WA, 2004.

"Value of Instream Flow Enhancement in the Upper Yakima Basin" for the Bureau of Reclamation, Yakima, WA, 2004.

Selected Research Projects (continued):

"Restoration of Lower Salmon Creek: Economic Impacts" for Entrix, under contract with the Bonneville Power Administration, WA, 2004.

"Dungeness River Basin Water Value Analysis" for Washington Department of Ecology, Sequim, WA, 2003.

"Valuation of Water Rights Held by the Port of Umatilla" for Port of Umatilla, Umatilla, OR, 2003.

"Valuation of Water Rights held by Sheldon Jackson College" for National Parks Service, Anchorage, AK, 2002.

"Economic Analysis of San Luis Drain Alternatives" for URS Greiner Woodward Clyde, under contract to the Bureau of Reclamation, CA, 2002.

"Economic Analysis of Restoration Flows for the San Joaquin River" for URS Greiner Woodward Clyde, under contract to the Friant Water Users Authority and the Natural Resources Defense Council, CA, 2002.

"Reserved Water Rights for the Lummi Indian Reservation, Washington" for the Bureau of Indian Affairs, Northwest Regional Office, WA, 2001-2003.

"Reserved Water Rights for the Nez Perce Indian Reservation, Idaho" for the Bureau of Indian Affairs, Northwest Regional Office, ID, 1999-2003.

"Reserved Water Rights for the Crow Indian Reservation, Montana" for the Bureau of Indian Affairs, Rocky Mountain Regional Office, MT, 1999-2003.

"Valuation of the Pierce Water Rights" report to the Washington Department of Ecology, WA, 2002.

"Valuation of the Wapatox Power Project Water Right" report to the US Fish and Wildlife Service, WA, 2002.

"Economic Value of Water Releases from Georgetown Lake" report to Josephson and Dringman, MT, 2002.

"The Value of Water at Malheur National Wildlife Refuge" report to the U.S. Fish and Wildlife Service, OR, 2002.

"Valuation of Oak Lodge Water District Surface Water Permit" report to Schwabe, Williamson and Wyatt, P.C., Oak Grove, OR, 2002.

"Valuation of Anderson/Camp Polk Meadow Water Rights" report to the Deschutes Basin Land Trust, OR, 2001.

"Valuation of the Fowler Ditch Water Rights Held by Roy Farms, Inc." report to U.S. Bureau of Reclamation, Pacific Northwest Regional Office, WA, 2001.

"Water Right Verification Report for Willows Run Golf Course," report to Access Golf, LLC, WA, 2001.

"Water Rights Acquisition Options for Willows Run Golf Course," report to Access Golf, LLC, WA, 2001.

"Grassland Bypass Project: Environmental Impact Statement and Environmental Impact Report" draft report to U.S. Bureau of Reclamation and San Luis and Delta Mendota Water Authority, CA 2001.

www.waterexchange.com

Publications:

Stevens, J.B., R.M. Adams, D. Barkley, L. Kiest, C. Landry, Lydia Newton, F. Obermiller, G. Perry, H. Seely, B.Turner "Benefits, Costs, and Local Impacts of Market-Based Streamflow Enhancements: The Deschutes River, Oregon," *Rivers*, 7(2), 89-108, 2000.

Scott, M.J., G.R. Bilyard, S.O. Link, P.F. Ricci, H.E. Seely, C.A. Ulibarri, "Valuation of Ecological Resources and Functions," *Environmental Management*, 22(1): 49-68, 1998.

Ulibarri, C.A., H.E. Seely, D.B. Willis, D.M. Anderson, "Farm Profit and Water Subsidies," *Contemporary Economic Policy*, October 1998.

Seely, H.E., *Impact of Artificial Flooding on Farm Profits and Streamflow in Echo Meadows, Oregon*, M.S. Thesis, Oregon State University, August, 1997.

McKinney, M.D., D. Baker, H.E. Seely, C. Merritt, *Incentive Regulation of Investor-Owned Nuclear Power Plants by Public Utility Regulators*, NUREG/CR 5975 Rev. 1, prepared for the U.S. Nuclear Regulatory Commission, February 1995.

Cushing, C.E. (editor), *Hanford Site National Environmental Policy Act (NEPA) Characterization*, PNL-6415 Rev. 7, Pacific Northwest Laboratories, Richland, WA, September 1994.

Revised: October 2010

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AREAS OF EXPERTISE:

Natural Resource Economics

Water Market Analysis

Econometrics

EDUCATION:

B.A., Economics, Colorado College, 2009

EXPERIENCE:

Associate, WestWater Research, 2011-present

Water Rights Analyst, American Water Intelligence, 2010-present

Research Associate, WestWater Research, 2009-2011

Intern, WestWater Research, 2008-2009

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Matthew T. Payne

Associate

Statement of Qualifications:

Matt Payne is an Associate with WestWater Research, and leads our Southwest office in Phoenix, Arizona. Payne's broad experience includes valuation analyses of water rights and infrastructure for municipalities, investors and law firms. He also frequently performs due diligence support of water asset transactions, and has sourced water investment opportunities. Matt's knowledge of water markets is highlighted in water investment publication *American Water Intelligence*, in which he contributes to a monthly column as a water rights analyst.

Matt holds a degree in economics from Colorado College. At Colorado College he focused on environmental and natural resource economics, and conducted research in the water resources field. Mr. Payne specializes in estimating the value of water assets using econometric analysis techniques. His current projects include publishing two water valuation studies in peer-reviewed journals, and developing the first-ever price index for water rights in the American West. As a service to the industry, Matt frequently presents on water markets at water resources conferences and seminars.

Selected Research Projects:

"Water Rights Identification and Marketing Opportunities Evaluation" for Union Pacific Railroad, Western United States, ongoing.

"Tribes Water Marketing Plan" for the Shoshone-Bannock Tribes, Pocatello, ID, ongoing.

"Appraisal of Hassayampa River Underground Storage Facility" for Confidential Client, Maricopa County, AZ, Ongoing.

"Colorado River Water Entitlement Valuation and Negotiation Support" for Confidential Client, Cibola Valley, AZ, Ongoing.

"Water Supply Acquisition Study" for Central Arizona Groundwater Replenishment District, Central Arizona, Ongoing.

"Valuation of Flattops Water Company, LLC Transbasin Water Rights" for Confidential Client, Egeria Creek Basin, CO, Ongoing.

"Valuation of the Granite Reef Underground Storage Project" for City of Phoenix, AZ, Ongoing.

"Valuation Analysis of pre-1914 Hot Springs Creek Water Right" for Confidential Client, Montecito, CA, Ongoing.

"Vasquez Regional Supply and Demand Valuation, Expert Opinion Vasquez vs. Republic Waste" for Curran TomkoTarski LLP, Hidalgo County, TX, ongoing.

"Assessment of Water Right Acquisition and Leasing Opportunities in the Walker Basin" for National Fish and Wildlife Foundation, Walker Lake, NV, ongoing.

"Market Value of Water Stored in Donner Lake, CA" for Hanson Bridget LLP, Donner Lake, CA, ongoing.

"Columbia Basin Water Resource Economic and Valuation Services" for the National Fish and Wildlife Foundation, Portland, OR, ongoing.

"Development of a Water Pricing Framework for the Upper Klamath Basin, OR" for Klamath Basin Rangeland Trust, Klamath Falls, OR, ongoing.

"Los Vaqueros Expansion Investigation" for MWH under contract with the U.S. Bureau of Reclamation, Sacramento, CA, ongoing.

"Shasta Lake Water Resources Investigation," for MWH under contract with the U.S. Bureau of Reclamation, Shasta Lake, CA, ongoing.

"Appraisal of Fleischmann Industrial Water Rights" for City of Sumner, Sumner, WA, ongoing.

"Appraisal of McMonigle Water Rights" for City of Yelm, Yelm, WA, ongoing.

"Valuation of the Race Track Creek Water Right No. 76G-W-091008-08," for National Fish and Wildlife Foundation, Clark Fork Basin, MT, 2011.

"Valuation of Fulton Irrigating Ditch Company Shares: Certificate No. 3801," for Confidential Client, South Platte Basin, CO, 2011.

"Valuation of Arthur Irrigation Company Shares," for Confidential Client, South Platte Basin, CO, 2011.

"PG&E Pre-1914 Water Rights Market Assessment" for Pacific Gas and Electric Company, Placer County, CA, 2011.

"Due Diligence, Lower Arkansas River Development and Pipeline" for Confidential Client, Southern Front Range, CO, 2010.

"Review of Groundwater Banking Investment Opportunity" for Goldman Sachs, Antelope Valley, CA, 2010.

"Valuation of Long-Term Storage and Extinguishment Credits in the Phoenix and Tucson AMAs" for confidential client, AZ, 2009.

"Appraisal of Various Colorado Ditch Company Shares" for confidential client, Morgan County, CO, 2009.

"Due Diligence in support of Water Right Acquisitions New Mexico's Middle Rio Grande and Estancia Basins," New Mexico, for confidential client, 2010.

www.waterexchange.com

"WRID Pilot Water Lease Program: Price Analysis," Walker Basin, NV, for the National Fish and Wildlife Foundation, completed 2010.

"Summary of South Platte Basin Ditch Company Water Sales Research," Colorado, for Strategic Water Group LLC, completed 2009.

"Valuation of Aberdeen LLC's Groundwater Assets," Loudoun County, VA, for Aberdeen LLC, completed 2009.

"Market Assessment of the Hanson Industries Quincy Basin Water Right Application," Grant County, Washington, for Hanson Industries, completed 2009.

"Water Demand Reduction Programs Analysis," for Environmental Banc & Exchange, subcontractor to K&A, completed 2008.

"Eastern Snake Plain Aquifer Management Plan: Economic Analysis," Idaho, for the Idaho Department of Water Resources, completed 2008.

Publications:

Payne, M.T., *Promoting Efficient Allocation of Water Resources: The Price Determinants for Ditch Company Shares in Colorado's South Platte Basin,* B.A. Thesis, Colorado College, May 2009.

Payne, M.T., M.G. Smith. 2011. "The Influence of the Real Estate Market on Water Right Values in New Mexico's Middle Rio Grande Basin." Colorado College Working Paper 2011-09, September 2011.

Payne, M.T., M.G. Smith., C.J. Landry. 2011. "Price Determination and Efficiency in the Market for South Platte Basin Ditch Company Shares." Colorado College Working Paper 2011-10, September 2011.

Payne, M.T., M.G. Smith., C.J. Landry. 2011. "Developing a Price Index for Western Water Rights." Forthcoming.

Payne, M.T., S. Root. 2011. "Water Rights Markets in the Western United States." *Water Resources Impact,* Vol. 13, No. 5.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: Going Global with Water Trading." *American Water Intelligence*, Vol. 2, Issue 8.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: The Race for Water Ranches." *American Water Intelligence*, Vol. 2, Issue 7.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: Opportunities in the Emerging Environmental Water Market." *American Water Intelligence*, Vol. 2, Issue 6.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: Toilet-to-Tap." *American Water Intelligence*, Vol. 2, Issue 5.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: Big Thinking in Private Water Development – Grand Plans or Grand Scams?" *American Water Intelligence*, Vol. 2, Issue 4.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: Tribal Water Rights – The West's Last Big Bucket of Water." *American Water Intelligence,* Vol. 2, Issue 3.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: A New Performance Indicator in Western Water Rights Markets." *American Water Intelligence*, Vol. 2, Issue 2.

Landry, C.J., M.T. Payne. 2011. "The Wet Water Market: A Focus on the Front Range." *American Water Intelligence*, Vol. 2, Issue 1.

Landry, C.J., M.T. Payne. 2010. "Water Rights Markets in the Western U.S." *Water Market USA 2011,* Global Water Intelligence, Oxford, U.K.

Landry, C.J., M.T. Payne. 2010. "The Wet Water Market: The Case for Water Rights." *American Water Intelligence*, Vol. 1, Issue 1.

Landry, C.J., M.T. Payne. 2010. "The Wet Water Market: A Tale of Three Cities." *American Water Intelligence*, Vol. 1, Issue 2.

Landry, C.J., M.T. Payne. 2010. "The Wet Water Market: Clearing the Tule Fog from California's Water Market." *American Water Intelligence*, Vol. 1, Issue 3.

Presentations:

"Price Determinants for Ditch Company Shares in Colorado's South Platte Basin." *American Water Resources Association Annual Conference*, Seattle, WA 2009.

"The Western Water Rights Market." *Colorado River Water Conservation District Annual Seminar*. Grand Junction, CO 2010.

"Looking Under the Hood: Water Rights Due Diligence and Valuation." Water Rights for Real Estate Professionals, Washington State University, 2011.

"Developing a Price Index for Western Water Rights." *American Water Resources Association Annual Conference*, Albuquerque, NM 2011.

"Using Markets to Expand Water Supply Portfolios: The California Experience." *American Water Resources Association Annual Conference,* Albuquerque, NM 2011.

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FROM:

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40 S Villa Del Sol Ct
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Email: Andappraisals@aol.com
Telephone Number: 719-568-4113 **Fax Number:** 719-547-8536

TO:

Wayne Harding
Two Rivers Water Company
2000 S Colorado Blvd, Annex Bldg Suite 200
Denver, CO 80222

Telephone Number: (303) 222-1032 **Fax Number:** (303) 222-1012
Alternate Number: **E-Mail:** wharding@2riverswater.com

INVOICE

INVOICE NUMBER
11-2192
DATE
01/05/2012
Effective Date: 12/21/2011

REFERENCE

Internal Order #: 11-2192
Lender Case #:
Client File #:
Main File # on form: 11-2192
Other File # on form:
Federal Tax ID: 45-2478846
Employer ID:

DESCRIPTION

Lender: Colorado Water Conservation Board **Client:** Two Rivers Water Company
Purchaser/Borrower: Two Rivers Water Company
Property Address: 3178 Avondale Blvd
City: Avondale
County: Pueblo **State:** CO **Zip:** 81022
Legal Description: LOTS 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + 33-21-62 SE4 LESS POR SOLD IN WD #1213993 TO

FEES	AMOUNT
Summary Appraisal Report	400.00
SUBTOTAL	400.00

PAYMENTS			AMOUNT
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
		SUBTOTAL	
Due Upon Receipt...Thanks!		**TOTAL DUE**	**$** 400.00

ANDERSEN APPRAISALS

SUMMARY APPRAISAL REPORT

Property Location:	3178 Avondale Blvd LOTS 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + Avondale, CO 81022
Borrower:	Two Rivers Water Company
Client:	Colorado Water Conservation Board 1313 Sherman St, Room 721 Denver, CO 80203
Effective Date:	12/21/2011
Prepared By:	John M. Andersen Certified General Appraiser #CG40019884

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007

Summary Appraisal Report

File # 11-2192

APPRAISAL OF REAL PROPERTY

LOCATED AT

3178 Avondale Blvd
Avondale, CO 81022
S 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + 33-21-62 SE4 LESS POR SOLD IN WD #1213993 TO C

ADDITIONAL INTENDED USER

Colorado Water Conservation Board
1313 Sherman St, Room 721
Denver, CO 80203

OPINION OF MARKET VALUE

123,000

EFFECTIVE DATE

12/21/2011

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2192

SUBJECT

Property Address: 3178 Avondale Blvd City: Avondale State: CO Zip Code: 81022
County: Pueblo Legal Description: LOTS 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + 33-21-62 SE4 LESS POR SOLD IN WD #1213993 TO COOK
Assessor's Parcel #: 22-000-00-189 & 12-000-00-188 Tax Year: 2010 R.E. Taxes: $ 966.70 Special Assessments: $ 0
Market Area Name: Avondale / Boone Map Reference: 39380 Census Tract: 0032.00
Current Owner of Record: HCIC Holdings LLC Borrower (if applicable): Two Rivers Water Company
Project Type (if applicable): ☐ PUD ☐ De Minimis PUD ☐ Other (describe) HOA: $ 0 ☐ per year ☐ per month
Are there any existing improvements to the property? ☒ No ☐ Yes If Yes, indicate current occupancy: ☐ Owner ☐ Tenant ☐ Vacant ☐ Not habitable
If Yes, give a brief description: No irrigation shares or water rights are included in the valuation of this report.

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)
This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective
Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)
Intended Use: Assistance In Decision Process For Loan Underwriting, Internal Decision Making and/or Loan Portfolio Management.
Intended User(s) (by name or type): The clients, Two Rivers Water Company & Colorado Water Conservation Board, and their successors and/or assigns.
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007

MARKET AREA DESCRIPTION

Characteristics			
Location:	☐ Urban	☐ Suburban	☒ Rural
Built up:	☐ Over 75%	☐ 25-75%	☒ Under 25%
Growth rate:	☐ Rapid	☐ Stable	☒ Slow
Property values:	☐ Increasing	☒ Stable	☐ Declining
Demand/supply:	☐ Shortage	☒ In Balance	☐ Over Supply
Marketing time:	☐ Under 3 Mos.	☐ 3-6 Mos.	☒ Over 6 Mos.

Predominant Occupancy
☒ Owner
☐ Tenant
☐ Vacant (0-5%)
☒ Vacant (>5%)

One-Unit Housing	PRICE $(000)		AGE (yrs)
	50	Low	02
	450+	High	110
	150	Pred	25

Present Land Use	
One-Unit	05 %
2-4 Unit	%
Multi-Unit	%
Comm'l	%
Vacant	95 %
	%

Change in Land Use
☒ Not Likely
☐ Likely * ☐ In Process *
* To: NA

Factors Affecting Marketability

Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	☐	☒	☐	☐	☐	Adequacy of Utilities	☐	☒	☐	☐	☐
Convenience to Employment	☐	☒	☐	☐	☐	Property Compatibility	☐	☒	☐	☐	☐
Convenience to Shopping	☐	☒	☐	☐	☐	Protection from Detrimental Conditions	☐	☒	☐	☐	☐
Convenience to Schools	☐	☒	☐	☐	☐	Police and Fire Protection	☐	☒	☐	☐	☐
Adequacy of Public Transportation	☐	☒	☐	☐	☐	General Appearance of Properties	☐	☒	☐	☐	☐
Recreational Facilities	☐	☒	☐	☐	☐	Appeal to Market	☐	☒	☐	☐	☐

Market Area Comments: The boundaries of the neighborhood are the outlying rural areas situated east of Pueblo Highway 50. The neighborhood is composed primarily of scattered homes on 5.0 to 35+ acre parcels of land. I am unaware of any adverse neighborhood influences. Per the Pueblo Association of Realtors MLS, typical marketing time for vacant land in the area is estimated to be 128 days, the median sales price is $130,000 (all larger acreage sales east of Pueblo to La Junta), and the median list to sale price ratio is approximately 89.6%. Thus, the marketing time for the subject property is estimated to be 9-12 months if listed realistically with an active broker. In addition, the estimated exposure period is 9-12 months which is presumed to precede the effective date of the appraisal report. Furthermore, the local market appears to be relatively stable at this time; however, large acreage sales are extremely limited due to the lack of market activity over the past two years. Statistics for single family dwellings on 5+ acres availible for the market area for the prior two years indicate a median sales price of $153,000, a median list to sale price ratio of 92.6%, a median price per square foot of $85.33, and a median market time of 163 days. Furthermore, the single family dwelling market has stabilized this past year from a significant decline in the prior few years. In addition, there are currently an in balance of homes available in market place at this time; however, marketing times are somewhat extended.

SITE DESCRIPTION

Dimensions: Refer to plat maps (three contiguous parcels - survey not provided) Site Area: 205.3 Acres
Zoning Classification: A-1 Description: Agricultural District - 35 Acre Minimum
Do present improvements comply with existing zoning requirements? ☒ Yes ☐ No ☐ No Improvements
Uses allowed under current zoning: Refer to the attached zoning description for uses by right and uses by review.
Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown Have the documents been reviewed? ☐ Yes ☐ No Ground Rent (if applicable) $ 0/
Comments:
Highest & Best Use as improved: ☒ Present use, or ☐ Other use (explain) Due to the extreme lack of demand in the market place, the Highest & Best Use of the subject property at this time is the continued ranch / farm use. Subdivision is not feasible due to the extreme lack of demand.
Actual Use as of Effective Date: Agricultural Use (Ranch / Farm) Use as appraised in this report: Agricultural Use (Ranch / Farm)
Summary of Highest & Best Use: Continued Agricultural Use (subdivision development is not feasible due to the lack of demand). The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property.

Utilities	Public	Other	Provider/Description
Electricity	☐	☐	Available
Gas	☐	☐	Liquid Propane (Avail)
Water	☐	☐	Well Available
Sanitary Sewer	☐	☐	Septic System (Avail)
Storm Sewer	☐	☐	
Telephone	☐	☐	
Multimedia	☐	☐	

Off-site Improvements	Type	Public	Private
Street	Undercliff Road	☒	☐
Width	Typical		
Surface	Gravel		
Curb/Gutter	None	☐	☐
Sidewalk	None	☐	☐
Street Lights	None	☐	☐
Alley	None	☐	☐

Frontage	Typical (Large Acreage Parcels)
Topography	Slightly Sloping
Size	Large Acreage Site (2 Parcels)
Shape	Refer To The Enclosed Maps
Drainage	Appears Adequate
View	Average
Access	Typical
Additional	Irrigation Available

Other site elements: ☐ Inside Lot ☐ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☒ Other (describe) Large Acreage Property
FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 0801470400B FEMA Map Date 09/29/1989
Site Comments: I did not observe any unfavorable easements, encroachments or adverse site conditions the date of the field inspection. A copy of the assessor's overhead GIS plat imagery and additional mappings are included with this report. The utilities mentioned above are common and available in the area. The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Refer to the enclosed photographs, maps and attachments which are integral parts of this Summary Appraisal Report.

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2192

TRANSFER HISTORY

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Court House Records; Owner

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: The prior sale of the subject property included two contiguous parcels containing approximately 205.3 acres, and was acquired at an extreme above market premium to "buy out" the senior share holder (not an arms length transaction). The subject property was not known to be exposed to the open market. Any previous sales of the subject property and/or comparable sales have no affect on the current opinion of market value. The subject property has not been listed for sale since acquired, or known to be under contract. Two contiguous parcels of land included in valuation (irrigation shares not valued).
Date: 09/17/2009	
Price: $600,000	
Source(s): Crt Hse; Owner; Contract	
2nd Prior Subject Sale/Transfer	
Date: None	
Price: None	
Source(s): Court House	Refer to the following page for the comparable sales transfer history.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	3178 Avondale Blvd Avondale, CO 81022	6265 Huerfano Rd Avondale, CO 81022		17961 County Road T Rush, CO 80833		1696 US Highway 96 Fowler, CO 81039	
Proximity to Subject		8.26 miles SW		51.09 miles NE		15.89 miles E	
Sale Price	$		$ 400,000		$ 485,000		$ 200,000
Price/ Acre	$	$ 1,176.47		$ 1,515.63		$ 692.04	
Data Source(s)	Court House / Owner	PARMLS#106678; DOM 475		PARMLS#117062; DOM 1183		PARMLS#125255; DOM 586	
Verification Source(s)	Inspection	Exterior Inspection; Assessor; Clerk		Agent; Court House		Exterior Inspection; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Conv; 0		1031Exchange; 0	
Date of Sale/Time	N/A	s06/09/2008	0	s08/02/2011	0	s03/04/2011	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone	0	Punkin Center	0	Fowler	
Site Area (in Acres)	205.3 Acres	340 Acres	+5	320 Acres	+5	289 Acres	+5
Irrigation	HCIC Ditch Available	HCIC Ditch Available		Rights+Augmentation	-25	Adj. Wells (Partial)	0
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	None	LgDwelling/Outbldgs	-45	Dwlg/OBs/4PivSystm	-45	Outbuilding	-20
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+10
Additional Consideration	Farm / Ranch	Hobby Farm/Ranch	0	Farm / Ranch		Hobby Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -588.24	☐ + ☒ −	$ -985.16	☐ + ☒ −	$ -34.60
Net Adjustment (Total, in % of $ / Acre)		Net 50.0 %	(-50 % of $/Acre)	Net 65.0 %	(-65 % of $/Acre)	Net 5.0 %	(-5 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 60.0 %	$ 588.23	Gross 75.0 %	$ 530.47	Gross 35.0 %	$ 657.44

Summary of Sales Comparison Approach: It is imperative to understand that comparable acreage sales similar to the subject property are extremely limited at this time. Consequently, some less than ideal comparable sales were analyzed that required larger than desired adjustments and/or are located many miles from the subject property. However, the nine comparable properties utilized in this appraisal report share many similarities to the subject property, and they provide support for a credible value range conclusion. Comparable sale #1 includes superior improvements (dwelling and outbuildings) in comparison to the subject. In addition, this property is bisected by the Huerfano River which warrants further consideration for premium river bottom frontage. Comparable sale #2 includes irrigating water rights with augmentation, and four pivot systems. Comparable sale #3 required the appropriate adjustments for inferior improvements and topography. The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. The adjustments essentially consider the appropriate percentage variances of price per acre paid between the comparable sales and subject property. Additional information is retained in the work file.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Refer to the additional comparable properties on the following pages for further support of the opinion of market value.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 123,200 **or $** 600 **per Acre**

Final Reconciliation: The subject property has an adjusted value range from $530 to $657 per acre which has been resolved to $600 per acre as applicable to the subject acreage. Comparable sales #1 and #6 are most comparable to the subject property and given most weight due to location.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: The Indicated Value by Sales Comparison Approach shown above has been rounded to $123,000 as the final opinion of market value applicable to the subject property. The Cost Approach and the Income Approach to value have not been developed in this report as agreed upon by myself and the client.

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 123,000 , as of: 12/21/2011 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 24 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

☒ Scope of Work ☒ Limiting Cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☒ Flood Map Addendum ☒ Additional Sales & Listings ☒ Photo Addenda ☒ Parcel Maps ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐ DCF Analysis

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company

E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen

Company: Andersen Appraisals

Phone: (719) 568-4113 Fax: (719) 547-8536

E-Mail: andappraisals@aol.com

Date of Report (Signature): 01/05/2012

License or Certification #: CG40019884 State: CO

Designation: Certified General Appraiser

Expiration Date of License or Certification: 12/31/2014

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

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ADDITIONAL COMPARABLE SALES

File No.: 11-2192

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address 3178 Avondale Blvd Avondale, CO 81022		1498 36th Ln Pueblo, CO 81006		7081 S Interstate 25 Pueblo, CO 81004		5182 40th Ln Avondale, CO 81022	
Proximity to Subject		7.67 miles NW		24.17 miles SW		6.74 miles SW	
Sale Price	$		$ 200,000		$ 400,000		$ 232,000
Price/ Acre	$	$ 2,521.43		$ 912.22		$ 644.44	
Data Source(s)	Court House / Owner	PARMLS#134352; DOM 11		PARMLS#124339; DOM 425		Owner; Contract	
Verification Source(s)	Inspection	Previous Appraisal; Assessor; Clerk		Exterior Inspection; Assessor; Clerk		Previous Appraisal; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Cash; 0		Conv; non-MLS	0
Date of Sale/Time	N/A	s04/08/2011	0	s08/09/2010	0	s09/19/2005	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	St Charles Mesa	-30	Hatchet Ranch	0	Avondale / Boone	
Site Area (in Acres)	205.3 Acres	79.32 Acres	-5	438.49 Acres	+5	360 Acres	+5
Irrigation	HCIC Ditch Available	Bessemer Available	-20	Sub-Irrigated	0	*HCIC Now Available	+15
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	None	Dwelling/MiscOutbldg	-20	Dwelling/MiscOutbldg	-30	OldDwelling/Outbldg	-20
Topography	Slightly Sloping	Slightly Sloping		Partially Wooded	-10	Slightly Sloping	
Additional Consideration	Farm / Ranch	Farm / Ranch		Hobby Ranch	0	Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,891.07	☐ + ☒ −	$ -319.28	☐ + ☐ −	$
Net Adjustment (Total, in % of $ / Acre)		Net 75.0 %	(-75 % of $/Acre)	Net 35.0 %	(-35 % of $/Acre)	Net %	
Adjusted Sale Price (in $ / Acre)		Gross 75.0 %	$ 630.36	Gross 45.0 %	$ 592.94	Gross 40.0 %	$ 644.44

Summary of Sales Comparison Approach These comparable sales of large acreage properties located in fairly close proximity to the subject have been added to provide further support of the price per acre and opinion of market value applicable to the subject property. As previously discussed, it is imperative to understand that comparable sales of large acreage properties similar to the subject are extremely limited at this time. Thus, some less than ideal comparable sales conveyed over one year ago that required larger than desired adjustments and/or are located several miles from the subject property were analyzed. However, the six comparable sales and three competitive listings utilized in this appraisal report share many similarities to the subject property, and provide support for a credible value range conclusion. Refer to the competitive listings on the following page.

The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. Due to limited comparable sales of irrigated acreage properties, adjustments extracted from paired sales analysis are difficult to develop at this time. Although some of the comparable sales were conveyed over one year ago, time adjustments for market conditions were not warranted since the market has been relatively stable since these properties sold. Additional information is retained in the work file.

The adjustments for site area essentially consider a price per acre variance between the comparable sales and subject property. Most of the comparable sales include smaller acreage sites which warrants the downward adjustments. As previously stated, large acreage sales similar to the subject are extremely limited at this time. The adjustments for improvements consider any existing improvements (or lack thereof) of the comparable sales in comparison to the subject property improvements. Furthermore, I have completed an inspection of the subject property and comparable properties unless otherwise noted.

Comparable sale #1 is located just south of the subject property, and required a plus 5% adjustment for larger acreage. The sale included considerably superior improvements (dwelling and outbuildings) in comparison to the subject which required a minus 45% adjustment. This comparable sale includes premium Huerfano River frontage which warrants the minus 10% topography adjustment. Although this sale was conveyed over three years ago, it is given considerable weight in the reconciliation due to the close proximity. Furthermore, a time adjustment for changes in market conditions was not warranted.

Comparable sale #2 is a recent sale of an irrigated farm operation located many miles northeast of the subject near Punkin Center & Rush. This comparable sale required a plus 5% adjustment for larger acreage site area in comparison to the subject. This property includes some irrigation rights with partial augmentation. Thus, a minus 25% irrigation rights adjustment was applied by paired sales analysis extraction. In addition, this large acreage property includes a dwelling, outbuildings and four pivot systems which warrants the minus 45% superior improvements adjustment. Although this comparable sale is not situated within the subject neighborhood, it is still considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited sales of large, irrigated acreage properties.

Comparable sale #3 is a recent sale of a partially irrigated hobby ranch located northwest of Fowler near the Arkansas River. This sale required plus 5% respective adjustments for larger site area acreage and inferior improvements, and a plus 5% adjustment for rugged topography areas. This comparable sale is considered to be a good indictor of market value, and given some weight in the reconciliation due to date of sale.

Comparable sale #4 is located on the St. Charles Mesa with smaller site area acreage than the subject acreage which warrants the minus 30% location adjustment and minus 5% site size adjustment. This property did not include any Bessemer Ditch shares; however, the acreage is irrigated with leased Bessemer Ditch share availability which demands a minus 20% adjustment consideration. This sale is given minimal weight due to large net adjustments.

Comparable sale #5 is a recent sale of a hobby ranch located south of Pueblo west of Interstate-25 near Hatchet Ranch. This comparable sale required the respective plus 5% adjustment for smaller acreage site area, and minus 10% adjustment for superior wooded topography in comparison to the subject. Although this property does not include irrigation shares, and not considered suitable for farming, it is a large ranching acreage property considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited appropriate irrigated farm ground sales.

Comparable sale #6 are large acreage property located in very close proximity to the subject. This property is larger than the subject acreage which warrants the plus 5% site area adjustment. In addition, this property was acquired prior to the availability of HCIC Ditch irrigation which warrants the plus 15% irrigation adjustment. This sale includes superior improvements in comparison to the subject which warrants the minus 20% adjustment. Although this property was conveyed several years ago, a time adjustment for changes in market conditions does not appear to be warranted (considered within the irrigation availability). Furthermore, this sale is given considerable weight in the reconciliation due to location, use and lower net adjustments.

Comparable Sales Prior Transfer / Sales History:

Sale #1: No prior sales within 36 months

Sale #2: No prior sales within 36 months

Sale #3: No prior sales within 36 months

Sale #4: No prior sales within 36 months

Sale #5: No prior sales within 36 months

Sale #6: No prior sales within 36 months

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COMPARABLE LISTINGS

File No.: 11-2192

COMPARABLE LISTINGS

FEATURE	SUBJECT PROPERTY	COMPARABLE LISTING # 1		COMPARABLE LISTING # 2		COMPARABLE LISTING # 3	
Address	3178 Avondale Blvd Avondale, CO 81022	TBD 56th Ln Avondale, CO 81022		2547 58th Ln Boone, CO 81025		LPOP Ranch Avondale Blvd Avondale, CO 81022	
Proximity to Subject		4.57 miles NE		4.50 miles NE		1.27 miles W	
List Price	$		$ 260,000		$ 699,000		$ 400,000
Price/ Acre	$	$ 2,476.19		$ 1,226.32		$ 519.48	
Last Price Revision Date		N/A		12/14/2011 from $750,000 list		N/A	
Data Source(s)		MLS #135778; Assessor		MLS #137187; Assessor		MLS #137031; Assessor	
Verification Source(s)		Previous Appraisal; Listing Agent		Exterior Inspection; Listing Agent		Exterior Inspection; Listing Agent	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	Under Contract		Current Listing		Current Listing	
Concessions	N/A	List to Sale	-15	List to Sale	-15	Motivated Seller	0
Days on Market		192 days		98 days		107 days	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone		Avondale / Boone		Avondale / Boone	
Site Area (in Acres)	205.3 Acres	105 Acres	-5	570 Acres	+15	770 Acres	+15
Irrigation	HCIC Ditch Available	CWPDA Augment	0	130 Shr Welton Ditch	-20	HCIC Ditch Available	
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	2 Pivot Systems	-45	Dwelling/MiscOutbldg	-30	Similar	0
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+15
Additional Consideration	Farm / Ranch	Farm / Ranch		Farm / Ranch		Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,857.14	☐ + ☒ −	$ -613.16	☒ + ☐ −	$ 155.84
Net Adjustment (Total, in % of $ / Acre)		Net 75.0 %	(-75 % of $/Acre)	Net 50.0 %	(-50 % of $/Acre)	Net 30.0 %	(30 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 75.0 %	$ 619.05	Gross 80.0 %	$ 613.16	Gross 30.0 %	$ 675.32

Comments These competitive listings have been included to provide further support of the value range applicable to the subject property. However, competitive listing #6 appears to be listed towards to the lower end of the market. Thus, a list to sale price ratio adjustment was not applied to this listing.

Listing #1 is an irrigated acreage property that is currently under contract below list price which warrants the minus 15% list to sale price ratio adjustment. In addition, this site is somewhat smaller to the subject acreage which warrants the minus 5% site area variance adjustment. The listing does not include water rights or ditch shares; however, the acreage includes two newer pivot systems with wells and electricity, and augmentation irrigation water leased from Colorado Water Protection and Development Association (CWPDA). This property also includes Huerfano River frontage which appears to demand a premium in the market place. Thus, a minus 10% topography adjustments was applied to this listing. Furthermore, this under contract listing has been provided to illustrate the upper limit of value as applicable to irrigated farm ground (crops) with leased irrigation water. However, least reliance is placed on the value indication due to the large net adjustments.

Listing #2 is an irrigated acreage property that also required a minus 15% list to sale price ratio adjustment. This competitive listing required a plus 15% site area adjustment since the acreage size is considerably larger than the subject. The listing does include Welton ditch shares; however, the contributory value is difficult to determine due to limited sales activity of Welton ditch shares. Similar irrigation ditch shares in the region have sold for $2,000 per share which provides some support for the applicable minus 20% adjustment. This listing includes a dwelling and miscellaneous outbuildings which required a minus 30% improvement adjustment. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property.

Listing #3 is an irrigated acreage property that did not warrant a list to sale price ratio adjustment. This acreage property is located in close proximity to the subject along the HCIC ditch with leased water (no water rights or ditch shares included in the listing), and provides support for the site area adjustments applied to the varying comparable acreage sales and listings. This competitive listing required a plus 15% site area variance adjustment since the acreage size is considerably larger in comparison to the subject. According to the listing agent, only a portion of the acreage is suitable for farming; thus, a plus 15% adjustment for inferior topography was applied to this listing. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property, and is given some consideration in the final reconciliation to value due to proximity along the HCIC Ditch.

Competitive Listings Prior Transfer / Sales History:
Listing #1: 01/08/2008, $205,000
Listing #2: No prior sales within 36 months
Listing #3: 04/10/2008, $195,000

Listings #1 and #3 provide support for no decline in market conditions for large acreage properties in the region. Thus, no adjustment were applied to the older comparable sales for changes in market conditions. In addition, the prior sale of listing #3 included ditch shares that were sold to HCIC. Furthermore, this listing indicates a positive potential impact on property values as the HCIC ditch returns to it's former irrigating capacity decades ago.

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Zoning Description & Water Article

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

ZONING USES A-1 (Agricultural District)

A use by right is any of the following uses, which are permitted upon issuance of a zoning permit by the County Zoning Administrator.

Agricultural custom contractor; Christmas tree sales (temp.); Church and religious buildings; Drilling company equipment yard; Equestrian arena, personal; Farming or ranching; Fruit and vegetable processing, wholesale and retail; Greenhouse and nursery; Guest house; Hay, grain, feed, seed and fertilizer - retail, storage and/or wholesale; Home, receiving (must possess a minimum of 5.0 acres of land, or a Special Use Permit is required) Housing, tenant; Mobile home; Ranch, guest; Recreation camps; Residence, 1-family; Residence, 2-family; Riding academy, stables; Roadside sale stand (retail agricultural products); Sawmill; Water distillation and bottling.

A use by review is any of the following uses, other than those uses which come within the purview of S17.140.010(F), which are permitted only upon issuance of a Special Use Permit by the Pueblo County Planning Commission.

Advertising device, off-premise (See Chapter 17.116); Agricultural implements, retail, wholesale, rental and service; Airplane beacon, marker or tower; Airport, private heliport, glider port; Asphalt (recycled), sale and storage; Associations, clubs and lodges; Athletic field, golf range, golf course; Atomic reactor and/or other scientific installation; Aviary; Bed and breakfast; Boat and RV storage; Broadcasting station, transmitter or tower; Carnival (temp.); Cemetery, crematory and/or mausoleum; Child care centers; Child care home (large); Cold storage lockers; Composting facility; Concrete (batch) plant; Contractor's yard; Emergency facility; Equestrian arena, commercial/club; Explosives, manufacture and wholesale; Farm products, processing, manufacture, storage and wholesale; Feed and fertilizer manufacture and processing; Game preserve, developed; Hide and tallow processing; Home for blind, disabled, elderly, elderly foster, maternity, nursing, religious; Hot mix (road) plant; Kennel, dog breeding and boarding; Livestock sales and auction; Lots, feed; Natural deposits, extraction and processing; Outdoor theater; Paintball field; Private school; Propane and butane, wholesale and retail service; Race track; Recreational vehicle park; Rental and service of construction equipment, retail and wholesale; Runway; Saddle and tack shop; Shooting range, outdoor; Solid waste disposal site and facility; Specialized group facilities; Utilities as outlined in Section 17.120.130; Veterinary hospital (use by right until TA 60, 4/17/84); Wholesale vending machine products; Wind turbine for residential uses.

Newswire Article:

Two Rivers Water Company Acquires Majority Interest in Huerfano-Cucharas Irrigation Company

DENVER, Feb. 3 /PRNewswire-FirstCall/ — Two Rivers Water Company (OTC Bulletin Board: TURV), through its 50% owned joint venture HCIC Holdings LLC, has completed the purchase of 55% of the outstanding shares of the Huerfano-Cucharas Irrigation Company ("HCIC") in Southern Colorado. Additionally, Two Rivers has entered into separate agreements to purchase an additional 35% interest to bring its total ownership of HCIC to 90% by April 2010.

"Acquisition of a majority interest in the Huerfano-Cucharas Irrigation Company gives Two Rivers the opportunity to now move forward in the repair of the Cucharas Dam and Reservoir, one of Colorado's largest on stream reservoirs," commented John McKowen, Chairman and CEO of Two Rivers. "The Cucharas Reservoir, when restored, has 55,000 acre feet of storage capacity, which can be rebuilt for less than $375 an acre foot, compared to a current cost of construction of over $3,000 an acre foot for other large capacity reservoirs."

Two Rivers has begun engineering plans and commenced discussions with the Colorado State Engineers Office necessary to hopefully complete the restoration of the dam by spring of 2011, in time for the late spring snow melt. By restoring the Cucharas Reservoir, Two Rivers can supply the farmers and communities of Huerfano and Pueblo Counties with a new large, dependable source of water supply and storage.

Two Rivers has also purchased approximately 1,000 acres and entered into agreements to purchase 3,500 additional acres of farmland. Two Rivers expects to purchase as much as 15,000 acres of farmland and reintroduce water on the land and restore the HCIC ditches to what was once a thriving high yield farming community. Two Rivers agreed to provide the current farmers on the HCIC ditch with long term water contracts to enable them to continue and expand their farming operations. Additional surplus of storage capacity exists once the Cucharas Reservoir is restored beyond the expanded farming needs projected by Two Rivers.

Two Rivers has begun discussions with various water agencies to explore possibilities whereby the excess capacity of the HCIC system can be developed and assist in covering the projected shortfalls in Colorado's water needs.

Formed in December 2002, Two Rivers is focused on acquiring and developing water resources in Colorado.

Source: Newswire Article @ www.redorbit.com

Zoning Description & Water Article

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

Two Rivers Moves On Water Cases

By CHRIS WOODKA | cwoodka@chieftain.com | Posted: Thursday, January 5, 2012 12:00 am

Water court applications to move water up the Huerfano River and to change the use of water in Huerfano County were filed in late December by the Two Rivers Water Co.

Two Rivers, founded by Denver entrepreneur John McKowen and managed by Colorado Springs real estate broker Gary Barber, plans to bring irrigated farmland back into production in Southern Pueblo and Huerfano counties. It has a plan to restore Cucharas and Orlando reservoirs, but needs to exchange rights on the Huerfano River to initially fill them.

The company also wants to be able to offer water for domestic use in Huerfano County, where some developments and communities have run into groundwater replacement issues as they have grown.

“We have been talking to the Huerfano Conservancy District, but we don’t have any agreement yet,” Barber said.

Two Rivers has entered a five-year lease agreement with the Pueblo Board of Water Works in order to purchase 500 acre-feet of water annually beginning in April. The company will seek a substitute water supply plan from the state Division of Water Resources until it can obtain a court decree.

The application for an exchange right would allow Two Rivers to capture flood flows in Cucharas Reservoir, while making releases to the Arkansas River to cover depletions.

“About 20,000 acre-feet of water passed through Cucharas Reservoir last year,” Barber said.

Two Rivers' plans call for creating about 38,000 acre-feet of storage in Cucharas and Orlando reservoirs. The company owns about 4,700 acres of land in ditch systems fed by the reservoirs, including the Huerfano-Cucharas Ditch. This year, about one-third of that will be planted as the company ramps up to full production, Barber said.

In a separate change-of-use application in water court, Two Rivers wants to dry up about 150 irrigated acres on the Robert Rice Ditch, but would change the use of the water only so it could be used in Huerfano County. Two Rivers purchased the ditch, which has a water right dating back to 1867, making it fairly senior.

Under the purchase agreement, as much as 130 acre-feet could be made available to serve future developments in Huerfano County. The water also could be used to augment existing wells in communities such as Gardner, Barber said.

“It’s not speculation, since we do have an agreement with the seller, but we did not file for the augmentation of any specific wells,” Barber said.

Source: www.chieftain.com

Assumptions, Limiting Conditions & Scope of Work

File No.: 11-2192

Property Address: 3178 Avondale Blvd	City: Avondale	State: CO	Zip Code: 81022
Client: Two Rivers Water Company	Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222		
Appraiser: John M. Andersen	Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Scope of Work: The scope of work includes a physical inspection of the subject property and comparable sales and/or listings. A review of court house data pertaining to the subject property and comparable sales and/or listings. A review of any pending listings or prior sales of the subject property and comparable sales. I have also collected sales and listing data from the multiple listing service, Realtors, property managers, developers, peer appraisers, and other sources of information. The sources of information are considered to be reliable sources, and I have not knowingly omitted any pertinent information from this appraisal report. After the appropriate data are collected, the data are verified, analyzed and reconciled. However, it is imperative to understand that the water rights and/or irrigation rights have not been valued separately. The irrigated aspect of the subject property is similar to that of the comparable sales analyzed in this report. Thus, no adjustment consideration nor value conclusions have been developed pertaining to individual water and/or irrigation rights. Moreover, the irrigated water delivery rights are typically necessary for the operation of a hobby ranch (hobby farm), and are assumed to be attached to the subject acreage as discussed below. Due to the availability of similar irrigated acreage comparable sales, and as agreed upon in advance by myself and the client, neither the Income Approach nor the Cost Approach have been developed in this Summary Appraisal Report. Additional information is retained in the appraisal work file.

Hypothetical Conditions / Extraordinary Assumptions: None.

The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). No irrigating ditch shares and/or water rights are included in the valuation. I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Perpetual irrigation water delivery to the subject acreage is a reasonable assumption, and the irrigation aspect of the subject property has a positive impact on site value.

GP LAND

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Certifications & Definitions

File No.: 11-2192

Property Address: 3178 Avondale Blvd City: Avondale State: CO Zip Code: 81022
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:
— The statements of fact contained in this report are true and correct.
— The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
— My engagement in this assignment was not contingent upon developing or reporting predetermined results.
— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
— I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.
— I have not provided any services, as an appraiser or in any other capacity, with respect to the subject property of this appraisal report within the previous 36 months immediately preceding the acceptance of this appraisal assignment.

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

***** This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company
E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen
Company: Andersen Appraisals
Phone: (719) 568-4113 Fax: (719) 547-8536
E-Mail: andappraisals@aol.com
Date Report Signed: 01/05/2012
License or Certification #: CG40019884 State: CO
Designation: Certified General Appraiser
Expiration Date of License or Certification: 12/31/2014
Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)
Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:
Company:
Phone: Fax:
E-Mail:
Date Report Signed:
License or Certification #: State:
Designation:
Expiration Date of License or Certification:
Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect
Date of Inspection:

GPLAND
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Subject Photos

Borrower	Two Rivers Water Company				
Property Address	3178 Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Subject Acreage

Subject Acreage / Access Road

Subject Acreage

Subject Acreage

Subject Access Road

Street

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	3178 Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Comparable 1

6265 Huerfano Rd

Prox. to Subject	8.26 miles SW
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	340 Acres
Quality	
Age	

Comparable 2

17961 County Road T

Prox. to Subject	51.09 miles NE
Sale Price	485,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Punkin Center
View	
Site	320 Acres
Quality	
Age	
Comment	MLS photo due to distance.

Comparable 3

1696 US Highway 96

Prox. to Subject	15.89 miles E
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Fowler
View	
Site	289 Acres
Quality	
Age	

Comparable Photo Page

Borrower	Two Rivers Water Company				
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Comparable 4

1498 36th Ln

Prox. to Subject	7.67 miles NW
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	St Charles Mesa
View	
Site	79.32 Acres
Quality	
Age	

Comparable 5

7081 S Interstate 25

Prox. to Subject	24.17 miles SW
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Hatchet Ranch
View	
Site	438.49 Acres
Quality	
Age	

Comparable 6

5182 40th Ln

Prox. to Subject	6.74 miles SW
Sale Price	232,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	360 Acres
Quality	
Age	

Listing Photo Page

Borrower	Two Rivers Water Company				
Property Address	3178 Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Listing 1

TBD 56th Ln
Proximity to Subject 4.57 miles NE
List Price 260,000
Days on Market 192 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

Listing 2

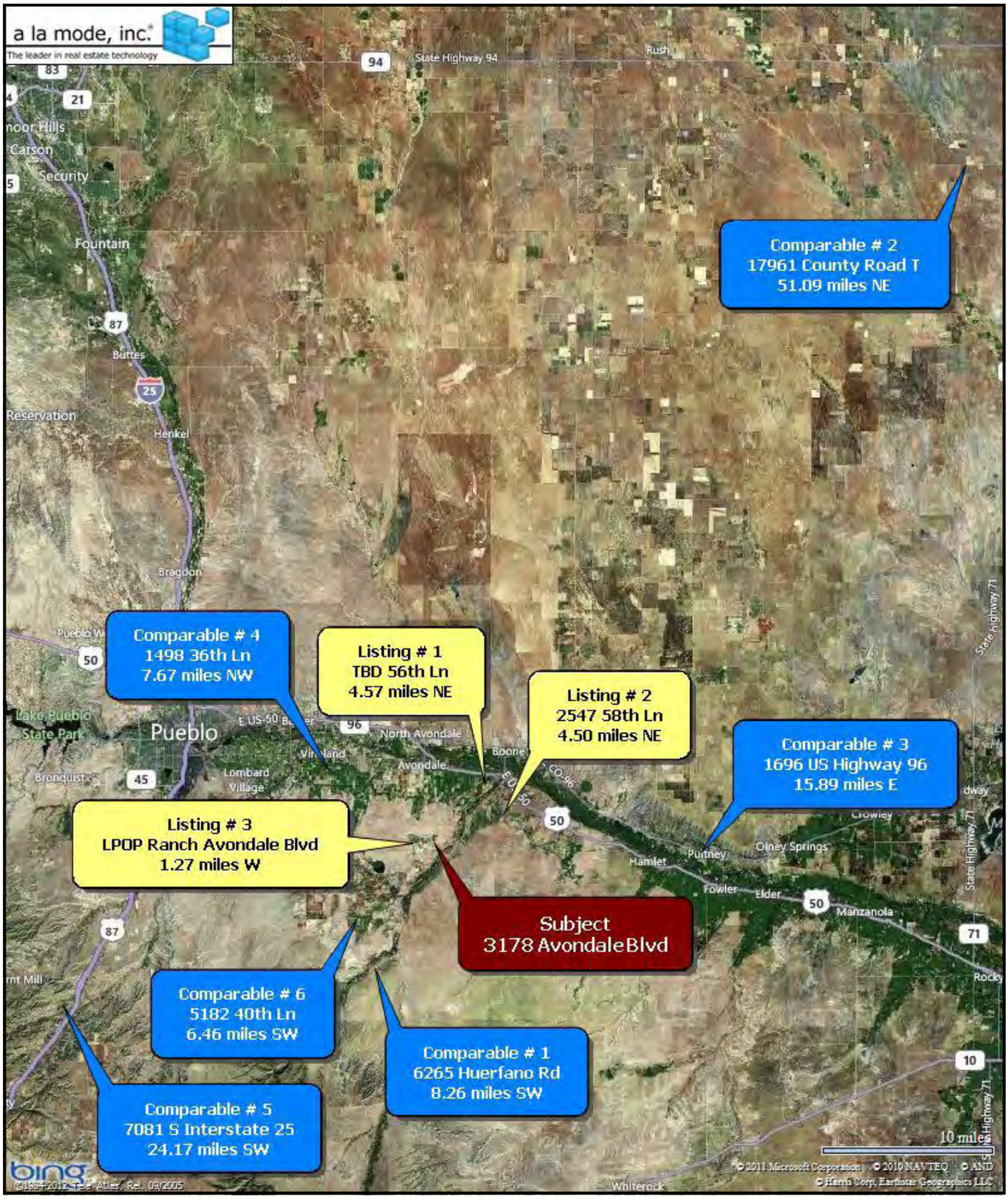
2547 58th Ln
Proximity to Subject 4.50 miles NE
List Price 699,000
Days on Market 98 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

Listing 3

LPOP Ranch Avondale Blvd
Proximity to Subject 1.27 miles W
List Price 400,000
Days on Market 107 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

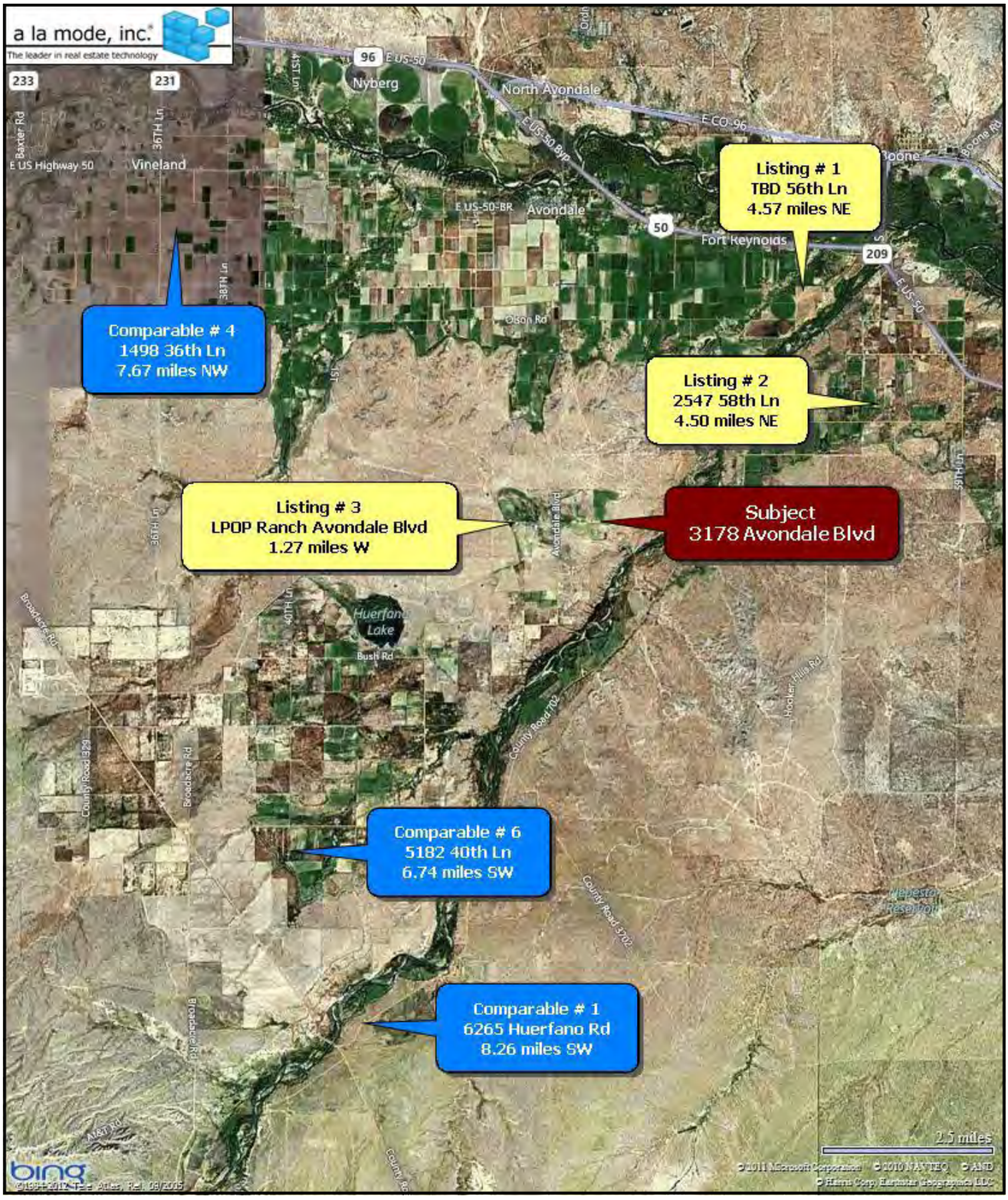
Comparable Location Map

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



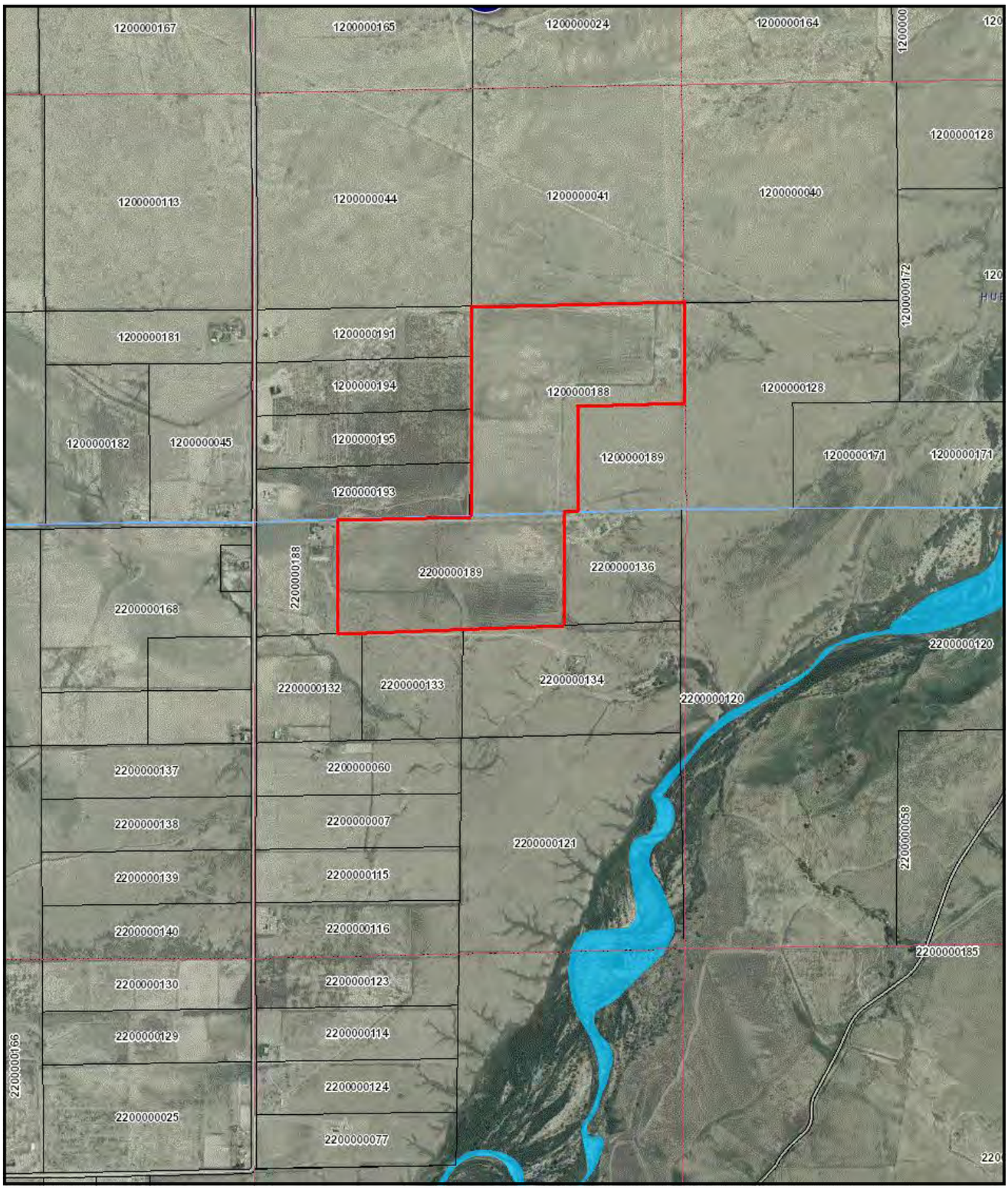
Vicinity Location Map

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Site Map

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Subject Overhead Imagery

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
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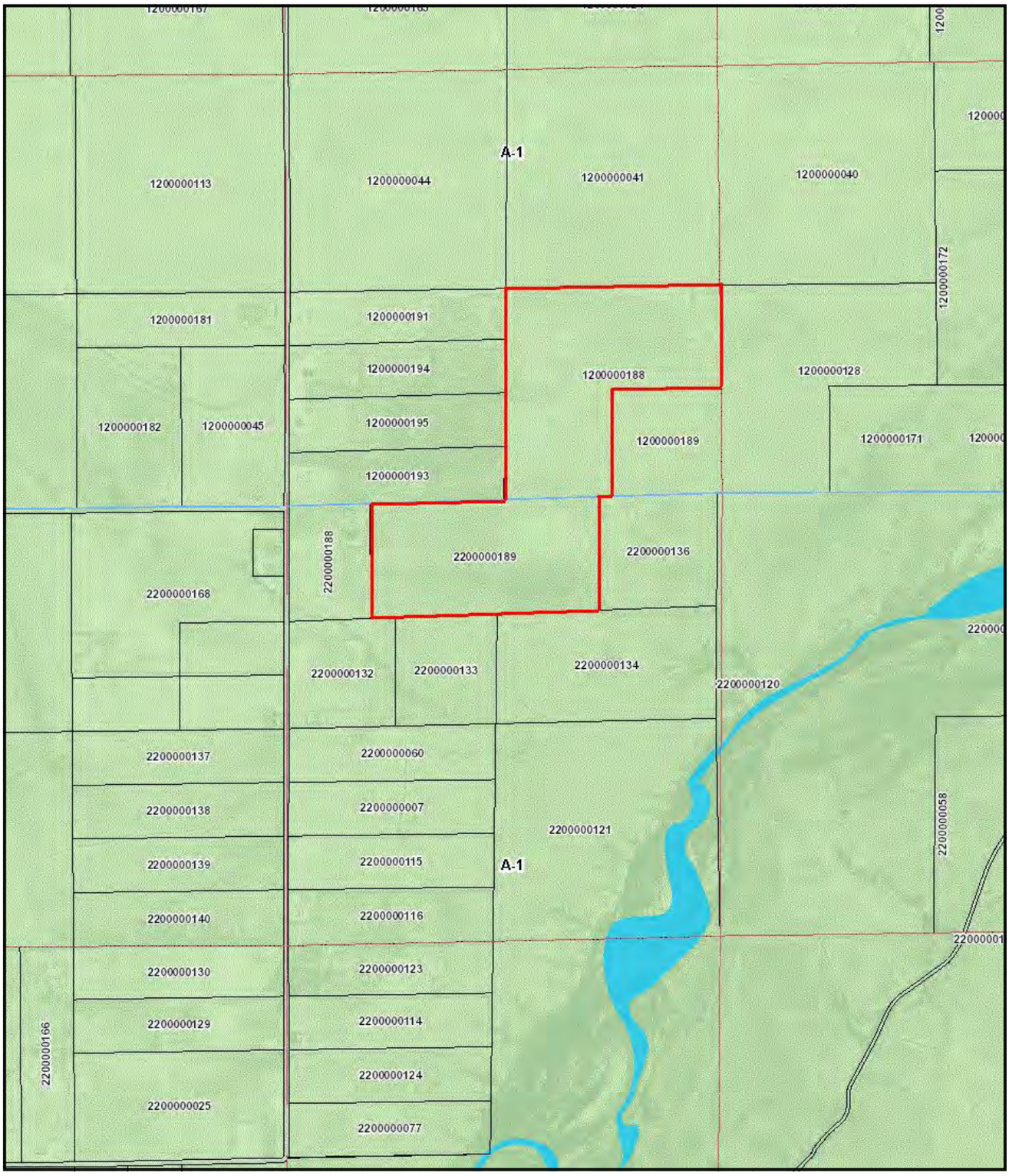
Zoning Map

Borrower	Two Rivers Water Company				
Property Address	3178 Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				



Plat Map

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
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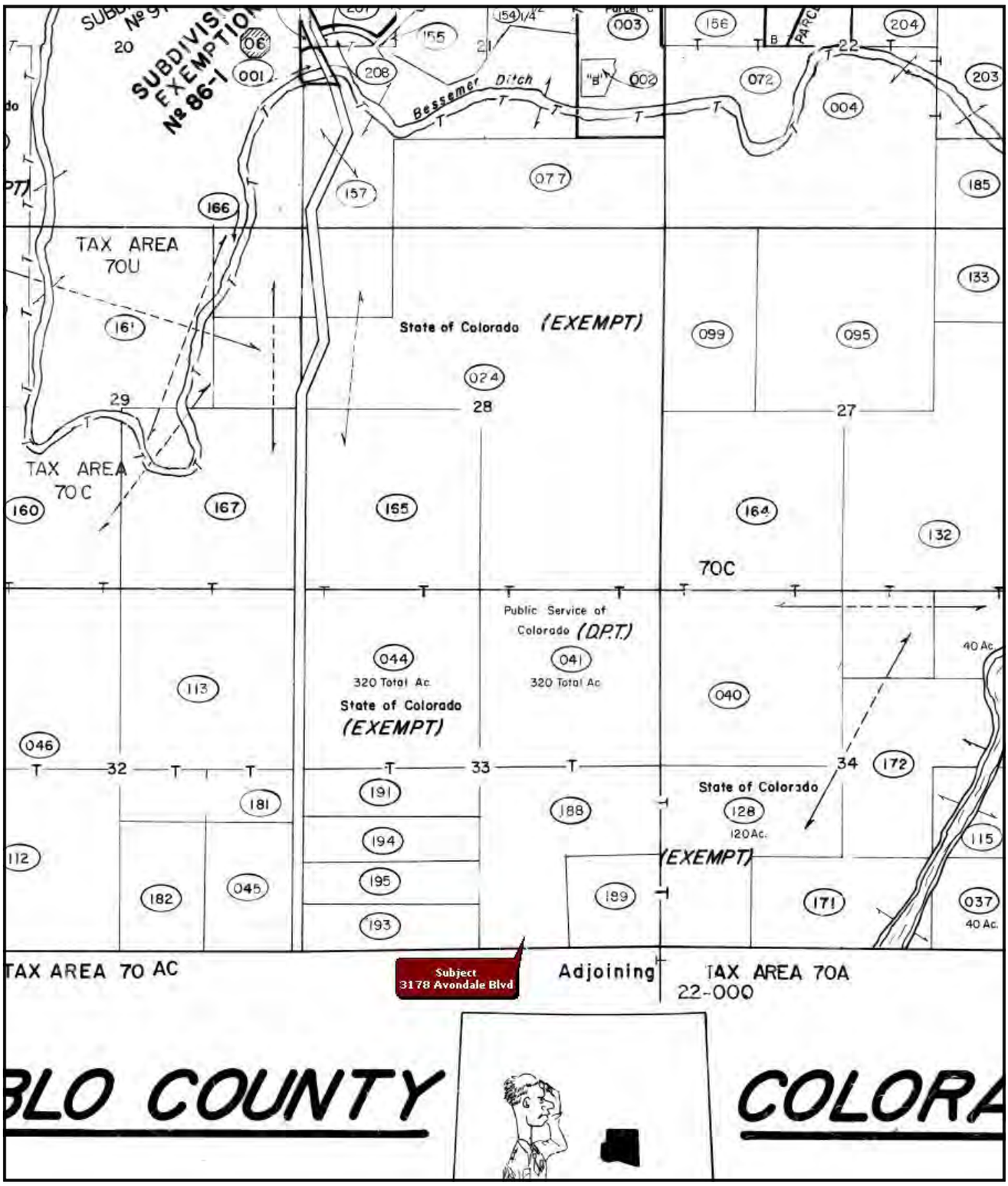
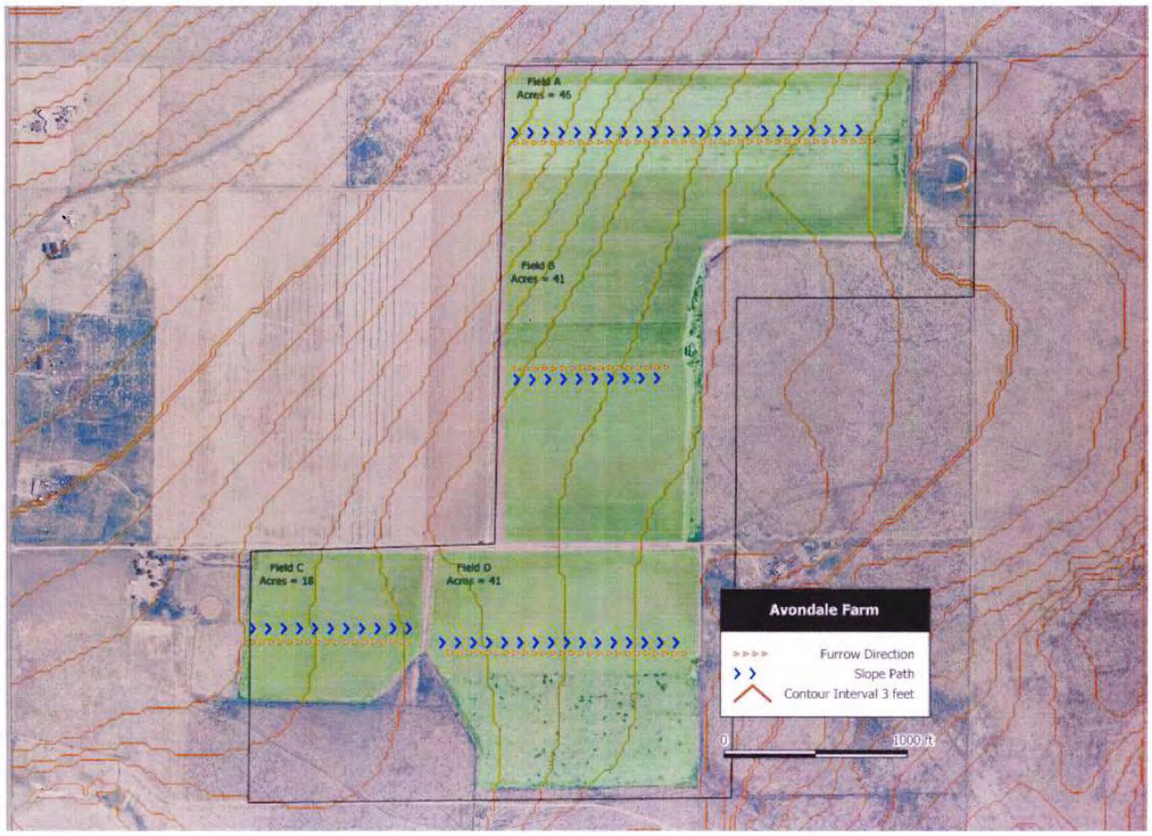


Drainage Map

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Flood Map

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

InterFlood by a la mode
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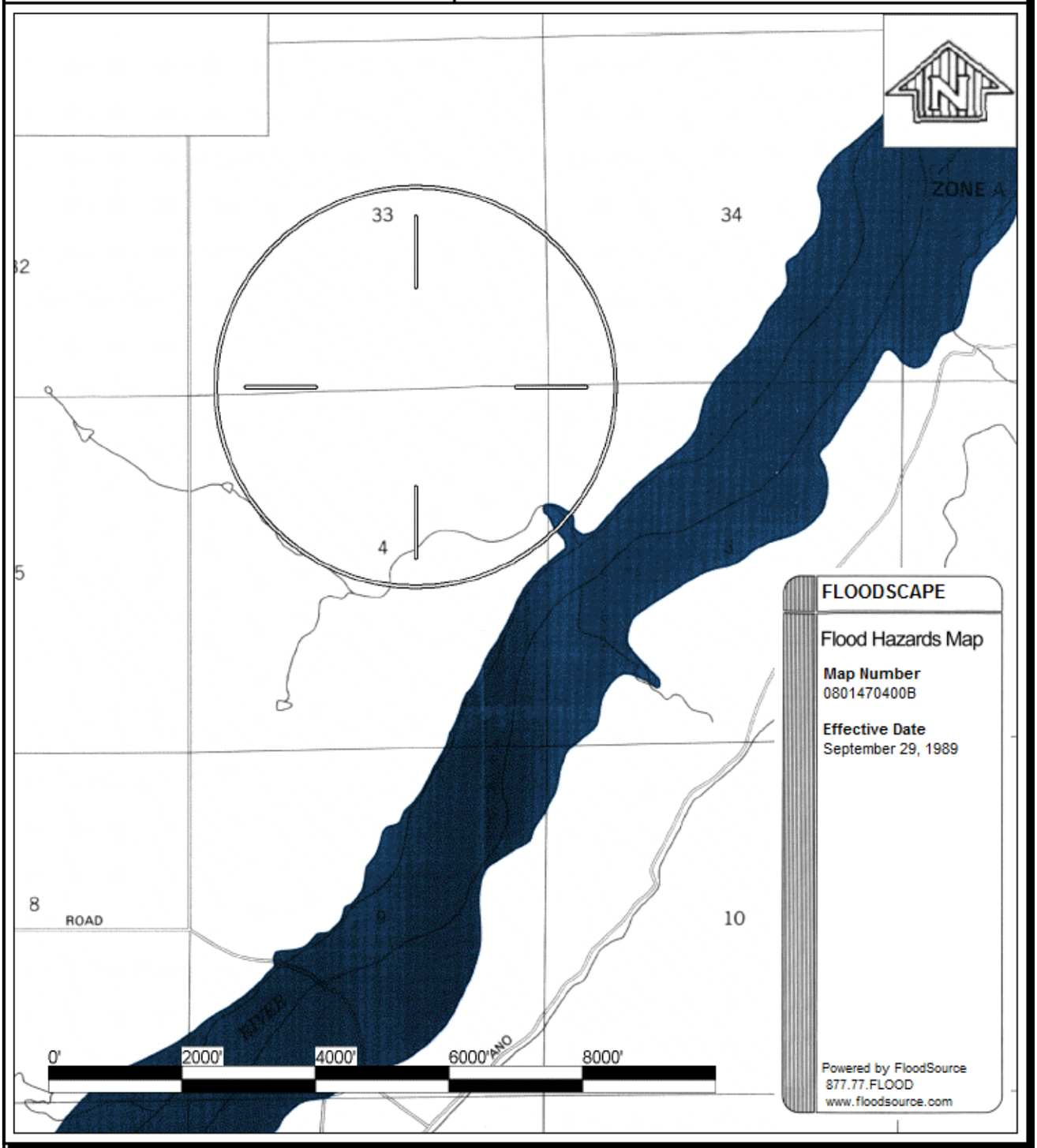
Prepared for:
Andersen Appraisal, LLC

3178 Avondale Blvd
Avondale, CO 81022



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Resume

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

John M. Andersen

Certified General Appraiser

www.AndersenAppraisals.com

♦♦♦

◆ QUALIFICATIONS & ORGANIZATIONS

The highest standards of professionalism and integrity are attributes that have been revered throughout my life. Commitment to these ethics has led me on many rewarding ventures in military experiences and personal business endeavors. Over the past several years, I have developed strong skills required for competent analysis of complex real estate valuations.

1986-Present — *Real Estate Appraiser, Business Manager, Property Manager, Consultant, Expert Valuation Witness, Skydiving Instructor*

1997-2001 — *Board of Directors, Frontier Pathways Scenic & Historic Byway*

1996-1999 — *President, Greenhorn Valley Chamber of Commerce*
Vice-president, Greenhorn Valley Chamber of Commerce

◆ WORK HISTORY

2009-Present — *Certified General Appraiser, Andersen Appraisals, Pueblo West, Colorado*

2009-Present — *Certified General Appraiser, ALWVCS, Inc., Pueblo, Colorado*

2001-2009 — *Certified Real Estate Appraiser, Clyde Laut & Associates - Pueblo, Colorado*
Residential & Commercial Appraiser covering a multiple county region in Southeastern Colorado. Obtained higher levels of appraisal experience.

2001-2008 — *Skydiving Instructor, Skydive the Rockies!! Fremont County Airport*
First Jump Course, Accelerated Freefall, & Instructor Assisted Deployment

1999-2001 — *Residential Appraiser, Grantham Appraisal Service - Cañon City, Colorado*
Registered Appraiser (Apprentice Level). Accumulation of required appraisal hours for state license. Appraisal assignments were reviewed by Gary W. Grantham, Certified General Appraiser.

1996-2004 — *Property Manager / Development Consultant - Ewing Ranch, Colorado City*
Consultant for development of master plan, property leases, etc.

1994-1999 — *Owner / Operator, Pizza Stop & Subs - Colorado City*
Day to day restaurant operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1986-1993 — *Owner / Operator, Releford's Flowers & Greenhouse - Pueblo, Colorado*
Day to day business operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1984-1990 — *SSG (E-6), Colorado National Guard Special Forces (Airborne)*
CPL (E-4), US Army Special Forces / Military Freefall (HALO)

◆ EDUCATION

2006-2011 — *Certified General Appraiser Courses, Sales Comparison Valuation of Small, Mixed-Use Properties, Income Property Capitalization, Highest & Best Use Analysis, Market & Marketability Analysis, National Uniform Standards of Professional Appraisal Practice, USPAP 7 Hour Update Courses, FHA Appraisal Report Writing Seminar, Loss Prevention Seminar, UAD (Uniform Appraisal Dataset) Report Writing Seminar, Multiple Regression Analysis Seminar*

2003-2005 — *Certified Residential Appraiser Course, Complex Properties, Appraisal Review, Narrative Report Writing, Basic Income Capitalization, Uniform Standards of Professional Appraisal Practice (7 Hour Update), Appraisal Review & Reporting, Factory-Built Housing, FHA Appraising Today, FHA Exam Preparation Course, FHA Lead Based Paint Inspector Course, Developing & Growing An Appraisal Practice*

1999-2001 — *Uniform Standards of Professional Appraisal Practice,*
Registered & Licensed Appraiser Courses (Real Estate Training Center)

1986-1990 — *Business Administration, University of Southern Colorado*

1983-1985 — *High School Graduate / US Army Special Forces Qualification Course / Airborne School / Military Freefall School*

Resume

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

◆ APPRAISAL LICENSES & CERTIFICATES

11/20/2008 *Certified General Appraiser #CG40019884*

11/24/2007 *Colorado State Certified General Appraiser Examination*

08/15/2005 *Certified Residential Appraiser #CR40019884*

12/02/2004 *Colorado State Certified Residential Appraiser Examination*

02/09/2004 *FHA Appraisal Examination / Roster #COCG40019884*

08/12/2001 *Licensed Appraiser #AL40019884*

07/12/2000 *Registered Appraiser #AR40019884*

06/14/2000 *Colorado State Licensed Appraisal Examination*

06/12/2000 *Completion of Colorado Real Estate Commission Approved Course*

◆ CLIENT LIST

An extensive list of lenders, contractors, attorneys and individuals for conventional appraisal reports, proposed construction appraisals, employee relocation, dissolution of marriage, REO (foreclosure), review appraisals, etc., completed through Grantham Appraisal Service, Andersen Appraisal Service, & Clyde Laut & Associates, Inc. To name a few: HUD (FHA Certified Appraiser), Fannie Mae, Pueblo Bank & Trust, Elk Valley Construction, Vectra Bank Colorado, Premier Mortgage, Canon National Bank, Chase Manhattan, Cendant Mobility, First National Bank Colorado, Colorado State Employee's Credit Union, Wells Fargo Bank, Royal Gorge Lending, US Bank, Zions Bank, Fremont National Bank, Frontier Bank, Canon National Bank, Colorado East Bank & Trust, Pueblo Bank & Trust

◆ REFERENCES

Gary Grantham, Cert. Gen. Appraiser, Grantham Appraisals, Cañon City
Phone: **719-275-7705**
Senator Kevin Grantham, Cert. Gen. Appraiser, Grantham Appraisals
Phone: **719-275-7705**
John Thompson, Vice President, First National Bank of Pueblo
Phone: **719-544-2265**
Mark Dunsmoor, President, Colorado East Bank & Trust, Pueblo
Phone: **719-584-2000**
Jeannie Sandidge, Loan Review Officer, Canon National Bank, Pueblo
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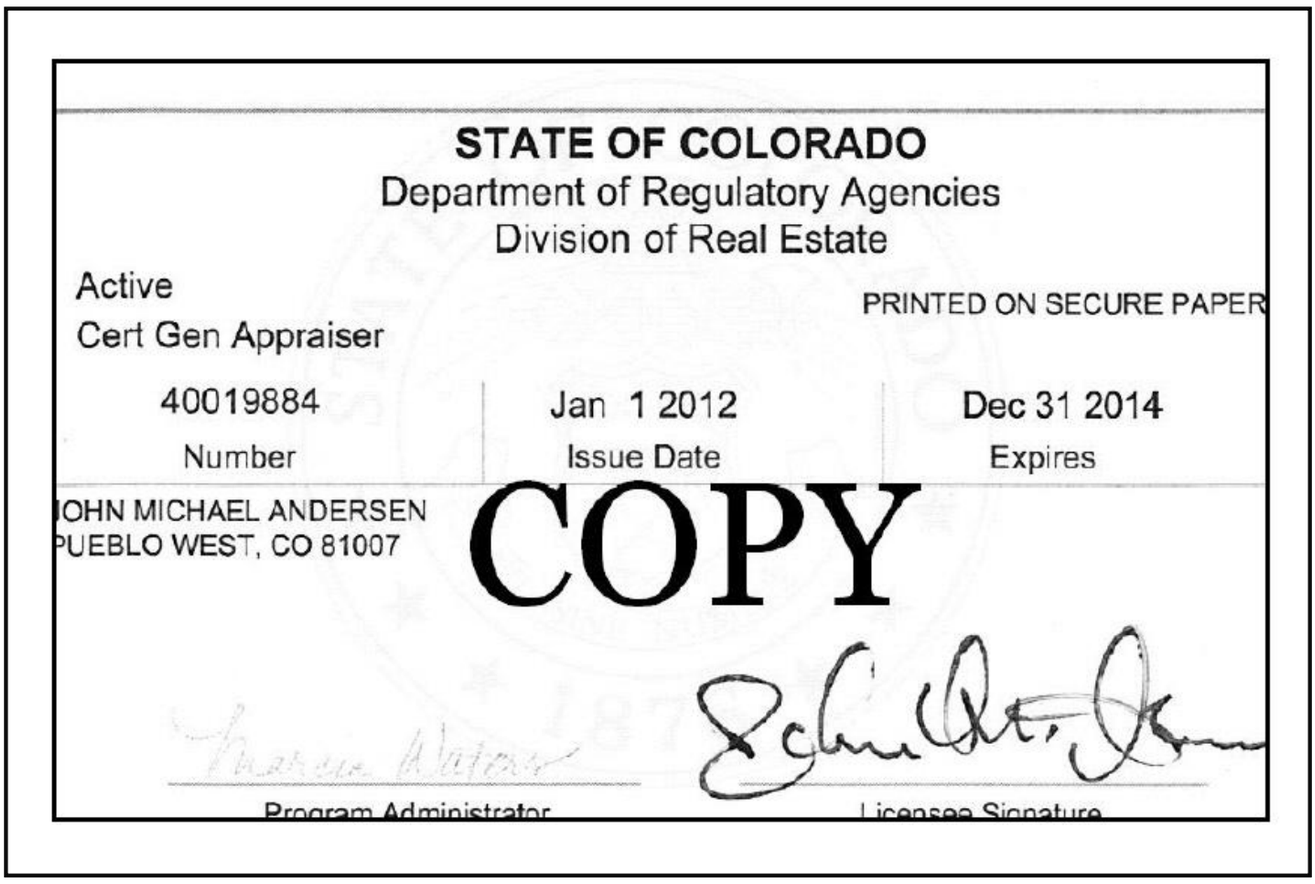
Chris Turner, Attorney, Koncilja & Koncilja, Pueblo
Phone: **719-250-2806**
Alan Williams, Certified General Appraiser, ALWVCS, Inc, Pueblo
Phone: **719-543-3323**

◆ CONTACT INFORMATION

Andersen Appraisals, LLC
John M. Andersen
Certified General Appraiser
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Office: 719-547-8536
Mobile: 719-568-4113
Email: andappraisals@aol.com
www.AndersenAppraisals.com

Copy of State License

Borrower	Two Rivers Water Company						
Property Address	3178 Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

PRINTED ON SECURE PAPER

40019884	Jan 1 2012	Dec 31 2014
Number	Issue Date	Expires

JOHN MICHAEL ANDERSEN
PUEBLO WEST, CO 81007

COPY

Program Administrator

Licensee Signature

FROM:

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Email: Andappraisals@aol.com
Telephone Number: 719-568-4113 **Fax Number:** 719-547-8536

TO:

Wayne Harding
Two Rivers Water Company
2000 S Colorado Blvd, Annex Bldg Suite 200
Denver, CO 80222

Telephone Number: (303) 222-1032 **Fax Number:** (303) 222-1012
Alternate Number: **E-Mail:** wharding@2riverswater.com

INVOICE

INVOICE NUMBER
11-2206
DATE
01/05/2012
Effective Date: 12/21/2011

REFERENCE

Internal Order #: 11-2206
Lender Case #:
Client File #:
Main File # on form: 11-2206
Other File # on form:
Federal Tax ID: 45-2478846
Employer ID:

DESCRIPTION

Lender: Colorado Water Conservation Board **Client:** Two Rivers Water Company
Purchaser/Borrower: Two Rivers Water Company
Property Address: 39327 Harbour Rd
City: Avondale
County: Pueblo **State:** CO **Zip:** 81022
Legal Description: SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70A M/L

FEES	AMOUNT
Summary Appraisal Report / Multiple Appraisal Discount	400.00
SUBTOTAL	400.00

PAYMENTS			AMOUNT
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
		SUBTOTAL	
Due Upon Receipt...Thanks!		**TOTAL DUE**	**$** 400.00

ANDERSEN APPRAISALS

SUMMARY APPRAISAL REPORT

Property Location:	39327 Harbour Rd SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70A Avondale, CO 81022
Borrower:	Two Rivers Water Company
Client:	Colorado Water Conservation Board 1313 Sherman St, Room 721 Denver, CO 80203
Effective Date:	12/21/2011
Prepared By:	John M. Andersen Certified General Appraiser #CG40019884

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007

Summary Appraisal Report

File # 11-2206

APPRAISAL OF REAL PROPERTY

LOCATED AT

39327 Harbour Rd
Avondale, CO 81022
SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70A M/L

ADDITIONAL INTENDED USER

Colorado Water Conservation Board
1313 Sherman St, Room 721
Denver, CO 80203

OPINION OF MARKET VALUE

140,000

EFFECTIVE DATE

12/21/2011

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2206

SUBJECT

Property Address: 39327 Harbour Rd City: Avondale State: CO Zip Code: 81022
County: Pueblo Legal Description: SE4 LESS E 30 FT + S 30 FT RD + 50X200 FT TR 15-22-63 158.70A M/L

Assessor's Parcel #: 23-000-00-037 Tax Year: 2010 R.E. Taxes: $ 602.8 Special Assessments: $ 0
Market Area Name: Avondale / Boone Map Reference: 39380 Census Tract: 0032.00
Current Owner of Record: Two Rivers Water Company Borrower (if applicable): Two Rivers Water Company
Project Type (if applicable): ☐ PUD ☐ De Minimis PUD ☐ Other (describe) HOA: $ 0 ☐ per year ☐ per month
Are there any existing improvements to the property? ☐ No ☒ Yes If Yes, indicate current occupancy: ☒ Owner ☐ Tenant ☐ Vacant ☐ Not habitable
If Yes, give a brief description: The subject property includes a 1,064 SF ranch house with small basement built in 1920, miscellaneous outbuildings, electricity, domestic well, septic system, barbed wire fencing, and gravel surfaced drive areas. However, the primary value of the subject property is the land (acreage). Furthermore, no irrigation shares or water rights are included in the valuation of this report.

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)
This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective
Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)
Intended Use: Assistance In Decision Process For Loan Underwriting, Internal Decision Making and/or Loan Portfolio Management.
Intended User(s) (by name or type): The clients, Two Rivers Water Company & Colorado Water Conservation Board, and their successors and/or assigns.
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007

MARKET AREA DESCRIPTION

Characteristics				Predominant Occupancy	One-Unit Housing			Present Land Use		Change in Land Use
Location:	☐ Urban	☐ Suburban	☒ Rural	☒ Owner	PRICE $(000)		AGE (yrs)	One-Unit	05 %	☒ Not Likely
Built up:	☐ Over 75%	☐ 25-75%	☒ Under 25%	☐ Tenant				2-4 Unit	%	☐ Likely * ☐ In Process *
Growth rate:	☐ Rapid	☐ Stable	☒ Slow	☐ Vacant (0-5%)	50	Low	02	Multi-Unit	%	* To: NA
Property values:	☐ Increasing	☒ Stable	☐ Declining	☐ Vacant (>5%)	450+	High	110	Comm'l	%	
Demand/supply:	☐ Shortage	☒ In Balance	☐ Over Supply		150	Pred	25	Vacant	95 %	
Marketing time:	☐ Under 3 Mos.	☐ 3-6 Mos.	☒ Over 6 Mos.						%	

Factors Affecting Marketability

Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	☐	☒	☐	☐	☐	Adequacy of Utilities	☐	☒	☐	☐	☐
Convenience to Employment	☐	☒	☐	☐	☐	Property Compatibility	☐	☒	☐	☐	☐
Convenience to Shopping	☐	☒	☐	☐	☐	Protection from Detrimental Conditions	☐	☒	☐	☐	☐
Convenience to Schools	☐	☒	☐	☐	☐	Police and Fire Protection	☐	☒	☐	☐	☐
Adequacy of Public Transportation	☐	☒	☐	☐	☐	General Appearance of Properties	☐	☒	☐	☐	☐
Recreational Facilities	☐	☒	☐	☐	☐	Appeal to Market	☐	☒	☐	☐	☐

Market Area Comments: The boundaries of the neighborhood are the outlying rural areas situated east of Pueblo Highway 50. The neighborhood is composed primarily of scattered homes on 5.0 to 35+ acre parcels of land. I am unaware of any adverse neighborhood influences. Per the Pueblo Association of Realtors MLS, typical marketing time for vacant land in the area is estimated to be 128 days, the median sales price is $130,000 (all larger acreage sales east of Pueblo to La Junta), and the median list to sale price ratio is approximately 89.6%. Thus, the marketing time for the subject property is estimated to be 9-12 months if listed realistically with an active broker. In addition, the estimated exposure period is 9-12 months which is presumed to precede the effective date of the appraisal report. Furthermore, the local market appears to be relatively stable at this time; however, large acreage sales are extremely limited due to the lack of market activity over the past two years. Statistics for single family dwellings on 5+ acres availible for the market area for the prior two years indicate a median sales price of $153,000, a median list to sale price ratio of 92.6%, a median price per square foot of $85.33, and a median market time of 163 days. Furthermore, the single family dwelling market has stabilized this past year from a significant decline in the prior few years. In addition, there are currently an in balance of homes available in market place at this time; however, marketing times are somewhat extended.

SITE DESCRIPTION

Dimensions: Refer to plat maps (three contiguous parcels - survey not provided) Site Area: 158.7 Acres
Zoning Classification: A-1 Description: Agricultural District - 35 Acre Minimum
Do present improvements comply with existing zoning requirements? ☒ Yes ☐ No ☐ No Improvements
Uses allowed under current zoning: Refer to the attached zoning description for uses by right and uses by review.
Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown Have the documents been reviewed? ☐ Yes ☐ No Ground Rent (if applicable) $ 0/
Comments:
Highest & Best Use as improved: ☒ Present use, or ☐ Other use (explain) Due to the extreme lack of demand in the market place, the Highest & Best Use of the subject property at this time is the continued ranch / farm use. Subdivision is not feasible due to the extreme lack of demand.
Actual Use as of Effective Date: Agricultural Use (Ranch / Farm) Use as appraised in this report: Agricultural Use (Ranch / Farm)
Summary of Highest & Best Use: Continued Agricultural Use (subdivision development is not feasible due to the lack of demand). The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property.

Utilities	Public	Other	Provider/Description
Electricity	☒	☐	
Gas	☐	☒	Propane
Water	☐	☒	Domestic Well
Sanitary Sewer	☐	☒	Septic System
Storm Sewer	☐	☐	
Telephone	☒	☐	
Multimedia	☐	☐	

Off-site Improvements	Type	Public	Private
Street	Harbour Rd & 40th Lane	☒	☐
Width	Typical		
Surface	Gravel & Asphalt (Corner Site)		
Curb/Gutter	None	☐	☐
Sidewalk	None	☐	☐
Street Lights	None	☐	☐
Alley	None	☐	☐

Frontage	Typical (Large Acreage Parcel)
Topography	Slightly Sloping (1.1% Slope)
Size	Large Acreage Site
Shape	Refer To The Enclosed Maps
Drainage	Appears Adequate
View	Average
Access	Typical
Additional	Irrigation Available

Other site elements: ☐ Inside Lot ☒ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☒ Other (describe) Large Acreage Property
FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 0801470400B FEMA Map Date 09/29/1989
Site Comments: I did not observe any unfavorable easements, encroachments or adverse site conditions the date of the field inspection. A copy of the assessor's overhead GIS plat imagery and additional mappings are included with this report. The utilities mentioned above are common and available in the area. The subject property is improved with a small ranch house, miscellaneous outbuildings, fencing, and additional supporting features for ranch / farm use. The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Refer to the enclosed photographs, maps and attachments which are integral parts of this Summary Appraisal Report.

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2206

TRANSFER HISTORY

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Court House Records; Owner

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: The prior sale of the subject property included five non-contiguous parcels containing approximately 1,120 acres with some supporting improvements. Extensive improvements have been completed to the acreage for irrigation efficiency since the prior sale. In addition, the subject property was not known to be exposed to the open market. Any previous sales of the subject property and/or comparable sales have no affect on the current opinion of market value. The subject property has not been listed for sale since acquired, or known to be under contract.
Date: 08/31/2011	
Price: $400,000	
Source(s): Crt Hse; Owner; Contract	
2nd Prior Subject Sale/Transfer	
Date: None	
Price: None	
Source(s): Court House	Refer to the following page for the comparable sales transfer history.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	39327 Harbour Rd Avondale, CO 81022	6265 Huerfano Rd Avondale, CO 81022		17961 County Road T Rush, CO 80833		1696 US Highway 96 Fowler, CO 81039	
Proximity to Subject		4.87 miles SE		56.31 miles NE		20.86 miles E	
Sale Price	$		$ 400,000		$ 485,000		$ 200,000
Price/ Acre	$	$ 1,176.47		$ 1,515.63		$ 692.04	
Data Source(s)	Court House / Owner	PARMLS#106678; DOM 475		PARMLS#117062; DOM 1183		PARMLS#125255; DOM 586	
Verification Source(s)	Inspection	Exterior Inspection; Assessor; Clerk		Agent; Court House		Exterior Inspection; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Conv; 0		1031Exchange; 0	
Date of Sale/Time	N/A	s06/09/2008	0	s08/02/2011	0	s03/04/2011	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone	0	Punkin Center	0	Fowler	
Site Area (in Acres)	158.7 Acres	340 Acres	+5	320 Acres	+5	289 Acres	+5
Irrigation	HCIC Ditch Available	HCIC Ditch Available		Rights+Augmentation	-25	Adj. Wells (Partial)	0
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	LgDwelling/Outbldgs	-20	Dwlg/OBs/4PivSystm	-20	Outbuilding	+5
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+10
Additional Consideration	Farm / Ranch	Hobby Farm/Ranch	0	Farm / Ranch		Hobby Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -294.12	☐ + ☒ −	$ -606.25	☒ + ☐ −	$ 138.41
Net Adjustment (Total, in % of $ / Acre)		Net 25.0 %	(-25 % of $/Acre)	Net 40.0 %	(-40 % of $/Acre)	Net 20.0 %	(20 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 35.0 %	$ 882.35	Gross 50.0 %	$ 909.38	Gross 20.0 %	$ 830.45

Summary of Sales Comparison Approach: It is imperative to understand that comparable acreage sales similar to the subject property are extremely limited at this time. Consequently, some less than ideal comparable sales were analyzed that required larger than desired adjustments and/or are located many miles from the subject property. However, the nine comparable properties utilized in this appraisal report share many similarities to the subject property, and they provide support for a credible value range conclusion. Comparable sale #1 includes superior improvements (dwelling and outbuildings) in comparison to the subject. In addition, this property is bisected by the Huerfano River which warrants further consideration for premium river bottom frontage. Comparable sale #2 includes irrigating water rights with augmentation, and four pivot systems. Comparable sale #3 required the appropriate adjustments for inferior improvements and topography. The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. The adjustments essentially consider the appropriate percentage variances of price per acre paid between the comparable sales and subject property. Additional information is retained in the work file.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Refer to the additional comparable properties on the following pages for further support of the opinion of market value.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 139,700 **or $** 880 **per Acre**

Final Reconciliation: The subject property has an adjusted value range from $805 to $1,008 per acre which has been resolved to $880 per acre as applicable to the subject acreage. Comparable sales #1 and #6 are most comparable to the subject property and given most weight due to location.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: The Indicated Value by Sales Comparison Approach shown above has been rounded to $140,000 as the final opinion of market value applicable to the subject property. The Cost Approach and the Income Approach to value have not been developed in this report as agreed upon by myself and the client. The subject improvements have an estimated contributory value of $45,000.

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 140,000 , as of: 12/21/2011 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 24 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

☒ Scope of Work ☒ Limiting Cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☒ Flood Map Addendum ☒ Additional Sales & Listings ☒ Photo Addenda ☒ Parcel Maps ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐ DCF Analysis

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company

E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen

Company: Andersen Appraisals

Phone: (719) 568-4113 Fax: (719) 547-8536

E-Mail: andappraisals@aol.com

Date of Report (Signature): 01/05/2012

License or Certification #: CG40019884 State: CO

Designation: Certified General Appraiser

Expiration Date of License or Certification: 12/31/2014

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

GP LAND

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ADDITIONAL COMPARABLE SALES

File No.: 11-2206

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address 39327 Harbour Rd Avondale, CO 81022		1498 36th Ln Pueblo, CO 81006		7081 S Interstate 25 Pueblo, CO 81004		5182 40th Ln Avondale, CO 81022	
Proximity to Subject		7.29 miles N		18.61 miles SW		1.75 miles S	
Sale Price	$		$ 200,000		$ 400,000		$ 232,000
Price/ Acre	$	$ 2,521.43		$ 912.22		$ 644.44	
Data Source(s)	Court House / Owner	PARMLS#134352; DOM 11		PARMLS#124339; DOM 425		Owner; Contract	
Verification Source(s)	Inspection	Previous Appraisal; Assessor; Clerk		Exterior Inspection; Assessor; Clerk		Previous Appraisal; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Cash; 0		Conv; non-MLS	0
Date of Sale/Time	N/A	s04/08/2011	0	s08/09/2010	0	s09/19/2005	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	St Charles Mesa	-30	Hatchet Ranch	0	Avondale / Boone	
Site Area (in Acres)	158.7 Acres	79.32 Acres	-5	438.49 Acres	+5	360 Acres	+5
Irrigation	HCIC Ditch Available	Bessemer Available	-20	Sub-Irrigated	0	*HCIC Now Available	+15
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	Dwelling/MiscOutbldg	-5	Dwelling/MiscOutbldg	-5	OldDwelling/Outbldg	+5
Topography	Slightly Sloping	Slightly Sloping		Partially Wooded	-10	Slightly Sloping	
Additional Consideration	Farm / Ranch	Farm / Ranch		Hobby Ranch	0	Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,512.86	☐ + ☒ −	$ -91.22	☒ + ☐ −	$ 161.11
Net Adjustment (Total, in % of $ / Acre)		Net 60.0 %	(-60 % of $/Acre)	Net 10.0 %	(-10 % of $/Acre)	Net 25.0 %	(25 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 60.0 %	$ 1,008.57	Gross 20.0 %	$ 821.00	Gross 25.0 %	$ 805.55

Summary of Sales Comparison Approach These comparable sales of large acreage properties located in fairly close proximity to the subject have been added to provide further support of the price per acre and opinion of market value applicable to the subject property. As previously discussed, it is imperative to understand that comparable sales of large acreage properties similar to the subject are extremely limited at this time. Thus, some less than ideal comparable sales conveyed over one year ago that required larger than desired adjustments and/or are located several miles from the subject property were analyzed. However, the six comparable sales and three competitive listings utilized in this appraisal report share many similarities to the subject property, and provide support for a credible value range conclusion. Refer to the competitive listings on the following page.

The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. Due to limited comparable sales of irrigated acreage properties, adjustments extracted from paired sales analysis are difficult to develop at this time. Although some of the comparable sales were conveyed over one year ago, time adjustments for market conditions were not warranted since the market has been relatively stable since these properties sold. Additional information is retained in the work file.

The adjustments for site area essentially consider a price per acre variance between the comparable sales and subject property. Most of the comparable sales include smaller acreage sites which warrants the downward adjustments. As previously stated, large acreage sales similar to the subject are extremely limited at this time. The adjustments for improvements consider any existing improvements (or lack thereof) of the comparable sales in comparison to the subject property improvements. Furthermore, I have completed an inspection of the subject property and comparable properties unless otherwise noted.

Comparable sale #1 is located just south of the subject property, and required a plus 5% adjustment for larger acreage. The sale included considerably superior improvements (dwelling and outbuildings) in comparison to the subject which required a minus 20% adjustment. This comparable sale includes premium Huerfano River frontage which warrants the minus 10% topography adjustment. Although this sale was conveyed over three years ago, it is given considerable weight in the reconciliation due to the close proximity. Furthermore, a time adjustment for changes in market conditions was not warranted.

Comparable sale #2 is a recent sale of an irrigated farm operation located many miles northeast of the subject near Punkin Center & Rush. This comparable sale required a plus 5% adjustment for larger acreage site area in comparison to the subject. This property includes some irrigation rights with partial augmentation. Thus, a minus 25% irrigation rights adjustment was applied by paired sales analysis extraction. In addition, this large acreage property includes a dwelling, outbuildings and four pivot systems which warrants the minus 20% superior improvements adjustment. Although this comparable sale is not situated within the subject neighborhood, it is still considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited sales of large, irrigated acreage properties.

Comparable sale #3 is a recent sale of a partially irrigated hobby ranch located northwest of Fowler near the Arkansas River. This sale required plus 5% respective adjustments for larger site area acreage and inferior improvements, and a plus 5% adjustment for rugged topography areas. This comparable sale is considered to be a good indictor of market value, and given some weight in the reconciliation due to date of sale.

Comparable sale #4 is located on the St. Charles Mesa with smaller site area acreage than the subject acreage which warrants the minus 30% location adjustment and minus 5% site size adjustment. This property did not include any Bessemer Ditch shares; however, the acreage is irrigated with leased Bessemer Ditch share availability which demands a minus 20% adjustment consideration. This sale is given minimal weight due to large net adjustments.

Comparable sale #5 is a recent sale of a hobby ranch located south of Pueblo west of Interstate-25 near Hatchet Ranch. This comparable sale required the respective plus 5% adjustment for smaller acreage site area, and minus 10% adjustment for superior wooded topography in comparison to the subject. Although this property does not include irrigation shares, and not considered suitable for farming, it is a large ranching acreage property considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited appropriate irrigated farm ground sales.

Comparable sale #6 are large acreage property located in very close proximity to the subject. This property is larger than the subject acreage which warrants the plus 5% site area adjustment. In addition, this property was acquired prior to the availability of HCIC Ditch irrigation which warrants the plus 15% irrigation adjustment. In addition, the improvements are slightly inferior in comparison to the subject which warrants the plus 5% adjustment. Although this property was conveyed several years ago, a time adjustment for changes in market conditions does not appear to be warranted (considered within the irrigation availability). Furthermore, this sale is given considerable weight in the reconciliation due to location, use and lower net adjustments.

Comparable Sales Prior Transfer / Sales History:

Sale #1: No prior sales within 36 months

Sale #2: No prior sales within 36 months

Sale #3: No prior sales within 36 months

Sale #4: No prior sales within 36 months

Sale #5: No prior sales within 36 months

Sale #6: No prior sales within 36 months

GPLAND

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COMPARABLE LISTINGS

File No.: 11-2206

COMPARABLE LISTINGS

FEATURE	SUBJECT PROPERTY	COMPARABLE LISTING # 1		COMPARABLE LISTING # 2		COMPARABLE LISTING # 3	
Address 39327 Harbour Rd Avondale, CO 81022		TBD 56th Ln Avondale, CO 81022		2547 58th Ln Boone, CO 81025		LPOP Ranch Avondale Blvd Avondale, CO 81022	
Proximity to Subject		10.03 miles NE		10.09 miles NE		4.53 miles NE	
List Price	$		$ 260,000		$ 699,000		$ 400,000
Price/ Acre	$	$ 2,476.19		$ 1,226.32		$ 519.48	
Last Price Revision Date		N/A		12/14/2011 from $750,000 list		N/A	
Data Source(s)		MLS #135778; Assessor		MLS #137187; Assessor		MLS #137031; Assessor	
Verification Source(s)		Previous Appraisal; Listing Agent		Exterior Inspection; Listing Agent		Exterior Inspection; Listing Agent	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	Under Contract		Current Listing		Current Listing	
Concessions	N/A	List to Sale	-15	List to Sale	-15	Motivated Seller	0
Days on Market		192 days		98 days		107 days	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone		Avondale / Boone		Avondale / Boone	
Site Area (in Acres)	158.7 Acres	105 Acres	-5	570 Acres	+15	770 Acres	+15
Irrigation	HCIC Ditch Available	CWPDA Augment	0	130 Shr Welton Ditch	-20	HCIC Ditch Available	
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	2 Pivot Systems	-20	Dwelling/MiscOutbldg	-5	Inferior	+25
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+15
Additional Consideration	Farm / Ranch	Farm / Ranch		Farm / Ranch		Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,238.10	☐ + ☒ −	$ -306.58	☒ + ☐ −	$ 285.71
Net Adjustment (Total, in % of $ / Acre)		Net 50.0 %	(-50 % of $/Acre)	Net 25.0 %	(-25 % of $/Acre)	Net 55.0 %	(55 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 50.0 %	$ 1,238.09	Gross 55.0 %	$ 919.74	Gross 55.0 %	$ 805.19

Comments These competitive listings have been included to provide further support of the value range applicable to the subject property. However, competitive listing #6 appears to be listed towards to the lower end of the market. Thus, a list to sale price ratio adjustment was not applied to this listing.

Listing #1 is an irrigated acreage property that is currently under contract below list price which warrants the minus 15% list to sale price ratio adjustment. In addition, this site is somewhat smaller to the subject acreage which warrants the minus 5% site area variance adjustment. The listing does not include water rights or ditch shares; however, the acreage includes two newer pivot systems with wells and electricity, and augmentation irrigation water leased from Colorado Water Protection and Development Association (CWPDA). This property also includes Huerfano River frontage which appears to demand a premium in the market place. Thus, a minus 10% topography adjustments was applied to this listing. Furthermore, this under contract listing has been provided to illustrate the upper limit of value as applicable to irrigated farm ground (crops) with leased irrigation water. However, least reliance is placed on the value indication due to the large net adjustments.

Listing #2 is an irrigated acreage property that also required a minus 15% list to sale price ratio adjustment. This competitive listing required a plus 15% site area adjustment since the acreage size is considerably larger than the subject. The listing does include Welton ditch shares; however, the contributory value is difficult to determine due to limited sales activity of Welton ditch shares. Similar irrigation ditch shares in the region have sold for $2,000 per share which provides some support for the applicable minus 20% adjustment. Furthermore, this listing includes a dwelling and miscellaneous outbuildings somewhat superior to the subject improvements, and provides further support of the price per acre value range applicable to the subject property.

Listing #3 is an irrigated acreage property that did not warrant a list to sale price ratio adjustment. This acreage property is located in close proximity to the subject along the HCIC ditch with leased water (no water rights or ditch shares included in the listing), and provides support for the site area adjustments applied to the varying comparable acreage sales and listings. This competitive listing required a plus 15% site area variance adjustment since the acreage size is considerably larger in comparison to the subject. This listing required a plus 25% adjustment for inferior improvements in comparison to the subject property. According to the listing agent, only a portion of the acreage is suitable for farming; thus, a plus 15% adjustment for inferior topography was applied to this listing. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property, and is given some consideration in the final reconciliation to value due to proximity along the HCIC Ditch and acreage size.

Competitive Listings Prior Transfer / Sales History:
Listing #1: 01/08/2008, $205,000
Listing #2: No prior sales within 36 months
Listing #3: 04/10/2008, $195,000

Listings #1 and #3 provide support for no decline in market conditions for large acreage properties in the region. Thus, no adjustment were applied to the older comparable sales for changes in market conditions. In addition, the prior sale of listing #3 included ditch shares that were sold to HCIC. Furthermore, this listing indicates a positive potential impact on property values as the HCIC ditch returns to it's former irrigating capacity decades ago.

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Zoning Description & Water Article

File No. 11-2206

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

ZONING USES A-1 (Agricultural District)

A use by right is any of the following uses, which are permitted upon issuance of a zoning permit by the County Zoning Administrator.

Agricultural custom contractor; Christmas tree sales (temp.); Church and religious buildings; Drilling company equipment yard; Equestrian arena, personal; Farming or ranching; Fruit and vegetable processing, wholesale and retail; Greenhouse and nursery; Guest house; Hay, grain, feed, seed and fertilizer - retail, storage and/or wholesale; Home, receiving (must possess a minimum of 5.0 acres of land, or a Special Use Permit is required) Housing, tenant; Mobile home; Ranch, guest; Recreation camps; Residence, 1-family; Residence, 2-family; Riding academy, stables; Roadside sale stand (retail agricultural products); Sawmill; Water distillation and bottling.

A use by review is any of the following uses, other than those uses which come within the purview of S17.140.010(F), which are permitted only upon issuance of a Special Use Permit by the Pueblo County Planning Commission.

Advertising device, off-premise (See Chapter 17.116); Agricultural implements, retail, wholesale, rental and service; Airplane beacon, marker or tower; Airport, private heliport, glider port; Asphalt (recycled), sale and storage; Associations, clubs and lodges; Athletic field, golf range, golf course; Atomic reactor and/or other scientific installation; Aviary; Bed and breakfast; Boat and RV storage; Broadcasting station, transmitter or tower; Carnival (temp.); Cemetery, crematory and/or mausoleum; Child care centers; Child care home (large); Cold storage lockers; Composting facility; Concrete (batch) plant; Contractor's yard; Emergency facility; Equestrian arena, commercial/club; Explosives, manufacture and wholesale; Farm products, processing, manufacture, storage and wholesale; Feed and fertilizer manufacture and processing; Game preserve, developed; Hide and tallow processing; Home for blind, disabled, elderly, elderly foster, maternity, nursing, religious; Hot mix (road) plant; Kennel, dog breeding and boarding; Livestock sales and auction; Lots, feed; Natural deposits, extraction and processing; Outdoor theater; Paintball field; Private school; Propane and butane, wholesale and retail service; Race track; Recreational vehicle park; Rental and service of construction equipment, retail and wholesale; Runway; Saddle and tack shop; Shooting range, outdoor; Solid waste disposal site and facility; Specialized group facilities; Utilities as outlined in Section 17.120.130; Veterinary hospital (use by right until TA 60, 4/17/84); Wholesale vending machine products; Wind turbine for residential uses.

Newswire Article:

Two Rivers Water Company Acquires Majority Interest in Huerfano-Cucharas Irrigation Company

DENVER, Feb. 3 /PRNewswire-FirstCall/ — Two Rivers Water Company (OTC Bulletin Board: TURV), through its 50% owned joint venture HCIC Holdings LLC, has completed the purchase of 55% of the outstanding shares of the Huerfano-Cucharas Irrigation Company ("HCIC") in Southern Colorado. Additionally, Two Rivers has entered into separate agreements to purchase an additional 35% interest to bring its total ownership of HCIC to 90% by April 2010.

"Acquisition of a majority interest in the Huerfano-Cucharas Irrigation Company gives Two Rivers the opportunity to now move forward in the repair of the Cucharas Dam and Reservoir, one of Colorado's largest on stream reservoirs," commented John McKowen, Chairman and CEO of Two Rivers. "The Cucharas Reservoir, when restored, has 55,000 acre feet of storage capacity, which can be rebuilt for less than $375 an acre foot, compared to a current cost of construction of over $3,000 an acre foot for other large capacity reservoirs."

Two Rivers has begun engineering plans and commenced discussions with the Colorado State Engineers Office necessary to hopefully complete the restoration of the dam by spring of 2011, in time for the late spring snow melt. By restoring the Cucharas Reservoir, Two Rivers can supply the farmers and communities of Huerfano and Pueblo Counties with a new large, dependable source of water supply and storage.

Two Rivers has also purchased approximately 1,000 acres and entered into agreements to purchase 3,500 additional acres of farmland. Two Rivers expects to purchase as much as 15,000 acres of farmland and reintroduce water on the land and restore the HCIC ditches to what was once a thriving high yield farming community. Two Rivers agreed to provide the current farmers on the HCIC ditch with long term water contracts to enable them to continue and expand their farming operations. Additional surplus of storage capacity exists once the Cucharas Reservoir is restored beyond the expanded farming needs projected by Two Rivers.

Two Rivers has begun discussions with various water agencies to explore possibilities whereby the excess capacity of the HCIC system can be developed and assist in covering the projected shortfalls in Colorado's water needs.

Formed in December 2002, Two Rivers is focused on acquiring and developing water resources in Colorado.

Source: Newswire Article @ www.redorbit.com

Zoning Description & Water Article

File No. 11-2206

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

Two Rivers Moves On Water Cases

By CHRIS WOODKA | cwoodka@chieftain.com | Posted: Thursday, January 5, 2012 12:00 am

Water court applications to move water up the Huerfano River and to change the use of water in Huerfano County were filed in late December by the Two Rivers Water Co.

Two Rivers, founded by Denver entrepreneur John McKowen and managed by Colorado Springs real estate broker Gary Barber, plans to bring irrigated farmland back into production in Southern Pueblo and Huerfano counties. It has a plan to restore Cucharas and Orlando reservoirs, but needs to exchange rights on the Huerfano River to initially fill them.

The company also wants to be able to offer water for domestic use in Huerfano County, where some developments and communities have run into groundwater replacement issues as they have grown.

“We have been talking to the Huerfano Conservancy District, but we don’t have any agreement yet,” Barber said.

Two Rivers has entered a five-year lease agreement with the Pueblo Board of Water Works in order to purchase 500 acre-feet of water annually beginning in April. The company will seek a substitute water supply plan from the state Division of Water Resources until it can obtain a court decree.

The application for an exchange right would allow Two Rivers to capture flood flows in Cucharas Reservoir, while making releases to the Arkansas River to cover depletions.

“About 20,000 acre-feet of water passed through Cucharas Reservoir last year,” Barber said.

Two Rivers' plans call for creating about 38,000 acre-feet of storage in Cucharas and Orlando reservoirs. The company owns about 4,700 acres of land in ditch systems fed by the reservoirs, including the Huerfano-Cucharas Ditch. This year, about one-third of that will be planted as the company ramps up to full production, Barber said.

In a separate change-of-use application in water court, Two Rivers wants to dry up about 150 irrigated acres on the Robert Rice Ditch, but would change the use of the water only so it could be used in Huerfano County. Two Rivers purchased the ditch, which has a water right dating back to 1867, making it fairly senior.

Under the purchase agreement, as much as 130 acre-feet could be made available to serve future developments in Huerfano County. The water also could be used to augment existing wells in communities such as Gardner, Barber said.

“It’s not speculation, since we do have an agreement with the seller, but we did not file for the augmentation of any specific wells,” Barber said.

Source: www.chieftain.com

Assumptions, Limiting Conditions & Scope of Work

File No.: 11-2206

Property Address: 39327 Harbour Rd	City: Avondale	State: CO	Zip Code: 81022
Client: Two Rivers Water Company	Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222		
Appraiser: John M. Andersen	Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Scope of Work: The scope of work includes a physical inspection of the subject property and comparable sales and/or listings. A review of court house data pertaining to the subject property and comparable sales and/or listings. A review of any pending listings or prior sales of the subject property and comparable sales. I have also collected sales and listing data from the multiple listing service, Realtors, property managers, developers, peer appraisers, and other sources of information. The sources of information are considered to be reliable sources, and I have not knowingly omitted any pertinent information from this appraisal report. After the appropriate data are collected, the data are verified, analyzed and reconciled. However, it is imperative to understand that the water rights and/or irrigation rights have not been valued separately. The irrigated aspect of the subject property is similar to that of the comparable sales analyzed in this report. Thus, no adjustment consideration nor value conclusions have been developed pertaining to individual water and/or irrigation rights. Moreover, the irrigated water delivery rights are typically necessary for the operation of a hobby ranch (hobby farm), and are assumed to be attached to the subject acreage as discussed below. Due to the availability of similar irrigated acreage comparable sales, and as agreed upon in advance by myself and the client, neither the Income Approach nor the Cost Approach have been developed in this Summary Appraisal Report. Additional information is retained in the appraisal work file.

Hypothetical Conditions / Extraordinary Assumptions: None.

The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). No irrigating ditch shares and/or water rights are included in the valuation. I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Perpetual irrigation water delivery to the subject acreage is a reasonable assumption, and the irrigation aspect of the subject property has a positive impact on site value.

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Certifications & Definitions

File No.: 11-2206

Property Address: 39327 Harbour Rd	City: Avondale	State: CO	Zip Code: 81022
Client: Two Rivers Water Company	Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222		
Appraiser: John M. Andersen	Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007		

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:

— The statements of fact contained in this report are true and correct.

— The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

— My engagement in this assignment was not contingent upon developing or reporting predetermined results.

— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.

— I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.

— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.

— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

— I have not provided any services, as an appraiser or in any other capacity, with respect to the subject property of this appraisal report within the previous 36 months immediately preceding the acceptance of this appraisal assignment.

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

***** This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

SIGNATURES

Client Contact: Wayne Harding		Client Name: Two Rivers Water Company	
E-Mail: wharding@2riverswater.com		Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222	

APPRAISER

Appraiser Name: John M. Andersen
Company: Andersen Appraisals
Phone: (719) 568-4113 Fax: (719) 547-8536
E-Mail: andappraisals@aol.com
Date Report Signed: 01/05/2012
License or Certification #: CG40019884 State: CO
Designation: Certified General Appraiser
Expiration Date of License or Certification: 12/31/2014
Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)
Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:
Company:
Phone: Fax:
E-Mail:
Date Report Signed:
License or Certification #: State:
Designation:
Expiration Date of License or Certification:
Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect
Date of Inspection:

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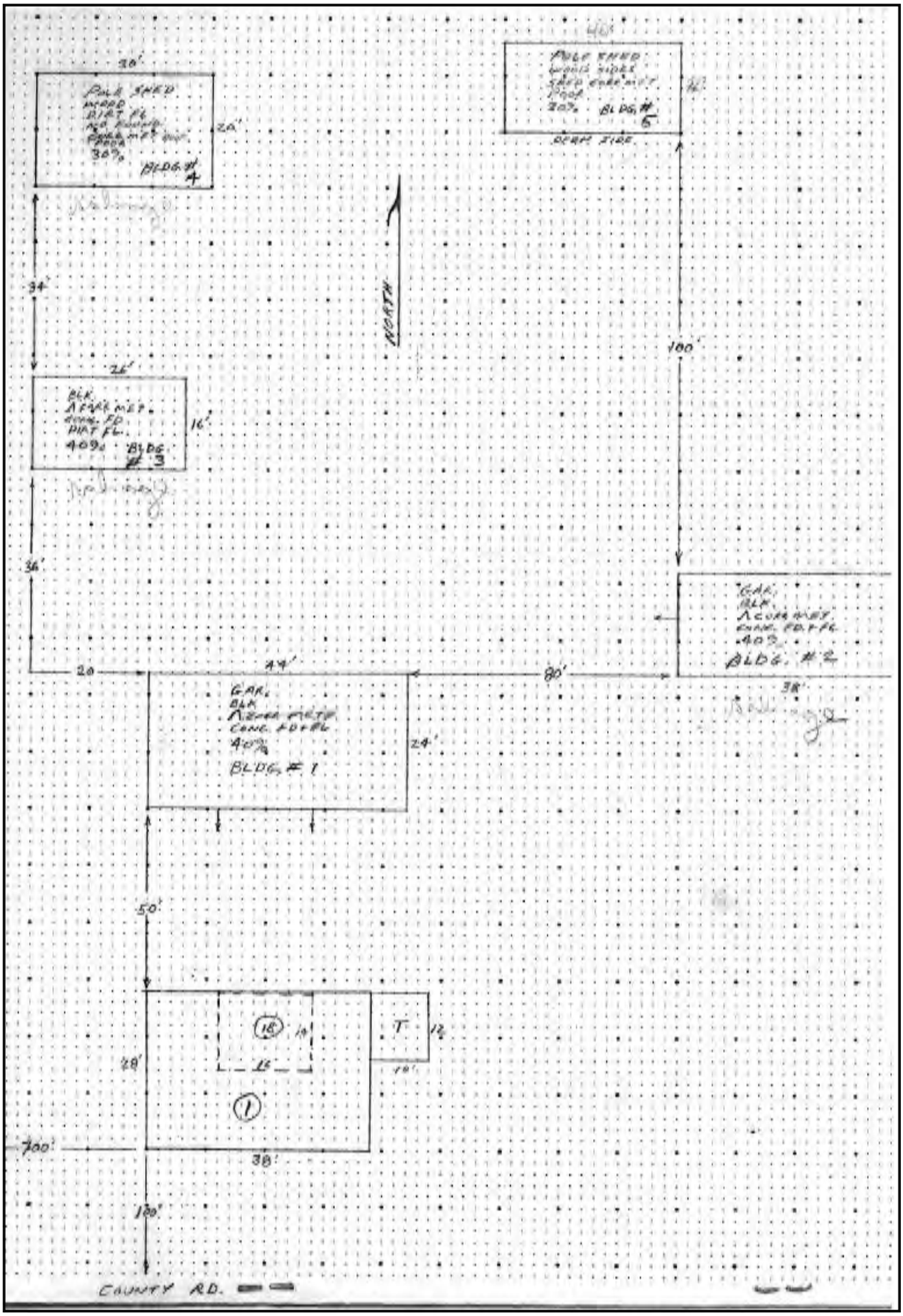
Assessor Building Sketch

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Subject Photos

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				

Subject Improvements

Subject North Boundary

Subject Site Acreage

Subject Site Acreage

Subject Street

Subject Street

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				

Comparable 1

6265 Huerfano Rd

Prox. to Subject	4.87 miles SE
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	340 Acres
Quality	
Age	

Comparable 2

17961 County Road T

Prox. to Subject	56.31 miles NE
Sale Price	485,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Punkin Center
View	
Site	320 Acres
Quality	
Age	
Comment	MLS photo due to distance.

Comparable 3

1696 US Highway 96

Prox. to Subject	20.86 miles E
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Fowler
View	
Site	289 Acres
Quality	
Age	

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Comparable 4

1498 36th Ln

Prox. to Subject	7.29 miles N
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	St Charles Mesa
View	
Site	79.32 Acres
Quality	
Age	

Comparable 5

7081 S Interstate 25

Prox. to Subject	18.61 miles SW
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Hatchet Ranch
View	
Site	438.49 Acres
Quality	
Age	

Comparable 6

5182 40th Ln

Prox. to Subject	1.75 miles S
Sale Price	232,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	360 Acres
Quality	
Age	

Listing Photo Page

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Listing 1

TBD 56th Ln
Proximity to Subject 10.03 miles NE
List Price 260,000
Days on Market 192 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

Listing 2

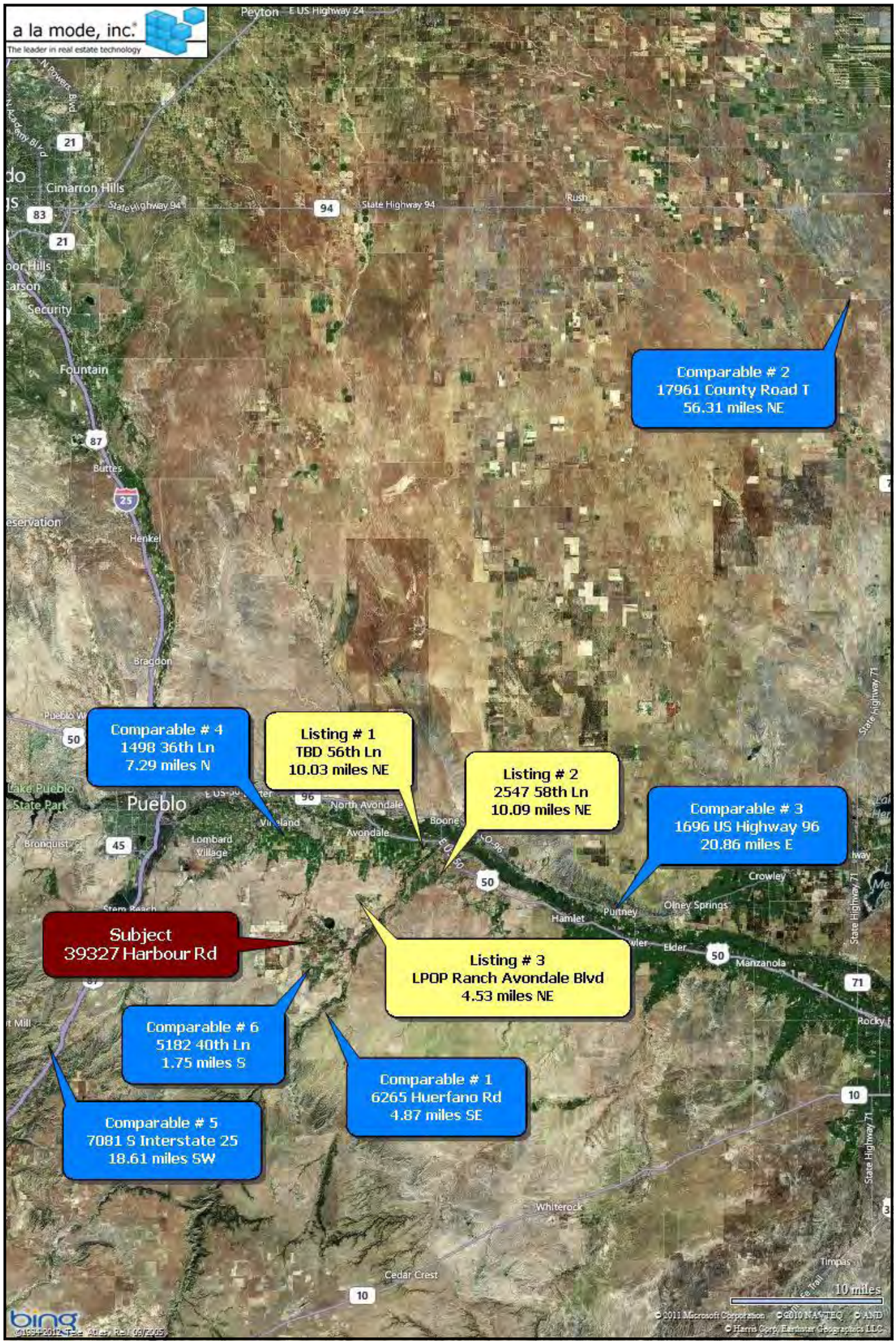
2547 58th Ln
Proximity to Subject 10.09 miles NE
List Price 699,000
Days on Market 98 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

Listing 3

LPOP Ranch Avondale Blvd
Proximity to Subject 4.53 miles NE
List Price 400,000
Days on Market 107 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

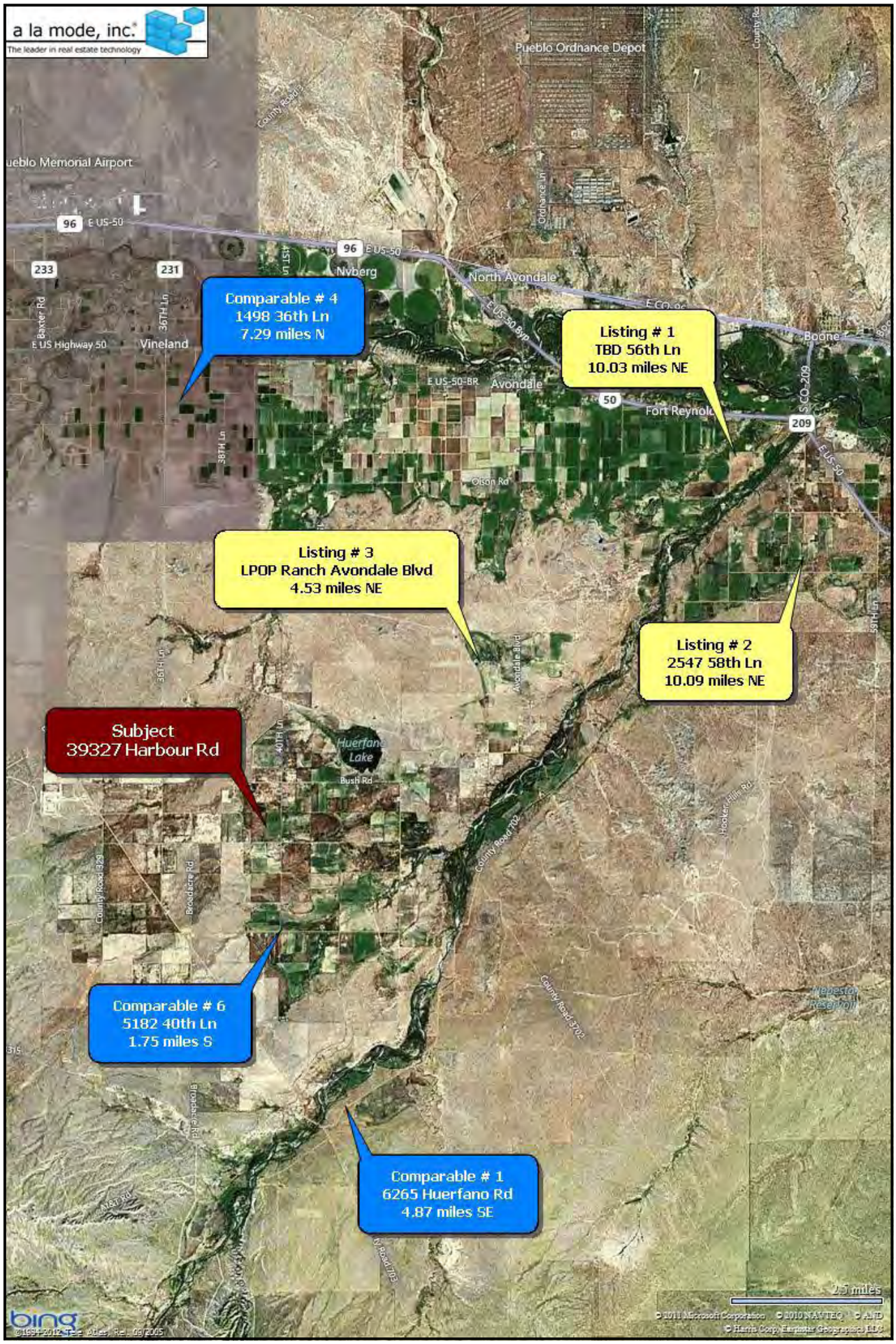
Comparable Location Map

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Vicinity Location Map

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

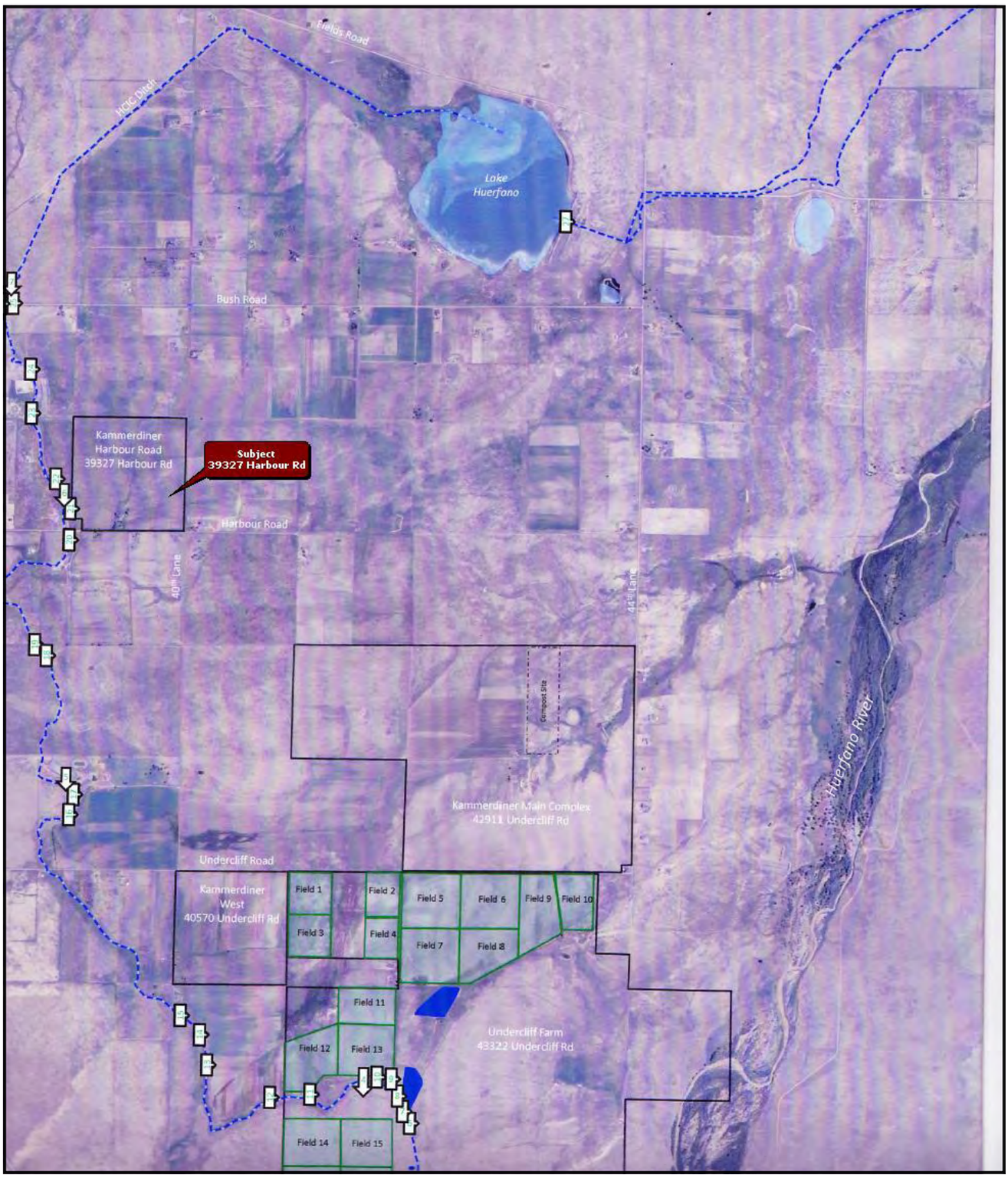


Site Map

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				

Subject Overhead Imagery

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

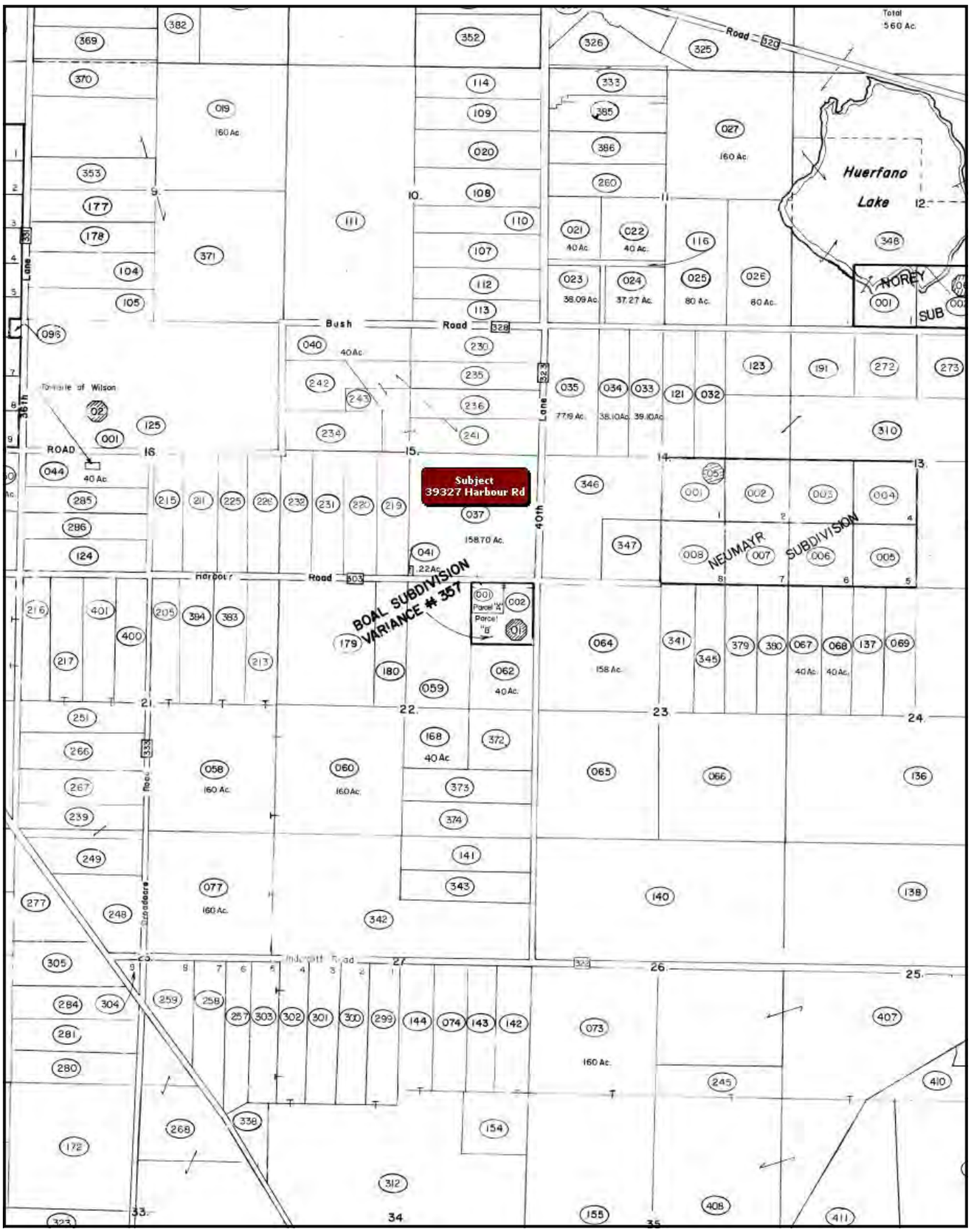


Zoning Map

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				

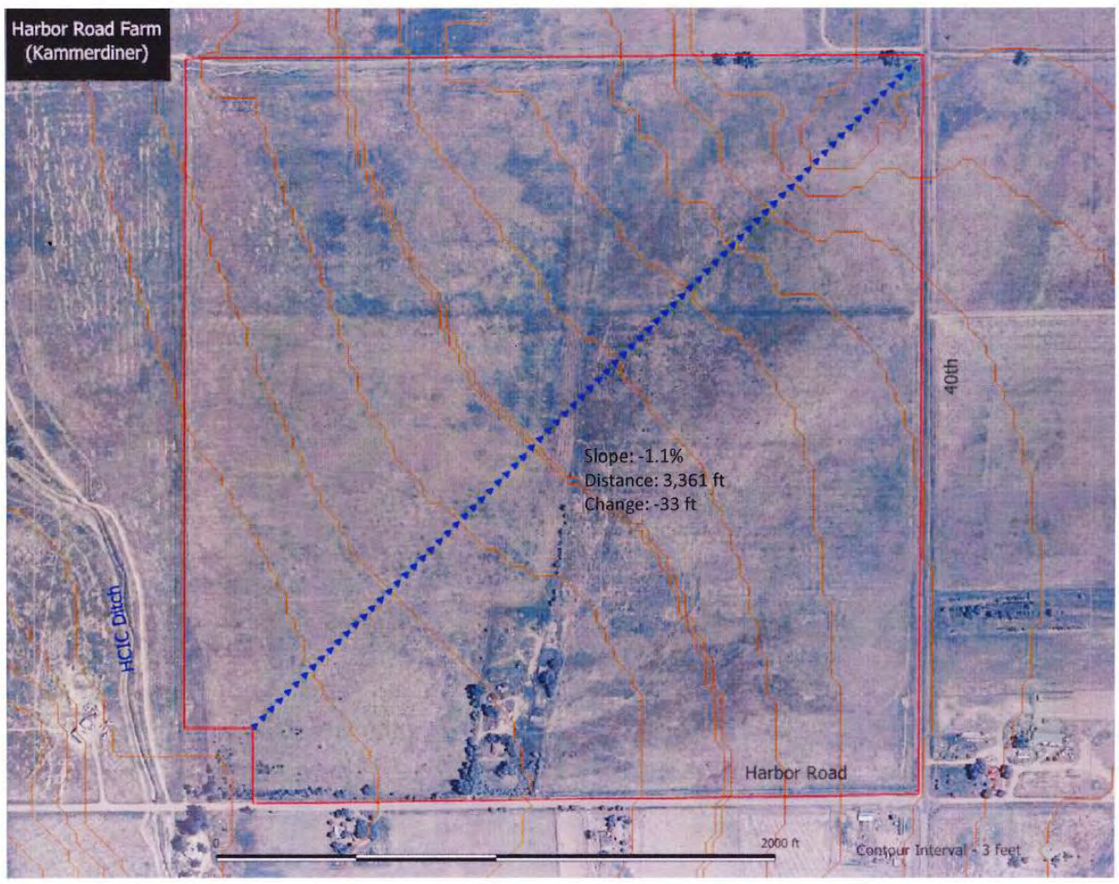
Plat Map

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Drainage Map

Borrower	Two Rivers Water Company				
Property Address	39327 Harbour Rd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				



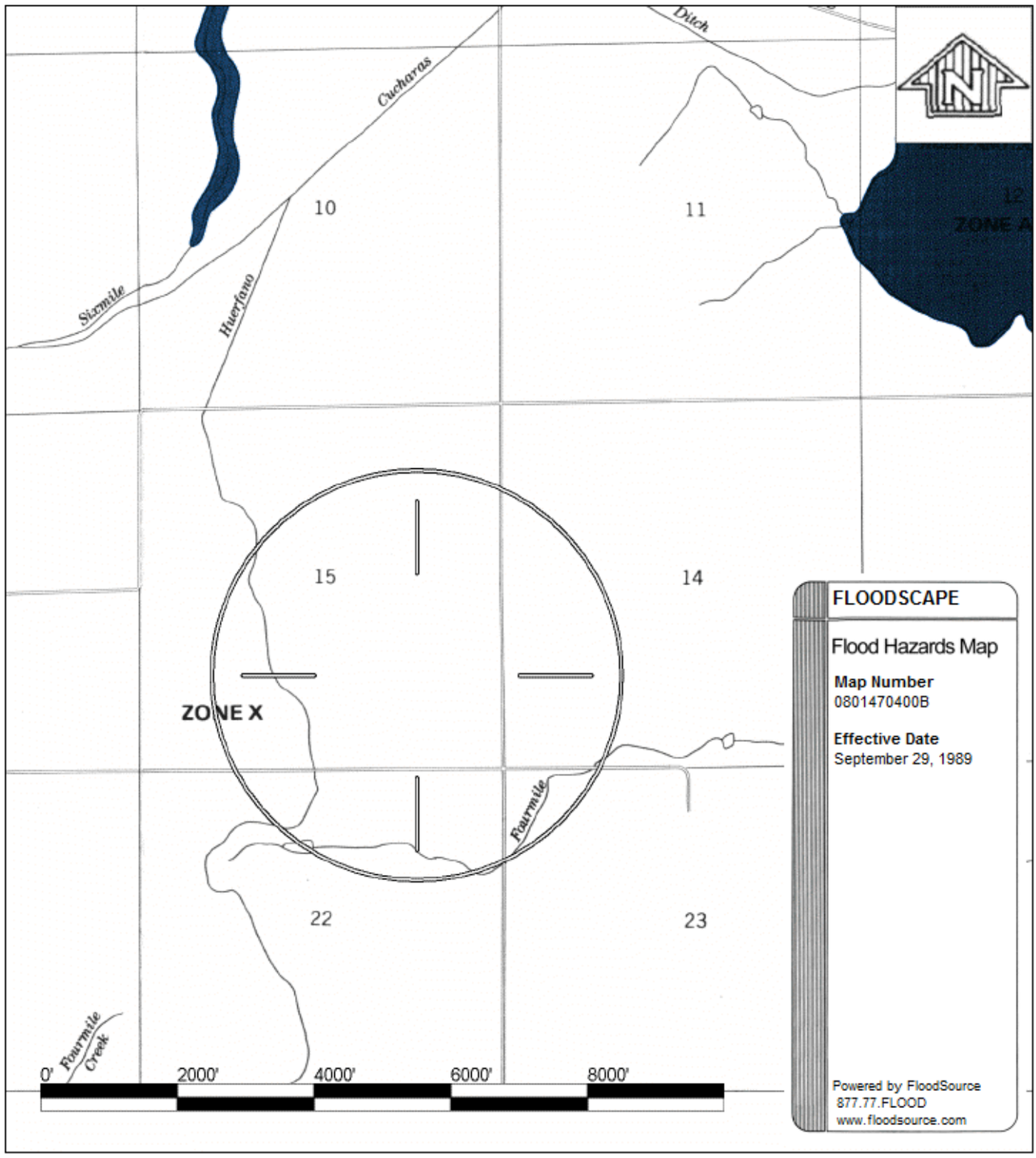
Flood Map

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

InterFlood by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
Andersen Appraisal, LLC

39327 Harbour Rd
North Avondale, CO 81022



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Resume

File No. 11-2206

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

John M. Andersen

Certified General Appraiser

www.AndersenAppraisals.com

♦♦♦

◆ QUALIFICATIONS & ORGANIZATIONS

The highest standards of professionalism and integrity are attributes that have been revered throughout my life. Commitment to these ethics has led me on many rewarding ventures in military experiences and personal business endeavors. Over the past several years, I have developed strong skills required for competent analysis of complex real estate valuations.

1986-Present — *Real Estate Appraiser, Business Manager, Property Manager, Consultant, Expert Valuation Witness, Skydiving Instructor*

1997-2001 — *Board of Directors, Frontier Pathways Scenic & Historic Byway*

1996-1999 — *President, Greenhorn Valley Chamber of Commerce*
Vice-president, Greenhorn Valley Chamber of Commerce

◆ WORK HISTORY

2009-Present — *Certified General Appraiser, Andersen Appraisals, Pueblo West, Colorado*

2009-Present — *Certified General Appraiser, ALWVCS, Inc., Pueblo, Colorado*

2001-2009 — *Certified Real Estate Appraiser, Clyde Laut & Associates - Pueblo, Colorado*
Residential & Commercial Appraiser covering a multiple county region in Southeastern Colorado. Obtained higher levels of appraisal experience.

2001-2008 — *Skydiving Instructor, Skydive the Rockies!! Fremont County Airport*
First Jump Course, Accelerated Freefall, & Instructor Assisted Deployment

1999-2001 — *Residential Appraiser, Grantham Appraisal Service - Cañon City, Colorado*
Registered Appraiser (Apprentice Level). Accumulation of required appraisal hours for state license. Appraisal assignments were reviewed by Gary W. Grantham, Certified General Appraiser.

1996-2004 — *Property Manager / Development Consultant - Ewing Ranch, Colorado City*
Consultant for development of master plan, property leases, etc.

1994-1999 — *Owner / Operator, Pizza Stop & Subs - Colorado City*
Day to day restaurant operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1986-1993 — *Owner / Operator, Releford's Flowers & Greenhouse - Pueblo, Colorado*
Day to day business operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1984-1990 — *SSG (E-6), Colorado National Guard Special Forces (Airborne)*
CPL (E-4), US Army Special Forces / Military Freefall (HALO)

◆ EDUCATION

2006-2011 — *Certified General Appraiser Courses, Sales Comparison Valuation of Small, Mixed-Use Properties, Income Property Capitalization, Highest & Best Use Analysis, Market & Marketability Analysis, National Uniform Standards of Professional Appraisal Practice, USPAP 7 Hour Update Courses, FHA Appraisal Report Writing Seminar, Loss Prevention Seminar, UAD (Uniform Appraisal Dataset) Report Writing Seminar, Multiple Regression Analysis Seminar*

2003-2005 — *Certified Residential Appraiser Course, Complex Properties, Appraisal Review, Narrative Report Writing, Basic Income Capitalization, Uniform Standards of Professional Appraisal Practice (7 Hour Update), Appraisal Review & Reporting, Factory-Built Housing, FHA Appraising Today, FHA Exam Preparation Course, FHA Lead Based Paint Inspector Course, Developing & Growing An Appraisal Practice*

1999-2001 — *Uniform Standards of Professional Appraisal Practice,*
Registered & Licensed Appraiser Courses (Real Estate Training Center)

1986-1990 — *Business Administration, University of Southern Colorado*

1983-1985 — *High School Graduate / US Army Special Forces Qualification Course / Airborne School / Military Freefall School*

Resume

File No. 11-2206

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

◆ APPRAISAL LICENSES & CERTIFICATES

11/20/2008 *Certified General Appraiser #CG40019884*

11/24/2007 *Colorado State Certified General Appraiser Examination*

08/15/2005 *Certified Residential Appraiser #CR40019884*

12/02/2004 *Colorado State Certified Residential Appraiser Examination*

02/09/2004 *FHA Appraisal Examination / Roster #COCG40019884*

08/12/2001 *Licensed Appraiser #AL40019884*

07/12/2000 *Registered Appraiser #AR40019884*

06/14/2000 *Colorado State Licensed Appraisal Examination*

06/12/2000 *Completion of Colorado Real Estate Commission Approved Course*

◆ CLIENT LIST

An extensive list of lenders, contractors, attorneys and individuals for conventional appraisal reports, proposed construction appraisals, employee relocation, dissolution of marriage, REO (foreclosure), review appraisals, etc., completed through Grantham Appraisal Service, Andersen Appraisal Service, & Clyde Laut & Associates, Inc. To name a few: HUD (FHA Certified Appraiser), Fannie Mae, Pueblo Bank & Trust, Elk Valley Construction, Vectra Bank Colorado, Premier Mortgage, Canon National Bank, Chase Manhattan, Cendant Mobility, First National Bank Colorado, Colorado State Employee's Credit Union, Wells Fargo Bank, Royal Gorge Lending, US Bank, Zions Bank, Fremont National Bank, Frontier Bank, Canon National Bank, Colorado East Bank & Trust, Pueblo Bank & Trust

◆ REFERENCES

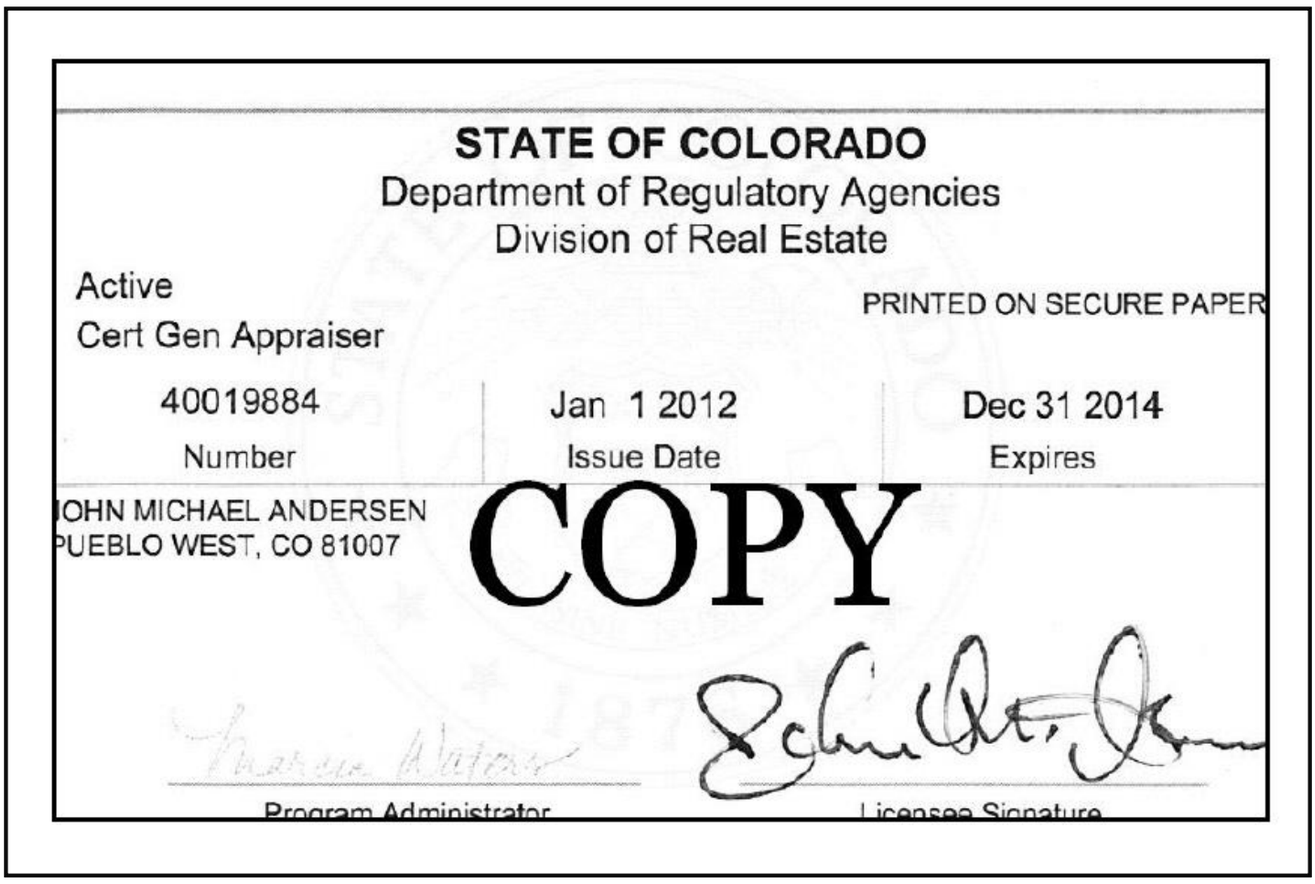
Gary Grantham, Cert. Gen. Appraiser, Grantham Appraisals, Cañon City
Phone: **719-275-7705**
Senator Kevin Grantham, Cert. Gen. Appraiser, Grantham Appraisals
Phone: **719-275-7705**
John Thompson, Vice President, First National Bank of Pueblo
Phone: **719-544-2265**
Mark Dunsmoor, President, Colorado East Bank & Trust, Pueblo
Phone: **719-584-2000**
Jeannie Sandidge, Loan Review Officer, Canon National Bank, Pueblo
Phone: **719-544-5548**
Chris Turner, Attorney, Koncilja & Koncilja, Pueblo
Phone: **719-250-2806**
Alan Williams, Certified General Appraiser, ALWVCS, Inc, Pueblo
Phone: **719-543-3323**

◆ CONTACT INFORMATION

Andersen Appraisals, LLC
John M. Andersen
Certified General Appraiser
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Office: 719-547-8536
Mobile: 719-568-4113
Email: andappraisals@aol.com
www.AndersenAppraisals.com

Copy of State License

Borrower	Two Rivers Water Company						
Property Address	39327 Harbour Rd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

PRINTED ON SECURE PAPER

40019884	Jan 1 2012	Dec 31 2014
Number	Issue Date	Expires

JOHN MICHAEL ANDERSEN
PUEBLO WEST, CO 81007

COPY

Program Administrator

Licensee Signature

FROM:

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Email: Andappraisals@aol.com
Telephone Number: 719-568-4113 **Fax Number:** 719-547-8536

TO:

Wayne Harding
Two Rivers Water Company
2000 S Colorado Blvd, Annex Bldg Suite 200
Denver, CO 80222

Telephone Number: (303) 222-1032 **Fax Number:** (303) 222-1012
Alternate Number: **E-Mail:** wharding@2riverswater.com

INVOICE

INVOICE NUMBER
11-2205
DATE
01/05/202
Effective Date: 12/21/2011

REFERENCE

Internal Order #:	11-2205
Lender Case #:	
Client File #:	
Main File # on form:	11-2205
Other File # on form:	
Federal Tax ID:	45-2478846
Employer ID:	

DESCRIPTION

Lender: Colorado Water Conservation Board **Client:** Two Rivers Water Company
Purchaser/Borrower: Two Rivers Water Company
Property Address: 40570 Undercliff Rd
City: Boone
County: Pueblo **State:** CO **Zip:** 81022
Legal Description: SW4 26-22-63 160A

FEES	AMOUNT
Summary Appraisal Report / Multiple Appraisal Discount	400.00
SUBTOTAL	400.00

PAYMENTS			AMOUNT
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
		SUBTOTAL	
Due Upon Receipt...Thanks!		**TOTAL DUE**	**$** 400.00

ANDERSEN APPRAISALS

SUMMARY APPRAISAL REPORT

Property Location:	40570 Undercliff Rd SW4 26-22-63 160A Boone, CO 81022
Borrower:	Two Rivers Water Company
Client:	Colorado Water Conservation Board 1313 Sherman St, Room 721 Denver, CO 80203
Effective Date:	12/21/2011
Prepared By:	John M. Andersen Certified General Appraiser #CG40019884

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007

Summary Appraisal Report

File # 11-2205

APPRAISAL OF REAL PROPERTY

LOCATED AT
40570 Undercliff Rd
Boone, CO 81022
SW4 26-22-63 160A

ADDITIONAL INTENDED USER
Colorado Water Conservation Board
1313 Sherman St, Room 721
Denver, CO 80203

OPINION OF MARKET VALUE
96,000

EFFECTIVE DATE
12/21/2011

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2205

SUBJECT

Property Address: 40570 Undercliff Rd City: Boone State: CO Zip Code: 81022
County: Pueblo Legal Description: SW4 26-22-63 160A
Assessor's Parcel #: 23-000-00-073 Tax Year: 2010 R.E. Taxes: $ 95.50 Special Assessments: $ 0
Market Area Name: Avondale / Boone Map Reference: 39380 Census Tract: 0032.00
Current Owner of Record: Two Rivers Water Company Borrower (if applicable): Two Rivers Water Company
Project Type (if applicable): ☐ PUD ☐ De Minimis PUD ☐ Other (describe) HOA: $ 0 ☐ per year ☐ per month
Are there any existing improvements to the property? ☒ No ☐ Yes If Yes, indicate current occupancy: ☐ Owner ☐ Tenant ☐ Vacant ☐ Not habitable
If Yes, give a brief description: No irrigation shares or water rights are included in the valuation of this report.

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)
This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective
Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)
Intended Use: Assistance In Decision Process For Loan Underwriting, Internal Decision Making and/or Loan Portfolio Management.
Intended User(s) (by name or type): The clients, Two Rivers Water Company & Colorado Water Conservation Board, and their successors and/or assigns.
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007

MARKET AREA DESCRIPTION

Characteristics				Predominant Occupancy	One-Unit Housing			Present Land Use		Change in Land Use
Location:	☐ Urban	☐ Suburban	☒ Rural	☒ Owner	PRICE $(000)		AGE (yrs)	One-Unit	05 %	☒ Not Likely
Built up:	☐ Over 75%	☐ 25-75%	☒ Under 25%	☐ Tenant	50	Low	02	2-4 Unit	%	☐ Likely * ☐ In Process *
Growth rate:	☐ Rapid	☐ Stable	☒ Slow	☐ Vacant (0-5%)	450+	High	110	Multi-Unit	%	* To: NA
Property values:	☐ Increasing	☒ Stable	☐ Declining	☒ Vacant (>5%)	150	Pred	25	Comm'l	%	
Demand/supply:	☐ Shortage	☒ In Balance	☐ Over Supply					Vacant	95 %	
Marketing time:	☐ Under 3 Mos.	☐ 3-6 Mos.	☒ Over 6 Mos.						%	

Factors Affecting Marketability

Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	☐	☒	☐	☐	☐	Adequacy of Utilities	☐	☒	☐	☐	☐
Convenience to Employment	☐	☒	☐	☐	☐	Property Compatibility	☐	☒	☐	☐	☐
Convenience to Shopping	☐	☒	☐	☐	☐	Protection from Detrimental Conditions	☐	☒	☐	☐	☐
Convenience to Schools	☐	☒	☐	☐	☐	Police and Fire Protection	☐	☒	☐	☐	☐
Adequacy of Public Transportation	☐	☒	☐	☐	☐	General Appearance of Properties	☐	☒	☐	☐	☐
Recreational Facilities	☐	☒	☐	☐	☐	Appeal to Market	☐	☒	☐	☐	☐

Market Area Comments: The boundaries of the neighborhood are the outlying rural areas situated east of Pueblo Highway 50. The neighborhood is composed primarily of scattered homes on 5.0 to 35+ acre parcels of land. I am unaware of any adverse neighborhood influences. Per the Pueblo Association of Realtors MLS, typical marketing time for vacant land in the area is estimated to be 128 days, the median sales price is $130,000 (all larger acreage sales east of Pueblo to La Junta), and the median list to sale price ratio is approximately 89.6%. Thus, the marketing time for the subject property is estimated to be 9-12 months if listed realistically with an active broker. In addition, the estimated exposure period is 9-12 months which is presumed to precede the effective date of the appraisal report. Furthermore, the local market appears to be relatively stable at this time; however, large acreage sales are extremely limited due to the lack of market activity over the past two years. Statistics for single family dwellings on 5+ acres availible for the market area for the prior two years indicate a median sales price of $153,000, a median list to sale price ratio of 92.6%, a median price per square foot of $85.33, and a median market time of 163 days. Furthermore, the single family dwelling market has stabilized this past year from a significant decline in the prior few years. In addition, there are currently an in balance of homes available in market place at this time; however, marketing times are somewhat extended.

SITE DESCRIPTION

Dimensions: Refer to plat maps (three contiguous parcels - survey not provided) Site Area: 160 Acres
Zoning Classification: A-1 Description: Agricultural District - 35 Acre Minimum
Do present improvements comply with existing zoning requirements? ☒ Yes ☐ No ☐ No Improvements
Uses allowed under current zoning: Refer to the attached zoning description for uses by right and uses by review.
Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown Have the documents been reviewed? ☐ Yes ☐ No Ground Rent (if applicable) $ 0/
Comments:
Highest & Best Use as improved: ☒ Present use, or ☐ Other use (explain) Due to the extreme lack of demand in the market place, the Highest & Best Use of the subject property at this time is the continued ranch / farm use. Subdivision is not feasible due to the extreme lack of demand.
Actual Use as of Effective Date: Agricultural Use (Ranch / Farm) Use as appraised in this report: Agricultural Use (Ranch / Farm)
Summary of Highest & Best Use: Continued Agricultural Use (subdivision development is not feasible due to the lack of demand). The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property.

Utilities	Public	Other	Provider/Description
Electricity	☐	☐	Available
Gas	☐	☐	Liquid Propane (Avail)
Water	☐	☐	Well Available
Sanitary Sewer	☐	☐	Septic System (Avail)
Storm Sewer	☐	☐	
Telephone	☐	☐	
Multimedia	☐	☐	

Off-site Improvements	Type	Public	Private
Street	Undercliff Road	☒	☐
Width	Typical		
Surface	Gravel		
Curb/Gutter	None	☐	☐
Sidewalk	None	☐	☐
Street Lights	None	☐	☐
Alley	None	☐	☐

Frontage	Typical (Large Acreage Parcel)
Topography	Slightly Sloping (0.7% Slope)
Size	Large Acreage Site
Shape	Refer To The Enclosed Maps
Drainage	Appears Adequate
View	Average
Access	Typical
Additional	Irrigation Available

Other site elements: ☐ Inside Lot ☐ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☒ Other (describe) Large Acreage Property
FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 0801470525B FEMA Map Date 09/29/1989
Site Comments: I did not observe any unfavorable easements, encroachments or adverse site conditions the date of the field inspection. A copy of the assessor's overhead GIS plat imagery and additional mappings are included with this report. The utilities mentioned above are common and available in the area. The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Refer to the enclosed photographs, maps and attachments which are integral parts of this Summary Appraisal Report.

GP LAND
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Form GPLND — "WinTOTAL" appraisal software by a la mode, inc. — 1-800-ALAMODE 3/2007

LAND APPRAISAL SUMMARY REPORT

File No.: 11-2205

TRANSFER HISTORY

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Court House Records; Owner

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: The prior sale of the subject property included five non-contiguous parcels containing approximately 1,120 acres with some supporting improvements. Extensive improvements have been completed to the acreage for irrigation efficiency since the prior sale. In addition, the subject property was not known to be exposed to the open market. Any previous sales of the subject property and/or comparable sales have no affect on the current opinion of market value. The subject property has not been listed for sale since acquired, or known to be under contract.
Date: 08/31/2011	
Price: $400,000	
Source(s): Crt Hse; Owner; Contract	
2nd Prior Subject Sale/Transfer	
Date: None	
Price: None	
Source(s): Court House	Refer to the following page for the comparable sales transfer history.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	40570 Undercliff Rd Boone, CO 81022	6265 Huerfano Rd Avondale, CO 81022		17961 County Road T Rush, CO 80833		1696 US Highway 96 Fowler, CO 81039	
Proximity to Subject		2.92 miles SE		57.47 miles NE		20.68 miles E	
Sale Price	$		$ 400,000		$ 485,000		$ 200,000
Price/ Acre	$	$ 1,176.47		$ 1,515.63		$ 692.04	
Data Source(s)	Court House / Owner	PARMLS#106678; DOM 475		PARMLS#117062; DOM 1183		PARMLS#125255; DOM 586	
Verification Source(s)	Inspection	Exterior Inspection; Assessor; Clerk		Agent; Court House		Exterior Inspection; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Conv; 0		1031Exchange; 0	
Date of Sale/Time	N/A	s06/09/2008	0	s08/02/2011	0	s03/04/2011	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone	0	Punkin Center	0	Fowler	
Site Area (in Acres)	160 Acres	340 Acres	+5	320 Acres	+5	289 Acres	+5
Irrigation	HCIC Ditch Available	HCIC Ditch Available		Rights+Augmentation	-25	Adj. Wells (Partial)	0
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	None	LgDwelling/Outbldgs	-45	Dwlg/OBs/4PivSystm	-45	Outbuilding	-20
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+10
Additional Consideration	Farm / Ranch	Hobby Farm/Ranch	0	Farm / Ranch		Hobby Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -588.24	☐ + ☒ −	$ -985.16	☐ + ☒ −	$ -34.60
Net Adjustment (Total, in % of $ / Acre)		Net 50.0 %	(-50 % of $/Acre)	Net 65.0 %	(-65 % of $/Acre)	Net 5.0 %	(-5 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 60.0 %	$ 588.23	Gross 75.0 %	$ 530.47	Gross 35.0 %	$ 657.44

Summary of Sales Comparison Approach: It is imperative to understand that comparable acreage sales similar to the subject property are extremely limited at this time. Consequently, some less than ideal comparable sales were analyzed that required larger than desired adjustments and/or are located many miles from the subject property. However, the nine comparable properties utilized in this appraisal report share many similarities to the subject property, and they provide support for a credible value range conclusion. Comparable sale #1 includes superior improvements (dwelling and outbuildings) in comparison to the subject. In addition, this property is bisected by the Huerfano River which warrants further consideration for premium river bottom frontage. Comparable sale #2 includes irrigating water rights with augmentation, and four pivot systems. Comparable sale #3 required the appropriate adjustments for inferior improvements and topography. The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. The adjustments essentially consider the appropriate percentage variances of price per acre paid between the comparable sales and subject property. Additional information is retained in the work file.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Refer to the additional comparable properties on the following pages for further support of the opinion of market value.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 96,000 **or $** 600 **per Acre**

Final Reconciliation: The subject property has an adjusted value range from $530 to $657 per acre which has been resolved to $600 per acre as applicable to the subject acreage. Comparable sales #1 and #6 are most comparable to the subject property and given most weight due to location.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: The Indicated Value by Sales Comparison Approach shown above has been rounded to $96,000 as the final opinion of market value applicable to the subject property. The Cost Approach and the Income Approach to value have not been developed in this report as agreed upon by myself and the client.

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 96,000 , as of: 12/21/2011 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 24 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

☒ Scope of Work ☒ Limiting Cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☒ Flood Map Addendum ☒ Additional Sales & Listings ☒ Photo Addenda ☒ Parcel Maps ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐ DCF Analysis

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company

E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen

Company: Andersen Appraisals

Phone: (719) 568-4113 Fax: (719) 547-8536

E-Mail: andappraisals@aol.com

Date of Report (Signature): 01/05/2012

License or Certification #: CG40019884 State: CO

Designation: Certified General Appraiser

Expiration Date of License or Certification: 12/31/2014

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

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ADDITIONAL COMPARABLE SALES

File No.: 11-2205

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address 40570 Undercliff Rd Boone, CO 81022		1498 36th Ln Pueblo, CO 81006		7081 S Interstate 25 Pueblo, CO 81004		5182 40th Ln Avondale, CO 81022	
Proximity to Subject		9.24 miles N		18.46 miles W		0.46 miles SW	
Sale Price	$		$ 200,000		$ 400,000		$ 232,000
Price/ Acre	$	$ 2,521.43		$ 912.22		$ 644.44	
Data Source(s)	Court House / Owner	PARMLS#134352; DOM 11		PARMLS#124339; DOM 425		Owner; Contract	
Verification Source(s)	Inspection	Previous Appraisal; Assessor; Clerk		Exterior Inspection; Assessor; Clerk		Previous Appraisal; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Cash; 0		Conv; non-MLS	0
Date of Sale/Time	N/A	s04/08/2011	0	s08/09/2010	0	s09/19/2005	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	St Charles Mesa	-30	Hatchet Ranch	0	Avondale / Boone	
Site Area (in Acres)	160 Acres	79.32 Acres	-5	438.49 Acres	+5	360 Acres	+5
Irrigation	HCIC Ditch Available	Bessemer Available	-20	Sub-Irrigated	0	*HCIC Now Available	+15
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	None	Dwelling/MiscOutbldg	-20	Dwelling/MiscOutbldg	-30	OldDwelling/Outbldg	-20
Topography	Slightly Sloping	Slightly Sloping		Partially Wooded	-10	Slightly Sloping	
Additional Consideration	Farm / Ranch	Farm / Ranch		Hobby Ranch	0	Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,891.07	☐ + ☒ −	$ -319.28	☐ + ☐ −	$
Net Adjustment (Total, in % of $ / Acre)		Net 75.0 %	(-75 % of $/Acre)	Net 35.0 %	(-35 % of $/Acre)	Net %	
Adjusted Sale Price (in $ / Acre)		Gross 75.0 %	$ 630.36	Gross 45.0 %	$ 592.94	Gross 40.0 %	$ 644.44

Summary of Sales Comparison Approach

These comparable sales of large acreage properties located in fairly close proximity to the subject have been added to provide further support of the price per acre and opinion of market value applicable to the subject property. As previously discussed, it is imperative to understand that comparable sales of large acreage properties similar to the subject are extremely limited at this time. Thus, some less than ideal comparable sales conveyed over one year ago that required larger than desired adjustments and/or are located several miles from the subject property were analyzed. However, the six comparable sales and three competitive listings utilized in this appraisal report share many similarities to the subject property, and provide support for a credible value range conclusion. Refer to the competitive listings on the following page.

The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. Due to limited comparable sales of irrigated acreage properties, adjustments extracted from paired sales analysis are difficult to develop at this time. Although some of the comparable sales were conveyed over one year ago, time adjustments for market conditions were not warranted since the market has been relatively stable since these properties sold. Additional information is retained in the work file.

The adjustments for site area essentially consider a price per acre variance between the comparable sales and subject property. Most of the comparable sales include smaller acreage sites which warrants the downward adjustments. As previously stated, large acreage sales similar to the subject are extremely limited at this time. The adjustments for improvements consider any existing improvements (or lack thereof) of the comparable sales in comparison to the subject property improvements. Furthermore, I have completed an inspection of the subject property and comparable properties unless otherwise noted.

Comparable sale #1 is located just south of the subject property, and required a plus 5% adjustment for larger acreage. The sale included considerably superior improvements (dwelling and outbuildings) in comparison to the subject which required a minus 45% adjustment. This comparable sale includes premium Huerfano River frontage which warrants the minus 10% topography adjustment. Although this sale was conveyed over three years ago, it is given considerable weight in the reconciliation due to the close proximity. Furthermore, a time adjustment for changes in market conditions was not warranted.

Comparable sale #2 is a recent sale of an irrigated farm operation located many miles northeast of the subject near Punkin Center & Rush. This comparable sale required a plus 5% adjustment for larger acreage site area in comparison to the subject. This property includes some irrigation rights with partial augmentation. Thus, a minus 25% irrigation rights adjustment was applied by paired sales analysis extraction. In addition, this large acreage property includes a dwelling, outbuildings and four pivot systems which warrants the minus 45% superior improvements adjustment. Although this comparable sale is not situated within the subject neighborhood, it is still considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited sales of large, irrigated acreage properties.

Comparable sale #3 is a recent sale of a partially irrigated hobby ranch located northwest of Fowler near the Arkansas River. This sale required plus 5% respective adjustments for larger site area acreage and inferior improvements, and a plus 5% adjustment for rugged topography areas. This comparable sale is considered to be a good indictor of market value, and given some weight in the reconciliation due to date of sale.

Comparable sale #4 is located on the St. Charles Mesa with smaller site area acreage than the subject acreage which warrants the minus 30% location adjustment and minus 5% site size adjustment. This property did not include any Bessemer Ditch shares; however, the acreage is irrigated with leased Bessemer Ditch share availability which demands a minus 20% adjustment consideration. This sale is given minimal weight due to large net adjustments.

Comparable sale #5 is a recent sale of a hobby ranch located south of Pueblo west of Interstate-25 near Hatchet Ranch. This comparable sale required the respective plus 5% adjustment for smaller acreage site area, and minus 10% adjustment for superior wooded topography in comparison to the subject. Although this property does not include irrigation shares, and not considered suitable for farming, it is a large ranching acreage property considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited appropriate irrigated farm ground sales.

Comparable sale #6 are large acreage property located in very close proximity to the subject. This property is larger than the subject acreage which warrants the plus 5% site area adjustment. In addition, this property was acquired prior to the availability of HCIC Ditch irrigation which warrants the plus 15% irrigation adjustment. This sale includes superior improvements in comparison to the subject which warrants the minus 20% adjustment. Although this property was conveyed several years ago, a time adjustment for changes in market conditions does not appear to be warranted (considered within the irrigation availability). Furthermore, this sale is given considerable weight in the reconciliation due to location, use and lower net adjustments.

Comparable Sales Prior Transfer / Sales History:

Sale #1: No prior sales within 36 months

Sale #2: No prior sales within 36 months

Sale #3: No prior sales within 36 months

Sale #4: No prior sales within 36 months

Sale #5: No prior sales within 36 months

Sale #6: No prior sales within 36 months

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COMPARABLE LISTINGS

File No.: 11-2205

COMPARABLE LISTINGS

FEATURE	SUBJECT PROPERTY	COMPARABLE LISTING # 1		COMPARABLE LISTING # 2		COMPARABLE LISTING # 3	
Address 40570 Undercliff Rd Boone, CO 81022		TBD 56th Ln Avondale, CO 81022		2547 58th Ln Boone, CO 81025		LPOP Ranch Avondale Blvd Avondale, CO 81022	
Proximity to Subject		10.98 miles NE		10.68 miles NE		5.60 miles NE	
List Price	$		$ 260,000		$ 699,000		$ 400,000
Price/ Acre	$	$ 2,476.19		$ 1,226.32		$ 519.48	
Last Price Revision Date		N/A		12/14/2011 from $750,000 list		N/A	
Data Source(s)		MLS #135778; Assessor		MLS #137187; Assessor		MLS #137031; Assessor	
Verification Source(s)		Previous Appraisal; Listing Agent		Exterior Inspection; Listing Agent		Exterior Inspection; Listing Agent	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	Under Contract		Current Listing		Current Listing	
Concessions	N/A	List to Sale	-15	List to Sale	-15	Motivated Seller	0
Days on Market		192 days		98 days		107 days	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone		Avondale / Boone		Avondale / Boone	
Site Area (in Acres)	160 Acres	105 Acres	-5	570 Acres	+15	770 Acres	+15
Irrigation	HCIC Ditch Available	CWPDA Augment	0	130 Shr Welton Ditch	-20	HCIC Ditch Available	
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	2 Pivot Systems	-45	Dwelling/MiscOutbldg	-30	Similar	0
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+15
Additional Consideration	Farm / Ranch	Farm / Ranch		Farm / Ranch		Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,857.14	☐ + ☒ −	$ -613.16	☒ + ☐ −	$ 155.84
Net Adjustment (Total, in % of $ / Acre)		Net 75.0 %	(-75 % of $/Acre)	Net 50.0 %	(-50 % of $/Acre)	Net 30.0 %	(30 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 75.0 %	$ 619.05	Gross 80.0 %	$ 613.16	Gross 30.0 %	$ 675.32

Comments These competitive listings have been included to provide further support of the value range applicable to the subject property. However, competitive listing #6 appears to be listed towards to the lower end of the market. Thus, a list to sale price ratio adjustment was not applied to this listing.

Listing #1 is an irrigated acreage property that is currently under contract below list price which warrants the minus 15% list to sale price ratio adjustment. In addition, this site is somewhat smaller to the subject acreage which warrants the minus 5% site area variance adjustment. The listing does not include water rights or ditch shares; however, the acreage includes two newer pivot systems with wells and electricity, and augmentation irrigation water leased from Colorado Water Protection and Development Association (CWPDA). This property also includes Huerfano River frontage which appears to demand a premium in the market place. Thus, a minus 10% topography adjustments was applied to this listing. Furthermore, this under contract listing has been provided to illustrate the upper limit of value as applicable to irrigated farm ground (crops) with leased irrigation water. However, least reliance is placed on the value indication due to the large net adjustments.

Listing #2 is an irrigated acreage property that also required a minus 15% list to sale price ratio adjustment. This competitive listing required a plus 15% site area adjustment since the acreage size is considerably larger than the subject. The listing does include Welton ditch shares; however, the contributory value is difficult to determine due to limited sales activity of Welton ditch shares. Similar irrigation ditch shares in the region have sold for $2,000 per share which provides some support for the applicable minus 20% adjustment. This listing includes a dwelling and miscellaneous outbuildings which required a minus 30% improvement adjustment. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property.

Listing #3 is an irrigated acreage property that did not warrant a list to sale price ratio adjustment. This acreage property is located in close proximity to the subject along the HCIC ditch with leased water (no water rights or ditch shares included in the listing), and provides support for the site area adjustments applied to the varying comparable acreage sales and listings. This competitive listing required a plus 15% site area variance adjustment since the acreage size is considerably larger in comparison to the subject. According to the listing agent, only a portion of the acreage is suitable for farming; thus, a plus 15% adjustment for inferior topography was applied to this listing. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property, and is given some consideration in the final reconciliation to value due to proximity along the HCIC Ditch.

Competitive Listings Prior Transfer / Sales History:
Listing #1: 01/08/2008, $205,000
Listing #2: No prior sales within 36 months
Listing #3: 04/10/2008, $195,000

Listings #1 and #3 provide support for no decline in market conditions for large acreage properties in the region. Thus, no adjustment were applied to the older comparable sales for changes in market conditions. In addition, the prior sale of listing #3 included ditch shares that were sold to HCIC. Furthermore, this listing indicates a positive potential impact on property values as the HCIC ditch returns to it's former irrigating capacity decades ago.

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Zoning Description & Water Article

File No. 11-2205

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

ZONING USES A-1 (Agricultural District)

A use by right is any of the following uses, which are permitted upon issuance of a zoning permit by the County Zoning Administrator.

Agricultural custom contractor; Christmas tree sales (temp.); Church and religious buildings; Drilling company equipment yard; Equestrian arena, personal; Farming or ranching; Fruit and vegetable processing, wholesale and retail; Greenhouse and nursery; Guest house; Hay, grain, feed, seed and fertilizer - retail, storage and/or wholesale; Home, receiving (must possess a minimum of 5.0 acres of land, or a Special Use Permit is required) Housing, tenant; Mobile home; Ranch, guest; Recreation camps; Residence, 1-family; Residence, 2-family; Riding academy, stables; Roadside sale stand (retail agricultural products); Sawmill; Water distillation and bottling.

A use by review is any of the following uses, other than those uses which come within the purview of S17.140.010(F), which are permitted only upon issuance of a Special Use Permit by the Pueblo County Planning Commission.

Advertising device, off-premise (See Chapter 17.116); Agricultural implements, retail, wholesale, rental and service; Airplane beacon, marker or tower; Airport, private heliport, glider port; Asphalt (recycled), sale and storage; Associations, clubs and lodges; Athletic field, golf range, golf course; Atomic reactor and/or other scientific installation; Aviary; Bed and breakfast; Boat and RV storage; Broadcasting station, transmitter or tower; Carnival (temp.); Cemetery, crematory and/or mausoleum; Child care centers; Child care home (large); Cold storage lockers; Composting facility; Concrete (batch) plant; Contractor's yard; Emergency facility; Equestrian arena, commercial/club; Explosives, manufacture and wholesale; Farm products, processing, manufacture, storage and wholesale; Feed and fertilizer manufacture and processing; Game preserve, developed; Hide and tallow processing; Home for blind, disabled, elderly, elderly foster, maternity, nursing, religious; Hot mix (road) plant; Kennel, dog breeding and boarding; Livestock sales and auction; Lots, feed; Natural deposits, extraction and processing; Outdoor theater; Paintball field; Private school; Propane and butane, wholesale and retail service; Race track; Recreational vehicle park; Rental and service of construction equipment, retail and wholesale; Runway; Saddle and tack shop; Shooting range, outdoor; Solid waste disposal site and facility; Specialized group facilities; Utilities as outlined in Section 17.120.130; Veterinary hospital (use by right until TA 60, 4/17/84); Wholesale vending machine products; Wind turbine for residential uses.

Newswire Article:

Two Rivers Water Company Acquires Majority Interest in Huerfano-Cucharas Irrigation Company

DENVER, Feb. 3 /PRNewswire-FirstCall/ — Two Rivers Water Company (OTC Bulletin Board: TURV), through its 50% owned joint venture HCIC Holdings LLC, has completed the purchase of 55% of the outstanding shares of the Huerfano-Cucharas Irrigation Company ("HCIC") in Southern Colorado. Additionally, Two Rivers has entered into separate agreements to purchase an additional 35% interest to bring its total ownership of HCIC to 90% by April 2010.

"Acquisition of a majority interest in the Huerfano-Cucharas Irrigation Company gives Two Rivers the opportunity to now move forward in the repair of the Cucharas Dam and Reservoir, one of Colorado's largest on stream reservoirs," commented John McKowen, Chairman and CEO of Two Rivers. "The Cucharas Reservoir, when restored, has 55,000 acre feet of storage capacity, which can be rebuilt for less than $375 an acre foot, compared to a current cost of construction of over $3,000 an acre foot for other large capacity reservoirs."

Two Rivers has begun engineering plans and commenced discussions with the Colorado State Engineers Office necessary to hopefully complete the restoration of the dam by spring of 2011, in time for the late spring snow melt. By restoring the Cucharas Reservoir, Two Rivers can supply the farmers and communities of Huerfano and Pueblo Counties with a new large, dependable source of water supply and storage.

Two Rivers has also purchased approximately 1,000 acres and entered into agreements to purchase 3,500 additional acres of farmland. Two Rivers expects to purchase as much as 15,000 acres of farmland and reintroduce water on the land and restore the HCIC ditches to what was once a thriving high yield farming community. Two Rivers agreed to provide the current farmers on the HCIC ditch with long term water contracts to enable them to continue and expand their farming operations. Additional surplus of storage capacity exists once the Cucharas Reservoir is restored beyond the expanded farming needs projected by Two Rivers.

Two Rivers has begun discussions with various water agencies to explore possibilities whereby the excess capacity of the HCIC system can be developed and assist in covering the projected shortfalls in Colorado's water needs.

Formed in December 2002, Two Rivers is focused on acquiring and developing water resources in Colorado.

Source: Newswire Article @ www.redorbit.com

Zoning Description & Water Article

File No. 11-2205

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

Two Rivers Moves On Water Cases

By CHRIS WOODKA | cwoodka@chieftain.com | Posted: Thursday, January 5, 2012 12:00 am

Water court applications to move water up the Huerfano River and to change the use of water in Huerfano County were filed in late December by the Two Rivers Water Co.

Two Rivers, founded by Denver entrepreneur John McKowen and managed by Colorado Springs real estate broker Gary Barber, plans to bring irrigated farmland back into production in Southern Pueblo and Huerfano counties. It has a plan to restore Cucharas and Orlando reservoirs, but needs to exchange rights on the Huerfano River to initially fill them.

The company also wants to be able to offer water for domestic use in Huerfano County, where some developments and communities have run into groundwater replacement issues as they have grown.

“We have been talking to the Huerfano Conservancy District, but we don’t have any agreement yet,” Barber said.

Two Rivers has entered a five-year lease agreement with the Pueblo Board of Water Works in order to purchase 500 acre-feet of water annually beginning in April. The company will seek a substitute water supply plan from the state Division of Water Resources until it can obtain a court decree.

The application for an exchange right would allow Two Rivers to capture flood flows in Cucharas Reservoir, while making releases to the Arkansas River to cover depletions.

“About 20,000 acre-feet of water passed through Cucharas Reservoir last year,” Barber said.

Two Rivers' plans call for creating about 38,000 acre-feet of storage in Cucharas and Orlando reservoirs. The company owns about 4,700 acres of land in ditch systems fed by the reservoirs, including the Huerfano-Cucharas Ditch. This year, about one-third of that will be planted as the company ramps up to full production, Barber said.

In a separate change-of-use application in water court, Two Rivers wants to dry up about 150 irrigated acres on the Robert Rice Ditch, but would change the use of the water only so it could be used in Huerfano County. Two Rivers purchased the ditch, which has a water right dating back to 1867, making it fairly senior.

Under the purchase agreement, as much as 130 acre-feet could be made available to serve future developments in Huerfano County. The water also could be used to augment existing wells in communities such as Gardner, Barber said.

“It’s not speculation, since we do have an agreement with the seller, but we did not file for the augmentation of any specific wells,” Barber said.

Source: www.chieftain.com

Assumptions, Limiting Conditions & Scope of Work

File No.: 11-2205

Property Address: 40570 Undercliff Rd	City: Boone	State: CO	Zip Code: 81022
Client: Two Rivers Water Company	Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222		
Appraiser: John M. Andersen	Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Scope of Work: The scope of work includes a physical inspection of the subject property and comparable sales and/or listings. A review of court house data pertaining to the subject property and comparable sales and/or listings. A review of any pending listings or prior sales of the subject property and comparable sales. I have also collected sales and listing data from the multiple listing service, Realtors, property managers, developers, peer appraisers, and other sources of information. The sources of information are considered to be reliable sources, and I have not knowingly omitted any pertinent information from this appraisal report. After the appropriate data are collected, the data are verified, analyzed and reconciled. However, it is imperative to understand that the water rights and/or irrigation rights have not been valued separately. The irrigated aspect of the subject property is similar to that of the comparable sales analyzed in this report. Thus, no adjustment consideration nor value conclusions have been developed pertaining to individual water and/or irrigation rights. Moreover, the irrigated water delivery rights are typically necessary for the operation of a hobby ranch (hobby farm), and are assumed to be attached to the subject acreage as discussed below. Due to the availability of similar irrigated acreage comparable sales, and as agreed upon in advance by myself and the client, neither the Income Approach nor the Cost Approach have been developed in this Summary Appraisal Report. Additional information is retained in the appraisal work file.

Hypothetical Conditions / Extraordinary Assumptions: None.

The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). No irrigating ditch shares and/or water rights are included in the valuation. I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Perpetual irrigation water delivery to the subject acreage is a reasonable assumption, and the irrigation aspect of the subject property has a positive impact on site value.

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Certifications & Definitions

File No.: 11-2205

Property Address: 40570 Undercliff Rd City: Boone State: CO Zip Code: 81022
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:
— The statements of fact contained in this report are true and correct.
— The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
— My engagement in this assignment was not contingent upon developing or reporting predetermined results.
— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
— I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.
— I have not provided any services, as an appraiser or in any other capacity, with respect to the subject property of this appraisal report within the previous 36 months immediately preceding the acceptance of this appraisal assignment.

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

***** This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company
E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen
Company: Andersen Appraisals
Phone: (719) 568-4113 Fax: (719) 547-8536
E-Mail: andappraisals@aol.com
Date Report Signed: 01/05/2012
License or Certification #: CG40019884 State: CO
Designation: Certified General Appraiser
Expiration Date of License or Certification: 12/31/2014
Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)
Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:
Company:
Phone: Fax:
E-Mail:
Date Report Signed:
License or Certification #: State:
Designation:
Expiration Date of License or Certification:
Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect
Date of Inspection:

GPLAND
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Subject Photos

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

Subject Site Acreage

Subject Nearby Ditch System

Subject Site Acreage

Subject Site Acreage

Subject Site / Street

Street

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	40570 Undercliff Rd				
City	Boone	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				

Comparable 1

6265 Huerfano Rd

Prox. to Subject	2.92 miles SE
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	340 Acres
Quality	
Age	

Comparable 2

17961 County Road T

Prox. to Subject	57.47 miles NE
Sale Price	485,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Punkin Center
View	
Site	320 Acres
Quality	
Age	
Comment	MLS photo due to distance.

Comparable 3

1696 US Highway 96

Prox. to Subject	20.68 miles E
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Fowler
View	
Site	289 Acres
Quality	
Age	

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	40570 Undercliff Rd				
City	Boone	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Comparable 4

1498 36th Ln

Prox. to Subject	9.24 miles N
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	St Charles Mesa
View	
Site	79.32 Acres
Quality	
Age	

Comparable 5

7081 S Interstate 25

Prox. to Subject	18.46 miles W
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Hatchet Ranch
View	
Site	438.49 Acres
Quality	
Age	

Comparable 6

5182 40th Ln

Prox. to Subject	0.46 miles SW
Sale Price	232,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	360 Acres
Quality	
Age	

Listing Photo Page

Borrower	Two Rivers Water Company				
Property Address	40570 Undercliff Rd				
City	Boone	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Listing 1

TBD 56th Ln

Proximity to Subject	10.98 miles NE
List Price	260,000
Days on Market	192 days
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Age	

Listing 2

2547 58th Ln

Proximity to Subject	10.68 miles NE
List Price	699,000
Days on Market	98 days
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Age	

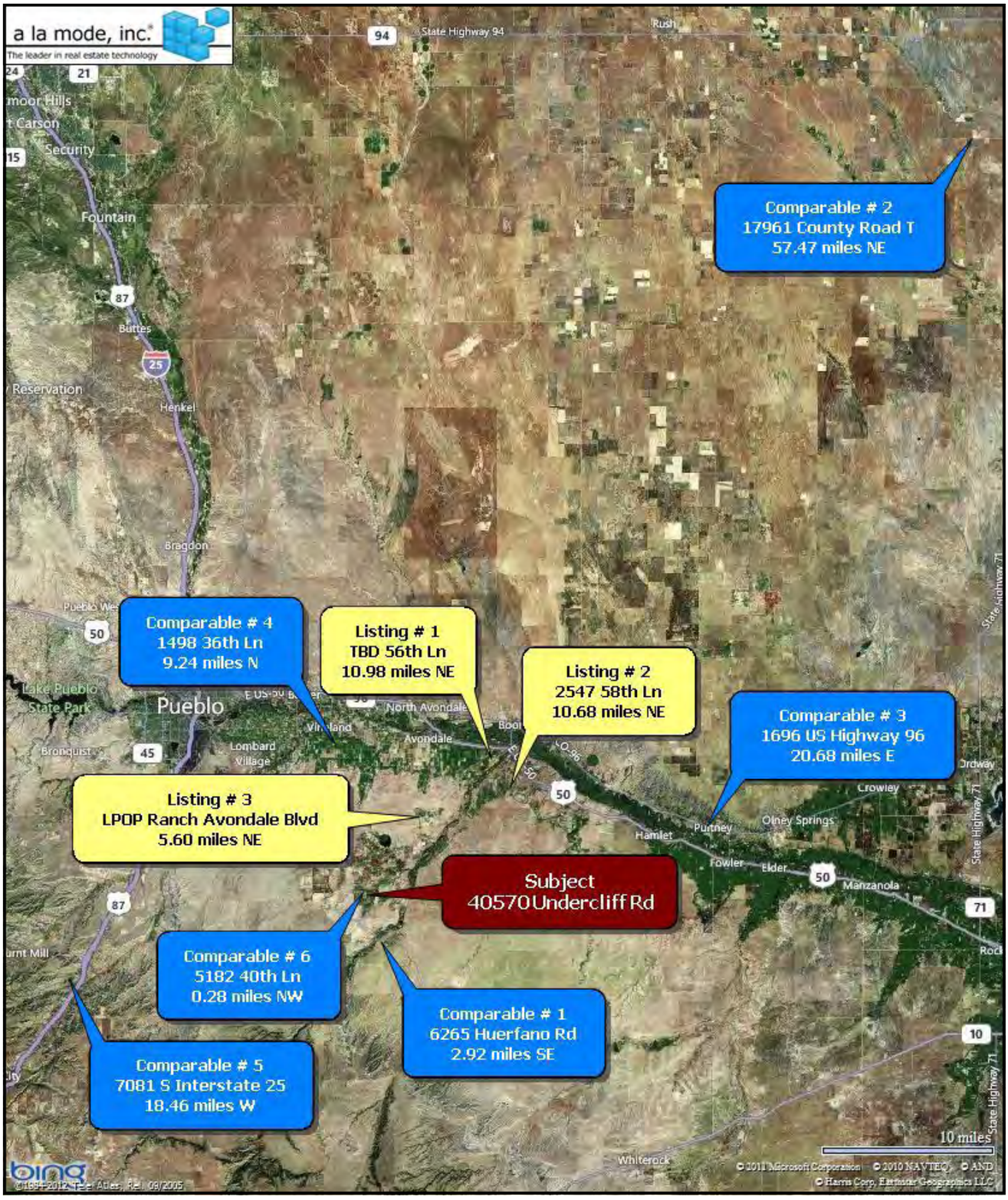
Listing 3

LPOP Ranch Avondale Blvd

Proximity to Subject	5.60 miles NE
List Price	400,000
Days on Market	107 days
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Age	

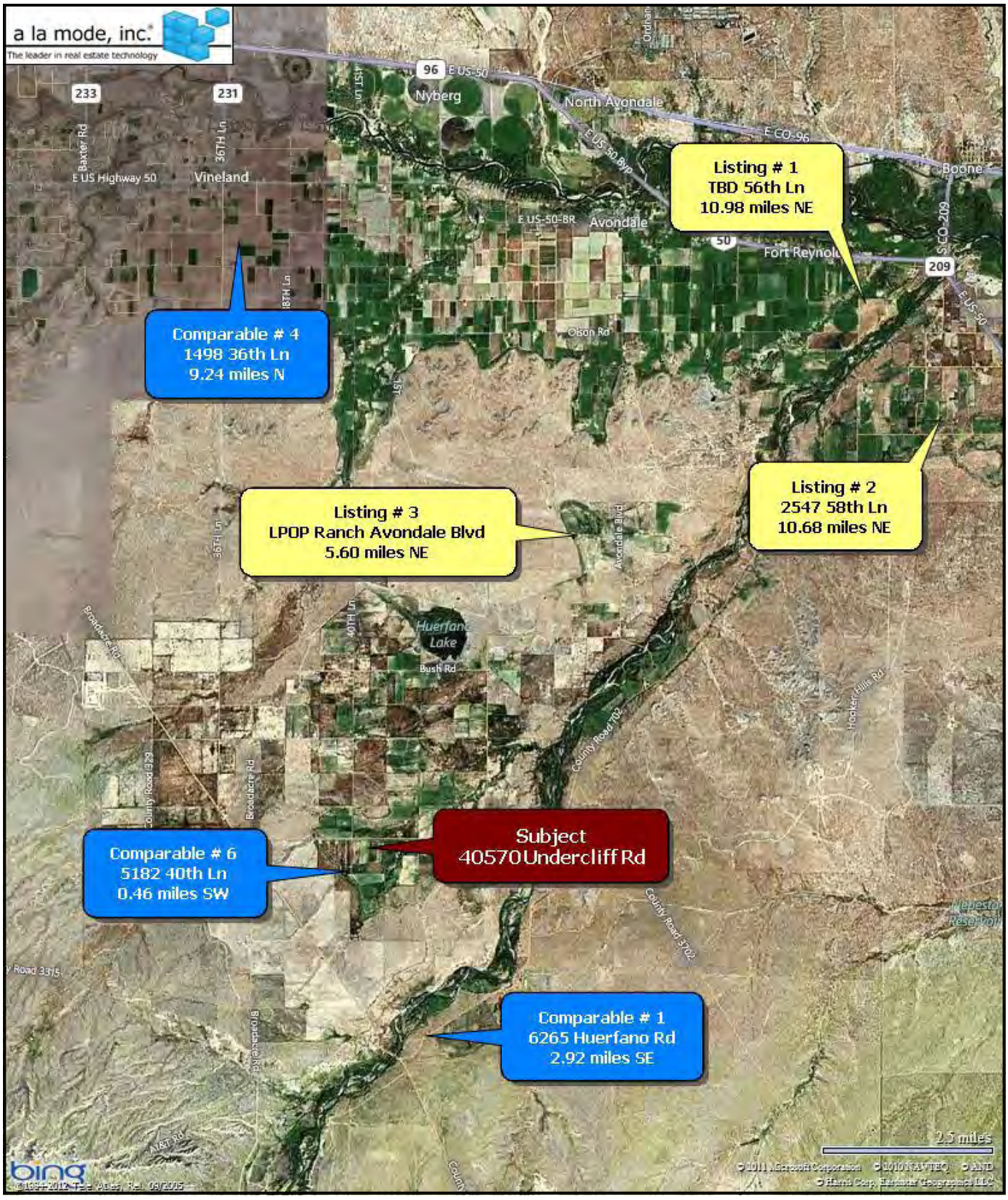
Comparable Location Map

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Vicinity Location Map

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

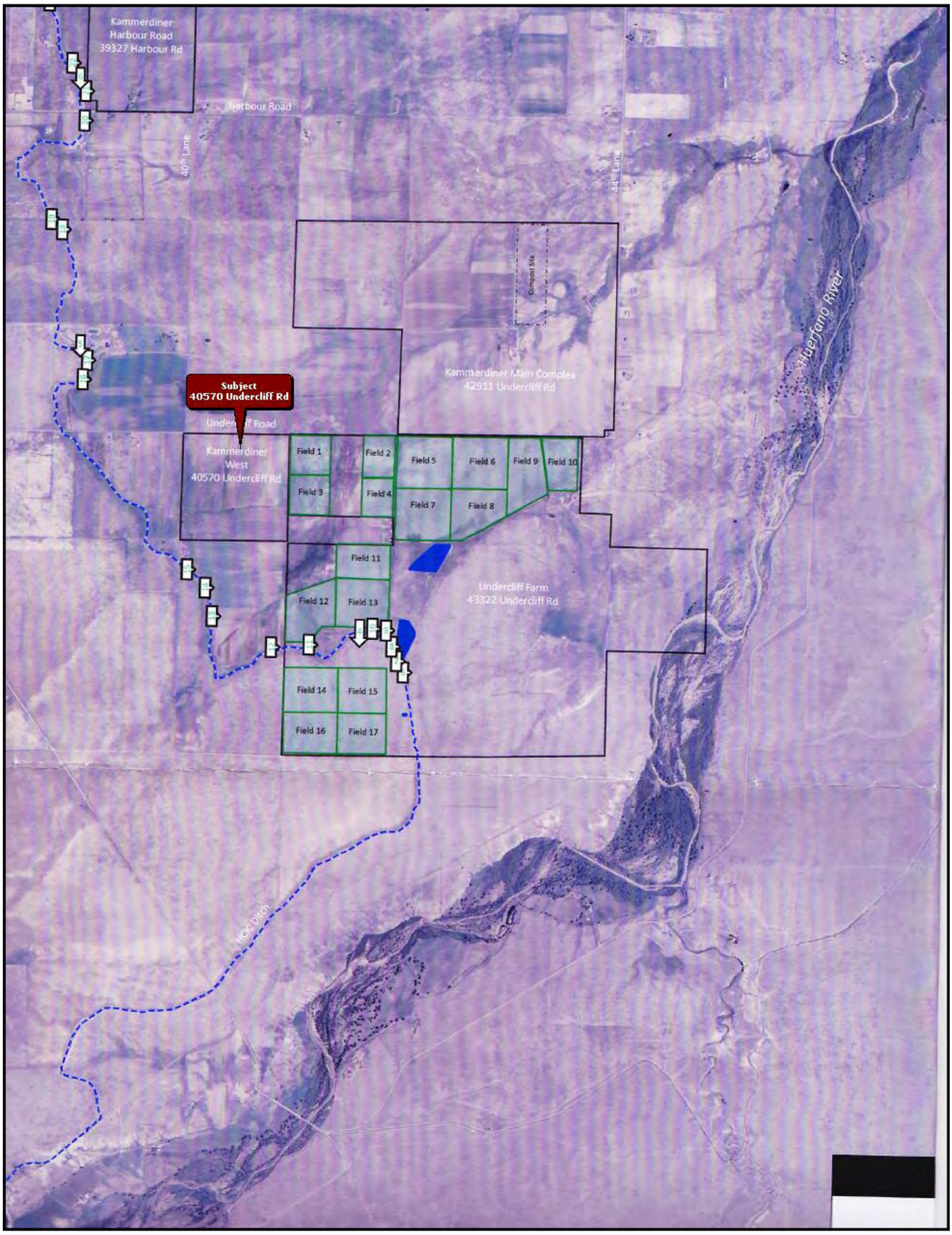


Site Map

Borrower	Two Rivers Water Company				
Property Address	40570 Undercliff Rd				
City	Boone	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				

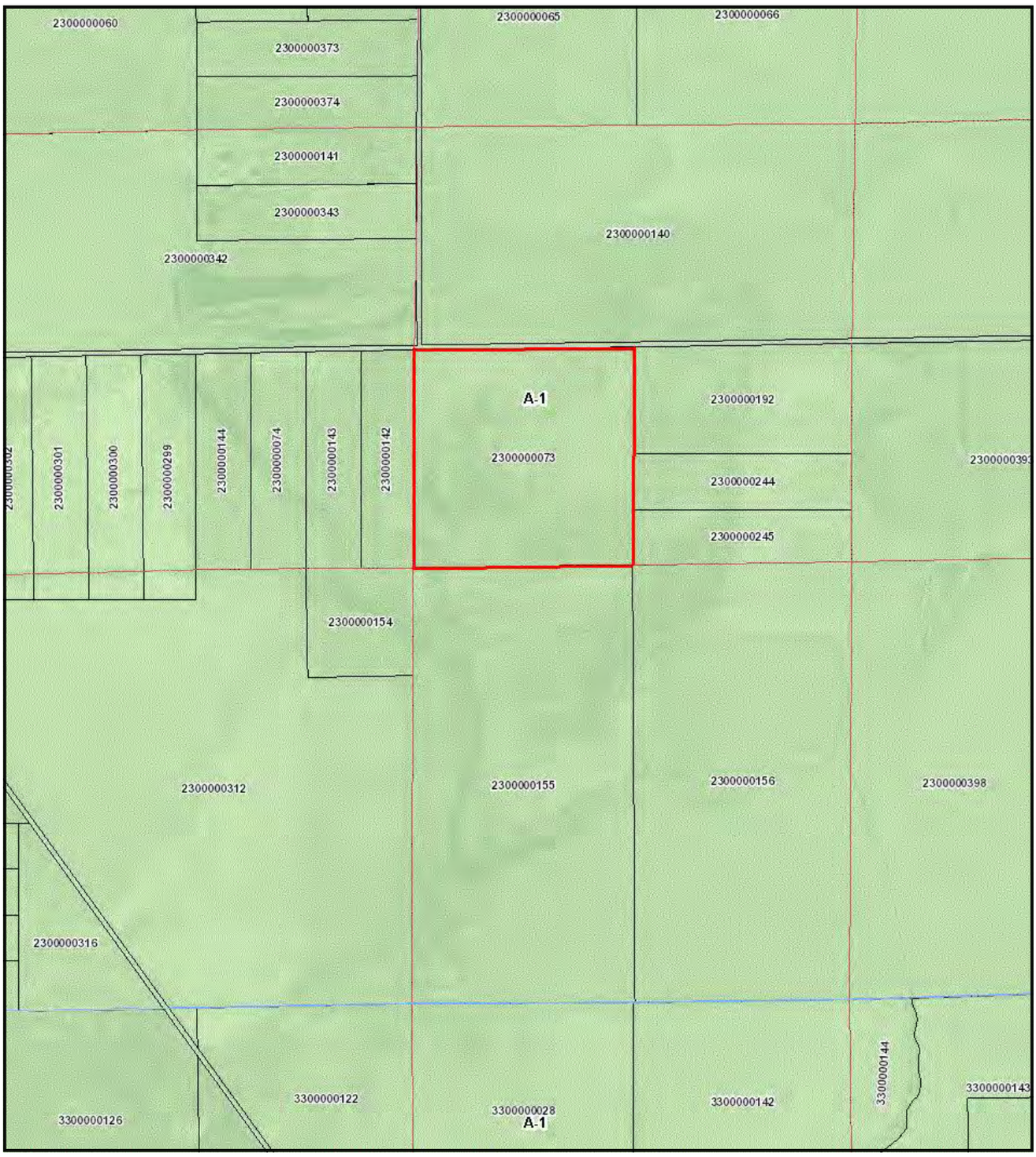
Subject Overhead Imagery

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



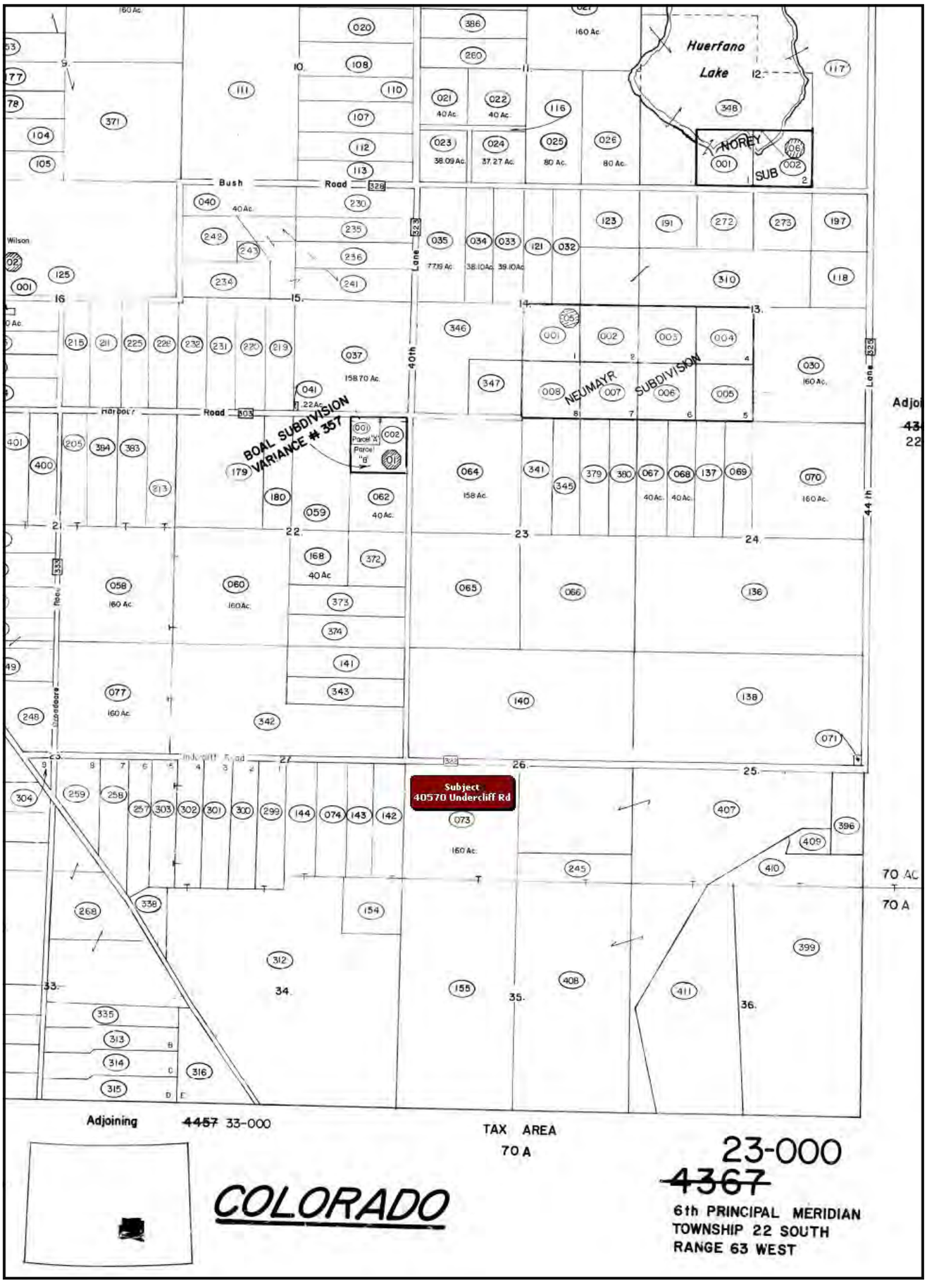
Zoning Map

Borrower	Two Rivers Water Company				
Property Address	40570 Undercliff Rd				
City	Boone	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				



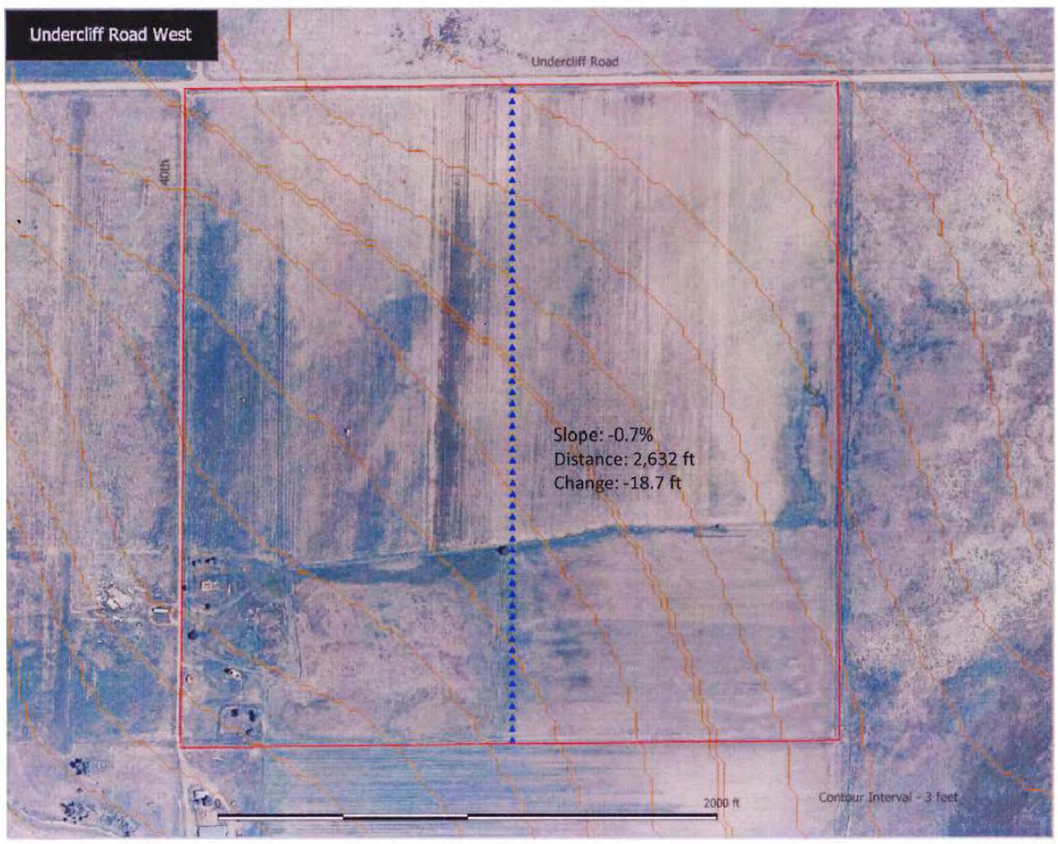
Plat Map

Borrower	Two Rivers Water Company				
Property Address	40570 Undercliff Rd				
City	Boone	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				



Drainage Map

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



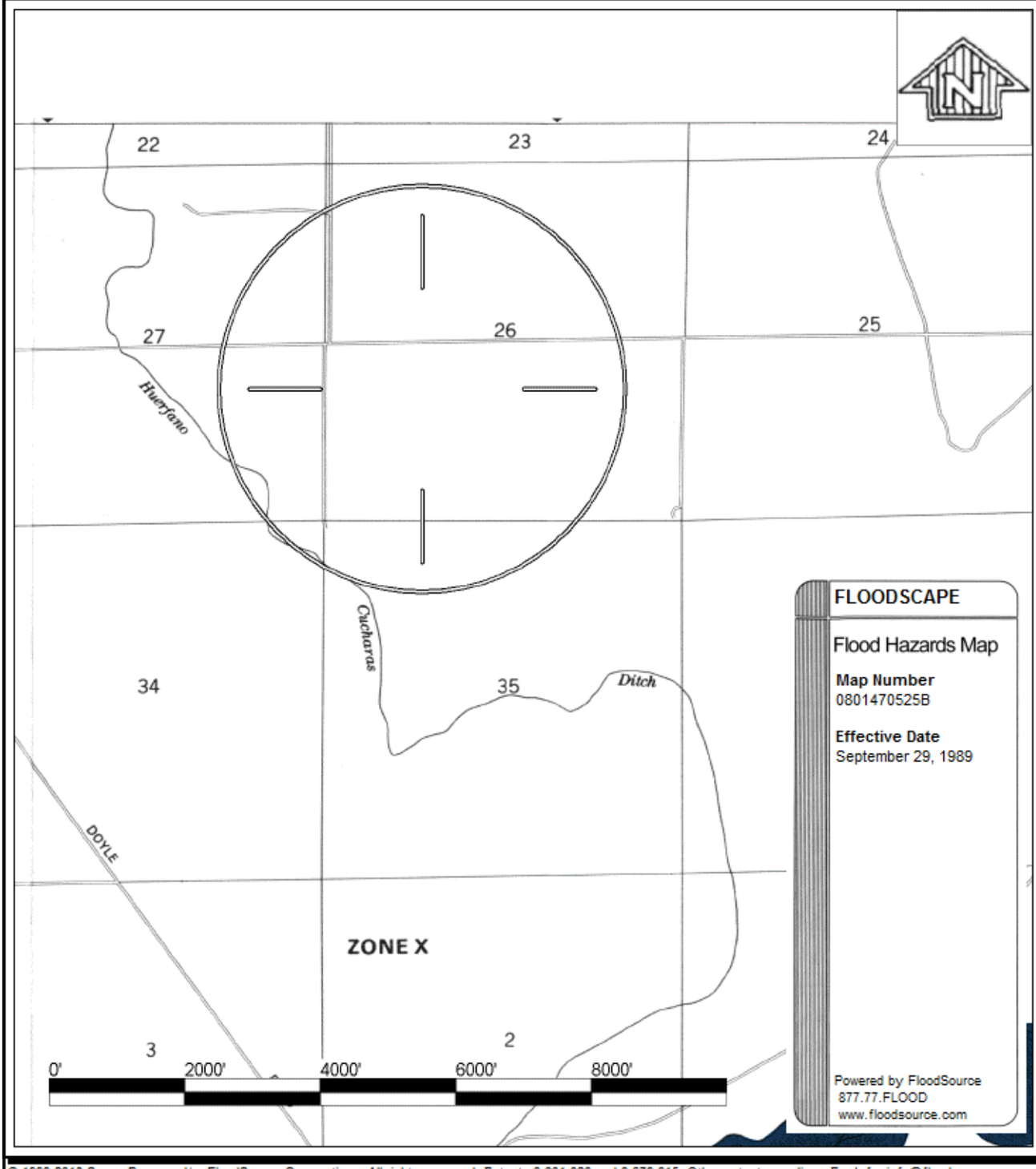
Flood Map

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

InterFlood by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
Andersen Appraisal, LLC

40570 Undercliff Rd
Boone, CO 81022



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Resume

File No. 11-2205

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

John M. Andersen

Certified General Appraiser

www.AndersenAppraisals.com

♦♦♦

◆ QUALIFICATIONS & ORGANIZATIONS

The highest standards of professionalism and integrity are attributes that have been revered throughout my life. Commitment to these ethics has led me on many rewarding ventures in military experiences and personal business endeavors. Over the past several years, I have developed strong skills required for competent analysis of complex real estate valuations.

1986-Present — *Real Estate Appraiser, Business Manager, Property Manager, Consultant, Expert Valuation Witness, Skydiving Instructor*

1997-2001 — *Board of Directors, Frontier Pathways Scenic & Historic Byway*

1996-1999 — *President, Greenhorn Valley Chamber of Commerce*
Vice-president, Greenhorn Valley Chamber of Commerce

◆ WORK HISTORY

2009-Present — *Certified General Appraiser, Andersen Appraisals, Pueblo West, Colorado*

2009-Present — *Certified General Appraiser, ALWVCS, Inc., Pueblo, Colorado*

2001-2009 — *Certified Real Estate Appraiser, Clyde Laut & Associates - Pueblo, Colorado*
Residential & Commercial Appraiser covering a multiple county region in Southeastern Colorado. Obtained higher levels of appraisal experience.

2001-2008 — *Skydiving Instructor, Skydive the Rockies!! Fremont County Airport*
First Jump Course, Accelerated Freefall, & Instructor Assisted Deployment

1999-2001 — *Residential Appraiser, Grantham Appraisal Service - Cañon City, Colorado*
Registered Appraiser (Apprentice Level). Accumulation of required appraisal hours for state license. Appraisal assignments were reviewed by Gary W. Grantham, Certified General Appraiser.

1996-2004 — *Property Manager / Development Consultant - Ewing Ranch, Colorado City*
Consultant for development of master plan, property leases, etc.

1994-1999 — *Owner / Operator, Pizza Stop & Subs - Colorado City*
Day to day restaurant operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1986-1993 — *Owner / Operator, Releford's Flowers & Greenhouse - Pueblo, Colorado*
Day to day business operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1984-1990 — *SSG (E-6), Colorado National Guard Special Forces (Airborne)*
CPL (E-4), US Army Special Forces / Military Freefall (HALO)

◆ EDUCATION

2006-2011 — *Certified General Appraiser Courses, Sales Comparison Valuation of Small, Mixed-Use Properties, Income Property Capitalization, Highest & Best Use Analysis, Market & Marketability Analysis, National Uniform Standards of Professional Appraisal Practice, USPAP 7 Hour Update Courses, FHA Appraisal Report Writing Seminar, Loss Prevention Seminar, UAD (Uniform Appraisal Dataset) Report Writing Seminar, Multiple Regression Analysis Seminar*

2003-2005 — *Certified Residential Appraiser Course, Complex Properties, Appraisal Review, Narrative Report Writing, Basic Income Capitalization, Uniform Standards of Professional Appraisal Practice (7 Hour Update), Appraisal Review & Reporting, Factory-Built Housing, FHA Appraising Today, FHA Exam Preparation Course, FHA Lead Based Paint Inspector Course, Developing & Growing An Appraisal Practice*

1999-2001 — *Uniform Standards of Professional Appraisal Practice,*
Registered & Licensed Appraiser Courses (Real Estate Training Center)

1986-1990 — *Business Administration, University of Southern Colorado*

1983-1985 — *High School Graduate / US Army Special Forces Qualification Course / Airborne School / Military Freefall School*

Resume

File No. 11-2205

Borrower	Two Rivers Water Company						
Property Address	40570 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

◆ APPRAISAL LICENSES & CERTIFICATES

11/20/2008 *Certified General Appraiser #CG40019884*

11/24/2007 *Colorado State Certified General Appraiser Examination*

08/15/2005 *Certified Residential Appraiser #CR40019884*

12/02/2004 *Colorado State Certified Residential Appraiser Examination*

02/09/2004 *FHA Appraisal Examination / Roster #COCG40019884*

08/12/2001 *Licensed Appraiser #AL40019884*

07/12/2000 *Registered Appraiser #AR40019884*

06/14/2000 *Colorado State Licensed Appraisal Examination*

06/12/2000 *Completion of Colorado Real Estate Commission Approved Course*

◆ CLIENT LIST

An extensive list of lenders, contractors, attorneys and individuals for conventional appraisal reports, proposed construction appraisals, employee relocation, dissolution of marriage, REO (foreclosure), review appraisals, etc., completed through Grantham Appraisal Service, Andersen Appraisal Service, & Clyde Laut & Associates, Inc. To name a few: HUD (FHA Certified Appraiser), Fannie Mae, Pueblo Bank & Trust, Elk Valley Construction, Vectra Bank Colorado, Premier Mortgage, Canon National Bank, Chase Manhattan, Cendant Mobility, First National Bank Colorado, Colorado State Employee's Credit Union, Wells Fargo Bank, Royal Gorge Lending, US Bank, Zions Bank, Fremont National Bank, Frontier Bank, Canon National Bank, Colorado East Bank & Trust, Pueblo Bank & Trust

◆ REFERENCES

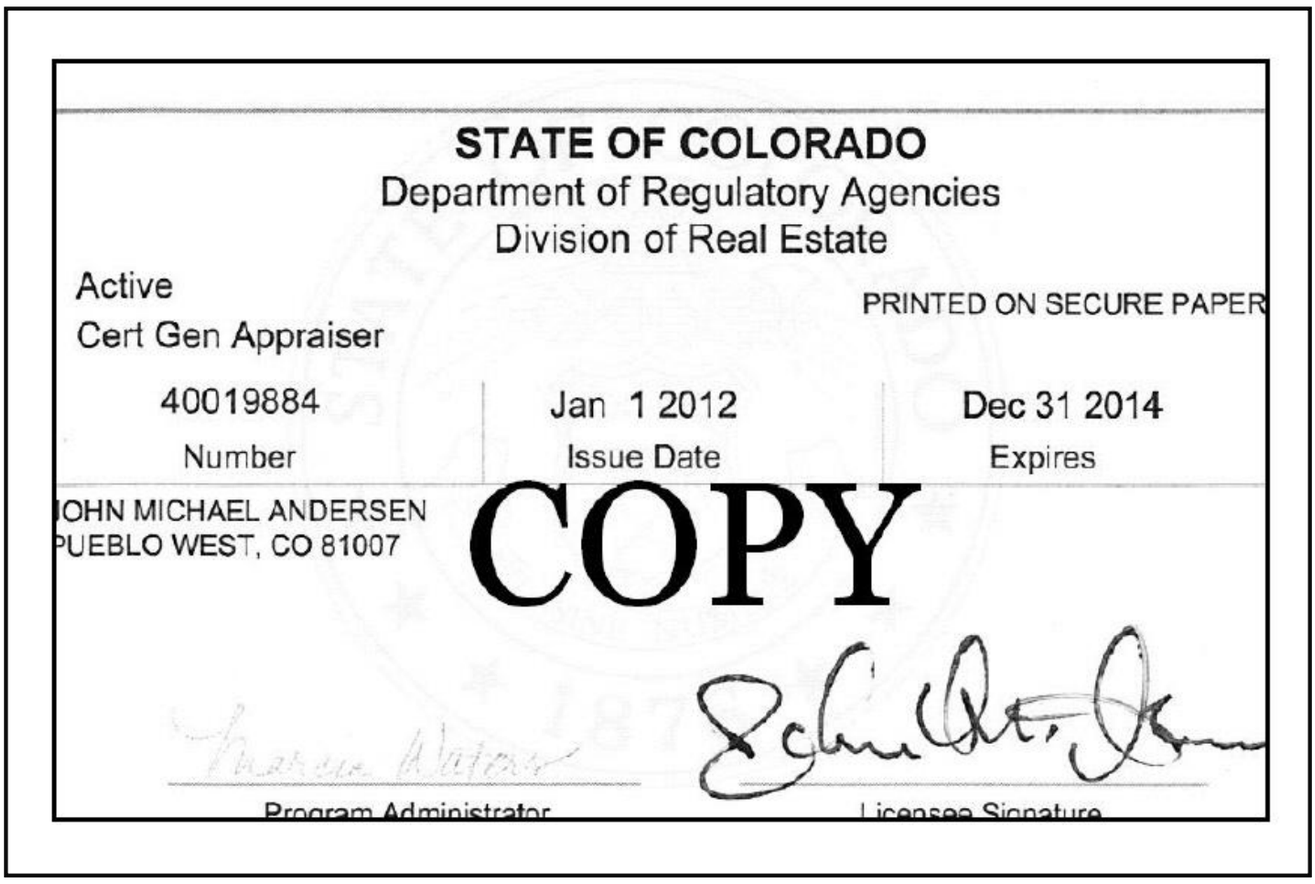
Gary Grantham, Cert. Gen. Appraiser, Grantham Appraisals, Cañon City
Phone: **719-275-7705**
Senator Kevin Grantham, Cert. Gen. Appraiser, Grantham Appraisals
Phone: **719-275-7705**
John Thompson, Vice President, First National Bank of Pueblo
Phone: **719-544-2265**
Mark Dunsmoor, President, Colorado East Bank & Trust, Pueblo
Phone: **719-584-2000**
Jeannie Sandidge, Loan Review Officer, Canon National Bank, Pueblo
Phone: **719-544-5548**
Chris Turner, Attorney, Koncilja & Koncilja, Pueblo
Phone: **719-250-2806**
Alan Williams, Certified General Appraiser, ALWVCS, Inc, Pueblo
Phone: **719-543-3323**

◆ CONTACT INFORMATION

Andersen Appraisals, LLC
John M. Andersen
Certified General Appraiser
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Office: 719-547-8536
Mobile: 719-568-4113
Email: andappraisals@aol.com
www.AndersenAppraisals.com

Copy of State License

Borrower	Two Rivers Water Company				
Property Address	40570 Undercliff Rd				
City	Boone	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				



STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

PRINTED ON SECURE PAPER

40019884	Jan 1 2012	Dec 31 2014
Number	Issue Date	Expires

JOHN MICHAEL ANDERSEN
PUEBLO WEST, CO 81007

COPY

Program Administrator

Licensee Signature

FROM:

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Email: Andappraisals@aol.com
Telephone Number: 719-568-4113 **Fax Number:** 719-547-8536

TO:

Wayne Harding
Two Rivers Water Company
2000 S Colorado Blvd, Annex Bldg Suite 200
Denver, CO 80222

Telephone Number: (303) 222-1032 **Fax Number:** (303) 222-1012
Alternate Number: **E-Mail:** wharding@2riverswater.com

INVOICE

INVOICE NUMBER
11-2193
DATE
01/05/2012
Effective Date: 12/21/2011

REFERENCE

Internal Order #: 11-2193
Lender Case #:
Client File #:
Main File # on form: 11-2193
Other File # on form:
Federal Tax ID: 45-2478846
Employer ID:

DESCRIPTION

Lender: Colorado Water Conservation Board **Client:** Two Rivers Water Company
Purchaser/Borrower: Two Rivers Water Company
Property Address: 42911 Undercliff Rd
City: Boone
County: Pueblo **State:** CO **Zip:** 81022
Legal Description: N2 LESS 1A IN SE COR 25-22-63 CONTG 319 ACRES + S2 24-22-63 320A + SE4 23-22-63 160A

FEES	AMOUNT
Summary Land Appraisal Report / Large Complex Acreage	1,200.00
SUBTOTAL	1,200.00

PAYMENTS			AMOUNT
Check #: 1279	**Date:** 01/03/2012	**Description:** Two Rivers Farms, LLC	1,200.00
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
		SUBTOTAL	1,200.00

Paid in Full...Thanks! **TOTAL DUE** **$** 0

ANDERSEN APPRAISALS

SUMMARY APPRAISAL REPORT

Property Location:	42911 Undercliff Rd N2 LESS 1A IN SE COR 25-22-63 CONTG 319 ACRES + S2 24-22-(Boone, CO 81022
Borrower:	Two Rivers Water Company
Client:	Colorado Water Conservation Board 1313 Sherman St, Room 721 Denver, CO 80203
Effective Date:	12/21/2011
Prepared By:	John M. Andersen Certified General Appraiser #CG40019884

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007

Summary Appraisal Report

File # 11-2193

APPRAISAL OF REAL PROPERTY

LOCATED AT

42911 Undercliff Rd
Boone, CO 81022
N2 LESS 1A IN SE COR 25-22-63 CONTG 319 ACRES + S2 24-22-63 320A + SE4 23-22-63 160A

ADDITIONAL INTENDED USER

Colorado Water Conservation Board
1313 Sherman St, Room 721
Denver, CO 80203

OPINION OF MARKET VALUE

600,000

EFFECTIVE DATE

12/21/2011

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2193

SUBJECT

Property Address: 42911 Undercliff Rd City: Boone State: CO Zip Code: 81022
County: Pueblo Legal Description: N2 LESS 1A IN SE COR 25-22-63 CONTG 319 ACRES + S2 24-22-63 320A + SE4 23-22-63 160A
Assessor's Parcel #: 23-000-00-138 + 23-000-00-136 + 23-000-00-066 Tax Year: 2010 R.E. Taxes: $ 1,073.02 Special Assessments: $ 0
Market Area Name: Avondale / Boone Map Reference: 39380 Census Tract: 0032.00
Current Owner of Record: Two Rivers Water Company Borrower (if applicable): Two Rivers Water Company
Project Type (if applicable): ☐ PUD ☐ De Minimis PUD ☐ Other (describe) HOA: $ 0 ☐ per year ☐ per month
Are there any existing improvements to the property? ☐ No ☒ Yes If Yes, indicate current occupancy: ☒ Owner ☐ Tenant ☐ Vacant ☐ Not habitable
If Yes, give a brief description: The subject property includes a 1,078 SF ranch house with basement and 1 car garage built in 1930, a 7,200 SF barn, a 1,536 SF quonset building, electricity, domestic well, septic system, extensive barbed wire fencing, and gravel surfaced drive areas. However, the primary value of the subject property is the land (acreage). Furthermore, no irrigation shares or water rights are included in the valuation of this report.

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)
This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective
Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)
Intended Use: Assistance In Decision Process For Loan Underwriting, Internal Decision Making and/or Loan Portfolio Management.
Intended User(s) (by name or type): The clients, Two Rivers Water Company & Colorado Water Conservation Board, and their successors and/or assigns.
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: 40 S Villa Del Sol Ct, Pueblo West, CO 81007

MARKET AREA DESCRIPTION

Characteristics			
Location:	☐ Urban	☐ Suburban	☒ Rural
Built up:	☐ Over 75%	☐ 25-75%	☒ Under 25%
Growth rate:	☐ Rapid	☐ Stable	☒ Slow
Property values:	☐ Increasing	☒ Stable	☐ Declining
Demand/supply:	☐ Shortage	☒ In Balance	☐ Over Supply
Marketing time:	☐ Under 3 Mos.	☐ 3-6 Mos.	☒ Over 6 Mos.

Predominant Occupancy
☒ Owner
☐ Tenant
☐ Vacant (0-5%)
☒ Vacant (>5%)

One-Unit Housing	PRICE $(000)		AGE (yrs)
	50	Low	02
	450+	High	110
	150	Pred	25

Present Land Use	
One-Unit	05 %
2-4 Unit	%
Multi-Unit	%
Comm'l	%
Vacant	95 %
	%

Change in Land Use
☒ Not Likely
☐ Likely * ☐ In Process *
* To: NA

Factors Affecting Marketability

Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	☐	☒	☐	☐	☐	Adequacy of Utilities	☐	☒	☐	☐	☐
Convenience to Employment	☐	☒	☐	☐	☐	Property Compatibility	☐	☒	☐	☐	☐
Convenience to Shopping	☐	☒	☐	☐	☐	Protection from Detrimental Conditions	☐	☒	☐	☐	☐
Convenience to Schools	☐	☒	☐	☐	☐	Police and Fire Protection	☐	☒	☐	☐	☐
Adequacy of Public Transportation	☐	☒	☐	☐	☐	General Appearance of Properties	☐	☒	☐	☐	☐
Recreational Facilities	☐	☒	☐	☐	☐	Appeal to Market	☐	☒	☐	☐	☐

Market Area Comments: The boundaries of the neighborhood are the outlying rural areas situated east of Pueblo Highway 50. The neighborhood is composed primarily of scattered homes on 5.0 to 35+ acre parcels of land. I am unaware of any adverse neighborhood influences. Per the Pueblo Association of Realtors MLS, typical marketing time for vacant land in the area is estimated to be 128 days, the median sales price is $130,000 (all larger acreage sales east of Pueblo to La Junta), and the median list to sale price ratio is approximately 89.6%. Thus, the marketing time for the subject property is estimated to be 9-12 months if listed realistically with an active broker. In addition, the estimated exposure period is 9-12 months which is presumed to precede the effective date of the appraisal report. Furthermore, the local market appears to be relatively stable at this time; however, large acreage sales are extremely limited due to the lack of market activity over the past two years. Statistics for single family dwellings on 5+ acres availible for the market area for the prior two years indicate a median sales price of $153,000, a median list to sale price ratio of 92.6%, a median price per square foot of $85.33, and a median market time of 163 days. Furthermore, the single family dwelling market has stabilized this past year from a significant decline in the prior few years. In addition, there are currently an in balance of homes available in market place at this time; however, marketing times are somewhat extended.

SITE DESCRIPTION

Dimensions: Refer to plat maps (three contiguous parcels - survey not provided) Site Area: 799 Acres
Zoning Classification: A-1 Description: Agricultural District - 35 Acre Minimum
Do present improvements comply with existing zoning requirements? ☒ Yes ☐ No ☐ No Improvements
Uses allowed under current zoning: Refer to the attached zoning description for uses by right and uses by review.
Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown Have the documents been reviewed? ☐ Yes ☐ No Ground Rent (if applicable) $ 0/
Comments:
Highest & Best Use as improved: ☒ Present use, or ☐ Other use (explain) Due to the extreme lack of demand in the market place, the Highest & Best Use of the subject property at this time is the continued ranch / farm use. Subdivision is not feasible due to the extreme lack of demand.
Actual Use as of Effective Date: Agricultural Use (Ranch / Farm) Use as appraised in this report: Agricultural Use (Ranch / Farm)
Summary of Highest & Best Use: Continued Agricultural Use (subdivision development is not feasible due to the lack of demand). The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property.

Utilities	Public	Other	Provider/Description
Electricity	☒	☐	
Gas	☐	☒	Propane
Water	☐	☒	Domestic Well
Sanitary Sewer	☐	☒	Septic System
Storm Sewer	☐	☐	
Telephone	☒	☐	
Multimedia	☐	☐	

Off-site Improvements	Type	Public	Private
Street	Undercliff Rd & 44th Lane	☒	☐
Width	Typical		
Surface	Gravel		
Curb/Gutter	None	☐	☐
Sidewalk	None	☐	☐
Street Lights	None	☐	☐
Alley	None	☐	☐

Frontage	Typical (Large Acreage Parcels)
Topography	Slightly Sloping 0.8% - 1.2% Slope
Size	Large - 3 Contiguous Sites
Shape	Refer To The Enclosed Maps
Drainage	Appears Adequate
View	Average
Access	Typical
Additional	Irrigation Available

Other site elements: ☐ Inside Lot ☐ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☒ Other (describe) Large Acreage Property
FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 0801470525B FEMA Map Date 09/29/1989
Site Comments: I did not observe any unfavorable easements, encroachments or adverse site conditions the date of the field inspection. A copy of the assessor's overhead GIS plat imagery and additional mappings are included with this report. The utilities mentioned above are common and available in the area. The subject property is improved with a small ranch house, miscellaneous outbuildings, fencing, and additional supporting features for ranch / farm use. The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Refer to the enclosed photographs, maps and attachments which are integral parts of this Summary Appraisal Report.

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2193

TRANSFER HISTORY

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Court House Records; Owner

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: The prior sale of the subject property included five non-contiguous parcels containing approximately 1,120 acres with some supporting improvements. Extensive improvements have been completed to the acreage for irrigation efficiency since the prior sale. In addition, the subject property was not known to be exposed to the open market. Any previous sales of the subject property and/or comparable sales have no affect on the current opinion of market value. The subject property has not been listed for sale since acquired, or known to be under contract. Three contiguous parcels are included in this report.
Date: 08/31/2011	
Price: $400,000	
Source(s): Crt Hse; Owner; Contract	
2nd Prior Subject Sale/Transfer	
Date: None	
Price: None	
Source(s): Court House	Refer to the following page for the comparable sales transfer history.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	42911 Undercliff Rd Boone, CO 81022	6265 Huerfano Rd Avondale, CO 81022		17961 County Road T Rush, CO 80833		1696 US Highway 96 Fowler, CO 81039	
Proximity to Subject		3.21 miles S		56.39 miles NE		19.37 miles E	
Sale Price	$		$ 400,000		$ 485,000		$ 200,000
Price/ Acre	$	$ 1,176.47		$ 1,515.63		$ 692.04	
Data Source(s)	Court House / Owner	PARMLS#106678; DOM 475		PARMLS#117062; DOM 1183		PARMLS#125255; DOM 586	
Verification Source(s)	Inspection	Exterior Inspection; Assessor; Clerk		Agent; Court House		Exterior Inspection; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Conv; 0		1031Exchange; 0	
Date of Sale/Time	N/A	s06/09/2008	0	s08/02/2011	0	s03/04/2011	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone	0	Punkin Center	0	Fowler	
Site Area (in Acres)	799 Acres	340 Acres	-10	320 Acres	-10	289 Acres	-10
Irrigation	HCIC Ditch Available	HCIC Ditch Available		Rights+Augmentation	-25	Adj. Wells (Partial)	0
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	LgDwelling/Outbldgs	-15	Dwlg/OBs/4PivSystm	-15	Outbuilding	+10
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+10
Additional Consideration	Farm / Ranch	Hobby Farm/Ranch	0	Farm / Ranch		Hobby Ranch	
Net Adjustment (Total, in $)		☐ + ☒ -	$ -411.76	☐ + ☒ -	$ -757.82	☒ + ☐ -	$ 69.20
Net Adjustment (Total, in % of $ / Acre)		Net 35.0 %	(-35 % of $/Acre)	Net 50.0 %	(-50 % of $/Acre)	Net 10.0 %	(10 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 35.0 %	$ 764.71	Gross 50.0 %	$ 757.81	Gross 30.0 %	$ 761.24

Summary of Sales Comparison Approach: It is imperative to understand that comparable acreage sales similar to the subject property are extremely limited at this time. Consequently, some less than ideal comparable sales were analyzed that required larger than desired adjustments and/or are located many miles from the subject property. However, the nine comparable properties utilized in this appraisal report share many similarities to the subject property, and they provide support for a credible value range conclusion. Comparable sale #1 includes superior improvements (dwelling and outbuildings) in comparison to the subject. In addition, this property is bisected by the Huerfano River which warrants further consideration for premium river bottom frontage. Comparable sale #2 includes irrigating water rights with augmentation, and four pivot systems. Comparable sale #3 required the appropriate adjustments for inferior improvements and topography. The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. The adjustments essentially consider the appropriate percentage variances of price per acre paid between the comparable sales and subject property. Additional information is retained in the work file.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Refer to the additional comparable properties on the following pages for further support of the opinion of market value.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 599,300 **or $** 750 **per Acre**

Final Reconciliation: The subject property has an adjusted value range from $730 to $765 per acre which has been resolved to $750 per acre as applicable to the subject acreage. Comparable sales #1 and #6 are most comparable to the subject property and given most weight due to location.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: The Indicated Value by Sales Comparison Approach shown above has been rounded to $600,000 as the final opinion of market value applicable to the subject property. The Cost Approach and the Income Approach to value have not been developed in this report as agreed upon by myself and the client. The subject improvements have an estimated contributory value of $120,000.

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 600,000 , as of: 12/21/2011 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 24 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

☒ Scope of Work ☒ Limiting Cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☒ Flood Map Addendum ☒ Additional Sales & Listings ☒ Photo Addenda ☒ Parcel Maps ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐ DCF Analysis

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company

E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen

Company: Andersen Appraisals

Phone: (719) 568-4113 Fax: (719) 547-8536

E-Mail: andappraisals@aol.com

Date of Report (Signature): 01/05/2012

License or Certification #: CG40019884 State: CO

Designation: Certified General Appraiser

Expiration Date of License or Certification: 12/31/2014

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

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ADDITIONAL COMPARABLE SALES

File No.: 11-2193

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address 42911 Undercliff Rd Boone, CO 81022		1498 36th Ln Pueblo, CO 81006		7081 S Interstate 25 Pueblo, CO 81004		5182 40th Ln Avondale, CO 81022	
Proximity to Subject		9.21 miles NW		19.78 miles W		1.51 miles W	
Sale Price	$		$ 200,000		$ 400,000		$ 232,000
Price/ Acre	$	$ 2,521.43		$ 912.22		$ 644.44	
Data Source(s)	Court House / Owner	PARMLS#134352; DOM 11		PARMLS#124339; DOM 425		Owner; Contract	
Verification Source(s)	Inspection	Previous Appraisal; Assessor; Clerk		Exterior Inspection; Assessor; Clerk		Previous Appraisal; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Cash; 0		Conv; non-MLS	0
Date of Sale/Time	N/A	s04/08/2011	0	s08/09/2010	0	s09/19/2005	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	St Charles Mesa	-30	Hatchet Ranch	0	Avondale / Boone	
Site Area (in Acres)	799 Acres	79.32 Acres	-20	438.49 Acres	-10	360 Acres	-10
Irrigation	HCIC Ditch Available	Bessemer Available	-20	Sub-Irrigated	0	*HCIC Now Available	+15
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	Dwelling/MiscOutbldg		Dwelling/MiscOutbldg		OldDwelling/Outbldg	+10
Topography	Slightly Sloping	Slightly Sloping		Partially Wooded	-10	Slightly Sloping	
Additional Consideration	Farm / Ranch	Farm / Ranch		Hobby Ranch	0	Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,765.00	☐ + ☒ −	$ -182.44	☒ + ☐ −	$ 96.67
Net Adjustment (Total, in % of $ / Acre)		Net 70.0 %	(-70 % of $/Acre)	Net 20.0 %	(-20 % of $/Acre)	Net 15.0 %	(15 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 70.0 %	$ 756.43	Gross 20.0 %	$ 729.78	Gross 35.0 %	$ 741.11

Summary of Sales Comparison Approach

These comparable sales of large acreage properties located in fairly close proximity to the subject have been added to provide further support of the price per acre and opinion of market value applicable to the subject property. As previously discussed, it is imperative to understand that comparable sales of large acreage properties similar to the subject are extremely limited at this time. Thus, some less than ideal comparable sales conveyed over one year ago that required larger than desired adjustments and/or are located several miles from the subject property were analyzed. However, the six comparable sales and three competitive listings utilized in this appraisal report share many similarities to the subject property, and provide support for a credible value range conclusion. Refer to the competitive listings on the following page.

The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. Due to limited comparable sales of irrigated acreage properties, adjustments extracted from paired sales analysis are difficult to develop at this time. Although some of the comparable sales were conveyed over one year ago, time adjustments for market conditions were not warranted since the market has been relatively stable since these properties sold. Additional information is retained in the work file.

The adjustments for site area essentially consider a price per acre variance between the comparable sales and subject property. Most of the comparable sales include smaller acreage sites which warrants the downward adjustments. As previously stated, large acreage sales similar to the subject are extremely limited at this time. The adjustments for improvements consider any existing improvements (or lack thereof) of the comparable sales in comparison to the subject property improvements. Furthermore, I have completed an inspection of the subject property and comparable properties unless otherwise noted.

Comparable sale #1 is located just south of the subject property, and required a minus 10% adjustment for smaller acreage. The sale included considerably superior improvements (dwelling and outbuildings) in comparison to the subject which required a minus 15% adjustment. This comparable sale includes premium Huerfano River frontage which warrants the minus 10% topography adjustment. Although this sale was conveyed over three years ago, it is given considerable weight in the reconciliation due to the close proximity. Furthermore, a time adjustment for changes in market conditions was not warranted.

Comparable sale #2 is a recent sale of an irrigated farm operation located many miles northeast of the subject near Punkin Center & Rush. This comparable sale required a minus 10% adjustment for smaller acreage in comparison to the subject. This property includes some irrigation rights with partial augmentation. Thus, a minus 25% irrigation rights adjustment was applied by paired sales analysis extraction. In addition, this large acreage property includes a dwelling, outbuildings and four pivot systems which warrants the minus 15% improvement adjustments. Although this comparable sale is not situated within the subject neighborhood, it is still considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited sales of large, irrigated acreage properties.

Comparable sale #3 is a recent sale of a partially irrigated hobby ranch located northwest of Fowler near the Arkansas River. This sale required a minus 10% adjustment for smaller acreage, and plus 10% adjustments for inferior improvements and rugged topography respectively. This comparable sale is considered to be a good indictor of market value, and given some weight in the reconciliation due to date of sale.

Comparable sale #4 is located on the St. Charles Mesa with considerably fewer acres than the subject acreage which warrants the minus 30% location adjustment and minus 20% site size adjustment. This property did not include any Bessemer Ditch shares; however, the acreage is irrigated with leased Bessemer Ditch share availability which demands a minus 20% adjustment consideration. This sale is given minimal weight due to large net adjustments.

Comparable sale #5 is a recent sale of a hobby ranch located south of Pueblo west of Interstate-25 near Hatchet Ranch. This comparable sale required the respective minus 10% adjustments for smaller acreage size and superior wooded topography in comparison to the subject. Although this property does not include irrigation shares, and not considered suitable for farming, it is a large ranching acreage property considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited appropriate irrigated farm ground sales.

Comparable sale #6 are large acreage property located in very close proximity to the subject. This property is smaller than the subject acreage which warrants the minus 10% site size adjustment. In addition, this property was acquired prior to the availability of HCIC Ditch irrigation which warrants the plus 15% irrigation adjustment. In addition, the improvements are inferior in comparison to the subject which warrants the plus 10% adjustment. Although this property was conveyed several years ago, a time adjustment for changes in market conditions does not appear to be warranted (considered within the irrigation availability). Furthermore, this sale is given considerable weight in the reconciliation due to location, use and lower net adjustments.

Comparable Sales Prior Transfer / Sales History:

Sale #1: No prior sales within 36 months

Sale #2: No prior sales within 36 months

Sale #3: No prior sales within 36 months

Sale #4: No prior sales within 36 months

Sale #5: No prior sales within 36 months

Sale #6: No prior sales within 36 months

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COMPARABLE LISTINGS

File No.: 11-2193

COMPARABLE LISTINGS

FEATURE	SUBJECT PROPERTY	COMPARABLE LISTING # 1		COMPARABLE LISTING # 2		COMPARABLE LISTING # 3	
Address 42911 Undercliff Rd Boone, CO 81022		TBD 56th Ln Avondale, CO 81022		2547 58th Ln Boone, CO 81025		LPOP Ranch Avondale Blvd Avondale, CO 81022	
Proximity to Subject		9.86 miles NE		9.45 miles NE		4.65 miles NE	
List Price	$		$ 260,000		$ 699,000		$ 400,000
Price/ Acre	$	$ 2,476.19		$ 1,226.32		$ 519.48	
Last Price Revision Date		N/A		12/14/2011 from $750,000 list		N/A	
Data Source(s)		MLS #135778; Assessor		MLS #137187; Assessor		MLS #137031; Assessor	
Verification Source(s)		Previous Appraisal; Listing Agent		Exterior Inspection; Listing Agent		Exterior Inspection; Listing Agent	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	Under Contract		Current Listing		Current Listing	
Concessions	N/A	List to Sale	-15	List to Sale	-15	Motivated Seller	0
Days on Market		192 days		98 days		107 days	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone		Avondale / Boone		Avondale / Boone	
Site Area (in Acres)	799 Acres	105 Acres	-20	570 Acres	0	770 Acres	0
Irrigation	HCIC Ditch Available	CWPDA Augment	0	130 Shr Welton Ditch	-20	HCIC Ditch Available	
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	2 Pivot Systems	-15	Dwelling/MiscOutbldg		Inferior	+30
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+15
Additional Consideration	Farm / Ranch	Farm / Ranch		Farm / Ranch		Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,485.71	☐ + ☒ −	$ -429.21	☒ + ☐ −	$ 233.77
Net Adjustment (Total, in % of $ / Acre)		Net 60.0 %	(-60 % of $/Acre)	Net 35.0 %	(-35 % of $/Acre)	Net 45.0 %	(45 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 60.0 %	$ 990.48	Gross 35.0 %	$ 797.11	Gross 45.0 %	$ 753.25

Comments These competitive listings have been included to provide further support of the value range applicable to the subject property. However, competitive listing #6 appears to be listed towards to the lower end of the market. Thus, a list to sale price ratio adjustment was not applied to this listing.

Listing #1 is an irrigated acreage property that is currently under contract below list price which warrants the minus 15% list to sale price ratio adjustment. In addition, this site is considerably smaller to the subject acreage which warrants the minus 20% site size variance adjustment. The listing does not include water rights or ditch shares; however, the acreage includes two newer pivot systems with wells and electricity, and augmentation irrigation water leased from Colorado Water Protection and Development Association (CWPDA). This property also includes Huerfano River frontage which appears to demand a premium in the market place. Thus, a minus 10% topography adjustments was applied to this listing. Furthermore, this under contract listing has been provided to illustrate the upper limit of value as applicable to irrigated farm ground (crops) with leased irrigation water. However, least reliance is placed on the value indication due to the large net adjustments.

Listing #2 is an irrigated acreage property that also required a minus 15% list to sale price ratio adjustment. No adjustment was applied for the site area variance since the acreage size is relatively similar to the subject. The listing does include Welton ditch shares; however, the contributory value is difficult to determine due to limited sales activity of Welton ditch shares. Similar irrigation ditch shares in the region have sold for $2,000 per share which provides some support for the applicable minus 20% adjustment. Furthermore, this listing includes a dwelling and miscellaneous outbuildings similar to the subject improvements, and provides further support of the price per acre value range applicable to the subject property.

Listing #3 is an irrigated acreage property that did not warrant a list to sale price ratio adjustment. This acreage property is located in close proximity to the subject along the HCIC ditch with leased water (no water rights or ditch shares included in the listing), and provides support for the site area adjustments applied to the smaller comparable acreage sales and listing. Moreover, no adjustment was applied for the site area variance since the acreage size is relatively similar to the subject. This listing required a plus 30% adjustment for inferior improvements in comparison to the subject property. According to the listing agent, only a portion of the acreage is suitable for farming; thus, a plus 15% adjustment for inferior topography was applied. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property, and is given some consideration in the final reconciliation to value due to proximity along the HCIC Ditch and acreage size.

Competitive Listings Prior Transfer / Sales History:
Listing #1: 01/08/2008, $205,000
Listing #2: No prior sales within 36 months
Listing #3: 04/10/2008, $195,000

Listings #1 and #3 provide support for no decline in market conditions for large acreage properties in the region. Thus, no adjustment were applied to the older comparable sales for changes in market conditions. In addition, the prior sale of listing #3 included ditch shares that were sold to HCIC. Furthermore, this listing indicates a positive potential impact on property values as the HCIC ditch returns to it's former irrigating capacity decades ago.

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Zoning Description & Water Article

File No. 11-2193

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

ZONING USES A-1 (Agricultural District)

A use by right is any of the following uses, which are permitted upon issuance of a zoning permit by the County Zoning Administrator.

Agricultural custom contractor; Christmas tree sales (temp.); Church and religious buildings; Drilling company equipment yard; Equestrian arena, personal; Farming or ranching; Fruit and vegetable processing, wholesale and retail; Greenhouse and nursery; Guest house; Hay, grain, feed, seed and fertilizer - retail, storage and/or wholesale; Home, receiving (must possess a minimum of 5.0 acres of land, or a Special Use Permit is required) Housing, tenant; Mobile home; Ranch, guest; Recreation camps; Residence, 1-family; Residence, 2-family; Riding academy, stables; Roadside sale stand (retail agricultural products); Sawmill; Water distillation and bottling.

A use by review is any of the following uses, other than those uses which come within the purview of S17.140.010(F), which are permitted only upon issuance of a Special Use Permit by the Pueblo County Planning Commission.

Advertising device, off-premise (See Chapter 17.116); Agricultural implements, retail, wholesale, rental and service; Airplane beacon, marker or tower; Airport, private heliport, glider port; Asphalt (recycled), sale and storage; Associations, clubs and lodges; Athletic field, golf range, golf course; Atomic reactor and/or other scientific installation; Aviary; Bed and breakfast; Boat and RV storage; Broadcasting station, transmitter or tower; Carnival (temp.); Cemetery, crematory and/or mausoleum; Child care centers; Child care home (large); Cold storage lockers; Composting facility; Concrete (batch) plant; Contractor's yard; Emergency facility; Equestrian arena, commercial/club; Explosives, manufacture and wholesale; Farm products, processing, manufacture, storage and wholesale; Feed and fertilizer manufacture and processing; Game preserve, developed; Hide and tallow processing; Home for blind, disabled, elderly, elderly foster, maternity, nursing, religious; Hot mix (road) plant; Kennel, dog breeding and boarding; Livestock sales and auction; Lots, feed; Natural deposits, extraction and processing; Outdoor theater; Paintball field; Private school; Propane and butane, wholesale and retail service; Race track; Recreational vehicle park; Rental and service of construction equipment, retail and wholesale; Runway; Saddle and tack shop; Shooting range, outdoor; Solid waste disposal site and facility; Specialized group facilities; Utilities as outlined in Section 17.120.130; Veterinary hospital (use by right until TA 60, 4/17/84); Wholesale vending machine products; Wind turbine for residential uses.

Newswire Article:

Two Rivers Water Company Acquires Majority Interest in Huerfano-Cucharas Irrigation Company

DENVER, Feb. 3 /PRNewswire-FirstCall/ — Two Rivers Water Company (OTC Bulletin Board: TURV), through its 50% owned joint venture HCIC Holdings LLC, has completed the purchase of 55% of the outstanding shares of the Huerfano-Cucharas Irrigation Company ("HCIC") in Southern Colorado. Additionally, Two Rivers has entered into separate agreements to purchase an additional 35% interest to bring its total ownership of HCIC to 90% by April 2010.

"Acquisition of a majority interest in the Huerfano-Cucharas Irrigation Company gives Two Rivers the opportunity to now move forward in the repair of the Cucharas Dam and Reservoir, one of Colorado's largest on stream reservoirs," commented John McKowen, Chairman and CEO of Two Rivers. "The Cucharas Reservoir, when restored, has 55,000 acre feet of storage capacity, which can be rebuilt for less than $375 an acre foot, compared to a current cost of construction of over $3,000 an acre foot for other large capacity reservoirs."

Two Rivers has begun engineering plans and commenced discussions with the Colorado State Engineers Office necessary to hopefully complete the restoration of the dam by spring of 2011, in time for the late spring snow melt. By restoring the Cucharas Reservoir, Two Rivers can supply the farmers and communities of Huerfano and Pueblo Counties with a new large, dependable source of water supply and storage.

Two Rivers has also purchased approximately 1,000 acres and entered into agreements to purchase 3,500 additional acres of farmland. Two Rivers expects to purchase as much as 15,000 acres of farmland and reintroduce water on the land and restore the HCIC ditches to what was once a thriving high yield farming community. Two Rivers agreed to provide the current farmers on the HCIC ditch with long term water contracts to enable them to continue and expand their farming operations. Additional surplus of storage capacity exists once the Cucharas Reservoir is restored beyond the expanded farming needs projected by Two Rivers.

Two Rivers has begun discussions with various water agencies to explore possibilities whereby the excess capacity of the HCIC system can be developed and assist in covering the projected shortfalls in Colorado's water needs.

Formed in December 2002, Two Rivers is focused on acquiring and developing water resources in Colorado.

Source: Newswire Article @ www.redorbit.com

Zoning Description & Water Article

File No. 11-2193

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

Two Rivers Moves On Water Cases

By CHRIS WOODKA | cwoodka@chieftain.com | Posted: Thursday, January 5, 2012 12:00 am

Water court applications to move water up the Huerfano River and to change the use of water in Huerfano County were filed in late December by the Two Rivers Water Co.

Two Rivers, founded by Denver entrepreneur John McKowen and managed by Colorado Springs real estate broker Gary Barber, plans to bring irrigated farmland back into production in Southern Pueblo and Huerfano counties. It has a plan to restore Cucharas and Orlando reservoirs, but needs to exchange rights on the Huerfano River to initially fill them.

The company also wants to be able to offer water for domestic use in Huerfano County, where some developments and communities have run into groundwater replacement issues as they have grown.

“We have been talking to the Huerfano Conservancy District, but we don’t have any agreement yet,” Barber said.

Two Rivers has entered a five-year lease agreement with the Pueblo Board of Water Works in order to purchase 500 acre-feet of water annually beginning in April. The company will seek a substitute water supply plan from the state Division of Water Resources until it can obtain a court decree.

The application for an exchange right would allow Two Rivers to capture flood flows in Cucharas Reservoir, while making releases to the Arkansas River to cover depletions.

“About 20,000 acre-feet of water passed through Cucharas Reservoir last year,” Barber said.

Two Rivers' plans call for creating about 38,000 acre-feet of storage in Cucharas and Orlando reservoirs. The company owns about 4,700 acres of land in ditch systems fed by the reservoirs, including the Huerfano-Cucharas Ditch. This year, about one-third of that will be planted as the company ramps up to full production, Barber said.

In a separate change-of-use application in water court, Two Rivers wants to dry up about 150 irrigated acres on the Robert Rice Ditch, but would change the use of the water only so it could be used in Huerfano County. Two Rivers purchased the ditch, which has a water right dating back to 1867, making it fairly senior.

Under the purchase agreement, as much as 130 acre-feet could be made available to serve future developments in Huerfano County. The water also could be used to augment existing wells in communities such as Gardner, Barber said.

“It’s not speculation, since we do have an agreement with the seller, but we did not file for the augmentation of any specific wells,” Barber said.

Source: www.chieftain.com

Assumptions, Limiting Conditions & Scope of Work

File No.: 11-2193

Property Address:	42911 Undercliff Rd	City: Boone	State: CO	Zip Code: 81022	
Client:	Two Rivers Water Company	Address:	2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222		
Appraiser:	John M. Andersen	Address:	40 S Villa Del Sol Ct, Pueblo West, CO 81007		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Scope of Work: The scope of work includes a physical inspection of the subject property and comparable sales and/or listings. A review of court house data pertaining to the subject property and comparable sales and/or listings. A review of any pending listings or prior sales of the subject property and comparable sales. I have also collected sales and listing data from the multiple listing service, Realtors, property managers, developers, peer appraisers, and other sources of information. The sources of information are considered to be reliable sources, and I have not knowingly omitted any pertinent information from this appraisal report. After the appropriate data are collected, the data are verified, analyzed and reconciled. However, it is imperative to understand that the water rights and/or irrigation rights have not been valued separately. The irrigated aspect of the subject property is similar to that of the comparable sales analyzed in this report. Thus, no adjustment consideration nor value conclusions have been developed pertaining to individual water and/or irrigation rights. Moreover, the irrigated water delivery rights are typically necessary for the operation of a hobby ranch (hobby farm), and are assumed to be attached to the subject acreage as discussed below. Due to the availability of similar irrigated acreage comparable sales, and as agreed upon in advance by myself and the client, neither the Income Approach nor the Cost Approach have been developed in this Summary Appraisal Report. Additional information is retained in the appraisal work file.

Hypothetical Conditions / Extraordinary Assumptions: None.

The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). No irrigating ditch shares and/or water rights are included in the valuation. I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Perpetual irrigation water delivery to the subject acreage is a reasonable assumption, and the irrigation aspect of the subject property has a positive impact on site value.

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Certifications & Definitions

File No.: 11-2193

Property Address: 42911 Undercliff Rd City: Boone State: CO Zip Code: 81022
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: 40 S Villa Del Sol Ct, Pueblo West, CO 81007

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:
— The statements of fact contained in this report are true and correct.
— The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
— My engagement in this assignment was not contingent upon developing or reporting predetermined results.
— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
— I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.
— I have not provided any services, as an appraiser or in any other capacity, with respect to the subject property of this appraisal report within the previous 36 months immediately preceding the acceptance of this appraisal assignment.

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

***** This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company
E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen
Company: Andersen Appraisals
Phone: (719) 568-4113 Fax: (719) 547-8536
E-Mail: andappraisals@aol.com
Date Report Signed: 01/05/2012
License or Certification #: CG40019884 State: CO
Designation: Certified General Appraiser
Expiration Date of License or Certification: 12/31/2014
Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)
Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:
Company:
Phone: Fax:
E-Mail:
Date Report Signed:
License or Certification #: State:
Designation:
Expiration Date of License or Certification:
Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect
Date of Inspection:

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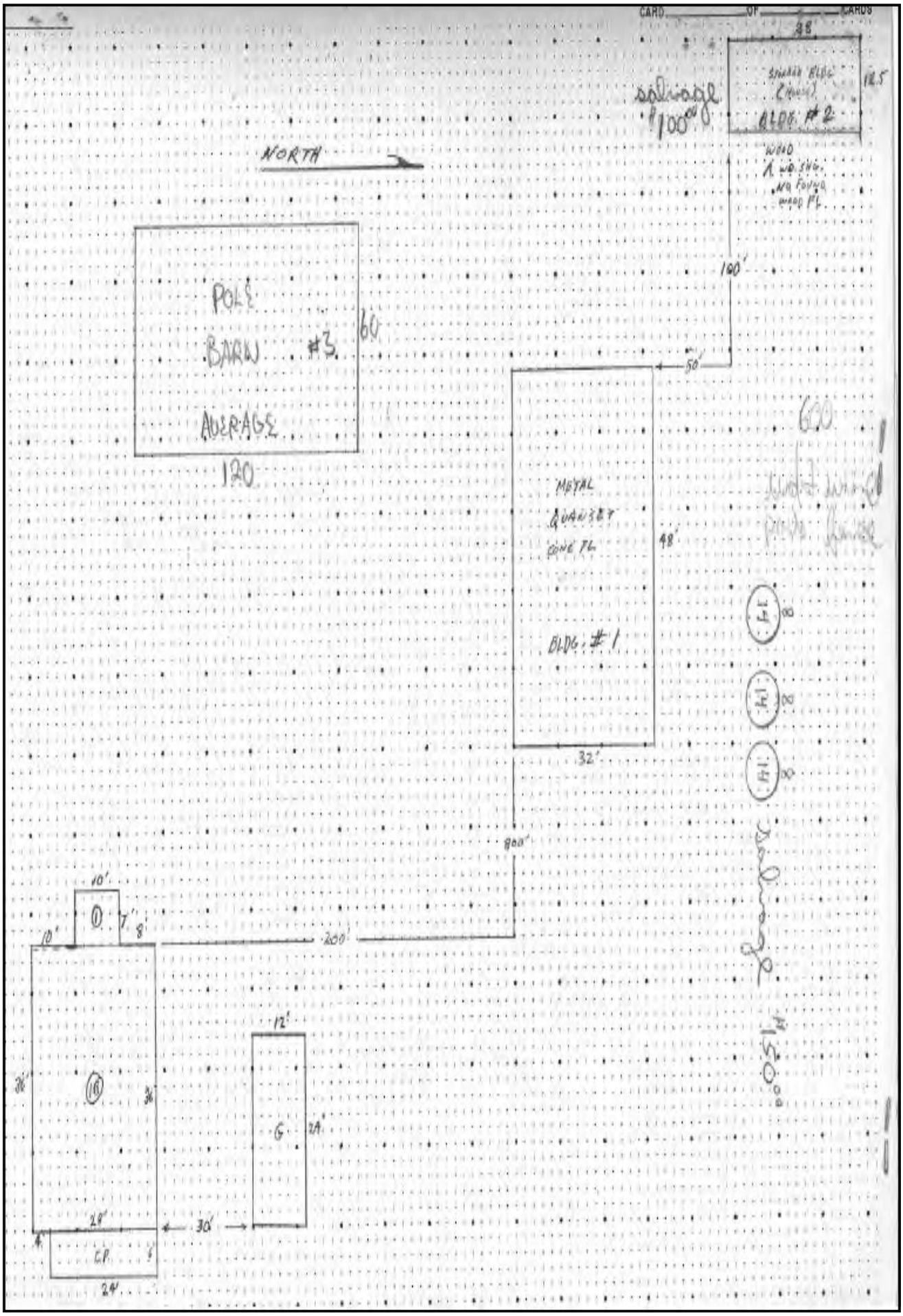
Assessor Building Sketch

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Subject Photos

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

North Boundary

East Boundary

East Boundary

Property Entry Drive

Subject Site / Street

Subject Street

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	42911 Undercliff Rd				
City	Boone	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Comparable 1

6265 Huerfano Rd

Prox. to Subject	3.21 miles S
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	340 Acres
Quality	
Age	

Comparable 2

17961 County Road T

Prox. to Subject	56.39 miles NE
Sale Price	485,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Punkin Center
View	
Site	320 Acres
Quality	
Age	
Comment	MLS photo due to distance.

Comparable 3

1696 US Highway 96

Prox. to Subject	19.37 miles E
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Fowler
View	
Site	289 Acres
Quality	
Age	

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	42911 Undercliff Rd				
City	Boone	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Comparable 4

1498 36th Ln

Prox. to Subject	9.21 miles NW
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	St Charles Mesa
View	
Site	79.32 Acres
Quality	
Age	

Comparable 5

7081 S Interstate 25

Prox. to Subject	19.78 miles W
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Hatchet Ranch
View	
Site	438.49 Acres
Quality	
Age	

Comparable 6

5182 40th Ln

Prox. to Subject	1.51 miles W
Sale Price	232,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	360 Acres
Quality	
Age	

Listing Photo Page

Borrower	Two Rivers Water Company				
Property Address	42911 Undercliff Rd				
City	Boone	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Listing 1

TBD 56th Ln

Proximity to Subject	9.86 miles NE
List Price	260,000
Days on Market	192 days
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Age	

Listing 2

2547 58th Ln

Proximity to Subject	9.45 miles NE
List Price	699,000
Days on Market	98 days
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Age	

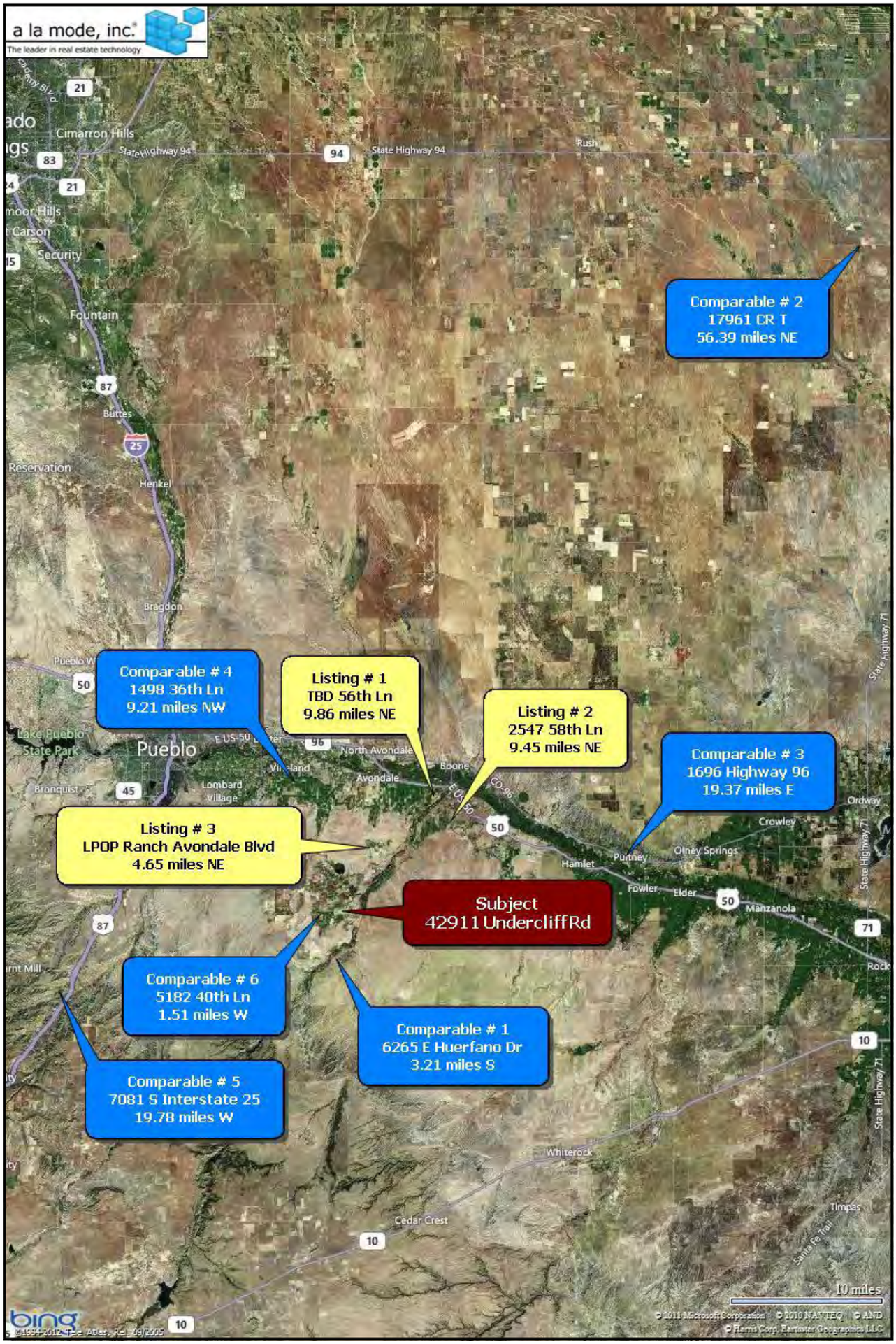
Listing 3

LPOP Ranch Avondale Blvd

Proximity to Subject	4.65 miles NE
List Price	400,000
Days on Market	107 days
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Age	

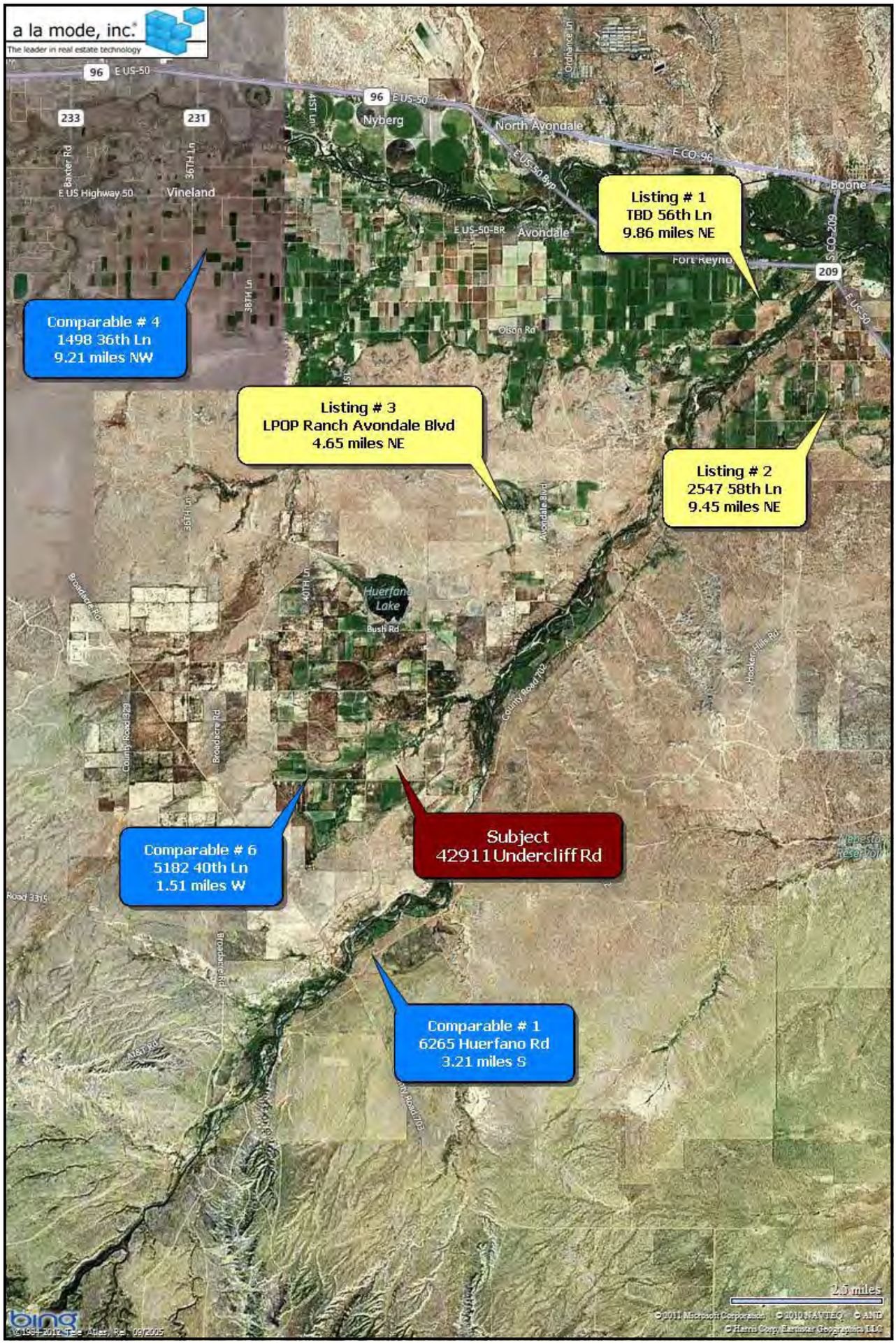
Comparable Location Map

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



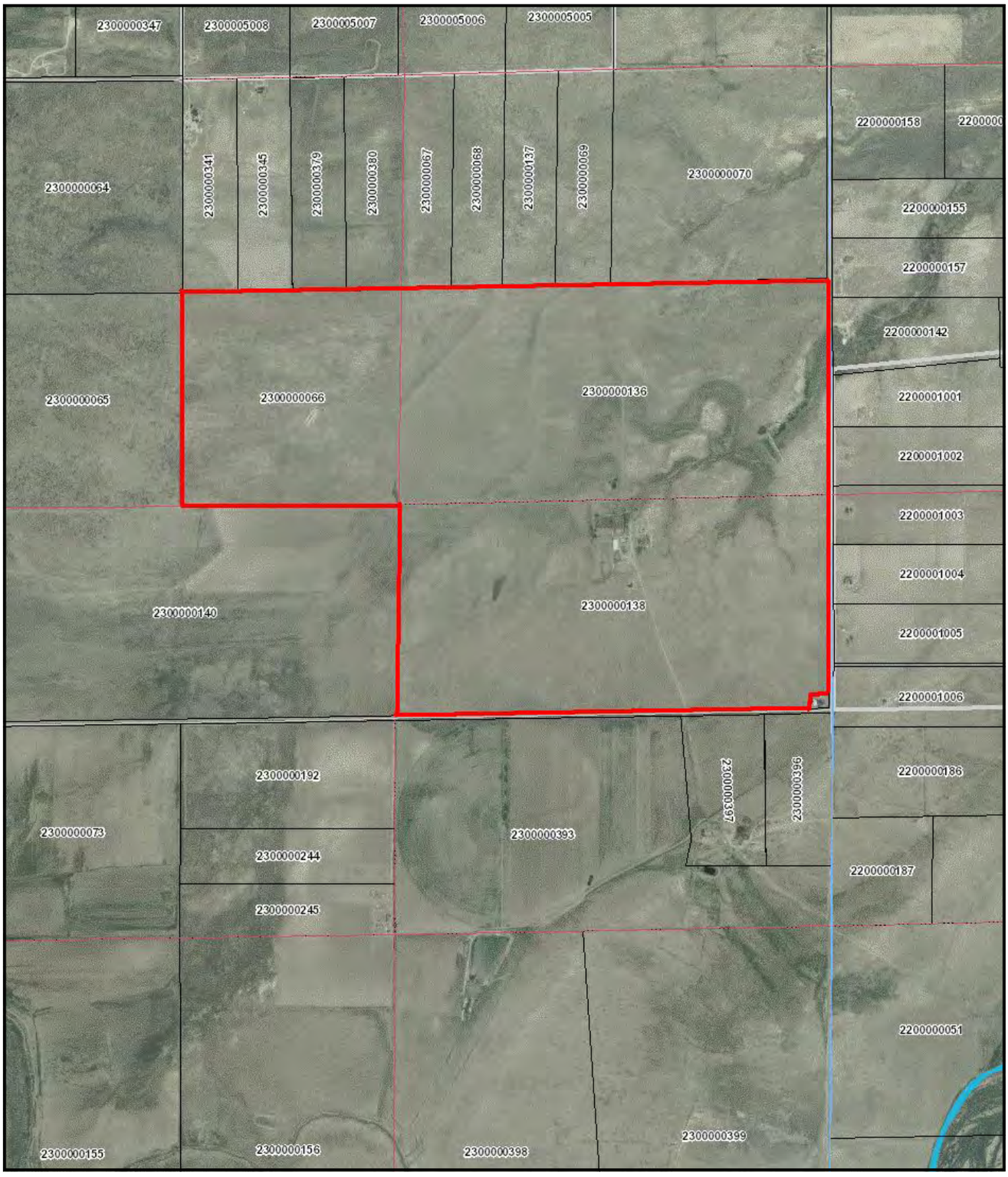
Vicinity Location Map

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



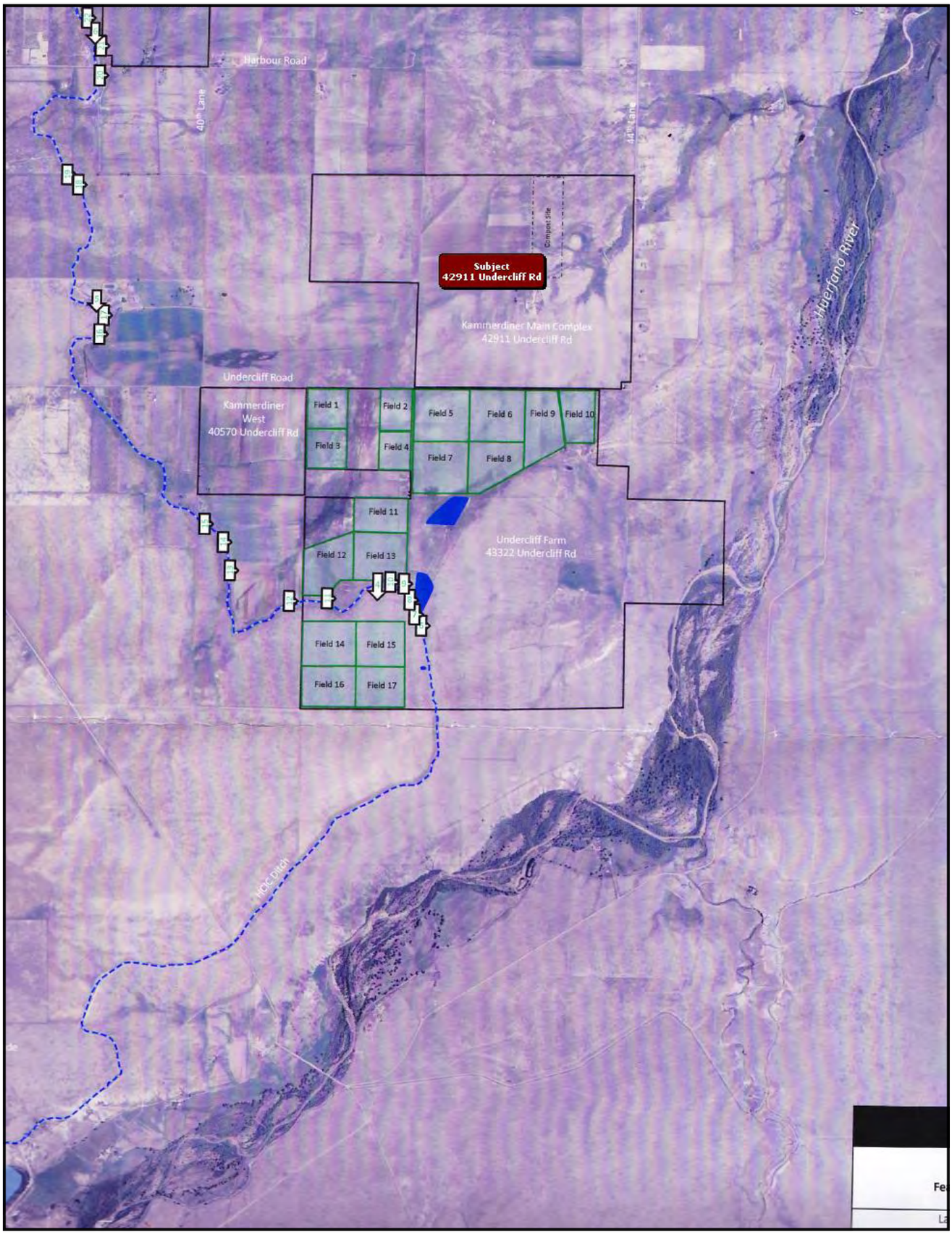
Site Map

Borrower	Two Rivers Water Company				
Property Address	42911 Undercliff Rd				
City	Boone	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				



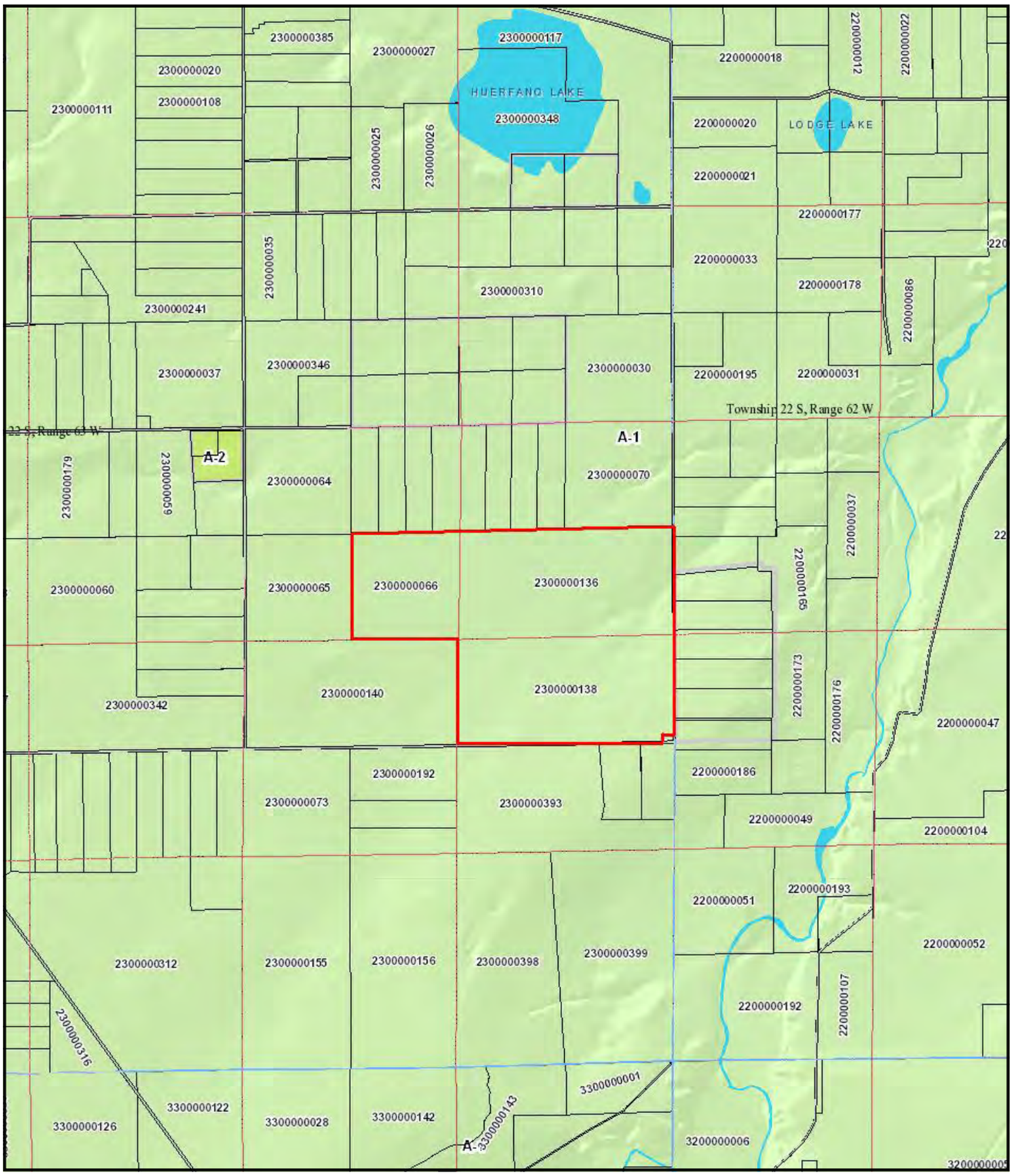
Subject Overhead Imagery

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



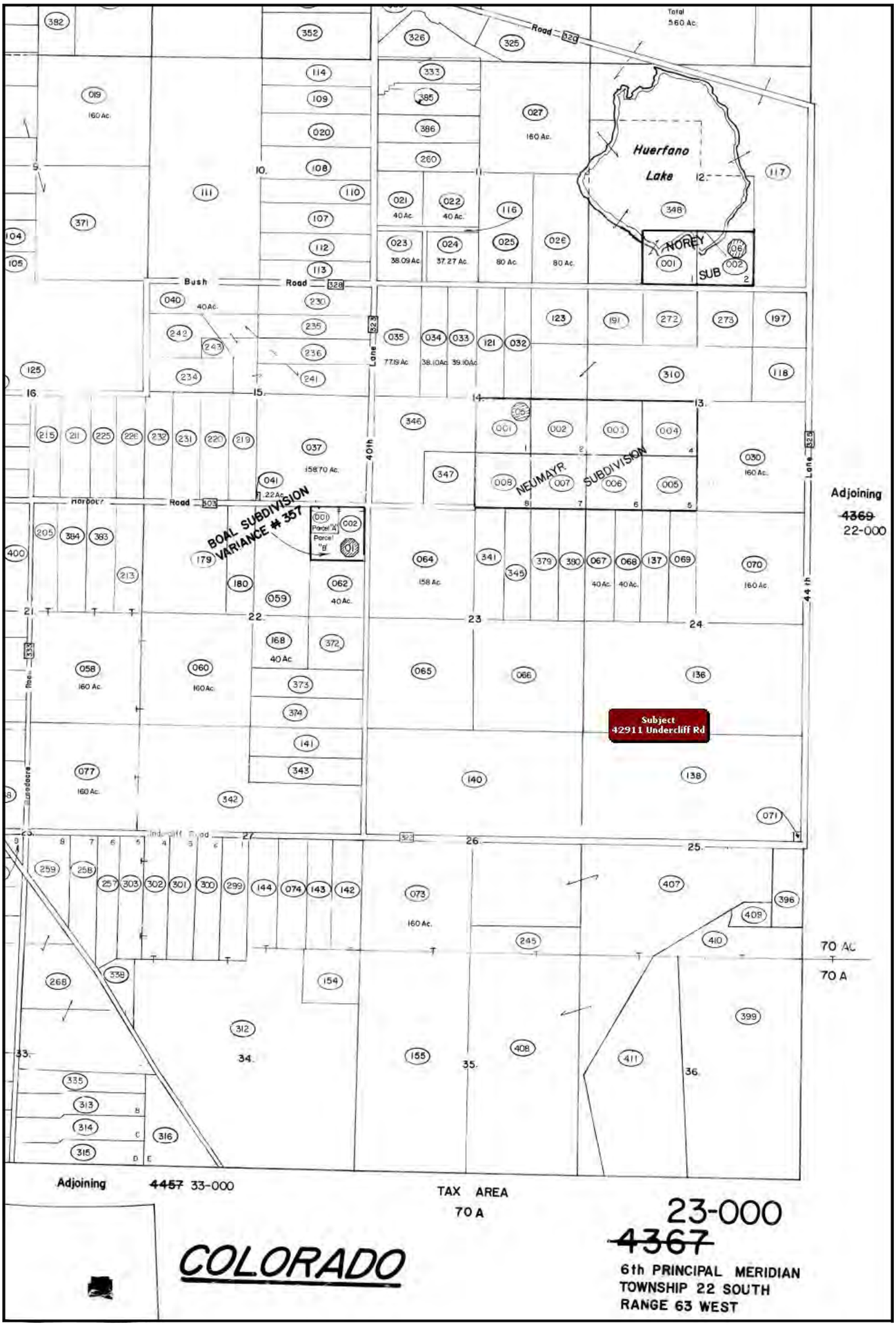
Zoning Map

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



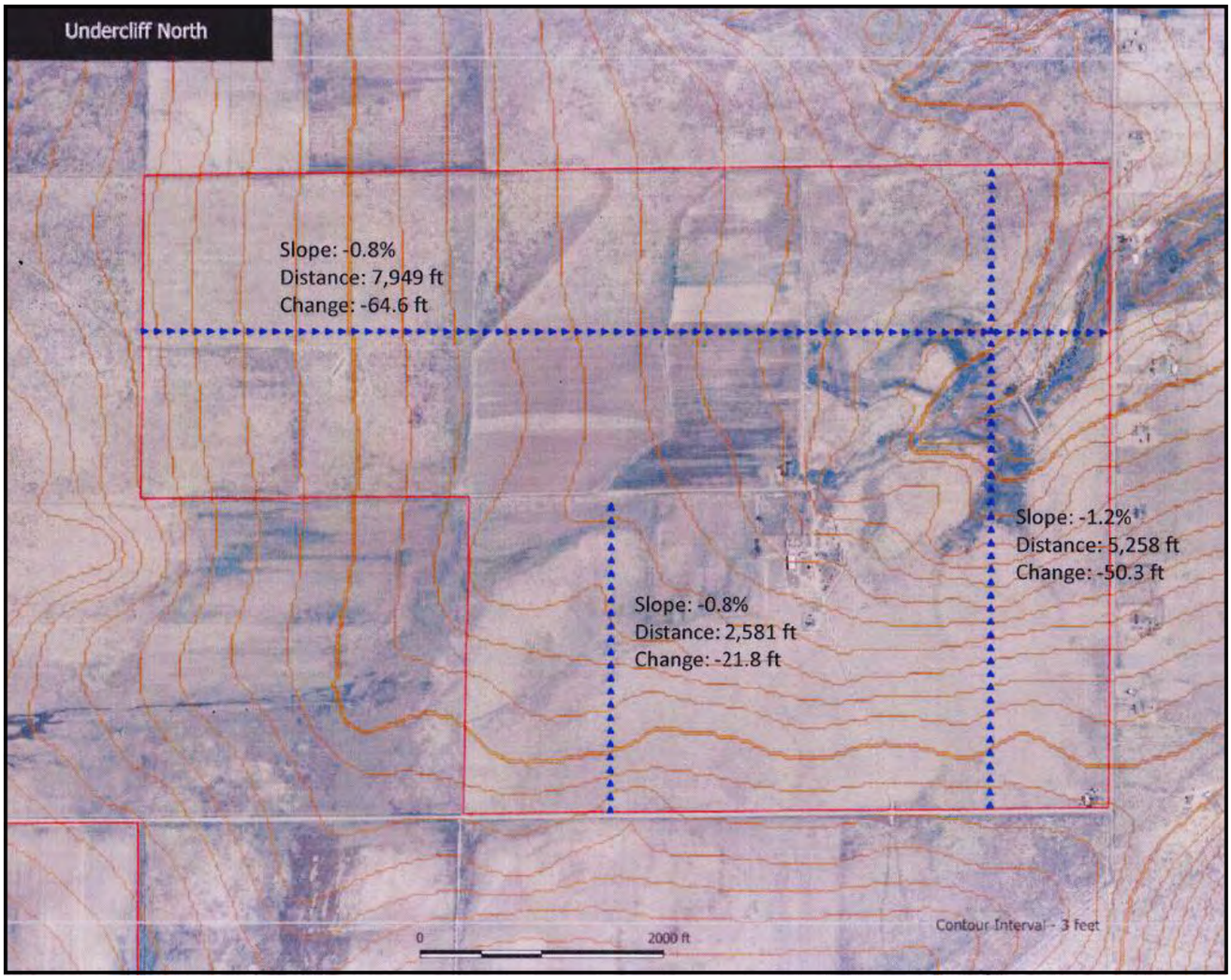
Plat Map

Borrower	Two Rivers Water Company				
Property Address	42911 Undercliff Rd				
City	Boone	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				



Drainage Map

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



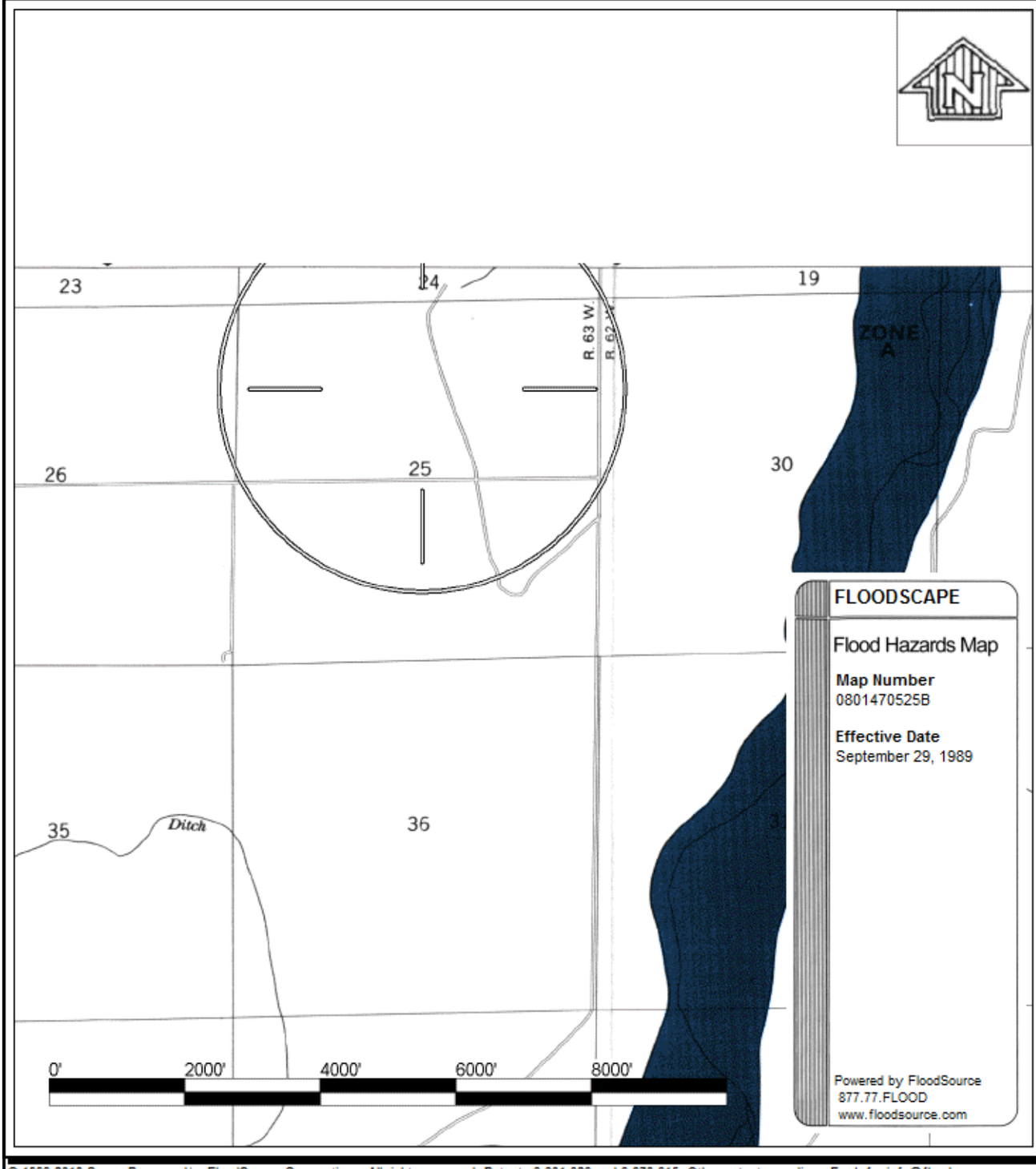
Flood Map

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

InterFlood by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
Andersen Appraisal, LLC

42911 Undercliff Rd
Boone, CO 81022



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Resume

File No. 11-2193

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

John M. Andersen

Certified General Appraiser

www.AndersenAppraisals.com

♦♦♦

◆ QUALIFICATIONS & ORGANIZATIONS

The highest standards of professionalism and integrity are attributes that have been revered throughout my life. Commitment to these ethics has led me on many rewarding ventures in military experiences and personal business endeavors. Over the past several years, I have developed strong skills required for competent analysis of complex real estate valuations.

1986-Present — *Real Estate Appraiser, Business Manager, Property Manager, Consultant, Expert Valuation Witness, Skydiving Instructor*

1997-2001 — *Board of Directors, Frontier Pathways Scenic & Historic Byway*

1996-1999 — *President, Greenhorn Valley Chamber of Commerce*
Vice-president, Greenhorn Valley Chamber of Commerce

◆ WORK HISTORY

2009-Present — *Certified General Appraiser, Andersen Appraisals, Pueblo West, Colorado*

2009-Present — *Certified General Appraiser, ALWVCS, Inc., Pueblo, Colorado*

2001-2009 — *Certified Real Estate Appraiser, Clyde Laut & Associates - Pueblo, Colorado*
Residential & Commercial Appraiser covering a multiple county region in Southeastern Colorado. Obtained higher levels of appraisal experience.

2001-2008 — *Skydiving Instructor, Skydive the Rockies!! Fremont County Airport*
First Jump Course, Accelerated Freefall, & Instructor Assisted Deployment

1999-2001 — *Residential Appraiser, Grantham Appraisal Service - Cañon City, Colorado*
Registered Appraiser (Apprentice Level). Accumulation of required appraisal hours for state license. Appraisal assignments were reviewed by Gary W. Grantham, Certified General Appraiser.

1996-2004 — *Property Manager / Development Consultant - Ewing Ranch, Colorado City*
Consultant for development of master plan, property leases, etc.

1994-1999 — *Owner / Operator, Pizza Stop & Subs - Colorado City*
Day to day restaurant operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1986-1993 — *Owner / Operator, Releford's Flowers & Greenhouse - Pueblo, Colorado*
Day to day business operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1984-1990 — *SSG (E-6), Colorado National Guard Special Forces (Airborne)*
CPL (E-4), US Army Special Forces / Military Freefall (HALO)

◆ EDUCATION

2006-2011 — *Certified General Appraiser Courses, Sales Comparison Valuation of Small, Mixed-Use Properties, Income Property Capitalization, Highest & Best Use Analysis, Market & Marketability Analysis, National Uniform Standards of Professional Appraisal Practice, USPAP 7 Hour Update Courses, FHA Appraisal Report Writing Seminar, Loss Prevention Seminar, UAD (Uniform Appraisal Dataset) Report Writing Seminar, Multiple Regression Analysis Seminar*

2003-2005 — *Certified Residential Appraiser Course, Complex Properties, Appraisal Review, Narrative Report Writing, Basic Income Capitalization, Uniform Standards of Professional Appraisal Practice (7 Hour Update), Appraisal Review & Reporting, Factory-Built Housing, FHA Appraising Today, FHA Exam Preparation Course, FHA Lead Based Paint Inspector Course, Developing & Growing An Appraisal Practice*

1999-2001 — *Uniform Standards of Professional Appraisal Practice,*
Registered & Licensed Appraiser Courses (Real Estate Training Center)

1986-1990 — *Business Administration, University of Southern Colorado*

1983-1985 — *High School Graduate / US Army Special Forces Qualification Course / Airborne School / Military Freefall School*

Resume

File No. 11-2193

Borrower	Two Rivers Water Company						
Property Address	42911 Undercliff Rd						
City	Boone	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

◆ APPRAISAL LICENSES & CERTIFICATES

11/20/2008 *Certified General Appraiser #CG40019884*

11/24/2007 *Colorado State Certified General Appraiser Examination*

08/15/2005 *Certified Residential Appraiser #CR40019884*

12/02/2004 *Colorado State Certified Residential Appraiser Examination*

02/09/2004 *FHA Appraisal Examination / Roster #COCG40019884*

08/12/2001 *Licensed Appraiser #AL40019884*

07/12/2000 *Registered Appraiser #AR40019884*

06/14/2000 *Colorado State Licensed Appraisal Examination*

06/12/2000 *Completion of Colorado Real Estate Commission Approved Course*

◆ CLIENT LIST

An extensive list of lenders, contractors, attorneys and individuals for conventional appraisal reports, proposed construction appraisals, employee relocation, dissolution of marriage, REO (foreclosure), review appraisals, etc., completed through Grantham Appraisal Service, Andersen Appraisal Service, & Clyde Laut & Associates, Inc. To name a few: HUD (FHA Certified Appraiser), Fannie Mae, Pueblo Bank & Trust, Elk Valley Construction, Vectra Bank Colorado, Premier Mortgage, Canon National Bank, Chase Manhattan, Cendant Mobility, First National Bank Colorado, Colorado State Employee's Credit Union, Wells Fargo Bank, Royal Gorge Lending, US Bank, Zions Bank, Fremont National Bank, Frontier Bank, Canon National Bank, Colorado East Bank & Trust, Pueblo Bank & Trust

◆ REFERENCES

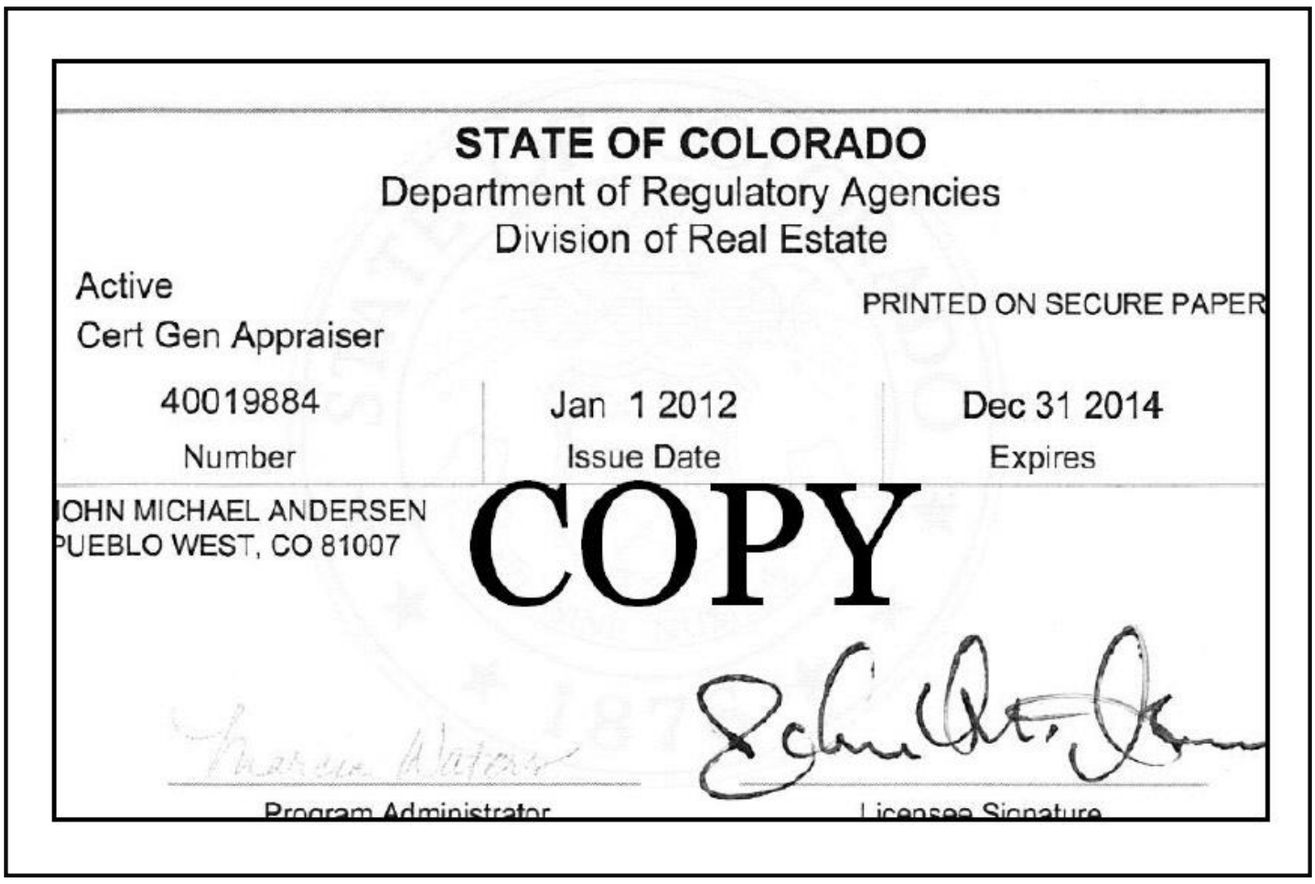
Gary Grantham, Cert. Gen. Appraiser, Grantham Appraisals, Cañon City
Phone: **719-275-7705**
Senator Kevin Grantham, Cert. Gen. Appraiser, Grantham Appraisals
Phone: **719-275-7705**
John Thompson, Vice President, First National Bank of Pueblo
Phone: **719-544-2265**
Mark Dunsmoor, President, Colorado East Bank & Trust, Pueblo
Phone: **719-584-2000**
Jeannie Sandidge, Loan Review Officer, Canon National Bank, Pueblo
Phone: **719-544-5548**
Chris Turner, Attorney, Koncilja & Koncilja, Pueblo
Phone: **719-250-2806**
Alan Williams, Certified General Appraiser, ALWVCS, Inc, Pueblo
Phone: **719-543-3323**

◆ CONTACT INFORMATION

Andersen Appraisals, LLC
John M. Andersen
Certified General Appraiser
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Office: 719-547-8536
Mobile: 719-568-4113
Email: andappraisals@aol.com
www.AndersenAppraisals.com

Copy of State License

Borrower	Two Rivers Water Company				
Property Address	42911 Undercliff Rd				
City	Boone	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				



STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

PRINTED ON SECURE PAPER

40019884	Jan 1 2012	Dec 31 2014
Number	Issue Date	Expires

JOHN MICHAEL ANDERSEN
PUEBLO WEST, CO 81007

COPY

Program Administrator

Licensee Signature

FROM:

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Email: Andappraisals@aol.com
Telephone Number: 719-568-4113 **Fax Number:** 719-547-8536

TO:

Wayne Harding
Two Rivers Water Company
2000 S Colorado Blvd, Annex Bldg Suite 200
Denver, CO 80222

Telephone Number: (303) 222-1032 **Fax Number:** (303) 222-1012
Alternate Number: **E-Mail:** wharding@2riverswater.com

INVOICE

INVOICE NUMBER
11-2192
DATE
01/05/2012
Effective Date: 12/21/2011

REFERENCE

Internal Order #: 11-2192
Lender Case #:
Client File #:
Main File # on form: 11-2192
Other File # on form:
Federal Tax ID: 45-2478846
Employer ID:

DESCRIPTION

Lender: Colorado Water Conservation Board **Client:** Two Rivers Water Company
Purchaser/Borrower: Two Rivers Water Company
Property Address: TBD Avondale Blvd
City: Avondale
County: Pueblo **State:** CO **Zip:** 81022
Legal Description: LOTS 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + 33-21-62 SE4 LESS POR SOLD IN WD #1213993 TO

FEES	AMOUNT
Summary Appraisal Report	400.00
SUBTOTAL	400.00

PAYMENTS			AMOUNT
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
Check #:	**Date:**	**Description:**	
		SUBTOTAL	
Due Upon Receipt...Thanks!		**TOTAL DUE**	**$** 400.00

ANDERSEN APPRAISALS

SUMMARY APPRAISAL REPORT

Property Location:	TBD Avondale Blvd LOTS 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + Avondale, CO 81022
Borrower:	Two Rivers Water Company
Client:	Colorado Water Conservation Board 1313 Sherman St, Room 721 Denver, CO 80203
Effective Date:	12/21/2011
Prepared By:	John M. Andersen Certified General Appraiser #CG40019884

Andersen Appraisals
40 S Villa Del Sol Ct
Pueblo West, CO 81007

Summary Appraisal Report

File # 11-2192

APPRAISAL OF REAL PROPERTY

LOCATED AT

TBD Avondale Blvd
Avondale, CO 81022
S 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + 33-21-62 SE4 LESS POR SOLD IN WD #1213993 TO C

ADDITIONAL INTENDED USER

Colorado Water Conservation Board
1313 Sherman St, Room 721
Denver, CO 80203

OPINION OF MARKET VALUE

123,000

EFFECTIVE DATE

12/21/2011

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2192

SUBJECT

Property Address: TBD Avondale Blvd City: Avondale State: CO Zip Code: 81022
County: Pueblo Legal Description: LOTS 2 - 4 SEC 4-22-62 LESS LOT 4 BY WD #1519965 TO HALL + 33-21-62 SE4 LESS POR SOLD IN WD #1213993 TO COOK
Assessor's Parcel #: 22-000-00-189 & 12-000-00-188 Tax Year: 2010 R.E. Taxes: $ 966.70 Special Assessments: $ 0
Market Area Name: Avondale / Boone Map Reference: 39380 Census Tract: 0032.00
Current Owner of Record: HCIC Holdings LLC Borrower (if applicable): Two Rivers Water Company
Project Type (if applicable): ☐ PUD ☐ De Minimis PUD ☐ Other (describe) HOA: $ 0 ☐ per year ☐ per month
Are there any existing improvements to the property? ☒ No ☐ Yes If Yes, indicate current occupancy: ☐ Owner ☐ Tenant ☐ Vacant ☐ Not habitable
If Yes, give a brief description: No irrigation shares or water rights are included in the valuation of this report.

ASSIGNMENT

The purpose of this appraisal is to develop an opinion of: ☒ Market Value (as defined), or ☐ other type of value (describe)
This report reflects the following value (if not Current, see comments): ☒ Current (the Inspection Date is the Effective Date) ☐ Retrospective ☐ Prospective
Property Rights Appraised: ☒ Fee Simple ☐ Leasehold ☐ Leased Fee ☐ Other (describe)
Intended Use: Assistance In Decision Process For Loan Underwriting, Internal Decision Making and/or Loan Portfolio Management.
Intended User(s) (by name or type): The clients, Two Rivers Water Company & Colorado Water Conservation Board, and their successors and/or assigns.
Client: Two Rivers Water Company Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007

MARKET AREA DESCRIPTION

Characteristics			
Location:	☐ Urban	☐ Suburban	☒ Rural
Built up:	☐ Over 75%	☐ 25-75%	☒ Under 25%
Growth rate:	☐ Rapid	☐ Stable	☒ Slow
Property values:	☐ Increasing	☒ Stable	☐ Declining
Demand/supply:	☐ Shortage	☒ In Balance	☐ Over Supply
Marketing time:	☐ Under 3 Mos.	☐ 3-6 Mos.	☒ Over 6 Mos.

Predominant Occupancy
☒ Owner
☐ Tenant
☐ Vacant (0-5%)
☒ Vacant (>5%)

One-Unit Housing	PRICE $(000)		AGE (yrs)
	50	Low	02
	450+	High	110
	150	Pred	25

Present Land Use	
One-Unit	05 %
2-4 Unit	%
Multi-Unit	%
Comm'l	%
Vacant	95 %
	%

Change in Land Use
☒ Not Likely
☐ Likely * ☐ In Process *
* To: NA

Factors Affecting Marketability

Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	☐	☒	☐	☐	☐	Adequacy of Utilities	☐	☒	☐	☐	☐
Convenience to Employment	☐	☒	☐	☐	☐	Property Compatibility	☐	☒	☐	☐	☐
Convenience to Shopping	☐	☒	☐	☐	☐	Protection from Detrimental Conditions	☐	☒	☐	☐	☐
Convenience to Schools	☐	☒	☐	☐	☐	Police and Fire Protection	☐	☒	☐	☐	☐
Adequacy of Public Transportation	☐	☒	☐	☐	☐	General Appearance of Properties	☐	☒	☐	☐	☐
Recreational Facilities	☐	☒	☐	☐	☐	Appeal to Market	☐	☒	☐	☐	☐

Market Area Comments: The boundaries of the neighborhood are the outlying rural areas situated east of Pueblo Highway 50. The neighborhood is composed primarily of scattered homes on 5.0 to 35+ acre parcels of land. I am unaware of any adverse neighborhood influences. Per the Pueblo Association of Realtors MLS, typical marketing time for vacant land in the area is estimated to be 128 days, the median sales price is $130,000 (all larger acreage sales east of Pueblo to La Junta), and the median list to sale price ratio is approximately 89.6%. Thus, the marketing time for the subject property is estimated to be 9-12 months if listed realistically with an active broker. In addition, the estimated exposure period is 9-12 months which is presumed to precede the effective date of the appraisal report. Furthermore, the local market appears to be relatively stable at this time; however, large acreage sales are extremely limited due to the lack of market activity over the past two years. Statistics for single family dwellings on 5+ acres availible for the market area for the prior two years indicate a median sales price of $153,000, a median list to sale price ratio of 92.6%, a median price per square foot of $85.33, and a median market time of 163 days. Furthermore, the single family dwelling market has stabilized this past year from a significant decline in the prior few years. In addition, there are currently an in balance of homes available in market place at this time; however, marketing times are somewhat extended.

SITE DESCRIPTION

Dimensions: Refer to plat maps (three contiguous parcels - survey not provided) Site Area: 205.3 Acres
Zoning Classification: A-1 Description: Agricultural District - 35 Acre Minimum
Do present improvements comply with existing zoning requirements? ☒ Yes ☐ No ☐ No Improvements
Uses allowed under current zoning: Refer to the attached zoning description for uses by right and uses by review.
Are CC&Rs applicable? ☐ Yes ☒ No ☐ Unknown Have the documents been reviewed? ☐ Yes ☐ No Ground Rent (if applicable) $ 0/
Comments:
Highest & Best Use as improved: ☒ Present use, or ☐ Other use (explain) Due to the extreme lack of demand in the market place, the Highest & Best Use of the subject property at this time is the continued ranch / farm use. Subdivision is not feasible due to the extreme lack of demand.
Actual Use as of Effective Date: Agricultural Use (Ranch / Farm) Use as appraised in this report: Agricultural Use (Ranch / Farm)
Summary of Highest & Best Use: Continued Agricultural Use (subdivision development is not feasible due to the lack of demand). The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property.

Utilities	Public	Other	Provider/Description
Electricity	☐	☐	Available
Gas	☐	☐	Liquid Propane (Avail)
Water	☐	☐	Well Available
Sanitary Sewer	☐	☐	Septic System (Avail)
Storm Sewer	☐	☐	
Telephone	☐	☐	
Multimedia	☐	☐	

Off-site Improvements	Type	Public	Private
Street	Undercliff Road	☒	☐
Width	Typical		
Surface	Gravel		
Curb/Gutter	None	☐	☐
Sidewalk	None	☐	☐
Street Lights	None	☐	☐
Alley	None	☐	☐

Frontage	Typical (Large Acreage Parcels)
Topography	Slightly Sloping
Size	Large Acreage Site (2 Parcels)
Shape	Refer To The Enclosed Maps
Drainage	Appears Adequate
View	Average
Access	Typical
Additional	Irrigation Available

Other site elements: ☐ Inside Lot ☐ Corner Lot ☐ Cul de Sac ☐ Underground Utilities ☒ Other (describe) Large Acreage Property
FEMA Spec'l Flood Hazard Area ☐ Yes ☒ No FEMA Flood Zone X FEMA Map # 0801470400B FEMA Map Date 09/29/1989
Site Comments: I did not observe any unfavorable easements, encroachments or adverse site conditions the date of the field inspection. A copy of the assessor's overhead GIS plat imagery and additional mappings are included with this report. The utilities mentioned above are common and available in the area. The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). However, no irrigating ditch shares and/or water rights are included in the valuation. In addition, I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Refer to the enclosed photographs, maps and attachments which are integral parts of this Summary Appraisal Report.

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LAND APPRAISAL SUMMARY REPORT

File No.: 11-2192

TRANSFER HISTORY

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): Court House Records; Owner

1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: The prior sale of the subject property included two contiguous parcels containing approximately 205.3 acres, and was acquired at an extreme above market premium to "buy out" the senior share holder (not an arms length transaction). The subject property was not known to be exposed to the open market. Any previous sales of the subject property and/or comparable sales have no affect on the current opinion of market value. The subject property has not been listed for sale since acquired, or known to be under contract. Two contiguous parcels of land included in valuation (irrigation shares not valued).
Date: 09/17/2009	
Price: $600,000	
Source(s): Crt Hse; Owner; Contract	
2nd Prior Subject Sale/Transfer	
Date: None	
Price: None	
Source(s): Court House	Refer to the following page for the comparable sales transfer history.

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	TBD Avondale Blvd Avondale, CO 81022	6265 Huerfano Rd Avondale, CO 81022		17961 County Road T Rush, CO 80833		1696 US Highway 96 Fowler, CO 81039	
Proximity to Subject		8.26 miles SW		51.09 miles NE		15.89 miles E	
Sale Price	$		$ 400,000		$ 485,000		$ 200,000
Price/ Acre	$	$ 1,176.47		$ 1,515.63		$ 692.04	
Data Source(s)	Court House / Owner	PARMLS#106678; DOM 475		PARMLS#117062; DOM 1183		PARMLS#125255; DOM 586	
Verification Source(s)	Inspection	Exterior Inspection; Assessor; Clerk		Agent; Court House		Exterior Inspection; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Conv; 0		1031Exchange; 0	
Date of Sale/Time	N/A	s06/09/2008	0	s08/02/2011	0	s03/04/2011	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone	0	Punkin Center	0	Fowler	
Site Area (in Acres)	205.3 Acres	340 Acres	+5	320 Acres	+5	289 Acres	+5
Irrigation	HCIC Ditch Available	HCIC Ditch Available		Rights+Augmentation	-25	Adj. Wells (Partial)	0
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	None	LgDwelling/Outbldgs	-45	Dwlg/OBs/4PivSystm	-45	Outbuilding	-20
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+10
Additional Consideration	Farm / Ranch	Hobby Farm/Ranch	0	Farm / Ranch		Hobby Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -588.24	☐ + ☒ −	$ -985.16	☐ + ☒ −	$ -34.60
Net Adjustment (Total, in % of $ / Acre)		Net 50.0 %	(-50 % of $/Acre)	Net 65.0 %	(-65 % of $/Acre)	Net 5.0 %	(-5 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 60.0 %	$ 588.23	Gross 75.0 %	$ 530.47	Gross 35.0 %	$ 657.44

Summary of Sales Comparison Approach: It is imperative to understand that comparable acreage sales similar to the subject property are extremely limited at this time. Consequently, some less than ideal comparable sales were analyzed that required larger than desired adjustments and/or are located many miles from the subject property. However, the nine comparable properties utilized in this appraisal report share many similarities to the subject property, and they provide support for a credible value range conclusion. Comparable sale #1 includes superior improvements (dwelling and outbuildings) in comparison to the subject. In addition, this property is bisected by the Huerfano River which warrants further consideration for premium river bottom frontage. Comparable sale #2 includes irrigating water rights with augmentation, and four pivot systems. Comparable sale #3 required the appropriate adjustments for inferior improvements and topography. The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. The adjustments essentially consider the appropriate percentage variances of price per acre paid between the comparable sales and subject property. Additional information is retained in the work file.

PUD

PROJECT INFORMATION FOR PUDs (if applicable) ☐ The Subject is part of a Planned Unit Development.

Legal Name of Project:

Describe common elements and recreational facilities:

Refer to the additional comparable properties on the following pages for further support of the opinion of market value.

RECONCILIATION

Indicated Value by: Sales Comparison Approach $ 123,200 **or $** 600 **per Acre**

Final Reconciliation: The subject property has an adjusted value range from $530 to $657 per acre which has been resolved to $600 per acre as applicable to the subject acreage. Comparable sales #1 and #6 are most comparable to the subject property and given most weight due to location.

This appraisal is made ☒ "as is", or ☐ subject to the following conditions: The Indicated Value by Sales Comparison Approach shown above has been rounded to $123,000 as the final opinion of market value applicable to the subject property. The Cost Approach and the Income Approach to value have not been developed in this report as agreed upon by myself and the client.

☐ This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.

Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: $ 123,000 , as of: 12/21/2011 , which is the effective date of this appraisal.

If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

ATTACH.

A true and complete copy of this report contains 24 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

☒ Scope of Work ☒ Limiting Cond./Certifications ☐ Narrative Addendum ☒ Location Map(s) ☒ Flood Map Addendum ☒ Additional Sales & Listings ☒ Photo Addenda ☒ Parcel Maps ☐ Hypothetical Conditions ☐ Extraordinary Assumptions ☐ DCF Analysis

SIGNATURES

Client Contact: Wayne Harding Client Name: Two Rivers Water Company

E-Mail: wharding@2riverswater.com Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen

Company: Andersen Appraisals

Phone: (719) 568-4113 Fax: (719) 547-8536

E-Mail: andappraisals@aol.com

Date of Report (Signature): 01/05/2012

License or Certification #: CG40019884 State: CO

Designation: Certified General Appraiser

Expiration Date of License or Certification: 12/31/2014

Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)

Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:

Company:

Phone: Fax:

E-Mail:

Date of Report (Signature):

License or Certification #: State:

Designation:

Expiration Date of License or Certification:

Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect

Date of Inspection:

GP LAND

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ADDITIONAL COMPARABLE SALES

File No.: 11-2192

SALES COMPARISON APPROACH

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 4		COMPARABLE NO. 5		COMPARABLE NO. 6	
Address	TBD Avondale Blvd Avondale, CO 81022	1498 36th Ln Pueblo, CO 81006		7081 S Interstate 25 Pueblo, CO 81004		5182 40th Ln Avondale, CO 81022	
Proximity to Subject		7.67 miles NW		24.17 miles SW		6.74 miles SW	
Sale Price	$		$ 200,000		$ 400,000		$ 232,000
Price/ Acre	$	$ 2,521.43		$ 912.22		$ 644.44	
Data Source(s)	Court House / Owner	PARMLS#134352; DOM 11		PARMLS#124339; DOM 425		Owner; Contract	
Verification Source(s)	Inspection	Previous Appraisal; Assessor; Clerk		Exterior Inspection; Assessor; Clerk		Previous Appraisal; Assessor; Clerk	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	ArmLth		ArmLth		ArmLth	
Concessions	N/A	Conv; 0		Cash; 0		Conv; non-MLS	0
Date of Sale/Time	N/A	s04/08/2011	0	s08/09/2010	0	s09/19/2005	0
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	St Charles Mesa	-30	Hatchet Ranch	0	Avondale / Boone	
Site Area (in Acres)	205.3 Acres	79.32 Acres	-5	438.49 Acres	+5	360 Acres	+5
Irrigation	HCIC Ditch Available	Bessemer Available	-20	Sub-Irrigated	0	*HCIC Now Available	+15
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	None	Dwelling/MiscOutbldg	-20	Dwelling/MiscOutbldg	-30	OldDwelling/Outbldg	-20
Topography	Slightly Sloping	Slightly Sloping		Partially Wooded	-10	Slightly Sloping	
Additional Consideration	Farm / Ranch	Farm / Ranch		Hobby Ranch	0	Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,891.07	☐ + ☒ −	$ -319.28	☐ + ☐ −	$
Net Adjustment (Total, in % of $ / Acre)		Net 75.0 %	(-75 % of $/Acre)	Net 35.0 %	(-35 % of $/Acre)	Net %	
Adjusted Sale Price (in $ / Acre)		Gross 75.0 %	$ 630.36	Gross 45.0 %	$ 592.94	Gross 40.0 %	$ 644.44

Summary of Sales Comparison Approach These comparable sales of large acreage properties located in fairly close proximity to the subject have been added to provide further support of the price per acre and opinion of market value applicable to the subject property. As previously discussed, it is imperative to understand that comparable sales of large acreage properties similar to the subject are extremely limited at this time. Thus, some less than ideal comparable sales conveyed over one year ago that required larger than desired adjustments and/or are located several miles from the subject property were analyzed. However, the six comparable sales and three competitive listings utilized in this appraisal report share many similarities to the subject property, and provide support for a credible value range conclusion. Refer to the competitive listings on the following page.

The quantitative adjustments applied to the comparable sales in the comparison analysis grid are rounded percentage adjustments based on my opinion of qualitative variances between the comparable sales and subject property. The applicable adjustments have been rounded to a 5% variance increment based on rating and/or market extracted trend indicators. Due to limited comparable sales of irrigated acreage properties, adjustments extracted from paired sales analysis are difficult to develop at this time. Although some of the comparable sales were conveyed over one year ago, time adjustments for market conditions were not warranted since the market has been relatively stable since these properties sold. Additional information is retained in the work file.

The adjustments for site area essentially consider a price per acre variance between the comparable sales and subject property. Most of the comparable sales include smaller acreage sites which warrants the downward adjustments. As previously stated, large acreage sales similar to the subject are extremely limited at this time. The adjustments for improvements consider any existing improvements (or lack thereof) of the comparable sales in comparison to the subject property improvements. Furthermore, I have completed an inspection of the subject property and comparable properties unless otherwise noted.

Comparable sale #1 is located just south of the subject property, and required a plus 5% adjustment for larger acreage. The sale included considerably superior improvements (dwelling and outbuildings) in comparison to the subject which required a minus 45% adjustment. This comparable sale includes premium Huerfano River frontage which warrants the minus 10% topography adjustment. Although this sale was conveyed over three years ago, it is given considerable weight in the reconciliation due to the close proximity. Furthermore, a time adjustment for changes in market conditions was not warranted.

Comparable sale #2 is a recent sale of an irrigated farm operation located many miles northeast of the subject near Punkin Center & Rush. This comparable sale required a plus 5% adjustment for larger acreage site area in comparison to the subject. This property includes some irrigation rights with partial augmentation. Thus, a minus 25% irrigation rights adjustment was applied by paired sales analysis extraction. In addition, this large acreage property includes a dwelling, outbuildings and four pivot systems which warrants the minus 45% superior improvements adjustment. Although this comparable sale is not situated within the subject neighborhood, it is still considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited sales of large, irrigated acreage properties.

Comparable sale #3 is a recent sale of a partially irrigated hobby ranch located northwest of Fowler near the Arkansas River. This sale required plus 5% respective adjustments for larger site area acreage and inferior improvements, and a plus 5% adjustment for rugged topography areas. This comparable sale is considered to be a good indictor of market value, and given some weight in the reconciliation due to date of sale.

Comparable sale #4 is located on the St. Charles Mesa with smaller site area acreage than the subject acreage which warrants the minus 30% location adjustment and minus 5% site size adjustment. This property did not include any Bessemer Ditch shares; however, the acreage is irrigated with leased Bessemer Ditch share availability which demands a minus 20% adjustment consideration. This sale is given minimal weight due to large net adjustments.

Comparable sale #5 is a recent sale of a hobby ranch located south of Pueblo west of Interstate-25 near Hatchet Ranch. This comparable sale required the respective plus 5% adjustment for smaller acreage site area, and minus 10% adjustment for superior wooded topography in comparison to the subject. Although this property does not include irrigation shares, and not considered suitable for farming, it is a large ranching acreage property considered a relevant indicator of market value, and is given some weight in the reconciliation process due to limited appropriate irrigated farm ground sales.

Comparable sale #6 are large acreage property located in very close proximity to the subject. This property is larger than the subject acreage which warrants the plus 5% site area adjustment. In addition, this property was acquired prior to the availability of HCIC Ditch irrigation which warrants the plus 15% irrigation adjustment. This sale includes superior improvements in comparison to the subject which warrants the minus 20% adjustment. Although this property was conveyed several years ago, a time adjustment for changes in market conditions does not appear to be warranted (considered within the irrigation availability). Furthermore, this sale is given considerable weight in the reconciliation due to location, use and lower net adjustments.

Comparable Sales Prior Transfer / Sales History:

Sale #1: No prior sales within 36 months

Sale #2: No prior sales within 36 months

Sale #3: No prior sales within 36 months

Sale #4: No prior sales within 36 months

Sale #5: No prior sales within 36 months

Sale #6: No prior sales within 36 months

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COMPARABLE LISTINGS

File No.: 11-2192

COMPARABLE LISTINGS

FEATURE	SUBJECT PROPERTY	COMPARABLE LISTING # 1		COMPARABLE LISTING # 2		COMPARABLE LISTING # 3	
Address	TBD Avondale Blvd Avondale, CO 81022	TBD 56th Ln Avondale, CO 81022		2547 58th Ln Boone, CO 81025		LPOP Ranch Avondale Blvd Avondale, CO 81022	
Proximity to Subject		4.57 miles NE		4.50 miles NE		1.27 miles W	
List Price	$		$ 260,000		$ 699,000		$ 400,000
Price/ Acre	$	$ 2,476.19		$ 1,226.32		$ 519.48	
Last Price Revision Date		N/A		12/14/2011 from $750,000 list		N/A	
Data Source(s)		MLS #135778; Assessor		MLS #137187; Assessor		MLS #137031; Assessor	
Verification Source(s)		Previous Appraisal; Listing Agent		Exterior Inspection; Listing Agent		Exterior Inspection; Listing Agent	
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust	DESCRIPTION	+(-) % Adjust
Sales or Financing	N/A	Under Contract		Current Listing		Current Listing	
Concessions	N/A	List to Sale	-15	List to Sale	-15	Motivated Seller	0
Days on Market		192 days		98 days		107 days	
Rights Appraised	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Location	Avondale / Boone	Avondale / Boone		Avondale / Boone		Avondale / Boone	
Site Area (in Acres)	205.3 Acres	105 Acres	-5	570 Acres	+15	770 Acres	+15
Irrigation	HCIC Ditch Available	CWPDA Augment	0	130 Shr Welton Ditch	-20	HCIC Ditch Available	
Zoning	Agricultural	Agricultural		Agricultural		Agricultural	
Improvements	Dwelling/MiscOutbldg	2 Pivot Systems	-45	Dwelling/MiscOutbldg	-30	Similar	0
Topography	Slightly Sloping	Huerfano River	-10	Slightly Sloping		Rugged Areas	+15
Additional Consideration	Farm / Ranch	Farm / Ranch		Farm / Ranch		Farm / Ranch	
Net Adjustment (Total, in $)		☐ + ☒ −	$ -1,857.14	☐ + ☒ −	$ -613.16	☒ + ☐ −	$ 155.84
Net Adjustment (Total, in % of $ / Acre)		Net 75.0 %	(-75 % of $/Acre)	Net 50.0 %	(-50 % of $/Acre)	Net 30.0 %	(30 % of $/Acre)
Adjusted Sale Price (in $ / Acre)		Gross 75.0 %	$ 619.05	Gross 80.0 %	$ 613.16	Gross 30.0 %	$ 675.32

Comments These competitive listings have been included to provide further support of the value range applicable to the subject property. However, competitive listing #6 appears to be listed towards to the lower end of the market. Thus, a list to sale price ratio adjustment was not applied to this listing.

Listing #1 is an irrigated acreage property that is currently under contract below list price which warrants the minus 15% list to sale price ratio adjustment. In addition, this site is somewhat smaller to the subject acreage which warrants the minus 5% site area variance adjustment. The listing does not include water rights or ditch shares; however, the acreage includes two newer pivot systems with wells and electricity, and augmentation irrigation water leased from Colorado Water Protection and Development Association (CWPDA). This property also includes Huerfano River frontage which appears to demand a premium in the market place. Thus, a minus 10% topography adjustments was applied to this listing. Furthermore, this under contract listing has been provided to illustrate the upper limit of value as applicable to irrigated farm ground (crops) with leased irrigation water. However, least reliance is placed on the value indication due to the large net adjustments.

Listing #2 is an irrigated acreage property that also required a minus 15% list to sale price ratio adjustment. This competitive listing required a plus 15% site area adjustment since the acreage size is considerably larger than the subject. The listing does include Welton ditch shares; however, the contributory value is difficult to determine due to limited sales activity of Welton ditch shares. Similar irrigation ditch shares in the region have sold for $2,000 per share which provides some support for the applicable minus 20% adjustment. This listing includes a dwelling and miscellaneous outbuildings which required a minus 30% improvement adjustment. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property.

Listing #3 is an irrigated acreage property that did not warrant a list to sale price ratio adjustment. This acreage property is located in close proximity to the subject along the HCIC ditch with leased water (no water rights or ditch shares included in the listing), and provides support for the site area adjustments applied to the varying comparable acreage sales and listings. This competitive listing required a plus 15% site area variance adjustment since the acreage size is considerably larger in comparison to the subject. According to the listing agent, only a portion of the acreage is suitable for farming; thus, a plus 15% adjustment for inferior topography was applied to this listing. Furthermore, this listing provides further support of the price per acre value range applicable to the subject property, and is given some consideration in the final reconciliation to value due to proximity along the HCIC Ditch.

Competitive Listings Prior Transfer / Sales History:
Listing #1: 01/08/2008, $205,000
Listing #2: No prior sales within 36 months
Listing #3: 04/10/2008, $195,000

Listings #1 and #3 provide support for no decline in market conditions for large acreage properties in the region. Thus, no adjustment were applied to the older comparable sales for changes in market conditions. In addition, the prior sale of listing #3 included ditch shares that were sold to HCIC. Furthermore, this listing indicates a positive potential impact on property values as the HCIC ditch returns to it's former irrigating capacity decades ago.

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Zoning Description & Water Article

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

ZONING USES A-1 (Agricultural District)

A use by right is any of the following uses, which are permitted upon issuance of a zoning permit by the County Zoning Administrator.

Agricultural custom contractor; Christmas tree sales (temp.); Church and religious buildings; Drilling company equipment yard; Equestrian arena, personal; Farming or ranching; Fruit and vegetable processing, wholesale and retail; Greenhouse and nursery; Guest house; Hay, grain, feed, seed and fertilizer - retail, storage and/or wholesale; Home, receiving (must possess a minimum of 5.0 acres of land, or a Special Use Permit is required) Housing, tenant; Mobile home; Ranch, guest; Recreation camps; Residence, 1-family; Residence, 2-family; Riding academy, stables; Roadside sale stand (retail agricultural products); Sawmill; Water distillation and bottling.

A use by review is any of the following uses, other than those uses which come within the purview of S17.140.010(F), which are permitted only upon issuance of a Special Use Permit by the Pueblo County Planning Commission.

Advertising device, off-premise (See Chapter 17.116); Agricultural implements, retail, wholesale, rental and service; Airplane beacon, marker or tower; Airport, private heliport, glider port; Asphalt (recycled), sale and storage; Associations, clubs and lodges; Athletic field, golf range, golf course; Atomic reactor and/or other scientific installation; Aviary; Bed and breakfast; Boat and RV storage; Broadcasting station, transmitter or tower; Carnival (temp.); Cemetery, crematory and/or mausoleum; Child care centers; Child care home (large); Cold storage lockers; Composting facility; Concrete (batch) plant; Contractor's yard; Emergency facility; Equestrian arena, commercial/club; Explosives, manufacture and wholesale; Farm products, processing, manufacture, storage and wholesale; Feed and fertilizer manufacture and processing; Game preserve, developed; Hide and tallow processing; Home for blind, disabled, elderly, elderly foster, maternity, nursing, religious; Hot mix (road) plant; Kennel, dog breeding and boarding; Livestock sales and auction; Lots, feed; Natural deposits, extraction and processing; Outdoor theater; Paintball field; Private school; Propane and butane, wholesale and retail service; Race track; Recreational vehicle park; Rental and service of construction equipment, retail and wholesale; Runway; Saddle and tack shop; Shooting range, outdoor; Solid waste disposal site and facility; Specialized group facilities; Utilities as outlined in Section 17.120.130; Veterinary hospital (use by right until TA 60, 4/17/84); Wholesale vending machine products; Wind turbine for residential uses.

Newswire Article:

Two Rivers Water Company Acquires Majority Interest in Huerfano-Cucharas Irrigation Company

DENVER, Feb. 3 /PRNewswire-FirstCall/ — Two Rivers Water Company (OTC Bulletin Board: TURV), through its 50% owned joint venture HCIC Holdings LLC, has completed the purchase of 55% of the outstanding shares of the Huerfano-Cucharas Irrigation Company ("HCIC") in Southern Colorado. Additionally, Two Rivers has entered into separate agreements to purchase an additional 35% interest to bring its total ownership of HCIC to 90% by April 2010.

"Acquisition of a majority interest in the Huerfano-Cucharas Irrigation Company gives Two Rivers the opportunity to now move forward in the repair of the Cucharas Dam and Reservoir, one of Colorado's largest on stream reservoirs," commented John McKowen, Chairman and CEO of Two Rivers. "The Cucharas Reservoir, when restored, has 55,000 acre feet of storage capacity, which can be rebuilt for less than $375 an acre foot, compared to a current cost of construction of over $3,000 an acre foot for other large capacity reservoirs."

Two Rivers has begun engineering plans and commenced discussions with the Colorado State Engineers Office necessary to hopefully complete the restoration of the dam by spring of 2011, in time for the late spring snow melt. By restoring the Cucharas Reservoir, Two Rivers can supply the farmers and communities of Huerfano and Pueblo Counties with a new large, dependable source of water supply and storage.

Two Rivers has also purchased approximately 1,000 acres and entered into agreements to purchase 3,500 additional acres of farmland. Two Rivers expects to purchase as much as 15,000 acres of farmland and reintroduce water on the land and restore the HCIC ditches to what was once a thriving high yield farming community. Two Rivers agreed to provide the current farmers on the HCIC ditch with long term water contracts to enable them to continue and expand their farming operations. Additional surplus of storage capacity exists once the Cucharas Reservoir is restored beyond the expanded farming needs projected by Two Rivers.

Two Rivers has begun discussions with various water agencies to explore possibilities whereby the excess capacity of the HCIC system can be developed and assist in covering the projected shortfalls in Colorado's water needs.

Formed in December 2002, Two Rivers is focused on acquiring and developing water resources in Colorado.

Source: Newswire Article @ www.redorbit.com

Zoning Description & Water Article

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

Two Rivers Moves On Water Cases

By CHRIS WOODKA | cwoodka@chieftain.com | Posted: Thursday, January 5, 2012 12:00 am

Water court applications to move water up the Huerfano River and to change the use of water in Huerfano County were filed in late December by the Two Rivers Water Co.

Two Rivers, founded by Denver entrepreneur John McKowen and managed by Colorado Springs real estate broker Gary Barber, plans to bring irrigated farmland back into production in Southern Pueblo and Huerfano counties. It has a plan to restore Cucharas and Orlando reservoirs, but needs to exchange rights on the Huerfano River to initially fill them.

The company also wants to be able to offer water for domestic use in Huerfano County, where some developments and communities have run into groundwater replacement issues as they have grown.

“We have been talking to the Huerfano Conservancy District, but we don’t have any agreement yet,” Barber said.

Two Rivers has entered a five-year lease agreement with the Pueblo Board of Water Works in order to purchase 500 acre-feet of water annually beginning in April. The company will seek a substitute water supply plan from the state Division of Water Resources until it can obtain a court decree.

The application for an exchange right would allow Two Rivers to capture flood flows in Cucharas Reservoir, while making releases to the Arkansas River to cover depletions.

“About 20,000 acre-feet of water passed through Cucharas Reservoir last year,” Barber said.

Two Rivers' plans call for creating about 38,000 acre-feet of storage in Cucharas and Orlando reservoirs. The company owns about 4,700 acres of land in ditch systems fed by the reservoirs, including the Huerfano-Cucharas Ditch. This year, about one-third of that will be planted as the company ramps up to full production, Barber said.

In a separate change-of-use application in water court, Two Rivers wants to dry up about 150 irrigated acres on the Robert Rice Ditch, but would change the use of the water only so it could be used in Huerfano County. Two Rivers purchased the ditch, which has a water right dating back to 1867, making it fairly senior.

Under the purchase agreement, as much as 130 acre-feet could be made available to serve future developments in Huerfano County. The water also could be used to augment existing wells in communities such as Gardner, Barber said.

“It’s not speculation, since we do have an agreement with the seller, but we did not file for the augmentation of any specific wells,” Barber said.

Source: www.chieftain.com

Assumptions, Limiting Conditions & Scope of Work

File No.: 11-2192

Property Address: TBD Avondale Blvd	City: Avondale	State: CO	Zip Code: 81022
Client: Two Rivers Water Company	Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222		
Appraiser: John M. Andersen	Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007		

STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

— The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.

— The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.

— If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.

— The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.

— The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.

— The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.

— The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.

— An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.

— The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.

— Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

Scope of Work: The scope of work includes a physical inspection of the subject property and comparable sales and/or listings. A review of court house data pertaining to the subject property and comparable sales and/or listings. A review of any pending listings or prior sales of the subject property and comparable sales. I have also collected sales and listing data from the multiple listing service, Realtors, property managers, developers, peer appraisers, and other sources of information. The sources of information are considered to be reliable sources, and I have not knowingly omitted any pertinent information from this appraisal report. After the appropriate data are collected, the data are verified, analyzed and reconciled. However, it is imperative to understand that the water rights and/or irrigation rights have not been valued separately. The irrigated aspect of the subject property is similar to that of the comparable sales analyzed in this report. Thus, no adjustment consideration nor value conclusions have been developed pertaining to individual water and/or irrigation rights. Moreover, the irrigated water delivery rights are typically necessary for the operation of a hobby ranch (hobby farm), and are assumed to be attached to the subject acreage as discussed below. Due to the availability of similar irrigated acreage comparable sales, and as agreed upon in advance by myself and the client, neither the Income Approach nor the Cost Approach have been developed in this Summary Appraisal Report. Additional information is retained in the appraisal work file.

Hypothetical Conditions / Extraordinary Assumptions: None.

The subject property includes the availability of irrigating water by the owner, Two Rivers Water Company, through the Huerfano-Cucharas Irrigation Company (HCIC Ditch system - refer to the article addendum). No irrigating ditch shares and/or water rights are included in the valuation. I reserve the right to revise this report if additional data are provided that contradicts the reasonable assumption of continued irrigation water delivery to the property. Perpetual irrigation water delivery to the subject acreage is a reasonable assumption, and the irrigation aspect of the subject property has a positive impact on site value.

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Certifications & Definitions

File No.: 11-2192

Property Address: TBD Avondale Blvd | City: Avondale | State: CO | Zip Code: 81022
Client: Two Rivers Water Company | Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222
Appraiser: John M. Andersen | Address: Andersen Appraisals, 40 S Villa Del Sol Ct, Pueblo West, CO 81007

APPRAISER'S CERTIFICATION

I certify that, to the best of my knowledge and belief:
— The statements of fact contained in this report are true and correct.
— The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
— I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
— I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
— My engagement in this assignment was not contingent upon developing or reporting predetermined results.
— My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
— My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
— I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
— Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
— Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.
— I have not provided any services, as an appraiser or in any other capacity, with respect to the subject property of this appraisal report within the previous 36 months immediately preceding the acceptance of this appraisal assignment.

DEFINITION OF MARKET VALUE *:

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

***** This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

SIGNATURES

Client Contact: Wayne Harding | Client Name: Two Rivers Water Company
E-Mail: wharding@2riverswater.com | Address: 2000 S Colorado Blvd, Annex Bldg Suite 200, Denver, CO 80222

APPRAISER

Appraiser Name: John M. Andersen
Company: Andersen Appraisals
Phone: (719) 568-4113 | Fax: (719) 547-8536
E-Mail: andappraisals@aol.com
Date Report Signed: 01/05/2012
License or Certification #: CG40019884 | State: CO
Designation: Certified General Appraiser
Expiration Date of License or Certification: 12/31/2014
Inspection of Subject: ☒ Did Inspect ☐ Did Not Inspect (Desktop)
Date of Inspection: 12/21/2011

SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)

Supervisory or Co-Appraiser Name:
Company:
Phone: | Fax:
E-Mail:
Date Report Signed:
License or Certification #: | State:
Designation:
Expiration Date of License or Certification:
Inspection of Subject: ☐ Did Inspect ☐ Did Not Inspect
Date of Inspection:

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Subject Photos

Borrower	Two Rivers Water Company				
Property Address	TBD Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Subject Acreage

Subject Acreage / Access Road

Subject Acreage

Subject Acreage

Subject Access Road

Street

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	TBD Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Comparable 1

6265 Huerfano Rd

Prox. to Subject	8.26 miles SW
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	340 Acres
Quality	
Age	

Comparable 2

17961 County Road T

Prox. to Subject	51.09 miles NE
Sale Price	485,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Punkin Center
View	
Site	320 Acres
Quality	
Age	
Comment	MLS photo due to distance.

Comparable 3

1696 US Highway 96

Prox. to Subject	15.89 miles E
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Fowler
View	
Site	289 Acres
Quality	
Age	

Comparable Photo Page

Borrower	Two Rivers Water Company				
Property Address	TBD Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Comparable 4

1498 36th Ln

Prox. to Subject	7.67 miles NW
Sale Price	200,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	St Charles Mesa
View	
Site	79.32 Acres
Quality	
Age	

Comparable 5

7081 S Interstate 25

Prox. to Subject	24.17 miles SW
Sale Price	400,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Hatchet Ranch
View	
Site	438.49 Acres
Quality	
Age	

Comparable 6

5182 40th Ln

Prox. to Subject	6.74 miles SW
Sale Price	232,000
Gross Living Area	
Total Rooms	
Total Bedrooms	
Total Bathrooms	
Location	Avondale / Boone
View	
Site	360 Acres
Quality	
Age	

Listing Photo Page

Borrower	Two Rivers Water Company				
Property Address	TBD Avondale Blvd				
City	Avondale	County Pueblo	State CO	Zip Code 81022	
Client	Two Rivers Water Company				

Listing 1

TBD 56th Ln
Proximity to Subject 4.57 miles NE
List Price 260,000
Days on Market 192 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

Listing 2

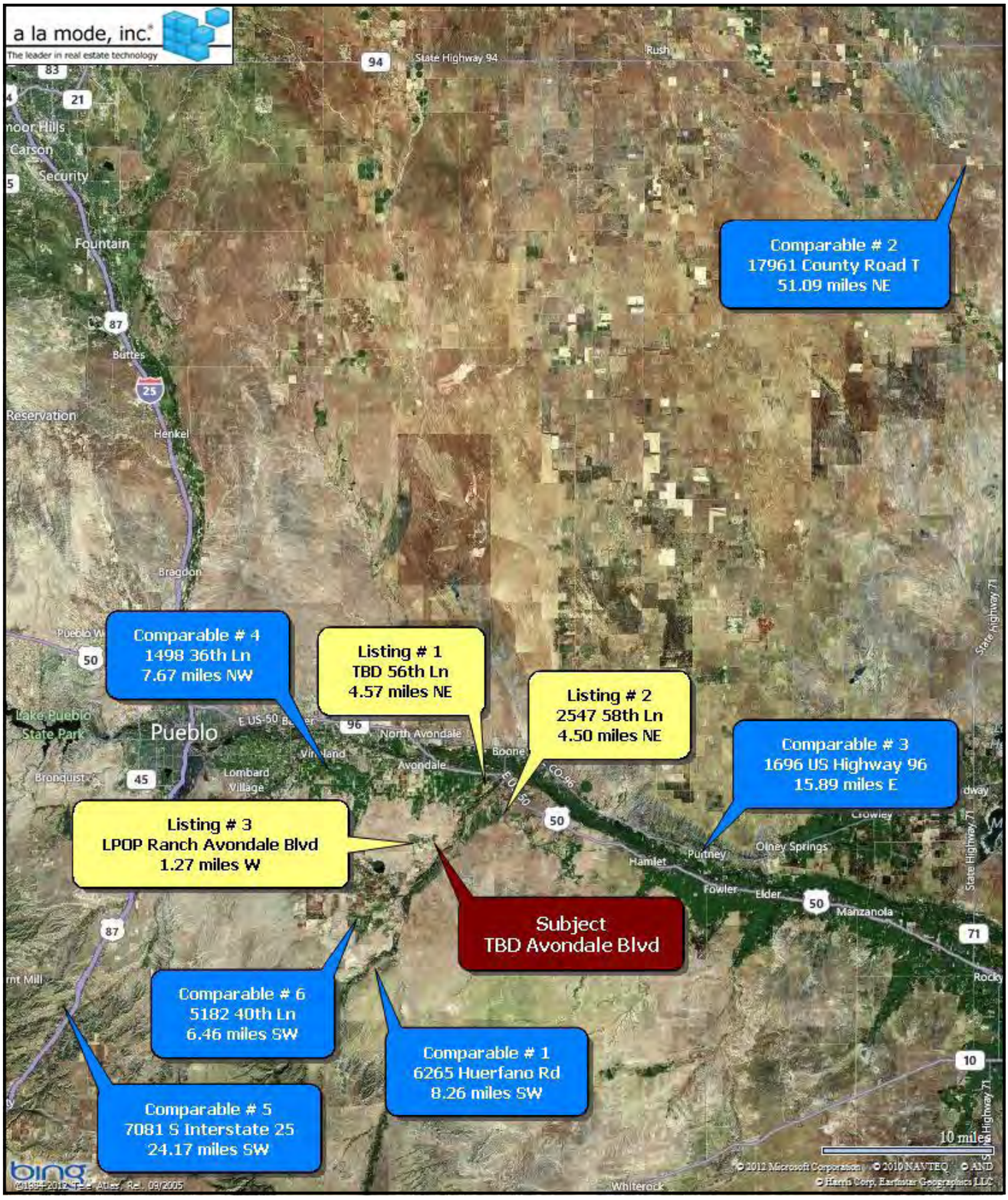
2547 58th Ln
Proximity to Subject 4.50 miles NE
List Price 699,000
Days on Market 98 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

Listing 3

LPOP Ranch Avondale Blvd
Proximity to Subject 1.27 miles W
List Price 400,000
Days on Market 107 days
Gross Living Area
Total Rooms
Total Bedrooms
Total Bathrooms
Age

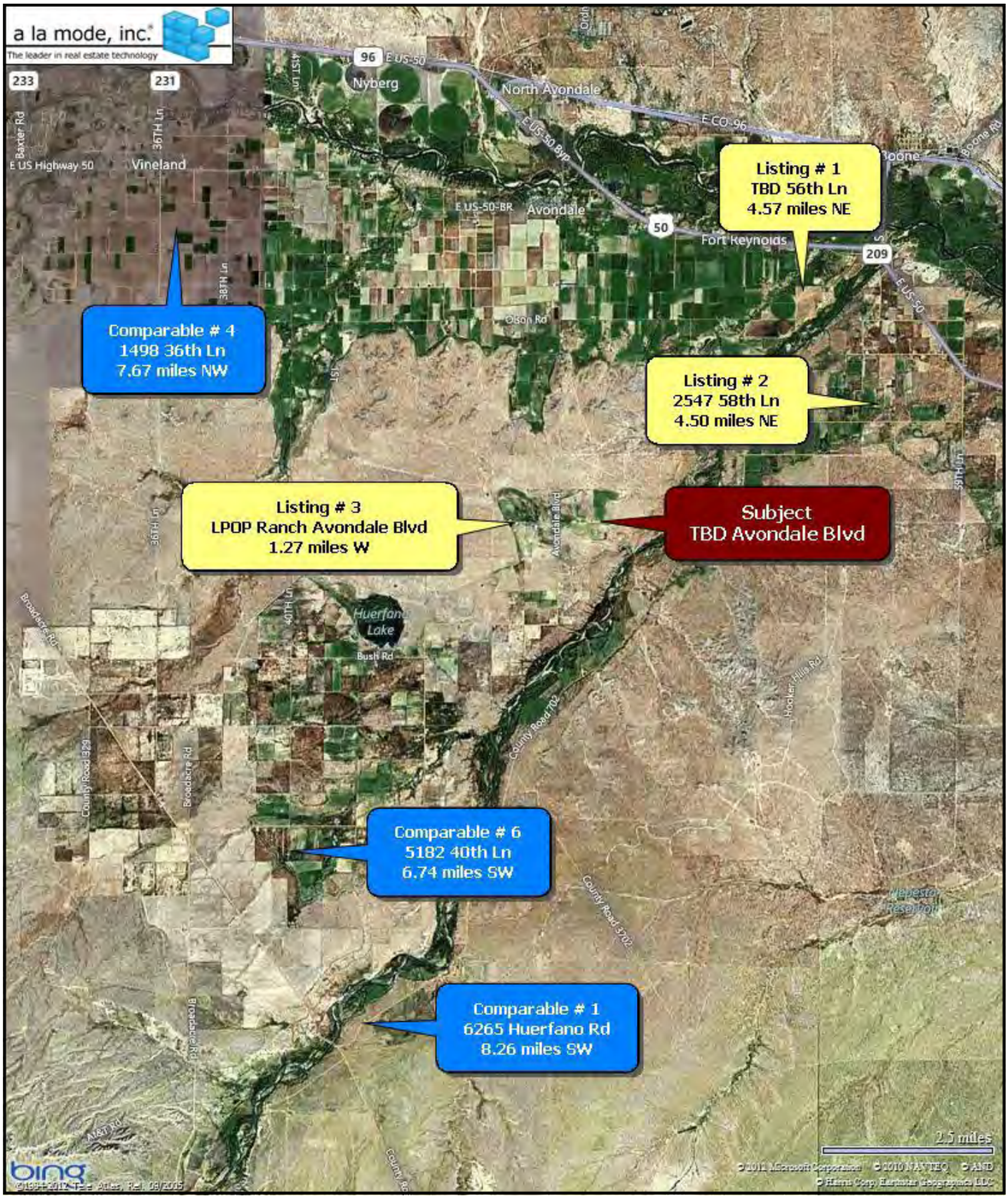
Location Map

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



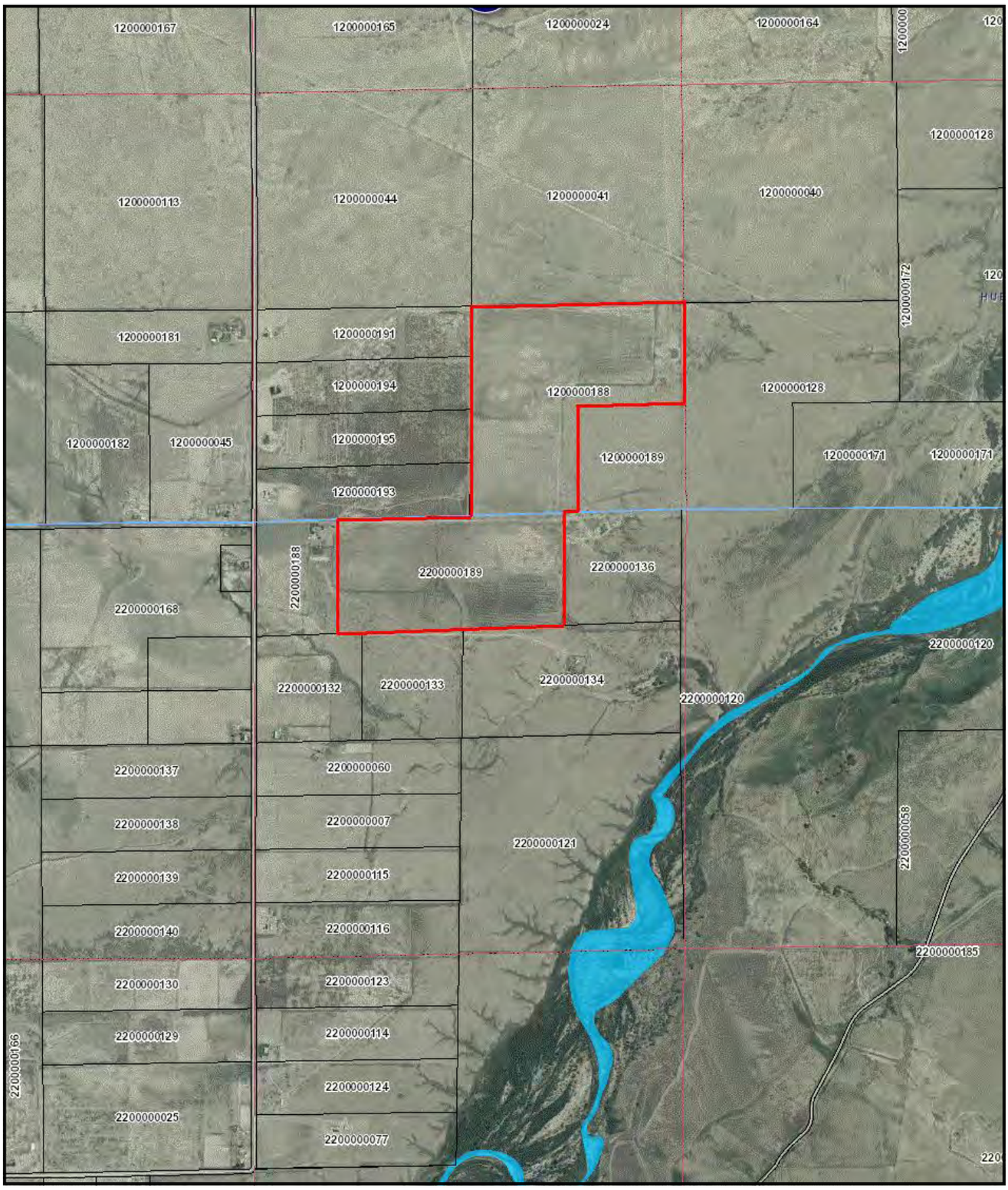
Location Map

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



Site Map

Borrower	Two Rivers Water Company				
Property Address	TBD Avondale Blvd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				

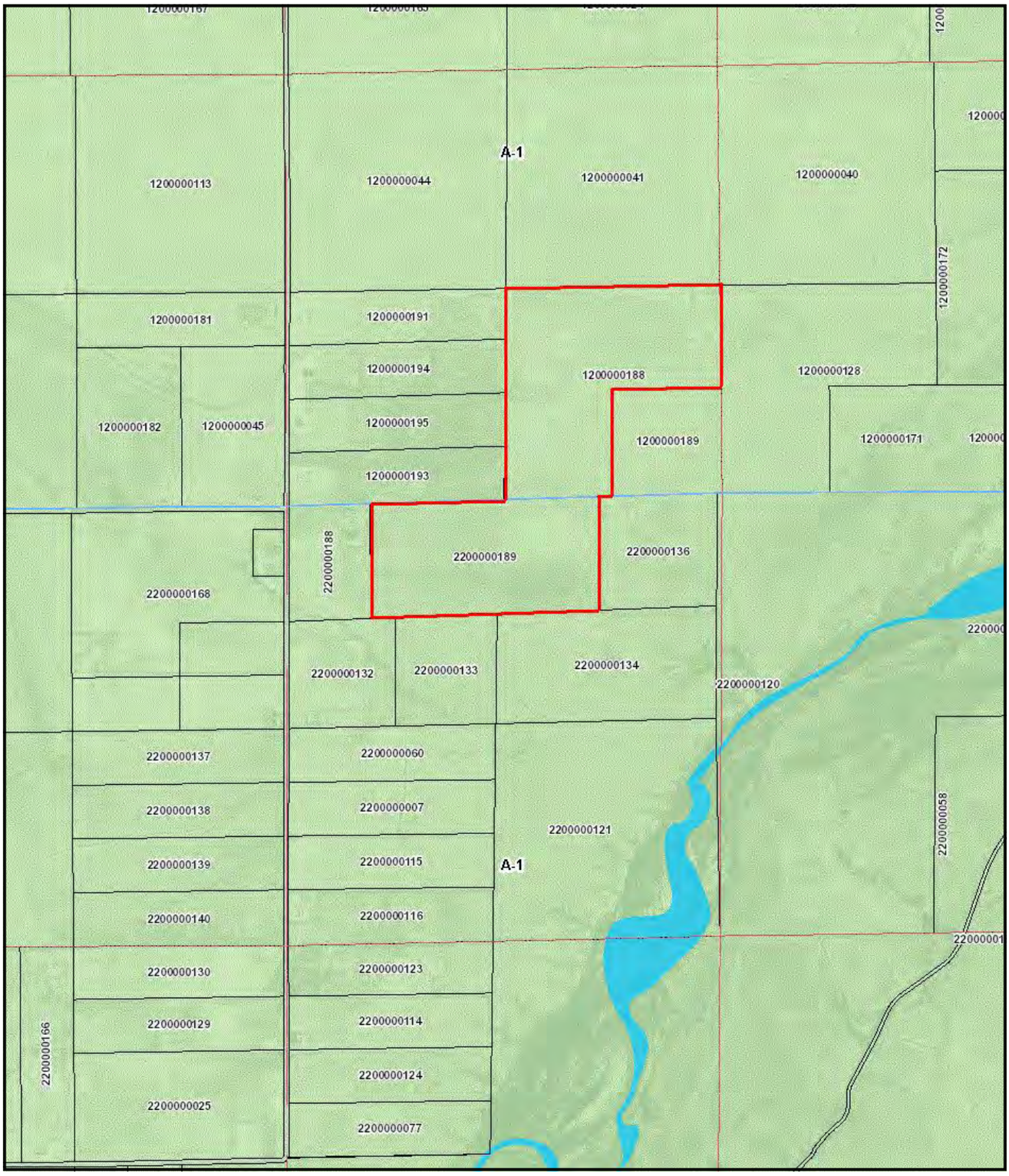


Subject Overhead Imagery

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

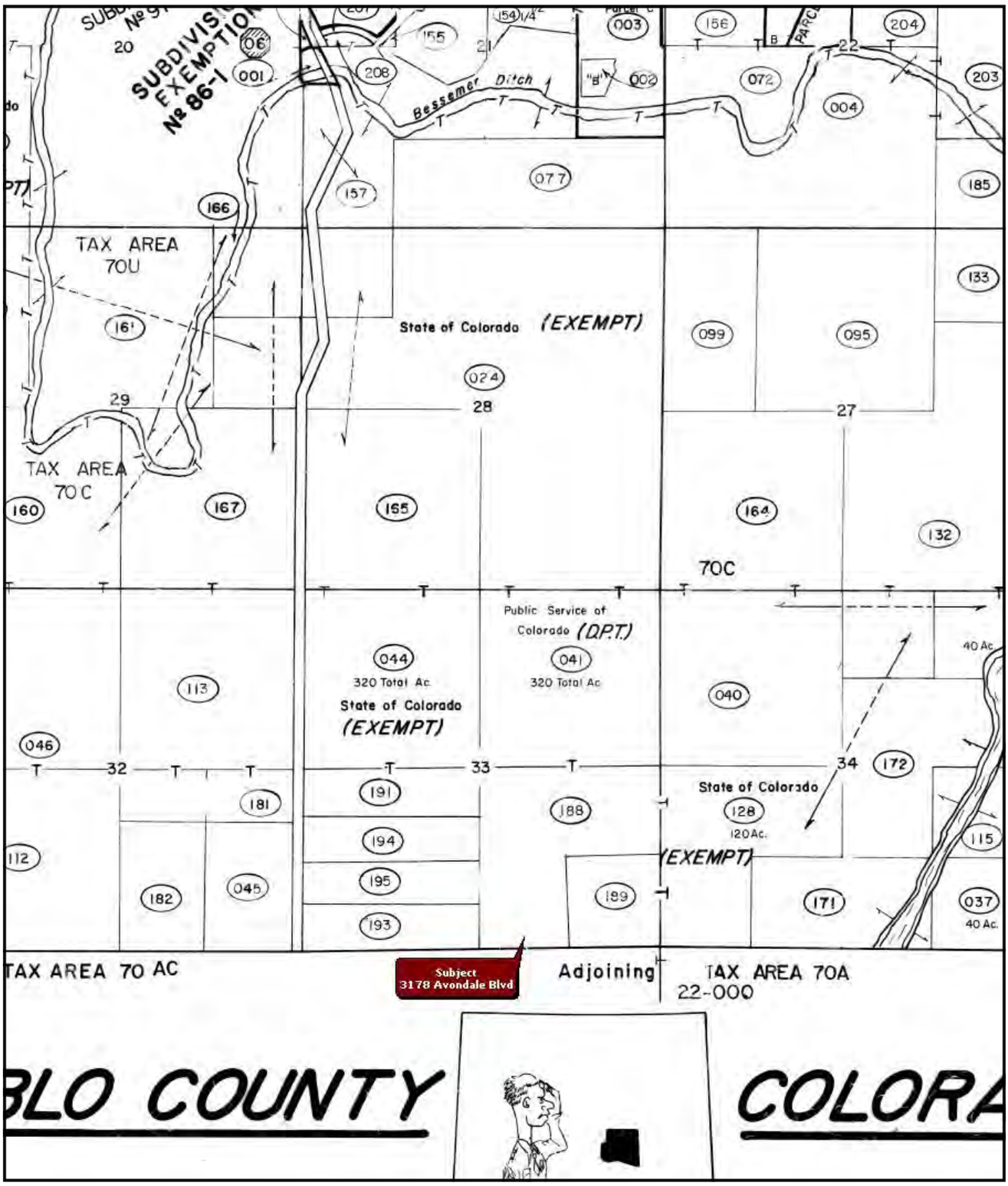
Zoning Map

Borrower	Two Rivers Water Company				
Property Address	TBD Avondale Blvd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				



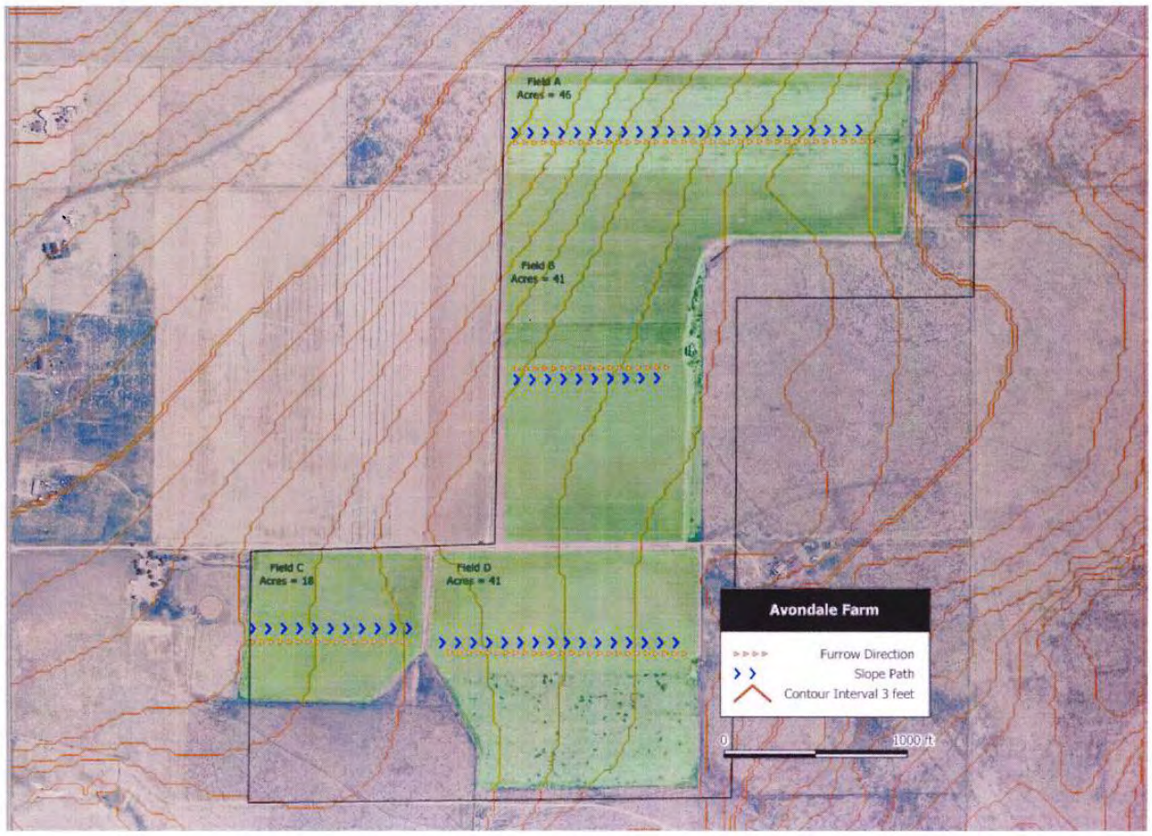
Plat Map

Borrower	Two Rivers Water Company				
Property Address	TBD Avondale Blvd				
City	Avondale	County	Pueblo	State CO	Zip Code 81022
Client	Two Rivers Water Company				



Drainage Map

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						



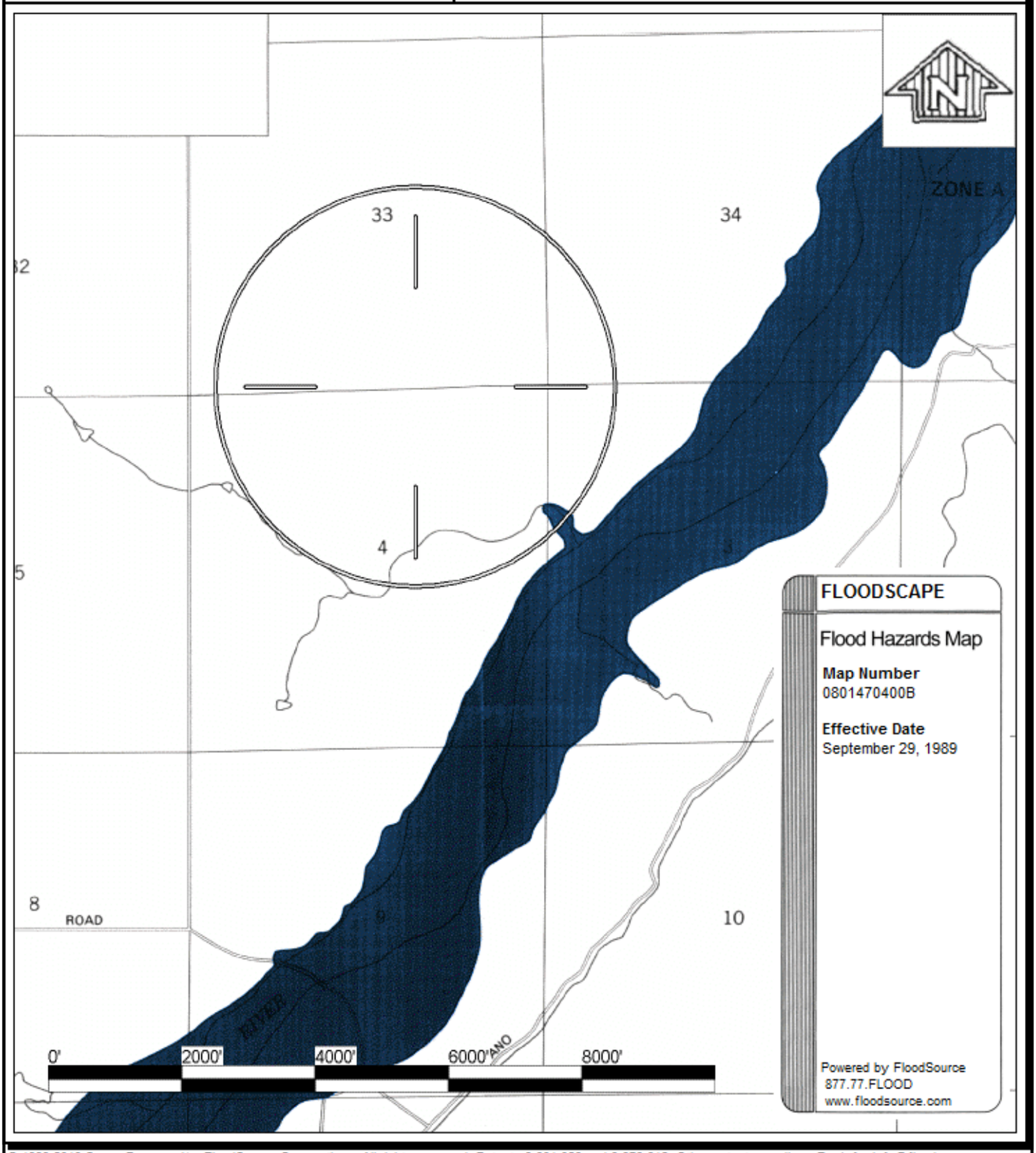
Flood Map

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

InterFlood by a la mode
www.interflood.com • 1-800-252-6633

Prepared for:
Andersen Appraisal, LLC

3178 Avondale Blvd
Avondale, CO 81022



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Resume

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

John M. Andersen

Certified General Appraiser

www.AndersenAppraisals.com

♦♦♦

◆ QUALIFICATIONS & ORGANIZATIONS

The highest standards of professionalism and integrity are attributes that have been revered throughout my life. Commitment to these ethics has led me on many rewarding ventures in military experiences and personal business endeavors. Over the past several years, I have developed strong skills required for competent analysis of complex real estate valuations.

1986-Present — *Real Estate Appraiser, Business Manager, Property Manager, Consultant, Expert Valuation Witness, Skydiving Instructor*

1997-2001 — *Board of Directors, Frontier Pathways Scenic & Historic Byway*

1996-1999 — *President, Greenhorn Valley Chamber of Commerce*
Vice-president, Greenhorn Valley Chamber of Commerce

◆ WORK HISTORY

2009-Present — *Certified General Appraiser, Andersen Appraisals, Pueblo West, Colorado*

2009-Present — *Certified General Appraiser, ALWVCS, Inc., Pueblo, Colorado*

2001-2009 — *Certified Real Estate Appraiser, Clyde Laut & Associates - Pueblo, Colorado*
Residential & Commercial Appraiser covering a multiple county region in Southeastern Colorado. Obtained higher levels of appraisal experience.

2001-2008 — *Skydiving Instructor, Skydive the Rockies!! Fremont County Airport*
First Jump Course, Accelerated Freefall, & Instructor Assisted Deployment

1999-2001 — *Residential Appraiser, Grantham Appraisal Service - Cañon City, Colorado*
Registered Appraiser (Apprentice Level). Accumulation of required appraisal hours for state license. Appraisal assignments were reviewed by Gary W. Grantham, Certified General Appraiser.

1996-2004 — *Property Manager / Development Consultant - Ewing Ranch, Colorado City*
Consultant for development of master plan, property leases, etc.

1994-1999 — *Owner / Operator, Pizza Stop & Subs - Colorado City*
Day to day restaurant operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1986-1993 — *Owner / Operator, Releford's Flowers & Greenhouse - Pueblo, Colorado*
Day to day business operations: Accounting, Payroll, Inventory, Management, and Human Resources.

1984-1990 — *SSG (E-6), Colorado National Guard Special Forces (Airborne)*
CPL (E-4), US Army Special Forces / Military Freefall (HALO)

◆ EDUCATION

2006-2011 — *Certified General Appraiser Courses, Sales Comparison Valuation of Small, Mixed-Use Properties, Income Property Capitalization, Highest & Best Use Analysis, Market & Marketability Analysis, National Uniform Standards of Professional Appraisal Practice, USPAP 7 Hour Update Courses, FHA Appraisal Report Writing Seminar, Loss Prevention Seminar, UAD (Uniform Appraisal Dataset) Report Writing Seminar, Multiple Regression Analysis Seminar*

2003-2005 — *Certified Residential Appraiser Course, Complex Properties, Appraisal Review, Narrative Report Writing, Basic Income Capitalization, Uniform Standards of Professional Appraisal Practice (7 Hour Update), Appraisal Review & Reporting, Factory-Built Housing, FHA Appraising Today, FHA Exam Preparation Course, FHA Lead Based Paint Inspector Course, Developing & Growing An Appraisal Practice*

1999-2001 — *Uniform Standards of Professional Appraisal Practice,*
Registered & Licensed Appraiser Courses (Real Estate Training Center)

1986-1990 — *Business Administration, University of Southern Colorado*

1983-1985 — *High School Graduate / US Army Special Forces Qualification Course / Airborne School / Military Freefall School*

Resume

File No. 11-2192

Borrower	Two Rivers Water Company						
Property Address	TBD Avondale Blvd						
City	Avondale	County	Pueblo	State	CO	Zip Code	81022
Client	Two Rivers Water Company						

◆ APPRAISAL LICENSES & CERTIFICATES

11/20/2008 *Certified General Appraiser #CG40019884*

11/24/2007 *Colorado State Certified General Appraiser Examination*

08/15/2005 *Certified Residential Appraiser #CR40019884*

12/02/2004 *Colorado State Certified Residential Appraiser Examination*

02/09/2004 *FHA Appraisal Examination / Roster #COCG40019884*

08/12/2001 *Licensed Appraiser #AL40019884*

07/12/2000 *Registered Appraiser #AR40019884*

06/14/2000 *Colorado State Licensed Appraisal Examination*

06/12/2000 *Completion of Colorado Real Estate Commission Approved Course*

◆ CLIENT LIST

An extensive list of lenders, contractors, attorneys and individuals for conventional appraisal reports, proposed construction appraisals, employee relocation, dissolution of marriage, REO (foreclosure), review appraisals, etc., completed through Grantham Appraisal Service, Andersen Appraisal Service, & Clyde Laut & Associates, Inc. To name a few: HUD (FHA Certified Appraiser), Fannie Mae, Pueblo Bank & Trust, Elk Valley Construction, Vectra Bank Colorado, Premier Mortgage, Canon National Bank, Chase Manhattan, Cendant Mobility, First National Bank Colorado, Colorado State Employee's Credit Union, Wells Fargo Bank, Royal Gorge Lending, US Bank, Zions Bank, Fremont National Bank, Frontier Bank, Canon National Bank, Colorado East Bank & Trust, Pueblo Bank & Trust

◆ REFERENCES

Gary Grantham, Cert. Gen. Appraiser, Grantham Appraisals, Cañon City
Phone: **719-275-7705**
Senator Kevin Grantham, Cert. Gen. Appraiser, Grantham Appraisals
Phone: **719-275-7705**
John Thompson, Vice President, First National Bank of Pueblo
Phone: **719-544-2265**
Mark Dunsmoor, President, Colorado East Bank & Trust, Pueblo
Phone: **719-584-2000**
Jeannie Sandidge, Loan Review Officer, Canon National Bank, Pueblo
Phone: **719-544-5548**
Chris Turner, Attorney, Koncilja & Koncilja, Pueblo
Phone: **719-250-2806**
Alan Williams, Certified General Appraiser, ALWVCS, Inc, Pueblo
Phone: **719-543-3323**

◆ CONTACT INFORMATION

Andersen Appraisals, LLC
John M. Andersen
Certified General Appraiser
40 S Villa Del Sol Ct
Pueblo West, CO 81007
Office: 719-547-8536
Mobile: 719-568-4113
Email: andappraisals@aol.com
www.AndersenAppraisals.com

Copy of State License

Borrower	Two Rivers Water Company				
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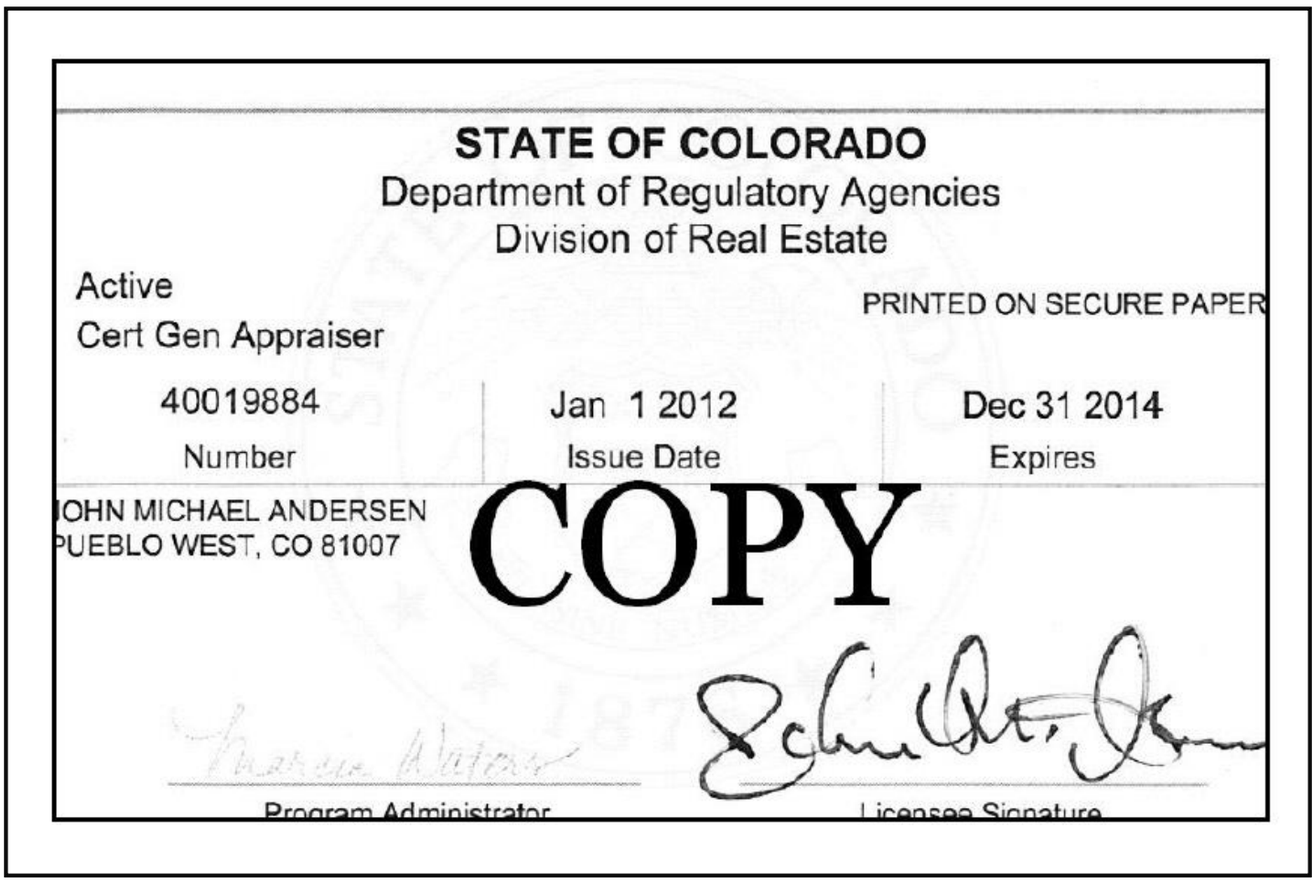

STATE OF COLORADO
Department of Regulatory Agencies
Division of Real Estate

Active
Cert Gen Appraiser

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40019884	Jan 1 2012	Dec 31 2014
Number	Issue Date	Expires

JOHN MICHAEL ANDERSEN
PUEBLO WEST, CO 81007

COPY

Program Administrator

Licensee Signature