September 14, 2019

John Kuijvenhoven 6124 County Rd 5 Ridgway. CO. 81432

Colorado Department of Reclamation Mining and Safety 1313 Sherman St, Denver, CO 80203

Ref: M 2019-010

Attention: Lucas West, Environmental Protection Specialist

Dear Mr. West

As you have requested, I will address the September 3, 2019 letter provided by Mr & Mrs Bergman.

1. There is no legal commercial access on Mariposa Drive, which is a private road maintained solely by residents.

Response: The permit application does not seek to use Mariposa Drive for access to the closest county road.

2. Mr. Kuijvenhoven does not have legal deeded access from his lot on Mariposa Drive to Government Springs Road, which is the closest county road to his lot and the main route out of this area.

Response: The permit application does not seek to use Mariposa Drive for access to the closest county road.

3. There is no legal access through the Cornerstone development adjacent to Mr. Kuijvenhoven's land. He does not have permission to go through this other development at this time.

Response: Mr. Kuijvenhoven has unrestricted, deeded, legal access through the Cornerstone development to Government Springs Road and to Davewood Road. Please refer to document number 185382 received by the Ouray County Clerk's office on September 3, 2004 at 1:13pm. A copy of the document is attached (below).

4. Our Private Road is very expensive to maintain. Ouray County has made it very clear that they will not supply any money to help maintain this road, even knowing that we have a volunteer fire station on this road.

Response: The permit application does not seek to use Mariposa Drive for access to the closest county road.

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ACCESS, UTILITY AND DITCH EASEMENT AGREEMENT

THIS ACCESS, UTILITY AND DITCH EASEMENT AGREEMENT ("Agreement") is made and entered into this 28th day of July, 2004, by and between **HRC-MONTROSE DEVELOPMENT**, L.P., a Delaware limited partnership ("HRC") and **JV REAL ESTATE** LLC, a Colorado limited liability company ("JV"). JV and HRC may collectively be referred to as the "Owners" and individually as an "Owner."

<u>Recitals:</u>

- A. JV is the owner of the real property located in Ouray County, Colorado, more particularly described on **Exhibit A** attached hereto ("Retainage Parcel").
- B. HRC is the owner of the real property located in Ouray and Montrose Counties, Colorado, more particularly described on **Exhibit B** attached hereto ("HRC Property").
- C. The Owners desire to establish a perpetual, non-exclusive easement across all private roads within the HRC Property for the benefit of the Retainage Parcel, a perpetual, non-exclusive and utility easement for the benefit of the Retainage Parcel, and a perpetual non-exclusive ditch easement for the benefit of the Retainage Parcel.

NOW, THEREFORE, in consideration of the foregoing, and the covenants and agreements hereinafter set forth, and other good and valuable consideration given by each party to the other, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

Easement Grants. Subject to the terms of this Agreement, HRC hereby grants and 1. conveys to JV for the benefit of the Retainage Parcel and its Permittees a perpetual nonexclusive easement and right-of-way over and across all private streets and drives created or to be created on the HRC Property for use in common by all current or future owners of the HRC property or any portion thereof and wherever located, specifically including, without limitation, the access easements depicted on Exhibit C-1 attached hereto and incorporated herein by this reference and legally described on Exhibit C-2 attached hereto and incorporated herein by this reference (collectively the "Access Easements") for ingress, egress, access to and from public streets and the Retainage Parcel. Subject to the terms of this Agreement, HRC hereby grants and conveys to JV for the benefit of the Retainage Parcel and its Permittees a perpetual nonexclusive easement over and across the portion of the HRC Property described in Exhibit D ("Utility Easement") for access, construction, re-construction, installation, maintenance and repair of and to all underground utility lines for the purposes of connecting the same to underground lines/pipes servicing the Retainage Parcel and installing such connecting underground lines/pipes. The parties acknowledge and agree that Access Easement B reflected on Exhibit C-2 hereto and the Utility Easement are in same locations and have the same legal

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descriptions. HRC hereby reserves unto itself and its Permittees the right to use the HRC Property, Access Easements and the Utility Easement for all uses not inconsistent with the uses as set forth in this Agreement. HRC shall remain solely liable for maintaining the grade and slope of the Access Easements and Utility Easement in a manner that will allow JV and its Permittees to use and enjoy the Access Easements and Utility Easement consistent with the terms and provisions hereof. HRC reserves the right to relocate the Access Easements depicted on Exhibit C-1 hereto and described on Exhibit C-2 hereto, respectively and the Utility Easement depicted on Exhibit C-1 and described on Exhibit D hereto to any areas selected by HRC and reasonably acceptable to JV at HRC's expense, (including the expense of relocation of all utilities located in such Access Easements and Utility Easement serving the Retainage Parcel), in which case the former locations of such Access Easements and Utility Easement shall be released from this Agreement; provided, however, that in no event shall HRC relocate such Access Easements or Utility Easement if such relocation, in JV's reasonable judgment, materially and adversely affects or impairs JV's and/or its Permittees' access to and from the Retainage Parcel and/or the delivery of utility services to the Retainage Parcel. HRC may relocate any Access Easement not depicted and described on Exhibits C-1 and C-2 hereto at its sole cost and expense upon reasonable advance notice to JV, in which case, the former locations of such future Access Easements shall be released from this Agreement. The Access Easements and Utility Easement are granted by HRC and accepted by JV, subject to all encumbrances of record to the extent they remain in existence and valid.

2. Access to Utilities: Cost of Utility Service: Construction of Roads: Cooperation.

HRC shall be required to design its infrastructure to permit JV to connect (a) to telephone, cabling, utilities, and water service connections (and shall assess no tap fees or connection charges). HRC shall work and cooperate with JV to accommodate the development of the Retainage Parcel and these connections. In no event shall HRC be required to bring such utility lines to the boundaries of the Retainage Parcel, but HRC at no cost to JV shall, at the time that it constructs or installs any utility lines in the Utility Easement, provide stub-outs and/or appropriate junction boxes for such utilities at the access points identified on Exhibit D hereto or at locations within the Utility Easement mutually acceptable to HRC, the utility company or utility service provider, and JV. HRC agrees to use commercially reasonable efforts in assisting JV to obtain all approvals required from any governmental agency, special district or utility company or utility service provider. JV shall, at its sole cost and expense, pay for any and all upsizing requirements in connection with the water and sewer lines. JV, at its expense, shall have the right to connect into and extend lines from all such utilities within the Utility Easement to the boundary line of the HRC Property, and if required by any utility company or utility service provider, shall execute any service contracts required by such parties to obtain utility service. Prior to commencement of any construction work by JV within the Utility Easement or its connection to any utility lines located therein, JV shall provide HRC and any utility company or utility service provider requiring the same with description of the scope of work to be performed and copies of all plans and specifications for such construction work, all of which shall be in form and substance reasonably acceptable to HRC, such acceptance not to be unreasonably withheld or delayed, and shall also be acceptable to such utility company or utility service provider. If HRC has not responded or objected to such scope work and plans and specification within twenty (20) days following its receipt of same, HRC shall be deemed to have



approved the same. All such construction and connection work undertaken by JV in the Utility Easement pursuant to this Agreement shall comply with all applicable governmental laws, regulations, requirements and standards and the requirements and standards of any utility company or utility service provider. JV shall design its infrastructure in a way that assures that its construction and operation will not damage or compromise the integrity of HRC's infrastructure.

(b) JV shall be responsible for the cost of utility and water service to the Retainage Parcel from the HRC Property. HRC agrees to permit the connection of potable water service from the HRC Property to the Retainage Parcel and agrees to provide potable water service to the Retainage Parcel and individual lot/parcel/homes that may eventually be constructed on the Retainage Parcel at such time as the potable water system is constructed on the HRC Property. HRC further agrees that said individual lot/parcel/homeowners will be serviced and charged in the same manner and at the same rates as the lots/parcels/homes to be developed and constructed on the Retainage Parcel, subject to the terms and provisions of this Agreement; provided, however, that JV agrees that HRC may impose a limit of no more that 14 units/lots/homes to be serviced with water from the HRC Property in the absence of additional water being allocated by Tri-County Water to HRC's water system.

In the event that HRC's development on the HRC Property experiences water capacity or shortage problems, or if the owners of the Retainage Parcel elect at their sole discretion, and then only if the upstream water provider (Tri-County Water) agrees, the owner or owners of lots/parcels/homes on the Retainage Parcel shall purchase taps from Tri-County Water. In such event, HRC agrees that HRC shall not asses any additional charges or fees to the owners of the Retainage Parcel and that HRC's water system shall serve the lot/parcel/homeowners on the Retainage Parcel without unit or capacity limitations (except in accordance with limitations imposed by Tri-County Water) and at the same unit cost and on other terms and conditions as are then charged to HRC by Tri-County Water.

HRC further agrees that in the event that HRC desires to transfer ownership and operation of the water system constructed by HRC on the HRC Property to a third party water supplier, utility provider, metropolitan district or other governmental authority, such transfer shall not become effective unless and until HRC's obligations under this Section and other applicable provisions of this Agreement relating to provision of water to the Retainage Parcel are assumed by the transferee owner and operator of such water system.

(c) This Agreement shall not be construed to impose any obligation on HRC to construct any road or utility infrastructure on the HRC Property, it being agreed that (i) the Access Easements shall entitle JV and its Permittees only to use whatever roads exist, in what ever condition, from time to time within the Access Easements, and (ii) the Utility Easement shall entitle JV and its Permittees only to connect within the Utility Easement and, subject to the terms of this Agreement, to whatever utility infrastructure may then exist, in whatever condition, from time to serve the HRC Property. Notwithstanding anything to the contrary contained herein, JV's and its Permittees' rights to use and enjoy the Access Easements over and across all roads, right-of-ways and streets now or hereafter constructed on the HRC Property

shall be no less than the rights to use and enjoy such Access Easements granted to any current or future owner of the HRC Property or any portion thereof pursuant to any declaration of covenants, conditions, restrictions and easements or other access easement recorded against the HRC Property or any portion thereof.

(d) Prior to installation of any utilities by HRC on the Property, HRC and its engineers shall consult with JV and its engineers regarding the sizing of the utilities to be installed by HRC in the Utility Easement in order to eliminate, to the greatest extent possible, any inconsistencies or conflicts with the utilities that may ultimately be installed by JV on the Retainage Parcel and to assure, to the maximum extent possible, the adequate delivery of utility services to the Retainage Parcel. Towards that end, HRC and JV agree to cooperate with one another in good faith in determining the sizing of such utilities. Except as otherwise provided herein, JV shall remain solely liable to the utility provider(s) for payment of such utility services to the Retainage Parcel.

(e) HRC and JV agree that construction vehicle access to the HRC Property and Retainage Parcel shall be limited to Government Springs Road, unless HRC elects to provide, at its sole cost and expense, an alternate, temporary road for construction vehicle access to the Retainage Parcel. In the event HRC elects to construct such alternate road, such road shall not unreasonably interfere with or impair access to the Retainage Parcel and shall otherwise be constructed in accordance with all applicable governmental requirements and standards. All construction vehicles servicing either the HRC Property or Retainage Parcel shall comply with applicable weight loads or restrictions imposed by any governmental agency or authority having jurisdiction over the HRC Property and Retainage Parcel.

3. JV's Development of Retainage Parcel: Use of Williams 3 Ditch.

(a) HRC acknowledges that, subject to the terms and provisions of the Covenants, Conditions and Restrictions (Retainage Parcel) dated of even date herewith between HRC and JV that encumber the Retainage Parcel, JV may annex, zone, and/or plat the Retainage Parcel, and that JV may do so for the purpose of developing the same. If JV does so, HRC shall reasonably cooperate with JV in such endeavor at no cost or expense to HRC, and HRC shall not take or permit any action or inaction which would materially adversely affect JV's efforts to so annex, zone, plat or develop the Retainage Parcel (provided the same is in compliance with applicable laws, rules and regulations), subject to the requirements contained in Section 2 hereof relating to water service to the Retainage Parcel.

(b) HRC hereby grants to JV a perpetual non-exclusive right to divert water into and through the ditch structure called the Williams 3 Ditch in the location depicted on **Exhibit E** attached hereto and incorporated herein by this reference (the "Ditch") solely at the diversion point depicted on said **Exhibit E**, solely for the purposes of transporting water in which JV now owns or hereafter acquires an interest to the Retainage Parcel. In furtherance of such diversion right, HRC hereby grants to JV a perpetual non-exclusive easement to transport water through and across the Ditch and a perpetual non-exclusive easement for ingress and egress through and over the Ditch to use, operate, maintain and repair the Ditch. JV shall be entitled to transport water at any time and from time to time in, through and across the Ditch from the diversion point



depicted on Exhibit E hereto to the point at which such Ditch Easement enters the Retainage Parcel, as depicted on Exhibit E (the "Ditch Easement Tract"). At its sole cost and expense JV may install piping, lining, crossings and culverts to transport water in the Ditch. HRC shall have the right to relocate the Ditch only with the consent of JV, which consent shall not be unreasonably withheld, and the easement therein, and the right to install piping, lining, crossings and culverts, and the right to construct roads, utility lines, and related improvements through and across the Ditch, as may be necessary or desirable in connection with the use of the HRC Property, provided such relocation or other action does not: (i) impair or invalidate the diversion rights granted hereby or as otherwise required or permitted pursuant to applicable law; (ii) impair or invalidate any water rights owned by JV and for which the Ditch is being used as a point of diversion or for water transportation; or (iii) prevent or interfere with the gravity flow of the water including the amount and velocity of the flow or require that JV pump water from the ditch to its intended points of use. The easement granted herein is subject to all encumbrances of record to the extent they remain in existence and valid.

(c) JV shall maintain the Ditch and shall be responsible for the control of weeds that could interfere with the use of the Ditch.

(d) JV shall not disturb or alter the Ditch Easement Tract or any portion of HRC's Property, and shall, at JV's expense, in accordance with commercially reasonable standards, restore HRC's Property, utilities and improvements, to substantially the same condition and grade as the same were in prior to any activity of JV in connection with the Ditch. JV shall access the Ditch Easement Tract by means no more intrusive than lightweight pickup truck. If heavier or more intrusive equipment is necessary for JV's use of the easement granted hereunder, JV shall obtain HRC's prior written consent, which shall not be unreasonably withheld or delayed.

(e) JV shall clean, cure, repair and correct any damage to the Ditch Easement Tract and the adjacent lands of HRC caused by acts or omissions of JV, its employees, agents, contractors, subcontractors, assigns, lessees, licensees and agents (collectively and together with JV, "JV's Responsible Parties").

(f) HRC and JV shall each have the right to the capacity of the Ditch for the diversion of water in which HRC and JV, respectively, have ownership rights. If the capacity of the Ditch is insufficient to meet the water delivery needs of HRC and JV, now or in the future, HRC and JV shall equitably share the costs of enlarging the Ditch according to the relative amounts of water they are diverting through the Ditch. Such enlargement shall be done in a manner to minimize damage to the Ditch Easement Tract.

3. <u>Permittees</u>. "Permittees" shall mean and refer to any residents, tenants, subtenants, licensees, occupants, employees, contractors, invitees, and visitors of the Retainage Parcel or the HRC Property, respectively.

4. <u>Notices</u>. All notices, consents, or other instruments or communications provided for under this Agreement shall be in writing, signed by the party giving the same, and shall be deemed properly given and received when actually delivered and received or three business days after mailed, if sent by registered or certified mail, postage prepaid, to:



<u>HRC</u> :	HRC-Montrose Development, L.P. c/o Hunt Realty Corporation Fountain Place 1445 Ross at Field Dallas, Texas 75202-2785 Attn: Larry Corson Fax: 214/855-6996
<u>JV</u> :	JV Real Estate, LLC 6124 County Road 5 Ridgway, Colorado 81432 Attn: John Kuijvenhoven Fax: 970/626-4115
<u>With copy to</u> :	Isaacson, Rosenbaum, Woods & Levy, P.C. 633 17 th Street, Suite 2200 Denver, CO 80202 Attention: Paul V. Franke, Esq. Phone: 303/292-5656 Fax: 303/292-3152

or to such other address as either party may designate by written notice to the other. In addition, the Owners agree to provide all notices intended to the other Owner to the holder of a first mortgage on either Property at the address for such mortgagee provided by each Owner to the other Owner from time to time.

5. <u>No Interference</u>. The Owners covenant and agree that: (i) no building, improvement, structure or other above or below ground obstruction will be placed, erected, installed or permitted upon the Utility Easement that will interfere with the purposes aforesaid; and (ii) no party shall interfere with or obstruct the use and enjoyment of the Utility Easement. In the event of any violation of the terms of this paragraph, such violation will be corrected and eliminated immediately upon receipt of notice from the non-interfering Owner, and the noninterfering Owner shall have the right to correct and eliminate such violation in which event the defaulting Owner, shall promptly reimburse the non-interfering Owner for the actual costs thereof.

6. <u>Mechanics' Lien</u>. If any such lien shall be filed against the HRC Property as a result of actions by JV or its Permittees, JV shall cause the lien to be discharged or bonded over. In the event that such lien is not discharged or bonded over within thirty (30) days after receipt of written notice of the lien by JV, then HRC, at its option, and at JV's cost and expense, may enter into, defend, prosecute or pursue any effort or action (whether or not litigation is involved) which HRC deems reasonably necessary to defend the HRC Property from and against such lien.

7. <u>Successors and Assigns</u>. Except as otherwise provided herein, the Owners covenant and agree that the terms and provisions of this Agreement shall operate as covenants



running with the land and shall inure to the benefit of and be binding upon the Owners and their respective successors and assigns. Compliance by HRC with the terms and provisions of this Agreement shall be the responsibility of the then record Owner(s) of the property encumbered by the Access, Utility and Ditch Easements hereby granted.

8. <u>Estoppel Certificates</u>. Each Owner agrees, upon written request from the other Owner, to provide to such requesting party or its first mortgagee, potential mortgagee or successor, within 20 days following such request, an estoppel certificate stating to the best of issuer's knowledge as of such date that (i) there is no default by the requesting party under this Agreement or that if there is to specify the nature of such default; and (ii) whether this Agreement is in full force and effect. An Owner's failure to deliver such certificate in the time provided shall be conclusive upon such Owner that (a) there is no default under this Agreement, and (b) the Agreement is in full force and effect.

9. <u>Severability</u>. 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.

10. <u>Priority of Easements</u>. The easements granted herein shall be prior and senior to the liens, security interests and other terms and provisions of those certain Deeds of Trust, Assignments of Rents and Security Agreements dated of even date herewith executed by HRC in favor of JV as security for loans made on the date hereof from JV in favor of HRC in the amounts of \$1,500,000.00 and \$6,000,000.00, respectively. JV represents and warrants that it owns the Retainage Parcel subject to no liens or encumbrances prior to this Agreement.

11. <u>Captions for Convenience</u>. All headings and captions used herein are for convenience only and are of no meaning in the interpretation or effect of this Agreement.

12. <u>Exhibits</u>. All exhibits to this Agreement are incorporated herein and made a part hereof as if fully set forth herein.

13. <u>Attorneys' Fees</u>. If any legal action or any arbitration or other proceedings are brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party, whether by final judgment or out-of-court settlement, shall recover from the losing party all costs and expenses incurred therein, including reasonable attorneys' fees, expert witness fees, and court costs.

14. <u>Modifications</u>. This Agreement contains the sole and entire understanding among the parties with respect to its subject matter and, except as may otherwise be provided herein, this Agreement shall not be modified or amended except by an instrument in writing executed by the then Owners of the property encumbered by the Access, Utility and/or Ditch Easements granted herein or otherwise affected by such amendment.



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15. <u>No Partnership or Joint Venture</u>. None of the terms or provisions of this Agreement shall be deemed to create a partnership between the parties hereto in their respective businesses or otherwise, nor shall it cause them to be considered joint venturers or members of any joint enterprise. This Agreement is not intended nor shall it be construed to create any third-party beneficiary rights in any person who is not a party hereto unless expressly otherwise provided herein.

16. <u>Counterparts</u>. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17. <u>No Waiver</u>. No waiver by an Owner of any default under this Agreement shall be effective or binding upon such party unless made in writing. No waiver of any default shall be deemed a waiver of any other or subsequent default hereunder.

[Remainder of this page intentionally left blank.]



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

HRC:

By: HRC-Montrose GP, L.L.C., a Delaware limited liability company, General Partner

B Corson Lawrence A Name: Senior Vice President Title:

JV:

JV REAL ESTATE LLC, a Colorado limited liability company

By: ____

Name: John Kuijvenhoven Title: Manager

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HRC-MONTROSE DEVELOPMENT, L.P., a Delaware limited partnership

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

HRC:

By: HRC-Montrose GP, L.L.C., a Delaware limited liability company, General Partner

Ву:
Name:
Title:

JV:

JV REAL ESTATE LLC, a Colorado limited liability_company

By:

Name: John Kuijvenhoven Title: Manager



HRC-MONTROSE DEVELOPMENT, L.P., a Delaware limited partnership

STATE OF TEXAS)
) ss.
COUNTY OF DALLAS)

The foregoing instrument was acknowledged before me this 27th day of July 2004, by LAWRENCE A. CORSON, as the SENIDR VICE PRESIDENT OF HRC-Montrose GP, L.L.C., a Delaware limited liability company, in its capacity as the General Partner of HRC-Montrose GP, L.P., a Delaware limited partnership.

- Development Witness my hand and official seal.

CAROLYN COBB NOTARY PUBLIC STATE OF TEXAS COMMISSION EXPIRES: FEBRUARY 10, 2006

Notary Public .

My commission expires:_ 10/06

STATE OF) ss. COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of _ 2004, by John Kuijvenhoven as the Manager of JV Real Estate LLC, a Colorado limited liability company.

Witness my hand and official seal.

Notary Public

My commission expires:_



STATE OF) ss. COUNTY OF

The foregoing instrument was acknowledged before me this _____ day of _____ 2004, by ______, as the ______ of HRC-Montrose GP, L.L.C., a Delaware limited liability company, in its capacity as the General Pariner of HRC-Montrose GP, L.P., a Delaware limited partnership.

Witness my hand and official seal.

Notary Public My commission expires:

STATE OF <u>Colorado</u>) COUNTY OF <u>Denver</u>) ss.

The foregoing instrument was acknowledged before me this 28 day of <u>Sulu</u>, 2004, by John Kuijvenhoven as the Manager of JV Real Estate LLC, a Colorado limited livebility company.

Witness my hand and official seal.

10/06 My commission expires:



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Exhibit A

PROPERTY DESCRIPTION FOR THE RETAINAGE PARCEL, A PARCEL OF LAND SITUATED IN SECTIONS 7 & 18, TOWNSHIP 46 NORTH, RANGE 9 WEST, NEW MEXICO PRINCIPAL MERIDIAN AND IN SECTION 12, TOWNSHIP 46 NORTH, RANGE 10 WEST, NEW MEXICO PRINCIPAL MERIDIAN, COUNTY OF OURAY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at the section corner of Sections 12, 7, 13, & 18, a Del Mont Surveying monument in place; thence N00°52'50"E along east section line of said Section 12 a distance of 1137.01' to a rebar and cap (PLS 33645); thence leaving said east section line S66°27'55"W a distance of 482.62' to a rebar and cap (PLS 33645); thence N06°56'25"W a distance of 864.70' to a rebar and cap (PLS 33645); thence N27°21'30"E a distance of 980.20' to a rebar and cap (PLS 33645); thence S89°24'32"E a distance of 110.06' to the 1/4 corner of said sections 12 & 7 a BLM monument; thence N09°11!20"E a distance of 726.69' to a rebar and cap (PLS 33645); thence N03°37'27"W a distance of 584.93' to a rebar and cap (PLS 33645); thence S84°37'51"E a distance of 2144.88' to a rebar and cap (PLS 33645); thence S87°17'31"E a distance of 594.59' to a rebar and cap (PLS 33645); thence N46°57'56"E a distance of 281.52' to a rebar and cap (LS 12180); thence N54°21'59"E a distance of 144.69' to a rebar and cap (LS 12180); thence N15°29'04"E a distance of 351.31' to a rebar and cap (PLS 33645); thence N11°53'52"E a distance of 256.30' to a rebar and cap (PLS 33645): thence S86°13'07"E a distance of 634.67' to a rebar and cap (PLS 33645); thence S00°46'04"W a distance of 792.23' to the NE1/16 of said section 7 a rebar and cap (LS 12180); thence S00°45'42"W a distance of 1321.03' to the CE1/16 of said section 7 a rebar and cap (LS-12180); thence S00°47'16"W a distance of 1347.28' to the SE1/16 of said section 7 a rebar and cap (LS 12180); thence S00°39'24"E a distance of 3543.84' to a rebar and cap (PLS 33645); thence N88°43'38"W a distance of 1558.36' to a rebar and cap (PLS 33645): thence N05°02'47"W a distance of 1051.40' to a rebar and cap (PLS 33645); thence N84°52'43"W a distance of 1022.57' to a rebar and cap (PLS 33645); thence N00°35'14"W a distance of 1190.93' to a rebar and cap (PLS 33645); thence N86°44'20"W a distance of 1257.57 to section corner of said Sections 12, 7, 13. & 18 which is the point of beginning, having an area of 491.000 acres MORE OR LESS.



(Entire Property)

PROPERTY DESCRIPTION FOR THE JVRE RANCH, A PARCEL OF LAND SITUATED IN SECTIONS 6, 7 & 18, TOWNSHIP 46 NORTH, RANGE 9 WEST, NEW MEXICO PRINCIPAL MERIDIAN AND IN SECTIONS 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26, 27, 28, 33 & 34, TOWNSHIP 46 NORTH, RANGE 10 WEST, NEW MEXICO PRINCIPAL MERIDIAN, COUNTIES OF MONTROSE AND OURAY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

EXHIBIT "B"

BEGINNING at the section corner of Sections 1/2/11/12, a B.L.M. monument in place; thence N89°12'18"E along an existing fence line and the north section line of said Section 12 a distance of 2746.29' to the North 1/4 Corner of said Section 12, a rebar and cap (PLS 33645); thence continuing along said fence line and said north section line N89°11'31"E a distance of 2250.20' to a rebar and cap (PLS 33645) at a fence corner; thence leaving said section line and continuing along said fence line N66°24'02"E a distance of 493.30' to a rebar and cap (PLS, 33645) at a fence corner; thence continuing along a north fence line N05°58'56"E a distance of 1070.01' to a rebar and cap (PLS 33645) at a fence corner; thence continuing along said fence line N88°48'42"E a distance of 1737.35' to a rebar and cap (PLS 33645) at a fence corner; thence N01°11'54"W a distance of 1294.89' to a rebar and cap (PLS 33645) at a fence corner; thence S87°04'47"E a distance of 903.00' to a rebar and cap (PLS 33645) at a fence corner; thence S60°08'08"E a distance of 130.18' to a rebar and cap (PLS 33645) at a fence corner; thence along a fence line S04°19'39"W a distance of 1282.06' to a rebar and cap (PLS 33645) at a point on an east/west fence line; thence S86°58'40"E a distance of 413.92' along said fence-line to a rebar and cap (LS 12180); thence S87°02'03"E a distance of 871.67' to the SE 1/16 corner of said Section 6 monumented by a 20' witness corner to the north being a rebar and cap (LS 12180); thence S04°43'56"W a distance of 1344.40' to the E 1/16 a rebar and cap (LS 12180) of said Sections 6 & 7; thence S00°46'04"W a distance of 528.13' to a rebar and cap (PLS 33645); thence N86°13'07"W a distance of 634.67' to a rebar and cap (PLS 33645); thence S11°53'52"W a distance of 256.30' to a rebar and cap (PLS 33645); thence S15°29'04"W a distance of 351.31' to a rebar and cap (PLS 33645); thence S54°21'59"W a distance of 144.69' to a rebar and cap (PLS 33645); thence S46°57'56"W a distance of 281.52' to a rebar and cap (PLS 33645); thence N87°17'31"W a distance of 594.59' to a rebar and cap (PLS 33645); thence N84°37'51"W a distance of 2144.88' to a rebar and cap (PLS 33645); thence S03°37'27"E a distance of 584.93' to a rebar and cap (PLS 33645); thence S09°11'20"W a distance of 726.69' to 1/4 Corner of said Sections 12 & 7 a B.L.M. brass cap; thence N89°24'32"W a distance of 110.06' to a rebar and cap (PLS 33645); thence S27°21'30"W a distance of 980.20' to a rebar and cap (PLS 33645); thence S06°56'25"E a distance of 864.70' to a rebar and cap (PLS 33645); thence N66°27'55"E a distance of 482.62' to a rebar and cap (PLS 33645); thence S00°52'50"W a distance of 1137.01' along the west section line of said Section 7 to the corner of said Sections 12/7/13/18 a rebar and cap (LS 24299); thence S86°44'20"E a distance of 1257.57' to a rebar and cap (PLS 33645); thence S00°35'14"E a distance of 1190.93' to a rebar and cap (PLS



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33645); thence S84°52'43"E a distance of 1022.57' to a rebar and cap (PLS 33645); thence S05°02'47"E a distance of 1051.40' to a rebar and cap (PLS 33645); thence S88°43'38"E a distance of 1558.36' to a rebar and cap (PLS 33645) on the E 1/16 line of said Section 18; thence along said E 1/16 line S00°39'24"E a distance of 1742.89' to the SE 1/16 of said Section 18 a rebar and cap (LS 24299); thence N87°16'18"W a distance of 4037.75' to the S 1/16 of said Sections 13 & 18 a rebar and cap (LS 24299); thence S89°37'13"W a distance of 2858.76' to the C-S 1/16 of said Section 13 a rebar and cap (LS 24299); thence S01°40'11"E a distance of 1342.78' to the 1/4 Corner of said Sections 13 & 24 a rebar and cap (PLS 33645); thence S01°13'00"W a distance of 3964.36' to the C-S 1/16 of said Section 24 a rebar and cap (PLS 33645); thence N89°38'39"W a distance of 1351.52' to the SW 1/16 of said Section 24 a rebar and cap (PLS 33645); thence S00°33'38"W a distance of 1313.04' to the W 1/16 of said Sections 24 & 25 a rebar and cap (PLS 33645); thence S00°06'47"W a distance of 3980.20' to the SW 1/16 of said Section 25 a rebar and cap (PLS 33645): thence N87°50'12"W a distance of 1347.93' to the S 1/16 of said Sections 26 & 25 a rebar and cap (PLS 33645); thence S89°45'51"W a distance of 2671.04' to the C-S 1/16 of said Section 26 a rebar and cap (PLS 33645); thence N00°14'39"E a distance of 1330.02' to the Center 1/4 of said Section 26 a rebar and cap (PLS 33645); thence N89°53'45"W a distance of 2676.36' to the 1/4 Corner of said Sections 27 & 26 a rebar and cap (PLS 33645); thence S00°19'27"W a distance of 2688.32' to the section corner of said Sections 27/26/34/35 an alum. cap (LS 25643); thence S01°07'57"E a distance of 1348.35 to the N 1/16 of said Section 34 an alum. cap (LS 25643); thence N89°22'53"W a distance of 2673.32' to the CN 1/16 of said Section 34 a rebar and cap (LS 28652); thence N89°25'06"W a distance of 2684.77' to the N 1/16 of said Sections 33 & 34 a rebar and cap (LS 28652); thence S89°13'59"W a distance of 1336.08' to the NE 1/16 of said Section 33 a rebar and cap (LS 28652); thence N01°00'21"W a distance of 1338.34' to the E 1/16 of said Sections 28 & 33 a rebar and cap (LS 28652); thence along the south section line of said Section 28 S89°53'16"W a distance of 1333.94' to the 1/4 Corner of said Sections 28 & 33 a B.L.M. alum. cap; thence N00°09'26"E a distance of 4867.22' to a rebar and cap (LS 24299); thence along a fence line S89°38'22"E a distance of 2674.02' to a rebar and cap (LS 24299); thence along a fence line N00°07'32"E a distance of 569.70' to the section corner of said Sections 21/22/28/27 a B.L.M. brass cap; thence along the north line of said Section 27 S89°17'19"E a distance of 1341.78' to the W 1/16 of said Sections 22 & 27 a rebar and cap (LS 3657); thence N00°14'10"E a distance of 2665.49' to the CW 1/16 of said Section 22 a rebar and cap (LS 24299); thence N00°12'02"E a distance of 2664.88' to the W 1/16 of said Sections 15 & 22 a rebar and cap (LS 12180); thence N88°43'27"W a distance of 1298.03' to the Section Corner of said Sections 16/15/21/22 a B.L.M. brass cap; thence along the west line of said Section: 15 N00°07'57"E a distance of 1049.61' to a rebar and cap (LS 24299); thence S89°06'44"W a distance of 5365.46' to a point on the west line of said Section 16 a rebar and cap (LS 24299); thence along the west line of said Section 16 N02°34'32"E a distance of 285.52' to the S 1/16 of said Section 16 a B.L.M. alum. cap; thence N89°08'03"E



a distance of 5353.18' to S 1/16 of said Sections 16 &15 a rebar and cap (LS 12180); thence N79°50'58"E a distance of 16.58' to a rebar and cap (PLS 33645) located at the intersection of the north/south & west fences; thence N00°15'35"W along the said north fence line a distance of 1330.65' to a rebar and cap (PLS 33645) at the intersection of the south & east fences; thence S88°32'09"E along said east fence line a distance of 5163.46' to a rebar and cap (PLS 33645) at an angle point in said east fence line; thence N86°15'56"E a distance of 1018.56' to a rebar and cap (PLS 33645) at an angle point in said east fence line; thence N43°09'55"E a distance of 434.73' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence N01°26'22"E a distance of 2262.30' to a rebar and cap (PLS 33645) at the intersection of a south and east fence line; thence S89°43'35"E along said east fence line a distance of 3936.63' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence N44°09'34"E a distance of 103.34' to a rebar and cap (PLS 33645) at an angle point in said fence line: thence N02°32'24"E along a north fence line distance of 2445.48' to a rebar and . cap (PLS 33645) at an angle point in said fence line; thence N05°26'45"E a distance of 2685.41' to section corner of said Sections 1/2/11/12; which is the point of beginning, having an area of 5848.237 acres MORE OR LESS.







Exhibit C-2

EASEMENT "A"

Beginning at a point on the centerline of a 60' ingress/egress easement which bears N66°18'44"E a distance of 2974.83' from the section corner common to sections 1 & 12 of T46N, R10W of the N.M.P.M. and sections 6 & 7 of T46N, R9W of the N.M.P.M.: thence S08°04'47"W a distance of 170.67'; thence S05°10'21"W a distance of 555.79'; thence S25°12'22"W a distance of 249.50'; thence S66°20'04"W a distance of 257.22'; thence N86°06'39"W a distance of 666.65'; thence S74°55'47"W a distance of 383.18'; thence S65°07'04"W a distance of 483.58'; thence S84°44'03"W a distance of 369.49'; thence S73°54'54"W a distance of 451.04'; thence S70°24'27"W a distance of 200.53': thence S35°44'31"W a distance of 211.73'; thence S78°13'07"W a distance of 790.21'; thence S54°19'51"W a distance of 358.13'; thence S48°30'31"W a distance of 347.92': thence S61°54'57"W a distance of 376.92'; thence S70°51'35"W a distance of 437.11'; thence with a curve turning to the left with an arc length of 425.96', with a radius of 500.00', with a chord bearing of S46°43'33"W, with a chord length of 413.20', thence 522°19'12"W a distance of 130.82'; thence with a curve turning to the right with an arc length of 124.57', with a radius of 500.00', with a chord bearing of S29°27'26"W, with a chord length of 124.24', thence with a curve turning to the right with an arc length of 72.80', with a radius of 500.00', with a chord bearing of S40°45'55"W, with a chord length of 72.73', thence S44°56'11"W a distance of 470.52'; thence S45°08'14"W a distance of 335.52'; thence S39°31'46"W a distance of 265.54'; thence S47°07'39"W a distance of 225.62'; thence S48°40'21"W a distance of 141.01'; thence S38°03'41"W a distance of 165.72'; thence S35°29'14"W a distance of 171.91'; thence S42°08'17"W a distance of 222.18'; thence S47°28'22"W a distance of 334.33'; thence S54°20'47"W a distance of 301.19'; thence S42°30'30"W a distance of 179.89'; thence S35°13'48"W a distance of 226.54'; thence S43°45'43"W a distance of 93.30'; thence S51°18'50"W a distance of 153.72'; thence S39°37'04"W a distance of 150.91'; thence S3°124'31"W a distance of 137.12'; thence S29°02'20"W a distance of 124.82'; thence S48°00'01"W a distance of 62.83'; thence S57°00'08"W a distance of 202.56'; thence S42°56'18"W a distance of 99.57'; thence S30°30'14"W a distance of 93.62'; thence S35°10'32"W a distance of 78.37'; thence S40°35'28"W a distance of 228.92'; thence S47°31'42"W a distance of 95.97'; thence S56°25'47"W a distance of 96.63'; thence S62°45'02"W a distance of 510.68'; thence S50°04'50"W a distance of 253.03'; thence S56°04'43"W a distance of 301.64'; thence S53°19'40"W a distance of 241.80'; thence S50°28'30"W a distance of 181.80'; thence S63°50'05"W a distance of 115.36'; thence S73°12'10"W a distance of 221.46'; thence S82°18'54"W a distance of 161.66'; thence S87°57'06"W a distance of 257.06'; thence with a curve turning to the left with an arc length of 215.80', with a radius of 350.00', with a chord bearing of S70°17'19"W, with a chord length of 212.39', thence with a curve turning to the left with an arc length of 84.08', with a radius of 350.00', with a chord bearing of S45°44'36"W, with a chord length of 83.88', thence with a curve turning to the left with an arc length of 101.15', with a radius of 350.00', with a chord bearing of S30°34'57"W, with a chord length of 100.80', thence S22°18'13"W a distance of 111.06'; thence with a curve turning to the right with an arc length of 188.05', with a radius of 250.00', with a chord bearing of S43°51'08"W, with a chord length of 183.65', thence S652°4'04"W a distance of 180.23'; thence S72°02'03"W a distance of 261.58'; thence S63°12'40"W a distance of 394.54'; thence S58°23'40"W a



distance of 165.96'; thence S49°40'25"W a distance of 125.51'; thence S37°25'05"W a distance of 297.53'; thence S54°25'23"W a distance of 135.39'; thence S59°24'04"W a distance of 111.47'; thence S60°29'56"W a distance of 113.30'; thence S54°05'25"W a distance of 308.18'; thence S54°05'25"W a distance of 218.34'; thence S56°24'45"W a distance of 181.80'; thence S66°21'24"W a distance of 511.70'; thence S73°17'34"W a distance of 158.88'; thence with a curve turning to the right with an arc length of 142.74', with a radius of 200.00', with a chord bearing of N86°15'43"W, with a chord length of 139.73', thence N65"48'59"W a distance of 242.97'; thence N88"04'00"W a distance of 215.30'; thence S81°02'27"W a distance of 312.10'; thence S79°06'02"W a distance of 257.04'; thence S83°42'45"W a distance of 280.39'; thence N88°49'00"W a distance of 261.47'; thence N84°54'24"W a distance of 324.70'; thence with a curve turning to the left with an arc length of 230.68', with a radius of 500.00', with a chord bearing of S81°52'35"W, with a chord length of 228.64', thence S68°39'33"W a distance of 245.74'; thence with a curve turning to the left with an arc length of 330.14', with a radius of 700.00', with a chord bearing of S55°08'53"W, with a chord length of 327.09', thence S41°38'14"W a distance of 438.44'; thence with a curve turning to the right with an arc length of 79.91', with a radius of 150.00', with a chord bearing of S56°53'56"W. with a chord length of 78.97', thence S72°09'39"W a distance of 232.04'; thence with a curve turning to the left with an arc length of 40.89', with a radius of 100.00', with a chord bearing of S60°26'43"W, with a chord length of 40.61', thence S48°43'47"W a distance of 380.50'; thence with a curve turning to the right with an arc length of 377.84', with a radius of 520.00', with a chord bearing of S693°2'45"W, with a chord length of 369.59', thence with a curve turning to the right with an arc length of 316.32", with a radius of 520.00', with a chord bearing of N72°12'41"W, with a chord length of 311.46', thence N54°47'06"W a distance of 179.65'; thence N80°05'01"W a distance of 231.79': thence S80°02'14"W a distance of 197.69'; thence S73°33'50"W a distance of 165.41'; thence N87°59'37"W a distance of 102.83'; thence N79°17'39"W a distance of 125.43'; thence N79°17'39"W a distance of 117.89'; thence N86°47'43"W a distance of 193.21'; thence S88°56'07"W a distance of 425.08'; thence N85°09'14"W a distance of 309.16'; thence N85°31'49"W a distance of 251.55'; thence S88°11'38"W a distance of 342.72'; thence S74°45'35"W a distance of 165.42'; thence S75°31'16"W a distance of 215.99'; thence S81°45'58"W a distance of 108.32'; thence N79°19'57"W a distance of 356.10'; thence N84°37'45"W a distance of 442.62'; thence S84°26'43"W a distance of 278.95'; thence S82°14'48"W a distance of 120.09'; thence S79°46'50"W a distance of 131.90'; thence S84°51'12"W a distance of 401.16'; thence N80°49'02"W a distance of 383.52'; thence N90°00'00"W a distance of 162.26'; thence S781°3'03"W a distance of 520.99': thence N77°40'15"W a distance of 370.94'; thence N24°56'06"W a distance of 67.51'; thence with a curve turning to the left with an arc length of 48.91', with a radius of 50.00', with a chord bearing of N52°57'38"W, with a chord length of 46.99', thence N80°59'09"W a distance of 97.72'; which is the Terminus, also being on the Easterly R.O.W. of Ouray County Road 15 (Davewood Road) and the S1/16 corner of Section 16 146N, R10W of the N.M.P.M. bears N02°34'32"E a distance of 34.89'.



EASEMENT "B" & Utilities Easement

Beginning at a point on the centerline of a 60' ingress/egress and utility easement which bears S28°37'01"W a distance of 583.48' from the section corner common to sections 1 & 12 of T46N, R10W of the N.M.P.M. and sections 6 & 7 of T46N, R9W of the N.M.P.M.; thence S12°18'49"E a distance of 190.21'; thence S12°32'26"W a distance of 127.16'; thence S25°26'54"E a distance of 133.10'; thence S38°30'26"E a distance of 196.39'; thence S28°18'46"E a distance of 204.17'; thence S00°20'17"W a distance of 632.10'; thence S11°12'41"W a distance of 202.87'; thence S23°35'18"W a distance of 123.04'; thence S38°13'50"W a distance of 497.79'; thence S31°55'59"W a distance of 123.04'; thence S17°23'41"W a distance of 270.47'; thence S36°15'44"W a distance of 150.81'; thence S39°59'29"W a distance of 291.40' which is the Terminus and the said section corner common to sections 1, 12, 6 & 7 bears N14°19'00"E a distance of 3616.14'.



EASEMENT "C"

Beginning at a point on the centerline of a 60' ingress/egress easement which bears N68°07'30"E a distance of 2919.11' from the section corner common to sections 1 & 12 of T46N, R10W of the N.M.P.M. and sections 6 & 7 of T46N, R9Wof the N.M.P.M.: thence S08°04'47"W a distance of 62.05'; thence S40°12'39"E a distance of 156.26': thence S792°8'15"E a distance of 121.10'; thence S31°06'40"E a distance of 94.69': thence S21°19'18"E a distance of 230.16'; thence S19°18'59"W a distance of 145.75'; thence S45°08'58"W a distance of 259.48'; thence S38°03'25"W a distance of 363.60'; thence with a curve turning to the left with an arc length of 143.37', with a radius of 60.00', with a chord bearing of S30°23'47"E, with a chord length of 111.61', thence N81°09'02"E a distance of 178.19'; thence N75°45'09"E a distance of 134.51'; thence with a curve turning to the right with an arc length of 44.46', with a radius of 20.00', with a chord bearing of S40°33'43"E, with a chord length of 35.85', thence S23°07'24"W a distance of 236.15'; thence S21°56'41"W a distance of 232.50'; thence S27°40'08"W a distance of 122.73': thence S03°49'04"E a distance of 97.26'; thence S17°32'05"W a distance of 112.26'; thence S26°35'14"W a distance of 156.27'; thence S16°16'31"W a distance of 194.11'; thence S22°32'51"W a distance of 192.81'; thence S23°29'52"W a distance of 139.69'; thence S09°59'29"E a distance of 91.89', which is the Terminus, and the E1/16 corner of said section 6 bears N46°01'24"E a distance of 1928.23'.

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EASEMENT "D"

Beginning at a point on the centerline of a 60' ingress/egress easement which bears N67°40'09"E a distance of 2897.86' from the section corner common to sections 1 & 12 of T46N, R10W of the N.M.P.M. and sections 6 & 7 of T46N, R9W of the N.M.P.M.; thence S06°47'33"W a distance of 34.87'; thence with a curve turning to the right with an arc length of 95.87', with a radius of 70.00', with a chord bearing of S46°01'48"W, with a chord length of 88.55', thence S85°16'02"W a distance of 822.20'; thence S81°19'38"W a distance of 59.23'; thence S84°48'25"W a distance of 862.21'; thence S85°18'21"W a distance of 627.83'; thence with a curve turning to the left with an arc length of 70.01', with a radius of 50.00', with a chord bearing of S45°11'39"W, with a chord length of 64.43', thence S05°04'57"W a distance of 425.02'; thence S07°16'23"W a distance of 309.66'; thence S15°15'42"W a distance of 322.58'; thence S34°05'59"W a distance of 48.36'; which is the Terminus and said section corner common to sections 1, 12, 6, & 7 bears N14°13'33"W a distance of 241.73'.



30 FOOT DITCH EASEMENT

Beginning at a point on the centerline of a 30' ditch easement and at the diversion box for the Williams Ditch #3 which bears S42°30'49"W a distance of 2087.15' from the ¼ section corner common to sections 12 & 7 of T46N, R10W of the N.M.P.M. and of T46N, R9Wof the N.M.P.M.; thence N19°14'31"E a distance of 31.59'; thence N58°10'08"E a distance of 57.53'; thence N61°55'59"E a distance of 32.78'; thence N32°49'08"E a distance of 15.61'; thence N61°55'59"E a distance of 32.78'; thence of 36.49'; thence S58°17'20"E a distance of 22.56'; thence N62°30'56"E a distance of 114.42'; thence N72°01'50"E a distance of 51.64'; thence N29°47'40"E a distance of 44.13; thence N78°31'22"E a distance of 55.64'; thence N42°34'57"E a distance of 47.36'; thence N69°02'42"E a distance of 84.23'; thence S88°31'30"E a distance of 99.30; thence N69°33'06"E a distance of 162.09'; thence S76°29'38"E a distance of 58.61' which is the Terminus and the said ¼ section corner common to sections 12, & 7 bears N23°01'03"E a distance of 1324.60'.

