

EAST JACKSON LAKE IRRIGATED LAND AUCTION

November 20, 2024

**ONLINE
ONLY
Auction**

DUE DILIGENCE PACKET



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DUE DILIGENCE PACKET

Printed: November 4, 2024

EAST JACKSON LAKE IRRIGATED LAND AUCTION

Morgan County, Colorado

TO BE SOLD AT

SINGLE PARCEL AUCTION
with RESERVE

Wednesday, November 20, 2024

Bidding Opens: 8 am, MT | Bidding Closes: 12 noon, MT

FOR FURTHER INFORMATION OR FOR SHOWING BY APPOINTMENT CONTACT . . .
Ben Gardiner, Broker Associate or Marc Reck, Broker



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bgardiner@reckagri.com
www.reckagri.com

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Terms & Conditions

Announcements made by Reck Agri Realty & Auction at the time of sale will take precedence over any previously printed material or other oral statements.

ONLINE BIDDING PROCEDURE: The EAST JACKSON LAKE IRRIGATED LAND AUCTION property will be offered for sale in 1 parcel. BIDDING WILL BE ONLINE-ONLY on Wednesday, November 20, 2024, and will begin @ 8:00 am, and will “soft” close @ 12:00 (noon), MT. Bidding will remain open as long as there is active bidding. Bidding will close when 5 minutes have passed with no new bids.

To bid at the online auction: Download RECK AGRY MOBILE APP through the Apple App Store or Google Play OR visit reckagri.com and click on the EAST JACKSON LAKE IRRIGATED LAND AUCTION property page to register to bid. Your registration must be approved by Reck Agri Realty & Auction before you may bid. See Bidder Requirements below. If you have questions regarding the bidding process and/or registration, call Reck Agri Realty & Auction at 970-522-7770.

BIDDER REQUIREMENTS: Requirements for Buyer(s) to be approved to bid online: 1.) Review and agree to the terms and conditions of the Due Diligence Packet and 2.) Provide Reck Agri Realty & Auction verification of available funds to purchase the property and/or bank loan approval letter with no contingencies.

Reck Agri Realty & Auction reserves the right to refuse registration to bid and/or bids from any bidder. Bidding increments are at the discretion of the Broker. Due Diligence Packet may be obtained by visiting the property page at reckagri.com or by calling Reck Agri Realty & Auction. To register to bid, Buyer(s), prior to the auction, must review and accept the Due Diligence Packet with the full auction terms and conditions, property descriptions, pertinent information, title commitments, and sample contracts.

SALE TERMS/PROCEDURE: The EAST JACKSON LAKE IRRIGATED LAND AUCTION is an online-only auction with RESERVE. The property will be offered in 1 parcel. Competitive bids will determine the outcome of the auction. Seller reserves the right to accept or reject any and all bids. Seller agrees not to accept and negotiate any contracts to purchase prior to auction date. Bids will be taken for total purchase price not price per acre.

SIGNING OF PURCHASE CONTRACT: Immediately following the closing of the auction, the highest bidder(s) will sign Brokerage Disclosure and will enter into and sign a Contract to Buy and Sell Real Estate (Land) for the amount of the bid. Required earnest money deposit to be in the form of a check or wire for 15% of the purchase price which is due upon the signing of the contract and to be deposited with Reck Agri Realty & Auction. Purchase contract will not be contingent upon financing. Terms and conditions of the Due Diligence Packet and announcements shall be incorporated and made a part of the contract. Sample contract is available within the Due Diligence Packet.

CLOSING: Buyer(s) shall pay in good funds, the balance of purchase price plus their respective closing costs, and sign and complete all customary or required documents at closing, which is on or before December 27, 2024. Closing to be conducted by Northern Colorado Title Company and the closing service fee to be split 50-50 between Seller and Buyer(s).

TITLE: Seller to pass title by Special Warranty Deed free and clear of all liens. Title insurance to be used as evidence of marketable title and cost of the premium to be split 50-50 between Seller and Buyer(s). The Buyer(s) to receive a TBD title commitment within Due Diligence Packet, updated title commitment with Buyer(s) name, lender, purchase price, and all supplements and additions thereto after auction, and an owner's title insurance policy in an amount equal to the Purchase Price after closing. Property to be sold subject to existing roads and highways; established easements and rights-of-way; prior mineral reservations; and other matters affected by title documents shown within the title commitment; and zoning, building, subdivision, and other restrictions and regulations of record. Title commitments are available for review within the Due Diligence Packet and title commitment and exceptions will be incorporated and made a part of the Contract to Buy and Sell Real Estate (Land).

POSSESSION: Possession of property upon closing.

LEASE: Seller attests there is no farm lease (verbal or written) and/or any prior lease has been appropriately terminated. Should a tenant claim interest in the property, Seller to stand all costs associated with said termination.

PROPERTY CONDITION: All prospective bidders should verify all information contained herein and are urged to fully inspect the property, its condition, and to rely on their own conclusions. The property is being sold AS IS-WHERE IS, without warranty, representation or recourse to Seller.

WATER RIGHTS & EQUIPMENT: Seller to convey all water rights, water development rights, all ditch rights, reservoir rights, lateral rights and conveyance canal rights, and all easements and rights-of-way associated with said water rights appurtenant to the property, including but not limited to the following: all water rights thereof by virtue of the inclusion therein of the above real estate within the boundaries of the Riverside Irrigation District, being 160 acre-rights, more or less; all rights to transport, convey, and deliver water from said water rights through canals, ditches, and laterals. The water rights are subject to the rules, regulations, and limitations of the Colorado Department of Water Resources, and Riverside Irrigation District. Water rights and the irrigation equipment are being sold AS IS-WHERE IS without warranty or guarantee of any water right matters, adequacy and/or delivery of ditch water and stream flows, and pumping rates/adequacy of pit pumps and condition of all irrigation equipment. Buyer(s) to pay for 2025 irrigation ditch assessments.

GROWING CROPS: All crops currently planted/growing on the property including alfalfa and wheat to be conveyed to Buyer(s).

FSA DETERMINATION: FSA base acres and yields to pass with the property as designated within the Due Diligence Packet. Buyer(s) and Seller, at closing, to sign a Memorandum of Understanding (MOU) stating the base acres and yields as designated within the Due Diligence Packet.

REAL ESTATE TAXES: 2024 real estate taxes to be paid by Seller, at closing. Buyer(s) will be responsible for all future real estate taxes and assessments.

LEGAL DESCRIPTION: Legal descriptions are subject to existing fence/field boundaries or land-use trades, if any.

MINERALS: Seller to convey all OWNED mineral rights to Buyer(s).

NOXIOUS WEEDS: There may be areas infested by noxious weeds, (i.e. rye, bindweed, Canadian thistle, goat/Johnson grass, etc.). The location of and the density of noxious weeds is unknown at this time.

ACREAGES: All stated acreages utilized in marketing materials and Due Diligence Packet are approximate and are obtained from aerial photos from the FSA office. The county tax records may indicate different acreages and no warranty is expressed or implied as to exact acreages of property. All bids are for the total parcel without regard to exact acreage. There will be no adjustment in purchase price if acreage is different than what is stated in the Due Diligence Packet and/or published at the auction.

ANNOUNCEMENTS: The information contained herein has either been given to us by the owner of the property or obtained from sources that we deem reliable. We have no reason to doubt its accuracy, but we do not guarantee it. Reck Agri Realty & Auction and the Seller assume no responsibility for the omissions, corrections, or withdrawals. The location maps are not intended as a survey and are for illustrative purposes only. Prospective Buyer(s) should verify all information contained herein. All prospective bidders are urged to fully inspect the property, its condition and to rely on their own conclusions. Property is being sold AS IS-WHERE IS, without warranty, representation or recourse to Seller. Reck Agri Realty & Auction and all other agents of Broker are or will be acting as a Transaction Broker. Reck Agri Realty & Auction does not offer broker participation for this auction. Reck Agri Realty & Auction reserves the right to require bank references upon request and reserves the right to refuse bids from any bidder. Bidding increments are at the discretion of the Broker.

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Location Map



Parcel Map



Parcel Information

Legal Description:

Part of Section 13, Township 5 North, Range 60 West of the 6th PM, Morgan County, CO.
See Pages 32-204 for legal description, title commitment, and title exceptions.

Acreage:

163.0± Ac Pivot Irrigated
8.3± Ac Dryland Corners
8.7± Ac Roads/Waste

180.0± TOTAL

Soils:

Soils consists primarily of Class IV. See Soils Map on Page 6.

Taxes & Assessments:

2023 real estate taxes paid in 2024 were: \$2,300.80; Riverside Irrigation District Assessments: \$320.00, which are payable in advance. Buyer(s) to pay the 2025 Riverside assessments at closing.

FSA Information:

FSA bases: 137.5 ac corn w/ 164 bu PLC yield.

Irrigation Water & Equipment:

160.0 Riverside Irrigation District Acres

Irrigation equipment includes a Valley 8000 pivot with cornering tower (8 towers total), equipped with FieldNet. It was purchased slightly used in 2017 and was updated at that time. New 30 HP floater pump and new underground pipeline in 2023.

No irrigation or domestic/livestock wells.

Growing Crops:

163± acres irrigated alfalfa—west half planted May 2020, east half planted August 2021; 4.6± acres dryland winter wheat; 3.7± dryland alfalfa.

Comments:

Seller reported 62 ac-ft. of water remaining after 2024 growing season with a yield of 6.5T per acre (alfalfa). Morgan County Quality water runs along west and south boundaries.

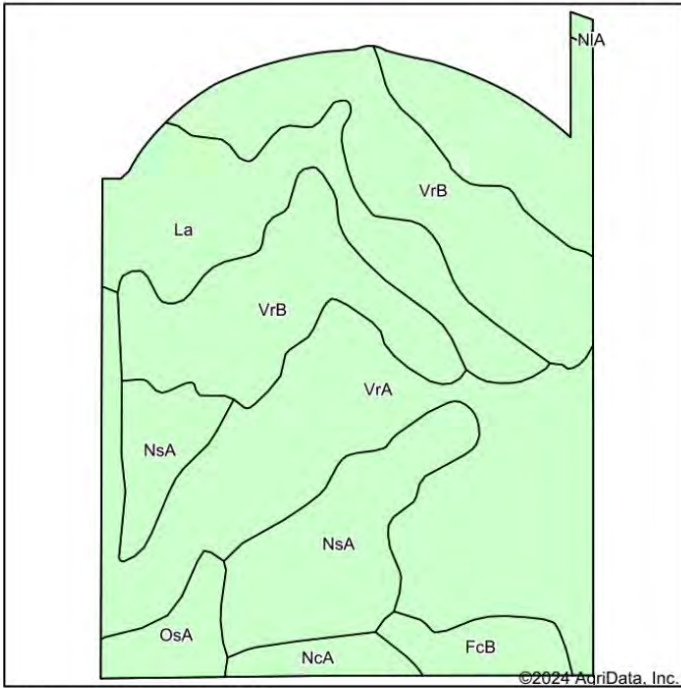
Starting Bid:

\$1,500,000

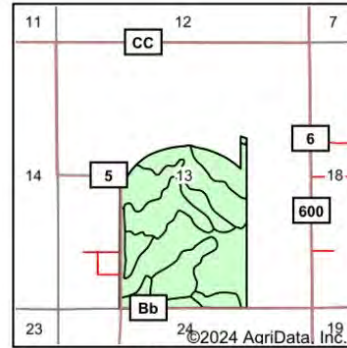


Soils Map

Soils Map



Soils data provided by USDA and NRCS.



State: **Colorado**
 County: **Morgan**
 Location: **13-5N-60W**
 Township: **Weldona**
 Acres: **180.16**
 Date: **10/28/2024**



Area Symbol: CO087, Soil Area Version: 24

Code	Soil Description	Acres	Percent of field	Non-Irr Class
VrA	Vona sandy loam, terrace, 0 to 1 percent slopes	67.87	37.8%	IVe
VrB	Vona sandy loam, terrace, 1 to 3 percent slopes	47.99	26.6%	IVe
NsA	Nunn sandy loam, 0 to 1 percent slopes	25.07	13.9%	IVc
La	Las loam, saline	24.00	13.3%	IVw
FcB	Fort Collins loam, 0 to 3 percent slopes	5.75	3.2%	IIIe
OsA	Olney sandy loam, terrace, 0 to 1 percent slopes	5.61	3.1%	IIIe
NcA	Nunn clay loam, 0 to 1 percent slopes	3.87	2.1%	IVe
Weighted Average				3.94

1 The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.
2 (CBS4-8-24) (Mandatory 8-24)

3
4 **THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR**
5 **OTHER COUNSEL BEFORE SIGNING.**

6
7 **CONTRACT TO BUY AND SELL REAL ESTATE**
8 **(LAND)**
9 **(Property with No Residences)**
10 **(Property with Residences-Residential Addendum Attached)**

11
12 Date: _____

13 **AGREEMENT**

14 **1. AGREEMENT.** Buyer agrees to buy and Seller agrees to sell the Property described below on the terms and conditions set
15 forth in this contract (Contract).

16 **2. PARTIES AND PROPERTY.**

17 **2.1. Buyer.** _____ (Buyer) will take title
18 to the Property described below as **Joint Tenants** **Tenants In Common** **Other** _____.

19 **2.2. No Assignability.** ~~This Contract IS NOT assignable by Buyer unless otherwise specified in Additional Provisions.~~

20 **2.3. Seller.** _____ (Seller) is the current
21 owner of the Property described below.

22 **2.4. Property.** The Property is the following legally described real estate in the County of _____, Colorado
23 (insert legal description):

24
25
26
27
28
29
30 known as: _____
31 Street Address City State Zip

32 together with the interests, easements, rights, benefits, improvements and attached fixtures appurtenant thereto and all interest of
33 Seller in vacated streets and alleys adjacent thereto, except as herein excluded (Property).

34 **2.5. Inclusions.** The Purchase Price includes the following items (Inclusions):

35 **2.5.1. Inclusions.** ~~The following items, whether fixtures or personal property, are included in the Purchase Price~~
36 ~~unless excluded under Exclusions:~~

37
38
39
40 ~~If any additional items are attached to the Property after the date of this Contract, such additional items are also included in the~~
41 ~~Purchase Price.~~

42 **2.5.2. Encumbered Inclusions.** Any Inclusions owned by Seller (e.g., owned solar panels) must be conveyed at
43 Closing by Seller free and clear of all taxes (except personal property and general real estate taxes for the year of Closing), liens and
44 encumbrances, except:

45
46
47
48
49 Buyer **Will** **Will Not** assume the debt and obligations on the Encumbered Inclusions subject to Buyer's review under §10.6.
50 (Encumbered Inclusion Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not receive
51 such approval this Contract terminates.

53 **2.5.3. Personal Property Conveyance.** Conveyance of all personal property will be by bill of sale or other
54 applicable legal instrument.

55 **2.5.4. Leased Items.** ~~The following personal property is currently leased to Seller which will be transferred to Buyer~~
56 ~~at Closing (Leased Items):~~

57
58
59
60
61 Buyer **Will** **Will Not** assume Seller's debt and obligations under such leases for the Leased Items subject to Buyer's review
62 under §10.6. (Leased Items Documents) and Buyer's receipt of written approval by such lender before Closing. If Buyer does not
63 receive such approval this Contract terminates.

64
65 **2.5.5. Solar Power Plan.** If the box is checked, Seller has entered into a solar power purchase agreement, regardless
66 of the name or title, to authorize a third-party to operate and maintain a photovoltaic system on the Property and provide electricity
67 (Solar Power Plan) that will remain in effect after Closing. Buyer **Will** **Will Not** assume Seller's obligations under such Solar
68 Power Plan subject to Buyer's review under §10.6. (Solar Power Plan) and Buyer's receipt of written approval by the third-party
69 before Closing. If Buyer does not receive such approval this Contract terminates.

70
71 **2.6. Exclusions.** The following items are excluded (Exclusions):

72
73
74
75 **2.7. Water Rights, Well Rights, Water and Sewer Taps.**

76 **2.7.1. Deeded Water Rights.** The following legally described water rights:

77
78
79
80 Any deeded water rights will be conveyed by a good and sufficient _____ deed at Closing.

81 **2.7.2. Other Rights Relating to Water.** ~~The following rights relating to water not included in §§ 2.7.1., 2.7.3.,~~
82 ~~2.7.4. and 2.7.5., will be transferred to Buyer at Closing:~~

83
84
85
86
87
88 **2.7.3. Well Rights.** Seller agrees to supply required information to Buyer about the well. ~~Buyer understands that if~~
89 ~~the well to be transferred is a "Small Capacity Well" or a "Domestic Exempt Water Well" used for ordinary household purposes,~~
90 ~~Buyer must, prior to or at Closing, complete a Change in Ownership form for the well. If an existing well has not been registered~~
91 ~~with the Colorado Division of Water Resources in the Department of Natural Resources (Division), Buyer must complete a~~
92 ~~registration of existing well form for the well and pay the cost of registration. If no person will be providing a closing service in~~
93 ~~connection with the transaction, Buyer must file the form with the Division within sixty days after Closing. The Well Permit # is~~

94
95 **2.7.4. Water Stock.** ~~The water stock to be transferred at Closing are as follows:~~

96
97
98
99 **2.7.5. Water and Sewer Taps.** ~~The parties agree that water and sewer taps listed below for the Property are being~~
100 ~~conveyed as part of the Purchase Price as follows:~~

101
102
103
104 ~~If any water or sewer taps are included in the sale, Buyer is advised to obtain, from the provider, written confirmation of~~
105 ~~the amount remaining to be paid, if any, time and other restrictions for transfer and use of the taps.~~

106 **2.7.6. Conveyance.** If Buyer is to receive any rights to water pursuant to § 2.7.2. (Other Rights Relating to Water),
107 § 2.7.3. (Well Rights), § 2.7.4. (Water Stock), or § 2.7.5. (Water and Sewer Taps), Seller agrees to convey such rights to Buyer by
108 executing the applicable legal instrument at Closing.

109 **2.7.7. Water Rights Review.** ~~Buyer has a Right to Terminate if examination of the Water Rights is unsatisfactory~~
110 ~~to Buyer on or before the Water Rights Examination Deadline.~~

111 **2.8. Growing Crops.** With respect to growing crops, Seller and Buyer agree as follows:

112
113
114
115

116 **3. DATES, DEADLINES AND APPLICABILITY.**
117 **3.1. Dates and Deadlines.**

Item No.	Reference	Event	Date or Deadline
1	§ 3	Time of Day Deadline	
2	§ 4	Alternative Earnest Money Deadline	
		Title	
3	§ 8	Record Title Deadline (and Tax Certificate)	
4	§ 8	Record Title Objection Deadline	
5	§ 8	Off-Record Title Deadline	
6	§ 8	Off-Record Title Objection Deadline	
7	§ 8	Title Resolution Deadline	
8	§ 8	Third Party Right to Purchase/Approve Deadline	
		Owners' Association	
9	§ 7	Association Documents Deadline	
10	§ 7	Association Documents Termination Deadline	
		Seller's Disclosures	
11	§ 10	Seller's Property Disclosure Deadline	
12	§ 10	Lead-Based Paint Disclosure Deadline (if Residential Addendum attached)	
		Loan and Credit	
13	§ 5	New Loan Application Deadline	
14	§ 5	New Loan Terms Deadline	
15	§ 5	New Loan Availability Deadline	
16	§ 5	Buyer's Credit Information Deadline	
17	§ 5	Disapproval of Buyer's Credit Information Deadline	
18	§ 5	Existing Loan Deadline	
19	§ 5	Existing Loan Termination Deadline	
20	§ 5	Loan Transfer Approval Deadline	
21	§ 4	Seller or Private Financing Deadline	
		Appraisal	
22	§ 6	Appraisal Deadline	
23	§ 6	Appraisal Objection Deadline	
24	§ 6	Appraisal Resolution Deadline	
		Survey	
25	§ 9	New ILC or New Survey Deadline	
26	§ 9	New ILC or New Survey Objection Deadline	
27	§ 9	New ILC or New Survey Resolution Deadline	
		Inspection and Due Diligence	
28	§ 2	Water Rights Examination Deadline	
29	§ 8	Mineral Rights Examination Deadline	
30	§ 10	Inspection Termination Deadline	
31	§ 10	Inspection Objection Deadline	
32	§ 10	Inspection Resolution Deadline	
33	§ 10	Property Insurance Termination Deadline	
34	§ 10	Due Diligence Documents Delivery Deadline	
35	§ 10	Due Diligence Documents Objection Deadline	
36	§ 10	Due Diligence Documents Resolution Deadline	
37	§ 10	Environmental Inspection Termination Deadline	
38	§ 10	ADA Evaluation Termination Deadline	
39	§ 10	Conditional Sale Deadline	

40	§ 10	Lead-Based Paint Termination Deadline (if Residential Addendum attached)	
41	§ 11	Estoppel Statements Deadline	
42	§ 11	Estoppel Statements Termination Deadline	
		Closing and Possession	
43	§ 12	Closing Date	
44	§ 17	Possession Date	
45	§ 17	Possession Time	
46	§ 27	Acceptance Deadline Date	
47	§ 27	Acceptance Deadline Time	

118 **3.2. Applicability of Terms.** If any deadline blank in § 3.1. (Dates and Deadlines) is left blank or completed with “N/A”,
119 or the word “Deleted,” such deadline is not applicable and the corresponding provision containing the deadline is deleted. Any box
120 checked in this Contract means the corresponding provision applies. If no box is checked in a provision that contains a selection of
121 “None”, such provision means that “None” applies.

122 The abbreviation “MEC” (mutual execution of this Contract) means the date upon which both parties have signed this Contract. The
123 abbreviation “N/A” as used in this Contract means not applicable.

124 **3.3. Day; Computation of Period of Days; Deadlines.**

125 **3.3.1. Day.** As used in this Contract, the term “day” means the entire day ending at 11:59 p.m., United States
126 Mountain Time (Standard or Daylight Savings, as applicable). Except however, if a **Time of Day Deadline** is specified in § 3.1.
127 (Dates and Deadlines), all Objection Deadlines, Resolution Deadlines, Examination Deadlines and Termination Deadlines will end
128 on the specified deadline date at the time of day specified in the **Time of Day Deadline**, United States Mountain Time. If **Time of**
129 **Day Deadline** is left blank or “N/A” the deadlines will expire at 11:59 p.m., United States Mountain Time.

130 **3.3.2. Computation of Period of Days.** In computing a period of days (e.g., three days after MEC), when the
131 ending date is not specified, the first day is excluded and the last day is included.

132 **3.3.3. Deadlines.** If any deadline falls on a Saturday, Sunday or federal or Colorado state holiday (Holiday), such
133 deadline Will Will Not be extended to the next day that is not a Saturday, Sunday or Holiday. Should neither box be checked,
134 the deadline will not be extended.

135 **4. PURCHASE PRICE AND TERMS.**

136 **4.1. Price and Terms.** The Purchase Price set forth below is payable in U.S. Dollars by Buyer as follows:

Item No.	Reference	Item	Amount	Amount
1	§ 4.1.	Purchase Price	\$	
2	§ 4.3.	Earnest Money		\$
3	§ 4.5.	New Loan		\$
4	§ 4.6.	Assumption Balance		\$
5	§ 4.7.	Private Financing		\$
6	§ 4.7.	Seller Financing		\$
7				
8				
9	§ 4.4.	Cash at Closing		\$
10		TOTAL	\$	\$

137 **4.2. Seller Concession.** ~~At Closing, Seller will credit to Buyer \$ _____ (Seller Concession). The Seller~~
138 ~~Concession may be used for any Buyer fee, cost, charge or expenditure to the extent the amount is allowed by the Buyer’s lender~~
139 ~~and is included in the Closing Statement or Closing Disclosure at Closing. Examples of allowable items to be paid for by the Seller~~
140 ~~Concession include, but are not limited to: Buyer’s closing costs, loan discount points, loan origination fees, prepaid items and any~~
141 ~~other fee, cost, charge, expense or expenditure. Seller Concession is in addition to any sum Seller has agreed to pay or credit Buyer~~
142 ~~elsewhere in this Contract.~~

143 **4.3. Earnest Money.** The Earnest Money set forth in this Section, in the form of a _____, will be
144 payable to and held by _____ (Earnest Money Holder), in its trust account, on behalf of
145 both Seller and Buyer. The Earnest Money deposit must be tendered, by Buyer, with this Contract ~~unless the parties mutually agree~~
146 ~~to an **Alternative Earnest Money Deadline** for its payment. The parties authorize delivery of the Earnest Money deposit to the~~
147 ~~company conducting the Closing (Closing Company), if any, at or before Closing. In the event Earnest Money Holder has agreed to~~
148 ~~have interest on Earnest Money deposits transferred to a fund established for the purpose of providing affordable housing to Colorado~~

149 residents, Seller and Buyer acknowledge and agree that any interest accruing on the Earnest Money deposited with the Earnest
150 Money Holder in this transaction will be transferred to such fund.

151 **4.3.1. Alternative Earnest Money Deadline.** The deadline for delivering the Earnest Money, if other than at the
152 time of tender of this Contract, is as set forth as the **Alternative Earnest Money Deadline**.

153 **4.3.2. Disposition of Earnest Money.** If Buyer has a Right to Terminate and timely terminates, Buyer is entitled
154 to the return of Earnest Money as provided in this Contract. If this Contract is terminated as set forth in § 24 and, except as provided
155 in § 23 (Earnest Money Dispute), if the Earnest Money has not already been returned following receipt of a Notice to Terminate,
156 Seller agrees to execute and return to Buyer or Broker working with Buyer, written mutual instructions (e.g., Earnest Money Release
157 form), within three days of Seller's receipt of such form. If Seller is entitled to the Earnest Money, and, except as provided in § 23
158 (Earnest Money Dispute), if the Earnest Money has not already been paid to Seller, following receipt of an Earnest Money Release
159 form, Buyer agrees to execute and return to Seller or Broker working with Seller, written mutual instructions (e.g., Earnest Money
160 Release form), within three days of Buyer's receipt.

161 **4.3.2.1. Seller Failure to Timely Return Earnest Money.** If Seller fails to timely execute and return the
162 Earnest Money Release Form, or other written mutual instructions, Seller is in default and liable to Buyer as set forth in "**If Seller
163 is in Default**", § 20.2. and § 21, unless Seller is entitled to the Earnest Money due to a Buyer default.

164 **4.3.2.2. Buyer Failure to Timely Release Earnest Money.** If Buyer fails to timely execute and return the
165 Earnest Money Release Form, or other written mutual instructions, Buyer is in default and liable to Seller as set forth in "**If Buyer
166 is in Default**", § 20.1. and § 21, unless Buyer is entitled to the Earnest Money due to a Seller Default.

167 **4.4. Form of Funds; Time of Payment; Available Funds.**

168 **4.4.1. Good Funds.** All amounts payable by the parties at Closing, including any loan proceeds, Cash at Closing
169 and closing costs, must be in funds that comply with all applicable Colorado laws, including electronic transfer funds, certified
170 check, savings and loan teller's check and cashier's check (Good Funds).

171 **4.4.2. Time of Payment.** All funds, including the Purchase Price to be paid by Buyer, must be paid before or at
172 Closing or as otherwise agreed in writing between the parties to allow disbursement by Closing Company at Closing **OR SUCH
173 NONPAYING PARTY WILL BE IN DEFAULT**.

174 **4.4.3. Available Funds.** Buyer represents that Buyer, as of the date of this Contract, **Does** **Does Not** have
175 funds that are immediately verifiable and available in an amount not less than the amount stated as Cash at Closing in § 4.1.

176 **4.5. New Loan. (Omitted as inapplicable)**

177 **4.5.1. Buyer to Pay Loan Costs.** Buyer, except as otherwise permitted in § 4.2. (Seller Concession), if applicable,
178 must timely pay Buyer's loan costs, loan discount points, prepaid items and loan origination fees as required by lender.

179 **4.5.2. Buyer May Select Financing.** Buyer may pay in cash or select financing appropriate and acceptable to
180 Buyer, including a different loan than initially sought, except as restricted in § 4.5.3. (Loan Limitations) or § 30 (Additional
181 Provisions).

182 **4.5.3. Loan Limitations.** Buyer may purchase the Property using any of the following types of loans:
183 **Conventional** **Other** _____:

184 **4.6. Assumption.** Buyer agrees to assume and pay an existing loan in the approximate amount of the Assumption Balance
185 set forth in § 4.1. (Price and Terms), presently payable at \$ _____ per _____ including principal and interest
186 presently at the rate of _____% per annum and also including escrow for the following as indicated: **Real Estate Taxes**
187 **Property Insurance Premium** and _____.

188 Buyer agrees to pay a loan transfer fee not to exceed \$ _____. At the time of assumption, the new interest rate will
189 not exceed _____% per annum and the new payment will not exceed \$ _____ per _____ principal and
190 interest, plus escrow, if any. If the actual principal balance of the existing loan at Closing is less than the Assumption Balance, which
191 causes the amount of cash required from Buyer at Closing to be increased by more than \$ _____, or if any other terms or
192 provisions of the loan change, Buyer has the Right to Terminate under § 24.1. on or before **Closing Date**.

193 Seller ~~Will~~ **Will Not** be released from liability on said loan. If applicable, compliance with the requirements for release
194 from liability will be evidenced by delivery on or before **Loan Transfer Approval Deadline** at **Closing** of an appropriate
195 letter of commitment from lender. Any cost payable for release of liability will be paid by _____ in an amount
196 not to exceed \$ _____.

197 This Contract terminates if written consent from Seller's lender for Buyer's assumption of Seller's existing loan is not received
198 by all parties and the Closing Company on or before Closing.

199 **4.7. Seller or Private Financing. (Omitted as inapplicable)**

200 **WARNING:** Unless the transaction is exempt, federal and state laws impose licensing, other requirements and restrictions on sellers
201 and private financiers. Contract provisions on financing and financing documents, unless exempt, should be prepared by a licensed
202 Colorado attorney or licensed mortgage loan originator. Brokers should not prepare or advise the parties on the specifics of financing,
203 including whether or not a party is exempt from the law.

204 **4.7.1. Seller Financing.** If Buyer is to pay all or any portion of the Purchase Price with Seller financing, **Buyer**
205 **Seller** will deliver the proposed Seller financing documents to the other party on or before _____ days before **Seller or**
206 **Private Financing Deadline**.

207 **4.7.1.1. Seller May Terminate.** If Seller is to provide Seller financing, this Contract is conditional upon
208 Seller determining whether such financing is satisfactory to the Seller, including its payments, interest rate, terms, conditions, cost,
209 and compliance with the law. Seller has the Right to Terminate under § 24.1., on or before **Seller or Private Financing Deadline**,
210 if such Seller financing is not satisfactory to Seller, in Seller's sole subjective discretion.

211 **4.7.2. Buyer May Terminate.** If Buyer is to pay all or any portion of the Purchase Price with Seller or private
212 financing, this Contract is conditional upon Buyer determining whether such financing is satisfactory to Buyer, including its
213 availability, payments, interest rate, terms, conditions, and cost. Buyer has the Right to Terminate under § 24.1, on or before **Seller**
214 **or Private Financing Deadline**, if such Seller or private financing is not satisfactory to Buyer, in Buyer's sole subjective discretion.

215

TRANSACTION PROVISIONS

216 **5. FINANCING CONDITIONS AND OBLIGATIONS.** (Omitted as inapplicable)

217 **5.1. New Loan, Assumption Application.** If Buyer is to pay all or part of the Purchase Price by obtaining one or more
218 new loans (New Loan), or if an existing loan is not to be released at Closing, Buyer, if required by such lender, must make an
219 application verifiable by such lender, on or before **New Loan Application Deadline** and exercise reasonable efforts to obtain such
220 loan or approval.

221 **5.2. New Loan Terms; New Loan Availability.**

222 **5.2.1. New Loan Terms.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is
223 conditional upon Buyer determining, in Buyer's sole subjective discretion, whether the proposed New Loan's payments, interest
224 rate, conditions and costs or any other loan terms (New Loan Terms) are satisfactory to Buyer. This condition is for the sole benefit
225 of Buyer. Buyer has the Right to Terminate under § 24.1., on or before **New Loan Terms Deadline**, if the New Loan Terms are not
226 satisfactory to Buyer, in Buyer's sole subjective discretion.

227 **5.2.2. New Loan Availability.** If Buyer is to pay all or part of the Purchase Price with a New Loan, this Contract is
228 conditional upon Buyer's satisfaction with the availability of the New Loan based on the lender's review and underwriting of Buyer's
229 New Loan Application (New Loan Availability). Buyer has the Right to Terminate under § 24.1., on or before the **New Loan**
230 **Availability Deadline** if the New Loan Availability is not satisfactory to Buyer. Buyer does not have a Right to Terminate based on the
231 New Loan Availability if the termination is based on the New Loan Terms, Appraised Value (defined below), the Lender Property
232 Requirements (defined below), Insurability (§ 10.5. below) or the Conditional Upon Sale of Property (§ 10.7. below). **IF SELLER IS**
233 **NOT IN DEFAULT AND DOES NOT TIMELY RECEIVE BUYER'S WRITTEN NOTICE TO TERMINATE, BUYER'S**
234 **EARNEST MONEY WILL BE NONREFUNDABLE**, except as otherwise provided in this Contract (e.g., Appraisal, Title,
235 Survey).

236 **5.3. Credit Information.** This Contract is conditional (for the sole benefit of Seller) upon Seller's approval of Buyer's
237 financial ability and creditworthiness, which approval will be in Seller's sole subjective discretion. Accordingly: (1) Buyer must
238 supply to Seller by **Buyer's Credit Information Deadline**, at Buyer's expense, information and documents (including a current
239 credit report) concerning Buyer's financial, employment and credit condition; (2) Buyer consents that Seller may verify Buyer's
240 financial ability and creditworthiness; and (3) any such information and documents received by Seller must be held by Seller in
241 confidence and not released to others except to protect Seller's interest in this transaction. If the Cash at Closing is less than as set
242 forth in § 4.1. of this Contract, Seller has the Right to Terminate under § 24.1., on or before Closing. If Seller disapproves of Buyer's
243 financial ability or creditworthiness, in Seller's sole subjective discretion, Seller has the Right to Terminate under § 24.1., on or
244 before **Disapproval of Buyer's Credit Information Deadline**.

245 **5.4. Existing Loan Review.** Seller must deliver copies of the loan documents (including note, deed of trust and any
246 modifications) to Buyer by **Existing Loan Deadline**. For the sole benefit of Buyer, this Contract is conditional upon Buyer's review
247 and approval of the provisions of such loan documents. Buyer has the Right to Terminate under § 24.1., on or before **Existing Loan**
248 **Termination Deadline**, based on any unsatisfactory provision of such loan documents, in Buyer's sole subjective discretion. If the
249 lender's approval of a transfer of the Property is required, this Contract is conditional upon Buyer obtaining such approval without
250 change in the terms of such loan, except as set forth in § 4.6. If lender's approval is not obtained by **Loan Transfer Approval**
251 **Deadline**, this Contract will terminate on such deadline. Seller has the Right to Terminate under § 24.1., on or before Closing, in
252 Seller's sole subjective discretion, if Seller is to be released from liability under such existing loan and Buyer does not obtain such
253 compliance as set forth in § 4.6.

254 **6. APPRAISAL PROVISIONS.**

255 **6.1. Appraisal Definition.** An "Appraisal" is an opinion of value prepared by a licensed or certified appraiser, engaged on
256 behalf of Buyer or Buyer's lender, to determine the Property's market value (Appraised Value). The Appraisal may also set forth
257 certain lender requirements, replacements, removals or repairs necessary on or to the Property as a condition for the Property to be
258 valued at the Appraised Value.

259 **6.2. Appraised Value.** The applicable appraisal provision set forth below applies to the respective loan type set forth in
260 § 4.5.3., or if a cash transaction (i.e., no financing), § 6.2.1. applies.

261 **6.2.1. Conventional/Other.** Buyer has the right to obtain an Appraisal. If the Appraised Value is less than the
262 Purchase Price, or if the Appraisal is not received by Buyer on or before **Appraisal Deadline** Buyer may, on or before **Appraisal**
263 **Objection Deadline**:

264 **6.2.1.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated;
265 or

266 **6.2.1.2. Appraisal Objection.** Deliver to Seller a written objection accompanied by either a copy of the
267 Appraisal or written notice from lender that confirms the Appraised Value is less than the Purchase Price (Lender Verification).

268 **6.2.1.3. Appraisal Resolution.** If an Appraisal Objection is received by Seller, on or before **Appraisal**
269 **Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Appraisal Resolution**
270 **Deadline**, this Contract will terminate on the **Appraisal Resolution Deadline**, unless Seller receives Buyer's written withdrawal of
271 the Appraisal Objection before such termination, (i.e., on or before expiration of **Appraisal Resolution Deadline**).

272 **6.3. Lender Property Requirements.** If the lender imposes any written requirements, replacements, removals or repairs,
273 including any specified in the Appraisal (Lender Property Requirements) to be made to the Property (e.g., roof repair, repainting),
274 beyond those matters already agreed to by Seller in this Contract, this Contract terminates on the earlier of three days following
275 Seller's receipt of the Lender Property Requirements, or Closing, unless prior to termination: (1) the parties enter into a written
276 agreement to satisfy the Lender Property Requirements; (2) the Lender Property Requirements have been completed; or (3) the
277 satisfaction of the Lender Property Requirements is waived in writing by Buyer.

278 **6.4. Cost of Appraisal.** Cost of the Appraisal to be obtained after the date of this Contract must be timely paid by Buyer
279 Seller. The cost of the Appraisal may include any and all fees paid to the appraiser, appraisal management company, lender's
280 agent or all three.

281 **7. OWNERS' ASSOCIATIONS.** This Section is applicable if the Property is located within one or more Common Interest
282 Communities and subject to one or more declarations (Association):

283 **7.1. Common Interest Community Disclosure.** ~~THE PROPERTY IS LOCATED WITHIN A COMMON~~
284 ~~INTEREST COMMUNITY AND IS SUBJECT TO THE DECLARATION FOR THE COMMUNITY. THE OWNER OF~~
285 ~~THE PROPERTY WILL BE REQUIRED TO BE A MEMBER OF THE OWNERS' ASSOCIATION FOR THE~~
286 ~~COMMUNITY AND WILL BE SUBJECT TO THE BYLAWS AND RULES AND REGULATIONS OF THE~~
287 ~~ASSOCIATION. THE DECLARATION, BYLAWS AND RULES AND REGULATIONS WILL IMPOSE FINANCIAL~~
288 ~~OBLIGATIONS UPON THE OWNER OF THE PROPERTY, INCLUDING AN OBLIGATION TO PAY ASSESSMENTS~~
289 ~~OF THE ASSOCIATION. IF THE OWNER DOES NOT PAY THESE ASSESSMENTS, THE ASSOCIATION COULD~~
290 ~~PLACE A LIEN ON THE PROPERTY AND POSSIBLY SELL IT TO PAY THE DEBT. THE DECLARATION, BYLAWS~~
291 ~~AND RULES AND REGULATIONS OF THE COMMUNITY MAY PROHIBIT THE OWNER FROM MAKING~~
292 ~~CHANGES TO THE PROPERTY WITHOUT AN ARCHITECTURAL REVIEW BY THE ASSOCIATION (OR A~~
293 ~~COMMITTEE OF THE ASSOCIATION) AND THE APPROVAL OF THE ASSOCIATION. PURCHASERS OF~~
294 ~~PROPERTY WITHIN THE COMMON INTEREST COMMUNITY SHOULD INVESTIGATE THE FINANCIAL~~
295 ~~OBLIGATIONS OF MEMBERS OF THE ASSOCIATION. PURCHASERS SHOULD CAREFULLY READ THE~~
296 ~~DECLARATION FOR THE COMMUNITY AND THE BYLAWS AND RULES AND REGULATIONS OF THE~~
297 ~~ASSOCIATION.~~

298 **7.2. Association Documents to Buyer.** Seller is obligated to provide to Buyer the Association Documents (defined below),
299 at Seller's expense, on or before **Association Documents Deadline**. Seller authorizes the Association to provide the Association
300 Documents to Buyer, at Seller's expense. Seller's obligation to provide the Association Documents is fulfilled upon Buyer's receipt
301 of the Association Documents, regardless of who provides such documents.

302 **7.3. Association Documents.** Association documents (Association Documents) consist of the following:

303 **7.3.1.** All Association declarations, articles of incorporation, bylaws, articles of organization, operating agreements,
304 rules and regulations, party wall agreements and the Association's responsible governance policies adopted under § 38-33.3-209.5,
305 C.R.S.;

306 **7.3.2.** Minutes of: (1) the annual owners' or members' meeting and (2) any executive boards' or managers' meetings;
307 such minutes include those provided under the most current annual disclosure required under § 38-33.3-209.4, C.R.S. (Annual
308 Disclosure) and minutes of meetings, if any, subsequent to the minutes disclosed in the Annual Disclosure. If none of the preceding
309 minutes exist, then the most recent minutes, if any (§§ 7.3.1. and 7.3.2., collectively, Governing Documents); and

310 **7.3.3.** List of all Association insurance policies as provided in the Association's last Annual Disclosure, including,
311 but not limited to, property, general liability, association director and officer professional liability and fidelity policies. The list must
312 include the company names, policy limits, policy deductibles, additional named insureds and expiration dates of the policies listed
313 (Association Insurance Documents);

314 **7.3.4.** A list by unit type of the Association's assessments, including both regular and special assessments as
315 disclosed in the Association's last Annual Disclosure;

316 **7.3.5.** The Association's most recent financial documents which consist of: (1) the Association's operating budget
317 for the current fiscal year, (2) the Association's most recent annual financial statements, including any amounts held in reserve for
318 the fiscal year immediately preceding the Association's last Annual Disclosure, (3) the results of the Association's most recent

319 available financial audit or review, (4) list of the fees and charges (regardless of name or title of such fees or charges) that the
320 Association's community association manager or Association will charge in connection with the Closing including, but not limited
321 to, any fee incident to the issuance of the Association's statement of assessments (Status Letter), any rush or update fee charged for
322 the Status Letter, any record change fee or ownership record transfer fees (Record Change Fee), fees to access documents, (5) list of
323 all assessments required to be paid in advance, reserves or working capital due at Closing and (6) reserve study, if any (§§ 7.3.4. and
324 7.3.5., collectively, Financial Documents);

325 ~~7.3.6. Any written notice from the Association to Seller of a "construction defect action" under § 38-33.3-303.5,
326 C.R.S. within the past six months and the result of whether the Association approved or disapproved such action (Construction
327 Defect Documents). Nothing in this Section limits the Seller's obligation to disclose adverse material facts as required under § 10.2.
328 (Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition) including any problems or defects in the common
329 elements or limited common elements of the Association property.~~

330 ~~7.4. Conditional on Buyer's Review. Buyer has the right to review the Association Documents. Buyer has the Right to
331 Terminate under § 24.1., on or before Association Documents Termination Deadline, based on any unsatisfactory provision in
332 any of the Association Documents, in Buyer's sole subjective discretion. Should Buyer receive the Association Documents after
333 Association Documents Deadline, Buyer, at Buyer's option, has the Right to Terminate under § 24.1. by Buyer's Notice to
334 Terminate received by Seller on or before ten days after Buyer's receipt of the Association Documents. If Buyer does not receive
335 the Association Documents, or if Buyer's Notice to Terminate would otherwise be required to be received by Seller after Closing
336 Date, Buyer's Notice to Terminate must be received by Seller on or before Closing. If Seller does not receive Buyer's Notice to
337 Terminate within such time, Buyer accepts the provisions of the Association Documents as satisfactory and Buyer waives any Right
338 to Terminate under this provision, notwithstanding the provisions of § 8.6. (Third Party Right to Purchase/Approve).~~

339 8. TITLE INSURANCE, RECORD TITLE AND OFF-RECORD TITLE.

340 8.1. Evidence of Record Title. See Due Diligence Packet

341 8.1.1. Seller Selects Title Insurance Company. If this box is checked, Seller will select the title insurance
342 company to furnish the owner's title insurance policy at Seller's expense. On or before Record Title Deadline, Seller must furnish
343 to Buyer, a current commitment for an owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price,
344 or if this box is checked, an Abstract of Title certified to a current date. Seller will cause the title insurance policy to be issued
345 and delivered to Buyer as soon as practicable at or after Closing.

346 8.1.2. Buyer Selects Title Insurance Company. If this box is checked, Buyer will select the title insurance
347 company to furnish the owner's title insurance policy at Buyer's expense. On or before Record Title Deadline, Buyer must furnish to
348 Seller, a current commitment for owner's title insurance policy (Title Commitment), in an amount equal to the Purchase Price.
349 If neither box in § 8.1.1. or § 8.1.2. is checked, § 8.1.1. applies.

350 8.1.3. Owner's Extended Coverage (OEC). The Title Commitment Will Will Not contain Owner's
351 Extended Coverage (OEC). If the Title Commitment is to contain OEC, it will commit to delete or insure over the standard exceptions
352 which relate to: (1) parties in possession, (2) unrecorded easements, (3) survey matters, (4) unrecorded mechanics' liens, (5) gap
353 period (period between the effective date and time of commitment to the date and time the deed is recorded) and (6) unpaid taxes,
354 assessments and unredeemed tax sales prior to the year of Closing. Any additional premium expense to obtain OEC will be paid by
355 Buyer Seller One-Half by Buyer and One-Half by Seller Other _____.
356 Regardless of whether the Contract requires OEC, the Title Insurance Commitment may not provide OEC or delete or insure over
357 any or all of the standard exceptions for OEC. The Title Insurance Company may require a New Survey or New ILC, defined below,
358 among other requirements for OEC. If the Title Insurance Commitment is not satisfactory to Buyer, Buyer has a right to object under
359 § 8.7. (Right to Object to Title, Resolution).

360 8.1.4. Title Documents. Title Documents consist of the following: (1) copies of any plats, declarations, covenants,
361 conditions and restrictions burdening the Property and (2) copies of any other documents (or, if illegible, summaries of such
362 documents) listed in the schedule of exceptions (Exceptions) in the Title Commitment furnished to Buyer (collectively, Title
363 Documents).

364 8.1.5. Copies of Title Documents. Buyer must receive, on or before Record Title Deadline, copies of all Title
365 Documents. This requirement pertains only to documents as shown of record in the office of the clerk and recorder in the county
366 where the Property is located. The cost of furnishing copies of the documents required in this Section will be at the expense of the
367 party or parties obligated to pay for the owner's title insurance policy.

368 8.1.6. Existing Abstracts of Title. Seller must deliver to Buyer copies of any abstracts of title covering all or any
369 portion of the Property (Abstract of Title) in Seller's possession on or before Record Title Deadline.

370 8.2. Record Title. Buyer has the right to review and object to the Abstract of Title or Title Commitment and any of the
371 Title Documents as set forth in § 8.7. (Right to Object to Title, Resolution) on or before Record Title Objection Deadline. Buyer's
372 objection may be based on any unsatisfactory form or content of Title Commitment or Abstract of Title, notwithstanding § 13, or
373 any other unsatisfactory title condition, in Buyer's sole subjective discretion. If the Abstract of Title, Title Commitment or Title
374 Documents are not received by Buyer on or before the Record Title Deadline, or if there is an endorsement to the Title Commitment
375 that adds a new Exception to title, a copy of the new Exception to title and the modified Title Commitment will be delivered to
376 Buyer. Buyer has until the earlier of Closing or ten days after receipt of such documents by Buyer to review and object to: (1) any

377 required Title Document not timely received by Buyer, (2) any change to the Abstract of Title, Title Commitment or Title Documents,
378 or (3) any endorsement to the Title Commitment. If Seller receives Buyer's Notice to Terminate or Notice of Title Objection,
379 pursuant to this § 8.2. (Record Title), any title objection by Buyer is governed by the provisions set forth in § 8.7. (Right to Object
380 to Title, Resolution). If Seller has fulfilled all Seller's obligations, if any, to deliver to Buyer all documents required by § 8.1.
381 (Evidence of Record Title) and Seller does not receive Buyer's Notice to Terminate or Notice of Title Objection by the applicable
382 deadline specified above, Buyer accepts the condition of title as disclosed by the Abstract of Title, Title Commitment and Title
383 Documents as satisfactory.

384 **8.3. Off-Record Title.** Seller must deliver to Buyer, on or before ~~Off-Record Title Deadline~~, true copies of all existing
385 surveys in Seller's possession pertaining to the Property and must disclose to Buyer all easements, liens (including, without
386 limitation, governmental improvements approved, but not yet installed) or other title matters not shown by public records, of which
387 Seller has actual knowledge (Off-Record Matters). This Section excludes any ~~New ILC or New Survey~~ governed under § 9 (New
388 ILC, New Survey). Buyer has the right to inspect the Property to investigate if any third party has any right in the Property not shown
389 by public records (e.g., unrecorded easement, boundary line discrepancy or water rights). Buyer's Notice to Terminate or Notice of
390 Title Objection of any unsatisfactory condition (whether disclosed by Seller or revealed by such inspection, notwithstanding § 8.2.
391 (Record Title) and § 13 (Transfer of Title)), in Buyer's sole subjective discretion, must be received by Seller on or before ~~Off-
392 Record Title Objection Deadline~~. If an Off-Record Matter is received by Buyer after the ~~Off-Record Title Deadline~~, Buyer has
393 until the earlier of Closing or ten days after receipt by Buyer to review and object to such Off-Record Matter. If Seller receives
394 Buyer's Notice to Terminate or Notice of Title Objection pursuant to this § 8.3. (Off-Record Title), any title objection by Buyer is
395 governed by the provisions set forth in § 8.7. (Right to Object to Title, Resolution). If Seller does not receive Buyer's Notice to
396 Terminate or Notice of Title Objection by the applicable deadline specified above, Buyer accepts title subject to such Off-Record
397 Matters and rights, if any, of third parties not shown by public records of which Buyer has actual knowledge.

398 **8.4. Special Taxing and Metropolitan Districts.** SPECIAL TAXING DISTRICTS MAY BE SUBJECT TO
399 GENERAL OBLIGATION INDEBTEDNESS THAT IS PAID BY REVENUES PRODUCED FROM ANNUAL TAX LEVIES
400 ON THE TAXABLE PROPERTY WITHIN SUCH DISTRICTS. PROPERTY OWNERS IN SUCH DISTRICTS MAY BE
401 PLACED AT RISK FOR INCREASED MILL LEVIES AND TAX TO SUPPORT THE SERVICING OF SUCH DEBT
402 WHERE CIRCUMSTANCES ARISE RESULTING IN THE INABILITY OF SUCH A DISTRICT TO DISCHARGE SUCH
403 INDEBTEDNESS WITHOUT SUCH AN INCREASE IN MILL LEVIES. BUYERS SHOULD INVESTIGATE THE
404 SPECIAL TAXING DISTRICTS IN WHICH THE PROPERTY IS LOCATED BY CONTACTING THE COUNTY
405 TREASURER, BY REVIEWING THE CERTIFICATE OF TAXES DUE FOR THE PROPERTY AND BY OBTAINING
406 FURTHER INFORMATION FROM THE BOARD OF COUNTY COMMISSIONERS, THE COUNTY CLERK AND
407 RECORDER, OR THE COUNTY ASSESSOR. The official website for the Metropolitan District, if any, is: _____.

408 **8.5. Tax Certificate.** A tax certificate paid for by Seller Buyer, for the Property listing any special taxing or
409 metropolitan districts that affect the Property (Tax Certificate) must be delivered to Buyer on or before **Record Title Deadline**. If
410 the content of the Tax Certificate is unsatisfactory to Buyer, in Buyer's sole subjective discretion, Buyer may terminate, on or before
411 **Record Title Objection Deadline**. Should Buyer receive the Tax Certificate after **Record Title Deadline**, Buyer, at Buyer's option,
412 has the Right to Terminate under § 24.1. by Buyer's Notice to Terminate received by Seller on or before ten days after Buyer's
413 receipt of the Tax Certificate. If Buyer does not receive the Tax Certificate, or if Buyer's Notice to Terminate would otherwise be
414 required to be received by Seller after **Closing Date**, Buyer's Notice to Terminate must be received by Seller on or before Closing.
415 If Seller does not receive Buyer's Notice to Terminate within such time, Buyer accepts the content of the Tax Certificate as
416 satisfactory and Buyer waives any Right to Terminate under this provision. If Buyer's loan specified in §4.5.3. (Loan Limitations)
417 prohibits Buyer from paying for the Tax Certificate, the Tax Certificate will be paid for by Seller.

418 **8.6. Third Party Right to Purchase/Approve.** If any third party has a right to purchase the Property (e.g., right of first
419 refusal on the Property, right to purchase the Property under a lease or an option held by a third party to purchase the Property) or a
420 right of a third party to approve this Contract, Seller must promptly submit this Contract according to the terms and conditions of
421 such right. If the third party holder of such right exercises its right this Contract will terminate. If the third party's right to purchase
422 is waived explicitly or expires, or the Contract is approved, this Contract will remain in full force and effect. Seller must promptly
423 notify Buyer in writing of the foregoing. If the third party right to purchase is exercised or approval of this Contract has not occurred
424 on or before **Third Party Right to Purchase/Approve Deadline**, this Contract will then terminate. Seller will supply to Buyer, in
425 writing, details of any Third Party Right to Purchase the Property on or before the Record Title Deadline.

426 **8.7. Right to Object to Title, Resolution.** Buyer has a right to object or terminate, in Buyer's sole subjective discretion,
427 based on any title matters including those matters set forth in § 8.2. (Record Title), § 8.3. (Off-Record Title), § 8.5. (Tax Certificate)
428 and § 13 (Transfer of Title). If Buyer exercises Buyer's rights to object or terminate based on any such title matter, on or before the
429 applicable deadline, Buyer has the following options:

430 **8.7.1. Title Objection, Resolution.** If Seller receives Buyer's written notice objecting to any title matter (Notice of
431 Title Objection) on or before the applicable deadline and if Buyer and Seller have not agreed to a written settlement thereof on or
432 before **Title Resolution Deadline**, this Contract will terminate on the expiration of **Title Resolution Deadline**, unless Seller receives
433 Buyer's written withdrawal of Buyer's Notice of Title Objection (i.e., Buyer's written notice to waive objection to such items and
434 waives the Right to Terminate for that reason), on or before expiration of **Title Resolution Deadline**. If either the Record Title
435 Deadline or the Off-Record Title Deadline, or both, are extended pursuant to § 8.2. (Record Title) or § 8.3. (Off-Record Title) the

436 Title Resolution Deadline also will be automatically extended to the earlier of Closing or fifteen days after Buyer's receipt of the
437 applicable documents; or

438 **8.7.2. Title Objection, Right to Terminate.** Buyer may exercise the Right to Terminate under § 24.1., on or before
439 the applicable deadline, based on any title matter unsatisfactory to Buyer, in Buyer's sole subjective discretion.

440 **8.8. Title Advisory.** The Title Documents affect the title, ownership and use of the Property and should be reviewed
441 carefully. Additionally, other matters not reflected in the Title Documents may affect the title, ownership and use of the Property,
442 including, without limitation, boundary lines and encroachments, set-back requirements, area, zoning, building code violations,
443 unrecorded easements and claims of easements, leases and other unrecorded agreements, water on or under the Property and various
444 laws and governmental regulations concerning land use, development and environmental matters.

445 ~~8.8.1. OIL, GAS, WATER AND MINERAL DISCLOSURE. THE SURFACE ESTATE OF THE
446 PROPERTY MAY BE OWNED SEPARATELY FROM THE UNDERLYING MINERAL ESTATE AND TRANSFER OF
447 THE SURFACE ESTATE MAY NOT NECESSARILY INCLUDE TRANSFER OF THE MINERAL ESTATE OR WATER
448 RIGHTS. THIRD PARTIES MAY OWN OR LEASE INTERESTS IN OIL, GAS, OTHER MINERALS, GEOTHERMAL
449 ENERGY OR WATER ON OR UNDER THE SURFACE OF THE PROPERTY, WHICH INTERESTS MAY GIVE THEM
450 RIGHTS TO ENTER AND USE THE SURFACE OF THE PROPERTY TO ACCESS THE MINERAL ESTATE, OIL,
451 GAS OR WATER.~~

452 ~~8.8.2. SURFACE USE AGREEMENT. THE USE OF THE SURFACE ESTATE OF THE PROPERTY TO
453 ACCESS THE OIL, GAS OR MINERALS MAY BE GOVERNED BY A SURFACE USE AGREEMENT, A
454 MEMORANDUM OR OTHER NOTICE OF WHICH MAY BE RECORDED WITH THE COUNTY CLERK AND
455 RECORDER.~~

456 ~~8.8.3. OIL AND GAS ACTIVITY. OIL AND GAS ACTIVITY THAT MAY OCCUR ON OR ADJACENT
457 TO THE PROPERTY MAY INCLUDE, BUT IS NOT LIMITED TO, SURVEYING, DRILLING, WELL COMPLETION
458 OPERATIONS, STORAGE, OIL AND GAS, OR PRODUCTION FACILITIES, PRODUCING WELLS, REWORKING
459 OF CURRENT WELLS AND GAS GATHERING AND PROCESSING FACILITIES.~~

460 ~~8.8.4. ADDITIONAL INFORMATION. BUYER IS ENCOURAGED TO SEEK ADDITIONAL
461 INFORMATION REGARDING OIL AND GAS ACTIVITY ON OR ADJACENT TO THE PROPERTY, INCLUDING
462 DRILLING PERMIT APPLICATIONS. THIS INFORMATION MAY BE AVAILABLE FROM THE COLORADO OIL
463 AND GAS CONSERVATION COMMISSION.~~

464 **8.8.5. Title Insurance Exclusions.** Matters set forth in this Section and others, may be excepted, excluded from, or
465 not covered by the owner's title insurance policy.

466 **8.9. Mineral Rights Review.** Buyer has a Right to Terminate if examination of the Mineral Rights is unsatisfactory to
467 Buyer on or before the ~~Mineral Rights Examination Deadline.~~

468 **9. NEW ILC, NEW SURVEY.**

469 **9.1. New ILC or New Survey.** If the box is checked, (1) ~~New Improvement Location Certificate (New ILC)~~; or, (2)
470 ~~New Survey~~ in the form of _____; is required and the following will apply:

471 **9.1.1. Ordering of New ILC or New Survey.** ~~Seller~~ ~~Buyer~~ will order the New ILC or New Survey. The
472 New ILC or New Survey may also be a previous ILC or survey that is in the above-required form, certified and updated as of a date
473 after the date of this Contract.

474 **9.1.2. Payment for New ILC or New Survey.** The cost of the New ILC or New Survey will be paid, on or before
475 Closing, by: ~~Seller~~ ~~Buyer~~ or:

476
477
478
479 **9.1.3. Delivery of New ILC or New Survey.** Buyer, Seller, the issuer of the Title Commitment (or the provider of
480 the opinion of title if an Abstract of Title) and _____ will receive a New ILC or New Survey on or before ~~New
481 ILC or New Survey Deadline.~~

482 **9.1.4. Certification of New ILC or New Survey.** The New ILC or New Survey will be certified by the surveyor to
483 all those who are to receive the New ILC or New Survey.

484 **9.2. Buyer's Right to Waive or Change New ILC or New Survey Selection.** Buyer may select a New ILC or New
485 Survey different than initially specified in this Contract if there is no additional cost to Seller or change to the ~~New ILC or New
486 Survey Objection Deadline.~~ Buyer may, in Buyer's sole subjective discretion, waive a New ILC or New Survey if done prior to
487 Seller incurring any cost for the same.

488 **9.3. New ILC or New Survey Objection.** Buyer has the right to review and object based on the New ILC or New Survey.
489 If the New ILC or New Survey is not timely received by Buyer or is unsatisfactory to Buyer, in Buyer's sole subjective discretion,
490 Buyer may, on or before ~~New ILC or New Survey Objection Deadline,~~ notwithstanding § 8.3. or § 13:

491 **9.3.1. Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1, that this Contract is terminated; or

492 **9.3.2. New ILC or New Survey Objection.** Deliver to Seller a written description of any matter that was to be
493 shown or is shown in the New ILC or New Survey that is unsatisfactory and that Buyer requires Seller to correct.

494 **9.3.3. New ILC or New Survey Resolution.** If a **New ILC or New Survey Objection** is received by Seller, on or
495 before **New ILC or New Survey Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on
496 or before **New ILC or New Survey Resolution Deadline**, this Contract will terminate on expiration of the **New ILC or New Survey**
497 **Resolution Deadline**, unless Seller receives Buyer's written withdrawal of the New ILC or New Survey Objection before such
498 termination (i.e., on or before expiration of **New ILC or New Survey Resolution Deadline**).

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DISCLOSURE, INSPECTION AND DUE DILIGENCE

500 **10. PROPERTY DISCLOSURE, INSPECTION, INDEMNITY, INSURABILITY, DUE DILIGENCE AND SOURCE OF**
501 **WATER.**

502 **10.1. Seller's Property Disclosure.** ~~On or before Seller's Property Disclosure Deadline~~, Seller agrees to deliver to Buyer
503 the most current version of the applicable Colorado Real Estate Commission's Seller's Property Disclosure form completed by Seller
504 to Seller's actual knowledge and current as of the date of this Contract.

505 **10.2. Disclosure of Adverse Material Facts; Subsequent Disclosure; Present Condition.** Seller must disclose to Buyer
506 any adverse material facts actually known by Seller as of the date of this Contract. Seller agrees that disclosure of adverse material
507 facts will be in writing. In the event Seller discovers an adverse material fact after the date of this Contract, Seller must timely
508 disclose such adverse fact to Buyer. Buyer has the Right to Terminate based on the Seller's new disclosure on the earlier of Closing
509 or five days after Buyer's receipt of the new disclosure. Except as otherwise provided in this Contract, Buyer acknowledges that
510 Seller is conveying the Property and Inclusions to Buyer in an "As Is" condition, "Where Is" and "With All Faults."

511 **10.3. Inspection.** Unless otherwise provided in this Contract, Buyer, acting in good faith, has the right to have inspections
512 (by one or more third parties, personally or both) of the Property, Leased Items, and Inclusions (Inspection), at Buyer's expense. If
513 (1) the physical condition of the Property, including, but not limited to, the roof, walls, structural integrity of the Property, the
514 electrical, plumbing, HVAC and other mechanical systems of the Property, (2) the physical condition of the Inclusions and Leased
515 Items, (3) service to the Property (including utilities and communication services), systems and components of the Property (e.g.,
516 heating and plumbing), (4) any proposed or existing transportation project, road, street or highway, or (5) any other activity, odor or
517 noise (whether on or off the Property) and its effect or expected effect on the Property or its occupants is unsatisfactory, in Buyer's
518 sole subjective discretion, Buyer may:

519 **10.3.1. Inspection Termination.** ~~On or before the Inspection Termination Deadline~~, notify Seller in writing,
520 pursuant to § 24.1., that this Contract is terminated due to any unsatisfactory condition, provided the Buyer did not previously deliver
521 an Inspection Objection. Buyer's Right to Terminate under this provision expires upon delivery of an Inspection Objection to Seller
522 pursuant to § 10.3.2.; or

523 **10.3.2. Inspection Objection.** ~~On or before the Inspection Objection Deadline~~, deliver to Seller a written
524 description of any unsatisfactory condition that Buyer requires Seller to correct.

525 **10.3.3. Inspection Resolution.** ~~If an Inspection Objection is received by Seller, on or before Inspection Objection~~
526 ~~Deadline~~ and if Buyer and Seller have not agreed in writing to a settlement thereof on or before ~~Inspection Resolution Deadline~~,
527 this Contract will terminate on ~~Inspection Resolution Deadline~~ unless Seller receives Buyer's written withdrawal of the Inspection
528 Objection before such termination (i.e., on or before expiration of ~~Inspection Resolution Deadline~~). Nothing in this provision
529 prohibits the Buyer and the Seller from mutually terminating this Contract before the Inspection Resolution Deadline passes by
530 executing an Earnest Money Release.

531 **10.4. Damage, Liens and Indemnity.** Buyer, except as otherwise provided in this Contract or other written agreement
532 between the parties, is responsible for payment for all inspections, tests, surveys, engineering reports, or other reports performed at
533 Buyer's request (Work) and must pay for any damage that occurs to the Property and Inclusions as a result of such Work. Buyer
534 must not permit claims or liens of any kind against the Property for Work performed on the Property. Buyer agrees to indemnify,
535 protect and hold Seller harmless from and against any liability, damage, cost or expense incurred by Seller and caused by any such
536 Work, claim, or lien. This indemnity includes Seller's right to recover all costs and expenses incurred by Seller to defend against
537 any such liability, damage, cost or expense, or to enforce this Section, including Seller's reasonable attorney fees, legal fees and
538 expenses. The provisions of this Section survive the termination of this Contract. This § 10.4. does not apply to items performed
539 pursuant to an Inspection Resolution.

540 **10.5. Insurability.** ~~Buyer has the Right to Terminate under § 24.1., on or before Property Insurance Termination~~
541 ~~Deadline~~, based on any unsatisfactory provision of the availability, terms and conditions and premium for property insurance
542 (Property Insurance) on the Property, in Buyer's sole subjective discretion.

543 **10.6. Due Diligence.**

544 **10.6.1. Due Diligence Documents.** Seller agrees to deliver copies of the following documents and information
545 pertaining to the Property and Leased Items (Due Diligence Documents) to Buyer on or before ~~Due Diligence Documents Delivery~~
546 ~~Deadline~~:

547 **10.6.1.1. Occupancy Agreements.** ~~All current leases, including any amendments or other occupancy~~
548 ~~agreements, pertaining to the Property. Those leases or other occupancy agreements pertaining to the Property that survive Closing~~
549 ~~are as follows (Leases):~~

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~~10.6.1.2. **Leased Items Documents.** If any lease of personal property (§ 2.5.4., Leased Items) will be transferred to Buyer at Closing, Seller agrees to deliver copies of the leases and information pertaining to the personal property to Buyer on or before **Due Diligence Documents Delivery Deadline.**~~

~~10.6.1.3. **Encumbered Inclusions Documents.** If any Inclusions owned by Seller are encumbered pursuant to § 2.5.2. (Encumbered Inclusions) above, Seller agrees to deliver copies of the evidence of debt, security and any other documents creating the encumbrance to Buyer on or before **Due Diligence Documents Delivery Deadline.**~~

~~10.6.1.4. **Solar Power Plan.** Copy of any Solar Power Plan not included in Leased Items (regardless of its name or title):~~

~~10.6.1.5. **Septic Use Permit.**~~

~~10.6.1.6. **Other Documents.** If the respective box is checked, Seller agrees to additionally deliver copies of the following:~~

~~10.6.1.6.1. All contracts relating to the operation, maintenance and management of the Property;~~

~~10.6.1.6.2. Property tax bills for the last _____ years;~~

~~10.6.1.6.3. As-built construction plans to the Property and the tenant improvements, including architectural, electrical, mechanical and structural systems; engineering reports; and permanent Certificates of Occupancy, to the extent now available;~~

~~10.6.1.6.4. A list of all Inclusions to be conveyed to Buyer;~~

~~10.6.1.6.5. Operating statements for the past _____ years;~~

~~10.6.1.6.6. A rent roll accurate and correct to the date of this Contract;~~

~~10.6.1.6.7. A schedule of any tenant improvement work Seller is obligated to complete but has not yet completed and capital improvement work either scheduled or in process on the date of this Contract;~~

~~10.6.1.6.8. All insurance policies pertaining to the Property and copies of any claims which have been made for the past ____ years;~~

~~10.6.1.6.9. Soils reports, surveys and engineering reports or data pertaining to the Property (if not delivered earlier under § 8.3.);~~

~~10.6.1.6.10. Any and all existing documentation and reports regarding Phase I and II environmental reports, letters, test results, advisories and similar documents respective to the existence or nonexistence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances and/or underground storage tanks and/or radon gas. If no reports are in Seller's possession or known to Seller, Seller warrants that no such reports are in Seller's possession or known to Seller;~~

~~10.6.1.6.11. Any *Americans with Disabilities Act* reports, studies or surveys concerning the compliance of the Property with said Act;~~

~~10.6.1.6.12. All permits, licenses and other building or use authorizations issued by any governmental authority with jurisdiction over the Property and written notice of any violation of any such permits, licenses or use authorizations, if any; and~~

~~10.6.1.6.13. Other:~~

~~10.6.2. **Due Diligence Documents Review and Objection.** Buyer has the right to review and object based on the Due Diligence Documents. If the Due Diligence Documents are not supplied to Buyer or are unsatisfactory, in Buyer's sole subjective discretion, Buyer may, on or before **Due Diligence Documents Objection Deadline:**~~

~~10.6.2.1. **Notice to Terminate.** Notify Seller in writing, pursuant to § 24.1., that this Contract is terminated; or~~

~~10.6.2.2. **Due Diligence Documents Objection.** Deliver to Seller a written description of any unsatisfactory Due Diligence Documents that Buyer requires Seller to correct.~~

~~10.6.2.3. **Due Diligence Documents Resolution.** If a Due Diligence Documents Objection is received by Seller, on or before **Due Diligence Documents Objection Deadline** and if Buyer and Seller have not agreed in writing to a settlement thereof on or before **Due Diligence Documents Resolution Deadline**, this Contract will terminate on **Due Diligence Documents Resolution Deadline** unless Seller receives Buyer's written withdrawal of the Due Diligence Documents Objection before such termination (i.e., on or before expiration of **Due Diligence Documents Resolution Deadline**).~~

608 **10.6.2.4. Automatic Due Diligence Extension.** If a Due Diligence Document is not delivered on or
609 before the Due Diligence Documents Deadline, Buyer has until the earlier of Closing or ten days after receipt by Buyer to review
610 and object to such Due Diligence Document. If Buyer's right to review and object to such Due Diligence Document is extended due
611 to such Due Diligence Document not being delivered on or before the Due Diligence Documents Deadline, the Due Diligence
612 Document Resolution Deadline will also be extended to the earlier of Closing or fifteen days after Buyer's receipt of such Due
613 Diligence Document.

614 **10.6.3. Zoning.** Buyer has the Right to Terminate under § 24.1., on or before Due Diligence Documents **Objection**
615 **Deadline**, based on any unsatisfactory zoning and any use restrictions imposed by any governmental agency with jurisdiction over
616 the Property, in Buyer's sole subjective discretion.

617 **10.6.4. Due Diligence — Environmental.** Buyer has the right to obtain environmental inspections of the Property
618 including a Phase I Environmental Site Assessment. Seller Buyer will order or provide a current Phase I Environmental
619 Site Assessment (compliant with the most current version of the applicable ASTM E1527 standard practices for Environmental Site
620 Assessments) and/or _____, at the expense of Seller Buyer
621 (Environmental Inspection).

622 If the Phase I Environmental Site Assessment recommends a Phase II Environmental Site Assessment, the **Environmental**
623 **Inspection Termination Deadline** will be extended by _____ days (Extended Environmental Inspection
624 Termination Deadline) and if such Extended Environmental Inspection Termination Deadline extends beyond the Closing **Date**, the
625 **Closing Date** will be extended a like period of time. In such event, Seller Buyer must pay the cost for such Phase II
626 Environmental Site Assessment.

627 Notwithstanding Buyer's right to obtain additional environmental inspections of the Property in this § 10.6.4., Buyer has the
628 Right to Terminate under § 24.1., on or before **Environmental Inspection Termination Deadline**, or if applicable, the Extended
629 Environmental Inspection Termination Deadline, based on any unsatisfactory results of Environmental Inspection, in Buyer's sole
630 subjective discretion.

631 **10.6.5. Due Diligence — ADA.** Buyer, at Buyer's expense, may also conduct an evaluation whether the Property
632 complies with the *Americans with Disabilities Act* (ADA Evaluation). All such inspections and evaluations must be conducted at
633 such times as are mutually agreeable to minimize the interruption of Seller's and any Seller's tenants' business uses of the Property,
634 if any.

635 Buyer has the Right to Terminate under § 24.1., on or before **ADA Evaluation Termination Deadline**, based on any unsatisfactory
636 ADA Evaluation, in Buyer's sole subjective discretion.

637 **10.7. Conditional Upon Sale of Property.** This Contract is conditional upon the sale and closing of that certain property
638 owned by Buyer and commonly known as _____, —Buyer has
639 the Right to Terminate under § 24.1. effective upon Seller's receipt of Buyer's Notice to Terminate on or before **Conditional Sale**
640 **Deadline** if such property is not sold and closed by such deadline. This Section is for the sole benefit of Buyer. If Seller does not
641 receive Buyer's Notice to Terminate on or before **Conditional Sale Deadline**, Buyer waives any Right to Terminate under this
642 provision.

643 **10.8. Source of Potable Water (Residential Land and Residential Improvements Only).** Buyer Does Does Not
644 acknowledge receipt of a copy of Seller's Property Disclosure or Source of Water Addendum disclosing the source of potable water for
645 the Property. There is No Well. Buyer Does Does Not acknowledge receipt of a copy of the current well permit.
646 **Note to Buyer: SOME WATER PROVIDERS RELY, TO VARYING DEGREES, ON NONRENEWABLE GROUND**
647 **WATER. YOU MAY WISH TO CONTACT YOUR PROVIDER (OR INVESTIGATE THE DESCRIBED SOURCE) TO**
648 **DETERMINE THE LONG-TERM SUFFICIENCY OF THE PROVIDER'S WATER SUPPLIES.**

649 **10.9. Existing Leases; Modification of Existing Leases; New Leases.** Seller states that none of the Leases to be assigned
650 to the Buyer at the time of Closing contain any rent concessions, rent reductions or rent abatements except as disclosed in the Lease
651 or other writing received by Buyer. Seller will not amend, alter, modify, extend or cancel any of the Leases nor will Seller enter into
652 any new leases affecting the Property without the prior written consent of Buyer, which consent will not be unreasonably withheld
653 or delayed.

654 **10.10. Lead-Based Paint.** [Intentionally Deleted - See Residential Addendum if applicable]

655 **10.11. Carbon Monoxide Alarms.** [Intentionally Deleted - See Residential Addendum if applicable]

656 **10.12. Methamphetamine Disclosure.** [Intentionally Deleted - See Residential Addendum if applicable]

657 11. TENANT ESTOPPEL STATEMENTS.

658 **11.1. Estoppel Statements Conditions.** Buyer has the right to review and object to any Estoppel Statements. Seller must
659 request from all tenants of the Property and if received by Seller, deliver to Buyer on or before **Estoppel Statements Deadline**,
660 statements in a form and substance reasonably acceptable to Buyer, from each occupant or tenant at the Property (Estoppel Statement)
661 attached to a copy of the Lease stating:

662 **11.1.1.** The commencement date of the Lease and scheduled termination date of the Lease;

663 **11.1.2.** That said Lease is in full force and effect and that there have been no subsequent modifications or
664 amendments;

665 **11.1.3.** The amount of any advance rentals paid, rent concessions given and deposits paid to Seller;

666 11.1.4. The amount of monthly (or other applicable period) rental paid to Seller;
667 ~~11.1.5. That there is no default under the terms of said Lease by landlord or occupant; and~~
668 ~~11.1.6. That the Lease to which the Estoppel Statement is attached is a true, correct and complete copy of the Lease~~
669 ~~demising the premises it describes.~~

670 ~~11.2. Seller Estoppel Statement. In the event Seller does not receive from all tenants of the Property a completed signed~~
671 ~~Estoppel Statement, Seller agrees to complete and execute an Estoppel Statement setting forth the information and documents~~
672 ~~required in §11.1. above and deliver the same to Buyer on or before Estoppel Statements Deadline.~~

673 ~~11.3. Estoppel Statements Termination. Buyer has the Right to Terminate under § 24.1., on or before Estoppel~~
674 ~~Statements Termination Deadline, based on any unsatisfactory Estoppel Statement, in Buyer's sole subjective discretion, or if~~
675 ~~Seller fails to deliver the Estoppel Statements on or before Estoppel Statements Deadline. Buyer also has the unilateral right to~~
676 ~~waive any unsatisfactory Estoppel Statement.~~

677

CLOSING PROVISIONS

678 **12. CLOSING DOCUMENTS, INSTRUCTIONS AND CLOSING.**

679 **12.1. Closing Documents and Closing Information.** Seller and Buyer will cooperate with the Closing Company to enable
680 the Closing Company to prepare and deliver documents required for Closing to Buyer and Seller and their designees. If Buyer is
681 obtaining a loan to purchase the Property, Buyer acknowledges Buyer's lender is required to provide the Closing Company, in a
682 timely manner, all required loan documents and financial information concerning Buyer's loan. Buyer and Seller will furnish any
683 additional information and documents required by Closing Company that will be necessary to complete this transaction. Buyer and
684 Seller will sign and complete all customary or reasonably required documents at or before Closing.

685 **12.2. Closing Instructions.** Colorado Real Estate Commission's Closing Instructions **Are** **Are Not** executed with
686 this Contract.

687 **12.3. Closing.** Delivery of deed from Seller to Buyer will be at closing (Closing). Closing will be on the date specified as
688 the **Closing Date** or by mutual agreement at an earlier date. At Closing, Seller must provide Buyer with the ability to access the
689 Property. The hour and place of Closing will be as designated by _____.

690 **12.4. Disclosure of Settlement Costs.** Buyer and Seller acknowledge that costs, quality and extent of service vary between
691 different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

692 **12.5. Assignment of Leases.** Seller must assign to Buyer all Leases at Closing that will continue after Closing and Buyer
693 must assume Seller's obligations under such Leases. Further, Seller must transfer to Buyer all Leased Items and assign to Buyer such
694 leases for the Leased Items accepted by Buyer pursuant to § 2.5.4. (Leased Items).

695 **13. TRANSFER OF TITLE.** Subject to Buyer's compliance with the terms and provisions of this Contract, including the tender
696 of any payment due at Closing, Seller must execute and deliver the following good and sufficient deed to Buyer, at Closing:
697 special warranty deed general warranty deed bargain and sale deed quit claim deed personal representative's deed
698 _____ deed. Seller, provided another deed is not selected, must execute and deliver a good and
699 sufficient special warranty deed to Buyer, at Closing.

700 Unless otherwise specified in § 30 (Additional Provisions), if title will be conveyed using a special warranty deed or a general
701 warranty deed, title will be conveyed "subject to statutory exceptions" as defined in §38-30-113(5)(a), C.R.S.

702 **14. PAYMENT OF LIENS AND ENCUMBRANCES.** Unless agreed to by Buyer in writing, any amounts owed on any liens
703 or encumbrances securing a monetary sum against the Property and Inclusions, including any governmental liens for special
704 improvements installed as of the date of Buyer's signature hereon, whether assessed or not, and previous years' taxes, will be paid
705 at or before Closing by Seller from the proceeds of this transaction or from any other source.

706 **15. CLOSING COSTS, FEES, ASSOCIATION STATUS LETTER AND DISBURSEMENTS, TAXES AND**
707 **WITHHOLDING.**

708 **15.1. Closing Costs.** Buyer and Seller must pay, in Good Funds, their respective closing costs and all other items required
709 to be paid at Closing, except as otherwise provided herein.

710 **15.2. Closing Services Fee.** The fee for real estate closing services must be paid at Closing by **Buyer** **Seller**
711 **One-Half by Buyer and One-Half by Seller** **Other** _____.

712 **15.3. Association Fees and Required Disbursements.** At least fourteen days prior to **Closing Date**, Seller agrees to
713 promptly request that the Closing Company or the Association deliver to Buyer a current Status Letter, if applicable. Any fees
714 associated with or specified in the Status Letter will be paid as follows:

715 ~~15.3.1. Status Letter Fee.~~ Any fee incident to the issuance of Association's Status Letter must be paid by Seller.
716 ~~15.3.2. Record Change Fee.~~ Any Record Change Fee must be paid by **Buyer** **Seller** **One-Half by Buyer**
717 **and One-Half by Seller** **N/A.**

718 **15.3.3. Reserves or Working Capital.** Unless agreed to otherwise, all reserves or working capital due (or other
719 similar cost not addressed in § 16.2. (Association Assessments)) at Closing must be paid by Buyer Seller One-Half by
720 Buyer and One-Half by Seller N/A.

721 **15.3.4. Other Fees.** Any other fee listed in the Status Letter as required to be paid at Closing will be paid by
722 Buyer Seller One-Half by Buyer and One-Half by Seller N/A.

723 **15.4. Local Transfer Tax.** Any Local Transfer Tax must be paid at Closing by Buyer Seller One-Half by
724 Buyer and One-Half by Seller N/A.

725 **15.5. Sales and Use Tax.** Any sales and use tax that may accrue because of this transaction must be paid when due by
726 Buyer Seller One-Half by Buyer and One-Half by Seller N/A.

727 **15.6. Private Transfer Fee.** Any private transfer fees and other fees due to a transfer of the Property, payable at Closing,
728 such as community association fees, developer fees and foundation fees, must be paid at Closing by Buyer Seller
729 One-Half by Buyer and One-Half by Seller N/A.

730 **15.7. Water Transfer Fees.** Water Transfer Fees can change. The fees, as of the date of this Contract, do not exceed
731 \$ _____ for:

732 Water District/Municipality Water Stock
733 Augmentation Membership Small Domestic Water Company _____

734 and must be paid at Closing by Buyer Seller One-Half by Buyer and One-Half by Seller N/A.

735 **15.8. Utility Transfer Fees.** Utility transfer fees can change. Any fees to transfer utilities from Seller to Buyer must be
736 paid by Buyer Seller One-Half by Buyer and One-Half by Seller N/A.

737 **15.9. FIRPTA and Colorado Withholding.**

738 **15.9.1. FIRPTA.** The Internal Revenue Service (IRS) may require a substantial portion of the Seller's proceeds be
739 withheld after Closing when Seller is a foreign person. If required withholding does not occur, the Buyer could be held liable for the
740 amount of the Seller's tax, interest and penalties. If the box in this Section is checked, Seller represents that Seller ~~is~~ a foreign
741 person for purposes of U.S. income taxation. If the box in this Section is not checked, Seller represents that Seller is not a foreign
742 person for purposes of U.S. income taxation. Seller agrees to cooperate with Buyer and Closing Company to provide any reasonably
743 requested documents to verify Seller's foreign person status. If withholding is required, Seller authorizes Closing Company to
744 withhold such amount from Seller's proceeds. Seller should inquire with Seller's tax advisor to determine if withholding applies or
745 if an exemption exists.

746 **15.9.2. Colorado Withholding.** The Colorado Department of Revenue may require a portion of the Seller's proceeds
747 be withheld after Closing when Seller will not be a Colorado resident after Closing, if not otherwise exempt. Seller agrees to
748 cooperate with Buyer and Closing Company to provide any reasonably requested documents to verify Seller's status. If withholding
749 is required, Seller authorizes Closing Company to withhold such amount from Seller's proceeds. Seller should inquire with Seller's
750 tax advisor to determine if withholding applies or if an exemption exists.

751 **16. PRORATIONS AND ASSOCIATION ASSESSMENTS. See Exhibit A**

752 **16.1. Prorations.** The following will be prorated to the **Closing Date**, except as otherwise provided:

753 **16.1.1. Taxes.** Personal property taxes, if any, special taxing district assessments, if any, and general real estate taxes
754 for the year of Closing, based on Taxes for the Calendar Year Immediately Preceding Closing Most Recent Mill Levy
755 and Most Recent Assessed Valuation; Other _____;

756 **16.1.2. Rents.** Rents based on Rents Actually Received Accrued. At Closing, Seller will transfer or credit
757 to Buyer the security deposits for all Leases assigned to Buyer, or any remainder after lawful deductions, and notify all tenants in
758 writing of such transfer and of the transferee's name and address.

759 **16.1.3. Other Prorations.** Water and sewer charges, propane, interest on continuing loan and _____.

760 **16.1.4. Final Settlement.** Unless otherwise specified in Additional Provisions, these prorations are final.

761 **16.2. Association Assessments.** Current regular Association assessments and dues (Association Assessments) paid in
762 advance will be credited to Seller at Closing. All Association Assessments accrued before Closing must be paid by Seller and all
763 Association Assessments accrued after Closing must be paid by Buyer. Cash reserves held out of the regular Association Assessments
764 for deferred maintenance by the Association will not be credited to Seller except as may be otherwise provided by the Governing
765 Documents. Any special assessment assessed prior to **Closing Date** by the Association will be the obligation of Buyer
766 Seller. Except however, any special assessment by the Association for improvements that have been installed as of the date of
767 Buyer's signature hereon, whether assessed prior to or after Closing, will be the obligation of Seller unless otherwise specified in
768 Additional Provisions. Seller represents there are no unpaid regular or special assessments against the Property except the current
769 regular assessments and _____. Association Assessments are subject to change as provided in the
770 Governing Documents.

771 **17. POSSESSION.** Possession of the Property and Inclusions will be delivered to Buyer on **Possession Date** at **Possession Time**,
772 subject to the Leases as set forth in § 10.6.1.1 As stated in East Jackson Lake Irrigated Land Auction Due Diligence Packet Printed November 4, 2024.

773 If Seller, after Closing occurs, fails to deliver possession as specified, Seller will be subject to eviction and will be additionally
774 liable to Buyer, notwithstanding § 20.2. (If Seller is in Default), for payment of \$ _____ per day (or any part of a day

775 notwithstanding § 3.3., Day) from **Possession Date** and **Possession Time** until possession is delivered. Additionally, Buyer may
776 pursue a claim against Seller for any of Buyer's actual additional damages incurred by Buyer in excess of such amount.

777

GENERAL PROVISIONS

778 **18. CAUSES OF LOSS, INSURANCE; DAMAGE TO INCLUSIONS AND SERVICES; CONDEMNATION; AND**
779 **WALK-THROUGH.** Except as otherwise provided in this Contract, the Property and Inclusions will be delivered in the condition
780 existing as of the date of this Contract, ordinary wear and tear excepted.

781 **18.1. Causes of Loss, Insurance.** In the event the Property or Inclusions are damaged by fire, other perils or causes of loss
782 prior to Closing (Property Damage) in an amount of not more than ten percent of the total Purchase Price and if the repair of the
783 damage will be paid by insurance (other than the deductible to be paid by Seller), then Seller, upon receipt of the insurance proceeds,
784 will use Seller's reasonable efforts to repair the Property before **Closing Date**. Buyer has the Right to Terminate under § 24.1., on
785 or before **Closing Date**, if the Property is not repaired before **Closing Date**, or if the damage exceeds such sum. Should Buyer elect
786 to carry out this Contract despite such Property Damage, Buyer is entitled to a credit at Closing for all insurance proceeds that were
787 received by Seller (but not the Association, if any) resulting from damage to the Property and Inclusions, plus the amount of any
788 deductible provided for in the insurance policy. This credit may not exceed the Purchase Price. In the event Seller has not received
789 the insurance proceeds prior to Closing, the parties may agree to extend the **Closing Date** to have the Property repaired prior to
790 Closing or, at the option of Buyer, (1) Seller must assign to Buyer the right to the proceeds at Closing, if acceptable to Seller's
791 insurance company and Buyer's lender; or (2) the parties may enter into a written agreement prepared by the parties or their attorney
792 requiring the Seller to escrow at Closing from Seller's sale proceeds the amount Seller has received and will receive due to such
793 damage, not exceeding the total Purchase Price, plus the amount of any deductible that applies to the insurance claim.

794 **18.2. Damage, Inclusions and Services.** Should any Inclusion or service (including utilities and communication services),
795 system, component or fixture of the Property (collectively Service) (e.g., heating or plumbing), fail or be damaged between the date
796 of this Contract and Closing or possession, whichever is earlier, then Seller is liable for the repair or replacement of such Inclusion
797 or Service with a unit of similar size, age and quality, or an equivalent credit, but only to the extent that the maintenance or
798 replacement of such Inclusion or Service is not the responsibility of the Association, if any, less any insurance proceeds received by
799 Buyer covering such repair or replacement. If the failed or damaged Inclusion or Service is not repaired or replaced on or before
800 Closing or possession, whichever is earlier, Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, or, at the
801 option of Buyer, Buyer is entitled to a credit at Closing for the repair or replacement of such Inclusion or Service. Such credit must
802 not exceed the Purchase Price. If Buyer receives such a credit, Seller's right for any claim against the Association, if any, will survive
803 Closing.

804 **18.3. Condemnation.** ~~In the event Seller receives actual notice prior to Closing that a pending condemnation action may~~
805 ~~result in a taking of all or part of the Property or Inclusions, Seller must promptly notify Buyer, in writing, of such condemnation~~
806 ~~action. Buyer has the Right to Terminate under § 24.1., on or before **Closing Date**, based on such condemnation action, in Buyer's~~
807 ~~sole subjective discretion. Should Buyer elect to consummate this Contract despite such diminution of value to the Property and~~
808 ~~Inclusions, Buyer is entitled to a credit at Closing for all condemnation proceeds awarded to Seller for the diminution in the value~~
809 ~~of the Property or Inclusions, but such credit will not include relocation benefits or expenses or exceed the Purchase Price.~~

810 **18.4. Walk-Through and Verification of Condition.** Buyer, upon reasonable notice, has the right to walk through the
811 Property prior to Closing to verify that the physical condition of the Property and Inclusions complies with this Contract.

812 **18.5. Risk of Loss – Growing Crops.** The risk of loss for damage to growing crops by fire or other casualty will be borne
813 by the party entitled to the growing crops as provided in § 2.8. and such party is entitled to such insurance proceeds or benefits for
814 the growing crops.

815 **19. RECOMMENDATION OF LEGAL AND TAX COUNSEL.** By signing this Contract, Buyer and Seller acknowledge that
816 their respective broker has advised that this Contract has important legal consequences and has recommended: (1) legal examination
817 of title; (2) consultation with legal and tax or other counsel before signing this Contract as this Contract may have important legal
818 and tax implications; (3) to consult with their own attorney if Water Rights, Mineral Rights or Leased Items are included or excluded
819 in the sale; and (4) to consult with legal counsel if there are other matters in this transaction for which legal counsel should be
820 engaged and consulted. Such consultations must be done timely as this Contract has strict time limits, including deadlines, that must
821 be complied with.

822
823 **20. TIME OF ESSENCE, DEFAULT AND REMEDIES.** Time is of the essence for all dates and deadlines in this Contract.
824 This means that all dates and deadlines are strict and absolute. If any payment due, including Earnest Money, is not paid, honored
825 or tendered when due, or if any obligation is not performed timely as provided in this Contract or waived, the non-defaulting party
826 has the following remedies:

827 **20.1. If Buyer is in Default:**

828 **20.1.1. Specific Performance.** Seller may elect to cancel this Contract and all Earnest Money (whether or not paid
829 by Buyer) will be paid to Seller and retained by Seller. It is agreed that the Earnest Money is not a penalty, and the parties agree the

830 amount is fair and reasonable. Seller may recover such additional damages as may be proper. Alternatively, Seller may elect to treat
831 this Contract as being in full force and effect and Seller has the right to specific performance or damages, or both.

832 ~~20.1.2. Liquidated Damages, Applicable. This § 20.1.2. applies unless the box in § 20.1.1. is checked.~~ Seller may
833 ~~cancel this Contract. All Earnest Money (whether or not paid by Buyer) will be paid to Seller and retained by Seller. It is agreed that~~
834 ~~the Earnest Money amount specified in § 4.1. is LIQUIDATED DAMAGES and not a penalty, which amount the parties agree is~~
835 ~~fair and reasonable and (except as provided in §§ 10.4. and 21), such amount is SELLER'S ONLY REMEDY for Buyer's failure to~~
836 ~~perform the obligations of this Contract. Seller expressly waives the remedies of specific performance and additional damages.~~

837 **20.2. If Seller is in Default:**

838 **20.2.1. Specific Performance, Damages or Both.** Buyer may elect to treat this Contract as canceled, in which case
839 all Earnest Money received hereunder will be returned to Buyer and Buyer may recover such damages as may be proper.
840 Alternatively, in addition to the per diem in § 17 (Possession) for failure of Seller to timely deliver possession of the Property after
841 Closing occurs, Buyer may elect to treat this Contract as being in full force and effect and Buyer has the right to specific performance
842 or damages, or both.

843 **20.2.2. Seller's Failure to Perform.** In the event Seller fails to perform Seller's obligations under this Contract, to
844 include, but not limited to, failure to timely disclose Association violations known by Seller, failure to perform any replacements or
845 repairs required under this Contract or failure to timely disclose any known adverse material facts, Seller remains liable for any such
846 failures to perform under this Contract after Closing. Buyer's rights to pursue the Seller for Seller's failure to perform under this
847 Contract are reserved and survive Closing.

848 **21. LEGAL FEES, COST AND EXPENSES.** Anything to the contrary herein notwithstanding, in the event of any arbitration
849 or litigation relating to this Contract, prior to or after **Closing Date**, the arbitrator or court must award to the prevailing party all
850 reasonable costs and expenses, including attorney fees, legal fees and expenses.

851 **22. MEDIATION.** If a dispute arises relating to this Contract (whether prior to or after Closing) and is not resolved, the parties
852 must first proceed, in good faith, to mediation. Mediation is a process in which the parties meet with an impartial person who helps
853 to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. Before any mediated settlement is
854 binding, the parties to the dispute must agree to the settlement, in writing. The parties will jointly appoint an acceptable mediator
855 and will share equally in the cost of such mediation. The obligation to mediate, unless otherwise agreed, will terminate if the entire
856 dispute is not resolved within thirty days of the date written notice requesting mediation is delivered by one party to the other at that
857 party's last known address (physical or electronic as provided in § 26). Nothing in this Section prohibits either party from filing a
858 lawsuit and recording a *lis pendens* affecting the Property, before or after the date of written notice requesting mediation. This
859 Section will not alter any date in this Contract, unless otherwise agreed.

860 **23. EARNEST MONEY DISPUTE.** Except as otherwise provided herein, Earnest Money Holder must release the Earnest
861 Money following receipt of written mutual instructions, signed by both Buyer and Seller. In the event of any controversy regarding
862 the Earnest Money, Earnest Money Holder is not required to release the Earnest Money. Earnest Money Holder, in its sole subjective
863 discretion, has several options: (1) wait for any proceeding between Buyer and Seller; (2) interplead all parties and deposit Earnest
864 Money into a court of competent jurisdiction (Earnest Money Holder is entitled to recover court costs and reasonable attorney and
865 legal fees incurred with such action); or (3) provide notice to Buyer and Seller that unless Earnest Money Holder receives a copy of
866 the Summons and Complaint or Claim (between Buyer and Seller) containing the case number of the lawsuit (Lawsuit) within one
867 hundred twenty days of Earnest Money Holder's notice to the parties, Earnest Money Holder is authorized to return the Earnest
868 Money to Buyer. In the event Earnest Money Holder does receive a copy of the Lawsuit and has not interpleaded the monies at the time
869 of any Order, Earnest Money Holder must disburse the Earnest Money pursuant to the Order of the Court. The parties reaffirm the
870 obligation of § 22 (Mediation). This Section will survive cancellation or termination of this Contract.

871 **24. TERMINATION.**

872 **24.1. Right to Terminate.** If a party has a right to terminate, as provided in this Contract (Right to Terminate), the
873 termination is effective upon the other party's receipt of a written notice to terminate (Notice to Terminate), provided such written
874 notice was received on or before the applicable deadline specified in this Contract. If the Notice to Terminate is not received on or
875 before the specified deadline, the party with the Right to Terminate accepts the specified matter, document or condition as satisfactory
876 and waives the Right to Terminate under such provision. Any Notice to Terminate delivered after the applicable deadline specified
877 in the Contract is ineffective and does not terminate this Contract.

878 **24.2. Effect of Termination.** In the event this Contract is terminated, all Earnest Money received hereunder must be timely
879 returned to Buyer and the parties are then relieved of all obligations hereunder, subject to §§ 10.4. and 21.

880 **25. ENTIRE AGREEMENT, MODIFICATION, SURVIVAL; SUCCESSORS.** This Contract, its exhibits and specified
881 addenda, constitute the entire agreement between the parties relating to the subject hereof and any prior agreements pertaining
882 thereto, whether oral or written, have been merged and integrated into this Contract. No subsequent modification of any of the terms
883 of this Contract is valid, binding upon the parties, or enforceable unless made in writing and signed by the parties. Any right or

884 obligation in this Contract that, by its terms, exists or is intended to be performed after termination or Closing survives the same.
885 Any successor to a party receives the predecessor's benefits and obligations of this Contract.

886 **26. NOTICE, DELIVERY AND CHOICE OF LAW.**

887 **26.1. Physical Delivery and Notice.** Any document or notice to Buyer or Seller must be in writing, except as provided in
888 § 26.2. and is effective when physically received by such party, any individual named in this Contract to receive documents or
889 notices for such party, Broker, or Brokerage Firm of Broker working with such party (except any notice or delivery after Closing
890 must be received by the party, not Broker or Brokerage Firm).

891 **26.2. Electronic Notice.** As an alternative to physical delivery, any notice may be delivered in electronic form to Buyer or
892 Seller, any individual named in this Contract to receive documents or notices for such party, Broker or Brokerage Firm of Broker
893 working with such party (except any notice or delivery after Closing, cancellation or Termination must be received by the party, not
894 Broker or Brokerage Firm) at the electronic address of the recipient by facsimile, email or _____.

895 **26.3. Electronic Delivery.** Electronic Delivery of documents and notice may be delivered by: (1) email at the email address
896 of the recipient, (2) a link or access to a website or server provided the recipient receives the information necessary to access the
897 documents, or (3) facsimile at the facsimile number (Fax No.) of the recipient.

898 **26.4. Choice of Law.** This Contract and all disputes arising hereunder are governed by and construed in accordance with
899 the laws of the State of Colorado that would be applicable to Colorado residents who sign a contract in Colorado for real property
900 located in Colorado.

901 **27. NOTICE OF ACCEPTANCE, COUNTERPARTS.** This proposal will expire unless accepted in writing, by Buyer and
902 Seller, as evidenced by their signatures below and the offering party receives notice of such acceptance pursuant to § 26 on or before
903 **Acceptance Deadline Date** and **Acceptance Deadline Time**. If accepted, this document will become a contract between Seller and
904 Buyer. A copy of this Contract may be executed by each party, separately and when each party has executed a copy thereof, such
905 copies taken together are deemed to be a full and complete contract between the parties.

906 **28. GOOD FAITH.** Buyer and Seller acknowledge that each party has an obligation to act in good faith including, but not limited
907 to, exercising the rights and obligations set forth in the provisions of **Financing Conditions and Obligations; Title Insurance,**
908 **Record Title and Off-Record Title; New ILC, New Survey; and Property Disclosure, Inspection, Indemnity, Insurability, Due**
909 **Diligence and Source of Water.**

910 **29. BUYER'S BROKERAGE FIRM COMPENSATION.** Buyer's brokerage firm's compensation will be paid, at Closing, as
911 follows:

912 **29.1.** ____% of the Purchase Price or \$_____ by Seller. Buyer's brokerage firm is an intended third-party
913 beneficiary under this provision only. The amount paid by Seller under this provision is in addition to any other amounts Seller is
914 paying on behalf of Buyer elsewhere in this Contract.

915 **29.2.** ____% of the Purchase Price or \$_____ by Buyer pursuant to a separate agreement between Buyer and
916 Buyer's brokerage firm. This amount may be modified between Buyer and Buyer's brokerage firm outside of this Contract.

917 **29.3.** ____% of the Purchase Price or \$_____ by a separate agreement between Buyer's brokerage firm and
918 Seller's brokerage firm.

919

ADDITIONAL PROVISIONS AND ATTACHMENTS
--

920 **30. ADDITIONAL PROVISIONS.** (The following additional provisions have not been approved by the Colorado Real Estate
921 Commission.)
922
923
924
925
926
927
928
929
930
931

932 **31. OTHER DOCUMENTS.**
933 **31.1. Documents Part of Contract.** The following documents **are a part** of this Contract:

934
935
936
937
938
939
940
941
942

31.2. Documents Not Part of Contract. The following documents have been provided but are **not** a part of this Contract:

943

SIGNATURES

944

945

Buyer's Name: _____ Buyer's Name: _____

Buyer's Signature Date

Buyer's Signature Date

Address: _____

Address: _____

Phone No.: _____

Phone No.: _____

Fax No.: _____

Fax No.: _____

Email Address: _____

Email Address: _____

946 [NOTE: If this offer is being countered or rejected, do not sign this document.]

Seller's Name: _____

Seller's Name: _____

Seller's Signature Date

Seller's Signature Date

Address: _____

Address: _____

Phone No.: _____

Phone No.: _____

Fax No.: _____

Fax No.: _____

Email Address: _____

Email Address: _____

947

948

END OF CONTRACT TO BUY AND SELL REAL ESTATE

BROKER'S ACKNOWLEDGMENTS AND COMPENSATION DISCLOSURE.

A. Broker Working With Buyer

Broker **Does** **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written

mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Buyer as a **Buyer's Agent** **Transaction-Broker** in this transaction.

Customer. Broker has no brokerage relationship with Buyer. See § B for Broker's brokerage relationship with Seller.

Brokerage Firm's compensation or commission is to be paid as specified in §29 above.

This Broker's Acknowledgments and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any compensation agreement between the brokerage firms must be entered into separately and apart from this provision.

Brokerage Firm's Name: _____
Brokerage Firm's License #: _____
Broker's Name: _____
Broker's License #: _____

Broker's Signature Date

Address: _____

Phone No.: _____
Fax No.: _____
Email Address: _____

B. Broker Working with Seller

Broker **Does** **Does Not** acknowledge receipt of Earnest Money deposit. Broker agrees that if Brokerage Firm is the Earnest Money Holder and, except as provided in § 23, if the Earnest Money has not already been returned following receipt of a Notice to Terminate or other written notice of termination, Earnest Money Holder will release the Earnest Money as directed by the written mutual instructions. Such release of Earnest Money will be made within five days of Earnest Money Holder's receipt of the executed written mutual instructions, provided the Earnest Money check has cleared.

Broker is working with Seller as a **Seller's Agent** **Transaction-Broker** in this transaction.

Customer. Broker has no brokerage relationship with Seller. See § A for Broker's brokerage relationship with Buyer.

Brokerage Firm's compensation or commission is to be paid by **Seller** **Buyer** **Other** _____.

This Broker's Acknowledgments and Compensation Disclosure is for disclosure purposes only and does NOT create any claim for compensation. Any agreement to pay compensation must be entered into separately and apart from this provision.

Brokerage Firm's Name: _____
Brokerage Firm's License #: _____
Broker's Name: _____
Broker's License #: _____

Broker's Signature Date

Address: _____

Phone No.:
Fax No.:
Email Address:

949

EXHIBIT A

30-1.) Buyer(s) is the high bidder for the Property identified above at the Reck Agri Realty & Auction auction for the Seller and ended November 20, 2024, and in accordance with the terms and conditions of this Specific Performance Contract, the East Jackson Lake Irrigated Land Auction Due Diligence Packet Printed November 4, 2024, the Title Commitment and all supplements and additions thereto, and other announcements at the Auction by the Auction Broker. Upon the auction closing, the Seller agrees to sell and the Buyer(s) agrees to buy the Property as per the provisions of this Contract and the East Jackson Lake Irrigated Land Auction Due Diligence Packet Printed November 4, 2024, which is incorporated and made a part of this contract. In the event of a conflict between this contract and the East Jackson Lake Irrigated Land Auction Due Diligence Packet Printed November 4, 2024, the East Jackson Lake Irrigated Land Auction Due Diligence Packet Printed November 4, 2024, shall control.

30-2.) Buyer(s), before closing, may designate additional parties, including Buyer(s) or an entity owned or controlled by Buyer(s), to be named as Buyer(s) on all instruments of transfer of the Property and other necessary closing documents, including title commitments.

30-3.) On or before the date of the Auction, the Buyer(s) has physically inspected the Property, the East Jackson Lake Irrigated Land Auction Due Diligence Packet Printed November 4, 2024, and understood and agreed to all printed statements made by the Auction Company at the Auction regarding the bidding, order of procedure and protocol, and any amendments or modifications to the East Jackson Lake Irrigated Land Auction Due Diligence Packet Printed November 4, 2024. Buyer(s) has, relying solely on his/her own Due Diligence and with no oral or written representations from the Seller or the Auction Company or its agents, accepted the Property "As Is-Where Is" including, but not limited to, no physical, environmental or legal compliance warranties whatsoever from the Seller.

30-4.) 1031 BUYER NOTIFICATION - 1031 EXCHANGE: It is understood and agreed that Buyer(s) may desire to purchase the property which is the subject of this Contract in a "tax free" exchange under Section 1031 of the Internal Revenue Code of 1986, as amended. Seller agrees that Buyer(s) may purchase through and assign this contract to a qualified intermediary chosen by Buyer(s), as may be needed to complete a 1031 tax-free exchange, which may not be simultaneous. Seller will cooperate with such exchange provided that Seller is not required to incur any additional expense or risk. Notwithstanding the utilization of a qualified intermediary to accomplish a like-kind exchange, Seller will confirm and ratify to Buyer(s) any warranty required under this Contract at the time of closing.

30-5.) This document shall be binding upon the benefit of the parties hereto, their heirs, personal representatives, successors and/or assigns.

DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE SELLER AGENCY, BUYER AGENCY OR TRANSACTION-BROKERAGE.

BROKERAGE DISCLOSURE TO BUYER DEFINITIONS OF WORKING RELATIONSHIPS

Seller's Agent: A seller's agent works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent, including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction, without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer: A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

RELATIONSHIP BETWEEN BROKER AND BUYER

Broker and Buyer referenced below have NOT entered into a buyer agency agreement. The working relationship specified below is for a specific property described as:

or real estate which substantially meets the following requirements:

Buyer understands that Buyer is not liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

CHECK ONE BOX ONLY:

Multiple-Person Firm. Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

One-Person Firm. If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

Customer. Broker is the seller’s agent seller’s transaction-broker and Buyer is a customer. Broker intends to perform the following list of tasks: Show a property Prepare and convey written offers, counteroffers and agreements to amend or extend the contract. Broker is not the agent or transaction-broker of Buyer.

Customer for Broker’s Listings – Transaction Brokerage for Other Properties. When Broker is the seller’s agent or seller’s transaction-broker, Buyer is a customer. When Broker is not the seller’s agent or seller’s transaction-broker, Broker is a transaction-broker assisting Buyer in the transaction. Broker is not the agent of Buyer.

Transaction Brokerage Only. Broker is a transaction-broker assisting the Buyer in the transaction. Broker is not the agent of Buyer.

Buyer consents to Broker’s disclosure of Buyer’s confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee does not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

DISCLOSURE OF SETTLEMENT SERVICE COSTS. Buyer acknowledges that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

THIS BROKERAGE DISCLOSURE TO BUYER IS NOT A CONTRACT. IT IS BROKER’S DISCLOSURE OF BROKER’S WORKING RELATIONSHIP.

If this is a residential transaction, the following provision applies:

MEGAN’S LAW. If the presence of a registered sex offender is a matter of concern to Buyer, Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such information.

BUYER ACKNOWLEDGMENT:

Buyer acknowledges receipt of this document on _____.

Buyer

Buyer

BROKER ACKNOWLEDGMENT:

On _____, Broker provided _____ (Buyer) with this document via _____ and retained a copy for Broker’s records.

Brokerage Firm: _____

Broker

BUYER'S BROKER'S COMPENSATION AGREEMENT

Compensation charged by brokerage firms is not set by law and is fully negotiable.

In consideration of the services to be performed by Buyer's Broker as Buyer's transaction-broker, Buyer's Broker's brokerage firm (Brokerage Firm) will be paid a fee equal to ____% of the purchase price or \$_____ (Success Fee) with no discount or allowance for any efforts made by Buyer or any other person. Unless approved by Buyer, in writing, Brokerage Firm is not entitled to receive additional compensation, bonuses, and incentives paid by listing brokerage firm or seller.

The Success Fee is earned by Brokerage Firm upon Buyer's Broker performing services that result in Buyer entering into a contract to purchase property acceptable to Buyer and is payable upon closing of the transaction. If any transaction fails to close as a result of the seller's default, with no fault on the part of Buyer, the Success Fee will be waived. If any transaction fails to close as a result of Buyer's default, in whole or in part, the Success Fee will not be waived; such fee is due and payable upon Buyer's default, but not later than the date that the closing of the transaction was to have occurred.

Broker is authorized and instructed to request payment of the Success Fee from one or both of the following: (1) the seller's brokerage firm; (2) seller. Buyer is obligated to pay any portion of the Success Fee which is not paid by the seller's brokerage firm or seller, but only if Broker discloses to Buyer the amount Buyer must pay, in writing and prior to Buyer entering into a contract with the seller.

Buyer:

Buyer's Brokerage Firm: [Reck Agri Realty & Auction](#)

Buyer's Signature _____ Date

Broker's Signature _____ Date

Street Address

Brokerage Firm Street Address

City, State, Zip

Brokerage Firm City, State, Zip

Phone No.

Broker Phone No.

Fax No.

Broker Fax No.

Email Address

Broker Email Address

Buyer's Signature _____ Date

Street Address

City, State, Zip

Phone No.

Fax No.

Email Address

Title Commitment



**ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)
SCHEDULE A**

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Transaction Identification Data, for which the Company assumes no liability as set forth in Commitment Condition 5.e.:

Issuing Agent: Northern Colorado Title Services Co., Inc.
Issuing Office: 205 W. Kiowa Avenue, Fort Morgan, CO 80701
Issuing Office's ALTA® Registry ID: 0044474
Commitment No.: NCT25231
Issuing Office File No.: NCT25231
Property Address: VACANT, Weldona, CO 80653

1. Commitment Date: **October 9, 2024 at 08:00 AM**

2. Policy or Policies to be issued:	AMOUNT:	PREMIUM:
ALTA Owners Policy (07/01/21)	TBD	\$400.00

Proposed Insured: TO BE DETERMINED

Other Charges:

TOTAL DUE: \$400.00

NOTE: A Minimum Fee of \$115.00 will be charged if file is cancelled.

3. The estate or interest in the Land at the Commitment Date is:

Fee Simple

4. The Title is, at the Commitment Date, vested in:

KURT M. HEUPEL and CAROL L. HEUPEL

This page is only a part of a 2021 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: NCT25231

010-UN ALTA Commitment for Title Insurance Schedule A (07-01-2021)



SCHEDULE A
(Continued)

5. The Land is described as follows:

SEE "EXHIBIT A"

Northern Colorado Title Services Co., Inc.

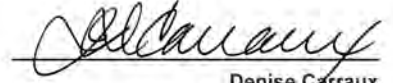


Linda L. Reding, Authorized Signatory

stewart
title guaranty company



Frederick H. Eppinger
President and CEO



Denise Carraux
Secretary

This page is only a part of a 2021 ALTA® Commitment for Title Insurance. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I - Requirements; and Schedule B, Part II - Exceptions; and a countersignature by the Company or its issuing agent that may be in electronic form.

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File No.: NCT25231

010-UN ALTA Commitment for Title Insurance Schedule A (07-01-2021)



EXHIBIT A

A PARCEL OF LAND BEING A PART OF SECTION 13, TOWNSHIP 5 NORTH, RANGE 60 WEST OF THE 6TH P.M., COUNTY OF MORGAN, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 13, AND CONSIDERING THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 13 AS BEARING NORTH 00°15'15" WEST WITH ALL BEARINGS HEREIN REALTIVE THERETO;

THENCE NORTH 00°15'15" WEST ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 13, A DISTANCE OF 2,586.91 FEET;

THENCENORTH 89°49'18" EAST A DISTANCE OF 96.03 FEET;

THENCE NORTH 47°09'33" EAST A DISTANCE OF 56.40 FEET;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 07°27'47", A RADIUS OF 1,018.72 FEET, AND ARC LENGTH OF 132.69 FEET, A CHORD OF 132.60 FEET BEARING NORTH 31°06'26" WEST;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 22°53'22", A RADIUS OF 1,286.79 FEET, AN ARC LENGTH OF 514.07 FEET, A CHORD OF 510.66 FEET BEARING NORTH 47°56'04" EAST;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 17°54'48", A RADIUS OF 1,925.18 FEET, AN ARC LENGTH OF 601.90 FEET, A CHORD OF 599.45 FEET BEARING NORTH 73°31'59" EAST;

THENCE NORTH 85°12'10" EAST A DISTANCE OF 155.61 FEET;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 61°29'29", A RADIUS OF 149.12 FEET, AN ARC LENGTH OF 160.04 FEET, A CHORD OF 152.47 FEET, BEARING SOUTH 88°13'24" EAST;

THENCE ALONG A CURVE TO THE LEFT HAVING A DELTA OF 06°46'56", A RADIUS OF 2,101.91 FEET, AN ARC LENGTH OF 248.81 FEET, A CHORD OF 248.67 FEET BEARING SOUTH 77°34'21" EAST;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 12°52'59", A RADIUS OF 2,122.31 FEET, AN ARC LENGTH OF 477.21 FEET, A CHORD OF 476.20 FEET BEARING SOUTH 67°28'51" EAST;

THENCE ALONG A CURVE TO THE RIGHT HAVING A DELTA OF 09°47'23", A RADIUS OF 2,045.56 FEET, AN ARC LENGTH OF 349.51 FEET, A CHORD OF 349.08 FEET BEARING SOUTH 53°08'22" EAST;

THENCE NORTH 00°23'46" WEST A DISTANCE OF 651.19 FEET;

THENCE SOUTH 71°48'18" EAST A DISTANCE OF 126.61 FEET TO A POINT ON THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 13;

THENCE SOUTH 00°23'48" EAST ALONG THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 13, A DISTANCE OF 735.94 FEET TO THE SOUTHEAST CORNER OF THE EAST HALF OF NORTHEAST QUARTER OF SAID SECTION 13;

THENCE SOUTH 00°22'34" EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13, A DISTANCE OF 2,662.89 FEET TO THE SOUTHWEST CORNER OF WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13;

THENCE SOUTH 89°46'25" WEST ALONG THE SOUTH LINE OF THE WEST HALF OF THE SOUTHEAST

Continued

QUARTER OF SAID SECTION 13, A DISTANCE OF 1,321.89 FEET TO THE SOUTHEAST CORNER OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 13;

THENCE SOUTH 88°59'21" WEST ALONG THE SOUTH LINE OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 13, A DISTANCE OF 1,234.53 FEET TO THE POINT OF THE BEGINNING.

and commonly known as (for informational purposes only):

VACANT, Weldon, CO 80653

ALTA COMMITMENT FOR TITLE INSURANCE (07-01-2021)

SCHEDULE B PART II

ISSUED BY
STEWART TITLE GUARANTY COMPANY

Exceptions

File No.: NCT25231

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This Commitment and the Policy treat any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document will be excepted from coverage.

The Policy will not insure against loss or damage resulting from the terms and conditions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I - Requirements are met.
2. Any facts, rights, interests or claims which are not shown by the Public Records, but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easements, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown in the Public Records.
6. Taxes or special assessments which are a lien or due and payable; or which are not shown as existing liens by the public records; and any tax, special assessments, or charges or liens imposed for water or sewer service, or any other special taxing district, and any unredeemed tax sales.
7. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water; (d) Minerals of whatsoever kind, subsurface and surface substances, in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether or not the matters excepted under (a), (b), (c) or (d) are shown by the Public Records or listed in Schedule B.
8. Reservation as contained in United States Patent recorded SEPTEMBER 5, 1913 in [Book 44 at page 264](#) as follows: Right of way for ditches or canals constructed by the authority of the United States.

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File No.: NCT25231

010-UN ALTA Commitment for Title Insurance Schedule BII (07-01-2021)



SCHEDULE B PART II

(Continued)

9. Right of way for ROAD purposes as specified in ROAD PETITION recorded APRIL 23, 1902 in [Book 15 at Page 80](#), said road to be not less than 60 feet in width.
10. Right of way for County Road 5 as they exist and are currently in use.
11. FORT MORGAN LAND AND WATER SUPPLY and rights of way therefor, as evidenced by Certificate of Incorporation recorded OCTOBER 22, 1889 in Map [Book 2 at Page 392](#).
12. PAWNEE PASS RESERVOIR AND CANAL SYSTEM and rights of way therefor, as evidenced by instrument recorded JULY 1, 1896 in [File No. 20](#).
13. RIVERSIDE CANAL and rights of way therefor, as evidenced by Map and Sworn Statement recorded JULY 29, 1908 in Map [Book 1 at Page 51](#).
14. PAWNEE RESERVOIR AND CANAL and rights of way therefor, as evidenced by instrument recorded JANUARY 29, 1896 in [File No. 18](#).
15. RESERVOIR CANAL and rights of way therefor, as evidenced by instrument recorded AUGUST 8, 1895 in [File No. 17](#).
16. JACKSON LAKE and rights of way therefor, as evidenced by Map and Sworn Statement recorded JULY 9, 1903 in [File No. 51](#).
17. Easement and right of way for DITCH WATER purposes as granted by WEST GREELEY FARMS to DELBERT D. CASTOR as contained in instrument recorded APRIL 17, 1980 in [Book 802 at Page 327](#), the location of said easement and right of way are more specifically defined in said document.
18. An undivided 1/2 interest in all oil, gas and other mineral rights, as reserved by RALPH J. CUMMINGS and I.L. QUIAT in the instrument to SAM WEISBART, HARRY WEISBART, GEORGE WEISBART, IRVIN WEISBART and JACK BOXER, as Co-partners dba S. Weisbart Company recorded AUGUST 27, 1947 in [Book 444 at Page 155](#), and any and all assignments thereof or interests therein.
19. An undivided 20.6% interest in all oil, gas and other mineral rights, as conveyed by S. WEISBART COMPANY in the instrument to JACK BOXER recorded NOVEMBER 9, 1955 in [Book 565 at Page 218](#), and any and all assignments thereof or interests therein.
20. An undivided 1/3 interest in all oil, gas and other mineral rights, as reserved by GEORGE WEISBART and IRVIN WEISBART in the instrument to J.A. FARMS INC. recorded JULY 21, 1967 in [Book 702 at Page 817](#), and any and all assignments thereof or interests therein.
21. Terms, conditions, provisions, agreements, burdens and obligations as contained in AGREEMENT between FORT MORGAN RESERVOIR AND IRRIGATION COMPANY and CITY OF FORT MORGAN, a Colorado municipal corporation recorded JUNE 6, 1996 in Book [995 at Page 552](#).

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File No.: NCT25231

010-UN ALTA Commitment for Title Insurance Schedule BII (07-01-2021)



SCHEDULE B PART II

(Continued)

22. Easement and right of way for IRRIGATION WATER PIPELINE together with ingress and egress to such pipeline as reserved by EMANUEL W. ROTHE and MARGARET J. ROTHE in instrument to DANIEL DEAN ACHZIGER, JR. and CAITLIN LOUISA ACHZIGER as contained in instrument recorded NOVEMBER 19, 1999, in [Book 1062 at Page 834](#), the location of said easement and right of way not being specifically defined.
23. Terms, conditions, provisions, agreements, burdens and obligations as contained in SUBSCRIPTION AGREEMENT between KURT M. and CAROL L. HEUPEL and RIVERSIDE WATER COMPANY, LLC recorded SEPTEMBER 27, 2007 at Reception No. [845363](#).
24. Oil and Gas Lease between SHIRLEY A. BODANESS and PRIMA EXPLORATION INC., recorded SEPTEMBER 17, 2010 at Reception No. [863713](#), and any and all assignments thereof or interests therein.
25. Oil and Gas Lease between KURT M and CAROL L. HEUPEL and PRIMA EXPLORATION INC., recorded SEPTEMBER 17, 2010 at Reception No. [863714](#), and any and all assignments thereof or interests therein.
26. Oil and Gas Lease between MARSHALL QUIAT TRUST and BASELINE MINERALS INC., recorded OCTOBER 6, 2010 at Reception No. [864172](#), and any and all assignments thereof or interests therein.
27. Oil and Gas Lease between GMQ LIMITED LIABILITY COMPANY and BASELINE MINERALS INC., recorded OCTOBER 6, 2010 at Reception No. [864174](#), and any and all assignments thereof or interests therein.
28. Oil and Gas Lease between CAROLE Q. LEIGHT and BASELINE MINERALS INC., recorded OCTOBER 6, 2010 at Reception No. [864175](#), and any and all assignments thereof or interests therein.
29. Oil and Gas Lease between SANDRA K. and PAUL R. MONTVILLE and PRIMA EXPLORATION INC., recorded NOVEMBER 3, 2010 at Reception No. [864908](#), and any and all assignments thereof or interests therein.
30. Oil and Gas Lease between THERESA A. LORENZO and PRIMA EXPLORATION INC., recorded NOVEMBER 3, 2010 at Reception No. [864909](#), and any and all assignments thereof or interests therein.
31. Oil and Gas Lease between JOSEPH H. & ELLYN T. LORENZO and PRIMA EXPLORATION INC., recorded NOVEMBER 3, 2010 at Reception No. [864910](#), and any and all assignments thereof or interests therein.
32. Oil and Gas Lease between SHERRI T. LORENZO and PRIMA EXPLORATION INC., recorded NOVEMBER 3, 2010 at Reception No. [864911](#), and any and all assignments thereof or interests therein.
33. Oil and Gas Lease between MICHAEL WILLIAM DOWSE and PRIMA EXPLORATION INC., recorded DECEMBER 9, 2010 at Reception No. [865690](#), and any and all assignments thereof or interests therein.

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File No.: NCT25231

010-UN ALTA Commitment for Title Insurance Schedule BII (07-01-2021)



SCHEDULE B PART II

(Continued)

34. Oil and Gas Lease between PHILLIP S. & RENEE A. LORENZO and PRIMA EXPLORATION INC., recorded DECEMBER 9, 2010 at Reception No. [865724](#), and any and all assignments thereof or interests therein.
35. Right of way and rights incidental thereto for County Roads 30 feet on either side of Section and Township lines as established by the Board of County Commissioners of Morgan County, Colorado, in instrument recorded May 6, 1907 in Book [62 at page 109](#).
36. NOTE: The following notices pursuant to CRS 9-1.5 103 concerning underground facilities have been filed with the Clerk and Recorder. These statements are general and do not necessarily give notice of underground facilities within the subject property: (A) MOUNTAIN BELL TELEPHONE COMPANY RECORDED OCTOBER 2, 1981 IN BOOK [821 AT PAGE 502](#); (B) COLORADO INTERSTATE GAS COMPANY, RECORDED JULY 26, 1984 IN BOOK [858 AT PAGE 228](#); (C) MORGAN COUNTY RURAL ELECTRIC ASSOCIATION RECORDED JANUARY 22, 1982 IN BOOK [825 AT PAGE 656](#); AND (D) WIGGINS TELEPHONE ASSOCIATION RECORDED OCTOBER 9, 1992 IN BOOK [947 AT PAGE 824](#).

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File No.: NCT25231

010-UN ALTA Commitment for Title Insurance Schedule BII (07-01-2021)



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THE UNITED STATES OF AMERICA.

Denver 05480

44/264

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

Whereas, a Certificate of the Register of the Land Office at Denver, Colorado, has been deposited in the General Land Office, whereby it appears that, pursuant to the Act of Congress of May 20, 1862, "To Secure Homesteads to actual Settlers on the Public Domain," and the acts supplemental thereto, the claim of Walter Etchison has been established and duly consummated, to ^{in conformity} ~~him~~ for the East Half of the West Half of Section Thirteen in Township Five North of Range Sixty, west of the Sixth Principal Meridian, Colorado, containing one hundred sixty acres.

according to the Official Plat of the Survey of the said Land, returned to the General Land Office by the Surveyor General:

Now Know Ye, That there is, therefore, granted by the UNITED STATES unto the said Claimant the tract of land above described: To Have and to Hold the said tract of Land, with the appurtenances thereof, unto the said Claimant and to the heirs and assigns forever; subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local customs, laws and decisions of Courts, ^{and also subject} ~~reserved~~ from the lands hereby granted, a right of way ^{to the} ~~to~~ the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found ^{to penetrate or intersect the premises hereby granted, as provided by law.} ~~to penetrate or intersect the premises hereby granted, as provided by law.~~

In Testimony Whereof, I, W. Williams H. Taft President of the United States of America, have caused these letters to be made patent, and the Seal of the General Land Office to be herunto affixed.



Given under my hand, at the City of Washington, the Twenty seventh day of November in the year of our Lord one thousand nine hundred and Twelve, and of the Independence of the United States the one hundred and thirty seventh

BY THE PRESIDENT: W. Williams H. Taft

By M. P. Le Roy Secretary.

H. W. Sanford Recorder of the General Land Office.

Patent Number 70.50791
Recorded, Yes Page 302410

Filed for Record the 5th day of September A. D. 1912, at 8:10 o'clock A. M.

70.50791

John A. Murray, Recorder
By Corretta Anderson, Deputy

ROAD PETITION. 15/80

TO THE HONORABLE BOARD OF COUNTY COMMISSIONERS OF Morgan COUNTY, COLO.
GENTLEMEN:

We, the undersigned, citizens of your County, respectfully represent that the necessities of the public require a County
wagon road to be laid out as follows, to-wit: Commencing at the SW¹/₄ corner of the NW¹/₄ of Section

24 thence running north 1/2 mile on Section line between
Sections 23 + 24 to corner of the NW¹/₄ of the North West Quarter
NW¹/₄ of Sec. 24 thence East one mile on Sec. line between
Sec. 13 + 24 to Township line,

Also to abandon old road commencing at SW¹/₄ of the NW¹/₄
of Sec. 24 thence running East one mile to township
line between Sec. 19 & 24.

Said road to be not less than sixty (60) feet in width.

We therefore petition your honorable body to cause to be laid out and opened a County road as above described, and us, the owners of the land
through which said road is sought to be laid out, in consideration of the sum of one dollar to us each and severally in hand paid by the said County
of _____ the receipt of which is hereby acknowledged, and of the laying out and opening of said road, hereby agree
to give the right of way through our lands as shown by the plat accompanying this petition, and relinquish all claims for damage by reason thereof.
The said proposed line of road is more fully shown by the following map or plat, to which reference is herein made, the same being in

TOWNSHIP 5 ^{North} ~~South~~ RANGE 60 WEST

36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6
12	7	8	9	10	11	12	7
13	18	17	16	15	14	13	18
24	19	20	21	22	23	24	19
25	30	29	28	27	26	25	30
36	31	32	33	34	35	36	31
1	6	5	4	3	2	1	6

Proposed R.

Abandoned

As witness our signatures hereunto annexed, and followed by a description of our land this _____ day of _____ 18__

SIGNATURES.	PROPERTY OWNED.		
	SUBDIVISION.	Sec.	Trac.
Pidcock H. C.			
Mauck W.			
Miner W. L.			
Jacobsen Theo.			
J. Park S. B.			
Davis J.			
Reed G.			
Reed David			
Dandridge W. J.			
Hammer J. J.			
Hammer John			
Hammer Gus			
Hickey James B.			

Filed in the office of the County Clerk _____ April 9th 1802
 By _____ J. W. McQuay County Clerk.
 Deputy.

Presented to the Board of County Commissioners, _____ April 22 1802, when the following action was taken and entered of record, to-wit:

It appearing to the Board that the right of way for said road through patented lands is donated by the owners thereof, and the Board believing that the public and requires the laying out of said road and requires that the survey of the same be made and that the right of way through unpatented government land be taken in accordance with Section 2477 of the Revised Statutes of the U. S., and the line of road prayed for be and is hereby declared a public highway. The Clerk is directed to record the petition, plat the road as granted, and notify the Road Overseers of the proper District to open said road to travel at once and to keep it open and in good condition as far as they are able.

A. W. McQuay
 CHAIRMAN

Filed for record this _____ 23^d day of _____ April A. D. 1802 at _____ o'clock A. M.
 No. 14202
 By _____ J. W. McQuay Recorder.
 Deputy.

set his hand and seal this 15 day of October - A.D. 1889
 Signed, sealed and delivered in the presence of
 Joseph B. Farnsworth (Seal)

State of Colorado }
 Arapahoe County }

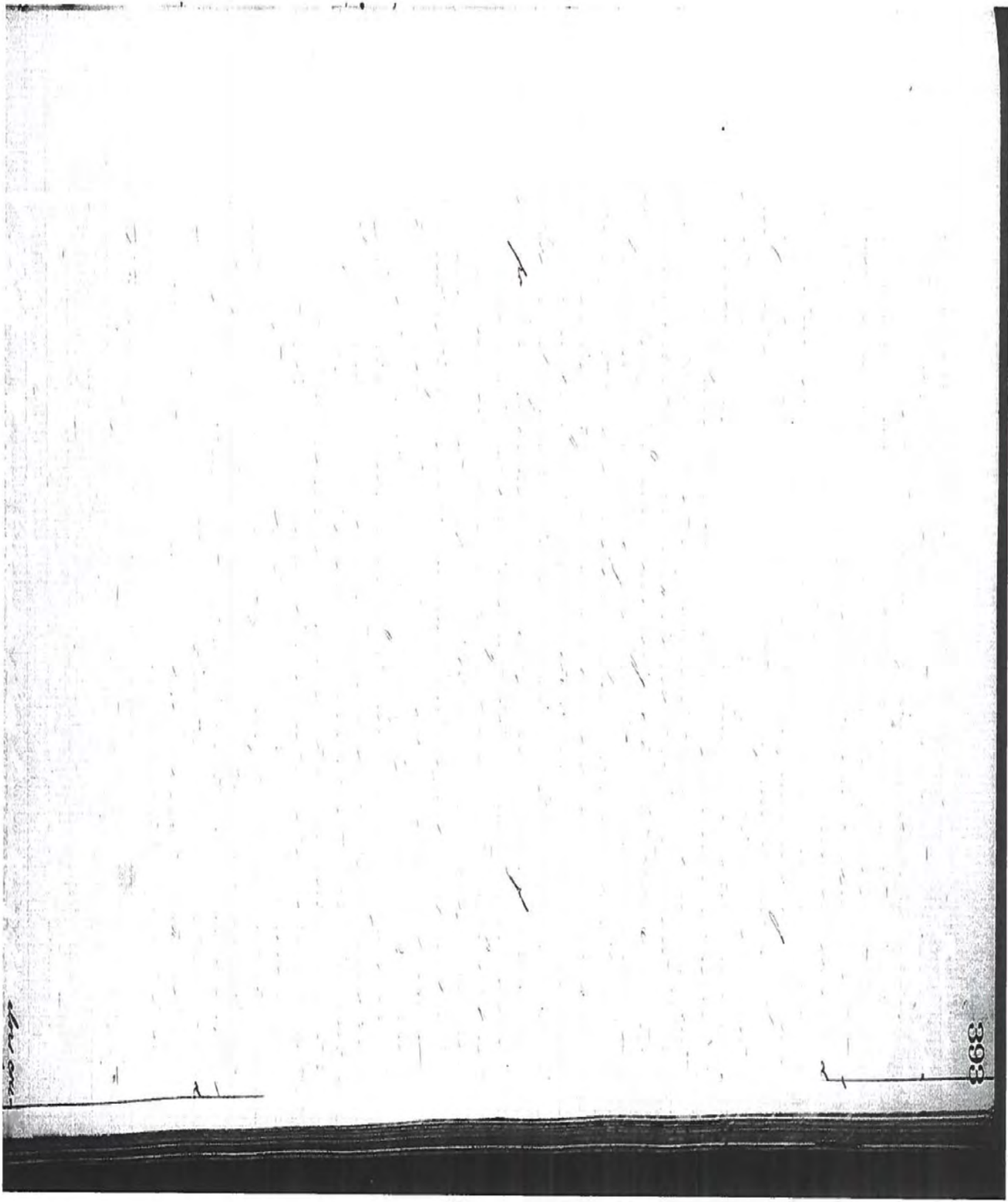
This Mortgage was acknowledged before me by
 Joseph B. Farnsworth this 15 day of October A.D. 1889
 John H. Lister
 Notary Public
 My commission Expires Sept. 11. 1893.



No. 392
 Dated October 1 1889
 The Fort Morgan Land and Water Supply Company
 Certificate of Incorporation
 State of Colorado }
 County of Morgan }
 I hereby certify that this instrument was filed for record in my office at 11 o'clock A.M. October 22 1889 and is duly recorded in book 2 Page No 392
 E. W. Hill, Recorder
 By: C. W. Barker, Deputy

Certificate of Incorporation of The Fort Morgan Land and Water Supply Company -
 Know all men by these presents - that we James S. Patterson, Rodney Dennis, Sylvester W. Deunkham, George Ellis, all of the City of Hartford and State of Connecticut and Charles H. Hill, Frank C. Gandy and John W. Parsons of the City of Denver, County of Arapahoe and State of Colorado, have associated ourselves together for the purpose of forming and organizing a body politic and corporate under and in accordance with the laws of the State of Colorado and in compliance with the requirements of said laws we do hereby make, execute and acknowledge in triplicate this certificate in writing in and by which we certify as follows:

First: The corporate name of the organization hereby organized shall be The Fort Morgan Land and Water Supply Company
 Second: The objects for which said Company shall be and is created are:
 To acquire by purchase, lease or other lawful means lands and interests in land, and to farm, reclaim, irrigate and improve the same; to buy, sell and exchange property both real and personal; to build, purchase and acquire irrigating canals in the County of Morgan in the State of Colorado and to manage and operate the same; to purchase and acquire the franchises, lands, canals, ditches, feeders, flumes, gates and laterals, rights to water and rights of way, and all appliances, building fences, implements, teams wagons and harnesses, chases in actions of every nature and description, papers and books and all property real and personal heretofore owned by The Fort Morgan Land and Canal



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manage the affairs of the corporation for the first year are James G. Patterson, Rodney Dennis, Sylvester C. Dunham, George Ellis all of Hartford, Connecticut, and Charles H. Toll, Frank C. Goudy and John W. Parsons of Denver, Colorado.

Sixth: The principal office of the Company shall be at the city of Denver, County of Arapahoe State of Colorado and the principal business of the Company shall be carried on in the County of York Morgan in said State.

Seventh: The directors of said Company shall have power to make such by laws as they may deem proper for the management of the business of said Company and to appoint and elect such officers as may be necessary for the prosecution of such business, and may meet at any convenient place without the State of Colorado and particularly at the city of Hartford, Connecticut.

In witness whereof we have hereunto set our hands and seals this the first day of October A.D. 1889.

James G. Patterson (Sd)
 Rodney Dennis (d.S)
 Sylvester C. Dunham (Sd)
 George Ellis (d.S)
 Charles H. Toll (Sd)
 Frank C. Goudy (d.S)
 John W. Parsons (Sd)

State of Connecticut }
 County of Hartford } as

Henry E. Fitts a Notary Public for said County residing at the city of Hartford therein do hereby certify that James G. Patterson, Rodney Dennis, Sylvester C. Dunham and George Ellis all of said Hartford, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument of writing as parties thereto, appeared before me this day in person, and acknowledged that they executed the same freely and voluntarily, and for the uses and purposes therein set forth.

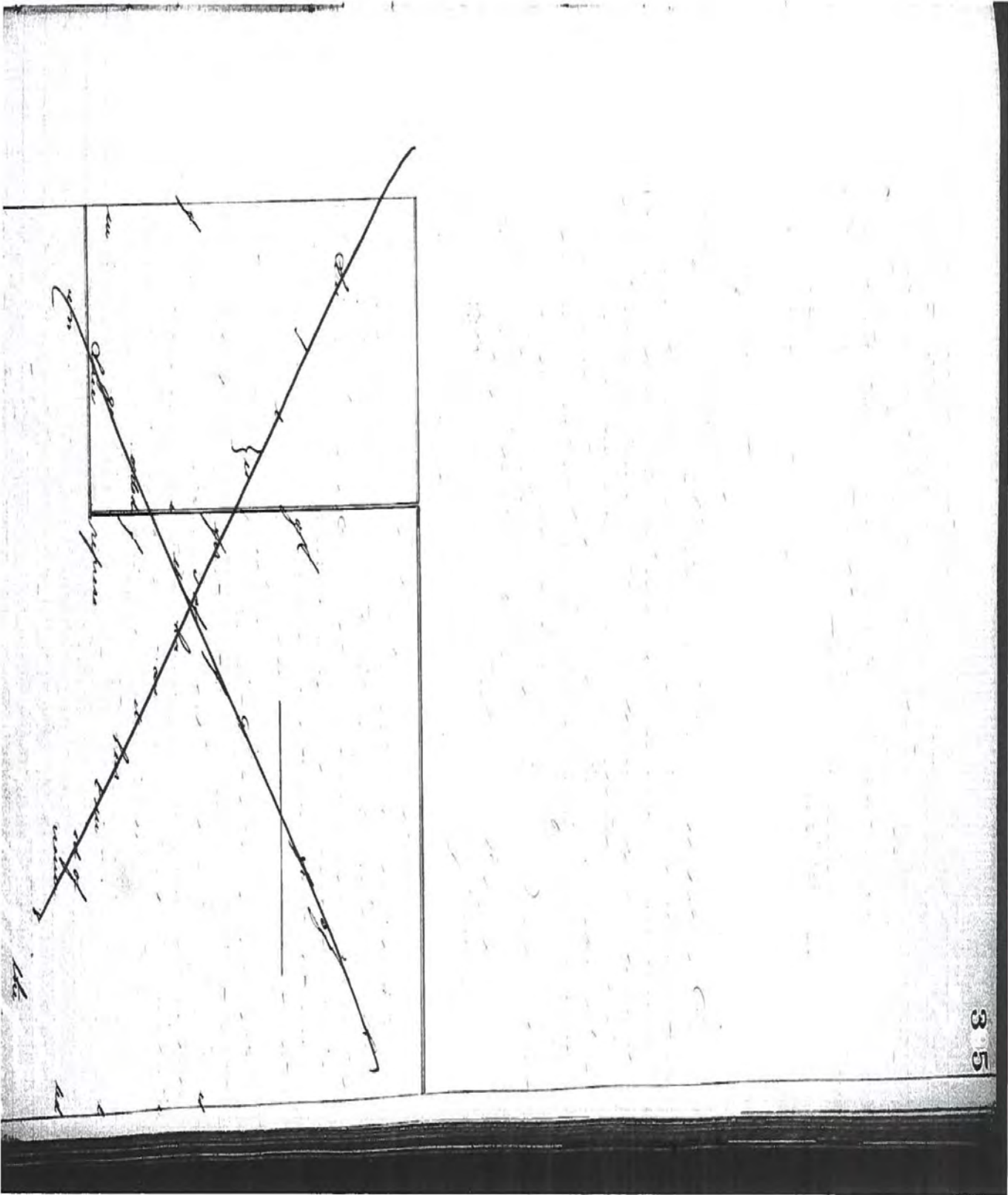
Witness my hand and Notarial seal at Hartford Connecticut this first day of October A.D. 1889.



Henry E. Fitts
 Notary Public

State of Colorado }
 County of Arapahoe } as

J. George McShuck's Notary Public for said County residing at the city of Denver therein, do hereby certify that Frank C. Goudy and John W. Parsons both of said Denver who are personally to me well known to be the same persons who



MORGAN COUNTY

SPECIAL FILE

No. 20

Original File No. 6496

Date Filed July 1st 1896

REMARKS:

THE DUKE WEST PRINTING AND STATIONERY CO., COLORADO SPRINGS, COLO.

File #20

~~_____~~

2

Map, Sworn Statement
and field notes of the
Extension of the Pawnee
Pass Reservoir + Canal
System.

No. 6496

STATE OF COLORADO, ss.
County of Adams.
I hereby certify that this instrument was
filed for record in my office at
O. M. 1896
and is duly recorded in Book Page No.
.....
Pub.
By

#20

STATEMENT OF CLAIM TO WATER RIGHTS
For Canals and Reservoirs
IRRIGATION DIVISION NO. 1, WATER DISTRICT NO. 1.

State of Colorado)
 + ss.
County of Weld)

George H. West and Daniel A. Canfield,
(whose post office address is Greeley, Weld county, Colorado),
owners of the Pawnee Pass Reservoir and Canal System, as
called, including the canals and reservoirs herein described
and surveyed, in compliance with the statutes of the State of
Colorado, do hereby make, for filing in the proper offices,
this statement of their said Canals and Reservoirs, the same
being from careful surveys and relocations made since their
last map and sworn statement, filed about January 29, 1896,
and as a continuation of their surveys and work on this system
began May 11, 1895; and said parties claim the appropriation
and right to the use of water thereby, for irrigation and other
beneficial uses, under said former claims and as herein indicat-
ed.

The Reservoir Canal, Sanborn Draw Reservoir, Jackson Lake
Reservoir, and the three (3) Wildcat Reservoirs, and the
properties and projects shown on the attached map, and describ-

ed herein, as follows:-

THE RESERVOIR CANAL,

or supply canal for the reservoirs named, is to be taken from the north bank of the South Platte river, in Weld County, Colorado, its headgate being located at a point, (Station 0) that bears N.15° E. 2644 feet to the north-east corner of Section 24, Township 5, North, of Range 64 West, and is to divert its supply of water from said stream---

First:- Said canal is to be 60 feet wide on the bottom, to carry a depth of 7 feet of water, grade 1.056 feet per mile, slopes 1-1/2 to 1, carrying capacity 1500 cubic feet per second with proper berms.

Second:- Work was continued on these properties, by the resurvey and relocation of this canal and the reservoirs, beginning on ~~March~~ ^{April 3} 1896, said work has since continued vigorously and is now being pushed on the extension of said reservoir canal to Wildcat Creek, so called.

Third:- The general course of said canal, as shown by the attached map and field notes is into and across the South part of Township 5, North, Range 63 West, and the North part of Township 4, North, Range 62 West, where it runs into Sanborn Draw Reservoir, in Section 2, in said Township. The continuation of said canal, from the outlet of said reservoir, is through the north part of Township 4 North, Range 61 West, crossing the Weld County line and entering Morgan County, near

the south-west corner of Township 5 , North, Range 60 West,
Said canal line runs through said Township with an outlet into
Jackson Lake Reservoir, thence through Township 5 North, Range
59 West, leaving the same near the South-east corner thereof,
thence through Township 4, North, Range^s 58 and 57 West,
terminating at present at Wildcat Creek, in Morgan County,
Colorado, in certain reservoirs as shown on the attached map,
*being at Sta 2704+76.3 on said canal line, and at a point that
bears N 88° 57' W 1518' to 1/4 cor. Sec 30 & 31, T 5 N., R 57 W. -*
SANBORN DRAW RESERVOIR:-

First:- Said reservoir is located in Weld County, Colo-
rado, on the following described lands, (see map):--

Part of Sections 25 and 36, Township 5 North, Range 62 West;
Part of Sections 30 and 31, Township 5 North, Range 61 West;
Part of Sections 5, 7 and 8, and all of Sec. 6, Tp. 4 N., R., 61 W..
Part of Sections 1, 2, 11, 13, 14 and nearly all of Section 12.
Township 4 North, Range 62 West.

Second:- The initial point of survey, Station 0, is shown on
the map and is described in the field notes attached hereto.

Third:- The area of said reservoir, at the high water line,
is 3811 acres, as surveyed and platted herewith. The extreme
depth is 45 feet, the average depth is 18.4 feet. Nearly all
of the water to be impounded can be drawn off, making the avail-
able storage capacity 3,060,525,600 cubic feet, or 70,260 acre
feet of water, for which claims hereby made.

Fourth:- Said reservoir is to derive its supply of water
from the South Platte river through the Reservoir Canal describ-
ed herein and also from the flood and drainage waters of Sanborn
Draw, so called, which terminates in this reservoir. The head

of the outlet ditch from said reservoir is shown on attached map and is located by full description in the field notes filed herewith.

JACKSON LAKE RESERVOIR.

First:- Said reservoir is located in Morgan County, Colorado, on the following described lands, all in Township Five (5), North, of Range 60 West.

Part of Sections 9, 10, 13, 16, 21, 23, 24, 27 and 28, all of Section 22 and nearly all of Sections 14 and 15. (See map attached)

Second:- The initial point of survey of said reservoir, the terminus of the inlet canal and the head of the outlet canal are all shown on the attached map and are located and described on the field notes herewith.

Third:- The area of this reservoir, at the 45 foot contour here plotted, is 3987 acres. Its average depth is 22.7 feet. Nearly all of the water impounded can be drawn off, making the available storage capacity about 2,952,938,400 cubic feet, or 67,790 acre feet, of water, for which claim is hereby made.

THE WILD-CAT RESERVOIRS.

First:- These three (3) reservoirs are at the present terminus of the located canal line from the South Platte River, and are to be formed by damming the Wild-Cat Creek, in Morgan County, Colorado. The transit lines are not yet completed, so that they can be accurately mapped and located. They are located in Secs 24 & 25, Town 5 N, R. 58 W, and in Secs 19, 20, 29, 30, 31, 32 and 33, T. 5 North, R. 57 W. They are

numbered 1, 2 and 3. All water impounded can be drawn off.

They are described thus:-

=====

NAME	ACRES AREA	DEPTH	AVERAGE DEPTH	CAPACITY IN CU.FT.	ACRE FEET
Reservoir No.1	270	20'	7.5'	87,120,000	2,000
Reservoir No.2	670	45'	15. '	392,040,000	9,000
Reservoir No.3	680	27'	11.5'	326,700,000	7,500

=====

for all of which capacity claim is hereby made.

C L A I M S .

The owners of the aforesaid canals and reservoirs and of the Fawcett Pass Reservoir and canal system, hereby re-affirm and maintain their claims to all the unappropriated waters, of the South Platte river, and of the tributaries, with power and authority to divert the same at and below the upper point of diversion herein named, for the said reservoir and canal system.

They particularly make claim to the storm and flood waters of the Wild-Cat Creek, which they will impound and store in the reservoirs there located, and use for beneficial purposes, as herein stated.

In the prosecution of the surveys, construction, operation and maintenance of the said reservoirs and canals herein described, and also of their entire canal and reservoir system, they claim the right to associate others with them, or in such cooperation with others to incorporate as a corporation, under the laws of the state of Colorado, in order to more effectively and vigorously push said work forward, and to make it a success.

6

IN WITNESS of the within described work and claims, we
have hereunto set our hands and seals this 7th day of June,
A.D., 1896.

George H. Reed (Seal)

Charles A. Canfield (Seal)

State of Colorado)
 + ss.
County of Weld)

George H. West, Daniel A. Canfield and Raymond F. Walter,
Walter, being first duly sworn on their oaths
depose and say:-

That they were each and all engaged on the survey of said
Canals and Reservoirs; that they have each read the above
and foregoing statement, and have examined the map, and field
notes thereto attached, and that the matters therein set
forth are true of their own knowledge.

George H. West
Daniel A. Canfield
Raymond F. Walter

Subscribed and sworn to before me this 9th day of June,
A.D., 1896.

My Commission expires May 13, 1899
Vernon McKelvey

NOTARY PUBLIC.

-----00000-----

#20

MAP

OF THE

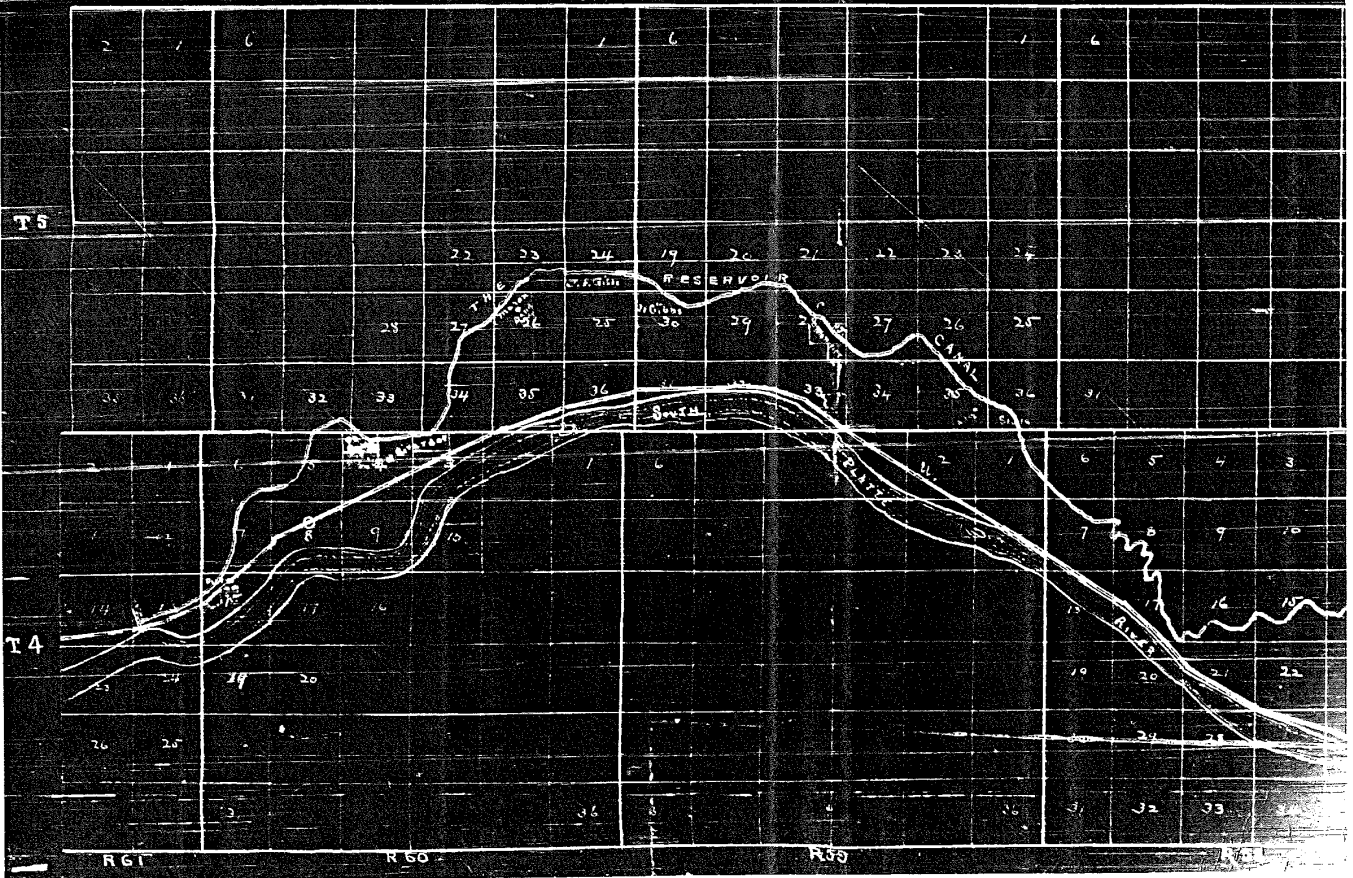
PAWNEE PASS RESERVOIR

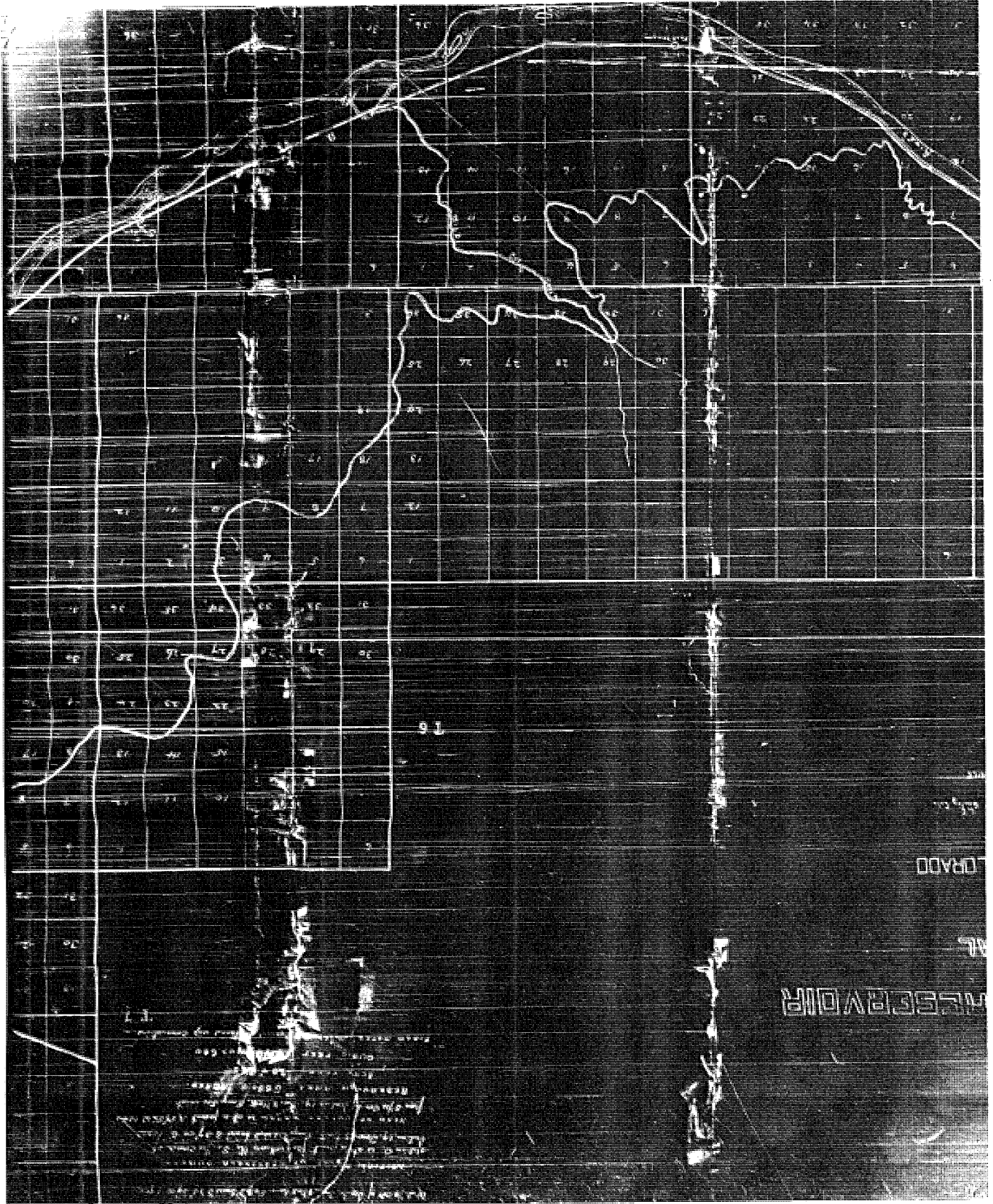
AND CANAL

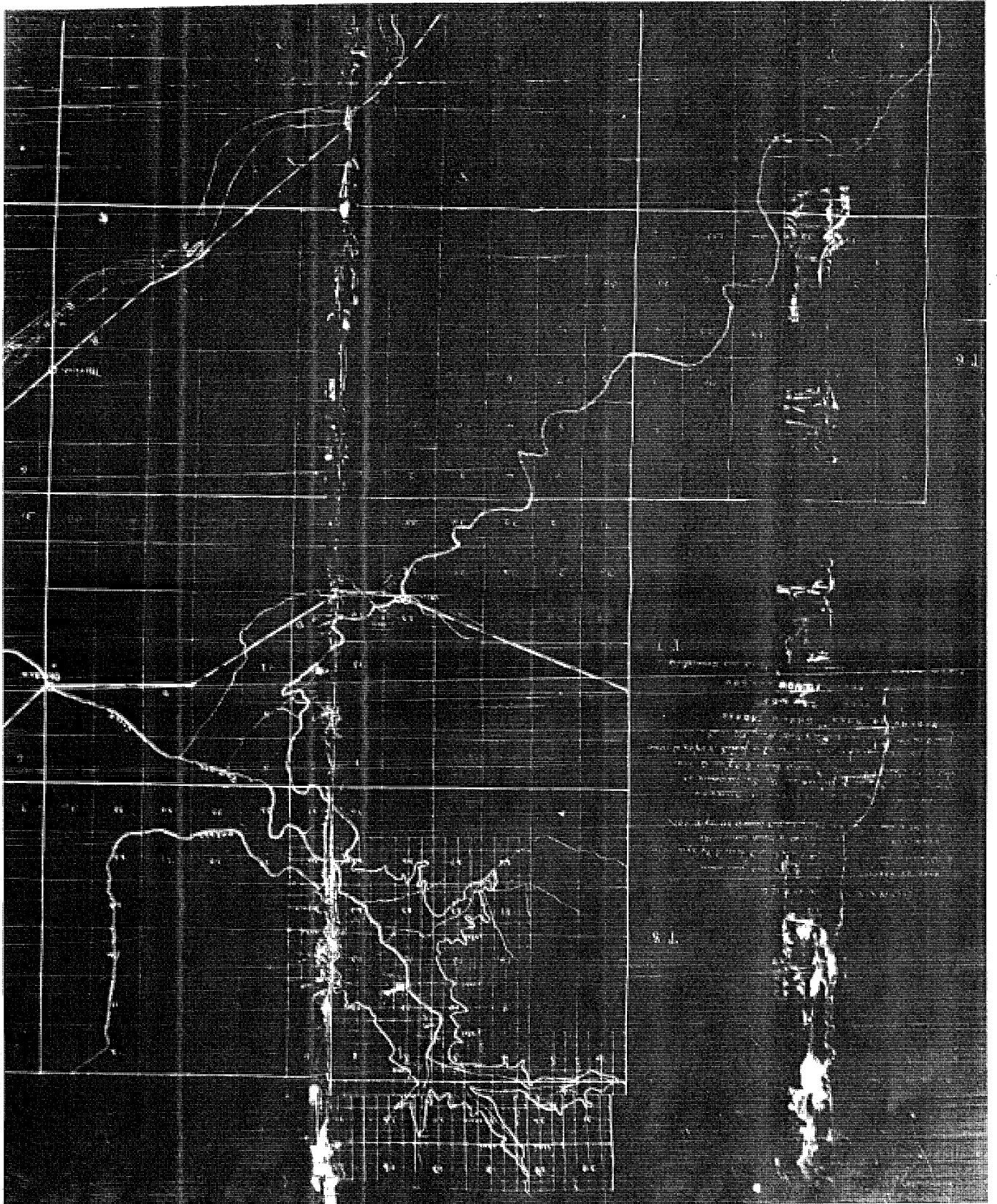
LOGAN COUNTY COLORADO

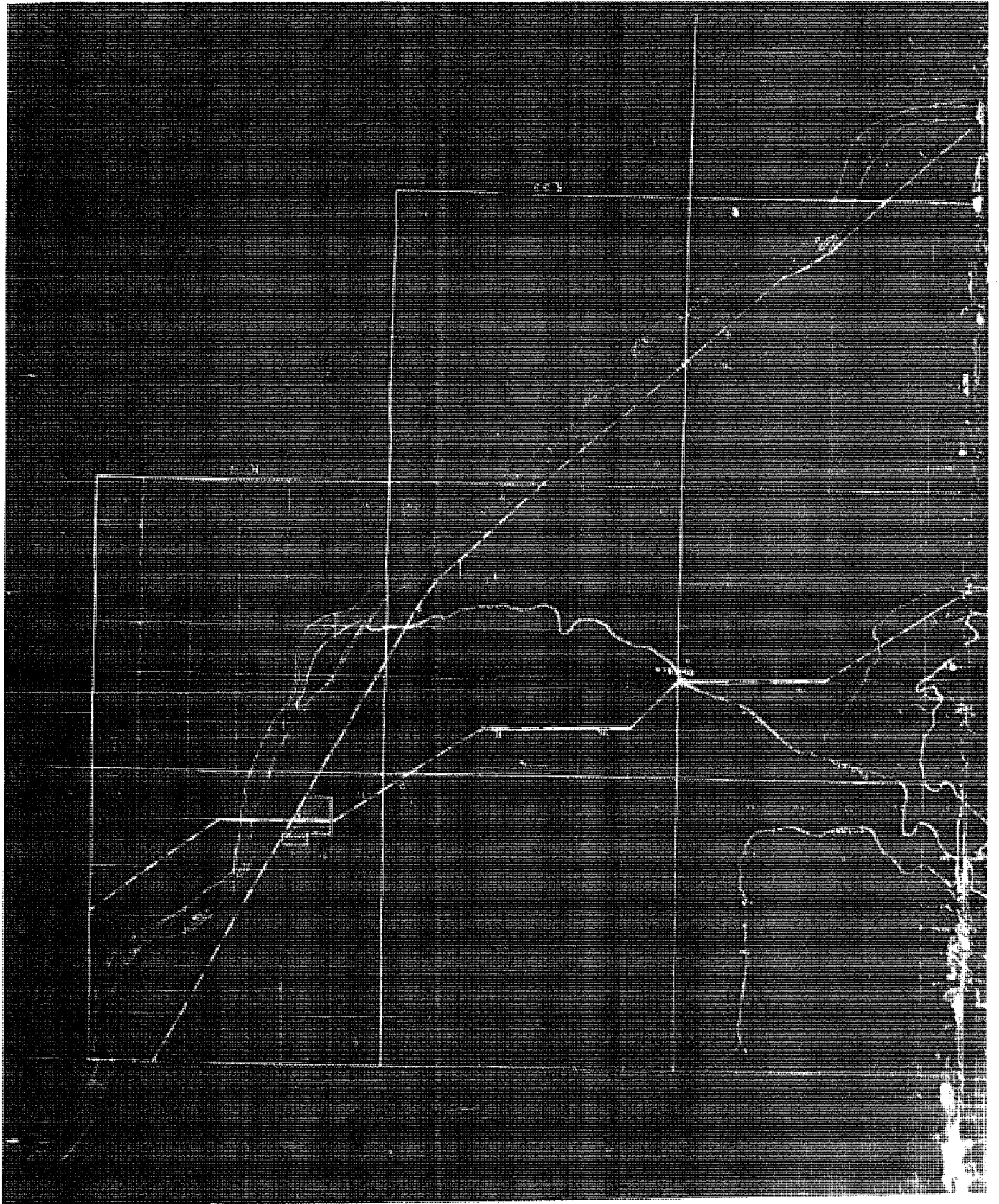
R.F. Moller, C.E.
Greely, Colo.

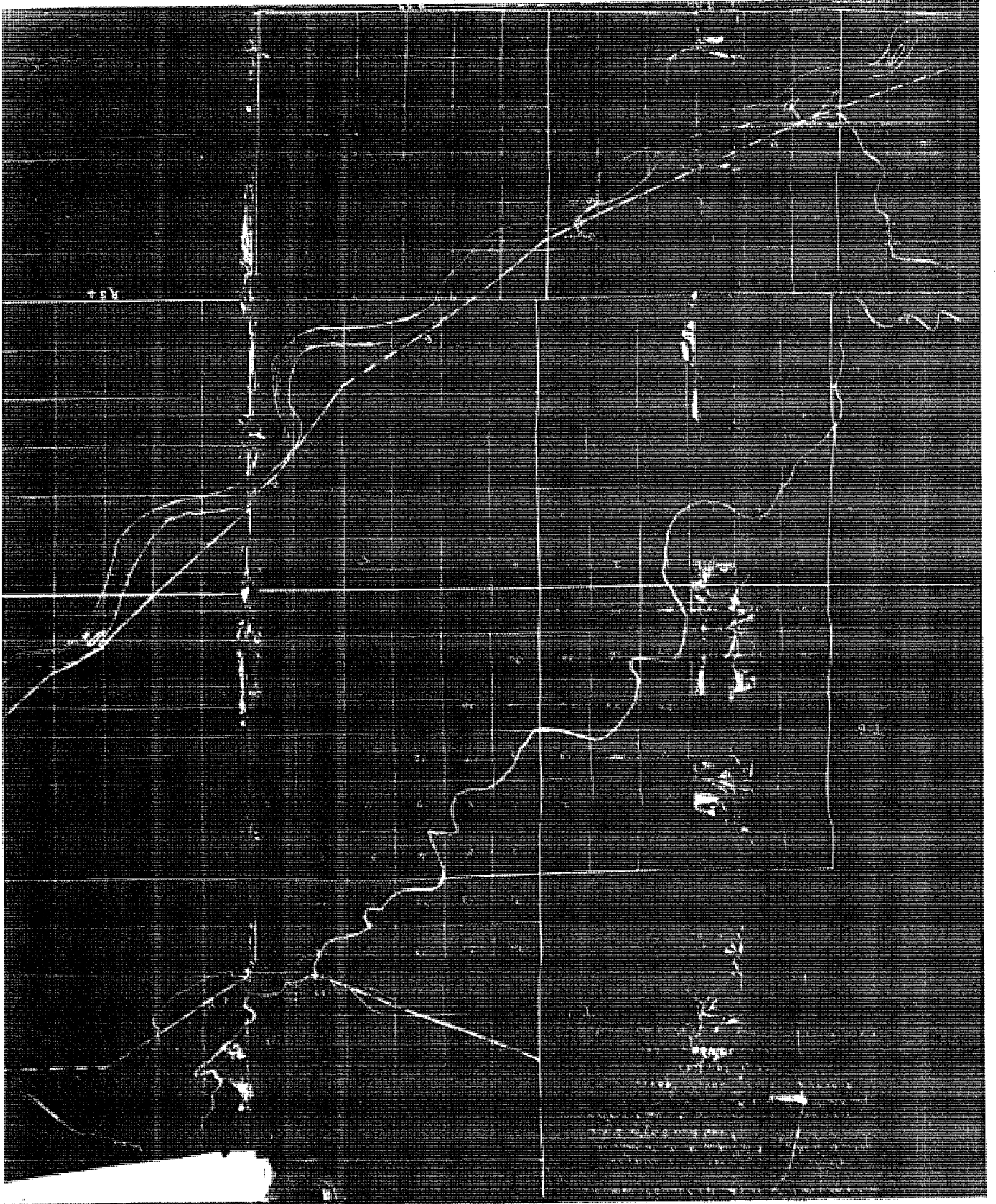
SCALE 1 INCH = 1 MILE

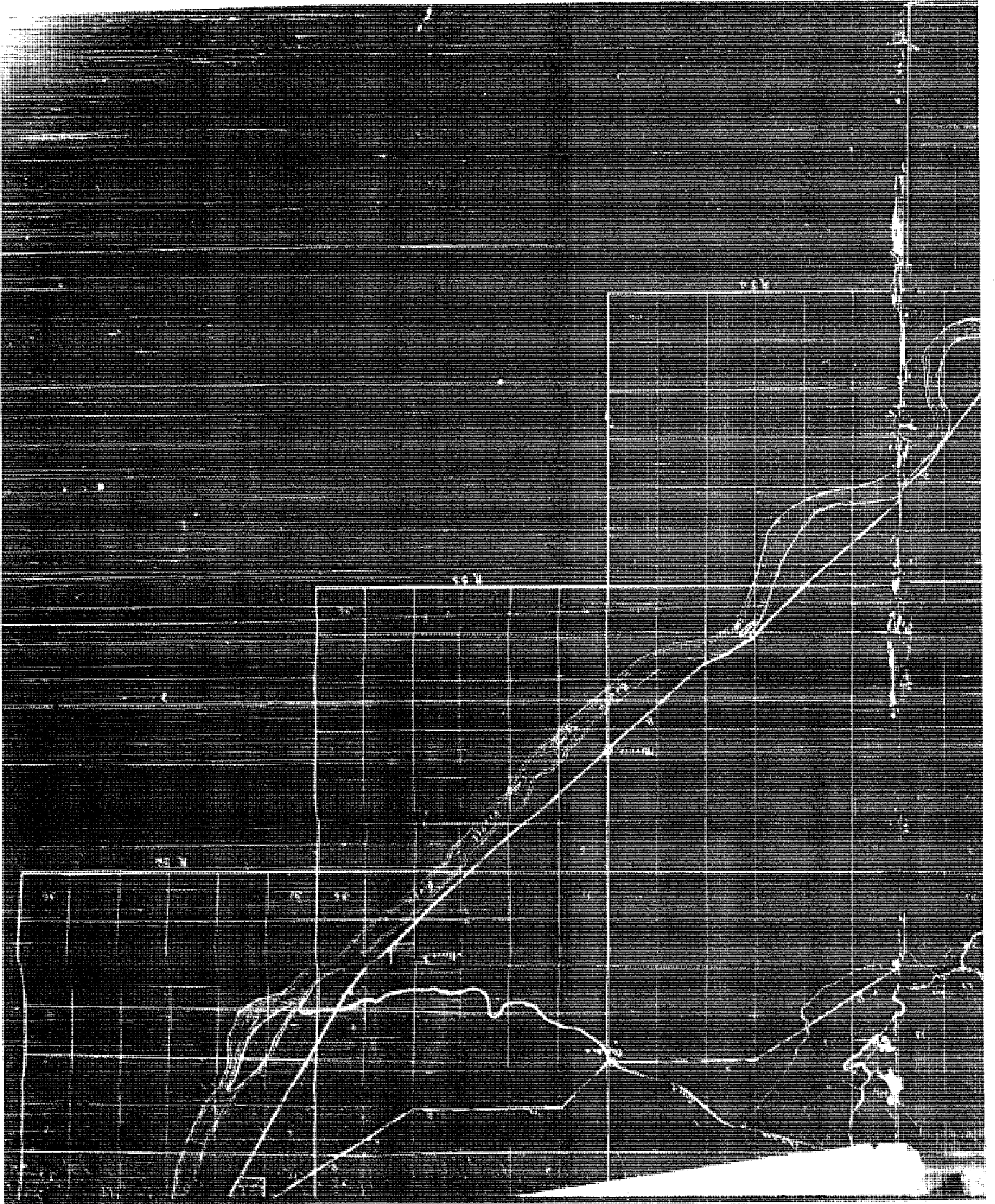




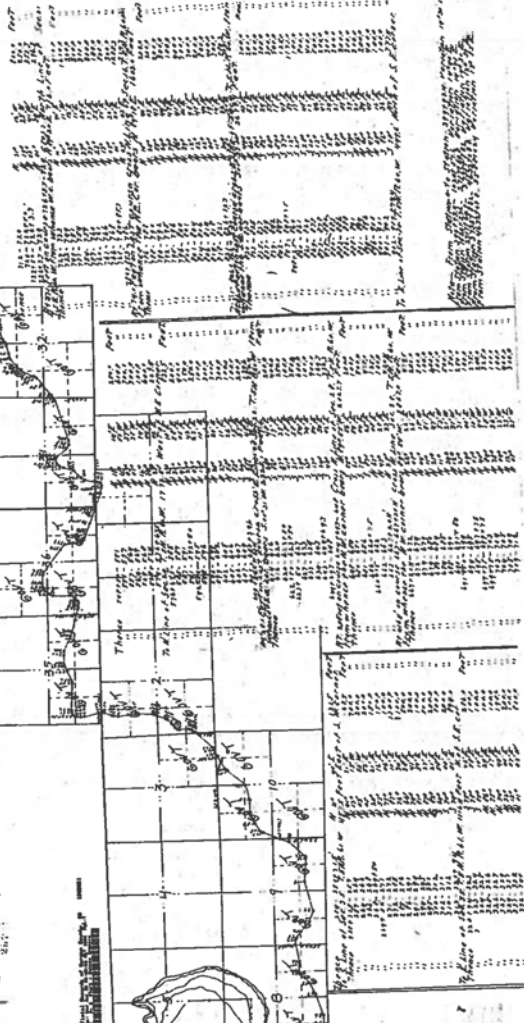
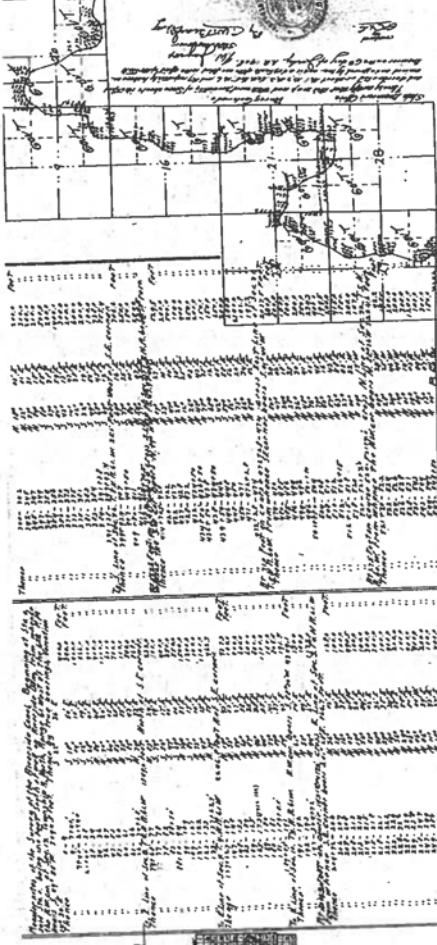






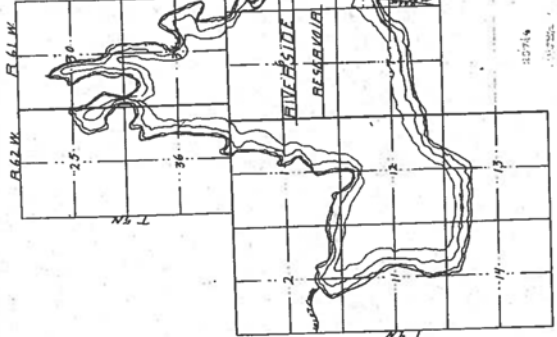


514-0

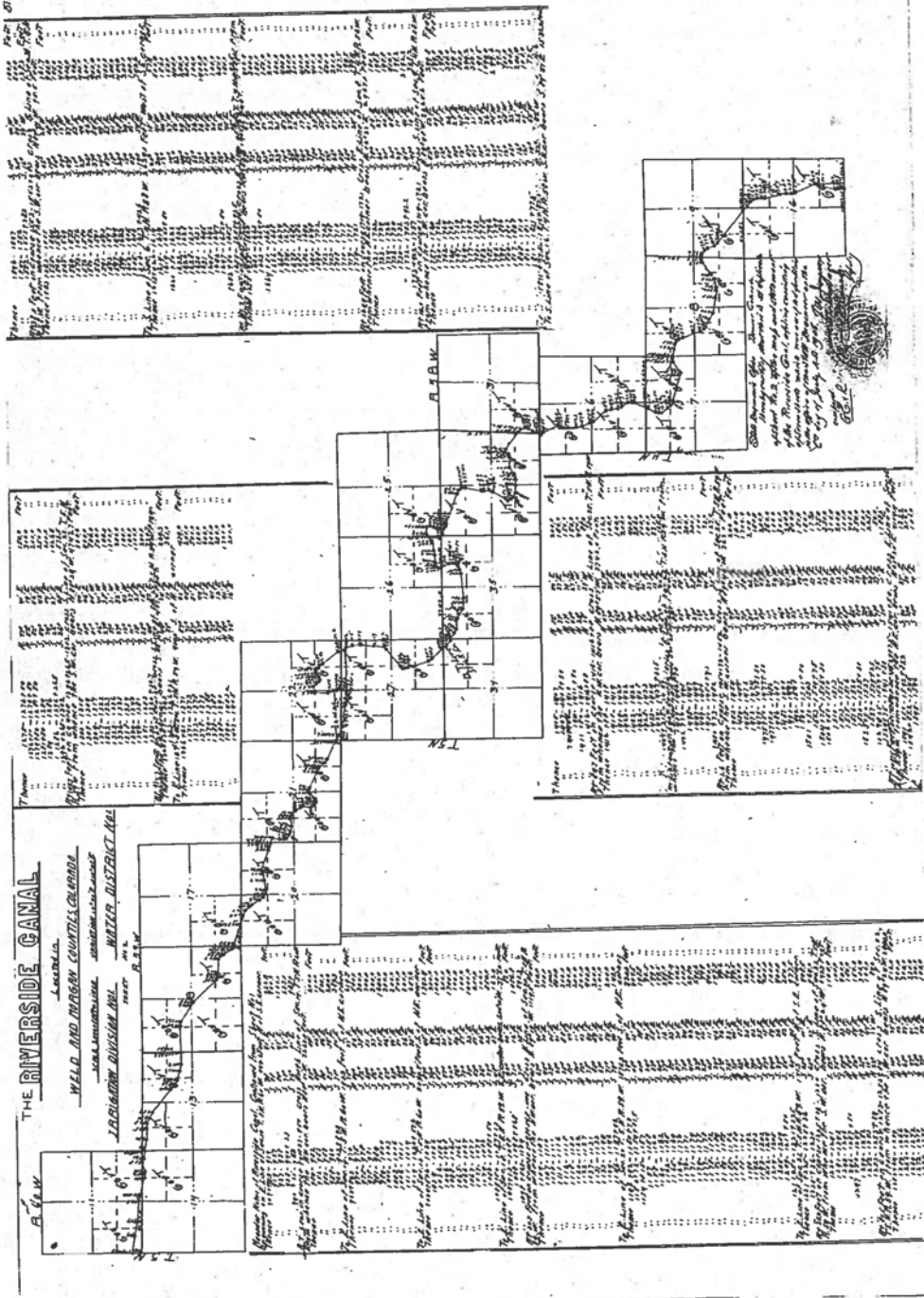


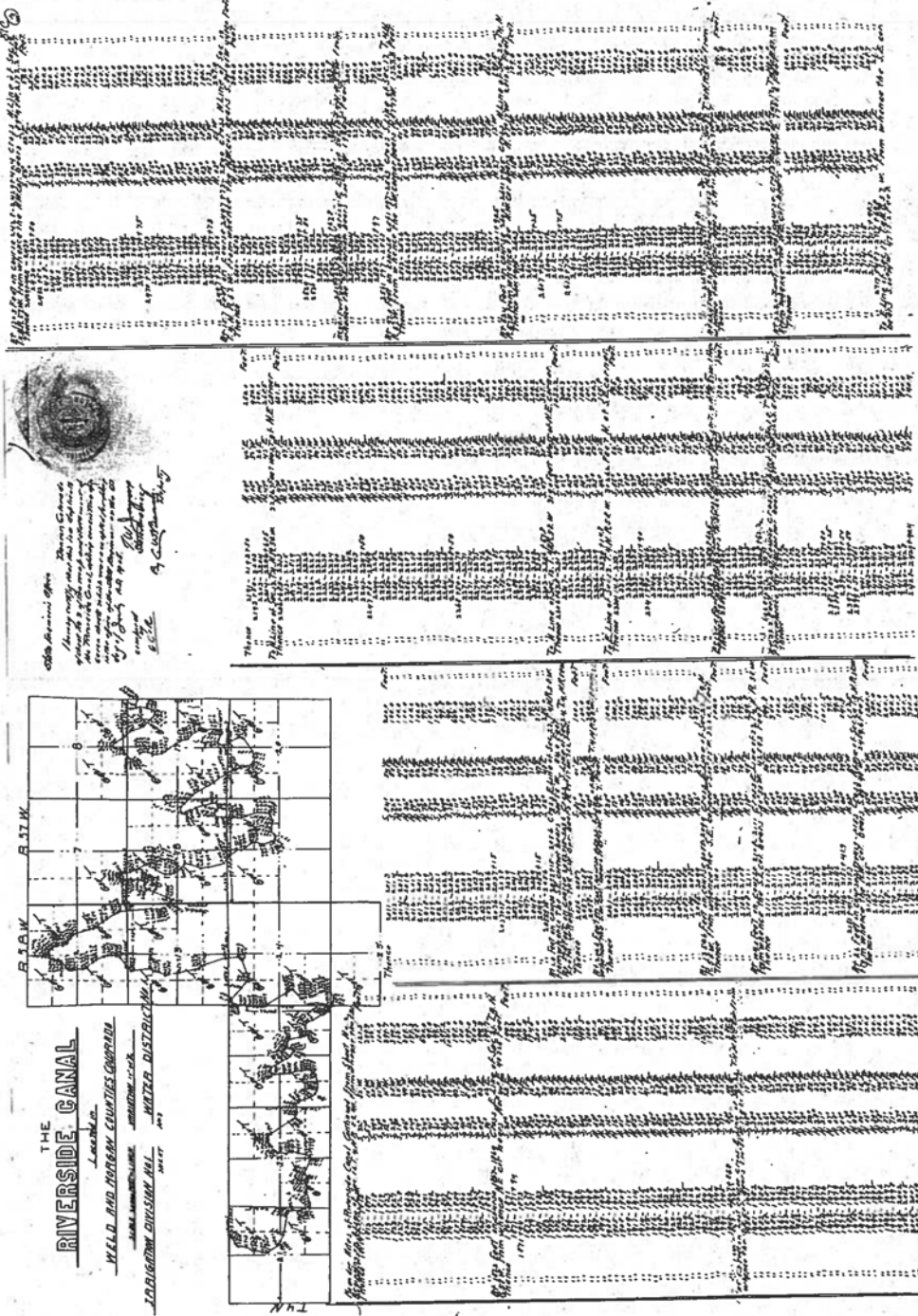
THE RIVERSIDE CANAL

Location
 WELD AND MORGAN COUNTIES, COLORADO
 JUNE 1880
 LABORATORY DIVISION, U.S. GEOLOGICAL SURVEY
 WATER DISTRICT NO. 1
 SHEET NO. 1

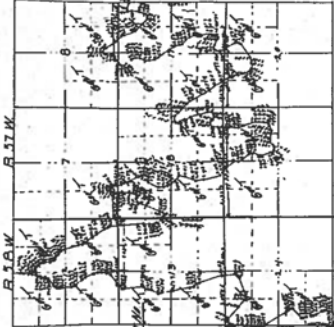


1874
 G. B. Galt
 Engineer

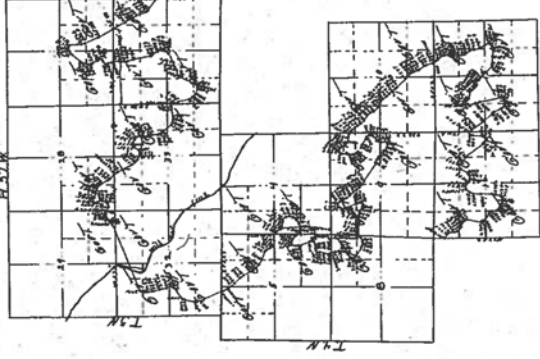
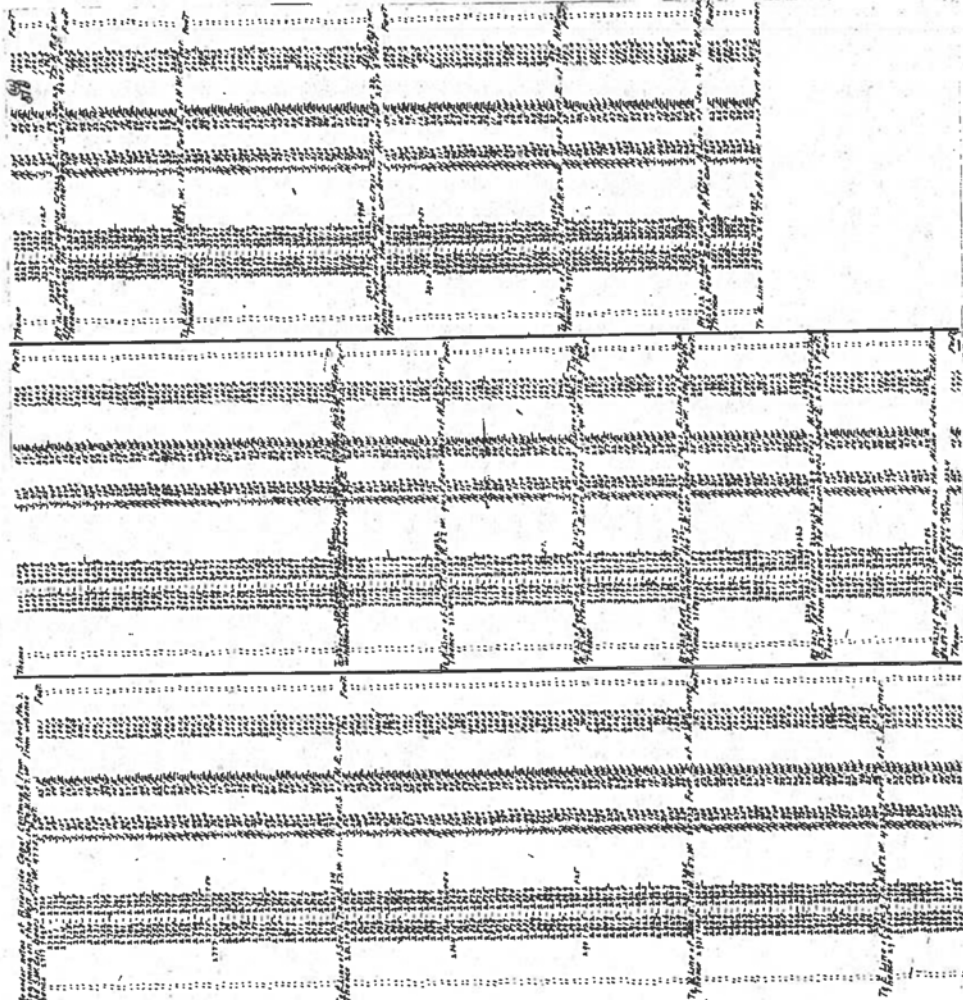




(2)
 This drawing shows
 the general layout of the
 Riverside Canal system
 in the Riverside County
 area. The drawing is
 based on a survey
 made in 1911 by
 the U.S. Geological
 Survey. The drawing
 is a plan view of the
 canal system. The
 drawing is a plan view
 of the canal system.
 S.E.L.



THE
RIVERSIDE CANAL
 Located in
 WELD AND MORGAN COUNTIES COLORADO
 DRAWN BY
 S.E.L.



THE RIVERSIDE CANAL

LOCATED IN
 WELD AND HOGAN COUNTIES, COLORADO

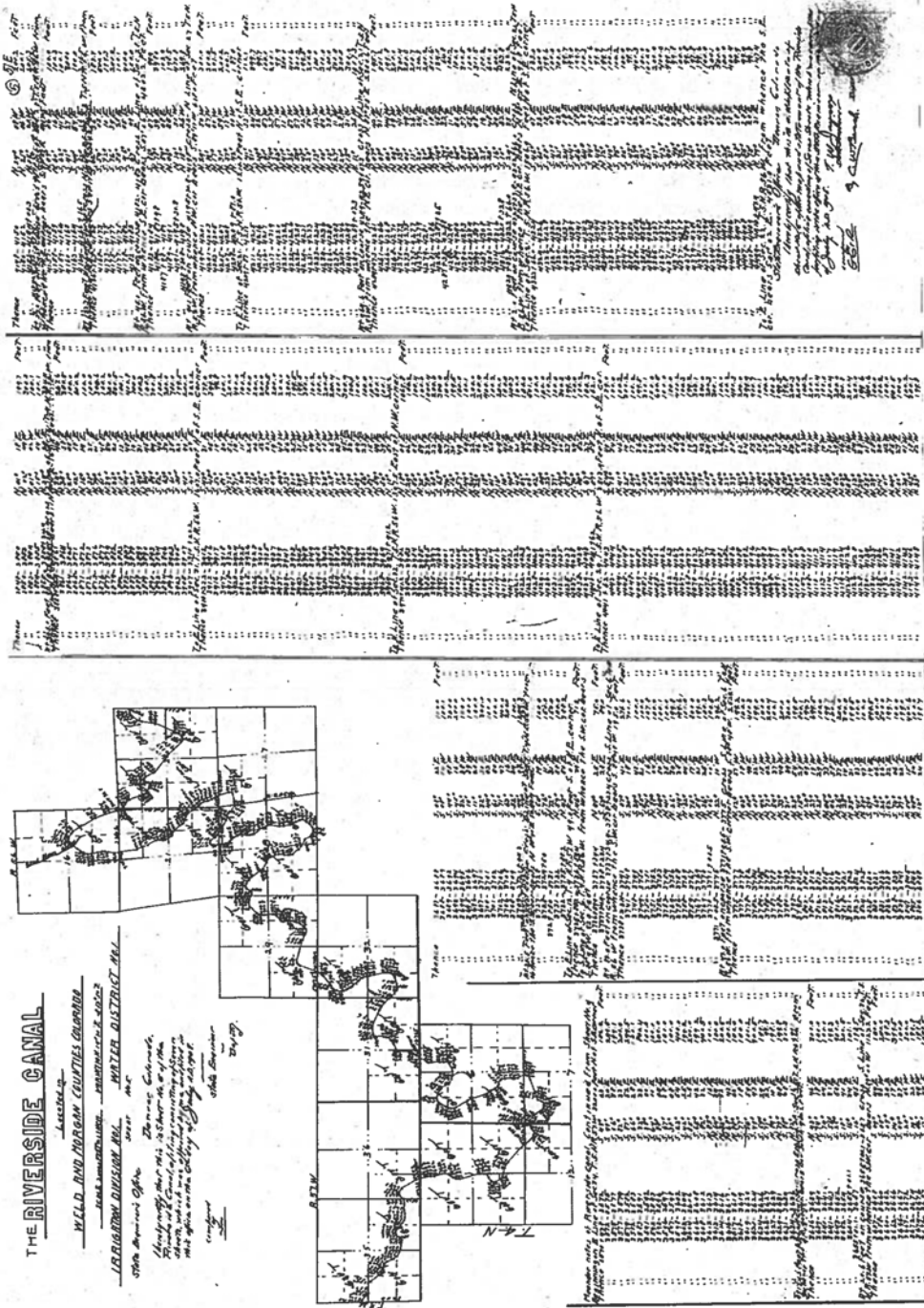
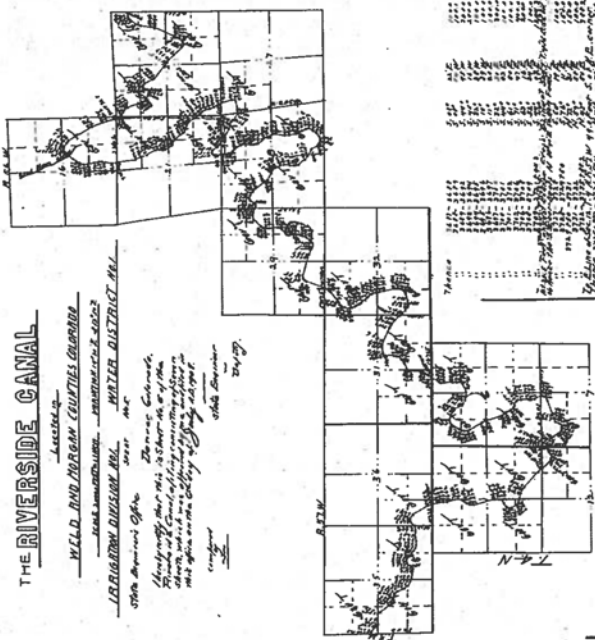
— JAMES W. WILSON, ENGINEER —
 IRRIGATION DISTRICT NO. 10, WYLER DISTRICT, WELD COUNTY, COLORADO

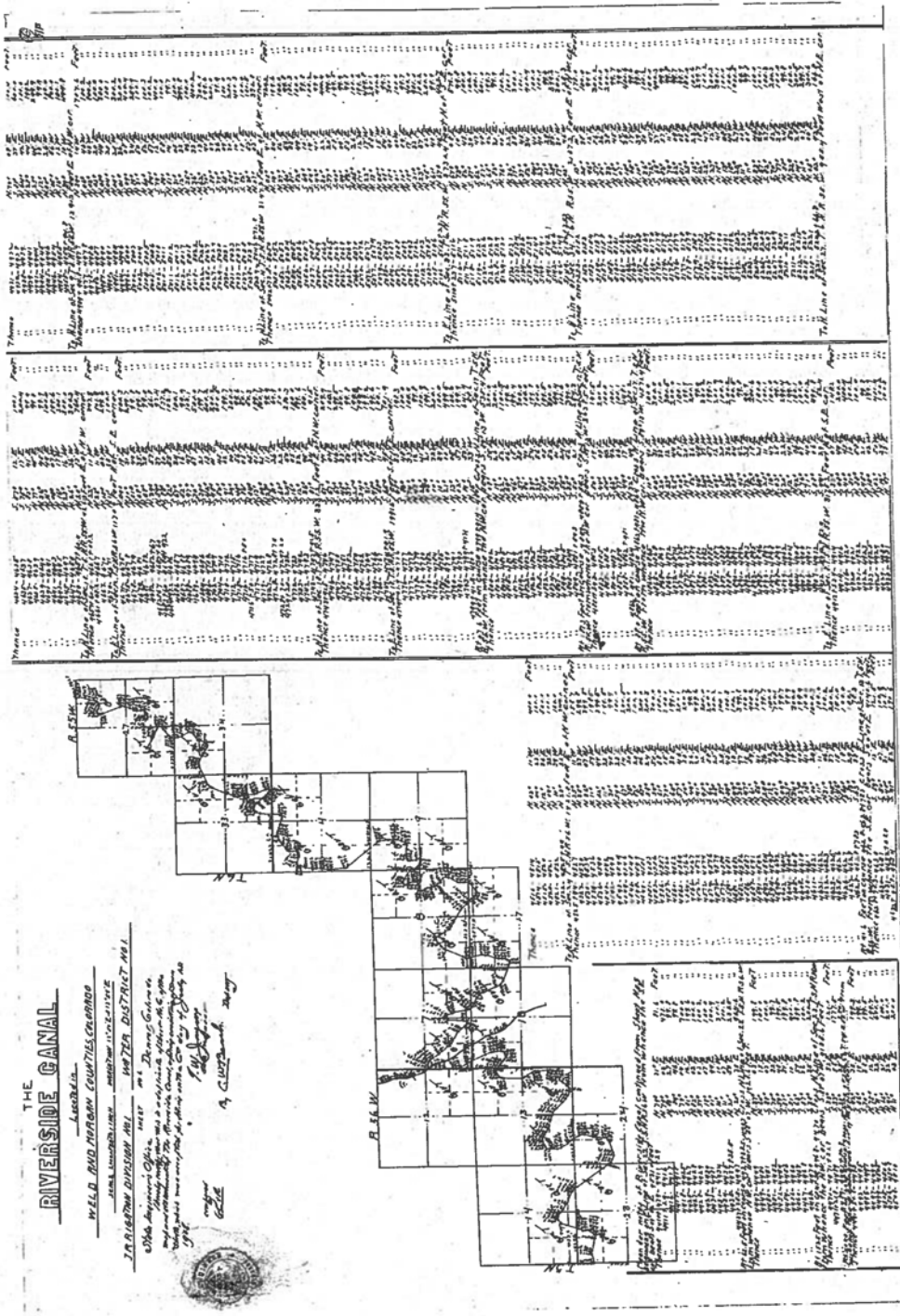
ON BEHALF OF THE DISTRICT ENGINEER
 DISTRICT ENGINEER
 DISTRICT NO. 10, WYLER DISTRICT, WELD COUNTY, COLORADO
 JAMES W. WILSON, ENGINEER



THE RIVERSIDE CANAL

— Located in —
WELD AND MORGAN COUNTIES COLORADO
 — NEAR —
LOUISIANA DIVISION, WATER DISTRICT, No. 2
 1910 Division Office —
 Denver, Colorado,
 Under the authority of the
 Board of Control and Management of the
 United States Reclamation Service,
 Department of the Interior.





THE
RIVERSIDE CANAL

Located in
WELD AND NEBRASKA COUNTIES, COLORADO
CANAL UNDER THE WATER RIGHTS DISTRICT NO. 1
SARATOGA DISTRICT AND
Other Appurtenant Rights in the Denver County
Water Right District No. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

MAP

OF THE

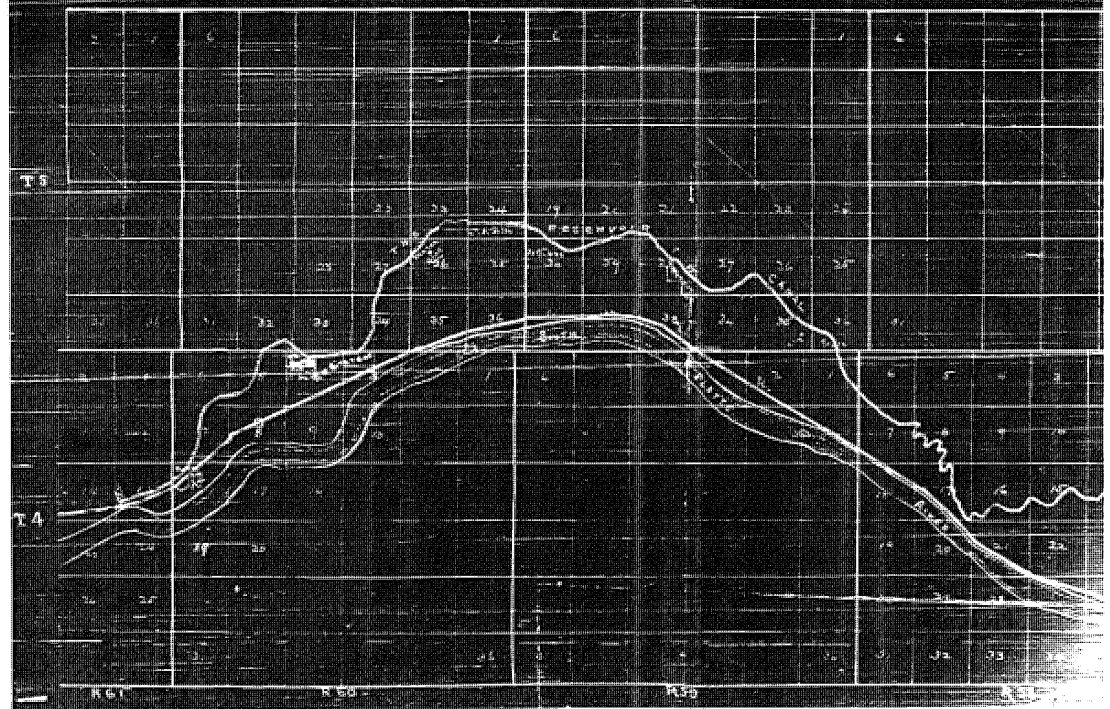
PAWNEE PASS RESERVOIR

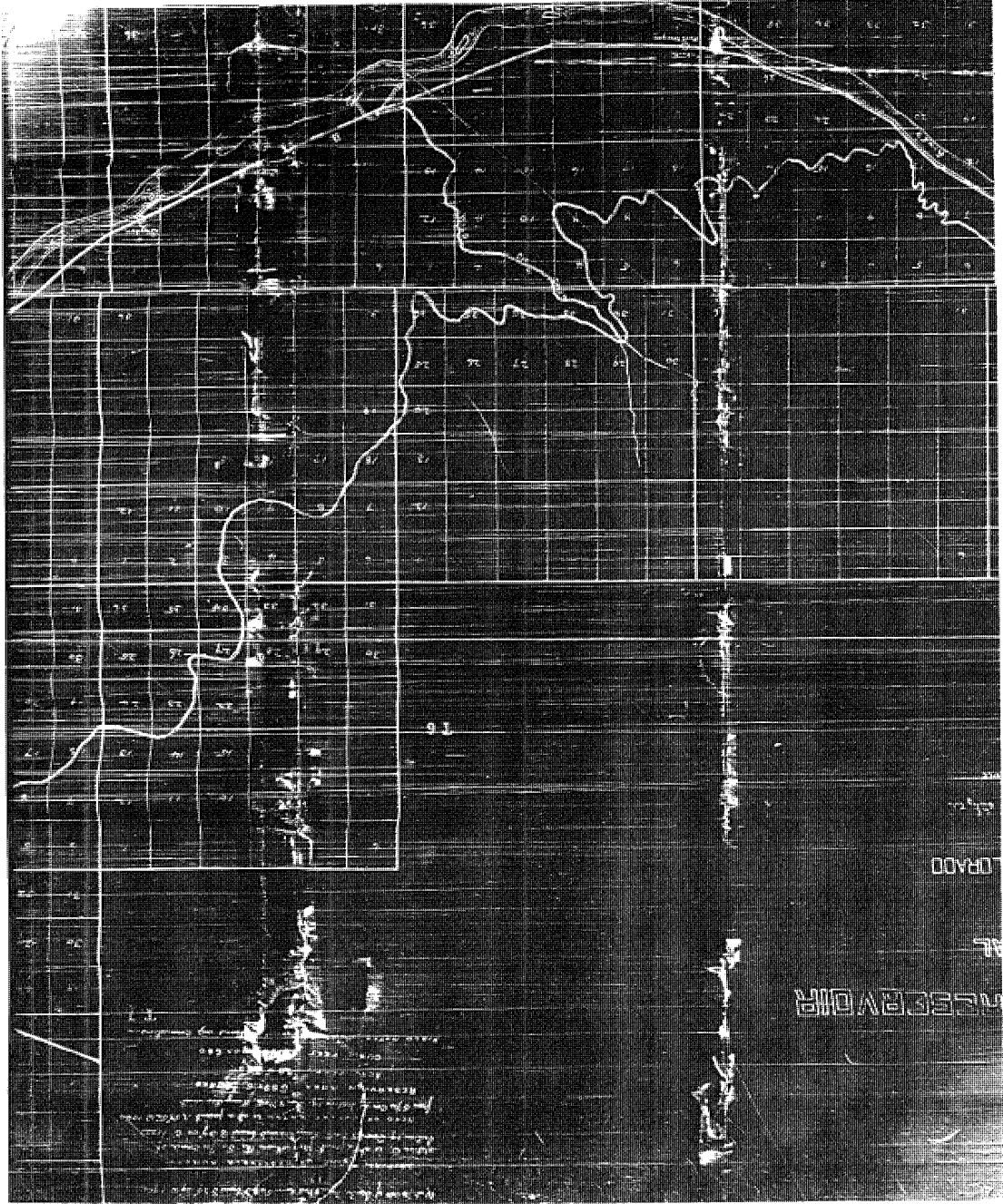
AND CANAL

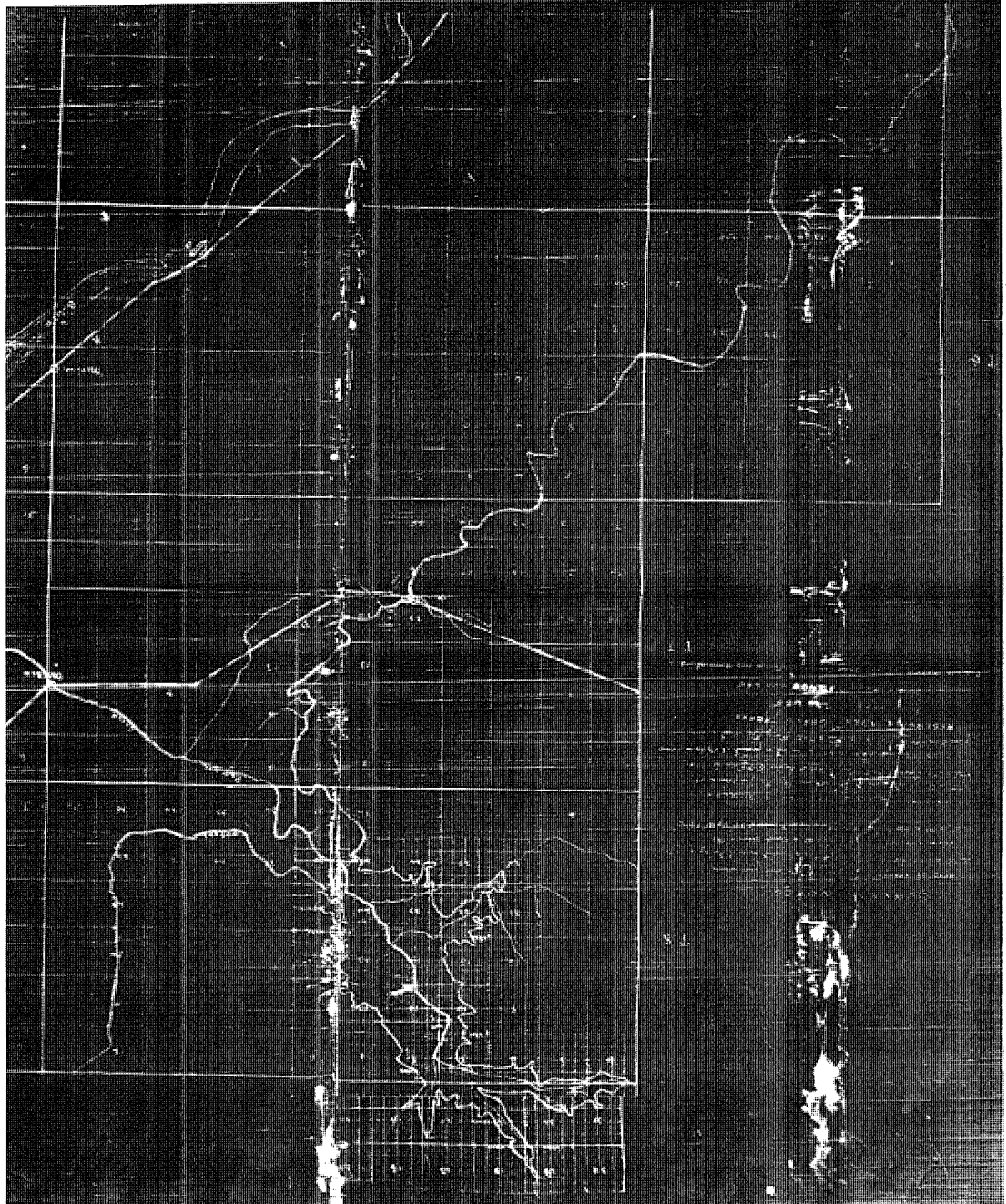
LOGAN COUNTY COLORADO

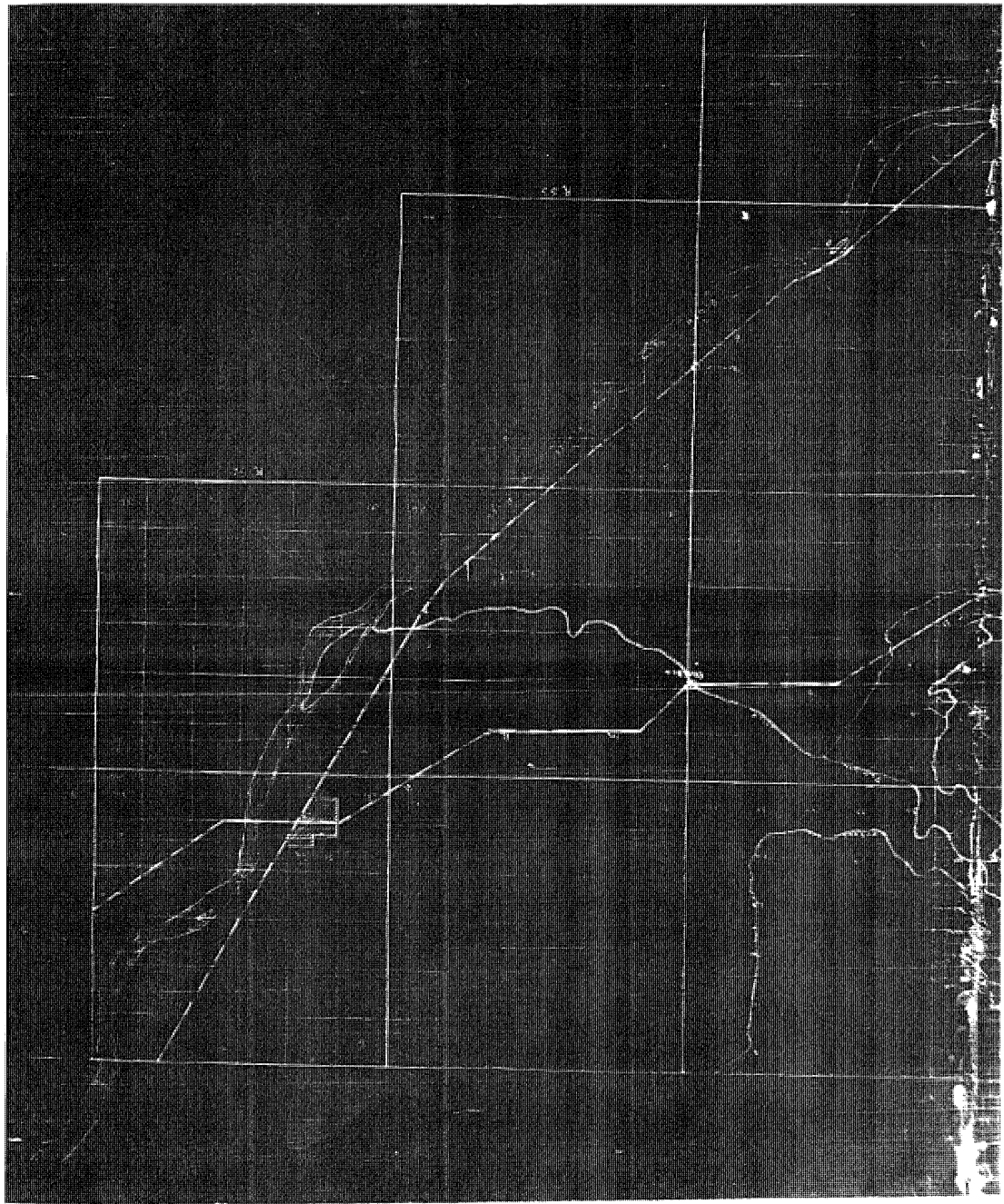
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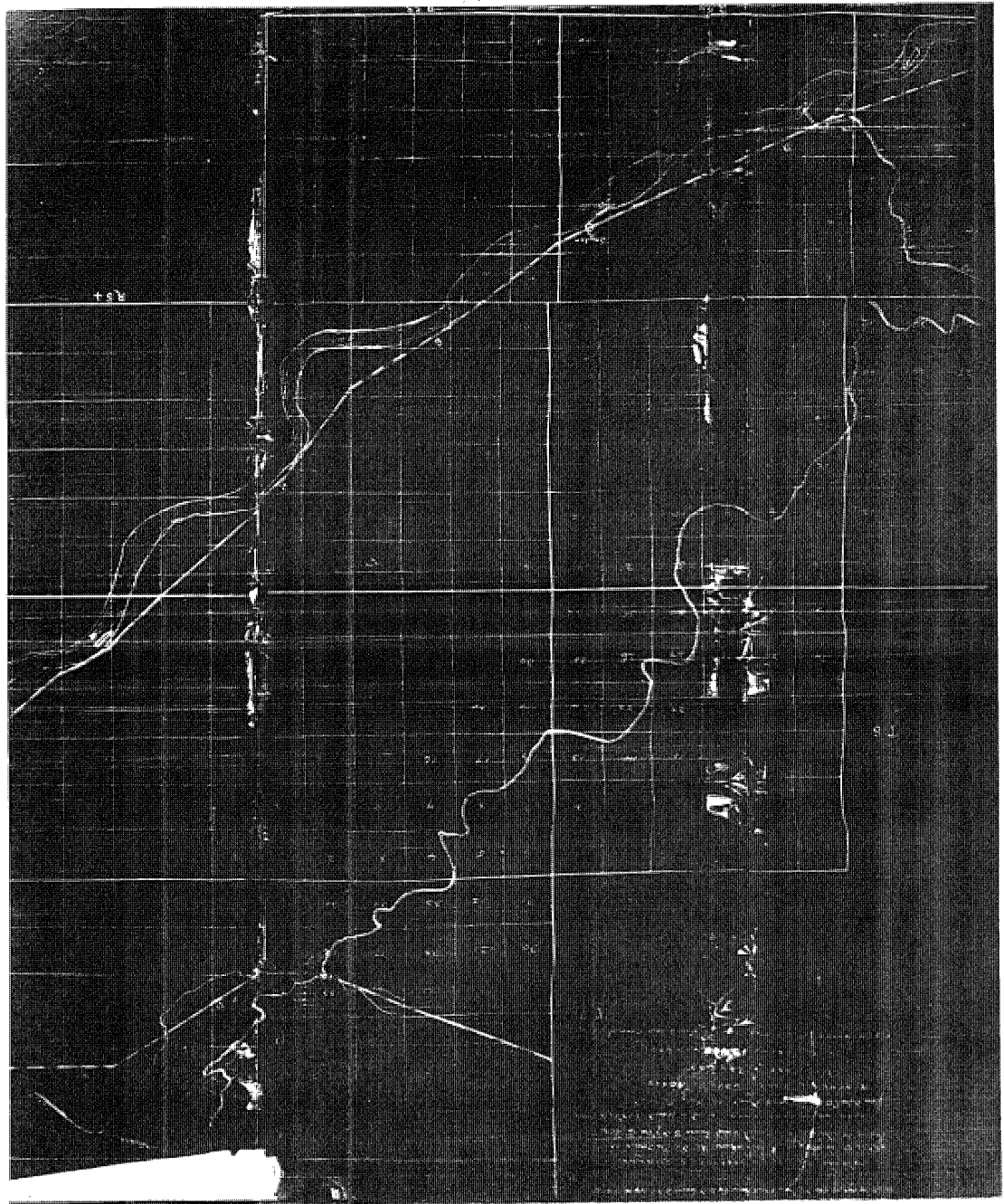
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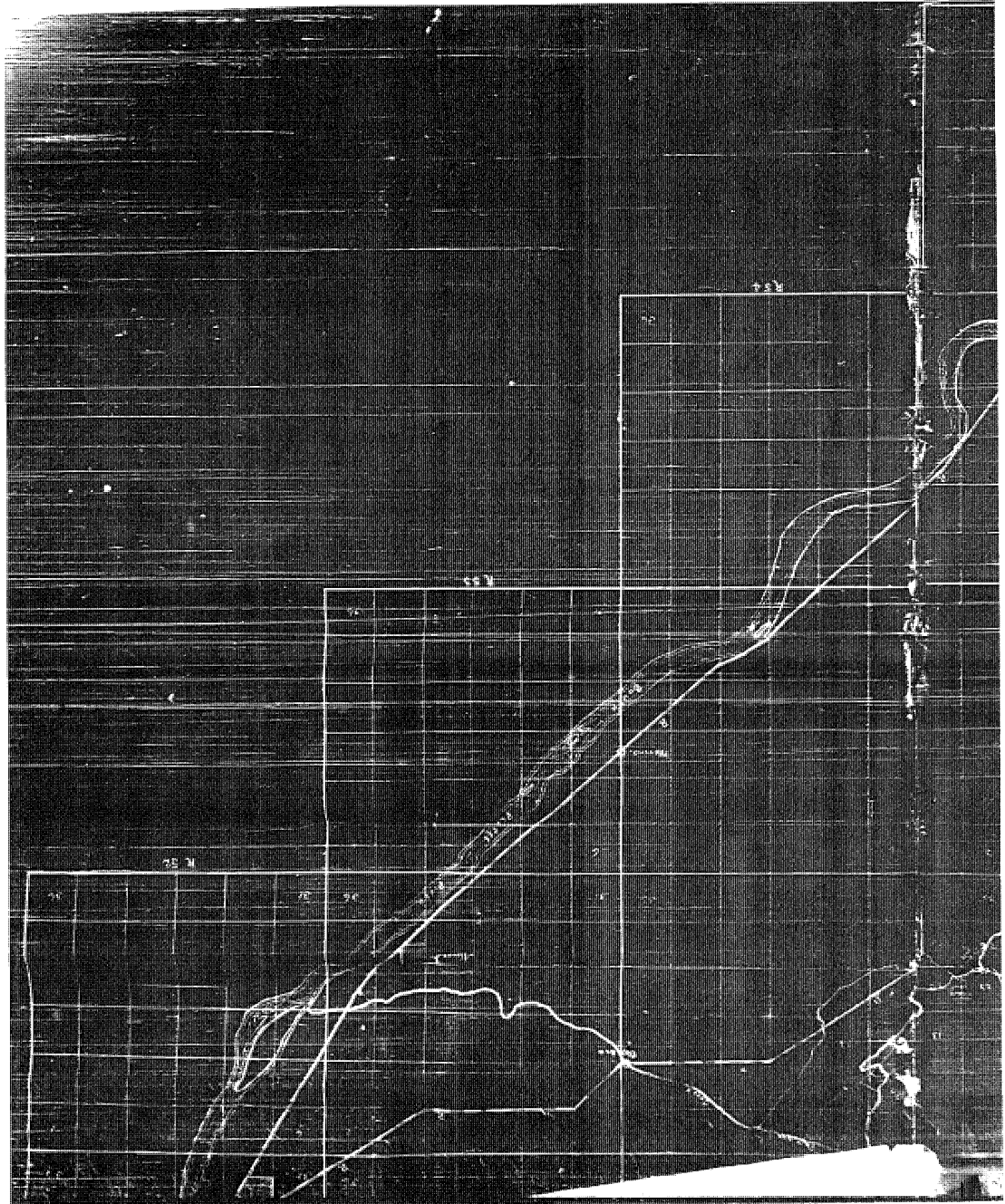












State of Colorado)
 + ss.
County of Weld)

STATEMENT OF CLAIM TO WATER RIGHT

Irrigation Division No. 1,

Water District No. 1.

The undersigned, George H. West and Daniel A. Canfield, owners of the Lawee Pass Reservoir, The Reservoir Canal, and of the following described irrigating canals and storage reservoirs, belonging to said systems, in compliance with the requirements of General Section No. 1710, of the General Statutes of the State of Colorado, and the amendments thereto, do hereby make this statement, for filing in the proper offices:-

This statement of claim is made as amendatory, supplemental to and in furtherance of our claim for water for the Lawee Pass Reservoir, for the main supply canal thereto, called The Reservoir Canal, and for other reservoirs to be connected with said system, based upon our surveys commencing May 11, 1895, and continued thence to this date, as shown by our records and field notes, the conditions of topography between the South Platte river and The Lawee Pass Reservoir being such as require extraordinary care and a long continued and thorough system of surveys, to properly locate a line of canal from the river to said reservoir, which would be feasible for the conditions and required purposes.

This filing is therefore made to show a part of the continu-

ous work required done and adopted under and as an extension of said The Pawnee Pass Reservoir system; and we hereby claim water for all of the herein named canals and reservoirs, from May 11, 1895, under our first surveys done thereon and as per our filings heretofore made with the State Engineer, of the State of Colorado, and with the Clerks and Recorders of Weld, Morgan and Logan Counties, Colorado, about August eighth and ninth, 1895.

The names of the owners of all of the herein described canals and reservoirs are George H. Vest and Daniel A. Garfield, whose post office address is Greeley, Weld county, Colorado.

Statement and Description:

The Canals and Reservoirs covered by this claim, and shown and described more fully upon the map and field notes filed herewith, are hereby named as follows:-

RESERVOIR CANAL NUMBER ONE,

RESERVOIR CANAL NUMBER TWO,

~~RESERVOIR CANAL NUMBER THREE,~~

SANBORN DRAW RESERVOIR,

ORCHARD RESERVOIR, and

JACKSON LAKE RESERVOIR.

A particular description of said proposed structures, of the surveys thereof and of the respective claims made thereon, is as follows:

RESERVOIR CANAL NUMBER ONE.

First:- The headgate of the said Canal is located on the

north bank of the South Platte River, from which stream said canal derives its main supply of water, at a point in the North East Quarter of Section Thirty-four (34), Township Five (5), North, of Range Sixty-three (63) West, and is located in Weld County, Colorado.

Second:- The depth of said canal is 8.7 feet at high water line; the width of said ditch is fifty feet on the bottom and 76.1 feet at the high water line. The Grade of said canal is 1.026 feet per mile, slope of banks 1-1/2 to 1.

Third:- The carrying capacity of said canal is 1500 cubic feet of water per second of time.

Fourth:- Work was commenced on the said canal on the second day of November, A.D., 1905, by commencing the survey therefor by C.W. Beach, C.S., of Larimer County, Colorado, and by said George H. West and D.A. Gamfield.

Fifth:- The general course and line of said Canal, as shown on the map filed herewith, is in an easterly and north-easterly direction to Vanborn Draw Reservoir, thence in the same general direction to Orchard Reservoir and Jackson Lake Reservoir, in Morgan County, Colorado, from whence it connects with the line of surveys for canals to the Furness Pass Reservoir, in Logan County, Colorado.

RESERVOIR CANAL NUMBER TWO.

First:- The headgate of said Canal is located on the north bank of the South Platte River, from which stream said canal diverts its main supply of water, at a point that bears S.75°

40' W. 125.0' from the North-East corner of Section Twenty-one (21), Township Four (4), North, of Range sixty-one (61) West, and is located in Weld county, Colorado.

Second:- The depth of said canal is 8.7 feet, at high water line; the width of said ditch is fifty feet on the bottom and 76.1 feet at the high water line. The grade of said canal is 1.006 feet per mile. Slope of Banks 1-1/4 to 1.

Third:- The carrying capacity of said canal is 1500 cubic feet of water per second of time.

Fourth:- Work was commenced on said canal on October 31, 1895, by commencing the survey thereof by C.W.Beach, C.E., of Larimer County, Colorado, assisted by George H. West and Daniel A. Garfield, of Greeley, Colorado. Survey was completed December 11, 1895, by R.P.Walter, C.E., then in charge.

Fifth:- The course of said canal, as shown on the map herewith, is easterly and north-easterly, from the river to Jackson's Lake Reservoir, in Morgan County, Colorado, where it connects with this general reservoir system, and runs thence to the Pawnee Pass Reservoir.

These canals are designed both as feeders to the four reservoirs shown on the attached map and to other reservoirs, that may hereafter be located, as a part of our storage system, and also for direct irrigation therefrom.

The headings of said canals and the depth, width and grade thereof are subject to such necessary changes, in construction as good engineering skill may require, under the conditions shown to be existing on the ground at that time; the question of economy and efficiency in construction and maintenance be-

ing carefully considered. Such changes, however, shall not increase the carrying capacity of said canals beyond the claims herein made for them.

SANBORN DRAW RESERVOIR.

First: Said Reservoir is located in Weld County, Colorado, on the following described lands, to-wit:

All of Section one (1), Township Four (4), North, of Range Sixty-two (62), West; the North-west quarter of Section one (1), Township four (4), North, of Range sixty-two (62) West; all of Section twelve (12), Township four (4), North, of Range sixty-two (62) West; the North half of the North-East quarter of Section thirteen (13), Township four (4), North of Range sixty-two West; the West half of Section Six (6), Township four (4), North, of Range sixty-one (61) West; the West half of the South-east quarter of Section six (6), Township four (4), North of Range sixty-one (61) West; the North-west quarter of Section seven (7), Township four (4), North, of Range sixty-one West; the West half and the North West quarter of the North-east quarter of Section seven (7) in Township four (4), North, Range sixty-one(61) West; the West half of the South-west quarter of Section seven (7), Township four (4), North, of Range sixty-one (61) West; the South half of Section thirty-six, in Township Five (5), North, of Range sixty-two West; the West half of the North-west quarter of section thirty-six (36) in Township five (5), North, Range sixty-two (62) West; the East half of Section thirty-five (35), in Township five (5), North of

Range sixty-two (62) West, and the North-east quarter of the North-west quarter of Section thirty-five (35), Township five (5), North, of Range sixty-two (62) West.

Second:- The initial point of survey (Station 0) of said reservoir, is at a point south $85^{\circ} 30' E$. 1430 feet from the north-west corner of Section one(1), Township Four (4), North, of Range sixty-two (62) West.

Third:- The area of said reservoir at the high water line, surveyed and platted herewith is 2039 acres. The extreme depth is forty-three feet; the average depth twenty-five feet. All of said water can be drawn off, making the available capacity for storage 2,350,000,000 cubic feet, or about 54,000 acre feet, for which claim is hereby made.

Fourth:- The said reservoir derives its supply of water from the South Platte river through Reservoir Canal Number one, and also from the flood and drainage waters of Sanborn Draw, for all of which claim is hereby made. As claim and full description of said feeder canal are a part of these papers, we omit a repetition thereof.

Fifth:- Work on said reservoir was commenced by beginning the survey thereof on November 1, 1895. The final levels and transit work thereon were made by R. V. Walter, C.E., D. A. Camfield and others, in January, 1896.

The field notes showing the courses and distances of the high water line of said reservoir are filed herewith, an accompanying sheets.

ORCHARD RESERVOIR.

First:- Said reservoir is located in Morgan County, Colorado, on the following described lands, to-wit:-

North half	Sec. 21, Town. 5 N., Range 60 West;
South half, South half "	16, " " " " 60 "
East half N.E. 1/4	" 20, " " " " 60 "

Second:- The initial point of survey of said reservoir (Station 0) is at a point 1000 feet west of the south-west quarter of Section 16, Township 5 North, of Range 60 West.

Third:- The area of said reservoir, at the high water line here platted, is about 403 acres; the extreme depth is about sixteen feet; all of the water can be drawn off, making the available capacity for storage about 250,000,000 cubic feet, or about 5,700 acre feet, for which claim is hereby made.

Fourth:- Said reservoir derives its supply of water from three sources:- From the South Platte river, and Sanborn Draw Reservoir, through Reservoir Canal Number one, and from the general drainage and flood waters of the Greasewood Draw, so called, for all of which claim is hereby made.

Fifth:- Work on said reservoir was commenced on November 1, 1895, by beginning the survey thereof by C.W. Beach, C.E. The final levels and transit work thereon were completed by N.F. Walter, C.E., by D.A. Garfield, and others.

The field notes of said survey, showing the proper courses and distances, are filed herewith.

JACKSON LAKE RESERVOIR.

First:- Said reservoir is located in Morgan County, Colorado, on the following described lands, all in Township Five (5) North, of Range sixty (60) West, to-wit:-

The South half of Section eleven (11); the South-west quarter of Section twelve (12); the West half of the North-East quarter, the West half of the South-east quarter, and the entire West half of Section Thirteen (13); the South-west quarter, the South-east quarter of the North-west quarter and the entire East half of Section Fifteen (15); the North-east quarter, the East half of the North-west quarter, the North half of the South-east quarter, and the South-east quarter of the South-east quarter, all in Section Twenty-two (22); all of Section twenty-three (23), the North-west quarter of Section Twenty-four (24), and the North-east quarter of Section Twenty-six (26).

Second:- The initial point of survey of said reservoir (Station 4) is at a point N. $36^{\circ} 30'$ E. 1680 feet, from the South-west corner of Section fifteen (15), Township Five (5), North, of Range Sixty (60), West.

Third:- The area of said reservoir, at the high water line here platted is about 2480 acres, the greatest depth forty-two feet, the average depth thirty feet, all of said water can be drawn off, making the available capacity for storage about 3,200,000,000 cubic feet, or say 73,500 acre feet, for which claim is hereby made.

Fourth:- Said reservoir derives its supply of water from the South Platte river, through Reservoir Canals numbers One and Two, from Sanborn Draw Reservoir, Orchard Reservoir, and from the natural drainage and flood waters that may flow into it, for all of which claim is hereby made.

Fifth:- Work on said reservoir was commenced October 31, 1895, by beginning the survey thereof by C.W. Beach, C.E., and the final levels and transit work thereon (of which notes are filed herewith) were completed in January, 1896, by R.F. Walter, C.E., by D.A. Camfield and others.

The exact location of the inlets to and outlets from said reservoirs are not yet definitely determined, but may be changed, on construction, from those shown on the map and described herein.

Claims.

Claims are hereby made by the owners of said canals and reservoirs for water for domestic use, for irrigation and for such mechanical uses as may not waste the water, nor prevent its full use also for irrigation, after such mechanical uses, as follows:- They claim the right to divert into their several canals, up to the full capacity thereof, all the unappropriated waters of the South Platte River and of its tributaries, at or above their canal headgates, and particularly the flow thereof outside of the irrigation season; also all the appropriated waters thereof when not in actual use--when not beneficially used, or when abandoned by disuse, under any or all prior claims.

They claim the right to divert, dam and appropriate for the uses stated, the entire unappropriated flood waters of the Cottonwood Creek and of Wild-Cat Creek, in the counties of Weld and Morgan, Colorado, and of all Dry Creeks, arroyos or drainage courses, crossed by the line of their several canals, at, near, or above the points of intersection or crossing of the same as may hereafter be determined in construction of these canals and reservoirs or thereafter.

They claim the same rights granted corporations under the Colorado laws for similar construction and development work and in the conserving, storage, sale of use and direct use of water, and the right to use said water, either from their canals direct, from any of their storage dams, or reservoirs direct, or by the building of such laterals, or other storage basins and reservoirs, hereafter, either above or below their canals, dams or reservoirs, as may seem best, or proper, for the further conserving of their water supply, or for the carrying and delivery of the same to the ultimate users, or consumers thereof.

They claim also all such rights as are granted by law, established by court decrees, or sanctioned by long use and custom, in the use of natural drainage and water courses for carrying their water supply, after diversion, (without the necessity of condemnation for use), with full right to again divert said waters into other canals, ditches, laterals, dams and reservoirs, as may be desired for the use thereof; also the full right, under similar conditions of law, decree

and custom, to use other canals, or reservoirs in delivery of the water they divert and store to consumers, and the right to exchange, or sell the use of all water they divert to other irrigation enterprises, as well as to individual consumers.

IN WITNESS of the within described work and claims, we have hereunto set our hands and seals this 27th day of January, A.D., 1896.

George H. West (Seal)
Daniel A. Campfield (Seal)

State of Colorado)
 + ss.
County of Weld)

George H. West, Daniel A. Canfield and
Raymond F. Walter, being first duly sworn, on their oaths
depose and say,-

That they were each and all engaged on the
survey of said Canals and Reservoirs; that they have each
read the above and foregoing statement, and have examined
the map, and field notes thereto attached, and that the
matters therein set forth are true of their own knowledge.

George H. West
Daniel A. Canfield
Raymond F. Walter

Subscribed and sworn to before me this 27th day of January
A.D., 1896.

My Commission expires May 13th 1899.

Vernon McKelvey

NOTARY PUBLIC.

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FIELD NOTES OF SURVEYS OF RESERVOIRS,
 of George H. West and Daniel A. Garfield, referred to in
 claim papers and map filed herewith. All lines were run
 on Magnetic bearing--variation 15°.

GANNORN DRAW RESERVOIR.

Beginning at Station 0, a point S. 25° 30' E. 1430 feet from
 the northwest corner of Section One(1), Township four (4),
 North, of Range sixty-two (62) West, in Weld County, Colorado

THENCE.	COURSE.	DISTANCE.	TO STATION NUMBER.
"	N. 6° 30' E.	360'	" " 1
"	N. 6° 30' W.	1050'	" " 2
"	N. 12° 30' W.	875'	" " 3
"	N. 17° W.	1550'	" " 4
"	N. 73° 00' E.	415'	" " 5
"	N. 16° W.	855'	" " 6
"	S. 57° N.	500'	" " 7
"	N. 85° 30' E.	960'	" " 8
"	N. 14° 45' W.	570'	" " 9
"	N. 45° W.	375'	" " 10
"	N. 84° W.	630'	" " 11
"	N. 23° W.	1150'	" " 12
"	N. 30° E.	605'	" " 13
"	N. 69° E.	445'	" " 14
"	S. 53° E.	800'	" " 15
"	S. 39° 15' E.	680'	" " 16
"	S. 5° 30' E.	985'	" " 17
"	S. 24° 45' E.	315'	" " 18

TRENCHE.	COURSE.	DISTANCE.	TO STATION NUMBER.
"	S. 67° 45' E.	890'	" " 19
"	N. 21° E.	525'	" " 20
"	N. 4° W.	1300'	" " 21
"	S. 62° 45' E.	1290'	" " 22
"	S. 7° 30' W.	2230'	" " 23
"	S. 51° E.	690'	" " 24
"	S. 71° 30' E.	1000'	" " 25
"	S. 5° 15' E.	1340'	" " 26
"	S. 30° E.	1550'	" " 27
"	S. 33° 30' E.	2000'	" " 28
"	S. 15° 15' E.	1750'	" " 29

(Outlet Ditch, Station No. 29 + 1,000 feet)

"	S. 48° 15' W.	1990'	" " 30
"	S. 46° 30' W.	2610'	" " 31
"	S. 13° E.	2700'	" " 32
"	S. 53° W.	2800'	" " 33
"	N. 46° W.	1275'	" " 34

(Station 34 is at Section corner, on Range line, common to Sections 7, 12, 13 and 18.)

"	N. 29° 45' W.	1020'	" " 35
"	N. 30° 30' W.	1540'	" " 36
"	N. 29° 30' W.	1540'	" " 37
"	N. 69° E.	1310'	" " 38
"	N. 27° 30' E.	1050'	" " 39
"	N. 9° E.	560'	" " 40
"	N. 21° E.	1310'	" " 41

THENCE.	COURSE	DISTANCE	TO STATION NUMBER.
"	N. 4° 15' E.	1290'	" " 42
"	N. 6° W.	640'	" " 43
"	N. 3° W.	775'	" " 44
"	N. 17° E.	655'	" " 45
"	N. 25° 30' W.	715'	" " 46
"	N. 67° 30' E.	1300'	" " 0, the

place of beginning.

ORCHARD RESERVOIR.

Beginning at Station 0, a point 1000 feet west of the Southwest quarter of Section Fifteen (15), Township Five (5), North, of Range Sixty (60) West, in Morgan County, Colorado.

THENCE.	COURSE.	DISTANCE.	TO STATION NUMBER.
"	N. 6° 15' W.	1065'	" " 1
"	S. 87° 30' W.	855'	" " 2
"	N. 43° 15' W.	1330'	" " 3
"	N. 88° W.	1215'	" " 4
"	S. 17° 15' W.	1053'	" " 5
"	S. 20° W.	1520'	" " 6
"	S. 11° 30' W.	1720'	" " 7
"	S. 18° 45' W.	1750'	" " 8
"	S. 44° E.	800'	" " 9
"	N. 76° E.	1630'	" " 10

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TRENCH.	COURSE.	DISTANCE.	TO	STATION NUMBER.
"	N. 1° 15' E.	675'	"	11
"	N. 68° 30' E.	1650'	"	12
"	N. 34° 30' E.	1650'	"	13
"	N. 18° W.	795'	"	14
"	N. 30° E.	1500'	"	C, the place of beginning.

JACKSON LAKE RESERVOIR.

Beginning at Station C (No U.S. corner being found near
by to tie to)--

TRENCH.	COURSE.	DISTANCE.	TO	STATION NUMBER.
"	N. 40° 10' W.	1450'	"	1
"	N. 34° 30' W.	1500'	"	2
"	N. 33° 30' W.	2400'	"	3
"	N. 11° 15' W.	2200'	"	4
"	N. 16° E.	3100'	"	5
(Station 4 is N. 55° 30' E. 1650' from the S.W. corner of Section 15, Tp. 5 N., R. 60 W.)				
"	N. 83° E.	1450'	"	6
"	S. 74° E.	1475'	"	7
"	S. 84° 15' E.	2050'	"	8
"	N. 66° 10' E.	2470'	"	9
"	S. 82° 15' E.	1825'	"	10
"	S. 51° 15' E.	2070'	"	11
"	S. 34° 15' E.	3040'	"	12
"	S. 17° E.	450'	"	13

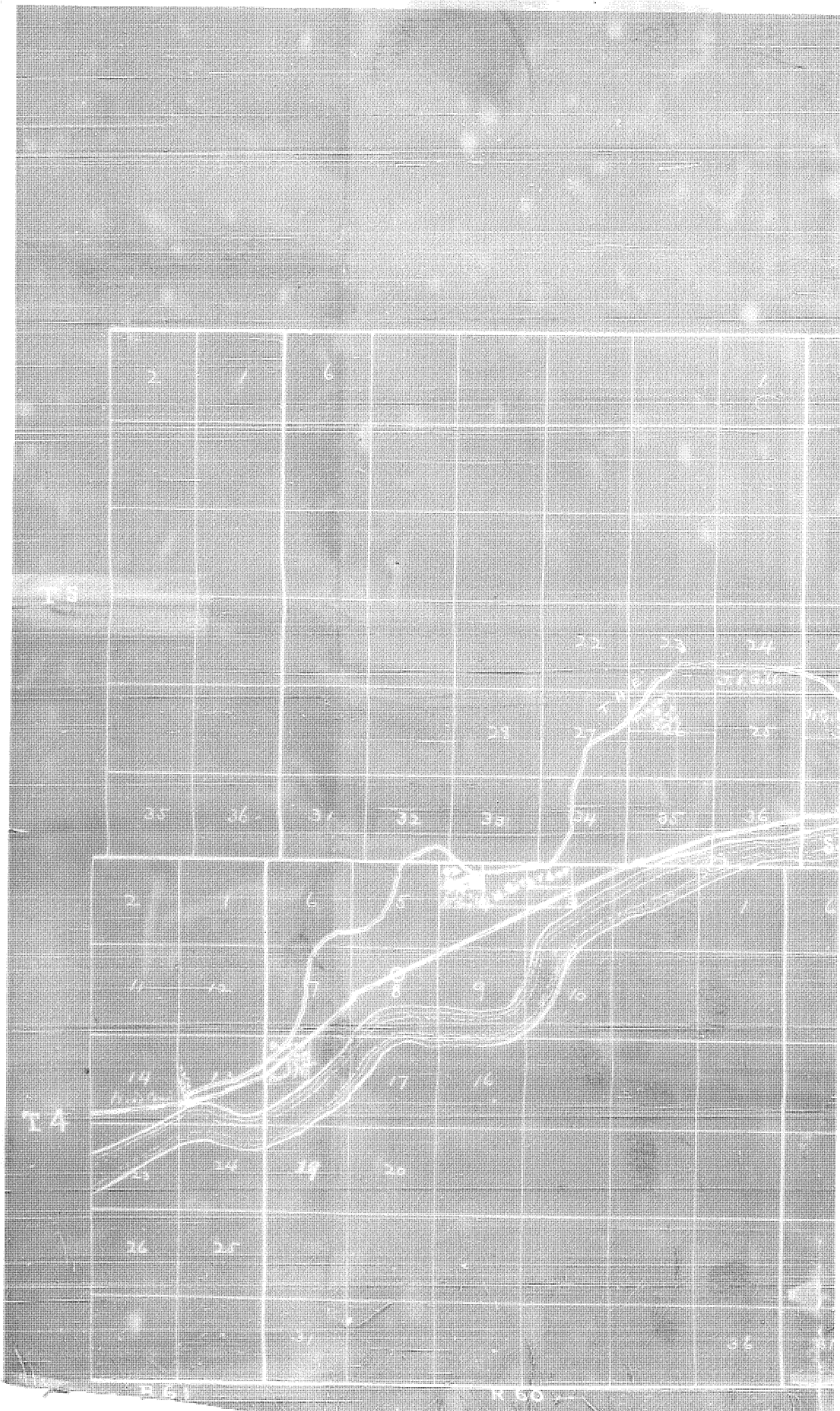
TRENCH.	COURSE.	DISTANCE.	TO	STATION NUMBER.
"	S. 52° W.	2450'	"	14
(Outlet located at Station 13 + 700 feet)				
"	S. 23° 30' W.	3215'	"	15
"	S. 30° 15' W.	3600'	"	16
"	S. 46° 30' W.,	3675'	"	17
"	N. 59° 15' W.	875'	"	18
"	N. 33° 30' W.	750'	"	19
"	N. 29° 15' W.	1440'	"	20
"	N. 81° W.	475'	"	0, the

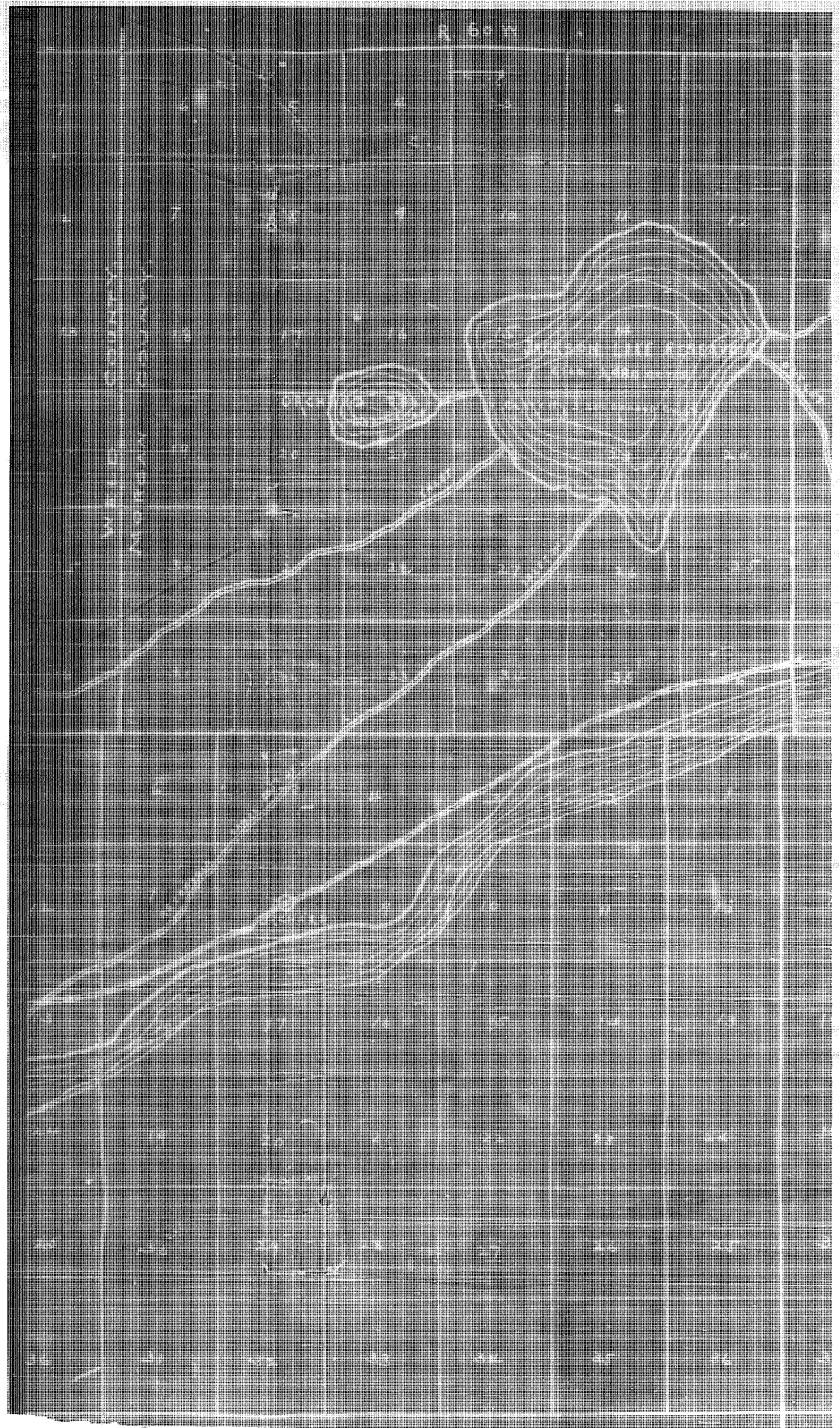
place of beginning.

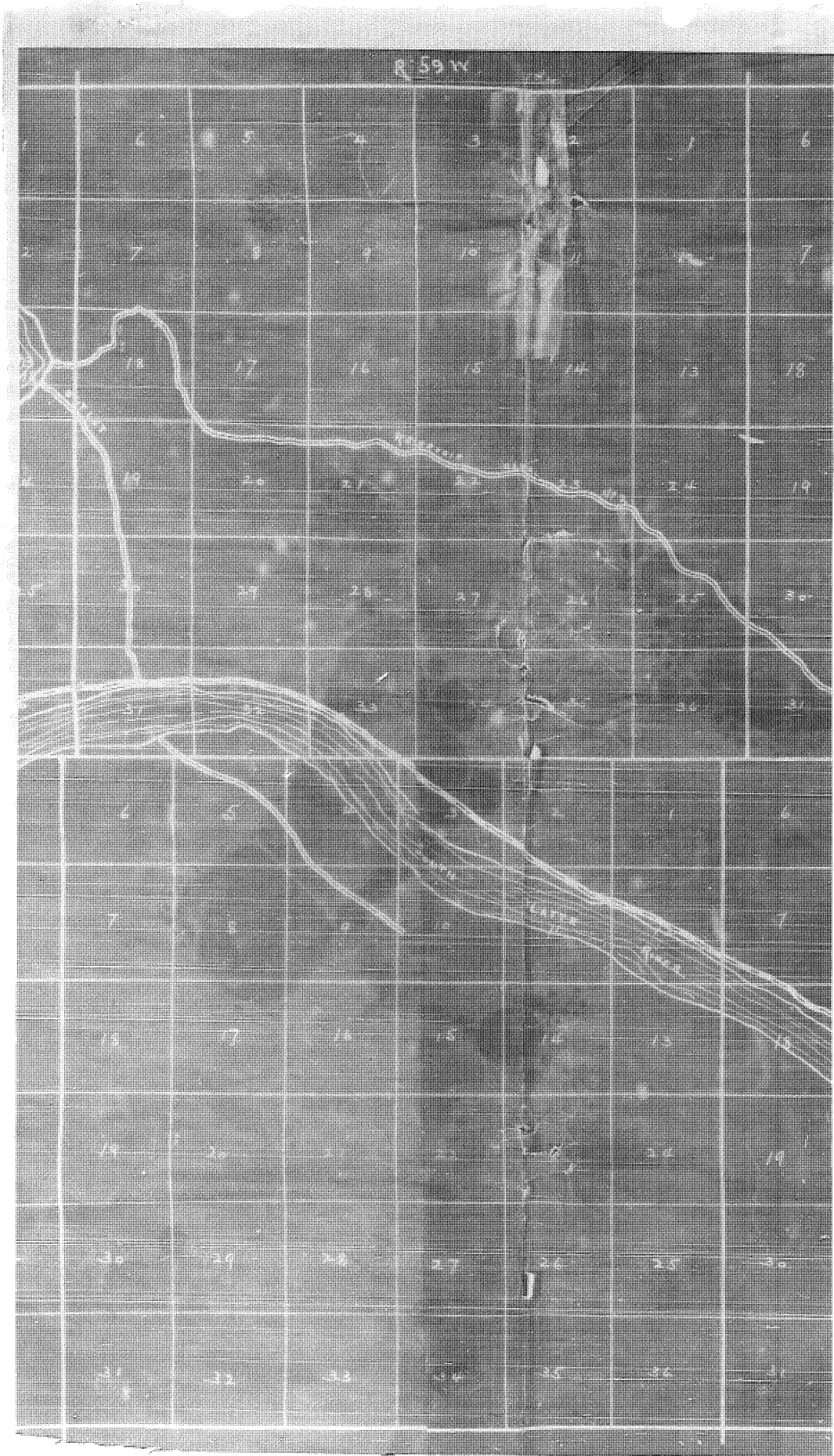
I, Raymond P. Walter, the engineer who made said
reservoir surveys, hereby verify the attached field notes
as correct.

Raymond P. Walter
Engineer in Charge.

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MORGAN COUNTY

SPECIAL FILE

No. 17

Original File No. FT 855

Date Filed Aug 8th 1895

REMARKS:

THE CITY OF WASHINGTON HAS PRINTED THIS FORM FOR THE DISTRICT OF COLUMBIA

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State of Colorado)
) ss.
County of Weld)

STATEMENT OF CLAIM TO WATER RIGHT
Irrigation Division No. 1
Water District No. 1.

The undersigned, George H. West and Daniel A. Garfield, owners of the following described irrigating canal and storage reservoir, in compliance with the requirements of General Section No. 1730 of the General Statutes of the State of Colorado, and the amendments thereto, do hereby make this statement for filing in the proper offices:-

The names of the owners of the said canal are George H. West and Daniel A. Garfield, whose post office address is Greeley, Weld county, Colorado.

CANAL STATEMENT.

The name of the said Canal is-

THE RESERVOIR CANAL

First:- The headgate of the said Reservoir Canal is located on the north bank of the South Platte River, from which stream said canal diverts a part of its supply of water, at a point about the East quarter corner of Section Thirteen (13), Town-ship Four (4), North, of Range sixty-one (61) East, bears N. 89° 15' East 1000 feet, and is located in Weld county, Colorado.
Second:- The depth of said canal is 8.5 feet at high water level; the width of said ditch is 50 feet on the bottom and 75.1

-1-

feet at the high water line. The Grade of said canal is 1.056 feet per mile, slope of banks 1 1/2 to 1.

The depth, width and grade herein given are subject to such changes as the conditions may require for the most economical construction and for the best results in maintenance and operation; such changes however to not increase the capacity herein claimed for said canal from the South Platte River.

Third:- The carrying capacity of said canal is 1500 cubic feet of water per second of time.

Fourth:- Work was commenced on the said canal on the 11th day of May, A.D., 1895, by commencing the survey therefor by Raymond F. Walter, Deputy County Surveyor of Weld county, Colorado, and by said George H. West and D.A. Garfield, beginning at the proposed headgate thereof, and continuing the survey thence to its terminus, in the Fawns Pass Reservoir, on May 27, 1895.

RESERVOIR STATEMENT.

First:- The name of said Reservoir is,-

THE FAWNS PASS RESERVOIR

Second:- The names of the owners of the said Reservoir are George H. West and Daniel A. Garfield, whose post office address is Greeley, Weld county, Colorado.

Third:- The said Reservoir as shown on the map hereto attached, is situated on all, or parts of the West half of Section nineteen (19), the South-west quarter of the South-west quarter of Section eighteen (18), and the North-west quarter of the

North-west quarter of Section thirty (30), all in Township eight (8) North, of Range fifty-four (54) West; also, Sections two (2) and three (3), the north part of Sections four (4), five (5) and six (6), Sections ten (10), eleven (11), twelve (12), thirteen (13), fourteen (14), fifteen (15), twenty-two (22), twenty-three (23), twenty-four (24), twenty-five (25), twenty-six (26), and the East half of East half of Sections twenty-one and twenty-eight, All in Township eight (8) North, of Range fifty-five (55) West; also the West half of Section twenty-eight (28), East half of Section twenty-nine (29) and South half of Sections thirty-one (31) and thirty-two (32), and Sections thirty-three (33), thirty-four (34) and the West half of Section thirty-five (35), all in Township nine (9) North, of Range fifty-five (55) West; said reservoir and all of said lands being located in Logan county, state of Colorado.

The initial point of the reservoir survey (Station 0) is at the north-easterly end of the proposed dam across Pawnee Creek, at a point from whence the quarter corner on the south line of Section nineteen (19), Township eight (8) North, Range fifty-four (54) West, bears south $34^{\circ} 00'$ East 1124 feet.

The terminus of the inlet, feeder or supply canal, from the South Platte River, is at a point at the south-westerly end of the proposed reservoir dam, that is, 1900 feet South $85^{\circ} 49'$ West from the West quarter corner of Section thirty (30), Township eight (8) North, Range fifty-four West.

The head of the principal outlet canal from said reservoir is at a point north $58^{\circ} 52'$ West 1040 feet, from the south quarter

corner of Section Nineteen (19), Township eight (8), North, Range
fifty-four (54) West.

Fourth:- The area of said Reservoir at the high water line
is 3224.6 acres. The entire water can be drawn off, being an
average depth of 21.3 feet, making the available capacity for
storage and use 684,285 acre feet or 12,414,603,400 cubic feet,
for which claim is hereby made.

Fifth:- The said reservoir is to derive its supply of
water from the South Platte River, from the Villa-Gas Beach, and
from other dry creeks and arroyos between the head of the supply
canal and its terminus; said waters being conveyed for storage
by The Reservoir Canal. The reservoir supply will also be
derived from the Ramona Creek, by intercepting its flood waters
by the proposed dam at the Ramona Pass.

Sixth:- The work on said reservoir was begun by the survey
on its supply ditch—the Reservoir Canal—on May 11, 1888. The
survey was begun on May 27, 1888, by Raymond P. Miller,
Civil Engineer, George W. Cook and Daniel A. Confield; and
the final reports and transit work from which the attached map, was
prepared was completed from July 17th to July 27th, 1888, by J.H.
Langston, Civil Engineer and assisted by Miller, Civil Engineer,
Langston by survey team, consisting of Cook, Thomas Cook, Daniel
Cook and George Cook.

Seventh:- Claims of lands made by the owners of said canal
and reservoir and water for storage, use and use for irrigation,
and for the construction thereon as may hereinafter be shown, and
also for the dam, also for irrigation, after such construction.

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have returned to our hands and seals this ___ day of August, A.D.,
18__.

George F. West (Seal)

Daniel S. Campfield (Seal)

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State of Colorado)
 + ss.
County of Weld)

George H. West, Daniel A. Garfield, John H. Robinson, and Raymond F. Walter, being first duly sworn, on their oaths depose and say,-

That they were each and all engaged on the survey of said Canal and Reservoir; that they have each read the above and foregoing statement, and have examined the ^{and field notes} map thereto attached and that the matters therein set forth are true of their own knowledge.

George H. West
Daniel A. Garfield
Raymond F. Walter

Subscribed and sworn to before me this 7th day of August, A.D., 1895.

H. C. Chamberlain
Notary Public

MORGAN COUNTY

SPECIAL FILE

No. 51

Original File No. 16156

Date Filed July 9th 1903

REMARKS:

THE GUT WEST PRINTING AND STATIONERY CO., COLORADO SPRINGS, COLO.

STATE OF COLORADO,)
 : SS.
COUNTY OF WELD.)

STATEMENT OF CLAIM TO WATER RIGHTS,
IRRIGATION DIVISION NO.1,
WATER DISTRICT NO.1.

THE SOUTH PLATTE LAND, RESERVOIR AND IRRIGATION COMPANY,
a corporation, the owner of the following described ditches and re-
servoir, in compliance with the requirements of Section 1720 of the
General Statutes of the state of Colorado, and all acts amendatory
thereto and now in force, does hereby make its further, amended and
supplemental statement for filing in the proper offices.

1. The name of the owner of said reservoir and ditches is
THE SOUTH PLATTE LAND, RESERVOIR AND IRRIGATION COMPANY, a corpora-
tion duly organized under the laws of the state of Colorado, and
doing business in the counties of Weld and Morgan, with its princi-
pal office, place of business and post office address at Greeley,
Weld County, Colorado.

2. The name of said reservoir is THE JACKSON LAKE RESERVOIR.

3. The said reservoir is situated on all or portions of
Sections 9, 10, 13, 14, 15, 16, 21, 22, 23, 24, 26 and 27, township
5, North, Range 60 west.

4. That the initial point of survey of said reservoir is at
a point whence the southeast corner of the northeast quarter of Sec-
tion 27, township 5, North, Range 60 west, bears south 74 deg. 25'
east 2200 feet. The area of said reservoir at high water line as
first constructed is 2640 acres; depth of water that can be drawn
off 35 feet, with a capacity for storage of 1,727,154,000 cubic
feet; that the area of said reservoir at high water line by enlarge-
ment is 2967 acres; depth of water that can be drawn off 45 feet,
and the available capacity for storage 2,953,000,000 cubic feet, for
all of which claim is hereby made.

5. That the said reservoir derives its supply of water from
the South Platte river through two several inlet ditches; that the
first inlet ditch is taken from the South Platte river through the

5.

Riverside reservoir and thence to said Jackson Lake reservoir, as located and described by filing made for said Riverside reservoir, reference to which is here made; the headgate of the second inlet ditch is located at a point whence the west quarter corner of Section 18, township 4, north, range 61 west, bears north 67 deg. 25' west 4780 feet.

6. That the said inlet ditch or feeder is 40 feet wide on the bottom, 50 feet wide at high water mark; depth 5-1/2 feet, with a grade of 1.03 feet per mile, and is 10 miles 4080 feet in length, and has a carrying capacity of 600 cubic feet per second of time.

7. The outlet ditch from said reservoir commences at the initial point of survey above described, and runs thence in a southerly direction about two miles to the South Platte river, ending at the center of the northeast quarter of Section 5, township 4, north, range 60 west, whence the water is to be carried by said river and distributed to other ditches along the South Platte river, or diverted by means of a ditch from said outlet before reaching said river. That the said outlet ditch is 20 feet wide on the bottom, 30 feet wide at high water mark; 5 feet deep and has a grade of 5.76 feet per mile, and has a carrying capacity of 600 cubic feet per second of time.

That the said reservoir and said inlet and outlet ditches are fully described, shown and platted on the map of said Jackson Lake reservoir and its inlet and outlet ditches, together with the courses, distances, meanderings and surveys, hereto attached. The names of the owners of the lands traversed by said ditches and affected by said reservoir also being noted thereon, reference to which map is hereby made.

8. That the work was commenced on the original construction of said reservoir and said ditches connected therewith, above described and shown on said map, on the 3rd day of February, 1896, and upon the enlargement thereof on the 1st day of April, A.D. 1902, since which time and times work has proceeded thereon with diligence.

IN WITNESS WHEREOF the said THE SOUTH PLATTE LAND, RESERVOIR
AND IRRIGATION COMPANY has caused these presents to be signed by
its president, attested by its secretary and its corporate seal at-
tached, this 6th day of July, A.D. 1903.

THE SOUTH PLATTE LAND, RESERVOIR
AND IRRIGATION COMPANY,

By H. A. Canfield
President.

Attest:

James W. Carey
Secretary.

STATE OF COLORADO,)
COUNTY OF WELD.) ss.

Edwin E. Baker being first duly sworn doth
depose and say: That he made the surveys above described on the
said Jackson Lake reservoir, and the inlet and outlet ditches con-
nected therewith, and also all additional and amended surveys thereof;
that he prepared the annexed map of said reservoir and ditches from
the said surveys; that the said surveys and map and the above state-
ment connected therewith are true of his own knowledge.

Edwin E. Baker

Subscribed and sworn to before me this 6th day of July,
A.D. 1903.

My commission expires March 20th 1904

Henry C. Parker
Notary Public.

STATEMENT OF CLAIM TO
WATER RIGHT,
IRRIGATION DIVISION NO. 1.
WATER DISTRICT NO. 1.

JACKSON LAKE RESERVOIR.

No 16156

STATE OF COLORADO,
County of MEFREN

I hereby certify that this was
filed for record in my office on

the 4th day of July, 1903.

and is correct.

W. M. Conroy
Recorder

Fees, \$50.00

BY _____ Deputy.

RECEPTION NO. 641057 RECORDED APR 17 1980
8:50 O'CLOCK 2 M. CLIFFORD D. GARVER, JR., RECORDER

BOOK 802 PAGE 327

EASEMENT AGREEMENT AND QUIT CLAIM

THIS AGREEMENT is made and entered into by and between WEST GREELEY FARMS, a Co-Partnership, hereinafter referred to as First Party, and DELBERT D. CASTOR, hereinafter referred to as Second Party, WITNESSETH:

WHEREAS, First Party is the owner and titleholder of the NE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado, subject to an easement and right of way for the benefit of the Second Party for the conveyance of water from the North side of the NE $\frac{1}{4}$ to the North side of the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado; and,

WHEREAS, the Second Party is the owner and titleholder of the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado, subject to a right of way for the benefit of the First Party for the conveyance of water from the North side of the SE $\frac{1}{4}$ of said Section 24, to other lands owned by First Party and described as the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado; and,

WHEREAS, the First Party is the owner of a ditch and canal and tile system used to carry water from the Northwest corner of the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., to the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado; and,

WHEREAS, the parties desire to eliminate these burdens upon the land which they presently own and provide for other rights of way to the Second Party for the delivery of water to the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado.

NOW THEREFORE, for and in consideration of these covenants the receipt and sufficiency of which is hereby acknowledged by the parties, and further in consideration of the agreements hereinafter set forth, it is hereby agreed as follows:

1. The First Party shall convey and does by these presence hereby quit claim to Second Party all of their right, title and interest, being a 10% interest, in and to a certain irrigation pumping system located in the Northern corner of the SE $\frac{1}{4}$ of Section 23, Township 5N, Range 60W of the 6th P.M., and a 10% interest in all ditches, canal and tile systems presently in existence used to carry said water to the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5N, Range 60W of the 6th P.M., and specifically to any such ditches, canals and tile systems across the SE $\frac{1}{4}$ of Section 23, and the N $\frac{1}{2}$ SW $\frac{1}{4}$ and the W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M.

2. Second Party shall convey and does by these presence quit claim to First Party all of his right, title and interest in and to an easement and right of way from the North line of the NE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado, thence in a Southeasterly direction to the South line of the NE $\frac{1}{4}$ of said Section 24, used to convey water to the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado.

3. The First Party does hereby grant and convey to the Second Party an easement and right of way 20 feet in width commencing at a point on the North line of the NE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado, where the ditch presently intersects said line, thence in a Westerly direction along the North line of the NE $\frac{1}{4}$ of Section 24 to the Northwest corner of the NE $\frac{1}{4}$ of said Section 24, and thence due South from the Northwest corner of the NE $\frac{1}{4}$ of said Section 24, along the West line of the NE $\frac{1}{4}$ of said Section 24, to the Northwest corner of the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado, for the purpose of conveying water from the ditch to the SE $\frac{1}{4}$ of said Section 24.

4. The parties agree that the First Party shall be allowed to use such water as may be reasonably necessary to irrigate the

E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13, Township 5N, Range 60W of the 6th P.M., as a supplemental source of water to the irrigation wells and pumping systems presently located on said land. It is agreed that the water for such purposes shall come from the headgate of the Second Party on the Riverside Ditch which is presently being transported from said headgate to the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M. The use of said water by the First Party shall not be a primary source of water for the irrigation of said E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13, and shall only be used when actually necessary to supplement the water supply provided by the irrigation wells located on said land.

5. The First Party shall pay all costs for the installation of a ditch along said right of way described in Paragraph 3 hereof and the Second Party shall be responsible for the maintenance and repair of said ditch after it has been properly installed and is operating and conveying water to the SE $\frac{1}{4}$ of Section 24, Township 5N, Range 60W of the 6th P.M., Morgan County, Colorado.

THIS AGREEMENT shall be binding upon the heirs, successors, personal representatives and assigns of the respective parties.

IN WITNESS WHEREOF the parties have signed this Agreement this 14th day of April, A.D., 1980.

WEST GREELEY FARMS, A Partnership

BY: Emanuel W. Rothe
Emanuel Rothe, A Partner
Delbert D. Castor
Delbert D. Castor, Second Party

STATE OF COLORADO)
) ss.
COUNTY OF)

Subscribed and sworn to before me this 14th day of April, A.D., 1980, by Emanuel Rothe, a Partner of West Greeley Farms, a Partnership and by Delbert D. Castor.

Witness my hand and official seal.

My Commission Expires: July 2, 1981

Albert J. [Signature]
Notary Public

THIS DEED, Made this 29th day of July in the year of our Lord one thousand nine hundred and forty-six between RALPH J. CUMMINGS and I. L. QUIAT

of the City and County of Denver and State of Colorado, of the first part, and SAM WEISBART, HARRY WEISBART, GEORGE WEISBART, IRVIN WEISBART, and JACK BOXER, co-partners, doing business under the name and style of S. Weisbart and Company, of the County of Morgan and State of Colorado, of the second part;

WITNESSETH, That the said parties of the first part, for and in consideration of the sum of Ten (\$10.00) Dollars and other valuable ~~XXXXXXXX~~

to the said parties of the first part in hand paid by the said parties of the second part, the receipt whereof is hereby confessed and acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell, convey and confirm unto the said parties of the second part their heirs and assigns forever, all the following described lots or parcels of land, situate, lying and being in the County of Morgan and State of Colorado, to-wit:

East Half of the West Half ($E\frac{1}{2} W\frac{1}{2}$); West Half of the Southeast Quarter ($W\frac{1}{2} SE\frac{1}{4}$); and Southwest Quarter of the Northeast Quarter ($SW\frac{1}{4} NE\frac{1}{4}$), of Section Thirteen (13), Township Five (5) N. of Range 60 West of the 6th P.M., together with all water, ditch, and lateral rights attached or appurtenant to said land or used in connection therewith, including the water, ditch, and lateral rights to which said land is entitled by virtue of the inclusion of a portion thereof in the Riverside Irrigation District, together with all water, ditch, and lateral rights to which said land or said first parties may be entitled or acquire upon a dissolution of said irrigation district, whether evidenced by shares of capital stock or otherwise, and especially water rights evidenced by a certificate of deposit of bonds of Riverside Irrigation District of the value of \$11,500.00, with the Riverside Land Owners Association in the First National Bank of Fort Morgan, Colorado; also eight (8) shares of the capital stock of the Riverside Reservoir and Land Company and water contract for two (2) water rights in the Riverside Reservoir evidenced by Contract No. 1135, or contract No. 1414.

Subject to rights of way in public roads and ditches now established.

The first parties reserve unto themselves, their heirs and assigns forever an undivided one-half of all oil, gas and minerals situate, lying or being upon, in or under the above described real estate.

TOGETHER with all and singular the hereditaments and appurtenances therunto 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 said parties of the first part either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances unto SAM WEISBART, HARRY WEISBART, GEORGE WEISBARG, IRVIN WEISBART and JACK BOXER, co-partners, doing business under the name and style of S. Weisbart and Company the said parties of the second part their heirs and assigns forever.

And the said Ralph J. Cummings and I. L. Quiat

parties of the first part,

for themselves, their heirs, executors and administrators, do covenant, grant, bargain and agree to and with the said parties of the second part, their heirs and assigns, that at the time of the enclosing and delivery of these presents they are well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance in law, in fee simple, and have good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid, and that the same are free and clear from all former and other

grants, bargains, sales, liens, taxes, assessments and incumbrances of whatever kind or nature soever. except a deed of trust of record securing an indebtedness payable to the First National Bank of Greeley, Colorado, the principal of which indebtedness has been reduced to \$6500.00, and subject to the lien against the above property for any and all bonds, obligations, assessments or indebtedness of or to the Riverside Irrigation District or for any of the above water rights and excepting also interest charges and assessments for water rights or for said irrigation district for the year 1945 and thereafter and the general taxes for the year 1945, and thereafter.

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

IN WITNESS WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered in Presence of

Ralph J. Cummings (SEAL)
I. L. Quiat (SEAL)

STATUTORY ACKNOWLEDGMENT, SUBSECTION 1507

STATE OF COLORADO,
City & County of DENVER

The foregoing instrument was acknowledged before me this 29th day of July 1946 by RALPH J. CUMMINGS and I. L. QUIAT

Witness my hand and official seal.

My Commission expires June 9, 1950.

Marie D. Adams, Notary Public



If by natural person or persons here (insert name or names); if by person acting in representative or official capacity or as attorney-in-fact, then insert name of person as executor, attorney-in-fact, or other capacity or description; if by officer of corporation, then insert name of such officer or officers, as the president or other officers of such corporation, naming it.



MINERAL DEED



Know All Men by These Presents, That S. WEISBART AND COMPANY, a
Colorado Corporation

of XXXXXXXXXXXXXXXXXXXXXXXXXXXX hereinafter called Grantor (whether one or more)
(Give Exact Postoffice Address)

for and in consideration of the sum of Ten Dollars and other good and valuable ~~XXXXXXXXXX~~
consideration
(XXXXXXXXXXXXXXXXXXXX cash in hand paid and other good and valuable considerations, the receipt of which is hereby
acknowledged, do ~~es~~ hereby grant, bargain, sell, convey, transfer, assign and deliver unto

JACK BOXER of Brush, Colorado
(Give Exact Postoffice Address)

hereinafter called Grantee (whether one or more) an undivided 20.6% interest of Grantor's interest, in
and to all of the oil, gas, and other minerals in and under and that may be produced from the following described lands
situated in Morgan County, State of Colorado, to-wit:

- Township 2 N., Range 55 West
W 1/2 and NW 1/4 NE 1/4, Section 31.
- Township 4 N., Range 55 West
Section 7: NW 1/4 SE 1/4, S 1/2 S 1/2, NE 1/4 SE 1/4;
Section 8: S 1/2 NW 1/4; NE 1/4 NW 1/4; W 1/2 NE 1/4; SW 1/4;
NW 1/4 SE 1/4;
Section 10: E 1/2 SE 1/4;
Section 11: SW 1/4;
Section 14: NW 1/4; W 1/2 SW 1/4;
Section 15: E 1/2 E 1/2.
- Township 4 N., Range 56 West
Section 34: SW 1/4 NW 1/4; W 1/2 SE 1/4 NW 1/4;
Parcel in W 1/2 SW 1/4 - Described M/B Book 472, Page 63.
- Township 3 N., Range 57 West
Section 19: NW 1/4; N 1/2 SW 1/4.
- Township 4 N., Range 57 West
Section 30: Pt. W 1/2 SE 1/4 W of Hiway and SW 1/4;
A Triangular Tract in SW 1/4 SE 1/4, which is 22.2' W at So.
Line and being inside a 60' Strip and adj. to the W. line
thereof and running to a point about 440' N of S Line of
Section 30, as described in Book 521, Page 22.
Section 31: N 1/2 NW 1/4.
- Township 5 N., Range 57 West
Section 6: S 1/2 SW 1/4; SW 1/4 SE 1/4; and E 1/4 SE 1/4.
Section 7: All.
Section 8: SW 1/4 SW 1/4.
Section 17: NW 1/4 NW 1/4; and NW 1/4 NE 1/4.
Section 18: W 1/2 NW 1/4; and NE 1/4 NE 1/4.
- Township 4 N., Range 58 West
S 1/2 SW 1/4, Section 25.
Section 25: S 1/2 SE 1/4; and NE 1/4 SE 1/4.
Section 26: E 1/2 SE 1/4;
NE 1/4 SW 1/4; and NW 1/4 SE 1/4.
- Township 5 N., Range 60 West
Section 13: E 1/2 NW 1/4; SW 1/4 NE 1/4; E 1/2 SW 1/4; W 1/2 SE 1/4.

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~, together with the right of ingress and egress at all times for
the purpose of operating and developing said lands for oil, gas, and other minerals, and marketing the same therefrom
with the right to remove from said lands all of Grantee's property and improvements, ~~including the necessary easements~~
of ~~the right of easement.~~

This sale is made subject to any rights now existing to any lessee or assigns under any valid and subsisting oil and
gas lease of record heretofore executed; it being understood and agreed that said Grantee shall have, receive, and enjoy
the herein granted undivided interest in and to all bonuses, rents, royalties and other benefits which may accrue under
the terms of said lease insofar as it covers the above described land from and after the date hereof, precisely as if the
Grantee herein had been at the date of the making of said lease the owner of a similar undivided interest in and to
the lands described and Grantee one of the lessors therein.

Grantor agrees to execute such further assurances as may be requisite for the full and complete enjoyment of the
rights herein granted and likewise agrees that Grantee herein shall have the right at any time to redeem for said
Grantor by payment, any mortgage, taxes, or other liens on the above described land, upon default in payment by
Grantor, and be subrogated to the rights of the holder thereof.

TO HAVE AND TO HOLD the above described property and easement with all and singular the rights, privi-
leges, and appurtenances thereto or in anywise belonging to the said Grantee herein his heirs,
successors, personal representatives, administrators, executors, and assigns forever, and Grantor do ~~es~~ hereby war-
rant said title to Grantee his heirs, executors, administrators, personal representatives, successors and assigns
forever and do ~~es~~ hereby agree to defend all and singular the said property unto the said Grantee herein
his heirs, successors, executors, personal representatives, and assigns against every person whomsoever
claiming or to claim the same or any part thereof.

Witness his hand this 4th day of October, 1955.

ATTEST

Secretary
COLORADO

S. WEISBART AND COMPANY
By Harry Weisbart
President

(WYOMING—SINGLE FORM)

STATE OF _____ }
COUNTY OF _____ }

BOOK 565 PAGE 219

On this _____ day of _____, 19____, before me personally
appeared _____ to
me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed
the same as his free act and deed.

Given under my hand and seal this _____ day of _____, 19____.
My commission expires: _____

Notary Public

(WYOMING—CORPORATION FORM)

STATE OF _____ }
COUNTY OF _____ }

On this _____ day of _____, 19____, before me appeared
_____, to me personally known,
who, being by me duly sworn, did say that he is the _____ President of _____

and that the seal affixed to said
instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said
corporation by authority of its board of directors and said _____
acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and seal this _____ day of _____, 19____.
My commission expires: _____

Notary Public

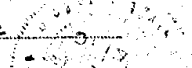
(COLORADO—GENERAL FORM)

STATE OF COLORADO }
CITY and COUNTY OF DENVER }

The foregoing instrument was acknowledged before me this fourth day of
October, 19 55, by Harry Weisbart as President of and
for S. Weisbart and Company

Witness my hand and official seal July 12, 1958.
My commission expires: _____

B. Bennie
Notary Public



416918

MINERAL DEED

FROM

S. WEISBART AND COMPANY

TO
JACK BOXER

STATE OF Colo
County of May

This instrument was filed for record on the
_____ day of NOV, 1955
at 10 o'clock A.M., and duly
recorded in Book 565, Page 219
of the records of this office.

A. K. Carruth
County Clerk - Register of Deeds
By L. A. Hellerstein Deputy

When Recorded
Return to
1020 University Building
Denver 2, Colorado
L. A. Hellerstein
1020 University Bldg.
Denver, Colorado

RECEPTION NO. 543697 RECORDED JUL 21 1967
800 O'CLOCK A.M. A. K. CARRUTH, RECORDER

WARRANTY DEED

THIS DEED, Made this 18th day of July, in the year of our Lord, one thousand, nine hundred and sixty-seven, between GEORGE WEISBART and IRVIN WEISBART, of the City and County of Denver, and State of Colorado, of the first part, and J. A. FARMS, INC., a corporation duly organized and existing under and by virtue of the laws of the State of Colorado of the second part;

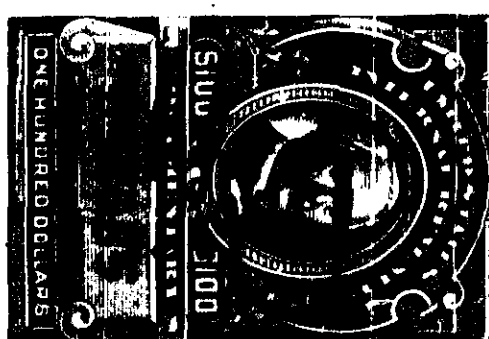
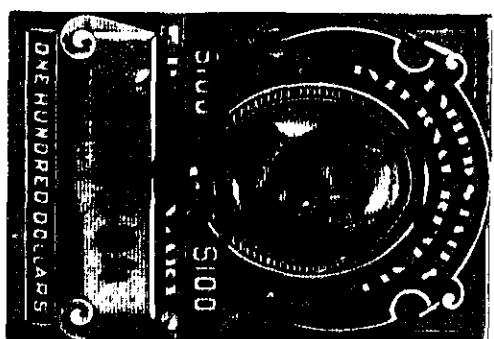
WITNESSETH, That the parties of the first part, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, to the said parties of the first part in hand paid by the said party of the second part, the receipt whereof is hereby confessed and acknowledged, have granted, bargained, sold and conveyed, and by these presents do grant, bargain, sell, convey and confirm unto the said party of the second part, its successors and assigns forever, an undivided 173.0679/266.5 interest in and to the following described parcels of land and personal property situate, lying and being in the County of Morgan and State of Colorado, to-wit:

The South Half of the Southwest Quarter (S1/2 SW1/4), and the Southeast Quarter (SE 1/4) of Section Seven (7); the Southwest Quarter (SW 1/4), and the South Half of the Northwest Quarter (S1/2 NW1/4), and the Northeast Quarter of the Northwest Quarter (NE 1/4 NW 1/4), and the West Half of the Northeast Quarter (W 1/2 NE 1/4), and the Northwest Quarter of the Southeast Quarter (NW 1/4 SE 1/4) of Section Eight (8); the East Half of the Southeast Quarter (E 1/2 SE 1/4) of Section Ten (10); the Southwest Quarter (SW 1/4) of Section Eleven (11); the Northwest Quarter (NW 1/4), and the West Half of the Southwest Quarter (W 1/2 SW 1/4) of Section Fourteen (14); the East Half of the East Half (E 1/2 E 1/2) of Section Fifteen (15); all in Township Four (4), North, Range Fifty-five (55) West of the 6th P.M.

The East Half of the Northwest Quarter (E 1/2 NW 1/4), and the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4), and the East Half of the Southwest Quarter (E 1/2 SW 1/4), and the West Half of the Southeast Quarter (W 1/2 SE 1/4) of Section Thirteen (13), Township Five (5) North, Range Sixty (60) West of the 6th P.M.

Reserving unto Grantors herein, their heirs and assigns, an undivided one-third (1/3) interest in and to all oil, gas, and other minerals in, on, or under said lands, and not heretofore reserved, including any reversionary interest in prior reservations. This mineral reservation shall be in full force and effect for a period of fifteen (15) years from the date of conveyance, and thereafter shall revert to the Grantee; provided further that if there be production of minerals on or before said expiration date, the Grantors shall retain the ownership of the minerals hereinabove reserved for so long as mineral production shall continue on said land.

Together with, but not by way of limitation, Eight (8) Shares of the Capital Stock of the Jackson Lake & Reservoir Company, and Forty-eight (48) Shares of the Capital Stock of the Lower Platte & Beaver Canal Ditch Company, and Eight (8) Shares of the Capital Stock of the Riverside Reservoir & Land



Company, and all of Grantors' interest in the Riverside District Water, and one 10 inch Worthington Pump No. T-1339 and one Delco Electric Motor No. 31A-140, and one 10 inch Lane & Bowler Pump No. V6-208 and one U. S. Electric Motor No. 390030, and one 10 inch Lane & Bowler Pump No. N-9092 and one U. S. Electric Motor No. 3744247, and one 6 inch Lane & Bowler Pump No. 9090 and one U. S. Electric Motor No. 3753551, and one 6 inch Lane & Bowler Pump No. N-302 and one U. S. Electric Motor No. 2506708, and one 6 inch Lane & Bowler Pump No. N-3028 and one U. S. Electric Motor No. 2527617, and all other water, water rights and ditch rights appurtenant to the aforesaid described real property.

TOGETHER with all and singular the hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the said parties of the first part, either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances.

TO HAVE AND TO HOLD the said premises above bargained and described, with the appurtenances unto the said party of the second part, its successors and assigns forever. And the said GEORGE WEISBART and IRVIN WEISBART, parties of the first part, for themselves, their heirs, executors and administrators, do covenant, grant, bargain and agree to and with the said party of the second part, its successors and assigns, that at the time of the ensembling and delivery of these presents they are well seized of the premises above conveyed, as of good, sure, perfect, absolute and indefeasible estate of inheritance, in law, in fee simple, and have good right, full power and lawful authority to grant, bargain, sell and convey the same in manner and form aforesaid, and that the same are free and clear from all former and other grants, bargains, sales, liens, taxes, assessments and incumbrances of whatever kind or nature soever, except the general taxes for 1967 payable in 1968 and subject to the easements, rights of way and reservations of record, if any, to assessments of Ditch, Irrigation and Reservoir Companies, the Northern Colorado Water Conservancy District, the Lower South Platte Water Conservancy District, the East Morgan County Hospital District and the Rural Fire Protection Districts where applicable, and oil, gas and other mineral reservations heretofore reserved, and the above bargained premises in the quiet and peaceable possession of the said party of the second part, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof, the said parties of the first part shall and will WARRANT AND FOREVER DEFEND.

IN WITNESS WHEREOF, The said parties of the first part have hereunto set their hands and seals the day and year first above written.

George Weisbart
George Weisbart

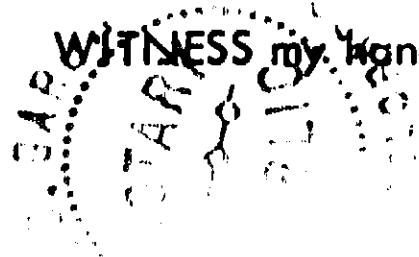
Irvin Weisbart
Irvin Weisbart

STATE OF COLORADO)
) ss.
City and County of Denver)

The foregoing instrument was acknowledged before me this 18th day of July, 1967, by George Weisbart and Irvin Weisbart.

My commission expires May 2, 1971

WITNESS my hand and official seal.



H. C. Gardner
Notary Public

AGREEMENT

THIS AGREEMENT is entered into by and between Fort Morgan Reservoir and Irrigation Company, a Colorado mutual ditch company (hereinafter referred to as "Fort Morgan Company"), and the City of Fort Morgan, a Colorado municipal corporation (hereinafter referred to as "the City").

WITNESSETH:

WHEREAS, Fort Morgan Company controls and administers the water rights described on the attached Exhibit A for the benefit of the shareholders of the Fort Morgan Company, and the water rights include the (1) Fort Morgan Canal Water Right ("Canal Water Right"), (2) Fort Morgan Canal Augmentation Water Right ("Augmentation Water Right"), (3) Water Rights Attributable to Ownership of Shares in the Jackson Lake Reservoir and Irrigation Company ("Jackson Lake Water"), (4) the Decree entered by the Water Division No. 1 Water Court in Case No. W-2692 on April 22, 1985 ("Augmentation Plan"), and (5) the water rights described in an application pending in Case No. 92CW170 in the Water Division No. 1 Water Court ("92CW170 Water Right"), and the water rights described on Exhibit A are collectively referred to as the "Fort Morgan Company Water Rights"; and

WHEREAS, the City is the owner of 118 shares of stock in the Fort Morgan Company described on Exhibit B, and the stock certificates and shares are collectively referred to in this Agreement as "the City Shares"; and

WHEREAS, the City is the owner of the wells and well water rights described on Exhibit C, which wells and well water rights are included within the Augmentation Plan and are hereinafter referred to as the "City Agricultural Wells"; and

WHEREAS, the City is the owner of the wells and well water rights described on Exhibit D, which wells and well water rights are hereinafter referred to as the "City Municipal Wells"; and

WHEREAS, the parties intend to specify the terms and conditions on which the City will use the portion of the Fort Morgan Company Water Rights represented by the City Shares.

THEREFORE, in consideration of the mutual covenants and promises described herein, the parties agree as follows:

1. City Agricultural Wells. The City Agricultural Wells, without any change of water right, may be used for irrigation of the land described on Exhibit C. The Fort Morgan Company Water Rights associated with the portion of the City Shares described on Exhibit C for each well shall be used on the land or used to replace depletions associated with the City Agricultural Wells during all times when the City Agricultural Wells are used for agricultural irrigation. During

times when the City Agricultural Wells are used for agricultural irrigation, the depletions to the South Platte River shall be replaced pursuant to the Augmentation Plan. The City shall provide the Fort Morgan Company with such information regarding the use of the City Agricultural Wells for agricultural irrigation as may be required for administration of the Augmentation Plan, and the City shall comply with such operating policies and rules and regulations for agricultural wells adopted by the Fort Morgan Company.

2. Allocation of Augmentation Water. The Fort Morgan Company controls and administers the Augmentation Plan. The operation of the Augmentation Plan involves the delivery of the Augmentation Water Right and the Jackson Lake Water to groundwater recharge facilities within and along the Fort Morgan Canal, and accounting for and replacement of depletions to the South Platte River associated with wells included within the Augmentation Plan. The water delivered to the groundwater recharge facilities accrues to the South Platte River in amounts and at times determined pursuant to the procedures specified in the Augmentation Plan, which water is hereinafter referred to as the "Augmentation Water". The Augmentation Plan was designed and has operated to supplement and augment the water delivered to shareholders of the Fort Morgan Company pursuant to the Canal Water Right and the Jackson Lake Water. To the extent shareholders of the Fort Morgan Company operate wells for agricultural production, the depletions to the South Platte River associated with the operation of the wells have been replaced with the Augmentation Water. The Fort Morgan Company and the City agree that the City shall receive the City's proportional share of the Augmentation Water developed by the Augmentation Plan based on ownership of stock in the Fort Morgan Company. The City shall receive Thirty-five One-thousandth percent (0.035%) of the Augmentation Water for each share of stock in the Fort Morgan Company not associated with the City Agricultural Wells ("the City Percentage"). In the event the City sells, assigns, transfers or conveys a portion of the City Shares to a third party, or in the event the City purchases or is assigned, transferred or conveyed additional shares of stock in the Fort Morgan Company, the City Percentage shall be adjusted by Thirty-five One-thousandth percent (0.035%) for each share of stock that is conveyed or acquired by the City. At such time when (1) the City obtains a decree from the Water Division No. 1 Water Court authorizing the use of the City Agricultural Wells for municipal purposes, or (2) during the time that an application for a decree authorizing the use of the City Agricultural Wells for municipal purposes from the Water Division No. 1 Water Court is pending and the City has obtained a temporary substitute supply plan from the State Engineer, and the City has advised the Fort Morgan Company in writing that the City will not use water from the City Agricultural Wells for agricultural irrigation, the City Shares associated with the City Agricultural Wells shall be included within the City Percentage. The City Percentage shall also be reduced by an amount equal to future depletions accruing to the South Platte River based on operation of the City Agricultural Wells prior to the time that water from the City Agricultural Wells is used for municipal purposes. The depletions accruing to the South Platte River associated with the operation of the Barkley Well pursuant to Well Permit No. 10354 for the time period of 1985 to 1991 is attached as Exhibit E, and a new depletion schedule based on the withdrawals from the City Agricultural Wells pursuant to the Augmentation Plan shall be prepared at the time each City Agricultural Well is converted to municipal use. The determination of the City Percentage shall

be made on a monthly basis and shall be based on the total amount of Augmentation Water accruing to the South Platte River during each month. The Fort Morgan Company shall have no obligation to deliver to the City any amount of Augmentation Water greater than the City Percentage, and the City shall have no right to delivery of more Augmentation Water during any month than the City Percentage. The City's use of the City Percentage shall be limited as specified in this Agreement. In the event that the City does not fully use the City Percentage, the City Percentage shall be useable by the Fort Morgan Company, at no cost to the Fort Morgan Company, to replace depletions associated with other wells augmented by the Fort Morgan Company, including but not limited to, the wells described in decrees entered by the Water Division No. 1 Water Court in (1) the Augmentation Plan, (2) the Findings of Fact, Conclusions of Law, Judgment and Decree entered by the Water Court in and for Water Division No. 1 in Case No. 91CW035 on August 25, 1993, (3) the Findings of Fact, Conclusions of Law, Judgment and Decree entered by the Water Court in and for Water Division No. 1 in Case No. W-9383-78 on August 25, 1993, (4) in the Application for Water Rights of Fort Morgan Reservoir and Irrigation Company, Henry C. Lauck and Marie Lauck, Joint Tenants, and Morgan County Rural Electric Association, a Colorado Corporation, pending in the Water Court in and for Water Division No. 1 in Case No. 94CW186, and (5) in the Application for Water Right of Fort Morgan Reservoir and Irrigation Company and Kennedy Et. Al. Investments, LLC, pending in the Water Court in and for Water Division No. 1 in Case No. 96CW017. To the extent that augmentation water accrues to the South Platte River pursuant to the operation of a future decree entered in Case No. 92CW170, the 92CW170 Water shall be allocated to the City on the same terms and conditions as the Augmentation Water, and the use of the 92CW170 Water shall be used on the same terms and conditions as the Augmentation Water. The Fort Morgan Company shall have no obligation to proceed with the pending application in Case No. 92CW170.

3. Use of Augmentation Water. The City shall use the City Percentage for the replacement of depletions associated with the City's operation of the City Agricultural Wells and the City Municipal Wells for municipal purposes. The Augmentation Plan does not currently authorize the use of the Augmentation Water for municipal purposes within the City and the water withdrawn from the Agricultural Wells is not currently authorized to be used for municipal purposes. At such time when (1) the City obtains a decree from the Water Division No. 1 Water Court, or (2) during the time that an application for a decree from the Water Division No. 1 Water Court is pending and the City has obtained a temporary substitute supply plan from the State Engineer, the City may use the City Percentage to replace depletions associated with the use of the City Agricultural Wells and the City Municipal Wells, and any replacement wells or alternate point of diversion wells for said wells.

4. Jackson Lake Water. The Jackson Lake Water may be used for (1) direct delivery for irrigation purposes, or (2) direct delivery for groundwater recharge purposes pursuant to the Augmentation Plan or the application pending in Case No. 92CW170. The City may use the Jackson Lake Water pursuant to any of the following options:

- A. Subject to the provisions of the paragraph captioned "City Agricultural Wells", the City may take direct delivery of the City's proportional interest in the Jackson Lake Water for irrigation of the lands that have been historically irrigated by the Canal Water Right. The City's proportional interest in the Jackson Lake Water shall be determined from time to time and shall be based on the City's Shares ("Jackson Lake Water Proportional Interest"). In the event the City sells, assigns, transfers or conveys a portion of the City Shares to a third party, or in the event the City purchases or is assigned, transferred or conveyed additional shares of stock in the Fort Morgan Company, the Jackson Lake Water Proportional Interest shall be adjusted based on the number of shares of stock that is conveyed or acquired by the City. The City shall notify the Fort Morgan Company on or before May 1 of each year of the number of City Shares that the City wishes to allocate for direct delivery, and the Jackson Lake Water will be delivered to the City at such times and pursuant to the policies of the Fort Morgan Company for direct irrigation.
- B. There are times when the Fort Morgan Company has Augmentation Water available in the South Platte River that is not committed for satisfaction of other obligations of the Fort Morgan Company and there are anticipated to be times when the City requires fully consumable water for replacement of depletions to the South Platte River associated with the operation of the City Agricultural Wells and the City Municipal Wells. As an alternative to taking direct delivery of the Jackson Lake Water Proportional Interest as described in the preceding subparagraph, the Fort Morgan Company and the City agree to exchange all or a portion of the Jackson Lake Water Proportional Interest for Augmentation Water delivered to the South Platte River by the Fort Morgan Company. The exchange of Jackson Lake Water Proportional Interest for Augmentation Water shall occur at times when (1) the Fort Morgan Company has Augmentation Water available and such Augmentation Water is not committed or required for satisfaction of other obligations of the Fort Morgan Company, as determined by the Fort Morgan Company, and (2) the City has water available from the Jackson Lake Water Proportional Interest. The Augmentation Water to be delivered to the City pursuant to the exchange described in this Subparagraph may be attributable to any augmentation site operated by the Fort Morgan Company, including, but not limited to, the new augmentation site described in this Subparagraph. The Fort Morgan Company may develop an additional augmentation site to be identified and developed by the Fort Morgan Company ("New Augmentation Site"). The parties contemplate and agree that water to be delivered to the New Augmentation Site shall be water associated with the Augmentation Water Right and the 1992 Water Right and the Jackson Lake Water, and such other water rights as the Fort Morgan Company may develop. The water delivered into the New Augmentation Site shall be included within the total amount of water delivered into ground water recharge sites pursuant to the provisions of Paragraph 5 of this Agreement. The Fort Morgan Company shall pay all costs and expenses associated with procuring the

New Augmentation Site and developing the New Augmentation Site and shall pay all costs and expenses associated with adjudication of the New Augmentation Site for use pursuant to the terms and conditions of the Decree entered in Case No. W-2692. The New Augmentation Site shall be included in the application to be filed in the Water Court in and for Water Division No. 1 on or before October 31, 1996, described in this Agreement. The Fort Morgan Company shall have the sole obligation and responsibility for management of the delivery of water and accounting for water delivered to the New Augmentation Site. In the event that the City desires a release of the Jackson Lake Water Proportional Interest from Jackson Lake Reservoir and the Fort Morgan Company has available Augmentation Water that is not required for the satisfaction of shareholders or other agreements of the Fort Morgan Company, the Fort Morgan Company and the City may agree to exchange all or a portion of the Jackson Lake Water Proportional Interest for Augmentation Water delivered to the South Platte River by the Fort Morgan Company. For each acre-foot of Augmentation Water received by the City pursuant to an exchange of the Jackson Lake Water Proportional Interest, the Fort Morgan Company shall receive 2.41 acre-feet of water associated with the Jackson Lake Water Proportional Interest stored in Jackson Lake Reservoir. Upon such exchange, the Fort Morgan Company shall be responsible for any and all seepage, evaporation losses, transit losses and other losses associated with the water exchanged to the Fort Morgan Company. Any exchange of water pursuant to this subparagraph may be completed by an oral agreement, but the amounts exchanged shall be confirmed in writing within fifteen (15) days after completion of an exchange.

- C. As an alternative to taking delivery of the Jackson Lake Water Proportional Interest as described in the preceding subparagraphs, the City may receive direct deliveries of the Jackson Lake Water Proportional Interest, which shall be used for replacement of depletions attributable to withdrawals of water from the City Agricultural Wells and the City Municipal Wells. Pursuant to current operating policies, rules and regulations of the Jackson Lake Reservoir and Irrigation Company and the Fort Morgan Company, water is only released out of Jackson Lake Reservoir at such times and in such amounts as will minimize seepage out of the release gate and minimize canal and river transit losses. Neither the Fort Morgan Company nor Jackson Lake Reservoir and Irrigation Company shall be obligated to modify existing facilities or construct facilities to minimize seepage losses out of the release gate. The current policy of the Fort Morgan Company is that when water is released from Jackson Lake Reservoir, all shareholders must take delivery of the Jackson Lake Water when the water is available to the shareholders. Any releases of water associated with the Jackson Lake Water Proportional Interest shall be subject to a reduction for evaporation and seepage losses attributable to the Jackson Lake Water Proportional Interest and the Jackson Lake Water Proportional Interest shall be further subject to any losses associated

with the release of the Jackson Lake Water Proportional Interest from Jackson Lake Reservoir, including, but not limited to, any losses associated with seepage out of the release gate and canal and river transit losses. Any losses described in the preceding sentence shall be assessed on the same proportional basis as all other shareholders in the Fort Morgan Company. The parties contemplate and agree that pursuant to the Augmentation Plan, the City shall be entitled to claim forty-two percent (42%) of the Jackson Lake Water Proportional Interest released and measured at the outlet of Jackson Lake Reservoir as fully consumable water and usable to replace depletions attributable to withdrawals from the City Agricultural Wells and the City Municipal Wells. The releases measured at the outlet of Jackson Lake Reservoir shall be subject to such transit losses as may be assessed by the Division Engineer, or the Water Commissioner, or as may be included in the Water Court Decree described below. The parties have stipulated and agreed that the ditch losses associated with the delivery of the Jackson Lake Water Proportional Interest from the headgate of the Fort Morgan Canal to shareholders on the Fort Morgan Canal varies from time to time. The Fort Morgan Company shall determine the ditch losses in the Fort Morgan Canal from time to time, which ditch losses shall be equal to the same ditch loss on a percentage basis as is assessed to other shareholders of the Fort Morgan Company ("Ditch Loss Percentage"). At such times when the Fort Morgan Company is diverting Jackson Lake Reservoir water at the headgate of the Fort Morgan Canal and the City is taking deliveries of the Jackson Lake Proportional Interest, the Fort Morgan Company may divert into the Fort Morgan Canal the Ditch Loss Percentage associated with the Jackson Lake Proportional Interest released at that time. At such times when the Fort Morgan Company is not diverting Jackson Lake Reservoir water at the headgate of the Fort Morgan Canal and the City is taking deliveries of the Jackson Lake Proportional Interest, the Fort Morgan Company may, at the discretion of the Fort Morgan Company, either (1) retain in Jackson Lake Reservoir an amount equal to the Ditch Loss Percentage multiplied by the amount of the Jackson Lake Proportional Interest released out of Jackson Lake Reservoir at that time, or (2) divert into the Fort Morgan Canal an amount equal to the Ditch Loss Percentage multiplied by the amount of the Jackson Lake Proportional Interest delivered to the headgate of the Fort Morgan Canal at that time. Except for the Ditch Loss Percentage, the Jackson Lake Proportional Interest shall be delivered to the in-priority or calling water rights located downstream of the Jackson Lake outlet ditch. For example, assuming that ten (10) acre feet of water are proposed to be released from Jackson Lake Reservoir as part of the Jackson Lake Proportional Interest and three percent (3%) of the released water is assessed as transit losses in the delivery of the Jackson Lake Proportional Interest to the headgate of the Fort Morgan Canal and the Fort Morgan Company has determined the Ditch Loss Percentage to be equal to thirty percent (30%). Under the foregoing assumptions, the amount of water delivered to the Fort Morgan Canal headgate is equal to 9.7 acre feet. If the Fort Morgan Company was

diverting Jackson Lake Reservoir water at the headgate of the Fort Morgan Canal, City would receive 4.07 acre feet of water for replacement of depletions (*i.e.*, 9.7 acre feet times 42%), the Fort Morgan Company would divert 2.91 acre feet of water into the Fort Morgan Canal for replacement of historical ditch losses (*i.e.*, 9.7 acre feet times 30%), and the remaining water would be left in the South Platte River to replace historical return flows. If the Fort Morgan Company was not diverting Jackson Lake Reservoir water at the headgate of the Fort Morgan Canal, City would receive 4.07 acre feet of water for replacement of depletions (*i.e.*, 9.7 acre feet times 42%), the Fort Morgan Company could either (1) divert 2.91 acre feet of water into the Fort Morgan Canal for replacement of historical ditch losses (*i.e.*, 9.7 acre feet times 30%), or (2) retain 3.00 acre feet of water in Jackson Lake Reservoir for later replacement of historical ditch losses (*i.e.*, 10.0 acre feet times 30%), and the remaining water would be left in the South Platte River to replace historical return flows. With respect to any water retained in Jackson Lake Reservoir by the Fort Morgan Company as part of Ditch Loss Percentage, the Fort Morgan Company shall be responsible for any and all seepage, evaporation losses, transit losses and other losses associated with the water retained in Jackson Lake Reservoir. The parties further contemplate and agree that the Jackson Lake Water Proportional Interest shall be changed pursuant to an application to be filed in the District Court in and for Water Division No. 1 described in this Agreement to replace depletions associated with the withdrawal of the City Agricultural Wells and the City Municipal Wells, and the use of the Jackson Lake Water Proportional Interest shall be subject to the terms of this Agreement and the Water Court Decree.

- D. On or before May 1 of each year, the City shall notify the Fort Morgan Company of the amount of the Jackson Lake Water Proportional Interest that the City wishes to take for irrigation as described in Subparagraph A, and the amount of the Jackson Lake Water Proportional Interest that the City wishes to use for direct augmentation pursuant to Subparagraph C. Any amount of the Jackson Lake Water Proportional Interest remaining after the City's designation of the portion of the Jackson Lake Water Proportional Interest to be used pursuant to Subparagraphs A and C, may be delivered by the Fort Morgan Company to groundwater recharge facilities pursuant to the Augmentation Plan and any decree entered in Case No. 92CW170, to the Fort Morgan Recharge Site described below or delivered to other shareholders diverting water for augmentation purposes on the Fort Morgan Canal, or traded to the Fort Morgan Company pursuant to Subparagraph B. The Fort Morgan Company may deliver the remaining Jackson Lake Water Proportional Interest in such amounts, at such times and to such locations, as the Fort Morgan Company determines in its sole discretion, or the Fort Morgan Company may retain the remaining Jackson Lake Water Proportional Interest in Jackson Lake Reservoir. Any water retained in Jackson Lake Reservoir may not be carried over to a subsequent year, unless the operating policies or rules and

regulations of the Jackson Lake Reservoir and Irrigation Company so provide. The Fort Morgan Company shall have no obligation to deliver the Jackson Lake Water Proportional Interest to a particular groundwater recharge facility, or deliver the Jackson Lake Water Proportional Interest in a particular quantity or at a particular time. The Fort Morgan Company shall have no obligation or duty to account for the specific location, time or amount of the Jackson Lake Water Proportional Interest that is delivered to groundwater recharge facilities or other shareholders, nor shall the Fort Morgan Company have any obligation or duty to account for the Jackson Lake Water Proportional Interest from the date of the delivery to a groundwater recharge facility to the date of accrual to the South Platte River. Upon request by the City, the Fort Morgan Company shall certify to the City that the Jackson Lake Water Proportional Interest was delivered for irrigation or to a ground water recharge facility or retained in storage or exchanged or released for delivery to the South Platte River pursuant to this paragraph. The City's proportional interest in the Jackson Lake Water remaining after the uses described in Subparagraphs A, B, and C shall be combined with other Jackson Lake Water delivered to groundwater recharge facilities, and the total amount of Augmentation Water accruing to the South Platte River shall be allocated to the City as specified above with respect to the paragraph captioned "Allocation of Augmentation Water."

5. Canal Water Right. The Canal Water Right can be used for direct delivery of water for agricultural irrigation. Until such time as the City files an application in the Water Court in and for Water Division No. 1, or such other court or administrative agency with appropriate jurisdiction, for change of water right for the Canal Water Right, the Canal Water Right shall be administered pursuant to the following terms and conditions:

- A. Subject to the provisions of the paragraph captioned "City Agricultural Wells", the Canal Water Right may be delivered to the historically irrigated lands described on Exhibit C or such other lands historically irrigated by the Canal Water Right. The City may lease the Canal Water Right to other shareholders of the Fort Morgan Company. The City shall notify the Fort Morgan Company on or before May 1 of each year of the number of City Shares that the City intends to use for direct irrigation of the lands described on Exhibit C and the number of City Shares that the City has leased to other shareholders of the Fort Morgan Company, and the Canal Water Right will be delivered at such times and pursuant to the policies of the Company for use of the Canal Water Right.
- B. With respect to any of the City Shares that the City does not use for delivery to the historically irrigated lands described on Exhibit C or is not leased by the City for irrigation of other lands historically irrigated by the Canal Water Right, the City's proportional interest in the Canal Water Right shall be delivered to other shareholders of the Fort Morgan Company to prevent any injury associated with the operation of the provisions of this paragraph. The deliveries to the other

shareholders of the Fort Morgan Company shall be in the sole discretion of the Fort Morgan Company. The City owns a parcel of land described on Exhibit F, which is hereinafter referred to as the "Fort Morgan Recharge Site". The terms of this Agreement pertaining to the Fort Morgan Recharge Site shall also apply to any other similar site(s) as the City and Fort Morgan Company may agree upon. In lieu of deliveries of water pursuant to the Canal Water Right, the Fort Morgan Company agrees to deliver water associated with the Augmentation Water Right and the 1992 Water Right and the Jackson Lake Water to the Fort Morgan Recharge Site. The total quantity of water delivered to the Fort Morgan Recharge Site shall be an amount equal to the City Percentage multiplied by the total amount of water delivered into groundwater recharge sites pursuant to the Augmentation Plan and the decree entered in Case No. 92CW170 during each calendar year, with the total amount determined over a moving consecutive three (3) year period. For example, assuming that the City dedicates the following number of shares for operation pursuant to this paragraph over a six (6) year period and assuming that the total amount of water delivered into groundwater recharge sites during each calendar year is as follows:

YEAR	NO. OF SHARES	CITY PERCENT	TOTAL GROUND WATER RECHARGE (AF)	FORT MORGAN RECHARGE SITE MINIMUM DELIVERY (AF)	THREE YEAR AVERAGE (AF)
1	100	3.5	10900	382	
2	95	3.325	9600	319	
3	90	3.15	7400	233	311
4	100	3.5	5000	175	242
5	110	3.85	9000	347	252
6	100	3.5	11000	385	302

For purposes of calculating the Three Year Average, any water delivered to the Fort Morgan Recharge Site associated with the Jackson Lake Water Proportional Interest shall not be included in the Three Year Average. City Shares receiving delivery of the Canal Water Right for use on lands authorized to be irrigated by the Canal Water Right shall not be included within the shares to be used for calculation of the quantity of water to be delivered to the Fort Morgan Recharge Site. During each month, the City shall be entitled

to the first .35 acre feet multiplied by the number of City Shares allocated pursuant to this paragraph for the year of Augmentation Water accruing to the South Platte River from the Fort Morgan Recharge Site and the remaining Augmentation Water accruing to the South Platte River from the Fort Morgan Recharge Site each month shall be equally divided between the City and the Fort Morgan Company. For example, assuming that the City dedicates one hundred (100) shares for operation pursuant to this paragraph during a particular calendar year, the City would be entitled to the first thirty-five (35) acre feet of Augmentation Water accruing to the South Platte River from the Fort Morgan Recharge Site each month. The following chart illustrates the allocation of water between the City and the Fort Morgan Company based on an assumed monthly amount of augmentation water accruing to the South Platte River from the Fort Morgan Recharge Site each Month:

MONTH	AMOUNT OF AUGMENTATION WATER (AF)	CITY SHARE OF AUGMENTATION WATER (AF)	FORT MORGAN COMPANY SHARE OF AUGMENTATION WATER (AF)
JANUARY	25	25	0
FEBRUARY	34	34	0
MARCH	40	37.5	2.5
APRIL	60	47.5	12.5
MAY	50	42.5	7.5
JUNE	40	37.5	2.5
JULY	30	30	0
AUGUST	34	34	0
SEPTEMBER	25	25	0
OCTOBER	34	34	0
NOVEMBER	28	28	0
DECEMBER	30	30	0

The water to be delivered to the Fort Morgan Recharge Site shall be delivered (1) through the Southside Ditch, or (2) through a new facility to be built for diversion of water out of the Fort Morgan Canal. The parties shall work together to attempt to obtain an agreement with the Southside Ditch to deliver water to the Fort Morgan Recharge Site and the City shall pay any carriage fees associated with the carriage of water to the Fort Morgan

Recharge Site. In the event a new facility is built for diversion of water to the Fort Morgan Recharge Site, the City shall pay the cost of the new facility. This Subparagraph B shall terminate and be of no force and effect on the earlier of (1) the date on which the City files an application with the Water Court in and for Water Division No. 1, or other court or administrative agency of appropriate jurisdiction, for change of the City's proportionate interest in the Canal Water Right or the Jackson Lake Water Right (except as contemplated herein) or both water rights, or (2) a court of appropriate jurisdiction enters an order directing the Fort Morgan Company to not operate pursuant to the terms of this Subparagraph B, or (3) the Fort Morgan Company stipulates or agrees with any person or entity to not operate pursuant to the terms of this Subparagraph B because the person or entity claims the water rights owned by the person or entity are adversely affected or materially injured by the operation of this Subparagraph B, unless the Fort Morgan Company determines that such operation may continue without injury to the Fort Morgan Company; provided, however, that prior to entering into any such stipulation and agreement, the Fort Morgan Company shall give notice to the City of the substance of the claims and an opportunity to be heard thereon.

6. Lease to Fort Morgan Water Company, Ltd. Pursuant to a Lease Agreement between the Fort Morgan Water Company, Ltd. and the City, the City Shares are committed to fulfilling the terms of an Agreement with Public Service Company of Colorado. The allocation of Augmentation Water and the Jackson Lake Water Proportional Interest to the City as described in this Agreement shall be subject to reduction or modification as required to fulfil the terms of the Lease Agreement. The provisions of this paragraph 6. shall apply to any additional shares of stock in the Fort Morgan Company that the City in the future may purchase or own by assignment, transfer or conveyance to the extent that such additional shares are included in the said Lease Agreement.

7. Reimbursement of Expenses. In order to defray the costs associated with the additional services provided by the Fort Morgan Company to administer the water rights associated with the City Shares, the City shall pay to the Fort Morgan Company, in addition to the regular assessments, an amount equal to twenty-five percent (25%) of the Fort Morgan Company's regular assessments on the total number of City shares. The payment shall be made within thirty (30) days after receipt of the assessment notice by the City.

8. Indemnification. To the extent allowed by law, the City shall indemnify Fort Morgan Company against any claim of damages or injury to persons or property which may arise as a result of Fort Morgan Company storing water in the Fort Morgan Recharge Site, including, but not limited to indemnification of the Fort Morgan Company against any claim by any County, State or Federal Agencies or Departments for violation of any law, rule or regulation pertaining to the construction or maintenance or use of the water recharge facilities on the Fort Morgan Recharge Site, including but not limited to, a violation of 33 USC 1344 and 42 USC 4321, et seq., and regulations pertaining to said statutes. To the extent allowed by law, the Fort Morgan Company shall indemnify the City against any claim of damages or injury to persons or property

which may arise as a result of Fort Morgan Company storing water in the New Augmentation Site, including, but not limited to indemnification of the City against any claim by any County, State or Federal Agencies or Departments for violation of any law, rule or regulation pertaining to the construction or maintenance or use of the water recharge facilities on the New Augmentation Site, including but not limited to, a violation of 33 USC 1344 and 42 USC 4321, et seq., and regulations pertaining to said statutes.

9. Assessments. The City shall pay any and all regular and special assessments on the City Shares for as long as the City owns the City Shares. The Fort Morgan Company shall have no obligation to deliver any water or perform the terms of this Agreement if the City is delinquent in the payment of any assessments on the City Shares. Except as otherwise limited herein, for so long as the City owns stock in the Company and pays all regular and special assessments thereon, it shall continue to have all rights and obligations of a shareholder.

10. Stock Certificates. The use of the water rights described in this Agreement and represented by the City Shares shall be limited by and subject to the terms of this Agreement. Within fifteen (15) days after the Effective Date of this Agreement, the City shall deliver the City Shares to the Fort Morgan Company, and the Fort Morgan Company shall place a label on the City Shares which shall state the following:

THIS STOCK CERTIFICATE AND THE WATER RIGHTS REPRESENTED
THEREBY ARE SUBJECT TO AND LIMITED BY AN AGREEMENT
BETWEEN THE FORT MORGAN RESERVOIR AND IRRIGATION
COMPANY AND THE CITY OF FORT MORGAN RECORDED AT THE
OFFICE OF THE MORGAN COUNTY CLERK AND RECORDER IN BOOK
_____ AND PAGE _____.

11. Repair and Maintenance. The City shall have the sole responsibility for maintenance and repair of the water recharge facilities and ditches used to carry water from the Fort Morgan Canal to the Fort Morgan Recharge Site. Fort Morgan Company shall have sole responsibility for the maintenance and repair of the Fort Morgan Canal and headgates, pipelines, and other equipment installed by Fort Morgan Company.

12. Water Court Proceedings. On or before October 31, 1996, the City and the Fort Morgan Company shall file an amendment to the application pending in Case No. 92CW081 in the Water Division No. 1 Water Court to incorporate the terms and conditions of this Agreement. The amended application shall request Water Court approval of (1) use of the Fort Morgan Recharge Site as a location for delivery of water pursuant to the Augmentation Plan, (2) the change of the City Agricultural Wells for use for municipal purposes, if the City determines to seek such change, (3) use of the Augmentation Water and the City's Jackson Lake Water Proportional Interest by direct delivery to the South Platte River for replacement of depletions associated with use of the City Agricultural Wells and the City Municipal Wells for municipal purposes, and (4) use of the New Augmentation Site for delivery of water pursuant to the

Augmentation Plan and use of the Augmentation Water for other purposes and to supply to the City pursuant to the terms of this Agreement. The application filed in the Water Court and the final decree shall contain the following terms and conditions:

- A. To the extent water withdrawn from the City Agricultural Wells and the City Municipal Wells, and any replacement or alternate point of diversion wells, are used for municipal purposes, each well shall have a flow meter on the well and the flow meter shall be read by the City at least monthly. The monthly flow meter readings for the previous month shall be provided to the Fort Morgan Company on or before the last day of each month.
- B. The depletions to the South Platte River associated with the withdrawal of water from the from the City Agricultural Wells and the City Municipal Wells, and any replacement or alternate point of diversion wells, will be calculated by means of the stream depletion factor ("SDF") concept developed by the U. S. Geological Survey (Jenkins) and by means of a digital computer program based upon the SDF method. The SDF values for each of the wells were determined from the U.S. Geological Survey Publication entitled "Hydrogeologic Characteristics of the Valley Fill Aquifer in the Brush Reach of the South Platte River Valley, Colorado" and are specified on Exhibits C and D.
- C. The City shall receive credit for depletions associated with pumping of the City Agricultural Wells and the City Municipal Wells based on the returns to the South Platte River from (1) wastewater treatment plants which discharge water withdrawn from the City Agricultural Wells and the City Municipal Wells and (2) groundwater return flows from municipal irrigation. The City shall meter the return flows out of the said wastewater treatment plants into the South Platte River. The metered return flows shall be reduced if necessary to account for infiltration of groundwater into the wastewater collection lines. The daily adjusted wastewater return flows shall constitute a credit for depletions to the South Platte River. Since not all deliveries of water for indoor and outdoor uses are separately metered, water uses within the City municipal water system shall be allocated between in-house and outdoor uses as follows: Each March, the City shall compute the average monthly rate of deliveries to metered taps for the preceding December through February period. Because there is not significant outdoor use of water during these months, the average monthly rate of such deliveries shall constitute total monthly deliveries for in-house uses for the purpose of determining the amount of water delivered for outdoor uses during the remainder of the year. Water deliveries for outdoor uses each month during the March through November period shall be considered to equal the difference between total water deliveries to users of the City Municipal water system for that month and the average monthly rate of deliveries for in-house uses for the preceding December through February period; provided that such amount shall never be less than zero, plus measured

well pumpage used solely for irrigation of golf courses, parks, cemeteries, and City-owned landscaping. An amount equal to fourteen percent (14%) of the water delivered for outdoor uses shall be considered to return to the South Platte River. There are delays in the return flows accruing to the South Platte River, and the City shall use the SDF method described above for determining the timing and amounts of return flows accruing to the South Platte River. For purposes of applying the SDF method, the City shall be divided into two (2) zones, and the City shall estimate the amount of irrigated area within each zone. The outdoor return flows shall be allocated to each zone based on the percentage of irrigated area within each zone as compared with the total irrigated area. The determination of the irrigated area shall be determined by the City at least every three years.

The parties recognize and agree the final decree entered in the Water Court proceedings may have terms and conditions different than the terms and conditions specified above. The parties agree to work together to attempt to obtain terms and conditions consistent with the terms and conditions specified above. The Water Court proceedings shall be at the sole cost and expense of the City, except for the portion of the costs and expenses associated with the New Augmentation Site, and the City agrees to reimburse the Fort Morgan Company for any costs and expenses incurred in participating in the Water Court proceedings, including attorneys fees and costs. Such reimbursement shall occur from the \$10,000.00 Account described in the January 23, 1996 Agreement between the City and the Fort Morgan Company pursuant to the existing Escrow Instructions to the Farmers State Bank of Fort Morgan ("Escrow Agent") for the \$10,000.00 Account, and the City shall deposit additional funds in the \$10,000.00 Account in increments of Five Thousand Dollars (\$5,000.00) per deposit to reimburse the costs and expenses of the Fort Morgan Company. The City shall make an additional deposit to the \$10,000 Account at any time the amount in the \$10,000 Account is less than Five Hundred Dollars (\$500.00). Upon completion of the Water Court proceeding, the City shall receive all remaining funds in the \$10,000 Escrow Account.

13. City Warranties. The City warrants and represents to Fort Morgan Company the following:

- A. The City has not transferred any portion of the water attributable to the ownership of the shares in Fort Morgan out of the Fort Morgan Canal. The City Agricultural Wells which are to be augmented are used for irrigation purposes on land historically served by the Fort Morgan Company.
- B. The City controls, by ownership or lease, one (1) share of stock in Fort Morgan Company for each five (5) acres of irrigation land historically served by the Fort Morgan Canal and the City Agricultural Wells owned by the City.

14. **Term.** The parties agree that the term of this Agreement shall be perpetual, except that this Agreement shall terminate and be of no force and effect upon the sale, assignment, transfer or conveyance of all of the City Shares to any other person or entity. Upon termination, the parties shall have no further obligations to each other and any Augmentation Water accruing to the South Platte River following the date of termination and pursuant to the terms of this Agreement shall be the sole and exclusive property of the Fort Morgan Company.

15. **Notices.** Any notices required by this Agreement shall be sent to the following addresses, or such other addresses as the parties may indicate in writing, by postage prepaid, certified or registered mail:

The City: City Superintendent
City of Fort Morgan
710 E. Railroad Avenue
Fort Morgan, Colorado 80701

Fort Morgan Company: Fort Morgan Reservoir and Irrigation Company
Post Office Box 38
Fort Morgan, Colorado 80701

Notices shall be deemed to have been delivered upon receipt by the other party, unless the notice is returned and no forwarding address provided to the other party, and then notice shall be deemed to have occurred upon mailing.

16. **Captions.** The captions of the paragraphs of this Agreement are for convenience only and shall not govern or influence the interpretation of the Agreement.

17. **Colorado Law.** The Agreement shall be governed by the laws of the State of Colorado.

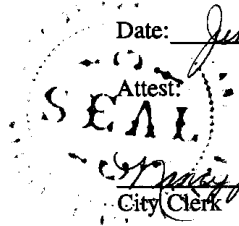
18. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof. This Agreement is also entered into in furtherance of and pursuant to the Agreement between the Fort Morgan Company and the City dated January 23, 1996. The parties agree that this Agreement is the "future agreement" described in the January 23, 1996 Agreement and that the Fort Morgan Company is entitled to distribution of the Twenty Thousand Dollars (\$20,000.00) plus accrued interest from the \$20,000.00 Account described in the January 23, 1996 Agreement. Upon execution of this Agreement, the parties shall also execute the Notice to Escrow Agent attached as Exhibit G, and Fort Morgan Company is entitled to distribution of the funds held in the \$20,000.00 Account pursuant to the January 23, 1996 Agreement. No change or addition is to be made to this Agreement, except by a written agreement executed by the parties.

19. **No Assignment.** This Agreement or the benefits thereof may not be assigned by the City to any other person or entity, unless such assignment is consented to by the Fort Morgan Company.

20. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their legal representatives. The parties may execute duplicate originals of this Agreement and each duplicate original shall be effective. This Agreement shall be recorded in the office of the Morgan County Clerk and Recorder.

21. **Effective Date.** This Agreement shall be effective on the last date it is approved by the parties.

CITY OF FORT MORGAN, a Colorado
municipal corporation

Date: June 3, 1996
Attest:
 May J. Lockwood
City Clerk

By: [Signature]
Mayor

FORT MORGAN RESERVOIR AND
IRRIGATION COMPANY, a Colorado
mutual ditch company

Date: May 31, 1996

Attest:
Steve Bolinger
Secretary

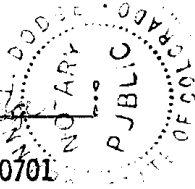
By: [Signature]
Harold Griffith, President

State of Colorado)
)
County of Morgan)

Subscribed and sworn to before me this 3rd day of June, 1996 by James P. Zuetzig as Mayor, and by Nancy J. Lockwood as City Clerk of the City of Fort Morgan, a Colorado municipal corporation. Witness my hand and official seal.

My Commission expires: January 24, 1999.

[Signature]
Notary Public
820 DIANA
FORT MORGAN, CO 80701



State of Colorado)
)
County of Morgan)

Subscribed and sworn to before me this 31st day of May, 1996 by Harold Griffith as President of Fort Morgan Reservoir and Irrigation Company, and by Steve Bolinger as Secretary of Fort Morgan Reservoir and Irrigation Company. Witness my hand and official seal.

My Commission expires: June 7, 2000.

[Signature]
Notary Public

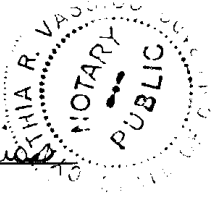


EXHIBIT A

The water rights controlled and operated by the Fort Morgan Company are the following:

A. FORT MORGAN CANAL WATER RIGHT:

- a. Name of Structure: Fort Morgan Canal
- b. Legal Description of Point of Diversion:

The Fort Morgan Canal headgate is located on the South Bank of the South Platte River at a point 23 chains north and 5 chains west of the Southeast Corner of Section 31, Township 5 North, Range 59 West of the 6th P.M., Morgan County, Colorado.
- c. Source: South Platte River
- d. Date of initiation of appropriation: October 18, 1882.
- e. Amount: 323 c.f.s.
- f. Date of Decree: November 21, 1895.

B. FORT MORGAN CANAL AUGMENTATION WATER RIGHT:

- a. Name of Structure: Fort Morgan Canal
- b. Legal Description of Each Point of Diversion:
 - (1) The Fort Morgan Canal headgate is located on the South Bank of the South Platte River at a point 23 chains north and 5 chains west of the Southeast Corner of Section 31, Township 5 North, Range 59 West of the 6th P.M., Morgan County, Colorado.
 - (2) The headgate of the Jackson Lake Reservoir & Irrigation Company is located at a point on the North Bank of the South Platte River 900 feet South and 200 feet West of the center of the Southeast Quarter (SE1/4) of Section 18, Township 4 North, Range 61 West of the 6th P.M., Weld County, Colorado.
- c. Source: South Platte River

- d. Date of initiation of appropriation: May 19, 1972.
- e. Amount: 323 c.f.s., of which 138 c.f.s. is Absolute pursuant to the Case No. W-2692 Decree and pursuant to the Findings of Fact, Conclusions of Law and Decree of the Court entered by the Water Court in and for Water Division No 1 in Case No. 89CW018 on May 15, 1990, and amended on December 3, 1990, and 185 c.f.s. is Conditional.
- f. Use of Water: For recharge and augmentation purposes, as specified by the Case No. W-2692 Decree.
- g. Date of Decree: April 22, 1985.

C. *WATER RIGHTS ATTRIBUTABLE TO OWNERSHIP OF SHARES IN THE JACKSON LAKE RESERVOIR AND IRRIGATION COMPANY, WHICH CONTROLS AND OPERATES THE FOLLOWING WATER RIGHTS:*

- a. Decreed name of structure: Jackson Lake Reservoir
- b. Previous Decrees:

Decree entered in Case No. 2142 by the Weld County District Court on January 15, 1914.

Decree entered in Case No. 2142 by the Weld County District Court on May 11, 1915.

Decree entered in Civil Action No. 16704 by the Weld County District Court on June 8, 1965.

- c. Decreed point of diversion:

The headgate of the Jackson Lake Inlet Canal is located at a point on the north bank of the South Platte River 900 feet south and 200 feet west of the center of the Southeast Quarter (SE1/4) of Section 18, Township 4 North, Range 61 West of the 6th P.M.

Jackson Lake Reservoir is located in Sections 10, 13, 14, 15, 16, 21, 22, 23, 24, 26 and 27, Township 5 North, Range 60 West of the 6th P.M., Morgan County, Colorado.

d. **Source of water:** South Platte River

e. **Date of appropriation and amount:**

Reservoir Priority No.	Amount (acre-feet)	Date of Appropriation	Date of Adjudication
20	30,992.00	05/18/1901	01/15/1914
20	4,637.00	05/18/1901	05/11/1915
20R	8,269.92	12/31/1929	06/08/1965

D. ADDITIONAL WATER RIGHTS

The Fort Morgan Reservoir and Irrigation Company also owns and operates the plan for augmentation decreed by the District Court in and for Water Division No. 1 in Case No. W-2692, and has pending in Case No. 92CW170 an application for water rights and plan for augmentation.

EXHIBIT B

City is the owner of 118 shares of stock in the Fort Morgan Company, which are identified as follows:

<u>Certificate Number</u>	<u>Number of Shares</u>
2305	0.5
2321	4.0
2574	2.0
2643	2.0
2653	6.5
2678	1.0
2680	1.0
2686	6.0
2710	1.0
2742	5.0
2749	1.0
2772	1.0
2773	1.0
2782	1.0
2786	3.0
2788	1.0
2792	2.0
2805	11.0
2814	1.0
2833	1.0
2890	2.0
2903	1.0
2962	7.0
2987	29.0
3014	20.0
3028	4.0
3064	3.0

EXHIBIT C

The wells and well water rights owned by the City are the following:

A. WELL PERMIT NO.: 10354

WATER COURT DECREE NO.: W-2692 B-17

DECREE DATE: 10/02/75

DECREED STRUCTURE NAME: Barkley Well No. 10354

DECREED STRUCTURE LEGAL DESCRIPTION:

NE1/4 SW1/4 of Section 4, Township 3 North, Range 57
West of the 6th P.M., Morgan County, Colorado, at a
point 2640 ft. North from South section line and 1320
ft. East from West section line, said Section 4

DECREED IRRIGATED LAND DESCRIPTION:

Approximately 161 acres in the SE1/4 and the E1/2 SW1/4
of Section 4, lying North of the C.B. & Q. Railroad and
the Great Western Sugar Co., Township 3 North, Range 57
West of the 6th P.M., Morgan County, Colorado

DECREED APPROPRIATION DATE: 06/30/56

DECREED FLOW RATE: 3.22 CFS

NUMBER OF SHARES OF STOCK ASSOCIATED WITH THE IRRIGATED LAND:
29.00 SHARES

STREAM DEPLETION FACTOR: 185 days

B. WELL PERMIT NO.: 8368

WATER COURT DECREE NO.: W-2692 B-8

DECREE DATE: 10/02/75

DECREED STRUCTURE NAME: Bland-Rawlings Well No. 8368

DECREED STRUCTURE LEGAL DESCRIPTION:

SE1/4 SW1/4 of Section 35, Township 4 North, Range 57
West of the 6th P.M., Morgan County, Colorado, at a
point 2640 ft. East from West section line and 40 ft.
North from South section line, said Section 35

DECREED IRRIGATED LAND DESCRIPTION:

Approximately 150 acres in the SE1/4 of Section 35, or
all acreage below Upper Platte and Beaver Canal in
Section 35, Township 4 North, Range 57 West of the 6th
P.M., Morgan County, Colorado

DECREED APPROPRIATION DATE: 04/04/57

DECREED FLOW RATE: 3.13 CFS

NUMBER OF SHARES OF STOCK ASSOCIATED WITH THE IRRIGATED LAND:
20.00 SHARES

STREAM DEPLETION FACTOR: 68 Days

EXHIBIT D

CITY OF FORT MORGAN MUNICIPAL WELLS

1. Municipal Wells Decreed by the District Court, Weld County, Civil Action No. 16704-570, dated April 18, 1972
 - A. Fort Morgan City Water Well "A" (a/k/a Park Street Well), Well Registration No. 10278
 - (1) Location: NE/4 SE/4, Section 1, T3N, R58W, 6th P.M., Block 1, Lot 12, Fulton Heights Addition
 - (2) Priority date(s) and amount(s):
March 1930; 1.56 c.f.s.
October 1935; 0.45 c.f.s.
July 1952; 0.88 c.f.s.
 - (3) Stream Depletion Factor: 410 days
 - B. Fort Morgan City Water Well "B" (a/k/a Euclid Street Well), Well Registration No. 10280
 - (1) Location: NE/4 SE/4, Section 1, T3N, R58W, 6th P.M., Block 10, Lot 19, Fulton Heights Addition
 - (2) Priority date(s) and amount(s):
February 1932; 2.45 c.f.s.
June 1951; 0.44 c.f.s.
 - (3) Stream Depletion Factor: 320 days
 - C. Fort Morgan City Water Well "C" (a/k/a Vickie Street Well), Well Registration No. 10279

- (1) Location: NE/4 NW/4, Section 5, T3N, R57W, 6th P.M., at a point approximately 485 feet south and 2,570 feet east of the NW corner of said Section 5¹
 - (2) Priority date(s) and amount(s):
June 1935; 2.01 c.f.s.
 - (3) Stream Depletion Factor: 90 days
- D. Fort Morgan City Water Well "D" (a/k/a Lake Street Well), Well Registration No. 102778
- (1) Location: SW/4 NW/4 NE/4, Section 7, T3N, R57W, 6th P.M., at a point approximately 2,560 feet west from the east section line and 1,300 feet south from the north section line of said Section 7.²
 - (2) Priority date(s) and amount(s):
April 30, 1939; 2.89 c.f.s.
 - (3) Stream Depletion Factor: 480 days
- E. Fort Morgan City Water Well "E" (a/k/a Main Street Well), Well Registration No. 10281
- (1) Location: SE/4 NW/4, Section 6, T3N, R57W, 6th P.M., Block B, 20 feet north of Lots 7 and 8, Crawford Addition
 - (2) Priority date(s) and amount(s):
May 1943; 2.89 c.f.s.

¹This is the currently decreed location of the well. The original location decreed in Civil Action No. 16704-570 was changed pursuant to the decree in Case No. 83CW046, District Court, Water Division 1, dated February 23, 1984.

²This is the currently decreed location of the well. The original location decreed in Civil Action No. 16704-570 was changed pursuant to the decree in Case No. 87CW032, District Court, Water Division 1, dated January 30, 1990.

- (3) Stream Depletion Factor: 210 days
- F. Fort Morgan City Water Well "F" (a/k/a Golf Course Well), Well Registration No. 10274 and Well Permit No. 03360-F
 - (1) Location: NE/4 SW/4, Section 36, T4N, R58W, 6th P.M., Block 1, Lot 1, Boyd Subdivision
 - (2) Priority date(s) and amount(s):
July 1947; 0.67 c.f.s.
October 1961; 0.89 c.f.s.
 - (3) Stream Depletion Factor: 85 days
- G. Fort Morgan City Water Well "G" (a/k/a Railroad Avenue Well), Well Registration No. 10276
 - (1) Location: SE/4 SW/4, Section 6, T3N, R57W, 6th P.M., Block 30, Lot 14, Original Town of Fort Morgan
 - (2) Priority date(s) and amount(s):
June 1949; 2.78 c.f.s.
 - (3) Stream Depletion Factor: 385 days
- H. Fort Morgan City Water Well "H" (a/k/a Cemetery Well), Well Registration No. 10275
 - (1) Location: NW/4 NW/4, Section 6, T3N, R57W, 6th P.M., at a point 322 feet east and 10 feet north of the southwest corner of Riverside Cemetery
 - (2) Priority date(s) and amount(s):
March 1951; 1.11 c.f.s.
 - (3) Stream Depletion Factor: 200 days
- I. Fort Morgan City Water Well "I" (a/k/a Lane Street Well), Well Registration No. 10282; Well Permit No. 2-10282-RF

- (1) Location: NW/4 NW/4, Section 6, T3N, R57W, 6th P.M., at a point 940 feet from the North section line and 1,094 feet from the West section line of said Section 6³
 - (2) Priority date(s) and amount(s):
March 1956; 2.89 c.f.s.
 - (3) Stream Depletion Factor: 170 days
- J. Fort Morgan City Water Well "J" (a/k/a Riverside Park Well), Well Permit No. 8892-F-R
- (1) Location: NW/4 SE/4, Section 31, T4N, R57W, 6th P.M., at a point approximately 1,836 feet from the south section line and 2,365 feet from the east section line of said Section 31⁴
 - (2) Priority date(s) and amount(s):
April 1958; 3.56 c.f.s.
 - (3) Stream Depletion Factor: 15 days
- K. Fort Morgan City Water Well "K" (a/k/a Murchy Street Well), Well Permit No. 2103-F
- (1) Location: NW/4 NW/4, Section 8, T3N, R57W, 6th P.M., Block 3, Lot 11, Murchy's First Addition
 - (2) Priority date(s) and amount(s):
March 1959; 3.76 c.f.s.

³This is the currently permitted location of the well pursuant to Well Permit No. R-10282-RF dated November 28, 1988. This location is different than the location decreed in Civil Action No. 16704-570

⁴This is the currently permitted location of the well pursuant to Well Permit No. 8892-F-R issued on January 17, 1992. This location is different than the location decreed in Civil Action No. 16704-570.

- (3) Stream Depletion Factor: 400 days
- L. Fort Morgan City Water Well "L" (a/k/a Sherman Street Well), Well Permit No. 2444-F
 - (1) Location: SE/4 NE/4, Section 6, T3N, R57W, 6th P.M., Block 2, part of Lots 27 and 28, Simpson's Addition
 - (2) Priority date(s) and amount(s):
May 1960; 3.34 c.f.s.
 - (3) Stream Depletion Factor: 160 days
- M. Fort Morgan City Water Well "M" (a/k/a Linda Street Well), Well Permit No. 6153-F
 - (1) Location: SW/4 NW/4, Section 5, T3N, R57W, 6th P.M., Block 1, Lot 11, Aspey's Third Addition
 - (2) Priority date(s) and amount(s):
September 1964; 3.34 c.f.s.
 - (3) Stream Depletion Factor: 150 days
- N. Fort Morgan City Water Well "N" (a/k/a Beef Plant Well), Well Permit No. 014220-F; Well Permit No. 037567-F
 - (1) Location: NE/4 NE/4, Section 8, T3N, R57W, 6th P.M., at a point 60 feet from the North section line and 1,200 feet from the East section line of said Section 8.⁵
 - (2) Priority date(s) and amount(s):
July 1969; 2.78 c.f.s.

⁵This is the currently permitted location of the well pursuant to Well Permit No. 037567-F dated August 17, 1990. This location is different than the location decreed in Civil Action No. 16704-570.

(3) Stream Depletion Factor: 280 days

2. Municipal Wells Deceed by the District Court, Water Division 1, in Case No. W-5163, dated September 1975

A. Fort Morgan City Water Well "O", [Unregistered]

(1) Location: NW/4 SE/4, Section 4, T3N, R57W, 6th P.M., at a point 67 feet south and 1,330 feet west of the E/4 corner of said Section 4

(2) Priority date(s) and amount(s):

April 21, 1951; 0.034 c.f.s.

(3) Stream Depletion Factor: 195 days

B. Fort Morgan City Water Well "P"-115, Well Registration No. 115

(1) Location: SE/4 NW/4, Section 7, T4N, R57W, 6th P.M., at a point 3,170 feet north and 790 feet west of the S/4 corner of said Section 7

(2) Priority date(s) and amount(s):

August 9, 1957; 0.018 c.f.s.

C. Fort Morgan City Water Well "Q"-437, Well Permit No. 437

(1) Location: NW/4 SE/4, Section 4, T3N, R57W, 6th P.M., at a point 160 feet south and 190 feet east of the center of said Section 4

(2) Priority date(s) and amount(s):

October 12, 1957; 0.045 c.f.s.

(3) Stream Depletion Factor: 195 days

D. Fort Morgan City Water Well "R"-10356, Well Permit No. 10356

(1) Location: NE/4 SW/4, Section 36, T4N, R58W, 6th P.M., in Lot 1, Block 1, C.M. Boyd's Subdivision

(2) Priority date(s) and amount(s):

December 5, 1961; 0.067 c.f.s.
July 28, 1962; 0.055 c.f.s.

(3) Stream Depletion Factor: 120 days

E. Fort Morgan City Water Well "S"-35619, Well Permit No. 35619

(1) Location: NE/4 SE/4, Section 31, T4N, R57W, 6th P.M., at a point 2,040 feet north and 1,423 feet east of the S/4 corner of said Section 31

(2) Priority date(s) and amount(s):

October 18, 1968; 0.089 c.f.s.

(3) Stream Depletion Factor: 10 days

3. Municipal Wells Decreed by the District Court, Water Division 1, Case No. 84CW082 (89CW030) dated August 30, 1984

A. Tomky Well No. 7145-R (a/k/a Acoma Street Well), Well Permit No. R-7145-RF

(1) Location: SE/4 NE/4, Section 12, T3N, R58W, 6th P.M., at a point 2,670 feet north and 3100 feet west of the SE corner of said Section 12

(2) Priority date(s) and amount(s):

April 10, 1947⁶; 2.09 c.f.s.

(3) Stream Depletion Factor: 750 days

4. Municipal Wells Decreed by the District Court, Water Division 1, Case No. W-2692-B51

⁶The original priority awarded to this well was decreed in Case No. W-2704 B-107 by the District Court, Water Division 1.

A. Guy R. Park Well No. 8448 (a/k/a Ninth Avenue Well), Well Permit No. R-8448-RF

- (1) Location: NE/4 NE/4, Section 1, T3N, R58W, 6th P.M., at a point 628 feet from the north section line and 1252 feet from the east section line of said Section 1.⁷
- (2) Priority date(s) and amount(s):
June 6, 1940; 2.13 c.f.s.
- (3) Stream Depletion Factor: 220 days

⁷This is the currently permitted location of the well pursuant to Well Permit No. R-8448-RF issued on April 27, 1973. This location is different than the location decreed in Case No. W-2692-B51.

EXHIBIT E

Hardy Well
 Permit No. 1034
 NW 64-03-37
 183 days

DEPLETIONS OCCURRING FROM THE STREAM DUE TO WELLS
 (acre feet)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	TOTAL
1985	0.0	0.0	0.0	0.0	0.0	0.4	4.5	9.6	16.4	12.9	43.7
1986	9.3	7.0	5.5	3.2	2.7	2.5	3.2	3.7	3.1	2.5	31.0
1987	2.2	1.9	1.7	1.2	1.1	1.1	1.2	2.2	1.9	1.5	18.9
1988	1.3	1.1	0.9	0.9	2.2	2.3	6.5	5.2	3.9	3.0	29.1
1989	2.4	2.0	1.7	1.2	1.1	1.1	1.4	2.7	2.3	2.1	21.2
1990	1.8	1.5	1.3	1.0	1.5	2.6	7.4	8.5	8.5	8.2	44.4
1991	6.6	5.1	4.1	2.6	2.2	2.0	1.8	1.6	1.5	1.4	30.4
1992	1.2	1.2	1.1	0.9	0.9	0.9	0.8	0.8	0.7	0.7	11.9
1993	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	6.7
1994	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	4.7
1995	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	3.6
1996	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	3.6
1997	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.4
1998	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.4
1999	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	2.4
2000	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2001	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2002	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2003	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2004	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2005	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2006	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2007	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2008	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2009	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2010	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.2
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2019	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2020	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2021	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2022	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2023	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2024	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2025	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2026	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2027	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2028	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2029	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
2030	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
AVG	0.6	0.5	0.4	0.3	0.3	0.4	0.7	0.8	0.9	0.8	6.4

EXHIBIT F

LOCATION OF FORT MORGAN RECHARGE SITE

The proposed Fort Morgan Recharge Site is generally located on land owned by the City of Fort Morgan in the South one-half (S1/2) of Section 8, Township 3 North, Range 57 West of the 6th P.M.

EXHIBIT G

NOTICE TO ESCROW AGENT

THIS NOTICE TO ESCROW AGENT is entered into by and between the City of Fort Morgan, a Colorado municipal corporation ("City") and the Fort Morgan Reservoir and Irrigation Company ("Company").

WITNESSETH

WHEREAS, the City and the Company and the Escrow Agent executed Escrow Instructions pertaining to an Agreement concluded on January 23, 1996 ("Agreement"); and

WHEREAS, Paragraph C of the Escrow Instructions provided for the Escrow Agent to receive written notice signed by both the City and the Company regarding a future agreement; and

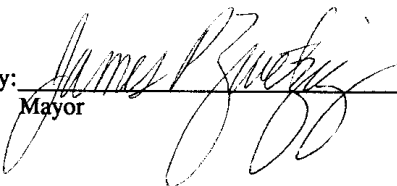
WHEREAS, the parties have entered into a future agreement and the parties wish to complete the terms of the escrow pertaining to the \$20,000.00 Account.

THEREFORE, the City and the Company hereby provide notice to the Escrow Agent that the parties have entered into a future agreement as described in the January 23, 1996 Agreement, and the Escrow Agent shall disburse to the Company the \$20,000.00 plus accrued interest held in the \$20,000.00 Account.

In all other respects, the Escrow Instructions shall remain in full force and effect.

CITY OF FORT MORGAN

FORT MORGAN RESERVOIR AND
IRRIGATION COMPANY

By: 
Mayor

By: _____
Harold Griffith, President

WARRANTY DEED

EMANUEL W. ROTHE and MARGARET J. ROTHE, of the County of Weld, State of Colorado (Grantors) for the consideration of Five Hundred Twenty-One Thousand Four Hundred Dollars (\$521,400.00) , in hand paid, hereby sell and convey to DANIEL DEAN ACHZIGER, JR. and CAITLIN LOUISA ACHZIGER, whose street address is 8049 Morgan County Road W, Town of Weldona 80653, County of Weld, State of Colorado, the following real property in the County of Morgan, State of Colorado:

W $\frac{1}{2}$ SE $\frac{1}{4}$, the E $\frac{1}{2}$ SW $\frac{1}{4}$, the E $\frac{1}{2}$ NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13, Township 5 North, Range 60 West of the 6th P.M.; and

NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 60 West of the 6th P.M.; reserving to the Grantors a non-exclusive easement along the east line of said NE $\frac{1}{4}$ for the operation, maintenance, repair and replacement of an underground irrigation water pipeline, together with the right of ingress and egress to such pipeline, but subject to the obligation to pay for any damages to crops occasioned by such maintenance, repair or replacement;

together with the pro rata amount of water by virtue of having 230 acres within the Riverside Irrigation District, 1 unregistered domestic well and 1 Morgan County Quality Water Tap No. 106.

with all its appurtenances, and warrant(s) the title to the same, subject to all easements and rights-of-way of whatever character of record or now existing on said premises, including, but not limited to those for ditches, canals, pipelines, reservoirs, railroads, roads, telephone lines, utilities, power lines, or any other purpose; to all mineral, oil, gas and coal reservations, leases, and assignments of record; and subject to 1999 taxes payable in 2000.

Signed this 18th day of November, 1999.

Emanuel W. Rothe
EMANUEL W. ROTHE

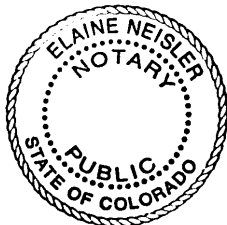
Margaret J. Rothe
MARGARET J. ROTHE

STATE OF COLORADO)
) ss.
COUNTY OF WELD)

The foregoing instrument was acknowledged before me this 18th day of November, 1999 by EMANUEL W. ROTHE and MARGARET J. ROTHE.

WITNESS my hand and official seal.

My commission expires: 7-25-2000



Elaine Neisler
Notary Public

RECORDED
NOV 22 1999
MORGAN COUNTY, CO



SUBSCRIPTION AGREEMENT

This Subscription Agreement is entered into by and between Kurt M. and Carol L. Heupel, whose address 27488 MCR 5, Weldona, CO 80653 (hereinafter referred to as "Member") and Riverside Water Company, L.L.C., a Colorado Limited Liability Company, ("Water Company"), whose address is 221 E. Kiowa Street, Fort Morgan, CO 80701

In consideration of the mutual covenants and promises specified in the Operating Agreement dated Aug 10 2007 for the Riverside Water Company, L.L.C., ("Operating Agreement"), a copy of which is at the office of the Water Company and which is incorporated herein by this reference, the Subscriber agrees as follows:

1. **Agreement to Operating Agreement.** The Member hereby irrevocably subscribes to, agrees to and ratifies the Operating Agreement and the Member shall be bound by and governed by the terms and conditions of the Operating Agreement.

2. **Pledge and Lease of Water Rights.** The Member is the owner of certain real property located within the Riverside Irrigation District, as described on the attached Exhibit "A" (the "Property"), which the Member agrees consists of 230 acres. The Riverside Irrigation District is a Colorado irrigation district that, in addition to other activities, distributes water to land owners within boundaries of the Riverside Irrigation District. By virtue of ownership of the Property, the Member has the right to receive pro-rata water deliveries based on the number of acres of the Property within Riverside Irrigation District, from water rights owned by the Riverside Irrigation District, including, but not limited to, the following water rights decreed for augmentation purposes by the District Court Water Division No. 1 in the following cases:

Recharge Decrees

W-2919 (Area III)—Goodrich
86CW387—Vancil
88CW221—Vancil Enlargement
88CW239—Equus
88CW264(A)—National Hog Farms
89CW27—Sublette
90CW189—Headley
02CW086—Augmentation Plan (application pending)

Storage and Change Decree

W8429-76—Riverside Reservoir storage decrees having Priority Nos. 24, 45 and 77

The foregoing water rights are described collectively hereinafter as the "Riverside Recharge and Storage Water Rights." The Member's right to receive a pro-rata portion of the Riverside Recharge and Storage Water Rights shall be limited by and subject to the Operating Agreement, and shall be irrevocably pledged and leased to the Water Company pursuant to the terms of the Operating Agreement.

3. Representations and Warranties of Member. The Member hereby represents and warrants to the Water Company the following:

- a. The Member is at least twenty-one (21) years of age.
- b. The Member is a land owner within the Riverside Irrigation District and has pledged and leased to the Water Company the Member's right to receive a pro rata portion of the Riverside Recharge and Storage Water Rights.
- c. The Member has reviewed the Lease Agreement between the Riverside Water Company and LS Power Associates, L.P., and has reviewed the Operating Agreement, and the Management Agreement between the Water Company and the Riverside Irrigation District. Further, the Member has performed such investigations as the Member deems necessary, and has obtained such independent advice and counsel as required by the Member and the Member recognizes and accepts the risks and obligations associated with being a Member of the Water Company. No statement or material contrary to the information contained in the documentation provided by the Water Company has been given or made to the Member by the Water Company or its representatives. The Member expressly acknowledges that membership in the Water Company may result in a reduction in the amount of water available to the Member from the Riverside Irrigation District.
- d. The Member expressly acknowledges that the Member's right to receive a pro rata portion of the Riverside Recharge and Storage Water Rights is subject to restrictions on transfer as described in the Operating Agreement.

4. Authority to Reissue Membership Interest Certificate. In the event that (1) a Member of the Water Company in the future excludes lands from the Riverside Irrigation District that are subject to the Member's Subscription Agreement in accordance with the Operating Agreement, or (2) sells or otherwise conveys the Member's interest in the land in the Riverside Irrigation District, the Member hereby authorizes the Water Company to cancel the Membership Interest Certificate issued to the Member, and issue to the Member or any Mortgagee of the Member or any successor of the Member, a new Membership Interest Certificate or certificates which contain the restrictions described in the Operating Agreement.

5. Payment of Tax Assessments. In the event the Member fails to pay all or a portion of any tax assessment on the Property, the Water Company may pay the required assessment, and the Member expressly agrees that the Water Company shall have a lien on the Property for both the amount paid toward the tax assessment by the Water Company, and for any and all costs of recovering such funds from the Member, including attorneys' fees. The Member further agrees that the Water Company shall have the right to assess a carrying charge on such funds in the amount of one and one half percent (1½ %) per month until such funds have been repaid in full by the Member. The Member further agrees that until such time as the Water Company has been fully repaid by the Member for both the amount paid toward the assessment and any and all costs of recovering such funds from the Member, including the interest described in this paragraph and attorneys' fees, that the Member shall have no right to receive any amount

payable to the Member under this Subscription Agreement from the Water Company, and that such amounts shall be retained by the Water Company until both the amounts paid toward the assessment by the Water Company and any and all costs of recovering such funds, including the interest described in this paragraph and attorneys' fees have been recouped by the Water Company.

6. **Term.** This Subscription Agreement shall terminate on the date the Lease Agreement between LS Power Associates, L.P. and the Water Company terminates, unless continued as described in the Operating Agreement.

7. **Recording.** This Subscription Agreement shall be recorded at the office of the clerk and recorder for the county or counties in which the Property is located, and the terms of this Subscription Agreement shall be a covenant running with the Property, and the above-referenced Membership Interest Certificate, and any and all replacement or alternative certificates, and running with the water rights represented by said Membership Interest, and running with the Member's right to receive delivery of a pro-rata portion of the Riverside Recharge and Storage Water Rights, and running with the Operating Agreement. This Subscription Agreement shall bind the Member, and the Member's agents, heirs, successors and assigns.

8. **Effective Date.** This Subscription Agreement shall be effective on the date it is accepted by the Water Company.

Signed this 10 day of July, 2007.

[Signature]
Carol L. Heupel

STATE OF COLORADO)
COUNTY OF MORGAN)

Subscribed and sworn to before me this 10 day of July, 2007 by
Kurt M & Carol L Heupel



WITNESS my hand and official seal.

My Commission expires: 8-21-07

[Signature]
Notary Public

ACCEPTED:

RIVERSIDE WATER COMPANY, L.L.C.
A COLORADO LIMITED LIABILITY COMPANY

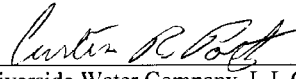
By: 
Riverside Water Company, L.L.C.
Management Committee

EXHIBIT A

The Member owns the following land within the Riverside Irrigation District, and to the extent the following description includes land that is not located within the Riverside Irrigation District, this Subscription Agreement shall not apply to any land not located within the Riverside Irrigation District:

E1/2SW1/4 & W1/2SE1/4	S13-T5N-R60W	160 DA
NE1/4	S24-T5N-R60W	70 DA



OIL AND GAS LEASE

PRODUCERS 88-PAID UP
Rev. 5-00, No.2010

AGREEMENT, Made and entered into the 19th day of July, 2010 by and between Shirley A. Bodaness, a married woman and heir of Jack Boxer, dealing in her sole and separate property whose address is 417 Ray St. Brush, CO 80723, hereinafter called Lessor (whether one or more) and PRIMA EXPLORATION, INC. whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the County of Morgan State of Colorado described as follows, to-wit:

Township 5N, Range 60W, 6th P.M.
Section 13:W2SE, E2SW, E2NW, SWNE

and containing 280 acres, more or less, hereinafter called "leased premises".

1. It is agreed that this lease shall remain in force for a primary term of Four (4) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-sixth (1/6th) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor one-sixth (1/6th) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-sixth (1/6th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-sixth (1/6th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.

4. Where gas from a well capable of producing gas is not sold or used and this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by one Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled.

The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.

16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Four (4) year term. Unless this lease is being maintained in force under other provisions hereof, this option may be exercised during the initial primary term by delivery of payment of an amount equal to 150% of the original bonus consideration paid per mineral acre hereunder. The additional bonus consideration shall constitute notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the additional bonus consideration provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was Eight (8) years.

18. If Lessor, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessor a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of such notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by telefax or mail postmarked on or before the expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution by Lessor along with Lessee's sight draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same to Lessee.

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments or advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Shirley A. Bodaness
Shirley A. Bodaness heir of Jack Boxer

STATE OF Colorado }
COUNTY OF Morgan } §

ACKNOWLEDGMENT, Individual(s)

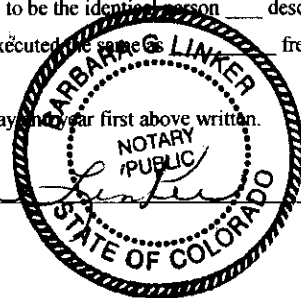
BE IT REMEMBERED, That on this 26th day of July A. D., 2010 before me, a Notary Public, in and for said County and State, personally appeared Shirley Bodaness

_____ to me known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.

My commission expires: 5-5-2014
(Seal)

Barbara Linker
Notary Public



STATE OF _____ }
COUNTY OF _____ } §

ACKNOWLEDGMENT, CORPORATION

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 20____ personally appeared _____

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires: _____
(Seal)

Notary Public

Return to _____
Upon _____

Recording

GFL & ASSOCIATES, LLC
19751 E. Mainstreet
Suite 334
Parker, CO 80138



OIL AND GAS LEASE

PRODUCERS 88-PAID UP
Rev 5-01-062010

AGREEMENT, Made and entered into the 2nd day of August, 2010 by and between Kurt M. and Carol L. Heupel, a married couple, whose address is 27488 County Road 5, Weldona, CO 80653, hereinafter called Lessor (whether one or more) and PRIMA EXPLORATION, INC. whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the County of Morgan State of Colorado described as follows, to-wit:

Township 5N North, Range 60W West, 6th P.M.
Section 13: W/2SE, E/2SW, E/2NW, SW/4NE

and containing 280 acres, more or less, hereinafter called "leased premises".

1. It is agreed that this lease shall remain in force for a primary term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.
 2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.
 3. In consideration of the premises the said Lessee covenants and agrees:
 - 1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-sixth (1/6th) part of all oil produced and saved from the leased premises.
 - 2nd. To pay Lessor one-sixth (1/6th) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of one-sixth (1/6th), payable monthly at the prevailing market rate for gas.
 - 3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of one-sixth (1/6th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.
 - 4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.
 4. Where gas from a well capable of producing gas is not sold or used and this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.
 5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
 6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
 7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.
 8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
 9. Lessee shall pay for damages caused by Lessee's operations on said land.
 10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
 11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by one Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.
 12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled.
- The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.
13. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.
 14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.
 15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.
 16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted

in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Three (3) year term. Unless this lease is being maintained in force under other provisions hereof, this option may be exercised during the initial primary term by delivery of payment of an additional bonus consideration equal to the original consideration paid per net mineral acre hereunder. The additional bonus consideration shall constitute notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the additional bonus consideration provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was Six (6) years.

18. If Lessor, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessor a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of such notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by telefax or mail postmarked on or before the expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution by Lessor along with Lessee's sight draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same to Lessee.

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments or advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Kurt M. Heupel
Kurt M. Heupel

Carol L. Heupel
Carol L. Heupel

STATE OF Colorado }
 } §
COUNTY OF Morgan }

ACKNOWLEDGMENT, Individual(s)

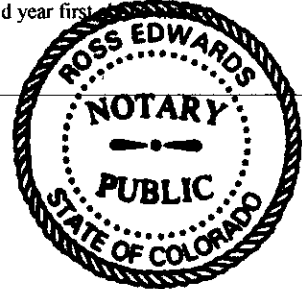
BE IT REMEMBERED, That on this 11th day of August A. D., 2010 before me, a Notary Public, in and for said County and State, personally appeared Kurt M. Heupel and Carol L. Heupel

_____ to me known to be the identical person(s) described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first

My commission expires: 3-6-14
(Seal)

Ross Edwards
Notary Public



My Commission Expires 03/06/2014

STATE OF _____ }
 } §
COUNTY OF _____ }

ACKNOWLEDGMENT, CORPORATION

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 20____ personally appeared _____

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.
Given under my hand and seal of office the day and year last above written.

My commission expires: _____
(Seal)

Notary Public

Return to ~~Lessee~~
Upon

Recording

GFL & ASSOCIATES, LLC
19751 E. Mainstreet
Suite 334
Parker, CO 80138



OIL AND GAS LEASE

THIS AGREEMENT, Made and entered into the 3rd day of August, 2010, by and between MARSHALL QUIAT TRUST, represented herein by Nicolette Rounds, Trustee whose address is 3773 Cherry Creek North Drive, Suite 575, Denver, CO 80209 hereinafter called Lessor (whether one or more) and Baseline Minerals, Inc., whose address is 518 17th Street, Suite 1050, Denver, CO 80202, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more dollars (\$10.00+) cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for surveying and re-surveying, constructing, laying, repairing, replacing, upgrading and removing in whole or in part, pipelines and related equipment including, without limitation, gauges, metering and communication equipment and valve sets, and access over and across the lands described for said purposes, laying pipelines, and erection of any other structures thereon necessary or convenient to produce, save and take care of said products, all that certain tract of land situated in the County of Morgan, State of Colorado, described as follows, to-wit:

Tract 1: Township 5 North, Range 60 West,
Section 13: W/2SE/4, E/2SW/4, E/2NW/4, SW/4NE/4
Containing 280.00 acres, more or less;

Tract 2: Township 6 North, Range 59 West, 6th P.M
Section 18: Lot 1 (41.11), Lot 2 (40.89), Lot 3 (40.67), Lot 4 (40.44), E/2W/2, E/2
Containing 643.11 acres, more or less;

Tract 3: Township 6 North, Range 60 West, 6th P.M.
Section 23: E/2
Containing 320.00 acres, more or less;

and containing a total in Tracts 1 through 3 of, 1,243.11 acres, more or less.

Lessor also intends to include in this lease and to lease to Lessee any right, title and interest Lessor may have in and to any and all mineral rights on, in and under any and all streets, county roads, highways, railroad strips and/or any and all other easements and rights of way whatsoever, canals, ditches and any other waterways lying across and/or adjacent and/or in any way appertaining to the lands hereinabove described, including, without limitation, any lands acquired previously or in the future by adverse possession and by accretion through meander of waterways or any recession of shoreline.

1. It is agreed that this lease shall remain in force for a term of **Three (3) years** from this date, and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:
1st. To pay Lessor, as royalty, **one sixth (1/6)** of all oil produced, saved and marketed from the leased premises, or to deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, **one sixth (1/6)** of all oil produced and saved from the leased premises.

2nd. To pay to Lessor, as royalty, **one sixth (1/6)** of the market value for gas of whatsoever nature or kind, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the leased premises. The term "market value" shall be deemed to mean the net value realized at the wellhead for gas after deducting any gas used on the leased premises and any reasonable and necessary costs to transport, compress, dehydrate, gather, process, condition or to otherwise bring the gas into a marketable condition. It is agreed, however, that no such costs shall exceed what is reasonable and necessary to bring the gas into marketable condition. Such costs shall be deemed to be reasonable if they are found to be approximately the same as similar costs charged or paid for gas produced in the vicinity of the leased lands of like kind, quality and quantity.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners one dollar (\$1.00) per year per net mineral acre covered by this lease, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with

respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

14. If Lessee shall fail to pay any royalty, rental or other payment when due, and if such default shall continue for a period of Sixty (60) days after receipt by Lessee of written notice thereof from Lessor, then at the option of Lessor, Lessor may terminate this lease as to those lands as to which Lessee is in default; provided, however, that if there be a bona fide dispute as to the amount due and all undisputed amounts are paid, said sixty (60) day period shall be extended until five (5) days after such dispute is settled by final court decree, arbitration or agreement. If Lessee shall be in default in the performance of any of its obligations under this lease other than the payment of rentals, royalties or other payments, and if, for a period of ninety (90) days after receipt by Lessee of written notice thereof from Lessor, Lessee shall fail to commence and thereafter diligently and in good faith to prosecute the remedy of such default, Lessor may terminate this lease as to those lands which Lessee is in default.

15. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

16. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall inure to the benefit of and be binding on the personal representatives, heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Nicolette Rounds, Trustee

MARSHALL QUIAT TRUST
By: Nicolette Rounds, Trustee

STATE OF COLORADO § (INDIVIDUAL(S) ACKNOWLEDGMENT)
§
COUNTY OF Denver §

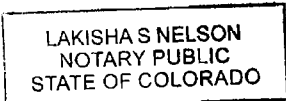
The foregoing instrument was acknowledged before me this 12 day of August, 2010, by NICOLETTE ROUNDS, Trustee for MARSHALL QUIAT TRUST whose address is 3773 Cherry Creek North Drive, Suite 575, Denver, CO 80209 80222, known to me, and who acknowledged that she executed the foregoing instrument as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires:

10/14/2012
(seal)

Lakisha S Nelson
Notary Public:
Address:



My Commission Expires 10/14/2012

EXHIBIT "A"

Attached to and made a part of that certain Paid-Up Oil and Gas lease Dated August 3, 2010, by and between **MARSHALL QUIAT TRUST**, represented herein by Nicolette Rounds, Trustee whose address is 3773 Cherry Creek North Drive, Suite 575, Denver, CO 80209 as Lessor and **BASELINE MINERALS, INC.**, whose address is 518 17th Street, Suite 1050, Denver, CO 80202, hereinafter called Lessee;

When executed below this Exhibit shall serve to represent the mutual understanding and agreement by and between the parties name herein as to the terms and conditions under which Lessors agree to lease to Lessee. Any language contained in the above lease to the contrary notwithstanding, it is expressly understood and agreed between the parties hereto that the following terms and conditions shall apply:

1. The royalty paid to Lessor herein shall be seventeen percent (17%) rather than the one-sixth (1/6) mentioned throughout the lease. Furthermore, said royalty shall be based upon the purchase price at the well of all oil and other liquid hydrocarbons produced and saved and recovered or separated from the lease premises, as well as for all gas (including substances contained in such gas) produced from the leased premises and sold by Lessee or used off the lease premises, including sulphur produced in conjunction therewith.
2. Notwithstanding any of the other provisions hereof, this lease covers only oil, gas, and associated hydrocarbons produced with oil or gas in liquid or gaseous form and all references to other minerals contained in this lease shall be deemed to refer only to such hydrocarbons and not to any other minerals.
3. Lessee agrees that all royalties accruing under the lease shall be free and clear of all the costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing and/or otherwise making the oil, gas and other products produced hereunder ready for sale or use, and no deduction shall be made for any such costs and expenses in computing any payment to be made to Lessor.
4. Lessor shall be entitled to receive its proper share of all benefits derived under any gas purchase contract entered into by Lessee including without limitation to Lessor, proper share of all take-or-pay proceeds, if any, payable thereunder.
5. Lessee agrees to distribute royalty payments within one hundred twenty (120) days from the date of the first production, and continue to make royalty payments each and every month thereafter. Lessee further agrees that Lessor shall not be required to execute division orders other than to stipulate and warrant their division of interest in this lease.
6. This lease may be pooled with another lease or leases, however after the expiration of the primary term, or if drilling operations are then in progress, then upon cessation of continuous drilling operations, herein defined as cessation of drilling operations for more than 180 consecutive days, each well then producing oil and/or gas in paying quantities shall perpetuate this lease only insofar as it covers the amount of acreage allocated to each well under the spacing regulations of the proper Federal or State regulatory agency. Further, production from such spacing unit or units will maintain this lease in force and effect only from the surface to the base of the strata or stratum of the deepest formation drilled. Upon written request from Lessor, Lessee shall immediately execute a release of this lease as to the balance of the land and strata or stratum covered hereby. Lessee shall execute and record an appropriate release evidencing such expiration or termination, and shall also supply Lessor with a copy or copies thereof.
7. The shut-in royalty payment as provided in this lease shall be changed and amended to provide as shut-in royalty, a sum equal to Five Dollars (\$5.00) per net mineral acre per year. In no event shall shut-in payments maintain this lease in force for a cumulative period exceeding three (3) years.
8. The terms, conditions and provision herein shall bind Lessor and Lessee and their successors and assigns and shall run with the land.
9. It is understood that this lease is executed without warranty of title, either express or implied.

SIGNED FOR IDENTIFICATION.


MARSHALL QUIAT TRUST
By: Nicolette Rounds, Trustee



OIL AND GAS LEASE

THIS AGREEMENT, Made and entered into the 3rd day of August, 2010, by and between **GMQ LIMITED LIABILITY COMPANY**, represented herein by **Gerald M. Quiat, Manager**, whose address is **1873 South Bellaire Street, Suite 900, Denver, CO 80222** hereinafter called Lessor (whether one or more) and **Baseline Minerals, Inc.**, whose address is **518 17th Street, Suite 1050, Denver, CO 80202**, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more dollars (\$10.00+) cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for surveying and re-surveying, constructing, laying, repairing, replacing, upgrading and removing in whole or in part, pipelines and related equipment including, without limitation, surveying and communication equipment and valve sets, and access over and across the lands described for said purposes, laying pipelines, and erecting and maintaining thereon necessary or convenient to produce, save and take care of said products, all that certain tract of land situated in the County of **Morgan**, State of **Colorado**, described as follows, to-wit:

**Tract 1: Township 5 North, Range 60 West,
Section 13: W/2SE/4, E/2SW/4, E/2NW/4, SW/4NE/4
Containing 280.00 acres, more or less;**

**Tract 2: Township 6 North, Range 59 West, 6th P.M.
Section 18: Lot 1 (41.11), Lot 2 (40.89), Lot 3 (40.67), Lot 4 (40.44), E/2W/2, E/2
Containing 643.11 acres, more or less; ada ALL**

**Tract 3: Township 6 North, Range 60 West, 6th P.M.
Section 23: E/2
Containing 320.00 acres, more or less;**

and containing a total in Tracts 1 through 3 of, **1,243.11** acres, more or less.

See **EXHIBIT "A"** which is attached to and made part of this lease for further provisions and stipulations.

Lessor also intends to include in this lease and to lease to Lessee any right, title and interest Lessor may have in and to any and all mineral rights on, in and under any and all streets, county roads, highways, railroad strips and/or any and all other easements and rights of way whatsoever, canals, ditches and any other waterways lying across and/or adjacent and/or in any way appertaining to the lands hereinabove described, including, without limitation, any lands acquired previously or in the future by adverse possession and by accretion through meander of waterways or any recession of shoreline.

1. It is agreed that this lease shall remain in force for a term of **Three (3) years** from this date, and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a **PAID-UP LEASE**. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To pay Lessor, as royalty, **one sixth (1/6)** of all oil produced, saved and marketed from the leased premises, or to deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, **one sixth (1/6)** of all oil produced and saved from the leased premises.

2nd. To pay to Lessor, as royalty, **one sixth (1/6)** of the market value for gas of whatsoever nature or kind, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the leased premises. The term "market value" shall be deemed to mean the net value realized at the wellhead for gas after deducting any gas used on the leased premises and any reasonable and necessary costs to transport, compress, dehydrate, gather, process, condition or to otherwise bring the gas into a marketable condition. It is agreed, however, that no such costs shall exceed what is reasonable and necessary to bring the gas into marketable condition. Such costs shall be deemed to be reasonable if they are found to be approximately the same as similar costs charged or paid for gas produced in the vicinity of the leased lands of like kind, quality and quantity.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners one dollar (\$1.00) per year per net mineral acre covered by this lease, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency be executing the same upon request of Lessee.

13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

14. If Lessee shall fail to pay any royalty, rental or other payment when due, and if such default shall continue for a period of Sixty (60) days after receipt by Lessee of written notice thereof from Lessor, then at the option of Lessor, Lessor may terminate this lease as to those lands as to which Lessee is in default; provided, however, that if there be a bona fide dispute as to the amount due and all undisputed amounts are paid, said sixty (60) day period shall be extended until five (5) days after such dispute is settled by final court decree, arbitration or agreement. If Lessee shall be in default in the performance of any of its obligations under this lease other than the payment of rentals, royalties or other payments, and if, for a period of ninety (90) days after receipt by Lessee of written notice thereof from Lessor, Lessee shall fail to commence and thereafter diligently and in good faith to prosecute the remedy of such default, Lessor may terminate this lease as to those lands which Lessee is in default.

15. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

16. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall inure to the benefit of and be binding on the personal representatives, heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Gerald M. Quiat
GMQ LIMITED LIABILITY COMPANY
By: Gerald M. Quiat, Manager

STATE OF COLORADO §
City and County of Denver §

(INDIVIDUAL(S) ACKNOWLEDGMENT)

The foregoing instrument was acknowledged before me this 9th day of August, 2010, by GERALD M. QUIAT, Manager, GMQ LIMITED LIABILITY COMPANY whose address is 1873 South Bellaire Street, Suite 900, Denver, CO 80222, known to me, and who acknowledged that he executed the foregoing instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires:

11/13/2011
(seal)

Jennifer Robbins
Notary Public: Jennifer Robbins
Address: 1873 S. Bellaire St. Ste 900
Denver, CO 80222

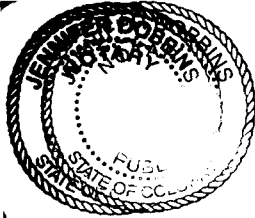


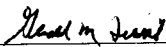
EXHIBIT "A"

Attached to and made a part of that certain Paid-Up Oil and Gas lease Dated August 3, 2010, by and between **GMQ LIMITED LIABILITY COMPANY**, represented herein by Gerald M. Quiat, Manager, whose address is 1873 South Bellaire Street, Suite 900, Denver, CO 80222 as Lessor and **BASELINE MINERALS, INC.**, whose address is 518 17th Street, Suite 1050, Denver, CO 80202, hereinafter called Lessee;

When executed below this Exhibit shall serve to represent the mutual understanding and agreement by and between the parties name herein as to the terms and conditions under which Lessors agree to lease to Lessee. Any language contained in the above lease to the contrary notwithstanding, it is expressly understood and agreed between the parties hereto that the following terms and conditions shall apply:

1. The royalty paid to Lessor herein shall be seventeen percent (17%) rather than the one-sixth (1/6) mentioned throughout the lease. Furthermore, said royalty shall be based upon the purchase price at the well of all oil and other liquid hydrocarbons produced and saved and recovered or separated from the lease premises, as well as for all gas (including substances contained in such gas) produced from the leased premises and sold by Lessee or used off the lease premises, including sulphur produced in conjunction therewith.
2. Notwithstanding any of the other provisions hereof, this lease covers only oil, gas, and associated hydrocarbons produced with oil or gas in liquid or gaseous form and all references to other minerals contained in this lease shall be deemed to refer only to such hydrocarbons and not to any other minerals.
3. Lessee agrees that all royalties accruing under the lease shall be free and clear of all the costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing and/or otherwise making the oil, gas and other products produced hereunder ready for sale or use, and no deduction shall be made for any such costs and expenses in computing any payment to be made to Lessor.
4. Lessor shall be entitled to receive its proper share of all benefits derived under any gas purchase contract entered into by Lessee including without limitation to Lessor, proper share of all take-or-pay proceeds, if any, payable thereunder.
5. Lessee agrees to distribute royalty payments within one hundred twenty (120) days from the date of the first production, and continue to make royalty payments each and every month thereafter. Lessee further agrees that Lessor shall not be required to execute division orders other than to stipulate and warrant their division of interest in this lease.
6. This lease may be pooled with another lease or leases, however after the expiration of the primary term, or if drilling operations are then in progress, then upon cessation of continuous drilling operations, herein defined as cessation of drilling operations for more than 180 consecutive days, each well then producing oil and/or gas in paying quantities shall perpetuate this lease only insofar as it covers the amount of acreage allocated to each well under the spacing regulations of the proper Federal or State regulatory agency. Further, production from such spacing unit or units will maintain this lease in force and effect only from the surface to the base of the strata or stratum of the deepest formation drilled. Upon written request from Lessor, Lessee shall immediately execute a release of this lease as to the balance of the land and strata or stratum covered hereby. Lessee shall execute and record an appropriate release evidencing such expiration or termination, and shall also supply Lessor with a copy or copies thereof.
7. The shut-in royalty payment as provided in this lease shall be changed and amended to provide as shut-in royalty, a sum equal to Five Dollars (\$5.00) per net mineral acre per year. In no event shall shut-in payments maintain this lease in force for a cumulative period exceeding three (3) years.
8. The terms, conditions and provision herein shall bind Lessor and Lessee and their successors and assigns and shall run with the land.
9. It is understood that this lease is executed without warranty of title, either express or implied.

SIGNED FOR IDENTIFICATION.



GMQ LIMITED LIABILITY COMPANY
By: Gerald M. Quiat, Manager

**OIL AND GAS LEASE**

THIS AGREEMENT, Made and entered into the 3rd day of August, 2010, by and between **CAROLE Q. LEIGHT, married to Harold C. Leight, dealing herein with her sole and separate property** whose address is **225 South Dexter Street, Denver, CO 80202** hereinafter called Lessor (whether one or more) and **Baseline Minerals, Inc.**, whose address is **518 17th Street, Suite 1050, Denver, CO 80202**, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of ten and more dollars (\$10.00+) cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for surveying and re-surveying, constructing, laying, repairing, replacing, upgrading and removing in whole or in part, pipelines and related equipment including, without limitation, gauges, metering and communication equipment and valve sets, and access over and across the lands described for said purposes, laying pipelines, and erection of any other structures thereon necessary or convenient to produce, save and take care of said products, all that certain tract of land situated in the County of Morgan, State of Colorado, described as follows, to-wit:

Tract 1: Township 5 North, Range 60 West,

Section 13: W/2SE/4, E/2SW/4, E/2NW/4, SW/4NE/4
Containing 280.00 acres, more or less;

Tract 2: Township 6 North, Range 59 West, 6th P.M

Section 18: Lot 1 (41.11), Lot 2 (40.89), Lot 3 (40.67), Lot 4 (40.44), E/2W/2, E/2
Containing 643.11 acres, more or less;

Tract 3: Township 6 North, Range 60 West, 6th P.M.

Section 23: E/2
Containing 320.00 acres, more or less;

and containing a total in Tracts 1 through 3 of, **1,243.11 acres**, more or less.

Lessor also intends to include in this lease and to lease to Lessee any right, title and interest Lessor may have in and to any and all mineral rights on, in and under any and all streets, county roads, highways, railroad strips and/or any and all other easements and rights of way whatsoever, canals, ditches and any other waterways lying across and/or adjacent and/or in any way appertaining to the lands hereinabove described, including, without limitation, any lands acquired previously or in the future by adverse possession and by accretion through meander of waterways or any recession of shoreline.

1. It is agreed that this lease shall remain in force for a term of **Three (3) years** from this date, and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivering to Lessor or by filing for record a release or releases, and be relieved of all obligation thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To pay Lessor, as royalty, **one sixth (1/6)** of all oil produced, saved and marketed from the leased premises, or to deliver to the credit of Lessor, free of cost, in the pipeline to which Lessee may connect wells on said land, **one sixth (1/6)** of all oil produced and saved from the leased premises.

2nd. To pay to Lessor, as royalty, **one sixth (1/6)** of the market value for gas of whatsoever nature or kind, liquid hydrocarbons and their respective constituent elements, casinghead gas or other gaseous substances, produced from the leased premises. The term "market value" shall be deemed to mean the net value realized at the wellhead for gas after deducting any gas used on the leased premises and any reasonable and necessary costs to transport, compress, dehydrate, gather, process, condition or to otherwise bring the gas into a marketable condition. It is agreed, however, that no such costs shall exceed what is reasonable and necessary to bring the gas into marketable condition. Such costs shall be deemed to be reasonable if they are found to be approximately the same as similar costs charged or paid for gas produced in the vicinity of the leased lands of like kind, quality and quantity.

4. Where gas from a well capable of producing gas is not sold or used, Lessee may pay or tender as royalty to the royalty owners one dollar (\$1.00) per year per net mineral acre covered by this lease, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above-described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipeline below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of certified copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with

respect to such other land, lease or leases. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency be executing the same upon request of Lessee.

13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

14. If Lessee shall fail to pay any royalty, rental or other payment when due, and if such default shall continue for a period of Sixty (60) days after receipt by Lessee of written notice thereof from Lessor, then at the option of Lessor, Lessor may terminate this lease as to those lands as to which Lessee is in default; provided, however, that if there be a bona fide dispute as to the amount due and all undisputed amounts are paid, said sixty (60) day period shall be extended until five (5) days after such dispute is settled by final court decree, arbitration or agreement. If Lessee shall be in default in the performance of any of its obligations under this lease other than the payment of rentals, royalties or other payments, and if, for a period of ninety (90) days after receipt by Lessee of written notice thereof from Lessor, Lessee shall fail to commence and thereafter diligently and in good faith to prosecute the remedy of such default, Lessor may terminate this lease as to those lands which Lessee is in default.

15. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above-described lands, in the event of default of payment by Lessor and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

16. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall inure to the benefit of and be binding on the personal representatives, heirs, successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

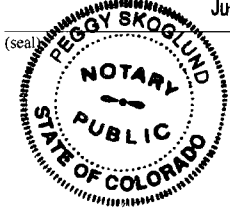
Carole Q. Leight
CAROLE Q. LEIGHT

STATE OF COLORADO § (INDIVIDUAL(S) ACKNOWLEDGMENT)
§
COUNTY OF DELVER §

The foregoing instrument was acknowledged before me this 11th day of AUGUST, 2010, by CAROLE Q. LEIGHT whose address is 225 South Dexter Street, Denver, CO 80202, known to me, and who acknowledged that she executed the foregoing instrument as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires ~~My Commission Expires~~
June 24, 2014



Peggy Skoglund
Notary Public
Address: 3301 E. 1st Ave
DENVER, CO 80206

EXHIBIT "A"

Attached to and made a part of that certain Paid-Up Oil and Gas lease Dated August 3, 2010, by and between **CAROLE Q. LEIGHT**, married to Harold C. Leight, dealing herein with her sole and separate property whose address is 225 South Dexter Street, Denver, CO 80202 as Lessor and **BASELINE MINERALS, INC.**, whose address is 518 17th Street, Suite 1050, Denver, CO 80202, hereinafter called Lessee;

When executed below this Exhibit shall serve to represent the mutual understanding and agreement by and between the parties name herein as to the terms and conditions under which Lessors agree to lease to Lessee. Any language contained in the above lease to the contrary notwithstanding, it is expressly understood and agreed between the parties hereto that the following terms and conditions shall apply:

1. The royalty paid to Lessor herein shall be seventeen percent (17%) rather than the one-sixth (1/6) mentioned throughout the lease. Furthermore, said royalty shall be based upon the purchase price at the well of all oil and other liquid hydrocarbons produced and saved and recovered or separated from the lease premises, as well as for all gas (including substances contained in such gas) produced from the leased premises and sold by Lessee or used off the lease premises, including sulphur produced in conjunction therewith.
2. Notwithstanding any of the other provisions hereof, this lease covers only oil, gas, and associated hydrocarbons produced with oil or gas in liquid or gaseous form and all references to other minerals contained in this lease shall be deemed to refer only to such hydrocarbons and not to any other minerals.
3. Lessee agrees that all royalties accruing under the lease shall be free and clear of all the costs and expenses of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, marketing and/or otherwise making the oil, gas and other products produced hereunder ready for sale or use, and no deduction shall be made for any such costs and expenses in computing any payment to be made to Lessor.
4. Lessor shall be entitled to receive its proper share of all benefits derived under any gas purchase contract entered into by Lessee including without limitation to Lessor, proper share of all take-or-pay proceeds, if any, payable thereunder.
5. Lessee agrees to distribute royalty payments within one hundred twenty (120) days from the date of the first production, and continue to make royalty payments each and every month thereafter. Lessee further agrees that Lessor shall not be required to execute division orders other than to stipulate and warrant their division of interest in this lease.
6. This lease may be pooled with another lease or leases, however after the expiration of the primary term, or if drilling operations are then in progress, then upon cessation of continuous drilling operations, herein defined as cessation of drilling operations for more than 180 consecutive days, each well then producing oil and/or gas in paying quantities shall perpetuate this lease only insofar as it covers the amount of acreage allocated to each well under the spacing regulations of the proper Federal or State regulatory agency. Further, production from such spacing unit or units will maintain this lease in force and effect only from the surface to the base of the strata or stratum of the deepest formation drilled. Upon written request from Lessor, Lessee shall immediately execute a release of this lease as to the balance of the land and strata or stratum covered hereby. Lessee shall execute and record an appropriate release evidencing such expiration or termination, and shall also supply Lessor with a copy or copies thereof.
7. The shut-in royalty payment as provided in this lease shall be changed and amended to provide as shut-in royalty, a sum equal to Five Dollars (\$5.00) per net mineral acre per year. In no event shall shut-in payments maintain this lease in force for a cumulative period exceeding three (3) years.
8. The terms, conditions and provision herein shall bind Lessor and Lessee and their successors and assigns and shall run with the land.
9. It is understood that this lease is executed without warranty of title, either express or implied.

SIGNED FOR IDENTIFICATION.


CAROLE Q. LEIGHT



OIL AND GAS LEASE

PRODUCERS REPAID UP
Rev. 5-60, 10-20-05

AGREEMENT, Made and entered into the 16th day of October, 2010 by and between Sandra K. & Paul R. Montville, as JT's and heir of Ralph J. Cummings and Elma Jane Lorenzo, AKA Alma Jane Lorenzo, whose address is, 19444 E. Hollow Creek Dr, Parker, CO 80134 hereinafter called Lessor (whether one or more) and PRIMA EXPLORATION, Inc. whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the County of Morgan State of Colorado described as follows, to-wit:

Township 5N North, Range 60W West, 6th P.M.
Section 13:W2SE, E2SW, E2NW, SWNE

See Exhibit "A" attached here to and by this reference made a part hereof.

and containing 280 acres, more or less, hereinafter called "leased premises".

1. It is agreed that this lease shall remain in force for a primary term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith, and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal three-sixteenth's (3/16th) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor three-sixteenth's (3/16th) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of three-sixteenth's (3/16th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of three-sixteenth's (3/16th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.

4. Where gas from a well capable of producing gas is not sold or used and this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by one Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations on a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations on a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease, such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled.

The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is

prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.

16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Three (3) year term. Unless this lease is being maintained in force under other provisions hereof, this option may be exercised during the initial primary term by delivery of payment of an amount equal to 200% of the original bonus consideration paid per net mineral acre hereunder. The additional bonus consideration shall constitute notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the additional bonus consideration provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was Six (6) years.

~~18. If Lessor, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessor a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of such notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by telefax or mail postmarked on or before the expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution by Lessor along with Lessee's sight draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same to Lessee.~~

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments or advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Handwritten initials

[Signature]
Sandra K. Montville

[Signature]
Paul R. Montville
F. M.

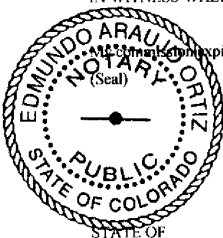
STATE OF Colorado }
COUNTY OF Douglas } §

ACKNOWLEDGMENT, Individual(s)

BE IT REMEMBERED, That on this 23 day of OCT A. D., 20 10 before me, a Notary Public, in and for said County and State, personally appeared Sandra K. Montville and Paul R. Montville

_____ to me known to be the identical person _____ described in and who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.



My Commission expires: 11/06/2013

[Signature]
Notary Public

STATE OF _____ }
COUNTY OF _____ } §

ACKNOWLEDGMENT, CORPORATION

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 20____ personally appeared _____

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.
My commission expires: _____
(Seal) Notary Public

Return to Lessee
Upon

Recording

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 16, 2010 by and between Prima Exploration and Sandra K. & Paul R. Montville.

Notwithstanding any provision or provisions contained herein to the contrary this lease and all of its terms shall be amended as follows:

1. If at the end of the primary term, a part but not all of the land covered by this lease, on a surface acreage basis, is not pooled or included within a unit or units in accordance with the other provisions hereof, this lease shall terminate as to such part, or parts, of the land lying outside such pooling, unit or units, unless this lease is perpetuated as to such land outside such pooling, unit or units by operations conducted thereon or by the production of oil, gas or other minerals, or by such operations and such production in accordance with the provisions hereof.
2. For any well drilled on the lands covered by this lease that is not producing in paying quantities' one year after the expiration of the primary term, and Lessee has not drawn and removed casing within said one year period, Lessor shall own the casing. Lessee is not hereby relieved of its obligation to plug any such well or wells according to the regulators of any authority of appropriate jurisdiction.
3. All recitals of royalty contained here shall be 3/16ths. Payments of the royalty shall be made to the lessor free and clear of all costs of separating, dehydrating, treating, compression, processing, marketing, transportation, or any other cost, at the point of delivery into the sales line, except severance or other production taxes levied by the legal authority of appropriate jurisdiction.



OIL AND GAS LEASE

PRODUCERS RE-PAID-UP
302 540 RIGHTS

AGREEMENT, Made and entered into the 16th day of October, 2010 by and between Theresa A. Lorenzo, a single woman and heir of Ralph J. Cummings and Elma Jane Lorenzo, AKA Alma Jane Lorenzo, dealing in her sole and separate property, whose address is, 6768 S Queen Rd. Littleton, CO 80127 hereinafter called Lessor (whether one or more) and PRIMA EXPLORATION, INC. whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee.

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the County of Morgan State of Colorado described as follows, to-wit:

Township 5N North, Range 60W West, 6th P.M.
Section 13:W2SE, E2SW, E2NW, SWNE

See Exhibit "A" attached here to and by this reference made a part hereof.

and containing 280 acres, more or less, hereinafter called "leased premises".

1. It is agreed that this lease shall remain in force for a primary term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal three-sixteenth's (3/16th) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor three-sixteenth's (3/16th) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of three-sixteenth's (3/16th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of three-sixteenth's (3/16th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.

4. Where gas from a well capable of producing gas is not sold or used and this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by one Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled.

The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.

13. Lessor ~~hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee~~ shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee.

JAC



anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation.

16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Three (3) year term.

18. If Lessor, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessor a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer.

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated, thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments or advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

SAL

Theresa A. Lorenzo
Theresa A. Lorenzo

STATE OF Colorado }
COUNTY OF Douglas } §

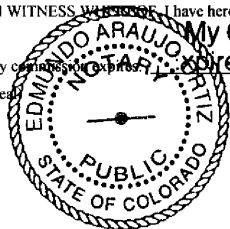
ACKNOWLEDGMENT, Individual(s)

BE IT REMEMBERED, That on this 23 day of OCT A. D. 20 10 before me, a Notary Public, in and for said County and State, personally appeared Theresa A. Lorenzo

to me known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that executed the same as free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.

My Commission Expires 11/06/2013
(Seal)



Notary Public

[Signature]

STATE OF _____ }
COUNTY OF _____ } §

ACKNOWLEDGMENT, CORPORATION

Before me, the undersigned, a Notary Public, in and for said County and State, on this ____ day of ____ 20____ personally appeared _____

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

My commission expires: _____
(Seal) Notary Public

Return to Lessee
Upon

Recording

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 16, 2010 by and between Prima Exploration and Theresa A. Lorenzo.

Notwithstanding any provision or provisions contained herein to the contrary this lease and all of its terms shall be amended as follows:

1. If at the end of the primary term, a part but not all of the land covered by this lease, on a surface acreage basis, is not pooled or included within a unit or units in accordance with the other provisions hereof, this lease shall terminate as to such part, or parts, of the land lying outside such pooling, unit or units, unless this lease is perpetuated as to such land outside such pooling, unit or units by operations conducted thereon or by the production of oil, gas or other minerals, or by such operations and such production in accordance with the provisions hereof.

2. For any well drilled on the lands covered by this lease that is not producing in paying quantities one year after the expiration of the primary term, and Lessee has not drawn and removed casing within said one year period, Lessor shall own the casing. Lessee is not hereby relieved of its obligation to plug any such well or wells according to the regulators of any authority of appropriate jurisdiction.

3. All recitals of royalty contained here shall be 3/16ths. Payments of the royalty shall be made to the lessor free and clear of all costs of separating, dehydrating, treating, compression, processing, marketing, transportation, or any other cost, at the point of delivery into the sales line, except severance or other production taxes levied by the legal authority of appropriate jurisdiction.



OIL AND GAS LEASE

PRODUCERS REEAD UP
Rev. 5-01-08/010

AGREEMENT, Made and entered into the 16th day of October, 2010 by and between Joseph H. & Elynn T. Lorenzo AKA Lyn T. Lorenzo as JT's and heir of Ralph J. Cummings and Elma Jane Lorenzo, AKA Alma Jane Lorenzo, whose address is 6768 S Queen Rd. Littleton, CO 80127, hereinafter called Lessor (whether one or more) and PRIMA EXPLORATION, INC. whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS and by cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the County of Morgan State of Colorado described as follows, to-wit:

Township 5N North, Range 60W West, 6th P.M.
Section 13:W2SE, E2SW, E2NW, SWNE

See Exhibit "A" attached here to and by this reference made a part hereof.

and containing 280 acres, more or less, hereinafter called "leased premises".

1. It is agreed that this lease shall remain in force for a primary term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith, and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal three-sixteenth's (3/16th) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor three-sixteenth's (3/16th) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of three-sixteenth's (3/16th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of three-sixteenth's (3/16th) of the proceeds, at the month of the well, payable monthly at the prevailing market rate.

4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.

4. Where gas from a well capable of producing gas is not sold or used and this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by one Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled.

The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more of all the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease

Signature

shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.

16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Three (3) year term. Unless this lease is being maintained in force under other provisions hereof, this option may be exercised during the initial primary term by delivery of payment of an amount equal to 200% of the original bonus consideration paid per net mineral acre hereunder. The additional bonus consideration shall constitute notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the additional bonus consideration provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was Six (6) years.

18. If Lessor, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessor a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of such notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by telefax or mail postmarked on or before the expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution by Lessor along with Lessee's sight draft payable to Lessor in payment of the specified amount of consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same to Lessee.

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments or advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Joseph H. Lorenzo
Joseph H. Lorenzo

Ellyn T. Lorenzo
Ellyn T. Lorenzo AKA Lyn T. Lorenzo

STATE OF Colorado }
COUNTY OF Jefferson } §
BE IT REMEMBERED, That on this 23rd day of October A. D., 2010 before me, a Notary Public, in and for said County and State, personally appeared Joseph H. Lorenzo and Ellyn Lorenzo

ACKNOWLEDGMENT, Individual(s)

to me known to be the identical person S described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.

My commission expires: 09-02-2012
(Seal)

JORDIN MULWANA
Notary Public
My Comm. Exp. 09-02-2012

STATE OF _____ }
COUNTY OF _____ } §

ACKNOWLEDGMENT, CORPORATION

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 20____ personally appeared _____

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth. Given under my hand and seal of office the day and year last above written.

My commission expires: _____
(Seal)

Notary Public

Return to Lessee Upon


Recording

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 16, 2010 by and between Prima Exploration and Joseph H. & Ellyn T. Lorenzo.

Notwithstanding any provision or provisions contained herein to the contrary this lease and all of its terms shall be amended as follows:

1. If at the end of the primary term, a part but not all of the land covered by this lease, on a surface acreage basis, is not pooled or included within a unit or units in accordance with the other provisions hereof, this lease shall terminate as to such part, or parts, of the land lying outside such pooling, unit or units, unless this lease is perpetuated as to such land outside such pooling, unit or units by operations conducted thereon or by the production of oil, gas or other minerals, or by such operations and such production in accordance with the provisions hereof.
2. For any well drilled on the lands covered by this lease that is not producing in paying quantities one year after the expiration of the primary term, and Lessee has not drawn and removed casing within said one year period, Lessor shall own the casing. Lessee is not hereby relieved of its obligation to plug any such well or wells according to the regulators of any authority of appropriate jurisdiction.
3. All recitals of royalty contained here shall be 3/16ths. Payments of the royalty shall be made to the lessor free and clear of all costs of separating, dehydrating, treating, compression, processing, marketing, transportation, or any other cost, at the point of delivery into the sales line, except severance or other production taxes levied by the legal authority of appropriate jurisdiction.


JML

ETR



OIL AND GAS LEASE

PRD BY KERS & PART/TP
REV. 5-06-2009/09

AGREEMENT, Made and entered into the 16th day of October, 2010 by and between Sherri T. Lorenzo, a single woman and heir of Ralph J. Cummings and Elma Jane Lorenzo, AKA Alma Jane Lorenzo, dealing in her sole and separate property, whose address is, 6768 S Queen Rd. Littleton, CO 80127 hereinafter called Lessor (whether one or more) and PRIMA EXPLORATION, INC. whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the County of Morgan State of Colorado described as follows, to-wit:

Township 5N North, Range 60W West, 6th P.M.
Section 13:W2SE, E2SW, E2NW, SWNE

See Exhibit "A" attached here to and by this reference made a part hereof.

and containing 280 acres, more or less, hereinafter called "leased premises".

1. It is agreed that this lease shall remain in force for a primary term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal three-sixteenth's (3/16th) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor three-sixteenth's (3/16th) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of three-sixteenth's (3/16th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of three-sixteenth's (3/16th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.

4. Where gas from a well capable of producing gas is not sold or used and this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by one Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of such royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled.

The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.

13. Lessor ~~hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee~~ shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee.

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anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation.

16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Three (3) year term.

18. If Lessor, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessor a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer.

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated, thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments of advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

SL

Sherri T. Lorenzo
Sherri T. Lorenzo

10-25-10

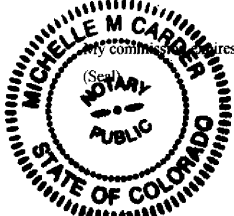
STATE OF Colorado }
COUNTY OF Archuleta } §

ACKNOWLEDGMENT, Individual(s)

BE IT REMEMBERED, That on this 25th day of October A. D., 20 10 before me, a Notary Public, in and for said County and State, personally appeared Sherri T. Lorenzo

_____ to me known to be the identical person _____ described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.



My commission expires: 8/12/2012

Michelle M. Carber
Notary Public

STATE OF _____ }
COUNTY OF _____ } §

ACKNOWLEDGMENT, CORPORATION

Before me, the undersigned, a Notary Public, in and for said County and State, on this _____ day of _____ 20____ personally appeared _____

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires: _____
(Seal) Notary Public

Return to Lessee
Upon _____ Recording

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 16, 2010 by and between Prima Exploration and Sherri T. Lorenzo.

Notwithstanding any provision or provisions contained herein to the contrary this lease and all of its terms shall be amended as follows:

1. If at the end of the primary term, a part but not all of the land covered by this lease, on a surface acreage basis, is not pooled or included within a unit or units in accordance with the other provisions hereof, this lease shall terminate as to such part, or parts, of the land lying outside such pooling, unit or units, unless this lease is perpetuated as to such land outside such pooling, unit or units by operations conducted thereon or by the production of oil, gas or other minerals, or by such operations and such production in accordance with the provisions hereof.
2. For any well drilled on the lands covered by this lease that is not producing in paying quantities one year after the expiration of the primary term, and Lessee has not drawn and removed casing within said one year period, Lessor shall own the casing. Lessee is not hereby relieved of its obligation to plug any such well or wells according to the regulators of any authority of appropriate jurisdiction.
3. All recitals of royalty contained here shall be 3/16ths. Payments of the royalty shall be made to the lessor free and clear of all costs of separating, dehydrating, treating, compression, processing, marketing, transportation, or any other cost, at the point of delivery into the sales line, except severance or other production taxes levied by the legal authority of appropriate jurisdiction.

PRODUCERS 88-PAID UP
Rev. 5-60, No 2010

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 22nd day of November, 2010 by and between
MICHAEL WILLIAM DOWSE, dealing in his sole and separate property,
whose address is 3338 S. Ammons St., Lakewood, CO 80227-6312, hereinafter called Lessor
(whether one or more), and **PRIMA EXPLORATION, INC.**,
whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee:
WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS
cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted,
demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter
described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating
for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights
of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save
and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the
County of Morgan, State of Colorado, described as follows, to-wit:

TOWNSHIP 4 NORTH, RANGE 60 WEST, 6th P.M.

Section 13: S1/2
Section 24: W1/2

and containing 640.00 acres, more or less, hereinafter called "leased premises".

1. It is agreed that this lease shall remain in force for a primary term of Five (5) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.
2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.
3. In consideration of the premises the said Lessee covenants and agrees:
 - 1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal **one-eighth (1/8th)** part of all oil produced and saved from the leased premises.
 - 2nd. To pay Lessor **one-eighth (1/8th)** of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of **one-eighth (1/8th)**, payable monthly at the prevailing market rate for gas.
 - 3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of **one-eighth (1/8th)** of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.
 - 4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.
4. Where gas from a well capable of producing gas is not sold or used and this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.
5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.
6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.
7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.
8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.
9. Lessee shall pay for damages caused by Lessee's operations on said land.
10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by one Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.
12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease. Such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land, and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessor's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled. The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.

MWD

13. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.

16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Five (5) year term. Unless this lease is being maintained in force under other provisions hereof, this option may be exercised during the initial primary term by delivery of payment of an additional bonus consideration equal to the original consideration paid per net mineral acre hereunder. The additional bonus consideration shall constitute notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the additional bonus consideration provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was Ten (10) years.

18. If Lessor, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessor a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of such notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by telefax or mail postmarked on or before the expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution by Lessor along with Lessee's sight draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same to Lessee.

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments or advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Michael William Dowse
MICHAEL WILLIAM DOWSE

STATE OF Colorado }
 } §
 COUNTY OF Jefferson }

ACKNOWLEDGMENT, Individual(s)

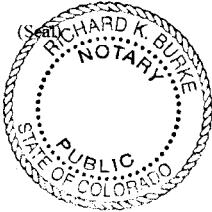
BE IT REMEMBERED, That on this 27 day of November A. D., 2010 before me, a Notary Public, in and for said County and State, personally appeared **MICHAEL WILLIAM DOWSE, dealing in his sole and separate property** to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.

My commission expires: 09-17-14

Richard K. Burke

Notary Public



Return to:

GFL & Associates, LLC
 19751 East Main Street, Suite 334
 Parker, CO 80138



OIL AND GAS LEASE

PRODUCERS REPAID UP
Rev. 3-69-82008

AGREEMENT. Made and entered into the 16th day of October, 2010 by and between Phillip S. & Renee A. Lorenzo as JT's and heir of Ralph J. Cummings and Elma Jane Lorenzo, AKA Alma Jane Lorenzo, whose address is, 6985 Polo Ridge Road Littleton, CO 80128, hereinafter called Lessor (whether one or more) and PRIMA EXPLORATION, INC. whose address is 100 Fillmore Street, Suite 450, Denver, CO 80206, hereinafter called Lessee:

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinafter contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinafter described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, drilling and operating for and producing therefrom oil and all gas of whatsoever nature or kind, injecting gas or fluids into any subsurface strata, with rights of ingress and egress, rights of way and easements for roads, laying pipe lines, and erection of structures thereon to produce, save and take care of said products and the right to drill for, produce and use fresh water, all that certain tract of land situated in the County of Morgan State of Colorado described as follows, to-wit:

Township 5N North, Range 60W West, 6th P.M.
Section 13:W2SE, E2SW, E2NW, SWNE

See Exhibit "A" attached here to and by this reference made a part hereof.

and containing 280 acres, more or less, hereinafter called "leased premises"

1. It is agreed that this lease shall remain in force for a primary term of Three (3) years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling or re-working operations are continued or this lease is otherwise maintained in effect as hereinafter provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or re-working operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or re-working operations within one hundred twenty (120) days from date of cessation of production or from date of completion of a dry hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAID-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term.

3. In consideration of the premises the said Lessee covenants and agrees:

1st. To deliver to the credit of Lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal three-sixteenth's (3/16th) part of all oil produced and saved from the leased premises.

2nd. To pay Lessor three-sixteenth's (3/16th) of the gross proceeds each year, payable quarterly, for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline a royalty of three-sixteenth's (3/16th), payable monthly at the prevailing market rate for gas.

3rd. To pay Lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product a royalty of three-sixteenth's (3/16th) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4th. Notwithstanding the foregoing, Lessor shall bear its share of costs of separating, dehydrating, treating, compression, processing, marketing, transportation and taxes applicable to Lessor's share of production.

4. Where gas from a well capable of producing gas is not sold or used in this lease is not otherwise maintained in force as provided herein, Lessee may pay or tender as royalty to the royalty owners One Dollar per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties (including any shut-in gas royalty) herein provided for shall be paid the said Lessor only in the proportion which Lessor's interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

7. When requested by Lessor, Lessee shall bury Lessee's pipe lines below plow depth.

8. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of Lessor.

9. Lessee shall pay for damages caused by Lessee's operations on said land.

10. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

11. The rights of Lessor and Lessee hereunder may be assigned in whole or part. No change in ownership of Lessor's interest (by assignment or otherwise) shall be binding on Lessee until Lessee has been furnished with notice, consisting of copies of all recorded instruments or documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessee. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessee, and all Lessee's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no leasehold owner shall be liable for any act or omission of any other leasehold owner and failure by any Lessee shall not affect the rights of the others. Payments are apportionable in proportion to the interest owned by each leasehold owner.

12. Lessee, at its option, is hereby given the right and power at any time and from time to time as a recurring right, either before or after production, as to all or any part of the land described herein and as to any one or more of the formations, stratum or strata hereunder, to pool or unitize the leasehold estate and the mineral estate covered by this lease with other land, lease or leases in the immediate vicinity for the production of oil and gas, or separately for the production of either, or by pressure maintenance, repressuring or secondary recovery purposes, when in Lessee's judgment it is necessary or advisable to do so, and irrespective of whether authority similar to this exists with respect to such other land, lease or leases. Any such unit may be enlarged or diminished by filing of record an instrument so declaring. Likewise, units previously formed to include formations not producing oil or gas, may be reformed to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessee executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations or a well shut in for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling, or reworking operations or a well shut in for want of a market under this lease. In lieu of the royalties elsewhere herein specified, including shut-in gas royalties, Lessor shall receive on production from the unit so pooled royalties only on the portion of such production allocated to this lease; such allocation shall be that proportion of the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total of surface acres in such unit. In addition to the foregoing, Lessee shall have the right to unitize, pool, or combine all or any part of the above described lands as to one or more of the formations thereunder with other lands in the same general area by entering into a cooperative or unit plan of development or operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling, and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not terminate or expire during the life of such plan or agreement. In the event that said above described lands or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the royalties to be paid hereunder to Lessor, be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land; and the royalty payments to be made hereunder to Lessor shall be based upon production only as so allocated. Lessor shall formally express Lessee's consent to any cooperative or unit plan of development or operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee. Lessee may commingle production from this lease with production from one or more leases in the same field provided a method of measurement is used to allocate production to the respective leases commingled.

The terms pool, pooled, unit, unitized, cooperative or unit plan of development or operation shall have the same meaning herein.

13. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessee shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof, and the undersigned Lessors, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, insofar as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

14. Should any one or more of the parties hereinabove named as Lessor fail to execute this lease, it shall nevertheless be binding upon all such parties who do execute it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more or all of the parties who execute this lease as Lessor. All the provisions of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

15. When drilling or other operations are delayed or interrupted by storm, flood or other act of God, fire, war, rebellion, insurrection, riot, strikes, differences with workmen, unavailability of material or equipment, failure of carriers to transport or furnish facilities for transportation, some order, requisition or necessity of the government or as a result of any cause whatsoever beyond the control of the Lessee, the time of such delay or interruption shall not be counted against Lessee, anything in this lease to the contrary notwithstanding. All express or implied covenants of this lease shall be subject to all Federal and State laws, Executive orders, rules or regulations and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith if compliance is

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prevented by, or if such failure is the result of, any such law, order, rule or regulation. If from such causes Lessee is prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, the time while Lessee is so prevented shall not be counted against Lessee, and this lease shall be extended for a period of time equal to that during which such Lessee is so prevented from conducting drilling or reworking operations on, or producing oil or gas from said land or land pooled therewith, notwithstanding any other provision hereof.

16. The breach by Lessee of any obligation arising hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at any time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence the compliance with the obligations imposed by virtue of this instrument.

17. The consideration paid for this lease shall also constitute consideration for an option to the Lessee, its successors and assigns, to extend the initial primary term for a second Three (3) year term. Unless this lease is being maintained in force under other provisions hereof, this option may be exercised during the initial primary term by delivery of payment of an amount equal to 200% of the original bonus consideration paid per net mineral acre hereunder. The additional bonus consideration shall constitute notice to Lessor of exercise of the option. In the event Lessee elects to exercise this option and makes the additional bonus consideration provided for above, then all terms of this lease shall remain in full force and effect as if the original primary term was Six (6) years.

18. ~~If Lessee, during the primary term hereof, receives a bona fide offer from a third party to purchase from Lessee a lease covering any or all of the substances covered by this lease as to all or a portion of the leased premises, with such lease to become effective upon expiration of this lease, which Lessor is willing to accept from the offering party, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen (15) days after the receipt of such notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein covered by the offer at the price and on the terms and conditions in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this paragraph. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by telefax or mail postmarked on or before the expiration of said fifteen (15) day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution by Lessor along with Lessee's sight draft payable to Lessor in payment of the specified amount of consideration for the new lease, such draft being subject to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same to Lessee.~~

19. Lessee, its successors and assigns, shall have the right at any time to surrender this lease, in whole or in part and as to any stratum or strata, to Lessor or Lessor's heirs, representatives, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated, thereupon Lessee shall be relieved from all obligations, express or implied, of this agreement as to the acreage so surrendered, and thereafter the payments or advance annual royalties payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.

IN WITNESS WHEREOF, this instrument is executed as of the date first above written.

Phillip S. Lorenzo
Phillip S. Lorenzo

Renee A. Lorenzo
Renee A. Lorenzo

STATE OF Colorado)
COUNTY OF Denver) §

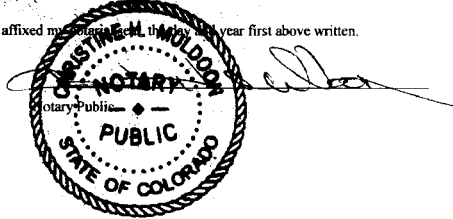
ACKNOWLEDGMENT, Individual(s)

BE IT REMEMBERED, That on this 28th day of October, A. D., 2010 before me, a Notary Public, in and for said County and State, personally appeared Phillip S. Lorenzo and Renee A. Lorenzo

_____ to me known to be the identical person s described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my seal, this 28th day of October, 2010 year first above written.

My commission expires: November 18, 2013
(Seal)



STATE OF Colorado)
COUNTY OF Denver) §

My Commission Expires 11/18/2013

ACKNOWLEDGMENT, CORPORATION

Before me, the undersigned, a Notary Public, in and for said County and State, on this 28th day of October, 2010 personally appeared Phillip S. Lorenzo and Renee A. Lorenzo

to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that they executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My commission expires: November 18, 2013
(Seal)

Kristine M. Wildon
Notary Public

Return to Lessee
Upon

Recording

Exhibit "A"

Attached to and made a part of that certain Oil and Gas Lease dated October 16, 2010 by and between Prima Exploration and Phillip H. & Renee A. Lorenzo.

Notwithstanding any provision or provisions contained herein to the contrary this lease and all of its terms shall be amended as follows:

1. If at the end of the primary term, a part but not all of the land covered by this lease, on a surface acreage basis, is not pooled or included within a unit or units in accordance with the other provisions hereof, this lease shall terminate as to such part, or parts, of the land lying outside such pooling, unit or units, unless this lease is perpetuated as to such land outside such pooling, unit or units by operations conducted thereon or by the production of oil, gas or other minerals, or by such operations and such production in accordance with the provisions hereof.
2. For any well drilled on the lands covered by this lease that is not producing in paying quantities' one year after the expiration of the primary term, and Lessee has not drawn and removed casing within said one year period, Lessor shall own the casing. Lessee is not hereby relieved of its obligation to plug any such well or wells according to the regulators of any authority of appropriate jurisdiction.
3. All recitals of royalty contained here shall be 3/16ths. Payments of the royalty shall be made to the lessor free and clear of all costs of separating, dehydrating, treating, compression, processing, marketing, transportation, or any other cost, at the point of delivery into the sales line, except severance or other production taxes levied by the legal authority of appropriate jurisdiction.

ORDER OF BOARD OF COUNTY COMMISSIONERS.

Order Declaring all Section and Township lines on the Public Domain of the United States in Morgan County, to be Public Highways, etc., passed by the Board of County Commissioners April 12, 1907.

"WHEREAS, Section 2477 of the Revised Statutes of the United States provides: 'The right of way for the construction of highways over public lands not reserved for public use is hereby granted', and,

"WHEREAS, By virtue of an act of the General Assembly of the State of Colorado, entitled: 'An act to Amend Section 4 of Chapter 95 of the General Statutes of the State of Colorado, entitled, 'Roads and Highways,' approved April 7, 1885, it is provided, 'The Commissioners of the County may at any regular meeting by an order of the Board declare any section or township line on the public domain a public highway, and on and after the date of such order, it shall be attested by the Clerk, under the seal of the County, and recorded in the office of the Recorder of Deeds. The road so laid out shall be a public highway. And,

"WHEREAS, The public interests require that there be public highways on all section and township lines on the United States public domain, within the limits of the County of Morgan.

"IT IS HEREBY ORDERED, By the Board of County Commissioners of the County of Morgan, that all section and township lines on the public domain of the United States, within the County of Morgan and State of Colorado, to-wit: In townships 1-2-3-4-5 and 6 north in ranges 55;56,57,58,59, and 60 west of the sixth principal meridian; be, and the same hereby are declared to be the center of public highways or County roads, which said roads shall be and hereby are declared to be roads 60 feet wide, being 30 feet on each side of said section and townships lines. And,

"BE IT FURTHER ORDERED, That a duly certified transcript of the order and action of this Board concerning said public highways, duly attested by the Clerk of this Board under the seal of the County of Morgan, shall be forthwith prepared and recorded in the office of the County Clerk and Recorder of Deeds of Morgan County, Colorado. And,

"BE IT FURTHER ORDERED, that the County Clerk and Recorder of Morgan County, Colorado, be and he is hereby instructed when said certified order is so recorded, to prepare three certified transcripts of such recorded order, one of which transcripts shall be mailed by him, by registered letter, to the Honorable United States Surveyor General for the State of Colorado; another to the Honorable Register and Receiver of the Land Office at Denver, Colorado, and another to the Honorable Commissioner of the General Land Office at Washington D.C. and that said County Clerk and Recorder shall make report of his acts and doings hereunder at the next meeting of this Board.

STATE OF COLORADO)
COUNTY OF MORGAN) SS: .

I, J.F. Arbuckle, County Clerk and Recorder and Ex.Officio Clerk of the Board of County Commissioners of the County of Morgan in the State of Colorado, do hereby certify that the above and foregoing is a true and correct copy of the order duly passed by the Board of County Commissioners of said County at a regular meeting thereof held on the 12th day of April A.D. 1907.

Witness my hand and the seal of said County this 6th day of May A.D. 1907.



J. F. Arbuckle
County Clerk and Recorder and Ex.officio
Clerk of the Board of County Commissioners.

No. 25157 This instrument was filed for record at 4.10 o'clock P.M. May 6th, 1907.
J. F. Arbuckle.....Recorder.



Mountain Bell

Denver, Colorado
September 24, 1981

Mr. Clifford Garver
Morgan County Clerk/Recorder
P. O. Box 899
Fort Morgan, Colorado 80701

RECEPTION NO. 655765 RECORDED OCT 02 1981
8:30 O'CLOCK 14 M. FAY A. VONDY, RECORDER

Dear Mr. Garver:

Re: Senate Bill No. 172-1981-CRS 9-1.5-103, Establishing Procedures
for the Protection of Underground Facilities from Damage Caused
by Excavation Work

In compliance with Senate Bill No. 172 enacted by the General
Assembly of Colorado, we are providing you with the following
information:

1. Name of Operator of Underground Facilities:

Mountain Bell

2. Area Served by Mountain Bell:

See attached map

3. Telephone Number of Location Center:

226-6310

4. Job Title of Location Center Supervisor:

Assistant Manager

5. Address of Location Center:

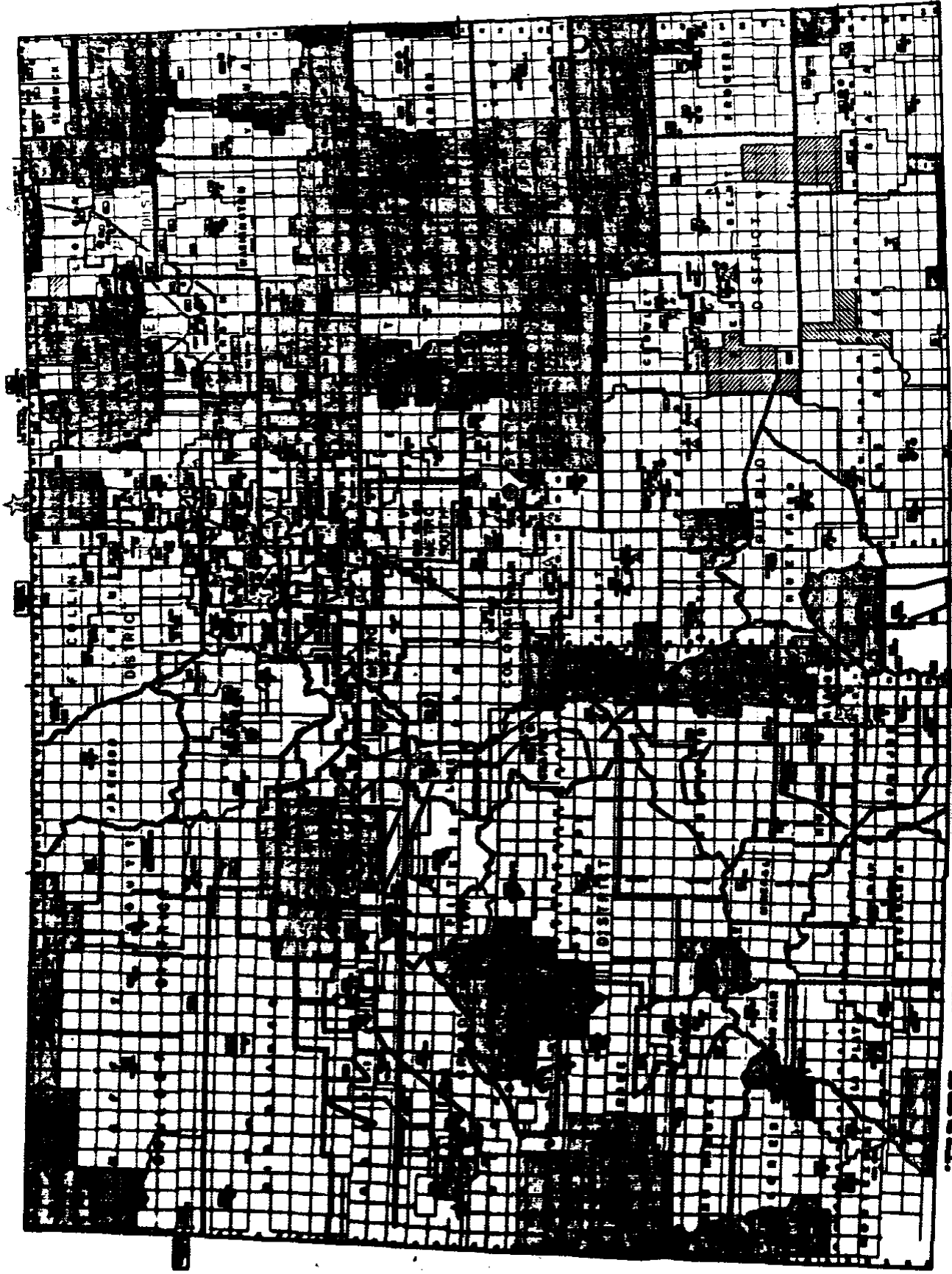
4620 S. College Avenue
Ft. Collins, Colorado 80525

If you have any questions or comments regarding this information,
please contact Mike Ragan on 624-6409.

Yours truly,

K. C. Lange
District Staff Manager-Distribution Services

Attachment



New Mountain Bell Territory

AR1973076

B 1035 REC 01973076 07/06/84 12:37 \$36.00 1/012
F 2331 MARY ANN FEUERSTEIN CLERK & RECORDER WELD CO, CO

BOOK 858 PAGE 228

RECEPTION NO. 213714 RECORDED JUL 26 1984
8:36 O'CLOCK Am FAY A. VONDY, RECORDER

AMENDMENT

to

GAS PURCHASE AGREEMENT

between

COLORADO INTERSTATE GAS COMPANY, as Buyer

and

PANTERA ENERGY CORPORATION, as Seller

WAITE LAKE AREA

WELD AND MORGAN COUNTIES, COLORADO

DATED: May 21, 1984

AMENDMENT

800 858-229

THIS AMENDMENT is made this 21 day of May, 1984,
between COLORADO INTERSTATE GAS COMPANY, as Buyer, and PANTERA ENERGY
CORPORATION, as Seller.

WHEREAS, on August 15, 1980, Buyer and Seller's predecessor in
interest entered into a Gas Purchase Agreement (the Agreement) for the
purchase and sale of residue gas from the gas processing plant as described
therein, which Agreement was amended on June 1, 1981; and

WHEREAS, Seller wishes to expand the area of interest to ensure
sufficient future reserves to maintain natural gas throughput at economic
levels; and

WHEREAS, Buyer and Seller recognize the temporary oversupply condition
facing the natural gas industry resulting from, among other things, the
rapid escalation of natural gas prices pursuant to the Natural Gas Policy
Act of 1978 (NGPA), and that both Buyer and its natural gas suppliers need
to cooperate in an effort to halt the loss of and eventually restore the
growth of natural gas markets on Buyer's system through an expeditious
reduction of prices and/or take obligations specified in Buyer's existing
Gas Purchase Agreements;

NOW THEREFORE, in consideration of the premises, the parties agree to
further amend the Agreement as follows:

1. The Area of Interest map, attached to the Agreement as Exhibit
"A," shall be deleted in its entirety and replaced with the Exhibit "A"
attached hereto.

2. The provisions of Subparagraph 1.1(a) of ARTICLE I - COMMITMENT shall be deleted in their entirety and the following substituted therefor:

"(a) All liquid hydrocarbons removed by Seller prior to the delivery of gas to Buyer."

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3. Subparagraph 1.1(c) of ARTICLE I - COMMITMENT shall be deleted in its entirety.

4. The following sentence shall be added to the first Subparagraph of Paragraph 2.1:

"The parties may, from time to time, mutually agree to add additional delivery points."

5. Paragraph 5.1 of ARTICLE V - PRICE shall be deleted in its entirety and the following inserted in lieu thereof:

"5.1 (a) For all gas purchased by Buyer on or after the first day of the month following the effective date of this Amendment, Buyer shall pay Seller the Full Price which is to be the lesser of \$3.25 per Mcf, irrespective of the Btu content of the gas, or the weighted average of the applicable ceiling prices (maximum lawful prices), including all adjustments, escalations, and authorized gathering charges, applicable to the sale of gas covered by this Agreement, as established by the Natural Gas Policy Act of 1978 (NGPA), any future statute enacted by a legislative authority, or any order or rule issued by an agency having jurisdiction, including but not limited to the FERC. The Full Price shall be deemed to be a delivered price to Buyer's facilities and, therefore, full and complete remuneration to Seller by Buyer for all purchase, gathering, compression and treatment costs as well as all taxes incurred by Seller. The Full Price shall remain in effect until superseded by a redetermined Full Price, pursuant to the provisions of Subparagraph (c) of this

Paragraph. If any amounts paid are subject to refund pursuant to any FERC order or regulation, and refund is ordered or required by law, FERC order or regulation, Seller shall be obligated to make such refund to Buyer, with interest as may be so ordered or required. BCN 858 PAGE 231

"(b) If, pursuant to a determination by the FERC, including the approval of a settlement of any of Buyer's rate cases, Buyer is not allowed to reflect in its resale rates (1) any costs (including return on investment) associated with Seller's gas incurred by Buyer because the FERC finds that such costs are already covered by the price Buyer pays Seller for gas under this Agreement, or (2) the Full Price payable hereunder, then Buyer shall, in each such instance, have the right with respect to payments made thereafter, to reduce the Full Price payable to a level equal to that which is allowed to be reflected. In each such instance, Seller shall refund, with interest pursuant to FERC regulation, to Buyer an amount equal to the difference between any Full Price previously paid and such reduced Full Price so allowed by the FERC. Such refund amount shall be paid by Seller to Buyer within 60 days following the date Buyer supplies Seller with a statement in reasonable detail setting forth the amount due or, at Buyer's option, Buyer may deduct such amount from sums otherwise becoming due Seller.

"(c) (1) Effective June 1, 1965, either party may seek redetermination of the Full Price to become effective on that date by giving the other party written notice of its redetermination request no earlier than 90 nor later than 30 days prior to said date. Subsequently, either party may seek a redetermination of the Full Price by giving the other party written notice of its redetermination request no earlier than 90 nor later than 30 days prior to each anniversary of the most recently

redetermined Full Price's effective date (Anniversary Date). The parties shall, within 30 days after such notice is received by either party, commence redetermination discussions. Any Full Price then so redetermined shall be effective upon the Anniversary Date of the expiring (or expired) redetermined Full Price, but in no case will such Full Price exceed the maximum lawful price for any source of gas.

"(ii) In making redeterminations of the Full Price hereunder, the parties shall determine the fair value of the gas and in so doing shall consider a thorough economic analysis of all factors affecting the fair value, including Buyer's market conditions and alternative fuel prices in Buyer's market area.

"(iii) In the event representatives of Buyer and Seller are unable to agree upon a redetermined price pursuant to Subparagraphs 5.1 (c) (i) and (ii) within 3 months after such redetermination negotiations commenced, it is understood and agreed that the latest effective Full Price shall be paid by Buyer to Seller for all gas hereunder.

"(d) In the event representatives of Buyer and Seller are unable to agree upon a redetermined Full Price and the latest effective Full Price continues to be the price at which gas is sold pursuant to the Agreement, Buyer and Seller shall each have the right to discontinue sale or purchase of all or a portion of gas hereunder provided Buyer or Seller in its sole discretion and in good faith determines that such price is unacceptable. In the event Seller elects to discontinue sale of gas as provided above and secures a bona fide offer for any or all of such gas at a higher price, Seller shall submit the offer to Buyer, and Buyer shall have 30 days in which to elect to match the offer and continue the purchase of the gas. In the event Buyer elects not to match said bona fide offer, Seller shall have

the right to remove such gas and the acreage dedication attributable to such gas from this Agreement. Further, subject to (1) available capacity, and (2) Buyer's obtaining from the FERC such Certificates of Convenience and Necessity or other comparable regulatory approvals as may be necessary to carry out the contemplated service and in form and substance acceptable to Buyer, Seller shall retain the right but not the obligation to transport such gas through Buyer's system, pursuant to terms and conditions similar to those being offered at that time by Buyer to third parties for similar service.

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"(e) For off-lease gathering, field compression, and delivery of all gas committed hereunder at the pressure specified in Paragraph 2.2 hereof, Seller shall be entitled to whatever rate Seller may apply for and have approved by the FERC, but not in excess of 65 cents per Mcf; provided, that any such allowance approved by the FERC shall become a component of the Full Price and subject to all provisions of Subparagraphs 5.1 (a), (b), (c), and (d) above. Seller warrants that it can justify and document the gathering and compression charge as may be required by the FERC and that it will hold Buyer harmless from any charge, damage, or claim incurred by Buyer, should such charge not be approved by the FERC."

6. Paragraph 5.3 of ARTICLE V - PRICE shall be deleted in its entirety.

7. Paragraphs 5.4, 5.5, 5.6, 5.7, 5.8, and 5.9 shall be renumbered as 5.3, 5.4, 5.5, 5.6, 5.7, and 5.8 respectively.

8. Paragraph 5.3 STATEMENT of ARTICLE V - PRICE shall be deleted in its entirety and the following inserted in lieu thereof:

"On or about the 10th day of each month: (a) Buyer shall render to Seller a statement of the quantities of gas delivered to and purchased by Buyer during the preceding month and the amount due from Buyer to Seller, less all applicable taxes paid by Buyer, if any, for Seller's account, according to the measurement provisions, prices, and conditions provided in this Agreement; and (b) Seller shall render to Buyer a statement detailing the volumes, price, and heat content for each well connected to Seller's gathering system and the NGPA price category for all gas delivered by Seller to Buyer during the preceding month. For all gas delivered and sold by Seller to Buyer under this Agreement, Seller shall furnish to Buyer upon request copies of all filings made to jurisdictional agencies, including but not limited to the FERC."

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9. The following shall be added after the last sentence of Paragraph 5.5 CHARTS AND RECORDS of ARTICLE V - PRICE:

"Seller, upon request, shall furnish to Buyer at the earliest practicable time all charts and records upon which Seller has based its statements of gas sold and delivered to Buyer. Buyer shall return to Seller all charts within 30 days. Buyer shall have access at all reasonable hours to Seller's records and books to the extent necessary to verify the accuracy of any statement, charge, or computation made under or pursuant to any of the provisions of this Agreement."

10. Paragraph 5.8 COMMINGLED GAS of ARTICLE V - PRICE shall be deleted in its entirety and the following inserted in lieu thereof:

"5.8 COMMINGLED GAS - If gas purchased hereunder is commingled with gas delivered by others prior to delivery to Buyer, then in addition to the information provided pursuant to Paragraph 5.3 STATEMENT OF ARTICLE V - PRICE, Seller agrees to provide by the 10th day of each month a statement

of ownership of the gas so commingled and delivered during the previous month together with, upon Buyer's request, sufficient data to support the results shown. If Seller does not provide Buyer with a statement by the 10th day of any month, then the requirement that Buyer pay Seller by the 20th day of that month shall be waived, and Buyer shall not be obligated to pay for such gas until the 20th day of the month following the month in which such statement was received."

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11. Paragraph 4.1 of ARTICLE IV - QUANTITY shall be deleted in its entirety and the following inserted in lieu thereof:

"4.1 Effective January 1, 1984, Seller agrees to sell and deliver and Buyer agrees to purchase and take all gas tendered up to a maximum volume of 5,500 Mcf per day of gas (Take Obligation). Such Take Obligation shall remain in effect until superseded by a redetermined Take Obligation pursuant to the provisions of Paragraph 4.5 of ARTICLE IV - QUANTITY. Such gas is to be tendered at a reasonably uniform rate throughout each day and each month at pressures necessary to enter Buyer's facilities."

12. A new Paragraph 4.5 shall be added to ARTICLE IV - QUANTITY to read:

"4.5 Each time the Full Price is redetermined pursuant to the provisions of Subparagraph 5.1(c)(1) of ARTICLE V - PRICE, the Take Obligation may contemporaneously be redetermined, ^{but in no event will it be less than 4000 MCF per day of gas} In redetermining the Take Obligation, it is intended that Buyer shall have a first option to buy all production from the committed acreage. However, if Buyer does not elect to take all available production from the committed acreage (Committed Acreage Production, or CAP) prior to the next Anniversary Date pursuant to the provisions of this Paragraph, then Seller may tender to third parties any and all of the CAP in excess of Buyer's requirements. Buyer shall have the

right to match any offer by third parties for the purchase of any ^{CAP} in excess of Buyer's election prior to the actual purchase of such excess by ^{BOOK 858 PAGE 236} third parties. In the event Buyer elects not to match said bona fide offer, Seller shall have the right to remove such gas and the acreage dedication attributable to such gas from this Agreement. Further, subject to (1) available capacity, and (2) Buyer's obtaining from the FERC such Certificates of Convenience and Necessity or other comparable regulatory approvals as may be necessary to carry out the contemplated service and in form and substance acceptable to Buyer, Seller shall retain the right but not the obligation to transport such gas through Buyer's system, pursuant to terms and conditions similar to those being offered at that time by Buyer to third parties for similar service. All gas tendered to Buyer by Seller shall be delivered at a reasonably uniform rate throughout each day and each month at pressures necessary to enter Buyer's facilities."

13. Paragraph 8.1 of ARTICLE VIII - OWNERSHIP AND INDEMNIFICATION shall be deleted in its entirety and the following inserted in lieu thereof:


"8.1 Title to the gas shall pass at the actual point or points of delivery specified in Paragraph 2.1. Each point of delivery shall be the point of division of responsibility between Buyer and Seller as to the gas, and each of the parties assumes responsibility and liability for the maintenance and operation of its respective properties and facilities and agrees to indemnify and hold harmless the other party from all liability and expense on account of all damages, claims, injuries, or actions arising from any act, omission, or accident in connection with the installation, presence, maintenance, or operation of the property or equipment of the indemnifying party. Neither Seller nor Buyer shall be responsible or liable for damages or claims arising from the acts or conduct of the other."

B 1035 REC 01973076 07/06/84 12:37 \$36.00 10/012
F 2340 MARY ANN FEUERSTEIN CLERK & RECORDER WELD CO, CO

Except as herein amended, said Agreement, as heretofore amended, shall
remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as
of the day and year first above written.

ATTEST
A circular notary seal for the State of Colorado, containing the text "NOTARY PUBLIC STATE OF COLORADO".
Dorinda M. Jones
Assistant Secretary

COLORADO INTERSTATE GAS COMPANY

By *K. M. O'Connell*
K. M. O'Connell
Vice President
BUYER

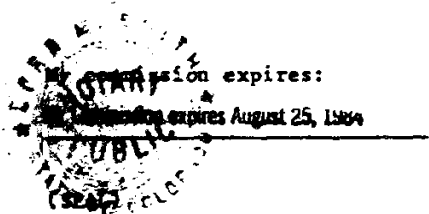
PANTERA ENERGY CORPORATION

By *Robert L. Marolda*
Robert L. Marolda
President
SELLER

STATE OF Colorado)
) ss.
County of El Paso)

On this 1 day of June, 1984, came _____
H. M. C. Connell, Vice President of
Colorado Interstate Gas Company, known to
me to be the person who executed the foregoing instrument, and acknowledged
before me the execution of the same.

Cora M. Smith
Notary Public



STATE OF COLORADO)
) ss.
County of DENVER)

On this 25 day of May, 1984, came _____
ROBERT L. MAROLDA, _____ President of
PANTERA ENERGY CORPORATION, known to
me to be the person who executed the foregoing instrument, and acknowledged
before me the execution of the same.

Bonnie Hamill
Notary Public

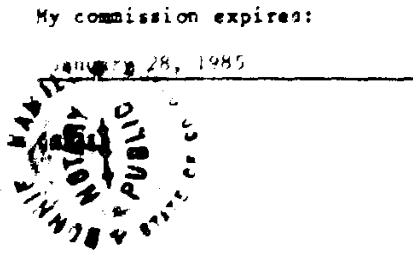
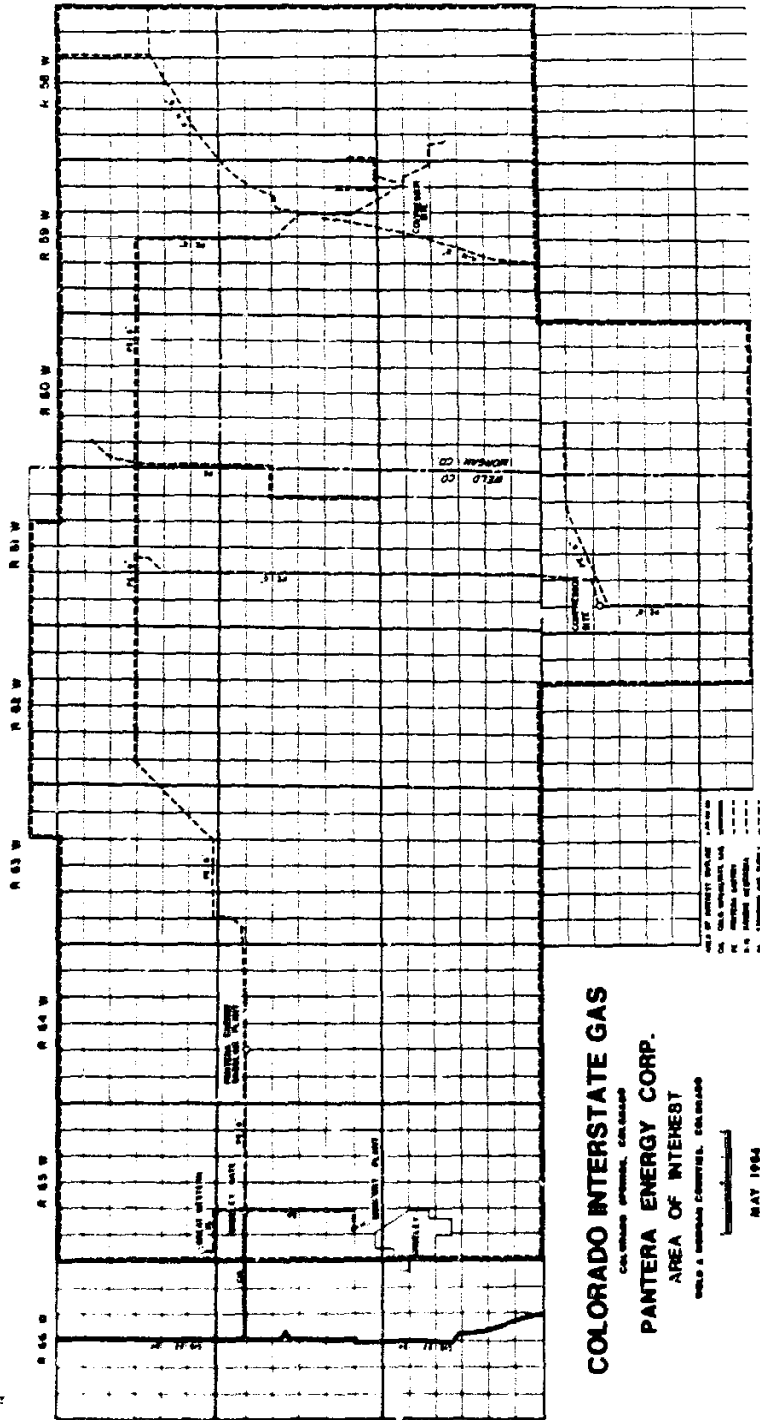


Exhibit "A"
Revised: May 21, 1984



NOTICE PURSUANT TO C.R.S. SEC. 9-1.5-103 (1) (1981)
CONCERNING UNDERGROUND FACILITIES OF
MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

Pursuant to C.R.S. Sec. 9-1.5-103 (1) (1981), Morgan County Rural Electric Association hereby gives notice of the following information:

1. Morgan County Rural Electric Association owns and maintains underground facilities within the County of Morgan, State of Colorado, for the purposes of transmission and distribution of electricity.

2. At the time of this filing, Morgan County Rural Electric Association has underground facilities located within the following area served, within said Morgan County and State of Colorado to wit:

Townships 1, 2, 3, 4, 5 and 6 North in Ranges
55, 56, 57, 58, 59 and 60 West of the 6th P.M.

3. Notice is given that Morgan County Rural Electric Association may place additional underground facilities in the future anywhere within its general service area described in paragraph 2 above.

4. Anyone concerned with the location of the underground facilities of the Morgan County Rural Electric Association within the County of Morgan, State of Colorado, may obtain necessary information regarding the same from the following person or persons:

Name: John W. Zambo
Job Title: Engineer
Address: 20169 Hwy. 34
P.O. Box 738
Fort Morgan, Colorado 80701
Telephone No.: (303) 867-5688

Notice is further given that in the event said individual is no longer so employed or retained, contact should be made with that individual who occupies that job title with Morgan County Rural Electric Association at the same address and telephone number.

DATED as of the 1st day of October, 1981.

MORGAN COUNTY RURAL ELECTRIC
ASSOCIATION

By: Everett B. Channing
General Manager

RECEPTION NO 732619 RECORDED OCT 09 1992
12:07 3:00 P.M. CLERK TOWNSON RECORDER
MORGAN COUNTY, CO.

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**NOTICE PURSUANT TO C.R.S. SEC. 9-1.5-103(1) AS AMENDED
CONCERNING UNDERGROUND FACILITIES OF
WIGGINS TELEPHONE ASSOCIATION**

Pursuant to C.R.S. Sec. 9-1.5-103(1) as amended, Wiggins Telephone Association hereby gives notice of the following information:

1. Wiggins Telephone Association owns and maintains underground facilities within the County of Morgan, State of Colorado, for the purposes of transmission and distribution of telephone communication services.

2. At the time of this filing, Wiggins Telephone Association has underground facilities located within the following area served, within said Morgan County and State of Colorado, to wit:

Township 1 North in Ranges 57, 58, 59 and 60
West of the 6th P.M.
Township 2 North in Ranges 58, 59 and 60 West
of the 6th P.M.
Township 3 North in Ranges 59 and 60 West of
the 6th P.M.
Township 4 North in Ranges 59 and 60 West of
the 6th P.M.
Township 5 North in Ranges 57, 58, 59 and 60
West of the 6th P.M.
Township 6 North in Ranges 57, 58, 59 and 60
West of the 6th P.M.

3. Notice is given that the Wiggins Telephone Association may place additional underground facilities in the future anywhere within its general service area described in paragraph 2 above.

4. Anyone concerned with the location of the underground facilities of the Wiggins Telephone Association within the County of Morgan, State of Colorado, may obtain necessary information regarding the same from the following person or persons:

Name: Dwight E. Schmitt
Job Title: General Manager
Address: 414 Main
P.O. Box 248
Wiggins, CO 80654
Telephone No: (303) 483-7343

Notice is further given that in the event said individual is no longer so employed or retained, contact should be made with the individual who occupies that job title with the Wiggins Telephone Association at the same address and telephone number.

DATED as of this 8th day of October, 1992.

WIGGINS TELEPHONE ASSOCIATION

By Dwight E. Schmitt
Dwight E. Schmitt, General Manager



RECK AGRI
REALTY & AUCTION

535 E Chestnut | PO Box 407
Sterling, CO 80751
970.522.7770
reckagri.com