

**A RESOLUTION OF THE
BOARD OF COUNTY COMMISSIONERS OF OURAY COUNTY, COLORADO
CONCERNING THE AUTHORIZATION FOR THE HIDEOUT LAKE SUBDIVISION TO GAIN ACCESS
TO DAVE WOOD ROAD FOR GENERAL USAGE**

WHEREAS, Pacific/Desert Partners, LLC, ("PDP") is the owner and developer of the Hideout Lake Subdivision located in Montrose County, Colorado, ("Hideout Lake subdivision"); and

WHEREAS, PDP also owns property in Ouray County which is adjacent to the Hideout Lake subdivision and which adjoins the Cornerstone subdivision in Ouray County; and

WHEREAS, PDP has received certain approvals in Montrose County, Colorado for the Hideout Lake subdivision which will require travel on the Dave Wood Road in Ouray County, resulting in certain impacts on the Dave Wood Road in Ouray County; and

WHEREAS, Dave Wood Road is a publicly owned and operated road extending between Colorado State Highway #62 in San Miguel County and continuing through San Miguel County, Montrose County and Ouray County until its terminus at Colorado State Highway #90 in Montrose County, with portions of the Dave Wood Road crossing public lands ("**USFS Property**") owned by the United States and administered by the United States Forest Service ("**USFS**"); and

WHEREAS, PDP and Ouray County entered into that certain "**Cooperative Road Agreement for the Maintenance and Improvement of the Dave Wood Road in Ouray County**" ("**DWR CRA**") on or about April 28th, 2008 and such agreement requires that PDP and the Paxton Lakes Ranch Metropolitan Districts Nos. 1 and 2 provide certain improvements and maintenance to the Dave Wood Road as a result of the impacts from the Hideout Lake subdivision; and

WHEREAS, Cornerstone Montrose, LLC, submitted its letter to Ouray County dated April 18, 2008, requesting that Ouray County authorize the Cornerstone Subdivision to gain access to and use of Dave Wood Road for general purposes ("**Dave Wood Road Access Letter**"); and

WHEREAS, Cornerstone Montrose, LLC originally submitted its request for use of the Dave Wood Road for PDP, with PDP's access to be over a portion of property owned by Cornerstone Montrose LLC for which Cornerstone Montrose LLC and Hideout will record an easement agreement ("**Hideout Lake Easement**") a draft of which is attached hereto and incorporated herein by this reference as **Attachment "A"**; and

WHEREAS, in conjunction with the Dave Wood Road Access Letter, Cornerstone is seeking authority, on behalf of itself and other users, including PDP, to use the USFS Property pursuant to a pending Application for a USFS Special Use Permit ("**DWR SUP Access Permit**"); and

WHEREAS, PDP did not participate in the public hearing process for the Cornerstone Montrose, LLC request for access to Dave Wood Road for general purposes and as a result, that portion of the Cornerstone Montrose, LLC Dave Wood Road Access Letter was amended to delete access to Dave Wood Road for PDP and the Hideout Lake subdivision; and

WHEREAS, on June 30, 2008, the Board approved the request by Cornerstone Montrose LLC for general use of Dave Wood Road as requested in the Dave Wood Road Access Letter and the Board adopted Resolution 2008-030 entitled "A Resolution of the Board of County Commissioners of Ouray County, Colorado Concerning the Authorization for the Cornerstone Subdivision and Certain Other Properties to Gain Access to Dave Wood Road for General Usage" and such Resolution provided the opportunity for PDP to elect to submit an application to Ouray County to seek access over the Hideout Lake Easement to gain access to Dave Wood Road; and

WHEREAS, PDP has submitted its June 25, 2008 letter to the Board requesting approval to utilize the Hideout Lake Easement for general access to the Dave Wood Road ("**PDP Dave Wood Road Access Letter**"); and

WHEREAS, for purposes of the approvals granted herein, the "**Hideout Lake Users**" shall be defined as PDP, the Paxton Lakes Ranch Metropolitan Districts Nos. 1 and 2, each of the individual owners of any lot or parcel located in the Hideout Lake subdivision and their respective guests and such other persons authorized to access the Hideout Lake subdivision for any duly authorized purpose relating to Hideout Lake, including, without limitation and by way of example and not of exclusion, for (1) the construction, repair, maintenance, use and operation of any improvements (including project infrastructure, golf course facilities, community facilities, residences or any other structures or improvements); (2) the delivery or provision of materials, goods, products and equipment; (3) police, fire and emergency uses; (4) the provision of services; (5) employees; (6) real estate agents; (7) prospective purchasers of lots or parcels within the Hideout Lake subdivision; and (8) such other persons or companies similarly and customarily anticipated to require access to the Hideout Lake subdivision;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF OURAY COUNTY, COLORADO, AS FOLLOWS:

1. PDP and the Hideout Lake Users are hereby granted the right to access and make general use of Dave Wood Road, via the Hideout Lake Easement and subject to the terms and conditions stated in this resolution and the Road Conveyance Agreement approved by the Board on June 30, 2008 between Ouray County, Cornerstone Montrose, LLC and the Cornerstone Metropolitan District ("**Road Conveyance Agreement**"). None of the approvals as set forth herein shall be deemed to be approval for PDP or the Hideout Lake Users to utilize Government Springs Road as access to the Hideout Lake subdivision, nor shall this approval be deemed to be approval of any land use activities for PDP or Hideout Lake subdivision in Ouray County. If PDP wishes to acquire a right to utilize Government Springs Road as an access for the Hideout Lake subdivision, PDP shall make application to Ouray County for access to Government Springs Road and PDP shall be required to address and mitigate the capital and maintenance impacts that may result from such use.
2. Prior to general access to and use of Dave Wood Road by PDP and the Hideout Lake subdivision, the DWR SUP Access Permit shall have been approved by the USFS and all conditions of any such approval shall have been met.
3. In order to facilitate the terms and conditions of this Resolution as well as the Road Conveyance Agreement, PDP and the Hideout Lake subdivision shall be required to install lockable access gates on the Hideout Lake Easement between the Hideout Lake subdivision and the Cornerstone Montrose, LLC property. In the event of any violation of the terms of this Resolution or the terms of the Road Conveyance Agreement by PDP or the Hideout Lake Users, the use of the Hideout Lake Easement and the access to Dave Wood Road in Ouray County may be suspended or revoked by the Board and the gates shall be locked.
4. Ouray County and PDP have set forth certain requirements and conditions on the use of the Dave Wood Road for access to and from the Hideout Lake subdivision. Any change in the use of the Dave Wood Road access point from the Cornerstone Subdivision contemplated by this resolution for the Hideout Lake subdivision that enlarges or increases the impacts to Dave Wood Road beyond the uses allowed herein will require further review and approval by Ouray County by the person or party seeking to change the usage.

APPROVED AND ADOPTED THIS _____ DAY OF _____, 2008.

BOARD OF COUNTY COMMISSIONERS
OF OURAY COUNTY, COLORADO

Attest:

K. Keith Meinert, Chair

Don Batchelder, Vice Chair

Michelle Nauer, Clerk and Recorder
By: Linda Munson-Haley, Deputy Clerk of the Board

Heidi M. Albritton, Commissioner Member

SHARED ACCESS ROAD AND UTILITY EASEMENT AGREEMENT

THIS SHARED ACCESS ROAD AND UTILITY EASEMENT AGREEMENT (“**Agreement**”) is made as of _____, 2008 (“**Effective Date**”), by and among Cornerstone Metropolitan District No.1, a quasi-municipal corporation and political subdivision of the State of Colorado formed for the Cornerstone subdivision (“**Grantor**”) and The Paxton Lake Ranch Metropolitan Districts Nos. 1 and 2, each a quasi-municipal corporation and political subdivision of the State of Colorado formed for the Paxton Lake Ranch subdivision, now known as the “**Hideout Lake subdivision**” (collectively, the “**Hideout Lake Metro Districts**”) and Pacific/Desert Partners, LLC, a Colorado Limited Liability Company (“**Pacific/Desert Partners**”), the developer of the Hideout Lake subdivision (the Hideout Lake Metro Districts and Pacific/Desert Partners are sometimes collectively referred to as the “**Hideout Lake Entities**” or “**Grantee**”). Grantor and Grantee are sometimes each individually referred to as a “**Party**” and sometimes collectively as the “**Parties**”.

RECITALS

A. Grantor is a duly established metropolitan district, formed in accordance with Colorado law, and is the current, fee simple owner of certain real property located in Ouray County, Colorado more particularly described on attached **Exhibit “A”** (“**Grantor Property**”).

B. Pacific/Desert Partners is the current owner and developer of the residential community formerly known as the Paxton Lake Ranch subdivision and now known as “**Hideout Lake**” which is a subdivision of property owned by Pacific/Desert Partners located in Ouray County and Montrose County. The property included in Hideout Lake and that certain additional property owned by Grantee, located south of the Hideout Lake property are intended to be benefited by the within easements, and are more particularly described on attached **Exhibit “B”** (“**Grantee Property**”).

C. The Hideout Lake Metro Districts are each a duly established metropolitan district, formed in accordance with Colorado law, having certain responsibilities relative to Hideout Lake.

D. Grantee seeks and Grantor is willing to grant and convey to Grantee an easement for the purposes herein stated (“**Easement**”) over a portion of the Grantor Property as the same is generally depicted on attached **Exhibit “C”** and legally described on attached **Exhibit “D”** (“**Easement Area**”), subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises and agreements made and entered into by the Parties, the sufficiency of which is hereby acknowledged, the undersigned Parties hereby agree as follows:

1. **Grant of Easement.**

1.1. Subject to the terms and conditions set forth herein, Grantor hereby grants and conveys the Easement, which is deemed to be a perpetual, non-exclusive easement on, over, across and below the Easement Area, to Grantee for use by Grantee and its contractors, consultants, and guests as well as the Hideout Lake Owners’ Association, and each of the individual owners of lots located in the Hideout Lake subdivision and their contractors, consultants, and guests (each, an “**Authorized User(s)**”) to undertake the Authorized Uses (defined below) allowed by this Agreement.

1.2. The Easement and the Easement Area may be used by an Authorized User only for the following purposes (“**Authorized Uses**”):

1.2.1. To construct, maintain, repair and use a certain Shared Access Drive (“**Shared Access Drive**”) in the Easement Area in connection with the development of the Grantee Property, in accordance with the terms and conditions of a certain Master Road Participation Agreement among the Grantor and Grantee and certain other parties dated _____ and recorded on _____, 2008 in Reception No. _____ with the Clerk and Recorder for Ouray County, Colorado and also recorded on _____ in Reception No. _____ with the Clerk and Recorder for Montrose County, Colorado (“**Master Road Participation Agreement**”).

1.2.2. To install reasonable signage relative to the Hideout Lake subdivision, in connection with the development of the Grantee Property, subject to the reasonable approval of Grantor, which approval will not be unreasonably withheld or delayed. Prior to undertaking this Authorized Use, Grantee is obligated to obtain any and all required permits and approvals, if any, required for such work or activity.

1.2.3. To install reasonable fences, gates and landscaping, in connection with the development of the Grantee Property, which do not block or impede access to Cornerstone, for use in connection with the Hideout Lake subdivision, subject to the reasonable approval of Grantor, which approval will not be unreasonably withheld or delayed. Prior to undertaking this Authorized Use, Grantee is obligated to obtain any and all required permits and approvals, if any, required for such work or activity.

1.2.4. To install, extend, operate, repair and maintain certain underground utilities and related structures and facilities in connection with the development of the Grantee Property (“**Utilities**”). Prior to undertaking this Authorized Use, Grantee is obligated to obtain any and all required permits and approvals, if any, required for such work or activity.

1.2.5. To enable reasonable access for the installation, repair, replacement and maintenance of the Shared Access Drive, Utilities, signage and/or fences, gates and landscaping otherwise authorized by this Easement. Prior to undertaking this Authorized Use, Grantee is obligated to obtain any and all required permits and approvals, if any, required for such work or activity.

1.3. Grantee hereby represents and warrants that the Authorized Uses shall be completed in accordance with all governing laws, rules and regulations.

1.4. Grantee is not and shall not be construed as the agent of Grantor in contracting for any improvements to the Easement. Grantee shall have no authority to pledge, mortgage, hypothecate or otherwise encumber any interest in the Grantor Property, except for Grantee’s rights hereunder.

1.5. Grantor expressly reserves unto itself, the right to: (A) use and enjoy the land covered by the Easement for all lawful purposes that will not unreasonably interfere with the rights hereby granted to Grantee; (b) to relocate the Easement to an alternative location that reasonably provides for same Authorized Uses in generally the same locations contemplated in this Agreement, so long as such relocation does not require any changes to Grantee’s constructed Utilities or main entrance and any improvements constructed thereon; and (C) grant additional licenses, easements or rights-of-way upon or across the Easement to other persons or entities.

2. **Installation/Construction of the Access.** Grantee shall in perpetuity: (a) incur all costs associated with Grantee’s undertaking of the Authorized Uses, except with respect to the Shared Access

Road, which will be designed, permitted, constructed, maintained, repaired, administered and funded as provided for in the Master Road Participation Agreement; (b) carry out all activities related to the Authorized Uses in a good, workmanlike and professional manner and in accordance with applicable law; (c) undertake any necessary maintenance and repair of the structures and improvements constructed by Grantee in accordance with the Authorized Uses as required from time to time; and (d) minimize disturbance to the Grantor Property and return the Grantor Property to the condition that pre-existed prior to such site disturbance activities, including reseeding and/or recontouring. Grantee shall notify Grantor when it has completed the work associated with the Authorized Uses over the Grantor Property. Should Grantor identify any additional remediation work required to resolve any reasonable aesthetic, safety and/or operational issues or concerns of Grantor, Grantor shall direct Grantee of that determination and the specific remediation work required to be undertaken, which work Grantee shall undertake as soon as practicable at its cost and expense.

3. **Indemnification.**

3.1. By accepting the Easement granted herein, Grantee, for itself and for its contractors, subcontractors, employees, agents, and representatives, hereby agrees to indemnify, defend and hold harmless Grantor, the other Cornerstone Entities identified in the Master Road Participation Agreement, and their respective affiliated companies, agents, employees, representatives, directors, officers, partners, shareholders, successors and assigns, to the full extent allowed under Colorado law, from and against any and all claims, demands, causes of action, damages, losses, liabilities, costs and expenses of any kind or nature (including those involving death, personal injury or property damage and including reasonable attorney's fees) arising from or incurred in any way in connection with Grantee or the contractors, subcontractors, employees, agents, and representatives of Grantee undertaking the Authorized Uses authorized or permitted by this Agreement and/or performing or failing to perform any other activity authorized or permitted by this Agreement, excepting any such claims, demands, liabilities or losses which may arise directly from any intentional or negligent act or omission of Grantor, its contractors, subcontractors, employees, agents, representatives, laborers and materialmen. This obligation to indemnify shall include the retention of legal counsel and all other reasonable costs, expenses and liabilities from the first notice that any claim or demand is to be made or may be made.

3.2. Grantee also hereby agrees to indemnify, defend, release and hold harmless Grantor from and against any and all mechanics' lien(s), expenses, claims, actions, liabilities, losses, damages (including attorney's fees and costs), and costs of any kind arising out of, or in any way connected with the Authorized Uses.

4. **Insurance.** Grantee shall keep and maintain, at its sole cost and expense, a commercial general liability insurance coverage for itself and for each of its specifically designated designees, contractors and consultants who are undertaking some or all of the Authorized Uses at the direction of Grantee, containing minimum limits per occurrence of \$1,000,000 and \$3,000,000 in the aggregate ("**Policy**"). Within seven (7) days of the Effective Date, Grantee shall provide Grantor with certificates of insurance naming Grantor and the other Cornerstone Entities named in the Master Road Participation Agreement as additional insureds. The Policy shall include a provision requiring a minimum of thirty (30) days notice to Grantor of any change to or cancellation of the Policy. Said insurance coverage shall commence and continue for the full term of the easement. The amount of the coverage shall be reviewed as necessary and any changes mutually agreed upon, at least every five years, and adjusted to keep pace with the market for similar coverages, but in no event will the amount of the coverage be less than the amount stated above.

5. **Miscellaneous**

5.1. **Runs with the Land, Successors and Assigns.** The easements, benefits and rights granted and agreed to herein and the burdens, duties and obligations imposed and agreed to herein shall run with the land and shall be a benefit of and burden upon the Grantor Property on the one hand, and the Grantee Property on the other hand, as applicable, during the term of this Agreement. Further, the easements, benefits and rights granted and agreed to herein and the burdens, duties and obligations imposed and agreed to herein shall be binding upon and shall inure to the benefit of, and be a burden upon, the designees, successors, and assigns of all of the Parties to this Agreement during the term of this Agreement.

5.2. **Default, Notice and Cure.** In all instances under this Agreement, at such time as a Party (“**Claiming Party**”) claims that any other Party (“**Responding Party**”) has violated or breached any of the terms, conditions or provisions of this Agreement (“**Default**”), the Claiming Party shall promptly prepare and deliver to the Responding Party a written notice (“**Notice of Default**”) claiming or asserting that the Claiming Party is in default under a term or provision of this Agreement, which notice shall clearly state and describe: (a) each section(s) of the Agreement which the Responding Party has allegedly violated, (b) a summary of the facts and circumstances being relied upon to establish the alleged violation, (c) the specific steps (“**Cure Events**”) that must be undertaken to come into compliance with this Agreement, and (d) the reasonable timeframe, not less than ten days for a monetary default and not less than thirty days for a non-monetary default (unless emergency circumstances require a shorter response time), within which time the alleged violation should be cured (“**Cure Completion Date**”). If the Default continues after the Cure Completion Date, the Closing Party may exercise all remedies available at law or in equity.

5.3. **Governing Law, Remedies, Costs and Expenses.** This Agreement shall be construed under and governed by the laws of Colorado, with jurisdiction and venue restricted to a court of competent jurisdiction in either Montrose County, Colorado or in Ouray County, Colorado. . All of the rights and remedies of the Parties under this Agreement including, without limitation, injunctive relief and specific performance, shall be cumulative and shall be binding upon, and inure to the benefit of, each of their respective successors, heirs, and assigns. Time is of the essence to the performance of any undertakings required by this Agreement. In any action to enforce or construe the terms of this Agreement, the prevailing Party shall recover all legal and related court costs, including all reasonable attorneys’ fees. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law.

5.4. **Severability.** If any provision of this Agreement shall be found invalid or unenforceable, this shall not affect the validity of the remaining provisions of this Agreement, and the remaining provisions shall remain in full force and effect.

5.5. **Authorization and Signatories.** The undersigned represent and warrant that they are fully authorized to execute this Agreement on behalf of their respective principals and that they have taken all actions necessary to obtain such authorization authorized to execute this Agreement.

5.6. **Parties Representations.** In entering into this Agreement, the Parties acknowledge and agree that they will perform their duties and obligations in a reasonable manner and in good faith and that this commitment is being relied upon by each other Party. The Parties hereto warrant that each party is a duly qualified and existing entity, capable of doing business in the state of Colorado and that the person(s) executing this Agreement are duly authorized to execute this Agreement and each Party has taken all actions necessary to obtain such authorization and that the terms and conditions of this Agreement constitute an enforceable agreement against such Party.

5.7. **Recording.** This Agreement will be recorded in the Official Records of Ouray

County and Montrose County.

5.8. **Entire Agreement.** This Agreement and the Master Road Participation Agreement contain the entire agreement and understanding of the Parties with respect to the subject matter hereof, and no other representations, promises, agreements or understandings or obligations with respect to the payment of consideration or agreements to undertake other actions regarding the subject matter hereof shall be of any force or effect unless in writing, executed by all Parties hereto and dated after the date hereof. A default by Grantee under the Master Road Participation Agreement, following the expiration of all rights for notice and cure arising thereunder, shall permit Grantor, among other remedies, to suspend the rights and interests of the Authorized Users under this Agreement until such time as the default is cured.

5.9. **Modifications and Waiver.** No amendment, modification or termination of this Agreement or any portion thereof shall be valid or binding unless it is in writing, dated subsequent to the date hereof and signed by each of the Parties hereto. No waiver of any breach, term or condition of this Agreement by any party shall constitute a subsequent waiver of the same or any other breach, term or condition.

5.10. **Counterparts and Facsimile Copies.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. Facsimile copies of any party’s signature hereon shall be deemed an original for all purposes of this Agreement.

5.11. **Notices.** Any notice to be given hereunder shall be in writing, addressed to the appropriate Party, and shall be delivered in person; by overnight delivery or courier service; or by the United States Postal Service (or any official successor thereto), certified mail, return receipt requested, with adequate postage prepaid. Such notice shall be deemed delivered at the time of personal delivery, or, if mailed, on the date postmarked, but if mailed the time period for any required response shall run from the date of receipt by the addressee, as evidenced by the return receipt. Rejection or other failure by the addressee to accept the notice, or the inability to deliver the notice because of a change of address of which no notice was given, shall be deemed receipt of the notice on the third day following the date postmarked. The addresses of the Parties to which notice is to be sent shall be those set forth below. Such addresses may be changed by either Party by written notice to the other.

If to Grantor:

100 Cornerstone Trail
Montrose, CO 81401
Fax: (970) 650-2006

If to Pacific/Desert:

1404 Hawk Parkway, Suite 314
Montrose, Colorado 81401
Fax: (970) 252-1653

With a Copy to

Thomas G. Kennedy, Esquire

If to Hideout Lake Metro Districts:

Paxton Lake Ranch Metropolitan Districts Nos. 1 and 2

DRAFT

Attachment A

P.O. Box 3081

1404 Hawk Parkway, Suite 314

Telluride, CO 81435

Montrose, Colorado 81401

Fax: (970) 728-9439

Fax: (970) 252-1653

And a Copy to

With a Copy to

HRC-Montrose Development, L.P.

Dennis Devor

1900 North Akard Street

130 North Park Avenue

Dallas, Texas 75201-2300

Montrose, Colorado 81401

Attention: Diane Hornquist

Fax: (970) 249-8440

Fax: (214) 855-6964

Exhibit "A"
(Description of Grantor Property)

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

BEGINNING at the section corner of Sections 1/2/11/12, a B.L.M. monument in place; thence N89°12'18"E along an existing fence line and the north section line of said Section 12 a distance of 2746.29' to the North 1/4 Corner of said Section 12, a rebar and cap (PLS 33645); thence continuing along said fence line and said north section line N89°11'31"E a distance of 2250.20' to a rebar and cap (PLS 33645) at a fence corner; thence leaving said section line and continuing along said fence line N66°24'02"E a distance of 493.30' to a rebar and cap (PLS 33645) at a fence corner; thence continuing along a north fence line N05°58'56"E a distance of 1070.01' to a rebar and cap (PLS 33645) at a fence corner; thence continuing along said fence line N88°48'42"E a distance of 1737.35' to a rebar and cap (PLS 33645) at a fence corner; thence N01°11'54"W a distance of 1294.89' to a rebar and cap (PLS 33645) at a fence corner; thence S87°04'47"E a distance of 903.00' to a rebar and cap (PLS 33645) at a fence corner; thence S60°08'08"E a distance of 130.18' to a rebar and cap (PLS 33645) at a fence corner; thence along a fence line S04°19'39"W a distance of 1282.06' to a rebar and cap (PLS 33645) at a point on an east/west fence line; thence S86°58'40"E a distance of 413.92' along said fence line to a rebar and cap (LS 12180); thence S87°02'03"E a distance of 871.67' to the SE 1/16 corner of said Section 6 monumented by a 20' witness corner to the north being a rebar and cap (LS12180); thence S04°43'56"W a distance of 1344.40' to the E 1/16 a rebar and cap (LS 12180) of said Sections 6 & 7; thence S00°46'04"W a distance of 528.13' to a rebar and cap (PLS 33645); thence N86°13'07"W a distance of 634.67' to a rebar and cap (PLS 33645); thence S11°53'52"W a distance of 256.30' to a rebar and cap (PLS 33645); thence S15°29'04"W a distance of 351.31' to a rebar and cap (PLS 33645); thence S54°21'59"W a distance of 144.69' to a rebar and cap (PLS 33645); thence S46°57'56"W a distance of 281.52' to a rebar and cap (PLS 33645); thence N87°17'31"W a distance of 594.59' to a rebar and cap (PLS 33645); thence N84°37'51"W a distance of 2144.88' to a rebar and cap (PLS 33645); thence S03°37'27"E a distance of 584.93' to a rebar and cap (PLS 33645); thence S09°11'20"W a distance of 726.69' to 1/4 Corner of said Sections 12 & 7 a B.L.M. brass cap; thence N89°24'32"W a distance of 110.06' to a rebar and cap (PLS 33645); thence S27°21'30"W a distance of 980.20' to a rebar and cap (PLS 33645); thence S06°56'25"E a distance of 864.70' to a rebar and cap (PLS 33645); thence N66°27'55"E a distance of 482.62' to a rebar and cap (PLS 33645); thence S00°52'50"W a distance of 1137.01' along the west section line of said Section 7 to the corner of said Sections 12/7/13/18 a rebar and cap (LS 24299); thence S86°44'20"E a distance of 1257.57' to a rebar and cap (PLS 33645); thence S00°35'14"E a distance of 1190.93' to a rebar and cap (PLS 33645); thence S84°52'43"E a distance of 1022.57' to a rebar and cap (PLS 33645); thence S05°02'47"E a distance of 1051.40' to a rebar and cap (PLS 33645) thence S88°43'38"E a distance of 1558.36' to a rebar and cap (PLS 33645) on the east 1/16 line of said section 18; thence along said east 1/16 line S00°39'24"E a distance of 1742.89' to the SE 1/16 of said Section 18 a rebar and cap (LS 24299); thence N87°16'18"W a distance of 4037.75' to the S 1/16 of said Sections 13 & 18 a rebar and cap (LS 24299); thence S89°37'13"W a distance of 2858.76' to the C-S 1/16 of said Section 13 a rebar and cap (LS 24299); thence S01°40'11"E a distance of 1342.78' to the 1/4 Corner of said Sections 13 & 24 a rebar and cap (PLS 33645); thence S01°13'00"W a distance of 3964.36' to the C-S 1/16 of said Section 24 a rebar and cap (PLS 33645); thence N89°38'39"W a distance of 1351.52' to the SW1/16 of said Section 24 a rebar and cap (PLS 33645); thence S00°33'38"W a distance of 1313.04' to the W 1/16 of said Sections 24 & 25 a rebar and cap (PLS 33645); thence S00°06'47"W a distance of 3980.20' to the SW 1/16 of said Section 25 a rebar and cap (PLS 33645); thence N87°50'12"W a distance of 1347.93' to the S 1/16 of said Sections 26 & 25 a rebar and cap (PLS 33645); thence S89°45'51"W a distance of 2671.04' to

the C-S 1/16 of said Section 26 a rebar and cap (PLS 33645) and to the west line of Ouray County; thence continuing along said county line $N00^{\circ}14'39''E$ a distance of 1330.02' to the Center 1/4 of said Section 26 a rebar and cap (PLS 33645); thence continuing along said county line and the center section line of said Section 26 $N00^{\circ}14'39''E$ a distance of 2660.04' to the 1/4 corner of said Sections 23/26 a rebar and cap (PLS 33645); thence continuing along said county line and along the north section line of said Section 26 $N89^{\circ}17'22''W$ a distance of 2672.76 to the Section Corner of said Sections 22/23/27/26 a rebar and cap (LS 3657); thence continuing along said county line and the east line of said Section 22 $N01^{\circ}01'30''W$ a distance of 2652.33' to the 1/4 Corner of said Sections 22/23 a rebar and cap (LS 3657); thence continuing along said county line and the center 1/4 line of said Section 22 $N89^{\circ}02'44''W$ a distance of 3966.75' to the CW 1/16 of said Section 22 a rebar and cap (LS 24299); thence leaving said county line $N00^{\circ}12'02''E$ a distance of 2664.88' to the W1/16 of said Sections 15 & 22 a rebar and cap (LS 12180); thence $N88^{\circ}43'27''W$ a distance of 1298.03' to the Section Corner of said Sections 16/15/21/22 a B.L.M. brass cap; thence along the west line of said Section 15 $N00^{\circ}07'57''E$ a distance of 1049.61' to a rebar and cap (LS 24299); thence $S89^{\circ}06'44''W$ a distance of 5365.46' to a point on the west line of said Section 16 a rebar and cap (LS 24299); thence along the west line of said Section 16 $N02^{\circ}34'32''E$ a distance of 285.52' to the S1/16 of said Section 16 a B.L.M. alum. cap; thence $N89^{\circ}08'03''E$ a distance of 5353.18' to S1/16 of said Sections 16 & 15 a rebar and cap (LS 12180); thence $N79^{\circ}50'58''E$ a distance of 16.58' to a rebar and cap (PLS 33645) located at the intersection of the north/south & west fences; thence $N00^{\circ}15'35''W$ along the said north fence line a distance of 1330.65' to a rebar and cap (PLS 33645) at the intersection of the south & east fences; thence $S88^{\circ}32'09''E$ along said east fence line a distance of 5163.46' to a rebar and cap (PLS 33645) at an angle point in said east fence line; thence $N86^{\circ}15'56''E$ a distance of 1018.56' to a rebar and cap (PLS 33645) at an angle point in said east fence line; thence $N43^{\circ}09'55''E$ a distance of 434.73' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence $N01^{\circ}26'22''E$ a distance of 2262.30' to a rebar and cap (PLS 33645) at the intersection of a south and east fence line; thence $S89^{\circ}43'35''E$ along said east fence line a distance of 3936.63' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence $N44^{\circ}09'34''E$ a distance of 103.34' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence $N02^{\circ}32'24''E$ along a north fence line distance of 2445.48' to a rebar and cap (PLS 33645) at an angle point in said fence line; thence $N05^{\circ}26'45''E$ a distance of 2685.41' to section corner of said Sections 1/2/11/12; which is the point of beginning, having an area of 4273.369 acres MORE OR LESS.

PROPERTY DESCRIPTION FOR THE HUMPRHIES PARCEL, A PARCEL OF LAND SITUATED IN SECTION 18, TOWNSHIP 46 NORTH, RANGE 9 WEST, NEW MEXICO PRINCIPAL MERIDIAN AND IN SECTION 13, TOWNSHIP 46 NORTH, RANGE 10 WEST, NEW MEXICO PRINCIPAL MERIDIAN, COUNTY OF OURAY, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at the section corner of Sections 13, 18, 24, & 19, a found stone monument in place; thence $S89^{\circ}20'16''W$ along south section line of said Section 13 a distance of 2794.47' to a rebar and cap (PLS 33645); thence leaving said south section line $N01^{\circ}40'11''W$ a distance of 1342.78' to a rebar and cap (LS 24299); thence $N89^{\circ}37'13''E$ a distance of 2858.76' to a rebar and cap (LS24299); thence $S87^{\circ}16'18''E$ a distance of 4037.75' to a rebar and cap (LS 24299); thence $S02^{\circ}55'49''W$ a distance of 1322.33' to the south line of said section 18 a rebar and cap (PLS 33645); thence $N87^{\circ}21'40''W$ along said section line a distance of 3995.10' to the section corner of said Sections 13, 18, 24, & 19 which is the point of beginning, having an area of 208.876 acres MORE OR LESS.

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Attachment A

Exhibit "B"
(Description of Grantee Property)

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Attachment A

Exhibit "C"
(Depiction of Easement Area on Grantor Property)

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Attachment A

Exhibit "D"
(Description of Easement Area on Grantor Property)