

WATER SYSTEM EASEMENT

THIS WATER SYSTEM EASEMENT is made this 6<sup>th</sup> day of January, 1995, by and between Summit School District RE-1, ("Grantor"), P.O. Box 7, Frisco, Colorado 80443, and Farmers Korner, Inc., ("FKI"), P.O. Box 1135, Frisco, Colorado 80443.

W I T N E S S E T H

WHEREAS the parties desire to enter into this agreement to facilitate cooperative development of property at Farmers Korner, Summit County, Colorado, which is shown generally on the vicinity map attached hereto as Exhibit A and incorporated herein by this reference; and

WHEREAS FKI, prior to January 6, 1995, was the owner of a parcel of land at Farmers Korner, Summit County, Colorado, which parcel is generally described as Alpensee Subdivision, Filing No. 2, and specifically described at Reception No. 97401 recorded in the office of the Summit County Clerk and Recorder, and is identified generally on Exhibit A and specifically described on Exhibit B, hereinafter referred to as ("the Property"); and

WHEREAS the Grantor became the owner of "the Property" at Farmers Korner, Summit County, Colorado; and

WHEREAS FKI continues to own property known as Farmers Korner Mobile Home Park and Alpensee Subdivision, Filing No. 3, to the east of the property owned by Grantor, shown on Exhibit C and D; and

WHEREAS FKI continues to own property to the south of the property owned by Grantor, such property being known as Highland Meadows; and

WHEREAS it is necessary for all of the parties hereto to have a water system for the delivery of water in the vicinity consistent with the decree of the Water Court, Case No. 93 CW 241, Water Court Division 5, and water rights recorded at Reception No. 97328 in the records of the Summit County Clerk and Recorder and subsequent agreements and adjudications thereto; and

WHEREAS collectively the parties hereto are owners of certain rights totalling 40 acre feet consumptive in the area; and

WHEREAS Grantor wishes to grant and FKI wishes to receive easements located on Grantor's Property to locate and have access to water supply wells, production wells, recharge wells, and replenishment wells shown on Exhibit B, and the parties desire to record their agreement on these easements and other matters related hereto;

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1995 JAN -6 P-334  
SUMMIT COUNTY RECORDER  
CORIS L. BRILL

952314

NOW THEREFORE for good and valuable consideration and the mutual covenants herein, the receipt and sufficiency of which are hereby acknowledged, the following grants, easements, covenants and restrictions are made:

1. Grant of Easement. The Grantor will grant to FKI, its successors, heirs and assigns by quitclaim deed one (1) perpetual non-exclusive easement in, to, through, over, under, across and on Grantor's Property for ingress and egress to construct and maintain water storage facilities, water wells, production wells, recharge wells, pipelines, and water replenishment wells located in the corner of the property known as Alpensee Subdivision, Filing No. 2, shown on Exhibit B.

A. The Grantor further grants to FKI, its successors, heirs and assigns, the right to install, construct, maintain, repair, replace and use drilling equipment, wells, pipelines, replenishment wells, production wells, recharge wells, and underground utilities, specifically including the water lines, sewer lines and any appurtenances thereto which may serve such property. The easement shall be described as follows:

1. The easement will include three areas of 25' x 40' square feet located in the northeast and northwest corner of Alpensee Subdivision, Filing No. 2, for the final facilities, and generally described on Exhibit B and the survey attached hereto as Exhibit A. Exhibit B is incorporated by reference and made a part thereto.

2. A temporary easement of 200' x 200' at each site described above shall be given for construction of such wells.

2. Time of Grant of Easement. The Grantor will grant the easement to FKI within 30 days of the filing of any decree in the water court concerning current Case No. 93 CW 241, District Court, Water Court, Division 5.

3. Survey. Grantor represents it has undertaken a survey which is attached hereto and incorporated by reference by Exhibit A. Survey specifically includes a surveyed center line of the proposed easement.

4. Non-Exclusive Use. FKI's use of the above easement shall be non-exclusive in that Grantor and FKI shall have right of access and the right of use of the wells as is necessary to provide water to each of them and for each of them to comply with decrees of the water court regarding the development of the Farmers Korner area, and specifically the Highland Meadows Subdivision and the Alpensee Subdivision, Filings No. 1 and 3.

5. Cost of Improvements and Maintenance. F K I , i t s successors, heirs and assigns, shall be responsible for all costs of improvements and maintenance of the easement.

6. Hold Harmless. Grantor shall bear no responsibility for costs of improvements, maintenance or liability for the easement right-of-way. FKI, its successors, heirs and assigns, agree to indemnify and hold harmless Grantor, its successors, heirs and assigns, for any claims or causes of action arising out of the use of the easement.

7. Enjoyment of Easement; Third Party Beneficiary. The parties acknowledge that FKI intends to develop the Highland Meadows Subdivision with 32 lots, plans to further develop Lots 20, 26, 27 and 28 of the Alpensee Subdivision, Filing No. 1, the DeCoster Lot shown on Exhibit C, and such other development of residences that may be permitted by Summit County. It is specifically acknowledged that upon final plat and approval of Highland Meadows Subdivision and any other development on property currently owned by FKI, that those lots and development will be sold to other third parties who are the intended beneficiaries of this agreement. This provision of this agreement shall be subordinate to and not detract from any public dedication or court decrees but shall inure to the benefit of those third parties.

8. Consideration for Easement. In consideration for the easement to be granted under this agreement FKI agrees (a) to provide for access to production wells, water and other good and valuable consideration; and (b) to assume responsibility for maintenance of the road and all appurtenant facilities, et cetera, located on the easement.

9. Remedies. Upon notice to the breaching party describing the breach, and failure to cure the breach within thirty (30) day after the notice, the occurrence of any one or more of the following events shall constitute an event of default:

A. The failure of either party to pay any sum of money required by the provisions of this agreement.

B. The failure of either party to comply with any non-monetary term, provision, or covenant of this agreement.

C. Upon an occurrence of default or at any time thereafter, the non-defaulting party may at his option, after five (5) days written notice to the defaulting party, perform the obligation of the defaulting party, pay the sum of money required, or proceed with each and every right, power, and remedy provided for whether at law, in equity, by statute, or otherwise.

D. If the non-defaulting party employs counsel with respect to any default under this agreement or any failure to pay obligations required by this agreement, then all of the reasonable attorneys' fees resulting from such services, and all expenses, costs, and charges relating thereto, shall be an additional liability owing by the defaulting party, and shall be payable on demand and bear interest from the date of such demand until payment thereof at the rate of 18 percent per annum.

E. If an obligation is incapable of cure within thirty (3) days, a party shall not be in default so long as he reasonably and diligently pursues correction of the breach.

10. Binding Effect; Release. All provisions and all obligations of this agreement, including the benefits and burdens, run with the land and are binding upon and inure to the heirs and assigns, successors, tenants, and personal representatives of the parties hereto. In the event FKI assigns its obligations under this agreement to a homeowners association, special improvement district, or other entity, the parties agree that FKI shall be released only if the assignee assumes the obligations hereunder and has the power to levy assessments and lien lots as necessary to fully meet any and all obligations under this agreement.

11. Notice. Either party may lodge notice of change of address with the other by written notice and by recording the change in the Summit County Clerk and Recorder's office. Except where this agreement provides otherwise, all notice required under this agreement shall be sent by regular U.S. Mail, and the affidavit of the person depositing such notice in the U.S. Post Office receptacle shall be evidence of such mailing.

12. Release of Easement. This agreement may be terminated upon mutual agreement of the parties, its successors, or assigns.

13. Terms and Conditions. This agreement contains the entire agreement between the parties, and no amendments or modifications of this agreement shall be binding unless evidenced in writing and signed by the parties.

WHEREFORE, this Water System Easement is executed in duplicate originals as of the day and year first written above.

SUMMIT SCHOOL DISTRICT RE-1

FARMERS KORNER, INC.

Bonita G. Osborn 1-6-95  
By: Bonita G. Osborn Date  
Board President

Laurence E. Smith  
By: Laurence E. Smith Date  
President

Attest:

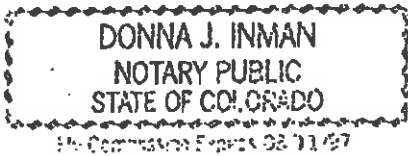
Patricia S. Mager  
Secretary



STATE OF COLORADO )  
 ) ss.  
COUNTY OF SUMMIT )

6<sup>th</sup> The foregoing document was acknowledged before me this day of January, 1995, by Bonita G. Osborn as Board President of the Summit School District RE-1.

My Commission expires: 8-11-97

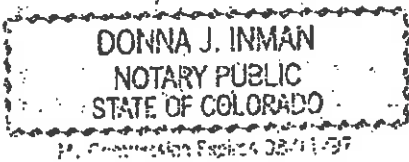


  
Notary Public

STATE OF COLORADO )  
 ) ss.  
COUNTY OF SUMMIT )

6<sup>th</sup> The foregoing document was acknowledged before me this day of January, 1995, by Laurence E. Smith, President of Farmers Korner, Inc.

My Commission expires: 8-11-97



  
Notary Public

LAND SURVEY PLAT  
 A TRACT OF LAND LOCATED IN SECTION 1,  
 T.6 S., R.78 W., 6 TH P.M., AND LOCATED IN SECTION 31,  
 T.3 S., R.77 W., 6 TH P.M., SUMMIT COUNTY, COLORADO  
 A PORTION OF SUMMIT ADVENTURE PARK S.U.D.

- NOTES
- 1. SEE PLAN SHEET 100-1000
  - 2. SEE PLAN SHEET 100-1001
  - 3. SEE PLAN SHEET 100-1002
  - 4. SEE PLAN SHEET 100-1003
  - 5. SEE PLAN SHEET 100-1004
  - 6. SEE PLAN SHEET 100-1005
  - 7. SEE PLAN SHEET 100-1006
  - 8. SEE PLAN SHEET 100-1007
  - 9. SEE PLAN SHEET 100-1008
  - 10. SEE PLAN SHEET 100-1009
  - 11. SEE PLAN SHEET 100-1010

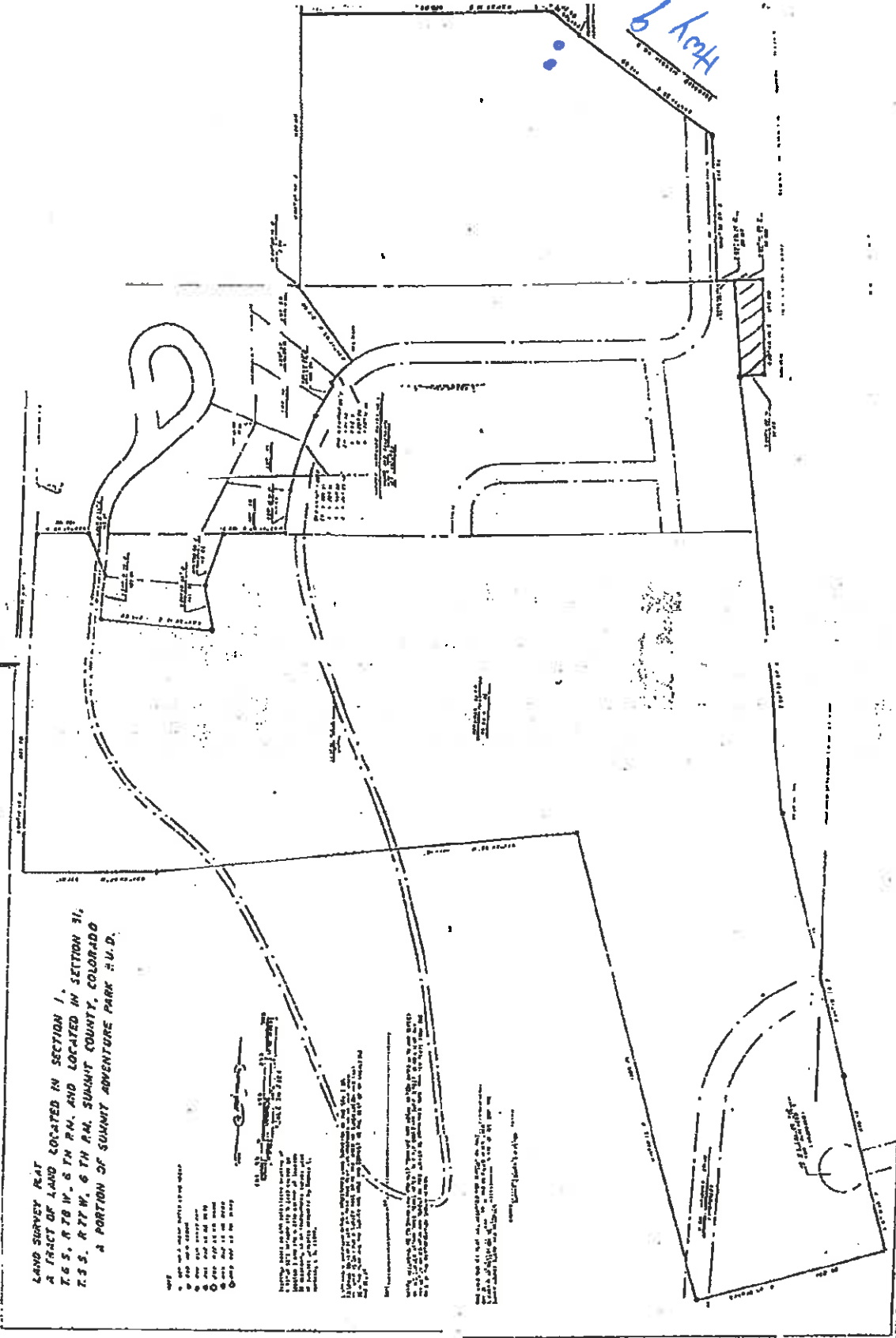
BY *[Signature]*  
 SURVEYOR

THIS PLAT WAS PREPARED BY THE SURVEYOR AND IS A TRUE AND CORRECT COPY OF THE ORIGINAL RECORD IN HIS OFFICE.

THESE LOTS ARE TO BE USED FOR THE PURPOSES SET FORTH IN THE DEEDS REFERRED TO IN THESE NOTES.

ALL RIGHTS RESERVED BY THE SURVEYOR.

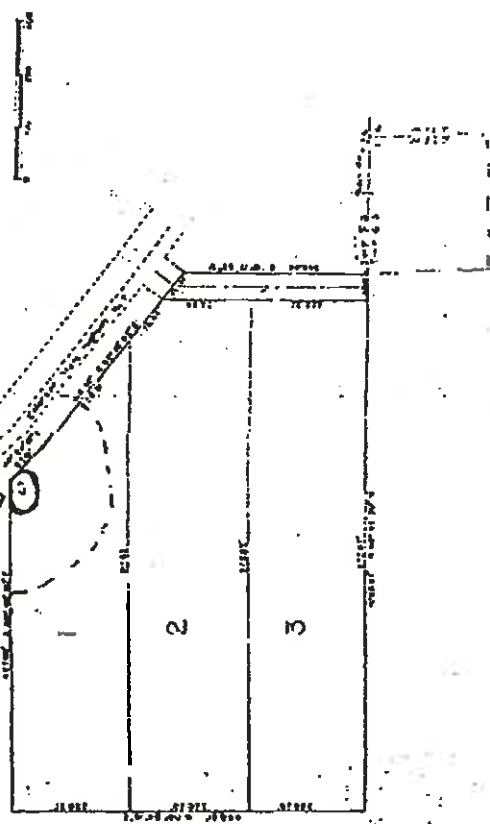
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100-1000  
 100-1001  
 100-1002  
 100-1003  
 100-1004  
 100-1005  
 100-1006  
 100-1007  
 100-1008  
 100-1009  
 100-1010

ALPENSEE SUBDIVISION  
PLNG No. 2  
(COMMERCIAL)

Construction Zone  
3 Wells Production



Construction Area  
Recharge Wells

STATE OF CALIFORNIA

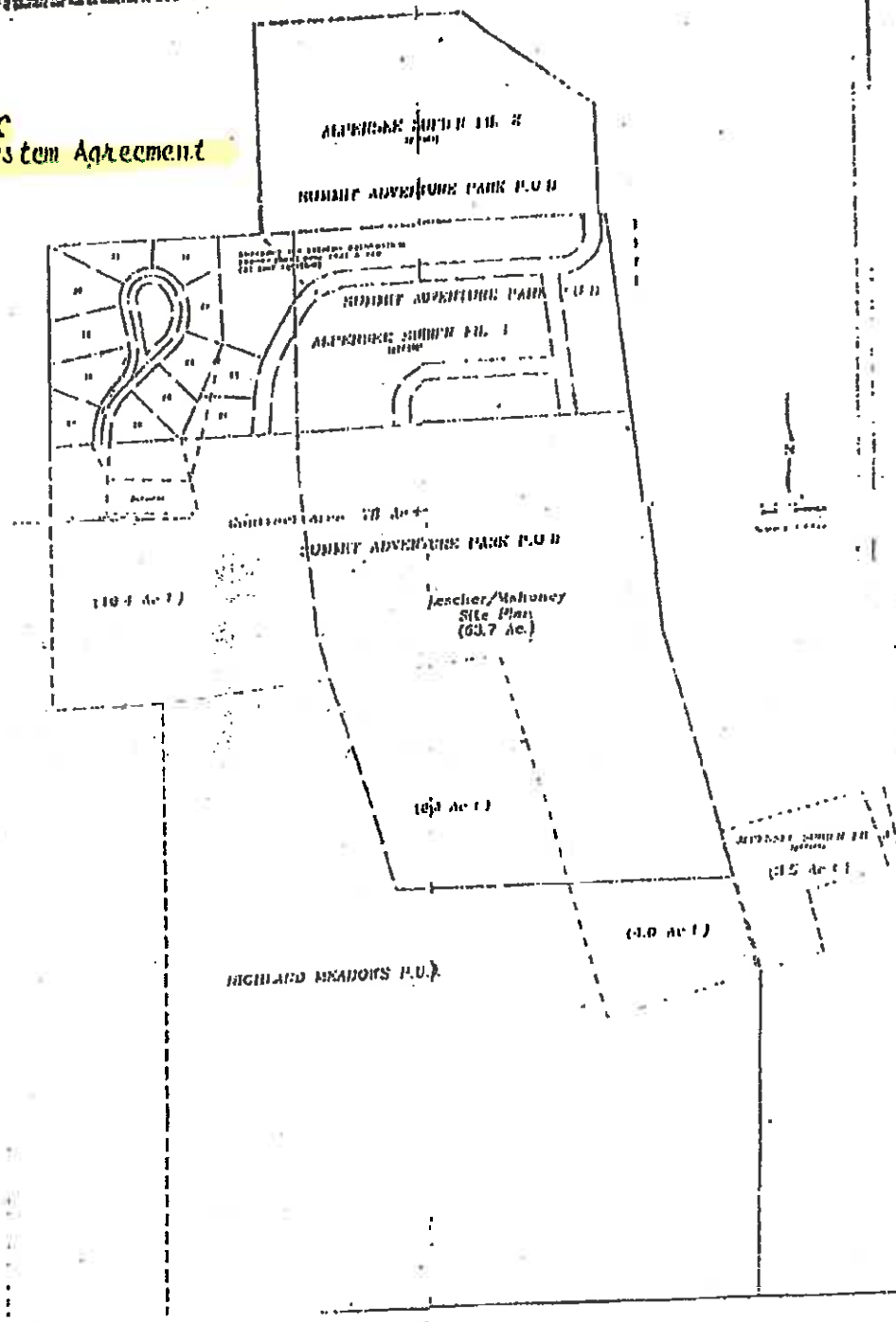
Department of Public Safety  
Division of Motor Vehicles  
I hereby certify that the above described vehicle is a motor vehicle as defined in Section 40001 of the Vehicle Code, and is eligible for registration in this State.  
I, the undersigned, Clerk of the County of Santa Clara, do hereby certify that the above described vehicle is a motor vehicle as defined in Section 40001 of the Vehicle Code, and is eligible for registration in this State.  
I, the undersigned, Clerk of the County of Santa Clara, do hereby certify that the above described vehicle is a motor vehicle as defined in Section 40001 of the Vehicle Code, and is eligible for registration in this State.

STATE OF CALIFORNIA  
DEPARTMENT OF PUBLIC SAFETY  
DIVISION OF MOTOR VEHICLES  
REGISTRATION AND TITLE SECTION  
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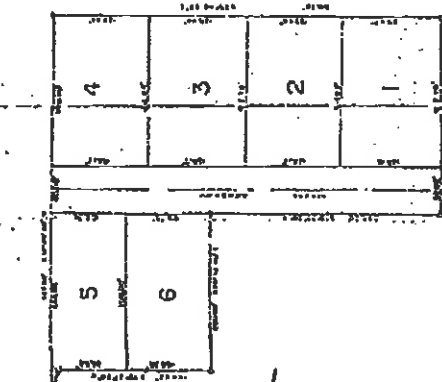
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**Exhibit C**  
**Water System Agreement**





**ALPENSEE SUBDIVISION**  
 FLAG # 1  
 (CONCRETE)



**DEED & ENCUMBRANCES**  
 This document is a deed and encumbrances for the property described herein. It is subject to the provisions of the applicable laws and regulations. The property is located in the City of Denver, Colorado. The deed is recorded in the public records of the State of Colorado. The encumbrances are as follows: [illegible text]

**ASSURANCE OF TITLE**  
 The title is guaranteed by the title insurance policy. The policy is issued by the title insurance company. The policy covers the property described herein. The policy is subject to the terms and conditions of the policy. The policy is recorded in the public records of the State of Colorado. The policy is as follows: [illegible text]

**PROPERTY DESCRIPTION**  
 The property is located in the City of Denver, Colorado. The property is described as follows: [illegible text]

**LEGAL OPINION**  
 The legal opinion is issued by the attorney. The opinion is based on the facts and circumstances of the case. The opinion is subject to the terms and conditions of the opinion. The opinion is as follows: [illegible text]

**NOTARIAL CERTIFICATE**  
 I, the undersigned, a Notary Public in and for the State of Colorado, do hereby certify that the foregoing is a true and correct copy of the original document as the same appears in my records. My commission expires on [illegible date].

