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October 23, 2013

Via email: randalo@mac.com

Mr. Randy Olson
Spruce Mountain Land and Cattle, LLC
6423 Thedorff Road
Pecatonica, Illinois 61063

Re: Title Opinion – Non-tributary Groundwater – Spruce Mountain Ranch

Dear Mr. Olson:

You have requested that we update a previous title opinion dated August 31, 2007, with respect to the water rights associated with the Spruce Mountain Ranch. This letter represents our current opinion on the ownership of Denver, Arapahoe, and Laramie-Fox Hills aquifer groundwater rights associated with approximately 1480 acres of land located in parts of Sections 15, 16, 21, 22, 28, and 29, T10S, R67W of the 6th P.M., as shown on Attachment A hereto (Subject Property), and is based on a review of the records of Douglas County, Colorado, through October 18, 2013. The water which is the subject of this opinion is the "Severable Water" described in paragraph 4.8.2 of Amended and Restated Deeds of Conservation Easement recorded in the records of Douglas County, Colorado at Reception Nos. 2007063139 and 2007063140, and is subject to the terms and conditions of said Conservation Easements. Any Dawson aquifer groundwater underlying the Subject Property (except for the Dawson aquifer groundwater underlying the 90 acre tract shown on Attachment A) is "Protected Water" described in paragraph 4.8.1 of the Deeds of Conservation Easement described above, and is not a part of this opinion.

This letter covers water rights ownership only and does not address the effect of any other matters including county zoning and land use regulations, or easements for well sites to withdraw the groundwater. Information on amounts and use of the water herein is provided for informational purposes only.

Randy Olson
Title Letter
October 18, 2013
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DESCRIPTION OF SEVERABLE WATER

The Severable Water was decreed in Case No. 86CW056, District Court, Water Division 1, which decreed and quantified the Denver, Arapahoe, and Laramie-Fox Hills aquifer groundwater underlying a total of 2430 acres, of which the Subject Property is a part. The following amounts represent an estimated pro-rata interest in the total decreed amounts of groundwater which are estimated to be located underlying the Subject Property. These amounts are based on annual withdrawal over 100 years, and are subject to the retained jurisdiction of the Court:

<u>Aquifer</u>	<u>Acres</u>	<u>Saturated Thickness</u>	<u>Annual Amount</u>
Denver	1480	470 feet	1139 acre-feet*
Arapahoe	1480	430 feet	1081 acre-feet
Laramie-Fox Hills	1480	190 feet	386 acre-feet**

*43 acre-feet per year of Denver aquifer groundwater previously conveyed.

**35 acre-feet per year of Laramie-Fox Hills aquifer groundwater previously conveyed.

OWNERSHIP OF SEVERABLE WATER

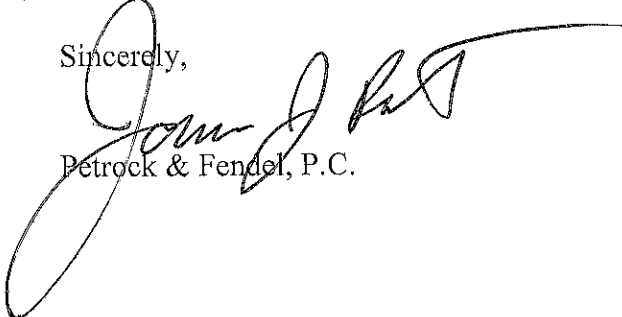
Based on our review of the records of Douglas County, Colorado, as of October 18, 2013, the record ownership of the Severable Water described is in the name of Spruce Mountain Land and Cattle, LLC, an Illinois limited liability company.

GENERAL REMARKS

As stated above, this letter only provides an opinion on the title to the subject water rights. This letter does not include any analyses or opinions on the quality or quantity of the water rights, abandonment issues, leases, agreements, easements, encumbrances, or items such as taxes levied on the water rights.

If you have any questions, please call.

Sincerely,


Petrock & Fendel, P.C.

JJP:rmm
enclosure

Attachment A

R67W

1/4 Cor.
Sec. 16

1/4 Cor.
Sec. 16

PARCEL 11
90.01 ACRES

PARCEL 1
121.51 ACRES

90.01 ACRES

PARCEL 2
133.73 ACRES

1/4 Cor.
Sec. 21

17
16
11

PARCEL 3
103.4 ACRES

16 15
11 11

TRACT 2
40.00 ACRES

T10S

930.79 ACRES

PARCEL 4
60.94 ACRES

PARCEL 5
94.57 ACRES

Center
Sec. 24

1/4 Cor.
Sec. 21

1/4 Cor.
Sec. 11

PARCEL 7
112.9 ACRES

PARCEL 6
48.57 ACRES

17 16
11 11

PARCEL 8
90.03 ACRES

TRACT 1
40.00 ACRES

460 ACRES

PARCEL 9
14.02 ACRES

17 16
11 11

1/4 Cor.
Sec. 25

17 16
11 11

PARCEL 10
90.70 ACRES

17 16
11 11

