

Title Opinion for Spruce Mountain Land & Cattle, LLC

July 22, 2026

Re: Purchase Agreement dated July 8, 2026, (PSA) Spruce Mountain Land and Cattle LLC and Sun Resources LLC/Title Report

This report updates a prior Title Report by this firm dated October 23, 2013, which is attached to Seller website www.coloradowaterights.com. As of October 23, 2013, Spruce Mountain Land and Cattle LLC were the owner of record of the Water Rights described in the PSA.

The Water Rights are described as follows-

Non tributary Denver Basin groundwater decreed in Case 86CW56 Water Division One underlying 1480 acres, described in the attachment to this report, and described as follows:

Denver aquifer 1139-acre feet per year/ 100-year pumping

Arapahoe aquifer 1081-acre feet per year/100-year pumping

Laramie-Fox aquifer 386-acre feet per year/100-year pumping

The Water Rights were conveyed by Spruce Mountain to 10102580 Manitoba LTD, a Canadian Foreign Private Limited Company by corrective deed dated October 4, 2022, recorded 11/22,2022 at reception no 2022073595 Douglas County Clerk and Recorder. A Deed of Trust from Manitoba LTD to Spruce Mountain, subsequently foreclosed on, was recorded on 11/22/2022 at reception no. 2022073595 Douglas County Clerk and Recorder.

Manitoba Ltd was in default under the Deed of Trust as of 7/31/2023.

On August 16, 2023, Manitoba LTD conveyed the Water Rights by quit claim deed to Orlando Reservoir No 2 Company LLC at reception no 10102580, Douglas County Clerk and Recorder. The Orlando Reservoir Company immediately thereafter filed a Chapter 11 Bankruptcy in US District Court, Denver Colorado. The conveyance to Orlando Reservoir Company was subject to the Deed of Trust held by Spruce Mountain.

The Orlando bankruptcy (Case 23-13178) and any stay was dismissed by the Court on April 15, 2025.

Spruce Mountain thereafter commenced Public Trustee foreclosure proceedings in Douglas County with Notice of Election and Demand being filed June 17, 2025. Foreclosure proceedings were completed with confirmation Public Trustee deed issued October 29, 2025. (Sale no 250127).

Title to the foregoing described Water Rights is currently vested in Spruce Mountain Land and Cattle Company LLC by Douglas County Public Trustee Confirmation Deed dated October 29, 2025, recorded at reception no 2025051825 on 10/29/2025, Douglas County Clerk and Recorder. The Confirmation deed eliminated the lien of the Deed of Trust held by Spruce Mountain Land and Cattle Company LLC recorded October 26, 2022 and conveyed title to Spruce Mountain Land and Cattle Company LLC. Any interest of Orlando Reservoir Company was eliminated. The Water Rights were then subsequently deeded by Spruce Mountain Land and Cattle Company LLC to Spruce Mountain Land and Cattle LLC by deed recorded July 22, 2026, at rec no 2026036758, Douglas County Clerk and Recorder.

A Notice of an automatic stay related to a bankruptcy proceeding filed by John R McKowen in Case 25-16665 Chapter 11, US District Court, was recorded at rec. no 202505333 Douglas County Clerk and Recorder on Nov 5, 2025, after issuance of the confirmation deed by the Public Trustee on October 29, 2025. On May 11, 2026, the Order attached to this report, was issued by The United States Bankruptcy Court, District of Colorado, dismissing the McKowen bankruptcy case

Title to the Water Rights is subject to the following previously recorded documents, which are binding upon all successors and assigns:

1. Amended and Restated Deed of Conservation Easement, recorded 1/23/2023 at rec no. 2003009368 Douglas County Clerk and Recorder
2. Amended Agreement to grant easements recorded at rec number 2007063138 Douglas County Clerk and Recorder.
3. Restated Deeds of Conservation Easement recorded at rec # 2007063139 and rec no 2007063140, Douglas County Clerk and Recorder

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There are no other liens or encumbrances on the described water rights, of record, as of this date.

As of the date of this report fee title to the Water Rights is vested in Spruce Mountain Land and Cattle LLC, an Illinois Limited Liability Company.

James Petrock

Hayes Poznanovic Korver