

**AGREEMENT REGARDING EASEMENT  
FOR GROUND WATER WELLS AND  
AGATE CREEK PRESERVE WATER SYSTEM**

THIS AGREEMENT is made and entered into effective this 25th day of June, 1999 by and between HUMBLE VENTURES LLC, a Colorado limited liability company ("Humble") and AGATE CREEK PRESERVE HOMEOWNERS ASSOCIATION, a Colorado nonprofit corporation ("Association") whose address is P.O. Box 776290, Steamboat Springs, Colorado 80477.

**RECITALS**

WHEREAS, that easement entitled "Easement for Ground Water Wells dated May 11, 1999 (the "Easement") recorded in Book 758 at Page 645 of the Routt County records, as the same may be corrected and subsequently re-recorded, is appurtenant to that real property described on Exhibit A to the Easement (the "Property") which has been subdivided and of which Lots 1-16, inclusive, Agate Creek Preserve is part, and of which Lot 18 and Parcel A, Agate Creek Preserve is a part; and

WHEREAS, Humble will construct the Water System for water service to Lots 1 through 16, inclusive, Agate Creek Preserve (the "Water System") as provided in the Declaration of Covenants, Conditions, Restrictions and Easements for Agate Creek Preserve, A Land Preservation Subdivision Exemption recorded in Book 759 at Page 840 of the Routt County records ("Declaration"), part of which Water System may be located within the Easement.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. All costs of design, engineering, construction, repair and reconstruction of the Water System shall be borne by Humble and Humble hereby indemnifies and agrees to defend and hold the Association harmless from any loss, liability, claim or obligation (including attorney's fees incurred by the Association) connected with Humble's construction activities within the Easement).
2. The Water System to be constructed by Humble shall be owned and operated by the Association for the primary benefit of Lots 1-16, inclusive, Agate Creek Preserve, provided, however, Humble shall have the right to expand the Water System to serve no more than eight (8) Building Lots (Lot 18 and the building sites located in Remainder Parcel A, including, without limitation, the four (4) cabin sites to be located in the Special Use Permit area as shown on the Plat for Agate Creek Preserve at File No. 12760 (the "Plat") each of which cabin sites shall be deemed a Building Lot.
3. The expansion of the Water System by Humble shall not be commenced until Humble first provides the Association with the certification of a licensed professional Colorado engineer that; (i) adequate water is available from the Water System to serve Lots 1-16, inclusive, Agate

Creek Preserve (the "Lots") and the use proposed by Humble, and (ii) the expansion of the Water System to include service to Humble has been designed and engineered in a manner that does not impair the water supply from the Water System to the Lots.

4. All costs of the expansion of the Water System by Humble, including, without limitation, costs of design, engineering, construction, repair, reconstruction and any costs incurred by the Association in connection therewith, shall be borne by Humble and Humble hereby indemnifies and agrees to defend and hold the Association harmless from any loss, liability, claim or obligation (including attorney's fees incurred by the Association) connected with Humble's construction activities within the Easement.

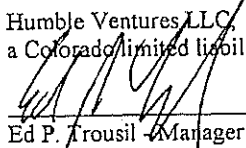
5. The Association shall charge Humble for water usage based on the volume of water consumed by Humble in relation to the water consumed by the Lots, user charges on a metered rate or some combination thereof, in the same manner as the Lots are charged for water service by the Association, including any portion of the Assessments levied by the Association under Article 11 of the Declaration allocable to the operations, maintenance, repair or replacement of the Water System.

6. Use of water by Humble shall be subject to the same rules and regulations as may be adopted by the Association connected with the Water System for the Lots. Water service to Humble shall be limited to domestic use and irrigated landscaping area including lawns shall be no larger than 5000 sq. ft in size for each Building Lot. In the event of a water shortage so that there is not adequate water from the Water System for both the Lots and Humble, the Association shall be entitled to curtail or entirely abate the water supply to Humble in order to provide adequate water to the Lots.

7. Any application for water rights, permits or approvals needed for the Water System shall be submitted in the name of the Association and after issuance shall be held solely in the name of the Association.

8. This Contract shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the day and year first above written.

Humble Ventures LLC  
a Colorado limited liability company  
By:   
Ed P. Trousil - Manager

Agate Creek Preserve  
Homeowners Association, a Colorado  
nonprofit corporation

By:

Ed P. Trousil President

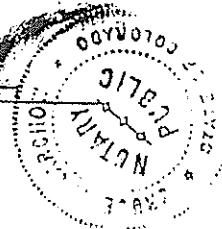
STATE OF COLORADO )  
 ) ss.  
COUNTY OF ROUTT )

The foregoing instrument was acknowledged before me this 25th day of June, 1999 by  
Ed P. Trousil, as Manager of Humble Ventures LLC, a Colorado limited liability company.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: 7/29/2001

San J. [Signature]  
Notary Public



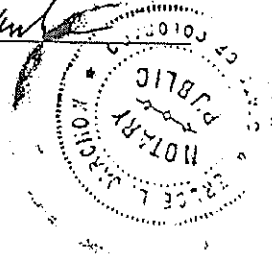
STATE OF COLORADO )  
 ) ss.  
COUNTY OF ROUTT )

The foregoing instrument was acknowledged before me this 25th day of June, 1999 by  
Ed P. Trousil, as President of Agate Creek Preserve Homeowners Association, a Colorado  
nonprofit corporation.

WITNESS MY HAND AND OFFICIAL SEAL.

My Commission expires: 7/29/2001

San J. [Signature]  
Notary Public



clients/trousil/agmt re esmt