

GRANT OF EASEMENTS

THIS GRANT OF EASEMENTS is made and executed by SMR Investments, Ltd. Liability Co., hereinafter referred to as the "Grantor".

ARTICLE 1.0 - RECITALS; DECLARATION

1.1 Grantor is the owner of that certain real property situate in Grand County, Colorado, which is described on Exhibit "A" attached hereto and incorporated herein by this reference (herein referred to as the "Property").

1.2 Grantor has established a general plan for the development and sale of the Property as part of a subdivision known as Shadow Mountain Ranch and Resort. As part of said plan, Grantor desires to establish easements for roads, utilities, trails and other purposes, as provided in this Grant of Easements, for the benefit of all present and future owners of Lots within said Shadow Mountain Ranch and Resort subdivision, as such Lots are defined in the Declaration of Covenants, Conditions and Restrictions for Shadow Mountain Ranch and Resort, recorded June 30, 1992 in Book 500 at Pages 354 through 373 of the records in the office of the Grand County Clerk and Recorder, and any amendments or supplements thereto heretofore or hereafter recorded.

1.3 Grantor hereby declares that all of the Property is and shall henceforth be held, conveyed, encumbered, leased, improved, used, occupied and enjoyed subject to the easements hereinafter described and all of the terms and provisions contained herein. Said easements and other terms and provisions set forth in this Grant of Easements are intended to run with the title to the Property and with each and every interest therein, and the same shall inure to the benefit of and be binding upon Grantor and all other persons hereafter acquiring or owning any interest in the Property.

ARTICLE 2.0 - PRIVATE ROAD EASEMENTS

2.1 Grantor does hereby grant and establish nonexclusive easements upon the Property as described on Exhibit "B" which is attached hereto and incorporated herein by this reference, said easements being herein referred to as the "Private Road Easements".

2.2 The Private Road Easements described as Easements PR-W2 and PR-W3 on Exhibit "B" are located upon land owned by the

United States Bureau of Land Management, described as the NW1/4SW1/4, Section 34, Township 3 North, Range 77 West of the 6th, in Grand County, Colorado. By this Grant of Easements, Grantor intends to assign to future owners of Lots in Shadow Mountain Ranch and Resort subdivision the nonexclusive right to use any easement, right of way or other access rights which Grantor now owns or may hereafter acquire with respect to said portion of the Private Road Easements lying on said land owned by the United States Bureau of Land Management; however, Grantor makes no warranties or representations herein as to the existence of or title to any easement, right of way or access rights across said land owned by the United States Bureau of Land Management. The Private Road Easements described as Easements PR-W4 and PR-W5 on Exhibit "B" are located upon land now owned by Columbia Western Realty and Mortgage, Inc. located in the NE1/4SE1/4, Section 33, Township 3 North, Range 77 West of the 6th P.M., and constitute the same easements granted by that certain Easement Deed recorded at Reception No. 93002437 of the real estate records of Grand County, Colorado. By this Grant of Easements, Grantor intends to assign to all future owners of Lots in Shadow Mountain Ranch and Resort subdivision the nonexclusive right to use the easements as granted by said Easement Deed, in accordance with the terms thereof.

2.3 Said Private Road Easements are established for the purpose of and may be used to provide ingress and egress by vehicular and all other means and to allow for the installation, maintenance and repair of overhead and underground utilities (including but not limited to electricity, telephone, water, sewer, natural gas and cable television) to and from any and all of said Lots now or hereafter located in the Shadow Mountain Ranch and Resort subdivision as provided in the aforesaid recorded Declaration. Said Private Road Easements are also intended to allow ingress and egress to and from land surrounding the Property.

ARTICLE 3.0 - TRAIL EASEMENTS

3.1 Grantor hereby grants and establishes nonexclusive easements upon the Property as described on Exhibit "C" which is attached hereto and incorporated herein by this reference, said easements being herein referred to as the "Trail Easements".

3.2 Said Trail Easements may be used for any of the purposes specified in Paragraph 2.3, and in addition, they may be used as trails, for pedestrian, bicycle, horseback riding, cross-country skiing, hunting and fishing access, and other recreational purposes.

ARTICLE 4.0 - OTHER EASEMENTS

4.1 Grantor hereby grants and establishes nonexclusive easements ten (10) feet in width adjacent to and along all exterior boundaries of each Lot in the Shadow Mountain Ranch and Resort subdivision, plus such additional area required for anchor points, for the installation, repair and replacement of overhead and underground utilities (including but not limited to electricity, telephone, water, sewer, cable television and natural gas), to serve any and all other Lots located in said Shadow Mountain Ranch and Resort subdivision.

4.2 Grantor reserves the right to grant or establish additional easements for any purpose upon any portion of the Property which is owned by Grantor at the time such easements are created.

ARTICLE 5.0 - TERMS AND CONDITIONS OF EASEMENTS

5.1 The easements referred to herein may be used for their intended purposes by the owners of Lots in the Shadow Mountain Ranch and Resort subdivision, their tenants, family members, guests, and invitees. The Board of Directors of the Shadow Mountain Ranch Property Owners Association, Inc. shall have the power and authority to adopt reasonable rules and regulations governing such use, and said Board may also grant permission for other persons to use said easements from time to time, upon such terms and conditions as the Board deems appropriate.

5.2 The United States Bureau of Land Management is granted the right to use the Private Road Easement described as Easement PR-W1 on Exhibit "B", provided, and on the condition that, said United States Bureau of Land Management shall execute and deliver to Grantor a written easement for the use of the Private Road Easements described as Easements PR-W2 and PR-W3 on Exhibit "B".

5.3 Grantor reserves the right, for itself and its successors and assigns, to dedicate or convey the Private Road Easements referred to in Paragraph 2.1 and the land encompassed by such Private Road Easements to the public or to Grand County, Colorado or another governmental agency, for use as public roads, or to convey the same to the Shadow Mountain Ranch Property Owners Association, Inc. for the uses provided herein.

5.4 The Board of Directors of the Shadow Mountain Ranch Property Owners Association, Inc. may, but is not required to accept responsibility for maintenance and repair of all or any

portion of the roads constructed upon the Private Road Easements, as provided in the Declaration of Covenants, Conditions and Restrictions for Shadow Mountain Ranch and Resort referred to hereinabove. In event said Association does assume such responsibilities, the Board of Directors of the Association shall have the sole discretion to determine the nature and extent of the maintenance and repairs undertaken with respect to such roads. If any of said roads are hereafter dedicated or conveyed for public use, Grand County or the other governmental agency accepting such roads for maintenance shall have the sole discretion to determine the nature and extent of any maintenance and repairs.

5.5 Unless and until responsibility for maintenance and repair of the roads constructed upon the Private Road Easements is assumed by the Shadow Mountain Ranch Property Owners Association, Inc. or by Grand County or another governmental agency, any owner of a Lot in the Shadow Mountain Ranch and Resort subdivision may undertake whatever maintenance or repair of such roads as such owner may desire to facilitate his use thereof, at his own expense. No Lot owner shall be responsible for any portion of the cost of such maintenance and repair undertaken by any other Lot owner, absent an express written agreement providing for the sharing of such costs. Any such maintenance or repair of the roads shall be performed in a manner so as not to interfere with the use of the roads by any other Lot owner. No Lot owner shall undertake any major alteration or improvement of said roads except with the prior written approval of the Board of Directors of the Shadow Mountain Ranch Property Owners Association, Inc.

5.6 Maintenance or repair of any utilities installed within the easements granted herein shall be the responsibility of the utility company, Lot owner or other person who owns such utilities. Maintenance of the roads and/or trails located within the Trail Easements described in Paragraph 3.1 may be undertaken by the owner of any Lot, at such owner's expense, or by the Shadow Mountain Ranch Property Owners Association, Inc. if the Board of Directors of the Association so elects. No major alterations or improvements shall be made to such roads and trails located within the Trail Easements without the prior written approval of the Board of Directors of the Shadow Mountain Ranch Property Owners Association, Inc.

5.7 No Lot owner or other person shall construct or place any gates, barriers or other obstructions upon roads and trails located upon the Private Road Easements and Trail Easements which would impede the passage of traffic thereon, without the prior written approval of the Board of Directors of the Shadow Mountain

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Ranch Property Owners Association, Inc. Any existing buildings or structures located upon said easements as of the date of this Grant of Easements may be maintained, repaired, altered and replaced in their present location, and said existing buildings and structures shall not be deemed to be an obstruction of the easements pursuant to this Paragraph 5.7.

5.8 Grantor reserves the right, for itself and its successors and assigns, to relocate or change the dimensions of any of the easements herein granted by executing an amendment to this Grant of Easements; provided, however, that no such amendment shall affect any such easements located within the boundaries of any Lot conveyed to a third party without that party's written consent; and provided further that no such amendment shall have the effect of leaving any Lot which has been conveyed to a third party without a means of access for ingress and egress and the installation of utilities, and Grantor shall pay all costs of relocating any roads or utilities which have been installed in such easements.

5.9 Anything contained herein to the contrary notwithstanding, this Grant of Easements may be revoked or amended at any time upon the written consent of the fee owners of record of one hundred percent (100%) of the Property.

SIGNED THIS 24th day of February, 1993.

GRANTOR
SMR INVESTMENTS, LTD. LIABILITY CO.

BY: James P. Birks
Frederick P. Birks, Manager

STATE OF Maryland)
COUNTY OF Montgomery) ss.

The above and foregoing Grant of Easements was acknowledged before me this 24th day of February, 1993, by Frederick P. Birks, as Manager of SMR Investments, Ltd. Liability Co.

Witness my hand and official seal.

My commission expires:



Helen S. Kingston
Notary Public
Helen S. Kingston
Notary Public State of Maryland
My Commission Expires October 10, 1993

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