

Easement Agreement

This agreement is made effective as of this First day of January 2009, by, between and among Daybreak Realty, LLC, (hereinafter "Daybreak"), 400 Panamint Rd. Reno, NV 89521 and High Mesa Partners, LLC, (hereinafter "High Mesa"), 400 Panamint Rd. Reno, NV 89521

RECITALS

1. WHEREAS, High Mesa owns real property identified on the attached map which is marked as Exhibit "B", and more particularly described in attached Exhibit "A", located in Garfield County, Colorado to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

2. WHEREAS, Daybreak wishes to obtain a right of way for ingress and egress into the High Mesa property, for the purpose of maintaining Water Irrigation, and Waste treatment systems on the High Mesa property, and
3. WHEREAS, High Mesa agrees to grant an easement to Daybreak under the terms and conditions contained herein.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, and for other good and valuable consideration, the parties agree to the following terms and conditions upon which the various easements described herein shall be granted.

1. High Mesa Easement. High Mesa, its successors and/or assigns, hereby grant, bargain, sell and convey to Daybreak, its successors and/or assigns, a nonexclusive easement for the sole purpose of inspecting and maintaining water, irrigation and, pipes or other equipment related to the delivery of water, irrigation and waste treatment services as defined in the "High Mesa and Daybreak Water and Waste Treatment Services Agreement", (hereinafter referred to as the "Services Agreement"). This easement is in effect in the event of a default as defined in the services default provisions in the Services Agreement. This easement shall include the facilities and interconnecting pipes, trenches and utilities referred to on the map in Exhibit A, including those not specifically delineated on the map, but required for operation of the services.
2. Description and period of Easement. The easement shall be non-exclusive, and shall convey to Daybreak such easement privileges as enumerated in the Use of Easement. This easement shall be in perpetuity, subject to the terms of termination section below.
3. Use of Easement. Said easement shall be for the purpose of maintaining equipment, utilities, and interconnecting pipes, trenches or other associated equipment and includes access to all roads and property as necessary to perform such maintenance, replacement, or operations of such services. Daybreak agrees to undertake all activities performed in connection with the easement in a good and

workmanlike manner and as expeditiously as possible, and shall at all times perform such activities in complete compliance with all applicable construction, health, safety and other laws, regulations and codes. Daybreak shall disturb the roads, pads, buildings and natural vegetation within the subject easement as little as possible and shall clean up, re-grade and re-vegetate unimproved portions of the area as soon as possible and to the extent necessary from time to time to restore the same as closely as possible to its natural state. All such activities shall be performed at the sole cost and expense of Daybreak, which shall keep the property free from mechanic's or material men's liens of any kind which may arise from any activities undertaken by Daybreak. All recovery of costs from High Mesa by Daybreak shall be as per the processes in the Services Agreement. Daybreak shall not improve or upgrade the easement or associated equipment, pipes, trenches or ponds without the express written consent of High Mesa or through the process defined in the Services Agreement.

4. Relocation of Easement. The parties hereby agree that High Mesa, its assignees or successors shall be entitled to relocate equipment, pipes, trenches, or utilities within the easement on property owned by High Mesa at their sole expense so long as the requirements of the Services Agreement are met.

5. Additional Terms. Daybreak shall comply with the following additional terms and conditions:

- a. Daybreak shall have no entry upon any property unless High Mesa is in default of the Services Agreement.
- b. Daybreak shall not allow any unauthorized personnel to use the easement.
- c. Daybreak's employees, subcontractors and/or agents shall not:
 - i) consume any alcoholic beverages of any kind on the right of way or the property,
 - ii) permit any litter to fall, accumulate or remain on the roadways or any part of the property,
 - iii) Carry any firearms of any kind upon or across the property.

6. Repair and Maintenance. In conjunction with its operations, Daybreak shall

- a. Immediately repair damages to buildings, pads, roads, fences, gates or cattle guards caused by its employees, agents or other persons under its supervision and control,
- b. Control erosion from operation into any stream or waterway.
- c. Control of dust from the operation interfering with normal ranching activities, businesses or homes in the property and their surrounding areas.

7. Default. Failure of Daybreak to abide by any term or condition of this agreement constitutes a default. In the event of default by Daybreak, as to any of the terms and conditions of the Agreement, High Mesa shall be entitled to notify Daybreak of such default and Daybreak shall have fifteen days after receipt of such notice of default within which to cure such default. In the event such default is not of a nature which can be cured within fifteen days, Daybreak shall promptly commence to cure such default and shall proceed promptly and diligently to cure such default, even though such curative work may extend beyond such fifteen day period. In the event that such a default is not cured in the fifteen day period, High Mesa shall have the option to cure the default and bill Daybreak for associated expenses.
8. Notices. Any notice hereunder shall be given in writing and shall be deemed effective upon the date of personal delivery, or three days after deposit in the United States Mail, postage prepaid, certified mail, and properly addressed to the parties as follows:

If to HIGH MESA: Robert Graham
400 Panamint Rd.
Reno, NV 89521

If to Daybreak: Daybreak Realty LLC
Robert Graham
400 Panamint Rd.
Reno, NV. 89521

With Copy to: Mark N. Williams, P.C.
326 Main Street, Suite 103
Grand Junction, CO 81501

Any party to this Agreement, or its successors and/or assigns, may designate or change their address for purposes of this Agreement by giving notice as set forth above.

9. Indemnity. Daybreak agrees to protect, indemnify and hold harmless High Mesa, and/or their heirs, personal representatives, successors and/or assigns from and against any and all loss, damage, claim or defense, against any and all suits, claims, demands, expenses, losses, liabilities or damage of any kind or nature, including reasonable attorney's fees and costs, arising directly or indirectly out of any claim of third parties asserted against High Mesa and/or their heirs, personal representatives, successors and/or assigns: (i) attributable to any conduct of Daybreak and its agents, employees, subcontractors and all other authorized and unauthorized personnel as well as its heirs, personal representatives, successors and/or assigns concerning their use of the easement; (ii) relating to the use of the easement by Daybreak and its agents, employees, subcontractors and all other authorized and unauthorized personnel as well as its heirs, personal representatives, successors and/or assigns and their respective invitees and guests, whether authorized or not authorized; (iii) for claims arising from the use of the easement due to personal injuries or property damage caused by Daybreak; or (iv) due to mechanic's liens created by conduct or acts of Daybreak.

10. Termination. This easement shall be contingent on the granting of a SUP by Garfield County and associated operating permits for the use of High Mesa property for an RV Park and shall be in force during the period in which a valid SUP is outstanding for the RV Park. It may be extended for other purposes upon agreement of the parties through a revised Services Agreement and the granting of permits by the appropriate Colorado State and County governments for such services.
13. Entire Agreement. This Agreement contains the entire understanding of the parties hereto. There are no representations, warranties, covenants or understandings other than those expressly set forth herein. This Agreement may not be modified or amended except in writing signed by the parties hereto.
14. Captions. The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision contained herein.
15. Choice of Law. The parties agree that this Agreement shall be construed in accordance with the laws of Colorado and that any suit shall be brought in Colorado.

IN WITNESS WHEREOF, the parties have executed this agreement as of the days and year first above written.

High Mesa Partners, LLC

Robert Graham, Manager

STATE OF COLORADO)
) ss
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by High Mesa Partners, LLC, Robert Graham, Manager

Witness my hand and official seal:

Notary Public

My commission expires: _____

Daybreak Realty, LLC

Robert Graham, Manager

STATE OF COLORADO)
) ss
COUNTY OF GARFIELD)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____,
by Daybreak Realty, LLC, Robert Graham, Manager

Witness my hand and official seal:

Notary Public

My commission expires: _____

EXHIBIT "A"

A PARCEL OF LAND SITUATE IN THE S1/2 OF SECTION 24, TOWNSHIP 7 SOUTH, RANGE 96 WEST, AND THE NW1/4SW1/4 OF SECTION 19, TOWNSHIP 7 SOUTH, RANGE 95 WEST OF THE SIXTH PRINCIPAL MERIDIAN, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER SOUTH 1/16 CORNER OF SAID SECTION 24, A 3 1/4" BLM ALUMINUM CAP IN PLACE;
THENCE N88°39'44"E 1882.31 FEET TO A POINT ON THE SOUTHERLY LINE OF THE N1/2SE1/4 OF SAID SECTION 24, THE TRUE POINT OF BEGINNING;
THENCE DEPARTING SAID SOUTHERLY LINE N00°03'02"W 960.40 FEET; THENCE N89°15'10"E 1664.00 FEET;
THENCE S00°03'02"E 970.32 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID NW1/4SW1/4 OF SECTION 19;
THENCE N89°36'59"W ALONG SAID SOUTHERLY LINE 901.03 FEET TO THE SOUTH 1/16 CORNER OF SECTION 24 AND SECTION 19, A 3 1/4" BLM ALUMINUM CAP IN PLACE;
THENCE S88°39'44"W 763.06 FEET ALONG THE SOUTHERLY LINE OF SAID NE1/4SE1/4 OF SECTION 24 TO THE POINT OF BEGINNING. SAID PARCEL OF LAND CONTAINING 36.637 ACRES, MORE OR LESS.

COUNTY OF GARFIELD
STATE OF COLORADO

EXHIBIT “B”

**SEE LAND SURVEY PLAT – APPENDIX F
FULL SIZE VERSION OF MAP IN ATTACHED FOLDER**