

EASEMENT GRANT AND AGREEMENT

This Easement Grant and Agreement (The "Agreement") is made and is effective as of this 14th day of June, 2013, by and between the ERNEST R. AND MOIRA E. EARNEST LIVING TRUST, 9752 Highborne Way, Hobe Sound, FL 33455 (hereinafter referred to as "Grantor") and MICHIGAN HILL OWNER'S ASSOCIATION, INC., a Colorado non-profit corporation, P.O. Box 123, Jefferson, CO 80456 (hereinafter referred to as "Grantee").

RECITALS

WHEREAS, Grantee is a non-profit association of owners of lots in the Michigan Hill Subdivision, situate in the County of Park, State of Colorado as more fully described in the Declaration of Protective Covenants, recorded in the office of the Clerk and Recorder of Park County, Colorado on August 19, 1980 at Reception No. 289111 in Book 314 at Page 482; and

WHEREAS, Grantor is the owner of certain real property located in the County of Park, State of Colorado, and lying adjacent and to the south of the Michigan Hill Subdivisions, more particularly described as:

GOVERNMENT LOT 1, SECTION 18, TOWNSHIP 8 SOUTH, RANGE 75 WEST OF THE 6TH P.M., COUNTY OF PARK, STATE OF COLORADO, ALSO KNOWN AS 508 RED HILL ROAD, JEFFERSON, CO,

(hereinafter the "Earnest Parcel"); and

WHEREAS, pursuant to that certain Right-of-Way Grant dated January 11, 1984 (Serial No. C-33390), the United States Department of the Interior, Bureau of Land Management, granted Grantee's predecessor a non-exclusive, non-possessory right-of-way on the Earnest Parcel for access to and from the Michigan Hill Subdivision (the "Right-of-Way"); and

WHEREAS, in accordance with the terms of the Right-of-Way, it is set to expire on January 10, 2014; and

WHEREAS, Grantor wishes to grant to Grantee a non-exclusive, perpetual easement for ingress and egress, on, through and over the Earnest Parcel, all as more particularly described herein.

NOW, THEREFORE, in consideration of the granting of an easement as set forth herein, and the mutual promises, covenants, conditions and agreements contained herein, the Grantor and Grantee, intending to be legally bound, hereby agree as follows:

ARTICLE I GRANT OF EASEMENT FOR ACCESS

1.1 Grant of Easement. Grantor hereby grants to Grantee, its heirs, successors and assigns, a non-exclusive, perpetual easement on, through and over the Earnest Parcel, said

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easement commencing at the northwest corner of the Earnest Parcel and extending east 529.59 feet along the north property line of said parcel and being 60 feet in width, containing approximately 0.729 acres, as depicted on Exhibit A attached hereto (said area being referred to hereinafter as the "Easement Area"), for the purpose of providing free and unobstructed ingress and egress to and from the Michigan Hill Subdivision and subject to the use restrictions set forth herein.

1.2 Payment. In consideration of the grant of easement set forth in Section 1.1, Grantee shall remit payment to Grantor in the amount of TWENTY ONE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$21,500.00) in five equal installments of \$4,300.00 due and payable on August 1, 2013 and annually thereafter until paid in full. The parties shall thereafter endeavor to promptly record this Agreement in the real property records of the Park County Clerk and Recorder.

1.3 Use of Easement. The easement referred to in Section 1.1 above may be used by Grantee, including, but not limited to, its owners, members, invitees, agents, and employees, for the purposes of vehicular and pedestrian access to and from the Michigan Hill Subdivision. In connection with the use of the Easement Area, the existing roadway, which is dirt surfaced, shall not be relocated or improved by Grantee by paving, widening or otherwise or altered from its present location, nor shall any alternate roadway be constructed by Grantee. Except for the uses specifically described and permitted in this Easement Grant and Agreement, the Easement Area shall be used by Grantee for no other purposes whatsoever. In the event the location of the roadway within the Easement Area is altered by Grantor, Grantee shall have the right to use the roadway as so altered. When exercising any right to the Easement Area, Grantee will take all reasonable steps to avoid physical harm or damage and to minimize disturbance of the surface of the Easement Area.

1.4 Maintenance. Grantee shall be responsible for all repairs and maintenance of and to the roadway within the Easement Area, including repairing damage caused by wear, weather, and snow, as well as removing snow within the Easement Area as necessary and customary during inclement weather. Grantee shall also install and maintain a minimum of four reflective chevron type turn warning signs along the east end of the Easement Area and the south end of Michigan Hills Drive.

1.5 Insurance. Grantee shall maintain a liability insurance policy which includes the Easement Area and shall provide proof of such coverage to Grantor upon request.

ARTICLE II. MISCELLANEOUS

2.1 Compliance with Laws. Subject to the use restrictions contained herein, any activities of the Grantee on the Easement Area shall at all times comply with all applicable laws, ordinances, rules and regulations of any governmental authority having jurisdiction over the Easement Area.

2.3 Running of Benefits and Burdens. The easement granted herein is perpetual and shall be appurtenant to the Michigan Hill Subdivision, and shall not be transferred, assigned, or conveyed apart or separately from such lands. All provisions of this instrument, including the benefits and burdens, run with the land and are binding upon and inure to the benefit of the heirs, successors and assigns and tenants, if any, of the parties hereto.

2.4 Reservation and Disclaimer. Exclusive use of the Easement Area is not hereby granted. The Grantor expressly reserves all minerals and non-tributary water in and under the Easement Area, together with the right to use the surface and subsurface of the Easement Area, provided such use is not inconsistent with and/or does not unreasonably interfere with the permitted rights of Grantee.

2.5 Entire Agreement. This instrument contains the entire agreement of the parties and may not be modified in any manner except by written instrument signed by both parties.

2.6 Governing Law. This instrument shall be governed and interpreted under the laws of the State of Colorado, and it is the intention of the Grantor and Grantee that the easements granted and the use of the Easement Area as set forth herein shall be given a strict construction such that the uses are not expanded.

2.7 Severability. In case one or more of the provisions contained in this Agreement or any application hereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and the application thereof shall not in any way be affected or impaired thereby.

GRANTOR:

ERNEST R. AND MOIRA E. EARNEST
LIVING TRUST

By: Ernest R. Earnest
Ernest R. Earnest, Trustee

STATE OF Colorado)
) ss:
COUNTY OF Park)

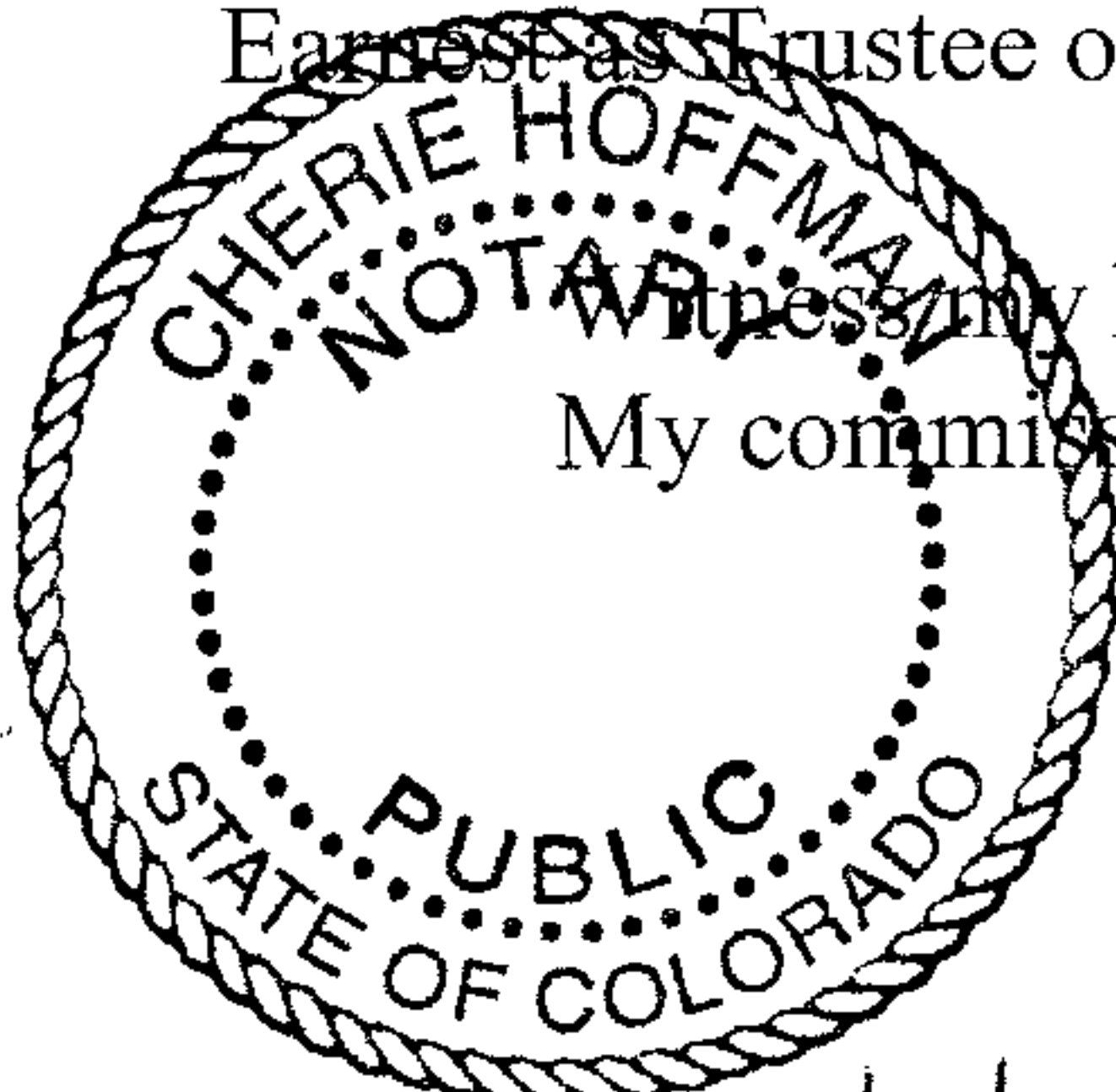
GRANTEE:

MICHIGAN HILL OWNER'S
ASSOCIATION, INC., a Colorado non-
profit corporation

By: Larry McClmonds
Larry McClmonds, President

Subscribed and sworn to before me this 4th day of June, 2013 by Ernest R. Earnest as Trustee of the Ernest R. and Moira E. Earnest Living Trust, Grantor.

Witness my hand and official seal.
My commission expires: 3/7/2015



Cherie Hoffman
Notary Public

My Commission Expires 3/7/2015

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STATE OF Colorado)
) ss:
COUNTY OF Arapahoe)

Subscribed and sworn to before me this 11th day of June, 2013 by Larry McClymonds as President of Michigan Hills Owner's Association, Inc., a Colorado non-profit corporation, Grantee.

Witness my hand and official seal.
My commission expires: April 17 2017

Brandon D Rochelle
Notary Public

BRANDON D ROCHELLE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134020650
MY COMMISSION EXPIRES APRIL 17, 2017

4/15/17
LMM

