



HOCKERSMITH & MUELLER, P.C.

ATTORNEYS & COUNSELORS AT LAW

645 Second Street
Post Office Box 646
Ouray, CO 81427-0646

t: 970.325.4414
f: 970.325.7333
andrew@hmlawpc.com

Michael D. Hockersmith
Andrew A. Mueller

Water Rights Centennial-Dashwood Ranch, LLC February 18, 2014

Centennial-Dashwood Ranch, LLC received a quit claim conveying the following water rights¹:

3 cfs of water in the Home Stretch Ditch under Priorities No. 53 and No. 109 under the First General Adjudication for Ouray County,

4.75 cfs of water in the Home Stretch Ditch under Priority No. 48 of the 4th General Adjudication for Ouray County

And

.5 cfs of water in the Upper Uncompahgre Ditch No. 46 (sometimes known as the Jutten Ditch) under Priority 50 from the First General Adjudication for Ouray County.

Since the acquisition of the Ranch in 1992, the Kontny family and its related entities, including the Centennial-Dashwood Ranch, LLC, have utilized these water rights to the fullest extent possible in the irrigation of approximately 97.6 acres of irrigated hay meadows and pasture land. During these twenty two years, the Kontnys have utilized the above described water rights without challenge and with the consistent cooperation of their fellow ditch owners.

In 1995, the Kontny family did execute a deed of conservation easement to preserve the agricultural and historical heritage of the Ranch. In paragraph 13 of the Deed of Conservation easement the Kontnys' on behalf of themselves and the future owners of the Ranch, retained and reserved the right to use water rights sufficient for use in agricultural production on the Property and agreed not to transfer, encumber, lease, sell or otherwise separate such undefined quantity of water rights from the title of the real property itself.

These water rights will be transferred from Centennial-Dashwood Ranch, LLC to the buyer via quit claim deed at Closing.

¹ The Kontny family acquired title to these water rights via quit claim deed from the Smith family in 1992 and while the Kontnys' use of said water has not been challenged, the useafructory nature of water combined with the traditionally complicated chain of title to the water rights in this region and the administration of water during times of call, Centennial-Dashwood Ranch, LLC will make no warranties or representations regarding the integrity of the chain of title to or the consistent availability of all of the listed water rights.