

HAYES POZNANOVIC KORVER LLC
ATTORNEYS AT LAW

700 17TH STREET, SUITE 1800
DENVER, COLORADO 80202

TELEPHONE (303) 825-1980

FACSIMILE (303) 825-1983

August 14, 2026

Re: Updated Title Report- Spruce Mountain Land and Cattle LLC Water Rights

This report updates prior Title Reports dated October 23, 2013, and July 22, 2026 . As of the date of this report Spruce Mountain Land and Cattle LLC was the owner of record of the Water Rights described as follows:

Non tributary Denver Basin groundwater decreed in Case 86CW56 Water Division One underlying 1480 acres in Douglas County Colorado, said Decree being more particularly described in the Spruce Mountain web site and attached to this report, referred hereafter as "Water Rights"

Denver aquifer 1139 acre feet per year/ 100 year pumping

Arapahoe aquifer 1081 acre feet per year/100 year pumping

Laramie-Fox aquifer 386 acre feet per year/100 year pumping

The foregoing ownership is based on June 30 2004 Special Warranty Deed from Eagle Pointe Development LLC to Randal L. Olson, DuWayne M. Andresen and Terance J. Peters, grantees - rec. 32004068699, Douglas County (attached) and Quitclaim Deed dated August 24, 2007, Olson, Andresen and Peters, Grantors, Spruce Mountain Land and Cattle LLC Grantee. Rec, no 2007069810 (attached)

The Water Rights were conveyed by Spruce Mountain to 10102580 Manitoba LTD, a Canadian Foreign Private Limited Company by corrective deed dated October 4 2022, recorded 11/22,2022 at reception no 2022073595 Douglas County Clerk and Recorder. A Deed of Trust from Manitoba LTD to Spruce Mountain, subsequently foreclosed on, was recorded on 11/22/2022 at reception no. 2022073595 Douglas County Clerk and Recorder.

Manitoba Ltd was in default under the Deed of Trust as of 7/31/2023.

On August 16, 2023, Manitoba LTD conveyed the Water Rights by quit claim deed to Orlando Reservoir No 2 Company LLC at reception no 10102580, Douglas County Clerk and Recorder. The Orlando Reservoir Company immediately thereafter filed a Chapter 11

Bankruptcy in US District Court, Denver Colorado. The conveyance to Orlando Reservoir Company was subject to the Deed of Trust held by Spruce Mountain.

The Orlando bankruptcy (Case 23-13178) and any stay in connection therewith was dismissed by the Court on April 15, 2025.

Spruce Mountain thereafter commenced Public Trustee foreclosure proceedings in Douglas County with Notice of Election and Demand being filed June 17, 2025. Foreclosure proceedings were completed with Public Trustee Confirmation Deed recorded 10/29/2025 at reception no 2025051825 and Corrected Public Trustee Confirmation deed recorded 8/14/2026 at reception no 2026041113.

Title to the foregoing described Water Rights is currently vested in Spruce Mountain Land and Cattle LLC by the Douglas County Public Trustee Confirmation Deed dated The Confirmation Deed eliminated any interests of Manitoba LTD and the lien of the Deed of Trust held by Spruce Mountain Land and Cattle LLC recorded October 26, 2022, and conveyed title to Spruce Mountain Land and Cattle LLC. Any interest of Orlando Reservoir Company was also eliminated.

A Notice of an automatic stay related to a bankruptcy proceeding filed by John R McKowen in Case 25-16665 Chapter 11, US District Court, was recorded at rec. no 202505333 Douglas County Clerk and Recorder on Nov 5, 2025, after issuance of the confirmation deed by the Public Trustee on October 29, 2025. On May 11, 2026 an Order was issued by The United States Bankruptcy Court, District of Colorado, dismissing the McKowen bankruptcy case.

Title to the Water Rights is subject to the following previously recorded documents, which are binding upon the Severable Water Owner as defined therein and upon all property described in Exhibit A attached to this report. As of the date of this report, Spruce Mountain Land and Cattle LLC is the Severable Water Owner as defined in these recorded documents

1. Amended and Restated Deed of Conservation Easement, recorded 1/23/2023 at rec no. 2003009368 Douglas County Clerk and Recorder
2. Amended Agreement to grant easements recorded at rec number 2007063138 Douglas County Clerk and Recorder.
3. Restated Deeds of Conservation Easement recorded at rec # 2007063139 and rec no 2007063140, Douglas County Clerk and Recorder

There are no other liens or encumbrances on the described Water Rights, of record, as of this date.

As of the date of this report, based on recorded documents in the Office of the Douglas County Clerk and Recorder, fee title to the Water Rights is vested in Spruce Mountain Land and Cattle LLC, an Illinois Limited Liability Company. No opinion is expressed as to the quantity or quality of the Water Rights or of use for any particular purpose or any claim to adverse possession of the Water Rights.



A handwritten signature in blue ink, appearing to read "Jim Petrock", is written over a horizontal line.

James Petrock

Hayes Poznanovic Korver, LLC