

**GURLEY RESERVOIR ACCESS AND USE AGREEMENT  
BETWEEN  
THE FARMERS WATER DEVELOPMENT COMPANY  
AND  
GURLEY LAKE RANCH OWNERS ASSOCIATION, INC.**

The Farmers Water Development Company ("FWDC") and the Gurley Lake Ranch Owners Association, Inc. ("GLROA") (collectively "the Parties") desire to enter into a new Gurley Reservoir Access and Use Agreement ("Agreement"). In consideration of the covenants, mutual agreements and promises contained herein, the Parties therefore agree to enter into this Agreement to become effective January 1, 2022, and further agree that this Agreement will replace and supersede any preceding or preexisting agreements between the Parties.

**Section 1. Purpose**

The purpose of this Agreement is to provide for access to and use of the Gurley Reservoir, located in San Miguel County, Colorado for fishing, boating and other recreational activities by GLROA Lot Owners and members of the general public, and to regulate such access and use. The "Gurley Reservoir" includes the reservoir itself and the property surrounding the reservoir bounded by a line ten (10) feet above the high water level line of the reservoir.

**Section 2. Term of Agreement**

The term of this Agreement is five (5) years, January 1, 2022 through December 31, 2026. Notice under this Agreement shall be sent as follows via US mail, certified, return receipt requested: The Farmers Water Development Company, P.O. Box 10, Norwood, Colorado 81423. The Gurley Lake Ranch Owners Association, Inc., c/o Scott Bengé, COO, Catapult Consulting, LLC, P.O. Box 1327, Telluride, CO 81435.

This Agreement shall automatically renew for successive one (1) year periods unless either party gives written notice of non-renewal at least thirty (30) days prior to the expiration of the applicable term.

The Parties shall provide notice to each other of respective address changes.

FWDC acknowledges that GLROA sells public use permits on and after April 1 of each year.

**Section 3. Annual Payment**

The Parties agree that the GLROA will make an annual payment of twelve thousand dollars (\$12,000.00) to the FWDC for access to and use of the Gurley Reservoir, which shall remain fixed during the term of the Agreement.

The Parties agree that the annual payments may be made in one (1) lump sum advance payment due on May 1 of each year. In the alternative, GLROA may make four (4)

equal payments of three thousand dollars (\$3,000.00), due May 1, July 1, September 1 and November 1.

The Parties agree that, in the event the Agreement is terminated for any reason, any payments due or already paid in the year in which termination takes place will be refunded. Nothing in this sentence authorizes either Party to terminate this Agreement for reasons other than material default of the other Party.

#### **Section 4. Administration & Management**

The Parties agree that the GLROA is permitted to:

1. Administer a system of written permits for access to and use of the Gurley Reservoir by members of the general public, and to use the resulting funds to defray its costs in such administration.
2. Charge each member of the general public for such written access and use permit. This fee shall be for an annual written permit from the GLROA, good for each annual period between May 15 and November 15. The fee shall be charged regardless of when during such term the permit is purchased.
3. Establish rules, regulations and limitations governing the type of tackle that may be used while fishing, and the number and size of fish allowed to be kept while fishing on the Gurley Reservoir so as to preserve the fishery.
4. Actively police and enforce the rules, regulations and limitations governing access to and use of the Gurley Reservoir contained herein below.
5. Eject from the Gurley Reservoir any member of the public who does not comply with the rules, regulations and limitations governing such access and use.

#### **Section 5. Rules, Regulations & Limitations**

The Parties agree that access to and use of the Gurley Reservoir shall be subject to the following rules, regulations, and limitations:

1. Public access is limited to daytime use only between May 15 and November 15 for fishing, boating and other recreational uses. GLROA Lot Owners may have year-round use.
2. No bathing or swimming is permitted in the Gurley Reservoir.
3. No motorized boats or watercraft shall be used on the Gurley Reservoir (this limitation shall not apply to battery operated trolling motors).
4. No firearms shall be possessed, carried or used upon the Gurley Reservoir or within the Gurley Lake Ranch while visiting the Gurley Reservoir. (This regulation shall not apply to employees of FWDC.)

5. No all-terrain vehicles or dirt bikes are to be used on the Gurley Reservoir.
6. Colorado Parks and Wildlife fishing regulations shall apply and be strictly observed by all users. In addition, all users must comply with the rules and regulations established by the GLROA governing the type of tackle that may be used, and the number and size of fish allowed to be kept.
7. As stated above, all members of the general public shall be required to obtain and pay for an annual written permit from the GLROA for access to and use of the Gurley Reservoir for fishing, boating and other recreational uses.
8. The Gurley Lake Reservoir lies within the geographical boundaries of the Gurley Lake Ranch subdivision as set forth in the plats of survey filed with the County Clerk of San Miguel County, Colorado. The Gurley Lake Ranch subdivision, which includes individual lots, common open space, open space easement, private access easement, and Gurley Elk Preserve, is private property such that entry onto any part of the Gurley Lake Ranch subdivision is a trespass.
9. County Road S44 passes through the Gurley Lake Ranch subdivision, across the Gurley Reservoir dam, and across the Gurley Elk Preserve. Vehicles driven by members of the general public while visiting the Gurley Reservoir shall only be driven on County Road S44 and shall only be parked in the designated parking area near the dam while in the Gurley Lake Ranch subdivision.
10. No fires shall be started or maintained within the Gurley Lake Ranch subdivision while visiting the Gurley Reservoir.

**Section 6. Insurance, Waiver of Liability, Indemnification and Hold Harmless Agreement**

The Parties each agree to separately obtain whatever general liability insurance they deem necessary to protect them from and against any and all legal liabilities associated with the provision of access to and use of the Gurley Reservoir by GLROA Lot Owners and members of the general public.

The Parties each agree to indemnify and to hold the other Party harmless from and against any and all legal liabilities associated with the provision of access to and use of the Gurley Reservoir under this Agreement. For purposes of this section, "legal liabilities" means all actions, claims, lawsuits, costs, damages, expenses, losses, obligations, and penalties of whatever kind and nature asserted against, incurred by or imposed upon either party. For purposes of this section, The Farmers Water Development Company and the Gurley Lake Ranch Owners Association, Inc. includes not only the Parties but, in addition, their directors, officers, agents, employees, personal representatives, heirs, successors, assigns and insurers.

The Parties agree that appropriate assumption of the risk, waiver of liability, indemnification and hold harmless language shall be contained in any Gurley Reservoir access and use permit sold to members of the general public.

**Section 7. Water Pool**

The Parties agree that FWDC shall not be required to maintain a minimum water level for survival of fish. FWDC does not guarantee or warrant any specific level of water to be maintained in the reservoir, and GLROA and any users of the reservoir permitted by GLROA acknowledge and understand that the water rights for the reservoir may or may not be needed for other decrees beneficial purposes and/or that the reservoir may or may not fill or remained filled during any water year. FWDC does not guarantee any specific quality of the water stored in the reservoir and makes no warranties as to the suitability of the reservoir for fishing, boating or other purposes intended by GLROA.

**Section 8. Binding Effect, Recording**

This Agreement is binding upon the Parties, their personal representatives, heirs, successors and assigns. This Agreement shall be recorded in the real property records of the Office of the Clerk and Recorder of San Miguel County, Colorado.

**Section 9. Assignability**

The Parties agree that this Agreement is not assignable.

**Section 10. Counterparts**

The Parties agree that this Agreement may be executed in counterparts, each of which will be deemed to be an original, but all of which taken together will constitute one and the same Agreement.

**Section 11. Choice of Law, Venue, Attorneys Fees**

The Parties agree that this Agreement shall be interpreted and construed under the law of the State of Colorado. The exclusive venue for resolution of any and all disputes between the Parties arising out of or related to this Agreement shall be in the Courts of San Miguel County, Colorado. The prevailing Party shall be awarded its reasonable attorneys fees, expert witness fees and costs incurred, in addition to any other relief to which such Party is entitled.

In witness whereof, the Parties have executed this Agreement to become effective January 1, 2022.

State of Colorado )  
County of San Miguel ) ss.

The Farmers Water Development Company, a Colorado nonprofit corporation

By: Dave Alexander  
Dave Alexander, President

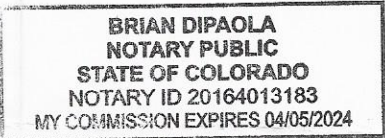
Attest: \_\_\_\_\_  
Todd Snyder, Secretary

The foregoing was acknowledged before me on Dec. 23, 2021 [date] by Dave Alexander, President, The Farmers Water Development Company.

Witness my hand and official seal.

My commission expires: 4-5-24

Brian DiPaola  
Notary Public



State of Colorado )  
County of San Miguel ) ss.

Gurley Lake Ranch Owners Association, Inc., a Colorado nonprofit corporation

By: Paul Finley  
Paul Finley, President

Attest: Scott Bengel  
Scott Bengel, Secretary/Treasurer

The foregoing was acknowledged before me on December 15, 2021 [date] by Paul Finley, President, Gurley Lake Ranch Owners Association, Inc.

Witness my hand and official seal.

My commission expires: 9-24-22

Carrissa C. Reiner  
Notary Public

CARRISSA C REINER  
NOTARY PUBLIC - STATE OF COLORADO  
NOTARY ID 20184037826  
MY COMMISSION EXPIRES SEP 24, 2022