

**AMENDMENT TO REVEGETATION AGREEMENT,
DRY-UP COVENANT, AND EASEMENT**

This Amendment to Revegetation Agreement, Dry-up Covenant and Easement ("Agreement") is entered into this ____ day of _____, 2014, between the Pueblo City-County Library District, whose mailing address is 100 E. Abriendo Ave., Pueblo, CO 81004 as Grantor, and the Board of Water Works of Pueblo, Colorado, as Grantee (or "Pueblo Water"), collectively referred to as the "Parties."

INTRODUCTORY STATEMENT

A. Grantor owns Lot 1 of St. Charles Mesa Library Subdivision (the "Property"). The Property was historically irrigated with water available under Grantor's predecessors-in-title's shares of stock in the Bessemer Irrigating Ditch Company (Bessemer Ditch), which have been sold to Pueblo Water and are leased to others.

B. On October 2, 2009, Pueblo Water entered into a Revegetation Agreement Dry-up Covenant, and Easement (the "Revegetation Agreement") with Grantor's predecessors-in-title covering a portion of Lot 4, Block 24, St. Charles Mesa, County of Pueblo, State of Colorado,¹ recorded on October 6, 2009, in the official records of the Pueblo County Clerk & Recorder under Reception No. 1820709. The Property is subject to the Revegetation Agreement.

C. In accordance with paragraph 5.4 of the Revegetation Agreement, on February 17, 2010, Grantor's predecessors-in-title give written notice to Pueblo Water of their intent to permanently discontinue irrigation of their property.

D. Pueblo Water has not changed the use of any of its Bessemer Ditch shares, including those historically used to irrigate the Property and currently is not subject to any legal obligation to revegetate any portion of the Property. Pueblo Water does not believe it will be subject to a legal obligation in the future to revegetate due to Grantor's improvements to the Property.

E. Grantor has improved the entire Property by constructing a library, parking lot and storm water detention facility; and has regraded the entire Property. Grantor plans to make landscape improvements to and revegetate the northern 1.37 acres of the Property disturbed during the construction process (the "Revegetation Area").

¹ Less a 5 acre tract sold to the School District (Book 669, Page 523; Book 1078, Page 334); less a tract 110.02 feet by 250.12 feet sold to Pueblo Rural Fire District No. 526218 (Book 1861, Page 193); less the portion thereof in Public Trustee's Deed recorded February 21, 2007 at reception No. 1714941.

F. Grantor has been informed by Pueblo County that it will not be able to occupy the new library until it has an approved revegetation plan for the Revegetation Area.

G. At some time after Pueblo Water's change of use of its Bessemer Ditch shares is approved by the Colorado Court system, Pueblo Water expects to have obligations to revegetate certain unimproved lands that were historically irrigated with Bessemer Ditch shares. Pueblo Water is considering using the seed mix described in Exhibit A hereto in the future for revegetation of unimproved property that was historically irrigated with its Bessemer Ditch shares. As a test of this seed mix, Pueblo Water desires to have the Grantor utilize Pueblo Water's recommended seed mix in Grantor's revegetation plans for the Property.

H. The Grantor is willing to use the seed mix recommended by Pueblo Water as provided below.

AGREEMENT

In consideration of the foregoing Introductory Statement and the mutual promises contained herein, the Grantor and Pueblo Water agree as follows:

1. Pueblo Water agrees to pay the Grantor the sum of five thousand dollars (\$5,000) within 30 days of the mutual execution of this Agreement.

2. The Dry-up Land as defined in the Revegetation Agreement includes the Revegetation Area of the Property. The Parties agree that the Revegetation Agreement does not require Pueblo water to revegetate the Property and that Grantor assumes all responsibility for revegetation of the Revegetation Area in accordance with a revegetation plan approved by Pueblo County.

3. The Grantor will use water provided by the St. Charles Mesa Water District for revegetation of the Revegetation Area. Grantor will revegetate the Revegetation Area with native grasses that do not require continued irrigation once established, using the grass seed mix for the Revegetation Area recommended by Pueblo Water attached as Exhibit A. The Grantor will allow Pueblo Water employees to periodically observe and record the progress of the planted seed mix for a period of up to three calendar years after planting. The Grantor will also provide Pueblo Water with a summary of the watering schedule and fertilizer application, if any, during the three year period.

4. Because Grantor's predecessors-in-title have given notice of cessation of irrigation under paragraph 5.4 of the Revegetation Agreement, paragraphs one through five, including the subparts thereof, of the Revegetation Agreement are no longer applicable to the Property.

5. Because Pueblo Water currently has no obligation to revegetate the Revegetation Area, the Parties agree that, as between themselves, the payment by Pueblo Water under this Agreement satisfies any obligations that Pueblo Water might otherwise have under paragraph six and its subparts of the Revegetation Agreement. If, in the future, further revegetation is

required by Pueblo Water as a condition of a change of water rights decree, then Pueblo Water will have each of the rights set forth in paragraph six and each of its subparts of the Revegetation Agreement.

6. The Parties agree that once the Grantor has completed revegetation of the Revegetation Area, the Grantor and Pueblo Water will have the rights and obligations set forth in paragraph 7 and all of its subparts of the Revegetation Agreement.

7. Paragraph 11 of the Revegetation Agreement, as between Grantor and Pueblo Water, is amended to provide that any notice required to be given to the Grantor under the Revegetation Agreement must be sent to Pueblo City-County Library District, 100 E. Abriendo Ave., Pueblo, CO 81004.

8. All other provisions of the Revegetation Agreement remain in effect and are not amended by this Agreement. This Agreement does not change any part of the Revegetation Agreement with respect to Lot 2 of St. Charles Mesa Library Subdivision.

9. This Agreement will be recorded in the records of the Clerk and Recorder of Pueblo County, Colorado.

**Board of Water Works of Pueblo,
Colorado**

Pueblo City-County Library District

By: _____
Terry R. Book, Executive Director

By: _____
Jon Walker, Executive Director

STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by Jon Walker, the Executive Director of the Pueblo City-County Library District.

Witness my hand and official seal:

Notary Public, State of Colorado

My commission expires: _____

[illegible]

The foregoing instrument was acknowledged before me this _____ day of _____, 2014, by Terry R. Book, Executive Director of the Board of Water Works of Pueblo, Colorado

Witness my hand and official seal:

Notary Public, State of Colorado
My commission expires: _____

**REVEGETATION AGREEMENT,
DRY-UP COVENANT, AND EASEMENT**

This Revegetation Agreement and Dry-up Covenant is entered into this 2nd day of October, 2009, between Janet Pullin, Jean Erickson, and Jo Ann Cummings, as Grantor, and the Board of Water Works of Pueblo, Colorado, as Grantee (or "PBWW"), collectively referred to as the "Parties."

INTRODUCTORY STATEMENT

A. Grantor owns the following real property (the "Property"):

Lot 4, Block 24, St. Charles Mesa, County of Pueblo, State of Colorado, LESS 5 Ac Tract Sold to School District (Bk. 669 Pg 420; Bk. 1078 Pg. 523; Bk. 1107 Pg. 334); LESS Tract 110.02 feet x 250.12 feet Sold to Pueblo Rural Fire District No. 526218 (Bk. 1861 Pg. 193); LESS portion in Public Trustee's Deed recorded February 21, 2007 at Reception No. 1714941.

The Property has historically been irrigated with water available under Grantor's shares of stock in the Bessemer Irrigating Ditch Company (the "Company").

B. Grantor has sold to PBWW 15.86 shares out of 16.86 shares of stock in the Company represented by stock Certificates No. 12858, 12859, 13303 and 13304 (the "Shares"). The Shares represent, in part, a pro rata interest in the water rights of the Company.

C. PBWW intends to file an application with the District Court, Water Division No. 2, seeking approval of a change of the water rights represented by PBWW's Shares (the "Water Rights"). The change of water rights application will seek to change the use of the Water Rights to add other types and places of use in addition to the currently decreed uses for the Water Rights, and to permit the continued irrigation use of the Water Rights under the Bessemer Ditch.

D. Section 37-92-305(4.5)(a), C.R.S. (2008) requires that the change of water rights decree contain reasonable provisions designed to accomplish the revegetation and noxious weed management of lands from which irrigation water is removed, but that dry-land agriculture may not be subject to a revegetation order of the court.

E. Pueblo County has enacted land use regulations that may apply to PBWW's proposed use of Water Rights and, if applicable, those regulations may impose certain requirements on PBWW's use of the Water Right, including conditions applicable to the Property.

F. Grantor and PBWW are entering into this Agreement for purposes of ensuring that the lands historically irrigated by the Shares are "dried-up" upon the removal of the Shares from irrigation of the Property, to ensure PBWW the rights necessary to revegetate the historically irrigated land, to take such other actions on the Property as are reasonable and necessary to

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effectuate the change of the Water Rights, and to comply with any applicable requirements under the Land Use Code of Pueblo County.

AGREEMENT AND COVENANT

In consideration of the foregoing Introductory Statement and PBWW's purchase of the Grantor's Shares, the Grantor and PBWW agree as follows:

1. PBWW may give Grantor notice, on or before October 31st of any year to stop all irrigation in the following calendar year of that portion of the Property shown on Exhibit A as land to be dried-up (the "Dry-up Land"). Commencing on January 1st of the calendar year following the year in which the Grantor receives notice to stop irrigation, the Grantor will not irrigate the Dry-up Land with the Water Rights, and will not irrigate the Dry-up Land with any source of water, other than water provided through a water tap from a municipal or quasi-municipal water supply entity, without the prior written consent of PBWW under paragraphs 2 or 5 below.
2. PBWW will consent to the irrigation of the Dry-up Land with water from a source of supply other than the Bessemer Ditch, or with water available under shares in the Company, including shares in the Company leased to Grantor by PBWW, provided that such irrigation (a) does not violate the terms of any Company approval of PBWW's change of use of the Shares; (b) is otherwise consistent with the Company's Bylaws and any other applicable law; (c) does not reduce the amount of historical consumptive use available to PBWW from the Shares; and (d) does not violate the terms and conditions of any decree authorizing PBWW to change the use of the Water Rights represented by the Shares.
3. PBWW will seek a change of water rights decree (a) that will permit the continued use of the Water Rights for irrigation under the Bessemer Ditch until the Water Rights are used in PBWW's water supply system, and (b) that does not require the permanent dry-up and revegetation of the Dry-up Land so long as it continues to be irrigated with any lawful source of water; provided that the continued irrigation of the Dry-up Land does not reduce the transferable historical consumptive use of the Water Rights available to PBWW when the Water Rights are removed from irrigation use under the Bessemer Ditch.
4. If PBWW's decree changing the Water Rights requires the immediate and permanent dry-up of the Dry-up Land as a condition of the decree, Grantor agrees to cease all irrigation of the Property upon written request of PBWW. Any written request for permanent dry-up of the Dry-up Land must be given by October 31st of any year in order to be effective during the following calendar year.
5. If PBWW's decree changing the Water Rights allows the continued irrigation of the Dry-up Land, then the following procedures shall apply:
 - 5.1. The Grantor may continue to irrigate the Dry-up Land with the water from the Bessemer Ditch for so long as Grantor leases shares in the Company from PBWW.

5.2. The Grantor's irrigation of the Dry-up Land with shares in the Company leased from PBWW will be in compliance with the terms of the lease.

5.3. The Grantor, if allowed by PBWW's change of water rights decree, may use other sources of irrigation water, including shares in the Company not leased from PBWW, to irrigate all or a portion of the Property.

5.4. When the Grantor wishes to permanently discontinue irrigation of some or all of the Dry-up Land, and does not intend to use any other source of water to irrigate that land, Grantor shall provide PBWW written notice of its intent to discontinue irrigation and state whether the permanent cessation of irrigation applies to all or part of the Dry-up Land. If the cessation of irrigation applies to only part of the Property, the notice shall describe the portion of the Dry-up Land to be permanently dried-up. Notice of cessation of irrigation must be given to the PBWW at least 120 days before the intended cessation of irrigation.

5.5. The notice of cessation of irrigation must state the intended future use of the portion of the Dry-up Land, including whether it will be used for dry-land farming, development, pasture, or other uses.

5.6. Upon receipt of notice of cessation of irrigation PBWW will confer with the Grantor to determine whether the future use of the Dry-up Land being removed from irrigation will require the Dry-up Land to be revegetated in accordance with any applicable provisions of PBWW's decree changing the Water Rights, or other applicable permits or law. If revegetation is required, the provisions of part 6 below shall apply. If revegetation is not required, the Parties shall have no further obligations concerning revegetation under this Agreement.

6. Revegetation. If PBWW is required to revegetate any portion of the Dry-up Land, the following provisions shall apply:

6.1. Before commencing revegetation, PBWW and Grantor will meet and confer on the revegetation plan and attempt to coordinate the revegetation activities to minimize interference with any other activities on the Property. PBWW may, in its sole discretion, contract with the Grantor to have the Grantor perform the revegetation of the Dry-up Land.

6.2. PBWW shall have unrestricted access to the Property for purposes of revegetation of the Dry-up Land permanently removed from irrigation. For purposes of revegetation of that land, PBWW shall be entitled to use all irrigation ditches, laterals, headgates, flumes, measuring devices and other facilities, including the rights of way and easements that were historically used to deliver water to the Property. Unless otherwise agreed, PBWW shall supply all seed, fertilizer, herbicide, and pesticide, and other material necessary for revegetation, and will provide all machinery and labor needed for planting and cultivating the land being revegetated, and will pay all costs of revegetation. PBWW shall also provide the supply of water to be used for revegetation and any irrigation facilities not already located on the Property that are necessary or desirable for revegetation of the Dry-up Land.

6.3. Grantor will not interfere with PBWW's revegetation activities on the Dry-up Land.

7. Limitations on Future Land Use.

7.1. Once PBWW has completed revegetation of the Dry-Up Land, Grantor may not engage in any land use practice that will kill all, or a material part, of the vegetation planted to the Dry-up Land for the purposes of revegetation. This prohibition includes any tillage, cultivation, or grazing practices that will kill all, or a material part, of the revegetation plantings growing on the land or other native plant cover. Upon completion of the revegetation, the Grantor will control noxious weed growth on the Dry-up Land and shall do so in a manner that does not materially harm the revegetation plantings and the vegetative ground cover resulting therefrom.

7.2. Grantor may graze livestock on the revegetated land, but only pursuant to a grazing plan approved in advance by PBWW.

7.3. Grantor shall be liable to PBWW for any and all damages or cost incurred by PBWW, including attorney's fees, as a result of Grantor's killing, or other destruction, of the revegetation plantings on the Dry-up Land.

7.4. The limitation on future land use shall not be interpreted to prohibit the subdivision of the Dry-up Land and the construction of buildings or other improvements on the land, provided that such development does not cause PBWW to be in violation of any of its revegetation obligations.

8. In addition to the foregoing, the Dry-up Land shall also be subject to any reasonable requirements imposed on PBWW, with respect to that land, by Pueblo County, under any applicable provision of its Land Use Code, as a condition of issuance of any permit required by Pueblo County in connection with PBWW's use of the Water Rights.

9. Grantor hereby grants to PBWW a non-exclusive easement in gross for purpose of reasonable access to and over the Property and Dry-up Land as may be necessary to take actions to effectuate the change of water rights decree, implement any required revegetation, implement the requirements of any permit or land use authorizations issued by Pueblo County in connection with PBWW's use of the Water Rights, and to enforce this Agreement, including, but not limited to, to alter and remove the ditches, to perform any required revegetation of the land, to conduct any monitoring or testing activity that may be necessary for changing to other uses the water rights represented by the Shares, to implement any decree approving a change of such water rights, and to comply with conditions that apply to the Dry-up Land contained in any permits or land use authorizations issued by Pueblo County in connection with PBWW's use of the Water Rights.

10. This Agreement may be enforced by PBWW, its successor and assigns, and by the State Engineer of the State of Colorado, including enforcement by specific performance of

Grantor's obligations under this Agreement. This Agreement binds the Grantor, its heirs, successors, assigns, and legal representatives. This Agreement and the covenant it contains shall run with and burden the Dry-up Land and shall run with and benefit the Water Rights represented by the Shares sold to PBWW that are subject to this Covenant.

11. Notice. All notices and other communications that are required or permitted to be given to the Parties under this Agreement shall be sufficient in all respects if given in writing and delivered in person, by express courier, or by First Class U.S. Mail, postage prepaid. Notice delivered in person or by courier shall be effective upon such delivery; notice provided through U.S. Mail shall be effective three days after deposit in the U.S. Mail. Notice shall be given to the receiving party at the following addresses:

If to Grantor: Janet Pullin
335 Argyle Avenue
Pueblo, CO 81004

If to Grantee: Board of Water Works of Pueblo
Attn: Executive Director
Mail: or Hand Delivery:
P.O. Box 400 319 West 4th Street
Pueblo, CO 81002-0400 Pueblo, Colorado 81003

or to such other address as such party may have given to the other by notice pursuant to this Paragraph.

12. This Agreement constitutes the entire agreement between Parties with respect to the subject matter and supersedes all prior agreements and understandings, written or oral, with respect to the subject matter. This Agreement shall be binding upon and shall inure to the benefit of the respective heirs, personal representatives, assigns and successors of the parties hereto.

13. If Grantor and PBWW litigate any provision of this Agreement or the subject matter of this Agreement, the unsuccessful litigant will pay to the successful litigant all costs and expenses, including reasonable attorneys' fees and court costs, incurred by the successful litigant at trial and on any appeal.

14. The failure of a Party to insist in one or more cases upon the strict observation of any of the terms of this Agreement shall not be construed as a waiver or relinquishment in any future case of any of the terms of this Agreement.

15. This Agreement cannot be modified orally, but only by an amendment in writing signed by the Parties. The captions of this Agreement are for convenience of reference only, are not a part of this Agreement, and shall not define or limit any of the terms of this Agreement. The exhibits to this Agreement are incorporated into the Agreement. Unless the context clearly requires otherwise, the singular includes the plural, and vice versa, and the masculine, feminine, and neuter adjectives include one another. Each party to this Agreement has engaged legal counsel, or has been advised to engage legal counsel, to negotiate, draft and/or review this

Agreement. Therefore, in the construction and interpretation of this Agreement, the parties acknowledge and agree that it shall not be construed against any party on the basis of authorship.

16. Recording. The Agreement will be recorded in the records of the Clerk and Recorder of Pueblo County, Colorado.

17. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado in all respects, including matters of validity, construction, performance, and enforcement. Venue on any action arising out of this Lease will be proper only in the District Court of Pueblo County, State of Colorado.

Board of Water Works of Pueblo,
Colorado

By:

Alan C. Hamel
Alan C. Hamel, Executive Director

GRANTOR

Janet Pullin
Janet Pullin

Jean Erickson
Jean Erickson

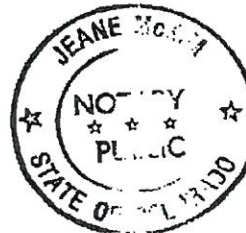
Janet Pullin, as attorney in fact for Jo Ann Cummings
Janet Pullin, as attorney in fact for
Jo Ann Cummings

STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 2nd day of Oct, 2009, by Janet Pullin, Grantor herein.

Witness my hand and official seal:

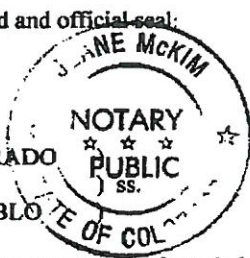
Jeane McGinn
Notary Public, State of Colorado
My commission expires: 1-27-2013



STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 2nd day of OCT, 2009, by Jean Erickson, Grantor herein.

Witness my hand and official seal:

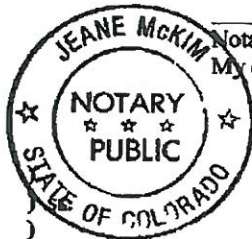


Jeane McKim
Notary Public, State of Colorado
My commission expires: 1-27-2013

STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 2nd day of OCT, 2009, by Janet Pullin, as attorney in fact for Jo Ann Cummings, Grantor herein.

Witness my hand and official seal:

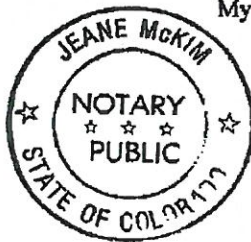


Jeane McKim
Notary Public, State of Colorado
My commission expires: 1-27-2013

STATE OF COLORADO)
) ss.
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 2nd day of OCT, 2009, by Alan C. Hamel, Executive Director of the Board of Water Works of Pueblo, Colorado

Witness my hand and official seal:



Jeane McKim
Notary Public, State of Colorado
My commission expires: 1-27-2013

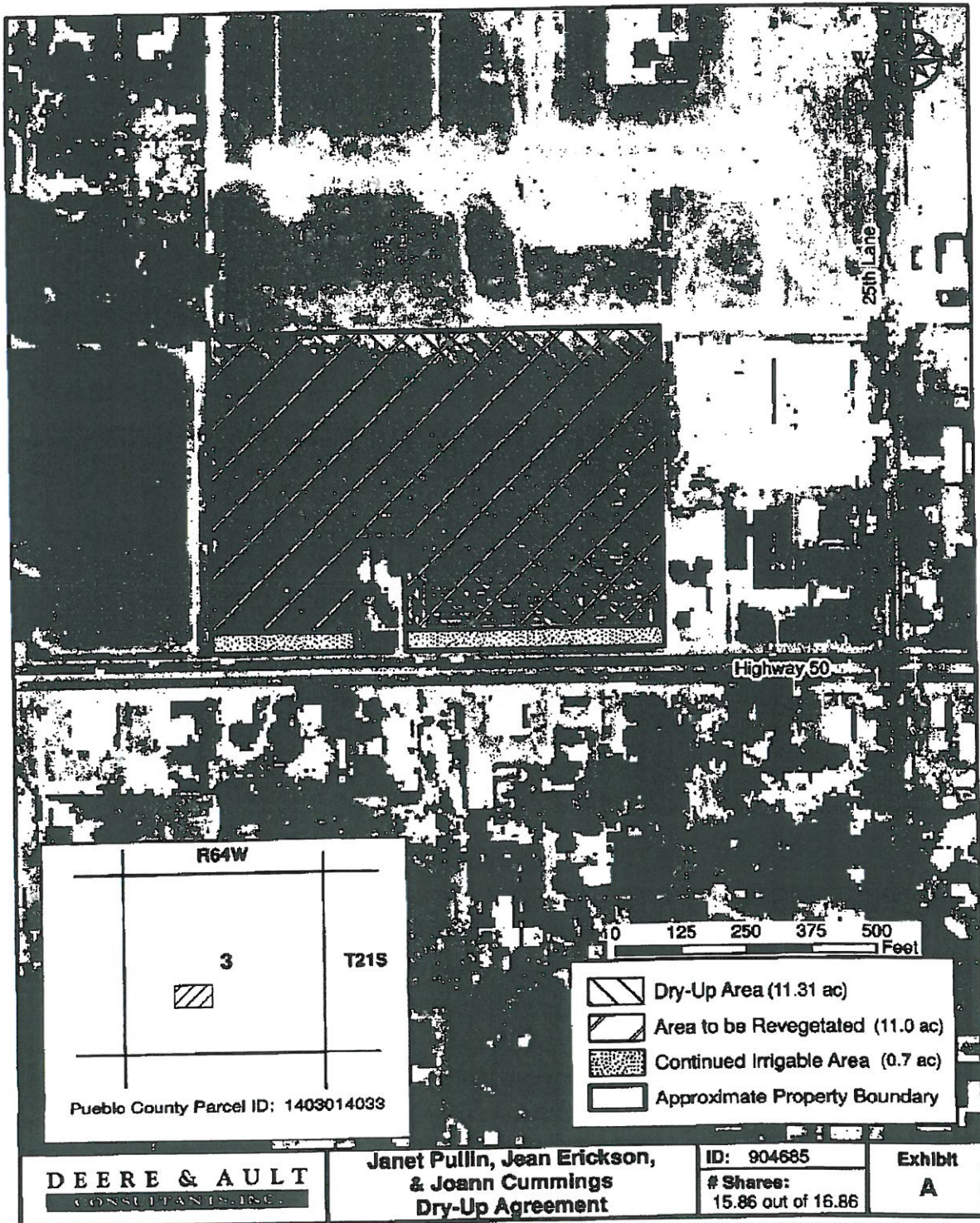


EXHIBIT A

Pueblo Water Recommended Seed Mix
Use Pure Live Seed (PLS)

<u>Species</u>	<u>Variety</u>	<u>Application Rate (PLS lbs/ac)</u>
Western wheatgrass	Arriba, Barton	4.80
Sideoats grama	Niner	2.25
Alkali sacaton	Salado	0.30
Galleta grass (caryopsis)	N/A	0.60
Blue grama	Hachita	0.30

