

WARRANTY DEED

VERDE HERITAGE RANCH, LLC, a Delaware limited liability company, for consideration paid, grants to the William Spivey and Joanna Schaefer Living Trust, whose address is 2102 Castro 2102 Castro Street, San Francisco, CA 94131 , the following described real estate in Sierra County, New Mexico.

That certain parcel more particularly described as Lot Thirty-Nine (39) for Berrenda Creek Ranch II, as filed for record April 16th, 2003 in Plat Survey Book 1, Pages 3247-3250 in the office of the County Clerk of Sierra County, New Mexico.

Subject to reservations, restrictions and easements of record and specifically subject to that certain Declaration of Protective Covenants and Grant of Easements recorded in Book 94 At Pages 2661-2678, of the Deed Records of Sierra County, New Mexico.

This conveyance is made on the express condition that from this day forward that no part of the property conveyed herein may be divided, subdivided, or a fractional portion thereof sold or conveyed or subjected to apportionment by any exclusive use agreement so as to be held in divided use or ownership, and no improvements shall be placed on the property except in the area designated by the Grantor in accordance with the Protective Covenants and Grants of Easements referred to above. In the event the Grantees, their heirs, personal representative, or assigns violate this provision, then the Grantor, its successors, or assigns may bring an action to enforce the conditions and restrictions.

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

With warranty covenants.

WITNESS the hand and seal of the Grantor this 17th day of September, 2007

Verde Heritage Ranch LLC,

By: Steven Weber
Steven Weber, Operations Manager
STATE OF TEXAS)

: ss.

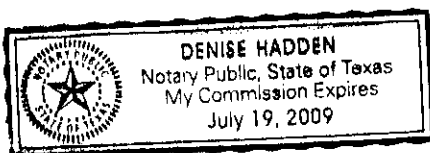
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 17th day of September, 2007 by Steven Weber as Operations Manager of Verde Heritage Ranch, LLC , on behalf of said company.

Notary Public

Denise Hadden

My Commission Expires: July 19, 2009



RECREATIONAL USE EASEMENT

This Recreational Use Easement ("Easement") is effective as of the date of the Warranty Deed to which it is attached entered into by and between William Spivey and Joanna Schaefer, on behalf of the William Spivey and Joanna Schaefer Living Trust, whose address is 2102 Castro Street, San Francisco, CA 94131 and Verde Heritage Ranch LLC, a Delaware Limited Liability Company (referred to herein as "Grantor"), whose address is PO Box 389, Hatch, NM 87937.

WITNESSETH

WHEREAS, Grantor is the owner of an assignable recreational use easement on certain lands located in Sierra County, New Mexico, and more particularly described as Ranch on Exhibit "B", attached hereto and incorporated herein by this reference;

WHEREAS, Grantee has purchased a certain parcel of land located adjacent to the Ranch and located in Sierra County, New Mexico, and more particularly described on the warranty deed to which this Recreational Use Easement is attached (referred to herein as the "Homestead");

WHEREAS, Grantor intend hereunder to grant this easement to Grantee as owner of the Homestead for limited recreation use upon certain portions of the Ranch only (the "Recreational Land"); as defined herein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged by Grantor, Grantee and Grantor agree as follows:

1. GRANTING OF RECREATIONAL EASEMENT. Grantee, his heirs and assigns, and his invited guests shall have the following recreation use rights ("Permitted Uses"), and only those rights, upon those certain parts of the Ranch lands defined as Recreation Land hereunder, as follows:

- a. Horseback riding;
- b. Hiking & Camping
- c. Birdwatching, photography, and other forms of non-consumptive nature study;
- d. Mountain, non-motorized biking;
- e. Sport game hunting as defined by the regulations of the New Mexico Department of Game and Fish.

2. EASEMENT TERM. This easement shall be perpetual. It shall bind Grantor and all future owners and tenants; provided, however, that Grantee shall not have breached the terms of this Easement and the Easement shall not be extinguished thereby.

3. LIMITATIONS ON PERMITTED USES. The Permitted Uses set forth in Section 1 shall be permitted only if conducted according to the following manner, location and limitations:

a. The Permitted Uses are limited to Grantee and his immediate family. Additionally, Grantee may invite guests to share his recreation privileges on the Recreation Lands. However, guests are only permitted when Grantee and/or a member of his immediate family is residing at the Homestead.

b. No commercial (fee-based) activities are permitted;

c. The Permitted Uses shall not unreasonably interfere with Grantor's use of the ranch for livestock grazing or other operations or Grantor's and its guests' access to the ranch, livestock operations, farming operations or residence activities in any manner. Grantor shall not unreasonably interfere with the Permitted Uses;

d. The Permitted Uses shall be restricted at all times to the Recreation Land, which for purposes of this Easement shall be specifically defined as all of the Ranch land except that which lies within five hundred feet (500') immediately adjacent to all existing residential improvements on the Ranch.

e. Use of motorized vehicles on Recreation Land, including but not limited to automobiles, trucks, off-road vehicles, recreational vehicles, four-wheeled drive (4x4) vehicles, is prohibited off currently existing roads established for motorized vehicle purposes. The foregoing notwithstanding, Grantee may use motorized vehicles in a reasonable manner and for a reasonable length of time in case of emergency.

f. All dogs or other animals owned or used by the Grantee shall be restrained from injuring, harassing or frightening Grantor's livestock or the livestock of others lawfully on the property;

g. Any activities which are inherently dangerous or have the potential of causing serious personal injury, or property damage are prohibited.

h. Any activities hereunder which violate or could violate any local, county, municipal, state or federal laws, regulations, ordinances, rules, statutes, or permits are prohibited;

4. PROVISIONS FOR TRANSFER OF EASEMENT. Grantee may transfer this easement at his sole discretion, provided that Grantee does not retain any ownership interest in the Homestead following transfer of the Easement, and provided that the party to whom the easement is transferred meets the following two conditions:

a. Said party is an individual, not an organization, corporation or group of any form, excepting corporations, trusts, limited liability corporation or other organizations solely owned by an individual;

b. Said party has a real ownership interest in the Homestead.

5. INDEMNIFICATION. Grantee, their successors, heirs, devisees, personal representatives and assigns as the case may be, shall defend, save, protect, indemnify, and hold harmless Grantor, their agents, invitees, contractors, employees, successors, heirs, devisees, personal representatives, successors and assigns, as the case may be, from any losses, claims, causes (including but not limited to, for personal injuries, property damages, or environmental damages) including reasonable attorney's fees and costs, arising out of or resulting from the activities conducted under this easement, the negligent acts or omissions of that party, their successors, devisees, personal representatives, or assigns, as the case may be.

6. BREACH OF EASEMENT. If either party ("claimant") determines that the other party ("defaulting party") or a third party sanctioned by the other is in default and violation of the terms of this Easement or that a violation is threatened, the claimant shall give written notice to the defaulting party of such violation and demand corrective action sufficient to cure the violation and, where the violation involves damages, or injury to the Ranch resulting from the use of activity inconsistent with the purpose of this Easement, to restore the portion of the Ranch so injured. If the defaulting party (i) fails to cure the violation within thirty (30) days after receipt of notice thereof from the claimant, or (ii) under circumstances where the violation cannot reasonably be cured with a thirty (30) day period, fails to begin curing such violation within thirty (30) days of the date when efforts to cure such violation can reasonably be made, or (iii) fails to continue diligently to cure such violation until finally cured, the parties shall proceed in good faith to submit the matter to mediation. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. In the event the entire dispute is not resolved within 30 calendar days from the date written notice requesting mediation is sent by claimant to defaulting party, the mediation, unless otherwise agreed, shall terminate and claimant may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation by temporary or permanent injunction, to recover any damages to which it may be entitled for violations of the terms of this Easement, and to require restoration of the Ranch to the condition that existed prior to any such injury.

If claimant, in its sole discretion, determines that the circumstances require immediate action to prevent or mitigate significant damages to any protected right or resource, claimant may pursue its remedies under this Section 6 without waiting for the period provided for cure to expire. Claimant's rights under this Section apply equally in the event of either actual or threatened violations of the terms of this Easement. Claimant shall be entitled to the injunctive relief described in this Section, both prohibitive and mandatory, in addition to such other relief to which Claimant may be entitled, including specific performance of the terms of this Easement. The parties' remedies described in this Section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

B. COSTS OF ENFORCEMENT. Any costs and expenses incurred by claimant in enforcing the terms of this Easement against defaulting party, including, reasonable costs of suit and attorneys' fees, and any costs of restoration necessitated by defaulting party's violation of the terms of this Easement shall be borne by the defaulting party. Costs and expenses include claimant's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. The defaulting party also shall pay all court costs and such additional fees as may be directed by the court.

C. ENFORCEMENT DISCRETION. Enforcement of the terms of this Easement shall be at the discretion of either party, and no forbearance by either to exercise rights under this Easement in the event of any breach or default of any provision of the Easement by the other party shall be deemed or construed to be a waiver by the non-defaulting party of such provision or of any subsequent breach or default of the same or any other provision of this Easement or of any of the non-defaulting party's rights under this Easement. No delay or remedy upon any breach or default by the other shall impair such right or remedy or be construed as a waiver.

D. ACTS BEYOND GRANTOR'S CONTROL. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Premises resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, earth movement, and other Acts of God, or acts at the direction of any governmental body or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to individuals or to the Premises resulting from such causes.

7. MISCELLANEOUS PROVISIONS:

a. **SURVIVAL.** The indemnification provision of Section 5 shall survive any extinguishment of this Easement.

b. **SOLE AGREEMENT.** This Easement is deemed hereby to be the sole recreational agreement between the parties, all prior oral or written letters, understandings, or agreement notwithstanding.

c. **APPLICABLE LAW.** The Easement be governed and construed under the laws of the State of New Mexico.

d. **CAPTIONS.** All captions hereunder are for convenience only and shall not to be used to interpret or define the provisions of this easement.

e. **NOTICE.** All notices required to be given under this Recreational Use Easement shall be given in writing and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown

above. Any party may change its address for notices by giving formal written notice to the other party, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Grantee, notice to any Grantee will constitute notice to all Grantees. For notice purposes, Grantee agrees to keep Grantor informed at all times of Grantee's current address(es).

IN WITNESS WHEREOF, the parties have set their hands and seals this 17 day of September, 2007

GRANTOR:

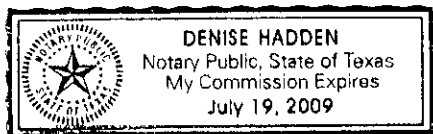
Steven Weber
Verde Heritage Ranch, LLC
By: Steven Weber, Operations Manager

STATE OF TEXAS)
 : ss
COUNTY OF EL PASO)

The foregoing instrument was acknowledged before me this 17th day of September, 2007, by Steven Weber, as Operations Manager of Verde Heritage Ranch LLC, Delaware limited liability company, for and on behalf of said limited liability company.

Denise Hadden
Notary Public

My Commission Expires: July 19, 2009



GRANTEE:

William Spivey
William Spivey, trustee

Joanna Schaefer
Joanna Schaefer, trustee

STATE OF CALIFORNIA)

COUNTY OF SAN FRANCISCO : SS

The foregoing instrument was acknowledged before me this 24th day of September, 2007 by William Spivey and Joanna Schaefer on behalf of the William Spivey and Joanna Schaefer Living Trust.

Kenneth P. Tom
Notary Public

My Commission Expires: 6/11/2011



EXHIBIT B
A RANCH @

TOWNSHIP 18 SOUTH, RANGE 7 WEST, NMPM

Section 17 SW4NW4, NW4SW4
Section 18 S2SE4NE4, E2SE4

AND

A tract of land located in Section 18, T18S, R7W, NMPM, in Sierra County, New Mexico and being more particularly as follows: From the common corner to section 7, 8, 17, 18

Thence along the East line of said section 18, S 0°30'27"W., a distance of 1361.50 feet to the point of beginning, which point is the NE corner of this tract;

Thence from said point of beginning along the east line of said section 18 S 0°30'27"W., a distance of 716.80 feet to the SE corner of this tract;

Thence N90°00'00"W., a distance of 1253.60 feet to the SW corner of this tract;

Thence along an existing fence line N21°30'21"E., a distance of 732.60 feet to a corner of this tract;

Thence along an existing fence line N54°41'39"E., a distance of 60.93 feet to the NW corner of this tract;

Thence along an existing fence line S89°59'52"E., a distance of 941.66 feet back to the point of beginning.

AND

A tract of land located in Section 18, T18S, R7W, N.M.P.M., in Sierra County, New Mexico and being more particularly described as follows;

From the common corner to Sections 17, 18, 19, and 20;

Thence along the south line of said Section 18, S89°41'16"W a distance of 1298.38 feet to the point of beginning, also being the SE corner of this tract;

Thence from said point continuing along the South line of Section 18, S89°41'16"W., a distance of 1763.46 feet to the SW corner of this tract;

Thence N 0°00'00"E., a distance of 922.15 feet to the NW corner of this tract;
Thence along an existing fence N56°40'58"E., a distance of 601.99 feet to a corner of this tract;
Thence along an existing fence N88°24'43"E., a distance of 1260.88 feet to the NE corner of this tract;
Thence S 0°00'00"W., a distance of 1278.14 feet back to the point of beginning.

Section 19 NE4, N2SE4, E2NW4, S2SW4NW4
Section 33 ALL

TOWNSHIP 18 SOUTH, RANGE 7 2 WEST, NMPM

Section 24 E2SE4, S2SE4NE4

TOWNSHIP 19 SOUTH, RANGE 7 WEST, NMPM

Section 4 Lots 1, 2, 3, 4, S2N2
Section 5 Lots 1, 2, 3, NE4SE4, SW4SE4, SE4SW4, S2NE4
Section 11 W2W2, SE4SW4, S2SE4, NE4SE4
Section 14 N2

Save and except Lots 1-18 Berrenda Creek Ranch IA, Lots 1-6 Berrenda Creek Ranch IB and Lots 1-3 Berrenda Creek Ranch IC.

Being those properties described in Warranty Deeds filed in Book 34 at Page 228 and Book 44 at Page 757 of the deed records of Sierra County, New Mexico.

TOWNSHIP 17 SOUTH, RANGE 7 WEST, NMPM

Section 33 SW4NE4, SE4NW4, SW4, W2SE4, SE4SE4

TOWNSHIP 18 SOUTH, RANGE 7 WEST, NMPM

Section 4 Lots 2, 3, & 4, SW4NE4, S2NW4, SW4
Section 5 Lots 1, 2, 3, & 4, S2N2, S2
Section 6 Lot 1, E2NE4, SE4
Section 7 NE4
Section 8 N2, SW4, W2SE4, SE4SE4
Section 9 SE4NE4, N2NW4, SW4NW4, SE4SW4, SE4
Section 17 NE4, NE4NW4, NE4SE4

SAVE AND EXCEPT THE FOLLOWING TRACTS:

A tract of land in the south half (S1/2) of Section Eight (8) and in the north half (N1/2) of Section Seventeen (17), Township Eighteen (18) South, Range Seven (7) West, N.M.P.M., Sierra County, New Mexico, Being described as follows:

Commencing at a 1998 BLM brass cap at the NW corner of said Section 17 (the west boundary line of said Section 17 having a base bearing of N0°28'46"E),

Thence N89°37'50"E., along the north line of Section 17, a distance of 1760.38 feet and
N76°13'18"E., a distance of 595.47 feet to a no.5 steel rod at corner 2-A and new Point of
Beginning;

Thence continuing N76°13'18"E., a distance of 1520.48 feet to a no.5 steel rod at corner 3;

Thence N36°10'27"E., a distance of 319.89 feet to a no.5 steel rod at corner 4;

Thence S32°00'00"E., a distance of 126.00 feet to a no.5 steel rod at corner 5;

Thence N58°00'00"E., a distance of 130.00 feet to a no.5 steel rod at corner 6;

Thence S58°44'55"E., a distance of 699.70 feet to a no.5 steel rod at corner 7;

Thence S20°53'18"E., a distance of 174.51 feet to a no.5 steel rod at corner 8;

Thence S69°23'00"W., a distance of 279.15 feet to a no.5 steel rod at corner 9;

Thence S20°41'37"W., a distance of 89.08 feet to corner 10, a point on the north line of said Section 17, from which a 2" pipe and aluminum cap at the north quarter corner of said Section 17

bears S89°40'26"W., 1904.99 feet distant;
Thence continuing S20°41'37"W., a distance of 163.80 to a no.5 steel rod at corner 11;
Thence S11°05'13"W., a distance of 1200.36 feet to a no.5 steel rod at corner 12;
Thence N89°09'13"W., a distance of 1632.98 feet to a no.5 rod at the NE corner of the SE1/4NW1/4 also being corner 15;
Thence N11°23'37"W., a distance of 1320.55 feet to a point on the north line of said Section 17, from which a 2" pipe and aluminum cap at the north quarter corner of Section 17 bears N89°37'50"E., 277.47 feet distant;
Thence continuing N11°23'37"W., a distance of 140.69 feet to the point of beginning.

AND

SE1/4NE1/4 and NE Diagonal 2 of NE1/4SE1/4 (being the same as Beginning at NE corner of NE1/4SE1/4);
Thence westerly to NW corner of NE1/4SE1/4;
Thence southeasterly, diagonally to SE corner of NE1/4SE1/4;
Thence northerly to NE corner of NE1/4SE1/4 and place of beginning, and being all in Section 9, T. 18S, R. 7W, N.M.P.M.
Being that property described in Warranty Deed filed in Book 90, Page 588 filed of the records in the Office of the County Clerk of Sierra County, New Mexico.

AND

A tract of land in the south half (S1/2) of Section Eight (8) and in the north half (N1/2) of Section Seventeen (17), Township Eighteen (18) South, Range Seven (7) West, N.M.P.M., Sierra County, New Mexico, being described as follows:
Beginning at a no.5 steel rod at corner 1 of this tract, from which a 1998 BLM brass cap at the NW corner of said Section 17 bears N86°06'56"W., 1345.47 feet distant (the west boundary line of said Section 17 have a base bearing of N 0°28'46"E.);
Thence N76°13'18"E., a distance of 430.35 feet to corner 2, a point on the north line of said Section 17, from which a 2" pipe and aluminum cap at the north quarter corner of said Section 17 bears N89°37'50"E., 883.61 feet distant;
Thence continuing N76°13'18"E., a distance of 595.47 feet to a no.5 steel rod at corner 2A;
Thence S11°23'37"E., a distance of 140.69 feet to a point on the north line of Section 17, from which a 2" pipe and aluminum cap at the north quarter corner of Section 17 bears N89°37'50"E., 277.47 feet distant;
Thence continuing S11°23'37"E., a distance of 1320.55 feet to a no.5 steel rod at the NE corner of the SE1/4NW1/4 also being corner 15;
Thence S89°09'13"E., a distance of 1632.98 feet to a no.5 steel rod at corner 12;
Thence S44°54'22"W., a distance of 1787.68 feet to a no.5 steel rod at corner 13;
Thence S89°06'25"W., along the north line of the NW1/4SE1/4, a distance of 387.42 feet to a no.5 steel rod at the center quarter corner also being corner 14;
Thence N 0°43'59"E., along the east line of said SE1/4NW1/4, a distance of 1296.42 feet to a no.5 steel rod at the NE corner of said SE1/4NW1/4 also being corner 15;
Thence S89°22'09"W., along the north line of the SE1/4NW1/4, a distance of 1281.82 feet to a no.5 steel rod at corner 16;
Thence N 0°09'14"W., a distance of 1202.24 feet to the point of beginning.

Book 110
Page 483

AND

Save and except Lots 1-18 Berrenda Creek Ranch IA, Lots 1-6 Berrenda Creek Ranch IB and Lots 1-3 Berrenda Creek Ranch IC.

STATE OF NEW MEXICO } SS
County of Sierra

I HEREBY CERTIFY that this
Instrument was filed for record on the
28th day of Sept. A.D., 20 07
at 3:13 o'clock P. M. and duly
recorded in book 110 page 472-483
Fee \$ 31.00
James A. Sanchez
County Clerk, Sierra County, N. Mex.
By James A. Sanchez Deputy