

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO**

In re:)	
)	
DVR, LLC)	Case No. 16-17064-EEB
)	Chapter 11
Debtor.)	
)	
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In re:)	
)	
UTE LAKE RANCH, INC,)	Case No. 16-17054-EEB
)	Chapter 7
Debtor.)	
)	
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JOINT MOTION FOR AUTHORITY TO:

- (1) SELL REAL PROPERTY PURSUANT TO 11 U.S.C. §§ 363(b) AND (f) TO THE SUCCESSFUL BIDDER AT AUCTION;**
- (2) ASSUME AND ASSIGN A CERTAIN LEASE PURSUANT TO 11 U.S.C. § 365;**
- (3) PAY CERTAIN EXPENSES, INCLUDING THE EXPENSE REIMBURSEMENT AND BREAK-UP FEE, AS APPLICABLE;**
- (4) SET A HEARING; AND**
- (5) SUSPEND 14-DAY STAY UNDER FED. R. BANKR. P. 6004(h) AND 6006(d)**

Joli A. Lofstedt, the Chapter 11 trustee (the “DVR Trustee”) of the bankruptcy estate of DVR, LLC (“DVR”), through her counsel, ONSAGER|FLETCHER|JOHNSON, and Janice A. Steinle, the chapter 7 trustee (the “ULR Trustee”) for the bankruptcy estate of Ute Lake Ranch, Inc. (“ULR”), through her counsel, Spencer Fane LLP, hereby submits the following Joint Motion for Authority to: (1) Sell Real Property pursuant to 11 U.S.C. §§ 363(b) and (f) to the Successful Bidder at Auction; (2) Assume and Assign a Certain Lease pursuant to 11 U.S.C. § 365; (3) Pay Certain Expenses, including Expense Reimbursement and Break-Up Fee, as applicable; (4) Set a Hearing; and (5) Suspend 14-day Stay under Fed. R. Bankr. P. 6004(h) and 6006(d) (this “Sale Motion”).¹ In support hereof, Trustee states as follows:

I. INTRODUCTION

1. The assets of the DVR estate include over 22,500 acres of dry pasture land in Quay and Harding Counties, New Mexico. The DVR property includes approximately 10,254.44 acres of deeded land, together with 12,385.5 leased acres owned by the State of New Mexico. Pursuant to this Sale Motion, the DVR Trustee and the ULR Trustee seek authority to sell certain real property to Sidney Strebeck or his assigns for \$4,750,000.00, subject to an

¹ This Sale Motion is being filed simultaneously in the ULR bankruptcy case and the DVR bankruptcy case.

auction and higher offers. The property is subject to numerous liens and claims and the property has been subject to litigation, including the appointment of a prepetition receiver, for many years. Indeed, after the prepetition receiver's attempts to sell the property failed, the DVR and ULR bankruptcy cases followed. Certain of the liens and claims remain in dispute and certain liens and claims may be or will be disputed. Regardless, both the DVR Trustee and the ULR Trustee believe that sale of the property is allowed under §§ 363(b) and (f) since all of the liens, claims and interests shall attach to the proceeds of the sale pending resolution of claim disputes. Further, after marketing the property for over six months and negotiating with several prospective purchasers, the Trustees believe that the proposed sale price represents the fair market value of the property. Thus, the Trustees believe that the sale of the property is both beneficial to all parties and necessary to complete administration of the bankruptcy estates.

II. PREPETITION BACKGROUND OF DVR

2. DVR is a Colorado limited liability company formed in 1999 for the purpose of acquiring and developing certain real property bordering Ute Lake in Quay and Harding Counties, New Mexico.

3. In the early 2000's, DVR acquired property from Strebeck Ranches, Ltd. ("SRL"), and SRL became a minority member of DVR. The other members were Barry Freedman ("Freedman") and Kit Phillips ("Phillips"), either directly or indirectly. SRL is a New Mexico limited partnership. Mr. Sidney Strebeck ("Strebeck") is a general partner of SRL. Strebeck was involved with DVR and the development of DVR's property until 2006.

4. In 2002, Ute Lake Ranch, Inc. was formed as a Colorado corporation and a development entity related to DVR. From time to time, DVR transferred property to ULR for purposes of proceeding with development. As of their respective bankruptcy filings, all the property owned by DVR and ULR was property originally acquired from SRL. At all relevant times, the members and shareholders of DVR and ULR, respectively, were substantially identical.

5. The first development phase commenced in the early 2000's. Shortly after development commenced, Strebeck and Freedman acquired Phillips' interest in DVR and ULR, directly or indirectly. Strebeck's ownership interests in DVR and ULR, directly and through SRL, varied from time to time, but never exceeded 50% of each company.

6. Hamon Construction, Inc. ("HCI"), was the general contractor for the development. In July 2006, Strebeck and SLR sold their interests in DVR and ULR to Bruce Hamon ("Hamon") for a purchase price of \$3,400,000. Strebeck's sole remaining connections to the DVR and ULR are (a) his rights as a secured creditor to credit bid the F&S secured claim, as discussed below; (b) numerous unsecured proofs of claim filed by various family members arising out of developed lots they own in the Ute Lake Ranch subdivision; and (c) a grazing lease by which Strebeck subleases the real property subject to the New Mexico Lease.

7. The principals of DVR and ULR have been engaged in various disputes and litigation since at least 2008. After years of litigation, in 2012, a Colorado state court appointed

Cordes & Company, Inc. (the “Receiver”), as receiver for DVR and ULR. Prior to the Petition Date, the Receiver attempted to sell DVR’s and ULR’s property. The Receiver was unsuccessful.

III. PROCEDURAL BACKGROUND

8. DVR filed for Chapter 11 bankruptcy protection on July 18, 2016 (the “Petition Date”).

9. Pursuant to an Order entered on September 23, 2016, and the DVR Trustee is the duly appointed and acting Chapter 11 trustee of the bankruptcy estate of DVR [Docket No. 90].²

10. On the Petition Date, DVR owned real property consisting of approximately 10,254.44 acres of dry pasture land located in Quay and Harding Counties, New Mexico (5,187.92 acres on the north side of the Ute Reservoir and 5,066.52 acres on the south side of Ute Reservoir), along with 12,385.5 acres of dry pasture land owned by the State of New Mexico and leased pursuant to an Agricultural Lease agreement between the State of New Mexico as lessor and DVR as lessee (the “DVR Property”). Pursuant to 11 U.S.C. § 541, all of the property owned by DVR on the Petition Date became property of the bankruptcy estate, including but not limited to the DVR Property.

11. On January 17, 2017, DVR Trustee filed her Motion to Employ Real Estate Broker (the “Broker Motion”) [Docket No. 68]. In the Broker Motion, DVR Trustee requested entry of an order authorizing DVR Trustee to employ Scott Land Company, LLC (the “Broker”) as real estate broker to sell the DVR Property with an initial listing price of \$5.5 million. On February 13, 2017, the Court entered its Order authorizing DVR Trustee to employ the Broker [Docket No.73].

12. On July 19, 2017, DVR Trustee entered into a Purchase Agreement – Farm and Ranch – 2017, dated July 17, 2017 (the “Initial Contract”), with Strebeck or his assigns, pursuant to which Trustee agreed to sell the DVR Property to Strebeck for a purchase price of \$4,750,000.00, subject to overbids at an auction. A copy of the Initial Contract is attached hereto as **Exhibit 1**. DVR Trustee is proposing that \$4,750,000.00 be the initial bid for the Real Property (the “Stalking Horse Bid”). The closing of the sale contemplated by the Initial Contract (the “Closing”) is expected to occur on or before September 15, 2017 (the “Closing Date”).

13. On July 21, 2017, DVR Trustee filed a Motion for Order Approving Overbid and Auction Procedures, Break-Up Fee and Expense Reimbursement (the “Bidding Procedures Motion”) [Docket No. 121]. In the Bidding Procedures Motion, DVR Trustee seeks authority to, among other things, sell the Real Property, as defined below, pursuant to the terms of the Initial Contract to Strebeck at the Stalking Horse Bid price or, in the event of overbids, to the bidder making the highest and best overbid, as determined by DVR Trustee in her sole discretion (the

² ULR also filed for relief under chapter 11, title 11 of the United States Code on July 18, 2016. DVR’s case was initially jointly administered with the ULR bankruptcy case under Case No. 16-17054-EEB. Joint administration of this case and the ULR case was terminated by Order entered on November 15, 2016. The Docket No. referenced in this paragraph is the docket for Case No. 16-17054-EEB.

party to whom the Real Property is to be sold, whether Strebeck or a third-party bidder, is referred to herein as the “Successful Bidder”).

14. Subsequent to the date of the Initial Contract, DVR Trustee learned that a 730-acre parcel of property that was included in the legal description attached to the Contract is titled to ULR (“Parcel A”). Parcel A consists of 730 acres of vacant pasture land adjacent to and intertwined within the DVR Property. The DVR Trustee and the ULR Trustee have agreed, subject to this Court’s approval, to sell Parcel A to the Successful Bidder. Strebeck has consented to this sale structure and an amendment to the Contract, providing for the sale of Parcel A by the ULR Trustee as seller is attached as **Exhibit 2** (the “Amended Contract” and collectively along with the Initial Contract, the “Contract”). As set forth below, a portion of the purchase price shall be allocated to the sale of Parcel A.

IV. THE CONTRACT

15. By this Sale Motion, DVR Trustee and ULR Trustee are requesting approval of the Contract and the transactions contemplated therein. A summary of the essential terms and conditions of the Contract is set forth below.³

(a) **Property to be Sold.** The Real Property to be sold includes 10,254.44 deeded acres, more or less, owned by DVR, as described on Exhibit A to the Contract. The Real Property also includes an Agricultural Lease agreement between the Commissioner of Public Lands, New Mexico State Land Office, State of New Mexico, as lessor, and DVR, as lessee, dated October 1, 2012, identified as Lease No. GS2136 (the “New Mexico Lease”) by which DVR leases 12,385.5 acres, more or less, of dry pasture land owned by the State of New Mexico. In addition, pursuant to the Amended Contract, the sale will include Parcel A, owned by ULR. A legal description of Parcel A is attached as Exhibit Z to the Amended Contract. The DVR Property (including the New Mexico Lease) and Parcel A are referred to herein collectively as the “Real Property.”

(b) **Oil and Gas Excluded.** The Real Property to be sold does not include any of DVR’s or ULR’s right, title and interest in any oil, gas and other mineral rights which are appurtenant to the Real Property (the “Oil and Gas Interests”). The Oil and Gas Interests, if any, shall be sold separately by the DVR Trustee and the ULR Trustee, as applicable.

(c) **Purchase Price.** The proposed purchase price for the Real Property, along with Parcel A, is \$4,750,000.00.

(d) **Warranties.** The Real Property will be sold in its “as is, where is” physical condition.

(e) **Closing Date.** The closing date shall be on or before September 15, 2017, or such other time as the parties mutually agree.

³ Capitalized terms not defined herein shall have the meanings set forth in the Contract. To the extent the terms defined in this Sale Motion conflict with the terms of the Contract, the terms of the Contract shall control.

(f) **Deliveries at Closing.** At the Closing, the Successful Bidder shall deliver the Purchase Price (less the deposit and any credit bid amount), and Trustees and the Successful Bidder shall deliver the documents necessary and customary to consummate the terms of the Contract.

(g) **Bankruptcy Court Approval.** The Contract is subject to the Bidding Procedures Motion and Bankruptcy Court approval.

V. BIDDING PROCEDURES MOTION

16. DVR Trustee filed the Bidding Procedures Motion on July 21, 2017.⁴ The Contract is subject to the Bidding Procedures Motion. The auction and bid procedures are set forth in detail in the Bidding Procedures Motion. The deadline for objection to the Bidding Procedures Motion is August 11, 2017. A summary of the Bidding Procedures Motion is as follows:

(a) **Stalking Horse Bid/Qualified Bids.** The DVR Trustee and the ULR Trustee request that the Stalking Horse Bid, in the amount of \$4,750,000.00, be the initial bid for the Real Property.

(b) **Qualified Bids/Auction.** Qualified Bids (as defined in the Bidding Procedures Motion) must be submitted by **August 16, 2017**. If at least one Qualified Overbid is made, DVR Trustee will conduct an auction (the "Auction") on **August 22, 2017**, at a place and time determined by DVR Trustee. If two or more Qualified Overbids are made, the highest and best Qualified Overbid will be the opening bid at the Auction. If no Qualified Overbid is made, the Auction will not be conducted.

(c) **Qualified Bids/Earnest Money Deposit.** Pursuant to the Contract, Strebeck made an initial earnest money deposit in the amount of \$200,000. If the Bidding Procedures Motion is approved, for other bidders to bid at the Auction, they must, by the approved bid deadline: (a) meet the requirements set forth in the Bidding Procedures Motion; (b) make a bid deposit in the amount of \$200,000 with DVR Trustee; and (c) submit a bid in an amount at least \$150,000 more than the Stalking Horse Bid.

(d) **Bid Deposit/Credit Bid.** The Successful Bidder will be entitled to a credit against the Purchase Price in the amount of its bid deposit. Pursuant to 11 U.S.C. § 363(k), if Successful Bidder so elects, it will also be entitled to a credit against the Purchase Price in the allowed amount of its allowed secured claims, if any. The balance of the Purchase Price shall be paid by the Successful Bidder in cash or good funds at the time and place of Closing.

(e) **Purchase Price/Successful Bidder.** The Stalking Horse Bid or, if Qualified Overbids are submitted, the highest and best Auction Overbid (as defined in the

⁴ On August 9, 2017, DVR Trustee filed a Supplement to the Bidding Procedures Motion (the "Supplement"). Pursuant to the Supplement, Trustee provided notice as to the sale of Parcel A and the Amended Contract. Similarly, the Bidding Procedures Motion will be filed by the ULR Trustee in the ULR case.

Bidding Procedures Motion) will be the purchase price (the “Purchase Price”) and the bidder, whether Strebeck or a third-party bidder will be deemed the Successful Bidder.

(f) **Break-Up Fee and Expense Reimbursement.** The DVR Trustee is seeking approval of (a) a break-up fee in the amount of \$100,000 (the “Break-Up Fee”), and (b) an expense reimbursement for Strebeck’s out-of-pocket costs, not to exceed \$50,000.00 (the “Expense Reimbursement”), for a total of \$150,000.00. As set forth in the Bid Procedures Motion, the Break-Up Fee and the Expense Reimbursement are payable only in the event that Strebeck is not the Successful Bidder and only to Strebeck.

(g) **Failure to Close.** Pursuant to the Bidding Procedure Motion, DVR Trustee requested authority to sell the Real Property to the next highest and best offer made at the Auction, to the extent that Strebeck fails to close by September 15, 2017, or the Bankruptcy Court does not authorize a sale of the Real Property to the Successful Bidder.

(h) **Auction; Bidding Procedures.** DVR Trustee is continuing to market the Real Property and will conduct the Auction if other parties have pre-qualified to bid at the Auction. Any person wishing to submit a higher or better offer for the Real Property must do so strictly in accordance with the terms of the auction and bid procedures set forth in the Bidding Procedure Motion as approved by the Bankruptcy Court.

VI. SALE OF PARCEL A

17. The proposed sale includes the sale of Parcel A, which consists of approximately 730 acres titled to ULR. The ULR Trustee is the seller of Parcel A. The Trustee and the ULR Trustee have agreed as to Parcel A as follows:

(a) **Value of ULR Parcel.** The value of Parcel A shall be determined based on the following formula: total purchase price minus value of property subject to New Mexico Lease equals value of deeded land ($\$4,750,000 - \$619,275.00$ (12,385 acres x $\$50 = \$619,275$)). Value of deeded land ($\$4,130,725$) divided by total deeded acres (10,254.44) equals per acre value ($\$403/\text{acre}$). Per acre value multiplied by 730 acres equals value of Parcel A ($\$403 \times 730 = \$294,061.00$). Based on this formula, the value of Parcel A is \$294,061.00.

(b) **Application of Sale Proceeds.**

(i) In the event that the Purchase Price is \$4,750,000, at closing \$294,061.00 shall be paid from the gross proceeds of sale as follows: (i) application of \$244,061.00 in partial satisfaction by ULR of the Strebeck Claim (defined below); and (ii) \$50,000.00 to the ULR estate.

(ii) In the event of an Auction and an increased purchase price above \$4,750,000.00, the formula above shall be modified to provide for the increased value of the deeded land based on the increased purchase price and net of the Breakup fee and Expense Reimbursement. The net increased value shall be applied to determine the resulting increase to the per acre value. The increased per acre value shall be multiplied by 730 acres to determine

the value of Parcel A. At closing, the value of Parcel A shall be paid from the proceeds of sale as follows: (i) application of \$244,061.00 in partial satisfaction by ULR of the Strebeck Claim (defined below); and (ii) the remainder to the ULR estate.

18. By this Sale Motion, the DVR Trustee and the ULR Trustee request approval of the agreement on the terms set forth herein.

**VII. AUTHORITY TO SELL FREE AND CLEAR OF LIENS, CLAIMS,
ENCUMBRANCES AND OTHER INTERESTS, INCLUDING SUCCESSOR
LIABILITY**

19. The DVR Trustee and the ULR Trustee are seeking to sell the Real Property to the Successful Bidder free and clear of all liens, encumbrances, pledges, mortgages, deeds of trust, security interests, claims, leases, charges, options, rights of first refusal, rights of first offer, hypothecations, encroachments, retentions of title, conditional sale arrangements, proxies, voting trusts or agreements, transfer restrictions under any agreement in each case, and any other interests of any kind or nature whatsoever, including, but not limited to, those exceptions to title as set forth on **Exhibit 3** hereto (collectively, the “Interests”) and adverse claims.

20. Section 363(b) of the Bankruptcy Code permits a trustee to sell property of the estate other than in the ordinary course of business, after notice and a hearing. 11 U.S.C. § 363(b).

21. A trustee is given “ample discretion to administer the estate, including authority to conduct public or private sales of estate property.” *In re Psychometric Sys, Inc.*, 367 B.R. 670, 674 (Bankr. D. Colo. 2007) (Brown, J.) (quoting *In re Bakilis*, 220 B.R. 525, 532 (E.D.N.Y. 1998)). Likewise, bankruptcy courts are given a great deal of discretion when deciding whether to authorize a sale of a debtor’s assets outside of the ordinary course of business. *See In re Chateaugay Corp.*, 973 F.2d 141, 144 (2d Cir. 1992).

22. The “business judgment rule” applies to a motion to approve a sale of assets. *See In re Castre, Inc.*, 312 B.R. 426, 428 (Bankr. D. Colo. 2004). The widely followed and liberal business justification test has been applied by courts when a trustee wishes to sell assets. *See Committee of Equity Security Holders v. Lionel Corporation (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983). *See also In re Thomson McKinnon Secs., Inc.*, 120 B.R. 301, 307 (Bankr. S.D.N.Y. 1990); *Stephens Indus., Inc. v. McClung*, 789 F.2d 386, 389-90 (6th Cir. 1986); *In re Brethren Care of South Bend, Inc.*, 98 B.R. 927 (Bankr. N.D. Ind. 1989); *In re Industry Valley Refrig. & Air Cond. Supplies, Inc.*, 77 B.R. 15 (Bankr. E.D. Pa. 1987).

23. Under the business judgement rule, the Court must find that the Trustees exercised sound business judgment for the terms of the proposed sale. In making this determination, courts consider the following factors: (1) any improper or bad motive; (2) whether the price is fair and the negotiations or bidding occurred at arm’s length; and (3) the adequacy of the sale procedures. *Castre*, 312 B.R. at 428.

24. As set forth below, the three factors are satisfied here.

(a) First, there is no improper or bad motive. As described above, Strebeck does have prior connections to the Real Property and DVR. Indeed, Strebeck was an owner of the Real Property prior to the formation of DVR and Strebeck sold that property to DVR. Further, Strebeck was a member of DVR and a shareholder of ULR. In July 2006, Strebeck sold his 42.5% membership interest in DVR along with his 42.5% interest in ULR to Hamon.

(b) Strebeck's prior connections to DVR and the Real Property do not evidence any improper or bad motive. Strebeck has no prior connections to the DVR Trustee or the ULR Trustee other than related to the Contract. The Contract was the result of arms-length negotiations. The Stalking Horse Bid was a negotiated term under the Contract. The Stalking Horse Bid is subject to overbids at an auction. The auction process itself will confirm the highest and best offer. The DVR Trustee will continue to actively market the Real Property through her broker until the auction date. The DVR Trustee believes that the bid procedures are reasonable, will expose the Real Property to the market, and will encourage bidding at the auction.

(c) Second, the DVR Trustee believes that the proposed purchase price is fair and was made by Strebeck after "arm's length" negotiations. The purchase price was proposed by Strebeck after: the Real Property had been listed by the Broker for nearly six (6) months. During that time period, the Broker has shown the Real Property to prospective buyers numerous times. The DVR Trustee has received additional offers on the Real Property. The purchase price proposed in all of the other offers was lower than the Stalking Horse Bid offer. The offer of \$4,750,000.00 is the highest offer received by the DVR Trustee.

(d) With respect to Parcel A, the ULR Trustee believes that the proposed purchase price of \$294,061.00 is fair and reasonable. As explained below, certain claims are secured by an interest in the DVR Property and Parcel A. Sale of the Real Property as a whole will therefore resolve significant secured claims in both cases. Further, because Parcel A is adjacent to and intertwined within the DVR Property, the ULR Trustee believes that sale of Parcel A with the DVR Property will result in the highest and best price for Parcel A.

(e) Finally, the third factor – the adequacy of the sale procedures – is satisfied. The sale procedures included exposing the Real Property to the market for an extended period of time by an independent broker. During that time, the DVR Trustee, the Broker and several prospective buyers engaged in discussions to purchase the estate's interest in the Real Property. Among the terms that were negotiated, were contingencies related to the inspection of the Real Property and the terms of the Bidding Procedures Motion. The Contract terms are consistent with those generally used for the sale of real property and the Contract is provided to all interested parties as an exhibit to this Motion.

25. Under Section 363(f), a trustee may sell property of a bankruptcy estate free and clear of any interest in such property of an entity other than the estate if:

- (1) applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;

- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in bona fide dispute; or
- (5) such entity could be compelled, in legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

26. Trustees need only satisfy one of the five conditions in 11 U.S.C. § 363(f) with respect to an interest in order to sell property of the estate free and clear of such interest. 11 U.S.C. § 363(f). *See also In re Elliot*, 94 B.R. 343, 345 (E.D. Pa. 1988). In this case, certain of the interests in the estate's interest in the Real Property consent to the sale of the Real Property or could be compelled to accept money satisfaction which satisfies § 363(f)(2) and (5). Certain other interests in the estate's interest in the Real Property are subject to bona fide dispute, which satisfies 11 U.S.C. § 363(f)(4).

27. The table below contains a summary of those parties who may assert an interest in the Real Property, based on proofs of claim filed in these bankruptcy cases. Attached hereto as **Exhibit 2** are those exceptions to title noted by the Title Company in its current commitment to insure the Real Property. The proposed Order authorizing the sale of the Real Property contemplates an express finding by this Court that the Successful Bidder will take title to the Real Property free and clear of those claims listed in the chart below, and all exceptions to title noted on **Exhibit 2**. Other than potential taxes, the exceptions to title are the same liens against the Real Property summarized in the Proofs of Claim noted below; plus Notices of Lis Pendens filed by certain of the claimants. The respective claims are further discussed below.

DVR Claim No.	ULR Claim No.	Creditor	Claim Amount	Notes
1	3	SIM Colorado Holdings	\$361,442.62	Receivers Certificate
6	6	The Phillips Family Partnership	\$388,147.95	Receivers Certificate
16	42	Bruce W. Hamon	\$27,083.27 ⁵	Receivers Certificate
33	8	CBI Holdings, LLC	\$1,121,101.37	Receivers Certificates
30	20	Sidney Strebeck and Strebeck Ranches	\$576,640.59	Assignee of note from Farmers & Stockman's Bank

⁵ Pursuant to Claim No. 16 in the DVR case, Bruce W. Hamon asserts a secured claim in the amount of \$27,083.27 against the DVR estate. Pursuant to Claim No. 42 in the ULR case, Bruce W. Hamon asserts a secured claim in the amount of \$27,421.19 against the ULR estate. Both claims are on account of a receivers certificate issued to Bruce Hamon in the principal amount of \$16,250.00.

26	10	New Lake, LLC	\$2,529,713.24	Assignee of note from First National Bank of New Mexico
		Total	\$5,004,129.04	

The Receiver's Certificate Claims

28. The claims identified above as DVR Claim Nos. 1, 6, 16 and 33 and as ULR Claim Nos. 3, 6, 42, and 8 (collectively, the "Receiver's Certificate Claims"), are based on receiver's certificates (the "Receiver Certificates") issued by the prepetition Receiver, during the pendency of the case filed in Arapahoe County, Colorado, District Court (the "Receivership Court"), captioned as *Hamon v. Ute Lake Ranch, Inc., et al.*, Case No. 2009CV2340 (the "Receivership Case").

29. On information and belief, the Receiver's Certificates were issued during the period beginning on May 28, 2013, through December 3, 2015. On information and belief, each of the respective Receiver's Certificates was recorded in Quay and Harding Counties, New Mexico.⁶ Each of the Receiver's Certificates provide as follows:

This Certificate is also issued in accordance with the terms of the specific Order governing Receiver's Certificates entered by the Court in the Receivership Action on June 13, 2013 and constitutes a valid and prior lien on the Collateral subject to all the terms and provisions ordered by the Court in this matter.

See, e.g., Claim No. 33.

30. Both Trustees anticipate that the holders of the Receiver's Certificates Claims will consent to the sale of the Real Property. Alternatively, such holders could be compelled, in legal or equitable proceeding, to accept a money satisfaction of such interest. Accordingly, as to the Receiver's Certificate Claims, the sale of the Real Property free and clear of all Interests, is appropriate pursuant to 11 U.S.C. § 363(f)(2) and (5).

The New Lake Claim

31. New Lake, LLC ("New Lake") filed a proof of claim against the DVR estate, designated as Claim No. 26 (the "New Lake Claim"), and asserted a secured claim in the amount of \$2,529,713.24. New Lake also filed a proof of claim against the ULR estate, designated as Claim No. 10 in the ULR case, and asserted a secured claim in the amount of \$2,529,713.24 against the ULR estate.

32. The basis for the New Lake Claim is a loan (the "FNB Loan") from First National Bank of New Mexico ("FNB"). The FNB Loan is evidenced by, among other things, a promissory note, dated September 13, 2006 (the "FNB Note") by and between FNB, as lender,

⁶ The Receiver's Certificates may be first priority liens on the Real Property and may accrue interest at a rate of 18%. The DVR Trustee reserves all rights.

and DVR, Barry H. Freedman (“Freedman”) and Hamon, as co-borrowers. A copy of the FNB Note is attached to the New Lake Claim. The FNB Note is secured by mortgages that were recorded in Quay County and Harding County, New Mexico, in 2006 (collectively, the “FNB Mortgage”). On information and belief, pursuant to the FNB Mortgage, DVR and ULR granted a security interest to FNB in the Real Property along with property owned by ULR.

33. On information and belief, on or about October 25, 2010, FNB made demand for payment of the balance owed on the FNB Note, which amount was \$1,578,576.92. On information and belief, Freedman purchased the FNB Note and the FNB Mortgage. On information and belief, on or about November 12, 2010, FNB assigned the FNB Note and the FNB Mortgage to New Lake, an entity formed by Freedman.

34. On July 3, 2013, the Receiver filed a Motion to Impose Constructive Trust and for Other Relief in the Receivership Case. Pursuant to the motion, the Receiver sought imposition of a constructive trust for the benefit of DVR on the FNB Note and FNB Mortgage. On October 24, 2013, the Receivership Court entered its Order Imposing Constructive Trust (the “Constructive Trust Order”). *See Hamon v. Ute Lake Ranch, Inc.*, Case No. 2009CV2340 (D. Ct. Arapahoe County, Colo., Div. 202, Oct. 24, 2013). Pursuant to the Constructive Trust Order, the Receivership Court imposed a constructive trust “upon the First National promissory note, mortgage, assignment of grazing leases, guaranties, and other security instruments executed by DVR, Hamon, and Freedman.”

35. The Constructive Trust Order remains in effect. However, New Lake has filed an appeal to the Colorado Court of Appeals, Case No. 2016CA1654 (the “New Lake Appeal”).⁷ The New Lake Appeal is stayed pursuant to 11 U.S.C. § 362(a).

36. On June 13, 2017, Hamon commenced an adversary proceeding by filing his complaint and naming Freedman and New Lake as defendants (the “Hamon Adversary”). Pursuant to the Hamon Adversary, Hamon has, *inter alia*, objected to the New Lake Claim and asserted a claim for equitable subordination of the New Lake Claim pursuant to 11 U.S.C. § 501(c). The DVR Trustee is not a party and has not joined the Hamon Adversary. The DVR Trustee reserves all rights as to the Hamon Adversary and the New Lake Claim.

37. Based on the Constructive Trust Order, the New Lake Appeal and Hamon Adversary, the New Lake Claim is subject to a bona fide dispute. Accordingly, as to the New Lak Claim, the sale of the Real Property free and clear of all Interests, is appropriate pursuant to 11 U.S.C. § 363(f)(4).

The Strebeck Claim

38. Strebeck filed a proof of claim against the DVR estate, which claim is designated as Claim No. 30 in the DVR case, and asserted a secured claim in the amount of \$576,640.59 (the “Strebeck Claim”) against the DVR estate. Strebeck also filed a proof of claim against the

⁷ The DVR Trustee is uncertain whether New Lake has properly appealed the Constructive Trust Order or whether New Lake has appealed the related contempt orders issued by the Receivership Court. The DVR Trustee reserves all rights.

ULR estate, designated as Claim No. 20 in the ULR case, and asserted a secured claim in the amount of \$576,640.59 against the ULR estate.

39. The basis for the Strebeck Claim is a loan (the “F&S Loan”) from Farmers & Stockmens Bank (“F&S”). The F&S Loan is evidenced by, among other things, a promissory note in the principal amount of \$694,215.00, dated September 1, 2010 (the “F&S Note”) by and between F&S, as lender, and ULR and Freedman, as co-borrowers. A copy of the F&S Note is attached to the Strebeck Claim. On information and belief, the F&S Note resulted from an original promissory note between F&S and ULR, dated April 1, 2004. The F&S Note is secured by a line of credit mortgage that was recorded in Quay County, New Mexico, in 2004 (the “F&S Mortgage”). On information and belief, pursuant to the F&S Mortgage, DVR and ULR granted a security interest to F&S in the Real Property.

40. On information and belief, the F&S Loan matured on July 15, 2015. During the Receivership Case, in order to prevent default the Receiver requested that Hamon acquire the F&S Loan and enter into a Forbearance and Modification Agreement (the “Forbearance Agreement”). The Receiver filed motion to approve the Forbearance Agreement in the Receivership Case on August 31, 2015. The Receivership Court approved the motion by Order entered on September 25, 2015. On information and belief, Hamon acquired the F&S Note and F&S Mortgage on October 8, 2015 by way of assignment from F&S. Under the Forbearance Agreement, the terms of the F&S Note were modified. Among other modifications, the Forbearance Agreement modified the interest rate and the agreement specifically provides that the balance due on the F&S Note as of August 19, 2015, is \$406,875.40.

41. On or about June 24, 2016, Hamon (along with several related parties) and Strebeck entered into a settlement agreement (the “Hamon/Strebeck Settlement”) to settle, *inter alia*, certain litigation related to the Hamon’s purchase of the membership interest in DVR. Under the terms of the Hamon/Strebeck Settlement, among other things, Hamon assigned the F&S Note and the F&S Mortgage to Strebeck.

42. Under 11 U.S.C. § 363(k), the holder of an allowed claim that is secured by a lien on the property to be sold may credit bid its claim against the purchase price of the property. The Stalking Horse Bidder may credit bid the Strebeck Claim. The DVR Trustee disputes the amount of the Strebeck Claim. The DVR Trustee asserts that the proper claim amount less than the amount asserted in the Strebeck Claim. Trustee and Stalking Horse Bidder have discussed the Strebeck Claim and Trustee hopes to reach an agreement as to the allowed amount of the Strebeck Claim prior to closing. Regardless, because Strebeck consents to the proposed sale of the Real Property, 11 U.S.C. § 363(f)(2) is satisfied.

Successor Liability

43. Courts recognize that assets may be sold free and clear of any claims of successor liability for the Debtors’ operations. *See, e.g.*, Section 363(f) broadly refers to “any interest. *In re Mundy Ranch, Inc.*, 484 B.R. 416, 422 (Bankr. D.N.M. 2012). The Trustees request that the order granting this Sale Motion contain an express finding that the Successful Bidder shall not be liable for any Interests against the Debtors or any of their predecessors, affiliates or insiders, and

the Successful Bidder shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, under any theory of antitrust, successor or transferee liability, labor law, de facto or other merger or consolidation, mere continuation, or substantial continuity, whether known or unknown as of the Closing Date, now existing or hereafter arising, whether fixed or contingent, whether asserted or unasserted, whether legal or equitable, whether liquidated or unliquidated, including, but not limited to, liabilities on account of warranties, and any taxes arising, assessed against, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Real Property prior to the Closing Date.

VIII. ASSUMPTION AND ASSIGNMENT OF NEW MEXICO LEASE

44. Pursuant to this Sale Motion, the DVR Trustee seeks authority to assume the New Mexico Lease and assign the New Mexico Lease to the Successful Bidder.

45. The term of the New Mexico Lease expires on September 30, 2017. The renewal process of the New Mexico Lease is governed by New Mexico law. On August 1, 2017, the DVR Trustee submitted documents to the State of New Mexico Land Office to request renewal of the New Mexico Lease for the period of October 1, 2017, to September 30, 2022. Closing of the sale is conditioned on renewal of the New Mexico Lease.

46. The DVR Trustee seeks a determination that the requisite adequate assurance of future performance as required by 11 U.S.C. § 365(b)(1)(C) and any other matters at issue under 11 U.S.C. §§ 365(b) and (f) have been met. To the extent there are objections to the assumption and assignment of the New Mexico Lease, the DVR Trustee and the Successful Bidder will provide evidence at the sales hearing to show adequate assurance of future performance by the Successful Bidder.

47. The New Mexico Land Office, as the lessor under the New Mexico Lease, has been provided notice of this Sale Motion. Failure to object to the assumption and assignment or to assert other amounts or rights as a requisite to assumption and assignment under 11 U.S.C. § 365(b) and (f) will constitute consent and agreement to Trustee's request to assume and assign the New Mexico Lease.

48. Pursuant to 11 U.S.C. § 365(a), a trustee may, subject to Court approval, assume executory contracts. In authorizing the assumption of executory contracts, the question before the Court is whether the assumption represents a sound business judgment on the part of the Trustee and will not be prejudicial to the interest of the creditors. *In re Grayhall Resources, Inc.*, 63 B.R. 382, 384 (Bankr. D. Colo. 1986). If such business judgment has been reasonably exercised, the Court should approve the proposed assumption or rejection. *See, e.g., NLRB v. Bildisco and Bildisco*, 465 U.S. 513, 523 (1984); *In re Taylor*, 913 F.2d 102 (3d Cir. 1990) (the decision to assume or reject an executory contract or unexpired lease is a matter within the "business judgment" of the debtor). In the business judgment of the DVR Trustee, assumption of the New Mexico Lease is in the best interest of the estate and should be approved since the New Mexico Lease is integral to the value of the Real Property. Further the assumption and assignment to the Successful Bidder is not burdensome to the estate or prejudicial to the creditors.

IX. REQUEST FOR AUTHORITY TO PAY CERTAIN EXPENSES FROM SALE PROCEEDS

49. The DVR Trustee has filed the Bidding Procedures Motion, which requests that the Bankruptcy Court approve the Break-Up Fee and the Expense Reimbursement in the event that the Stalking Horse Bidder is not the Successful Bidder. If Stalking Horse Bidder is entitled to payment of the Break-Up Fee and the Expense Reimbursement, the DVR Trustee requests authority to pay the Break-Up Fee and Expense Reimbursement to Stalking Horse Bidder promptly as funds become available.

50. The DVR Trustee also requests authority to pay the following from the proceeds of sale: (i) customary closing costs, including costs for a title commitment, recording fees and title company services; (ii) any real property taxes and assessments required to be paid by the DVR Trustee pursuant to the Contract; and (iii) a 6% commission on the Purchase Price to the Broker.

X. REQUEST FOR A HEARING

51. The DVR Trustee requests a hearing be set on the Sale Motion during the week beginning **Monday, August 28, 2017**, in Courtroom F, U.S. Bankruptcy Court for the District of Colorado located at US Custom House, 721 19th Street, Denver, CO 80202-2508. The sale of the Real Property to the Successful Bidder is contingent on Bankruptcy Court approval of the Sale Motion. If there are objections to the Sale Motion, Trustee and the Successful Bidder will cooperate to present evidence at the Sale Hearing in support of the Sale Motion.

XI. SUSPEND THE STAY PURSUANT TO FED.R.BANKR.P. 6004(h) AND 6006(d)

52. In order to consummate the sale of the Real Property shortly after Bankruptcy Court approval, the DVR Trustee requests that the Bankruptcy Court suspend the operation of the 14-day stay under Fed. R. Bankr. P. 6004(h) and 6006(d).

XII. NOTICE

53. Contemporaneously with the filing of this Sale Motion, the DVR Trustee has provided notice to all persons who may claim an interest in the Real Property, including (i) lienholders of record, (ii) the State of New Mexico, (iii) applicable taxing authorities, (iv) all entities and individuals that have filed claims in the DVR case, (v) all entities and individuals that have filed claims in the ULR case, (vi) all attorneys that have entered an appearance in the DVR case, (vii) all attorneys that have entered an appearance in the ULR case, and (viii) all entities and individuals noted on the exceptions to title identified on **Exhibit 3** attached hereto.

WHEREFORE, the DVR Trustee and the ULR Trustee requests that this Bankruptcy Court enter an Order:

- A. Granting this Sale Motion;
- B. Approving the terms of the Contract;
- C. Approving the agreement between the DVR Trustee and the ULR Trustee as set forth herein;
- D. Approving the assumption and assignment of the New Mexico Lease pursuant to 11 U.S.C. § 365;
- E. Authorizing the DVR Trustee and the ULR Trustee to:
 - i. Convey the Real Property to Strebeck or the Successful Bidder at the auction, as the case may be, free and clear of all Interests pursuant to 11 U.S.C. §§ 363(b) and (f);
 - ii. Assume and assign the New Mexico Lease pursuant to 11 U.S.C. §§ 365(b) and (f)
 - iii. Pay the Break-Up Fee and Expense Reimbursement, pursuant to the terms of the Bid Procedures Motion and as applicable; and
 - iv. Pay customary closing costs, including title commitment costs, recording fees, taxes and Broker commissions;
- F. In the event Strebeck is the successful purchaser of the Real Property, an order:
 - (i) determining that the transaction undertaken pursuant to the Contract was undertaken at arm's length, without collusion and was proposed in good faith within the meaning of 11 U.S.C. § 363(m) and represent the highest and best offer for the Real Property, and
 - (ii) determining that Strebeck is a good faith purchaser under 11 U.S.C § 363(m) of the Bankruptcy Code and granting Strebeck all of the protections afforded by 11 U.S.C § 363(m);
- G. In the event that a bidder other than Strebeck is the Successful Bidder, an order:
 - (i) determining that the winning bid was proposed in good faith and represents the highest and best offer for the Real Property and should be approved, and
 - (ii) determining that the winning bidder is a good faith purchaser under Section 363(m) of the Bankruptcy Code and that the provisions of Section 363(n) of the Bankruptcy Code have not been violated;

- H. Waiving the 14-day stay under Fed. R. Bankr. P. 6004(h) and 6006(d); and
- I. Providing such other and further relief as the Court deems appropriate.

Dated: August 10, 2017

Respectfully submitted,

SPENCER FANE LLP

ONSAGER | FLETCHER | JOHNSON

s/ Phillip A. Pearlman

Philip A. Pearlman, #11426
1700 Lincoln Street, Suite 2000
Denver, CO 80203
Ph. (303) 839-3800
Fax (303) 839-3838
ppearlman@spencerfane.com

s/ J. Brian Fletcher

J. Brian Fletcher, #28629
Gabrielle G. Palmer, #48948
1801 Broadway, Suite 900
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Ph: (303) 512-1123
Fax: (303) 512-1129
jbletcher@OFJlaw.com
gpalmer@OFJlaw.com

*Counsel for Janice A. Steinle, Chapter 7
Trustee for Ute Lake Ranch, Inc.*

*Counsel for Joli A. Lofstedt as Chapter 11
Trustee for DVR, LLC*

EXHIBIT 1

PART 1 OF 2

SCOTT LAND COMPANY, LLC

Dimmitt, Texas 79027

(806)647-4375 or (800)933-9698 / (806)647-0950 Fax

www.scottlandcompany.com / ben.scott@scottlandcompany.com

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT - FARM AND RANCH - 2017**

PART I - BROKER DUTIES

As required by New Mexico law, before the time a broker generates or presents any written document that has the potential to become an express written agreement, the broker shall disclose in writing to their prospective customer or client, and obtain a written acknowledgement from their prospective customer or client, showing delivery of the disclosure of the following broker duties:

- A. Honesty and reasonable care as set forth in the provisions of this section;
- B. Compliance with local, state, and federal fair housing and anti-discrimination laws, the New Mexico Real Estate License Law and the Real Estate Commission rules and other applicable local, state, and federal laws and regulations;
- C. Performance of any and all written agreements made with the customer or client;
- D. Assistance to the broker's customer or client in completing the transaction, unless otherwise agreed to in writing by the customer or client, including 1) Presentation of all offers or counter-offers in a timely manner, and 2) Assistance in complying with the terms and conditions of the contract and with the closing of the transaction;
If the broker in a transaction is not providing the service, advice or assistance described in paragraphs D(1) and D(2) above, the customer or client must agree in writing that the broker is not expected to provide such service, advice or assistance, and the broker shall disclose the existence of such agreement in writing to the other brokers involved in the transaction;
- E. Acknowledgment by the broker that there may be matters related to the transaction that are outside the associate broker's or qualifying broker's knowledge or expertise and that the associate broker or qualifying broker will suggest that the customer or client seek expert advice on these matters;
- F. Prompt accounting for all money or property received by the broker;
- G. Written disclosure to their client or customer and to other brokers involved in the transaction of any potential conflict of interest that the broker has in the transaction including but not limited to:
 - a. Any written brokerage relationship the broker has with any other parties to the transaction or;
 - b. Any material interest or relationship of a business, personal, or family nature that the broker has in the transaction;
 - c. Other brokerage relationship options available in New Mexico;
- H. Written disclosure of any adverse material facts actually known by the associate broker or qualifying broker about the property or the transaction, or about the financial ability of the parties to the transaction to complete the transaction; adverse material facts requiring disclosure do not include any information covered by federal fair housing laws or the New Mexico Human Rights Act;
- I. Maintenance of any confidential information learned in the course of any prior agency relationship unless the disclosure is with the former client's consent or is required by law;
- J. Unless otherwise authorized in writing, an associate broker or qualifying broker shall not disclose to their customer or client during the transaction that their seller client or customer has previously indicated they will accept a sales price less than the asking or listed price of a property; that their buyer client or customer has previously indicated they will pay a price greater than the price submitted in a written offer; the motivation of their client or customer for selling or buying property; that their seller client or customer or their buyer client or customer will agree to financing terms other than those offered; or any other information requested in writing by the associate broker's or qualifying broker's customer or client to remain confidential, unless disclosure is required by law.

BUYER AND SELLER SHOULD ACKNOWLEDGE RECEIPT OF THIS INFORMATION BY INITIALING BELOW.

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**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT - FARM AND RANCH - 2017
PART II – BROKER DUTIES**

BROKERAGE RELATIONSHIPS DISCLOSURE: Transaction Broker, Exclusive Agency, and Dual Agency are brokerage relationships available in New Mexico. See RANM Form 1401, Page 2 for an explanation of these relationships. Broker must disclose *written* brokerage relationships the broker has with any other parties to the transaction.

1. TRIPLE BAR 5 PROPERTIES, LLC ("Buyer's Broker") is working with the Buyer in this transaction as a:
 - Transaction Broker without a written agreement.
 - Transaction Broker with a written agreement (RANM Form 1206, Buyer Broker Agreement).
 - Agent with a written agreement (RANM Form 1206, Buyer Broker Agreement with Agency Addendum).
 2. **IN-HOUSE TRANSACTION:**
 - A. Buyer's Broker is licensed under the same Qualifying Broker in the same Brokerage as Seller's Broker. Seller's Broker has a written listing agreement with the Seller as Transaction Broker Agent.
 - B. Buyer's Broker is also Seller's Broker for the property in this Transaction. Seller's Broker has a written listing agreement with Seller as Transaction Broker Agent.
 3. **DUAL REPRESENTATION DISCLOSURE AND CONSENT:** Brokerage is representing both Buyer and Seller by means of written agreements with each of them, without creating Dual Agency. If there are two written agreements, Buyer and Seller hereby consent to this dual representation.
 4. **DUAL AGENCY DISCLOSURE:** Brokerage is representing both Buyer and Seller by means of written agency agreements with each of them, and Designated Brokerage has not been chosen by the Qualifying Broker, thus creating Dual Agency. Prior to writing or presenting this offer, Broker must obtain written consent from the Buyer Client and Seller Client (RANM Form 1301, Agency Agreement-Dual).
 5. Buyer's Broker does does not have a material interest or relationship of a business, personal or family nature in the transaction, including compensation from more than one party: BUYER IS A NM REAL ESTATE BROKER
- If the Brokerage or Qualifying Broker has a material interest or relationship of a business, personal, or family nature in the transaction, that interest or relationship must also be disclosed separately.*
6. Buyer Seller is a licensed Real Estate Broker.

The **BROKERAGE RELATIONSHIP DISCLOSURE** is acknowledged by the parties below:

BUYER

By: [Signature] 7-19-17 1:30 PM
Buyer Signature Date Time

By: _____ Date Time
Buyer Signature

**SELLER
DVR, LLC**

By: Joli A. Lofstedt, Trustee _____ Date Time
Seller Signature Joli A. Lofstedt- Trustee

By: _____ Date Time
Seller Signature

BUYER'S BROKER

TRIPLE BAR 5 PROPERTIES, LLC _____
Buyer's Brokerage Firm

Broker is is not a REALTOR®

By: [Signature] 7-19-17 1:30 PM
Broker Signature SIDNEY GEORGE STREBEL, QUALIFYING BROKER Date Time
(#16654)

SELLER'S BROKER

Scott Land Company, LLC-1301 Front Street-Dimmitt, TX 79027 800-933-9698/806-647-4375 806-647-0950
Seller's Brokerage Firm Fax

Broker is is not a REALTOR®

By: _____ Date Time
Broker Signature Krystal M. Nelson-NM Qualifying Broker (#15892)

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SCOTT LAND COMPANY, LLC

Dimmitt, Texas 79027

(806)647-4375 or (800)933-9698 / (806)647-0950 Fax

www.scottlandcompany.com / ben.scott@scottlandcompany.com



REALTORS® ASSOCIATION OF NEW MEXICO PURCHASE AGREEMENT - FARM AND RANCH - 2017

OFFER DATE: July 17, 2017

1. PARTIES AND AGREEMENT. SIDNEY STREBECK OR HIS ASSIGNS (ENTIRE UNRAVLED BY RANM) ("Buyer") agrees to buy from Seller and Joli A. Lofstedt, as Chapter 11 Trustee for the Bankruptcy Estate of DVR, LLC ("Seller") agrees to sell and convey to Buyer, in accordance with term of this Purchase Agreement ("Agreement"), the Property described in Paragraph 4 with a Settlement/Signing Date on or before Friday, September 15, 2017 (as further described in Paragraph 8A below).

2. PURCHASE PRICE. \$ 4,750,000

A. APPROXIMATE CASH DOWN PAYMENT \$ All Cash

B. AMOUNT OF THE LOAN(S) (described in Paragraph 5 below) \$ N/A

3. EARNEST MONEY. Buyer shall deliver \$200,000.00 Earnest Money in the form of Check Cash Note Wire Transfer of Funds Other _____, no later than 3 (Three) days from Date of Acceptance of this Agreement to First Title Service, LLC - Tucumcari, New Mexico, in accordance with New Mexico law. Earnest Money shall be applied to Purchase Price, down payment, and/or closing costs upon Funding Date. If Earnest Money is deposited with a Brokerage Firm, the further disbursement of the Earnest Money to the escrow or Title Company shall be handled by separate agreement. Buyer's failure to timely deliver Earnest Money shall be considered a default of the Agreement.

4. PROPERTY

A. DESCRIPTION

Address	City	State/Zip Code
Legal Description		
<u>See Exhibit "A" attached hereto for legal description of 10,254.44 deeded acres more or less. The purchase of this property will include the assumption of the lease from the State of New Mexico of 12,385.5 acres more or less and all improvements located on the deeded land. This Purchase Agreement is subject to the lease on New Mexico land being transferred to Buyer at closing.</u>		

or see metes and bounds or other legal description attached as Exhibit _____, Quay/Harding County(ies), New Mexico.

If the legal description of the Property is not complete or is inaccurate, this Agreement will not be invalid and the legal description will be completed or corrected to meet the requirements of the Title Company which will issue the title policy.

This form and all REALTORS® Association of New Mexico (RANM) forms are for the sole use of RANM members and those New Mexico Real Estate Licensees to whom RANM has granted prior written authorization. Distribution of RANM forms to non-RANM members or unauthorized Real Estate Licensees is strictly prohibited. RANM makes no warranty of the legal effectiveness or validity of this form and disclaims any liability for damages resulting from its use. By use of this form the parties agree to the limitations set forth in this paragraph. The parties hereby release RANM, the Real Estate Brokers, their Agents and employees from any liability arising out of the use of this form. You should consult your attorney with regards to the effectiveness, validity, or consequences of any use of this form. The use of this form is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to the Association's strict Code of Ethics.

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REALTORS® ASSOCIATION OF NEW MEXICO PURCHASE AGREEMENT - FARM AND RANCH - 2017

B. TYPE: Site built Manufactured housing Modular Off-site built Other: _____

(See RANM Form 2305 – Information Sheet-Manufactured Housing, for further information).

C. ~~FIXTURES, APPLIANCES AND PERSONAL PROPERTY.~~

~~i. FIXTURES. The Property shall include all Fixtures, free of all liens, including, but not limited to, the following Fixtures if such Fixture exists on the Property, unless otherwise excluded as stated in Paragraph 4E:~~

- | | | |
|---|---|--|
| • Attached fireplace grate(s) & screen(s) | • Dishwasher(s) | • Security System(s) (if owned by Seller) |
| • Attached floor covering(s) | • Fire Alarm(s) (if owned by Seller) | • Smoke Alarm(s) (if owned by Seller) |
| • Attached mirrors(s) | • Garbage disposal(s) | • Solar System(s) |
| • Attached outdoor lighting & fountain(s) | • Garage door opener(s) | • Sprinkler(s)/irrigation equipment |
| • Attached pot rack(s) | • Heating system(s) | • Storm window(s) & door(s) |
| • Attached window covering(s) & rod(s) | • Landscaping | • TV antenna(s) & satellite dish(es) |
| • Awning(s) | • Light fixture(s) | • Ventilating & air conditioning system(s) |
| • Built in/attached speaker(s) & subwoofer(s) | • Mailbox(es) | • Water conditioning/filtration /water softener/purification system(s) (if owned by Seller) |
| • Built in Murphy bed(s) | • Outdoor plant(s) & tree(s) (other than those in moveable containers) | |
| • Ceiling fan(s) | • Oven(s) | |
| • Central vacuum, to include all hoses & attachments | • Pellet, wood-burning or gas stove(s) | |
| | • Range(s) | |
| | • Window/door screen(s) | |

~~ii. PERSONAL PROPERTY. The following additional existing personal property, if checked, shall remain with the Property:~~

- | | | |
|--|---|--|
| <input type="checkbox"/> All window covering(s) | <input type="checkbox"/> Microwave(s) | <input type="checkbox"/> Storage Shed(s) |
| <input type="checkbox"/> Audio component(s) | <input type="checkbox"/> Pool & spa equipment | <input type="checkbox"/> TV(s) |
| <input type="checkbox"/> Decorative mirror(s) above bath vanities | — including any mechanical or other cleaning system(s) | <input type="checkbox"/> Unattached fireplace grate(s) & screen(s) |
| <input type="checkbox"/> Dryer(s) | <input type="checkbox"/> Refrigerator(s) | <input type="checkbox"/> Unattached outdoor fountain(s) & equipment |
| <input type="checkbox"/> Washer(s) | <input type="checkbox"/> Satellite receiver(s) with access cards (if owned by Seller and if transferrable) | <input type="checkbox"/> Unattached outdoor lighting |
| <input type="checkbox"/> Garage door remote(s) | | <input type="checkbox"/> Hot Tub(s) |
| <input type="checkbox"/> Freezer | | |

Other: _____

Personal Property remaining with the Property as stated in Paragraph 4D, shall be the actual personal property that is present as of the date the Buyer submits this offer and shall not be considered part of the premises and shall be transferred with no monetary value, and free and clear of all liens and encumbrances.

D. EXCLUSIONS. The following items are excluded from the sale:

NONE!!

[Signature]

[Signature]

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT - FARM AND RANCH – 2017**

E. The items listed below, unique to Farm and Ranch Properties, shall be handled in the following manner. (Please describe where indicated below, e.g. *included in final sale, not included in final sale, sold to Buyer outside of Purchase Agreement by separate Bill of Sale*).

Growing crops: None on property.

Livestock: Not included in final sale- livestock currently located on property belong to current Lessee.

Farm equipment: Not included in final sale- any rolling stock on property belongs to current Lessee.

Other: The hydraulic cattle working/squeeze chute, its accompanying equipment and all feeders belong to Tenant and are not included in the sale of the ranch as well as any other personal property belonging to Tenant such as pick-ups, trailers and any other personal property.

F. All other items of personal property, if conveyed to Buyer upon sale, shall be handled separately, outside the Purchase Agreement, by a separate Bill of Sale between the parties.

The following items shall be exempted from the sale (reserves-Minerals, Timber, etc.):

Seller agrees to remove all excluded fixtures in a workmanlike manner without causing damage to the premises, on or before the date of possession or funding, whichever is sooner. Any damages shall be repaired at Seller's sole expense.

G. IMPROVEMENTS.

At the time of this offer, the Property includes the following checked improvements. BY ACCEPTANCE OF THIS AGREEMENT, THE SELLER WARRANTS THE EXISTENCE OF CHECKED IMPROVEMENTS.

EXISTENCE OF IMPROVEMENTS IS NO GUARANTEE OF AVAILABILITY OF SERVICE, COST OR USE. SELLER DOES NOT WARRANT CONDITION OF IMPROVEMENTS. FOR NOTICE OF REQUIREMENTS REGARDING LIQUID WASTE SYSTEMS, SEE PARAGRAPH 18E.

IMPROVEMENT		IMPROVEMENT	
Private Well on Property/Registered well no.	X	Natural Gas Line to Property	
Well House		Telephone Line to Property	X
Well Equipment	X	Electricity Line to Property	X
Shared Well		<input type="checkbox"/> with transformer <input checked="" type="checkbox"/> without transformer	
Community Water System		Electric Pedestal and Meter	
Water Stub-In		Television Cable Installed	
Water Line in street		Private Road from nearest Public street/ road/highway to property line	
Water Meter Installed		Other Roads	
Private Septic System (see Paragraph 18)	X	Public Street, Road or Highway	X
Sewer Line in street		Legal Access	X
Shared Septic (see Paragraph 18)		Paving Curbs, Gutters	
Propane		Sidewalks	
<input type="checkbox"/> Tank Owned <input type="checkbox"/> Tank Leased		Other:	
Other:		Other:	

H. **WATER RIGHTS.** Neither Seller nor Broker makes any warranty with respect to water rights. Buyer is advised to consult an attorney to understand Buyer's rights and remedies. Seller will convey will not convey all will not convey any See attached Addendum water rights and ditch rights owned by Seller which are appurtenant to the Property; if any, without warranty. Seller grants permission and Buyer shall have the right to make inquiry with the Office of the State Engineer or any other appropriate government or community

Buyer AL Seller JAT

**REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT - FARM AND RANCH – 2017**

water authority to verify the existence of any water rights or ditch rights within the deadlines as indicated in Paragraph 18. If Buyer fails to make inquiry into the water rights or ditch rights and/or fails to notify Seller of any objections in writing within the period of time allowed, Buyer will be deemed to have waived Buyer's right to object and all water rights contingencies shall be deemed satisfied. Buyer Seller shall notify the Office of the State Engineer concerning all changes in ownership to the water rights related to this transaction.

Broker is not responsible for verifying these rights.

Irrigation Assessment Fees: N/A

Water District Name: N/A

Number of Acres/Irrigation transferred: N/A

I. MINERAL RIGHTS. Neither Seller nor Broker makes any warranty with respect to mineral rights. Buyer is advised to consult an attorney to understand Buyer's rights and remedies. Seller will convey will not convey all will not convey any See attached Addendum mineral rights owned by Seller which are appurtenant to the Property, if any, with warranty. Seller grants permission and Buyer shall have the right to obtain an ownership report or any other information pertaining to the mineral ownership of the Property and to review same to Buyer's satisfaction at Buyer's sole expense. Mineral, Oil and Gas rights under the surface of the land are the dominant Property right under New Mexico law. If Buyer is purchasing surface rights only, Buyer is advised to consult an attorney to understand Buyer's rights and remedies, if any, in such matters. Buyer shall obtain a mineral ownership report and other information within N/A days after Seller has provided Buyer with a title insurance commitment. If Buyer fails to make inquiry into the mineral rights and/or fails to notify Seller of any objections in writing within the period of time allowed, Buyer will be deemed to have waived Buyer's right to object and all mineral rights contingencies shall be deemed satisfied.

Broker is not responsible for verifying these rights.

Percent (%) Mineral Rights transferred: At closing Seller will reserve "ALL" oil, gas and other minerals presently owned by Seller in, under and to said property.

J. OTHER RIGHTS. Neither Buyer nor Seller makes any warranty with respect to rights. Buyer is advised to consult an attorney to understand Buyer's rights and remedies. Description or explanation of any known timber, solar and/or wind rights, including zoning, appurtenant to the Property and whether they will be included in the sale: Seller will reserve 0.00% of all wind energy interests and 0.00% of all solar power interests on, to, above and across the Property. Seller represents and warrants that seller has not leased or severed any wind energy interests or solar power interests.

See Addendum

Broker is not responsible for verifying these rights.

K. APPROXIMATE ACREAGE.

i. Fee Simple See Addendum

10,254.44 deeded acres more or less

Legal Description See Exhibit "A" attached hereto

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ii. Leases See Addendum

BLM _____
Legal Description _____

U.S. Forest Service _____
Legal Description _____

State 12,385.5 acres more or less _____
Legal Description _____

Private _____
Legal Description _____

5. FINANCED OR CASH PURCHASE.

A. LOANS. This Agreement is contingent upon Buyer's ability to obtain a loan in the amount stated above in Paragraph 2(B) of the following type:

Conventional FHA VA Other: _____

i. Buyer has made written application for a loan, or agrees to make written application for a loan no later than _____ days after the Date of Acceptance

ii. Buyer agrees to provide Seller with a Pre-Qualification Letter from a lender no later than _____ days after the Date of Acceptance. Pre-Qualification Letter must stipulate that:

- a) A written loan application has been made;
- b) A credit report has been obtained and reviewed by a lender;
- c) A preliminary loan commitment has been secured from the same lender;

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d) Financing equal to the loan amount provided-in Paragraph 2(B) of this Agreement is available to complete the transaction by the Settlement/Signing Date subject to contingencies provided for in this Agreement and underwriting approval.

If Buyer does not obtain a Pre-Qualification Letter within the timeframe stipulated above, this Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

iii. If Buyer changes lender after delivery of the Pre-Qualification Letter referenced in Paragraph 5(A)(ii), Buyer shall have the obligation to notify Seller in writing and provide a new Pre-Qualification Letter to Seller within two (2) days of changing lender. This new Pre-Qualification Letter must include the same stipulations as the original Pre-Qualification Letter as set forth in Paragraph 5(A)(ii) above. If Buyer does not obtain and deliver a new Pre-Qualification Letter within (2) days of changing lender, the Seller has the option to terminate this Agreement. If Seller elects to terminate this Agreement, the Earnest Money will be refunded to Buyer.

iv. Buyer will cooperate and act in good faith in obtaining final approval for the loan as outlined in the Pre-Qualification Letter referenced in Paragraph 5(A)(ii). If after issuing the Pre-Qualification letter, lender makes changes to the loan conditions and/or the loan program that adversely affect Buyer's ability to obtain the loan, increase Seller's costs or delay closing, Buyer shall have the obligation to notify Seller in writing within two (2) days of such occurrence and to include a copy of the lender requirement(s) with the notification. In that event, within three (3) days of receipt of Buyer's notification, Seller shall notify Buyer in writing of: (a) Seller's approval of such changes, or (b) Seller's decision to terminate the Agreement. If Seller terminates the Agreement per this paragraph, Earnest Money shall be refunded to Buyer. If Seller fails to notify Buyer of Seller's position within the three (3) days of receipt of Buyer's notification, Seller is deemed to have approved of such change in lender requirement(s). In this event, the Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

v. In the event the lender determines Buyer does not qualify for the loan, Buyer shall provide to Seller and Seller must receive a written rejection letter from the Buyer's lender prior to 11:59 p.m. on the day before; or _____ days before Settlement/Signing Date. In the event Seller does not receive such rejection letter within the timeframe set forth in this Subparagraph 5(A)(v), Buyer shall forfeit his Earnest Money to Seller.

Days are calculated as calendar days; however, for purposes of this subsection only (Paragraph 5(A)(v)), there shall be NO extension of time when the deadline for Seller to receive the lender's written rejection letter falls on a weekend day or a legal holiday. The definition of "days" for all other provisions of this Agreement is as set forth in Paragraph 28.

B. SELLER FINANCING. The approximate balance of \$ _____ shall be financed by Seller and shall be secured by: Real Estate Contract Mortgage Deed of Trust
 Other: _____ Terms and conditions of the applicable instrument shall be attached as an addendum. For a Real Estate Contract, attach RANM Form 2402-Real Estate Contract Addendum to Purchase Agreement. For a Mortgage or Deed of Trust, Attach RANM Form 2507-Addendum to Purchase Agreement-Seller Financing, Mortgage or Deed of Trust.

C. CASH PURCHASE. Buyer shall purchase the subject Property for Cash. No later than 10(Ten) days after the Date of Acceptance, Buyer shall provide Seller with verification of funds and proof satisfactory to Seller that Buyer has in Buyer's possession or control, the funds necessary to complete the transaction. This Agreement shall terminate in the event Buyer fails to provide timely proof of funds and Earnest Money shall shall not be refunded to Buyer.

6. BUYER'S SALE, CLOSING AND FUNDING CONTINGENCY: This Agreement is contingent upon the Closing and Funding of buyer's property located at _____ on or before _____, subject to any applicable Buyer's Contingency addendum if attached as indicated below:

A. Buyer represents that his property is currently under contract for sale. Check if RANM Form 2503A-Buyer's Closing and Funding Addendum is attached; OR

B. Buyer represents that Buyer's Property is NOT yet under contract for sale. Check if RANM Form 2503-Buyer's Sale Contingency Addendum is attached.

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7. APPRAISAL.

A. IF CASH OR SELLER FINANCED TRANSACTION:

- i. Buyer does does not require an appraisal. INITIALS: Buyer AV *.
- ii. If Buyer is requiring an appraisal, Buyer shall select the appraiser unless otherwise agreed to in writing.
 Buyer Seller shall pay for the appraiser.

B. APPRAISAL CONTINGENCY. It is expressly agreed that notwithstanding any other provisions of this Agreement, the Buyer shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of Earnest Money deposits or otherwise if the Purchase Price is greater than the Appraisal. This Appraisal Contingency applies to the following:

- i. All conventional and other non-FHA/VA loans requiring an appraisal;
- ii. Cash and seller-financed purchases if the Buyer requires an appraisal as indicated in Paragraph 7(A) above; and,
- iii. FHA/VA loans unless the Buyer has been given in accordance with HUD/FHA requirements, a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement Lender setting forth the approved value of the Property of not less than the Purchase Price as set forth in Paragraph 2 of this Agreement. NOTE: The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development (HUD) will insure. HUD does not warrant the value or the condition of the Property. The Buyer should satisfy himself that the price and condition of the Property are acceptable.

C. OPTIONS AVAILABLE IN THE EVENT PURCHASE PRICE IS GREATER THAN APPRAISAL.

- i. Buyer shall have the privilege and option of proceeding with the consummation of the Agreement without regard to the amount of the appraised valuation provided Buyer delivers written notice to Seller of such election within three (3) days of receipt of said appraised valuation ("3-day Period"). If Buyer fails to notify Seller of his intent to proceed within the 3-day Period, this Agreement shall automatically terminate. In this event, Earnest Money shall be refunded to Buyer; OR
- ii. The parties may negotiate a new Purchase Price. If the parties cannot agree to a new Purchase Price within five (5) days of Seller's receipt of Buyer's notification of the Appraisal, this Agreement shall automatically terminate. In this event, Earnest Money shall be refunded to Buyer; OR
- iii. Buyer may terminate this Agreement. In this event, Earnest Money shall be refunded to Buyer.

8. CLOSING. "Closing" is defined as a series of events by which Buyer and Seller satisfy all of their obligations in the Agreement. Closing is not completed until all parties have completed all requirements as stated below, as well as all other obligations under this Agreement. Any amendment of the following dates MUST BE in writing and unless otherwise provided for in this Agreement, signed by both parties. The parties further acknowledge that Seller shall not receive the proceeds of sale until all events stated under "Funding Date" have been completed.

A. SETTLEMENT/SIGNING DATE: On or before Friday, September 15, 2017 (as set forth in Paragraph 1).

- i. Buyer and Seller shall sign and deliver to the responsible closing officer all documents required to complete the transaction and to perform all other closing obligations of this Agreement on or before the Settlement/Signing date.
- ii. Buyer and Seller shall provide for the delivery of all required funds, exclusive of lender funds, if any, using wired, certified or other "ready" funds acceptable to the closing officer, on or before the Settlement/Signing date.

B. FUNDING (Completion of Closing): on or before Friday, September 15, 2017. The Funding Date is the date that the closing officer has funds available to disburse to all parties after recording all documents required to complete the transaction. Seller shall provide all existing keys, security system/alarm codes, gate openers and garage door openers to Buyer on the Funding Date.

If the Buyer is obtaining a loan for the purchase of the Property, it is the Buyer's responsibility to ensure that Buyer's lender makes available to the closing officer, wired, certified or other "ready" funds with written instructions to disburse funds, on or before the Funding Date. The failure of Buyer's lender to make funds available on or before the Funding Date, shall be deemed a default of this Agreement by the Date.

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9. POSSESSION DATE.

A. Seller shall deliver possession of the Property to Buyer on the Possession date as set forth below:

- Funding Date at 5:00 p.m.; or _____
- Other: _____

B. Unless otherwise agreed to in writing, upon Possession Date, Seller shall have all his personal belongings removed from the Property. In the event Seller fails to do so, Buyer shall not be responsible for storage of Seller's personal property, may dispose of Sellers personal property in any manner Buyer deems appropriate, in Buyer's sole discretion, and shall not be liable to Seller for the value of Seller's personal property.

C. If Possession Date is other than Funding Date, then Buyer and Seller shall execute a separate written agreement outlining the terms agreed to by the parties. (See RANM Form 2201-Occupancy Agreement–Buyer or RANM Form 2202-Occupancy Agreement–Seller)

10. COSTS TO BE PAID. Buyer or Seller will pay the following marked items:

LOAN RELATED COSTS AND FEES	Buyer	Seller	Not Required	TITLE COMPANY CLOSING COSTS	Buyer	Seller	Not Required
Appraisal Fee			X	Closing Fee	1/2	1/2	
Appraisal Re-inspection Fee			X	Pro-Rata Data Search			X
Credit Report			X	Legal Document Preparation	Each	own	
Loan Assumption/Transfer			X	Special Assessment Search			X
Origination Charge: up to <input type="checkbox"/> \$ <input type="checkbox"/> %			X	Buyer Recording Fees	X		
Points - Buydown			X	Seller Recording Fees		X	
Points - Discount			X	Other:			
Tax Service Fee			X	Other:			
Flood Zone Certification			X				
Other:							
Other:				POLICY PREMIUMS			
PREPAIDS REQUIRED BY LENDER				Title Commitment		X	
Flood Insurance			X	Standard Owner's Policy		X	
Hazard Insurance			X	Mortgagee's Policy	X		AX
Interest			X	Mortgagee's Policy Endorsements	X		AX
PMI or MIP			X	Other:			
Taxes			X	Other:			
MANUFACTURED HOME COSTS				MISCELLANEOUS			
Foundation Inspection			X	Survey (Paragraph 19)			X
Foundation Repairs			X	Impact Fees			X
Re-Inspection Fees			X	Transfer Fees (e.g. HOA, etc.)			X
DMV Title Transfer Fees			X	Certificate Fees (e.g. HOA)			X
Deactivation Fees			X	Other:			
Other:				Other:			
Other:				Other:			

Buyer agrees to pay all other allowed direct loan costs.

11. **IRS 1031 TAX-DEFERRED EXCHANGE.** Buyer Seller intends to use this Property to accomplish a 1031 Tax-Deferred Exchange. The parties shall cooperate with one another in signing and completing any documents required. The non-exchanging party shall bear no additional expense.

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12. PRORATIONS. Seller will be responsible for disclosing all applicable property specific fees, or lease agreements, private memberships and/or association fees or dues, taxes and contract service agreements, all of which are to be prorated through Settlement/Signing Date. Any equipment rental or contract service agreement (e.g. alarm system, satellite system, propane and tank, private refuse collection, road maintenance, etc.) will be handled directly between the Buyer and Seller. The title or escrow company will not be responsible for proration thereof.

13. ASSESSMENTS. For all bonds, impact fees and assessments other than PID assessments (collectively "assessments"), Buyer shall have 10 (Ten) days after receipt of the title commitment to object in writing to the amounts of such assessments and to terminate this Agreement ("Objection Date"). In the event Buyer submits written objections by the Objection Date, the Earnest Money shall be refunded to the Buyer. If Buyer fails to notify Seller of Buyer's objections by the Objection Date, Buyer shall be deemed to have accepted the amounts of any assessment and shall have waived his right to terminate this Agreement based thereon. In the event Buyer does not object, Buyer shall assume all assessments that are part of or paid with the property tax bill. If other assessments are a lien upon the Property, the current installment shall be prorated though Settlement/Signing Date. Buyer shall assume future installments. Buyer shall pay all future assessments for improvements. NOTE: If Property is located in a PID, then PRIOR TO entering into this Agreement, Seller must provide a PID Disclosure to Buyer.

14. EXAMINATION OF TITLE; LIENS; DEED.

A. BUYER SELLER shall order a title commitment from First Title Service, LLC- Tucumcari, New Mexico (Title Company) within 3 (Three) days after the Date of Acceptance. After receipt of the title commitment and all documents referred to therein, Buyer shall have 10 (Ten) days ("Review Period") to review and object to title exceptions. Exceptions to the title, including the Standard Exceptions, shall be deemed approved unless Buyer delivers written objections to the Seller within the Review Period. If Seller is unwilling or unable to remove such exception(s) before the Settlement/Signing Date, Seller shall provide written notice to Buyer within 10 (Ten) days after receipt of Buyer's objection and Buyer may choose to close subject to exceptions, remove the exceptions at Buyer's expense or terminate this Agreement. If Buyer terminates this Agreement, Earnest Money shall be refunded to Buyer.

B. Seller shall satisfy any judgments and liens, including but not limited to, all mechanics' and materialmen's liens of record on or before Funding Date and shall indemnify and hold Buyer harmless from any liens filed of record after Settlement/Signing Date and which arise out of any claim related to the providing of materials or services to improve the Property as authorized by Seller or Seller's agents, unless otherwise agreed to in writing.

C. Seller will convey the Property by General Warranty Deed Special Warranty Deed Other Deed (describe) _____

subject only to any matters identified in the title commitment and not objected to by Buyer as provided in Paragraph 14A. The legal description contained in the deed shall be the same legal description contained in the title commitment and any survey required under Paragraph 19.

15. FIRPTA. The Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) requires buyers who purchase real property from foreign sellers to withhold ten percent (10%) of the amount realized from the sale of the real property for remittance to the Internal Revenue Service (IRS). In the event the seller(s) is NOT a foreign person, FIRPTA requires the buyer to obtain proof of the seller's non-foreign status in order to avoid withholding requirements. Exceptions may apply. For more information, refer to RANM 2304-Information Sheet-FIRPTA & Taxation of Foreign Persons Receiving Rental Income from U.S. Property.

FIRPTA Exception (most common): The sales price of the property is not more than \$300,000 AND buyer warrants that buyer shall be using the property as buyer's primary residence. ("Exception")

NOTE: BOTH MUST APPLY TO QUALIFY AS AN EXCEPTION.



Exception does does not apply. _____ AP Buyer(s) Initials.

In the event the above exception to FIRPTA does not apply, prior to or at closing, Seller(s) shall provide to Buyer or to a Qualified Substitute (generally, the Title Company) either a Non-Foreign Seller Affidavit(s) OR a letter from the IRS indicating Seller(s) is exempt from withholding. In the event Seller(s) fails to do so, Buyer shall have the right to withhold ten (10%) of the amount realized from the sale of the Property for remittance to the IRS in accordance with FIRPTA.

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16. FARMS AND RANCHES. The Agricultural Foreign Investment Disclosure Act (AFIDA) requires disclosure of a transfer of interest in certain agricultural land (including farms and ranches) to or from a Foreign Person to the Farm Service Agency within 90 days of the transaction, on a form provided by the FSA. AFIDA does not apply to agricultural land if in the aggregate it is not more than 10 acres and if the gross annual from sale of farm, ranch, farming or timber products do not exceed \$1,000.00. A "Foreign Person" is certain foreign corporations or a person who is not a citizen of the U.S. or certain of its possessions, who is not a permanent resident and who is not paroled into the U.S. Seller is is not a Foreign Person as defined in this Paragraph. (See RANM Form 2304A-Information Sheet-AFIDA).

17. INSURANCE CONTINGENCY/APPLICATION.

A. APPLICATION. Buyer shall make application for insurance within 5 (Five) days after Date of Acceptance of this Agreement. If Buyer fails to make application to the insurance company within the agreed time, this insurance contingency shall be deemed waived.

B. CONTINGENCY. Provided the Contingency Deadline as set forth below in Paragraph 17(C) is met, this Agreement is conditioned on the following:

- i. Buyer's ability to obtain a homeowner's or property insurance quote on the Property at normal and customary premium rates; AND,
- ii. Seller's claim history having no impact on the Buyer's insurance in the future.

Buyer understands that an insurance company may cancel or change the terms of a homeowner's insurance policy/quote for any reason prior to close of escrow or within sixty days after issuance of the homeowner's policy/quote (which generally occurs at close of escrow).

C. CONTINGENCY DEADLINE. The Insurance Contingency set forth in Paragraph 17(B) above shall be deemed satisfied, unless within 10 (Ten) days after Date of Acceptance of this Agreement, Buyer delivers written notice to Seller that one or more of the above insurance contingencies cannot be satisfied along with documentation from the insurance provider stating the same. ("Contingency Deadline"). In the event Buyer delivers such notice and documentation to Seller by the Contingency Deadline, the Purchase Agreement shall terminate and the Earnest Money shall be refunded to Buyer.

18. DISCLOSURES AND DOCUMENTS.

A. LEAD BASED PAINT. Is any part of this Property a residence built before 1978? Yes No

If the answer is "Yes", attach RANM Form 5112 Lead Based Paint Addendum to Purchase Agreement. Property is subject to the Lead Based Paint Renovation Repair and Painting Program.

See RANM Form 2315-Information Sheet Lead Based Paint (LBP) Renovation Repair & Painting Program.

B. HOMEOWNER'S ASSOCIATION ("HOA"). Is this Property located in a HOA? Yes No

If the answer is "Yes", Seller shall provide Buyer with specific documents pertaining to the Property and HOA.

See RANM Form 4600-Information Sheet Homeowners' Association, RANM Form 4650-Seller's Disclosure of Homeowners' Association Documents and RANM Form 4700-Homeowners' Association Request for Disclosure Certificate.

C. PROPERTY TAX DISCLOSURE. See RANM Form 3275-Information Sheet Estimated Property Tax Levy Disclosure.

_____ Buyer(s) Initials. Buyer(s) hereby acknowledges receipt of the Estimated Property Tax Levy on the Property, attached as Exhibit _____ and understands that said Estimated Property Tax Levy is based on the LISTING price of the Property; OR

*

A

_____ Buyer(s) Initials. Buyer(s) hereby acknowledges that the Estimated Property Tax Levy on the Property is not readily available and does hereby waive the right to receive the Estimated Property Tax Levy.

D. SEPTIC SYSTEM. Does the Property include an on-site liquid waste system? Yes No

If the answer is "Yes", the transfer of the Property is subject to regulations of the New Mexico Environment Department governing on-site liquid waste systems which includes the requirement that Seller have an inspection conducted by a licensed septic system inspector prior to transfer.

Attach RANM Form 5120A-Septic System Contingency Addendum. See RANM Form 2308-Info Sheet Septic Systems.

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- E. WELLS.** Does the property include a well? Yes No
 If the answer is "Yes", is the well Private Domestic Well Shared Domestic Well Other Wells for livestock
 Transfer of Property with a well is subject to the regulations of the New Mexico Office of the State Engineer, which includes the requirement that the State Engineer's Office be notified when a well changes ownership.
 See RANM Form 2307-Information Sheet Water Rights & Wells.
- F. MANUFACTURED HOUSING.** Does the Property include a manufactured house? Yes No
 If the answer is "Yes", attach RANM Form 2700-Seller's Disclosure of Manufactured Housing.
- G. DOCUMENTS.** As used in this Subparagraph 18(H), the Delivery Deadline is the date by which Seller shall provide and Buyer must receive any documents, reports or surveys specified.

DOCUMENTS	Delivery Deadline	Objection Deadline	Resolution Deadline
Property Disclosure Statement	ASAP	ASAP	ASAP
Road Documents			
Water Rights Documents			
Well Documents. See RANM Form 2307 Information Sheet – Water Rights & Wells. (Including but not limited to: well permit, well log, shared well agreement and Change of Ownership Information notification.)			
Lease Agreements			
Permits	ASAP	ASAP	ASAP
Homeowner Associations (HOA) Documents			
Homeowner Association (HOA) Disclosure Certificate Must be delivered to Buyer no less than seven (7) days before Settlement/Signing Date.		Date Buyer has no less than seven (7) days from receipt of HOA Disclosure Certificate to object	
CCR's – Restrictive Covenants			
Other:			
Other:			
MANUFACTURED HOUSING			
Manufactured Housing Documents-See RANM Form 2700-Seller's Disclosure of Manufactured Housing			
Structural Engineer Inspection			
FHA Inspection			
Foundation Installation			
Mobile Home Division Permanent Foundation Permit			

19. SURVEYS OR IMPROVEMENT LOCATION REPORT (ILR). Buyer has the right to have performed the survey or ILR selected below or the right to accept an existing one. Unless otherwise agreed in writing, the party paying for the survey or ILR as indicated in Paragraph 10 shall select the surveyor and order the survey or ILR.
 Improvement Location Report Metes & Bounds Description Staked Boundary Survey American Land Title Association Survey (ALTA) Flood Plain Designation Other: _____

A. Survey or ILR shall be delivered to Buyer(s) no later than: _____, _____ or _____ days from Date of Acceptance. ("Delivery Deadline")

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- B. Objections to be delivered to Seller(s) no later than: _____, _____ or _____ days from Date of Acceptance. ("Objections Deadline")
- C. All objections to be resolved no later than: _____, _____ or _____ days from Date of Acceptance. ("Resolution Deadline")
- D. **OBJECTION/RESOLUTION:** Paragraph 21 (H) and (I) shall govern Buyer's right to object to the Survey or ILR performed and resolution of Buyer's objection.

20. **BUYER'S REPRESENTATIONS.** Buyer warrants that prior to entering into this Agreement, he has thoroughly investigated the neighborhood and the areas surrounding the property, to include, but not be limited to investigation of the following: the existence of registered sex offenders or other persons convicted of crimes that may reside in the area; and the presence of any structures located, businesses operating or activities conducted in the area that, in Buyer's opinion, affects the value or/and desirability of the property. By entering into this Agreement, Buyer represents he is satisfied with the neighborhood and surrounding areas.

21. **INSPECTIONS. THE PARTIES ARE ENCOURAGED TO EMPLOY COMPETENT AND, WHERE APPROPRIATE, LICENSED PROFESSIONALS TO PERFORM ALL AGREED UPON INSPECTIONS OF THE PROPERTY.**

A. BUYER DUTIES AND RIGHTS.

i. BUYER'S DILIGENCE, ATTENTION AND OBSERVATION. The Buyer has the following affirmative duties:

- a) To conduct all due diligence necessary to confirm all material facts relevant to Buyer's purchase of the Property;
- b) To assure himself that the Property Buyer is purchasing is exactly what Buyer is intending to purchase;
- c) To make himself aware of the physical condition of the Property through his own diligent attention and observation;
- d) To investigate the legal, practical and technical implications of all disclosed, known or discovered facts regarding the Property and;
- e) To thoroughly review all written reports provided by professional and discuss the results of such reports and inspections with the professionals who created the report and/or conducted the inspection.

ii. RIGHT TO CONDUCT INSPECTIONS. The Buyer is advised to exercise all his rights under and in accordance with this Agreement to investigate the Property. Unless otherwise waived, Buyer(s) may complete any and all inspections of the Property that he deems necessary. These inspection may include, but are not limited to the following: home, electrical, heating/air conditioning, plumbing, roof, structural, lead-based paint (including risk assessment, paint inspection or both), well equipment (pumps, pressure tanks, lines), well potability tests, well water yield tests, pool/spa/hot tub equipment, wood destroying insects, dry rot, radon, mold, square foot measurement, sewer line inspections, septic inspections, ductwork, phase one environmental and soil tests. The Buyer's rights to object to inspections and terminate the Agreement based on inspections are set forth in Paragraph 20(H). Buyer is advised to thoroughly review those rights.

iii. SQUARE FOOTAGE. BUYER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE PREMISES, BOTH THE REAL PROPERTY (LAND) AND IMPROVEMENTS THEREON, IS APPROXIMATE. IF SQUARE FOOTAGE IS A MATERIAL MATTER TO THE BUYER, THE BUYER SHALL INVESTIGATE THE SQUARE FOOTAGE DURING THE INSPECTION PERIOD.



_____ *He* Buyer(s) Initials.

B. SELLER'S DUTY TO DISCLOSE. Seller is required to disclose to Buyer any adverse material defects known to him about the Property. However, Seller does not have an obligation to inspect the Property for the Buyer's benefit or to repair, correct or otherwise cure known defects that are disclosed to Buyer or previously unknown defects that are discovered by Buyer or Buyer's inspectors. Seller shall make the Property available to Buyer for inspections.

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C. AVAILABILITY OF UTILITIES FOR INSPECTIONS.

Buyer Seller shall be responsible for paying any charges required by the utility companies to have utilities turned on for inspection purposes. In no event shall Buyer be responsible for bringing the Property up to code or for paying unpaid utility bills.

D. INSPECTOR SELECTION. NOTWITHSTANDING PARAGRAPH 21, UNLESS OTHERWISE AGREED TO IN WRITING, THE BUYER SHALL SELECT ALL INSPECTORS AND ORDER ALL INSPECTIONS. THE SELLER DOES NOT HAVE THE RIGHT TO SELECT THE INSPECTOR BY AGREEING TO PAY FOR THE INSPECTION.

E. PAYMENT OF INSPECTIONS. BUYER(S) AGREES TO PAY FOR ALL INSPECTIONS EXCEPT THE FOLLOWING, WHICH SHALL BE PAID BY SELLER(S).

Septic System Inspection and installation of a new Septic System or repair or replacement of the existing system as required by the inspection.

F. INSPECTION DEADLINES. Unless otherwise provided for in this Agreement, the following applies.

i. Delivery Deadline: Inspections to be completed and reports delivered to Buyer(s) no later than: _____ or _____ days from Date of Acceptance.

ii. Objection Deadline: Objections to be delivered to Seller(s) no later than: _____ or _____ days from Date of Acceptance.

iii. Resolution Deadline: All objections to be resolved no later than: _____ or _____ days from Date of Acceptance.

G. WAIVER OF INSPECTIONS. Buyer to initial if applicable.

_____  Buyer waives ALL inspections unless required by law or Buyer's lender.

_____ Buyer waives ALL inspections.

_____ Buyer waives the following inspections: _____

H. BUYER'S OBJECTIONS.

i. If Buyer has reasonable objections to any report or unsatisfactory condition disclosed by any document (Paragraphs 18), survey or ILR (Paragraph 19) and/or inspection (Paragraph 21), then no later than the applicable Objection Deadline, Buyer may request that Seller cure Buyer's objections (RANM Form 5109-Objection, Resolution, and Waiver Amendment to Purchase Agreement) or Buyer may terminate this Agreement (RANM Form 5105-Termination Agreement). Buyer's objections or termination must be in writing and include a copy of the document, survey and/or inspection report on which Buyer's objection or termination is based. Buyer's failure to deliver to Seller his objection or termination by The Objection Deadline shall be deemed a waiver of both Buyer's right to object and the applicable inspection contingency.

ii. If the Seller is responsible for ordering a report or document, and Buyer does not receive that report or document by the Delivery Deadline, Buyer and Seller may agree to extend the Objection and Resolution Deadlines or Buyer may terminate the Agreement. If Buyer elects to terminate, Earnest Money shall be refunded to Buyer.

iii. If Buyer is responsible for ordering a report or document, and fails to do so in a timely manner, so that Buyer does not have the report or document by the Objection Deadline, Buyer may not use the failure to receive the report or document as the rationale for terminating the Agreement.

I. RESOLUTION. Upon receipt of Buyer's objections, Seller may agree to Buyer's requested cure, provide an alternative cure, or refuse to correct/address Buyer's objections. If Buyer and Seller are unable to reach a Resolution to Buyer's objections by the Resolution Deadline, then THIS AGREEMENT SHALL TERMINATE and Earnest Money shall be refunded to Buyer.

J. OBJECTIONS COMPLETION. In the event Seller agrees to complete or pay for any repairs prior to closing, Seller shall complete the repairs no later than N/A days prior to Settlement/Signing Date.

K. REASONABLE ACCESS; DAMAGES. Seller shall provide reasonable access to Buyer and any inspectors. The party selecting the inspector shall be liable for any damages that occur to the Property as a result of such inspection.

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~~22. HOME WARRANTY CONTRACT. Buyer is advised to investigate the various home warranty plans available for purchase. The parties acknowledge that different home warranty plans have different coverage options, exclusions, limitations and service fees and most plans exclude pre-existing conditions. Neither the Seller, nor the Broker, is responsible for home warranty coverage or lack thereof. The parties acknowledge that a Home Warranty Service Contract provider may conduct an inspection of the Property, but does not always do so.~~

~~A Home Warranty Plan shall be ordered by Buyer Seller to be issued by _____ at a cost not to exceed \$ _____, to be paid for by Buyer Seller.~~

~~Buyer declines the purchase of a Home Warranty Plan.~~

23. **DISCLAIMER.** The Property is sold in its current condition including, but not limited to, the nature, location, amount, sufficiency or suitability of the following: current or future value; future income to be derived therefrom; current or future production; condition; size; location of utility lines; location of sewer and water and lines; availability of utility services or the possibility of extending improvements (paving, sewer, water, utilities, access) to the Property; easements with which the Property is burdened or benefited; lot boundaries; adjacent property zoning; physical and legal access; soil conditions; permits, zoning, or code compliance; lot size or acreage; improvements or square footage of improvements; and water rights. **Broker has not investigated and is not responsible for the forgoing aspects of the Property, among which lot size, acreage, and square footage may have been approximated, but are not warranted as accurate.** Buyer shall have had full and fair opportunity to inspect and judge all aspects of the Property with professional assistance of Buyer's choosing prior to settlement and is purchasing Property based solely upon Buyer's inspection and judgment and not by reason of any representation made to Buyer by Seller or Broker unless expressly set forth in this Agreement or Disclosure Statements. Buyer and Seller acknowledge that Brokers' only role in this transaction is to provide real estate advice to Broker's respective client and/or customer and real estate information to the parties. For all other advice or information that may affect this transaction, including but not limited to financial and legal advice, the parties must rely on other professionals.

*

_____ *[Signature]* Buyer(s) Initials Required.

*

_____ *[Signature]* Seller(s) Initials Required.

24. **MAINTENANCE.** Until a Possession Date, Seller shall maintain the Property and all aspects thereof, including, but not limited to the following: the heating; air conditioning; electrical; roofs; solar; septic systems; well and well equipment; gutters and downspouts; sprinklers; plumbing systems, including the water heater; pool and spa systems; appliances; and other mechanical apparatus. Until the Property is delivered, Seller shall maintain all structures, landscaping, grounds and pool. Seller shall deliver the Property, all of the foregoing and all other aspects thereof to Buyer in same condition as of the Date of Acceptance, reasonable wear and tear excepted. The following items are specifically excluded from the above: _____

~~25. **PRE-CLOSING WALK-THROUGH.** Within _____ days prior to Settlement/Signing Date, Seller shall allow Buyer and Buyer's Inspector(s) reasonable access to conduct a walk-through of the Property for the purpose of satisfying Buyer that any corrections or repairs agreed to by the Seller have been completed, warranted items are in working condition and the Property is in the same condition as on the Date of Acceptance, reasonable wear and tear excepted. See RANM Form 5110 Walk-Through Statement.~~

26. **CONSENT TO THE ELECTRONIC TRANSMISSION OF DOCUMENTS AND TO THE USE OF ELECTRONIC SIGNATURES.** The parties do do not consent to conduct any business related to and/or required under this Agreement by electronic means, including, but not limited to the receipt of electronic records and the use of electronic signatures. Subject to applicable law, electronic signatures shall have the same legal validity and effect as original hand-written signatures. Nothing herein prohibits the parties from conducting business by non-electronic means. If a party has consented to receive records electronically and/or to the use of electronic signatures, that party may withdraw consent at any point in the transaction by delivering written notice to the other party.

[Signature] Seller *[Signature]*

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27. ASSIGNMENT. Buyer may may not sell, assign or transfer the Buyer's rights or obligations under this Agreement, or any interest herein. *BUYER RESERVES THE RIGHT TO ASSIGN HIS INTEREST TO ANY ENTITY OWNED OR CONTROLLED BY BUYER. H*
28. DEFINITIONS. The following terms as used herein shall have the following meanings:
- A. APPRAISAL means a current estimated market value of the Property as established by a licensed real estate appraiser. In the event the Buyer is obtaining a loan, the term refers to an appraisal conducted by a real estate appraiser approved by the lender.
 - B. BROKER includes Buyer's and Seller's brokers.
 - C. If a specific DATE is stated as a deadline in this Agreement, then that date IS the FINAL day for performance; and if that date falls on a Saturday, Sunday or legal Holiday, the date does not extend to the next business day.
 - D. DATE OF ACCEPTANCE is the date this Agreement is fully executed and delivered.
 - E. DAY(S) shall be determined on a "calendar day" basis and if the FINAL day for performance falls on a Saturday, Sunday or legal Holiday, the time therefore shall be extended to the next business day. Legal Holidays are described as New Year's Day, Martin Luther King Jr.'s Birthday, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, and Christmas.
 - F. DELIVERED means personally delivered or by any method where there is evidence of receipt. In the event the parties have agreed to electronic transmission of documents, a facsimile or e-mail transmission of a copy of this or any related document shall constitute delivery of that document. When the item is delivered to the real estate Broker who is working with or who represents the Buyer or Seller, it is considered delivered to the Buyer or Seller respectively, except if the same Broker works for or represents both Buyer and Seller, in which case, the item must be delivered to the Buyer or Seller, as applicable.
 - G. DEADLINES. Any "deadline(s)" can be expressed either as a calendar date (See paragraph 28(C)) or as a number of days (See Paragraph 28(E)).
 - H. ELECTRONIC means relating to technology having electrical, digital, magnetic, wireless, telephonic, optical, electromagnetic or similar capabilities and includes, but is not limited to, facsimile and e-mail.
 - I. ELECTRONIC RECORD means a record created, generated, sent, communicated, received or stored by electronic means.
 - J. ELECTRONIC SIGNATURE means an electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.
 - K. FIXTURE means an article which was once personal property, but which has now become a part of the Property because the article has been fastened or affixed to the Property.
 - L. MASCULINE includes the feminine.
 - M. RESOLUTION means the Buyer and Seller have a written agreement regarding how all Buyers' objections shall be resolved.
 - N. SINGULAR includes the plural.
 - O. STANDARD EXCEPTIONS means those common risks as set forth in the title commitment for which the title insurance policy does NOT provide coverage. These printed exceptions are matters outside the Title Company's search of the public records, and therefore special requirements must be met in order to delete them and provide the insured with the additional/extended coverage.
29. RISK OF LOSS. Prior to Funding Date, Seller shall bear the risk of fire or other casualty, and in the event of loss, Buyer shall have the option (to be exercised by written notice to Seller within 5 days after receipt of notice of loss) of terminating this Agreement and receiving a refund of the Earnest Money or closing and receiving assignment of Seller's portion of the insurance proceeds, if any, at Funding Date. If Buyer fails to timely notify Seller of Buyer's election, Buyer shall be deemed to have elected to proceed to Closing.
30. FLOOD HAZARD ZONE. If the Property is located in an area which is designated as a special flood hazard area, Buyer may be required to purchase flood insurance in order to obtain a loan secured by the Property from any federally regulated financial institution or a loan insured or guaranteed by an agency of the U.S. Government.

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31. **MEDIATION.** If a dispute arises between the parties relating to this Agreement, the parties agree to submit the dispute to mediation. The parties will jointly appoint a mediator and will share equally the costs of the mediation. If a mediator cannot be agreed on or mediation is unsuccessful, the parties may enforce their rights and obligations under this Agreement in any manner provided by New Mexico law which shall include litigation.
32. **EARNEST MONEY DISPUTE.** Generally, title or escrow companies will not release Earnest Money without first receiving an Earnest Money Distribution Agreement signed by all parties to this Agreement (RANM Form 5105B). If the parties cannot come to an agreement on the how Earnest Money shall be distributed, Paragraph 31 shall apply. If the parties cannot reach a resolution through mediation and proceed to litigation, at the conclusion of the litigation the court shall issue a judgment setting forth how Earnest Money shall be apportioned. Either party may present this judgment to the title or escrow company for distribution of the Earnest Money in accordance with the judgment. Parties to all Earnest Money disputes are urged to review RANM form 2310-Earnest Money Dispute Information Sheet, and to consult an attorney to fully understand all their rights and remedies.
33. **DEFAULT.** Any default under this Agreement shall be treated as a material default, regardless of whether the party's action or inaction is specifically classified as a default herein. Additionally, time is of the essence and failure of a party to timely make payment, perform or satisfy any other condition of this Agreement in accordance with this Agreement shall be considered a material default. Generally, a material default relieves the non-defaulting party from further performance under this Agreement; however, the non-defaulting party may elect *not* to terminate this Agreement. If the non-defaulting party elects to terminate this Agreement, he may also elect to retain the Earnest Money and pursue any additional remedies allowable by law, including specific performance. In the event, however, the non-defaulting party elects to treat this Agreement as being in full force and effect, the non-defaulting party remains responsible for all obligations under this Agreement and retains all rights and remedies available under this Agreement.
34. **ATTORNEY FEES AND COSTS.** Should any aspect of this Agreement result in dispute, litigation, or settlement, the prevailing party of such action including all Brokers involved in the transaction, shall be entitled to an award of reasonable attorneys' fees and court costs.
35. **FAIR HOUSING.** Buyer and Seller understand that the Fair Housing Act and the New Mexico Human Rights Act prohibit discrimination in the sale or financing of housing on the basis of race, age (this covers protection for people with children under age 18 or pregnant women), color, religion, sex, sexual orientation, gender identity, familial status, spousal affiliation, physical or mental handicap, national origin or ancestry.
36. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which is deemed to be an original, and all of which will together constitute one and the same instrument.
37. **GOVERNING AND VENUE.** This Agreement is to be construed in accordance with and governed by the internal laws of the State of New Mexico without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of New Mexico to the rights and duties of the parties. Each party hereby irrevocably consents to the jurisdiction and venue of the state and federal courts located in the county in which the Property or any portion of the Property is located in connection with any claim, action, suit, or proceeding relating to this Agreement and agrees that all suits or proceedings relating to this Agreement shall be brought only in such courts.
38. **SEVERABILITY.** If any portion of this Agreement is found by any court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement will remain in full force and effect.
39. **MULTIPLE BUYERS.** Each Buyer to this Agreement is jointly and severally liable for all obligations under this Agreement. In the event any buyer should be unable to perform under this Agreement (due to death or incapacity), the remaining Buyer(s) shall continue to be obligated under this Agreement.

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40. **AUTHORITY OF SIGNORS.** If Buyer or Seller is a corporation, partnership, estate, trust, limited liability company or other entity, the person signing this Agreement on its behalf warrants his authority to do so and to bind the Buyer or Seller.
41. **BUYER AND SELLER AUTHORIZATIONS.** Unless otherwise instructed in writing, Seller and Buyer hereby authorize the Title Company, Lender, Escrow Agent and their representatives to provide a copy of any and all loan estimates, closing disclosures, other settlement statements and title documents with respect to the real estate transaction that is the subject of the Agreement to the Seller's and Buyer's respective Brokers. This does not authorize the delivery of any Buyer documents to Seller's broker or vice-versa. Each party further authorizes his/her respective Broker to be present for the Closing.
42. **SURVIVAL OF OBLIGATION.** The following paragraphs will survive Closing of the Property: 4(C-F), 9, 11-13, 20-23, 28, 31, 32, 34, 37, 38 and 42.
43. **ENTIRE AGREEMENT AND AMENDMENTS IN WRITING.** The parties understand that this offer, if accepted in writing by Seller and delivered to Buyer, constitutes a legally binding contract. This Agreement, together with the following addenda and any exhibits referred to in this Agreement, contains the entire Agreement of the parties and supersedes all prior agreements or representations with respect to the Property, which are not expressly set forth herein. **THIS AGREEMENT MAY BE MODIFIED ONLY BY WRITTEN AGREEMENT OF THE PARTIES.**

- | | |
|---|--|
| <input type="checkbox"/> Addendum No. _____ (RANM Form 5101) | <input type="checkbox"/> Occupancy Agreement - Buyer/Seller (RANM Form 2201/2202) |
| <input type="checkbox"/> Buyer's Sale Contingency Addendum (RANM Form 2503) | <input type="checkbox"/> Real Estate Contract Addendum (RANM Form 2402) |
| <input type="checkbox"/> Buyer's Closing & Funding Sale Contingency (RANM Form 2503A) | <input type="checkbox"/> Residential Resale Condominium Addendum (RANM Form 2302) |
| <input type="checkbox"/> Estimated Property Tax Levy Exhibit _____ | <input checked="" type="checkbox"/> Septic System Contingency Addendum (RANM Form 5120A) |
| <input checked="" type="checkbox"/> Lead-Based Paint Addendum (RANM Form 5112) | <input type="checkbox"/> Seller's Financing, Mortgage or Deed of Trust Addendum (RANM Form 2507) |
| <input type="checkbox"/> Public Improvement District Disclosure (RANM Form 4650) | <input checked="" type="checkbox"/> Other: <u>General Addendum No.1 (RANM Form 2300)</u> |
| <input checked="" type="checkbox"/> Other: <u>Exhibit "A"-Legal Description</u> | <input checked="" type="checkbox"/> Other: <u>Exhibit "B"-Four Maps of Property</u> |
| <input checked="" type="checkbox"/> Other: <u>Exhibit "C" to General Addendum No. 1</u> | |

44. **EXPIRATION OF OFFER.** This offer shall expire unless acceptance is delivered in writing to Buyer or Buyer's Broker on or before Wednesday, July 19, 2017 at 5:00 am pm Mountain time. NOTE: UNTIL SELLER ACCEPTS THIS OFFER AND DELIVERS THE AGREEMENT TO BUYER, BUYER MAY WITHDRAW THIS OFFER AT ANY TIME.

THURSDAY JULY 20, 2017

OFFER BY BUYER

Buyer acknowledges that Buyer has read the entire Purchase Agreement and understands the provisions thereof.

By: <u>[Signature]</u>	<u>7-19-17</u>	<u>1:30 PM</u>
Buyer Signature	Offer Date	Time
By: _____	Offer Date	Time
Buyer Signature	Offer Date	Time
<u>SIDNEY STREBECK</u>	<u>510 STREBECK & HORNAIL CO</u>	
Buyer Name (Print)	Email Address	
Buyer Name (Print)	Email Address	
<u>Box 1676</u>	<u>CLAVIS</u>	<u>NM</u>
Buyer Address	City	State
	<u>88102</u>	
	Zip Code	
<u>575-749-2033</u>	<u>575-935-7571</u>	<u>575-935-7572</u>
Buyer Home Phone	Buyer Cell Phone	Buyer Business Phone
		Buyer Fax

REALTORS® ASSOCIATION OF NEW MEXICO
PURCHASE AGREEMENT - FARM AND RANCH - 2017

THE FOLLOWING IS PROVIDED FOR INFORMATION PURPOSES ONLY.
BROKER'S ARE NOT PARTY TO THIS AGREEMENT.

BUYER'S BROKER

SIDNEY GEORGE STAEBECK 16654
Buyer's Broker Name Buyer's Broker's NMREC License No.

If different, Buyer's Broker's Qualifying Broker's Name Buyer's Broker's Qualifying Broker's NMREC License No.

TRIPLE AAR S PROPERTIES, LLC 575 935 7571 575 935 7572
Buyer's Brokerage Firm Office Phone Fax

Box 1676 CLOVIS NM 88102
Buyer's Brokerage Address City State Zip Code

SIDSTAEBECK@HOTMAIL.COM
Email Address

Broker is is not a REALTOR®

SELLER'S BROKER

Krystal M. Nelson 15892
Seller's Broker Name Seller's Broker's NMREC License No.

If different, Seller's Broker's Qualifying Broker's Name Seller's Broker's Qualifying Broker's NMREC License No.

Scott Land Company, LLC 800-933-9698 / 806-647-4375 806-647-0950
Seller's Brokerage Firm Office Phone Fax

1301 Front Street Dimmitt Texas 79027
Seller's Brokerage Address City State Zip Code

krystal.nelson@scottlandcompany.com
Email Address

Broker is is not a REALTOR®

Ben G. Scott - Texas Cooperating Broker ben.scott@scottlandcompany.com
TREC License No. 122507 E-mail Address

**REALTORS® ASSOCIATION OF NEW MEXICO
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Seller will pay to Scott Land Company, LLC-Dimmitt, Texas a commission of 6% of the gross sales price plus New Mexico Gross Receipts Tax in cash upon closing.

Seller acknowledges that Seller has read the entire Purchase Agreement and understands the provisions thereof.
Seller (select one):

<input type="checkbox"/> SELLER ACCEPTS this Offer and agrees to sell the Property for the price and on the terms and conditions specified in this Agreement.			
<u>SELLER</u>			
DVR, LLC			
By: _____	_____	_____	_____
Seller Signature Joli A. Lofstedt - Trustee	Date	7-20-17	Time 1:40pm
By: _____	_____	_____	_____
Seller Signature	Date	Time	
Joli A. Lofstedt	joli@clcplaw.com		
Seller Name (Print)	Email Address		
_____	_____		
Seller Name (Print)	Email Address		
950 Spruce St., Ste 1C	Louisville	CO	80027
Seller Address	City	State	Zip Code
_____	(303) 476-6916	_____	_____
Seller Home Phone	Seller Cell Phone	Seller Business Phone	Seller Fax

REJECTS & SUBMITS a Counteroffer (RANM Form 5102).

REJECTS & SUBMITS an Invitation to Offer (RANM Form 5103).

IF SELLER IS REJECTING THIS OFFER AND SUBMITTING A COUNTER OFFER, OR IS REJECTING THIS OFFER AND SUBMITTING AN INVITATION TO OFFER, SELLER SHOULD NOT SIGN THIS AGREEMENT, BUT SHOULD INITIAL ALL PAGES.

INITIALS: SELLER _____

REJECTS this Offer.

IF SELLER IS REJECTING THIS OFFER, SELLER SHOULD NOT SIGN THIS AGREEMENT AND DOES NOT NEED TO INITIAL ANY/ALL PAGES.

INITIAL HERE: SELLER _____

NEW MEXICO REAL ESTATE COMMISSION

SIDNEY GEORGE STREBECK

is duly licensed to act as a
Real Estate Qualifying Broker

Triple Bar S Properties, LLC
P.O. Box 1676
Clovis, NM 88102

License Location:
2216 North Main, Suite 1G
Clovis, NM 88101

License Number: 16654 Date Issued: 12/30/2014 Expires: 12/31/2017

THE STATE OF NEW MEXICO
has issued this license pursuant to the Real Estate License Law,
Section 61-29-1, NMSA 1978, as amended.

Kurstin S. Johnson,
Commission President



REALTORS® ASSOCIATION OF NEW MEXICO LEAD-BASED PAINT ADDENDUM TO PURCHASE AGREEMENT - 2017

Federal law requires Seller to provide to Buyer all disclosures set forth in this Addendum AND to receive acknowledgment from Buyer that Buyer has received these disclosures BEFORE Seller may accept from Buyer an offer to purchase the Property. Further, Buyer shall not be obligated to purchase the Property unless Buyer has been provided an opportunity to inspect the Property as set forth in this Addendum.

This Disclosure and Acknowledgment will be attached as Addendum No. 2 to the Purchase Agreement between the Buyer and Seller, dated, July 17, 2017 Relating to the following Property:

Address _____ City _____ Zip Code _____
See Exhibit "A" attached hereto for legal description of 10,254.44 deeded acres more or less
Legal Description _____

or see metes and bounds or other legal description attached as Exhibit _____, Quay/Harding County, New Mexico.

1. LEAD WARNING STATEMENT.

Every Buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the Buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the Buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

2. SELLER'S DISCLOSURE.

- A. Presence of lead-based paint and/or lead-based paint hazards (initial (i) or (ii) below as applicable):
 - _____ i.) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): _____
 - ii.) Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- B. Records and reports available to the Seller (initial (i) or (ii) below as applicable):
 - _____ i.) Seller has provided Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below): _____
 - ii.) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

This form and all REALTORS® Association of New Mexico (RANM) forms are for the sole use of RANM members and those New Mexico Real Estate Licensees to whom RANM has granted prior written authorization. Distribution of RANM forms to non-RANM members or unauthorized Real Estate Licensees is strictly prohibited. RANM makes no warranty of the legal effectiveness or validity of this form and disclaims any liability for damages resulting from its use. By use of this form, the parties agree to the limitations set forth in this paragraph. The parties hereby release RANM, the Real Estate Brokers, their Agents and employees from any liability arising out of the use of this form. You should consult your attorney with regard to the effectiveness, validity or consequences of any use of this form. The use of this form is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only Real Estate Licensees who are members of the National Association of REALTORS® and who subscribe to the Association's strict Code of Ethics.

REALTORS® ASSOCIATION OF NEW MEXICO
LEAD-BASED PAINT ADDENDUM TO PURCHASE AGREEMENT – 2017

3. BUYER'S ACKNOWLEDGEMENT. (both A and B should be initialed):

A. Buyer has received the Lead-Based Paint Warning Statement set forth in Paragraph 1 above, the Seller's Lead-Based Paint Disclosures referenced in Paragraph 2(A) and if applicable, the records and reports accompanying Seller's Disclosures referenced in Paragraph 2(B).

B. Buyer has received the pamphlet "Protect Your Family From Lead in Your Home."

4. BUYER'S RIGHTS. (initial A or B below as applicable):

A. Buyer has received a ten (10) day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

B. Buyer has waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

5. BROKER'S CERTIFICATION. (both A and B should be initialed):

Both the Seller's Broker and the Buyer's Broker (if compensated by the Seller or Seller's Broker) are considered the "agents" under the Regulations and are required to certify as follows and sign this form, regardless of their brokerage relationships. Therefore, both the Seller and Buyer's brokers should initial below UNLESS the Buyer's Broker is being compensated entirely by the Buyer.

A. Agent has informed Seller of Seller's obligations under Sec. 42 U.S.C.A. 4852d to:

- 1) Provide Buyer with the federally approved pamphlet, "Protect Your Family from Lead in Your Home;"
- 2) Complete this Lead-based Paint Addendum before giving it to Buyer;
- 3) Disclose any known lead-based paint or lead-based paint hazards in the Property;
- 4) Deliver to Buyer a list of and copies of all records and reports pertaining to lead-based paint and/or lead based paint hazards in the Property;
- 5) Provide Buyer with a ten-day (10) period (or other period mutually agreed in writing by Buyer and Seller) to have the Property inspected;
- 6) Retain a completed copy of this Addendum for at least three (3) years following the closing of the sale.

B. Agent is aware of Agent's duty to ensure compliance with the requirements of Sec. 42 U.S.C.A. 4852d.

Warning

Provisions of this form are required by Federal Regulations and should not be revised.

Certification

Each of the following parties has reviewed the information above and certifies, to the best of his or her knowledge, that the information provided by that party is true and accurate.

**REALTORS® ASSOCIATION OF NEW MEXICO
LEAD-BASED PAINT ADDENDUM TO PURCHASE AGREEMENT – 2017**

SELLER

Joli A. Lofstedt, Trustee 7-20-17 1:40pm
 Seller Signature Date Time

Seller Signature Date Time

DVR, LLC - Joli A. Lofstedt - Trustee
 Seller Names (Print)

950 Spruce Street, Ste 1C Louisville Co 80027
 Seller Address City State Zip Code

303-476-6916 joli@clclplaw.com
 Seller Home Phone Business Phone Fax Email Address

BUYER

SIDNEY STREBECK 7-19-17 1:30 PM
 Buyer Signature Date Time

Buyer Signature Date Time

Buyer Names (Print)

Buyer Address City State Zip Code

Buyer Home Phone Business Phone Fax Email Address

SELLER'S BROKER

Scott Land Company, LLC
 Listing Firm

Krystal M. Nelson Broker is is not a REALTOR®
 By (Print)

By (Signature) Date Time

1301 Front Street Dimmitt TX 79027
 Address City State Zip Code

806-647-475 806-647-0950 ben.scott@scottlandcompany.com
 Business Phone Fax Email Address

BUYER'S BROKER

TRIPLE BAR S PROPERTIES, LLC ~~Scott Land Company, LLC~~
 Selling Firm

SIDNEY GEORGE STREBECK Broker is is not a REALTOR®
 By (Print) Krystal M. Nelson

By (Signature) Date Time

1301 Front Street Box 1676 CLAVIS NM 88102
 Address City State Zip Code

806-647-4373 575-935-7571 806-647-0950 ben.scott@scottlandcompany.com
 Business Phone Fax Email Address

REALTORS® ASSOCIATION OF NEW MEXICO
SEPTIC SYSTEM CONTINGENCY – 2017
ADDENDUM NO. 3

5. NOTICE TO BUYER REGARDING ADVANCED TREATMENT SYSTEMS. If the Property has an Advanced Treatment System, the Buyer will, no later than the Settlement Date, enter into a maintenance agreement with a Maintenance Service Provider approved by the New Mexico Environment Department and file a notice of change of ownership of the system on the form provided by the New Mexico Environment Department.

The Purchase Agreement referred to above is incorporated by reference into this Addendum.

BUYER SIGNATURE

SIDNEY STAEDEL 7-19-17 1:30PM
Buyer Signature Date Time

Buyer Signature Date Time

SELLER SIGNATURE

Joli A. Lofstedt Trustee 7-20-17 4:30pm
Seller Signature DVR, LLC - Joli A. Lofstedt - Trustee Date Time

Seller Signature Date Time



REALTORS® ASSOCIATION OF NEW MEXICO
GENERAL ADDENDUM No. 1 - 2017

This Addendum is part of the Purchase Agreement (the "Agreement")
dated July 17 2017, between _____
and DVR, LLC - Joli A. Lofstedt - Trustee
relating to the following Property: _____

Address _____ City _____ State _____ Zip Code _____
See Exhibit "A" attached hereto for legal description of 10,254.44 deeded acres more or less
Legal Description
or see metes and bounds description attached as Exhibit _____, Quay/Harding County, New Mexico.

The following is added to the Agreement:

1. 10,254.44 deeded acres more or less will be utilized as the number of deeded acres for this Purchase Agreement.

During the 15 day Inspection/Due Diligence period Buyer will have the opportunity to conduct any studies required by Buyer to ascertain the actual number of deeded acres in the property.

Trustee will provide all documents related to any survey or Certified legal description obtained by the prepetition receiver, Ed Cordes as well as any title commitment obtained by Cordes.

Trustee will sell the property "as is/where is"; Trustee is not in a position to make any representations or warranties as to the DVR property and the number of deeded acres.

Exhibit "B" attached to the Purchase Agreement is composed of four maps obtained by Scott Land Company, LLC from Mr. Brian Fletcher (legal counsel for Trustee) in e-mails dated Thursday, February 23, 2017 at 1:40 p.m., Thursday, February 23, 2017 at 1:41 p.m., Thursday, February 23, 2017 at 1:42 p.m. & Thursday, February 23, 2017 at 1:42 p.m.

Said maps are hereby attached to this Purchase Agreement and will be used as reference points in the preparation of closing of this Purchase Agreement.

2. Buyer hereby petitions Seller for Buyer's Purchase Agreement to be designated as the "STALKING HORSE BIDDER" Purchase Agreement.

See Exhibit "C" attached to this General Addendum No. 1 containing further additions to this Addendum together with the MOTION FOR ORDER FOR APPROVING OVERBID AND AUCTION PROCEDURES, BREAK-UP FEE AND EXPENSE REIMBURSEMENT to be presented to the United States Bankruptcy Court for the District of Colorado.

3. In reference to Page 4 of 19, Part 4.I. Mineral Rights:, the sale of the property will "EXCLUDE" any oil and gas interest owned by DVR.

Any oil and gas interest owned by DVR will be sold by the Trustee separately from the DVR real property. Buyer and any other party interested in purchasing such oil and gas interests shall have an opportunity to purchase the oil and gas interest owned by the DVR.

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REALTORS® ASSOCIATION OF NEW MEXICO
GENERAL ADDENDUM No. 1 - 2017

4. In reference to Part 18.D. Septic System on Page 10 of 19 of the Purchase Agreement it is hereby understood and agreed that Trustee will order and pay for a preliminary inspection of any septic system on the DVR property.

The costs of any repairs or replacement associated with such septic system shall be provided as a credit to the Buyer at closing.

Any further charges necessary for repair or replacement of the septic system will at the time of closing remain in escrow with the title company out of Seller's proceeds of the sale with the repair or replacement of the septic system being initiated at the time of closing of the Purchase Agreement.

Upon title company being presented with the State Certification of the septic system then and in that event, the title company will issue the funds in escrow to the company performing the septic system repair or replacement.

5. In reference to Parts 21. F. and G. on Page 13 of 19 of the Purchase Agreement concerning Inspection Deadlines and Waiver of Inspections, Buyer will be allowed a 15 (fifteen) day inspection/due diligence period after the Date of Acceptance of the Purchase Agreement to perform any inspections/studies required by Buyer.

Any objections must be presented in writing to Scott Land Company, LLC for presentation to Seller prior to 5:00 p.m. MDT on the 15th day after the Date of Acceptance of the Purchase Agreement.

6. In reference to a water pipeline installed and running underground from the headquarters on the DVR Ranch to the home of Mr. & Mrs. Billy Burns for use in supplying domestic water for the home of Mr. & Mrs. Burns a Water Use Agreement will be prepared during the 15 (fifteen) day due diligence period to be prepared to the satisfaction of both Buyer and Mr. & Mrs. Burns subject to Seller's consent if required and at Seller's discretion.

7. Seller notifies Buyer of a waster water facility that may be located on four acres more or less of the DVR property. The waster water facility is accessed by Mine Canyon Road and the facility is surrounded by a chain link fence. Seller notifies Buyer that the waste water facility and the underlying land of such facility may not be an asset of DVR, LLC, and may be excluded from the sale of the DVR property. Approximate legal description of the facility is as follows; NE4NW4 of Section 25, Township 13 North, Range 32 East accessed by A102.

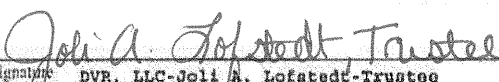
If there is any conflict between the provisions of the Agreement and this Addendum, the provisions of this Addendum will control. The remaining provisions of the Agreement will remain in effect.

BUYER/TENANT/BROKER SIGNATURE

 _____
Signature Date 7-19-17 Time 1:30 PM

Signature Date Time

SELLER/LANDLORD/OWNER SIGNATURE

 _____
Signature DVR, LLC-Joli A. Lofstedt-Trustee Date 7-20-17 Time 1:40 PM

Signature Date Time

GENERAL ADDENDUM 1



REALTORS® ASSOCIATION OF NEW MEXICO
GENERAL ADDENDUM No. 1 - 2017

This Addendum is part of the Purchase Agreement (the "Agreement")
dated July 17 2017, between _____
and DVR, LLC - Joli A. Lofstedt - Trustee
relating to the following Property: _____

Address _____ City _____ State _____ Zip Code _____
See Exhibit "A" attached hereto for legal description of 10,254.44 deeded acres more or less
Legal Description _____
or see metes and bounds description attached as Exhibit _____, Quay/Harding County, New Mexico.

The following is added to the Agreement:

1. 10,254.44 deeded acres more or less will be utilized as the number of deeded acres for this Purchase Agreement.

During the 15 day Inspection/Due Diligence period Buyer will have the opportunity to conduct any studies required by Buyer to ascertain the actual number of deeded acres in the property.

Trustee will provide all documents related to any survey or Certified legal description obtained by the prepetition receiver, Ed Cordes as well as any title commitment obtained by Cordes.

Trustee will sell the property "as is/where is"; Trustee is not in a position to make any representations or warranties as to the DVR property and the number of deeded acres.

Exhibit "B" attached to the Purchase Agreement is composed of four maps obtained by Scott Land Company, LLC from Mr. Brian Fletcher (legal counsel for Trustee) in e-mails dated Thursday, February 23, 2017 at 1:40 p.m., Thursday, February 23, 2017 at 1:41 p.m., Thursday, February 23, 2017 at 1:42 p.m. & Thursday, February 23, 2017 at 1:42 p.m.

Said maps are hereby attached to this Purchase Agreement and will be used as reference points in the preparation of closing of this Purchase Agreement.

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See Exhibit "C" attached to this General Addendum No. 1 containing further additions to this Addendum together with the MOTION FOR ORDER FOR APPROVING OVERBID AND AUCTION PROCEDURES, BREAK-UP FEE AND EXPENSE REIMBURSEMENT to be presented to the United States Bankruptcy Court for the District of Colorado.

3. In reference to Page 4 of 19, Part 4.I. Mineral Rights:, the sale of the property will "EXCLUDE" any oil and gas interest owned by DVR.

Any oil and gas interest owned by DVR will be sold by the Trustee separately from the DVR real property. Buyer and any other party interested in purchasing such oil and gas interests shall have an opportunity to purchase the oil and gas interest owned by the DVR.

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**REALTORS® ASSOCIATION OF NEW MEXICO
GENERAL ADDENDUM No. 1 - 2017**

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Upon title company being presented with the State Certification of the septic system then and in that event, the title company will issue the funds in escrow to the company performing the septic system repair or replacement.

5. In reference to Parts 21. F. and G. on Page 13 of 19 of the Purchase Agreement concerning Inspection Deadlines and Waiver of Inspections, Buyer will be allowed a 15 (fifteen) day inspection/due diligence period after the Date of Acceptance of the Purchase Agreement to perform any inspections/studies required by Buyer.

Any objections must be presented in writing to Scott Land Company, LLC for presentation to Seller prior to 5:00 p.m. MDT on the 15th day after the Date of Acceptance of the Purchase Agreement.

6. In reference to a water pipeline installed and running underground from the headquarters on the DVR Ranch to the home of Mr. & Mrs. Billy Burns for use in supplying domestic water for the home of Mr. & Mrs. Burns a Water Use Agreement will be prepared during the 15 (fifteen) day due diligence period to be prepared to the satisfaction of both Buyer and Mr. & Mrs. Burns subject to Seller's consent if required and at Seller's discretion.

7. Seller notifies Buyer of a waster water facility that may be located on four acres more or less of the DVR property. The waster water facility is accessed by Mine Canyon Road and the facility is surrounded by a chain link fence. Seller notifies Buyer that the waste water facility and the underlying land of such facility may not be an asset of DVR, LLC, and may be excluded from the sale of the DVR property. Approximate legal description of the facility is as follows; NE4NW4 of Section 25, Township 13 North, Range 32 East accessed by A102.

If there is any conflict between the provisions of the Agreement and this Addendum, the provisions of this Addendum will control. The remaining provisions of the Agreement will remain in effect.

BUYER/TENANT/BROKER SIGNATURE

Signature Date Time

Signature Date Time

SELLER/LANDLORD/OWNER SIGNATURE

Signature DVR, LLC-Joli A. Lofstedt-Trustee Date Time

Signature Date Time

EXHIBIT 1

PART 2 OF 2

EXHIBIT A

EXHIBIT "A"

Lands in Quay and Harding Counties, NM
Owned by DVR, LLC or Ute Lake Ranch, Inc.

Pages 1-26 of 26

WD2-80

LOT 2 AND SW¼ NE¼ OF SECTION 2, TOWNSHIP 12 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY,
NEW MEXICO.

SAID TRACT OF LAND CONTAINS 75.90 ACRES, MORE OR LESS.

I, Timothy Solinski, New Mexico Professional Surveyor No. 17531, do hereby certify that this Legal Description was developed by me or under my direct supervision; that I am responsible for this legal description; that this legal description meets the Minimum Standards for Surveying in New Mexico; and that it is true and correct to the best of my knowledge and belief. I further certify that this survey is not a land division or subdivision as defined in the New Mexico Subdivision Act and that this instrument is a Legal Description developed from existing tracts.



Timothy Solinski New Mexico Professional Surveyor No. 17531

Date: February 9, 2016



EXHIBIT "A"

WD2-81

LOT 4 AND SW¼ NW¼ OF SECTION 4, TOWNSHIP 12 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 73.84 ACRES, MORE OR LESS.

WD2-82

LOT 1, SE¼NE¼ AND E½SE¼ OF SECTION 5, TOWNSHIP 12 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 154.13 ACRES, MORE OR LESS.

WD2-83

LOT 4 (AKA NW¼NW¼) OF SECTION 5, TOWNSHIP 12 NORTH, RANGE 33 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 35.83 ACRES, MORE OR LESS.

WD2-84

LOTS 1-7 AND THAT PART OF THE SE¼NW¼ AND THE E½SW¼ LYING WEST OF THE WILMS DRAIN, A STRUCTURE OF THE ARCH HURLEY CONSERVANCY DISTRICT, IN SECTION 6, TOWNSHIP 12 NORTH, RANGE 33 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 264.54 ACRES, MORE OR LESS.

WD2-85

ALL THAT PART OF LOT 1 LYING WEST OF THE WILMS DRAIN, A STRUCTURE OF THE ARCH HURLEY CONSERVANCY DISTRICT, IN SECTION 7, TOWNSHIP 12 NORTH, RANGE 33 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 31.19 ACRES, MORE OR LESS.

EXHIBIT "A"

WD2-87

SW¼, W½SE¼ OF SECTION 33, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 238.60 ACRES, MORE OR LESS.

WD2-88

TWO TRACTS OF LAND LOCATED WITHIN THE NW¼NW¼, SW¼ AND W½SE¼ OF SECTION 35, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF SAID SECTION 35,

THENCE N 89°49'37" E A DISTANCE OF 336.83 FEET;

THENCE S 49°14'46" E A DISTANCE OF 317.41 FEET;

THENCE N 89°31'40" E A DISTANCE OF 200.00 FEET;

THENCE S 49°14'46" E A DISTANCE OF 498.39 FEET;

THENCE S 43°59'44" W A DISTANCE OF 764.49 FEET;

THENCE S 17°12'54" E A DISTANCE OF 174.63 FEET;

THENCE S 18°26'50" W A DISTANCE OF 580.80 FEET;

THENCE S 47°30'08" W A DISTANCE OF 603.66 FEET;

THENCE S 34°09'28" W A DISTANCE OF 57.23 FEET TO A POINT ON THE WESTERLY LINE OF SAID SECTION 35;

THENCE ALONG THE WESTERLY LINE OF SAID SECTION 35, N 00°22'06" W A DISTANCE OF 2252.85 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 32.6356 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT THE SW CORNER OF SAID SECTION 35,

THENCE ALONG THE WESTERLY LINE OF SAID SECTION 35, N 00°22'25" W A DISTANCE OF 1786.08 FEET TO A POINT BEING ON THE SOUTH BOUNDARY LINE OF UTE LAKE RANCH FILING NO. 1 REPLAT (ULR1) AS RECORDED IN THE OFFICE OF THE COUNTY CLERK, QUAY COUNTY, NEW MEXICO, ON MAY 16, 2008 AS DOCUMENT NO. 200805160001;

THENCE CONTINUING ALONG THE SOUTH BOUNDARY LINE OF SAID ULR1, N 74°36'35" E A DISTANCE OF 108.15 FEET;

THENCE N 76°40'06" E A DISTANCE OF 267.59 FEET;

THENCE N 84°24'42" E A DISTANCE OF 887.54 FEET;

THENCE S 89°10'36" E A DISTANCE OF 693.43 FEET;

THENCE N 78°54'28" E A DISTANCE OF 49.08 FEET;

EXHIBIT "A"

THENCE ALONG AN ARC 1158.05 FEET TO THE LEFT, HAVING A RADIUS OF 3205.57 FEET, THE CHORD OF WHICH IS N 77°56'11" E, A DISTANCE OF 1151.76 FEET;

THENCE N 67°35'13" E A DISTANCE OF 320.00 FEET;

THENCE ALONG AN ARC 612.59 FEET TO THE RIGHT, HAVING A RADIUS OF 7000.00 FEET, THE CHORD OF WHICH IS N 70°05'39" E, A DISTANCE OF 612.39 FEET,

THENCE LEAVING SAID SOUTH ULR1 BOUNDARY LINE, S 00°25'47" E A DISTANCE OF 2504.21 FEET, ALONG THE EAST LINE OF THE W½SE¼ TO A POINT ON THE SOUTH LINE OF SAID SECTION 35;

THENCE ALONG THE SOUTH LINE OF SAID SECTION 35, S 89°34'40" W A DISTANCE OF 3994.69 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 187.0445 ACRES, MORE OR LESS.

TOTAL SAID TRACT OF LAND CONTAINS 219.6891 ACRES, MORE OR LESS.

WD2-88A

A TRACT OF LAND IN THE SW¼SW¼ OF SECTION 26, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SW CORNER OF SAID SECTION 26;

THENCE ALONG THE WEST LINE OF SAID SECTION 26, N 00°20'02" W A DISTANCE OF 246.71;

THENCE ALONG AN ARC 194.18 FEET TO THE LEFT, HAVING A RADIUS OF 269.04 FEET, THE CHORD OF WHICH IS N 64°54'23" E FOR A DISTANCE OF 189.99 FEET;

THENCE ALONG AN ARC 177.82 FEET TO THE RIGHT, HAVING A RADIUS OF 110.00 FEET, THE CHORD OF WHICH IS S 89°27'34" E FOR A DISTANCE OF 159.08 FEET;

THENCE S 43°08'55" E A DISTANCE OF 78.84 FEET;

THENCE ALONG AN ARC 0.96 FEET TO THE LEFT, HAVING A RADIUS OF 635.12 FEET, THE CHORD OF WHICH IS S 43°11'31" E FOR A DISTANCE OF 0.96 FEET;

THENCE S 46°45'54" W A DISTANCE OF 234.17 FEET;

THENCE S 49°14'46" E A DISTANCE OF 162.59 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 26;

THENCE ALONG THE SOUTH LINE OF SAID SECTION 26, S 89°49'37" W A DISTANCE OF 336.83 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 2.1439 ACRES, MORE OR LESS.

EXHIBIT "A"

WD2-89

N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 31, TOWNSHIP 13 NORTH, RANGE 33 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 279.33 ACRES, MORE OR LESS.

WD2-99

N $\frac{1}{2}$ N $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SECTION 1, TOWNSHIP 13 NORTH, RANGE 31 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 440 NOMINAL ACRES OF LAND, MORE OR LESS.

WD2-100

E $\frac{1}{2}$ W $\frac{1}{2}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 12, TOWNSHIP 13 NORTH, RANGE 31 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 200 NOMINAL ACRES OF LAND, MORE OR LESS.

WD2-101

NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$ OF SECTION 13, TOWNSHIP 13 NORTH, RANGE 31 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 13.53 ACRES, MORE OR LESS, CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 587 NOMINAL ACRES, MORE OR LESS

WD2-102

LOTS 1, 2, 4, 6, 9, AND 10, NW $\frac{1}{4}$ NW $\frac{1}{4}$, AND SE $\frac{1}{4}$ NE $\frac{1}{4}$, IN SECTION 14, TOWNSHIP 13 NORTH, RANGE 31 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 197.44 ACRES, MORE OR LESS, CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; AND LESS AND EXCEPT 46.6742 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 151 ACRES OF LAND, MORE OR LESS.

EXHIBIT "A"

WD2-103

LOTS 6 AND 7, (SE $\frac{1}{4}$ SE $\frac{1}{4}$), WITHIN SECTION 15, TOWNSHIP 13 NORTH, RANGE 31 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 4.04 ACRES, MORE OR LESS, CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; AND LESS AND EXCEPT 25.14 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 11 ACRES, MORE OR LESS.

WD2-104

LOTS 1 AND 3 IN THE NE $\frac{1}{4}$ OF SECTION 23, TOWNSHIP 13 NORTH, RANGE 31 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 28.16 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 8 ACRES, MORE OR LESS.

WD2-105

SIX TRACTS OF LAND LOCATED WITHIN THE S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ AND S $\frac{1}{2}$ SE $\frac{1}{4}$, OF SECTION 24, TOWNSHIP 13 NORTH, RANGE 31 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 330.35 FEET N00°16'11"W FROM THE SE CORNER OF SAID SECTION 24,

THENCE N 00°16'11" W A DISTANCE OF 312.19 FEET;

THENCE S 68°08'26" W A DISTANCE OF 779.79 FEET;

THENCE N 85°17'20" W A DISTANCE OF 433.60 FEET;

THENCE N 45°54'42" W A DISTANCE OF 299.75 FEET;

THENCE S 19°15'13" E A DISTANCE OF 339.62 FEET;

THENCE N 81°52'25" E A DISTANCE OF 540.88 FEET;

THENCE S 88°16'31" E A DISTANCE OF 725.53 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 3.7207 ACRES, MORE OR LESS.

TOGETHER WITH:

EXHIBIT "A"

BEGINNING AT A POINT 642.54 FEET N00°16'11"W FROM THE SE CORNER OF SAID SECTION 24;
THENCE N 00°16'11" W A DISTANCE OF 673.42 FEET;
THENCE S 89°33'52" W A DISTANCE OF 1290.49 FEET;
THENCE N 00°39'30" W A DISTANCE OF 188.84 FEET;
THENCE S 35°49'28" W A DISTANCE OF 326.05 FEET;
THENCE S 04°03'09" E A DISTANCE OF 346.42 FEET;
THENCE S 62°37'20" E A DISTANCE OF 260.60 FEET;
THENCE S 39°46'30" W A DISTANCE OF 219.49 FEET;
THENCE S 45°54'42" E A DISTANCE OF 299.75 FEET;
THENCE S 85°17'20" E A DISTANCE OF 433.60 FEET;
THENCE N 68°08'26" E A DISTANCE OF 779.79 FEET TO THE POINT OF BEGINNING.
SAID TRACT OF LAND CONTAINS 27.7966 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1315.81 FEET N00°16'11"W AND 1290.49 FEET S89°33'52"W AND 676.89 FEET
N00°39'30"W FROM THE SE CORNER OF SAID SECTION 24;
THENCE N 0°39'30" W A DISTANCE OF 640.00 FEET;
THENCE S 88°57'10" W A DISTANCE OF 812.68 FEET;
THENCE S 0°29'59" W A DISTANCE OF 405.23 FEET;
THENCE S 28°11'05" E A DISTANCE OF 535.44 FEET;
THENCE N 66°09'56" E A DISTANCE OF 623.77 FEET TO THE POINT OF BEGINNING.
SAID TRACT OF LAND CONTAINS 13.6314 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1319.68 FEET S00°21'02"E AND 1219.55 FEET N89°59'48"E FROM THE NW
CORNER OF SAID SECTION 24;
THENCE N 89°59'48" E A DISTANCE OF 1471.43 FEET;
THENCE S 0°18'16" E A DISTANCE OF 861.81 FEET;
THENCE N 77°13'57" W A DISTANCE OF 595.71 FEET;
THENCE N 51°19'04" W A DISTANCE OF 939.98 FEET;
THENCE N 48°31'07" W A DISTANCE OF 215.25 FEET TO THE POINT OF BEGINNING.
SAID TRACT OF LAND CONTAINS 18.1850 ACRES OF LAND, MORE OR LESS;

EXHIBIT "A"

TOGETHER WITH:

BEGINNING AT THE W ¼ CORNER OF SAID SECTION 24,
THENCE N 0°21'02" W A DISTANCE OF 275.05 FEET;
THENCE S 87°51'27" E A DISTANCE OF 436.97 FEET;
THENCE S 47°13'10" E A DISTANCE OF 373.65 FEET;
THENCE S 89°36'07" W A DISTANCE OF 709.24 FEET TO THE POINT OF BEGINNING.
SAID TRACT OF LAND CONTAINS 3.4597 ACRES, MORE OR LESS;

TOGETHER WITH:

BEGINNING AT A POINT 1335.36 FEET N89°36'08"E AND 576.29 FEET S00°29'36"E FROM THE W ¼
CORNER OF SAID SECTION 24,
THENCE S 0°29'36" E A DISTANCE OF 742.43 FEET;
THENCE N 89°36'10" E A DISTANCE OF 589.60 FEET;
THENCE N 28°12'07" W A DISTANCE OF 147.79 FEET;
THENCE S 78°49'38" W A DISTANCE OF 219.13 FEET;
THENCE N 6°49'34" E A DISTANCE OF 334.44 FEET;
THENCE N 38°31'00" W A DISTANCE OF 281.30 FEET;
THENCE S 38°05'25" W A DISTANCE OF 176.53 FEET;
THENCE N 15°43'43" W A DISTANCE OF 246.53 FEET TO THE POINT OF BEGINNING.
SAID TRACT OF LAND CONTAINS 4.8925 ACRES, MORE OR LESS.
TOTAL SAID TRACTS OF LAND CONTAINS 71.6859 ACRES, MORE OF LESS.

WD2-106

LOTS 1, 2 AND 3 IN THE SE¼NE¼ AND NW¼NE¼ OF SECTION 25, TOWNSHIP 13 NORTH, RANGE 31 EAST,
N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 73.54 ACRES, MORE OR LESS, WITHIN SAID SECTION 25, AS CONVEYED TO THE NEW
MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27,
1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 21.16
ACRES, MORE OR LESS, WITHIN SAID SECTION 25, AS CONVEYED TO THE NEW MEXICO INTERSTATE
STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109,
PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

TOTAL SAID TRACTS OF LAND CONTAINS 30.22 ACRES, MORE OF LESS.

EXHIBIT "A"

WD2-107

SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ OF SECTION 1, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 167.72 ACRES, MORE OR LESS, WITHIN SAID SECTION 1, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 63.94 ACRES, MORE OR LESS, WITHIN SAID SECTION 1, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 27.0 ACRES, MORE OR LESS.

WD2-108

NE $\frac{1}{4}$ NE $\frac{1}{4}$, AND NW $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 2, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 14.62 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 12.99 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 52 NOMINAL ACRES, MORE OR LESS.

WD2-109

N $\frac{1}{2}$ NE $\frac{1}{4}$ OF SECTION 3, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 80 NOMINAL ACRES, MORE OR LESS.

WD2-110

E $\frac{1}{2}$ SE $\frac{1}{4}$ AND SE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 7, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

TRACT OF LAND CONTAINS 120 NOMINAL ACRES OF LAND, MORE OR LESS.

WD2-111

S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ AND S $\frac{1}{2}$ SW $\frac{1}{4}$ OF SECTION 8, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

TRACT OF LAND CONTAINS 200 NOMINAL ACRES OF LAND, MORE OR LESS.

WD2-112

NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ AND NE $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 10, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

EXHIBIT "A"

LESS AND EXCEPT 3.00 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 277 NOMINAL ACRES, MORE OR LESS.

WD2-113

ALL OF SECTION 11, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 0.18 ACRES, MORE OR LESS, CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; AND LESS AND EXCEPT 22.60 ACRES, MORE OR LESS, CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 618 NOMINAL ACRES, MORE OR LESS.

WD2-114

NW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, IN SECTION 12, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 293.43 ACRES, MORE OR LESS, WITHIN SAID SECTION 12, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 13.59 ACRES, MORE OR LESS, WITHIN SAID SECTION 12, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 50 ACRES, MORE OR LESS.

WD2-115

NW $\frac{1}{4}$, IN SECTION 13, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 136.79 ACRES, MORE OR LESS, WITHIN SAID SECTION 13, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 56.87 ACRES, MORE OR LESS, WITHIN SAID SECTION 13, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 58 ACRES, MORE OR LESS.

EXHIBIT "A"

WD2-116

N $\frac{1}{2}$ OF SECTION 14, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 437.38 ACRES, MORE OR LESS, WITHIN SAID SECTION 14, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 67.26 ACRES, MORE OR LESS, WITHIN SAID SECTION 14, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 133 NOMINAL ACRES, MORE OR LESS.

WD2-117

N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, AND LOT 3, IN SECTION 15, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 213.34 ACRES, MORE OR LESS, WITHIN SAID SECTION 15, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 43.72 ACRES, MORE OR LESS, WITHIN SAID SECTION 15, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 179 NOMINAL ACRES, MORE OR LESS.

WD2-118

N $\frac{1}{2}$ NE $\frac{1}{4}$ AND E $\frac{1}{2}$ NW $\frac{1}{4}$ OF SECTION 17, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 240 NOMINAL ACRES, MORE OR LESS.

WD2-119

W $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ AND SE $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 18, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 11.69 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 269 NOMINAL ACRES, MORE OR LESS.

WD2-120

N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ IN SECTION 19, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 314.99 ACRES, MORE OR LESS, WITHIN SAID SECTION 19, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 125.48

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EXHIBIT "A"

ACRES, MORE OR LESS, WITHIN SAID SECTION 19, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

TOTAL SAID TRACTS OF LAND CONTAINS 73 NOMINAL ACRES, MORE OR LESS.

WD2-121

SIX TRACTS OF LAND LOCATED WITHIN THE SW¼, SE¼NW¼, SW¼SE¼, NE¼SE¼ AND SE¼NE¼ OF SECTION 20, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 1321.60 FEET N00°03'53"E FROM THE SE CORNER OF SAID SECTION 20.
THENCE N 00°03'53" E A DISTANCE OF 448.56 FEET;
THENCE N 45°16'42" W A DISTANCE OF 143.02 FEET;
THENCE N 40°07'50" W A DISTANCE OF 465.20 FEET;
THENCE N 50°29'44" W A DISTANCE OF 936.11 FEET;
THENCE N 47°23'25" W A DISTANCE OF 283.27 FEET;
THENCE S 0°10'22" E A DISTANCE OF 1704.61 FEET;
THENCE N 89°27'44" E A DISTANCE OF 1326.63 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 33.8371 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1320.79 FEET S89°26'40"W FROM THE SE CORNER OF SAID SECTION 20,
THENCE S 89°26'40" W A DISTANCE OF 1320.79 FEET;
THENCE S 89°38'46" W A DISTANCE OF 913.36 FEET;
THENCE N 21°25'59" W A DISTANCE OF 90.99 FEET;
THENCE N 67°00'24" E A DISTANCE OF 661.68 FEET;
THENCE N 67°41'29" E A DISTANCE OF 444.05 FEET;
THENCE N 24°12'12" E A DISTANCE OF 899.55 FEET;
THENCE N 89°27'44" E A DISTANCE OF 874.30 FEET;
THENCE S 0°11'16" E A DISTANCE OF 1321.97 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 41.2593 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1320.79 FEET S89°26'40"W AND 1321.79 FEET N00°11'16"W AND 1322.38 FEET S89°27'44"W AND 680.00 FEET N00°13'26"W FROM THE SE CORNER OF SAID SECTION 20,
THENCE N 0°12'09" E A DISTANCE OF 900.30 FEET;
THENCE N 89°47'51" W A DISTANCE OF 9.24 FEET;
THENCE S 75°58'20" W A DISTANCE OF 438.14 FEET;
THENCE S 44°17'54" W A DISTANCE OF 457.44 FEET;
THENCE S 39°14'20" E A DISTANCE OF 337.22 FEET;
THENCE S 39°03'19" E A DISTANCE OF 189.24 FEET;
THENCE S 81°33'40" E A DISTANCE OF 55.94 FEET;
THENCE S 82°05'30" E A DISTANCE OF 366.20 FEET TO THE POINT OF BEGINNING.

EXHIBIT "A"

SAID TRACT OF LAND CONTAINS 10.7627 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 913.36 FEET S89°38'46"W AND 90.99 FEET N21°25'59"W FROM THE S ¼ CORNER OF SAID SECTION 20,
THENCE N 67°00'24" E A DISTANCE OF 661.68 FEET;
THENCE N 67°41'29" E A DISTANCE OF 444.05 FEET;
THENCE N 24°12'12" E A DISTANCE OF 899.55 FEET;
THENCE S 89°27'44" W A DISTANCE OF 448.08 FEET;
THENCE N 87°49'19" W A DISTANCE OF 526.86 FEET;
THENCE N 59°07'59" W A DISTANCE OF 580.81 FEET;
THENCE N 33°37'29" W A DISTANCE OF 646.86 FEET;
THENCE S 67°11'05" W A DISTANCE OF 422.75 FEET;
THENCE S 38°03'24" W A DISTANCE OF 703.13 FEET;
THENCE S 32°00'18" E A DISTANCE OF 353.77 FEET;
THENCE N 51°23'15" E A DISTANCE OF 439.11 FEET;
THENCE S 21°20'13" E A DISTANCE OF 772.71 FEET;
THENCE S 52°23'00" E A DISTANCE OF 369.21 FEET;
THENCE S 21°25'59" E A DISTANCE OF 441.86 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 55.9877 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1770.16 FEET N00°03'55"E FROM THE SE CORNER OF SAID SECTION 20,
THENCE N 2°44'48" W A DISTANCE OF 294.57 FEET;
THENCE N 43°59'40" W A DISTANCE OF 376.40 FEET;
THENCE N 66°10'21" W A DISTANCE OF 317.53 FEET;
THENCE N 43°29'52" W A DISTANCE OF 462.17 FEET;
THENCE N 84°27'19" W A DISTANCE OF 240.71 FEET;
THENCE S 50°29'44" E A DISTANCE OF 936.11 FEET;
THENCE S 40°07'50" E A DISTANCE OF 465.20 FEET;
THENCE S 45°16'42" E A DISTANCE OF 143.02 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 4.2926 ACRES, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1321.60 FEET N00°03'55"E AND 2649.01 FEET S89°27'44"W AND 397.01 FEET N00°13'26"W FROM THE SE CORNER OF SAID SECTION 20,
THENCE N 0°14'57" W A DISTANCE OF 282.99 FEET;
THENCE N 82°05'30" W A DISTANCE OF 366.20 FEET;
THENCE N 81°33'40" W A DISTANCE OF 55.94 FEET;
THENCE N 39°03'19" W A DISTANCE OF 189.24 FEET;
THENCE N 39°14'20" W A DISTANCE OF 337.22 FEET;
THENCE N 44°17'54" E A DISTANCE OF 457.44 FEET;

EXHIBIT "A"

THENCE N 75°58'20" E A DISTANCE OF 438.14 FEET;
THENCE N 82°16'27" W A DISTANCE OF 486.32 FEET;
THENCE S 27°45'38" W A DISTANCE OF 563.88 FEET;
THENCE S 22°46'03" E A DISTANCE OF 297.16 FEET;
THENCE S 39°37'05" E A DISTANCE OF 353.82 FEET;
THENCE S 63°42'29" E A DISTANCE OF 458.67 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINS 4.5815 ACRES OF LAND, MORE OR LESS.

TOTAL SAID TRACTS OF LAND CONTAINS 151 ACRES, MORE OR LESS.

WD2-122

S½SW¼ OF SECTION 21, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 293.73 ACRES, MORE OR LESS, WITHIN SAID SECTION 21, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 185.95 ACRES, MORE OR LESS, WITHIN SAID SECTION 21, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 35 ACRES, MORE OR LESS.

WD2-125

A TRACT OF LAND LOCATED WITHIN THE SW¼SW¼ OF SECTION 24, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SW CORNER OF SAID SECTION 24,

THENCE ALONG THE EAST LINE OF SAID SECTION 24, N 00°05'28" W A DISTANCE OF 511.12 FEET;

THENCE ALONG AN ARC 519.60 FEET TO THE RIGHT, HAVING A RADIUS OF 1150.00 FEET, A CENTRAL ANGLE OF 25°53'16" AND A CHORD BEARING S 67°56'18" E FOR A DISTANCE OF 515.19 FEET;

THENCE S 54°59'39" E A DISTANCE OF 320.86 FEET;

THENCE ALONG AN ARC 284.47 FEET TO THE LEFT, HAVING A RADIUS OF 890.00 FEET, A CENTRAL ANGLE OF 18°18'49" AND A CHORD BEARING S 64°09'04" E FOR A DISTANCE OF 283.26 FEET TO A POINT ON THE SOUTH LINE OF SECTION 24;

THENCE ALONG THE SOUTH LINE OF SECTION 24, S 89°25'17" W A DISTANCE OF 994.44 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 6.3854 ACRES, MORE OR LESS.

EXHIBIT "A"

WD2-126

E½NE¼, S½, W½NW¼ AND NE¼NW¼ OF SECTION 25, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 14.50 ACRES, MORE OR LESS, CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT THOSE LANDS TOTALING APPROXIMATELY 4 ACRES WITHIN UTE LAKE RANCH FILING NO. 2 AS RECORDED IN THE OFFICE OF THE COUNTY CLERK, QUAY COUNTY, NEW MEXICO, ON DECEMBER 27, 2007 AS DOCUMENT NO. 200712270005.

SAID TRACT OF LAND CONTAINS 501 ACRES, MORE OR LESS.

WD2-128

SE¼, E½SW¼, AND SE¼NW¼ IN SECTION 27, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 172.96 ACRES, MORE OR LESS, WITHIN SAID SECTION 27, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION AS DESIGNATED IN WARRANTY DEED FILED MARCH 27, 1963 IN BOOK 85, PAGE 416-449, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 110.91 ACRES, MORE OR LESS, WITHIN SAID SECTION 27, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT 0.221 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN SPECIAL WARRANTY DEED FILED OCTOBER 17, 2007 IN DOCUMENT NUMBER 200710170014, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT THOSE LANDS TOTALING APPROXIMATELY 142 ACRES WITHIN UTE LAKE RANCH FILING NO. 1 REPLAT AS RECORDED IN THE OFFICE OF THE COUNTY CLERK, QUAY COUNTY, NEW MEXICO, ON MAY 16, 2008 AS DOCUMENT NO. 200805160001.

SAID TRACT OF LAND CONTAINS 95 ACRES, MORE OR LESS.

WD2-129

A TRACT OF LAND IN THE NE¼NW¼ OF SECTION 28, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 1314.30 FEET N89°48'14"E AND 420.32 FEET S00°15'56"E FROM THE NW CORNER OF SAID SECTION 28,

THENCE N 79°16'25" E A DISTANCE OF 576.20 FEET;

THENCE S 16°31'45" W A DISTANCE OF 321.33 FEET;

THENCE S 83°11'58" W A DISTANCE OF 476.88 FEET;

THENCE N 0°15'52" W A DISTANCE OF 257.28 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 3.2884 ACRES, MORE OR LESS.

EXHIBIT "A"

WD2-130

NINE TRACTS OF LAND IN N $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, AND S $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 29, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE N $\frac{1}{4}$ CORNER OF SAID SECTION 29,
THENCE S 89°38'46" W A DISTANCE OF 913.36 FEET;
THENCE S 12°41'35" E A DISTANCE OF 706.34 FEET;
THENCE N 75°09'53" E A DISTANCE OF 354.05 FEET;
THENCE N 19°24'54" E A DISTANCE OF 352.90 FEET;
THENCE N 47°44'53" E A DISTANCE OF 403.38 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 8.3990 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1324.07 FEET S89°38'46"W AND 1019.11 FEET S00°14'53"E FROM THE N $\frac{1}{4}$ CORNER OF SAID SECTION 29,
THENCE S 81°50'59" E A DISTANCE OF 314.84 FEET;
THENCE S 38°38'12" W A DISTANCE OF 288.76 FEET;
THENCE N 25°55'37" W A DISTANCE OF 300.43 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 0.8992 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT THE SW CORNER OF SAID SECTION 29,
THENCE N 89°28'48" E A DISTANCE OF 503.26 FEET;
THENCE N 6°50'47" W A DISTANCE OF 596.86 FEET;
THENCE N 64°41'25" W A DISTANCE OF 267.66 FEET;
THENCE N 0°53'27" E A DISTANCE OF 116.68 FEET;
THENCE N 48°59'03" W A DISTANCE OF 263.14 FEET;
THENCE S 0°22'42" E A DISTANCE OF 397.80 FEET;
THENCE S 24°51'33" E A DISTANCE OF 508.54 FEET;
THENCE S 55°57'20" W A DISTANCE OF 253.20 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINS 6.7018 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 503.26 FEET N89°28'48"E AND 596.86 FEET N06°50'47"W AND 637.45 FEET N15°56'06"E FROM THE SW CORNER OF SAID SECTION 29,
THENCE N 8°46'58" E A DISTANCE OF 258.99 FEET;
THENCE S 34°47'25" E A DISTANCE OF 843.90 FEET;
THENCE N 6°31'57" W A DISTANCE OF 353.69 FEET;
THENCE N 20°47'09" W A DISTANCE OF 442.71 FEET;
THENCE S 32°05'58" E A DISTANCE OF 305.97 FEET;

EXHIBIT "A"

THENCE S 83°14'22" E A DISTANCE OF 250.06 FEET;
THENCE S 63°43'51" W A DISTANCE OF 283.03 FEET;
THENCE S 6°31'57" E A DISTANCE OF 353.69 FEET;
THENCE S 5°00'53" E A DISTANCE OF 449.31 FEET;
THENCE N 21°13'04" W A DISTANCE OF 596.44 FEET;
THENCE N 46°20'38" W A DISTANCE OF 476.12 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINS 3.5730 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 488.39 FEET S80°18'14"E AND 396.02 FEET S02°58'23"E FROM THE W ¼ CORNER OF SAID SECTION 29,
THENCE S 61°29'11" W A DISTANCE OF 458.49 FEET;
THENCE S 50°10'44" E A DISTANCE OF 317.48 FEET;
THENCE S 32°26'10" W A DISTANCE OF 607.90 FEET;
THENCE N 61°49'59" E A DISTANCE OF 282.41 FEET;
THENCE N 11°28'30" E A DISTANCE OF 387.50 FEET;
THENCE N 20°38'30" E A DISTANCE OF 451.14 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINS 2.5201 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT THE SW CORNER OF SAID SECTION 29,
THENCE N 55°57'20" E A DISTANCE OF 253.20 FEET;
THENCE N 24°51'33" W A DISTANCE OF 508.54 FEET;
THENCE S 0°22'42" E A DISTANCE OF 603.18 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINS 1.4590 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 1000.98 FEET N 0°22'42" W FROM THE SW CORNER OF SAID SECTION 29,
THENCE S 48°59'03" E A DISTANCE OF 263.14 FEET;
THENCE N 0°53'27" E A DISTANCE OF 280.74 FEET;
THENCE N 11°28'30" E A DISTANCE OF 261.68 FEET;
THENCE S 61°49'59" W A DISTANCE OF 282.41 FEET;
THENCE N 32°26'10" E A DISTANCE OF 607.90 FEET;
THENCE N 50°10'44" W A DISTANCE OF 317.48 FEET;
THENCE N 61°29'01" E A DISTANCE OF 458.49 FEET;
THENCE N 2°58'23" W A DISTANCE OF 396.02 FEET;
THENCE N 80°18'14" W A DISTANCE OF 488.39 FEET;
THENCE S 0°22'42" E A DISTANCE OF 1644.18 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINS 11.2804 ACRES OF LAND, MORE OR LESS.

EXHIBIT "A"

TOGETHER WITH:

BEGINNING AT THE NE CORNER OF SAID SECTION 29,
THENCE S 89°26'40" W A DISTANCE OF 2641.58 FEET;
THENCE S 47°44'53" W A DISTANCE OF 403.38 FEET;
THENCE S 19°24'54" W A DISTANCE OF 352.90 FEET;
THENCE S 75°09'53" W A DISTANCE OF 354.05 FEET;
THENCE N 12°41'35" W A DISTANCE OF 706.34 FEET;
THENCE S 59°32'44" W A DISTANCE OF 301.96 FEET;
THENCE S 54°08'01" E A DISTANCE OF 302.94 FEET;
THENCE S 56°48'43" W A DISTANCE OF 470.04 FEET;
THENCE S 11°19'29" E A DISTANCE OF 105.96 FEET;
THENCE S 0°38'01" W A DISTANCE OF 142.89 FEET;
THENCE S 51°47'32" E A DISTANCE OF 374.54 FEET;
THENCE S 38°38'12" W A DISTANCE OF 288.76 FEET;
THENCE N 25°55'37" W A DISTANCE OF 300.43 FEET;
THENCE S 0°24'50" E A DISTANCE OF 301.82 FEET;
THENCE N 89°31'11" E A DISTANCE OF 3970.20 FEET;
THENCE N 0°29'02" W A DISTANCE OF 1321.46 FEET TO THE POINT OF BEGINNING.

TRACT CONTAINS 106.8684 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT THE SE CORNER OF SAID SECTION 29,
THENCE ALONG THE EASTERLY LINE OF THE TRACT HEREIN DESCRIBED, COINCIDENT WITH THE
EASTERLY LINE OF SAID SECTION 29 N 0°27'58" W A DISTANCE OF 1301.95 FEET;
THENCE S 89°50'30" W A DISTANCE OF 3968.17 FEET;
THENCE N 0°25'40" W A DISTANCE OF 900.30 FEET;
THENCE N 56°51'55" W A DISTANCE OF 326.67 FEET;
THENCE S 8°59'59" W A DISTANCE OF 483.46 FEET;
THENCE S 40°59'57" E A DISTANCE OF 241.13 FEET;
THENCE S 41°35'30" W A DISTANCE OF 286.10 FEET;
THENCE S 32°05'58" E A DISTANCE OF 305.97 FEET;
THENCE S 83°14'22" E A DISTANCE OF 250.06 FEET;
THENCE S 63°43'51" W A DISTANCE OF 283.03 FEET;
THENCE S 6°31'57" E A DISTANCE OF 353.69 FEET;
THENCE S 5°00'53" E A DISTANCE OF 449.31 FEET;
THENCE N 21°13'04" W A DISTANCE OF 596.44 FEET;
THENCE N 46°20'38" W A DISTANCE OF 476.12 FEET;
THENCE S 15°56'06" W A DISTANCE OF 637.45 FEET;
THENCE S 6°50'47" E A DISTANCE OF 596.86 FEET;
THENCE ALONG THE SOUTHERLY BOUNDARY OF THE TRACT HEREIN DESCRIBED, COINCIDENT WITH THE
SOUTHERLY LINE OF SAID SECTION 29 N 89°28'48" E A DISTANCE OF 2153.44 FEET TO THE SOUTH
QUARTER CORNER OF SAID SECTION 29;
THENCE CONTINUING ALONG THE SOUTHERLY BOUNDARY OF THE TRACT HEREIN DESCRIBED,
COINCIDENT WITH THE SOUTHERLY LINE OF SAID SECTION 29 N 89°36'42" E A DISTANCE OF 2640.65
FEET TO THE POINT OF BEGINNING.

EXHIBIT "A"

TRACT CONTAINS 145.9724 ACRES OF LAND, MORE OR LESS.

TOTAL SAID TRACTS OF LAND CONTAINS 287.6733 ACRES, MORE OR LESS.

WD2-131

FOUR TRACTS OF LAND WITHIN LOT 5 (NW $\frac{1}{4}$ SW $\frac{1}{4}$), E $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, AND E $\frac{1}{2}$ SW $\frac{1}{4}$ OF SECTION 30, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 603.18 FEET N00°22'42"W FROM THE SE CORNER OF SAID SECTION 30, THENCE N 0°22'42" W A DISTANCE OF 397.80 FEET;
THENCE S 58°28'35" W A DISTANCE OF 285.20 FEET;
THENCE S 44°39'34" E A DISTANCE OF 349.61 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 1.1146 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT S 00°31'00" E A DISTANCE OF 356.90 FEET;
THENCE S 85°07'37" E A DISTANCE OF 165.07 FEET;
THENCE N 77°15'40" E A DISTANCE OF 333.50 FEET;
THENCE N 70°35'17" E A DISTANCE OF 275.04 FEET;
THENCE S 57°38'14" E A DISTANCE OF 429.01 FEET;
THENCE N 73°16'05" E A DISTANCE OF 222.94 FEET FROM THE WEST $\frac{1}{4}$ CORNER OF SAID SECTION 30,
THENCE N 80°42'33" E A DISTANCE OF 459.45 FEET;
THENCE S 28°32'03" W A DISTANCE OF 267.44 FEET;
THENCE N 63°43'29" W A DISTANCE OF 363.20 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 1.1141 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

BEGINNING AT A POINT 963.15 FEET S89°39'05"W FROM THE NE CORNER OF SAID SECTION 30,
THENCE S 89°39'05" W A DISTANCE OF 77.71 FEET;
THENCE S 9°07'45" E A DISTANCE OF 84.70 FEET;
THENCE S 50°49'09" W A DISTANCE OF 327.23 FEET;
THENCE S 82°31'20" E A DISTANCE OF 391.68 FEET;
THENCE N 11°38'31" W A DISTANCE OF 348.98 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 1.4648 ACRES OF LAND, MORE OR LESS.

TOGETHER WITH:

EXHIBIT "A"

BEGINNING AT A POINT 552.75 FEET S89°39'05"W FROM THE NE CORNER OF SAID SECTION 30,
THENCE S 44°38'15" W A DISTANCE OF 483.86 FEET;
THENCE N 82°31'20" W A DISTANCE OF 391.68 FEET;
THENCE N 50°49'09" E A DISTANCE OF 327.23 FEET;
THENCE N 09°07'45" W A DISTANCE OF 84.70 FEET;
THENCE S 89°39'05" W A DISTANCE OF 1232.25 FEET;
THENCE S 02°15'05" W A DISTANCE OF 300.65 FEET;
THENCE S 63°46'15" E A DISTANCE OF 559.75 FEET;
THENCE S 56°45'28" W A DISTANCE OF 224.82 FEET;
THENCE S 22°16'09" E A DISTANCE OF 496.68 FEET;
THENCE S 68°46'05" E A DISTANCE OF 469.88 FEET;
THENCE S 03°37'26" E A DISTANCE OF 496.44 FEET;
THENCE N 66°57'16" W A DISTANCE OF 603.75 FEET;
THENCE S 18°21'36" W A DISTANCE OF 882.47 FEET;
THENCE N 76°09'51" W A DISTANCE OF 220.05 FEET;
THENCE N 29°22'22" W A DISTANCE OF 347.79 FEET;
THENCE N 27°22'00" W A DISTANCE OF 834.69 FEET;
THENCE S 75°31'22" W A DISTANCE OF 383.39 FEET;
THENCE S 79°27'39" W A DISTANCE OF 323.33 FEET;
THENCE S 88°51'14" W A DISTANCE OF 221.19 FEET;
THENCE S 73°05'09" W A DISTANCE OF 185.69 FEET;
THENCE S 28°51'37" E A DISTANCE OF 148.64 FEET;
THENCE S 78°58'12" E A DISTANCE OF 449.35 FEET;
THENCE S 29°41'29" E A DISTANCE OF 320.56 FEET;
THENCE S 39°40'00" W A DISTANCE OF 546.19 FEET;
THENCE S 25°08'00" W A DISTANCE OF 657.31 FEET;
THENCE N 80°42'33" E A DISTANCE OF 459.45 FEET;
THENCE S 28°32'03" W A DISTANCE OF 267.44 FEET;
THENCE N 63°43'29" W A DISTANCE OF 363.20 FEET;
THENCE S 73°16'05" W A DISTANCE OF 222.94 FEET;
THENCE N 57°38'14" W A DISTANCE OF 429.01 FEET;
THENCE S 70°35'17" W A DISTANCE OF 275.04 FEET;
THENCE S 77°15'40" W A DISTANCE OF 333.50 FEET;
THENCE N 85°07'37" W A DISTANCE OF 165.06 FEET;
THENCE S 00°30'00" E A DISTANCE OF 966.07 FEET;
THENCE N 89°43'31" E A DISTANCE OF 1318.05 FEET;
THENCE S 00°47'42" E A DISTANCE OF 1322.91 FEET;
THENCE N 89°43'17" E A DISTANCE OF 3974.56 FEET;
THENCE N 00°22'42" W A DISTANCE OF 603.18 FEET;
THENCE N 44°39'34" W A DISTANCE OF 349.61 FEET;
THENCE N 58°28'35" E A DISTANCE OF 285.20 FEET;
THENCE N 00°22'42" W A DISTANCE OF 1644.18 FEET;
THENCE N 00°23'26" W A DISTANCE OF 2302.79 FEET;
THENCE N 75°36'25" W A DISTANCE OF 214.82 FEET;
THENCE S 11°01'40" E A DISTANCE OF 436.43 FEET;
THENCE S 76°15'45" W A DISTANCE OF 241.14 FEET;
THENCE S 47°14'53" W A DISTANCE OF 248.33 FEET;
THENCE N 05°25'00" E A DISTANCE OF 355.21 FEET;

EXHIBIT "A"

THENCE S 71°01'54" W A DISTANCE OF 483.53 FEET;
THENCE N 25°25'48" E A DISTANCE OF 251.51 FEET;
THENCE S 78°40'16" E A DISTANCE OF 356.21 FEET;
THENCE N 04°39'06" W A DISTANCE OF 584.46 FEET TO THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 404.6045 ACRES OF LAND, MORE OR LESS.

TOTAL SAID TRACTS OF LAND CONTAINS 411.1774 ACRES, MORE OR LESS.

WD2-132

E½, E½W½ AND SW¼SW¼ OF SECTION 31, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 520 ACRES, MORE OR LESS.

WD2-133

N½NW¼ IN SECTION 32, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO.

SAID TRACT OF LAND CONTAINS 80 NOMINAL ACRES, MORE OR LESS.

WD2-134

E½, E½SW¼, SW¼SW¼, AND SE¼NW¼ OF SECTION 34, TOWNSHIP 13 NORTH, RANGE 32 EAST, N.M.P.M., QUAY COUNTY, NEW MEXICO;

LESS AND EXCEPT 22.18 ACRES, MORE OR LESS, AS CONVEYED TO THE NEW MEXICO INTERSTATE STREAM COMMISSION, AS DESIGNATED IN WARRANTY DEED FILED JANUARY 15, 1987 IN BOOK 109, PAGES 763-1001, RECORDS OF QUAY COUNTY, NEW MEXICO; LESS AND EXCEPT THOSE LANDS TOTALING APPROXIMATELY 12 ACRES WITHIN UTE LAKE RANCH FILING NO. 1 REPLAT (ULR1) AS RECORDED IN THE OFFICE OF THE COUNTY CLERK, QUAY COUNTY, NEW MEXICO, ON MAY 16, 2008 AS DOCUMENT NO. 200805160001; LESS AND EXCEPT A TRACT OF LAND TOTALING APPROXIMATELY 1.82 ACRES, MORE OR LESS, WITHIN NE¼SE¼, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID SECTION 34, 1900.68 FEET N 00°22'24" W FROM THE SE CORNER OF SAID SECTION 34, ALSO SAID POINT BEING A POINT ON A BOUNDARY LINE OF ULR1;

THENCE ALONG THE EAST LINE IS SAID SECTION 34, N 00°21'58" W A DISTANCE OF 468.74 FEET TO A POINT ON A BOUNDARY LINE OF SAID ULR1;

THENCE CONTINUING ALONG A BOUNDARY LINE OF SAID ULR1, S 36°40'05" W A DISTANCE OF 454.27 FEET;

THENCE CONTINUING ALONG A BOUNDARY LINE OF SAID ULR1, S 34°23'22" E A DISTANCE OF 183.39 FEET;

EXHIBIT "A"

THENCE CONTINUING ALONG A BOUNDARY LINE OF SAID ULR1, N 74°36'35" E A DISTANCE OF 177.04 FEET TO THE EAST LINE OF SAID SECTION 34 AND THE POINT OF BEGINNING.

SAID TRACT OF LAND CONTAINS 446 ACRES, MORE OR LESS.

EXHIBIT "A"

PARCELA - BHI LEGAL

A tract of land situate within Section 23, 26, 34, and 35, Township 13 North, Range 32 East, N.M.P.M., Quay County, New Mexico, described as follows:

BEGINNING at a point on the East line of the tract herein described, also said point being the NE corner of said Section 26;

THENCE continuing along the East line of said tract, also being the East line of said Section 26, South $00^{\circ}05'28''$ East a distance of 5315.52 feet to a point on the East line of said tract, also said point being the SE corner of said Section 26;

THENCE continuing along the East line of said tract, also being the East line of said Section 35, South $00^{\circ}09'54''$ West a distance of 2291.12 feet to the Southeast corner of said tract, also said point being a point on the southeasterly boundary line of UTE LAKE RANCH FILING NO. 1 REPLAT, as recorded in the Office of the County Clerk, Quay County, New Mexico, on May 16, 2008 as document No. 200805160001;

THENCE leaving the East line of said tract and the East line of said Section 35, coincident with the southeasterly boundary of said UTE LAKE RANCH FILING NO. 1 REPLAT, the following courses:

South $89^{\circ}11'22''$ West a distance of 659.29 feet;

THENCE along an arc 895.57 feet to the left, having a radius of 1550.00 feet, the chord of which is South $72^{\circ}38'13''$ West for a distance of 883.16 feet;

THENCE South $56^{\circ}05'04''$ West a distance of 205.20 feet;

THENCE along an arc 291.10 feet to the right, having a radius of 1450.00 feet, the chord of which is South $61^{\circ}50'09''$ West for a distance of 290.61 feet,

THENCE South $67^{\circ}35'13''$ West a distance of 320.00 feet;

THENCE along an arc 1296.41 feet to the right, having a radius of 3105.57 feet, the chord of which is South $79^{\circ}32'46''$ West for a distance of 1287.02 feet,

THENCE North $88^{\circ}29'42''$ West a distance of 457.31 feet;

THENCE along an arc 1242.96 feet to the left, having a radius of 4215.14 feet, the chord of which is South $83^{\circ}03'27''$ West for a distance of 1238.46 feet,

THENCE South $74^{\circ}36'35''$ West a distance of 265.05 feet;

THENCE North $34^{\circ}23'22''$ West a distance of 183.39 feet;

THENCE North $36^{\circ}40'05''$ East a distance of 1065.95 feet;

THENCE along an arc 180.01 feet to the right, having a radius of 626.64 feet, the chord of which is North $46^{\circ}12'01''$ East for a distance of 179.39 feet;

THENCE North $54^{\circ}25'46''$ East a distance of 143.43 feet;

THENCE along an arc 432.69 feet to the left, having a radius of 594.40 feet, the chord of which is North $33^{\circ}34'31''$ East for a distance of 423.20 feet;

THENCE North $87^{\circ}03'47''$ East a distance of 68.61 feet;

THENCE North $11^{\circ}10'05''$ East a distance of 129.80 feet;

THENCE North $56^{\circ}41'58''$ West a distance of 71.40 feet;

THENCE North $11^{\circ}14'12''$ East a distance of 14.48 feet;

THENCE along an arc 295.99 feet to the right, having a radius of 686.68 feet, the chord of which is North $23^{\circ}00'31''$ East for a distance of 293.70 feet;

EXHIBIT "A"

THENCE South 49°12'28" East a distance of 271.36 feet;
THENCE North 40°51'28" East a distance of 588.16 feet;
THENCE North 37°37'27" East a distance of 633.52 feet;
THENCE North 26°37'21" East a distance of 336.90 feet;
THENCE North 10°07'18" East a distance of 359.31 feet;
THENCE North 01°40'55" West a distance of 645.63 feet;
THENCE North 05°35'20" West a distance of 613.06 feet;
THENCE North 18°04'10" West a distance of 176.52 feet;
THENCE North 33°43'29" West a distance of 291.97 feet;
THENCE North 46°36'00" West a distance of 231.07 feet;
THENCE North 08°34'29" West a distance of 426.12 feet;
THENCE North 00°00'00" West a distance of 156.40 feet;
THENCE North 21°54'15" West a distance of 398.43 feet;
THENCE North 28°02'04" West a distance of 119.08 feet;
THENCE South 55°50'04" West a distance of 275.00 feet;
THENCE along an arc 181.51 feet to the left, having a radius of 282.48 feet, the chord of which is North 52°34'15" West for a distance of 178.40 feet;
THENCE North 71°42'10" West a distance of 185.71 feet;
THENCE along an arc 208.17 feet to the left, having a radius of 1469.14 feet, the chord of which is North 75°45'43" West for a distance of 208.00 feet;
THENCE North 79°49'16" West a distance of 140.51 feet;
THENCE along an arc 102.75 feet to the right, having a radius of 85.17 feet, the chord of which is North 45°15'37" West for a distance of 96.63 feet;
THENCE North 10°41'57" West a distance of 94.16 feet;
THENCE along an arc 335.17 feet to the left, having a radius of 297.78 feet, the chord of which is North 42°56'42" West for a distance of 317.76 feet;
THENCE North 75°11'26" West a distance of 13.67 feet;
THENCE North 14°48'34" East a distance of 67.76 feet;
THENCE along an arc 341.32 feet to the right, having a radius of 440.00 feet, the chord of which is North 37°01'57" East for a distance of 332.83 feet;
THENCE North 59°15'21" East a distance of 584.38 feet;
THENCE along an arc 159.77 feet to the right, having a radius of 940.00 feet, the chord of which is North 64°07'31" East for a distance of 159.58 feet;
THENCE along an arc 399.13 feet to the left, having a radius of 240.00 feet, the chord of which is North 21°21'09" East for a distance of 354.70 feet;
THENCE along an arc 397.48 feet to the right, having a radius of 440.00 feet, the chord of which is North 00°24'36" West for a distance of 384.10 feet;
THENCE along an arc 109.56 feet to the left, having a radius of 360.00 feet, the chord of which is North 16°45'03" East for a distance of 109.14 feet to the northwesterly corner of said tract, coincident with the southerly boundary of SPECIAL WARRANTY DEED OF UTE LAKE RANCH FILING NO. 2, filed in the

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EXHIBIT "A"

office of the County Clerk of Quay County, New Mexico on December 27, 2007, as Document Number 20071227005;

THENCE leaving said UTE LAKE RANCH FILING NO.1 REPLAT and continuing along the northerly boundary of said tract, coincident with the southerly boundary of said UTE LAKE RANCH FILING NO. 2, the following courses;

South 90°00'00" East a distance of 1055.20 feet;

THENCE along an arc 487.67 feet to the left, having a radius of 2050.00 feet, the chord of which is North 83°11'06" East for a distance of 486.52 feet;

THENCE North 76°22'12" East a distance of 220.13 feet;

THENCE along an arc 262.22 feet to the left, having a radius of 800.00 feet, the chord of which is North 66°58'47" East for a distance of 261.05 feet;

THENCE North 57°35'23" East a distance of 168.13 feet;

THENCE along an arc 286.35 feet to the right, having a radius of 700.00 feet, the chord of which is North 69°18'31" East for a distance of 284.36 feet;

THENCE North 81°01'40" East a distance of 160.00 feet;

THENCE along an arc 543.06 feet to the left, having a radius of 1210.00 feet, the chord of which is North 68°10'14" East for a distance of 538.51 feet;

THENCE North 55°18'48" East a distance of 109.41 feet;

THENCE along an arc 879.21 feet to the right, having a radius of 1150.00 feet, the chord of which is North 77°12'56" East for a distance of 857.96 feet to the northeasterly corner of said tract, also said point being the southeast corner of said UTE LAKE RANCH FILING NO.2, also said point being on the east line of said Section 23;

THENCE leaving said UTE LAKE RANCH FILING NO. 2 and continuing along the easterly boundary of said tract, also being the east line of said Section 23, South 00°05'28" East a distance of 511.12 feet to the point of beginning.

This tract contains 730.2384 acres, more or less.

EXHIBIT "A"

QCD1-139

E $\frac{1}{2}$ SW $\frac{1}{4}$ AND W $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 15, TOWNSHIP 14 NORTH, RANGE 31 EAST, N.M.P.M., HARDING COUNTY, NEW MEXICO.

TRACT CONTAINS 160 NOMINAL ACRES, MORE OR LESS.

QCD1-140

NE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, AND SE $\frac{1}{4}$ OF SECTION 23, TOWNSHIP 14 NORTH, RANGE 31 EAST, N.M.P.M., HARDING COUNTY, NEW MEXICO.

TRACT CONTAINS 280 NOMINAL ACRES, MORE OR LESS.

QCD1-141

S $\frac{1}{2}$ NE $\frac{1}{4}$, AND S $\frac{1}{2}$ OF SECTION 24, TOWNSHIP 14 NORTH, RANGE 31 EAST, N.M.P.M., HARDING COUNTY, NEW MEXICO.

TRACT CONTAINS 400 NOMINAL ACRES, MORE OR LESS.

QCD1-142

ALL OF SECTION 25, TOWNSHIP 14 NORTH, RANGE 31 EAST, N.M.P.M., HARDING COUNTY, NEW MEXICO.

TRACT CONTAINS 640 NOMINAL ACRES, MORE OR LESS.

QCD1-143

E $\frac{1}{2}$ AND E $\frac{1}{2}$ NW $\frac{1}{4}$ OF SECTION 26, TOWNSHIP 14 NORTH, RANGE 31 EAST, N.M.P.M., HARDING COUNTY, NEW MEXICO.

TRACT CONTAINS 400 NOMINAL ACRES, MORE OR LESS.

QCD1-144

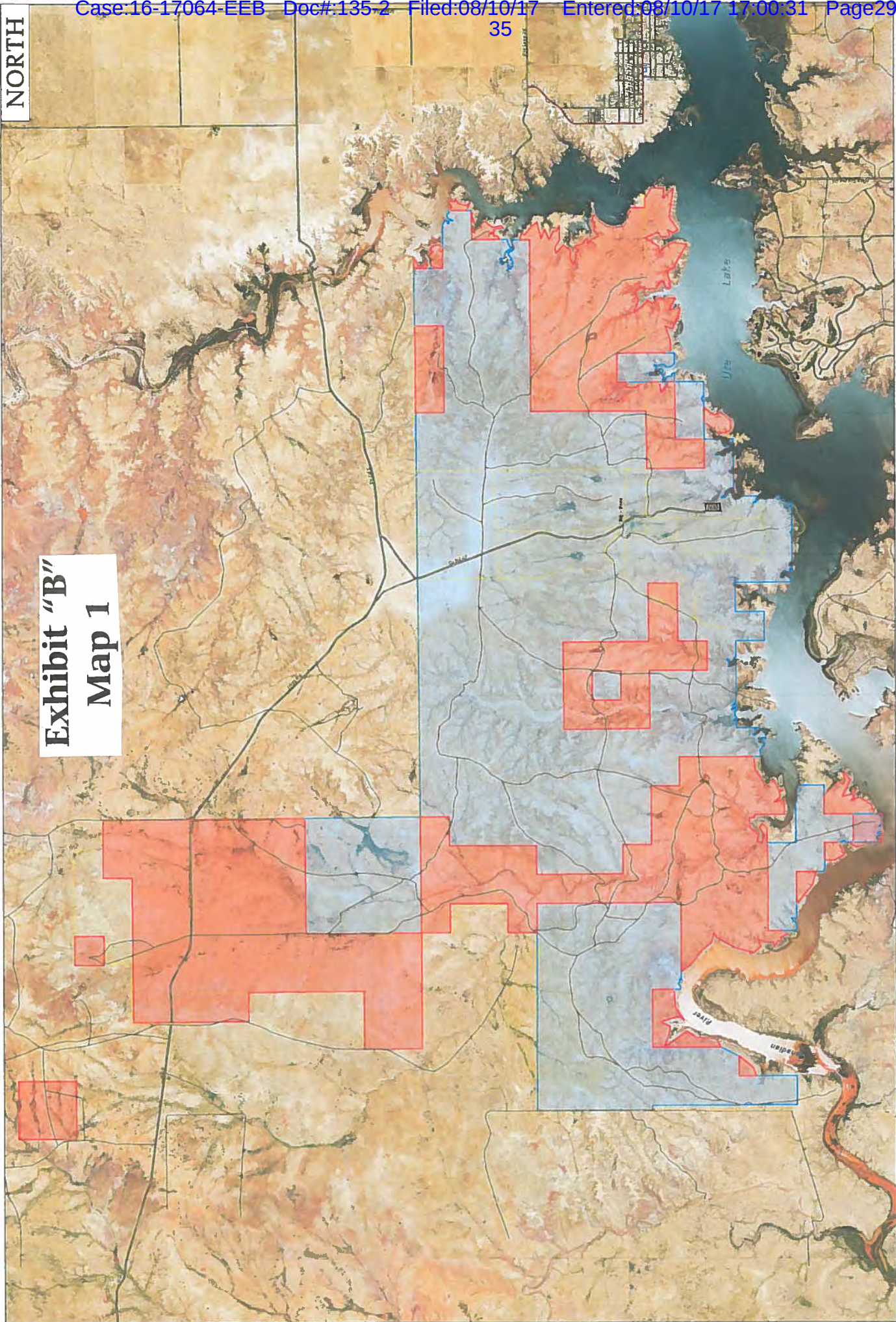
E $\frac{1}{2}$ AND SW $\frac{1}{4}$ OF SECTION 35, TOWNSHIP 14 NORTH, RANGE 31 EAST, N.M.P.M., HARDING COUNTY, NEW MEXICO.

TRACT CONTAINS 480 NOMINAL ACRES, MORE OR LESS.

EXHIBIT B

NORTH

Exhibit "B" Map 1



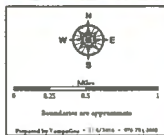
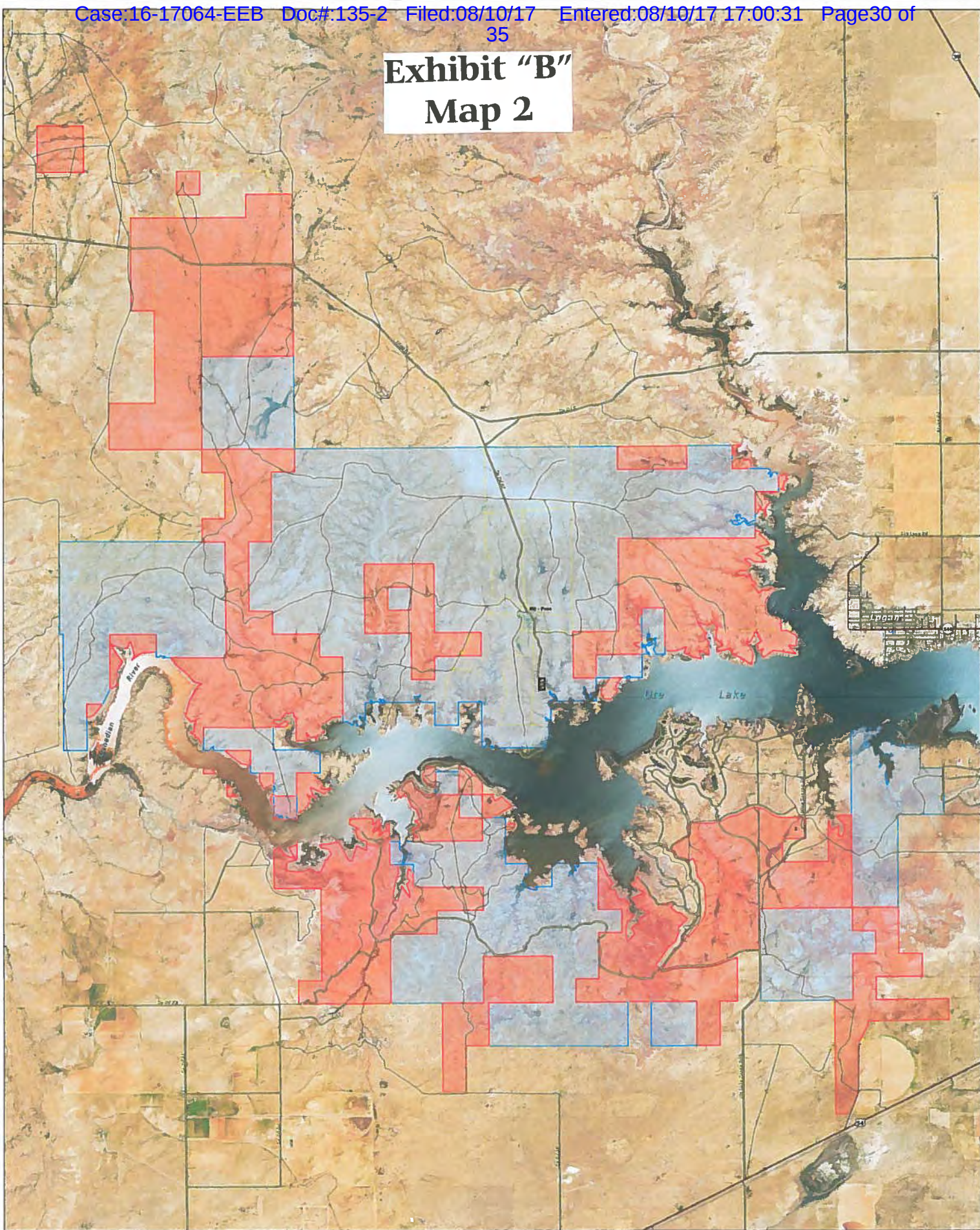
UTE LAKE RANCH

LOGAN, NEW MEXICO

Map is for Visual Aid Only Refer to Legal Description



Exhibit "B" Map 2



ULR Deded Land ULR State Lease
Fences

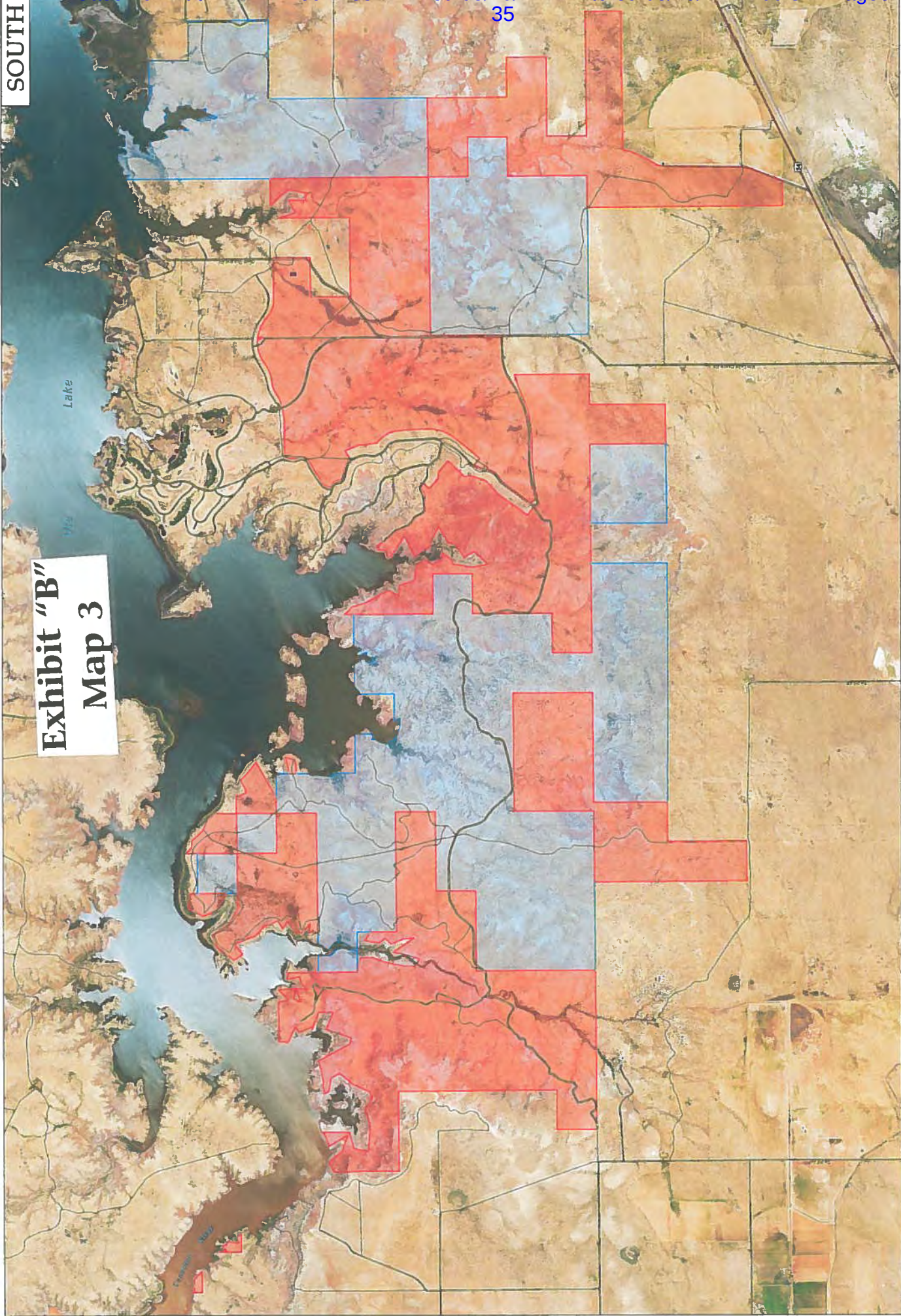
UTE LAKE RANCH

Logan, New Mexico

• Map Is For Visual Aid Only Refer to Legal Descriptions •

SOUTH

Exhibit "B" Map 3

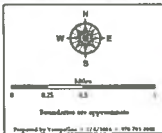
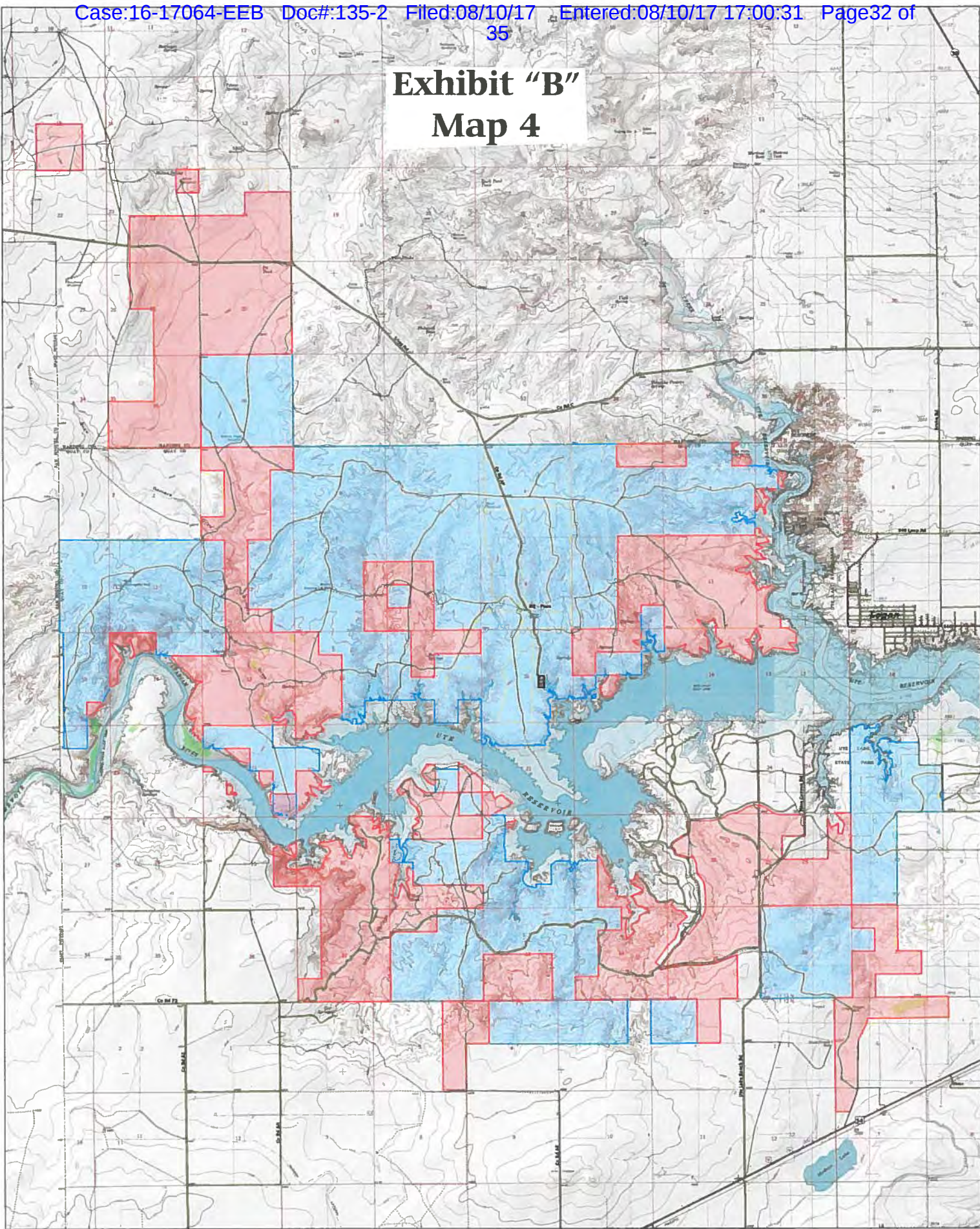


UTE LAKE RANCH

Logan, New Mexico

• Map is for Visual Aid Only Refer to Legal Description •

Exhibit "B" Map 4



UR Decided Land UR State Lease
Fences

UTE LAKE RANCH

Logan, New Mexico

• Map Is For Visual Aid Only Refer to Legal Descriptions •

EXHIBIT C

**EXHIBIT “C” to General Addendum No. 1
to the Realtors Association of New Mexico Purchase Agreement – Farm and Ranch - 2017
dated July 17, 2017 (the “Offer”)**

1. **The Agreement and Bankruptcy Court Approval.** The Agreement shall not become effective until approved by written Order of the United States Bankruptcy Court for the District of Colorado (the “Bankruptcy Court”) upon such notice as may be required. **The Agreement will be subject to further offers and bidding at a public auction.** Trustee shall apply to the Bankruptcy Court for an Order approving the Agreement. The sale of the bankruptcy estate’s interest in the Property (defined below) to a purchaser, closing and payment of any real estate broker fees by the bankruptcy estate is subject to Bankruptcy Court approval.

See attached hereto the MOTION FOR ORDER APPROVING OVERBID AND AUCTION PROCEDURES, BREAK-UP FEE AND EXPENSE REIMBURSEMENT to be presented to the United States Bankruptcy Court for the District of Colorado by Joli A. Lofstedt, the Chapter 11 trustee ("Trustee") of the bankruptcy estate of DVR, LLC upon approval of the Purchase Agreement and its attachments by Trustee.

2. **Sale Free and Clear of All Liens and Interests.** Notwithstanding any provision set forth in the Offer, any sale of the Property is subject to Bankruptcy Court approval pursuant to Bankruptcy Code § 363(b) free and clear of all liens and interests pursuant to Bankruptcy Code § 363(f) and conveyance of the bankruptcy estate’s interest in the Property shall be by Trustee’s Deed.

3. **Sale As Is, Where Is, No Representations of Any Kind by Trustee.**

Notwithstanding any provision set forth in the Offer, Buyer understands, acknowledges and agrees that:

- A. Trustee has not acquired the Property for purposes of maintaining the same, but rather for the sole purpose of liquidating the same under the Bankruptcy Code.
- B. Due to the unique nature of the bankruptcy proceeding, Trustee has not personally used the Property and is unaware of the true condition of the Property.
- C. Trustee is unable to make, shall not be required to make and shall not be deemed to have made, any representation or warranty whatsoever as to the physical condition of the Property or as to the operative or proposed governmental laws and regulations, zoning, environmental and land use laws and regulations to which the Property may be subject.
- D. The Purchase of the Property must be solely on the basis of Buyer’s own review and investigation of the physical condition of the Property, and the applicability and effect of any laws and regulations that may apply to the Property. Although Trustee may reasonably cooperate with Buyer’s inspection of the Property and review of any documents affecting the Property, Trustee cannot and shall not

assume the risk that adverse matters may not have been disclosed to Buyer by Buyer's investigation.

- E. As a standard matter of practice involving properties conveyed from bankruptcy estates through court appointed administrators, Trustee's limited knowledge of the Property as the Trustee of a bankruptcy estate does not permit Trustee to sell the Property other than in its present "AS IS" condition, subject to all faults. Accordingly, the Property being sold under the terms of this Agreement is sold "AS IS WHERE IS, AND WITH ALL FAULTS WITH NO REPRESENTATIONS MADE BY SELLER."

4. **Closing.** Section 8 of the Offer shall be modified to provide that Closing shall occur on a date mutually agreed upon by Buyer and Seller, but in no event earlier than after fourteen (14) days have elapsed following entry of an Order from the Bankruptcy Court authorizing Trustee to enter into the Agreement and authorizing the sale of the bankruptcy estate's interest in the Property.

The proposed closing date of Friday, September 15, 2017 in the Purchase Agreement will be revised pending court approval and time authorized for closing of the Purchase Agreement by the court, Buyer and Seller.

5. **Governing and Venue.** Section 37 shall be modified to provide that "each party hereby irrevocably consents to the jurisdiction and venue of the United States Bankruptcy Court for the District of Colorado in connection with any claim, action, suit or proceeding relating to this Agreement and agrees that all suite or proceedings relating to this Agreement shall be brought only in such court."

EXHIBIT 2



REALTORS® ASSOCIATION OF NEW MEXICO
GENERAL AMENDMENT No. 1 - 2017

This Amendment is part of the Purchase Agreement (the "Agreement")
dated July 17 2017, between Sidney Strebeck or his assigns
and DVR, LLC - Joli A. Lofstedt - Trustee
relating to the following Property: _____

Address _____ City _____ State _____ Zip Code _____
See Exhibit "A" attached to the "Agreement" for legal description of the property to be sold.

Legal Description
or see metes and bounds description attached as Exhibit _____, Quay/Harding County, New Mexico.

The Agreement is changed as follows:

The "Agreement" is hereby amended as follows:

1. The sale shall include the real property identified on Exhibit "Z" (Hereinafter identified as "Parcel A") which is attached hereto.
2. The Seller of "Parcel A" shall be identified as Janice A. Steinle, Chapter 7 Trustee for the Bankruptcy Estate of Ute Lake Ranch, Inc.
3. The Purchase price of \$4,750,000.00 as found in the "Agreement" shall remain the same.
4. The terms found in this Amendment shall be incorporated into the "Agreement". Except as set forth in this Amendment, the "Agreement" shall otherwise remain unchanged.

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**REALTORS® ASSOCIATION OF NEW MEXICO
GENERAL AMENDMENT No. 1 - 2017**

If there is any conflict between the provisions of the Agreement and this Amendment, the provisions of this Amendment will control. The remaining provisions of the Agreement will remain in effect.

BUYER/TENANT/BROKER SIGNATURE

Signature **Sidney Strebeck or his assigns** Date Time

Signature Date Time

SELLER/LANDLORD/OWNER SIGNATURE

Signature **DVR, LLC - Joli A. Lofstedt - Trustee** Date Time

Signature **Ute Lake Ranch, Inc. -Janice A. Steinle-Trustee** Date Time

EXHIBIT "Z"

PARCEL A - BHI LEGAL

A tract of land situate within Section 23, 26, 34, and 35, Township 13 North, Range 32 East, N.M.P.M., Quay County, New Mexico, described as follows:

BEGINNING at a point on the East line of the tract herein described, also said point being the NE corner of said Section 26;

THENCE continuing along the East line of said tract, also being the East line of said Section 26, South 00°05'28" East a distance of 5315.52 feet to a point on the East line of said tract, also said point being the SE corner of said Section 26;

THENCE continuing along the East line of said tract, also being the East line of said Section 35, South 00°09'54" West a distance of 2291.12 feet to the Southeast corner of said tract, also said point being a point on the southeasterly boundary line of UTE LAKE RANCH FILING NO. 1 REPLAT, as recorded in the Office of the County Clerk, Quay County, New Mexico, on May 16, 2008 as document No. 200805160001;

THENCE leaving the East line of said tract and the East line of said Section 35, coincident with the southeasterly boundary of said UTE LAKE RANCH FILING NO. 1 REPLAT, the following courses:

South 89°11'22" West a distance of 659.29 feet;

THENCE along an arc 895.57 feet to the left, having a radius of 1550.00 feet, the chord of which is South 72°38'13" West for a distance of 883.16 feet;

THENCE South 56°05'04" West a distance of 205.20 feet;

THENCE along an arc 291.10 feet to the right, having a radius of 1450.00 feet, the chord of which is South 61°50'09" West for a distance of 290.61 feet,

THENCE South 67°35'13" West a distance of 320.00 feet;

THENCE along an arc 1296.41 feet to the right, having a radius of 3105.57 feet, the chord of which is South 79°32'46" West for a distance of 1287.02 feet,

THENCE North 88°29'42" West a distance of 457.31 feet;

THENCE along an arc 1242.96 feet to the left, having a radius of 4215.14 feet, the chord of which is South 83°03'27" West for a distance of 1238.46 feet,

THENCE South 74°36'35" West a distance of 265.05 feet;

THENCE North 34°23'22" West a distance of 183.39 feet;

THENCE North 36°40'05" East a distance of 1065.95 feet;

THENCE along an arc 180.01 feet to the right, having a radius of 626.64 feet, the chord of which is North 46°12'01" East for a distance of 179.39 feet;

THENCE North 54°25'46" East a distance of 143.43 feet;

THENCE along an arc 432.69 feet to the left, having a radius of 594.40 feet, the chord of which is North 33°34'31" East for a distance of 423.20 feet;

THENCE North 87°03'47" East a distance of 68.61 feet;

THENCE North 11°10'05" East a distance of 129.80 feet;

THENCE North 56°41'58" West a distance of 71.40 feet;

THENCE North 11°14'12" East a distance of 14.48 feet;

THENCE along an arc 295.99 feet to the right, having a radius of 686.68 feet, the chord of which is North 23°00'31" East for a distance of 293.70 feet;

EXHIBIT "Z"

THENCE South 49°12'28" East a distance of 271.36 feet;
THENCE North 40°51'28" East a distance of 588.16 feet;
THENCE North 37°37'27" East a distance of 633.52 feet;
THENCE North 26°37'21" East a distance of 336.90 feet;
THENCE North 10°07'18" East a distance of 359.31 feet;
THENCE North 01°40'55" West a distance of 645.63 feet;
THENCE North 05°35'20" West a distance of 613.06 feet;
THENCE North 18°04'10" West a distance of 176.52 feet;
THENCE North 33°43'29" West a distance of 291.97 feet;
THENCE North 46°36'00" West a distance of 231.07 feet;
THENCE North 08°34'29" West a distance of 426.12 feet;
THENCE North 00°00'00" West a distance of 156.40 feet;
THENCE North 21°54'15" West a distance of 398.43 feet;
THENCE North 28°02'04" West a distance of 119.08 feet;
THENCE South 55°50'04" West a distance of 275.00 feet;
THENCE along an arc 181.51 feet to the left, having a radius of 282.48 feet, the chord of which is North 52°34'15" West for a distance of 178.40 feet;
THENCE North 71°42'10" West a distance of 185.71 feet;
THENCE along an arc 208.17 feet to the left, having a radius of 1469.14 feet, the chord of which is North 75°45'43" West for a distance of 208.00 feet;
THENCE North 79°49'16" West a distance of 140.51 feet;
THENCE along an arc 102.75 feet to the right, having a radius of 85.17 feet, the chord of which is North 45°15'37" West for a distance of 96.63 feet;
THENCE North 10°41'57" West a distance of 94.16 feet;
THENCE along an arc 335.17 feet to the left, having a radius of 297.78 feet, the chord of which is North 42°56'42" West for a distance of 317.76 feet;
THENCE North 75°11'26" West a distance of 13.67 feet;
THENCE North 14°48'34" East a distance of 67.76 feet;
THENCE along an arc 341.32 feet to the right, having a radius of 440.00 feet, the chord of which is North 37°01'57" East for a distance of 332.83 feet;
THENCE North 59°15'21" East a distance of 584.38 feet;
THENCE along an arc 159.77 feet to the right, having a radius of 940.00 feet, the chord of which is North 64°07'31" East for a distance of 159.58 feet;
THENCE along an arc 399.13 feet to the left, having a radius of 240.00 feet, the chord of which is North 21°21'09" East for a distance of 354.70 feet;
THENCE along an arc 397.48 feet to the right, having a radius of 440.00 feet, the chord of which is North 00°24'36" West for a distance of 384.10 feet;
THENCE along an arc 109.56 feet to the left, having a radius of 360.00 feet, the chord of which is North 16°45'03" East for a distance of 109.14 feet to the northwesterly corner of said tract, coincident with the southerly boundary of SPECIAL WARRANTY DEED OF UTE LAKE RANCH FILING NO. 2, filed in the