

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is on this 20th day of December, 2010 (the "Effective Date of this Agreement") by and between SANDOVAL COUNTY, NEW MEXICO, a statutorily created County ("Sandoval County") and TESORO PROPERTIES, LLC, A NEW MEXICO LIMITED LIABILITY COMPANY; BUTERA PROPERTIES, LLC, A NEW MEXICO LIMITED LIABILITY COMPANY; CARINOS PROPERTIES LLC, A; RECORP NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP, A NEW MEXICO LIMITED PARTNERSHIP; RECORP-NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP I, A NEW MEXICO LIMITED PARTNERSHIP; RECORP-NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP II, A NEW MEXICO LIMITED PARTNERSHIP; RECORP-NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP III, A NEW MEXICO LIMITED PARTNERSHIP ("Recorp/Aperion") collectively (the "Parties") or individually as a ("Party").

RECITALS

- A. Sandoval County and Recorp/Aperion are Petitioner and Respondents respectively in litigation in Sandoval County, New Mexico identified as CASE NO. D-1329-CV-2009-2408 ("Lawsuit").
- B. Sandoval County and Recorp/Aperion are parties to a certain Development Agreement relating to the development, use, and sale of water on property owned by Recorp/Aperion, within Sandoval County.
- C. The Parties desire to simultaneously and completely resolve and settle all of the disputes that are the subject of the Lawsuit in accordance with the terms and provisions of this Agreement, as set forth below.
- D. It is the intention of Recorp/Aperion to develop the water resources for the benefit of the citizens and businesses of Sandoval County.

AGREEMENTS

NOW THEREFORE, in consideration of the premises and for additional good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Sandoval County agrees that Recorp/Aperion has filed three Notices of Intention to Appropriate NonPotable Ground Water at Greater Depths Than 2,500 Feet with the State Engineer on June 12, 2006; February 27, 2007; and January 9, 2008 (the Parties acknowledge that the January 9, 2008 Notice of Intent was filed jointly).
2. Recorp/Aperion, may form a privately owned water utility, regulated by the New Mexico Public Regulatory Commission and all other applicable regulatory agencies.



Sandoval County will not oppose such formation. The County shall not interfere with the ability of Recorp/Aperion or its successors, assignees, or transferees to form such a utility.

3. Except as specifically modified by this Settlement Agreement, all legally enforceable provisions of the Development Agreement entered into in May of 2007 and filed on July 17, 2007, shall remain in full force and effect.

4. The parties will honor the Master Plan proposed by Recorp/Aperion and approved by the Sandoval County Board of County Commissioners on October 5, 2006, for the development of the land owned by Recorp/Aperion as memorialized in the Development Agreement, as modified by this Settlement Agreement.

5. To date, Sandoval County has secured funds totaling approximately 6 million dollars and has expended those funds on the drilling of two exploratory wells and for researching the quality and quantity of the water available from the deep aquifer from those wells (hereinafter referred to as "the wells" and "the well sites" as appropriate) (see Attachment A – legal description "well sites"). In return for this investment, Recorp/Aperion will provide to Sandoval County \$6,000,000, all or part of which shall be in the form of real property (the amount of acreage is contingent upon appraisal), suitable for manufacturing, commercial, and/or industrial development, located at Rio West, as depicted in the attached map (hereinafter referred to as the "initial property," see Attachment B).

a. The land to be exchanged for the \$6,000,000 shall be developable; shall not be landlocked; will not include excessive flood plains, slopes or arroyos; and will be contiguous to the Northwest Loop and Alice King Roadway. The land shall be exchanged within 90 days after all the terms and conditions of this agreement are met.

b. If the appraised value of the initial property is less than \$6,000,000, then Recorp/Aperion shall make up the difference either by additional land or pay the remaining difference to the County within five years of the date of the execution of this agreement, until the full amount is paid. The County will keep deed and title to the additional Recorp/Aperion land until the outstanding balance is paid in full. Upon final payment within the 5 year period, title to this additional Recorp/Aperion land will revert to their ownership.

c. The land deeded as described above will be conveyed by warranty deed, conveying merchantable, fee simple title, free and clear of all liens and encumbrances, with title insurance.

d. Recorp/Aperion may pay the \$6,000,000 in full, in one payment, upon fulfillment of the terms of this Agreement, in lieu of the deeding of the initial property.

e. At any time prior to the land being developed by the County, Recorp/Aperion may substitute payment of up to \$6,000,000 to re-acquire the deeded land.

6. The deeding of the land, as described in Paragraph 5, does not convey any ownership of any water rights, rights to appropriate water, or to the three Notices of Intent as referenced in paragraph 1, owned by Aperion/Recorp, if any. By entering into this agreement the County is not making any representation or conceding or admitting that any water resources or rights exist.

7. Recorp/Aperion agrees to hold harmless and indemnify Sandoval County for any future claims arising out of ownership and/or operation of those wells and well sites, including but not limited to claims sounding in contract, tort or seeking legal, administrative, or equitable remedies for environmental degradation, impairment of water rights, or impairment of water quality.

8. Recorp/Aperion warrants that this land will not be subject to any condition which would impair development of it, but not limited to environmental or archeological conditions, and will require no material environmental, archaeological or other remediation. Recorp/Aperion shall have the duty of correcting any identified problem concerning either archaeological or environmental remediation. The County has 90 days from the date of performing the conditions of this agreement to satisfy itself that the land has no archaeological or environmental remediation needs, or to present any such needs discovered to Recorp/Aperion (including but not limited to Paragraph 5). Unless and until the land is free of material environmental and/or archaeological concerns, Recorp/Aperion shall have the duty to either remediate (and must provide such plans to the County within 90 days of demand), or to substitute consideration as defined in paragraph 5.

9. Sandoval County will secure an appraisal, and the appraisal will be for the land at its highest and best use consistent with the Development Agreement.

10. Sandoval County will disclaim all interests in ownership of or control over the two well sites described in the condemnation action, and all ownership interests in the development of water in Rio West (see Attachment C – legal description Rio West), in exchange for the property and/or money as described in this agreement, and shall leave the development of that water to Recorp/Aperion, except its right to exercise “governmental control” over it. Specifically, Sandoval County agrees that it has no interest in any of the Notices of Intent to Appropriate filed with the New Mexico State Engineer on June 12, 2006; February 27, 2007; and January 9, 2008. By the term “governmental control” the parties mean the inherent powers and duties delegated to the government of Sandoval County to regulate the use of water in situations such as, but not limited to, droughts, agricultural need, and fire prevention/protection.

11. To support the property at issue (as described in Paragraph 5), Recorp/Aperion agrees to make available to Sandoval County (or any subsequent legal owner of that property) the right of first refusal for 4,000 acre feet per annum of potable water and Recorp/Aperion shall not impair this right nor alienate that water to the detriment of Sandoval County in obtaining such 4,000 acre feet. The 4,000 acre feet per annum of potable water shall be available for thirty (30) years from the date of commercial development use of that water and shall be at the "prevailing rate" within the Development. The term "prevailing rate," as used herein, means at a rate not to exceed the lowest rate charged to any other customer and never to exceed any rate allowed by the New Mexico Public Regulatory Commission for this water utility.

12. Sandoval County agrees not to compete or "engage any other party" to compete with Recorp/Aperion in any development or sale of water to the public, within the "service area" of the regulated private water utility created by Recorp/Aperion, regulated by the New Mexico Public Regulatory Commission and all other applicable regulatory agencies. This agreement does not preclude the County from acquiring water or water rights for "governmental use." This shall be in effect for thirty years from the date of the signing of this agreement. Recorp/Aperion agrees that, in the event it is not "producing potable water" or has not formed a regulated water utility which is in operation and serving the public and Sandoval County within eight years from the date of the signing of this agreement, Sandoval County will be relieved from this agreement not to compete provision.

a. By the term "engage any other party" the parties mean actively soliciting or employing individuals, partnerships or corporations to research, produce and sell water in the service area.

b. The "service area" is anticipated to be bounded by the City of Rio Rancho to the East, Pueblo of Zia to the North, Pueblo of Laguna to the West, and Bernalillo County to the South.

c. By way of example and not limitation the term "governmental use" the parties mean pursuant to the Local Economic Development Act Ordinance, the County may assist economic development projects in any legally permissible manner, including but not limited to the provision of land, building and infrastructure. The County will provide/sell County-owned land, buildings and infrastructure it already owns, or it may build, purchase or lease the facilities needed for an economic development project. The County may also contribute to the payment of costs for professional services contracts, including industry feasibility studies and planning and design services with respect to the project. The term "governmental use" does not include the sale of water to members of the public, private entities, or other public entities within the "service area."

d. By the term "producing potable water" the parties mean Recorp/Aperion producing water at a rate no less than 5 MGD (million gallons a day) or based upon market demand plus 10%, whichever is less.

13. Sandoval County will enforce zoning and other ordinances in the unincorporated portions of the County, as well as provide police protection in the Rio West area.

14. Sandoval County also agrees that the Alice King Way will be improved and/or maintained over time as needed in order to comply with all ordinances. Recorp/Aperion shall dedicate and/or execute title for the North West Loop Right of Way (see Attachment D – legal description of Recorp/Aperion right of way).

15. The parties agree to waive any conflict of interest only in order to allow either party to retain John Draper, George King, or any other individual working on the case, and to utilize their work product, if requested by either party.

16. The sums of \$237,885.50 plus interest accrued while on deposit in the District Court Clerk's interest bearing account shall be paid over to Recorp/Aperion by the Clerk of the Court. Such sum shall be paid without the necessity of any further order being issued by the Court. The sums release shall be used as payment for attorneys' fees and costs in the Lawsuit which is the subject of this Settlement Agreement, and in exchange and all other claims and liabilities which are the subject of the release of claims set forth in paragraph 19, infra, for the approximately 5 acres described in said Lawsuit as the land needed for the Alice King Way. The parties agree that this amount will be released no sooner than this case is dismissed with prejudice, and no later than the initial property is provided to Sandoval County as described in paragraph 5.

17. The case described above, Sandoval County v. Butera Properties, et al., No. D-1329-CV-2009-2408, including all claims and counterclaims therein, shall be dismissed by agreement of all parties with prejudice.

18. All terms and conditions contained in this Settlement Agreement are intended to be absolute and irrevocable conditions hereof and are agreed to by all parties entering into the Settlement Agreement.

19. Nothing precludes Recorp/Aperion from transferring its interests to a third party, and the terms of this Settlement Agreement shall be applicable to any such successors, assignees, transferees or related parties.

20. William C. Madison shall remain involved as an agreed-upon person for the resolution of any and all disputes which may arise over this Settlement Agreement. The choice of mediator may be changed by all parties.

21. A party shall not be liable to the other party nor deemed in default under this Agreement if and to the extent that such party's performance of this Agreement is prevented by reason of "force majeure".

- a. "Force majeure" means events that prevent an affected Party from performing its contractual obligations, other than payment or financing obligations, within the time specified herein such as storm or other acts of God; war or acts of terrorism; changes in Laws or refusal of a Governmental Entity to grant permits or licenses needed for reasons that are not the fault of the affected Party or other accidents or contingencies that are not within the reasonable control of and that are not caused by the fault or negligence of the affected Party.

22. **Release of Claims.** Except as provided for herein, the Parties hereby forever release each other and each of the others' respective agents, employees, officers, directors, shareholders, attorneys, advisors, insurers, successors and assigns, from any and all causes of action, claims, demands, damages, costs, expenses, compensation, third party actions, consequential damages, suits at law or equity, including claims for contribution, indemnity, punitive damages, malicious abuse of process, outrage, emotional distress, of whatever kind or nature, on account of, arising from or relating to those matters relating to the Litigations and all operative documents. This release does not purport to release the Parties from the consequences of their future actions or from breach of this agreement or claims arising under it.

23. **Exclusions.** Notwithstanding anything herein to the contrary, the release set forth herein shall not constitute a release of any claims by any of the Parties for breach of any Party's obligations under this Agreement.

24. **No Admission of Liability.** This Agreement constitutes the complete and final settlement of any and all claims of any kind or nature that the Parties may have with respect to the matters alleged or asserted in the Lawsuit described above, Sandoval County v. Butera Properties, et al. This Agreement contains the Parties' settlement and compromises of disputed claims, and no part hereof shall be construed as an admission of liability on the part of any Party or that Party's agents or representatives.

25. **Consideration and Advice of Counsel.** The Parties hereby acknowledge that they have given the releases herein for valuable and completed consideration, the receipt and sufficiency of which are hereby acknowledge by all of the Parties. This Agreement is executed by them knowingly, voluntarily and with full appreciation of its meaning and effect. Each Party has had the opportunity to read this Agreement and to obtain the advice of counsel of their choosing before signing it. The Parties agree that they shall not interfere with the fulfillment of the terms of this Agreement, and that they shall support this Agreement and its terms when presenting it to the Board of Commissioners of Sandoval County and thereafter.

26. **Facsimile Copies.** Copies of this Agreement which are signed and delivered by each Party and produced and/or reproduced by facsimile transmission, shall be valid and binding upon each signatory Party.

27. Recitals. Each and all of the recitals set forth at the beginning of this Agreement are hereby incorporated herein by this reference.

28. Authority. The undersigned signatories represent that each has the power and authority to bind their respective entities.

29. Counterparts. This Agreement may be executed through the use of separate signature pages or in any number of counterparts and each of such counterparts shall, for all purposes, constitute one agreement binding on all the Parties, notwithstanding that all parties are not signatories to the same counterpart.

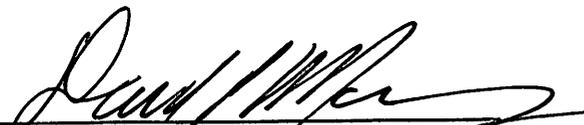
30. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, and assigns.

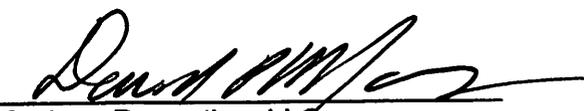
31. Other Documents and Cooperation. The Parties agree to execute such documents as are reasonably necessary in fulfilling the objectives of this Agreement and to otherwise cooperate and use best efforts to fulfill the objectives of this Agreement.

32. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties with respect to their settlement of the claims and disputes set forth herein. Any other prior agreements between the Parties, written or oral, are merged herein.

33. Nothing in this Agreement shall prevent the County from continuing to provide assistance to its towns, villages, and pueblos, and other rural areas outside the "service area", as described in paragraph 12.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date set forth above.


Recorp Partners Inc., General Partner
David P. Maniatis, President


Carinos Properties, LLC:
Recorp Investments Inc., Manager
David P. Maniatis, President



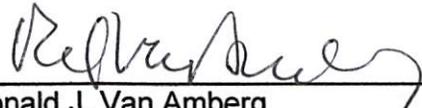
Butera Properties, LLC
Recorp Investments Inc, Manager
David P. Maniatis, President



Tesoro Properties, LLC
Recorp Investments Inc, Manager
David P. Maniatis, President



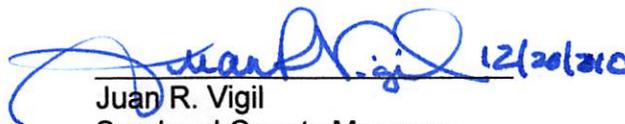
Carolyn M. "Cammie" Nichols
Attorney for Carnos Properties, LLC



Ronald J. Van Amberg
Attorney for Recorp Partners, Inc; Butera Properties,
LLC; Tesoro Properties, LLC

By Signature Below, the Representative of the County of Sandoval Agrees:

To present this Settlement Agreement to the Board of Commissioners of Sandoval County for final approval and adoption as soon as possible.



12/20/2010

Juan R. Vigil
Sandoval County Manager

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A PORTION OF LAND LYING IN SECTION 11, TOWNSHIP 12 NORTH, RANGE 1 WEST, SANDOVAL COUNTY, NEW MEXICO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 11 (A FOUND ALUMINUM CAP STAMPED "LS 7248"), WHENCE THE SOUTHWEST CORNER OF SAID SECTION 11 (A FOUND ALUMINUM CAP STAMPED "LS 7248" DATED "1990"), BEARS S 00° 29' 56" W (BASIS OF BEARING), A DISTANCE OF 5267.67 FEET;

THENCE S 43° 57' 14" E, A DISTANCE OF 2365.94 FEET TO THE POINT OF BEGINNING;

THENCE S 88° 38' 43" E, A DISTANCE OF 223.96 FEET;

THENCE S 02° 04' 58" E, A DISTANCE OF 100.88 FEET;

THENCE S 10° 37' 28" W, A DISTANCE OF 214.95 FEET;

THENCE N 87° 42' 09" W, A DISTANCE OF 186.26 FEET;

THENCE N 00° 20' 13" W, A DISTANCE OF 309.91 FEET TO THE POINT OF BEGINNING;

CONTAINING 1.5208 ACRES (66,247 SQ. FEET), MORE OR LESS.

✓

PH: 505-823-1000

A PORTION OF LAND LYING IN SECTION 10, TOWNSHIP 12 NORTH, RANGE 1 WEST, SANDOVAL COUNTY, NEW MEXICO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 10 (A FOUND ALUMINUM CAP STAMPED "LS 7248"), WHENCE THE SOUTHEAST CORNER OF SAID SECTION 10 (A FOUND ALUMINUM CAP STAMPED "LS 7248" DATED "1990"), BEARS S 00° 29' 56" W (BASIS OF BEARING), A DISTANCE OF 5267.67 FEET;

THENCE S 29° 59' 09" W, A DISTANCE OF 2072.02 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST LOOP ROAD (NM STATE HIGHWAY COMMISSION MAP SP-7543) AND THE POINT OF BEGINNING;

THENCE S 00° 43' 23" W ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD, A DISTANCE OF 1586.12 FEET;

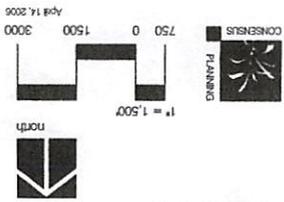
THENCE S 90° 00' 00" W LEAVING THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD, A DISTANCE OF 1708.08 FEET;

THENCE N 37° 59' 45" E, A DISTANCE OF 2012.54 FEET;

THENCE N 90° 00' 00" E, A DISTANCE OF 489.16 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD AND THE POINT OF BEGINNING;

CONTAINING 40.0000 ACRES (1,742,400 SQ. FEET), MORE OR LESS.

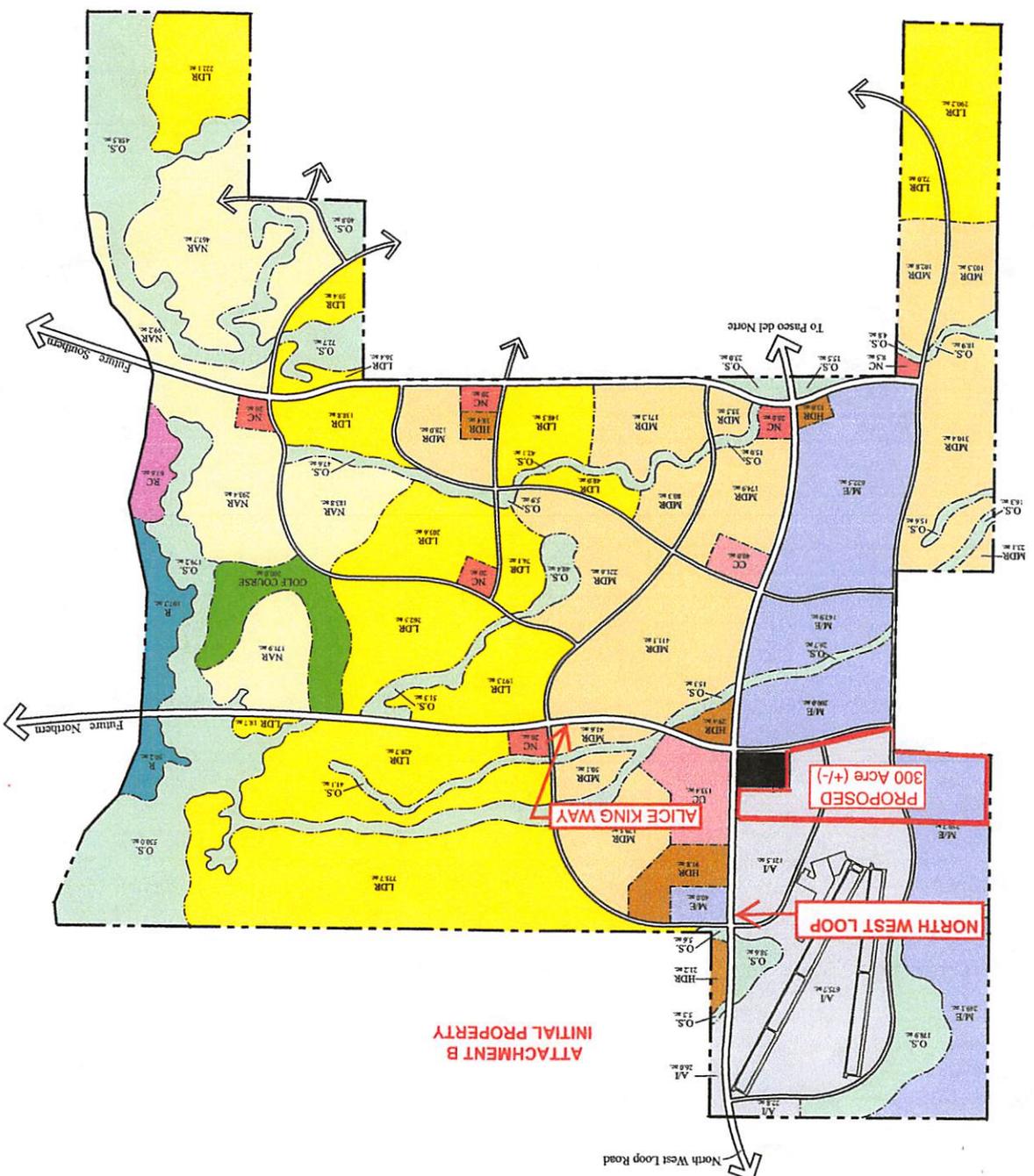
Handwritten initials



MASTER PLAN CONCEPT RIO WEST

Prepared for:
7720 E. Redfield Road
Suite 8
Scottsdale, AZ 85260
Consensus Planning, Inc.
302 Eighth Street NW
Albuquerque, NM 87102

OS	Open Space/Trails	RC	Resort Commercial
NC	Neighborhood Commercial	R	Resort
HDR	High Density Residential	CC	Community Center / Urban Center
MDR	Medium Density Residential	M/E	Mixed Use/Employment
LDR	Low Density Residential	AI	Airport/Industrial
NAR	Natural Area Residential	GC	Golf Course



**ATTACHMENT B
INITIAL PROPERTY**

**PROPOSED
300 Acre (+/-)**

NORTH WEST LOOP

ALICE KING WAY

North West Loop Road

SANDOVAL COUNTY ADMINISTRATIVE OFFICES

ORDINANCE NO. 06-0-05.9C

**AMENDMENT TO AN OFFICIAL ZONING MAP ADOPTED PURSUANT TO
THE SANDOVAL COUNTY COMPREHENSIVE ZONING ORDINANCE**

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF SANDOVAL COUNTY THAT THE FOLLOWING AMENDMENT IS HEREBY MADE TO AN OFFICIAL SANDOVAL COUNTY ZONING MAP AS FOLLOWS:

THE PROPERTY HEREIN DESCRIBED IS HEREBY ZONED MP (MASTER PLANNED DISTRICT) FOLLOWING THE DECISION OF THE BOARD OF COUNTY COMMISSIONERS ON CASE # ZNCH-06-003:

11,676.3 acres more or less, including all or part of the following sections of land: Township 12 North, Range 1 East, Sections 7, 8, 17, 18, 19, 20, 29, & 30 and Township 12 North, Range 1 West, Sections 3, 4, 9, 10, 11, 12, 13, 14, 15, 21, 22, 23, 24, 28, & 33, NMPM, Sandoval County, New Mexico as shown further on the attached Exhibit A.

THE ABOVE REFERENCED AMENDMENT WAS MADE SUBJECT TO THE FOLLOWING CONDITIONS:

CONDITIONS

- (1) Signage within the development shall comply with "corridor" standards within the Sign Ordinance (Section 9).
- (2) No billboards as defined by the Sign Ordinance shall be allowed within the development.
- (3) All arterial/collector road rights of way shall be landscaped by the developer and perpetually maintained by the HOA. Landscaping plans shall be approved by County Development.
- (4) Concrete sidewalks shall be required along all arterial and collector streets and all streets within MDR (Medium Density Residential), HDR (High Density Residential), M/E and A/I areas. Paved walkways shall be required along major streets within LDR (Low Density Residential) and NAR (Natural Area Residential) areas.
- (5) All roads, traffic control devices and street lighting within the development shall be fully constructed by the developer. Roadway construction may be phased as approved by the Public Works Department, County Development Department, and County Engineer. Southern and Northern Boulevards as well as the Northwest Loop shall be improved in accordance with a development agreement

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recommended by the Planning & Zoning Commission and approved by the County Commission.

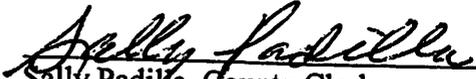
- (6) All parks shall be constructed by the developer and maintained by the HOA. All park improvement plans shall be approved by the County Development Department.
- (7) All trails shall be constructed by the developer and maintained by the HOA.
- (8) The developer shall enter into a development agreement with the County, outlining the provision of public safety services, prior to final platting.
- (9) The developer shall enter into a development agreement with the County, outlining the construction and maintenance of all roads required by the development, prior to final platting.
- (10) The Master Plan zoning shall be in effect for a period of 5 years or until the developer "vests" in zoning in accordance with the laws of the State of New Mexico. The Master Plan District and Land use map depicted in the Master Plan application shall be a guide for development. Individual properties proposed for development shall be rezoned to the most appropriate County zoning district prior to the approval of any preliminary plat approval.
- (11) Future development shall protect the natural environment through considerations designed to minimize environmental impacts to the greatest degree possible consistent with the proposed uses in conformance with Section 11 of the Comprehensive Zoning Ordinance.
- (12) Future development shall make adequate provision for necessary educational facilities to serve that development in accordance with Section 11 of the Comprehensive Zoning Ordinance.
- (13) Future development shall make adequate provision for necessary fire protection and emergency services facilities to serve the present and anticipated future needs of the development in accordance with Section 11 of the Comprehensive Zoning Ordinance.
- (14) Future development shall make adequate provision for necessary law enforcement facilities to serve the present and anticipated future needs of the development in accordance with Section 11 of the Comprehensive Zoning Ordinance.
- (15) Future development shall include innovative design criteria and features that enable that development to conform to the natural character of the area in accordance with Section 11 of the Comprehensive Zoning Ordinance.

(16) While Open Space configuration within the development may be changed from that shown in the approved Master Plan, the total area encompassed within that Open Space shall not be reduced.

PASSED AND APPROVED THIS 5th DAY OF Oct, 2006,

ATTEST:

BOARD OF COUNTY COMMISSIONERS
SANDOVAL COUNTY

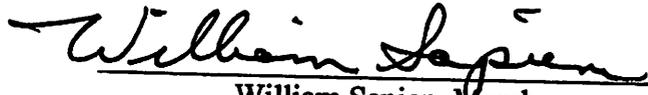

Sally Padilla, County Clerk


Jack Thomas, Chairman


Don Leonard, Vice Chairman

APPROVED AS TO FORM:


County Attorney


William Sapien, Member


David Bency, Member


Joshua Madalena, Member

SANDOVAL COUNTY
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ADDENDUM #1
SETTLEMENT AGREEMENT

THIS ADDENDUM TO THE SETTLEMENT AGREEMENT (hereinafter the "Agreement"), entered into December 20, 2010, between Sandoval County (herein "County"), a political subdivision of the State of New Mexico, and TESORO PROPERTIES, LLC, A NEW MEXICO LIMITED LIABILITY COMPANY; BUTERA PROPERTIES, LLC, A NEW MEXICO LIMITED LIABILITY COMPANY; CARINOS PROPERTIES LLC, A; RECORN NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP, A NEW MEXICO LIMITED PARTNERSHIP; RECORN-NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP I, A NEW MEXICO LIMITED PARTNERSHIP; RECORN-NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP II, A NEW MEXICO LIMITED PARTNERSHIP; RECORN-NEW MEXICO ASSOCIATES LIMITED PARTNERSHIP III, A NEW MEXICO LIMITED PARTNERSHIP ("Recorp/Aperion") collectively (the "Parties") or individually as a ("Party"), is done this 29 day of December 2010. The County and Parties agree as follows:

WHEREAS, the Agreement requires an addendum to the "Agreements, Paragraph 5, Subsection b" section to detail payment terms in the event the appraised value of the initial property is less than \$6,000,000.00.

NOW THEREFORE, it is mutually agreed between the parties:

A. SETTLEMENT AGREEMENT

The Agreement consists of the following:

- a. The original Agreement, and
- b. Addendum One to the original Agreement.

B. AGREEMENT, PARAGRAPH 5, SUBSECTION b

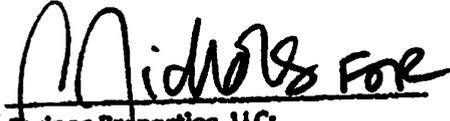
b. If the appraised value of the initial property is less than \$6,000,000.00, then Recorp/Aperion shall make up the difference either by additional land or pay the remaining difference to the County within five years of the date of the execution of this agreement, until the full amount is paid. The County will keep deed and title to the additional Recorp/Aperion land until the outstanding balance is paid in full. Upon final payment within the 5 year period, title to this additional Recorp/Aperion land will revert to their ownership.

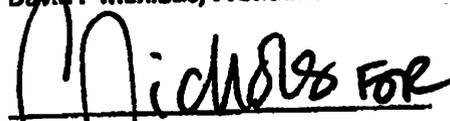
(i) Additional payment is to be by a secured promissory note, payable annually with interest at the prevailing prime rate plus 2% beginning on January 1, 2013 in equal payments over 5 years. Such interest will begin to accumulate on the date of initial property appraisal.

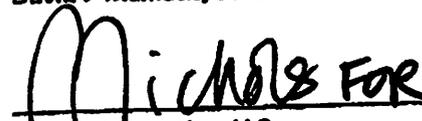
The rest and remaining terms of the Agreement shall remain in full force and effect.

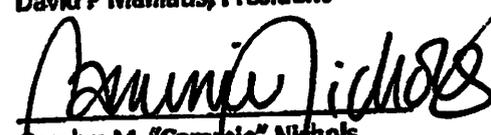
IN WITNESS WHEREOF, the parties hereto have caused this Addendum to the Agreement to be executed as of the day and year of final approval by all parties.

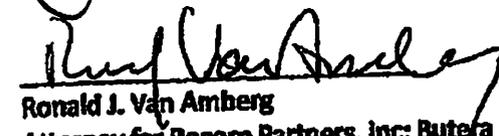

Recorp Partners Inc., General Partner
David P Maniatis, President


Carinos Properties, LLC
Recorp Investments Inc., Manager
David P Maniatis, President


Butera Properties, LLC
Recorp Investments Inc, Manager
David P Maniatis, President


Tesoro Properties, LLC
Recorp Investments Inc, Manager
David P Maniatis, President


Carolyn M. "Camille" Nichols
Attorney for Carinos Properties, LLC


Ronald J. Van Amberg
Attorney for Recorp Partners, inc; Butera Properties,
LLC; Tesoro Properties, LLC

By Signature Below, the Representative of the County of Sandoval Agrees: To present this Settlement Agreement to the Board of Commissioners of Sandoval County for final approval and adoption as soon as possible.


Juan R. Vigil
Sandoval County Manager

Sandoval County, New Mexico

Signature Page to be attached to the Settlement Agreement, dated December 20, 2010, and Addendum #1 to the Settlement Agreement, dated December 29, 2010 pertaining to the following Agenda Item at a Special Meeting held on December 30, 2010, 2 p.m.:

Discussion and motion to approve the Settlement Agreement and Addendum #1 to the Settlement Agreement between Sandoval County and Recorp/Aperion, Petitioner and Respondents, respectively, in condemnation litigation in Sandoval County, New Mexico identified as Case No. D-1329-CV-2009-2408 ("Lawsuit") pursuant to Court ordered mediation, Sandoval County, New Mexico, a statutorily created County (the "County") and Tesoro Properties, LLC, a New Mexico Limited Liability Company; Butera Properties, LLC, A New Mexico Limited Liability Company; Carinos Properties, LLC, A New Mexico Limited Liability Company; Recorp, A New Mexico Limited Partnership; Recorp-New Mexico Associates Limited Partnership I, A New Mexico Limited Partnership; Recorp-New Mexico Associates Limited Partnership II, A New Mexico Limited Partnership; and Recorp-New Mexico Associates Limited Partnership III, A New Mexico Limited Partnership.

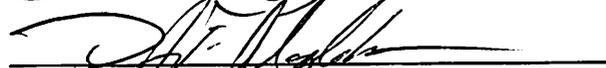
APPROVED BY THE SANDOVAL COUNTY BOARD OF COMMISSIONERS ON DECEMBER 30, 2010

ATTEST:


Sally Padilla, County Clerk

**BOARD OF COUNTY COMMISSIONERS
SANDOVAL COUNTY**


Orlando J. Luceo, Chairman


Darryl F. Madalena, Vice Chairman


Dave Bency, Member


Don E. Leonard, Member

APPROVED AS TO FORM:


Stephanie Lopez
Interim County Attorney

EXCUSED
Glenn Walters, Member

County of Sandoval

WARRANTY DEED

Recorp New Mexico Associates Limited Partnership, a New Mexico Limited partnership hereinafter referred to as the Grantor, for valuable consideration paid, grants to the **County of Sandoval**, a political subdivision of the State of New Mexico, whose address is P.O. Box 40, Bernalillo, New Mexico, 87004, hereinafter referred to as the Grantee for the following described real estate in **Sandoval County**, New Mexico, identified as **Take 6-1, Project SP-7543(205)**, and which is more specifically described as:

See Exhibit A attached here to and incorporated herein by reference ("the Property") with warranty covenants.

The property shall be used solely for the public roadway and utility right-of-way. Until the access controlled roadway is constructed by Grantee, its successors or assigns on the Property, Grantor, its successors or assigns reserves the right to access through over and across the Property, and the right to use the Property so long as Grantor's activities on the property do not adversely affect Grantee's construction of the roadway.

Grantee and its successors and assigns shall allow grantor and its successors and assigns to have access at the designated access points onto the roadway indicated on Project drawings SP-7543(205) as prepared by Avid Engineering from the real property owned by the Grantor adjacent to the roadway.

This grant is subject to:

- Reservations of patent, restrictive covenants, easements, and rights-of way of record.
- Taxes for the year of 2009 and subsequent years.
- Reservations of all oil, gas, mineral, geothermal, and water rights.
- ANY SPECIFIC FILED DOCUMENTS THAT COLOR THE TITLE.

All covenants and conditions contained herein shall be binding on the parties and their successors and assigns and shall run with the land.

EXHIBIT A
SP-7543(205)
Northwest Loop Road

**Recorp - New Mexico Associates Limited Partnership, a New Mexico limited partnership
6-1**

A certain parcel of land lying and being situate within Section 22, Township 12 North, Range 1 West, New Mexico Principal Meridian, Sandoval County, State of New Mexico and being more particularly described by New Mexico State Plane Grid bearings (Central Zone) and ground distances as follows:

BEGINNING at a point 150.00 feet to the right of, easterly and opposite Survey Centerline POT Station 778+33.11 of NMP SP-7543(205), County of Sandoval, State of New Mexico, said point being the southeast corner of the parcel herein described, a point on the easterly right-of-way of NMP SP-7543(205) and on the southern line of Section 22, Township 12 North, Range 1 West, from whence the southeast corner of said Section 22, a 1/2" iron pipe with aluminum cap, bears S89°40'16"E along said Section line a distance of 1904.78 feet;

thence along the southerly Section line N89°40'16"W a distance of 302.01 feet to a point on the westerly right-of-way line of NMP SP-7543(205) being the southwest corner of the parcel herein described;

thence along the westerly right-of-way line of NMP SP-7543(205), N06°17'06"W a distance of 150.00 feet to a point;

thence along the right-of-way and access control line of NMP SP-7543(205), N06°17'06"W a distance of 1026.04 feet to a point of curvature;

thence northerly along the westerly right-of-way and access control line of NMP SP-7543(205), on a 00°44'08" curve (radius = 7789.44 feet, chord = N06°14'13"E a distance of 3377.71 feet) through an arc of 25°02'38" to the right a distance of 3404.75 feet to a point of tangency;

thence along the right-of-way and access control line of NMP SP-7543(205), N18°45'32"E a distance of 626.39 feet to a point;

thence along the westerly right-of-way line of NMP SP-7543(205), N18°45'32"E a distance of 150.00 feet to a point on the northern line of said Section 22, being the northwest corner of the parcel herein described;

6-1 cont.

thence along the northerly line of Section 22, S89°45'41"E a distance of 316.39 feet to a point on the easterly right-of-way line of NMP SP-7543(205), being the northeast corner of the parcel herein described;

thence along the easterly right-of-way line of NMP SP-7543(205), S18°45'32"W a distance of 150.00 feet to a point;

thence along the easterly right-of-way and access control line of NMP SP-7543(205), S18°45'32"W a distance 726.89 feet to a point of curvature;

thence southerly along the easterly right-of-way and access control line of NMP SP-7543(205), on a 00°45'54" curve (radius = 7489.44 feet, chord= S06°14'13"W a distance of 3247.63 feet) through an arc of 25°02'38 "to the left a distance of 3273.62 feet to a point of tangency;

thence along the easterly right-of-way and access control line of NMP SP-7543(205), S06°17'06"E a distance 1060.83 feet to a point;

thence along said easterly right-of-way line of NMP SP-7543(205), S06°17'06"E a distance of 150.00 feet to the point and place of beginning.

Containing 1,607,778 square feet (36.9095 acres) more or less.

789

County of Sandoval

WARRANTY DEED

Recorp New Mexico Associates Limited Partnership II, a New Mexico limited Partnership hereinafter referred to as the Grantor, for valuable consideration paid, grants to the **County of Sandoval**, a political subdivision of the State of New Mexico, whose address is P.O. Box 40, Bernalillo, New Mexico, 87004, hereinafter referred to as the Grantee for the following described real estate in **Sandoval County**, New Mexico, identified as **Take 7-1, Project SP-7543(205)**, and which is more specifically described as:

See Exhibit A attached here to and incorporated herein by reference (“the Property”) with warranty covenants.

The property shall be used solely for the public roadway and utility right-of-way. Until the access controlled roadway is constructed by Grantee, its successors or assigns on the Property, Grantor, its successors or assigns reserves the right to access through over and across the Property, and the right to use the Property so long as Grantor’s activities on the property do not adversely affect Grantee’s construction of the roadway.

Grantee and its successors and assigns shall allow grantor and its successors and assigns to have access at the designated access points onto the roadway indicated on Project drawings SP-7543(205) as prepared by Avid Engineering from the real property owned by the Grantor adjacent to the roadway.

This grant is subject to:

- Reservations of patent, restrictive covenants, easements, and rights-of way of record.
- Taxes for the year of 2009 and subsequent years.
- Reservations of all oil, gas, mineral, geothermal, and water rights.
- ANY SPECIFIC FILED DOCUMENTS THAT COLOR THE TITLE.

All covenants and conditions contained herein shall be binding on the parties and their successors and assigns and shall run with the land.

EXHIBIT A

SP-7543(205)
Northwest Loop Road

Recorp New Mexico Associates Limited Partnership II, a New Mexico limited partnership
7-1

A certain parcel of land lying and being situate within Section 15, Township 12 North, Range 1 West, New Mexico Principal Meridian, Sandoval County, State of New Mexico and being more particularly described by New Mexico State Plane Grid bearings (Central Zone) and ground distances as follows:

BEGINNING at a point 150.00 feet to the right of, easterly and opposite Survey Centerline POT Station 832+84.97 of NMP SP-7543(205), County of Sandoval, State of New Mexico, said point being the southeast corner of the parcel herein described, a point on the easterly right-of-way of NMP SP-7543(205) and on the southern line of Section 15, Township 12 North, Range 1 West, from whence the southeast corner of said Section 15, a 1/2" iron pipe with aluminum cap, bears S89°45'41"E along said Section line a distance of 1492.26 feet;

thence along the southerly Section line N89°45'41"W a distance of 316.39 feet to a point on the westerly right-of-way line of NMP SP-7543(205) being the southwest corner of the parcel herein described;

thence along the westerly right-of-way line of NMP SP-7543(205), N18°45'32"E a distance of 150.00 feet to a point;

thence along the right-of-way and access control line of NMP SP-7543(205), N18°45'32"E a distance of 1145.57 feet to a point of curvature;

thence northerly along the westerly right-of-way and access control line of NMP SP-7543(205), on a 01°01'37" curve (radius = 5579.58 feet, chord = N09°44'26"E a distance of 1749.21 feet) through an arc of 18°02'12" to the left a distance of 1756.45 feet to a point of tangency;

thence along the right-of-way and access control line of NMP SP-7543(205), N00°43'20"E a distance of 1464.71 feet to a point;

thence along the westerly right-of-way line of NMP SP-7543(205), N00°43'20"E a distance of 150.00 feet to a point being the northwest corner of the parcel herein described;

thence S89°30'56"E a distance of 300.00 feet to a point on the easterly right-of-way line of NMP SP-7543(205), being the northeast corner of the parcel herein described;

7-1 cont.

thence along the easterly right-of-way line of NMP SP-7543(205), S00°43'20"W a distance of 150.00 feet to a point;

thence along the easterly right-of-way and access control line of NMP SP-7543(205), S00°43'20"W a distance 1465.95 feet to a point of curvature;

thence southerly along the easterly right-of-way and access control line of NMP SP-7543(205), on a 00°58'28" curve (radius = 5879.58 feet, chord = S09°44'26"W a distance of 1843.26 feet) through an arc of 18°02'12" to the left a distance of 1850.89 feet to a point of tangency;

thence along the easterly right-of-way and access control line of NMP SP-7543(205), S18°45'32"W a distance 1045.07 feet to a point;

thence along the easterly right-of-way line of NMP SP-7543(205), S18°45'32"W a distance of 150.00 feet to the point and place of beginning.

Containing 1,399,296 square feet (32.1234 acres) more or less.

794

GENERAL WARRANTY DEED

Recorp New Mexico Associates Limited Partnership, a New Mexico limited partnership, for \$1.00 and other valuable consideration paid, grants to the County of Sandoval, a political subdivision of the State of New Mexico, whose address is Post Office Box 40, Bernalillo, New Mexico 87004, the following described real estate in Sandoval County, New Mexico, and which is more specifically described as:

See Exhibit A attached hereto and incorporated herein by reference (the "Property")

with warranty covenants.

The Property shall be used solely for public roadway and utility right-of-way. In the event a 2 lane all-weather roadway is not substantially completed by grantee, its successors and assigns on the Property within 15 years after the date of recording of this deed, the Property shall revert to the grantor, its successors or assigns, and grantee, its successors and assigns shall execute any documents necessary to effect such reversion.

Until an access controlled roadway is constructed by grantee, its successors and assigns on the Property, grantor, its successors or assigns reserves the right to access through, over and across the Property and the right to use the Property so long as grantor's activities on the Property do not adversely affect grantee's construction of the roadway.

Grantee and its successors and assigns shall allow grantor and its successors and assigns to have access at the designated

access points onto the roadway indicated on Project drawings SP-7543 (205) and SP-7501 (218) as prepared by Avid Engineering from the real property owned by grantor adjacent to the roadway.

Upon mutual agreement of grantor, its successors or assigns and grantee, its successors or assigns, the Property may be exchanged for the purpose of realignment of the proposed roadway.

This grant is subject to:

- Reservations of patent, restrictive covenants, easements and rights-of-way of record, and the covenants contained herein which shall run with the land.
- Taxes for the year 1994 and subsequent years.
- Reservation of all oil, gas, mineral, geothermal and water rights.

All covenants and conditions contained herein shall be binding on the parties and their successors and assigns and shall run with the land.

STATE OF NEW MEXICO } ss
COUNTY OF SANDOVAL }
This instrument was filed for record on
AT: 2:27 **BEC 28 1994** AM
Recorded in Vol. **DR 205** AS-
of records of said county, folio **75-**
Sally Padilla, Clerk & Recorder **79**
By: *[Signature]* Deputy

RECOP NEW MEXICO ASSOCIATES
LIMITED PARTNERSHIP, a New Mexico
limited partnership

By Recorp Partners, Inc.
General Partner

By *[Signature]*
David P. Maniatis
President

a necessary operation in the generation of an Ameliorative document 511A.
JOSIE PERA 1/11/95
Date of Filing

786

ACKNOWLEDGMENT

STATE OF New Mexico)
COUNTY OF Santa Fe) ss.

The foregoing instrument was acknowledged before me this
day of December, 1994, by David P. Maniatis,
President of Recorp Partners, Inc., partner on behalf of Recorp
New Mexico Associates, a New Mexico limited partnership.



David P. Maniatis
Notary Public

My Commission Expires:
12/31/95

as a necessary operation in the preparation of an irrevocable document (L.R.)
JUSTICE PERNA 1/11/95
Notary Public

787

GENERAL WARRANTY DEED

Recorp New Mexico Associates Limited Partnership II, a New Mexico limited partnership, for \$1.00 and other valuable consideration paid, grants to the County of Sandoval, a political subdivision of the State of New Mexico, whose address is Post Office Box 40, Bernalillo, New Mexico 87004, the following described real estate in Sandoval County, New Mexico, and which is more specifically described as:

See Exhibit A attached hereto and incorporated herein by reference (the "Property")

with warranty covenants.

The Property shall be used solely for public roadway and utility right-of-way. In the event a 2 lane all-weather roadway is not substantially completed by grantee, its successors and assigns on the Property within 15 years after the date of recording of this deed, the Property shall revert to the grantor, its successors or assigns, and grantee, its successors and assigns shall execute any documents necessary to effect such reversion.

Until an access controlled roadway is constructed by grantee, its successors and assigns on the Property, grantor, its successors or assigns reserves the right to access through, over and across the Property and the right to use the Property so long as grantor's activities on the Property do not adversely affect grantee's construction of the roadway.

Grantee and its successors and assigns shall allow grantor and its successors and assigns to have access at the designated

All microphotographic images of documents on this film strip are of authorized documents in the possession of this agency as noted in the statement of document certification on filast this agency. These documents are routinely microfilmed as a necessary operation in the generation of an immediate document file.

JOSIE PANNA 1/11/95
 Size of Print

access points onto the roadway indicated on Project drawings SP-7543 (205) and SP-7501 (218) as prepared by Avid Engineering from the real property owned by grantor adjacent to the roadway.

Upon mutual agreement of grantor, its successors or assigns and grantee, its successors or assigns, the Property may be exchanged for the purpose of realignment of the proposed roadway.

This grant is subject to:

- Reservations of patent, restrictive covenants, easements and rights-of-way of record, and the covenants contained herein which shall run with the land.
- Taxes for the year 1994 and subsequent years.
- Reservation of all oil, gas, mineral, geothermal and water rights.

All covenants and conditions contained herein shall be binding on the parties and their successors and assigns and shall run with the land.

STATE OF NEW MEXICO } ss	
COUNTY OF SANDOVAL }	
This instrument was filed for record on	
AT:	DEC 28 1994 AM
2:28	P.M.
Recorded in Vol. DR 205	
of records of said county, folio 710-	
Sally Padilla, Clerk & Recorder 794	
By: <u>Inez</u>	Deputy <u>Int</u>

RECORP NEW MEXICO ASSOCIATES
LIMITED PARTNERSHIP II,
a New Mexico limited partnership

By Recorp Partners, Inc.
General Partner

By David P. Maniatis
David P. Maniatis
President

791

ALL microphotographic images of documents on this file strip are of authorized documents in the possession of this agency as noted in the statement of document certification on file with this agency. These documents are routinely microfilmed as a necessary operation in the generation of an interactive document file.

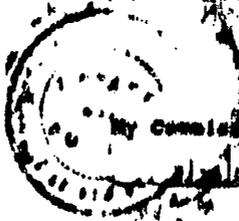
REPLICATION

Genesis Operator
Date of Filing
JOSIE PARRA 1/11/95

ACKNOWLEDGMENT

STATE OF New Mexico
COUNTY OF Sandoval

The foregoing instrument was acknowledged before me this
day of December, 1988, by David P. Maniatis,
President of Recovery Partners, Inc., partner on behalf of Recovery
New Mexico II Associates, a New Mexico limited partnership.



David P. Maniatis
Notary Public

My Commission Expires

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EXHIBIT A

SP-7543(205)
Northwest Loop Road

Recorp New Mexico Associates Limited Partnership II, a New Mexico limited partnership
7.1

A certain parcel of land lying and being situate within Section 15, Township 12 North, Range 1 West, New Mexico Principal Meridian, Sandoval County, State of New Mexico and being more particularly described by New Mexico State Plane Grid bearings (Central Zone) and ground distances as follows:

BEGINNING at a point 150.00 feet to the right of, easterly and opposite Survey Centerline POT Station 832 + 84.97 of NMP SP-7543(205), County of Sandoval, State of New Mexico, said point being the southeast corner of the parcel herein described, a point on the easterly right-of-way of NMP SP-7543(205) and on the southern line of Section 15, Township 12 North, Range 1 West, from whence the southeast corner of said Section 15, a 1/2" iron pipe with aluminum cap, bears S89°45'41"E along said Section line a distance of 1492.26 feet;

thence along the southerly Section line N89°45'41"W a distance of 316.39 feet to a point on the westerly right-of-way line of NMP SP-7543(205) being the southwest corner of the parcel herein described;

thence along the westerly right-of-way line of NMP SP-7543(205), N18°45'32"E a distance of 150.00 feet to a point;

thence along the right-of-way and access control line of NMP SP-7543(205), N18°45'32"E a distance of 1145.57 feet to a point of curvature;

thence northerly along the westerly right-of-way and access control line of NMP SP-7543(205), on a 01°01'37" curve (radius = 5579.58 feet, chord = N09°44'26"E a distance of 1749.21 feet) through an arc of 18°03'12" to the left a distance of 1756.45 feet to a point of tangency;

thence along the right-of-way and access control line of NMP SP-7543(205), N00°43'20"E a distance of 1484.71 feet to a point;

thence along the westerly right-of-way line of NMP SP-7543(205), N00°43'20"E a distance of 150.00 feet to a point being the northwest corner of the parcel herein described;

thence S89°30'38"E a distance of 300.00 feet to a point on the easterly right-of-way line of NMP SP-7543(205), being the northeast corner of the parcel herein described;

