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DEED OF CONSERVATION EASEMENT

This Deed of Conservation Easement ("Deed") is granted on this 23rd day of April, 2002 by Rebecca Wengert Romero joined by her husband Abenicio V. Romero having an address at P.O. Box 500, Taos, New Mexico 87571 ("Landowner") to the Taos Land Trust, a New Mexico nonprofit corporation, having an address at P. O. Box 376, Taos, New Mexico 87571 (the "Land Trust") for the purpose of forever conserving the Conservation Values (defined below) of the Property (defined below).

WITNESS THAT:

WHEREAS, the Landowner is the sole owner in fee simple of the property generally known as extension of Los Pandos Road (the "Property") and more particularly described in Exhibit 1 attached to and made a part of this Deed, which consists of fifteen and twenty-seven hundredths (15.027) acres of land, more or less, located in Taos County, New Mexico.

WHEREAS, Abenicio V. Romero is Landowner's attorney-in-fact pursuant to a General Power of Attorney, a copy of which is attached hereto as Exhibit 2, and, as further described in the General Power of Attorney, is authorized to do all things requisite and proper on behalf of Landowner, including executing deeds affecting Landowner's property.

WHEREAS, the Landowner intends to make a charitable gift of the property interest conveyed by this Deed to the Land Trust for the exclusive purpose of assuring that, under the Land Trust's perpetual stewardship, the Property's irrigated agricultural land ("Conservation Values") will be maintained forever, and that uses of the land that are inconsistent with these Conservation Values will be prevented or corrected. The parties agree, however, that the current uses of the Property as well as the improvements to the Property described in the Baseline Documentation Report (described below) are consistent with the Conservation Values.

WHEREAS, the Property is primarily farmland that has been classified as prime farmland by the Natural Resource Conservation Service, U.S. Department of Agriculture, because of the fertility of its soils (as identified by the "Soil Survey of Taos County", USDA, April 1982, Sheet # 91 and Technical Guides Section Iliii(a) Taos County SS). The Property has a history of use as irrigated farmland and pastureland.

WHEREAS, the Property has surface water rights from the Acequia Madre del Pueblo and the Acequia del medio del Rio Fernando.

WHEREAS, the Property includes scenic open space visible from Los Pandos Road, a secondary road near the center of the Town of Taos, New Mexico. The foreground views are the irrigated agricultural land of the Property. Distant views include the mountains to the southwest.

WHEREAS, the characteristics of the Property, its current use and state of improvement, are described in a Baseline Documentation Report prepared by the Land Trust with the cooperation of the Landowner, and acknowledged by both to be complete and accurate as of the date of this Deed. Both the Landowner and Land Trust have copies of this report, and a copy

will be retained in the Land Trust's files. The Baseline Documentation Report will be used by the Land Trust to assure that any future changes in the use of the Property will be consistent with the terms of this Deed. The Baseline Documentation Report is not, however, intended to preclude the use of other evidence to establish the present condition of the Property if there is a controversy over its use.

WHEREAS, the purposes of this Deed are recognized by, and the grant of this Deed will serve, the following clearly delineated governmental conservation policies:

(1) Taos County Ordinance 1991-35:

"WHEREAS, open space land, including farmland, so important to Taos County's cultural heritage, scenic beauty and economic well-being faces competition from uses of the land for continuing development and population growth;

WHEREAS, the extraordinary scenic beauty of Taos County is a continuing and significant source of public benefit to residents of the County and to the many visitors who come to Taos; and tourism is an important component of the local economy;

WHEREAS, Taos County benefits from preservation of its farmland and the existing way of life and aesthetic values throughout the County so far as possible in the interest of preserving the County's agricultural resources, great natural beauty and scenic vistas;

WHEREAS, the Taos County Commissioners strongly endorse the efforts of individuals and organizations who choose through their voluntary actions to preserve agricultural and open space land in Taos County;

WHEREAS, good farmland is scarce in Taos County (The Soil Conservation Service of the U.S. Department of Agriculture has mapped the 106 soil types in Taos County, and has identified only 13 of these soil types with an acreage of about 112,800 acres as "farmland of statewide importance." This is only about 8% of the County's 1,444,500 acres. See Soil Conservation Service, Soil Survey of Taos County, 1982; and New Mexico Technical Guide, section Iiii(a), Taos County Soil Survey, 1988);

WHEREAS, most farming in the County depends upon irrigation and there is limited water for irrigation; (There are 41,900 acres of irrigated cropland in Taos County as of 1989, comprising only about 3% of the County's total acreage. See "Sources of Irrigation Water and Irrigated and Dry Cropland Acreages in New Mexico, by County, 1987-1989," New Mexico State University, Agricultural Experiment Station);

WHEREAS, livestock grazing on poorer and unirrigated soils in Taos County is feasible but may require many acres per animal unit;

WHEREAS, preservation of open space because of its contribution to the scenic quality of the County is facilitated by use of a rigorous review process for evaluating scenic quality;"

(2) Taos County Ordinance 1991-35: "It is the policy of Taos County and in the public interest to encourage voluntary preservation in perpetuity by landowners of open space lands and farmlands in Taos County particularly for:

(a) those specific parcels of land greater than one acre in size comprised predominantly of land with soil types identified by the U.S. Soil Conservation Service as "farmland of statewide significance";

(b) those specific parcels of land greater than one acre in size comprised predominantly of land with irrigation rights and with a history of actual use as irrigated farmland;

(c) those specific open space parcels of land which have been evaluated by a rigorous review process for scenic attributes, and determined to contribute to the scenic enjoyment of the general public; and

(d) those specific parcels of land greater than 80 acres in size (or such other size as Taos County may later determine is the minimum practicable for grazing of livestock) comprised predominantly of land with a history of actual use for livestock grazing."

(3) Taos County Ordinance 1991-35: "Consistent with Taos County's intent to encourage preservation of land for agricultural use in Taos County, and in compliance with State of New Mexico Statute 7-36-20 entitled Special Method of Valuation; Land Used Primarily for Agricultural Purposes, Taos County makes available an agricultural special method of valuation" to property owners whose agricultural use of their land conforms to the requirements of the statute and who comply with applicable regulations.

(4) Sections 47-12-1 to 47-12-6 NMSA 1978, the "Land Use Easement Act" aids the landowner who wishes voluntarily to donate a conservation easement intended to restrict the use of a specific parcel of land, thus preventing its development in ways prohibited by the easement, so as to maintain in perpetuity the agricultural or open space character of the parcel of land.

(5) Farmers Home Administration (FmHA) Instruction 1951-S (7 C. F. R. Subpart S of Part 1951). These regulations state a public policy to "keep the farmer on the farm."

(6) Sections 47-9-1 through 47-9-4 NMSA 1978. The legislative findings leading to this Act include a purpose "to conserve, protect, encourage, develop and improve agricultural land ... and to reduce the loss to the state of its agricultural resources ..." Section 47-9-2. Agricultural operations are defined as the use of land for the production of plants, crops, trees, forest products, orchard crops, livestock, poultry, and fish.

(7) Section 73-20-3 NMSA 1978. The Watershed District Act indicates the legislature's desire to further the "conservation ... of water, and thereby preserve and protect New Mexico's land and water resources."

(8) The Farmland Protection Policy Act, passed in 1981, committed the federal government to the goal of conserving farmland in carrying out its public works and other development projects (7 U.S.C. Section 4201, et seq.)

(9) Section 7-36-20 NMSA 1978. New Mexico has seen fit to accord property tax relief through a special method of valuation of land used primarily for agricultural purposes.

(10) Sections 58-24-1, 58-24-2, 58-24-3, 58-24-4, 58-24-6, 58-24-17, 58-24-24 NMSA 1978. These provisions, establishing and governing the New Mexico industrial and agricultural finance authority, again evidence the legislature's concern for the maintenance of agriculturally productive resources, and its intention to encourage an increase in the inventory of agricultural lands and a resultant increase in the gainful employment of the citizens of the state.

WHEREAS, it is a significant public benefit for this Property to be preserved, because:

(1) The Property possesses significant natural, agricultural, scenic, and open space values of great importance to Landowner, to Land Trust, to the Town of Taos, to Taos County, to the State of New Mexico, and to the people of this nation;

(2) Agriculture has been an integral part of the way of life in Taos County for centuries and should be preserved in order to protect the area's great natural beauty, scenic vistas, and way of life;

(3) Open space has been an integral part of Taos County for centuries and should be preserved in order to protect the area's great natural beauty and scenic vistas;

(4) The Property exists in an area where development is occurring rapidly and is expected to occur at an even faster rate in the future;

(5) The Property includes portions of two acequias, long important to the irrigated farmland, agricultural productivity, traditional way of life and culture of the Taos area and northern New Mexico;

(6) The use of the Property as stated in this Deed is intended to be consistent with public programs for conservation in the area, including programs for irrigation, soil protection, and agricultural uses;

(7) The development of the Property would impair the scenic character of the local rural landscape and would contribute to the degradation of the natural character, scenic beauty and agricultural productivity of the area;

(8) The Property has been evaluated for scenic quality using the Taos Land Trust's Review Process for Scenic Attributes, a rigorous review process for scenic attributes, and found to be scenic, and easily seen by the public.

WHEREAS, the Land Trust is a tax-exempt nonprofit organization qualified under Sections 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code (the "Code") and a "qualified conservation organization" as defined by Section 170(h)(3) of the Code, and a qualified "holder" of the Easement granted by this Deed under the Land Use Easement Act, and as certified by a Resolution of its Board of Directors adopted on April 23, 2002 attached hereto as Exhibit 3, accepts the responsibility of enforcing the terms of this Deed and preserving the Conservation Values of the Property forever.

WHEREAS, this Deed includes any and all mineral rights that may be part of the title to the Property of the Landowner, although certain mineral rights have been separated from the Property.

WHEREAS, the Landowner desires and intends to assure that the Property's Conservation Values be preserved in perpetuity.

NOW, THEREFORE, for the reasons given, and in consideration of their mutual promises and covenants, the Landowner voluntarily grants as a gift and conveys to the Land Trust, and the Land Trust voluntarily accepts, a perpetual "land use easement", as defined by Sections 47-12-1 to 47-12-6 NMSA 1978, and a "qualified conservation contribution" as that term is defined under Section 170(h)(2)(C) of the Code ("Easement"), for the purpose of protecting the Conservation Values of the Property.

1. Land Trust's Approval. Before doing anything that requires the Land Trust's notification or approval as set forth below, the Landowner shall notify the Land Trust in writing and/or seek approval in writing. The Land Trust shall grant or withhold its approval in writing within forty-five (45) days of receipt of the Landowner's written request therefor. The Land Trust shall give such approval in writing unless it determines that the action as proposed would be detrimental to the Conservation Values of the Property. Failure of the Land Trust to respond within said period of time shall be deemed approval.

2. Prohibited Acts. The Landowner promises that she will not perform, nor knowingly allow others to perform, any act on or affecting the Property that is inconsistent with the Conservation Values or this Deed. The Landowner also authorizes the Land Trust to enforce these covenants in the manner described herein. However, unless otherwise specified herein,

nothing in this Deed shall require the Landowner to take any action to restore the condition of the Property after any Act of God or other event over which she had no control. The Landowner understands that nothing in this Deed relieves her of any obligation or restriction on the use of the Property imposed by law.

3. Construction of Buildings and Other Structures. The construction and later modification or renovation of any temporary or permanent buildings, structures, dwellings or facilities ("Buildings") is prohibited except as follows:

(a) One single family home ("Home") may be constructed in a two (2) acre area bounded by Los Pandos Road on the north, the Acequia Madre del Pueblo on the south, the Property boundary on the east, and the line on which separates Section 20, Township 25N, Range 13E from Section 21, Township 25N, Range 13E on the west (which boundaries collectively shall be the "Building Envelope").

(b) The Home must be single story and set back twenty (20) feet from all of the boundaries that make up the Building Envelope. Mobile homes are prohibited.

4. Subdivision. The division or subdivision of the Property into two or more parcels, whether by physical or legal process, is prohibited. The Building Envelope shall not be divided from the Property nor shall it be considered a separate legal lot. The Landowner may, however, deed or bequeath undivided interests in all or a portion of the Property.

5. Access Easements to Property. Abandonment of any easements allowing access for the Land Trust to the Property is prohibited unless, prior to such abandonment, an easement, agreeable to and signed by both the Landowner and the Land Trust, is granted by the Landowner providing the Land Trust with perpetual access from a public roadway to the Property.

6. Water Rights. The voluntary separation of water rights from the land of the Property is prohibited. The Landowner shall take all prudent measures, including but not limited to timely payment of acequia association assessments, beneficial use of irrigation water and participation in an acequia conservation program, to avoid forfeiture of water rights. Should the Landowner be notified for any reason regarding possible forfeiture of water rights, the Landowner must notify the Land Trust in writing in accordance with paragraph 1 above, and arrange for the land to be irrigated. Should the Landowner for any reason be required to forfeit water rights, the Landowner agrees to sign a transfer of such forfeited water rights to the acequia association serving the Property or to the local water bank, but the Landowner is not obligated in any way to do more than sign the application for transfer. The above stipulations apply to all of the water rights associated with the Property.

7. Ranching, Agriculture, and Conservation Practices. For purposes of this Deed, ranching and agriculture shall include agriculture and animal husbandry; the pasturing, grazing, feeding, watering, and caring for livestock; and the production and sale or use of plant and animal products for domestic or commercial purposes. It is the Landowner's and Land Trust's intent to permit the continuation of ranching and agricultural activities on the Property, and to provide sufficient flexibility so that such activities can take advantage of appropriate

technologies in the future. All activities shall be conducted in a manner consistent with the Conservation Values and as described below:

(a) All farming, ranching, forestry, and agricultural practices shall be conducted in a sustainable manner, and in keeping with practices that would be best suited for the conservation of the soil and the water, the maintenance of soil and water quality, and to avoid erosion, overgrazing, soil contamination, and water pollution.

(b) Whenever the type of agricultural practice changes on the Property, the Landowner shall notify the Land Trust in writing prior to instituting the changes describing the changes and documenting how the Conservation Values will be protected.

(c) The use of chemical or industrial fertilizer, herbicide or pesticide is prohibited. If the Landowner ever desires to use any chemical or industrial fertilizer, herbicide or pesticide or other plant control material or mechanism, the Landowner shall contact the Land Trust in writing in accordance with paragraph 1 above and seek permission. The Land Trust may, in its sole discretion, require the Landowner to obtain, at the Landowner's sole expense, the opinion of a competent soil specialist from the U.S. Natural Resource Conservation Service, U.S. Department of Agriculture, or other appropriate agency or organization as to whether the contemplated use of chemical or industrial fertilizer, herbicide, or pesticide will be damaging to the Conservation Values of the Property. If the Land Trust requires the opinion of such a specialist, the Land Trust shall have forty-five (45) days after receiving the report to reply to the Landowner's request.

(d) The Property may be leased out for the agricultural purposes enumerated within this Deed.

8. Livestock and Other Animals. It is the mutual intent of the Landowner and the Land Trust that use of the Property by domestic livestock and other animals shall not adversely affect the Conservation Values. Livestock shall be managed on the Property in such a fashion as to avoid any overgrazing. The establishment or maintenance of any commercial feedlot is prohibited. For the purposes of this Deed, a commercial feedlot shall be defined as a permanently constructed confined area or facility within which the land is not grazed or cropped annually, and which is used for purposes of engaging in the business of the reception and feeding of livestock. Cattle feeding operations on the Property which are consistent with normal ranching practices shall not constitute a commercial feedlot.

9. Timber Harvesting. Both Landowner and Land Trust understand and acknowledge that over time, trees and other woody plants may grow on the Property unless somehow controlled. Timber or wood products may be removed to prevent encroachment onto open fields, to control insects or disease, for fire control, or to prevent personal injury and property damage. The Landowner reserves the right to remove down or dead timber for firewood, and to cut posts for maintaining and constructing new fences on the Property. Commercial harvesting of timber or wood products is prohibited on the Property, except that if the Landowner ever wishes to use the Property as a tree farm or for sustainable timbering,

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Landowner must notify Land Trust in writing and see permission. Before deciding whether to grant such permission, the Land Trust may in its sole discretion require the Landowner to obtain, at the Landowner's expense, the opinion of a competent professional forester as to the sustainability of the Landowner's plans and that these activities shall not compromise the Conservation Values of the Property. The Land Trust shall have forty-five (45) days after receiving the forester's report to reply to the Landowner's request

10. Utilities. Utilities (including electric, sewer, water, telephone, gas, and other) are prohibited on the Property, except as required for the Home. All utilities shall be placed underground. Prior to placing any utilities underground, the Landowner shall notify the Land Trust in writing, specifying the type and location of such utilities.

11. Roads. The construction of new roads is prohibited on the Property except to access the Home from Los Pandos Road.

12. Impervious Surfaces. Paving or covering the soil with an impervious surface including concrete, asphalt, or any other paving material, is prohibited on the Property except as foundations for the construction of the Buildings permitted by this Deed.

13. Mining. Soils, sand, gravel, or rock may be extracted without further permission from the Land Trust so long as such extraction is solely for use on the Property, is in conjunction with activities permitted herein, is more than one hundred (100) feet from any acequia, is accomplished in a manner which is consistent with the Conservation Values, and that not more than one acre of the Property is disturbed by the extraction. This provision shall be interpreted in a manner consistent with Section 170(h) of the Code and the Treasury regulations adopted pursuant thereto. Any other mining or extraction of soil, sand, gravel, rock, fuel or any other mineral substance, using surface mining or any other extractive activities or techniques is prohibited. Consent to any mining or surface mining on the Property under New Mexico Surface Mining Act, Sections 69-25A-1 to 69-25A-35 NMSA 1978 or its successor statute, or any other New Mexico surface mining consent law is also prohibited.

14. Refuse. The dumping or accumulation or storage of any kind of refuse on the Property is prohibited. Should refuse be found on the Property, it is the Landowner's responsibility to remove it. However, nothing herein shall prevent the storage of agricultural supplies, agricultural equipment, and agricultural products and byproducts on the Property, so long as it is done in accordance with all applicable laws, rules, and regulations, and is consistent with the Conservation Values.

15. Commercial Activity. Commercial or industrial activity (in any way related to the producing, buying, or selling of goods or services), other than activity related to agricultural products grown on the Property and agricultural services performed on the Property, is prohibited.

16. Signs. Signs are permitted for purposes of identifying the Property as private property, or posting it against trespassing or hunting, or identifying that it is protected by the Land Trust, or any other posting or notice required by law. All other signs are expressly

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prohibited. Signs shall not exceed one (1) by two (2) feet in size, shall not have neon or reflective surfaces on them, and shall not be illuminated.

17. Public Access. It is not the intent of this Deed to allow public access to the Property. The Landowner and Land Trust shall take no actions that encourage public access to this Property. The Land Trust shall have no obligation to take any action to prevent trespassing.

18. Firearms and Fireworks. The discharge of firearms for recreation and the ignition of fireworks are prohibited.

19. Hunting. Hunting on the Property is prohibited except for the control of rodents and varmints, including coyotes.

20. Responsibilities of Landowner Not Affected. Other than as specified herein, this Deed is not intended to impose any legal or other responsibility on the Land Trust, or in any way to affect any existing obligation of the Landowner as owner of the Property, including but not limited to:

(a) *Taxes.* The Landowner shall be solely responsible for payment of all taxes and assessments levied against the Property. If the Land Trust is ever required to pay any taxes or assessments on its interest in the Property, the Landowner will reimburse the Land Trust for the same, and until such reimbursement occurs, such payment shall constitute a lien on the Property.

(b) *Upkeep and Maintenance.* The Landowner shall be solely responsible for the upkeep and maintenance of the Property, to the extent it may be required by law and by the terms of this Deed. The Land Trust shall have no obligation for the upkeep or maintenance of the Property.

(c) *Liability and Indemnification.* If the Land Trust is ever required by a court to pay damages resulting from personal injury, property damage, loss, or theft that occurs on the Property, the Landowner shall indemnify and reimburse the Land Trust for these payments, as well as for Land Trust's costs and reasonable attorneys' fees and other expenses of defending itself, unless the Land Trust or any of its agents have committed a deliberate act that is determined by a court to be the proximate cause of the injury or damage.

(d) *Insurance.* Landowner warrants that Land Trust is and will continue to be an additional insured on Landowner's liability insurance policy covering the Property. Landowner shall provide certificates of such insurance to Land Trust within thirty (30) days after the date this Deed is granted and after that upon Land Trust's request therefor. The Landowner shall advise Land Trust at least thirty (30) days in advance of cancellation of any insurance policy.

21. Inspection and Enforcement. With reasonable advance notice to the Landowner, the Land Trust may enter the Property (generally once a year) for the purpose of inspecting for

violations of this Deed. The Land Trust has all the rights, remedies, and powers to enforce the terms of this Deed against the Landowner or their successors that are provided by law, although the Land Trust will attempt to mediate dispute when feasible. If the Land Trust finds what it believes is a violation, it may at its discretion take appropriate action. Except when an ongoing or imminent violation could irreversibly diminish or impair the Conservation Values, the Land Trust shall give the Landowner written notice of the violation and thirty (30) days to correct it, before filing any legal action. If a court with jurisdiction determines that a violation may exist or has occurred, the Land Trust may get an injunction to stop it, temporarily or permanently. A court may also issue an injunction to require the Landowner to restore the Property to its condition prior to the violation. In any case where a court finds that a violation has occurred, the Landowner shall reimburse the Land Trust for all its expenses incurred in stopping and correcting the violation, including but not limited to reasonable attorneys' fees and court costs. If the court finds no violation, the Landowner and Land Trust shall each bear their own expenses and attorneys' fees. The Landowner and the Land Trust agree that this allocation of expenses is appropriate in light of the Land Trust's public benefit mission.

22. Transfer of Easement. This Easement may only be transferred to another organization according to the conditions set forth below:

(a) If the Land Trust ever ceases to exist or no longer qualifies under Section 170(h) of the Code or applicable state law, a court with jurisdiction shall transfer this Easement to another qualified organization having similar purposes, provided that at the time of such vesting or award such entity is one described in section 170(h)(3) of the Code, is qualified to accept and hold conservation easements under applicable laws of the State of New Mexico, and agrees to monitor and enforce this Easement.

(b) If the Land Trust ever wishes voluntarily to transfer this Easement, the Land Trust will notify the Landowner in writing and give the Landowner sixty (60) days from receipt of notification in which to deliver any preferences she may have regarding a successor organization. This Easement can only be transferred to another qualified organization having purposes similar to those of the original Land Trust, provided that at the time of such vesting or award such entity is one described in section 170(h)(3) of the Code, is qualified to accept and hold conservation easements under applicable laws of the State of New Mexico, and agrees to monitor and enforce this Easement.

23. Transfer of Property. Any time any interest in the Property is transferred by the Landowner to any third party, the Landowner shall, prior to such transfer, (i) notify the third party of this Easement; (ii) notify the Land Trust of the transfer; and (iii) acknowledge to the Land Trust that the Landowner has notified the third party of this Easement. This provision is intended to provide additional notice to subsequent owners and to facilitate communication between subsequent owners and the Land Trust, and the failure of the Landowner to perform any act required by this provision shall not impair the validity of this Deed or limit its enforceability against the Landowner or any subsequent owner in any way.

24. Limitations on Amendment. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Landowner and Land Trust may by

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mutual written agreement jointly amend this Easement; provided that no amendment shall be made that will adversely affect the qualification of this Easement or the status of Land Trust under any applicable laws, including Sections 170(h) and 501(c)(3) of the Code and the laws of the State of New Mexico. Any such amendment shall not affect its perpetual duration of this Deed and shall not permit any impairment of the Conservation Values of the Property. Any such amendment shall be filed in the Office of the County Clerk of Taos, New Mexico. Nothing in this paragraph shall require Landowner or Land Trust to agree to any amendment or to consult or negotiate regarding any proposed amendment.

25. Termination of Easement and Application of Proceeds. The parties agree that the Easement conveyed by this Deed constitutes a real property interest immediately vested in Land Trust, which the parties stipulate to have a fair market value determined as set forth below. If it is determined that conditions on or surrounding the Property change so much in the future that it becomes impossible to protect and preserve the Conservation Values of the Property, a court with jurisdiction may, at the joint request of both Landowner and Land Trust, terminate the Easement created by this Deed. If condemnation of a part of the Property or of the entire Property by public authority renders it impossible to protect and preserve the Conservation Values of the Property, the Easement may be terminated through condemnation proceedings. If the Easement is terminated in whole or in part and all or part of the Property is thereafter sold or taken for public use, then, as required by IRS regulation section 1.170A-14(g)(6), Land Trust shall be entitled to a percentage of the sale proceeds or condemnation award (net of any increase in value after the date of this Deed attributable to improvements, and net of costs of sale) representing an amount equal to the ratio of the appraised value of this Easement to the unrestricted fair market value of the Property, as these values are determined on the date of this Deed (amended, if necessary, to reflect any final determination by the IRS or a court of competent jurisdiction). The Land Trust shall use the proceeds consistently with its conservation purposes, which are exemplified by this Deed.

26. Landowner's Title Warranty. Landowner warrants that Landowner has good and sufficient title to the Property, that there are no liens on the property, and hereby promises to defend the same against all claims from persons claiming by, through, or under Landowner.

27. Landowner's Environmental Warranty and Indemnity. Landowner warrants that Landowner has no actual knowledge of a release or threatened release of hazardous substances or wastes on the Property and hereby promises to defend and indemnify Land Trust against all litigation, claims, demands, penalties, and damages, including reasonable attorneys' fees, arising from or connected with any release of hazardous waste or violation of federal, state, or local environmental laws. Without limiting the foregoing, nothing in this Deed shall be construed as giving rise to any right or ability in Land Trust, nor shall Land Trust have any right or ability, to exercise physical or managerial control over the day-to-day operations of the Property, or otherwise to become an operator with respect to the Property within the meaning of The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

28. Subsequent Liens on the Property. No provisions of this Deed should be construed as impairing the ability of Landowner to use the Property as collateral for subsequent

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borrowing, provided that any mortgage or lien arising from such a borrowing shall be subordinate to this Deed.

29. Compliance Certificates. Upon request by Landowner, Land Trust shall within thirty (30) days execute and deliver to Landowner appropriate documentation that may be requested by Landowner, including an estoppel certificate or compliance certificate, to certify to the best of Land Trust's knowledge Landowner's compliance with any obligation of Landowner contained in this Deed or otherwise to evidence the status of the Easement conveyed by this Deed.

30. Severability. If any provision of this Deed or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Deed shall not be affected thereby.

31. Forbearance Not a Waiver. Any forbearance by Land Trust to exercise its rights under this Deed in the event of any breach of any term of this Deed shall not be deemed or construed to be a waiver by Land Trust of such term or of any subsequent breach of the same or any other term of this Deed or of any of Land Trust's rights under this Deed. No delay or omission by Land Trust in the exercise of any right or remedy upon any breach shall impair such right or remedy or be construed as a waiver.

32. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to this Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to this Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with the requirements of this Deed.

33. Interpretation. This Deed shall be interpreted under the laws of New Mexico, resolving any ambiguities and questions of the validity of specific provisions so as to give maximum protection to the Conservation Values of the Property.

34. Perpetual Duration. The Easement created by this Deed shall run with the land in perpetuity. Every provision of this Deed that applies to the Landowner or Land Trust shall also apply to their respective agents, heirs, executors, administrators, assigns, and all other successors in interest as their interests may appear. A party's rights and obligations under this Deed terminate upon transfer of the party's interest in this Deed or the Property except that liability for acts or omissions prior to transfer shall survive transfer.

35. Counterparts. This Deed may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument.

36. Notices. Any notices required by this Deed shall be in writing and shall be personally delivered or sent by certified mail return receipt requested, to Landowner and Land Trust respectively at the following addresses, unless a party has been notified by the other of a change of address:

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To the Landowner: Rebecca Wengert Romero
c/o Abenicio V. Romero
P.O. Box 500
Taos, New Mexico 87571

To the Land Trust: Taos Land Trust
P. O. Box 376
Taos, New Mexico 87571

37. Acceptance. Pursuant to the Resolution of the Board of Directors of the Taos Land Trust adopted on April 23, 2002, attached hereto as Exhibit 3, the Land Trust hereby accepts without reservation the rights and responsibilities conveyed by this Deed of Conservation Easement.


To Have and To Hold, this Deed of Conservation Easement unto the Land Trust, its successors and assigns, forever.


[Signatures and acknowledgments on following pages.]

SIGNATURE PAGE
TO
DEED OF CONSERVATION EASEMENT

In Witness Whereof, the Landowner and Land Trust, intending to legally bind themselves, have set their hands on the date first written above.


"Landowner"


Rebecca Wengert Romero,
by Abenicio V. Romero,
Attorney-in-Fact


Abenicio V. Romero

"Land Trust"

Taos Land Trust,
a New Mexico nonprofit corporation


By: James G. Thompson
Title: President, Board of Directors
pursuant to the attached April 23, 2002
Resolution of the Board of Directors
of the Taos Land Trust

ACKNOWLEDGMENTS
FOR
DEED OF CONSERVATION EASEMENT
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County of Taos)
State of New Mexico) ss

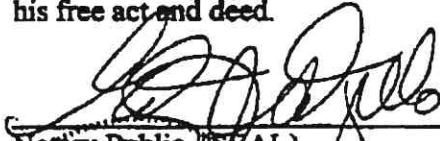
Personally appeared before me Abenicio V. Romero, attorney-in-fact for Rebecca Wengert Romero, on April 23, 2002, and acknowledged that all material statements of fact in the foregoing Deed of Conservation Easement are true to the best of his knowledge and belief, and that the execution of said Deed is his free act and deed as attorney-in-fact for Rebecca Wengert Romero.





County of Taos)
State of New Mexico) ss

Personally appeared before me Abenicio V. Romero, on April 23, 2002, and acknowledged that all material statements of fact in the foregoing Deed of Conservation Easement are true to the best of his knowledge and belief, and that the execution of said Deed is his free act and deed.







ACKNOWLEDGMENTS
FOR
DEED OF CONSERVATION EASEMENT
(Page 2 of 2)

Country of NOOS)
State of New Mexico) ss
)

Personally appeared before me James G. Thompson, on April 23, 2002, and acknowledged that he is the President of the Board of Directors of the Taos Land Trust, a New Mexico nonprofit corporation, and that the execution of this Deed of Conservation Easement is with the authority of the Board of Directors of said corporation.


Notary Public (SEAL)
My commission expires: 9/9/2005


Original in
Poor Condition

Exhibit 1
to
Deed of Conservation Easement

LEGAL DESCRIPTION

A certain tract of land in Canon, Taos County, New Mexico; within the Fernando de Taos Grant; located within projected Sections 20 and 21, Township 25 North, Range 13 East; N.M.P.M.; described as Tract 132, Map 19, Survey 2, and Tract 58, Map 20, Survey 2 of the 1941 Taos County Reassessment Survey; and more particularly described by metes and bounds as follows:

Beginning at a $\frac{1}{4}$ inch rebar found for the N.E. corner of this tract on the southwesterly Right-of-Way of Los Pandos Road, from whence Trangulation Station "ARTIST", a U.S.C. & G.S. brass cap monument found, bears N 41° 30' 07" E, 961.98 feet distant, thence leaving said Right-of-Way;

S 27° 04' 29" W, 394.18 feet to a $\frac{1}{4}$ inch rebar found, thence;
S 28° 45' 04" W, 328.89 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 30° 21' 52" W, 83.40 feet to a $\frac{1}{4}$ inch rebar found for the S.E. corner of this tract, thence;
N 54° 42' 51" W, 89.54 feet to a $\frac{1}{4}$ inch rebar found, thence;
N 61° 03' 41" W, 41.07 feet to a $\frac{5}{8}$ inch rebar set, thence;
N 66° 49' 02" W, 486.79 feet to a $\frac{1}{4}$ inch rebar found, thence;
N 67° 32' 04" W, 114.05 feet to a $\frac{5}{8}$ inch rebar set for the S.W. corner of this tract, thence;
N 26° 01' 13" E, 122.47 feet to a $\frac{1}{4}$ inch rebar found, thence;
N 27° 16' 02" E, 867.55 feet to a $\frac{5}{8}$ inch rebar set for the N.W. corner of this tract on the southwesterly Right-of-Way of Los Pandos Road, thence along said Right-of-Way;
S 56° 28' 18" E, 54.33 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 64° 23' 14" E, 29.31 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 75° 28' 46" E, 119.36 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 48° 38' 38" E, 45.59 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 22° 35' 16" E, 163.56 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 35° 29' 13" E, 59.51 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 37° 32' 43" E, 29.83 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 46° 04' 15" E, 99.56 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 59° 17' 00" E, 79.14 feet to a $\frac{5}{8}$ inch rebar set, thence;
S 69° 49' 10" E, 125.00 feet to the point and place of beginning.

Los Pandos
Estates
Com. Body

This tract contains 15.027 acres, more or less.

Exhibit 2
to
Deed of Conservation Easement

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that I, REBECCA WENGERT ROMERO, have made constituted and appointed, and do hereby make, constitute and appoint, ABENICIO V. ROMERO, of Taos, New Mexico, my true and lawful attorney, for me and in my name, and on my behalf to receive and receipt for any and all sums of monies or payments due or to become due to me, to deposit in my name in any bank any and all monies collected or received by him, to pay any and all bills, accounts, claims and demands now or hereafter payable by me, to draw checks or drafts upon any and all bank accounts or deposits belonging to me, to act for me in any business in which I am now, or have been, engaged or interested, and generally to do and perform all matters and things, transact all business, make, execute and acknowledge all contracts, orders, deeds, writings, assurances, and instrument, which may be requisite or proper to effectuate any matter or thing affecting my business or property, with the same force and effect, to all intents and purposes, as though I were personally present and acting for myself, hereby ratifying and confirming whatsoever my said Attorney shall do by authority hereof. This Power of Attorney shall not be affected by disability of the undersigned principal.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 15th day of August, 1980.

Rebecca Wengert Romero (SEAL)
REBECCA WENGERT ROMERO

STATE OF NEW MEXICO)
COUNTY OF TAOS) SS.

The foregoing instrument was acknowledged before me this 15th day of August, 1980, by REBECCA WENGERT ROMERO.

(SEAL)

Andrew Stigall
NOTARY PUBLIC

My Commission Expires: 8/12/84

Exhibit 3
to
Deed of Conservation Easement

RESOLUTION
BY
THE BOARD OF DIRECTORS OF
THE TAOS LAND TRUST
REGARDING
THE REBECCA WENGERT ROMERO CONSERVATION EASEMENT

The following Resolution was passed by the Board of Directors of the Taos Land Trust on April 23, 2002, as recorded in the Minutes of the Board Meeting:

"RESOLVED by the Board of Directors of the Taos Land Trust that a Deed of Conservation Easement from REBECCA WENGERT ROMERO to the TAOS LAND TRUST conserving certain conservation values on fifteen (15) acres more or less of irrigated farmland and scenic open space be accepted by the Taos Land Trust, that the Taos Land Trust accepts all of the rights and responsibilities described in said Deed, and that the President of the Board of Directors of the Taos Land Trust, James G. Thompson, is hereby authorized by the Board of Directors to act on its behalf to finalize and execute said Deed on behalf of the Taos Land Trust."

By: *Loraine B Mooney*
Loraine B Mooney, Secretary

Date: 23 April 2002

COUNTY OF TAOS)SS
STATE OF NEW MEXICO)

I hereby certify that this instrument was filed
for record on the 24th day of April A.D.
2002 at 10:03 o'clock A m.
and was duly recorded in book M 321
page 29-37 of the records of Taos County,

Witness my Hand and Seal of Office
Jeannette G. Reel
County Clerk, Taos County, N.M.

Jaqueline Martinez
Deputy



C00317