

12/2/02 the Millers bought the old ranch house property on Red Creek Ranch from Red Creek Ranch, Inc.. The same date, Change in Ownership forms prepared by Red Creek Ranch were signed transferring to the Millers sole ownership of two wells on the property (Permits 216127 and 211271). (These forms were not filed with the Dept. of Water Resources until 2/6/04.)

Also on 12/2/02, Red Creek Ranch executed two Assignments conveying to the Millers:

1. "An undivided one-half right, title and interest in the water well (and permit to it) described under Colorado Division of Water Resources Well Permit Number 216127"
- and 2. "All right, title and interest in the water well described under Colorado Division of Water Resources Well Permit Number 211271, subject to the rights of the owners of the property described as Parcel 1, Phase 1, Red Creek Ranch to use such well and water from it for domestic purposes."

On the same date, Bills of Sale conveyed from Red Creek Ranch to the Millers:

1. "The personal property owned by the Seller and located on Lot 100A of Red Creek Ranch, Phase 1, Parcel 1...used in connection with the water well described under...Well Permit Number 216127, including without limitation, pumps, pipes, cisterns and related equipment provided Seller shall have the right to use the Well Property on the Parcel in connection with its retained ownership and use of water from the Well, and shall maintain the Well Property in good working order and condition, until such time as it shall transfer all of its right, title and interest in the Well.
- and 2. "All of the personal property owned by the Seller used in connection with the water well described under Colorado Division of Water Resources Well Permit Number 211271, including without limitation, pumps, tanks, pipes, cisterns and related equipment."

In addition, on 4/6/99, Red Creek Ranch applied for membership in the Colorado Water Protective and Development Association. The well, Permit No. 216127, became non-exempt and Red Creek Ranch leased 12 acre feet of water. Although the water has been used for Red Creek Ranch stock tanks throughout the ranch on property not owned by Red Creek Ranch but under a grazing lease, the Millers have had to pay for dues (\$450) and usage (\$693) in 2003 and 2004.

On January 23, 2003, Well Permit 247299 was issued cancelling Permit 216127. The new permit changed the property description of the well and Red Creek Ranch was the applicant. The well was originally drilled under Permit 212080.

In summary, the Millers have two well permits in their names only for wells on their property. All of the water from one well is pumped through a line to a separate property owned by the Sangers across the road from the Millers. The Millers pay the electric bill to pump water to the Sangers. The second well is a non-exempt well with a 12 acre foot lease from CWPDA. This is the well the Millers use for their domestic use and a few horses, but they pay over \$1000/year for the leased water Red Creek Ranch uses to water cattle they run on ranch property they do not own. Red Creek Ranch is no longer the developer but receives all the money from the grazing lease.

BILL OF SALE

RED CREEK RANCH, INC., a Colorado corporation ("Seller"), for and in consideration of TEN AND NO/100 DOLLARS (\$10.00), to it in hand paid, at or before the ensealing or delivery of this BILL OF SALE by Richard Janet Miller, as individuals ("Buyer"), the receipt of which is hereby acknowledged, does hereby grant, sell and convey unto the said Buyer, its successors and assigns, the following property, goods and chattels, to-wit:

the personal property owned by the Seller and located solely on Lot 100A of a Replat of Lot 100, Red Creek Ranch, Phase 1, Parcel 1 Reconfiguration ("Parcel"), used in connection with the water well described under Colorado Division of Water Resources Well Permit Number 216127 ("Well"), including without limitation, pumps, pipes, cisterns and related equipment ("Well Property") provided, Seller shall have the right to use the Well Property on the Parcel in connection with its retained ownership and use of water from the Well, and shall maintain the Well Property in good working order and condition, until such time as it shall transfer all of its right, title and interest in the Well. The parties acknowledge that Seller shall retain ownership to personal property not situated on the Parcel used in connection with the Well.

TO HAVE AND TO HOLD the same unto the Buyer, its successors and assigns, forever. The Seller covenants and agrees to and with the Buyer, its successors and assigns, to WARRANT AND DEFEND the sale of said Well Property, against lawful claims of all persons claiming the whole or any part thereof.

IN WITNESS WHEREOF, the Seller has executed this BILL OF SALE this 02 day of December, 2007.

RED CREEK RANCH, INC. a Colorado corporation

By: [Signature]
Joseph R. O'Brien

Its: Vice President

BILL OF SALE

THIS BILL OF SALE is executed this 23rd day of July, 2008, by Red Creek Ranch, Inc., a Colorado corporation, to Todd R. Hughes and Dwight E. Proctor, and be the following property, goods and chattels to-wit:

All personal property of Red Creek located on Lot 100A of Replat of Lot 100 Red Creek Ranch Phase I, Parcel I, Reconfiguration, that is associated with the Red Creek's undivided one-half (1/2) interest in the well, which has Permit Number 216127, from the Colorado Division of Water Resources, including without limitation pumps, pipes, pipeline, cisterns, and related equipment, together with any and all pipeline, tanks and corrals that are located on easements reserved by Red Creek in the conveyances of various parcels within the Phase I, Red Creek Ranch/Newton, together with any and all cattle guards installed by Red Creek in Phase I, as herein described.

SELLER

Joseph R. O'Brien
Red Creek Ranch, Inc.,
a Colorado corporation
By: Joseph R. O'Brien, Vice President
7600 Hatchet Ranch Road
Pueblo, CO 81004

STATE OF COLORADO)
) ss
COUNTY OF PUEBLO)

The foregoing instrument was acknowledged before me this 23rd day of July, 2008, Red Creek Ranch, Inc., a Colorado corporation, Joseph R. O'Brien, as Vice President.

Witness my hand and seal.

My commission expires: 04/18/2011.



Doris A. Egan
Notary Public

