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Record as "Deed of Conservation Easement"

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Yampa Valley Land Trust

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Steamboat Springs, CO 80477

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Kim Bonner, Routt County, CO

Glas Deffryn Ranch: Upland Parcel

Steven J. Williams and Pamela A. Williams

DEED OF CONSERVATION EASEMENT

Yampa Valley Land Trust

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Glas Deffryn Ranch: Upland Parcel
Steven J. Williams and Pamela A. Williams
Yampa Valley Land Trust
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Any time the Property is transferred by Grantor to any third party (excluding a transfer to an individual(s) who is/are a family member(s), as defined in Section 447(e)(1) of the Internal Revenue Code ("Family Member") of the Grantor or a transfer to an entity of which a Family Member of Grantor owns at least two-thirds of the total ownership of the entity), Grantor shall notify the Trust and shall pay a transfer fee to the Trust (to assist with administering, monitoring and enforcing the terms of this Easement and including tracking, changing files, names, and database contact information, etc.), prior to the transfer or as a part of the closing of the transfer, in the amount of one-half of one percent (0.5%) of the greater of (a) the fair market value of the Property being transferred as determined by an appraisal paid for by the Grantor, or (b) the sales price or consideration paid for the transfer (however such transfer fee shall not be less than \$500.00), and which transfer and transfer fee is pursuant to the terms of Paragraph 22 and Paragraph 23.

DEED OF CONSERVATION EASEMENT Glas Deffryn Ranch: Upland Parcel

Yampa Valley Land Trust

THIS DEED OF CONSERVATION EASEMENT HAS BEEN ACQUIRED IN PART WITH FUNDS FROM GATES FAMILY FOUNDATION ("GATES") AND YAMPA VALLEY LAND TRUST, INC. (THE "TRUST") SPECIFICALLY FOR THE PROTECTION OF A NATURAL AREA IN ITS NATURAL STATE. THIS DEED OF CONSERVATION EASEMENT MAY NOT BE ENCUMBERED, DISPOSED OF IN ANY MANNER OR USED FOR PURPOSES INCONSISTENT WITH THIS EASEMENT. THIS DEED CONTAINS RESTRICTIONS ON THE USE AND DEVELOPMENT OF THE PROPERTY THAT ARE INTENDED TO PROTECT ITS OPEN SPACE, ECOLOGICAL, AGRICULTURAL AND OTHER CONSERVATION VALUES. THE TRUST AND GATES HAVE FOUND THAT THE ADOPTION OF THESE DEED RESTRICTIONS IS IN THE PUBLIC INTEREST.

THIS DEED OF CONSERVATION EASEMENT (the "Easement") is granted this 15th day of September, 2016, by Steven J. Williams and Pamela A. Williams as Trustees of the **STEVEN J. WILLIAMS LIVING TRUST dated October 11, 2005** and Pamela A. Williams and Steve J. Williams as Trustees of the **PAMELA A. WILLIAMS LIVING TRUST dated October 11, 2005**, the collective mailing address of whom is 29655 Herold Way, Oak Creek, CO 80467 (collectively, the "Grantor"), to and for the benefit of **YAMPA VALLEY LAND TRUST, INC.**, a Colorado nonprofit corporation, of whose address is 1201 Lincoln Avenue, PO Box 773014, Steamboat Springs, Colorado, 80477 (the "Trust" or "Grantee"), for the purpose of forever conserving the open space character, wildlife habitat, scenic qualities, the availability for agricultural and recreational uses and other conservation values of the subject property.

The following Exhibits are attached hereto and made a part of this Easement:

- Exhibit A – Property Description
- Exhibit B – Property Location Map
- Exhibit C – Acknowledgment of Baseline Documentation Report
- Exhibit D – Property Characteristics Map
- Exhibit E – Table of Structures
- Exhibit F – Exceptions to Title

RECITALS:

- A. Grantor is the sole owner in fee simple of certain real property, along with certain water rights as described in Paragraph 4(f), some of the oil, gas, and mineral rights and other rights appurtenant to and associated with such real property, located in Routt County, Colorado, consisting of approximately one hundred and twenty-one (121) acres of land, more or less together with improvements as more particularly described in **Exhibit A**, and more generally depicted on **Exhibit B**, both attached hereto and incorporated herein by this reference (the “**Property**”). The physical address for the Property is 29655 Herold Way, Oak Creek, CO 80467 and 23700 Blue Valley Lane, Oak Creek, CO 80467.
- B. The Property possesses natural, scenic and open space values; wildlife habitat; and open and productive ranchland, all as further described herein (collectively, “**Conservation Values**”), worthy of preservation and of great importance to the Trust, the people of Routt County, the people of the state of Colorado and the people of the United States, and the protection of which will yield significant public benefit. The Property has ecological and open space values as defined in CRS § 38-30.5-101, et seq., and provides natural habitat for native plants and animals. The Property also has Conservation Values as indicated by the following clearly delineated governmental conservation policies:
1. The State of Colorado has recognized the importance of private efforts toward the preservation of natural systems in the State by the enactment of CRS § 38-30.5-101, et seq., which provides in part for the establishment of conservation easements to maintain land “in a natural, scenic or open condition, or for wildlife habitat, or for agricultural . . . recreational, forest or other use or condition consistent with the protection of open land, environmental quality or life-sustaining ecological diversity.”
 2. CRS § 33-1-101, et seq., which provides in part that “it is the policy of the state of Colorado that the wildlife and their environment are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and its visitors” and which also provide that “it is the policy of the state of Colorado that the natural, scenic, scientific, and outdoor recreation areas of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and visitors of this state.”
 3. CRS § 35-3.5-101, et seq., which provides in part that “it is the declared policy of the state of Colorado to conserve, protect, and encourage the development and improvement of agricultural land for the production of food and other agricultural products.”
 4. Routt County Resolution No. 95-032, which establishes that it is the policy of the Board of County Commissioners of Routt County to “conserve, enhance, and protect agricultural lands, natural areas, and open land resources within and throughout Routt County.”

5. Routt County Resolution No. 95-033, which establishes that it is the policy of the Board of County Commissioners of Routt County to “conserve, enhance, and encourage ranching, farming and all manner of agricultural activities and operations within and throughout Routt County.”
 6. Routt County Resolution No. 96-059 and Routt County Correcting Resolution No. 96-063, which provide for the establishment of the Routt County Purchase of Development Rights Fund. Resolution No. 96-059 acknowledges the “critical need to conserve and protect ranch and agricultural lands and natural areas to ensure the quality of life of the citizens of Routt County,” which will “help manage growth and ensure that future ranches, rural heritage, wildlife, and open spaces of Routt County are preserved for future generations.”
 7. The voters of the State of Colorado by adoption of Article XXVII to the Constitution of the State of Colorado and the legislature of the State of Colorado by adoption of enabling legislation and by adopting and administering competitive grant programs with rigorous due diligence processes, have established that it is the policy of the state of Colorado and its people to preserve, protect, enhance and manage the state’s wildlife, park, river, trail and open space heritage, to protect critical wildlife habitats through the acquisition of lands, leases or easements, and to acquire and manage unique open space and natural areas of statewide significance.
- C. The following conservation purpose, in accordance with Treasury Regulations § 1.170A-14(d)(4), is furthered by this Easement: To preserve “open space (including farmland and forest land)” (i) for the scenic enjoyment of the general public, and/or (ii) pursuant to a clearly delineated Federal, state or local governmental conservation policy (see Recital B above, and Recital E, below); and (iii) which yields a significant public benefit.
1. Scenic Values: The open ranchland of the Property with its rolling hay meadows (both dry land and sub-irrigated hay), sagebrush shrublands and pockets of aspen create a scenic landscape visible from Routt County Road 14 (a well-traveled corridor to Stagecoach Reservoir State Park, Sarvis Creek State Wildlife Area, Sarvis Creek Wilderness Trailhead, Routt National Forest, and the Stagecoach residential community), Routt County Road 16/Lynx Pass Road and Stagecoach Reservoir State Park. This agricultural landscape adds to the pastoral vistas for which Routt County is famous, as documented in an economic study entitled, “Recreational Value of Ranch Open Space” (Nov. 1994), published by Colorado State University and authored by Walsh, McKean, Rosenberger and Mucklow; and documented in another economic study, “The Societal Value of Ranchland to Routt County Residents 1995-2005” (Oct. 2005), published by Colorado State University and authored by Magnan, Seidl, Mucklow and Alpe.
 2. Agricultural Values: The Property will remain available in its open condition for the grazing and pasturing of livestock as well as for the cultivation of hay. This use is compatible with other land use in the vicinity, as nearby and adjacent properties are also used for agricultural production.

3. There is a strong likelihood that, if the Property were to be developed instead of preserved, it would contribute to the degradation of the scenic, rural and natural character of the area. Preservation of the Property will continue to provide an opportunity for the general public to appreciate its scenic values.
- D. The following conservation purpose, in accordance with Treasury Regulations § 1.170A-14(d)(3), is furthered by this Easement: "To protect significant relatively natural habitat in which a fish, wildlife, or plant community, or similar ecosystem normally lives."
1. The Property supports both dry land and sub-irrigated hay crop production along with uplands areas comprised of mountain sagebrush shrublands that include gambel oak, serviceberry, chokecherry, sage, grass pasture and stands of aspens. Protection of the Property will conserve plant communities that provide habitat for many animal species including: bear, moose, elk, mule deer, coyote, mountain lion, sandhill crane, great blue heron, Columbian sharp-tailed grouse, bald eagle, and a variety of raptors, songbirds, and waterfowl. Greater sage-grouse have been documented adjacent to the Property.
 2. There is a strong likelihood that, if the Property were to be developed instead of preserved, it would contribute to the degradation of critical wildlife habitat. Preservation of the Property provides an important opportunity to preserve this wildlife habitat.
- E. The specific Conservation Values of the Property are documented in an inventory of relevant features of the Property, dated August 2016, entitled "Glas Deffryn Ranch Baseline Documentation Report", on file at the office of the Trust and incorporated by this reference (the "**Baseline Documentation Report**"). The Baseline Documentation Report consists of reports, maps, photographs and other documentation that the parties agree provide, collectively, an accurate representation of the Property at the time of this grant and is intended to serve as an objective information baseline for monitoring compliance with the terms of this Easement.
- F. Grantor intends that the Conservation Values of the Property be preserved and maintained forever by limiting the uses of the Property to those which are consistent with preservation of open space and natural habitat, including, without limitation, those relating to open land ranching and crop production consistent with the current open use of the land; non-motorized (with the limited exception of Electric Bicycles as further described in Paragraph 5(m) "Motorized Vehicles"), low-impact recreation such as hiking, biking, hunting, fishing, cross country skiing, snow-shoeing, bird and wildlife watching, and horseback riding; limited use of off-road vehicles in manners that do not negatively impact the Conservation Values of the Property (as further described in Paragraph 5(m), "Motorized Vehicles"); and general conservation purposes, as are consistent with the purpose of this Easement. The Trust acknowledges and agrees that the uses reserved to Grantor do not impair or interfere with the Conservation Values.

- G. Grantor further intends, as owner of the Property, to convey to the Trust the right to preserve and protect in perpetuity, as provided for herein, the Conservation Values of the Property.
- H. The Trust agrees by accepting this grant to honor the intentions of Grantor stated herein and to preserve and protect in perpetuity the Conservation Values of the Property for the benefit of this generation and the generations to come.
- I. Yampa Valley Land Trust is a charitable organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and is a publicly supported organization as described in Section 170(b)(1)(A) of the Code whose primary purpose is to conserve natural, scenic, historic, agricultural and open land resources in Northwest Colorado, including the area in which the Property is located, by assisting landowners who wish to protect their land in perpetuity, and is a "qualified organization" and "eligible donee" to do so within the meaning of Section 170(h)(3) of the Code and the regulations promulgated thereunder.
- J. Grantor intends to sell a portion of the property interest conveyed by this Easement to the Trust, and to donate to the Trust the remaining property interest conveyed by this Easement (a "**bargain sale**") as provided and set forth in this Easement.
- K. The Board of Directors of the Trust has duly adopted a resolution approving the execution and acceptance of Grantor's Easement to the Trust.

NOW, THEREFORE, for reasons given and for bargain-sale payment and other good and valuable consideration and in consideration of the above and the mutual covenants, terms, conditions and restrictions contained herein, and pursuant to the laws of the State of Colorado, in particular CRS § 38-30.5-101, et seq., Grantor hereby voluntarily grants and conveys to the Trust, its successors and assigns, this Easement in perpetuity, consisting of the rights and restrictions enumerated herein, over and across the Property as follows:

1. Purpose.

It is the purpose of this Easement to ensure that the Property will remain forever in its agricultural, natural, scenic and open space condition, subject to the uses of the Property permitted hereunder, and to prevent any use of the Property that will impair or interfere with the Conservation Values of the Property and, in the event of their degradation or destruction, to restore or require restoration of such Conservation Values of the Property. It is further the specific purpose of this Easement to conserve important habitat for wildlife and to protect vegetative communities. Furthermore, it is also the purpose of this Easement to remove the right to develop housing and buildings on the land, except as set forth and limited herein, to preserve the ecology of the land, and to preserve the existing characteristics of the Property which allow it to be successful habitat for wildlife. Grantor intends that this Easement will confine the use of the Property to agricultural and recreational uses, including, without limitation, those relating to open land ranching (including haying and livestock grazing) and crop production consistent with the current open use of the land; non-motorized, low-impact recreation such as hiking, biking,

hunting, cross country skiing, snow-shoeing, bird and wildlife watching, and horseback riding; limited use of off-road vehicles in manners that do not negatively impact the Conservation Values of the Property (as further described in Paragraph 5(m), "Motorized Vehicles"); and general conservation purposes, as are consistent with the purpose of this Easement, all subject to the terms and conditions hereof. Pursuant to the terms of CRS § 38-30.5-101, et seq., the Property preserved hereby may not be converted or directed to any uses other than those provided herein. The purposes provided for in this Paragraph are hereinafter referred to collectively as the "**Conservation Purposes**".

2. Baseline Documentation Report.

The parties acknowledge that the Baseline Documentation Report has been prepared, and has been reviewed and approved by the Trust and Grantor. A copy of the Baseline Documentation Report is on file with both Grantor and the Trust and by this reference made a part hereof. The parties acknowledge that the Baseline Documentation Report is intended to establish the condition and uses of the Property subject to this Easement as of the date written above and that both Grantor and the Trust have acknowledged in a signed statement, a copy of which is attached hereto as **Exhibit C**, that the Baseline Documentation Report accurately represents the condition of the Property at the time of the conveyance.

The parties agree that in the event a controversy arises with respect to the condition of the Property as of the date of conveyance of this Easement or compliance with or violation of any term or provision of this Easement, the parties shall not be precluded from utilizing all other relevant or material documents, surveys, reports and other information to assist in the resolution of the controversy.

3. Rights of the Trust.

To accomplish the purpose of this Easement, in addition to any rights described in CRS § 38-30.5-101, et seq., Grantor conveys the following rights to the Trust by this Easement:

3(a) The right to preserve and protect in perpetuity the Conservation Values of the Property and, in the event of their degradation or destruction, to restore or require the restoration of the Conservation Values to their condition prior to the degradation or destruction;

3(b) The right to enter upon the Property (ordinarily not more than two inspections annually) to inspect the Property thoroughly, at reasonable times, in order to monitor Grantor's compliance with and otherwise enforce the terms of this Easement; provided that such entry shall be upon prior written notice given by or on behalf of the Trust to one or more of the then owners of the Property, except that no such notice shall be required (and the aforementioned limitation on the frequency of inspection shall not apply) in the event the Trust determines that immediate entry upon the Property is essential to prevent or mitigate a violation of this Easement. In the case where the Trust has determined that immediate entry is necessary, an attempt will be made to notify Grantor in advance, and Grantor shall be notified by the Trust immediately thereafter in any event. The Trust shall not unreasonably interfere with Grantor's use and quiet enjoyment of the Property when exercising any such monitoring rights. Grantor is permitted to accompany the

Trust during inspections; however, Grantor's unavailability to accompany the Trust shall not limit the Trust in its inspections or in the performance of its duties as related to this Easement;

3(c) The right to have a third party accompany the Trust on the Property for the purpose of assisting with preventing impairment or interference with or adverse impact to the Conservation Values of the Property and, in the event of their degradation or destruction, to assist with restoration of such Conservation Values of the Property and assisting with developing a management plan or management recommendations and/or providing information to the Trust for the purpose of assisting with decisions concerning the Conservation Values on the Property.

3(d) The right to prevent any activity on, or use of, the Property that is inconsistent with the Conservation Purposes or which could have an adverse impact on the Conservation Values of the Property, and to require the restoration of such areas or features of the Property that are damaged by any inconsistent activity or use as provided in Paragraph 9, "Enforcement";

3(e) Non-exclusive rights-of-way for vehicular access to the Property as necessary or appropriate to exercise the Trust's rights hereunder, over and across any and all rights-of-way and roads owned by Grantor, or over which Grantor has or shall have rights of access to the Property to the extent Grantor has the power to make such grants; and

3(f) The right to place and maintain on the perimeter of the Property an unlighted sign, no greater than one-hundred-forty-four (144) square inches, unless otherwise agreed upon by Grantor and the Trust as appropriate, indicating that a conservation easement is held by the Trust on the Property; the wording and specific location of the sign shall be subject to mutual agreement, with approval not to be unreasonably withheld by either party. Any additional signs, the location, design and content therein to be placed on the Property by the Trust, shall be determined through mutual agreement of the Grantor and the Trust and shall be in accordance with Routt County signage regulations and the terms of this Easement.

4. Consistent Uses of the Property (Along with Certain Prohibitions).

The following uses and practices are consistent with this Easement subject to certain prohibitions, specified conditions, and/or the requirement of and procedures for prior approval by the Trust as set forth herein. The consistent uses defined in this Paragraph 4 are not necessarily exhaustive and such other consistent uses are not necessarily precluded, prevented or limited by this Easement.

4(a) Agriculture

Grantor has the right to continue ranching on the Property consistent with the open use of the land and the terms and conditions of this Easement. Grantor shall utilize best management practices for open-land agricultural uses of the Property that may include: (1) hay production; (2) leaving lands fallow or harrowing; (3) returning lands to natural habitat; or (4) using herbicides, pesticides, fertilizers, nutrients and other amendments, provided such use is in accordance with the terms and conditions of Paragraph 5(h), "Hazardous Materials", as needed for agricultural production or for wildlife habitat vegetation enhancement in the area. All agriculture and

ranching, including livestock grazing, must be conducted with sound range management practices and agricultural techniques which do not materially degrade the condition of the Property and which preserve the Conservation Values of the Property (collectively, with the management practices for open-land agricultural uses, "**Best Management Practices**"). In the event of a dispute over the definition of Best Management Practices, such definition will be determined by the United States Department of Agriculture's local office of the Natural Resources Conservation Service ("NRCS") in accordance with the standards of the NRCS Field Office Technical Guide, or if not available, then the Routt County Colorado State University Cooperative Extension Office (or its successor Extension Office), or, if neither is available, then a qualified range management specialist mutually agreed upon by the Grantor and the Trust, or, if no agreement can be reached, then a specialist selected by the Trust.

4(b) Lease

Grantor has the right to lease the Property for ranching, agricultural, residential, hunting, and other uses, provided such activities: (1) are consistent with the Conservation Purposes and the terms and conditions of this Easement; (2) do not have an adverse impact on the Conservation Values of the Property; and (3) conform to applicable laws and regulations. Grantor shall discuss with any lessee the limitations on the use of the Property contained in this Easement. Any lease of the Property shall be in accordance with Paragraph 22, "Subsequent Transfers by Grantor".

4(c) Livestock

Grantor or its lessee has the right to graze and pasture livestock and/or horses on the Property provided that the reasonable grazing capacity of the Property shall not be exceeded, and provided that at all times such grazing, pasturing and other uses of the Property by livestock and/or horses is done in accordance with the Best Management Practices, as defined above, that prevent range deterioration and over-grazing and which protect the Conservation Values of the Property.

4(d) Fences

Grantor has the right to maintain, repair, reconstruct, permanently remove or replace existing fences. Fencing may be constructed by Grantor in new locations as necessary or reasonably advantageous: (1) to enhance the Conservation Values of the Property; (2) for the agricultural operations on the Property; (3) for perimeter fencing of the Property; (4) to protect the ponds, wetlands or riparian areas, if any, on the Property; or (5) for correcting the location of a fence previously believed to be located on a boundary line of the Property; provided any new fencing does not have an adverse impact on the Conservation Values of the Property. Any new fence technology which does not adversely impact the Conservation Purposes of this Easement and Conservation Values of the Property and typical agricultural fencing which is of similar character and quality to fencing existing on the Property as of the date of this Easement, shall be deemed consistent with the Conservation Purposes hereof and is permitted hereunder. Any new fencing must be constructed to allow for the movement of wildlife through and across the Property and at a minimum, must be consistent with the Colorado Division of Parks and Wildlife

guidelines for wildlife-friendly fencing. Grantor and the Trust acknowledge that existing perimeter fences on the Property may not be located on the boundary of the Property.

4(e) Irrigation and Irrigation Structures

Grantor has the right to utilize, maintain, enlarge to decreed or permitted capacities, repair, reconstruct, replace or relocate the existing ditches and other irrigation structures located on the Property subject to the terms of the Water Rights Paragraph 4(f), herein. New ditches and irrigation structures may be constructed as reasonably necessary or reasonably advantageous for agricultural operations on the Property, provided they do not have a material adverse impact on the Conservation Values of the Property. Typical ditches and irrigation structures which are of similar character and quality to ditches and irrigation structures existing on the Property as of the date of this Easement (as documented in the Baseline Documentation Report) shall be deemed consistent with the purposes hereof and are permitted hereunder, and any new irrigation technology, including but not limited to conversion to sprinkler irrigation, drip irrigation, and/or water-measuring devices which do not materially impact the Conservation Values of the Property shall be deemed consistent with the purposes hereof. For the purpose of this Easement, ponds, tanks, springs and reservoirs are not defined as irrigation structures and are addressed under Paragraph 4(k), "Ponds, Tanks and Springs", below.

4(f) Water Rights

4(f)(i). Definition of Water Rights. This Easement includes an encumbrance pursuant to CRS § 38-30.5-102, of all of Grantor's right, title and interest in and to the following described water and water rights, including any ditch and ditch rights, headgates, ponds, wells and well permits, reservoir and reservoir rights, water allotments, water contracts, water units, easements and rights of way associated with the water, ditch and reservoir company stock, decrees or rights thereto that are appurtenant to, associated or used or intended for use on or in connection with such water and water rights on the Property (collectively, the "**Water Rights**"):

Water Right	Date of Adjudication	Date of Appropriation	Case No.	Amount Allocated	Decreed Uses
Herold Spring 4	1972.05.30	1919.05.01	CA3926	0.25 CFS	Irrigation and Stock
Herold Spring 5	1972.05.30	1919.05.01	CA3926	0.25 CFS	Irrigation and Stock
Indian Springs Pond	1999.12.31	1949.08.15	99CW0032	2.0 AF	Stock
Well Permit No. 230215	N/A – Exemption Well	N/A – Exemption Well	N/A – Exemption Well	1.5 AF	Permitted uses are: Fire protection, ordinary household purposes inside not more than 1 single family dwelling, irrigation of not more than 1 acre of home gardens and lawn and watering of domestic livestock

4(f)(ii). Restrictions on Water Rights. The Water Rights shall never: (1) be changed to or used for municipal, industrial, or commercial uses; (2) be changed for use at a location other than on the Property; or (3) be sold, leased, encumbered separately from the Property or otherwise legally separated from the Property. Notwithstanding the forgoing, the Trust shall have no obligation to defend or establish ownership of the Water Rights in the Grantor.

4(f)(iii). Use of Water Rights. By this Easement, the Water Rights are limited to uses consistent with the Conservation Purposes, including the Conservation Values of the Property. Notwithstanding the foregoing, use of the Water Rights are expressly allowed as follows: (1) continuation of the historical uses of the Water Rights on the Property, (2) use of the Water Rights for domestic, irrigation, livestock, or wildlife purposes solely on the Property, (3) change in the type of use to domestic, irrigation, livestock, or wildlife; (4) change in the point of diversion or place of use; provided the changed location remains solely on the Property; (5) development of conditional water rights or new development of water resources for use on the Property provided the points of diversion and place of use are solely on the Property and that the type of use is domestic, irrigation, livestock, or wildlife; (6) the maintenance, repair and reconstruction of existing ponds, tanks and springs at the existing location and size; and (7) such other legal uses as are approved in writing in advance by the Trust. Water systems, their improvements, and similar associated with the Water Rights are addressed in Paragraph 4(k) below.

4(f)(iv). Protection of Water Rights. To the degree abandonment of any portion of a water right would adversely impact the Conservation Values of the Property, Grantor shall not abandon or allow the abandonment of any portion of the Water Rights, by action or inaction. If the Water Rights are subject to a threat of abandonment the Trust shall have the right in its sole discretion, but not the obligation, to: (1) enter upon the Property and undertake any and all actions necessary to continue the appropriated and/or beneficial use of the Water Rights; (2) attempt to administratively prevent abandonment/forfeiture; or (3) after ninety (90) days written notice to Grantor, seek to change the Water Rights to other uses on the Property that are compatible with the Conservation Values of the Property. Grantor agrees to cooperate in any manner necessary to accomplish such changes and authorizes and appoints the Trust as its agent and attorney-in-fact to file for and obtain any administrative or judicial approvals required to effectuate such changes.

4(f)(v). Partition of Water Rights. Prior to partitioning any undivided Water Rights, Grantor shall provide a plan which identifies the portion of the Water Rights that are to be allocated to the Property in any partition and at Grantor's cost shall prepare and provide to the Trust such water engineer reports, easements, water sharing agreements, water deeds and other documentation as are necessary to effectuate such plan, for the review by the Trust to determine whether the plan adequately protects the Conservation Values of the Property and for the approval of Trust, which approval shall be given in the Trust's sole discretion. Grantor shall not initiate any action for partition without prior written approval from the Trust in its sole discretion. In any action to partition any interests in the Water Rights, the Trust shall be notified, and in its discretion, included as a party.

4(f)(vi). Effect of Loss. No loss of any or all of the Water Rights, through injury, abandonment or conversion of the Water Rights as set forth above, shall be considered a severance or other transfer of the title to the Water Rights from the Property for federal or state tax purposes.

4(f)(vii). Enforcement. This Paragraph 4(f) is intended to be enforceable by the Trust under CRS § 38-30.5-102 and any and all available theories and remedies including, but not limited to, the following: (1) as a covenant at common law; (2) as a covenant appurtenant to and benefiting this Easement and adjacent or nearby conservation easements held by the Trust; (3) as a contractual restriction on the use of water; and (4) as a restriction under applicable conservation easement statutes, as periodically amended.

4(f)(viii). Future Water Rights. The parties agree that it is appropriate to include the Water Rights in this Easement pursuant to CRS § 38-30.5-102, and furthermore, if any water or wastewater right is obtained for use on the Property, any future Water Rights, shall be subject to the terms and conditions of this Section 4(f).

4(g) Removal of Trees and Vegetation

Grantor has the right to cut and remove from the Property: (1) trees, shrubs, or brush that interfere with interior ranch roads or trails (including new trails approved in writing by the Trust in accordance with Paragraph 5(f) "Roads, Driveway and Trails"), fencing, ditches, or from and along fence lines; (2) dead, diseased or downed trees, shrubs, or brush that present a safety hazard or obstruction; (3) trees, shrubs, or brush within the Building Areas (described below) necessary for the construction of the Structure(s), Minor Agricultural Structure(s), or the Accessory Improvement(s) associated with the Structure(s); and (4) trees or shrubs as necessary to comply with governmental requirements (i.e. wildfire prevention). Furthermore, with prior approval in writing by the Trust, Grantor may cut and remove from the Property: (5) invasive non-native species; (6) trees or shrubs in order to control any imminent threat of disease or insect infestation; and (7) trees or shrubs in order to promote Conservation Values of the Property such as forest health or the creation of wildlife habitat as specifically approved in writing by the Trust. Trees and shrubs cut from the Property in accordance with this Paragraph 4(g) may be put to useful purposes on the Property (for example used to provide firewood or fence posts). Any new temporary roads or roadways created for the removal of any trees or other vegetation must be reclaimed and revegetated. Grantor is prohibited from cutting, removing, spraying, or unnecessarily damaging sagebrush outside of the Building Areas unless such activity has been (i) approved in advance in writing by the Trust; or (ii) is otherwise permitted by this Easement. Commercial timber harvesting is prohibited.

4(h) Weeds

Grantor has the responsibility to control weeds in a manner consistent with state laws, and with the terms and conditions of this Easement, including, but not limited to, the Conservation Purposes, subject to the following: (1) all control techniques shall be consistent with the labeled instructions of the application materials, provided, control techniques constitute the reasonable minimum necessary to control and/or eradicate the weeds and that such

techniques do not adversely impact the Conservation Values of the Property; (2) aerial application of any weed control is prohibited without the Trust's prior written approval; and (3) biological (insect) control of weeds is allowed, provided, it does not adversely impact the Conservation Values of the Property.

4(i) Building Areas and Structures

4(i)(a) Building Areas. Grantor reserves one (1) building area of approximately four (4) acres in size, in the approximate location as depicted on Exhibit D and hereinafter defined as the "**Ranch Headquarters Building Area**"; one (1) building area of approximately three and one-half (3.5) acres in size, in the approximate location as depicted on Exhibit D and hereinafter defined as the "**Residential Building Area**"; and one (1) building area of approximately one and 8/10 (1.8) acres in size, in the approximate location as depicted on Exhibit D and hereinafter defined as the "**Hay/Equipment Storage Building Area**"; collectively referred to as the "**Building Areas**". No other Building Area(s) are allowed on the Property.

4(i)(b) Existing Structures. Existing structures within the Residential Building Area include the "**Ranch Residence with Attached Garage**", as identified in Exhibit E, which may be enlarged to no greater than five-thousand-five-hundred (5,500) square feet, All Inclusive. Existing structures within the Ranch Headquarters Building Area, as identified in Exhibit E, include the "**Livestock-Barn/Wood-Shop**", which may be enlarged to no greater than three-thousand (3,000) square feet, All Inclusive; the "**Hay-Barn/Stock-Shed**", which may be enlarged to no greater than two-thousand-six-hundred (2,600) square feet, All Inclusive, and which two buildings may be connected or joined by a roof, said roof connecting the two buildings being exclusive of the aforementioned square footage restriction; "**Yurt**", which may be enlarged to no greater than twenty-five (25) feet in diameter; and a "**Yurt Shed**" which shall remain at sixty-four (64) square feet in size. Existing structures within the Hay/Equipment Storage Building Area include two (2) "**Equipment Sheds on Skids**", which shall remain at four-hundred and thirty-two (432) square feet each, All Inclusive, and with prior written approval from the Trust, may be relocated.

For purposes of this Easement, "**All Inclusive**" is defined as square footage measured and calculated from outside wall to outside wall, of any and all areas under a roof or other permanent cover, including, but not limited to all floors and any basement, all associated Construction, garages, storage areas and/or any other similar space, and including, whether covered or not, any decks, patios, porches and the like.

4(i)(c) New Structures. Grantor reserves the right to construct two (2) new structures on the Property as identified in Exhibit E, consisting of one (1) "**Hay/Equipment Barn**" no greater than three-thousand (3,000) square feet in size, All Inclusive, which shall be located in either the Hay/Equipment Storage Building Area or the Ranch Headquarters Building Area as depicted in Exhibit D for the purpose of storing hay and haying equipment; and one (1) attached "**Caretaker Unit**" no greater than eight-hundred (800) square feet in size of interior living space and no greater than one-thousand (1,000) square feet total, All Inclusive, which shall be located in the Residential Building Area (which may or may not be attached to the primary residence) as depicted in Exhibit D for the purpose of providing a secondary, caretaker unit. In lieu of

constructing a new Caretaker Unit within the Residential Building Area, Grantor: (1) may designate the existing finished upper loft of the existing Livestock-Barn/Wood-Shop located within the Ranch Headquarters Building Area as the Caretaker Unit; and (2) shall relinquish any right to construct any caretaker unit in the Residential Building Area while the loft is used as a caretaker unit. At no time will the use and existence of more than one caretaker unit be allowed. All Structures must be located entirely within the permitted Building Areas unless otherwise permitted by this Easement. The foregoing reservations by Grantor shall not be construed as nor should they act to supersede any requirements in covenants or plats affecting the Property, or any rule or regulation of Routt County or any other jurisdiction, and Grantor shall, to the extent required, obtain any appropriate approvals, including from Routt County, in exercising the reserved rights of Grantor stated above.

The existing Structures and new Structures, including the Ranch Residence (with Attached Garage), Livestock-Barn/Wood-Shop, Hay-Barn/Stock-Shed, Yurt, Yurt Shed, Equipment Sheds on Skids, Hay/Equipment Barn, and Caretaker Unit, as identified in Exhibit E, are collectively referred to as the “**Structures**”.

4(i)(d) Construction. Grantor shall notify the Trust at least forty-five (45) days prior to commencement of any site preparation, construction (including enlargement if allowed herein), alteration, replacement (if permitted), restoration, removal and/or reconstruction of the permitted Structures (these activities are collectively referred to in this Paragraph and this Easement as “**Construction**”) and shall provide the Trust with, at a minimum, sufficient information, which may include architectural drawings/plans, which depict the size, location, and extent of the proposed Construction to enable the Trust to determine whether the plans are consistent with the terms, conditions and purposes of the Easement.

4(i)(e) Reconstruction. Grantor may maintain, repair, demolish, redesign, replace or reconstruct the permitted Structures under the following conditions: (1) the Structures shall not be relocated outside of their respective Building Areas unless otherwise permitted in this Easement and (2) the Structures shall be subject to and limited to the square footage requirements set forth above in this Paragraph 4(i) and Exhibit E.

4(j) Minor Agricultural Structures

Grantor has the right to construct, maintain, repair, reasonably enlarge and reconstruct minor agricultural structures on the Property, both within and outside the Building Areas, including, but not limited to, corrals, open-sided hay sheds and livestock windbreak structures, necessary or reasonably advantageous for agricultural operations on the Property (the “**Minor Agricultural Structures**”), provided the Minor Agricultural Structures: (1) are designed and located in a manner that does not detract from the scenic and substantially un-built character of the Property when viewed from public vantage points; (2) do not have an adverse impact on the Conservation Values of the Property; and (3) are located in areas approved in writing by the Trust as being consistent with preservation of the Conservation Values of the Property. Structures such as (but not limited to) barns, walled and enclosed hay sheds, garages, storage sheds and/or other similar structures are not Minor Agricultural Structures and are addressed in Paragraph 4(i), “Building Areas and Structures.”

4(k) Ponds, Tanks and Springs

Ponds, tanks, springs, reservoirs and any other water rights or water sources are not defined as Accessory Improvements and are addressed in Paragraph 4(f), "Water Rights"; provided, however, that their improvements as necessary or appropriate for ranching purposes and to serve the Structures are considered Accessory Improvements and are subject to the terms and conditions contained therein in addition to the provisions of this Paragraph 4(k). Notwithstanding anything else to the contrary in this Paragraph 4(k), but still subject to the terms and conditions in Paragraph 4(f), upon notice to the Trust, as provided in Paragraph 7, and with the prior approval of the Trust, as provided in Paragraph 8, facilities for storage of water and systems for the delivery of agricultural and domestic water may be located, constructed, maintained, repaired, enlarged and/or reconstructed outside of the Building Areas; provided, however, in any event that such Accessory Improvements are (1) only for use on the Property, (2) only at the existing location or in locations approved in advance by the Trust, and (3) constructed, maintained, repaired, enlarged and/or reconstructed at locations and in a manner having the least impact to the Conservation Values of the Property. Notwithstanding any other provision herein, no reservoirs are permitted on the Property.

4(l) Storage

Equipment, vehicles, fencing and other materials shall not be stored in areas outside the Building Areas. Notwithstanding the foregoing, materials, such as fencing materials and agricultural equipment may be temporarily and periodically stored on the Property in locations outside the Building Areas as necessary or appropriate in conjunction with agricultural operations on the Property (such as fencing or haying or as associated with the Roads, Driveway and Trails permitted by this Easement), but only in a manner that does not adversely impact the Conservation Values of the Property.

4(m) Accessory Improvements

Utility lines, water wells, agricultural and domestic water systems, septic systems and other similar improvements existing at the time of the granting of this Easement are expressly permitted. Any construction, maintenance, repair, enlargement and/or reconstruction of existing utility lines, water wells, agricultural water systems, domestic water systems, septic systems and other similar improvements as necessary or appropriate for agricultural purposes and to serve the permitted Structures (the "**Accessory Improvements**") shall: (1) be consistent with the terms and conditions of this Easement; (2) be located within the Building Areas; and (3) not cause an adverse impact on the Conservation Values of the Property. Any construction, maintenance, repair, enlargement and/or reconstruction of an Accessory Improvement outside of the Building Areas, or any new above-ground public or private utilities outside of the Building Areas, including, but not limited to electrical transmission lines, antennas, radio and television telecommunication towers are prohibited, except as otherwise expressly provided herein, or unless approved in writing in advance by the Trust, which approval may be withheld in the Trust's discretion.

The granting of any utility easement from Grantor to a third party is prohibited, unless such easement is related to the construction, maintenance, repair, enlargement and/or

reconstruction of Accessory Improvements on the Property. Any area of the Property disturbed by construction, maintenance, repair, enlargement and/or reconstruction of Accessory Improvements shall be promptly reclaimed and revegetated. Roads are not defined as Accessory Improvements within this Easement and are addressed in Paragraph 5(f), "Roads, Driveway and Trails", below.

4(n) Energy Generation

Solar panel(s) that are primarily for the generation of energy for the Structures and/or agricultural operations on the property, and/or for use in conjunction with those activities permitted by this Easement, may be constructed: (1) within the Building Areas; or (2) elsewhere on the Property with prior written approval of the Trust, provided it is determined that the proposed location of such solar panel(s) will not cause an adverse impact to the Conservation Values of the Property. Wind turbines are prohibited on the Property.

4(o) Recreational Activities

Grantor has the right to conduct non-motorized, low impact recreational activities on the Property such as hiking, biking, hunting, cross country skiing, snow-shoeing, wildlife and bird watching, family camping and picnics, and horseback riding in manners that do not adversely impact the Conservation Values of the Property. Recreational use of motorized vehicles shall only take place as consistent with Paragraph 5(m), "Motorized Vehicles", below.

5. Prohibited Uses.

Any activity on, or use of, the Property inconsistent with: (1) Section 170(h) of the Internal Revenue Code, or any regulation promulgated thereunder; or (2) preservation of the Conservation Values and the Conservation Purposes of this Easement, is prohibited. Additionally, the following activities and uses are expressly prohibited or are permitted only as provided herein.

5(a) Subdivision

Division, subdivision or de facto subdivision of the Property, inclusive of all Mineral and Water Rights (if any), physically or by legal process into two or more parcels of land or partial or separate interests (including but not limited to condominium interests or partition in kind), is strictly prohibited. The entire Property, inclusive of all Minerals, shall, together at all times, be owned, conveyed or transferred only in its entirety, as a single parcel in the same ownership, regardless of whether the Property now consists of separate parcels, was acquired as separate parcels, or is treated as separate parcels for property tax or other purposes. Grantor may own the single parcel by joint tenancy or tenancy in common. However, Grantor shall not undertake any legal proceeding to partition, subdivide or partition in kind in any manner such undivided interest in the single parcel. The right to have the Property, or any portion of it, including any Minerals, partitioned in kind is waived; the only relief available in a partition action shall be the sale of the entire co-owned Property, inclusive of all Minerals, as a single parcel, subject to the terms of this Easement, and division of the proceeds.

5(b) Buildings, Other Structures or Vehicles

Except as expressly and specifically allowed in this Easement, no additional structures of any kind, temporary or permanent, which includes, without limitation, buildings, mobile homes, house-trailers, platforms, inoperable vehicles or other similar structures or vehicles shall be erected, placed or constructed on the Property. Notwithstanding the foregoing, during construction on the Property of the permitted Structures, temporary trailers which are used for construction purposes may be placed within the Building Areas where construction is occurring, provided they are promptly removed after completion of construction. An RV may be parked within the Ranch Headquarters Building Area for no more than 30 thirty days annually.

5(c) Mining

5(c)(i). Definition of “Minerals”. For purposes of this Easement the term “**Minerals**” means any mineral substance of any kind or description, including, but not limited to surface and subsurface minerals, and including, but not limited to soil, sand, gravel, rock, stone, decorative stone, dimension stone, oil, natural gas, coalbed methane (including any and all substances produced in association therewith from coal-bearing formations), hydrocarbon, fuel, or any other minerals or mineral substance of any kind or description.

5(c)(ii). Definition of “Mining”; Mining Prohibited. The drilling, exploration by geophysical and other methods, mining, extraction and operating for and producing from the Property, including the construction of any and all associated roads, pipelines, structures, equipment, tanks, storage facilities, ponds, evaporation pools or pits, utility lines, of any kind or description, and including all activities described as “oil and gas operations” in CRS § 34-60-103, as amended (collectively referred to as “**Mining**”), is prohibited on the Property, except as provided in this Paragraph 5(c).

5(c)(iii). Soil, Sand, Gravel, Rock, Surface Minerals. Grantor represents that to the best of its knowledge that it is the owner of the soil, sand, gravel, rock and surface Minerals, on and underlying the Property and covenants and agrees that no Mining of soil, sand, gravel, rock or surface Minerals shall be permitted on or under the Property by Grantor, except that with the prior written approval of the Trust in its sole discretion, soil, sand, gravel or rock may be extracted so long as such extraction is solely for use on the Property for non-commercial purposes, is in conjunction with activities permitted herein, is accomplished in a manner which is consistent with the Conservation Purposes of this Easement and does not adversely impact the Conservation Values of the Property, and has a limited and localized impact on the Property. Any such extraction of soil, sand, gravel or rock shall be limited to not more than one-tenth (1/10) acre in size at any given time. Any area which is disturbed by extraction must be revegetated and restored to the natural condition of the Property after completion of the extraction. This provision shall be interpreted in a manner consistent with Section 170(h) of the United States Internal Revenue Code and the Treasury Regulations adopted pursuant thereto.

5(c)(iv). Third-Party Mineral Ownership. Except as provided in Paragraph 5(c)(iii), “Soil, Sand, Gravel, Rock, Surface Minerals”, Grantor and the Trust acknowledge that the Grantor owns only a portion of all other Minerals on or underlying the Property. This Easement

is intended to prohibit surface Mining of Minerals, and otherwise limit subsurface Mining of Minerals, owned by Grantor as provided herein, but is not intended to affect the substantive rights of third-party owners of Minerals of the Property existing prior to the date of this Easement.

5(c)(v). Trust Approval of Mining Leases and Agreements. Grantor shall provide notice to the Trust, pursuant to Paragraph 7, "Notice of Intention to Undertake Certain Permitted Action(s)", of any proposed extension, amendment or modification of any existing Mining lease or agreement or any new Mining lease or agreement (collectively, "**Mining Agreement**") received by Grantor, and approval of the Trust as provided in Paragraph 8 of this Easement, is required for Grantor to enter into any Mining Agreement. If approval of the Mining Agreement is granted by the Trust, then any Mining Agreement entered into by Grantor shall be subordinate and subject to, and shall incorporate the terms of this Easement, and in addition shall include at least the following provisions unless any such provision is waived in writing by the Trust in its sole discretion:

5(c)(v)(1). Mining must be conducted in a manner consistent with reasonable, site specific conditions developed by the Trust to protect the Conservation Values of the Property. No wells, pipelines, gathering systems, roads, lines, tanks, processor plants, dehydrators, refineries, tank batteries, compressor stations, evaporation pits, secondary production facilities or other facilities for production ("**Mining Structures**") from other properties may be located on the Property. Any Minerals produced from the Property must be transported by underground pipeline or other means approved in advance by the Trust. The location of any Mining Structure for operations on the Property is subject to prior written approval by the Trust.

5(c)(v)(2). Vehicle use for Mining on the Property shall be limited to existing roads with any new roads to be approved in advance, in writing by the Trust. Any surface disturbances for Mining shall be approved in advance, in writing by the Trust. Any Mining Structures shall be consolidated.

5(c)(v)(3). All Mining Structures shall be painted to blend with the natural color of the landscape and be screened from view from public roads or public lands by vegetation, topography, or berms in a manner approved by the Trust.

5(c)(v)(4). Notification by Grantor to the Trust is required pursuant to Paragraph 7, below, "Notice of Intention to Undertake Certain Permitted Action(s)," for any Mining that would result in a disturbance or use of the surface of the Property.

5(c)(vi). Trust Approval of Surface Use(s). For purposes of this Easement and any Mining on or affecting the surface of the Property, the Trust shall be considered a surface owner,

and accordingly, any notices required to be given or given to the Grantor shall also be provided to the Trust, or if not provided to the Trust, then Grantor shall forward to the Trust as provided in Paragraph 7, "Notice of Intention to Undertake Certain Permitted Action(s)." Any surface use agreement, lease, agreement permitted or required of a surface owner under CRS § 34-60-101 et seq., as amended from time to time, or similar agreement (the "**Surface Use Agreement**") granting or conveying rights to disturb or use the surface of the Property for Mining requires approval in writing in advance by the Trust, which the Trust may withhold as provided in Paragraph 8, "Approval by the Trust," as well as if the terms or conditions of the Surface Use Agreement are inconsistent with the terms of this Paragraph, "Mining," or are not permitted under the terms of the Mineral Agreement. No waiver of Grantor's rights as a surface owner related to Mining shall be effective except with the written approval of the Trust.

5(c)(vii). Trust Costs and Expenses Related to Mining. Any and all Costs and Expenses of the Trust, as defined in Paragraph 28(s), related to any Mining Agreement, Surface Use Agreement or similar agreement as well as any Costs and Expenses incurred by the Trust related to this Paragraph 5(c), "Mining," shall be paid by Grantor to the Trust. Notwithstanding the foregoing, the Trust shall have no obligation to defend or establish ownership of any Minerals in the Grantor.

5(d) Topographical Changes

No excavating, grading, cutting and filling, berming or other similar topographical changes shall occur on the Property, except as reasonably necessary in connection with: (1) agricultural operations on the Property, which includes reasonable topographical changes related to the repair, maintenance and construction of fencing as conditioned in Paragraph 4(d), "Fences"; (2) the construction, alteration, replacement, removal, or reconstruction of the Structures, the Minor Agricultural Structures and Accessory Improvements; (3) maintenance, repair and construction of roads, a driveway and trails as provided in Paragraph 5(f), "Roads, Driveway and Trails"; and (4) development of decreed or permitted Water Rights subject to the conditions and restrictions provided in Paragraph 4(f) and the Ponds as permitted in Paragraph 4(k), "Ponds, Tanks and Springs." Outside the Building Areas, excavating, grading, cutting and filling, berming or other similar topographical changes may only take place as specifically related to the Accessory Improvements necessary to service the Structures or as provided in Paragraph 5(f), "Roads, Driveway and Trails." Notwithstanding the foregoing, no excavating, grading, cutting and filling, berming or other similar topographical changes shall be permitted that would adversely impact any Conservation Value of the Property. Any area disturbed by any topographical changes shall be promptly reclaimed and revegetated.

5(e) Signs and Billboards

No commercial signs, billboards, awnings or advertisements shall be displayed or placed on the Property, except: (1) as provided in Paragraph 3(e), above; (2) an unlighted appropriate and customary ranch or pasture identification sign; (3) "for sale" or "for lease" signs alerting the public to the availability of the Property for purchase or for lease; (4) "no trespassing" or "no hunting" signs; (5) signs regarding the private leasing of the Property for hunting, fishing or other low impact recreational uses; and (6) signs informing the public of the status of ownership;

all of which must be in accordance with Routt County signage regulations. No signs shall adversely impact the Conservation Values of the Property.

5(f) Roads, Driveway and Trails

At the time of granting of this Easement, there are two-track ranch roads, trails, and a driveway which exist on the Property. The two-track “**Ranch Roads**” are characterized as: (1) having an unpaved gravel or dirt surface; (2) only wide enough for one-way vehicular use; and (3) generally only accessible by four wheel drive vehicles, in the location(s) as generally depicted on **Exhibit D**. A network of soft-surfaced single-track trails (“**Single-Track Trails**” or the “**Trails**”), for the purpose of non-motorized recreational use (with the limited exception of Electric Bicycles as further described in Paragraph 5(m) “Motorized Vehicles”), exists in the approximate location(s) depicted in **Exhibit D**. A “**Driveway**” is located on the Property and provides access to the Building Areas, as depicted in **Exhibit D**.

The existing Ranch Roads and Driveway may be maintained, repaired and improved in their current location and size and may be upgraded with road base and gravel. The Driveway, walkways, patios and similar improvements servicing the Structures located within the Building Areas may be covered with concrete, asphalt, or any other paving material. Except as specifically provided in this Paragraph 5(f), no other new roads or ranch roads shall be constructed on the Property nor shall any portion of the Property be paved or otherwise covered with concrete, asphalt or any other paving material without the prior written approval of the Trust, which may be withheld in its discretion.

The existing Trails (as documented in the Baseline Documentation Report) may be maintained, repaired, reasonably enlarged, and in the event of destruction, reconstructed, in locations and manners which do not cause a material adverse impact on the Conservation Values of the Property or are otherwise inconsistent with the purpose of this Easement. With prior written approval of the Trust, Grantor may construct new single-track trails on the Property, which trails shall be consistent with the nature, composition and use of the existing Trails and subject to the same provisions described herein, provided it is determined that the proposed location of the new trails will not adversely impact the Conservation Values of the Property. The Trails may be composed of dirt and/or other natural materials, and may be improved with wooden boardwalk bridges to cross water drainages or perennially wet areas as necessary.

5(g) Trash

The dumping or uncontained accumulation of trash, debris, waste, abandoned vehicles, appliances, machinery, ashes, sawdust or other non-compostable refuse or other materials on the Property is prohibited. Grantor is responsible for the removal of all trash and refuse on the Property. One burn pit may be located on the Property, which location requires the prior written approval of the Trust.

5(h) Hazardous Materials

The storage, dumping or other disposal of toxic and/or hazardous materials, including the burning of tires, on the Property is prohibited. Toxic and/or hazardous substances shall mean any hazardous or toxic substance or material that is regulated under any federal, state or local law. This prohibition does not preclude the use or storage (reasonable amounts necessary only for use on the Property) of agricultural chemicals that are customarily used on properties of this type, nor preclude the use of gasoline, diesel and lubricants, provided that all such usage is: (1) for purposes permitted under this Easement; (2) in accordance with manufacturer's specifications; and (3) in accordance with all applicable laws and regulations, which may require local, state and/or federal permits. Without limiting the foregoing or the Trust's rights as provided in Paragraph 9, "Enforcement," nothing in this Easement shall be construed as: (1) making the Trust an owner of the Property for the subject matters covered by this Paragraph; (2) permitting the Trust to control any use of the Property by Grantor which may result in the storage, dumping or disposal of hazardous or toxic materials; (3) granting the Trust under this Easement 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, owner or arranger with respect to the Property; provided, however, that nothing contained in the foregoing shall constitute a waiver or prohibition of the County's rights related to uses and activities on the Property under Routt County Regulations and other governing rules and/or regulations; or (4) the Trust being a "responsible party," all within the meaning of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), or similar federal or state statutes.

5(i) Utilities

Except as allowed under existing utility easements, or as allowed in Paragraph 4(m), "Accessory Improvements", above, or under any additional utility easements that may be taken pursuant to an exercise of eminent domain, no new utility transmission lines and/or distribution lines shall be constructed or allowed on the Property.

5(j) Retail, Commercial or Industrial Activity

Industrial uses are prohibited on the Property. No commercial or retail uses are allowed on the Property, except: (1) primarily ranching and similar agricultural uses as provided herein, including the sale of livestock or agricultural products on the Property; and (2) use of the Property for low-impact recreational purposes including fishing, hunting and the temporary lodging of hunters and others. Examples of such prohibited uses include, but are not limited to: commercial feedlots, meat or poultry processing facilities, commercial nurseries and greenhouses, sawmills or logging operations or facilities, retail outlets and other similar intensive uses, which intensive uses include, but are not limited to: golf courses, campgrounds, race tracks, motocross courses, skate parks, rodeo arenas, ball fields, and ski areas (exclusive of the low-impact recreational uses described herein). The use of the Property for more than "de minimis" low-impact and non-developed commercial recreation activity is prohibited. The term "de minimis" shall have the meaning as set forth in § 2031(c)(8)(B) of the United States Internal Revenue Code and the Treasury Regulations adopted pursuant thereto. This Paragraph shall be

interpreted consistent with the provisions of § 2031(c)(8)(B) of the United States Internal Revenue Code and the Treasury Regulations, adopted pursuant thereto, to permit only “de minimis” commercial recreational activity.

5(l) *Water Pollution*

The degradation or pollution of any surface or sub-surface water on the Property is prohibited.

5(m) *Motorized Vehicles*

Motorized vehicles may only be used in a manner that does not adversely impact the Conservation Values of the Property. Nothing in this Paragraph is intended to prohibit the use of motorized vehicles for: (1) agricultural uses allowed per the terms of this Easement; (2) property management use allowed per the terms of this Easement; (3) to transport people across the Property (non-recreational transportation); (4) the monitoring of this Easement (per Paragraph 3, “Rights of the Trust”); (5) Trail building and Trail maintenance (in accordance with Paragraph 5(f), “Roads, Driveway and Trails”); or (6) other uses that are specifically permitted under this Easement, which include low-impact recreational activities on the Property including, but not limited to hunting activities, Electric Bicycles (as defined herein), and/or the use of snowcats or snowmobiles to set in the snow cross-country ski tracks, provided that the motorized uses do not negatively impact the Conservation Values of the Property.

The definition of an Electric Bicycle for the purpose of this Easement is: (1) a pedal-assist electric bicycle (i.e. a bicycle with an electronic drive system that only engages with a pedaling motion); and (2) a throttle-assist electric bicycle (i.e. a bicycle equipped with a throttle so that pedaling is not required for propulsion); both Electric Bicycle (1) and Electric Bicycle (2) shall not be capable of exceeding twenty (20) miles per hour on flat ground (the “**Electric Bicycle**”), and both are permitted on the Property for recreational use, provided that: (1) such uses do not negatively impact the Conservation Values of the Property, and (2) Electric Bicycle use is limited to existing Ranch Roads and Single-Track Trails as depicted generally in **Exhibit D**, unless otherwise approved in writing in advance by the Trust. Off road vehicle courses for snowmobiles, all-terrain vehicles, or other motorized vehicles are prohibited.

6. Reserved Rights.

Grantor reserves all rights accruing from Grantor's ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not otherwise prohibited or inconsistent with the terms and conditions of this Easement.

7. Notice of Intention to Undertake Certain Permitted Action(s).

The purpose of requiring Grantor to notify the Trust prior to undertaking certain permitted activities, as identified herein, is to afford the Trust an opportunity to ensure that the activities in question are designed and carried out in a manner consistent with the terms and conditions of this Easement as well as the Conservation Purposes. Whenever notice is required,

Grantor shall notify the Trust in writing not less than forty-five (45) days prior to the date Grantor intends to undertake the activity in question, unless a different time period for the giving of notice is specifically provided for in this Easement as to the activity in question. The notice shall describe the nature, scope, design, location, timetable and any other material aspects of the proposed activity in sufficient detail to permit the Trust to make an informed judgment as to its consistency with the terms and conditions of this Easement and the Conservation Purposes.

8. Approval by the Trust.

Certain activities provided for herein are allowed only if the permission of the Trust is first obtained. When approval of the Trust is required, the Grantor must give notice to the Trust of the intention to undertake any activity which requires approval but is otherwise permitted herein. The notice shall inform the Trust of all aspects of the proposed activity, including location, design, materials or equipment to be used, dates and duration, and any other relevant information. No request for approval shall be made of the Trust that is inconsistent with the terms and conditions of this Easement or the Conservation Purposes. The Trust shall have forty-five (45) days from the receipt of the notice to review the proposed activity and to notify the Grantor of any objections thereto. If the Trust requires additional information to evaluate the proposed activity, or if the approval of a third party (e.g. a governmental approval) is required for the proposed activity, Trust may extend the deadline for action by an additional forty-five (45) days by giving notice of such extension to Grantor. Except as provided herein where the Trust's approval may be withheld in its discretion, the approval may be withheld only upon a reasonable determination by the Trust that the action as proposed would be inconsistent with the Conservation Purposes or adversely impact the Conservation Values of the Property; the reason(s) for such determination shall be set forth with specificity by the Trust in such written notice to Grantor. If Grantor disagrees with the decision, Grantor may proceed with the mediation process described in Paragraph 9, "Enforcement".

9. Enforcement.

In addition to any rights described in CRS § 38-30-5.101, et seq., the Trust shall have the right to prevent and correct, or require correction of, violations of the terms and conditions of this Easement. The Trust may enter the Property for the purpose of monitoring this Easement and inspecting for violations, subject to the limitations set forth in Paragraph 3(b), above. If the Trust finds and determines through its investigations (which may include, among other things, discussions with Grantor), what it believes is an unresolved violation, the Trust shall promptly notify Grantor in writing of the nature of the alleged violation.

Within thirty (30) days of receipt of this abovementioned written notice, Grantor shall either: (a) restore the Property to its condition prior to the violation; or (b) provide a written explanation to the Trust of the reason why the alleged violation should be permitted. If the condition described in clause (b) above occurs, both parties shall meet as soon as possible to attempt to resolve this difference, but in no event later than thirty (30) days of Grantor's receipt of the written notice from the Trust. If a resolution of this difference cannot be achieved at the meeting, both parties may agree to meet with a mutually acceptable mediator to attempt to

resolve the dispute. The meeting and mediation described above shall not be construed as a prerequisite or waiver to legal action by either party.

Beginning at Grantor's receipt of the Trust's notice of an alleged violation until complete resolution of the alleged violation, either privately, judicially or otherwise, Grantor shall discontinue any activity that could increase or expand the alleged violation.

In addition to all legal and equitable remedies of the Trust, the Trust's remedies include issuance of an injunction, either temporary or permanent, requiring Grantor to restore the Property to its condition prior to the alleged violation when a court determines that a violation is imminent, exists or has occurred; no further proof for issuance of such injunction including, but not limited to, irreparable harm, no plain, speedy, and adequate remedy at law, serving the public interest, the balancing of equities, or similar standard shall be required of the Trust as the parties have considered their potential disparate financial positions or incentives in light of the purposes of this Easement and agree to the availability of such remedy to the Trust.

10. Costs of Enforcement.

If a violation by Grantor is determined to have occurred, any reasonable costs incurred by the Trust in enforcing the terms of this Easement against Grantor, including, without limitation, any reasonable costs of staff time, mediation expenses, suit and attorneys' fees, and any reasonable costs of restoration necessitated by Grantor's violation of the terms of this Easement, shall be borne by Grantor. If the court finds no violation or if Grantor prevails in enforcing or defending the terms of this Easement, then Grantor and the Trust shall each bear their own expenses and attorney fees. The Grantor and the Trust agree that this allocation of expenses is appropriate in light of the potential disparate financial positions or incentives of the Grantor and the Trust and the Trust's public benefit mission.

11. The Trust's Enforcement Discretion.

Enforcement of the terms of this Easement (including, without limitation, as to any matter which has not been warranted by Grantor or is beyond the warranties given by Grantor under Paragraph 28(n) and 28(o) herein), shall be at the sole discretion of the Trust and any forbearance by the Trust to exercise its respective rights under this Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by the Trust of such term or of any subsequent breach of the same or any other term of this Easement or of any of the Trust's rights under this Easement, or as giving rise to a claim or defense by Grantor. No delay or omission by the Trust in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver by the Trust.

12. Waiver of Certain Defenses.

Grantor hereby waives any defense of laches, estoppel, or prescription, any defenses available under CRS § 38-41-119, and any claims or defenses against the Trust based upon the Trust's Enforcement Discretion described in Paragraph 11, above.

13. Natural Forces Beyond Grantor's Control.

Nothing contained in this Easement shall be construed to entitle the Trust to bring an action against Grantor for any injury to or change in the Conservation Values of the Property resulting from natural forces beyond Grantor's control such as drought, fire, flood, storm, earth movement or insect infestations (which includes spruce beetles and pine beetles) or from reasonable actions taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property resulting from such natural forces. Notwithstanding the foregoing, the Grantor shall take reasonable efforts to prevent third parties from performing, and shall not knowingly allow third parties to perform, any act on or affecting the Property that is inconsistent with the Purpose of this Easement.

14. No Public Access Created Hereby.

Nothing herein contained shall be construed as affording the public access to any portion of the Property, although Grantor may permit additional public access to the Property on such terms and conditions as it deems appropriate, provided that such access is consistent with the terms and conditions of this Easement and the Conservation Purposes. The Trust does not retain the right to grant any access to the Property or easements or licenses on the Property.

15. Costs and Liabilities; Subordination of Mortgage.

Grantor shall retain all responsibilities and shall bear all costs and liabilities of any kind: (a) related to the ownership, operation, upkeep and maintenance of the Property, including weed control and weed eradication on the Property; (b) including payment of any taxes or assessments imposed upon or incurred as a result of this Easement; and (c) including the maintenance of adequate comprehensive general liability insurance coverage. Any mortgage or deed of trust encumbering all or a portion of the Property, either now or in the future, shall be and will remain subject to and subordinate to the terms and conditions of this Conservation Easement and the foreclosure of any such mortgage or deed of trust shall not adversely impact the existence or continuing validity of this Easement.

16. Taxes.

Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Easement and shall furnish the Trust with satisfactory evidence of payment upon request. The Trust is authorized, but not obligated, to make or advance any payment of past due Taxes, upon ten (10) days prior written notice to Grantor, in accordance with any bill, statement or estimate procured from the appropriate authority, without inquiry into the validity of the Taxes or the accuracy of the bill, statement or estimate, and the obligation created by such payment shall bear interest until paid by Grantor at the lesser of fifteen percent (15%) per annum or the maximum rate allowed by law. In the event the Trust makes any payment of such taxes, assessments, fees or charges, then: (a) the amount of such payment, together with interest, shall be a lien on the

Property for the benefit of the Trust until paid in full; and (b) Grantor hereby waives and releases any and all right of homestead and any other exemption in the Property under state or federal law presently existing or hereafter enacted as to the lien for repayment of such taxes, assessments, fees or charges paid by the Trust.

17. Hold Harmless.

Grantor shall hold harmless, indemnify and defend the Trust, and its members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors and assigns of each of them (collectively "**Grantor Indemnified Parties**") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including, without limitation, reasonable attorneys' fees arising from or in any way connected with or arising out of: (a) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition or other matter related to or occurring on or about the Property, regardless of cause, except to the extent due to the negligence or intentional act of any of the Grantor Indemnified Parties, or any act, omission, condition or other matter subject to the Trust's indemnification, as described in this Paragraph 17; (b) the obligations and Costs and Expenses of the Trust in enforcement of this Easement in accordance with Paragraphs 9 and 10; (c) the presence, or unlawful or improper release by Grantor or persons under the direction or control of Grantor, of hazardous or toxic substances or materials on, under or about the Property; (d) all costs and liabilities of ownership, operation, upkeep and maintenance of the Property, including taxes and assessments, as described herein; and (e) the exercise of any rights by Grantor, any lessees or other third parties relating to Mining on the Property in accordance with Paragraph 5.

The Trust shall hold harmless, indemnify and defend Grantor and its assigns, members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors and assigns of each of them (collectively "**Trust Indemnified Parties**") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including, without limitation, reasonable attorneys' fees, arising from or in any way connected with or arising out of injury to or the death of any person, or physical damage to any property, arising from the actions of the Trust, its members, directors, officers, employees, agents and contractors or from a guest or invitee of the Trust, on the Property unless due to the negligence or intentional act of the Trust Indemnified Parties.

18. Change of Circumstances; Extinguishment.

If circumstances arise in the future which render all of the Conservation Purposes impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, if both of the following events occur: (a) the Trust determines in its sole discretion that all of the Conservation Purposes are impossible to accomplish; and (b) a court of competent jurisdiction extinguishes or terminates the Easement, in whole or in part, through judicial proceedings. Each party shall promptly notify the other when it first learns of such circumstances, and no termination of extinguishment shall be effective without inclusion of the Trust in such proceedings.

The amount of the proceeds to which the Trust shall be entitled, after the satisfaction of prior claims from any sale, exchange or voluntary or involuntary conversion of all or any portion of the Property immediately subsequent to such termination or extinguishment, shall be determined, unless otherwise provided by Colorado law at the time, in accordance with the ratio determined pursuant to Paragraph 19, "Proceeds", below.

In granting this Easement, Grantor has considered the possibility that uses prohibited by the terms of this Easement may become more economically valuable than permitted uses and that neighboring properties may in the future be put entirely to such prohibited uses. It is the intent of both Grantor and the Trust that any such changes shall not be deemed to be circumstances justifying the termination or extinguishment of this Easement, in whole or in part. In addition, the inability of Grantor to conduct or implement any or all of the uses permitted under the terms of this Easement, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment, in whole or in part. Moreover, none of the following shall be grounds for the termination or extinguishment of this Easement: (a) the disappearance of species of wildlife from the Property; (b) the scientific or legal conclusion that a species of wildlife is extinct; or (c) any future change in circumstances, change in values, or other reasons, based on any theory of reasonable accommodation or other theory relating to any or all of the Water Rights.

19. Proceeds.

This Easement constitutes a real property interest immediately vested in the Trust, which the parties stipulate to have a fair market value determined by multiplying the fair market value of the Property (not including the value of any Structures on the Property) unencumbered by this Easement by the ratio of the value of the Easement at the time of this grant to the value of the Property (not including the value of any Structures on the Property) unencumbered by this Easement at the time of this grant (the "**Donation Percentage**"). For the purposes of this Paragraph, the Donation Percentage of the Easement is the greater of (1) thirty-four and 50/100 percent (34.50%) of the value of the Property (not including the value of the Structures on the Property) unencumbered by this Easement, as supported by the appraisal for the Easement as determined in a 2014 restricted appraisal report; or (2) the value of Easement (not including the value of Structures on the Property) as supported by the appraisal for the Easement.

In the event this Easement is terminated in whole or in part, or is extinguished in whole or in part pursuant to Paragraph 18, "Change of Circumstances; Extinguishment", or the Property is condemned pursuant to Paragraph 20, "Condemnation", the Trust is entitled to receive from the net proceeds of the condemnation, extinguishment or sale of the Property, the greater of (a) the Donation Percentage, or (b) the percentage that the value of the Easement represents of the value of the Property unencumbered by this Easement (neither including the value of any Structures on the Property) at the time of termination of this Easement (the "**Extinguishment Percentage**").

All proceeds received by the Trust shall be used in a manner consistent with the Conservation Purposes of this Easement.

20. Condemnation.

If this Easement is taken, in whole or in part, by exercise of the power of eminent domain, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Each party shall promptly notify the other when it first learns of such circumstances, and no condemnation shall be effective without inclusion of the Trust in such proceedings. If all or any part of the Property is taken by exercise of the power of eminent domain or acquired by purchase in lieu of condemnation, whether by public, corporate or other authority, so as to terminate this Easement in whole or in part, Grantor and the Trust shall act jointly to recover the full value of the interests in the Property (the value of the Property unencumbered by the Easement) subject to the taking or in lieu of purchase as though the Property were not encumbered by this Easement, and all direct or incidental damages and expenses resulting therefrom. All expenses reasonably incurred by Grantor and the Trust in connection with the taking or in lieu of purchase shall be paid out of the amount recovered. The Trust's share of the balance of the amount recovered shall be determined by terms set forth in Paragraph 19, "Proceeds". Any entity or third party threatening eminent domain, exercising a power of eminent domain, acquiring by purchase in lieu of condemnation, whether by public, corporate or other authority, or requesting an amendment to the Easement, so as to terminate or amend this Easement in whole or in part, shall, in addition to the above provisions, pay all Costs and Expenses, as defined in Paragraph 28(s), of the Trust related to any such transaction.

21. Assignment.

(a) This Easement is transferable by the Trust, but the Trust may assign its rights and obligations under this Easement only to an organization that is: (1) a qualified land conservation organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable) and the applicable regulations promulgated thereunder; (2) authorized to acquire and hold conservation easements under Colorado law; (3) agrees in writing to assume the responsibilities imposed on the Trust by this Easement; (4) approved in writing as a transferee by Grantor, which approval of transferee organization shall not be unreasonably withheld by Grantor. As a condition of such transfer, the Trust shall require the transferee to expressly agree, in writing, to carry out and uphold the purposes of this Easement and otherwise assume all of the obligations and liabilities of the Trust set forth herein or created hereby. In addition, the Trust agrees to notify Grantor in writing forty-five (45) days prior to such transfer. The Trust's rights and obligations under this Easement terminate upon transfer of the Trust's ownership interest in this Easement, excepting the Trust's liability for acts or omissions occurring prior to transfer shall survive transfer.

(b) If the Trust ceases to exist prior to an assignment of this Easement, then the Easement shall automatically revert to an organization that is: (1) a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulation promulgated thereunder; and (2) authorized to acquire and hold conservation easements under Colorado law.

(c) If Grantor unreasonably refuses to approve a transfer of the Easement as provided in this Paragraph, a court with jurisdiction shall transfer this Easement to another qualified

organization having similar purposes that agrees to assume the responsibilities of the Trust, provided that Grantor receive notice of and an opportunity to participate in the court proceedings.

(d) Upon compliance with the applicable portions of this Paragraph 21, the parties shall record an instrument completing the assignment in the records of the Routt County Clerk and Recorder. Assignment of the Easement shall not be construed as affecting the Easement's perpetual duration and shall not affect the Easement's priority against any intervening liens, mortgages, easements, or other encumbrances.

(e) As a condition of any such transfer, unless otherwise agreed by the Trust in its discretion, or unless the transfer was initiated solely by the Trust, in which case Grantor and the Trust shall bear their own costs, Grantor shall pay (1) any Costs and Expenses of the Trust, as defined in Paragraph 28(s), (including without limitation staff time and outside services) in reviewing and completing the transfer; (2) any amount necessary to repay costs incurred by the Trust in administering, monitoring and enforcing this Easement (including amounts used from the stewardship fund for the Property for such purposes) which have not been paid or reimbursed to the Trust; and (3) any amount necessary for this Property to provide an adequate stewardship fee as required by the transferee of this Easement.

22. Subsequent Transfers by Grantor.

Grantor agrees to incorporate by reference the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in the Property. Grantor agrees that in any leasehold interest granted by Grantor it will reflect that the lease is subject to and subordinate to the terms of this Easement. Grantor further agrees to give written notice to the Trust of the transfer of any interest at least thirty (30) days prior to the date of such transfer. The failure of Grantor to perform any act required by this Paragraph shall not impair the validity of any instrument granted by Grantor or of this Easement or limit its enforceability in any way. Grantor is responsible for any activity or non-activity of any lessee that adversely impacts the Conservation Values of the Property or the Conservation Purposes.

23. Transfer Fee.

Any time the Property is transferred by Grantor to any third party, (excluding a transfer to an individual(s) who is/are a family member(s), as defined in Section 447(e)(1) of the Internal Revenue Code ("**Family Member**") of the Grantor or a transfer to an entity of which a Family Member of Grantor owns at least two-thirds of the total ownership of the entity), Grantor shall notify the Trust and shall pay a transfer fee to the Trust (to assist with administering, monitoring and enforcing the terms of this Easement and including tracking, changing files names, and database contact information, etc.), prior to the transfer or as a part of the closing of the transfer, in the amount of one-half of one percent (0.5%) of the greater of (a) the fair market value of the Property being transferred as determined by an appraisal paid for by the Grantor, or (b) the sales price or consideration paid for the transfer (however such transfer fee shall not be less than \$500.00), and which transfer and transfer fee is pursuant to the terms of Paragraph 22 and this Paragraph 23.

The Trust covenants and agrees that the transfer fee shall be used by the Trust only for the benefit of this Property (including all costs and expenses associated with administering, monitoring and enforcing the terms of this Easement), any common areas associated with this Property, any adjacent or contiguous real property, or the community in which the Property is located for the purpose of preservation of the Conservation Values of the Property and open space, environmental, conservation, educational, recreational and similar activities. This provision is intended to run with the land in perpetuity, and to touch and concern the Property burdened by this Easement by providing the Trust a contribution to enable its stewardship, enforcement, and defense of this Easement.

24. Notices.

Any notice, demand, request, consent, approval or communication that either party to this Easement desires or is required to give to the other shall be in writing and shall be (a) served personally or by hand delivery, (b) sent by certified or registered mail, postage prepaid, return receipt requested, or (c) sent by overnight express courier (including Federal Express or UPS), addressed as follows or to such other address as either party from time to time shall designate by written notice to the other:

To Grantor:

Glas Deffryn Ranch
Steven J. Williams Living Trust (c/o Steven J. Williams, Trustee)
Pamela A. Williams Living Trust (c/o Pamela A. Williams, Trustee)
29655 Herold Way
Oak Creek, CO 80467

To the Trust:

Yampa Valley Land Trust
Attn: Executive Director
1201 Lincoln Avenue
PO Box 773014
Steamboat Springs, CO 80477-3014

The notice shall be effective upon receipt if served personally or sent by overnight express mail, or three days after deposit with the carrier if sent via certified or registered mail as identified above. Notification by the Trust to Grantor for the annual monitoring site visit need only be given by e-mail with confirmation of receipt of the same. A party may change their mailing address for notice by giving to the other party written notice of change of such address in the same manner provided in this Paragraph 24.

25. Recordation.

The Trust shall record this Easement in a timely fashion in the official records of Routt County, Colorado, at Grantor's expense and the Trust, at the Trust's expense may re-record the Easement at any time as may be required to preserve its rights in this Easement.

26. Amendment.

If circumstances arise under which an amendment to or modification of this Easement or any of its exhibits would be appropriate to promote the purpose of this Easement and the protection of the Conservation Values of the Property, Grantor and the Trust may jointly amend this Easement so long as the amendment (a) is consistent with the Conservation Values and Conservation Purposes of this Easement, (b) does not affect the perpetual duration of the restrictions contained in this Easement, (c) does not affect the qualifications of this Easement under any applicable laws, and (d) complies with the Trust's procedures and standards for amendments (as such procedures and standards may be amended from time to time). Any amendment must be in writing, signed by both parties, and recorded in the records of the Clerk and Recorder of Routt County, Colorado. Nothing in this Paragraph 26 shall be construed as requiring the Trust to agree to any particular proposed amendment. If the amendment is requested by the Grantor, the Grantor shall pay the Costs and Expenses of the Trust, as described in Paragraph 28(s), herein.

27. No Transfer of Development Rights.

Grantor hereby grants to the Trust all development rights, except as specifically reserved herein, for the limited purpose of ensuring that such rights are forever terminated and extinguished and may not be used by Grantor, the Trust, and/or any other party, either on the Property or transferred off of the Property to any other property adjacent or otherwise. Under no circumstances shall the Property be used as a "remainder parcel" or in any other way for the purpose of calculating or giving credits that result in additional density of development, or for any open space mitigation requirements, beyond what is allowed in this Easement, if at all, whether on or off of the Property.

28. General Provisions.

28(a) Controlling Law

The laws of the State of Colorado and the United States shall govern the interpretation and performance of this Easement.

28(b) Liberal Construction

Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effectuate the Conservation Purposes and the policy and purpose of CRS § 38-30.5-101, et seq. If any provision in this instrument is found to be

ambiguous, an interpretation consistent with the Conservation Purposes that would render the provision valid shall be favored over any interpretation that would render it invalid.

28(c) Interpretation

If any reserved right of Grantor under this Easement is found to be not in compliance with Section 170(h) of the Internal Revenue Code, or any regulations promulgated thereunder, then such provision shall be interpreted and applied in such a manner as to be in compliance with Section 170(h) of the Internal Revenue Code and any regulations promulgated thereunder; provided, however, nothing in this Paragraph shall permit Grantor to divide, subdivide or partition the Property, or make any use of the Property, or undertake any activity or development on the Property, except as expressly set forth in this Easement. It is the intention of this Paragraph to require that any restriction herein be interpreted no less strictly than necessary to be in compliance with Section 170(h) of the Internal Revenue Code, and any regulation promulgated thereunder, and no less strictly than as specifically provided herein.

28(d) Permits and Applicability of Other Laws

The terms and conditions set forth in this Easement do not replace, abrogate or otherwise set aside any local, state or federal laws, requirements and/or restrictions imposing limitations on the use of the Property. Grantor is solely responsible for obtaining any applicable governmental permits and/or approvals for construction or any other activities permitted hereunder; provided that any permit and/or approval shall be consistent with the terms, conditions and purposes set forth herein. Nothing herein shall be construed to supersede or exempt the Property from the effect of covenants and plats affecting the Property and the application of laws and regulations affecting land uses on the Property, or to permit any activity otherwise prohibited by existing or future laws and regulations imposed by any federal, state or local government or governmental agency having jurisdiction over the Property, or to prohibit the imposition of further land use restrictions by Grantor or by operation of law and all such uses shall be conducted in accordance with such laws and regulations. Any request or application submitted to the appropriate jurisdiction for approval of an activity on the Property shall also include the Trust's prior written approval as provided in Paragraphs 7 and 8 when approval of the Trust is required under the terms of this Easement. In the discretion of the Trust, the Trust shall be a co-signatory on any such application for the purpose of ensuring that the application is consistent with the terms and conditions of this Easement and that the Trust receives notifications related to any permitting activity.

28(e) Severability

If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

28(f) *Entire Agreement*

This instrument (including the Baseline Documentation Report) 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. In the event of any conflict between the provisions of this Easement, and the Baseline Documentation Report, the terms of this Easement shall control.

28(g) *Controlling Document*

In the event there is a conflict between the terms and conditions of this Easement and the terms and conditions set forth in the Baseline Documentation Report: this Easement, or any amendment to this Easement, shall control.

28(h) *No Forfeiture*

Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

28(i) *Joint Obligation*

The burdens of this Easement shall encumber the Property in perpetuity regardless of how the ownership of the Property may be divided or held at any time in the future. If more than one owner owns the Property at any time, the obligations imposed by this Easement shall be joint and several upon each of the owners.

28(j) *Successors*

The covenants, terms, conditions and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto, and their respective heirs, personal representatives, successors and assigns and shall continue as a servitude running in perpetuity with the Property.

28(k) *Corrections-Further Acts*

The parties shall perform any further acts and execute and deliver any documents, including amendments to this Easement that are reasonably necessary to (i) effectuate its purposes, (ii) to correct typographical, spelling, or clerical errors, or to (iii) correct any errors in the legal description of the Property.

28(l) *Captions*

The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

28(m) No Merger

Unless the parties expressly state in writing, signed by each that they intend a merger of estates or interests to occur, then no such merger shall be deemed to have occurred hereunder or under any documents executed in the future affecting this Easement.

28(n) Warranty of Title

Grantor warrants the title against all persons claiming by, through or under Grantor except and subject to exceptions to title listed in the attached **Exhibit F**. Grantor does not warrant that the location of fences on the Property coincides with the boundaries of the Property. Grantor makes no warranties as to the ownership of any Water Rights associated with or appurtenant to the Property. The parties intend that this Easement encumber the Property, including any Minerals and Water Rights, all as described in this Easement, whether any such interest is now owned or is later acquired by Grantor for or appurtenant to the Property. The Trust shall have no obligation to defend or establish the ownership of the Grantor in the Property, including the Minerals and Water Rights.

28(o) Warranties and Representations

Grantor warrants and represents that to the best of Grantor's knowledge that: (1) no substance or material defined, listed or otherwise classified pursuant to any federal, state or local law or regulation, as hazardous, toxic or polluting, has been released, generated, treated, stored, used, disposed of, deposited, abandoned or transported in, on, from or across the Property in violation of any federal, state or local law; (2) there are no underground storage tanks located on the Property and no underground storage tanks have been removed from the Property in a manner not in compliance with applicable federal, state and local laws and regulations; (3) Grantor and the Property are in compliance with all federal, state and local laws, regulations and requirements applicable to the Property and its use; and (4) there is no pending or threatened litigation or investigations in any way affecting, involving or relating to the Property; nor have any notices, claims, demands or orders been received, arising out of any violation or alleged violation of, or failure to comply with, any federal, state or local law or regulations applicable to the Property and its use. Grantor warrants and represents that the Property shall continue to be in compliance with all federal, state and local laws, regulations and requirements applicable to the Property and its use.

28(p) No Third Party Beneficiary

This Easement is entered into, by and between Grantor and the Trust, is solely for the benefit of Grantor and the Trust and their respective successors in interest and assigns and does not create rights or responsibilities in any third parties including but not limited to rights in any third party to enforce the terms and conditions of this Easement.

28(q) Authority to Execute

Each party represents to the other that such party has full power and authority to execute, deliver, and perform this Easement, that the individual executing this Easement on behalf of said

party is fully empowered and authorized to do so, and that this Easement constitutes a valid and legally binding obligation of said party enforceable against said party in accordance with its terms and conditions.

28(r) Trust Acknowledgement of Donation

The Trust acknowledges receipt and acceptance of this Easement encumbering the Property (including Water Rights and Mineral Rights) described herein, as a bargain sale and donation for which donation no goods or services were provided, except the consideration, recited above.

28(s) Costs and Expenses


In the event of (1) an amendment to this Easement is requested by Grantor; or (2) Trust Costs and Expenses Related to Mining as described in Paragraph 5(c)(vii), above; any and all costs and expenses related to any such designation or such request, including, but not limited to, legal, surveying, reports, studies, recording, appraisal, documentation and changes to the Baseline Documentation Report, materials, supplies, outside consultants, staff and overhead and payment of the then-applicable stewardship fees of the Trust (collectively, the “**Costs and Expenses**”) shall be paid by Grantor at a time as determined by the Trust however prior to the parties entering into and recording the notice or such amendment to the Easement or prior to the Trust giving approval for such proposal, activity or agreement. If any amendment to this Easement is proposed at the request of and for the sole benefit of the Trust, the Trust shall bear its own Costs and Expenses.

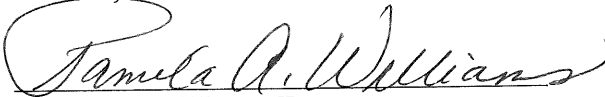
The remainder of this page left blank.

TO HAVE AND TO HOLD unto the Trust, its successors and assigns forever.

IN WITNESS WHEREOF Grantor and the Trust have executed this Deed of Conservation Easement as of the date first shown above.

STEVEN J. WILLIAMS LIVING TRUST dated October 11, 2005


Steven J. Williams, Trustee

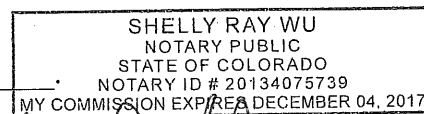

Pamela A. Williams, Trustee

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)


The foregoing instrument was acknowledged before me this 15th day of September 2016, by Steven J. Williams and Pamela A. Williams as Trustees of the Steven J. Williams Living Trust dated October 11, 2005, as Grantor.

WITNESS my hand and official seal.

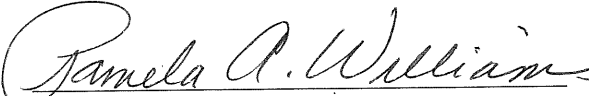
My commission expires: December 4, 2017



(SEAL)


Notary Public

PAMELA A. WILLIAMS LIVING TRUST dated October 11, 2005


Pamela A. Williams, Trustee

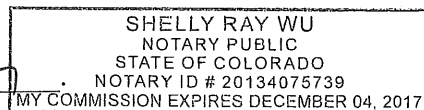

Steven J. Williams, Trustee

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

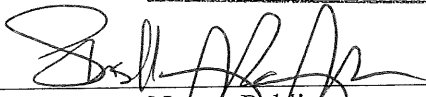
The foregoing instrument was acknowledged before me this 15th day of September 2016, by Pamela A. Williams and Steven J. Williams as Trustees of the Pamela A. Williams Living Trust dated October 11, 2005, as Grantor.

WITNESS my hand and official seal.

My commission expires: December 4, 2017



(SEAL)


Notary Public

ACCEPTED:

The TRUST:

YAMPA VALLEY LAND TRUST, INC., a Colorado nonprofit corporation



Wendy Reynolds, President

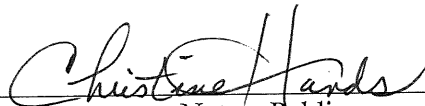
STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this 31 day of AUGUST, 2016 by Wendy Reynolds, as President of Yampa Valley Land Trust, Inc., a Colorado nonprofit corporation, as the Trust (Grantee).

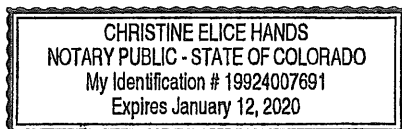
WITNESS my hand and official seal.

My commission expires: 01/12/2020.

(SEAL)

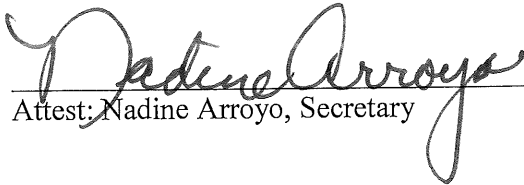


Notary Public



The TRUST:

YAMPA VALLEY LAND TRUST, INC., a Colorado nonprofit corporation


Attest: Nadine Arroyo, Secretary

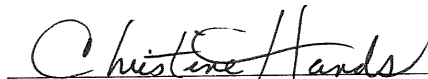
STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this 31 day of AUGUST, 2016,
by Nadine Arroyo as Secretary of Yampa Valley Land Trust, Inc., a Colorado nonprofit corporation,
as the Trust (Grantee).

WITNESS my hand and official seal.

My commission expires: 01/12/2020.

(SEAL)


Notary Public

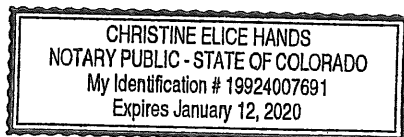


EXHIBIT A

Property Description

The following property located in Routt County, State of Colorado:

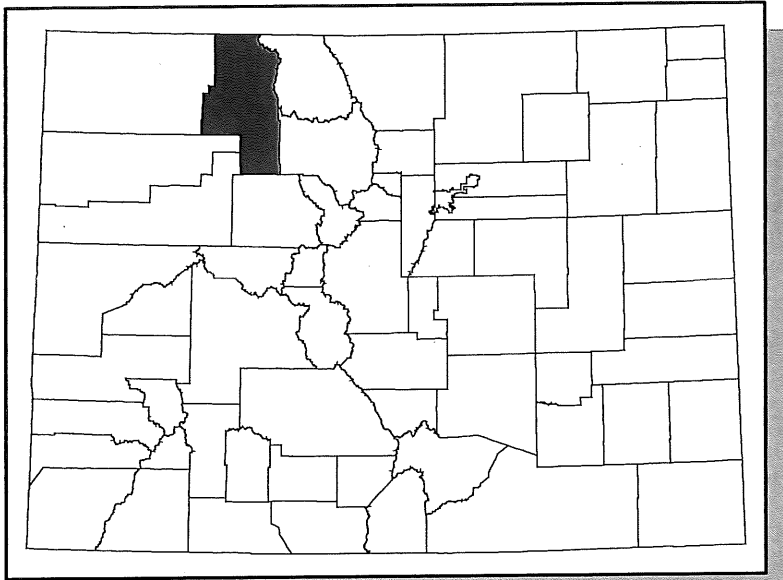
PARCEL 1.

Lot 1,
GLAS DEFFRYN RANCH MINOR DEVELOPMENT SUBDIVISION EXEMPTION,
according to the Plat recorded April 19, 2005 at File No. 13484.

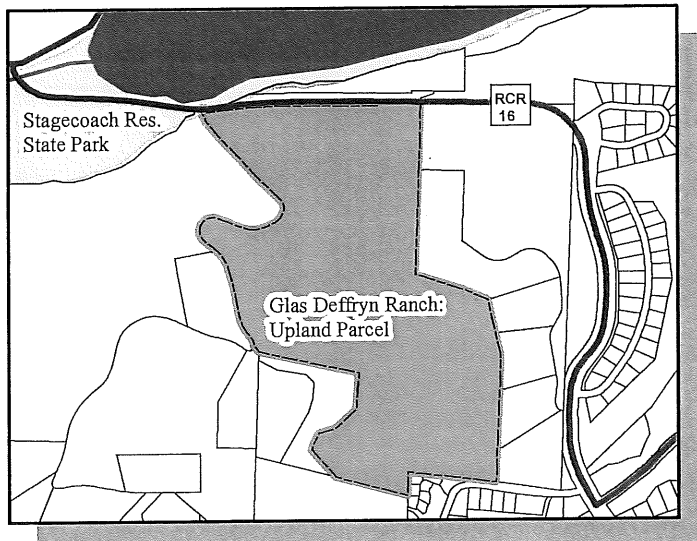
PARCEL 2:

Lot 1 and Remainder Parcel 1,
BLUE VALLEY RANCH, a Land Preservation Subdivision Exemption
according to the Plat recorded November 25, 1997 at File No. 12497.

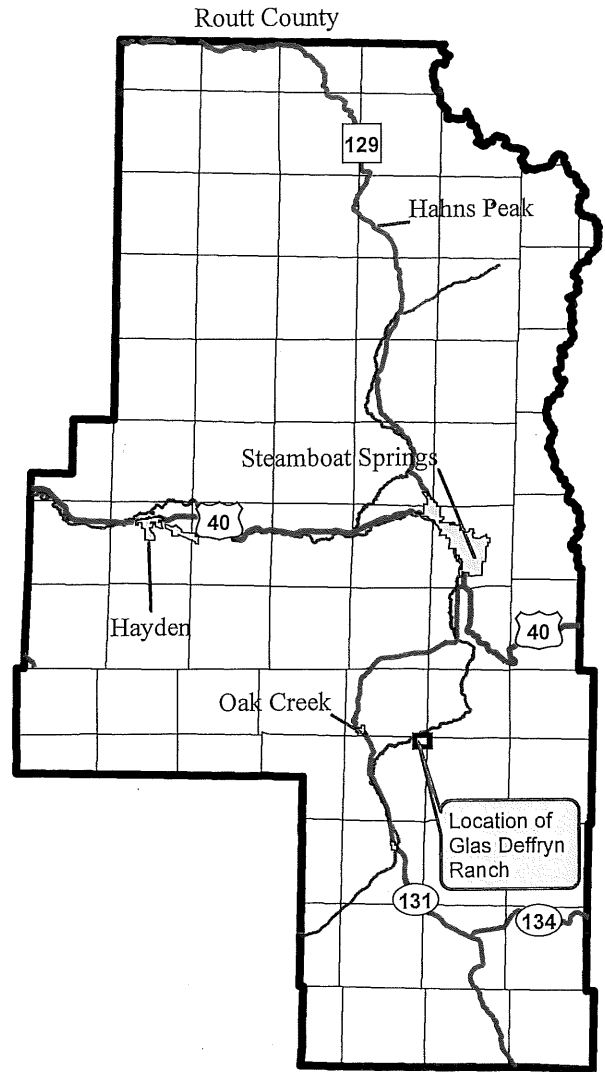
Exhibit B: Property Location Map



State of Colorado



Township 3 N, Range 85 W of the 6th PM



This map was created using publicly available data. All boundaries and locations are approximate and should not be used for legal purposes





 YAMPA VALLEY LAND TRUST	
GLAS DEFFRYN RANCH ROUTT COUNTY, COLORADO	
Date Saved:	January 28, 2016
File Name:	ExhibitB_Location_GlasDeffryn_8x11.pdf
File Location:	...GIS\Projects\Not-Coded\Gas_Deffryn
Drawn By:	YVLT

EXHIBIT C


Acknowledgment of Baseline Documentation Report

The undersigned, Steven J. Williams and Pamela A. Williams, as Trustees of the Steven J. Williams Living Trust dated October 11, 2005, Pamela A. Williams and Steven J. Williams, as Trustees of the Pamela A. Williams Living Trust, dated October 11, 2005, collectively as Grantor, and a representative of Yampa Valley Land Trust, Inc., acknowledge that the **"Glas Deffryn Ranch Baseline Documentation Report"** dated August 2016, is an accurate representation of the biological and physical condition of the Glas Deffryn Ranch Property as of the date of conveyance of this Deed of Conservation Easement.

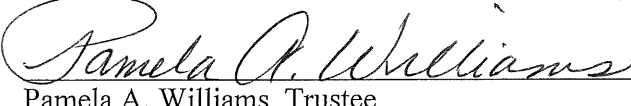
GRANTOR:




Steven J. Williams, Trustee (Date)
as Trustee of the Steven J. Williams Living Trust dated October 11, 2005



Pamela A. Williams, Trustee (Date)
as Trustee of the Steven J. Williams Living Trust dated October 11, 2005




Pamela A. Williams, Trustee (Date)
as Trustee of the Pamela A. Williams Living Trust dated October 11, 2005



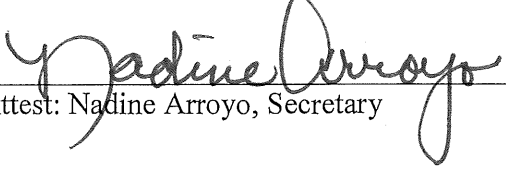
Steven J. Williams, Trustee (Date)
as Trustee of the Pamela A. Williams Living Trust dated October 11, 2005

The TRUST/GRANTEE:

YAMPA VALLEY LAND TRUST, INC., a Colorado nonprofit corporation



Wendy Reynolds, President 8/31/16 (Date)



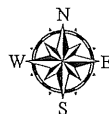
Attest: Nadine Arroyo, Secretary 8/31/16 (Date)

Exhibit D -- Property Characteristics Map



Legend

- Glas Deffryn Ranch: Upland Parcel
- Building Areas
- Herold Homestead Area
- Ponds
- Single-Track Trails (approximate existing and future locations)
- Driveways/Ranch Roads
- Roads



This map was created using publicly available data. All boundaries and locations are approximate and should not be used for legal purposes

Source Data:
United States Department of Agriculture
United States Geological Survey
Routt County Assessor



**GLAS DEFFRYN RANCH
UPLAND PARCEL
ROUTT COUNTY, COLORADO**

Date Saved:	8/30/2016
File Name:	ExhibitD_GlasDeffryn_20160830_8x11.pdf
File Location:	...\\GIS\\Projects\\Not_Coded\\Glas_Deffryn\\
Drawn By:	YVLT

EXHIBIT E

Table of Structures

BDR Photo Point #	Building/Structure Name (and Building Area Location)	Existing Structure/ Building Size	Structure Square Footage	Construction Materials/Year Built
	Ranch Residence (w/Attached Garage) (Residential Building Area)	4,464 square feet	No greater than 5,500 square feet	Wood and log 2006
	Livestock-Barn/Wood-Shop (Ranch Headquarters Building Area)	2,688 square feet	No greater than 3,000 square feet	Wood and Stucco 1999
	Hay-Barn/Stock-Shed (Ranch Headquarters Building Area)	2,600 square feet	No greater than 2,600 square feet	Wood and Stucco 2006
	Yurt (Ranch Headquarters Building Area)	154 square feet (14 foot diameter)	No greater than 25 feet in diameter	Wood and waterproof fabric
	Yurt Shed	64 square feet	No greater than 64 square feet	Wood
	Equipment Sheds on Skids (two) (Hay/Equipment Storage Building Area)	432 square feet each	No greater than 432 square feet each	Metal 1999
	Hay/Equipment Barn (Hay/Equipment Storage Building Area – or Ranch Headquarters Building Area)	TBD	No greater than 3,000 square feet	TBD
	Caretaker Unit (Located in either the Residential Building Area or in the upper floor of Livestock Barn/Wood Shop)	TBD	No greater than 800 square feet (living space – 1,000 square feet All Inclusive – see Paragraph 4(i) “Building Areas and Structures”) if within the Residential Building Area and no greater than 1,200 square feet if allowed within the Ranch Headquarters Building Area	TBD

EXHIBIT F

Exceptions to Title (2 pages)

1. Any facts, right, interests, or claims which are not shown by the Public Records but which could be ascertained by an inspection of said Land or by making inquiry of persons in possession thereof.
2. Easements or claims of easements, not shown by the Public Records.
3. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL 1:

4. Reservations or exceptions contained in U.S. Patent recorded September 2, 1899 in Book 28 at Page 153 reserving (1) rights of the proprietor of a vein or lode to extract and remove his ore therefrom, and (2) right of way for ditch and canals constructed under authority of the United States.
5. All matters shown on the Glas Deffryn Ranch Minor Development Subdivision Exemption plat recorded April 19, 2005 at File No. 13484.
6. Resolution No. 2005-P-034 recorded April 19, 2005 as Reception No. 617359.
7. Resolution No. 2006-P-050 recorded April 28, 2006 as Reception No. 637110.
8. Dwelling Unit Removal Agreement recorded July 31, 2006 as Reception No. 641995.

THE FOLLOWING EXCEPTIONS AFFECT PARCEL 2:

9. Reservation of a right of way for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded June 8, 1926 in Book 124 at Page 498.
10. Agreement recorded August 27, 1968 in Book 334 at Page 77.
11. Easement contained in Quitclaim Deed recorded August 24, 1987 in Book 628 at Page 1647 as Reception No. 365599.
12. Agreement recorded September 19, 1997 in Book 737 at Page 705.
13. All matters shown on the plat of Blue Valley Ranch recorded November 25, 1997 at File No. 12497 and the plat recorded March 31, 1998 at File No. 12541 and Surveyors Affidavit recorded February 12, 2003 as Reception No. 577551.
14. Declaration of Covenants, Conditions and Restrictions for Blue Valley Ranch recorded November 25, 1997 in Book 740 at Page 267 as Reception No. 486031; First Amendment recorded March 3, 1998 in Book 744 at Page 71 as Reception No. 489739; Second Amendment

recorded March 31, 1998 in Book 744 at Page 1651 as Reception No. 491319 and all amendments thereto.

15. Development Agreement recorded November 25, 1997 in Book 740 at Page 268 as Reception No. 486032.
16. Common Driveway Agreement recorded October 3, 1998 in Book 751 at Page 1654 as Reception No. 501609.
17. Reservation of Easement contained in Warranty Deed recorded October 3, 1998 in Book 751 at Page 1655 as Reception No. 501610.
18. Easements, rights of way and all other matters as shown on the Plat of Glas Deffryn Ranch Minor Development Subdivision Exemption, filed April 19, 2005 as File No. 13484.