

Any time the Property itself, or any interest in it, is transferred by Grantor or their personal representatives, heirs, successors and assigns to any third party, Grantor or their personal representatives, heirs, successors and assigns shall notify the Land Trust and pay the Land Trust a transfer fee of \$500, adjusted for inflation, pursuant to the terms and provisions of Paragraphs 21 and 22 of this Deed.

**DEED OF CONSERVATION EASEMENT
MIDDLE PARK LAND TRUST
Andergrant, LLC Property**

THIS **DEED OF CONSERVATION EASEMENT** is granted this 30th day of August, 2007, by **ANDERGRANT, LLC**, a Colorado limited liability company, 41385 Foulweather Bluff Road, Hansville, WA 98340, on behalf of itself and its personal representatives, heirs, successors and assigns (collectively the "**Grantor**"), to and for the benefit of the **MIDDLE PARK LAND TRUST**, a Colorado nonprofit corporation, 52 N. First Street, P.O. Box 1938, Granby, Colorado 80446, and its successors and assigns (the "**Land Trust**") for the purpose of forever conserving the open space character, agricultural productivity, wildlife habitat and scenic qualities of the subject property.

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

- Exhibit A - Legal Description of the Property
- Exhibit A-1-Description of Building Area
- Exhibit B - Vicinity Map of the Property
- Exhibit C - Map of Property and Building Area
- Exhibit D - Acknowledgment of Baseline Documentation Report

RECITALS:

- A. Grantor is the sole owner in fee simple of certain real property located in Grand County, Colorado, consisting of 38.16 acres of land, more or less, together with other improvements more particularly described in Exhibit A, generally depicted on Exhibit B, and more specifically depicted on Exhibit C, all attached hereto and incorporated herein by this reference (the "**Property**").
- B. The Property possesses natural, scenic, open space, wildlife habitat and historic values (collectively, "**Conservation Values**") of great importance to the Grantor, the area residents, the people of Grand County and the people of the State of Colorado. The conservation purposes described in these Recitals are part of the Conservation Values of the Property.
- C. The following conservation purpose, in accordance with Treasury Regulations §1.170A-14(d)(4) is furthered by this Easement, "The preservation of certain open space (including farmland and forest land) for the scenic enjoyment of the general public and will yield a significant public benefit." The Property, which can be viewed by the general public from the Rocky Mountain National Park, from Shadow Mountain National Recreation Area and from West Portal Road, a public Right of Way, and includes significant natural areas. The Property includes forested areas, rocky outcroppings and a highly visible hillside. 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. The preservation of the Property pursuant to this Conservation Easement will yield significant public benefit, for at least the following reasons: The Property includes property that is open and undeveloped in a County which is experiencing substantial development resulting in reduced open and scenic vistas available to the public, preservation of the Property is consistent with Federal, State and local public conservation programs and with conservation efforts underway on adjoining or nearby properties, development of the Property will contribute to the degradation of the scenic vistas available to the public resulting in a loss of tourism and commerce to the area.

- 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." The Property has significant natural areas such as forested areas and rocky outcroppings which provide habitat for a wide variety of birds and mammals, including moose, elk, deer, bear and migratory birds.
- E. The Property has significant ecological and open space values as defined in C.R.S. § 38-30.5-101, et seq., and provides natural habitat for native plants and animals. The Property also has values as indicated by the following conservation policies:
1. C.R.S. § 33-1-101, et seq., which provide in part that "it is the declared 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 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."
 2. Colorado Revised Statutes Sec. 38-30.5-101, *et seq.*, providing for the establishment of conservation easements to maintain land "in a natural, scenic or open condition, or for wildlife habitat, or for agricultural ... or other use or condition consistent with the protection of open land, environmental quality or life-sustaining ecological diversity."
 3. The Western Governors' Association Policy Resolution 05-19 supports "voluntary incentive-based methods for preserving open space, maintaining land and water for agricultural and timber production, wildlife, and other values."
 4. The voters of the State of Colorado, by creation of the Great Outdoors Colorado Trust Fund program, and by adopting and administrating grant applications and due diligence review processes, have established that it is the policy of the State of Colorado and its people to encourage donation and to fund the voluntary bargain sale and acquisition of conservation easements, among other things, to preserve, protect and enhance scenic and open space lands, agricultural lands, wildlife, and wildlife habitat.
 5. Grand County Planning Commission Resolution 1998-4-20 adopting the Grand County Master Plan which provides for in part Primary County Goals such as "Maintain open space and wildlife habitat throughout the county". Specific environmental quality goals include the following: "Preserve unique, sensitive or critical natural areas, lakes streams, scenic vistas, wildlife habitats and aquifer recharge areas" as well as to "establish and maintain an open space program which utilizes open space as a means of preserving and protecting the natural environment". Strategic Growth Strategies and Implementation

Actions include the following: "Maintain open space and wildlife habitat throughout the county."

6. C.R.S. § 30-28-101(10)(c)(X) which gives the authority to Grand County to adopt the Grand County Rural Land Use Plan which "provides the means of preserving open space". Grand County adopted the Rural Land Use Regulations in 1998 with Resolution No. 1998-5-11.
 7. C.R.S. §43-1-401, *et seq.*, the Colorado Department of Transportation statutes, which provide that the preservation and enhancement of the natural and scenic beauty of this state is a matter of substantial state interest.
- F. The specific Conservation Values of the Property are documented in an inventory of relevant features of the Property, dated August 31, 2007, entitled "**Parsons Property Baseline Documentation Report**", on file at the offices of the Land Trust and incorporated by this reference, which 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 ("**Baseline Documentation Report**"), and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this grant.
- G. The Grantor intends that the Conservation Values of the Property be preserved and maintained forever by the continuation of only those current land use patterns documented in the Baseline Documentation Report and those relating to open land ranching and low impact recreation as allowed herein which do not significantly impair or interfere with the Conservation Values.
- H. The Grantor further intends, as owner of the Property, to convey to the Land Trust the right to preserve and protect in perpetuity, as provided for herein, the Conservation Values of the Property.
- I. The Land 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.
- J. The Grantor intends to make a charitable gift of this Conservation Easement.
- K. The Middle Park 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 preserve and protect the natural, scenic, agricultural, historical and open space resources of the Northwest Colorado area, 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" to do so within the meaning of Section 170(h)(3) of the Code.
- L. The Board of Directors of the Middle Park Land Trust has duly adopted a resolution approving the execution, and acceptance of Grantor's full donation, of this Conservation Easement.

NOW, THEREFORE, 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, and in particular C.R.S. § 38-30.5-101 *et seq.*, Grantor hereby voluntarily grants and conveys to the Land Trust, its

successors and assigns, a Conservation Easement in perpetuity, consisting of the rights and restrictions enumerated herein, over and across the Property (the "**Easement**").

1. Purpose. It is the purpose of this Easement to assure that the Property will remain forever in its natural, forest, agricultural, scenic, and open space condition, subject to the uses of the Property permitted hereunder, and to prevent any use of the Property that will significantly impair or interfere with the Conservation Values of the Property and, in the event of their degradation or destruction, to restore such Conservation Values of the Property. It is further the specific purpose of this Easement to conserve important habitat for wildlife, to protect unique native plants, to conserve the diverse forest, meadow, and riparian vegetative communities and the wildlife inhabiting these communities, to protect the Colorado River, including its prime riparian habitat, and its hydrological and geomorphic processes. Furthermore, it is also the purpose of this Easement to remove the right to develop housing and buildings on the land as limited herein, and to preserve the ecology of the land. Grantor intends that this Easement will confine the use of the Property to activities such as ranching, farming, fishing, hunting, low impact recreation and residential as are consistent with the purpose of this Easement. Pursuant to the terms of C.R.S. §38-30.5-101 et seq., the Property preserved hereby may not be converted or directed to any other uses other than those provided herein.
2. Baseline Documentation Report. The parties acknowledge that the Baseline Documentation Report has been prepared, reviewed and approved by the Land Trust and the Grantor. A copy of the Baseline Documentation Report is on file with both Grantor and the Land Trust and by this reference made a part hereof. The parties acknowledge that the Baseline Documentation Report is intended to establish the condition of the Property subject to the Easement as of the date written above and that both Grantor and the Land Trust have acknowledged in a signed statement, a copy of which is attached hereto as Exhibit D, 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 the 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 Land Trust. To accomplish the purposes of this Easement, Grantor conveys the following rights to the Land Trust by this Easement:
 - 3.1. The right to preserve and protect in perpetuity, and in the event of their degradation or destruction, to restore, the Conservation Values of the Property, to their condition prior to the degradation or destruction;
 - 3.2. The right to enter upon the Property, ordinarily not more than two inspection periods 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 reasonable written notice given by or on behalf of the Land 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 Land Trust reasonably determines that immediate entry upon the Property is essential to prevent or mitigate a violation of this Easement. In the case where the Land Trust has determined that immediate entry is necessary, a reasonable

attempt will be made to notify the Grantor by phone or, if it is known that the Grantor is in Grand County, Colorado, in person. The Land Trust shall not unreasonably interfere with Grantor's use and quiet enjoyment of the Property when exercising any such monitoring rights. The Grantor shall have the right to accompany the Land Trust during such monitoring and the Land Trust shall make every effort to coordinate the scheduling of the monitoring with the Grantor;

- 3.3. The right to prevent any activity on or use of the Property that is inconsistent with the purpose of this Easement, or which may be reasonably expected to have a material adverse impact on the Conservation Values of the Property, and to require the restoration of such areas or features of the Property that are materially damaged by any inconsistent activity or use, as provided in Paragraph 9, herein;
 - 3.4. The right to place and maintain on the perimeter of the Property a sign, as appropriate, indicating that a conservation easement is held by the Land Trust on the Property. The size of the sign and the location, design and content of such shall be determined through mutual agreement of the Grantor and the Land Trust and shall be in accordance with Grand County signage regulations; and
 - 3.5. The right to take photographs of the Property, the right to identify the location of the conservation easement on maps and other materials and the right to use the maps, materials and photographs for mapping projects, presentations on land conservation and for protecting open space, alone or in conjunction with other organizations.
4. Consistent Uses of the Property. The following uses and practices by Grantor, though not an exhaustive recital, are consistent with the Easement. Certain of these consistent uses and practices are identified as being subject to specified conditions or to the requirement of and procedures for prior approval by the Land Trust. Procedures for prior approval are listed below. The remainder of these consistent uses shall not be precluded, prevented, or limited by the Easement.
- 4.1. Agriculture. Grantor has the right to allow grazing and pasturing of livestock on the Property. Any agricultural use shall utilize sound range management and farming techniques which do not materially degrade the condition of the Property and which shall preserve the Conservation Values of the Property.
 - 4.2. Lease. Grantor has the right to lease the Property provided such activities conform to applicable laws and regulations and are consistent with the conservation purposes of this Easement. Grantor shall discuss with any lessee the limitations on the use of the Property contained in this Easement. All such leases shall be in writing and upon request the Grantor shall provide a copy of any such lease to the Land Trust.
 - 4.3. Fences. Grantor may construct and maintain fences for purposes of reasonable and customary management of livestock. If new fencing is needed for a purpose other than preventing the entry of wildlife, new fencing shall be constructed of a material and erected so as to be compatible with the movement of wildlife through and across the Property consistent with guidelines of the Colorado Division of Wildlife or consistent with the recommendation of a qualified wildlife biologist/specialist.

- 4.4. Irrigation. Grantor has the right to utilize, maintain, enlarge, repair, or if destroyed, reconstruct or replace the existing ditches and other irrigation structures. 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.
- 4.5. Removal of Trees and Vegetation. Grantor has the right to cut and remove trees and shrubs from the Property for the following purposes: (1) to control any imminent threat of disease or insect infestation; (2) to remove dead, diseased or downed shrubs and trees that present a safety hazard or obstruction; (3) to remove invasive non-native species; (4) to remove trees and shrubs that interfere with fencing from and along fence lines; (5) to provide firewood solely for use on the Property; and (6) for personal non-commercial Christmas tree use and (7) for fuel reduction for defensible space around residences. Grantor shall manage the trees and timber on the Property in accordance with the Best Management Practices established by the Colorado State Forest Service, or its successor organization (the "**State Forest Service**"). If a forest management plan is established for the Property, the Land Trust shall be provided a copy and the Grantor shall have the right to implement the Plan. No other removal, destruction, or cutting down of trees, shrubs or other native non-agricultural vegetation on the Property is permitted.
- 4.6. Water Rights. Grantor shall retain and reserve the right to use all water rights associated with the Property.
- 4.7. Residential and Agricultural Structures. At the time of granting of this Easement, there is an existing 2.98 acre building area on the Property, described on Exhibit A-1 and depicted on Exhibit C (the "**Building Area**"), which contains no structures. Permitted structures that may be constructed within the Building Area include a single family home not to exceed 5000 square feet in size exclusive of a basement, an attached or detached garage, a storage shed, corrals, round pens, lean-to's for sheltering livestock and other livestock related buildings, and wells and septic systems ("**Structures**"). Grantor may maintain, repair, enlarge each structure by an additional twenty percent (20%), and in the event of destruction, reconstruct the Structures within the Building Area. The remainder of the Property outside of the Building Area is referred to as the "**Open Area**". No Structures may be constructed in the Open Area. Grantor shall notify the Land Trust at least forty-five (45) days in advance of any construction of new structures or reconstruction or enlargement of the existing structures that require a building permit or that would require the clearing of any trees, and shall provide the Land Trust with drawings which depict the size, location and extent of the proposed construction. In the event of an emergency which requires immediate reconstruction, the Grantor shall properly notify the Land Trust as soon as possible about the reconstruction. All new Structures must be set back at least one hundred (100) feet from rivers, creeks, or wetlands in such a manner as to minimize their impact on the water resources. Under no circumstance shall any of the land under any of the Structures be divided from the Property or conveyed separately.
- 4.8. Storage of Materials. Materials for use on the Property may be stored in the Building Area(s) on the Property. No other materials shall be stored on the Property.

- 4.9. Accessory Improvements and Utilities. Grantor may install, construct and maintain accessory improvements and utilities for the benefit of the Property, but for no other properties. New utility lines shall be placed underground.
- 4.10. Stream Bank Stabilization. The Grantor may undertake stream bank stabilization only with the prior written approval of the Land Trust, and only in a manner which minimizes sedimentation of the river and restores the health of stream and riparian area.
- 4.11. Hunting and Fishing. The Grantor may allow hunting and fishing on the Property in accordance with all laws and regulations.
5. Prohibited Uses. Any activity on or use of the Property inconsistent with the purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited:
 - 5.1. Subdivision. The division or subdivision of the Property, physically, or by legal process, including partition, is strictly prohibited. The Property shall be owned, conveyed and transferred only in its entirety, as a single parcel.
 - 5.2. Buildings or Other Structures. No buildings, mobile homes, house-trailers or other similar structures except as permitted herein shall be erected or placed or constructed on the Property, except to the extent permitted under Paragraph 4 entitled "Consistent Uses of Property", above.
 - 5.3. Mining. The mining or extracting of soil, sand, gravel, rock, oil, natural gas, coal, fuel or any other mineral substance of any kind or description is prohibited.
 - 5.4. Stream Bank and Other Topographical Changes. No excavating, grading, cut and fill, berming or other similar material topographical changes shall occur on the Property, except as reasonably necessary in connection with the agricultural operation and as reasonably necessary in connection with the enlargement, or reconstruction of improvements permitted hereunder. There shall be no rip-rapping or other structural stabilization or alteration of the natural course of the river bank, except as provided herein.
 - 5.5. Signs and Billboards. No commercial signs, billboards, awnings, or advertisements shall be displayed or placed on the Property, except for an appropriate and customary ranch or pasture identification sign, "for sale" or "for lease" signs alerting the public to the availability of the Property for purchase or for lease, "no trespassing" signs, signs regarding the private leasing of the Property for hunting, fishing and other low impact recreational uses, and signs informing the public of the status of ownership. No signs shall be erected which materially adversely impact the Conservation Values of the Property.
 - 5.6. Paving. No portion of the Property, other than within the Building Area, shall be paved or otherwise covered with concrete, asphalt, or other paving materials.
 - 5.7. Trash. The dumping or uncontained accumulation of trash or refuse on the Property is prohibited.

- 5.8. Hazardous Materials. The storage, dumping or other disposal of toxic and/or hazardous materials (here taken in the broadest legal context) or of non-compostable refuse on the Property is prohibited. Notwithstanding anything in this Easement to the contrary, this prohibition does not make the Land Trust an owner of the Property, nor does it permit the Land Trust to control any use of the Property by the Grantor which may result in the storage, dumping or disposal of hazardous or toxic materials; provided, however, that the Land Trust may bring an action to protect the Conservation Values of the Property, as described in this Easement. (This prohibition does not impose liability on the Land Trust for hazardous materials, nor shall the Land Trust be construed as having liability as a "responsible party" under CERCLA or any similar federal or state statutes.) Nothing in this paragraph shall prohibit the use of chemicals and products in accordance with applicable laws and manufacturer's instructions.
- 5.9. Retail, Commercial or Industrial Activity. No commercial, industrial or retail uses shall be allowed on the Property. For the purposes of this Easement, ranching and farming and related activities such as the sale of hay and livestock on the Property shall not be considered commercial, industrial or retail uses of the Property. Examples of prohibited uses which are considered commercial, industrial or retail uses of the Property include but are not limited to the following: commercial feedlots, meat or poultry processing facilities, commercial nurseries and greenhouses, sawmills or logging operations or facilities, agricultural products, and retail outlets.
- 5.10. Water Pollution. The material degradation or pollution of any surface or sub-surface water on the Property is prohibited.
- 5.11. Motorized Vehicles. Motorized vehicles may be used in a manner that does not substantially diminish or impair the Conservation Values of the Property. There shall be no off-road vehicle courses for snowmobiles, all-terrain vehicles, motorcycles, or other motorized vehicles. Nothing in this paragraph is intended to prohibit the use of motorized vehicles for any agricultural or other use that is permitted under this Easement, except that the regular use of motorized vehicles shall generally be confined to permitted roads.
6. Reserved Rights. Grantor reserves to itself and to its personal representatives, heirs, successors, and assigns, all rights accruing from their 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 expressly prohibited herein, and are not inconsistent with Section 170(h) of the Internal Revenue Code, or any regulation promulgated thereunder, and are not inconsistent with the purpose of this Easement and preservation of the Conservation Values of the Property.
7. Notice of Intention to Undertake Certain Permitted Actions. The purpose of requiring Grantor to notify the Land Trust prior to undertaking certain permitted activities, as identified herein, is to afford the Land Trust an opportunity to ensure that the activities in question are designed and carried out in a manner consistent with the purpose of this Easement. Whenever notice is required, Grantor shall notify the Land 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 provided 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 Land Trust to make an informed judgment as to its consistency with the purpose of this Easement.

8. The Land Trust's Approval. Whenever this Easement requires that Grantor obtain the Land Trust's approval of any activity on or use of the Property, such approval shall not be unreasonably withheld or delayed. Where the Land Trust's approval is required, the Land Trust shall grant or withhold its approval in writing within forty-five (45) days of receipt of Grantor's written request therefore unless a different time period is specified herein for the matter in question. The Land Trust's approval may be withheld only upon a reasonable determination by the Land Trust that the action as proposed would be inconsistent with the purpose of this Easement and materially adversely impact the Conservation Values of the Property; the reason(s) for such determination shall be set forth with specificity by the Land Trust in such written notice to Grantor. Where a reasonable modification of such proposed use or activity by Grantor would render the same consistent with the purpose of this Easement, the Land Trust may specify, in such written notice to Grantor, such required modifications.
9. Enforcement. The Land Trust shall have the right to prevent and correct, or require correction of, violations of the terms and purpose of this Easement. The Land 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 Land Trust finds what it reasonably believes is a violation, the Land Trust shall immediately notify Grantor in writing of the nature of the alleged violation. Upon receipt of this written notice, Grantor shall either (a) restore the Property to its condition prior to the violation; or (b) provide a written explanation to the Land Trust of the reason why the alleged violation should be permitted. If the condition described in clause (b) above occurs, both parties agree to meet as soon as possible to resolve this difference. If a resolution of this difference cannot be achieved at the meeting, both parties agree to meet with a mutually acceptable mediator to attempt to resolve the dispute. Grantor shall discontinue any activity which could increase or expand the alleged violation during the mediation process. When, in the Land Trust's reasonable opinion, an ongoing or imminent violation could irreversibly diminish or impair the Conservation Values of the Property, the Land Trust may, in its sole discretion, take appropriate legal action. Further, should mediation fail to resolve the dispute, the Land Trust may, in its sole discretion, take appropriate legal action. If a court with jurisdiction determines that a violation is imminent, exists, or has occurred, the Land Trust may obtain an injunction to stop it, temporarily or permanently. A court may also issue an order to require Grantor to restore the Property to its condition prior to the violation. This easement is not intended to create rights in any third party to enforce the terms of this Easement.
10. Costs of Enforcement. If a violation by Grantor is determined to have occurred, any reasonable costs incurred by the Land Trust in enforcing the terms of this Easement against Grantor, including without limitation any reasonable costs of 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 Grantor prevails in any action to enforce the terms of this Easement, or if it is otherwise determined that Grantor has not violated the terms of this Easement, Grantor's reasonable costs incurred as a result of the Land Trust's enforcement actions, including, without limitation, any reasonable costs of Grantor's suit and attorneys' fees, shall be borne by the Land Trust.
11. Land Trust's Discretion. Enforcement of the terms of this Easement shall be at the sole discretion of the Land Trust, and any forbearance by the Land Trust to exercise its 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 Land Trust of such term or of any subsequent breach of the same or any other term of this Easement or of any of the Land Trust's rights under this Easement. No delay or omission by the Land 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. No provision of this Easement shall be waived by Grantor unless such waiver shall be in writing, shall specifically refer to this Easement, and shall be executed and delivered by Grantor.

12. Waiver of Certain Defenses. Grantor hereby waives any defense of laches, estoppel, or prescription, and any defenses available under C.R.S. Section 38-41-119.
13. Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle the Land Trust to bring any action against Grantor for any injury to or change in the Conservation Values of the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes.
14. No Public Access Created Hereby. Nothing herein contained shall be construed as affording the public access to any portion of the Property, although the Grantor may permit public access to the Property on such terms and conditions as it deems appropriate, provided that such access is consistent with the terms of this Easement.
15. Costs and Liabilities; Taxes. Grantor shall retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including weed control and eradication on the Property, and including the maintenance of reasonable comprehensive general liability insurance coverage. Grantor warrants that Grantee is and will continue to be an additional insured on Grantor's liability insurance policy covering the Property. Grantor shall provide certificates of such insurance to Grantee upon reasonable request. 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. If Grantee is ever required to pay any Taxes or assessments on its interest in the Property, Grantor will promptly reimburse Grantee for the same.
16. Hold Harmless. Grantor shall hold harmless, indemnify, and defend the Land Trust and its members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "**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: (1) 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, unless due solely to the negligence or intentional act of any of the Indemnified Parties; (2) the costs and expenses of the Land Trust in enforcement of this Easement; (3) the presence, or release by Grantor or persons under the direction or control of Grantor, of hazardous or toxic substances on, under or about the Property; (4) all costs and liabilities of ownership, operation, upkeep and maintenance of the Property as described herein. For the purpose of this Easement hazardous or toxic substances shall mean petroleum products as defined in ASTM Standard E 1527-05 and any hazardous or toxic substance or material that is regulated under any federal, state or local law.
17. Change of Circumstances; Extinguishment.

- 17.1. If circumstances arise in the future which render the purpose of this Easement impossible to accomplish, 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.
- 17.2. The amount of the proceeds to which the Land Trust shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Property subsequent to such termination or extinguishment, shall be determined in accordance with the ratio determined pursuant to the "Proceeds" Paragraph 18 below.
- 17.3. In making this Grant the Grantors have 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 the Grantor and the Land Trust that any such changes shall not be deemed to be circumstances justifying the termination or extinguishment of this Easement. In addition, the inability of the Grantor, or his heirs, successors, or assigns, 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.
18. Proceeds. This Easement constitutes a real property interest immediately vested in the Land 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 the 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 the Easement at the time of this grant (the "**Donation Percentage**"). For the purposes of this Paragraph, the Donation Percentage of the Easement shall remain constant; the parties agree that the Donation Percentage is Fifty and 00/100 percent (50 %) of the value of the Property (not including the value of the Structures on the Property) unencumbered by the Easement, 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 17, "Change of Circumstances; Extinguishment", or the Property is condemned pursuant to Paragraph 19, "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 Easement represents of the Property unencumbered by the Easement at the time of termination of the Easement (the "**Extinguishment Percentage**").
19. Condemnation. If the Easement or the Property is taken or conveyed, in whole or in part, by threat or exercise of the power of eminent domain, the Grantor and the Land Trust shall be entitled to compensation for the value of their respective interests, in accordance with applicable law.
20. Assignment. This Easement is transferable by the Land Trust, but the Land Trust may assign its rights and obligations under this Easement only to an organization that is (a) 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 regulations promulgated thereunder; and (b) authorized to acquire and hold conservation easements under Colorado law; and (c) approved as a transferee by the Grantor and such approval of transferee organization shall not be unreasonably withheld by the Grantor. As a condition of such transfer,

the Land Trust shall require the transferee to expressly agree, in writing, to carry out and uphold the conservation purposes of this Easement and otherwise assume all of the obligations and liabilities of the Land Trust set forth herein or created hereby. After such transfer, the Land Trust shall have no further obligation or liability under this Easement. If the Land Trust desires to transfer this Easement to a qualified organization having similar purposes as the Land Trust (grantee), but the Grantor unreasonably refuses to approve the transfer, a court with jurisdiction shall transfer the Easement to another qualified organization having similar purposes which agrees to assume the responsibilities of the Land Trust. The Land Trust may record the assignment.

21. 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 it will reflect in any leasehold interest granted by Grantor that the lease is subject to and subordinate to the terms of this Easement. Grantor further agrees to give written notice to the Land Trust of the transfer of any interest at least twenty (20) 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 this Easement or limit its enforceability in any way.
22. Transfer Fee. Anytime the Property itself, or any interest in it, is transferred by Grantor, or its personal representatives, heirs, successors or assigns, to any third party, Grantor, or its personal representatives, heirs, successors or assigns, shall pay a \$500 transfer fee to the Land Trust within (5) business days after closing. The transfer fee is subject to yearly adjustment as determined by the Consumer Price Index Inflation Calculator (the "**CPI Inflation Calculator**") made available by the United States Department of Labor, Bureau of Labor Statistics, online at its website at <http://www.bls.gov/cpi/>. The CPI Inflation Calculator uses the average Consumer Price Index for a given calendar year. The data represents change in prices of all goods and services purchased for consumption by urban households. If the CPI Inflation Calculator is no longer available or the Consumer Price Index is no longer published, then a similar successor index may be substituted to calculate any yearly adjustments.
23. 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 either be served personally or send by certified, registered or express mail (including Federal Express or UPS), postage prepaid, return receipt requested, 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:

Andergrant, LLC
c/o Clark & Beverly Parsons
PO Box 269
Hansville, WA 98340

To the Land Trust:

Middle Park Land Trust
Box 1938
Granby, Colorado 80446

The notice shall be effective upon receipt if served personally, or three days after deposit with the carrier if sent via certified, registered, or express mail as identified above. The Land Trust need only notify Grantor and not other parties related to annual monitoring site visits.

24. Recordation. The Land Trust shall record this instrument in timely fashion in the official records of Grand County, Colorado, and may re-record it at any time as may be required to preserve its rights in this Easement. The Land Trust may record any assignment of this easement.
25. Amendment. If the circumstances arise under which an amendment to or modification of this instrument would be appropriate to promote the purpose of this Easement and the protection of the Conservation Values of the Property, Grantor and the Land Trust are free to jointly amend this instrument; provided that no amendment to this Easement shall allow the division or subdivision of the Property or development or use thereof, except as provided for herein, and provided that no amendment shall be allowed that will affect the qualifications of this instrument under any applicable law. Any amendment must be consistent with the conservation purposes of this instrument and may not affect its perpetual duration. Any amendment must be in writing, and signed by both parties, and recorded in the records of the Clerk and Recorder of Grand County, Colorado.
26. No Transfer of Development Rights. Grantor hereby grants to Land Trust all development rights except as specifically reserved herein, for the limited purpose of insuring that such rights are forever terminated and extinguished, and may not be used by Grantor, the Land Trust or any other party, on or transferred off of the Property to any other property adjacent or otherwise.
27. General Provisions.
 - 27.1. Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of Colorado. Venue for any dispute shall be Grand County, Colorado.
 - 27.2. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this Easement and the policy and purpose of C.R.S. § 38-30.5-101 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.
 - 27.3. Interpretation. If any reserved right of the 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 the Grantor to divide, subdivide or partition the property, or make any use of the Property or undertake any activity or development on the Property otherwise prohibited by 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.

- 27.4. 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.
- 27.5. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein.
- 27.6. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.
- 27.7. Joint Obligation. In the event the Property is subsequently owned by more than one owner, all such owners shall be jointly and severally liable for the obligations imposed by this Easement upon Grantor.
- 27.8. 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 personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property.
- 27.9. Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Property, except that a party's liability for acts or omissions occurring prior to transfer shall survive transfer.
- 27.10. 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.
- 27.11. No Merger. Unless the parties expressly state that they intend a merger of estates or interests to occur, then no merger shall be deemed to have occurred hereunder or under any documents executed in the future affecting this Easement.
- 27.12. Warranty of Title. Grantor warrants that he has good and sufficient title to the Property, that he has good right, full power and lawful authority to grant and convey this Easement, that the Land Trust has access to the Property for the purposes described in this Easement, that any mortgages or liens on the Property are and shall remain subordinate to the terms of this Easement and the foreclosure of any such mortgage or deed of trust shall not adversely affect the existence or continuing validity of this Conservation Easement, and that the Property is free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature whatsoever which are not subordinate to the terms of this Easement. Grantor hereby grants to the Land Trust the right to access the Property for the purposes described herein, across any adjacent property owned by the Grantor, including this Property, or across any easements, rights of way or routes of access of any kind or description, now owned or later acquired by the Grantor, and to ensure that at all times the Land Trust has full right of access to the Property for the purposes described in this Easement. The parties intend that this Easement encumber the Property, including any and all soil, sand, gravel, oil, natural gas, fuel, or any other mineral substance of any

type or character on or thereunder, and the Water Rights described herein, whether any such interest is now owned or is later acquired. Grantor hereby promises to warrant and forever defend the title to the Easement in the quiet and peaceable possession of the Land Trust, its successors and assigns, against all and every person or persons lawfully claiming the whole or any part thereof.

- 27.13. Environmental Warranty. Grantor warrants that it has no knowledge of a release or threatened release of hazardous substances or wastes on the Property and promises to defend and indemnify the Land Trust, its successors and assigns, against all litigation, claims, demands, penalties, and damages, including reasonable attorney's fees, arising from breach of this warranty.
- 27.14. No Third Party Beneficiaries. This Easement is entered into by and between Grantor and Grantee, and is solely for the benefit of Grantor and Grantee and their respective successors and assigns, and does not create rights or responsibilities in any third parties.
- 27.15. Grantee Acknowledgement of Donation. Grantee acknowledges receipt and acceptance of this Conservation Easement encumbering the Property described herein, for which no goods or services were provided.

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

IN WITNESS WHEREOF Grantor and the Land Trust have executed this Deed of Conservation Easement on this 30th day of August, 2007.

GRANTOR:

Andergrant, LLC,
a Colorado limited liability company

Clark G. Parsons
Clark G. Parsons, Member

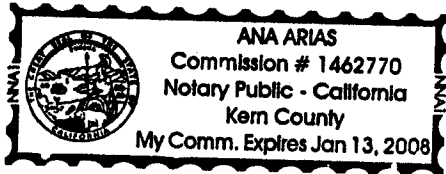
STATE OF California)
) ss.
COUNTY OF Kern)

The foregoing instrument was acknowledged before me this 30th day of August, 2007, by Clark G. Parsons, member of Andergrant, LLC, a Colorado limited liability company, as Grantor.

WITNESS my hand and official seal.

My commission expires: Jan. 13, 2008

(SEAL)



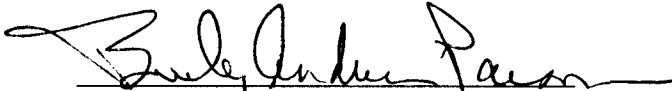
[Signature]
Notary Public

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

IN WITNESS WHEREOF Grantor and the Land Trust have executed this Deed of Conservation Easement on this ___ day of August, 2007.

GRANTOR:

Andergrant, LLC,
a Colorado limited liability company


Beverly Anderson Parsons, Member

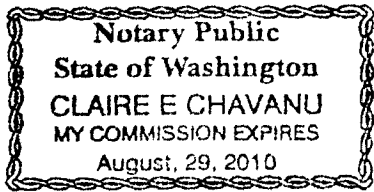
STATE OF WASHINGTON)
) ss.
COUNTY OF KITSAP)


The foregoing instrument was acknowledged before me this 29th day of August, 2007, by Beverly Anderson Parsons, member of Andergrant, LLC, a Colorado limited liability company, as Grantor.

WITNESS my hand and official seal.

My commission expires: AUG. 29, 2010.

(SEAL)




Notary Public

Accepted:

The LAND TRUST:

MIDDLE PARK LAND TRUST, a Colorado Nonprofit Corporation

by: Billy Sumerlin

its: Executive Director

attest: _____

its: _____

STATE OF COLORADO)
) ss.
COUNTY OF GRAND)

The foregoing instrument was acknowledged before me this 5th day of ~~August~~ September, 2007, by ~~Michael~~ Billy Sumerlin J. Braddy, as ~~President~~ Executive Director of the MIDDLE PARK LAND TRUST, a Colorado nonprofit corporation, as the Land Trust (Grantee).

WITNESS my hand and official seal.

My commission expires: _____

(SEAL)

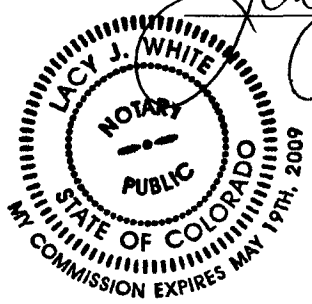
Lacy J. White
Notary Public


EXHIBIT A

Legal Description of Property

38.16 ACRE TRACT
PARSONS' SUBDIVISION EXEMPTION

A PARCEL OF LAND SITUATED IN PARSONS' SUBDIVISION EXEMPTION LOCATED IN THE NW1/4 SW1/4, SECTION 4, TOWNSHIP 3 NORTH, RANGE 75 WEST OF THE SIXTH P.M., COUNTY OF GRAND, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Parson's Subdivision Exemption Tract
PARSON'S SUBDIVISION EXEMPTION
According to the plat recorded August 24, 2005 at Reception NO. 2005-009227.

SAID PARCEL CONTAINS 38.16 ACRES MORE OR LESS.

PREPARED FOR AND ON BEHALF OF:
DIAMONDBACK ENGINEERING AND SURVEYING INC.
BY: JERALD W. RICHMOND PLS 26298
July 19, 2007

EXHIBIT A-1

**DESCRIPTION OF BUILDING AREA
PARSONS' SUBDIVISION EXEMPTION**

A TRACT OF LAND SITUATED IN PARSONS' SUBDIVISION EXEMPTION LOCATED IN THE NW1/4 SW1/4, SECTION 4, TOWNSHIP 3 NORTH, RANGE 75 WEST OF THE SIXTH P.M., COUNTY OF GRAND, STATE OF COLORADO; BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT AP171B A BLM BRASS CAP IN PLACE AND BEING A POINT ON THE SOUTHWESTERLY BOUNDARY OF PARSONS' SUBDIVISION EXEMPTION; THENCE N54°21'32"E 404.87 FEET, TO THE TRUE POINT OF BEGINNING; THENCE N87°55'04"W 240.45 FEET; THENCE N34°08'14"W 85.98 FEET; THENCE N01°53'54"E 151.24 FEET; THENCE N56°16'00"W 115.35 FEET; THENCE N03°21'32"E 115.97 FEET; THENCE N20°01'01"W 96.93 FEET; THENCE N05°00'44"W 52.14 FEET; THENCE N71°00'59"E 126.50 FEET; THENCE S74°40'28"E 88.73 FEET; THENCE S10°33'23"E 224.00 FEET; THENCE S31°57'59"E 263.31 FEET; THENCE S10°57'08"E 130.39 FEET TO THE TRUE POINT OF BEGINNING;

SAID TRACT CONTAINS 2.98 ACRES MORE OR LESS.

PREPARED FOR AND ON BEHALF OF:
DIAMONDBACK ENGINEERING AND SURVEYING INC.
BY: JERALD W. RICHMOND PLS 26298
July 19, 2007

EXHIBIT B

Vicinity Map of Property

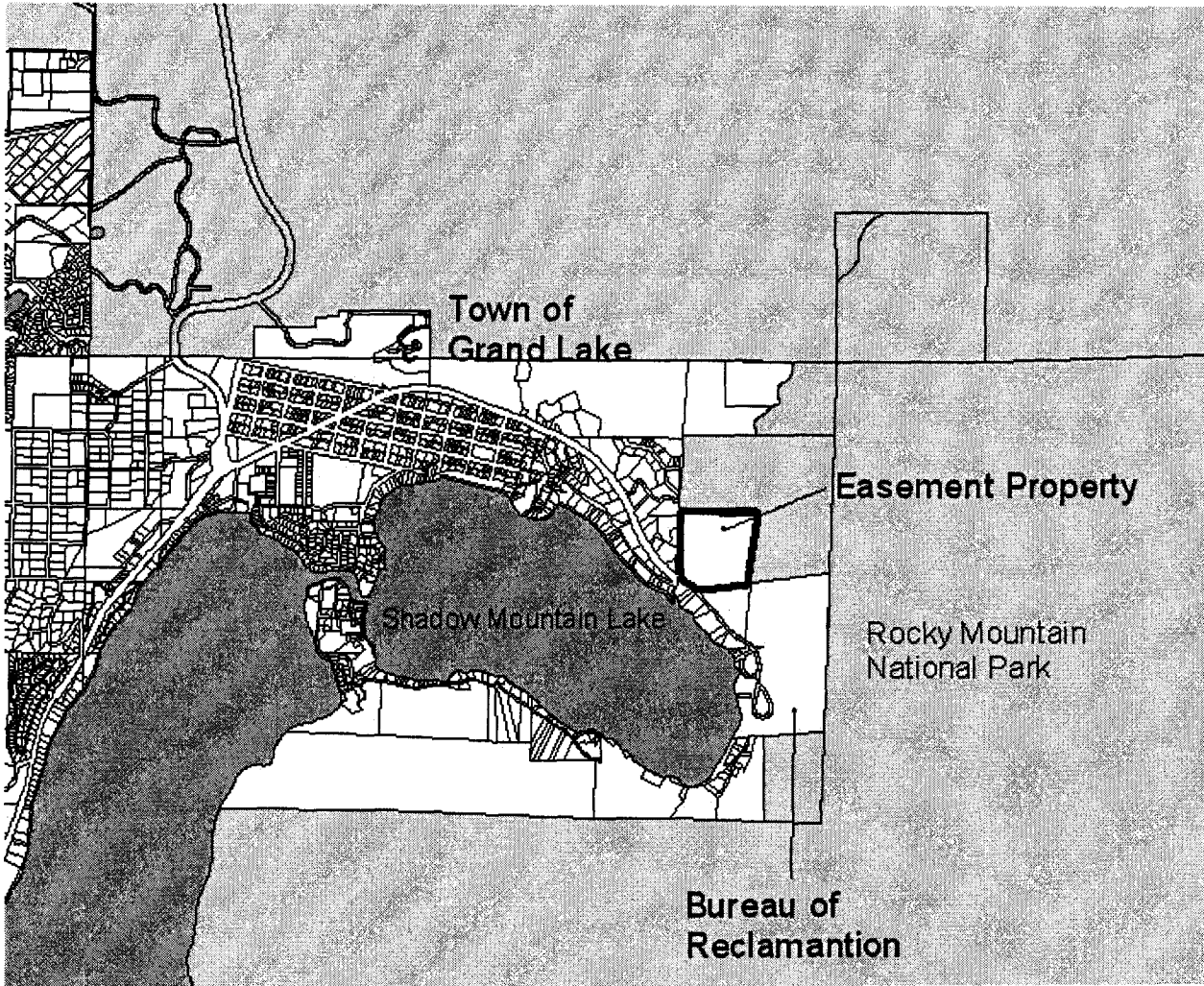


EXHIBIT C

Map of Property and Building Area

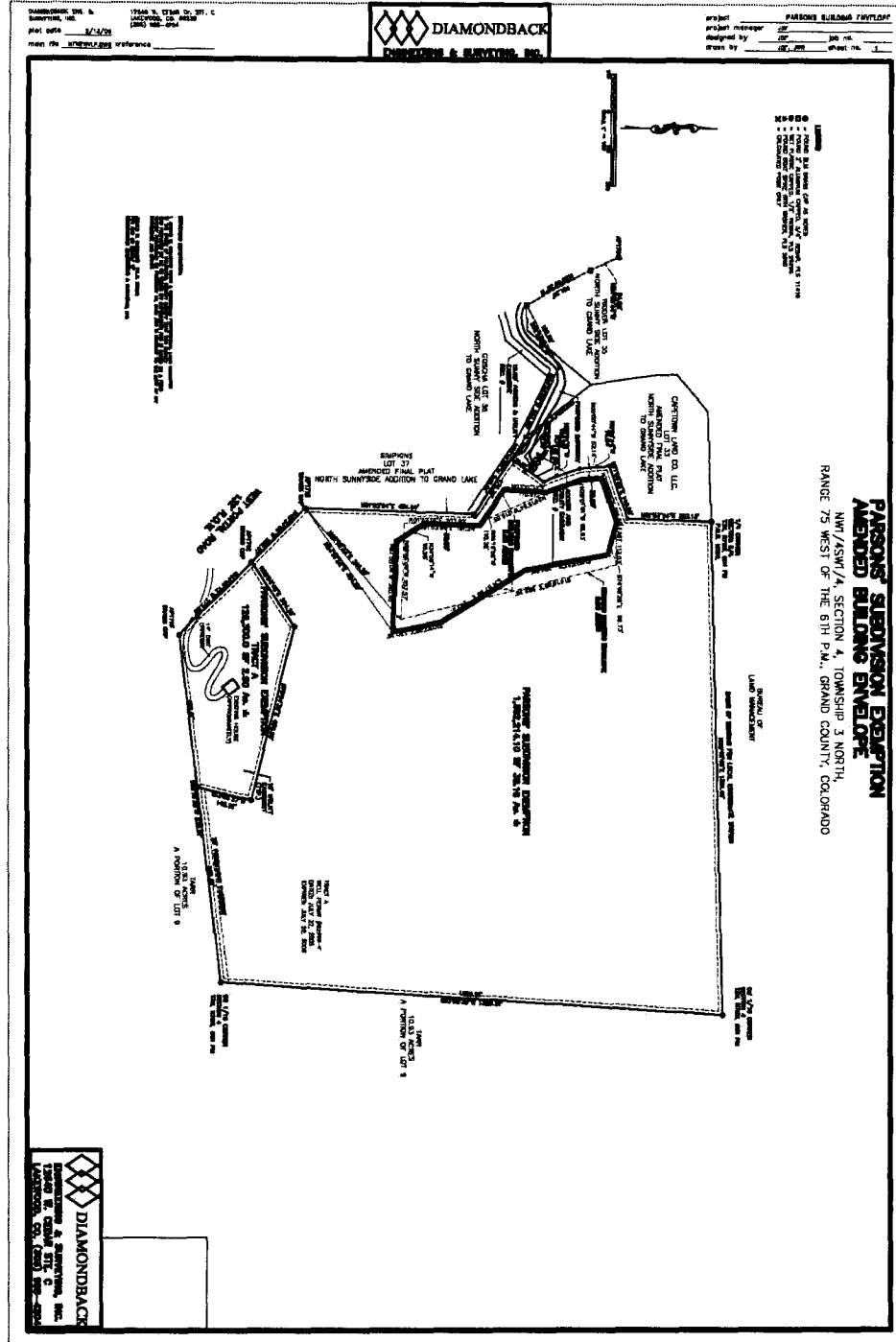


EXHIBIT D

Acknowledgment of Baseline Documentation Report

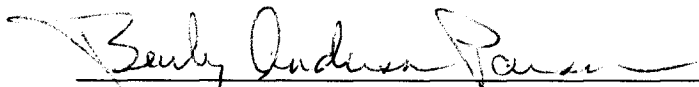
The undersigned, acknowledge that the “**Andergrant, LLC Property Baseline Documentation Report**” dated August 31, 2007 is an accurate representation of the biological and physical condition of the Andergrant Property as of the date of conveyance of the Conservation Easement.

LANDOWNER:



**Clark G. Parsons, as Member of Andergrant, LLC,
a Colorado limited liability company**

8-30-07
(Date)



**Beverly Anderson Parsons, as Member of Andergrant, LLC,
a Colorado limited liability company**

8-30-07
(Date)

EXHIBIT D

Acknowledgment of Baseline Documentation Report

The undersigned representatives of the Middle Park Land Trust, acknowledges that the “**Andergrant, LLC Property Baseline Documentation Report**” dated August 31, 2007 is an accurate representation of the biological and physical condition of the Andergrant Property as of the date of conveyance of the Conservation Easement.

MIDDLE PARK LAND TRUST / the LAND TRUST (GRANTEE)

by: Billy Lumsden 9.5.07
(Date)
its: Executive Director

attest: _____
(Date)
its: _____