

After Recording, Return to:
Rocky Mountain Elk Foundation
Attn: Lands Program
5705 Grant Creek Road
Missoula, MT 59808

**SECOND AMENDMENT TO THE WILSON MESA, CO
DEED OF CONSERVATION EASEMENT**

THIS SECOND AMENDMENT TO THE DEED OF CONSERVATION EASEMENT (“**Second Amendment**”), dated and made effective as of November 8, 2016 (“**Effective Date**”), is made by and between Wilson Mesa Ranch Holdings, LLC, a Delaware limited liability company, whose address is Belvedere Property Management LLC, Eleven Times Square, New York, NY 10036 (“**Grantor**”) and the Rocky Mountain Elk Foundation, Inc., a Montana non-profit corporation, authorized to conduct business in Colorado, whose address is 5705 Grant Creek Road, Missoula, Montana 59808 as Grantee (“**RMEF**” or “**Grantee**”).

RECITALS

A. RMEF and Grantor’s predecessors-in-title entered into a certain Deed of Conservation Easement recorded in the records of San Miguel County, Colorado on December 23, 1996 in Reception No. 30944 (the “**Original Conservation Easement**”), as amended by the Amended Deed of Conservation Easement recorded in the records of San Miguel County, Colorado on August 3, 2000 in Reception Nos. 335848 and 335849 (the “**First Amendment to the Conservation Easement**”, collectively the “**Conservation Easement as Amended**”).

B. The “**Property**” that is burdened by the Conservation Easement as Amended is located in San Miguel County, Colorado, has historically been referred to as the Sound of Music Ranch, and is further described as Parcels A, B and C of the Sound of Music Ranch Plat recorded in the records of San Miguel County Colorado on August 10, 2000 in Plat Book 1, Page 2779, Reception No. 335968 (“**Original Parcel Map**”).

C. As denoted on the First Amendment to the Conservation Easement, for reference purposes the Property had been divided into a certain “southern portion” and a certain “northern portion.” The northern portion of the Property was owned by the Grantor’s predecessor at the time of the Original Conservation Easement. The Grantor’s predecessor subsequently acquired additional acreage, which was then likewise subjected to the Conservation Easement and was designated as the southern portion of the Property.

D. The line dividing the northern portion of the Property and the southern portion of the Property (the “**North-South Dividing Line**”) was clarified in the Sound of Music Ranch Plat recorded in the records of San Miguel County Colorado on August 10, 2000 in Plat Book 1, Page 2779, Reception No. 335968, with Parcel A lying south of the original North-South Dividing Line, and Parcels B and C lying north of the original North-South Dividing Line.

E. Grantor’s predecessors-in-title recorded an “**Agreement**” that allocated certain building areas in the northern portion of the Property, which Agreement was recorded on May 2, 2002 in Reception No. 348851 (the “**Designation Agreement**”).

F. Grantor currently owns both the northern portion of the Property and the southern portion of the Property.

G. Pursuant to this Second Amendment, the parties wish to make minor changes to, and

reconfigure, the original North-South Dividing Line, resulting in approximately 21.32 acres of land previously designated as being part of the northern portion of the Property being added to and included as part of the southern portion of the Property and approximately 11.56 acres of land previously designated as being part of the southern portion of the Property being added to and included as part of the northern portion of the Property.

H. After this new designation of the North-South Dividing Line, the northern portion of the Property and the southern portion of the Property will each continue to be entitled to the develop the same number of Building Areas and Accessory Building Areas and undertake such uses and development rights as provided to the in the Conservation Easement as Amended.

NOW, THEREFORE, IN CONSIDERATION of the entry into this Second Amendment by the parties hereto, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party, the parties hereto agree as follows:

1. **Second Amendment to the First Amendment to the Conservation Easement.** The Parties acknowledge and agree as follows:

a. The new North-South Dividing Line is established as depicted and described on attached **Exhibit "A"**, and further described as the line between Parcels AR and BR, in the Revised Sound of Music Ranch Plat recorded in the records of San Miguel County Colorado on November 9, 2016 in Plat Book 1, Page 4026, Reception No. 444905.

b. All prior references in the First Amendment to the Conservation Easement to the northern portion of the Property and to the southern portion of the Property are replaced and superseded with the designated northern portion of the Property and the southern portion of the Property established by the new North-South Dividing Line, as depicted and described on attached **Exhibit "A"**

2. **No Other Amendments.** Except for the amendments provided in this Second Amendment to the Deed of Conservation Easement herein, all other terms, covenants, conditions and restrictions contained in the Conservation Easement as Amended shall continue in full force and effect.

3. **General.**

a. **Effectiveness.** This Second Amendment shall become effective on and only upon its execution and delivery by each party hereto.

b. **Counterparts.** This Amendment may be executed in multiple counterparts or by legible scanned/mailed or facsimile copy, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same instrument. The scanned/mailed or facsimile transmission of a signed copy of this Second Amendment shall be considered valid and constitute a signed original.

c. **Severability of Provisions.** If any part of this Second Amendment is unenforceable, the rest of the Second Amendment may still be enforced.

IN WITNESS WHEREOF, each party hereto has executed this Amendment or caused it to be executed on its behalf by its duly authorized representatives, the day and year first written above.

RMEF:

Rocky Mountain Elk Foundation, Inc.,

a Montana non-profit corporation

By: [Signature]

Date: 11-2-16

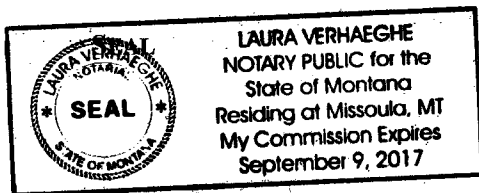
Printed Name: Rodney J. Triepke

Title: Chief Operating Officer

STATE OF MONTANA)
) ss.
COUNTY OF MISSOULA)

Acknowledged and subscribed to before me this 2nd day of NOVEMBER, 2016 by Rodney J. Triepke, the Chief Operating Officer of the Rocky Mountain Elk Foundation, Inc., a Montana non-profit corporation.

Witness my hand and official seal.



Laura VERHAEGHE (print name)
[Signature] (signature)
Notary Public for the state of Montana
Residing at MISSOULA, MT

**Notice of Exercise of Reserved Right
Pursuant to Deed of Conservation Easement
Wilson Mesa, Colorado**

This Notice of Exercise of Reserved Right Pursuant to Deed of Conservation Easement ("**Notice**"), dated and made effective as of ~~November 8~~ 2016 ("**Effective Date**") is made and provided by Wilson Mesa Ranch Holdings, LLC, a Delaware limited liability company ("**Owner**") and is acknowledged and agreed upon by the Rocky Mountain Elk Foundation, Inc., a Montana non-profit corporation ("**RMEF**").

This Notice concerns certain real property in San Miguel County, Colorado ("**Property**"), which is commonly referred to as Parcel A, Parcel B and Parcel C, of the "Sound of Music Ranch" as depicted and described on the plat ("**Original Plat**") recorded on August 10, 2000 in Plat Book 1, Page 2779. Pursuant to the Original Plat, the Property was configured and divided into three parcels, namely Parcel A, Parcel B and Parcel C (each, a "**Parcel**"). The Property is encumbered by the Wilson Mesa Conservation Easement held by the RMEF which was duly recorded in the San Miguel County, Colorado Clerk and Recorder's Office on December 23, 1996 in Reception No. 30944 (the "**Original Conservation Easement**"), as amended by the Amended Deed of Conservation Easement recorded in the records of San Miguel County, Colorado on August 3, 2000 in Reception Nos. 335848 and 335849 (the "**First Amendment**") and the Second Amendment to the Conservation Easement recorded on Nov 9, 2016 in Reception No. 444903 ("**Second Amendment**") (the Original Conservation Easement, the First Amendment and the Second Amendment are collectively referred to as "**Conservation Easement as Amended**"). In accordance with the "Agreement" recorded on May 2, 2002 in Reception No. 348851 (the "**Designation Agreement**"), Parcel A, Parcel B and Parcel C were allocated certain Building Areas and Accessory Building Areas allowed pursuant to the Conservation Easement as Amended.

1. Notice, consistent with the Conservation Easement as Amended, is hereby given by Owner and acknowledged and agreed to by RMEF as follows:

a. Owner has elected to reconfigure the internal boundary lines of each of the Parcels, retaining a total of three Parcels that will be re-designated as new "**Parcel AR**", "**Parcel BR**" and "**Parcel CR**," which may be marketed for resale as allowed by the Amended Conservation Easement. The reconfigured Parcel AR, Parcel BR and Parcel CR are depicted and described on a certain "**Revised Parcel Map**" which is being executed and recorded by Owner and will replace the Original Map, a copy of the unrecorded Revised Parcel Map is attached as **Exhibit "A"**.

b. Owner wishes to allocate certain rights permitted in Section III of the Conservation Easement as Amended respectively to the newly configured Parcel AR, Parcel BR and Parcel CR as provided for herein, which allocation will replace and supersede the designations made pursuant to the Designation Agreement.

c. Parcel AR is hereby allocated and assigned the rights to have two (2) Building Areas and two (2) Accessory Building Areas as allowed pursuant to Sub-Section III(A) of the Conservation Easement as Amended and undertake all associated uses authorized pursuant to the Conservation Easement as Amended, subject to any requirements of applicable San Miguel County Land Use Code and any applicable terms or conditions of the Conservation Easement as Amended. Parcel AR is hereby assigned the rights to be subdivided or parceled into as many as two (2) parcels as allowed pursuant to Sub-Section III(B) of the Conservation Easement as Amended, subject to any requirements of applicable state or county laws and any applicable terms or conditions of the Conservation Easement as Amended.

d. Parcel BR is hereby allocated and assigned the rights to have three (3) Building Areas and three (3) Accessory Building Areas as allowed pursuant to Sub-Section III(A) of the Conservation Easement

as Amended and undertake all associated uses authorized pursuant to the Conservation Easement as Amended, subject to any requirements of applicable San Miguel County Land Use Code and any applicable terms or conditions of the Conservation Easement as Amended. Parcel BR is hereby assigned the rights to be subdivided or parceled into as many as three (3) parcels as allowed pursuant to Sub-Section III(B) of the Conservation Easement as Amended, subject to any requirements of applicable state or county laws and any applicable terms or conditions of the Conservation Easement as Amended.

e. Parcel CR is hereby allocated and assigned the rights to have three (3) Building Areas and three (3) Accessory Building Areas as allowed pursuant to Sub-Section III(A) of the Conservation Easement as Amended and undertake all associated uses authorized pursuant to the Conservation Easement as Amended, subject to any requirements of applicable San Miguel County Land Use Code and any applicable terms or conditions of the Conservation Easement as Amended. Parcel CR is hereby assigned the rights to be subdivided or parceled into as many as three (3) parcels as allowed pursuant to Sub-Section III(B) of the Conservation Easement as Amended, subject to any requirements of applicable state or county laws and any applicable terms or conditions of the Conservation Easement as Amended.

f. Nothing herein is intended to, nor shall it limit or preclude Owner from reallocating the right, if available, to that certain number of Building Areas, Accessory Building Areas and/or Parcels provided by the Conservation Easement as Amended, that may occur on Parcel BR and Parcel CR from time to time, consistent with the Conservation Easement as Amended, which may be accomplished by the filing of a new Notice.

2. RMEF acknowledges that the reconfiguration of the internal boundary lines of the three Parcels A, B and C into Parcel AR, Parcel BR and Parcel CR shall not be deemed or constitute additional subdivisions or parceling of the Parcels under Sub-Section III(B) of the Conservation Easement as Amended and that all rights to construct residential and lodging facilities on, and to further subdivide, the northern portion of the Property and the southern portion of the Property, as set forth in the Conservation Easement as Amended, continue in full force in effect.

This Notice does not amend or modify the Conservation Easement as Amended, and all terms, conditions and provisions of the Conservation Easement as Amended remain in full force and effect.

IN WITNESS WHEREOF, the Owner has executed, and the RMEF has acknowledged and agreed, as of the Effective Date.

OWNER:

Wilson Mesa Ranch Holdings, LLC:

By Eric T. Klein

Printed Name: Eric T. Klein

Title: Secretary

The foregoing instrument was acknowledged before me this 7th day of November, 2016, by Eric Klein, as the Secretary of Wilson Mesa Ranch Holdings, LLC, a Delaware limited liability company

Witness my hand and official seal.

Alyce Goudeau
Notary Public

My commission expires: 8/29/20

ALYCE GOUDEAU
NOTARY PUBLIC-STATE OF NEW YORK
No. 01606347340
Qualified in New York County
My Commission Expires 08-29-2020

RMEF:

Rocky Mountain Elk Foundation, Inc.,
a Montana non-profit corporation

By  _____

Printed Name: ROD TRIEDKE
Title: COO

STATE OF MONTANA)
 : ss.
COUNTY OF MISSOULA)

The foregoing instrument was acknowledged before me this 2ND day of NOVEMBER, 2016, by
RODNEY J. TRIEDKE, as the COO of Rocky Mountain Elk Foundation, Inc.

Witness my hand and official seal.



Notary Public

My commission expires: SEPT. 9, 2017

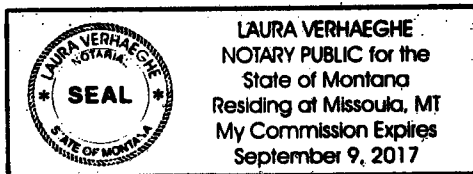
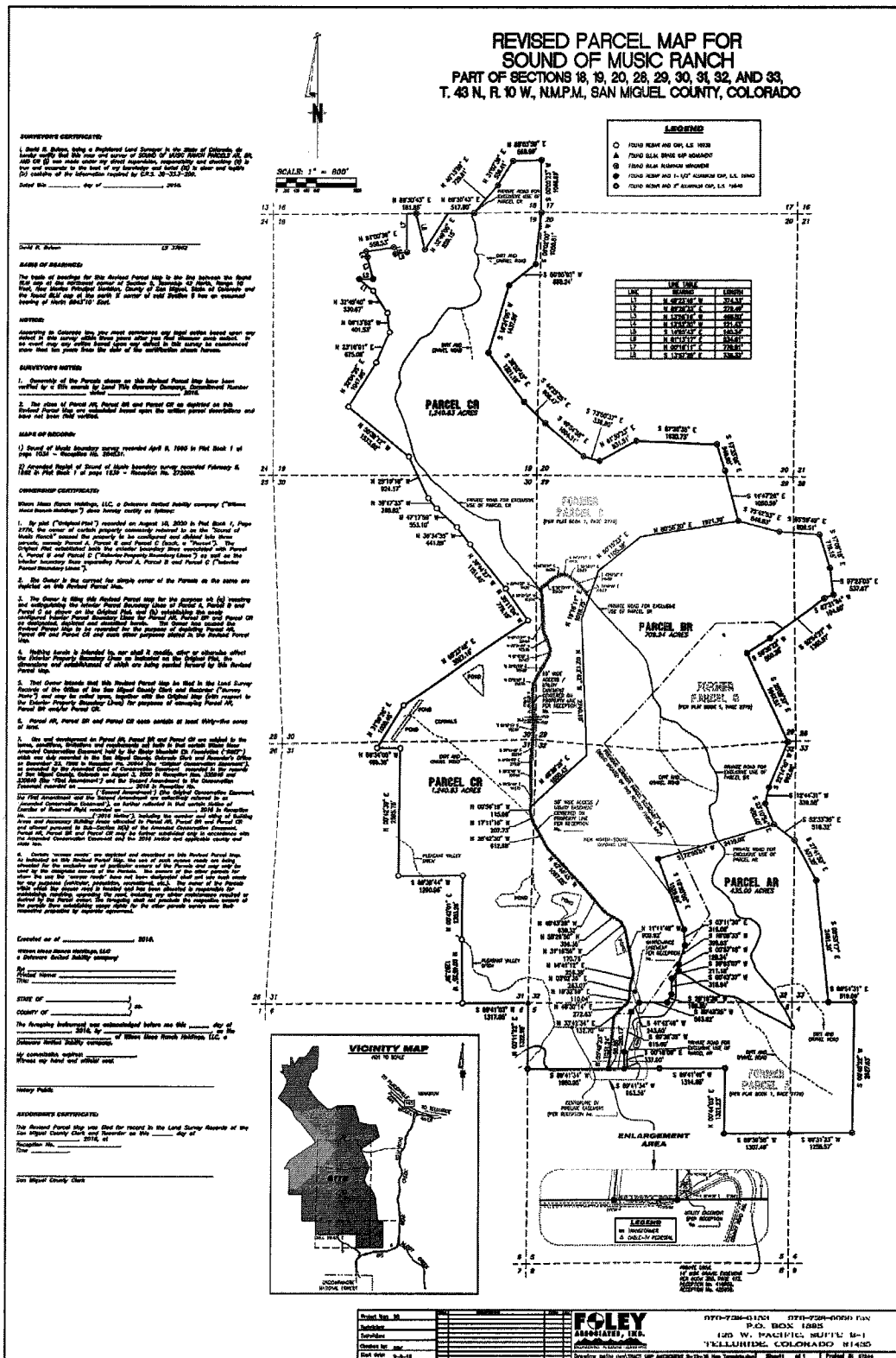


EXHIBIT A

Revised Parcel Map



GRANTOR:

Wilson Mesa Ranch Holdings, LLC,
a Delaware limited liability company

By: Eric T. Klein Date: 11/3/16

Printed Name: Eric T. Klein

Title: Secretary

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

Acknowledged and subscribed to before me this 3rd day of November, 2016 by Eric T. Klein, the Secretary of Wilson Mesa Ranch Holdings, LLC, a Delaware limited liability company.

Witness my hand and official seal.

SEAL

ALYCE GOUDEAU
NOTARY PUBLIC-STATE OF NEW YORK
No. 01GO6347340
Qualified In New York County
My Commission Expires 08-29-2020

Alyce Goudeau (print name)
Alyce Goudeau (signature)
Notary Public for the State of New York
Residing at New York City

WILSON MESA, CO

AMENDED DEED OF CONSERVATION EASEMENT

THIS AMENDED DEED OF CONSERVATION EASEMENT ("Easement"), made as of this 23rd day of June, 2000, by Deborado, LLC, a Colorado limited liability company, (individually "Deborado") and Gunslinger Investment Corporation, a Colorado corporation (individually "Gunslinger") whose addresses are P.O. Box 2220, Telluride, Colorado 81435 (Deborado and Gunslinger shall collectively be known as the "Grantor"), and the ROCKY MOUNTAIN ELK FOUNDATION, INC., a Montana non-profit corporation whose address is 2291 West Broadway, P.O. 8249, Missoula, Montana 59807-8249 (the "RMEF");

WITNESSETH:

WHEREAS, the Grantor is the owner of all the real property in San Miguel County, Colorado, described in Exhibit A (the "Property"), and approximately located on the map attached as Exhibit B; and

WHEREAS, the Property has significant relatively natural habitat for native wildlife and ecological, scenic, aesthetic and open space values as recognized in the Colorado Open Space Land and Voluntary Conservation Easement Act, Colorado Revised Statute (CRS) 38-30.5-101, et seq.; and the Grantor intends to convey this Easement under CRS 38-30.5-101, et seq., and other applicable provisions of Colorado statutory and common law; and

WHEREAS, the Property constitutes a valuable element of the natural habitat of the Wilson Mesa and the San Miguel River Valley and its ecological, scenic, aesthetic and open space values, including flora, fauna, and soils; and the Property provides significant winter range for elk, and also provides habitat for deer, bear, mountain lion, and other regional Colorado wildlife, and the maintenance of such natural habitat helps support wildlife populations in the San Miguel River Valley. All of these natural habitat, ecological, scenic, wildlife, aesthetic, water resource, and open space values (the "Conservation Values") are of great importance to the Grantor and to the people of the State of Colorado, and are worthy of conservation; and

WHEREAS, the Grantor desires and intends that the Conservation Values of the Property be conserved and maintained by the continuation, initiation, or introduction of activities on the Property that will not materially interfere with or materially disrupt the Conservation Values, including such general uses as ranching, hunting, fishing, hiking and camping, cross-country skiing, equestrian use, limited residential development, and other uses permitted by this Easement (the "Primary Uses");

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WHEREAS, the Grantor, as the owner in fee of the Property, owns the rights to identify, to conserve and protect in perpetuity, and to enhance by restoration the Conservation Values of the Property; and

WHEREAS, the Grantor desires and intends to transfer certain of such rights to the RMEF, provided that the Grantor's right to use the Property for the Primary Uses is also protected and conserved in the manner more particularly set forth in this Easement; and

WHEREAS, the State of Colorado has recognized the importance of private efforts toward the conservation of natural resources in the state by the enactment of CRS 38-30.5-101, et seq.; and

WHEREAS, the RMEF is organized to conserve and protect natural areas and significant wildlife habitat land for ecological, scientific, charitable, and educational purposes; and the RMEF is a qualified private organization under the terms of CRS 38-30.5-101, et seq.; and the RMEF is a qualified organization under section 501(c)(3) of the "Internal Revenue Code of 1954", as amended, to receive and hold conservation easements and has been in existence for more than two years prior to the date hereof; and

WHEREAS, the parties wish that any interpretation of this Easement shall be construed so as to further the conservation, protection, and enhancement of the Conservation Values of the Property; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and pursuant to CRS 38-30.5-101, et seq., and other applicable provisions of Colorado statutory and common law, the Grantor hereby conveys and warrants to the RMEF this perpetual Easement over the Property. The scope of this Easement is set forth in this deed. This conveyance is a donation from the Grantor to the RMEF.

SECTION I - RIGHTS OF RMEF

The rights conveyed by Grantor to RMEF to perpetually conserve the Conservation Values of the Property in this Easement include the following:

A. Identification and Protection. RMEF has the right to, identify, conserve and protect in perpetuity, and enhance the Conservation Values on the Property, in the manner set forth in this Easement to the extent such rights are granted by this easement, subject, however, to the Grantor's reserved rights in this Easement.

B. Access. RMEF has the right to enter upon the Property to inspect, monitor, and enforce compliance with this Easement at reasonable times. RMEF also has the right to undertake observations or ecological studies of natural resources protected by this Easement in a manner that will not unreasonably interfere with the use of the Property by the Grantor. The number of people involved in such studies, the frequency thereof, the method and mode of access to the Property and other aspects of such studies shall be subject to the prior approval of Grantor, which approval shall not be unreasonably withheld. RMEF shall promptly restore any areas of the Property and its vegetation damaged or disturbed in the conduct of such studies. RMEF shall provide to Grantor, free of charge, copies of all results and reports which derive from such studies.

The general public is not granted access to the Property under this Easement. The RMEF shall have the right of immediate entry upon the Property if, in the RMEF's reasonable and sole judgement, such entry is necessary to prevent immediate damage to or the immediate destruction of the Conservation Values of this Easement.

C. Conservation, Injunction, and Restoration. RMEF has the right to undertake any appropriate legal proceedings to prevent any activity on, or use of, the Property which is inconsistent with this Easement, including but not limited to, obtaining an injunction in a court of competent jurisdiction. RMEF also has the right to enforce the reasonable restoration of such areas or features of the Property as may be damaged or impaired by any activities, or failure to take action to prevent such activities, which are inconsistent with this Easement. RMEF shall be entitled to recover its reasonable attorney's fees in enforcing its rights under this Easement.

D. Signs. RMEF has the right to place signs on the Property which identify the land as being protected by this Easement. The number, size, design and location of the signs are subject to Grantor's approval and shall comply with all applicable governmental regulations. Grantor may disapprove of or after approval may require the removal of any sign that may diminish the rights of Grantor to place signs on the Property in accordance with applicable regulations of San Miguel County or the State of Colorado.

SECTION II- GENERAL EFFECT OF EASEMENT

A. Perpetual Restrictions. This Easement shall run with and encumber the title to the Property in perpetuity, and shall bind the Grantor and all future owners and tenants of the Property.

B. Permitted Uses in General. This Easement shall confine the use of the Property to activities such as the Primary Uses, and other uses which are not prohibited by the terms of this Easement and which are consistent with the purposes and terms of this Easement. Any activity on or use of the Property inconsistent with the purposes or terms of this Easement and which materially interferes with or is materially detrimental to the Conservation Values expressed in this Easement, is expressly prohibited.

C. Dedication of Property. Pursuant to the terms of CRS 38-30.5-101, et seq., the Property conserved by this Easement, subject to the terms and conditions of this Easement, is declared to be open space and natural land, and may not be converted or directed to any uses other than those provided in this Easement.

SECTION III - PERMITTED USES AND PRACTICES

The following uses and practices, while not an exhaustive recital of permitted uses and practices, are consistent with this Easement, and these uses and practices may not be precluded or prevented by this Easement except when this Easement requires prior approval of an activity by the RMEF as provided in Section IV of this Easement or poses a serious threat to the Conservation Values protected by this Easement.

A. Residential and Lodging Facilities. On the northern portion of the Property, as shown on Exhibit B, after the Boundary Line Adjustment as identified in Paragraph M of this Section, the Grantor may construct, improve, alter, maintain, and repair or replace any buildings, permitted by San Miguel County regulations, provided such structures are located within a building area limited to five (5) acres ("Building Area"). Only one Building Area is permitted per parcel of property, with a maximum number of six (6) Building Areas total on the northern portion of the Property, as restricted by the maximum number of parcels that can be created on the Property as identified in Paragraph B of this Section. A separate building area ("Accessory Building Area") may be established with each Building Area for uses such as a barn, stable, or other out building. The size, location and permitted uses for such Accessory Building Area shall be subject to the prior approval of the RMEF and such approval shall not be unreasonably withheld; provided, however, such approval shall take into consideration the purposes of this Easement and the approval shall not be granted if the Conservation Values are jeopardized by permitting such Accessory Building Area. Any such approval may be made with conditions. Other than the foregoing no other buildings are permitted on the Property. Non-native plants may be planted within the Building Area and game-proof fencing can be constructed within or around the Building Area.

On the southern portion of the Property, as shown on Exhibit B, after the Boundary Line Adjustment as identified in Paragraph M of this Section, the Grantor may construct, improve, alter, maintain, and repair or replace any buildings, permitted by San Miguel County regulations, provided such structures are located within a building area limited to five (5) acres ("Building Area"). Only one Building Area is permitted per parcel of property, with a maximum number of two (2) Building Areas total on the southern portion of the Property, as restricted by the maximum number of parcels that can be created on the Property as identified in Paragraph B of this Section. A separate building area ("Accessory Building Area") may be established with each Building Area for uses such as a barn, stable, or other out building. The size, location and permitted uses for such Accessory Building Area shall be subject to the prior approval of the RMEF and such approval shall not be unreasonably withheld; provided, however, such approval shall take into consideration the purposes of this Easement and the approval shall not be granted if the Conservation Values are jeopardized by permitting such Accessory Building Area. Any such approval may be made with conditions. Other than the foregoing no other buildings are permitted on the Property. Non-native plants may be planted within the Building Area and game-proof fencing can be constructed within or around the Building Area.

B. Subdivision or Parceling. On the northern portion of the Property, after the Boundary Line Adjustment as identified in Paragraph M of this Section, as shown on Exhibit B, the Grantor may subdivide or parcel the Property into as many as six (6) parcels. Each parcel will be permitted a Building Area and an Accessory Building Area as identified in Paragraph A of this Section.

On the southern portion of the Property, after the Boundary Line Adjustment as identified in Paragraph M of this Section, as shown on Exhibit B, the Grantor may subdivide or parcel the Property into as many as two (2) parcels. Each parcel will be permitted a Building Area and an Accessory Building Area as identified in Paragraph A of this Section.

C. Ranching Facilities. The Grantor may maintain, replace, and repair, for ranching and recreational purposes, the fences, roads, corrals, barns and sheds, ponds and irrigation facilities, and other improvements on the Property as of the date of this Easement, as identified in the baseline inventory referred to in Section XI. The Grantor may also rearrange and replace corrals, ponds and irrigation facilities in order to effect better livestock management and control. If any or all of such facilities are removed or destroyed, the Grantor may replace them with similar structures of the same approximate size in the same general locations.

The Grantor may construct and repair fences along the border of the Property, around the perimeter of subdivided lots and fences necessary for driveway or entry monuments. Drift fences may be constructed as necessary to control drifting snow. Except as specifically permitted by this Easement, fencing modifications other than repair and replacement and any fencing constructed after the date hereof for livestock management, must be approved by the RMEF, and such approval will not be unreasonably withheld.

Notwithstanding any provision of this Easement to the contrary, no big game-proof fences will be constructed on the Property, except as provided in paragraph III A above and to protect harvested crops, and specific treed or vegetated areas, which are intended to be areas where new plant materials need to be protected for wildlife. In the event the parties cannot agree on specifications for game proof fences, the Colorado Division of Wildlife shall be consulted and their specifications shall control.

D. Ranching Activities. The Grantor may use the Property for common or typical ranching and farming activities, including grazing, feeding, breeding, raising, and managing livestock (as defined in C.R.S. 35-1-102 in effect on the date of this agreement), and building and maintaining ponds and irrigation facilities.

E. Livestock. Livestock grazing use shall not exceed a degree of use described as moderate by the United States Department of Agriculture - Natural Resource Conservation Service as identified on Exhibit C, attached hereto, and does not degrade or deteriorate the wildlife, riparian, and aquatic resources.

F. Hunting and Fishing. It is permitted on the Property to hunt, trap, and fish for animals, birds, and fish in a manner consistent with state and federal laws and regulations, at levels of intensity which are not detrimental to the elk, wildlife, and fishery populations. The parties agree and acknowledge that controlled hunting may be desirable to balance elk and wildlife numbers with the condition of range and habitat; provided, however, nothing in this Easement shall be deemed to require hunting or other methods of game harvesting.

The Grantor will not, through a hunting program, unreasonably interfere with the maintenance of a base population elk herd well-balanced in age and sex ratios and providing for a physically mature bull elk segment ("mature" defined as peak phenotypic expression). In the event the parties cannot agree on the elements of a well balanced wildlife ratio, the Colorado Division of Wildlife shall be consulted and their determination shall control.

G. Water Resources. The Grantor may develop and maintain water resources on the Property for the grazing, ranching, wildlife, waterfowl, domestic, fisheries, and recreational pursuits conducted thereon pursuant to the terms of this Easement, including, but not limited to stream bank stabilization, watering facilities and ponds, construction of wells and pipelines, and to improve the quality and quantity of water available for the purposes described above and in a manner consistent with state and federal laws and regulations.

H. Restoration and Enhancement of Aquatic and Terrestrial Habitat. The Grantor may carry out activities that will restore and enhance the aquatic, terrestrial, and wetland habitat for fish, waterfowl and wildlife use and production in a manner consistent with state and federal laws and regulations.

I. Agrichemicals. The Grantor may use agrichemicals, including but not limited to fertilizers, biocides, herbicides, insecticides and rodenticides, but only in accordance with all applicable laws, and in those amounts and with that frequency of application constituting the minimum necessary to accomplish reasonable ranching, grazing, and residential objectives. The use of such agents shall in all cases be conducted in such a manner as to minimize any adverse effect upon the natural values of the Property and to avoid any impairment of the natural ecosystems and their processes.

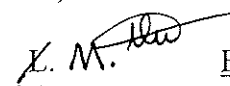
J. Predators. The Grantor may control predatory and problem animals by the appropriate use of legal control technique. Wherever possible, all measures used for such control shall be limited in their application to specific animals which have caused damage to livestock or other property; provided, however, that if it is not possible to identify a specific predatory or problem animal or when historic data indicates that a sufficient threat exists, the Grantor may use appropriate preventive control techniques; and provided further, that the aforementioned restrictions applicable to the identification and control of problem animals shall not apply to rodents.

K. Tree Cutting. The Grantor may cut trees for posts and poles for use on the Property and cut and gather dead, dying and down trees and as necessary to comply with any recommendations of the State Forest Service or San Miguel County with respect to wildfire prevention, without obtaining the prior approval of RMEF.

The Grantor may also cut and remove trees to abate disease or infestation, to perpetuate a healthy forest, or to provide or enhance a diversity of habitat for elk and other wildlife. All such cutting for these purposes will be under the auspices of a Forest Management Plan prepared by a qualified forester or natural resources professional and with the approval of the RMEF as provided in Section IV prior to beginning the prescribed activity.

Maintenance of a healthy forest and tree cover is integral to the wildlife and wildlife habitat, the water quality, and the scenic and aesthetic provisions of this Easement. As such, all permitted uses and practices affecting the forest and tree cover will, except as otherwise provided herein and in those areas located outside of the Building Area, be conducted in a manner reasonably intended to maintain healthy forest conditions over time and to sustain and perpetuate the mix of naturally occurring species in representative ages and group sizes, while also taking into consideration other factors concerning the reasonable use of the land and the degree of harm to the local environment involved in any disturbance of natural conditions on the Property.

L. Residual Rights. Except as expressly limited by this Easement, the Grantor may exercise and enjoy all rights as owner of the Property.

 L. Boundary Line Adjustment. The Property as owned at the date of the Easement consists of two portions; the northern portion owned by Deborado, LLC and containing approximately 1,995 acres, and the southern portion owned by Gunslinger Investment Corporation and containing approximately 389 acres. A Boundary Line Adjustment is permitted to straighten out the common boundary line between the two portions and is estimated to shift approximately 33 acres from the northern portion to the southern portion. The Boundary Line Adjustment is indicated on Exhibit B. This Boundary Line Adjustment is to be completed within six (6) months of the date of the Easement or this permitted use will become null and void. At all times, all the Property conserved and protected by the Easement will remain subject to all terms and conditions of the Easement.

Grantor will provide the RMEF with copies of all non-confidential documents related to and documenting the Boundary Line Adjustment, including but not limited to conveyance deeds, legal descriptions, surveys, and plat maps.

SECTION IV - PRIOR APPROVAL OF ACTIONS BY RMEF

If any provision of this Easement requires the Grantor to obtain the prior approval of the RMEF before performing any act or undertaking any enterprise, then the Grantor shall not perform that act or undertake that enterprise until it has satisfied the notice and approval provisions of this section. Nothing in this Section shall prohibit or limit in any manner the ability of the RMEF to obtain writs or injunctive relief relating to any violation of this Easement.

A. Grantor's Written Notice. Prior to the commencement of any activity, use, or enterprise which requires the RMEF's approval, the Grantor will notify the RMEF in writing of the activity, use or enterprise which the Grantor intends to undertake. This notice must inform the RMEF of all aspects of such proposed activity, use or enterprise.

Any notice provided or permitted to be given under this Easement must be in writing and may be given and shall be deemed to have been given (i) by depositing the same in the United States mail, addressed to the party notified, postage prepaid and registered or certified with return receipt requested; (ii) by delivering the same in person to such party; or (iii) by depositing the same into the custody of a nationally recognized overnight delivery service such as, but not limited to Federal Express Corporation, addressed to the party to be notified; or (iv) by facsimile. For purposes of notice, the addresses of the parties shall be as set forth below. From time to time either party may designate another address for all purposes of this Easement by giving the other party no less than ten (10) days' advance notice of such change of address in accordance with the provisions hereof.

As to Grantor:

William W. Carstens
P.O. Box 2220
Telluride, Co. 81435
Facsimile: 970-728-5422

For Overnight: 125 W. Pacific Suite B2
Telluride, Co. 81435

With copy to Grantor's Attorney:

Herbert S. Klein
201 N. Mill St. #203
Aspen, Colorado 81611
Facsimile: 970-925-3977

As to RMEF:

Rocky Mountain Elk Foundation, Inc.
P.O. Box 8249
Missoula, Montana 59807-8249
Attention: Land Department

For Overnight: 2291 West Broadway
Missoula, Montana 59802
Facsimile: 406-523-4550

With copy to RMEF attorney: attention legal department at same RMEF address as above.

Personal delivery shall be deemed to have occurred when any notice is delivered to the offices of the party for whom the delivery is intended, and may be evidenced by an affidavit of delivery, or to such address as the parties may from time to time designate in writing with notice as provided herein.

B. RMEF's Response. The RMEF shall have either ten (10) days or twenty (20) days from the date that such notice is given, as provided in paragraph B.2, below, to review the proposed activity, use, or enterprise, and to notify the Grantor of any objections that it may have to the activity, use, or enterprise. The objections, if any, shall be based upon the RMEF's reasonable and explained opinion that the proposed activity, use or enterprise is not permitted by or inconsistent with the purpose and/or provisions of this Easement. If, in the RMEF's judgment, the proposal set forth by the Grantor can be modified to conform with the purposes and provisions of this Easement, then the response shall inform the Grantor of the manner in which the proposed activity, use or enterprise can be modified to be consistent with this Easement. Except as provided in Paragraph C of this Section, the Grantor can commence or conduct the proposed activity, use, or enterprise only if it receives the RMEF's express written approval, and only in the manner explicitly proposed by the Grantor and approved by the RMEF. The RMEF will notify Grantor of such response as provided above for notices to the Grantor.

B. 2. From time to time, RMEF shall identify its lands department person responsible for this Easement ("Land Person") and all notices shall be directed to such person's attention at the address and in the manner provided for above. If the Land Person is away from the place of business of the RMEF for four or more days when the notice is received, then RMEF shall have twenty (20) days to provide any approval or denial of a request for approval; otherwise, the time period for such response shall be ten (10) days. Grantor may rely on any information obtained by placing a telephone call to the office of the Land Person at the time the request for approval is sought to be made in order to determine whether or not the Land Person is available and thus determine the applicable time period for such response. The Grantor shall provide a written confirmation to the office of the Land Person as to the information obtained by Grantor as a result of such telephone call.

In the event it is RMEF's opinion that the proposed activity, use or enterprise is objectionable, based on the foregoing criteria, then, and in that event, RMEF shall make a good faith effort to advise Grantor how the proposal set forth by Grantor can be modified to conform with the purposes of the provisions of this Easement. Response from the RMEF shall then inform Grantor of the manner in which the proposed activity, use or enterprise can be modified to be consistent with this Easement.

C. RMEF's Failure to Respond. If the RMEF fails to post its response to a proposal sent to it by the Grantor within the ten (10) or twenty (20) day period, as determined pursuant to paragraph B2 above, after the proposal is given, then the proposed activity, use or enterprise shall automatically be deemed consistent with the terms of this Easement, and the RMEF will have no further right to object to the activity, use or enterprise described in the proposal.

D. Force Majeure. The Grantor will not be obligated to send any notice to the RMEF, and the RMEF will not be entitled to bring any action against the Grantor, with respect to any prudent activity undertaken by the Grantor in a good faith effort to prevent, abate, or mitigate injury to the Property from fire, flood, storm, earth movement, acts of war, and similar causes beyond the control of the Grantor. Grantor will promptly inform the RMEF of injury to the Property caused by such events.

SECTION V - PROHIBITED USES AND PRACTICES

Except for uses which are expressly permitted hereby, including those uses set forth in Section III, any activity on or use of the Property specifically prohibited hereby or inconsistent with the purposes of this Conservation Easement or materially detrimental to the Conservation Values is expressly prohibited. The Grantor states and agrees that the following uses and practices, though not an exhaustive recital of inconsistent uses and practices, are deemed to be inconsistent with the purposes of this Easement, and shall be prohibited:

A. Commercial Facilities and Activities. The Grantor will not establish or conduct any commercial or industrial facilities or activities (other than those necessary in the operation or uses of the Property expressly permitted by this Easement) including, but not limited to, any restaurant, night club, campground, trailer park, motel, hotel, commercial swimming pool, snowmobiling, gas station, retail outlet or facility for the manufacture or distribution of any product. Nothing in this paragraph shall prohibit commercial recreational, equestrian, ranching, farming or agricultural uses.

B. Subdivision. The Grantor will not divide, subdivide, parcel, or take any action (including entering into any lease or other agreement) which creates an actual or *de facto* subdivision of the Property, except as permitted by Paragraphs B and M, Section III.

C. Construction. The Grantor will not construct any structures or facilities except as otherwise provided in paragraphs A, C and G of Section III.

D. Roads. The Grantor will not construct any new roads except in connection with forest management, stock and wildlife water development, and activities specifically provided for in Section III, such as roads to access buildings, newly subdivided lots and utility installations. Any road constructed for temporary use will be reclaimed and restored to its original condition, by regrading and planting of native seed mix, within six (6) months after discontinued use, subject to seasonal growing conditions and limitations.

E. Alteration of Watercourses and Topography. The Grantor will not change, disturb, alter, excavate, or impair any watercourse or wetland or the topography of the surface of the ground on the Property, except as expressly permitted by this Easement.

F. Timber Harvesting. The Grantor does not have the right to harvest timber on the Property except as specifically allowed in Section III, paragraph K.

G. Mineral Activities. Exploration or extraction of oil, gas, and other minerals, rock, gravel, or sand found in, on, or under the Property is prohibited by open-pit or surface mining methods. No sub-surface or other exploration or extraction of oil, gas, rock, gravel, sand, or other minerals, including the lease, sale, or other disposition of the rights to such materials, may impair or result in the destruction of the Conservation Values. Mineral activities inconsistent with 170(h)(5)(B) of the Internal Revenue Code are prohibited.

H. Game Farming or Game Farm Animals. The Grantor will not construct, conduct, or operate a game farm, or raise or hold game farm animals on the Property. For the purposes of this Easement, "Game farm animals" shall be defined as native Colorado big game animals and Colorado non-native mammals capable of breeding with native Colorado big game animals.

I. Commercial Feed Lot. The Grantor will not establish or maintain any commercial feed lot. For the purposes of this Easement, a commercial feed lot shall be defined as a permanently constructed confined area or facility within which the land is not grazed or cropped annually, for purposes of engaging in the business of the reception and feeding of livestock for hire.

J. Off-Road Vehicles. The Grantor will not use vehicles off of existing roads and travelways in a manner which may result in significant erosion or compaction of the soil, impact on the natural appearance of the Property, material interference with vegetation, or interference with the natural habitats of those animal species occurring on the Property, but this does not prohibit the recreational use of ATVs. The parties recognize, however, that the use of off-road vehicles may be necessary in ranch management and retrieval of harvested big game animals, and such limited use is therefore expressly permitted, provided that all reasonable efforts are made to minimize any adverse impact of the use, consistent with the terms and intent of this Easement.

K. Wildlife Disturbance or Harassment. Harassment of elk or other wildlife by people, vehicles or domestic animals is prohibited.

L. Dumping. Trash, debris, ashes, sawdust, and other non-compostable refuse may not be dumped or otherwise disposed of on the Property, except that generated by the Primary Uses, and then only within the Building Envelope or within an area on the Property designated as a common dump area for the owners of lots within the Property, and normal ranching operations, and as permitted by applicable state and federal laws. The location of a common dump area shall be subject to the prior approval of RMEF which approval shall not be unreasonably withheld.

M. Utilities. Except for on grade vaults, pedestals and similar facilities, all utility structures and systems installed after the date hereof, must be buried, unless prior approval is obtained from RMEF.

N. Non-native Species. Except as permitted by Section III.A., the Grantor will not introduce any non-native plant or animal species.

O. Raptor Nests. The Grantor will not cut or disturb any trees or other vegetation within 300 feet of any active raptor nest during the nesting season, or remove any crown trees or over story vegetation within 300 feet of any active raptor nest at any time. However, diseased trees may be cut down and removed during the non-nesting season to abate infestations or if necessary to comply with wildfire protection regulations.

P. Aircraft Facilities. The Grantor will not construct or erect any aircraft facilities or aircraft landing facilities on the Property if the same will be detrimental to a known elk herd which has a calving area in the immediate vicinity of the location of such facilities and in such case, said facilities may be built but may not be operated during the time of year when calving takes place. Grantor shall obtain the consent of RMEF, which shall take into consideration the provisions of this paragraph in determining whether or not to provide such consent, and such consent shall not be unreasonably withheld.

Q. Billboards. The Grantor will not construct, maintain, or erect any commercial signs or billboards on the Property. Small signage may, however, be displayed to state the name of the owner and Property, that the area is protected by this Easement, the prohibition of any unauthorized entry or use, or the advertisement for the sale of the Property.

SECTION VI - BREACH, RESTORATION, AND REMEDIES

A. Breach and Restoration. If a violation of any prohibition contained in Section V of this Easement, or damage to the Conservation Values associated with the Property, whether by the Grantor or by a third party, comes to the attention of the RMEF, the RMEF may notify Grantor in writing of such violation. Upon receipt of such notice by the RMEF, the Grantor agrees to immediately cease and desist from any actions which may in any manner violate the terms or intent of this Easement and/or the prohibitions contained in Section V.

The Grantor shall have thirty (30) days after receipt of such notice to undertake actions, including initiation of restoration of the Property, that are reasonably calculated to swiftly correct the conditions caused by such violation. If the Grantor fails to take such corrective action, the RMEF may at its discretion undertake such actions, including appropriate legal proceedings, as are reasonably necessary to effect such corrections, and the cost of such corrections, including the RMEF's expenses, court costs, and legal fees, shall be paid by the Grantor, provided that the Grantor, through either action or inaction, is determined to be responsible for the violation. In the event Grantor is determined to not be in violation of this Easement, then the Grantor's legal fees shall be paid by RMEF. Provided, however, and notwithstanding any provision of this Easement to the contrary, the Grantor expressly agrees that if any activities are taking place on the Property which violate the terms or intent of this Easement and/or the restrictions contained in Section V, that the RMEF is entitled, at any time, to seek and obtain any injunctive relief or writs from a court of competent jurisdiction so as to conserve and protect the Property until there is final resolution of any dispute.

B. Injunctive and Other Relief. The Grantor and the RMEF further intend that should the Grantor undertake or cause to be undertaken any activity which requires the approval of the RMEF without obtaining the prior consent of the RMEF in the manner required by Section IV of this Easement, or undertake or cause to be undertaken any activity in violation of the terms of this Easement, then the RMEF, at the RMEF's sole election, shall have the right to obtain injunctive relief or writs from courts of competent jurisdiction to stop any unauthorized activities, or force the restoration of that portion of the Property affected by such activity to a condition similar or equivalent to the condition that existed prior to the undertaking of such unauthorized activity, by restoring soils, replanting suitable domestic vegetation, or taking such other action as the RMEF deems necessary to achieve restoration. In such case, the costs of such restoration and the RMEF's costs of suit, including attorney's fees, shall be borne by Grantor or those of its successors or assigns against whom a judgment is entered, or in the event that the RMEF secures redress without a completed judicial proceeding, by Grantor or those of its successors or assigns who are otherwise determined to be responsible for the unauthorized activity. In the event a judgment is entered against RMEF in an effort to seek injunctive relief or restoration and Grantor is held not to be in violation of this Easement, then RMEF shall pay Grantor's costs of suit, including attorney's fees. Nothing contained in this Easement shall be construed to preclude the Grantor from exhausting its legal remedies in determining whether the proposed activity to which the RMEF has objected is inconsistent with this Easement. The parties hereto covenant and agree that the obligation to restore the Property to its prior condition, as provided in this Section VI, may be enforced only against that party or parties who shall have caused such damage, including, but not limited to the Grantor and the heirs, personal representatives, successors, or assigns of the Grantor.

C. Actual or Threatened Non-Compliance. Grantor acknowledges that actual or threatened events of non-compliance under this Easement constitutes immediate and irreparable harm. RMEF is entitled to invoke the equitable jurisdiction of any court to enforce this Easement.

D. Cumulative Remedies. The remedies of RMEF set forth in this Easement are cumulative. Any, or all, of the remedies may be invoked by the RMEF if there is an actual or threatened violation of this Easement.

E. Delay in Enforcement. A delay in enforcement shall not be construed as a waiver of the RMEF's right to eventually enforce the terms of this Easement.

SECTION VII - MANAGEMENT PLAN

The RMEF and the Grantor may agree, by mutual consent, to prepare a management plan (or modification of a prior management plan) for the Property. This plan shall be a guideline, consistent with the terms of this Easement. It will propose ways to manage the land to restore and enhance the terrestrial, aquatic, and wetlands for wildlife and fish use and production. The parties intend that the management plan, and future modifications, will be a mutual and cooperative planning effort, and will assist by mutual consent in implementing the goals and provisions of this Easement. The management plan is not intended to be a binding legal document, but a facilitating management strategy. The Grantor will meet at least every two years with the area Colorado Division of Wildlife biologist to review big game animal use and management opportunities on the Property.

SECTION VIII - COSTS AND TAXES

Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep and maintenance of the Property, including responsibility for the control of noxious weeds in accordance with Colorado law. Grantor shall pay any and all lawful taxes, assessments, fees, and charges levied by competent authority on the Property.

SECTION IX - INDEMNITY

The Grantor agrees to bear all costs of operation, upkeep and maintenance of the Property, and agrees to indemnify the RMEF against all claims and obligations arising from such operation, upkeep, and maintenance activities. Grantor also agrees to defend and indemnify RMEF against obligations arising from past, present or future dumping of hazardous materials on the Property, and any obligations associated with their cleanup or containment of their impacts.

SECTION X - ASSIGNMENT OF EASEMENT

The RMEF may not transfer or assign its interest in the Property created by this Easement except to a "qualified organization" (within the meaning of Section 170(h) (3) of the Internal Revenue Code) which is organized or operated primarily or substantially for one or more of the conservation purposes specified in Section 170(h) (4) (a) of said Code. Any such "qualified organization" shall agree to enforce the conservation purposes protected by this Easement. The RMEF agrees that it will make a reasonable effort in the event of any assignment to choose an assignee which is a qualified organization other than a governmental unit referred to in Section 170(c)(1) of the Code, which has conservation of natural resources as a substantial organizational purpose; and provided further, that the RMEF represents to the Grantor that its present intention is to assign its interest in this Easement only in connection with a dissolution of the RMEF. The RMEF will receive the consent of the Grantor before making any assignment of this Easement, and such consent will not be unreasonably withheld by Grantor.

SECTION XI - BASELINE DATA

The parties acknowledge that an inventory of baseline data relating to the Property has been completed by competent professionals familiar with the Property, and furnished by the Grantor to the RMEF. Copies of this inventory of baseline data are on file in the RMEF's offices in Missoula, Montana. The parties acknowledge that this collection of baseline data contains an accurate representation of the condition of the Property subject to this Easement and natural resources associated with the Property as of the date of the execution of the Easement in accordance with Treasury Regulation ' 1.170A-14(g)(5)(I).

Notwithstanding the foregoing, in the event of a controversy arising with respect to the nature of the biological and/or physical condition of the Property, the parties shall not be foreclosed from using any and all other relevant or material documents, surveys, reports and other information to assist in the resolution of that controversy.

SECTION XII - EXTINGUISHMENT OF DEVELOPMENT RIGHTS

The Grantor hereby acknowledges the extinguishment of all development rights except as specifically reserved herein that are now, or hereafter may be, allocated, implied, reserved or inherent to the Property, and the Grantor agrees that all of Grantor's rights or interest in such development rights are terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property adjacent or otherwise, nor used for the purpose of calculating permissible lot yield or density of the Property or any other property with regard to any land use or zoning which affects, or may affect, the Property.

SECTION XIII
EXTINGUISHMENT OF EASEMENT - COMPENSATION

The Grantor and the RMEF agree that the donation of this Easement gives rise to a property right, immediately vested in the RMEF. The RMEF's property right in this Easement shall be based on the condition and improvements on the Property at the time that the Easement is established, and this condition shall be documented as referred to in Section XI above. For purposes of this Section, the property right shall be deemed to have a fair market value at least equal to the proportionate value that this Easement bears to the entire value of the Property as a whole at the time of its creation. That proportionate value of the RMEF's property rights shall remain constant. Should a change in conditions give rise to the extinguishment of this Easement, as provided in Treasury Regulation Section 1.170A-14(g)(6)(I), or of a portion of the RMEF's rights under this Easement, the RMEF, on a subsequent sale, exchange, conveyance, or involuntary conversion of the Property or a portion of the Property, shall be entitled to a portion of the proceeds at least equal to such proportionate value of this Easement as established at the time of its creation, unless under the laws of Colorado the Grantor shall be entitled to the full proceeds from the sale, exchange, or conversion without regard to the terms of this Easement. All interpretations of the RMEF's property rights shall follow Treasury Regulation Section 1.170.

Whenever all or part of the Property is taken in exercise of eminent domain, or under claim of rights of eminent domain, by public, corporate, or other authority so as to abrogate the restrictions imposed by this Easement, the Grantor and the RMEF shall join in appropriate actions to recover the full value of the Property taken and all incidental or direct damages resulting from such taking. All expenses incurred by the Grantor or the RMEF in any such action shall first be reimbursed out of the recovered proceeds; the remainder of such proceeds shall be divided between the Grantor and the RMEF in proportion to their interest in the Property, as provided in the first paragraph of this Section.

The Grantor agrees that this Easement will be recorded in the real property records of San Miguel County and reference hereto shall be made in any subsequent deed, or other legal instrument, by means of which they convey any interest in the Property (including any leasehold interest). The Grantor will notify the RMEF in writing of any conveyance of interest by sending written notice to the RMEF as provided in paragraph A of Section IV. The Grantor agrees to provide notice of this Easement to successor owners of interest, and to any potential purchasers or subsequent owners. In the event the Grantor elects to sell some or all of the Property, the Grantor agrees to provide notice of this Easement in any sale or solicitation materials or information.

SECTION XIV - MISCELLANEOUS PROVISIONS

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

B. Enforcement. The Grantor intends that enforcement of the terms and provisions of this Easement shall be at the discretion of the RMEF, and that the RMEF's failure to exercise its rights under this Easement in the event of any breach of this Easement by the Grantor shall not be deemed or construed to be a waiver of the RMEF's rights under this Easement in the event of any subsequent breach.

C. "Grantor" and "RMEF". The terms "Grantor" and "RMEF", as used in this Easement, and any pronouns used in place thereof, shall mean and include the above-named Grantor, and its heirs, personal representatives, executors, successors and assigns, and the RMEF and its successors and assigns, respectively.

D. Titles. Section and paragraph titles and subtitles are for convenience only and shall not be deemed to have legal effect.

E. Amendment. Nothing in this Easement shall be construed to preclude the Grantor from making a subsequent conveyance of rights in the Property to further protect its conservation values, provided, however, that any such subsequent conveyance shall not impair any conservation purpose sought to be advanced by this Easement. This Easement may only be amended by the mutual agreement of the parties hereto during their ownership of the Property, or subsequently, their successors or assigns, provided any such amendment shall not impair the conservation purposes of this Easement.

F. Liberal Construction. This Easement shall be liberally construed in favor of maintaining the Conservation Values of the Property, and in accordance with CRS 38-30.5-101, et seq. If any provision of this Easement is held to be invalid or in violation of IRS regulations concerning conservation easements, then that section will be null and void and of no effect and such invalidity shall not have any affect on the remaining provisions of this Easement.

G. Successors. This Easement is binding upon, and will inure to the benefit of the Grantor's and the RMEF's successors in interest. All subsequent owners of the Property are bound to all provisions of this Easement to the same extent as the Grantor.

H. Governing Law. This Easement will be construed in accordance with Colorado Law.

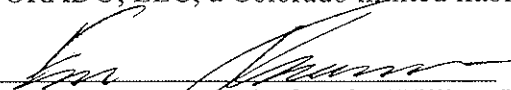
I. Entire Agreement. This Easement sets forth the entire agreement of the parties. It is intended to supersede all prior discussions or understandings.

J. Compliance with Law. All uses and practices permitted by this Easement, including the Primary Uses, will not exceed or violate but will be in full compliance with all applicable state and federal laws.

IN WITNESS WHEREOF, the Grantor and the RMEF execute this Easement.

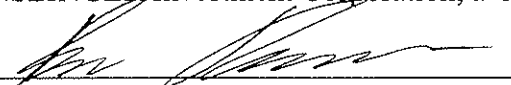
GRANTOR:

DEBORADO, LLC, a Colorado limited liability company

By: 

Eric Trommer, attorney-in-fact for William W. Carstens, trustee UDT dated February 7, 1980, Manager

GUNSLINGER Investment Corporation, a Colorado corporation

By: 

Eric Trommer, attorney-in-fact for William W. Carstens, President

RMEF:

ROCKY MOUNTAIN ELK FOUNDATION, INC.

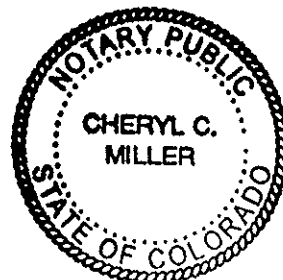
By: 
Gary J. Wolfe
President and CEO

STATE OF COLORADO)
) ss.
 COUNTY OF San Miguel)

The foregoing instrument was acknowledged before me this 29th day of June, 2000, by Eric Trommer, attorney-in-fact for William W. Carstens, trustee UDT dated February 7, 1980, Manager of Deborado LLC, a Colorado limited liability company

My commission expires: 7-26-03

Cheryl C. Miller
 Notary Public



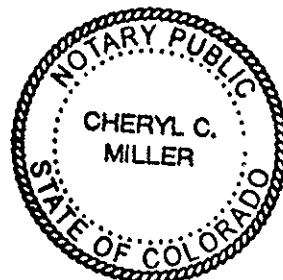
STATE OF COLORADO)
) ss.
 COUNTY OF San Miguel)

The foregoing instrument was acknowledged before me this 29th day of June, 2000, by Eric Trommer, attorney-in-fact for William W. Carstens, President of Gunslinger Investment Corporation, a Colorado Corporation

My commission expires: 7-26-03

Cheryl C. Miller
 Notary Public

My Commission Expires 7-26-03



STATE OF MONTANA)
) ss.
 County of Missoula)

On this 28th day of July, 2000, Gary J. Wolfe, who is known to me to be the President and CEO of Rocky Mountain Elk Foundation, Inc., and the person whose name is subscribed to the instrument set forth above, personally appeared before me, *Debra A. Richards*, a Notary Public for the State of Montana, and acknowledged that he executed the same on behalf of Rocky Mountain Elk Foundation, Inc.

My Commission Expires 7-26-03

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date above written.



Debra A. Richards
 Notary Public for the State of Montana
 Residing at Missoula, Montana
 My commission expires 03-23-03

Exhibit A

TO AMENDED DEED OF CONSERVATION EASEMENT
Deborado, LLC and Gunslinger Investment Corporation
Combined legal description

Lot 2 of the Amended Replat of Sound of Music recorded in Plat Book 1 at
page 1239, San Miguel County, Colorado.

Exhibit A-1: legal description of Deborado, LLC ownership .

Exhibit A-2: legal description of Gunslinger Investment Corporation ownership

D:\Eric's Docs\Winword\Sound of Music\RMEF\Exhibit A.doc



Exhibit A-1

TO AMENDED DEED OF CONSERVATION EASEMENT Gunslinger Investment Corporation - legal

A tract of land being a part of Lot 2 of the Amended Replat of Sound of Music recorded February 6, 1992 in Plat Book 1 at page 1239, and located in Sections 4 and 5, Township 42 North, Range 10 West of the New Mexico Principal Meridian and in Sections 32 and 33, Township 43 North, Range 10 West of the New Mexico Principal Meridian, described as follows:

BEGINNING at the East 1/4 corner of said Section 5;
Thence South 89°40'17" West a distance of 1307.45 feet to the Southwest corner of the Southeast 1/4 of the Northeast 1/4 of Section 5;
Thence North 00°45'06" East a distance of 1319.06 feet to the Northwest corner of said Southeast 1/4 of the Northeast 1/4 of Section 5;
Thence South 89°38'43" West a distance of 1314.87 feet to the Southeast corner of the Northeast 1/4 of the Northwest 1/4 of Section 5;

Thence South 89°38'56" West a distance of 961.31 feet along the South boundary of the said Northeast 1/4 of the Northwest 1/4 of Section 5;
Thence North 07°09'02" East a distance of 1098.46 feet;
Thence North 86°26'24" East a distance of 478.48 feet;
Thence South 12°39'14" East a distance of 69.23 feet to the North boundary of a 60 foot wide road and utility easement;
Thence along said North boundary the following 12 courses:
1) North 86°13'36" East a distance of 272.94 feet;
2) North 80°48'44" East a distance of 96.55 feet;
3) 72.85 feet along the arc of a curve to the left having a central angle of 43°56'19", a Radius of 95.00 feet and a Chord bearing North 58°50'34" East a distance of 71.08 feet;
4) North 36°52'25" East a distance of 219.23 feet;
5) 256.80 feet along the arc of a curve to the left having a central angle of 53°07'35", a Radius of 370.00 feet and a Chord bearing North 16°59'25" East a distance of 251.68 feet;
6) North 02°53'34" West a distance of 282.28 feet;
7) 285.26 feet along the arc of a curve to the right having a central angle of 125°43'35", a Radius of 130.00 feet and a Chord bearing North 59°58'13" East a distance of 231.38 feet;
8) South 57°10'00" East a distance of 482.48 feet;
9) South 61°20'12" East a distance of 262.04 feet;
10) 271.45 feet along the arc of a curve to the left having a central angle of 28°32'16", a Radius of 545.00 feet and a Chord bearing South 75°36'20" East a distance of 268.65 feet;
11) South 89°52'27" East a distance of 29.13 feet;
12) 190.27 feet along the arc of a curve to the right having a central angle of 28°41'21", a Radius of 380.00 feet and a Chord bearing South 75°31'47" East a distance of 188.29 feet;
Thence North 40°15'39" East a distance of 236.5 feet;
Thence North 26°41'29" West a distance of 1332.69 feet;
Thence North 25°06'48" West a distance of 1082.14 feet;
Thence North 25°47'31" West a distance of 658.58 feet;
Thence North 72°56'02" East a distance of 1964.12 feet;
Thence South 54°33'53" East a distance of 482.21 feet;
Thence South 27°41'52" East a distance of 977.48 feet;
Thence South 05°53'17" East a distance of 2481.30 feet to the South boundary of said Section 33;
Thence South 89°51'31" East a distance of 519.09 feet to the Northeast corner of the West 1/2 of the Northwest 1/4 of said Section 4;
Thence South 00°48'22" West a distance of 2627.63 feet to the Southeast corner of said West 1/2 of the Northwest 1/4 of Section 4;
Thence South 89°30'44" West a distance of 1259.82 feet to the POINT OF BEGINNING,

Exhibit A-2

TO AMENDED DEED OF CONSERVATION EASEMENT
Deborado, LLC - legal

A parcel of land located in Sections 18, 19, 20, 28, 29, 30, 31, 32 and 33,
Township 43 North, Range 10 West, and Sections 4 and 5, Township 42 North,
Range 10 West of the New Mexico Principal Meridian designated as Lot 2,
Amended Replat of Sound of Music, according to the Map recorded February 6,
1992 in Plat Book 1 at page 1239,
EXCEPT that portion conveyed in Deed recorded August 30, 1994 in Book 534 at
page 344,

County of San Miguel,
State of Colorado.

BT

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that, William W. Carstens, trustee UDT dated February 7, 1980 (the "Trust"), which Trust is the Manager of DEBORADO, LLC, a Colorado limited liability company, (hereinafter referred to as "DEBORADO"), and William W. Carstens as President of Gunslinger Investment Corporation, a Colorado corporation (hereinafter referred to as "GUNSLINGER"), do hereby make, constitute and appoint ERIC TROMMER, of the County of SAN MIGUEL, State of COLORADO, as attorney-in-fact, with full power and authority to act on behalf of the Trust, and to act as attorney-in-fact for the Trust in the Trust's capacity as the Manager of DEBORADO, and to act on behalf of William W. Carstens and to act as attorney-in-fact for William W. Carstens in William W. Carstens capacity as President of Gunslinger, in said attorney's sole and absolute discretion, in regard to the following transactions currently contemplated by DEBORADO and GUNSLINGER:

The execution of the Amendments to Deed of Conservation Easement on Wilson Mesa, located on the Sound of Music Ranch in San Miguel County, Colorado.

Specifically, and not by way of limitation of the foregoing grant of power of attorney, said attorney is hereby authorized and empowered to disburse any monies as may be owed as a result of the aforementioned transactions, and to make, execute, acknowledge and deliver contracts for the sale and/or purchase and/or trade of real property, deeds, settlement agreements, leases, plats, amendments to plats, closing statements, indemnity agreements, affidavits, escrow agreements, closing documents, promissory notes, deeds of trust and any other documents related to any loan on any part or all of the foregoing property, and any other form or type of instrument in writing of every kind and nature, including the right to decision making or execution of documents necessary to prosecute or defend any litigation arising out of the transaction referred to above, including affidavits, verified complaints, engagement of attorneys, etc., all upon such terms and conditions as my said attorney may deem necessary or convenient to accomplish the transactions contemplated above. My said attorney shall have full power and authority to do and perform all acts necessary to be done to enter into and close the transactions contemplated above, with full power of revocation, hereby ratifying and confirming all that said attorney shall lawfully do or cause to be done by virtue of this Power of Attorney and the powers contained herein.

This Power of Attorney shall not be affected by my disability. This Power of Attorney shall automatically expire by its own terms upon the completion of the limited purposes set forth above.

EXECUTED this 26th day of June, 2000

DEBORADO, LLC, a Colorado limited liability company

By: William W. Carstens
William W. Carstens, trustee
UDT dated February 7, 1980
Manager

Gunslinger Investment Corporation,
a Colorado corporation

By: William W. Carstens
William W. Carstens, President

STATE OF COLORADO)

COUNTY OF SAN MIGUEL) ss.

The foregoing instrument was acknowledged before:
William W. Carstens, trustee UDT dated February 7, 1980, as
company and William W. Carstens as President of Gunslinger

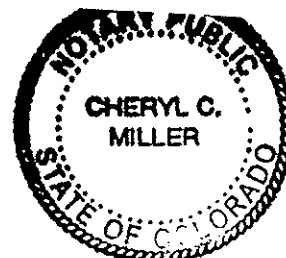
Witness my hand and official seal.

My commission expires 7-26-03
Cheryl C. Miller
Notary Public

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RECORD 1st

2000, by
Colorado Limited liability
Colorado corporation.



My Commission Expires 7-26-00

AMENDMENT TO DEED OF CONSERVATION EASEMENT

Wilson Mesa Conservation Easement, Colorado

WHEREAS, a Deed of Conservation Easement (the "Easement") was granted as of December 19, 1996, by Billorado Properties, a Colorado General Partnership, to the Rocky Mountain Elk Foundation, Inc., a Montana non-profit corporation, said Easement duly recorded in Book 573 at Page 629 of the San Miguel County Clerk Office, on December 23, 1996; and

WHEREAS, the parties acknowledge the Property has changed ownership from Billorado Properties to Deborado, LLC, a Colorado limited liability company; and

WHEREAS, the parties to the Easement and Gunslinger Investment Corporation, a Colorado corporation, the owner of an adjacent 389 acres, more or less, desire to, and are in agreement to amend the Easement to further the conservation purposes and intentions of the Easement. The amendments accomplish the following:

1. revise the language of Paragraphs A and B of Section III to modify the number of Building Areas allowed on the Property;
2. delete Paragraph L of Section III, which permitted limited use of rock, sand and gravel from the Property;
3. revise Paragraph G of Section V to prohibit open-pit or surface mining on the Property and to require all mineral activities to be consistent with 170(h)(5)(B) of the Internal Revenue Code;
4. add 389 acres, more or less, owned by Gunslinger Investment Corporation to the land to be conserved and protected by the Easement, as identified in the Easement Exhibits A and B; and,
5. permit a boundary line adjustment between the Deborado, LLC and the Gunslinger Investment Corporation land to reduce the footage of fencing impairing the Conservation Values of the Easement, (as identified in Section III, Paragraph, M, and on Exhibit B of the Easement).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties to the Easement, and Gunslinger Investment Corporation, agree and acknowledge that the Amended Deed of Conservation Easement, attached hereto, is the conservation easement to conserve, protect, and encumber the lands covered by the Easement, including, as of the date of execution hereof, the lands owned by Gunslinger Investment Corporation, and will amend and replace the December 19, 1996 conservation easement, and will be immediately filed and placed of record.

GRANTOR:

DEBORADO LLC, a Colorado limited liability company

By: 

Eric Trommer, attorney-in-fact for William W. Carstens, trustee UDT dated February 7, 1980, Manager

GUNSLINGER INVESTMENT CORPORATION, a Colorado corporation

By: 

Eric Trommer, attorney-in-fact for William W. Carstens, President

RMEF:

ROCKY MOUNTAIN ELK FOUNDATION, INC.

By: 

Gary J. Wolfe
President and CEO

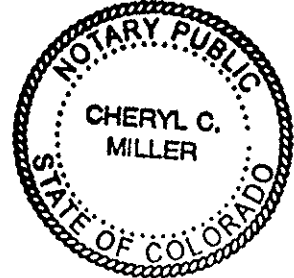


STATE OF COLORADO)
) ss.
 COUNTY OF San Miguel)

The foregoing instrument was acknowledged before me this 29th day of June, 2000, by Eric Trommer, attorney-in-fact for William W. Carstens, trustee UDT dated February 7, 1980, Manager of Deborado LLC, a Colorado limited liability company

My commission expires: 7-26-03

Cheryl C. Miller
 Notary Public



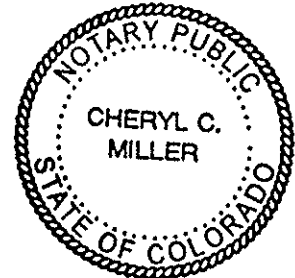
My Commission Expires 7-26-03

STATE OF COLORADO)
) ss.
 COUNTY OF San Miguel)

The foregoing instrument was acknowledged before me this 29th day of June, 2000, by Eric Trommer, attorney-in-fact for William W. Carstens, President of Gunslinger Investment Corporation, a Colorado Corporation.

My commission expires: 7-26-03

Cheryl C. Miller
 Notary Public

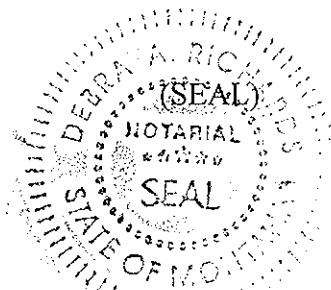


My Commission Expires 7-26-03

STATE OF MONTANA)
) ss.
 County of Missoula)

On this 28th day of July, 2000, Gary J. Wolfe, who is known to me to be the President and CEO of Rocky Mountain Elk Foundation, Inc., and the person whose name is subscribed to the instrument set forth above, personally appeared before me, Debra A. Richards, a Notary Public for the State of Montana, and acknowledged that he executed the same on behalf of Rocky Mountain Elk Foundation, Inc.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal on the date above written.



Debra A. Richards
 Notary Public for the State of Montana
 Residing at Missoula, Montana
 My commission expires 03-23-03

[Handwritten signature]

Exhibit "A"
Description/Depiction of New North-South Dividing Line

