



DEED OF CONSERVATION EASEMENT
FROM
CARROLL REALTY CO, INC.
TO
THE SHERIDAN COMMUNITY LAND TRUST
ON
MARCH 9 2012



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DEED OF CONSERVATION EASEMENT SOLDIER HILLS

THIS DEED OF CONSERVATION EASEMENT is made by Carroll Realty Co, Inc. a Wyoming corporation of Sheridan County, Wyoming ("Grantor"), in favor of the Sheridan Community Land Trust ("Grantee"), a non-profit charitable corporation incorporated under the laws of the State of Wyoming and in good standing in the State of Wyoming, with its principal business office at 306 N. Main Street, Sheridan, Wyoming 82801.

RECITALS

A. Grantor is the owner in fee simple of certain unencumbered real property known as the Soldier Hills, in Sheridan County, Wyoming, totaling 522 acres more or less, more particularly described in attached **Exhibit A** (the "Property").

B. The Property constitutes a valuable component of the scenic and open-space lands in the Soldier Creek valley and the Property remains largely undeveloped and retains its agricultural and ecological characteristics.

C. The Property is in the Northern Great Plains Steppe, near the eastern base of the Big Horn Mountains, 5.5 miles directly west of the city limits of Sheridan. The Property is characterized by its upper grasslands with steep coulees running north and south from the main ridge. The Property is year-round habitat for a variety of wildlife species, both resident and migratory, and provides a key habitat linkage and migration corridor for these species.

D. The Property provides significant scenic and open space values to the public who view the Property from Soldier Creek Road (County Road 330), as well as being visible from Interstate 90 in the vicinity of Sheridan City limits. These public roadways include routes for recreation traffic between the Black Hills recreation areas and Yellowstone National Park and from nearby cities to recreation areas in the Bighorn National Forest and Cloud Peak Wilderness.

E. The Sheridan County Comprehensive Plan, adopted in December, 2008, and currently in effect, recognizes that "Sheridan County is a place with great natural beauty and ecological diversity with abundant and diverse wildlife, scenic beauty, water, and other resources that are important to residents and visitors – both for the economy and for a sustainable and livable community." (Ch 4). The 2008 Plan further recognizes that "Agriculture and ranching has been one of the traditional economic mainstays of Sheridan County, and is a primary source of the highly valued visual quality of the county." (Ch. 1, Issue 5). The 2008 Plan expressly recognizes in its list of key issues that private land trusts "have accomplished a great deal of land conservation (for both open lands and agriculture, especially along the Bighorn Foothills)." (Ch. 1, Issue 6). It is an express policy of Sheridan County that, "the county will continue to support and work with nongovernmental organizations that are involved in conservation of open space and agricultural resources," (Ch. 3, Policy 1.2d) and it is an express policy that the County will plan for open space and natural and scenic resources. (Ch. 3, Policy 1.6a). Sheridan County has committed in its 2008 Plan to continue the Big Horn Foothills Conservation Resource Area, established in 1982, for purposes including protecting the foothills' unique visual quality and maintaining traditional agricultural uses. (Ch. 3, Sec. 5). As stated in the 2008 Plan, it is an express policy of Sheridan County "to support efforts of property owners and non-governmental organizations to sustain working farms and ranches—especially large, intact, and contiguous properties with productive and irrigated agriculture." (Ch. 4, Policy 2.4a). It is a further express policy of Sheridan County to "work with property owners and conservation organizations and land trusts to create a protected and cohesive system of open space," (Ch. 4, Policy 2.5b) and, as restated in the 2008 Plan summary, "to support policies that are compatible with activities of land trusts and landowners to privately conserve land, particularly in the foothills area." (Ch. 13, Action Plan 2.5b). All of these goals are served by the preservation of the Property under this Easement. The preservation of open space, agricultural operations, and wildlife habitat on the Property is consistent with clearly delineated policies adopted by the local government, and will yield a significant public benefit.



F. The protection of the Property under the terms of this Easement is consistent with the purposes and provisions of the Farmland Protection Policy Act, 7 U.S.C. §§ 4201, et seq., which is intended to minimize the extent to which Federal programs and policies contribute to the conversion of farmland to non agricultural uses.

G. The use of the Property for agricultural production, open space and scenic values and the ecological values including important wildlife habitat, are of great importance to Grantor, Grantee, the People of Sheridan County, the people of the State of Wyoming, and the people of the United States and are worthy of preservation.

H. Grantor and Grantee intend that the Property be maintained in a condition to allow for the protection of the agricultural, open space, wildlife habitat and scenic values of the Property in perpetuity.

I. Grantor intends that the Conservation Values of the Property are preserved and maintained by the continuation of current land use, including, without limitation, those related to ranching and farming existing at the time of this grant and future ranching and farming uses that do not significantly interfere with, impair, or threaten these identified conservation values.

J. Grantor, as the owner in fee of the Property, owns the affirmative rights to identify, to conserve and protect in perpetuity the Conservation Values of the Property.

K. Grantor intends to convey to Grantee the right to preserve, protect and otherwise act as steward of the Conservation Values of the Property in perpetuity.

L. The specific conservation values of the Property include the use of the Property for agricultural production, open space and scenic values, and the natural habitat of wildlife and plants ("Conservation Values") and are documented in a report to be kept on file at the offices of Grantee, which documentation ("Baseline Documentation") the parties agree provides an accurate representation of the Property as of the effective date of this grant, and which is intended to serve as an objective baseline for monitoring compliance with the terms of this grant.

M. Grantee represents that Grantee is a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations there under (the "Code"), whose purposes include the conservation of agricultural lands, wildlife habitats, scenic areas and open space to benefit the community for charitable purposes.

N. Grantee represents that Grantee is a "qualified organization," as that term is defined in Section 170(h) of the Code.

O. Grantee has received letters from the Internal Revenue Service, on file at the offices of Grantee, to the effect that Grantee is a "publicly-supported" organization under Sections 509(a)(1) and 170 (b)(1)(A)(vi) of the Code and is not a private foundation within the meaning of Section 509(a) of the Code.

P. Grantor and Grantee recognize the scenic, natural, agricultural, and open space character of the Property, and have the common purpose of the conservation and protection in perpetuity of the Property through the use of restrictions on the Property and with the transfer from Grantor to Grantee of affirmative rights for the protection of the Property, intending the grant of such restrictions and rights to qualify as a "qualified conservation contribution" as that term is defined under Section 170(h)(2)(C) of the Code.

EASEMENT GRANT

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the provisions of the Wyoming Uniform Conservation Easement Act, Sections 34-1-201 through 34-1-207 of the Statutes of Wyoming (the "Act"), and pursuant to Section 170(h) of the Code, Grantor hereby grants and conveys to Grantee and its successors and permitted assigns



the charitable contribution of a conservation easement (the "Easement") in perpetuity over the Property to the extent herein set forth. Grantor herein declares that the Property shall be held, mortgaged, encumbered, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, and easements herein, which shall be deemed to run with the land in perpetuity. Grantee binds itself to monitor the use of the Property, and to enforce the restrictions on the future use of the Property imposed by this Easement in perpetuity. The parties intend, by thus controlling and limiting the rights to the future use of the Property, to permanently protect the Conservation Values of the Property for the benefit of the public, and to permanently conserve the Property.

SECTION 1. PURPOSE

1.1 Purpose. The "Conservation Purposes" of this Easement are, generally, to preserve the public interest in the Property's Conservation Values, and other significant conservation interests, and more specifically to (i) protect and preserve the Property's open space and scenic values, (ii) conserve the wildlife habitat, (iii) conserve the working agricultural landscape, (iv) prevent any use of the Property that will significantly impair or interfere with the Property's Conservation Values and (v) restrict the use of the Property to those uses that are consistent with such Conservation Values and interests, recognizing that the Property's historical agricultural uses have contributed to the preservation and conservation of such Conservation Values.

SECTION 2. RIGHTS OF GRANTEE

2.1 Preservation and Protection. Grantee has the right to preserve and protect in perpetuity the Conservation Values of the Property in the manner set forth in this Easement.

2.2 Access. Grantee has the right to enter upon the Property after reasonable notice and in a manner not to interfere with Grantor's activities, to monitor the Grantor's compliance with and otherwise enforce the terms of this Easement. Grantee shall also have the right of immediate entry to the Property if, in Grantee's reasonable judgment, such entry is necessary to prevent damage to or the destruction of the Conservation Values of this Easement, which will be reasonably exercised.

2.3 Enforcement, Injunction and Restoration. Grantee has the right to obtain injunctive or other relief against any activity or use of the Property that is inconsistent with the Easement and to enforce the restoration of such areas or features that may be damaged by such activities, after providing Grantor with reasonable notice and reasonable opportunity to cure. In the event a controversy arises with respect to the nature of the protected values, the parties may utilize the Baseline Documentation and any other relevant document, survey, or other information to assist in resolving the controversy.

2.4 Events Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control, including acts of trespassers or the unauthorized wrongful acts of third persons, fire, flood, storm, earth movement, and major tree disease, 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.

SECTION 3. PROHIBITED ACTIVITIES

3.1 Prohibited Uses. Any activity or use of the Property inconsistent with the purposes of this Easement and which is likely to cause material damage to the Conservation Values is expressly prohibited. Except as specifically allowed in Section 4 of this Easement, the following uses of the Property are inconsistent with the purposes of this Easement and are prohibited:



(a) Subdivision. There will be no division, subdivision, or de facto subdivision of Grantor's land into separate tracts, whether by physical or legal process, including but not limited to the partition of undivided interests, except for the division and conveyance of four (4) separate parcels with Development Envelopes as allowed by Section 4.2.

(b) Construction. There will be no construction of buildings, structures, or facilities, including mobile homes on the Property, except for such construction allowed in the permitted Development Envelopes defined in Section 4.2.

(c) Commercial or Industrial Facilities. There will be no commercial or industrial facilities on the Property other than facilities incidental or in support of the permitted agricultural activities and those limited professional or in-home commercial activities permitted in the identified Development Envelopes, as defined in Section 4.2.

(d) Game Farming or Game Farm Animals. The Property shall not be used to construct, conduct, or operate a game farm, or raise or hold game farm animals on the Property. Game farm animals include game animals, the possession of which is regulated or prohibited by Wyoming law.

(e) Exotic Wildlife. There shall be no introduction of exotic, non-native wildlife, as defined by state law, with the exception of those game birds or fish species that have become common in the general area (e.g., pheasant, grey partridge).

(f) Mineral Extraction. To the extent allowed by Grantor's ownership of mineral rights on the Property, there will be no commercial extraction of minerals by surface mining techniques, nor removal of topsoil, gravel, shale, sand or other components of the natural surface, from the Property.

(g) Consent to Mining. The Grantor shall not consent to any mining or surface mining on the Property under Wyoming Statute §35-11-406(b)(xi) or (xii) of the Wyoming Environmental Quality Act or other applicable laws.

(h) Waste Dumps. There will be no dumping or disposal of waste which is toxic to humans or wildlife or which threatens the agricultural, open space, wildlife, or scenic values of the Property.

(i) Hazardous Materials. Any petroleum products, explosives, hazardous substances, toxic substances, and any other substance which may pose a present or potential hazard to human health or the environment shall not be released or dumped on the Property at any time, and shall not be stored or used except as lawfully stored and used in necessary quantities for agricultural and residential purposes. In addition, the installation of underground storage tanks and the use of the Property as a storage facility for hazardous waste are prohibited.

(j) Waste Storage. The use of the Property as a storage facility of waste, junk, vehicles, equipment, or materials, generated off the Property is prohibited.

(k) Paving. No portion of the Property shall be paved or otherwise be covered with concrete, asphalt or any impervious paving material except as allowed in association with Grantor's Reserved Rights and detailed in Section 4.

(l) Alteration of Topography. There will be no material alteration of the topography of the Property, except as necessary for (i) the creation of water impoundments for the preservation of Conservation Values, (ii) construction of new irrigation ditches or systems for maintaining and/or enhancing current agricultural values, (iii) for the construction of permitted building and private roads serving the Property, and (iv) within the Development Envelopes detailed in Section 4.

(m) Billboards. There will be no construction, maintenance, or erection of billboards on the Property. Billboards do not include signs that blend into the natural surroundings that are used for posting the name of the Property, advertising businesses/entities which occur/reside on the Property, controlling public access,

addressing public safety, education or interpretation, providing public notification or information of this Easement or advertising the Property for sale.

(n) Towers and Facilities. There will be no construction or placement of any commercial transmission or receiving tower, commercial energy facility or other temporary or permanent commercial structure or facility other than permitted buildings within the Development Envelopes on the Property. However, agricultural facilities such as stock water wells, stock tanks, and similar facilities excluding buildings which are wind, hydro, solar or electrically powered, or not powered, and are constructed solely for agricultural purposes, or which otherwise support the Conservation Values of this Easement, are permitted anywhere on the Property.

(o) Water Rights. There shall be no transfer, sale, lease or other separation of water rights from the Property or change of historic use of water to the detriment of the Conservation Values of the Property. To the extent the Property has existing water rights, the landowner must retain water rights sufficient to allow continued agricultural production. Additional water rights may be obtained or developed as required for farming, ranching, and/or wildlife conservation purposes.

(p) Water Courses. There shall be no alteration of natural water courses, except for (i) established agricultural irrigation purposes, (ii) flood control, and (iii) reservoir construction for livestock, irrigation, or wildlife habitat purposes.

(q) Feedlots. The Property shall not be used for the establishment or maintenance of any commercial feedlot, defined for purposes of the Easement 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, but not including existing or similar corrals used for holding and feeding Grantors' livestock.

(r) Public Access to Property. Nothing in this Easement shall be construed to create a right of public access to the Property. While there exists a right of public access along Cavalry Ridge Road to access certain parcels adjacent to the Property, nothing in this Easement shall be construed to preclude Grantor's right to grant limited access to its invitees to use and enjoy the Property, provided that such access is allowed in a reasonable manner that does not result in actions inconsistent with the Conservation Values of this Easement.

(s) Overgrazing. The property shall not be used in a manner that causes the pasture to be overgrazed. The number of cattle, horses, sheep or other domestic livestock grazing on the property shall be limited so that there is always grass remaining on all parts of the property. In the event rainfall is below normal, the number of livestock on the property shall be reduced so that the property is not overgrazed.

(t) Unanticipated Uses. There will be no unanticipated use or activity on or at the Property which would impair significant Conservation Values unless such use or activity is necessary for the protection of the Conservation Values that are the subject of this Easement, in which case such use or activity shall be subject to the prior written approval of the Grantee.

SECTION 4. GRANTOR'S RESERVED RIGHTS

4.1 General Reserved Rights. Grantor reserves to itself, and to its successors and assigns all rights accruing from its ownership of the Property, including the right to engage in, permit, or invite others to engage in all uses of the Property that are not expressly prohibited herein and which are consistent with the purposes of this Easement, and which do not adversely impair or threaten the Conservation Values of the Property specifically including, but not limited to:

(a) Agriculture. Grantor reserves the right to conduct all activities related to agriculture, including the right to graze, pasture, feed, water and care for livestock of every nature, the right to grow hay, grain, alfalfa, and other regional agricultural crops, and the right to continue the traditional agricultural and ranching use

of the Property as long as such uses do not adversely impair or threaten the Conservation Values of this easement. For the purposes of this Easement, the term "agriculture" and "agricultural" refer to food and fiber producing activities based on the grazing of livestock, the feeding of livestock raised on the Property, or the planting and cultivation of crops. Permitted agricultural activities include the use of currently accepted and, in the future, newly developed means of livestock and crop production that fit within the meaning of the terms used herein and do not result in actions inconsistent with the Conservation Values of this Easement. It is the intent of Grantor and Grantee that the Property remains open and available for agriculture, maintaining or improving the quality of the land and water at the time of the easement for future agricultural uses. The Grantor recognizes the importance of good resource management and stewardship to maintain the Conservation Values for present and future generations. To this end, agricultural uses of the Property shall be conducted using generally accepted stewardship and management practices for the agricultural industry.

(b) Roads and Utilities. Grantor reserves the right to construct access roads, trails and utilities, with associated culverts and cattleguards, if reasonably necessary for agricultural purposes and for access to permitted buildings and Development Envelopes. In addition, Grantor reserves the right to grant utility easements for utilities including power and water in connection with uses of the Property permitted by this Easement. Grantor reserves the right to construct utility systems consistent with the Conservation Values for use on the Property, including but not limited to, solar power generation and distribution systems and wind turbines and distribution systems, hydro power generation and distribution systems, and irrigation facilities so long as such utility systems are not for commercial purposes (it being understood that running the meter backwards does not constitute a commercial purpose). Grantor shall bury all utility systems or extensions of existing utility systems constructed in the future. Any disturbed areas shall be re-vegetated and restored to a natural condition with native vegetation. If Grantor determines it is impractical to locate any new or replacement utility underground, then such utility shall be located so as to minimize the impact on scenic views of the Property from associated public vantage points. The Grantor reserves the right to pave access roads with asphalt, concrete, or similar impervious surface.

(c) Cutting or Clearing Vegetation. Grantor reserves the right to selectively cut or clear vegetation and mow hayfields or pastures for Agricultural purposes, fire protection, weed control, preservation of vistas, wildlife habitat, or otherwise to preserve the present condition of the Property.

(d) Irrigation Facilities. Grantor reserves the right to construct, maintain, develop or alter irrigation facilities, including ditches, pipelines, sprinklers and reservoir systems on the Property if such actions are necessary or beneficial for grazing livestock, growing crops, wildlife or fisheries on the Property pursuant to the terms of this Easement and provided such actions are in compliance with all applicable laws and regulations.

(e) Water Rights. Grantor reserves the right to use all of Grantor's water rights, and related interests, in or appurtenant to the Property for present and future agricultural production on the Property, and to acquire additional water rights for agricultural use and other permitted activities on the Property.

(f) Wells and Septic Systems. Grantor reserves the right to drill for water on the Property and to make available water wells and septic systems for any existing or permitted structures on the Property, provided that such development is in compliance with all applicable federal, state, and local statutes and regulations.

(g) Fences. Grantor reserves the right to build, maintain and repair fences for agricultural or ranching purposes and for conservation purposes at any location on the Property at any time, and to fence the boundaries or interior portions of Development Envelopes, around buildings, gardens, yards, hay storage areas and similar areas within Development Envelopes. Grantor shall construct and repair such fences in a manner as to not adversely impair or threaten the Conservation Values of the Property or to prevent the migration of wildlife across the Property. Except in Development Envelopes, new fencing and replacement of existing fencing shall be done in a manner that enhances the wildlife values of the Property by the method of "wildlife friendly" fencing techniques as defined at the time of repair or construction by Grantee.

(h) Trees and Shrubs. Grantor reserves the right to selectively plant and harvest trees and shrubs anywhere on the Property for range enhancement, insect control, fruit production, or commercial sale.

(i) Burning. Grantor reserves the right to conduct controlled burning of rangeland and waste wood or brush and to accumulate and burn general non-toxic household and agricultural trash generated on the Property using screened or otherwise enclosed incinerator or cleared open area.

(j) Pesticides and Herbicides. Grantor reserves the right to use chemical fertilizers, herbicides, pesticides, fungicides, and natural controls in connection with any ranching or agricultural activity on the Property, and for the control of noxious weeds, and pests, provided that (i) such use must be in compliance with all applicable federal, state, and local statutes and regulations, and (ii) such use shall not adversely impair or threaten the Conservation Values of the Property.

(k) Agricultural Leasing. Grantor reserves the right to lease all or any portion of the Property for any use or activity that is permitted by this Easement and does not adversely impair or threaten the Conservation Values of the Property.

(l) Recreation. Grantor reserves the right to engage in hiking, biking, horseback riding, hunting and fishing, non-motorized camping, picnicking, bird watching and any other non-commercial, non-motorized recreational activities, which do not adversely impair or threaten the Conservation Values of the Property.

(m) Use of Vehicles. Grantor reserves the right to use motorized vehicles, including snowmobiles and all-terrain vehicles, at any time on Calvary Ridge Drive and within any Development Envelope. Grantor reserves the right to use motorized vehicles, including snowmobiles and all-terrain vehicles, at any time and any place on and off Calvary Ridge Road necessary for the reserved agricultural uses on the Property. In addition, Grantor reserves the right to use vehicles when necessary (i) for fire suppression; (ii) for emergency or severe weather access; (iii) weed control; (iv) habitat enhancements; (v) maintenance of public trails; (vi) maintenance of the Property; or (vii) other uses subject to the approval of the grantee.

(n) Habitat Enhancement. Grantor reserves the right to undertake enhancement of existing plant and animal habitat, including the construction of reservoirs and wildlife food plots. Such enhancement shall require the advance written approval of the Grantee, which approval shall not be unreasonably withheld.

(o) Predators. Grantor reserves the right to control predatory and problem animals, including prairie dogs and another rodents, by the appropriate use of legal control techniques.

(p) Wyoming Walk-In Hunting Area Access. Grantor reserves the right to enroll the Property into Wyoming's Walk-In Hunting Area Program or similar program.

(q) General. Grantor reserves the right to conduct activities that have a low level of impact and intrusion, that are environmentally sound and that are not inconsistent with the purpose of this Easement, and that do not adversely impair or threaten the Conservation Values of the Property.

4.2 Residences, Improvements and Subdivision of Land. Subject to the provisions of this Section 4.2, Grantor reserves the right to subdivide the property into a total of four legally described parcels of varying or uniform sizes. Each parcel will be designed to include one of the four (4) allowed Development Envelopes, generally identified and described in **Exhibit B**. Each tract may be sold, conveyed and owned by separate owners, provided that no such separate tract shall be smaller than eighty (80) acres in size, and no tract may be further subdivided.

(a) The four (4) Development Envelopes are generally described and shown in Exhibit B, the final configuration of which shall be presented by Grantor to

Grantee for its approval which shall not be unreasonably withheld. No Final Development Envelope shall exceed an area of two (2) acres. All Final Development Envelopes shall be surveyed in such a manner that no more than fifty percent (50%) of the two (2) acre area lies outside of the Development Envelopes generally described and shown in Exhibit B.

(b) Grantor reserves the right to build and maintain one (1) single family residence and additional outbuildings that support the residence, agricultural operations, or other activities not prohibited by this easement and permitted by Sheridan County zoning regulations within each two (2) acre Development Envelope. Consistent with Section 3.1b buildings are allowed only within Development Envelopes.

(c) Rights-of-way for utilities may be established and used across the Property to serve each tract and Development Envelope.

(d) Roads to access each of the four (4) separate tracts may be constructed, modified and maintained on the Property and roads to access the Development Envelopes within each of the four tracts may also be constructed, modified and maintained.

SECTION 5. ASSIGNMENT BY GRANTEE; TRANSFERS BY GRANTOR

5.1 Limitations on Assignment by Grantee. The benefits of this Easement shall not be assignable by Grantee, except (i) if as a condition of any assignment, Grantee requires that the purpose of this Easement continues to be carried out, and (ii) if the assignee, at the time of assignment, qualifies under Section 170(h) of the Code and the laws of the State of Wyoming as an eligible donee to receive this Easement directly. Grantee agrees to notify Grantor in writing at least sixty (60) days prior to any assignment of this Easement. Any attempted assignment by Grantee of the benefits of this Easement contrary to the terms hereof shall be invalid but shall not operate to extinguish this Easement.

5.2 Transfers by Grantor. Grantor agrees to incorporate by reference the terms of this Easement in any deed or other legal instrument by which Grantor transfers any interest in all or a portion of the Property, including a leasehold interest. Grantor further agrees to give written notice to Grantee of the transfer of any such interest at the time 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.

SECTION 6. EXTINGUISHMENT; CONDEMNATION

6.1 Limitations on Extinguishment. If circumstances arise in the future that render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether with respect to all or part of the Property, by judicial proceedings in a court of competent jurisdiction. Unless otherwise required by applicable law at the time, in the event of any sale of all or a portion of the Property (or any other property received in connection with an exchange or involuntary conversion of the Property) after such termination or extinguishments, and after the satisfaction of prior claims and net of any costs or expenses associated with such sale, Grantor and Grantee shall divide the proceeds from such sale (minus any amount attributable to the value of improvements made by Grantor after the effective date of this Easement, which amount is reserved to Grantor) in accordance with their respective percentage interests in the fair market value of the Property, as such percentage interests are determined under the provisions of paragraph 6.2, adjusted, if necessary, to reflect a partial termination or extinguishments of this Easement. All such proceeds received by Grantee shall be used by Grantee in a manner consistent with Grantee's conservation purposes.

6.2 Percentage Interests. For purposes of this paragraph, the parties hereto stipulate that, as of the effective date of this grant, the Easement and the restricted fee interest in the Property each represent a percentage interest in the fair market value of the Property. The percentage interests shall be determined by the ratio of the value of the

Easement on the effective date of this grant to the value of the Property, without deduction for the value of the Easement, on the effective date of this grant. The values on the effective date of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reason of this grant, pursuant to Section 170(h) of the Code (or, if there are no such values, then values set by independent valuation). The parties shall include the ratio of those values with the Baseline Documentation of the Property (on file at Grantee's offices) and shall amend such values, if necessary, to reflect any final determination thereof by the Internal Revenue Service or court of competent jurisdiction. For purposes of this paragraph, the ratio of the value of the Easement to the value of the Property unencumbered by the Easement shall remain constant, and the percentage interests of Grantor and Grantee in the fair market value of the Property thereby determinable shall remain constant.

6.3 Condemnation. If all or a part of the Property is taken, in whole or in part, by exercise of the power of eminent domain, Grantor and Grantee shall be respectively entitled to compensation in conformity with the provisions of paragraph 6.2 unless otherwise provided for by applicable law at the time of such exercise of the power of eminent domain.

SECTION 7. GENERAL PROVISIONS

7.1 Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of Wyoming.

7.2 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 shall not be affected thereby.

7.3 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.

7.4 Grantor and Grantee. The term "Grantor," as used in this Easement, and any pronouns used in place thereof shall mean and include the Grantor named herein, and its successors and assigns. The term "Grantee," as used in this Easement, and any pronouns used in place thereof shall mean the Grantee named herein and its successors and assigns.

7.5 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, provided that no owner shall be responsible except for violations occurring on such owner's land during the time of such owner's ownership.

7.6 Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor: Carroll Realty Co, Inc.
P.O. Box 665
Sheridan, WY 82801

To Grantee: Sheridan Community Land Trust
P.O. Box 7185
Sheridan, WY 82801

or to such other address as any of the above parties from time to time shall designate by written notice to the others.

7.7 Attorney Fees and Costs of Suit. If Grantee incurs attorney's fees or other reasonable costs of suit in enforcing the terms of this Easement, and if it is determined that Grantor is in violation of this Easement, those expenses of Grantee shall be paid by

Grantor or those of its successors or assigns against whom a judgment is entered, in addition to the cost of restoration. In the event a judgment is entered against Grantee in an effort to seek injunctive relief or restoration, and the Grantor is held not to be in violation of this Easement, and if the Grantee's action is found by a Court to be frivolous or in bad faith, then the Grantee shall pay the Grantor's reasonable costs of suit, including reasonable attorney's fees.

7.8 Access. No right of access to any portion of the Property is conveyed by this Easement, except as expressly provided herein.

7.9 Costs, Liabilities, 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 the maintenance of general liability insurance coverage, and including any taxes assessed on Grantor's interest in the Property.

7.10 Environmental Warranty. Grantor warrants that it is in compliance with, and shall remain in compliance with, all applicable environmental laws. Grantor warrants that there are no notices by any governmental authority of any violation or alleged violation of any environmental law relating to the operations or conditions of the Property.

7.11 General Indemnification. Grantor shall indemnify, hold harmless and defend Grantee, its members, directors, employees, agents, and assigns for any and all liabilities, expenses, damages, and penalties, including costs and reasonable attorneys' fees, claimed by any person or governmental authority, to which Grantee may be subject, relating to the Property, which may arise from Grantor's negligent acts or omissions or Grantor's breach of any representation, warranty, covenant or agreement contained in this Easement, or any violation of any federal, state, or local law, including environmental laws.

7.12 Compliance Certificates. Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor any document that may be requested by Grantor, including an estoppel certificate or compliance certificate, to certify to the best of Grantee's knowledge Grantor's compliance with any obligation of Grantor contained in this Easement or otherwise to evidence the status of this Easement.

7.13 Venue and Jurisdiction. The parties agree that venue and jurisdiction for any dispute between them, or for any dispute with any third party relating to the enforcement or violation of any of the terms of this Easement, shall be in the District Court in Sheridan County, Wyoming.

7.14 Extinguishment of Development Rights. Grantor hereby grants to Grantee all of the development rights pertaining to the Property, except for those development rights expressly reserved by Grantor herein. Development rights shall be deemed to include, but not be limited to, all development rights and development potential that are now or hereafter allocated to, implied, reserved or inherent in the Property, including (i) all subdivision and development density rights and potential and (ii) the right to use any of the acreage of the Property in any acreage calculation having the effect of creating, or contributing to, additional development on or off the Property. The parties agree that all such development rights are hereby terminated and extinguished in perpetuity.

7.15 Amendment. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee are free to jointly amend this Easement; provided that no amendment shall be allowed that will affect the qualification of this Easement or the status of Grantee under any applicable laws, including Section 170(h) of the Internal Revenue Code, and any amendment shall be consistent with the purpose of this Easement and shall not affect its perpetual duration. No amendment may confer prohibited private benefit on Grantor or other third parties. Any such amendment shall be recorded in the official records of Sheridan County, Wyoming.

7.16 No Third Party Beneficiaries. There are no third party beneficiaries of this Easement. Grantor and Grantee intend that no third party have a right of enforcement under the provisions of Section 34-1-203(a)(iii) of the Wyoming Statutes.

7.17 **No Goods or Services.** No goods or services have been received by Grantor or otherwise exchanged by the parties for this Easement.

7.18 **Effective Date.** Grantor and Grantee intend that the restrictions arising hereunder take effect on the day and year this deed is recorded with the County Clerk of Sheridan County, Wyoming, after all required signatures have been affixed hereto.

TO HAVE AND TO HOLD, this Conservation Easement, unto Grantee and its successors and assigns forever. This Deed of Conservation Easement may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, Grantor and Grantee have set their hands under seal on the day and year set forth below.

GRANTOR:
Carroll Realty Co., Inc.,
a Wyoming corporation

3-9-12
Date

Tom Belus
Tom Belus
Title: SECRETARY

3-9-12
Date

Jane Clark
Jane Clark
Title: Vice President

3-9-12
Date

Dixie See
Dixie See
Title: President

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing document was acknowledged before me this 9th day of March, 2012 by Tom Belus as Secretary of Carroll Realty Co, Inc., a Wyoming corporation.

WITNESS my hand and official seal.

My commission expires: 5-13-14

[Signature]
Notary Public



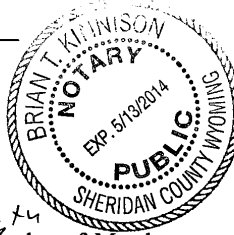
) ss.
COUNTY OF SHERIDAN)

The foregoing document was acknowledged before me this 9th day of March, 2012 by Jane Clark, as Vice President of Carroll Realty Co, Inc., a Wyoming corporation.

WITNESS my hand and official seal.

My commission expires: 5-13-14

[Signature]
Notary Public



) ss.
COUNTY OF SHERIDAN)

The foregoing document was acknowledged before me this 9th day of March, 2012 by Dixie See as President of Carroll Realty Co, Inc., a Wyoming corporation.

WITNESS my hand and official seal.

My commission expires: 5-13-14

[Signature]
Notary Public



The foregoing Deed of Conservation Easement is hereby duly accepted by the Sheridan Community Land Trust.

GRANTEE:

Sheridan Community Land Trust

3/9/12
Date

By: Margaret Taylor
Its: Board President

3/9/12
Date

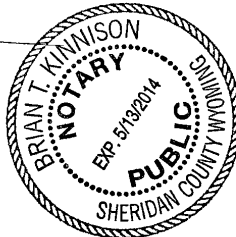
By: W. A. Menbeck
Its: SECRETARY

STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing document was acknowledged before me this 31st day of January, 2012, by Margaret Taylor as Board President of the Sheridan Community Land Trust, a non-profit corporation under the laws of the State of Wyoming, on behalf of the corporation. WITNESS my hand and official seal.

My commission expires: 5-13-14

[Signature]
Notary Public



STATE OF WYOMING)
) ss.
COUNTY OF SHERIDAN)

The foregoing document was acknowledged before me this 9th day of March, 2012, by William A. Menbeck as Board Secretary of the Sheridan Community Land Trust, a non-profit corporation under the laws of the State of Wyoming, on behalf of the corporation. WITNESS my hand and official seal.

My commission expires: 5-13-14

[Signature]
Notary Public

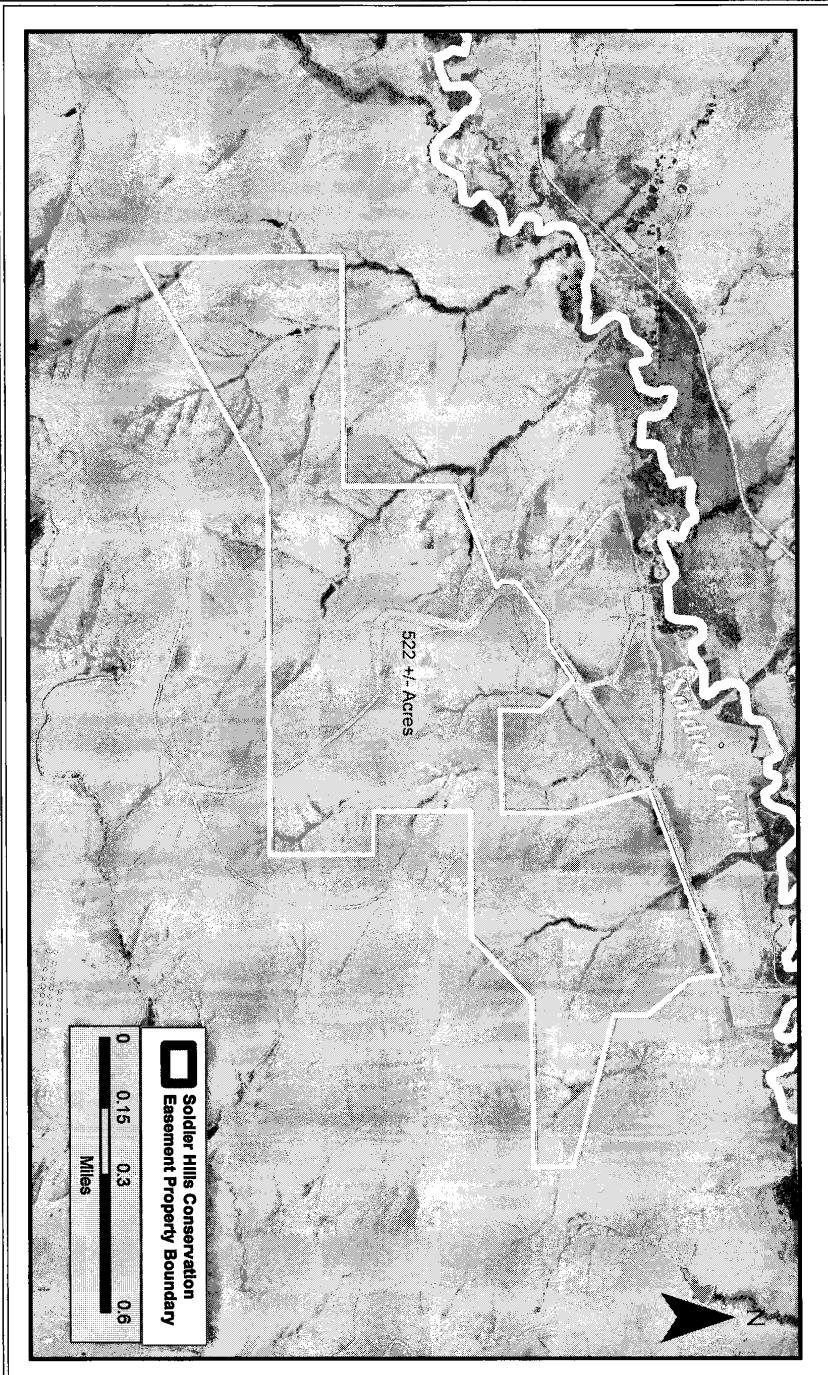


Exhibit A

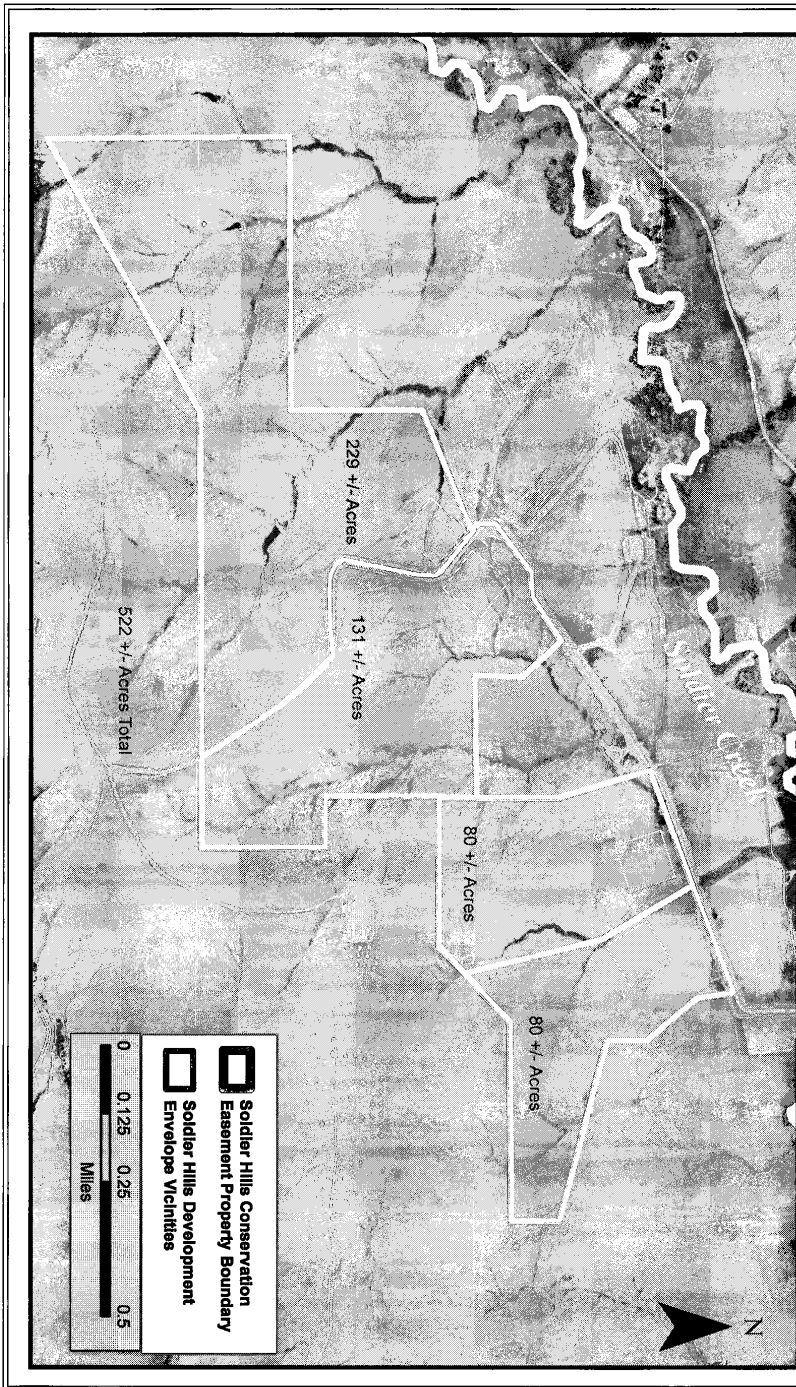
That part of Section 26, Section 23, Section 24, and the West 1/2 of Section 25, T56N, R85W, 6th Principal Meridian, Sheridan County, Wyoming, described as: Commencing at the Southwest corner of said Section 26; thence N00°21'37"W 1908.00 feet along the West line of said Section 26 to the PLACE OF BEGINNING of this description; thence N00°21'37"W 2403.19 feet along said West line; thence N89°38'23"E 2658.27 feet; thence N00°11'25"E 1331.96 feet; thence N65°12'54"E 328.74 feet; thence N73°12'33"E 927.64 feet; thence N59°54'28"E 14.83 feet; thence N45°14'00"W 56.08 feet; thence Northwesterly 102.24 feet along a 180.00 foot radius curve to the right, the chord of which bears N28°57'45"W 100.87 feet; thence N12°41'29"W 51.32 feet; thence 111.44 feet along a 100.41 foot radius curve to the right, the chord of which bears N19°15'01"E 105.81 feet; thence N51°02'46"E 288.55 feet; thence S51°02'46"W 288.55 feet; thence N51°02'46"E 288.55 feet; thence N58°07'05"E 189.35 feet; thence N67°47'25"E 50.05 feet; Thence Northeasterly 214.16 feet along a 822.79 foot radius curve to the right, the chord of which bears N82°42'55"E 213.56 feet;

thence Northeasterly 56.00 feet along an 89.34 foot radius curve to the left, the chord of which bears N72°25'36"E 55.09 feet; thence N55°40'20"E 466.67 feet; thence S40°32'36"E 546.99 feet; thence S00°22'11"E 434.52 feet; thence N90°00'00"E 1160.08 feet; thence N00°00'00"W 780.52 feet; thence N16°21'11"W 960.64 feet; thence N55°40'46"E 122.28 feet; thence N69°18'11"E 687.91 feet; thence N71°45'42"E 386.89 feet; thence N71°45'42"E 322.29 feet; thence N69°11'49"E 789.17 feet; thence S12°48'06"E 401.53 feet; thence S40°19'05"E 615.87 feet; thence S02°17'56"E 348.61 feet; thence S74°05'09"E 1781.59 feet; thence S00°13'23"E 506.12 feet along the East line of said Section 24; thence S89°48'40"W 1920.10 feet; thence S48°47'52"W 1047.32 feet; thence N89°59'38"W 1393.93 feet; thence S00°00'04"W 1115.11 feet; thence N90°00'00"E 488.37 feet; thence S00°03'14"W 1216.84 feet; thence N90°00'00"W 4240.67 feet; thence S60°32'36"W 3018.27 feet to the place of beginning. This parcel contains 522.088 acres.

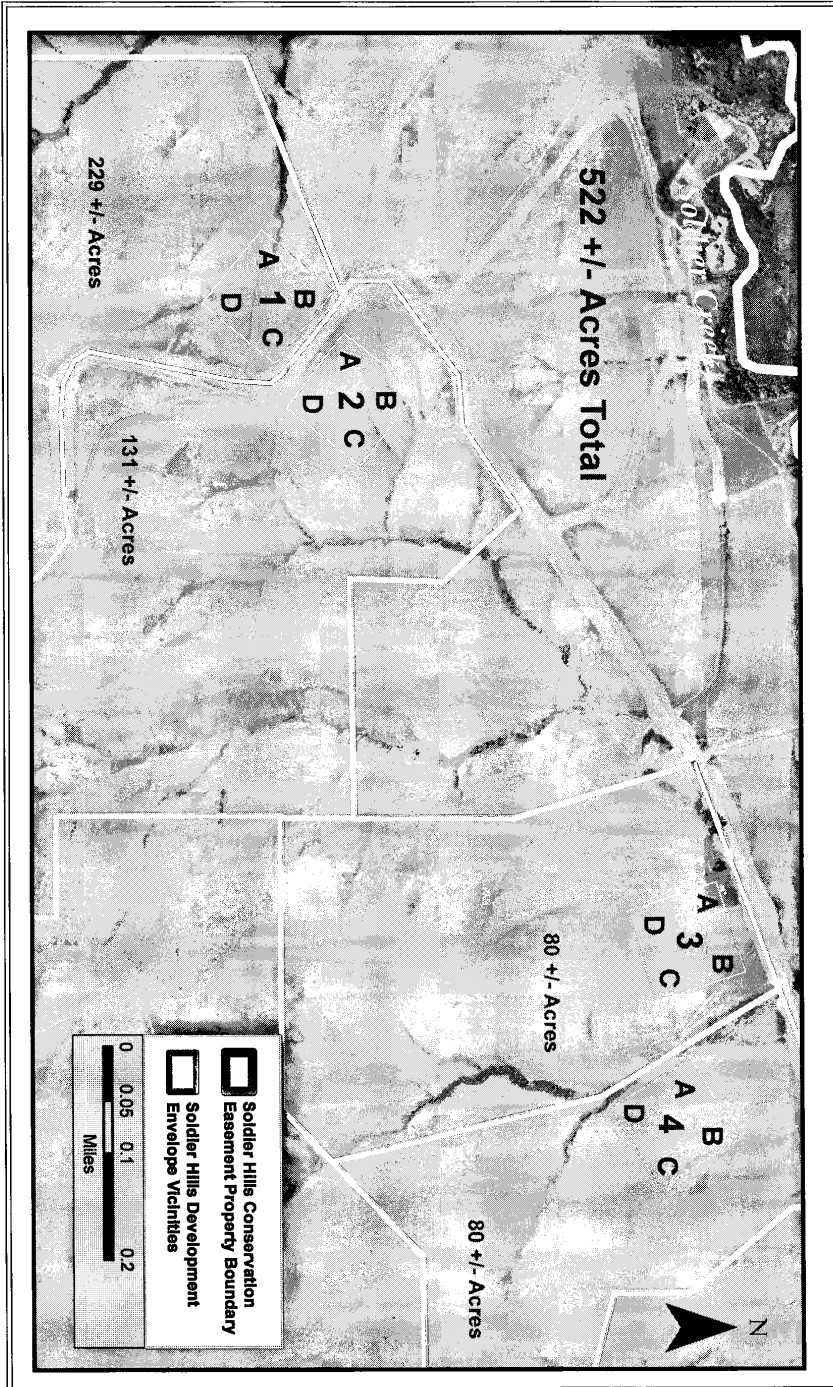
Soldier Hills - Exhibit A



Soldier Hills - Exhibit B - Development Envelopes and Tracts



Soldier Hills – Exhibit B - Development Envelopes GPS



2

Soldier Hills – Exhibit B – Development Envelopes GPS Key

Shown in Decimal Degrees

Development Site #1

A -107 3.713 44 48.47
B -107 3.644 44 48.529
C -107 3.562 44 48.48
D -107 3.63 44 48.421

Development Site #2

A -107 3.596 44 48.537
B -107 3.528 44 48.597
C -107 3.444 44 48.55
D -107 3.511 44 48.489

Development Site #3

A -107 2.969 44 48.839
B -107 2.866 44 48.863
C -107 2.833 44 48.789
D -107 2.936 44 48.765

Development Site #4

A -107 2.767 44 48.817
B -107 2.675 44 48.857
C -107 2.62 44 48.791
D -107 2.711 44 48.751

NO. 2012-694843 EASEMENT

EDA SCHUNK THOMPSON, SHERIDAN COUNTY CLERK
WILCOX AGENCY