

SCENIC AND CONSERVATION EASEMENT

This Scenic and Conservation Easement ("this Instrument") made and entered into effective the 14th day of May, 1993, by and between James M. Spell and Jaynie K. Spell, husband and wife, of 780 Big Goose Road, Sheridan, Wyoming 82801 ("Grantor"), and Ross E. Iverson and Deborah A. Iverson, husband and wife, of 778 Big Goose Road, Sheridan, Wyoming 82801 ("Grantee"),

WITNESSETH:

WHEREAS, Grantor owns certain real property located in Sheridan County, Wyoming, ("Parcel A"), described more particularly in Exhibit "A", attached hereto and by this reference made a part hereof, all of which Parcel A is currently in agricultural and ranching use;

WHEREAS, Grantee owns certain real property ("Parcel B"), which is adjacent to Parcel A and which is described more particularly in Exhibit "B", attached hereto and by this reference made a part hereof, and most of which Parcel B is currently in agricultural and ranching use;

WHEREAS, a plat ("Accompanying Map"), presenting information referred to by this Instrument, is attached hereto and by this reference made a part hereof as Exhibit "C";

WHEREAS, the Big Horn Mountains lie to the south and west of both Parcels A and B;

WHEREAS, virtually all of Parcel A is visible from various points on Parcel B;

WHEREAS, Parcel A is so situated as to contribute significantly to the scenic beauty of the Big Horn Mountains and Big Goose Valley when viewed from various points on Parcel B and Grantee desire to preserve the view as it currently exists, and to prevent any unsightly developments that will tend to mar or detract from such view and to degrade the character of the landscape;

WHEREAS, the development prohibited by this Instrument would seriously impair the scenic character of the local rural landscape and would interfere with Grantee's enjoyment of scenic panoramas from Parcel B and the Big Horn Mountains and Big Goose Valley;

WHEREAS, the preservation and protection of the natural and scenic view over and across Parcel A to the south and west from various points on Parcel B as depicted on the Accompanying Map will yield a significant benefit to Parcel B;

WHEREAS, Grantor and Grantee entered into a certain agreement outlining the terms and conditions of Grantor's acquisition of Parcel A in fee and granting of a scenic easement over Parcel A for the benefit of Parcel B, which agreement, shall be referred to as the "Acquisition Agreement";

NOW, THEREFORE, in consideration of the payment of the sum of Ten Thousand Dollars (\$10,000) by Grantee to Grantor, the receipt of which is hereby acknowledged by Grantor, and in further consideration of Grantor's agreement to abide by their terms and conditions of this Instrument, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, GRANTOR HEREBY GRANTS, CONVEYS AND WARRANTS TO GRANTEE, their heirs and assigns forever, an easement as hereinafter specified ("the Principal Easement") over and across Parcel A to preserve and protect the agricultural, scenic, aesthetic, natural, wildlife, and open space values present on Parcel A; which Principal Easement shall be appurtenant to and benefit Parcel B, shall bind the present owner of Parcel A and said owner's successors in ownership and/or use of Parcel A, all in accordance with the terms hereof.

Subject to all reservations, restrictions, and restrictive covenants, conditions, rights-of-way, and easements of sight or record.

1. Purposes of Easement. The purpose of the Principal Easement is to enhance, preserve and protect the natural, ecological, water, wildlife, habitat, open space, scenic, aesthetic, and ranching features and values of Parcel A and Parcel B, and to confine the use of Parcel A solely to agricultural, ranching, natural, open space, wildlife, habitat, limited recreational, and such other uses as are specifically provided for herein, consistent with the preservation and protection of said features and values.

2. Duration of Easement. The Principal Easement shall be a burden upon and shall run with Parcel A in perpetuity and shall bind Grantor and Grantor's successors in ownership and/or use of Parcel A forever.

3. Affirmative Rights Conveyed by Means of Easement. The affirmative rights conveyed to Grantee by the Principal Easement include the following:

3.1. To identify, preserve and protect the natural, ecological, water, wildlife, habitat, open space, scenic, and aesthetic features and values of the property affected and the unrestricted view from Parcel B over and across Parcel A of the Big Goose Valley and Big Horn Mountains;

3.2. To enjoin any activity on or use of Parcel A that is inconsistent with the purpose of the Principal Easement or which will have a significant adverse impact on the conservation interests associated with the property affected, and to enforce the restoration of such areas or features of the property that may be damaged by any such inconsistent activity or use, pursuant to Section 8.

4. Permitted Uses and Practices. The following uses and practices, though not an exhaustive recital of consistent uses and practices, are consistent with the Principal Easement, provided that each such use or practice is effected in a manner that is not inconsistent with the purpose of said easement as specified in Section 1 and that each such use or practice shall neither significantly impair the view of or over the property affected nor, in general, resulting significant injury to or the destruction of a significant conservation interest:

4.1. To plant, grow and harvest hay, alfalfa and other crops;

4.2. To pasture, graze, feed, water, and care for livestock to the extent that such uses do not result in pollution or degradation of any surface or subsurface waters in violation of any applicable governmental standards or in overgrazing;

4.3. To build, maintain and repair fences (including gates and fencing around haystacks) for agricultural or ranching purposes and for the protection of wildlife, wildlife habitat and/or vegetation, provided that such fences shall not significantly or substantially impair the view from Parcel B;

4.4. To build, maintain and repair cattleguards;

4.5. To plant and maintain native and exotic vegetation to protect, preserve and enhance the wildlife habitat and aesthetic values of the property affected and for ranching and agricultural purposes, provided that vegetation shall not be planted or maintained so as to impede substantially the open-space vista from Parcel B;

4.6. To lawfully use agrichemicals, including, but not limited to, fertilizer, herbicides and biocides, only in those amounts and with that frequency of application constituting the minimum necessary to accomplish reasonable ranching and agricultural purposes, provided that the use of such chemicals shall in all cases be conducted in such manner as to minimize any adverse effects upon the underlying natural habitat values and surface and subsurface water resources of the property affected;

4.7. To fish lawfully;

4.8. To trap and/or shoot animals lawfully;

4.9. To otherwise lawfully control predatory or problem animals;

4.10. To make full use of all rights, title and interest in and to all tributary and nontributary water, water rights and related interests in, on, under, or appurtenant to the property affected, and to acquire additional water rights for authorized agricultural use of the property affected;

4.11. To construct, maintain, develop or alter irrigation facilities (including grading, ditching and/or sprinkler systems), provided that any construction, maintenance, development or alteration clearly shall not result in significant detrimental alteration of the scenic qualities of the property affected or in significant pollution or degradation of any surface or subsurface waters;

4.12. To construct, maintain or develop wildlife habitat, including but not limited to watercourses and bodies of water (e.g., ponds), provided that any construction, maintenance or development shall not result in significant detrimental alteration of the scenic qualities of the property affected;

4.13. To erect, maintain and repair signs as and where reasonably appropriate to discourage trespassing, provided that each such sign shall not exceed one (1) square foot in area per side;

4.14. To use the Property (i.e., Parcel A and Parcel B) for walking, picnicking, hiking, riding horses, skiing, educational purposes consistent with the purpose of the Principal Easement, and any other recreational use clearly consistent with the purpose of said easement;

4.15. To construct, locate, maintain, repair, and use on Parcel A structures and other improvements which are unquestionably appropriate or incidental to agricultural, ranching, wildlife, and/or recreational uses specifically permitted herein and otherwise consistent with the purpose of the Principal Easement, provided that the construction and/or location of any such structure shall be subject to the prior written approval of Grantee, which approval may be reasonably denied or restricted;

4.16. To lease, or otherwise charge for the use of, the property affected or any part thereof for the type and intensity of use that, under the applicable easement, would be permitted the owner of the property affected or the part thereof.

5. Prohibited Uses and Practices. The following uses and practices, although not exhaustive, are inconsistent with the purpose of the Principal Easement, and the parties hereto and their successors in ownership and/or use of property affected shall accordingly be prohibited by this Instrument from engaging in any of such uses and practices:

5.1. Construction or location of all or any part of any building, other structure (including, but not limited to, any mobile home, yurt, or tent) or road on the property affected, except as specifically permitted under Section 4;

5.2. Drilling and exploration for and extraction of oil and gas from any site on the property affected, provided that there is no prohibition of drilling for and extracting oil and/or gas located under the property affected from sites not located thereon or from allowing others to do so;

5.3. Filling, excavating, dredging, mining, or removal of topsoil, sand, gravel, rock, minerals, or other materials on or below the surface of the property affected or other significant changing of the topography of said property, except that there is no prohibition of such filling, excavating, dredging, or removal to the extent reasonably appropriate to construction or maintenance activities permitted by a subprovision of Section 4 above;

5.4. Dumping or storing of ashes, trash, garbage, junk, or other unsightly or offensive materials;

5.5. Burning of any materials except in conformity with applicable governmental controls and regulations;

5.6. Off-road use of vehicles, including snowmobiles, except where reasonably appropriate to ranching or agricultural operations or to other activities specifically permitted by a subprovision of Section 4 or where necessary for access to buildings located on the property affected when roads to those buildings are temporarily impassable;

5.7. Implementation of measures designed to injure or kill wild animals, except as specifically permitted by a subprovision of Section 4;

5.8. Establishment or maintenance of any livestock feedlots;

5.9. Storage of boats, campers and other recreational vehicles where they can be seen from Parcel B;

5.10. Violation of any applicable land use regulation of Sheridan County, Wyoming, or of the State of Wyoming;

5.11. Any commercial use;

5.12. Any industrial use;

5.13. All other uses which are inconsistent with and significantly detrimental to the purpose of the Principal Easement.

6. Documentation of Use and Condition of Property. In order to establish the present condition of the affected property's natural, ecological, wildlife, and scenic resources and its man-made features, so as to make possible the proper monitoring of future uses and to ensure compliance with the terms hereof, an inventory of the relevant resources, features and conditions of the affected property has been prepared, which inventory is attached hereto and by this reference made a part hereof as Exhibit "D". The parties hereby expressly agree that said inventory is an accurate representation of the property affected at the signing of this Instrument. If a controversy arises with respect to the nature and/or extent of the historical and/or present use or physical condition of the property affected at the time of the signing of this Instrument, the parties shall not be foreclosed from utilizing all relevant or material documents, surveys, reports and other evidence to assist in the resolution of the controversy.

7. Enforcement of Easements.

7.1. A party burdened by an easement created by this Instrument shall notify the party(ies) having the right to enforce it, in writing, sixty (60) days before engaging in or allowing any activity with respect to the property affected if the activity might reasonably be expected to be in violation of said easement; provided that by means of a duly signed written statement specifically purporting to do so, the 60-day waiting period required by this provision may be waived by the party(ies) having the right to enforce the easement;

7.2. Said notice shall be deemed made when mailed. Said notice shall specify all aspects of the proposed activity including, but not limited to, the nature, siting, magnitude, and anticipated effect of the proposed activity or use with respect to the purpose of the easement;

7.3. The notified party shall communicate in writing to the notifying party any objections to the proposed activity. Such objections, if any, shall be based upon the opinion that the proposed activity is inconsistent with the applicable easement, and, if practical, shall specify the manner, if any, in which the proposed activity can be modified to be consistent with the terms thereof. The party having the right to enforce the easement shall have the right to prevent any proposed activity which is incompatible with the applicable easement;

7.4. Any violation of the Principal Easement shall be subject to termination through injunctive proceedings with the imposition of temporary restraining orders, or through any other legal means, it being recognized that monetary damages and/or other non-injunctive relief would not adequately remedy the violation of the covenants and restrictions of the easement. In addition, the party having the right to enforce the easement shall have the right to enforce the restoration of the portions of the property affected by activities in violation of the easement to the condition which existed prior to the violation. In all such cases, the cost of enforcement of this Instrument and/or restoration of the property affected, including reasonable attorneys' fees, whether or not judicial proceedings are initiated, shall be borne by the nonprevailing party;

7.5. In the event of dispute as to any permitted or prohibited use of the property affected, the party having the right to enforce the applicable easement shall have the right to demand arbitration by making such demand in writing. In the event that this right is exercised, if both parties agree upon selection of one person to serve as arbitrator, there shall be only one (1) arbitrator. If no agreement is reached within thirty (30) days after the demand for arbitration, there shall be three (3) arbitrators, one named by each party within sixty (60) days after the demand for arbitration, and a third chosen by those two designated arbitrators. The decision of the arbitrator (or a majority of the arbitrators, as the case may be) shall be binding. Should either party refuse or neglect to timely appoint an arbitrator, a binding decision shall be rendered solely by the arbitrator named by the other. All costs of the arbitration, including arbitrators' fees and reasonable attorneys' fees, shall be borne by the nonprevailing party.

8. Payment of Costs, Taxes or Assessments. Grantor, or their successors in ownership of Parcel A shall bear all costs of operation, upkeep and maintenance of said parcel, including real estate taxes or assessment levied thereon by competent authorities.

9. Extinguishment of the Easement. If any or all of the restrictions of the Principal Easement are extinguished by a judicial or other governmental proceeding, the party having the right to enforce the easement shall be entitled to any and all compensation paid because of the extinguishment of the restrictions. If any or all of the uses permitted by an easement are eliminated by a judicial or other governmental proceeding, the party burdened by the easement shall be entitled to any and all compensation paid because of the elimination of said uses.

10. Miscellaneous.

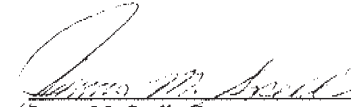
10.1. If any provision of this Instrument or the application thereof to any person or circumstance is found to be invalid, the remainder of this Instrument and the application of such provision to persons or circumstances other than those as to which the provision or application is found to be invalid shall not be affected;

10.2. Grantor and Grantee agree that the conveyance hereby of the Principal Easement satisfies Grantor's obligation under the above-referenced Agreement to convey to Grantee the scenic easement specified by said Agreement;

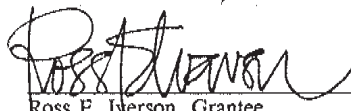
10.3. Unless the context of this Instrument clearly indicates otherwise, the term "ranching", as used herein, shall be construed to include, among other things, the raising, maintenance and training of horses.

11. Amendment. This Instrument may be amended only by a written agreement which expressly purports to amend this Instrument and which is executed by both parties or a successor and the then owner of the portion of the property directly affected by the amendment. Each party agrees in good faith to listen to and consult with the then owner of any portion of the property affected who wishes to amend this Instrument and to consider in good faith any amendment proposed by said owner.

IN WITNESS WHEREOF, the parties have executed this Instrument the day and year first above written.


James M. Spell, Grantor


Jaynie K. Spell, Grantor

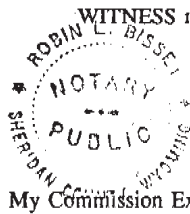

Ross E. Iverson, Grantee



Deborah A. Iverson, Grantee

STATE OF WYOMING)
) ss.
County of Sheridan)

14 The foregoing instrument was acknowledged before me by James M. Spell, Grantor, this day of May, 1993.

WITNESS my hand and official seal.




Notary Public

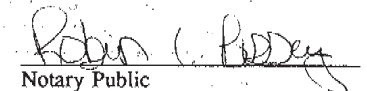
My Commission Expires: Dec 22, 1996

STATE OF WYOMING)
) ss.
County of Sheridan)

8 The foregoing instrument was acknowledged before me by Jaynie K. Spell, Grantor, this day of May, 1993.

WITNESS my hand and official seal.




Notary Public

My Commission Expires: Dec 22, 1996

STATE OF WYOMING)
) ss.
 County of Sheridan)

The foregoing instrument was acknowledged before me by Ross E. Iverson, Grantee, this 14 day of May, 1993.

WITNESS my hand and official seal.



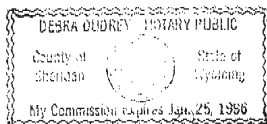
Robert C. Ruddy
 Notary Public

My Commission Expires: Dec. 22, 1996

STATE OF WYOMING)
) ss.
 County of Sheridan)

The foregoing instrument was acknowledged before me by Deborah A. Iverson, Grantee, this 13 day of May, 1993.

WITNESS my hand and official seal.



Desra Audrey
 Notary Public

My Commission Expires: January 25, 1996

Exhibit "A"
to
Scenic and Conservation Easement

A tract of land situated in the SE¼ of Section 9, Township 55 North, Range 85 West, 6th P.M., Sheridan County, Wyoming; said tract more particularly described as follows:

Beginning at a point on the east line of an access easement recorded in Book 305 of Deeds, Page 453, said point being S41°25'47"W, 1347.52 feet from the east quarter corner of said Section 9; thence S01°15'16"W, 133.50 feet along said east line to a point; thence S14°19'44"W, 67.91 feet to a point, said point being the northeast corner of a tract described in Book 216 of Deeds, Page 494; thence N89°32'33"W, 295.52 feet to the northwest corner of said tract; thence S0°28'11"W, 295.29 feet to the southwest corner of said tract; thence S16°02'46"W, 649.04 feet to a point; thence S89°48'48"W, 234.36 feet to a point, said point being 1630 feet west of the east line of said SE¼; thence N0°11'11"W, 1125.83 feet to a point on the south line of a tract described in Book 185 of Deeds, Page 312; thence S86°50'00"E, 24.81 feet to the southeast corner of said tract; thence S89°22'32"E, 710.37 feet to the point of beginning.

Said tract contains 10.86 Acres more or less.

Basis of Bearings is Wyoming State Plane.

Exhibit "B"
to
Scenic and Conservation Easement

A tract of land located in the E1/2SE1/4 of Section 9, Township 55 North, Range 85 West of the 6th P.M., Sheridan County, Wyoming, more particularly described as follows:

Beginning at a point located North 50 degrees 38 minutes East, 1826.8 feet from the South quarter corner of said Section 9; thence East 295.16 feet; thence North 295.16 feet; thence West 295.16 feet; thence South 295.16 feet to the point of beginning, said tract containing 2 acres more or less, together with all improvements situate thereon and all water, water rights, ditches and ditch rights thereunto belonging.

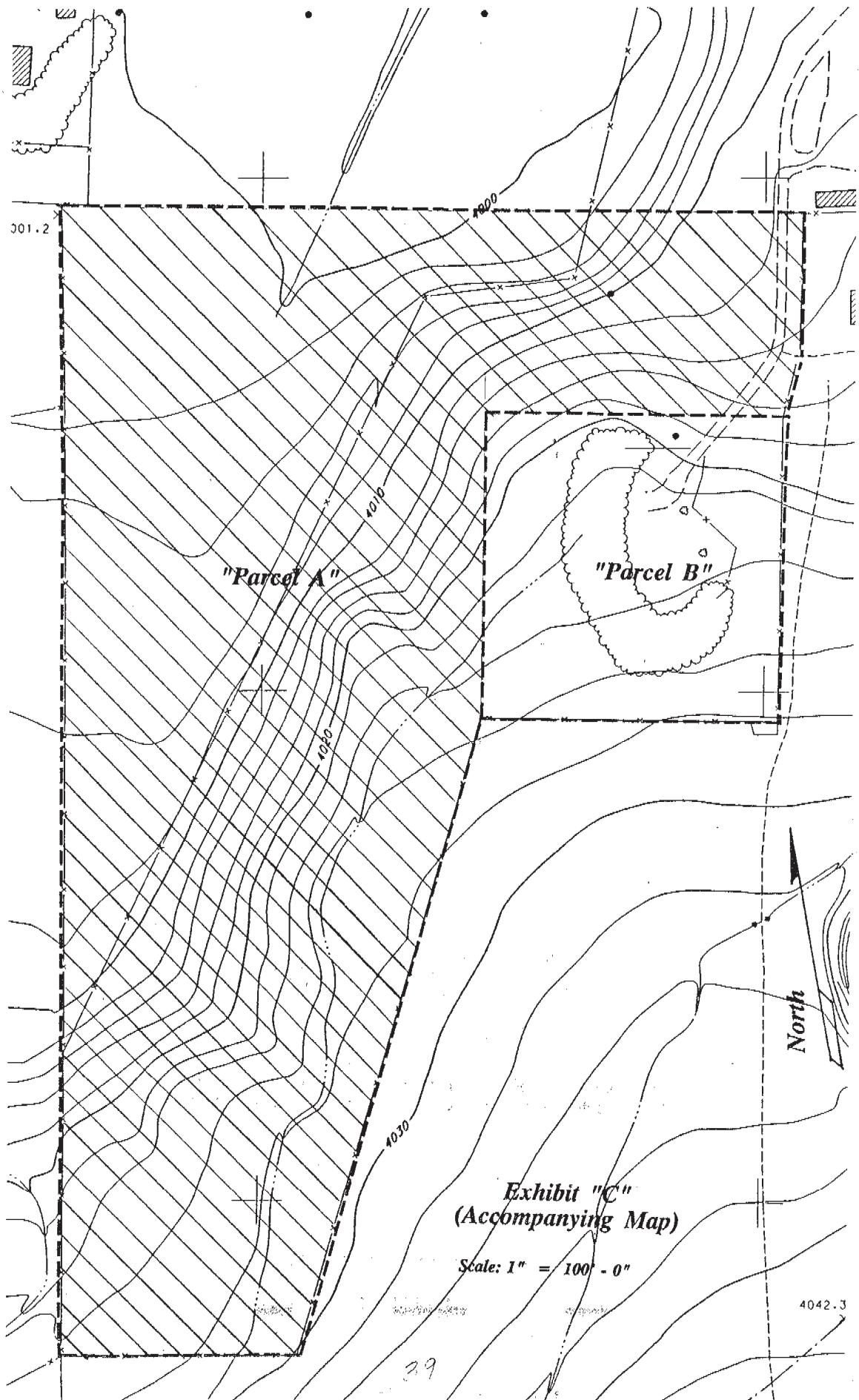


Exhibit "D"
to
Scenic and Conservation Easement

Alfalfa crop flood irrigated from ditch running north and south through Parcel A; fence consisting of barbed wire strung between steel and wood posts and running on east, south and west boundaries of Parcel A; running north and south through Parcel A; and running on south and east boundaries of Parcel B.