

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column.

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
74-2025A <i>OK</i>	Yes ☐	74-1581 <i>OK</i>	Yes ☐	74-1582 <i>OK</i>	Yes ☐
74-1595 <i>OK</i>	Yes ☐	74-1660 <i>OK</i>	Yes ☐	74-1661 <i>OK</i>	Yes ☐
74-1662 <i>OK</i>	Yes ☐	74-1663 <i>OK</i>	Yes ☐	74-1664 <i>OK</i>	Yes ☐
74-1665 <i>OK</i>	Yes ☐	74-2263 <i>OK</i>	Yes ☐	74-2266 <i>OK</i>	Yes ☐
74-10166 <i>OK</i>	Yes ☐	74-7250B <i>Permit OK</i>	Yes ☐		Yes ☐

2. Previous Owner's Name: The Nature Conservancy *cc: Ron troy 1 Skinner Ranch*
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Beyeler Ranches LLC *Salmon ID 83467*
Name of each new owner as listed on the conveyance document

New owner continued ☐ Name connector ☐ and ☐ or ☐ and/or

4861 Lemhi Rd, Box 62
Mailing address

Leadore Idaho 83464
City State ZIP

(208) 768-2651 beyeler ranches@yahoo.com
Telephone Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
- ☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
- ☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: 09/28/10

6. This form must be signed and submitted with the following **REQUIRED** items:

- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
- Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
- Filing fee (see instructions for further explanation):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

7. Signature: Merrill Beyeler Manager 25 May 2012
Signature of new owner/claimant Title, if applicable Date

Signature: _____
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by [Signature] Date 5/25/2012 Receipt No. E03710416 Receipt Amt. \$350.-
Approved by [Signature] Processed by [Signature] Date 6/4/2012

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

Beyeler Ranches, LLC
4861 Lemhi Road
Leadore, Idaho 83464

State of Idaho) **284088**
County of Lemhi) SS No. _____
This instrument was filed for record at the request
of Lemhi Title
at 2:43 o'clock P.M. on 7-28-2010
and duly filed and indexed in the records of Lemhi
County. Terri J. Norton
Ex-Officio Recorder
By Eyrica Cardin Deputy
Fee 100.00
Return to _____

(Space above line for Recorder's use)

SPECIAL WARRANTY DEED
with Reservation of Conservation Easement
(Lemhi River (Cotton Ranch aka Robison Ranch) Idaho)

FOR VALUE RECEIVED, THE NATURE CONSERVANCY, a District of Columbia non-profit corporation ("Grantor"), does hereby grant and warrant only against those claiming by, through or under Grantor to Beyeler Ranches, LLC, an Idaho limited liability company, whose address is 4861 Lemhi Road, Leadore, Idaho 83464 ("Grantee"), the real property located in Lemhi County, Idaho, and more particularly described on the attached **Exhibit A**, which is incorporated herein by this reference ("the Property").

TO HAVE AND TO HOLD the Property with all hereditaments and appurtenances thereto unto Grantee and Grantee's successors and assigns forever,

SUBJECT TO taxes and assessments not yet payable, and all reservations, restrictions, encumbrances, easements, and other matters of record or that would be disclosed by a survey or physical inspection of the Property;

AND RESERVING TO GRANTOR a Conservation Easement ("the Easement"), the terms and conditions of which are attached as **Exhibit B**, **Reservation of Conservation Easement**, and incorporated herein by reference, and through which Grantor does hereby grant and convey to the United States of America and its assigns third party rights of enforcement, entry, and inspection over, under, upon, and across the Easement, having the same legal description as the Property described in **Exhibit A**, in consideration of funding from the Bonneville Power Administration (\$1,980,000.00), the receipt of which is hereby acknowledged, to support Grantor's acquisition of other real properties in fee.

284088

IN WITNESS WHEREOF, Grantor, Grantee and the United States of America have executed this instrument on this 27th day of September, 2010

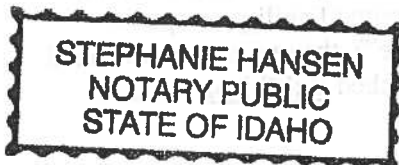
GRANTOR:

THE NATURE CONSERVANCY,
a District of Columbia non profit corporation

By [Signature]
Title Idaho State Director

STATE OF IDAHO)
)SS.
COUNTY OF Blaine)

The foregoing instrument was acknowledged before me this 27 day of September 2010, by Laura Hubbard, known or identified to me to be the Idaho State Director of The Nature Conservancy, a District of Columbia non-profit corporation, and acknowledged to me that such corporation executed the same.



[Signature]
Notary Public
Residing at 661 W. Myrtle Court, Hailey, ID 83317
My commission expires: 1/12/2012

GRANTEE:

BEYELER RANCHES, LLC

By: Merrill M Beyeler
Title: ManagerBy: Sharon L Beyeler
Title: ManagerSTATE OF Idaho)
)SS.
COUNTY OF Lemhi)

The foregoing instrument was acknowledged before me this 27th day of September 2010, by Merrill M Beyeler and Sharon L Beyeler, known or identified to me to be the Manager of Beyeler Ranches, LLC, an Idaho limited liability company, and acknowledged to me that such corporation executed the same.



Daniela Slavin
Notary Public
Residing at Salmon, ID
My commission expires: 11/6/2011



UNITED STATES OF AMERICA

By: Margareth H. Wolcott
MARGARETH H. WOLCOTT
TITLE: MANAGER, REAL PROPERTY SERVICES
BONNEVILLE POWER ADMINISTRATION

STATE OF Oregon)
) ss.
COUNTY OF Multnomah)

The foregoing instrument was acknowledged before me this 23 day of September, 2010, by Margareth H. Wolcott known or identified to me to be the Manager, Real Property Services of Bonneville Power Administration, Department of Energy, an agency of the United States of America, and acknowledged to me that such agency executed the same.

Heidi Marie Haserot

Heidi Marie Haserot

Notary Public residing at:

My commission expires: March 02, 2014 Address: Lake Oswego, OR



EXHIBIT A
TO SPECIAL WARRANTY DEED
with Reservation of Conservation Easement
 (Lemhi River (Cottom Ranch aka Robison Ranch) Idaho)

THE PROPERTY

All that certain real property situated in the County of Lemhi, State of Idaho, more particularly described as follows:

Lot Four (4) of Section Three (3); Lots One (1), Two (2), Three (3) and Lot (4); the Southeast Quarter of the Northwest Quarter (SE1/4NW1/4), the South Half of the Northeast Quarter (S1/2NE1/4), and the Southeast Quarter (SE1/4), the Northeast Quarter of the Southwest Quarter (NE1/4SW1/4), the South Half of the Southwest Quarter (S1/2SW1/4), the Southwest Quarter of the Northwest Quarter (SW1/4NW1/4), of Section Four (4); the West Half of the Northwest Quarter (W1/2NW1/4), the Northeast Quarter of the Northwest Quarter (NE1/4NW1/4) of Section Nine (9); Lot One (1) and the Southeast Quarter of the Northeast Quarter, (SE1/4NE1/4) of Section Five (5); all in Township 16 North, Range 25 East of the Boise Meridian.

The East Half of the Southeast Quarter (E1/2SE1/4), of Section Thirty Two (32); the South Half of the Northwest Quarter (S1/2NW1/4); the North Half of the Southwest Quarter (N1/2SW1/4); the Southwest Quarter of the Southwest Quarter (SW1/4SW1/4); the Southeast Quarter of the Southwest Quarter (SE1/4SW1/4), the Southeast Quarter (SE1/4), of Section Thirty Three (33); Lot Four (4) of Section Thirty Four (34); All that part of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4), of Section Thirty Three (33); Township Seventeen North, Range Twenty Five (25) East of Boise Meridian, situate in the County of Lemhi, State of Idaho and described as follows, to-wit:

Beginning at the Southeast Corner (SE) of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4); thence running West Eighty (80) rods to the Southwest Corner of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4); thence running North Forty (40) rods; thence running Southeasterly to the point of beginning at the Southeast Corner of the Southwest Quarter of the Northeast Quarter (SW1/4NE1/4), of Section Thirty Three (33); Township Seventeen (17) North, Range 25 East of the Boise Meridian.

EXCEPTING THEREFROM:

Tax #4031, more particularly described as follows:

An irregular parcel of land in Lot 2, Lot 1, SW1/4NE1/4 and SE1/4NE1/4 of Section 4, Township 16 North, Range 25 East, Boise Meridian, described as follows, to-wit:
 Beginning at a point approximately 995.0 feet South 1302.0 feet West from the Northeast Corner of Section 4, Township 16 North, Range 25 East, Boise Meridian, Which point is also South 35° 49' 30" West -50.0 feet distant from Station 1982+ 85.2 in the center line of State Highway No. 28 -project No. S-6873 (1) Highway Survey; thence South 54° 10' 30" East, parallel with and 50.0 feet distant Southwesterly from said Highway Survey center line, for a distance of 1064.8

feet to a point opposite Station 1993+50 of said Highway Survey line; thence South $35^{\circ} 49' 30''$ West, 240.0 feet; thence North $64^{\circ} 10' 30''$ West-243.3 feet; thence South $85^{\circ} 49' 30''$ West – 340.3 feet; thence North $74^{\circ} 49' 30''$ West – 185.0 feet; thence North $29^{\circ} 10' 30''$ West – 500.0 feet; thence North $45^{\circ} 49' 30''$ East 358.8 feet to the point of beginning.

EXCEPTING THEREFROM:

Tax #4262, more particularly described as follows:

A parcel of land located in the NW1/4 Section 33, T. 17 N., R. 25 E., Boise Meridian, Lemhi County, Idaho more particularly described as follows:

Commencing at the N1/16 corner of Sections 32 and 33, from which the NW Corner of said Section 33 bears N. $01^{\circ} 09' 00''$ W. a distance of 1343.10 ft., the basis of bearing of this description, run thence S. $67^{\circ} 29' 13''$ E. a distance of 1329.53 ft. to the point of beginning;

Thence N. $06^{\circ} 47' 48''$ W. a distance of 202.40 ft. to a point on the Southerly Right-of-Way of an existing county road;

Thence S. $81^{\circ} 28' 50''$ E. along said Right-of-Way a distance of 315.33 ft.;

Thence S. $25^{\circ} 05' 15''$ W. a distance of 269.31 ft.;

Thence N. $62^{\circ} 42' 14''$ W. a distance of 195.48 ft. to the point of beginning;

SUBJECT TO:

A 20 ft. wide water line easement 10 ft. on either side of the following described centerline;

Commencing at the SE corner of Lot 4 Section 4, T 16 N., R. 25 E., Boise Meridian, Lemhi County, Idaho run thence N. $25^{\circ} 05' 15''$ E. along the Easterly boundary of said parcel a distance of 94.78 ft. to the Point of Beginning;

Thence S. $67^{\circ} 22' 52''$ E. a distance of 104.19 ft.

A 20 ft. wide power line easement 10 ft. on either side of the following described centerline;

Commencing at the SE corner of Lot 4 Section 4, T 16 N., R. 25 E., Boise Meridian, Lemhi County, Idaho, run thence N. $25^{\circ} 05' 15''$ E. along the Easterly boundary of said parcel a distance of 113.97 ft. to the point of beginning;

Thence the following courses and distances along the said centerline;

S. $52^{\circ} 57' 36''$ E. 103.09 ft.; N. $65^{\circ} 26' 18''$ E. 49.08 ft.;

N. $40^{\circ} 22' 26''$ E. 201.70 ft. to a point on the Southerly Right-of-Way of a county road;

A 30 ft. wide easement for ingress and egress 15 ft. on either side of the following described centerline;

Commencing at the SE corner of Lot 4 Section 4, T 16 N., R. 25 E., Boise Meridian, Lemhi County, Idaho, run thence N. $25^{\circ} 05' 15''$ E. along the Easterly boundary of said parcel a distance of 249.88 ft. to the PC of a curve and the Point of Beginning;

Thence 36.15 ft. along said curve to the left having a central angle of $60^{\circ} 57' 02''$, a radius of 33.99 ft. and a tangent of 20.00 ft. to a point on the Southerly Right-of-Way of a County Road.

Also excepting therefrom a Right-of-Way for highway as disclosed in Deed recorded December 12, 1932 in Book 30 at Page 266 and Deed recorded November 30, 1950 in Book 44 at Pages 468-469.

Water Rights:

74-2025A

74-1581

74-1582

74-1595

74-1660

74-1661

74-1662

74-1663

74-1664

74-1665

74-2263

74-2266

74-10166

74-7250B - Permit

EXHIBIT B
TO SPECIAL WARRANTY DEED
with Reservation of Conservation Easement
Lemhi River (Cottom Ranch aka Robison Ranch) Idaho

RESERVATION OF CONSERVATION EASEMENT

This Reservation of Conservation Easement constitutes an integral part of the Special Warranty Deed with Reservation of Conservation Easement to which it is attached (the "Deed"), by means of which The Nature Conservancy (referred to for purposes of this Conservation Easement as "the Conservancy") is conveying to Beyeler Ranches, LLC, an Idaho limited liability company (referred to for purposes of this Conservation Easement as "Owner"), the Property in Lemhi County, Idaho, which is more particularly described in Exhibit A to the Deed and illustrated on the Property Map attached hereto as Attachment 1. The term "Deed" shall include all of the provisions of this Reservation of Conservation Easement ("Conservation Easement"). The Conservancy and Owner have agreed upon the terms of the Conservation Easement, which are set out below on the basis of the following facts and circumstances:

A. The Property includes 1,354 acres, more or less, and water rights described on Exhibit A to the Deed (hereinafter, the "Water Rights") (collectively, the "Property"). The Property is composed primarily of sagebrush steppe rangeland, Lemhi River, Lee Creek, Little Springs Creek, Walter's Creek and associated riparian area and wetlands, farmland, and associated Farmstead Area as shown on the Property Map.

B. The Property possesses significant values, including, but not limited to natural, scenic, open space, hydrologic, ecological, scientific, agricultural, and recreational values that are all of great importance to Owner, the Conservancy, the people of Lemhi County, and the people of the State of Idaho, in accordance with the Idaho Uniform Conservation Easement Act, Idaho Code Sections 55-2101 to 55-2109 (the "Act"). Pursuant to the Act, the particular conservation values intended to be preserved and protected for the public benefit under this Conservation Easement include, without limitation, watershed functions of maintaining water quality and quantity in the Lemhi River, Lee Creek, Little Springs Creek and Walter's Creek; spawning and rearing habitat for anadromous and resident fish including, Chinook salmon, steelhead trout, bull trout, and cutthroat trout; functioning riparian ecosystems and associated native flora and fauna; functioning wetland ecosystems and associated native flora and fauna; and unfragmented open space corridors for the unimpaired passage of wildlife, and natural communities that provide habitat for native wildlife species including, without limitation, salmonids, raptors, sage grouse, waterfowl, elk, deer, moose and many species of common and rare plants and animals (collectively, the "Conservation Values").

C. All waters of the Salmon River drainage, including the Lemhi River and its tributaries, portions of which are located on the Property, were designated as critical habitat for Snake River spring/summer Chinook salmon on December 28, 1993 (Fed. Reg., Vol. 58, No. 68545) pursuant to the Endangered Species Act, which listed spring/summer Chinook salmon as threatened on April 22, 1992 (Fed. Reg. Vol. 58, No. 78). The Conservancy entered into a Memorandum of Agreement in July, 2010 with the Bonneville Power Administration ("BPA") under which BPA agreed to provide substantial funding toward this Conservation Easement to

fulfill mitigation responsibilities under the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. § 839b(h), and the Endangered Species Act, 16 U.S.C. §§ 1531-1544 for the Federal Columbia River Power System dams. In return, the United States of America, and its assigns, (with BPA as the acquiring agency), is herein granted a third party right of enforcement, entry, and inspection.

D. Owner intends that the Conservation Values be preserved and maintained, pursuant to the terms and conditions of this Conservation Easement.

E. The State of Idaho has recognized the public importance and validity of conservation easements by enactment of Idaho Uniform Conservation Easement Act, Idaho Code Sections 55-2101 to 55-2109. Furthermore, the continued maintenance and operations of highly productive farmlands that provide opportunities to continue traditional farming and ranching practices in perpetuity is encouraged and supported by the Federal Farm Bill of 2008 (15 U.S.C. Section 15302), the State of Idaho and local land conservation policies adopted in Lemhi County, Idaho.

F. The Conservancy is a nonprofit corporation incorporated under the laws of the District of Columbia as a tax-exempt public charity described in Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code, organized to protect and conserve natural areas and ecologically significant land for scientific, charitable, and educational purposes; is a "qualified organization" within the provisions of Section 170(h) of the Internal Revenue Code, qualified to acquire and hold conservation easements; and is a qualified "holder" under Idaho Code Section 55-2101(2)(b).

Terms and Conditions

1. PURPOSES. It is the purpose of the Conservation Easement to preserve and protect in perpetuity and, in the event of their degradation or destruction, to enhance and restore the Conservation Values of the Property identified above. In achieving these purposes (the "Conservation Purposes"), it is the intent of the Conservation Easement to permit the continuation of such uses of the Property as may be conducted consistent with the Conservation Values protected herein.

2. EASEMENT DOCUMENTATION REPORT. The parties acknowledge that an Easement Documentation Report (the "Report") of the Property has been prepared and that the Report has been approved in writing by the Conservancy and Owner. A copy of the Report is on file with Owner and the Conservancy at their respective addresses for notices set forth in Paragraph 12. By executing the Deed and this Reservation, the parties agree that the Report contains an accurate representation of the biological and physical condition of the Property at the time of this reservation and of the historical uses of the Property. Notwithstanding the foregoing, if a controversy arises with respect to the nature and extent of the physical or biological condition of the Property, the parties shall not be foreclosed from utilizing any and all other relevant documents, surveys, or other evidence or information to assist in the resolution of the controversy.

3. THE CONSERVANCY'S RIGHTS. In order to accomplish the Conservation Purposes, the rights and interests that are reserved to the Conservancy by this Conservation Easement include, but are not limited to, the following:

A. Preserve and Protect. The Conservancy may preserve, protect, identify, monitor, enhance, and restore in perpetuity the Conservation Values.

B. Entry and Access Rights. The Conservancy reserves to itself rights of access to enter upon the Property, using appurtenant easements and rights of way, if any, and may enter upon the Property at reasonable times in order to monitor compliance with and otherwise enforce the terms of this Conservation Easement, to study and make scientific observations of the Property and of natural elements and ecosystems and other features of the Property, to determine whether Owner's activities are in compliance with the terms of this Conservation Easement and to take all actions deemed necessary by the Conservancy to preserve, protect, identify, monitor, enhance, and restore in perpetuity the Conservation Values. Except in cases in which the Conservancy determines that immediate entry is required to prevent, terminate, or mitigate a violation of the Conservation Easement or to preserve or protect the Conservation Values, such entry will be upon giving notice to Owner at least seven (7) days in advance of such entry, as described in Paragraph 12, and will not unreasonably interfere with Owner's use and quiet enjoyment of the Property. In the event the Conservancy determines that immediate entry is required, the Conservancy shall make reasonable efforts to contact Owner prior to entry, but such notice shall not be a prerequisite to entry.

C. Enforcement. The Conservancy may prevent any activity on or use of the Property that is inconsistent with the Conservation Purposes and may enforce the restoration of such areas or features of the Property that might be damaged by any inconsistent activity or use.

D. Additional Actions. The Conservancy may, but is not obligated to, employ the use of pesticides, herbicides or other biocides or any other means, including grazing of cattle or other animals, to control noxious weeds if, as reasonably determined by the Conservancy, grazing has been ineffective or has been reduced to a level that fails to control such weeds; provided, however, that such use shall be with the prior written consent of Owner, which consent shall not be unreasonably withheld, conditioned, or delayed.

E. Fencing of Riparian Areas. The Conservancy may, but is not obligated to, at its own expense, install fencing in the Riparian Areas as designated on the Property Map, where, in the sole opinion of the Conservancy, such fencing is advisable in order to protect the Conservation Values and achieve the Conservation Purposes.

4. PERMITTED USES OF THE PROPERTY. Owner and the Conservancy intend that this Conservation Easement shall confine the uses of the Property to the multiple agricultural and conservation uses of farming, ranching, open space, scenic, conservation, and plant and wildlife habitat, in accordance with the terms and conditions of this Conservation Easement, and to such other incidental uses as are expressly permitted in this Conservation Easement. Except as prohibited or otherwise limited by Paragraph 5 and by Attachment 3, Owner reserves the right to use and enjoy the Property in any manner that is consistent with the Conservation Purposes. In that regard, the uses set forth in Attachment 2, though not an exhaustive list of consistent

permitted uses, are consistent with this Conservation Easement and shall not be precluded, prevented, or limited by this Conservation Easement, except as follows: (a) as provided in Paragraph 5 and in Attachment 3; (b) in those instances in which prior approval by the Conservancy is required under this Conservation Easement; and (c) in those instances in which any action or practice is or becomes inconsistent with the Conservation Purposes or diminishes or impairs the Conservation Values.

5. PROHIBITED USES OF THE PROPERTY. Any activity on or use of the Property that is inconsistent with the Conservation Purposes (including, without limitation, any activity or use that diminishes or impairs the Conservation Values) is prohibited. Though not an exhaustive list of prohibited uses, none of the uses described in Attachment 3 shall be made of the Property. Owner has considered the possibility that uses prohibited by the terms of this Conservation Easement may become more economically valuable than permitted uses and that neighboring properties may in the future be put entirely to such prohibited uses. It is the intent of both Owner and the Conservancy that any such changes shall not be deemed to be circumstances justifying the termination, extinguishment, or modification of this Conservation Easement. In addition, the inability of Owner, or Owner's heirs, successors, or assigns, to conduct or implement any or all of the uses permitted under the terms of this Conservation Easement, or the unprofitability of doing so, shall not impair the validity of this Conservation Easement or be considered grounds for its termination, extinguishment, or modification.

6. REMEDIES.

A. Notice of Violation; Corrective Action. If the Conservancy or Owner becomes aware of a violation or breach, or a threatened violation or breach, of the terms of this Conservation Easement by one or the other of them, the Conservancy or Owner shall give written notice of such violation or breach to the other party ("**Violating Party**"). If the Violating Party fails to cure the violation within thirty (30) days after receipt of such written notice from the Conservancy or Owner ("**Conforming Party**"), or under circumstances where the violation cannot reasonably be cured within a thirty (30)-day period, fails to begin curing such violation within the thirty (30)-day period or fails to continue diligently to cure such violation until finally cured, the Conforming Party shall have all remedies available at law or in equity to enforce the terms of this Conservation Easement, including, without limitation, the right to seek a temporary or permanent injunction with respect to such activity, to cause the restoration of that portion of the Property affected by such activity to the condition that existed prior to the undertaking of such prohibited activity (regardless of whether the costs of restoration exceed the value of the Property), to pay monetary amounts which, if not paid, could result in extinguishment, modification, non-enforcement or impairment of this Conservation Easement, and/or to recover any additional damages arising from the violation. The Conforming Party's rights under this Paragraph apply equally to actual or threatened violations and breaches of the terms of this Conservation Easement. The Violating Party agrees that the Conforming Party's remedies at law for any violation of the terms of this Conservation Easement are inadequate and that Conforming Party shall be entitled to the injunctive relief described in this Paragraph, both prohibitive and mandatory, in addition to such other relief to which the Conforming Party may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. The

remedies described in this Paragraph 6 shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

B. Costs of Enforcement. In any action, suit or other proceeding undertaken to enforce the provisions of this Conservation Easement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs and expenses including attorneys' fees, and if such prevailing party recovers judgment in any action or proceeding, such costs and expenses shall be included as part of the judgment. In addition, any costs of restoration shall be borne by Owner if Owner is responsible for any damage.

C. Emergency Enforcement. If the Conservancy, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values or to prevent breach or extinguishment of the Conservation Easement, the Conservancy may pursue its remedies under this Paragraph 6 without prior notice to Owner and without waiting for the cure period to expire. In the event the Conservancy determines that emergency enforcement is required, the Conservancy shall make a reasonable effort to notify Owner, but such notice shall not be a prerequisite to pursuing its remedies.

D. The Conservancy's Discretion. Enforcement by the Conservancy of the terms and provisions of this Conservation Easement shall be at the sole discretion of the Conservancy, and the failure of the Conservancy to discover a violation or to take action under this Paragraph 6 shall not be deemed or construed to be a waiver of the Conservancy's rights under this Conservation Easement with respect to such violation in the event of any subsequent breach. In no event shall any delay or omission by the Conservancy in exercising any right or remedy constitute an impairment of or a waiver of such right or remedy.

E. Acts Beyond Owner's Control. Nothing contained in this Conservation Easement shall be construed to entitle the Conservancy to bring any action against Owner for any injury to or change in the Property resulting from causes beyond Owner's control, including fire, flood, storm, drought, and earth movement. Furthermore, should Owner undertake specific activities to enhance or restore certain Conservation Values and those activities result in an adverse impact to other Conservation Values, then such activities shall not be considered violations of the Conservation Easement, provided that Owner shall have obtained the Conservancy's written approval prior to commencing such activities.

7. ASSIGNMENT. The Conservancy may, in the Conservancy's sole discretion, assign this Conservation Easement, provided that: (a) Owner is given written notice of the Conservancy's intent to assign this Conservation Easement; and (b) any assignment shall be made only to an organization qualified, at the time of assignment, as an eligible donee under Internal Revenue Code Section 170(h)(3) or its successor or under any regulations issued thereunder, and such organization shall be an entity qualified at the time of assignment to hold a conservation easement under Idaho law.

8. RUNNING WITH THE LAND. The parties intend this Conservation Easement to be a perpetual and irrevocable easement in gross, and further intend its terms and conditions to create equitable servitudes and covenants running with the land, binding upon Owner's successors and assigns for the benefit of the Conservancy as the holder of the Conservation Easement and the

United States as holder of third party rights. Owner agrees that transfer by Owner of any interest in the Property shall be in accordance with the terms of Paragraph 19.

9. AUTHORITY. The person or persons executing this Conservation Easement on behalf of the Conservancy represent and warrant that the execution of this Conservation Easement has been duly authorized by the Conservancy. The person or persons executing this Conservation Easement on behalf of Owner represent and warrant that the execution of this Conservation Easement has been duly authorized by Owner.

10. COSTS, LEGAL REQUIREMENTS, AND LIABILITIES. Owner retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property and agrees that the Conservancy shall have no duty or responsibility for the operation or maintenance of the Property, the monitoring of hazardous conditions on the Property, or the protection of Owner, the public, or any third parties from risks relating to conditions on the Property. Owner agrees to pay before delinquency any and all real property taxes and assessments levied on the Property and agrees that Owner shall keep the Conservancy's interest in the Property free of any liens, including those arising out of any work performed for, materials furnished to, or obligations incurred by Owner. Owner shall be solely responsible for any costs related to the maintenance of general liability insurance covering Owner's acts on the Property. Owner remains solely responsible for obtaining any applicable governmental permits and approvals for any activity or use reserved by Owner and permitted by this Conservation Easement, and any activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, rules, regulations, and requirements. If more than one person or entity constitutes Owner, the obligations of each and all of them under this Conservation Easement shall be joint and several.

11. INDEMNIFICATIONS.

A. By Owner. Notwithstanding any other provision of this Conservation Easement to the contrary, Owner agrees to indemnify, defend, and hold the Conservancy, including, without limitation, the Conservancy's members, directors, officers, employees, agents, and contractors, and its successors and assigns (collectively, the "Indemnified Parties"), harmless from and against any costs, liabilities, penalties, damages, claims (whether based on negligence or strict liability), or expenses (including reasonable attorneys' fees) and litigation costs that the Indemnified Parties may suffer or incur as a result of or arising out of: (a) the activities of Owner on the Property; (b) the inaccuracy of any representation or warranty made herein by Owner; (c) any breach of this Conservation Easement; (d) any injury to or the death of any person or physical damage to any property resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due to the negligence of any of the Indemnified Parties. Without limiting the foregoing, Owner shall indemnify, defend, and hold harmless the Indemnified Parties for all of the following:

i. Approvals. Any claim, liability, damage, or expense suffered or incurred by or threatened against the Conservancy by Owner or any other person related to any approvals requested by Owner, whether given or withheld by the Conservancy under this Conservation Easement, except as such claim, liability, damage, or expense is the result of the Conservancy's unreasonableness, gross negligence or intentional misconduct.

ii. Taxes. Any real property taxes, insurance, utilities, or assessments that are levied against the Property, including those for which exemption cannot be obtained, or any other costs of maintaining the Property.

iii. Hazardous Materials. Any Hazardous Material, as that term is defined in Paragraph 15, present, alleged to be present, or otherwise connected in any way to the Property, whether by, on, or after the date of this Conservation Easement.

B. By the Conservancy. The Conservancy shall hold harmless and indemnify Owner from and against all liabilities, claims, penalties, costs, demands, or judgments, including reasonable attorneys' fees and costs of defense, arising from or related to injury to or death of any person or physical damage to property resulting from any act or omission related to or occurring on or about the Property, provided such acts or omissions relate to the Conservancy's duties and obligations under this Conservation Easement.

12. NOTICE; APPROVAL.

A. Notice for Entry. Where notice to Owner of the Conservancy's entry or BPA's entry pursuant to Paragraph 22 upon the Property is required under this Conservation Easement, the Conservancy or BPA shall notify any of the persons constituting Owner or their authorized agents by telephone or in person or by written notice in the manner described in Paragraph 12(C) prior to such entry.

B. Approval Request. Except as provided in Paragraph 12(A), whenever written agreement or consent is required by this Conservation Easement, the initiating party shall give written notice, in the manner described in Paragraph 12(C), and detailed information to the other party. The receiving party shall review the proposed activity and notify the initiating party within thirty (30) days after receipt of notice of any objections to such activity. Any objections by a party shall be based upon its opinion that the proposed activity is inconsistent with the terms of this Conservation Easement.

C. Written Notices. Any written notice called for in this Conservation Easement shall be delivered: (1) in person; (2) by certified mail, return receipt requested, postage prepaid; (3) by facsimile with the original deposited with the United States Post office, postage prepaid on the same date as sent by facsimile; or (4) by next-business-day delivery through a reputable overnight courier that guarantees next-business-day delivery and provides a receipt. Notices shall be addressed as follows:

To the Conservancy:	The Nature Conservancy
	Idaho Field Office
	116 1st. Ave. North
	Hailey, ID 83333
	Fax: 208 788 9040

with a copy to:

The Nature Conservancy
Legal Department
559 East South Temple
Salt Lake City, UT 84102
Fax: 801 531-1009

To Owner:

Beyeler Ranches, LLC
4861 Lemhi Road
Leadore, Idaho 83464

To BPA:

The Bonneville Power Administration
Real Property Services
P.O. Box 3621
Portland, OR 97208-3621
Fax: (503) 230-5571

Either party may, from time to time, by written notice to the other, designate a different address that shall be substituted for the relevant address or addresses set forth above. Notice is deemed to be given upon receipt.

D. Subsequent Activities. Permission to carry out, or failure to object to, any proposed use or activity shall not constitute consent to any subsequent use or activity of the same or any different nature.

13. SEVERABILITY AND ENFORCEABILITY. The terms and purposes of this Conservation Easement are intended to be perpetual. If any provision or purpose of the Conservation Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions and purposes of the Conservation Easement, and the application of such provision or purpose to persons or circumstances other than those as to which it is found to be invalid, shall not be affected thereby.

14. CONDEMNATION. If all or part of the Property is taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by this Conservation Easement, Owner and the Conservancy shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking, which proceeds shall be divided in accordance with the proportionate value of the Conservancy's and Owner's interests at the time of this reservation (as provided in Treas. Reg. Section 1.170A-14(g)(6)(I)), it being expressly agreed that this Conservation Easement constitutes a compensable property right. All expenses incurred by Owner and the Conservancy in such action shall be paid out of their respective recovered proceeds, and the Conservancy shall use the remainder of its share of the proceeds, after consultation with BPA, in a manner consistent with the purposes and intent set forth herein, or for the protection of a "relatively natural habitat of fish, wildlife, or plants or similar ecosystem," as that phrase is used

in Internal Revenue Code Section 170(h)(4)(a)(ii), as amended, and in regulations promulgated thereunder.

15. INTERPRETATION.

A. Intent. It is the parties' intent to preserve the condition of the Property and each of the Conservation Purposes, notwithstanding economic or other hardship or changes in circumstances or conditions. The provisions of this Conservation Easement shall be construed to effectuate the Conservation Purposes and to allow Owner's use and enjoyment of the Property to the extent consistent with those Conservation Purposes. No remedy or election given by any provision in this Conservation Easement shall be deemed exclusive unless so indicated, but it shall, wherever possible, be cumulative with all other remedies at law or in equity. The parties acknowledge that each party and its counsel have reviewed and revised this Conservation Easement and that no rule of construction that ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Conservation Easement. In the event of any conflict between the provisions of this Conservation Easement and the provisions of any use and zoning restrictions of the State of Idaho, the county in which the Property is located, or any other governmental entity with jurisdiction, the more restrictive provisions shall apply.

B. Governing Law. This Conservation Easement shall be interpreted in accordance with the laws of the State of Idaho.

C. Captions. The captions have been inserted solely for convenience of reference and are not part of the Conservation Easement and shall have no effect upon construction or interpretation.

D. No Hazardous Materials Liability. Notwithstanding any other provision of this Conservation Easement to the contrary, nothing in this Conservation Easement shall be construed such that it creates in or gives to the Conservancy or BPA: (1) the obligations or liabilities of an "owner" or "operator" as those words are defined and used in Environmental Laws (as that term is defined below), including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USC Section 9601 et seq.) ("CERCLA"); (2) the obligations or liabilities of a person described in 42 USC Section 9607(a)(3); (3) the obligations of a responsible person under any applicable Environmental Law; (4) any obligation to investigate or remediate any Hazardous Materials, as defined below, associated with the Property; or (5) any control over Owner's ability to investigate, remove, remediate or otherwise clean up any Hazardous Materials associated with the Property.

E. Definitions.

(1) The terms "**Owner**" and "**Conservancy**," wherever used in this Conservation Easement, and any pronouns used in place thereof, shall mean and include, respectively, Owner and Owner's personal representatives, heirs, devisees, personal representatives, and assigns, and all other successors as their interest may appear and the Conservancy and its successors and assigns.

(2) The term "**Hazardous Materials**" includes, without limitation, any of the following wastes, materials, chemicals, or other substances (whether in the form of liquids, solids, or gases, and whether or not airborne) which are ignitable, reactive, corrosive, toxic, or radioactive, or which are deemed to be pollutants, contaminants, or hazardous or toxic substances under or pursuant to, or which are to any extent regulated by or under or form the basis of liability under any statute, regulation, rule, ordinance, order, or requirement concerning such wastes, materials, chemicals, or other substances (in each case, an "**Environmental Law**"), including, but not limited to, petroleum-based products and any material containing or producing any polychlorinated biphenyl, dioxin, or asbestos, as well as any biocide, herbicide, insecticide, or other agrichemical, at any level that may (a) constitute a present or potential threat to human health, safety, welfare, or the environment, (b) exceed any applicable or relevant and appropriate cleanup standard, or (c) cause any person to incur any investigation, removal, remediation, maintenance, abatement, or other cleanup expense; it being understood that such Environmental Laws include, but are not limited to CERCLA, as defined above; the Hazardous Materials Transportation Act (49 USC Sections 6901 et seq.); similar Idaho state environmental laws; and any rule, regulation, or other promulgation adopted under any of the foregoing laws.

16. **SUBSEQUENT LIENS ON PROPERTY.** No provision of this Conservation Easement should be construed as impairing the ability of Owner to use the Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing must, at all times, be subordinated to the Conservation Easement by means of a subordination document acceptable to the Conservancy in the Conservancy's sole discretion.

17. **RE-RECORDING.** The Conservancy is authorized to record or file any notices or instruments appropriate to assuring the perpetual enforceability of this Conservation Easement and Owner agrees to execute any such instruments if necessary.

18. **ACCESS.** Nothing contained in this Conservation Easement shall give or grant to the public a right to enter upon or use the Property or any portion of the Property where no such right existed in the public immediately prior to the execution of this Conservation Easement. Owner shall undertake all reasonable actions to prevent the unlawful entry and trespass by persons whose activities might diminish or impair the Conservation Values.

19. **SUBSEQUENT TRANSFERS.**

A. **Fee Title.** Owner may transfer the Property in its entirety, but not in any portion less than its entirety. Owner agrees that the terms, conditions, restrictions, and purposes of this Conservation Easement or reference thereto will be inserted by Owner in any subsequent deed or other legal instrument by which Owner divests either the fee simple title or a possessory interest (including, but not limited to, any leases) of the Property; and Owner further agrees to notify the Conservancy of any pending transfer (including, without limitation, leases) at least forty five (45) days in advance of the transfer. Leasing all or any portion of the Property for a period of five (5) or more years is subject to prior written approval by the Conservancy, which approval shall not be unreasonably withheld, conditioned, or delayed. The failure of Owner to comply with this Paragraph 19.A. shall not impair the validity of this Conservation Easement or limit its enforceability in any way. Any successor in interest of Owner, by acceptance of a deed, lease, or other document purporting to convey an interest in all or any portion of the Property, shall be

deemed to have consented to, reaffirmed, and agreed to be bound by all of the terms, covenants, restrictions, and conditions of this Conservation Easement.

B. Water Rights. Owner may transfer the Water Rights separately from the underlying fee title to the Property, or encumber the Water Rights, only when the transfer or encumbrance is to the Idaho State Water Resource Board or other state or federal entity, or other qualified entity, for conservation purposes and after obtaining the prior written consent of the Conservancy. Expansion or modification of the Water Rights and/or water facilities on the Property is subject to prior written approval of the Conservancy that such actions will not adversely affect the Conservation Values. Subject to these restrictions and all other terms of this Conservation Easement, Owner shall otherwise have all rights to use and enjoy the water resources on the Property as permitted under state and federal laws.

20. EXTINGUISHMENT. If circumstances arise in the future that render the purposes of this Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Subsequent to any such termination or extinguishment, the Conservancy shall be entitled to a proportionate share of the proceeds from any sale, exchange, or involuntary conversion of all or any portion of the Property, after the satisfaction of prior claims, based upon the percentage (determined as of the date of this Conservation Easement) of value that the Conservation Easement bears to the value of the unencumbered fee title. The Conservancy shall use all such proceeds, after consultation with BPA, in a manner consistent with the Conservation Purposes of this Conservation Easement.

21. AMENDMENT. If circumstances arise under which an amendment to or modification of this Conservation Easement might be appropriate, the Conservancy and Owner may by mutual written agreement jointly amend this Conservation Easement, provided that no amendment shall be made that will adversely affect the qualification of this Conservation Easement or the status of the Conservancy as a qualified holder under any applicable laws, including the IRS Code or Idaho statute. Any such amendment shall be consistent with the protection of the conservation and preservation of the Conservation Values of the Property and the Conservation Purposes of this Conservation Easement; shall not affect its perpetual duration; and shall not permit any private benefit to any person or entity without proportionate benefit to the Conservancy, in accordance with rules and regulations governing 501(c) non-profit organizations and the Conservancy's internal policies and procedures. Any amendment requires BPA's consent, which consent shall not be unreasonably withheld. Any such amendment shall be recorded in the land records of Lemhi County, Idaho. Nothing in this paragraph shall require either party to agree to any amendment or to consult or negotiate regarding any amendment.

22. RIGHTS OF UNITED STATES. As stated in the Deed, the Conservancy has conveyed third party rights of enforcement, entry, and inspection to the United States of America and its assigns, and Owner does hereby acknowledge and agree to such third party rights of enforcement. BPA is the acquiring federal agency having jurisdiction and control over the third party rights, more particularly described below.

A. Enforcement. If the Conservancy fails to enforce the terms of this Conservation Easement, BPA may, after providing the Conservancy with written notice and a reasonable time

to respond (no less than 30 days, except in cases of emergency), exercise all of the rights and remedies herein provided to the Conservancy and is entitled to all of the indemnifications herein provided to the Conservancy. If the Conservancy and BPA jointly exercise the rights and remedies of the Conservation Easement, then the Conservancy and BPA will work cooperatively to apportion the costs of enforcement in accordance with the efforts of each.

B. Entry and Inspection. BPA may, in a reasonable manner and at reasonable times, enter and inspect the easement area to determine compliance with the terms of the Conservation Easement. Except in cases of emergency, BPA will give Owner and the Conservancy notice at least seven (7) days in advance of such entry, in the manner provided for in Paragraph 12, and will not unreasonably interfere with Owner's use and quiet enjoyment of the Property. The Conservancy may accompany BPA on any such non-emergency entry. In the event that BPA determines that an immediate entry is required because of non-enforcement by the Conservancy, BPA shall make reasonable efforts to contact Owner and the Conservancy prior to entry, but such notice shall not be a prerequisite to entry.

23. ENTIRE AGREEMENT. This Conservation Easement, together with the attached exhibits and schedules, if any, and any documents incorporated herein by reference, constitutes the entire agreement of the parties with respect to the subject matter of this Conservation Easement and supersedes all prior agreements and understandings of the parties.

24. ATTACHMENTS. The following documents are attached to and are incorporated into the Deed and this Conservation Easement:

- Attachment 1: Property Map;
- Attachment 2: Permitted Uses of the Property; and
- Attachment 3: Prohibited Uses of the Property.

Remainder of this page intentionally left blank.

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OWNER:

BEYELER RANCHES, LLC,
an Idaho limited liability company

By Merrill M Beyeler
Title: Manager

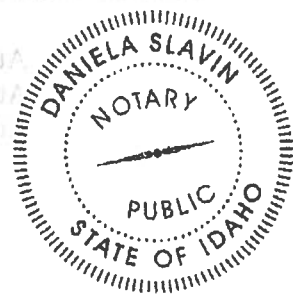
By: Sharon L Beyeler
Title: Manager

STATE OF Idaho)
) ss.
COUNTY OF Lemhi)

The foregoing instrument was acknowledged before me this 27th day of September 2010, by Merrill M Beyeler and Sharon L Beyeler, known or identified to me to be the Managers of Beyeler Ranches, LLC, an Idaho limited liability company, and acknowledged to me that such corporation executed the same.

Daniela Slavin
Notary Public
Address: PO Box 1085
Salmon, ID 83467

My commission expires: 11-15-2011



THE CONSERVANCY:

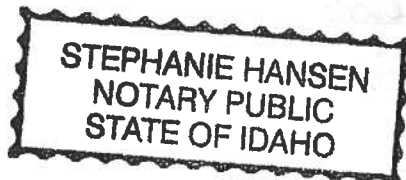
THE NATURE CONSERVANCY,
a District of Columbia nonprofit corporation

By: Laura Hubbard
Title: Idaho State Director

STATE OF Idaho)
) ss.
COUNTY OF Blaine)

The foregoing instrument was acknowledged before me this 24 day of September, 2010, by Laura Hubbard, known or identified to me to be the Idaho State Director of The Nature Conservancy, a District of Columbia non-profit corporation, and acknowledged to me that such corporation executed the same.

Stephanie Hansen
Notary Public
My commission expires: 1/12/2012 Address: 66 W. Myrtle G. Highway 10 83311



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ACCEPTED BY THE UNITED STATES OF AMERICA

By: Margareth H. Wolcott
MARGARETH H. WOLCOTT
TITLE: MANAGER, REAL PROPERTY SERVICES
BONNEVILLE POWER ADMINISTRATION

STATE OF Oregon)
) ss.
COUNTY OF Multnomah)

The foregoing instrument was acknowledged before me this 23 day of September 2010, by Margareth H. Wolcott known or identified to me to be the Manager, Real Property Services of Bonneville Power Administration, Department of Energy, an agency of the United States of America, and acknowledged to me that such agency executed the same.

Heidi Marie Haserot

Heidi Marie Haserot

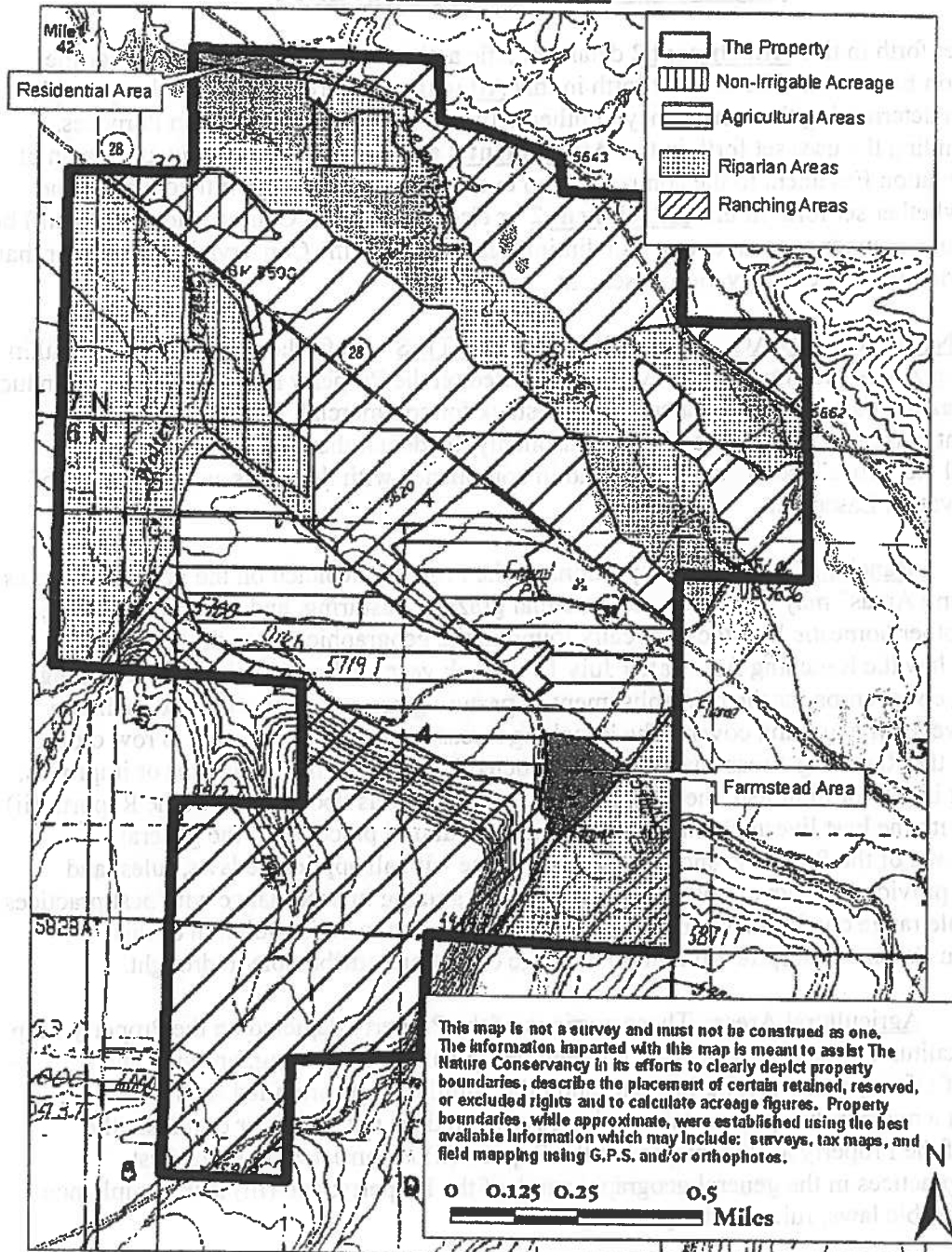
Notary Public Residing at:

My commission expires: March 02, 2014 Address: Lake Oswego, OR.



Attachment 1
TO SPECIAL WARRANTY DEED
with Reservation of Conservation Easement
 Lemhi River (Cottom Ranch aka Robison Ranch) Idaho

PROPERTY MAP



Attachment 2
TO SPECIAL WARRANTY DEED
with Reservation of Conservation Easement
Lemhi River (Cottom Ranch aka Robison Ranch) Idaho

PERMITTED USES OF THE PROPERTY

The uses set forth in this Attachment 2 detail specific activities that are permitted under the Conservation Easement. The uses set forth in this Attachment 2 are also intended to provide guidance in determining the consistency of other activities with the Conservation Purposes. Notwithstanding the uses set forth in this Attachment 2 and, notwithstanding any provision of this Conservation Easement to the contrary, in no event shall any of the permitted uses of the Property (whether set forth in this Attachment 2 or elsewhere in this Conservation Easement) be conducted in a manner or to an extent that diminishes or impairs the Conservation Values or that otherwise violates this Conservation Easement.

1. RANCHING AND AGRICULTURAL ACTIVITIES. As further defined below, within the Ranching Areas and Agricultural Areas designated on the Property Map, Owner may conduct farming, grazing, pasturing, and watering of livestock for commercial, personal, or habitat management purposes, and other activities reasonably incidental thereto ("Ranching and Agricultural Activities") solely as follows and in compliance with the terms and conditions of this Conservation Easement:

A. Ranching Areas. Those portions of the Property depicted on the Property Map as the "Ranching Areas" may be used for commercial grazing, pasturing, and watering of cattle, horses and other domestic livestock typically found in the geographical area of the Property. Owner may hay the Ranching Areas after July 14 of each year, and may replant the Ranching Areas using cover crops for the reestablishment of pasture grass and to provide and maintain productive vegetative ground cover. The Ranching Areas may not be converted to row crops. Uses within the Ranching Areas shall be: (i) conducted in a manner that maintains or improves, but does not impair or diminish, the conditions of the Property as documented in the Report; (ii) consistent with the best livestock management and agricultural practices in the general geographic area of the Property; and (iii) in compliance with all applicable laws, rules, and regulations; provided, however, that if Owner manages grazing in accordance with best practices for observable range condition, Owner shall not be determined to be in violation of this Conservation Easement despite diminution of range conditions attributable to drought.

B. Agricultural Areas. Those portions of the Property depicted on the Property Map as the "Agricultural Areas" may be used for beehives, planting, cultivating, growing and harvesting of alfalfa, grass hay, barley, oats and other similar crops provided such uses are conducted in a manner that (i) maintains or improves, but does not impair or diminish, the conditions of the Property as documented in the Report; (ii) is consistent with the best agricultural practices in the general geographic area of the Property; and (iii) is in compliance with all applicable laws, rules, and regulations.

C. Riparian Areas. Ranching and Agricultural Activities shall not be conducted within the Riparian Areas designated on the Property Map, except in compliance with a Grazing Plan to be developed and agreed to by the parties prior to livestock grazing occurring within the Riparian Areas. The Grazing Plan shall prescribe the season of use, class of livestock, numbers of livestock, vegetation utilization objectives, grazing use objectives, utilization measures, pasture rotation and resting schedule, monitoring schedule, and duration of Grazing Plan. The Grazing Plan shall include a map of the Property describing pastures, fences, water gaps, and any other improvements related to the Ranching and Agricultural Activities, and shall be in accordance all terms of this Conservation Easement including Paragraph 7 of this Attachment 2 regarding the Water Management Agreement and Non-Irrigable Acreage (as defined below). The Grazing Plan shall be reviewed annually and modified if necessary to address ecological conditions. If the parties cannot agree to modifications, the then existing Grazing Plan will remain in effect with respect to those portions of the Riparian Areas beyond 100 feet of the mean high water mark of the Lemhi River, Lee Creek, Little Springs Creek or Walter's Creek ("the 100 Foot Zone"), and no grazing shall be permitted within the 100 Foot Zone. Grazing within the 100 Foot Zone shall not occur unless and until a Grazing Plan is agreed upon for the entire Riparian Areas. In the event of any inconsistencies between the terms of the Grazing Plan and the terms of this Conservation Easement, the terms of this Conservation Easement shall control.

If fencing is constructed to limit livestock access to or within the Riparian Areas, Owner shall maintain such fencing (including fencing installed by the Conservancy pursuant to Paragraph 3(E) of the Conservation Easement), regardless of whether or not the livestock are owned by Owner, Owner's lessee or an adjoining public land permittee.

D. Fertilizers, Pesticides, Herbicides, and other Biocides. Use of fertilizers, pesticides, herbicides, and other biocides associated with the Ranching and Agricultural Activities, and in quantities consistent with such Ranching and Agricultural Activities, are permitted in the Ranching Areas and Agricultural Areas, provided such use is in compliance with all applicable laws, rules, and regulations and manufacturers' label instructions. Further, herbicides may be applied on the Property for the control of non-native noxious weeds as required by Idaho law and in compliance with all applicable laws, rules, and regulations. Aerial spraying of any fertilizer, pesticide, herbicide or biocide is prohibited.

2. DEVELOPMENT.

A. Existing Improvements. Owner may occupy and use the 15-acre Farmstead Area identified on the Property Map and the existing improvements located therein for single-family occupancy by Owner and Owner's family and guests or by a ranch hand and his or her family, and other uses incidental to such single-family occupancy. Owner may repair, replace and/or relocate existing structures anywhere within the Farmstead Area without further permission from the Conservancy, provided that such activity is otherwise in compliance with the terms of this Conservation Easement and that each replacement structure is of similar size and function as the original structure.

The trailer house located on the Property and identified in the Report will be removed by the Conservancy pursuant to a restoration plan and any development rights associated with the trailer house are extinguished by this Conservation Easement.

As documented in the Baseline Report, structures known as the Old Cotton School are located on the Property. The parties agree that the School may have historical value and shall not be demolished, except upon mutual agreement by Owner, the Conservancy and any governmental agency with jurisdiction over historical structures. The parties agree that no development rights are associated with this structure; however, Owner may take whatever actions deemed appropriate by local or state agencies in order to preserve the School, subject to all other terms of this Conservation Easement.

B. New Construction. Within the existing Farmstead Area, Owner may construct one new single family residence for single family occupancy and associated non-habitable structures with a footprint not to exceed 7,000 total aggregate square feet for all structures. In order to monitor compliance with square footage, Owner shall provide design plans with square footage amounts to the Conservancy prior to commencing construction on any structure(s). If destroyed, the structures may be replaced with structures of similar size and function.

C. New Residential Area. Within the five-acre "New Residential Area" designated on the Property Map, Owner may construct one new single family residence for single family occupancy and one non-habitable structure with a footprint not to exceed 4,000 total aggregate square feet for all structures. In order to monitor compliance with square footage, Owner shall provide design plans with square footage amounts to the Conservancy prior to commencing construction on any structure(s). If destroyed, the structures may be replaced with structures of similar size and function.

Throughout the remainder of this Conservation Easement, the Farmstead Area and the New Residential Area may be collectively referred to as "the Development Areas."

D. Gardens and Landscaping. Owner may plow, disk, cultivate, plant, sow, irrigate, install and maintain gardens, non-commercial orchards, and landscaping in the Development Areas.

E. Fertilizers, Pesticides, Herbicides, and other Biocides. Fertilizers, pesticides, herbicides, and other biocides associated with the permitted activities within the Development Areas, and in quantities consistent with such permitted activities, are permitted in the Development Areas, if in compliance with all applicable laws, rules, and regulations and manufacturers' label instructions, provided, however, aerial spraying is prohibited. No other pesticides, herbicides, fertilizers, or biocides are permitted on the Development Areas.

F. Utilities. Owner may construct, repair, or replace all necessary utilities required for single-family occupancy, including septic systems, leach fields, electrical and/or propane lines, and domestic water wells provided such utilities are located entirely within the Development Areas or within existing road corridors. To the extent such construction is required to occur outside the Development Areas or existing road corridors, Owner shall obtain the Conservancy's review and written approval, not to be unreasonably withheld, before commencing construction activities. All leach fields and septic systems shall be located such that wetlands and streams are protected from seepage and runoff and shall comply with all applicable federal, state and local laws and regulations. Power lines shall be installed underground unless otherwise approved by the Conservancy.

3. COMMERCIAL USES. Subject to all other terms of this Conservation Easement, including Paragraph 2 of Attachment 3, certain commercial uses are allowed including (i) continuation of the permitted Ranching and Agricultural Activities; and (ii) such commercial activities that are conducted in a manner consistent with Section 170(h) of the United States Internal Revenue Code and the Treasury Regulations adopted pursuant thereto, are consistent with the Conservation Purposes, and do not materially diminish or impair the Conservation Values.

4. MAINTENANCE, REPAIR AND REPLACEMENT.

A. Agricultural, Non-residential Improvements and Facilities. Owner may maintain, repair, and replace farming, ranching and non-residential improvements, including irrigation ditches, which exist on the Property, including those within the Riparian Areas, as of the date of this Conservation Easement in the same location and to the same or more efficient design specifications. Owner may maintain, repair, relocate, and/or replace secondary irrigation ditches used to deliver irrigation water to areas where Ranching and Agricultural Activities currently occur. Fences that exist on the Property as of the date of this Conservation Easement may be repaired and replaced, and new fences may be built anywhere on the Property for purposes of reasonable and customary management of livestock without any further permission of the Conservancy, provided that such fencing shall not unduly restrict or impair wildlife movement.

B. Roads and Trails. The construction, reconstruction, or replacement of any roads and trails is prohibited, except as set forth in the remainder of this Paragraph 4(B). Owner may maintain roads and trails that exist on the Property as of the date of this Conservation Easement at the levels of improvement for each that exist as of the date of this Conservation Easement. The construction, reconstruction, or replacement of any roads is otherwise prohibited. Owner may construct and maintain new roads and trails on the Property, provided that: (1) such new roads and trails shall be reasonably necessary for the permitted Ranching and Agricultural Activities; or (2) such new roads, if constructed on the Property, shall be reasonably necessary to access the permitted Development Areas (including access by emergency vehicles in a manner required by any law, rule or regulation as a condition to permits or approvals related to construction permitted on the Property under the terms of this Conservation Easement); and (3) in all cases, Owner shall have obtained the Conservancy's prior written approval, which shall not be unreasonably withheld, conditioned, or delayed, for the construction of such new roads and trails. New roads and trails shall not be constructed within the Riparian Areas except as reasonably necessary to access fish screens or irrigation delivery systems constructed within the Riparian Areas to improve fish passage or improve flows in the Lemhi River and/or Little Springs Creek, and only upon prior written approval of the Conservancy.

5. FISHING AND HUNTING. The Property may be used for non-commercial hunting and fishing, provided that such activities are conducted in compliance with all applicable laws, rules, and regulations; provided, however, that stocking ponds on the Property with fish is prohibited unless authorized by the Idaho Department of Fish and Game. In addition, in controlling predatory and problem animals Owner shall comply with all applicable laws and use selective and humane control techniques, which shall be limited in their effectiveness to specific individual animals that have caused damage to livestock and other property.

6. PASSIVE RECREATIONAL USES. Owner may conduct passive recreational activities on the Property, including, but not limited to, bird watching, hiking, horseback riding, and picnicking. Under no circumstances shall golf courses or ranges, commercial airstrips or helicopter pads, motocross tracks, or any other recreational activity inconsistent with the Conservation Values be permitted on the Property.

7. RESTORATION AND WATER CONSERVATION ACTIVITIES.

A. Water Management Agreement. An integral part of this Conservation Easement is restoration and enhancement of habitat for migrating resident and anadromous fish in the Lemhi River, Lee Creek, Little Springs Creek and Walter's Creek. To that end, Owner and the Conservancy have entered into a Water Management Agreement that will govern water management practices on the Property. The Water Management Agreement shall be reviewed, at a minimum, every year and modified if necessary to address ecological conditions. If the parties determine that no modifications are necessary, or if the parties cannot agree to modifications, then the then existing Water Management Agreement will remain in effect until the parties reach agreement on a new Water Management Agreement. The Water Management Agreement shall be renewed according to its terms. Water conservation practices and other related water conservation activities, including installation of facilities, implemented under this Conservation Easement and the Water Management Agreement shall not be modified, nor any facilities removed, except upon prior written approval of the Conservancy, which approval shall not be unreasonably withheld, delayed, or conditioned.

B. Non-Irrigable Acreage. To restore and enhance instream flows in the Lemhi River, by Water Deed dated July 2, 2010, recorded as Instrument # 283460 in the Lemhi County records and on file with the Idaho Water Resource Board, the Conservancy donated to the Idaho Water Resource Board certain water rights appurtenant to the Property, on file with the Idaho Water Resource Board as Water Right Nos. 74-1588 and any subsequent splits; 74-1594 and any subsequent splits (collectively referred to as "the Donated Water Rights"). Accordingly, the acreage designated as the places of use for the Donated Water Rights shall not be irrigated; this acreage is defined as "Non-Irrigable Acreage" on the Property Map.

C. Other Enhancement Activities. Owner may conduct other native vegetation and waterway enhancement and restoration activities on the Property to enhance the Conservation Values pursuant to a management or restoration plan, provided that Owner shall have obtained the Conservancy's prior written approval.

8. SIGNS. Owner may erect a reasonable number of signs or other appropriate markers not to exceed dimensions of four feet (4') by eight feet (8') in a prominent location on the Property, visible from a public road, which identify farming, ranching or open space activities on the Property and/or which state that no trespassing or no hunting is allowed on the Property.

9. QUESTIONABLE ACTIVITIES. If any question exists regarding whether historic, current, or new practices or activities are permitted or would be inconsistent with the Conservation Purposes or would diminish or impair the Conservation Values, Owner shall notify the Conservancy in writing and obtain the Conservancy's written approval, not to be unreasonably withheld, prior to engaging in such practices or activities.

Attachment 3
TO SPECIAL WARRANTY DEED

with Reservation of Conservation Easement

Lemhi River (Cottom Ranch aka Robison Ranch) Idaho

PROHIBITED USES OF THE PROPERTY

Though not an exhaustive list of prohibited uses, none of the uses described in this Attachment 3 shall be made of the Property. The following are set forth both to list specific prohibited activities on the Property and to provide guidance in determining whether or not other activities are inconsistent with the Conservation Purposes.

1. NO SUBDIVISION. The legal or de facto division, subdivision, or partitioning of the Property is prohibited. Notwithstanding the fact that, as of the date of the Deed, the Property might be composed of separate legal parcels, the terms and conditions of this Conservation Easement shall apply to the Property as a whole, and the Property shall not be sold, transferred, or otherwise conveyed except as a whole, intact, single piece of real estate; it being expressly agreed that neither Owner nor Owner's personal representative, heirs, successors, or assigns shall sell, transfer, or otherwise convey any portion of the Property that constitutes less than the entire Property. The existence of any separate legal parcels, if any, as of the date of this Deed shall not be interpreted to permit any use or activity on an individual legal parcel that would not have been permitted on such individual legal parcel under the terms and conditions of this Conservation Easement as applied to the Property as a whole. Subject to the remainder of this Paragraph 1, ownership of the Property may be held in the form of undivided interests as tenants in common, whether by choice or by operation of any applicable laws, but no owner of an undivided interest in the Property shall have the right to have the Property partitioned in kind, whether pursuant to Idaho statute or otherwise.
2. NO NON-AGRICULTURAL, NON-RANCHING COMMERCIAL USES. The establishment of any commercial or industrial uses on the Property, other than the continuation of the permitted Ranching and Agricultural Activities described in Attachment 2, is prohibited. Examples of prohibited commercial or industrial uses include, but are not limited to: (a) the establishment or maintenance of any commercial feedlots, which are defined as any area bounded by permanent fence or walls where domestic livestock are grouped together for intensive feeding for an extended period of time; (b) the planting and cultivation of commercial orchards; (c) the establishment or maintenance of any commercial greenhouses or plant nurseries; (d) the establishment or maintenance of any dairies; (e) the establishment of any apartment buildings or other multi-family dwellings; (f) the establishment of any overnight lodging business, day lodge, dude ranch, guiding, hunting or fishing service, restaurant or other eating establishment; (g) ranching or farming of naturalized native animal species, or animals for purposes of fur production; and (h) game farming or fish farms.

The above prohibition is not intended to disallow a residential home office located on the Property as long as the business conducted out of that home office does not involve any of the prohibited uses.

Notwithstanding the above prohibition, upon prior written request from Owner, the Conservancy may permit certain other activities which may be interpreted as commercial, but which are determined by the Conservancy (a) to be consistent with the Conservation Purposes of this Conservation Easement; (b) not to adversely impact the Conservation Values; and (c) not to require or result in additional development or improvements to be undertaken on the Property other than development or improvements currently permitted by the Conservation Easement.

3. NO USE OR TRANSFER OF DEVELOPMENT RIGHTS. Except as expressly permitted by the terms of Attachment 2 of this Conservation Easement, the exercise of any development rights associated with the Property is prohibited, including, without limitation, the construction or placement of any residential or other buildings, golf courses, camping accommodations, boat ramps, bridges, mobile homes, house-trailers, permanent tent facilities, quonset huts or similar structures, underground tanks, or billboards, signs, or other advertising, and/or other structures or improvements, street lights, utility structures or lines, sewer systems or lines.

Except as expressly permitted by the terms of Attachment 2 of this Conservation Easement, all development rights that are now or hereafter allocated to, implied, reserved, or inherent in the Property 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 of the Property or any other property; provided, however, that, with prior written permission of the Conservancy, this Paragraph 3 shall not preclude such transfer of development rights resulting from the destruction or demolition of any new or existing residential or agricultural buildings on the Property.

4. NO NATURAL RESOURCE DEVELOPMENT. The exploration for or extraction of minerals, gas, hydrocarbons, soils, sands, gravel, or rock, or any other material on or below the surface of the Property is prohibited. Owner shall not grant any rights to any minerals, oil, gas, or hydrocarbons, including exploration or extraction rights in or to the Property, and Owner shall not grant any right of access to the Property to conduct exploration or extraction activities for minerals, oil, gas, or hydrocarbons, or other substances on any other property.

5. NO HAZARDOUS MATERIALS. The use, dumping, storage, release, or other disposal of non-compostable refuse, sewer sludge, or toxic or Hazardous Materials or agrichemicals is prohibited, except use and storage of reasonable amounts for the allowed uses described in Attachment 2.

6. NO ALTERATION OF NATURAL WATER COURSES; NO DEGRADATION OF WATER QUALITY. Except pursuant to Paragraph 7 of Attachment 2, or otherwise previously approved by the Conservancy in writing, the manipulation or alteration of any natural water course, wetland, streambank, shoreline, vernal pool or other waterbody, and the expansion or modification of water rights or water facilities, is prohibited. Activities or uses detrimental to water quality, including, but not limited to, degradation or pollution of any surface or subsurface waters, are prohibited, except as expressly permitted under the terms of the Conservation Easement or as reasonably incidental to the uses permitted pursuant to Attachment 2.

7. WATER DEVELOPMENT. Development of new water rights and water facilities is allowed only in connection with the uses specifically allowed under this Conservation Easement.
8. VEHICLES. Off-road vehicle use is prohibited, except as reasonably necessary for Ranching and Agricultural Activities.
9. NO PLOWING, DISKING, ALTERATION OF TOPOGRAPHY. The plowing, disking, cultivation, ripping, planting, sowing, irrigation, or any change in the topography of the Property through the placement on the Property of soils, land fill, dredging spoils, or other materials, or any other conversion or disturbance of the Property is prohibited, except as allowed under the provisions of Attachment 2 in connection with: (i) Ranching and Agricultural Activities; (ii) uses limited to the Development Areas ; (iii) repair, maintenance, and grading of existing roads and trails; and (iv) pursuant to an approved restoration or management plan for wetlands or native plant restoration and enhancement activities.
10. INCONSISTENT OR ADVERSE ACTIONS. Any action or practice that is or becomes inconsistent with the Conservation Purposes or that diminishes or impairs the Conservation Values is strictly prohibited.
11. NO JUNK YARDS. The storage or disassembly of inoperable automobiles, machinery, equipment, trucks, and similar items for purposes of storage, sale, or rental of space for any such purpose is prohibited.
12. NO DESTRUCTION OF NATIVE VEGETATION. Except as reasonably necessary to the activities allowed in Attachment 2, the removal, cutting or destruction of native vegetation is prohibited.
13. CONSERVANCY'S TRADEMARK. Owner shall not use the Conservancy's printed name and/or logo in any manner except upon prior written approval of the Conservancy, which may be denied in its sole discretion.
14. NO INTRODUCTION OF NON NATIVE PLANT OR ANIMAL SPECIES. The intentional seeding, planting, or introduction of non-native plant species is prohibited except within the Development Areas. The introduction of non-native animal species is also prohibited, except for livestock permitted as part of the Ranching and Agricultural Activities, and domesticated animals and pets.