

**REGULAR MEETING OF THE CARBON COUNTY PLANNING
BOARD**

SEPTEMBER 17, 2024

TUESDAY 7:00 PM

CARBON COUNTY PERSONAL SERVICES BUILDING

10 OAKES AVENUE SOUTH

RED LODGE, MT

To join from your computer, tablet or smartphone:

<https://meet.goto.com/866805205>

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES OF PREVIOUS MEETING

August 20, 2024

D. PUBLIC HEARINGS

None

E. REGULAR BUSINESS

1. Croell Inc. Group 2 Development Permit for Concrete
Batch Plant

2. Shreffler Group 2 Development Permit for Cabins

3. Lazy AO Conservation Easement

- F. PETITIONS & COMMUNICATION FROM AUDIENCE**
- G. WRITTEN COMMUNICATIONS**
- H. REPORTS FROM PLANNING BOARD MEMBERS AND COMMITTEES**
- I. STAFF REPORTS**
- J. ADJOURN**

Carbon County Planning Board
August Meeting
8-20-24

- A. Call Meeting to Order, 7:00 pm, Gordy Hill – Chairperson

- B. Roll Call
 - Present: Dean Webb, Skip Bratton, Mike Hayes, Angela Kallevig, Clinton Giesick, Gordy Hill, Forrest Mandeville
 - Audience: see attached sign-in sheet

- C. Approval of 7-16-24 Minutes
 - Mike moved to approve. Dean second.
 - Motion passed unanimously

- D. Public Hearings
 - *See Regular Business*

- E. Regular Business
 - *Roly's Construction – Group 2 Development Permit*
 - Proposed new gravel pit
 - Immediately next door to existing gravel pit
 - 58.8 acres in size
 - Clear Creek Rd. - NE of Roberts, MT
 - No proposed buildings
 - No mapped floodplain
 - No interference with irrigation water
 - All necessary permits will be acquired
 - Angela moved to recommend Commissioner's approval. Dean second.
 - Motion passed unanimously

 - *Elliot Group 2 Development Permit*
 - 80 acre parcel
 - 1.5 miles east of Rail Bed Rd.
 - SE of Bridger near Mud Springs Wind Farm
 - 5 single bedroom cabins proposed, all utilizing a common wash room
 - Water for wash room will be provided by an existing well
 - One septic system proposed
 - Cabins will be accessed by private road, which connects to Rail Bed Rd.
 - Dean Webb
 - Questions regarding possible typing error describing septic drainfield

- Skip Bratton
 - Do cabins have a recorded access easement through neighboring property?
- Clinton moved to recommend Commissioner's approval. Mike second.
 - Motion passed unanimously
- *Boyd Ranch Subdivision*
 - 4 lot minor subdivision
 - 105 acre total area
 - Lots range from 21.98 - 34.26 acres in size
 - Located on Lone Tree Road – North of Boyd-Cooney Dam Road
 - Individual septic systems/drainfields are proposed
 - All wells (4) will be located on Lot 4
 - 20 minute law enforcement response time
 - 8 minute fire department response time
 - SE corner of subdivision has an easement recorded for irrigation canal maintenance
 - Dean Webb
 - Discussion of utility easements running alongside county roads
 - Skip Bratton
 - Discussion of subdivisions needing utility easements, in this case, power line easement
 - Skip moved to recommend Commissioner's approval. Clinton second.
 - Motion passed unanimously

F. Audience Communication

- *Elliot Group 2 Development Permit*
 - Charles Elliot - landowner
 - Proposed cabins will strictly be for family use. No rentals.
 - Patti Davis
 - Neighboring land owner
 - Concern about cabins being rented out
 - Concern about gates being closed
 - Concern about increased hunting activity
- *Boyd Ranch Subdivision*
 - Todd Adamson - landowner
 - No septic systems will be located near wells
 - Power line maintenance easement should be a non-issue
 - This will not be a major development
 - Wants to keep the area looking nice

- Maurice Johnson
 - Concern about homes restricting access to maintain irrigation canal
 - Claims there is no easement recorded to maintain power lines being discussed
- Kate Stout – Red Lodge Surveying
 - A recorded easement to maintain power lines being discussed may not be attainable

G. Written Communication

- Letter from Harry & Patti Davis opposing Elliot cabins
- Letter from Dennis Eymann opposing Roly's Construction gravel pit

H. Committee Reports

- *Carbon County Conservation District*
 - No report

B. Staff Reports

- *See Regular Business*

C. Adjourn Meeting

- 9:30 pm

CARBON COUNTY
Planning Office
P.O. Box 466, Red Lodge, MT 59068
Main: (406) 446-1694
Fax: (406) 446-2640

GROUP 2 DEVELOPMENT PERMIT – STAFF REPORT

Date: September 4, 2025
To: Carbon County Planning Board/Board of Adjustment Members
From: Forrest J. Mandeville, AICP – Contract Planner
RE: **Croell, Inc., Group 2 Development Permit**

Recommendation: Approval

Recommended Motion: *Having reviewed and considered the staff report, public comment, and all of the information presented, I hereby move to approve the Group 2 Development Permit from Croell, Inc., for the construction and operation of a concrete batch plant subject to the conditions included in this memorandum.*

Project/Application Summary:

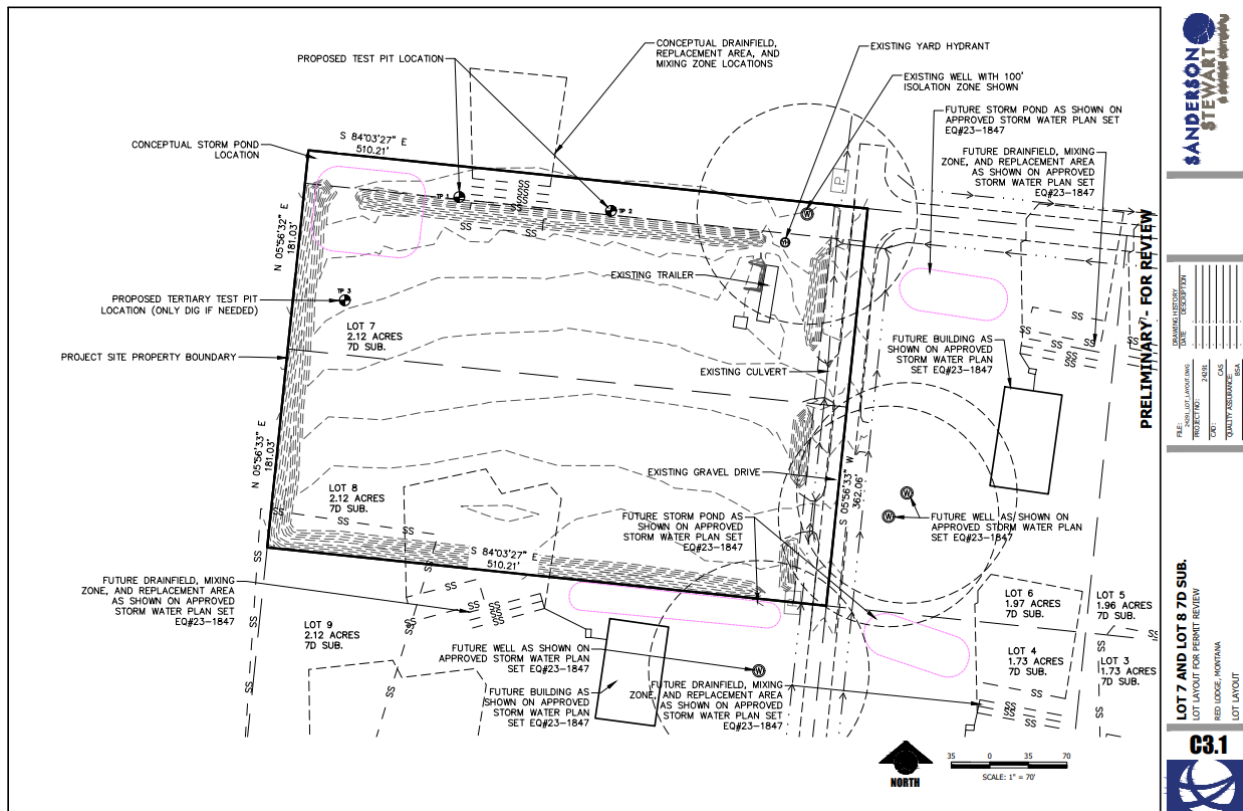
Bill Baxendale of Croell, Inc., has submitted an application to construct and operate a concrete batch plant on property west of Red Lodge in the 7D Subdivision. The proposed plant will produce redi-mix concrete and delivery with mixer trucks to the general public. There will be hauling, loading, and stockpiling of aggregate for use in the production process. A front end loader, belly dump trucks, and skid steer will be used on site as well.

The proposed development is located on West Weaver Lane, a private road providing internal access to the 7D Subdivision. The property is located about .25 miles north of Highway 78 and about .2 miles west of Willow Creek Road. The property is legally described as Lots 7-8, 7D Subdivision, Plat 2486, Section 16, T 7S, R 20E, Carbon County, MT.

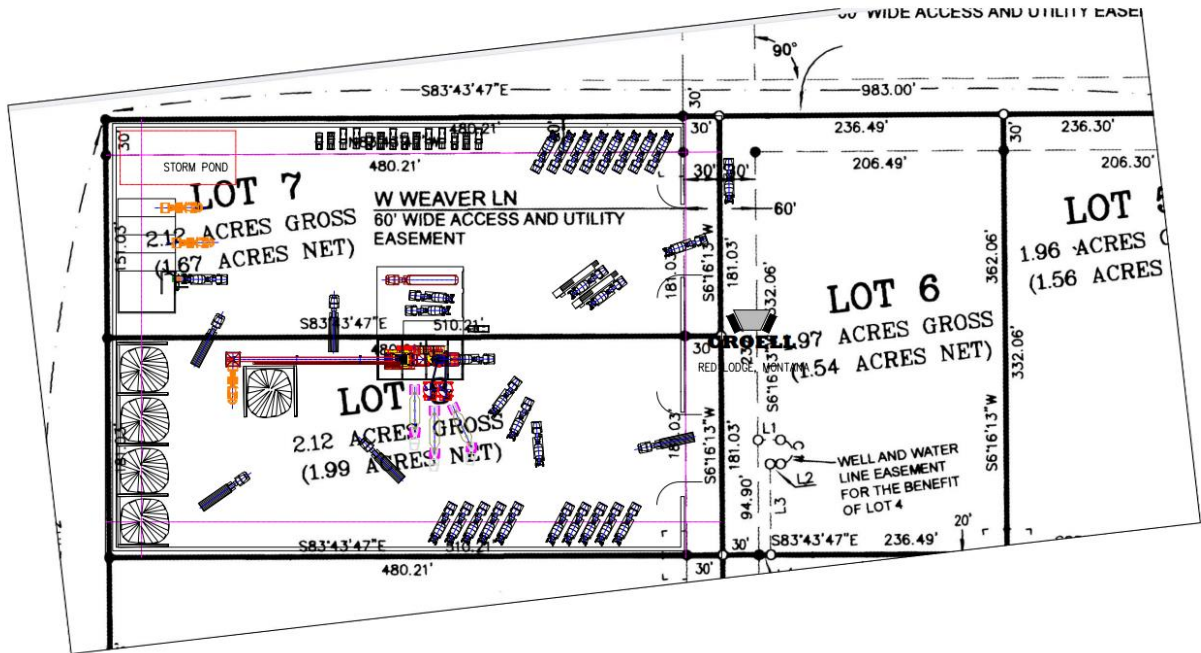
The application was originally submitted on May 23, 2024, but lacked a compliant site plan. Based on the information provided there were also questions about compliance with Montana Department of Environmental Quality (DEQ) rules. Equipment was moved onto the site in mid-June and into early August, resulting in approximately 10 land use complaints being submitted to the County.

Correspondence with the applicant indicated permitting was being sought through DEQ which would result in a new, accurate, site plan being submitted to the County. Continued activity on the site resulted in a violation notice being delivered to the applicant on August 12. Documents meeting the requirements of the County Development Regulations, as well as additional clarification of the planned development, were received by the County on August 13.

Wesley Wegman, Yellowstone Regional Manager, Croell, Inc., has indicated that the equipment currently onsite includes a portable batch plant, which will be used in the construction of the permanent plant. The permanent plant will have the capability of reducing dust by batching concrete with the mixer inside. Mr. Wegman further indicates the plan is to have a dust collection system in the plant. He also has stated that they intend to incorporate natural stone and cabin designs into the building to be more aesthetically pleasing. The shop is designed to be large enough to house most of the onsite mixers, and that other mixers will park in designated spaces intended to be hidden from view.



Site Plan Showing Existing Portable Plant

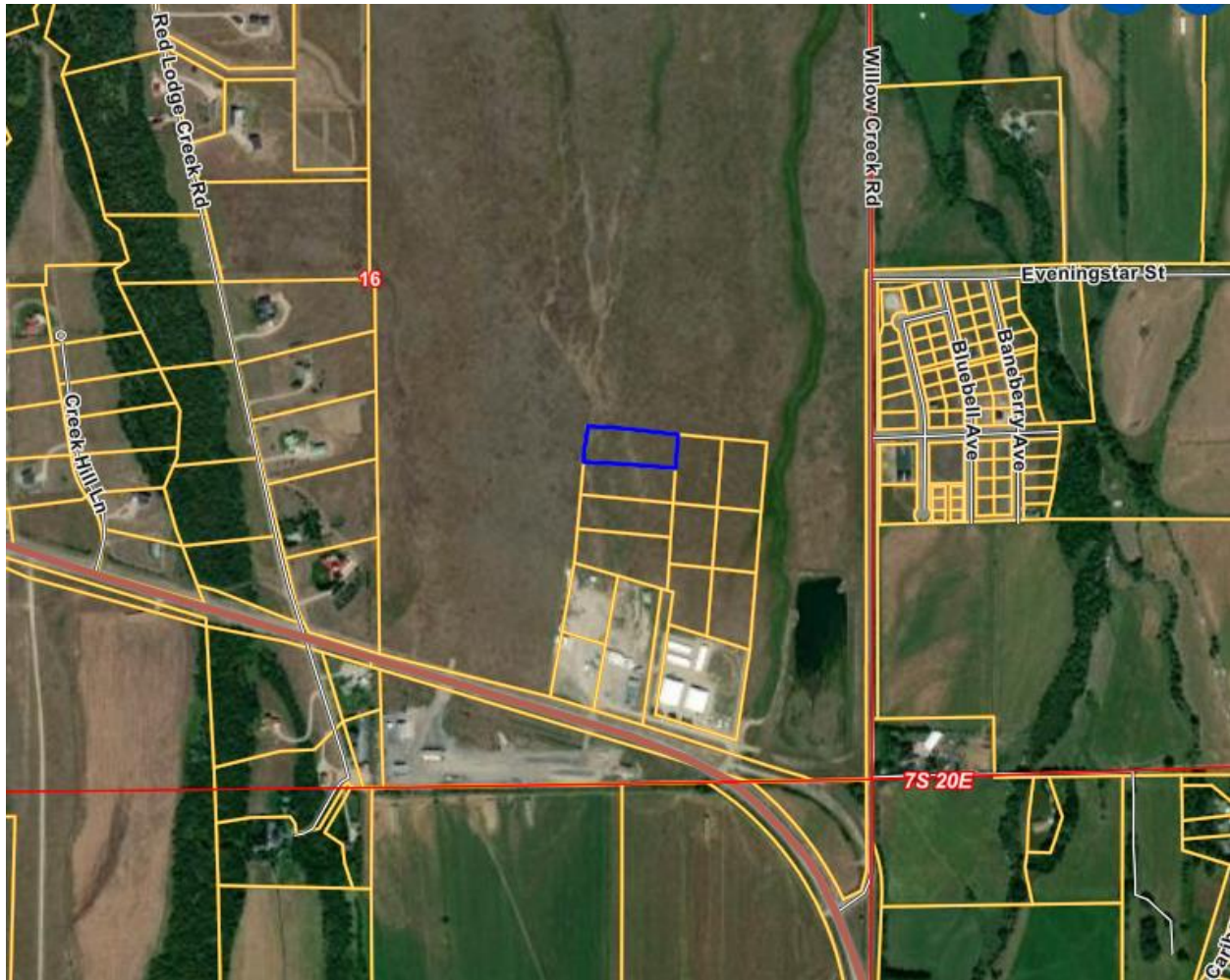


Site Plan Showing Proposed Full Build Out

Required Board Action:

Under the Development Regulations, the Planning Board, in its role as the Zoning Commission, is tasked with considering the criteria for approval, and approving or conditionally approving an application for a Group 2 Development Permit. The Zoning Commission may deny an application if the approval criteria cannot be met, or it is determined that the development will create a significant adverse impact on surrounding properties or current uses.

The Zoning Commission shall approve, deny, or conditionally approve a Group 2 Development Permit within 60 days of receiving a complete application. A complete application was received on August 13, 2024, so a decision must be made by October 12, 2024. Surrounding property owners within 500 feet of the subject property were notified of the pending application by planning via mail on August 27, 2024.



Subject Property (Blue) and Vicinity

Development Regulations – Compliance Review/Findings Summary: (Section references are to the Carbon County Development Regulations unless otherwise noted)

Pursuant to Section V-B.3.c, the Zoning Commission shall consider the following approval criteria for any Group 2 Development Permit:

1. Water Supply: The development shall provide adequate water supply and adequate means of waste water disposal, and adequate disposal of solid and hazardous waste. **The property will be served by a well and septic/drainfield. The site is not in compliance with the water/wastewater plans approved by DEQ as part of the 7D Subdivision, necessitating a re-write of the approval. Approval by and compliance with DEQ is recommended as a condition of approval.**
2. Floodplain: The development shall conform to the Carbon County Floodplain regulations. There shall be no development in the floodway. **There is no floodplain in the development area.**

3. Site Design: The development shall be properly graded and appropriate culverts, ditches, settling ponds, and other necessary facilities shall be provided to remove surface runoff in a manner that will not adversely affect adjacent streams, lakes, reservoirs, or public roads. **The 7D Subdivision was, at final plat, appropriately improved, including road design and culverts at approaches. These lots were recently graded and it appears topsoil was removed. A Stormwater Pollution Prevention Permit (SWPPP) is required by DEQ in certain situations, and, if necessary, should be obtained.**

4. Setbacks: Proposed buildings or structures may not be erected on property lines or within right-of-ways or easements. All buildings and structures shall be set back 10 feet from any side lot line, 20 feet from a rear lot line and 30 feet from the front lot line or street right of way or easement. **The site plan indicates setbacks will be met. The applicant owns two lots, so the combined area of Lots 7 and 8 are considered the project area.**

5. Access: legal and physical access shall be provided to the tract of land where the development is proposed. Any new proposed access on a County Road will require an approach permit. Approaches on state highways shall be approved by the Montana Department of Transportation. **The site is accessed by West Weaver Lane, a private road in 7D Subdivision maintained by the lot owners. The subdivision has access to Highway 78 to the south and Willow Creek Road to the east. Highway 78 is owned and maintained by the Montana Department of Transportation and Willow Creek Road is owned and maintained by the County. Appropriate approach permits were obtained as part of the review and approval process for the 7D Subdivision.**

The address of 25 W Weaver Lane was assigned by Carbon County GIS on May 8, 2024. The address noted on the application (26 West Weaver Lane) is incorrect.

6. Agricultural Interference: Development shall not interfere with agricultural operations through the contamination of livestock or irrigation water supplies or obstruct, impair or impede irrigation canals, headgates, ditches, culverts or other irrigation facilities. **There are no agricultural irrigation facilities located on the property. There are agricultural lands to the north and west owned by the developer of the 7D Subdivision.**

The site is located within a subdivision reviewed and planned for commercial/industrial uses. There are private covenants in the subdivision that have more specific use requirements and are privately enforced.

7. Current Uses: Development shall not create significant unmitigated adverse impacts on surrounding properties or current uses. **The site is located within a commercial/industrial subdivision. There are commercial/industrial uses to the south of the property. Red Lodge Fire Rescue has facilities about 400 feet to the south, including a training tower. The commercial area to the south was also the site of a gravel mine and concrete facility within the last 15 years.**

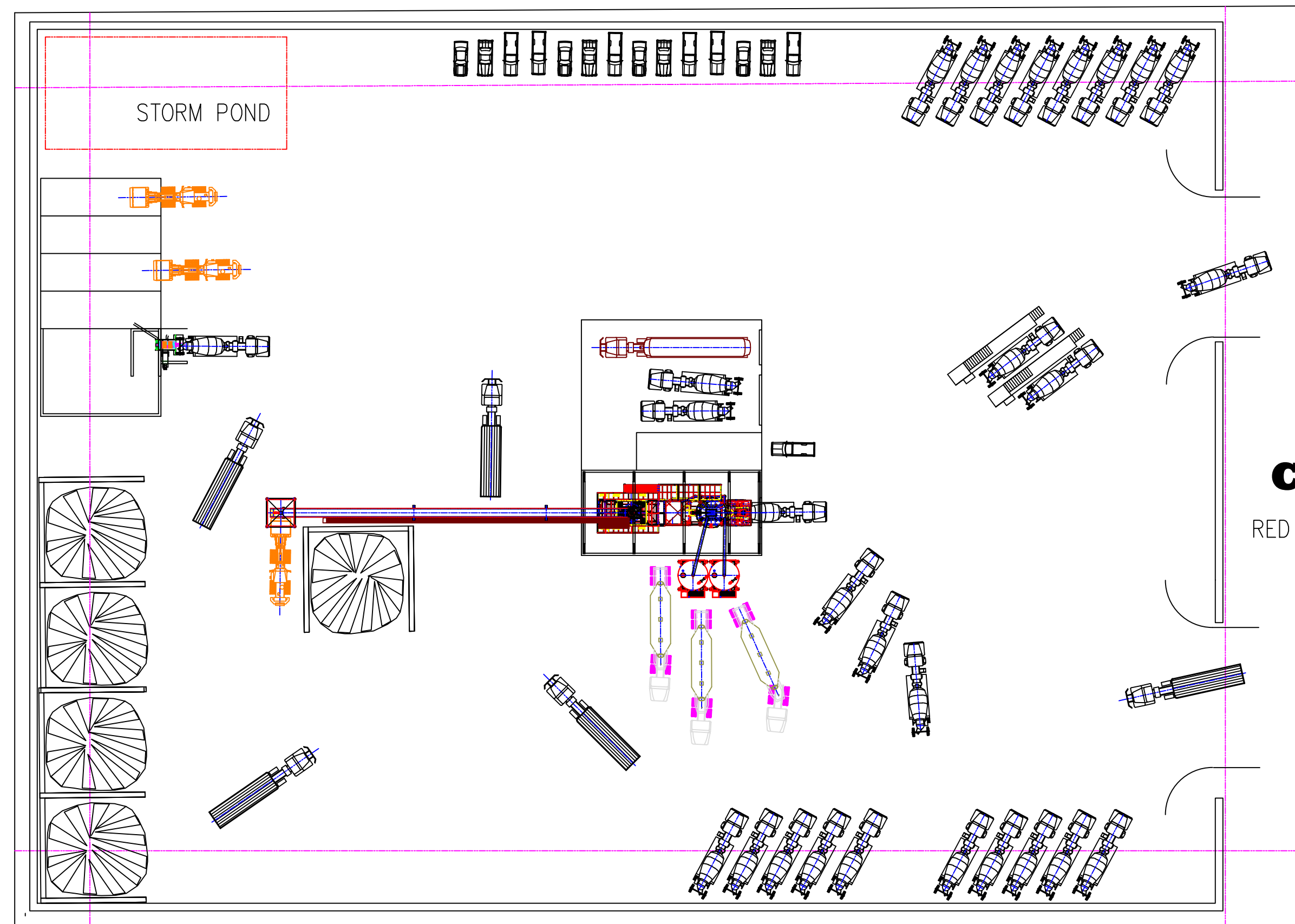
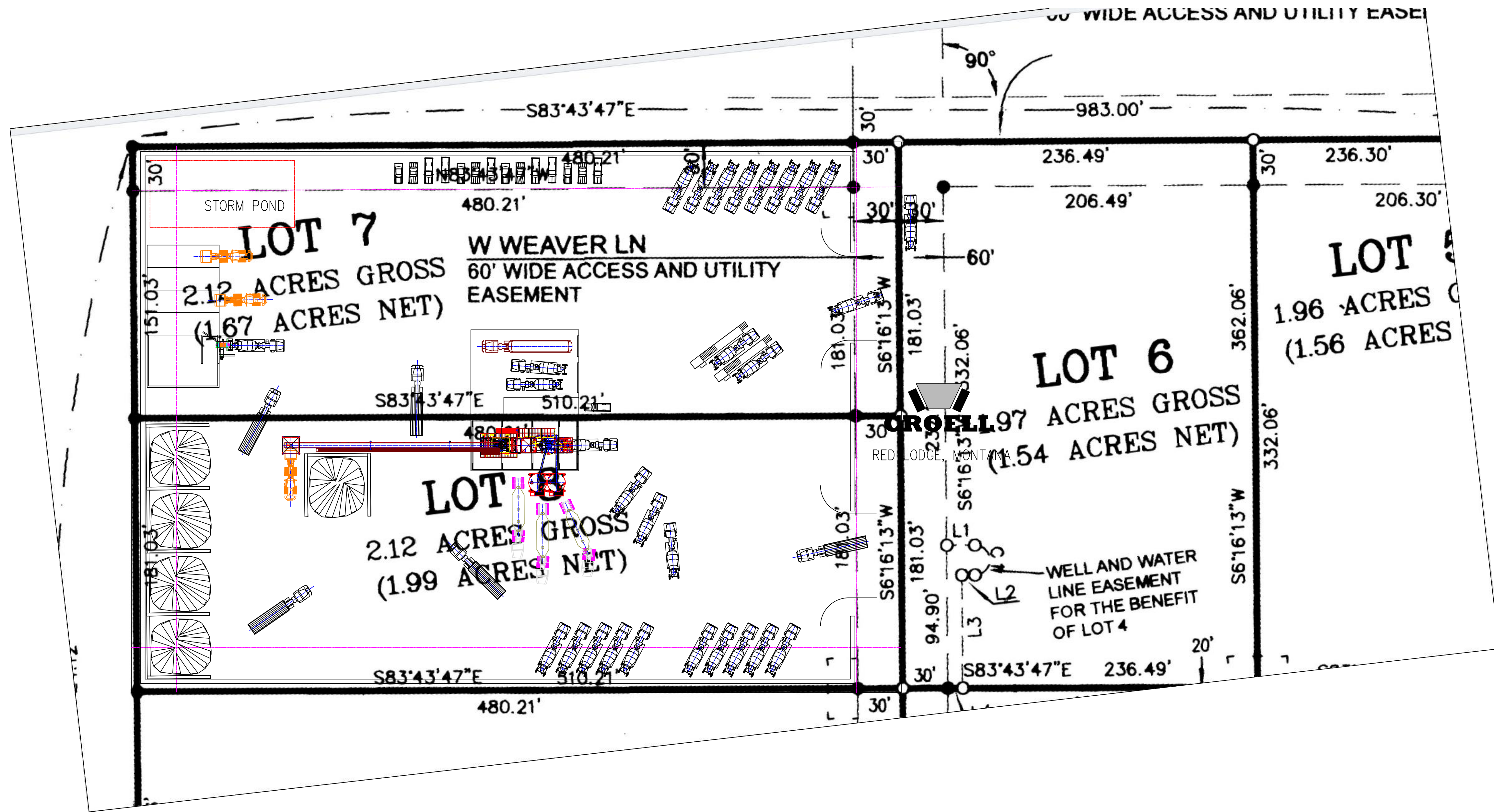
The Spires at Red Lodge Subdivision is a residential subdivision located within Red Lodge City limits located about 1,125 feet to the east of the subject property. Concerns have been expressed by residents of the subdivision regarding timely and proper permitting, as well as dust, noise, visual impacts, and concerns about environmental factors.

DEQ has permitting and enforcement ability for air quality, water quality, stormwater runoff, etc. These functions are generally outside of the scope of the County's enforcement ability, but it should be required that all proper permitting be obtained, and any conditions thereof adhered to.

Planning Staff Recommendation:

Planning Staff recommends approval of the Croell, Inc., Group 2 Development Permit pursuant to the following conditions (Section references are to the Carbon County Development Regulations):

1. Obtain all other necessary permits as required by other state or government agencies and adhere to any conditions required.
2. Approval shall be obtained from the Montana Department of Environmental Quality (DEQ) for water, wastewater, and stormwater drainage provisions.
3. If required by DEQ, a SWPPP shall be obtained.
4. Any deviation from the site plan must be made known to the Planning Office to determine whether or not the deviation is in compliance with the approved development permit or if a new permit is needed.
5. If approved activity on site is inactive for two years this permit is deemed abandoned and a new permit must be obtained prior to activity resuming.
6. Any intensification of use shall be made known to the Carbon County Planning Department to determine whether an amended permit is required.
7. Ingress and egress shall be limited to West Weaver Lane, as shown on the site plan.
8. Because activity began on the site prior to proper permitting being obtained from the County, an additional "after the fact" fee of \$150 shall be paid to the County.



CROELL
 RED LODGE, MONTANA



Development Permit Package

Carbon County Montana


Submitted On:

May 23, 2024, 11:33AM EDT

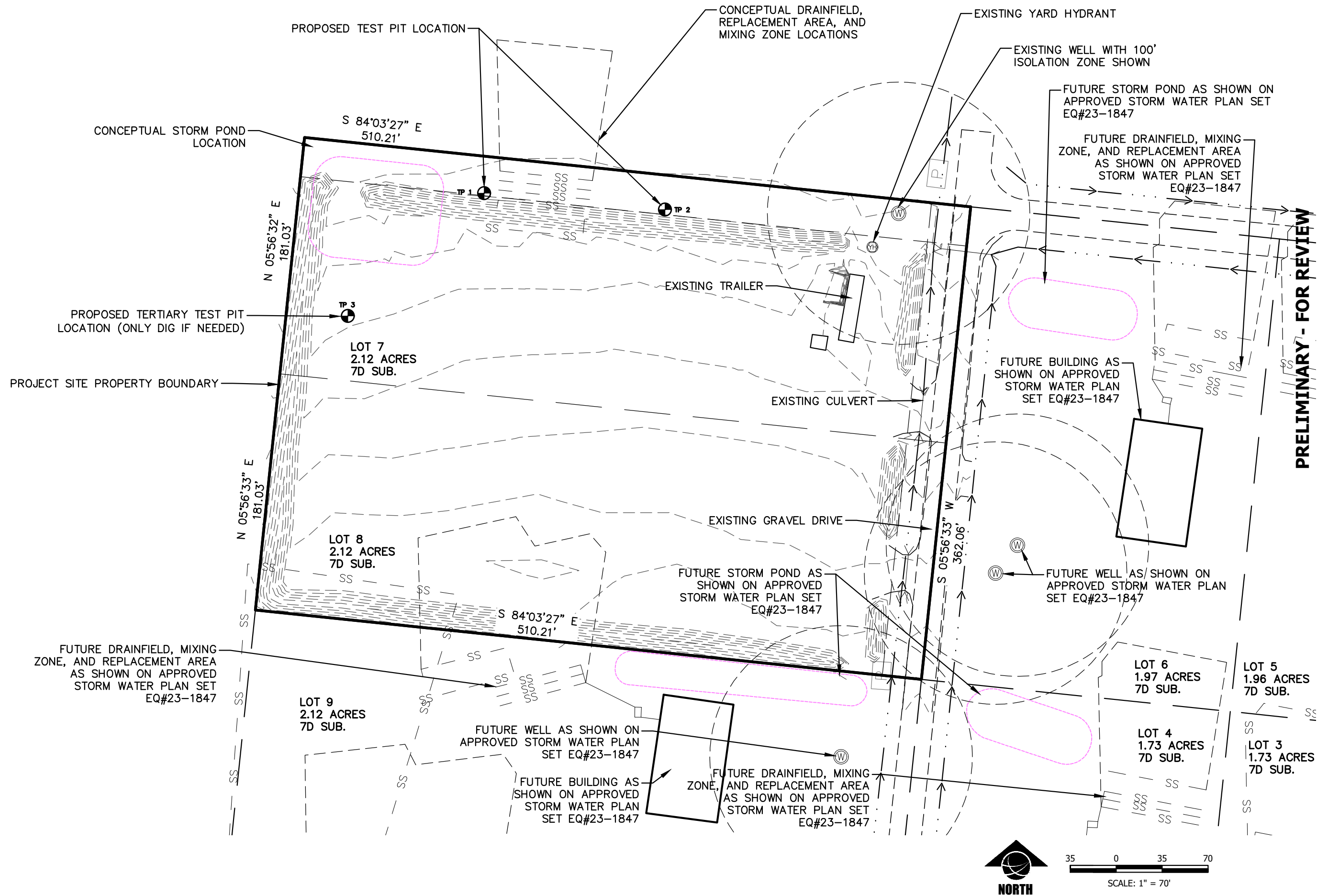
What permits are you applying for today?	Group 2 Development On-Site Wastewater Treatment System
PROPERTY OWNER	First Name: Kurt Last Name: Croell
Business Name (If Applicable)	Croell, Inc.
Property Owner Mailing Address	Street Address: P.O. Box1352 City: Sundance State: WY Zip: 82729
Property Owner Email	Kurt.croell@croell.com
Property Owner Primary Phone Number	641-394-6789
Type of Primary Phone	Land Line
Property Owner Secondary Phone Number	307-283-2221
Type of Secondary Phone	Land Line
Preferred Contact Method	Phone
How would you like to receive your permits?	Physical copy (mail) Digital copy (email)
Do you own, rent, or lease the property?	Own
Are you applying on behalf of a client?	No
Assessment Code from Montana Cadastral	0007017015
Certificate of Survey or Plat Number (INCLUDE LT OR TR, if applicable) from Montana Cadastral website	Plat 2486 Lots 7-8
Legal Description of property from Montana Cadastral website (Ex: S27, T07S, R20E)	S16 T07S R20E
Has a physical address been assigned to the property?	Yes
Physical address of property	26 WEST WEAVER LN RED LODGE, MT 59026
Access to Property	Existing

Current Property Use	Industrial
Property Acreage	4.24
Proposed Use / Development to Property	Industrial business
Check Type of Development	General Commercial or Multi-Family Use (including recreational use)
Describe the type of proposed building construction or planned development.	Concrete Batch Plant
What type of business activities will be on the property?	Producing redi-mix concrete and delivery with mixer trucks to the general public. Hauling, loading, & stockpiling aggregate for use in the production process. Front end loader, belly dump trucks and a skidsteer loader will be onsite.
Is there surface water on the property?	No
Is the property located in a floodplain?	No
Is the proposed development located in Sage Grouse habitat?	No
Are there covenants and/or restrictions on the property that may prohibit the proposed development?	No
Are there any road, ditch, utility or other easements that exist on the property?	Yes
Please describe the easements that exist on the property.	Road easment on north end of lot 8
Describe existing and proposed water, sewer and wastewater facilities:	Water well has been drilled and septic is ready for instalation
Describe existing access to the property and how traffic related to the commercial and industrial activity will be directed through the site.	Access to the property will be to and from from weaver lane.
For construction of new buildings or facilities related to this permit, please state how far they will be set back from each property line:	Batch plant will be centered on the proprty line of lot 7&8 and set back from Weaver lane 30 feet or more.
Will the proposed activity interfere with agricultural operations by contaminating	No

water sources or interfering with irrigation facilities?	
Are State or Federal Permits needed to conduct this activity on the proposed property?	Yes, I've obtained them
What are the current uses adjacent to the proposed property?	Red Lodge Fire Rescue 300 feet to the South, Draper Ranch property to the north, and empty lots in the 7D subdivision on south and east side.
Neighboring Property Owner 1	First Name: Draper Ranch Co
Neighboring Property Owner 1 Full Address	Street Address: 6 DRAPER LN City: Red Lodge State: MT Zip: 59068
Neighboring Property Owner 2	First Name: RED LODGE RURAL FIRE DISTRICT 7
Neighboring Property Owner 2 Full Address	Street Address: PO BOX 318 City: Red Lodge State: MT Zip: 59068
More Owners?	Yes
Neighboring Property Owner 3	First Name: BIG EYE PROPERTIES LLC
Neighboring Property Owner 3 Full Address	Street Address: 3 TWO WILLOW LN City: Red Lodge State: MT Zip: 59068
Neighboring Property Owner 4	
Neighboring Property Owner 4 Full Address	
Neighboring Property Owner 5	
Neighboring Property Owner 5 Full Address	
Group 2 Property Site Plan submission	Email / Mail my site plan at a later date
System Type	New Construction
Number of bedrooms (Per Montana DEQ-4, 1.2.9. Bedroom means ANY ROOM THAT MAY BE USED FOR SLEEPING by present or future owner. An unfinished basement is considered an additional bedroom.) You may also wish to factor in potential remodeling of home to accommodate future bedrooms	0

in proper drainfield sizing. Undersized systems may inhibit future transactions (selling of home or property boundary re-configuration).	
Carbon County Licensed Installer of wastewater treatment system (if known). Property owners who wish to Self-Install will be required to become Licensed (application, fee, and written test on DEQ-4)	Unknown
Is your property	Less than 20 acres (not counting county road frontage)
State Approval	This property has a Certificate of Subdivision Approval (COSA) from MTDEQ. (Please upload a copy)
Anticipated Date of Septic Installation (Month/Year)	06/2024
Acknowledgement.	By checking this box, I acknowledge that the system will be installed in accordance with Carbon County Regulations for On-site Wastewater Treatment Systems and the terms of the permit. I acknowledge that Carbon County has not designed my system and that these requirements do not bind or obligate Carbon County to guarantee this system's operation. I further agree to have the system inspected before backfilling.
Amount to be Paid (convenience fees are in addition to this total)	350
Signature Data	First Name: Bill Last Name: Baxendale Email Address: bill.baxendale@croell.com  Signed at: May 23, 2024 11:31am America/New_York
Receipt	DPP-0000735

P:\24291_Croell_7D_Subdivision_Re_Write\CADD_C3D\PRODUCTION_DWG\24291_LOT_LAYOUT.dwg, 11x17-SITE, 8/5/2024 12:35:44 PM, cscocles, 1:1



PRELIMINARY - FOR REVIEW

DRAWING HISTORY	DATE	DESCRIPTION
FILE: 24291_LOT_LAYOUT.DWG		
PROJECT NO: 24291		
CAD: CAS		
QUALITY ASSURANCE: BSA		

LOT 7 AND LOT 8 7D SUB.
 LOT LAYOUT FOR PERMIT REVIEW
 RED LODGE, MONTANA
 LOT LAYOUT



CARBON COUNTY
Planning Office
P.O. Box 466, Red Lodge, MT 59068
Main: (406) 446-1694
Fax: (406) 446-2640

GROUP 2 DEVELOPMENT PERMIT – STAFF REPORT

Date: September 6, 2024
To: Carbon County Planning Board/Zoning Commission
From: Forrest J. Mandeville, AICP – Contract Planner
RE: **Shreffler Cabins – Group 2 Development Permit**

Recommendation: Approval

Recommended Motion: *Having reviewed and considered the staff report, public comment, and all of the information presented, I hereby move to approve the Group 2 Development Permit from Rafe Shreffler for the development of rental cabins, subject to the conditions included in this memorandum.*

Project/Application Summary:

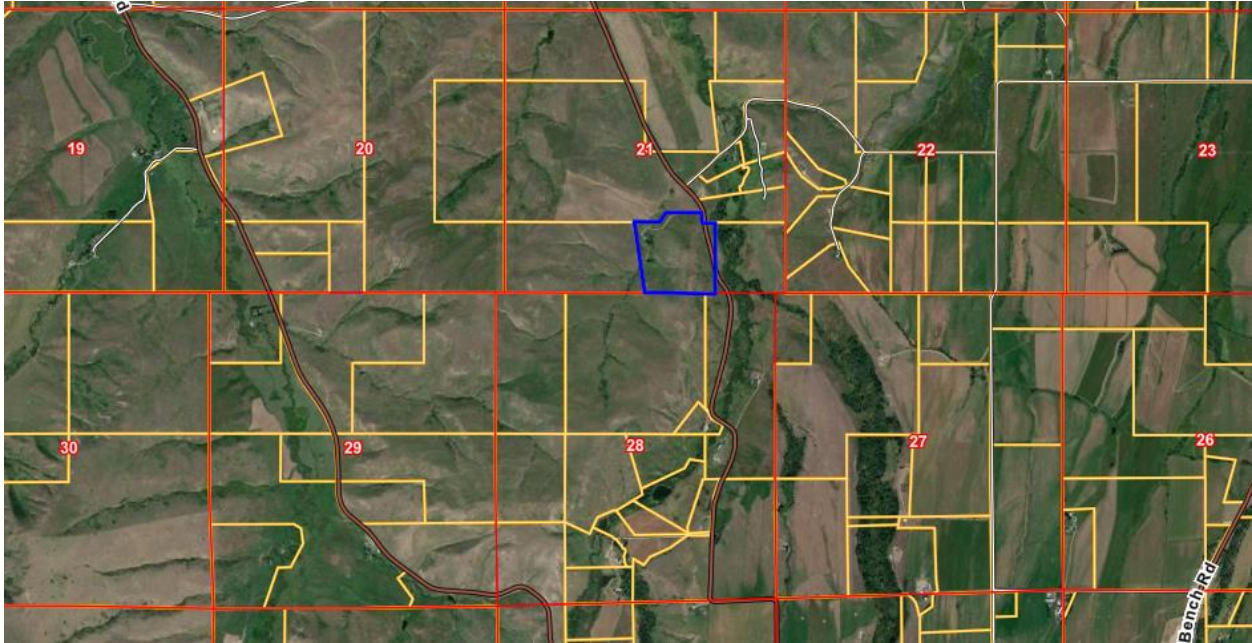
Cody Simms has submitted a Group 2 Development Permit application for land owned by Raphael Shreffler to develop a rental cabin business on 45.426 acres located on Willow Creek Road, about 650 feet south of the Intersection with Taylor Hill Road; 5.75 miles north of the intersection with Highway 78. The address of the property is 581 Willow Creek Road, Red Lodge, MT 59068. The property is legally described as Tract 1, COS 1557, Section 21, T 6S, R 20E, Carbon County, MT.

The application indicates the development will consist of multiple cabins for rent (Airbnb). The site plan shows four cabins. The site currently has a house, barn, cabin, greenhouse etc. on site.

Required Board Action:

Under the Development Regulations, the Planning Board, in its role as the Zoning Commission, is tasked with considering the criteria for approval, and approving or conditionally approving an application for a Group 2 Development Permit. The Zoning Commission may deny an application if the approval criteria cannot be met, or it is determined that the development will create a significant adverse impact on surrounding properties or current uses.

The Zoning Commission shall approve, deny, or conditionally approve a Group 2 Development Permit within 60 days of receiving a complete application. The application was received on August 15, 2024, so a decision must be made by October 14, 2024. Surrounding property owners were notified of the pending application by planning via mail on August 27, 2024.



Location of Proposed Development

Development Regulations – Compliance Review/Findings Summary: (Section references are to the Carbon County Development Regulations unless otherwise noted)

Pursuant to Section V-B.3.c, the Zoning Commission shall consider the following approval criteria for any Group 2 Development Permit:

1. Water Supply: The development shall provide adequate water supply and adequate means of waste water disposal, and adequate disposal of solid and hazardous waste. **Water is proposed to be provided by well. A septic system will provide for wastewater disposal. The applicant will need to apply for proper permits from the Carbon County Environmental Health Department.**
2. Floodplain: The development shall conform to the Carbon County Floodplain regulations. There shall be no development in the floodway. **There is floodplain associated with Willow Creek, but the floodplain appears to be located on the east side of Willow Creek Road and the development is proposed to be on the west side of the road, near the existing development and outside of the mapped floodplain.**



Floodplain Map

3. Site Design: The development shall be properly graded and appropriate culverts, ditches, settling ponds, and other necessary facilities shall be provided to remove surface runoff in a manner that will not adversely affect adjacent streams, lakes, reservoirs, or public roads. **Willow Creek runs on the east side of the property and there is a drainage, identified as a spring on the site plan, near the existing house and other development. The planned development area is not in the floodplain, and the presence of existing development along the spring makes it unlikely additional development will create new adverse impacts. If development were to occur in the floodplain, a floodplain development permit may be required. Permits may be needed from other agencies, such as the Montana Department of Environmental Quality and the Carbon County Conservation District, depending on the scope and nature of work that may occur on the properties. Obtaining any other required permits should be a condition. It is the landowner's responsibility to ensure any necessary permits are obtained.**

4. Setbacks: Proposed buildings or structures may not be erected on property lines or within right-of-ways or easements. All buildings and structures shall be set back 10 feet from any side lot line, 20 feet from a rear lot line and 30 feet from the front lot line or street right of way or easement. **All setbacks appear to be met. All buildings are proposed to be in excess of 160 feet from any property lines.**

5. Access: legal and physical access shall be provided to the tract of land where the development is proposed. Any new proposed access on a County Road will require an approach permit. Approaches on state highways shall be approved by the Montana Department of Transportation. **The site is accessed by a private driveway from Willow Creek Road. Willow Creek Road is a County-owned and maintained road. As more properties develop on gravel County roads there may be more demand for maintenance. The County is**

not under any obligation to provide additional maintenance and landowners should be aware of the nature of road maintenance in the area.

6. Agricultural Interference: Development shall not interfere with agricultural operations through the contamination of livestock or irrigation water supplies or obstruct, impair or impede irrigation canals, headgates, ditches, culverts or other irrigation facilities. **The area is primarily agriculture and rural residential. This development is not expected to create significant additional conflicts with agriculture.**

7. Current Uses: Development shall not create significant unmitigated adverse impacts on surrounding properties or current uses. **There is an existing home, barn, and other outbuildings on the site. The property is surrounded by rural residential and agricultural properties.**



Site Plan

Planning Staff Recommendation:

Planning Staff recommends approval of the Shreffler Group 2 Development Permit pursuant to the following conditions (Section references are to the Carbon County Development Regulations):

1. Obtain all other necessary permits as required by other state or government agencies and adhere to any conditions required. This includes any permitting from the County Environmental Health Department.
2. Any deviation from the site plan must be made known to the Planning Office to determine whether or not the deviation is in compliance with the approved development permit or if a new permit is needed.

3. If approved activity on site is inactive for two years this permit is deemed abandoned and a new permit must be obtained prior to activity resuming.
4. Any intensification of use shall be made known to the Carbon County Planning Department to determine whether an amended permit is required.



Development Permit Package

Carbon County Montana

Submitted On:

Aug 19, 2024, 01:29PM EDT

Submitted By:

Forrest Mandeville

What permits are you applying for today?	Group 2 Development
PROPERTY OWNER	First Name: Rafe Last Name: Schreffler
Business Name (If Applicable)	
Property Owner Mailing Address	Street Address: 581 Willow Creek Rd City: Red Lodge State: MT Zip: 59068
Property Owner Email	simms@gonewestproductions.com
Property Owner Primary Phone Number	307-220-6207
Property Owner Secondary Phone Number	
Preferred Contact Method	Email
How would you like to receive your permits?	Physical copy (mail) Digital copy (email)
Are you applying on behalf of a client?	No
Assessment Code from Montana Cadastral	0060759010
Certificate of Survey or Plat Number (INCLUDE LT OR TR, if applicable) from Montana Cadastral website	Tract 1, COS 1557
Legal Description of property from Montana Cadastral website (Ex: S27, T07S, R20E)	21 6S 20E
Has a physical address been assigned to the property?	Yes
Physical address of property	581 Willow Creek Rd
Access to Property	Existing
Current Property Use	46 acre ranch. House, barn, cabin, green house, chicken house, rail car building, Use of horse proeprty
Property Acreage	46.4
Proposed Use / Development to	Air BnB cabins

Property	
Check Type of Development	General Commercial or Multi-Family Use (including recreational use)
Describe the type of proposed building construction or planned development.	1 and or more Air BnB Cabins
What type of business activities will be on the property?	Rental Cabins. Relaxing walks.
Is there surface water on the property?	Yes
What type of surface water exists on property?	River / Creek
Is the property located in a floodplain?	Yes, but I have not yet applied for a floodplain permit
Is the proposed development located in Sage Grouse habitat?	No
Are there covenants and/or restrictions on the property that may prohibit the proposed development?	No
Are there any road, ditch, utility or other easements that exist on the property?	No
Describe existing and proposed water, sewer and wastewater facilities:	1 septic for house. 1 well near house.
Describe existing access to the property and how traffic related to the commercial and industrial activity will be directed through the site.	We have a long driveway. The cabin access will come off of it. Signs for wayfinding will be placed.
For construction of new buildings or facilities related to this permit, please state how far they will be set back from each property line:	160' from north, 700 from east.
Will the proposed activity interfere with agricultural operations by contaminating water sources or interfering with irrigation facilities?	No
Are State or Federal Permits needed to conduct this activity on the proposed property?	No additional permits are required

What are the current uses adjacent to the proposed property?	Raising horses. Home.
Upload list of neighboring property owners (or complete individual property owners below)	Adjacent Property Owners.PDF
Neighboring Property Owner 1	First Name: James Last Name: Brien
Neighboring Property Owner 1 Full Address	Street Address: PO Box 2343 City: Red Lodge State: MT Zip: 59068
Neighboring Property Owner 2	First Name: Julius Last Name: Pilati Trust
Neighboring Property Owner 2 Full Address	Street Address: PO Box 606 City: Red Lodge State: MT Zip: 59068
More Owners?	Yes
Neighboring Property Owner 3	First Name: Christine and Christopher Last Name: Sorli
Neighboring Property Owner 3 Full Address	Street Address: 496 Willow Creek Rd City: Red Lodge State: MT Zip: 59068
Neighboring Property Owner 4	First Name: Gary and Cindy Last Name: Scott
Neighboring Property Owner 4 Full Address	Street Address: 3828 Melody Ct City: Stockton State: CA Zip: 95219
Neighboring Property Owner 5	
Neighboring Property Owner 5 Full Address	
Group 2 Property Site Plan submission	Upload Now
Property Site Plan Upload	Site Plan.PDF
Please upload any additional files such as written easements, architectural plans, etc.	COS 1557.PDF Application.PDF
Amount to be Paid (convenience fees are in addition to this total)	150

Signature Data

First Name: Forrest

Last Name: Mandeville

Email Address: forrest@forrestmandevilleconsulting.com

Signed at: August 19, 2024 1:29pm America/New_York

Receipt

DPP-0000815

Google Maps

581 Willow Creek Rd.



Spring

Imagery ©2024 Google, Imagery ©2024 Airbus, Maxar Technologies, Map data ©2024

100 ft

-AFTER RECORDING RETURN TO:

THE MONTANA LAND RELIANCE
P.O. BOX 355
HELENA, MT 59624

TO ENSURE THAT THE MONTANA LAND RELIANCE RECEIVES PROPER NOTICE WHEN ANY PROPERTY ENCUMBERED BY THIS DEED OF CONSERVATION EASEMENT IS SOLD OR TRANSFERRED, SECTION 13 OF THIS DEED OF CONSERVATION EASEMENT MAY REQUIRE GRANTOR TO PAY GRANTEE A TRANSFER FEE OF ONE HUNDRED DOLLARS (\$100.00) AT THE TIME OF TRANSFER. PLEASE CONTACT THE MONTANA LAND RELIANCE FOR FURTHER INFORMATION.

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT (“Easement”) is made this ____ day of _____, 2024, by **LAZY AO, LLC**, a Montana Limited Liability Company, with principal offices at 280 Brass Lantern Court, Bozeman, MT 59715 (together with its successors and assigns, collectively “Grantor”), and **THE MONTANA LAND RELIANCE**, a Montana nonprofit corporation with a principal office at 324 Fuller Avenue, Helena, Montana 59601, and with a mailing address of P.O. Box 355, Helena, Montana 59624 (“Grantee”).

RECITALS

1. Grantor owns real property in Carbon County, Montana, described in Exhibit A and depicted on Exhibit F, both attached hereto and incorporated by this reference (“Property”) totaling approximately 195 acres;

2. Preservation of the Property by this Easement will yield significant public benefits to the people of the State of Montana, Carbon County, and the United States by protecting, preserving, and providing the following significant resources, in perpetuity, in compliance with § 170(h)(4)(A) of the Internal Revenue Code of 1986, as amended (the “Code”) and § 76-6-101, *et seq.*, Montana Code Annotated (“MCA”):

a. Open-space land which consists of productive agricultural lands and important wildlife habitat, as encouraged and supported by the following clearly delineated federal, state, and local governmental conservation policies:

(1) The Carbon County Growth Policy, adopted on March 17, 2020, which recognizes the importance of wildlife opportunities compatible with local customs and cultures, and protecting agricultural land and promoting the continuation of agricultural pursuits in Carbon County;

(2) The Montana Open-Space Land and Voluntary Conservation Easement Act, § 76-6-101, *et seq.*, and § 76-6-201, *et seq.*, MCA (the “Act”);

b. Open-space land which preserves significant views of Red Lodge Creek and the Beartooth Mountains for the scenic enjoyment of the general public traveling on Boyd Cooney Dam Road and recreating on Red Lodge Creek and the adjacent Cooney State Park; and,

c. Open-space land which serves a variety of other purposes, including the protection of a relatively natural habitat for the benefit of plants, biotic communities, fish and wildlife, including, but not limited to, white-tailed deer, mule deer, pronghorn, upland and migratory birds, and trout in Red Lodge Creek, all of which use the Property,

(collectively referred to as the “Conservation Values”);

3. Preservation of the Property’s open space by this Easement will yield significant public benefit consistent with Treasury Regulation §1.170A-14(d)(4)(iv)(A)(1)-(7), as the Property is unique to the area, under threat of development which would degrade the natural character of the area, in close proximity to both public and private lands managed for conservation purposes, and the general public has the opportunity to appreciate scenic open space views provided by the Property;

4. Grantor owns the rights to identify, preserve, and protect in perpetuity the Conservation Values of the Property, which are of great importance to Grantor and to the public, and are worthy of preservation in perpetuity;

5. By conveying this Easement and its associated rights freely, voluntarily, and irrevocably to Grantee, Grantor intends to preserve and protect in perpetuity the Conservation Values of the Property; and,

6. Grantee is a qualified organization under § 76-6-104(5) and § 76-6-204, MCA, that is organized to conserve land for open space purposes. Grantee is also an organization described in § 170(h)(3) of the Code that is qualified to receive and hold conservation easements. By accepting this Easement, Grantee agrees that it is committed to protect the conservation purposes of this Easement and has the resources to enforce the restrictions in this Easement in perpetuity, as required by Treasury Regulation § 1.170A-14(c)(1).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Easement, and as an absolute, unconditional, unrestricted, irrevocable, and voluntary gift, Grantor hereby gives, grants, and conveys to Grantee, and the successors and assigns of Grantee, with warranties of title, this perpetual Easement on, over, and across the Property in accordance with the terms and conditions set forth below. No goods or services were provided in consideration of the grant of this Easement, which Grantee received as of the date noted on page 1 of this Easement.

SECTION 1. PURPOSES AND GENERAL EFFECT OF EASEMENT

A. Purposes. The purposes of this Easement are to preserve, protect, and enhance the Conservation Values, in perpetuity, and to prevent any use of, or activity on, the Property that will impair the Conservation Values or permit destruction of other significant conservation interests, in accordance with § 170(h)(5)(A) of the Code, Treasury Regulation § 1.170A-14(e)(2), and § 76-6-101, *et seq.*, MCA.

In achieving these purposes, it is the mutual intention of Grantor and Grantee to permit the continuation of such pre-existing uses of the Property at the time of the grant of this Easement that do not conflict with the purposes and terms of this Easement. If one or more of the purposes of this Easement may no longer be accomplished, such failure of purpose shall not be deemed sufficient cause to terminate the entire Easement as long as any other purposes of the Easement may be accomplished.

Grantor and Grantee recognize that changes in natural conditions, landscapes, technologies, accepted farm, ranch, and forest management practices, and the situation of Grantor may result in an evolution of land uses and practices related to the Property, which are allowed, provided that such uses and practices are consistent with protection of the Conservation Values in perpetuity and the purposes and terms of this Easement. If any uses of the Property which are prohibited by this Easement become more economically valuable than the uses permitted by this Easement, Grantor and Grantee agree that any such economic changes shall not be considered to be “changed conditions” or a “change in circumstances” impairing the validity of this Easement, and shall not justify the amendment, judicial termination, or extinguishment of this Easement.

B. Perpetual restrictions. This Easement shall run with the land and burden title to the Property in perpetuity and shall bind Grantor and all future owners, tenants, lessees, licensees, occupants, invitees, and users of the Property, and therefore, this Easement constitutes a restriction granted in perpetuity on the use which may be made of the Property in accordance with § 170(h)(2)(C) of the Code.

C. Dedication. The Property is hereby declared to be “open-space land” as defined in § 76-6-104(3), MCA, and may not be converted or diverted from open-space land uses, except as set forth in § 76-6-107, MCA and Section 10 of this Easement.

D. Incorporation of Recitals. The parties agree that the foregoing Recitals are true and correct and that they are incorporated into the terms and conditions of this Easement.

SECTION 2. RIGHTS CONVEYED

The rights conveyed by this Easement to Grantee are the following:

A. Identification and protection. To identify, preserve, and protect in perpetuity the Conservation Values of the Property, including, but not limited to, its significant open space and scenic values, subject, however, to Grantor’s reserved rights as herein provided and further subject to all third-party rights of record in the Property existing at the time of conveyance of this Easement and not subordinated to this Easement.

B. Access. To enter the Property to inspect and monitor Grantor’s compliance with the terms of this Easement in a manner that will not unreasonably interfere with the use of the Property by Grantor. Grantee shall also have the right to enter the Property to enforce the rights granted to Grantee in this Easement, and Grantor conveys to Grantee a right of immediate entry onto the Property if, in Grantee’s sole judgment, such entry is necessary to prevent damage to or destruction of the Conservation Values protected by this Easement. Aside from the rights of access granted to Grantee in the preceding sentences, this Easement does not grant to Grantee, nor to the public, any rights to enter upon the Property.

C. Enforcement, injunction, and restoration. To enforce the terms and conditions of this Easement, to enjoin any activity on, or use of, the Property which is inconsistent with the purposes or terms of this Easement, including those activities which may have an adverse impact on the Conservation Values or would permit destruction of significant conservation interests, and to enforce the restoration of such areas or features of the Property as may be damaged by such activities or uses.

SECTION 3. RESERVED RIGHTS AND PROHIBITED USES

A. Reserved rights. Grantor reserves to itself and to its successors and assigns all rights accruing from ownership of fee title to the Property, including the right to engage in, or permit or invite others to engage in, all uses of the Property that are not prohibited herein, that do not destroy

or impair the Conservation Values or other significant conservation interests, and that are not inconsistent with the terms or purposes of this Easement. The Conservation Values have not been, and will not be, materially adversely affected by allowing uses of the Property which now exist on the Property or which are permitted by this Easement. Further, the limited additional development of the Property permitted by this Easement will not impair the Conservation Values or other significant conservation interests. Without limiting the generality of the foregoing sentences, those uses and practices described in Exhibit B, attached hereto and incorporated by this reference, are expressly permitted, subject to any prior written approval requirements and any other conditions specified in Exhibit B.

B. Prohibited uses. Any activity on, or use of, the Property that impairs or destroys the Conservation Values or that is inconsistent with the terms or purposes of this Easement is prohibited. Without limiting the generality of the foregoing sentence, the activities and uses described in Exhibit C, attached hereto and incorporated by this reference, are expressly prohibited.

C. Continuation of pre-existing uses. The Property is currently used for agricultural and recreational purposes. Grantor and Grantee agree that the Conservation Values have not been, and will not be, adversely affected by continuing to allow such pre-existing uses of the Property after the grant of this Easement. Accordingly, and as described in Exhibit B, Grantor may continue pre-existing uses of the Property which do not conflict with the conservation purposes of this Easement.

SECTION 4. PRIOR NOTICE AND APPROVAL

Any enterprise, use, or activity proposed to be done or undertaken by Grantor requiring Grantee's prior approval, consultation, notification, or mutual agreement (including any provision of Exhibit B or Exhibit C expressly requiring the prior approval of Grantee), or which may impair, harm, or destroy the Conservation Values or other significant conservation interests, may be commenced only after satisfaction of the notice and approval conditions of this Section 4. A purpose of requiring notice and prior approval is to afford Grantee the opportunity to ensure the proposed use or activity is consistent with the purposes and terms of this Easement and does not adversely impact the Conservation Values.

A. Grantor's written request for approval. Prior to the commencement of any enterprise, use, or activity for which Grantee's prior approval is required, or which may have an adverse impact on the Conservation Values, Grantor must send Grantee written notice of Grantor's intention to commence or undertake such enterprise, use, or activity. Said notice must inform Grantee of all aspects of such proposed enterprise, use, or activity, including, but not limited to, the nature, siting, size, capacity, and number of structures, improvements, facilities, or uses, and the dates and duration of the activity or uses, as appropriate.

B. Grantee's addresses. Grantor's requests for approval shall be delivered in person to Grantee at Grantee's principal office located at 324 Fuller Avenue, Helena, Montana 59601; sent by United States mail or by commercial carrier or delivery service, addressed to Grantee at P.O. Box 355, Helena, Montana 59624; or to such other address as Grantor from time to time may be informed of in writing by Grantee; or conveyed by email, as provided below.

Grantor's request must provide the physical and electronic addresses to which a response may be sent, and the names, addresses, and contact information of persons authorized by Grantor whom may be contacted about the request.

Any request for approval of a proposed enterprise, activity, or use shall be:

(1) Delivered to the Grantee in person at the physical address stated above with a signed and dated proof of delivery;

(2) Sent to the Grantee by registered or certified United States mail at the mailing address stated above, return receipt requested;

(3) Sent to the Grantee by Federal Express or other reputable carrier or delivery service, provided that the sender obtains a signed and dated proof of delivery; or

(4) Conveyed to Grantee's Stewardship Director or current equivalent by email. If notice is conveyed by email, it shall be considered effective notice in accordance with this Section 4 only if Grantor receives a non-automated email response from Grantee confirming receipt of Grantor's email within ten (10) calendar days of the date that Grantor's email notice was sent. If Grantor does not receive a non-automated email response from Grantee confirming receipt of Grantor's email notice within ten (10) calendar days, Grantor shall re-send the notice using one of the other notice methods provided for in this Paragraph B, above.

C. Time for Grantee's response. Within thirty (30) days from Grantee's receipt of a request for approval, as indicated by the date of delivery receipt, which for email notice is the date of Grantee's non-automated email response as described in Section 4, paragraph B, Grantee shall review the proposed enterprise, use, or activity and notify Grantor of any objection thereto. The thirty (30) day period shall not begin until such time as Grantee has received adequate information from Grantor to evaluate the proposed activity. If Grantee requires additional information to evaluate the proposed activity, Grantee shall request the information from Grantor as soon as practicable and in any case not later than twenty (20) days after receiving the request for approval. Grantor may not proceed with any action for which Grantor must obtain prior approval from Grantee without first receiving Grantee's express written consent.

Grantee's failure to respond within the time period specified above shall be deemed Grantee's constructive denial of approval, without prejudice, and Grantor may resubmit the same or a similar request for approval of Grantee.

D. Grantee's response to requests for approval. Only upon Grantee's express written approval may the proposed enterprise, use, or activity be commenced and/or conducted, and only in the manner explicitly represented by Grantor and approved by Grantee. Grantee shall not approve any request for approval of any exercise of a reserved right that would have a material adverse effect on this Easement's conservation purposes. For purposes of clarity, consistent with Section 3(A) hereof, the conservation purposes of this Easement have not been, and will not be, materially adversely affected by allowing the limited additional development and uses of the Property expressly permitted by this Easement.

Grantee's decision to approve or disapprove the activity proposed by Grantor shall be sent by email, registered or certified mail, return receipt requested, or by other delivery or carrier service with signed and dated proof of delivery, to Grantor at the address provided to Grantee in Grantor's request. If Grantee responds to Grantor's prior approval request by email, it shall be considered an effective response in accordance with this Section 4 only if Grantee receives a non-automated email response from Grantor confirming receipt of Grantee's email within ten (10) calendar days of the date that Grantee's email was sent. If Grantee does not receive a non-automated email response from Grantor confirming receipt of Grantee's email within ten (10) calendar days, Grantee shall send its decision regarding Grantee's prior approval request by registered or certified mail or other delivery or courier service, as provided in this paragraph. A decision by Grantee to disapprove a proposed activity shall be based upon Grantee's reasonable determination that the proposed enterprise, use, or activity is inconsistent with the purposes or terms of this Easement. If, in Grantee's judgment, conformity with the purposes or terms of this Easement is possible, Grantee's response shall inform Grantor of the manner in which the proposed enterprise, use, or activity can be modified to be consistent with this Easement.

E. Acts beyond Grantor's control. Grantor shall have no liability or obligation for any failure to give notice to Grantee regarding any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property, or to any person, resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any other cause beyond the control of Grantor similar to those occurrences specified. Grantor shall provide notice to Grantee of any emergency actions taken pursuant to this paragraph.

F. Rejection or refusal. Rejection or other refusal to accept notices, or objections, or approvals by any party hereto shall be deemed receipt thereof.

SECTION 5. BREACH AND RESTORATION

A. Grantee's remedies. If Grantee determines that Grantor, or third parties under Grantor's authority and control or acting with Grantor's knowledge or consent, are in violation of this Easement, Grantee shall give written notice to Grantor of such violation. In said notice of violation, Grantee shall demand corrective action by Grantor sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the purposes or terms of this Easement, to restore the portion of the Property so injured. If Grantor:

(1) fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee;

(2) under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing the violation within thirty (30) days (or within thirty (30) days of Grantor's receipt of notice from Grantee, fails to agree with Grantee in writing on a date by which efforts to cure such violation will reasonably begin); or

(3) fails to continue diligently to cure such violation until finally cured,

Grantee may bring an action in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation by a temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement, and to require the restoration of the Property to the condition that existed prior to any such injury, or to the condition at the time of the grant of this Easement, in Grantee's sole discretion.

If Grantee, in its sole discretion, determines that a violation is threatened or imminent or that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values, Grantee may pursue its remedies under this paragraph without giving notice of violation required above and without waiting for the period provided for a cure to expire.

Grantee's rights under this paragraph apply equally in the event of either actual or threatened violations of the terms of this Easement. Grantor agrees that Grantee shall be entitled to the injunctive relief described in this paragraph, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. If injunctive relief is inadequate to restore the Conservation Values as a result of a violation, and to compensate Grantee and the public for the loss and damage to Grantee's rights, Grantee shall be entitled to recover damages for violation of the terms of this Easement or injury to any Conservation Value protected by this Easement including, without limitation, damages for the loss of open space, scenic, aesthetic, or natural resource values. Without limiting Grantor's liability therefor, Grantee, in its sole discretion, may apply any damages recovered to the cost of

undertaking any corrective action on the Property. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

B. Costs of enforcement. Any costs incurred by Grantee in enforcing the terms of this Easement against Grantor, including staff time, expert and consultant fees, reasonable costs of suit and attorneys' fees, and any costs of restoration necessitated by Grantor's violation of the terms of this Easement, shall be borne by Grantor.

C. Forbearance not a waiver. Enforcement of the terms of this Easement shall be at the discretion of Grantee, and forbearance by Grantee in the exercise of its rights under this Easement if there is a breach of any provision of this Easement shall not be deemed a waiver by Grantee of such provision or of any subsequent breach of this Easement, or of any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

D. Waiver of certain defenses. Grantor hereby expressly waives any defense of laches, estoppel, or prescription.

E. Acts beyond Grantor's control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from causes beyond Grantor's control including, without limitation, fire, flood, storm, and earth movement, or from any other cause beyond the control of Grantor similar to those occurrences specified, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes. Grantor shall provide notice to Grantee of any emergency actions taken pursuant to this paragraph as soon as reasonably practical.

F. Mediation. If a dispute arises between the parties concerning the consistency of any use or activity with the terms or purposes of this Easement, and if Grantor agrees in writing not to proceed with the use or activity pending resolution of the dispute, either party may request of the other party, in writing, that the matter be mediated. Within fifteen (15) days of the receipt of such a request, the two parties may jointly appoint a single independent third-party mediator to hear the matter. Each party shall pay an equal share of the mediator's fee. In referring any matter arising under this Easement to mediation, Grantor and Grantee agree that mediation offers an alternative to the expense and time required to resolve disputes by litigation and is therefore often preferable to litigation. Nevertheless, mediation pursuant to this paragraph shall be voluntary, and this mediation provision shall not be interpreted as precluding or limiting the parties from seeking legal or equitable remedies available under this Section 5.

G. Third parties. Grantee shall have the right, but not the obligation, to pursue all legal and equitable remedies provided under this Section 5 against any third party responsible for any violation of this Easement. Grantor shall cooperate fully with Grantee in enforcement of this Easement against any third parties, and at Grantee's option, shall assign Grantor's right of action against any third party to Grantee, join Grantee in any action against a third party, or appoint Grantee as attorney-in-fact for the purpose of pursuing an enforcement action against a third party. This paragraph shall not be construed to relieve Grantor of any obligation to restore the Conservation Values when damaged or to take all reasonable actions to prevent violations of the Easement by third parties, and nothing herein shall prohibit Grantee from bringing an action against Grantor resulting from Grantor's failure to take reasonable actions to prevent violations of the Easement by third parties.

SECTION 6. COSTS AND TAXES

Grantor shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including responsibility for the control of noxious weeds in accordance with Montana law. Grantor shall pay any and all taxes, assessments, fees, and charges levied by competent authority on the Property, except any tax or assessment on this Easement. Any lawful tax or assessment on this Easement shall be paid by Grantee. Grantor shall also be responsible for and shall bear all costs associated with ensuring compliance with all federal, state, and local laws, regulations, rules, and ordinances.

SECTION 7. INDEMNITIES

A. Control of risks associated with Property ownership. Grantor and Grantee acknowledge and agree that Grantor retains ownership of fee title to the Property and therefore Grantor controls day-to-day activities on, and access to, the Property, except for the rights conveyed to Grantee in this Easement and any third-party rights of record at the time of the grant of this Easement. Grantor therefore agrees that general liability for risks, damages, injuries, claims, or costs arising by virtue of Grantor's continued ownership, use, and control of the Property shall remain with Grantor as a normal and customary incident of the right of real property ownership, except as specifically provided in paragraph C of this Section 7. Nothing in this Easement shall be construed as giving rise to any right or ability in Grantee to exercise physical or managerial control over activities on the Property or to become an "owner" or "operator" of the Property within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.* ("CERCLA"), or the Montana Hazardous Waste Act, §§ 75-10-401, *et seq.*, and 75-10-601 *et seq.*, MCA, and any successor statutes, and similar state and federal statutes.

B. Grantor's obligation to indemnify. Grantor agrees to hold harmless and indemnify Grantee from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, Grantee's reasonable attorneys' fees and costs of defense, arising from or in any way connected with the following:

- (1) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, except as set forth in paragraph C below;
- (2) the obligations specified in Section 6; and
- (3) the obligations arising from past, present, or future presence of any hazardous substance on the Property, and any obligation associated with the generation, discharge, transport, containment, or cleanup of any such hazardous substance. The term "hazardous substance" shall mean any chemical, compound, material, mixture, or substance that is now or hereafter defined or classified as hazardous or toxic by federal, state, or local law, regulation, or ordinance.

C. Grantee's obligation to indemnify. Grantee shall hold harmless and indemnify Grantor from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including reasonable attorneys' fees and costs of defense, arising from or in any way connected with injury to or the death of any person, or physical damage to any property, resulting from any of Grantee's acts or omissions while Grantee is on the Property in the course of carrying out the duties and obligations of Grantee under the terms of this Easement.

D. Scope of indemnity. For purposes of this Section 7, Grantor's and Grantee's agreement to hold each other harmless and indemnify each other extends to the other's respective directors, members, partners, officers, employees, and agents and their heirs, personal representatives, successors, and assigns.

SECTION 8. ASSIGNMENT OF EASEMENT

Grantee may transfer or assign this Easement, in whole or in part, provided that any such assignment or transfer must be made only to a “qualified organization” and “eligible donee” within the meaning of § 170(h)(3) of the Code and Treasury Regulation § 1.170A-14(c)(1), and to a “qualified private organization” or a “public body” qualified to hold conservation easements under §§ 76-6-104(4) and 76-6-104(5), MCA. Grantee shall require, as a condition of transfer or assignment of all or any portion of this Easement, that the transferee or assignee continue to carry out the conservation purposes of this Easement. In the event assignment of this Easement becomes necessary, Grantee shall seek an assignee which is mutually acceptable to Grantee and Grantor. Grantee agrees that it will make a reasonable effort in the event of any assignment to suggest an assignee which is a qualified organization other than a governmental unit referred to in § 170(c)(1) of the Code, which has protection of open space or other Conservation Values protected by this Easement as an organizational purpose. Grantee further represents to Grantor that its present intent is to assign its interest in this Easement only in connection with a dissolution of Grantee.

SECTION 9. DOCUMENTATION

Grantor has made available to Grantee, prior to the execution of this Easement, information sufficient to document the condition of the Property, including the condition of its Conservation Values, at the time of the grant of this Easement. This information is based in part upon a site visit to the Property by Grantee or Grantee’s agents, and consists of mapping of physical features and resources, building envelopes, photographs of structures, developments, and improvements, a description of current and historical uses of the Property, and gathering of other appropriate information to document the condition of the Property and its Conservation Values as of the date of this Easement. The parties acknowledge that this information has been developed into a Resource Documentation Report, dated [REDACTED]. The parties have signed a written acknowledgment, attached hereto as Exhibit D and incorporated by this reference, that a copy of the Resource Documentation Report has been provided to Grantor and Grantee, and that the Resource Documentation Report accurately represents the condition of the Property as of the date of the grant of this Easement in accordance with Treasury Regulation § 1.170A-14(g)(5)(i). The Resource Documentation Report shall be maintained on file with Grantee.

The parties intend that the Resource Documentation Report shall be used by Grantee to monitor Grantor’s future uses of the Property and practices thereon, and compliance with the terms and conditions of this Easement. The parties agree that, in the event a controversy arises with respect to the condition of the Conservation Values, the parties shall not be foreclosed from utilizing any other relevant document, survey, or report to assist in the resolution of the controversy. The parties further agree that if the Resource Documentation Report contains any summaries of, or representations about, the terms or conditions of this Easement, including Exhibit F hereof, any conflict or inconsistency between the terms and conditions of this Easement and the Resource Documentation Report shall be governed by the express terms, conditions, and exhibits herein and not in the Resource Documentation Report.

SECTION 10. EXTINGUISHMENT: GRANTEE’S ENTITLEMENT TO PROCEEDS

A. Extinguishment. If circumstances arise in the future which render the purposes of this Easement impossible or impractical to accomplish, this Easement may be terminated or extinguished (as provided for in Treasury Regulation § 1.170A-14(g)(6)(i)), whether in whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the compensation to which Grantee shall be entitled from any sale, exchange, or involuntary conversion of all or any portion of the Property, subsequent to such termination or extinguishment, shall be determined in accordance with paragraph B of this Section 10 and Treasury Regulation § 1.170A-

14(g)(6)(ii). Grantee shall use any such proceeds received from the termination of its interest in this Easement in a manner consistent with the conservation purposes of this Easement.

B. Compensation. This Easement constitutes a real property interest immediately vested in Grantee, which the parties stipulate to have a fair market value at least equal to the proportionate value that this Easement on the date of this grant bears to the value of the Property as a whole on the date of this grant. This proportionate value (the "Proportionate Share") shall be expressed as a percentage determined by (1) the fair market value of this Easement on the date of this grant (numerator), over (2) the fair market value of the Property as a whole, without deduction for the value of this Easement, on the date of this grant (denominator). The values in the preceding sentence shall be those values established by Grantor's qualified appraisal (pursuant to Treasury Regulation § 1.170A-13 and §1.170A-14(h)) for federal income tax purposes.

This Proportionate Share shall remain constant over time. If there is a whole or partial termination, extinguishment, or condemnation under paragraph A or C of this Section 10, Grantee shall be compensated for its property right, in an amount determined by multiplying (1) the fair market value of the Property (or portion thereof, in the case of partial termination, extinguishment, or condemnation) unencumbered by the Easement at the time of termination, by (2) the Proportionate Share. Within one (1) year of completion of the qualified appraisal, Grantor, Grantee, and Grantor's qualified appraiser shall sign a written acknowledgment of the values that establish the Proportionate Share on a form similar to the sample attached as Exhibit E. The original of said acknowledgment shall be held on file with Grantee at Grantee's normal place of business.

C. Eminent domain. If all or a portion of the Property is taken for a public purpose in the exercise of eminent domain so as to abrogate the restrictions imposed by this Easement, Grantor and Grantee may join in appropriate actions to recover the value of each party's interest in the Property (or portion thereof) taken, as established in paragraph B of this Section 10, including the value of Grantee's Easement as it pertains to the condemned property at the time of the taking or condemnation. Grantor and Grantee shall be entitled to any direct and incidental damages resulting from such taking or condemnation, in proportion to their interest in the rights which are taken or condemned, and for which such damages are determined or awarded. Proceeds shall be divided between Grantor and Grantee in proportion to their interest in the Property, or portion thereof, as established by paragraph B of this Section 10, and Grantee shall use any such proceeds received from condemnation of this Easement in a manner consistent with the conservation purposes of this Easement, which obligations shall survive any condemnation of this Easement.

SECTION 11. GRANTOR'S REPRESENTATIONS AND WARRANTIES

Grantor represents and warrants that, after reasonable investigation and to the best of its knowledge, as of the date of the conveyance of this Easement:

A. Grantor has clear title to the Property, Grantor has the right to convey this Easement to Grantee, and the Property is free and clear of any encumbrances, except those encumbrances that have been expressly approved by Grantee.

B. Any handling, transportation, storage, treatment, or use of any substance defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, that has occurred on the Property prior to the date of this Easement has been in compliance with all applicable federal, state, and local laws, regulations, and requirements. No deposit, disposal, or other release of any hazardous substance has occurred on or from the Property, in violation of applicable law.

C. No underground storage tanks are located on the Property, whether presently in service or closed, abandoned, or decommissioned, and no underground storage tanks have been removed from the Property in a manner not in compliance with the applicable federal, state, and local laws, regulations, and requirements.

D. Grantor and the Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Property and its use.

E. There is no pending or threatened litigation in any way affecting, involving, or relating to the Property, other than the ongoing statewide adjudication of water rights in Montana.

F. No civil or criminal proceedings or investigations have been instigated at any time or are now pending, and no notices, claims, demands, or orders have been received, arising out of any violation or alleged violation of, or failing to comply with, any federal, state, or local law, regulation, or requirement applicable to the Property or its use, nor do there exist any facts or circumstances that Grantor might reasonably expect to form the basis for any such proceedings, investigations, notices, claims, demands, or orders.

G. The individuals who have executed this Easement have actual authority to execute and bind Grantor to the terms and conditions of this Easement, and Grantor has furnished evidence to Grantee in the form of an authorizing resolution of the signatory's authority to enter this Easement and thereby bind that party's principal.

SECTION 12. SUBORDINATION OF EXISTING MORTGAGES

In accordance with Treasury Regulation § 1.170A-14(g)(2), any and all holders of mortgages affecting the Property have agreed by separate "Mortgage Subordination Agreement" recorded contemporaneously with this Easement, that in the event of foreclosure of any mortgage, under judicial or non-judicial proceedings, or in the event of other sale, transfer, exchange, or conveyance of title to the Property, the Property shall be foreclosed, sold, transferred, exchanged, or otherwise conveyed subject to Grantee's rights to enforce the conservation purposes of this Easement in perpetuity and subject to Grantee's rights to proceeds in the event of termination or extinguishment of this Easement, in whole or in part, in accordance with Treasury Regulation § 1.170A-14(g)(6)(ii). All provisions contained in this Section 12 shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

SECTION 13. MISCELLANEOUS PROVISIONS

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

B. "Grantor" and "Grantee". The terms "Grantor" and "Grantee," as used herein, and any pronouns used in place thereof, shall mean and include the above-named Grantor and its successors and assigns, and Grantee and its successors and assigns, respectively. If the Property has been transferred by the original Grantor, then the term "Grantor" means the then-current owner of the Property.

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

D. Subsequent transfers. Grantor agrees that reference to this Easement, its recording reference, and the date of its recording in the public records of Carbon County, Montana, will be

made in any subsequent deed or other legal instrument by which Grantor conveys any interest in the Property, including any leasehold interest. Grantor agrees to incorporate the terms and conditions of this Easement by express recording reference to the Easement in any deed by which Grantor conveys title to all or any portion of the Property. Any failure to comply with the terms of this paragraph shall not impact the perpetual term of this Easement and shall not render this Easement or any term or condition herein unenforceable.

E. Transfer fee. To ensure that Grantee receives proper notice any time the entire Property, as described in Exhibit A, or any interest in the Property, is granted, sold, exchanged, devised, gifted, disposed of, or otherwise conveyed or transferred (collectively “transferred”) by the transferring Grantor to any third party, including any third party under the transferring Grantor’s control or ownership, Grantee shall have the right (but not the obligation) to require the transferring Grantor to pay a \$100 transfer fee to Grantee. The transferring Grantor shall notify Grantee of such transfer within thirty (30) days of such transfer or conveyance in writing as provided in Section 4.

F. Relationship of Easement to the Act. The State of Montana has expressly authorized the creation of conservation easements pursuant to the Act. This Easement is granted in accordance with the Act, but the existence of this Easement shall not be dependent on the continuing existence of the Act or any provisions thereof.

G. Subordination. No provision of this Easement is to be construed as impairing the ability of Grantor to use the Property as collateral for any loan, provided that any mortgage or lien arising after the date of execution of this Easement shall be subordinate to the terms of this Easement.

H. Notice of suit. Grantor shall immediately provide Grantee with notice of any lawsuit or administrative action involving the Property or which threatens Grantee’s interest in this Easement. Grantor shall send the notice to Grantee’s mailing address in Section 4, paragraph B, and shall include a copy of any lawsuit or administrative action filed or other relevant documentation. Grantor agrees not to object to Grantee’s intervention in any such lawsuit or action. Such lawsuit or action could include, but is not limited to, quiet title action, partition, condemnation or eminent domain, foreclosure, bankruptcy, tax deficiency, environmental clean-up or enforcement, or any other lawsuit or action affecting the title to the Property and/or potentially affecting the Conservation Values on the Property.

I. Governing law. In the event any dispute arises over the interpretation or enforcement of the terms and conditions of this Easement, the laws of the State of Montana shall govern resolution of such dispute, without regard to conflict of laws.

J. Amendment. Amendment to or modification of this Easement may be considered by Grantee, in its sole discretion, if such changes are in compliance with applicable laws, including but not limited to § 76-6-101, *et seq.*, MCA, and the Code; with Grantee’s conservation easement amendment policies then in effect; and with the following limitations: (a) no amendment shall be allowed that affects the perpetual duration of this Easement, or the status of Grantee as an eligible holder of conservation easements, under state or federal law; (b) any amendment must be consistent with the purposes of this Easement; (c) any amendment either must enhance, or must have no effect on, the Conservation Values which are protected by this Easement; and (d) no amendment may confer prohibited private benefit or inurement on Grantor or other third parties. Any such amendment must be executed in writing by Grantor and Grantee, and shall be recorded in the public records of Carbon County, Montana.

K. Conservation intent. Any ambiguities in this Easement shall be construed in a manner which best effectuates perpetual protection and preservation of the Conservation Values and the policy and purposes of § 76-6-101, *et seq.*, MCA. The parties acknowledge that each party and its

counsel have reviewed and revised this 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 Easement.

L. Entire agreement and merger of previous understanding. This Easement, including all Exhibits attached hereto, constitutes the entire understanding between the parties hereto with respect to Grantor's grant of this Easement on and over the Property, and all prior or contemporaneous negotiations, communications, conversations, understandings, and agreements had between the parties hereto, oral or written, are merged in this Easement.

M. Disclaimer. Grantee does not warrant, guarantee, or otherwise offer any assurance as to the deductibility, if any, of the contribution of this Easement, or its qualification under any applicable state or federal laws. Grantor has been advised by Grantee to secure qualified independent legal, tax, and other professional advice pertaining to the grant of this Easement, and Grantor has had ample opportunity to do so.

N. Separate counterparts. This instrument may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement.

O. Calculation of days. When this Easement refers to a specified number of days for purposes of determining a certain amount of time during which a party may, or is obligated to, complete an action, those days shall be considered calendar days for purposes of determining the amount of time.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Easement on the dates set forth by the respective notaries below, and this Easement shall be considered effective when it is recorded in the public records of Carbon County, Montana.

[Signatures on following pages]

GRANTOR:

LAZY AO, LLC, a Montana Limited Liability Company

By: Barrett Adams
Its: Member

State of _____)
County of _____)

This instrument was acknowledged before me on the ____ day of _____ 2024, by Barrett Adams on behalf of Lazy AO, LLC.

(Signature of Notarial Officer)
(Affix Official Stamp To Left)

GRANTOR:

LAZY AO, LLC, a Montana Limited Liability Company

By: Laura Orvidas
Its: Member

State of _____)
County of _____)

This instrument was acknowledged before me on the ____ day of _____ 2024, by Laura Orvidas on behalf of Lazy AO, LLC.

(Signature of Notarial Officer)
(Affix Official Stamp To Left)

GRANTEE:

THE MONTANA LAND RELIANCE,

a Montana Nonprofit Corporation

By: _____
Name: George S. Olsen
Title: Director

State of Montana)
County of _____)

This instrument was acknowledged before me on the ____ day of _____ 2024, by
GEORGE S. OLSEN on behalf of THE MONTANA LAND RELIANCE.

(Signature of Notarial Officer)
(Affix Official Stamp To Left)

**EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY**

Township 4 South, Range 20 East of the Principal Montana Meridian, in Carbon County, Montana

Section 25: SE $\frac{1}{4}$ SE $\frac{1}{4}$, LESS AND EXCEPT S $\frac{1}{2}$ S $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

Township 4 South, Range 21 East of the Principal Montana Meridian, in Carbon County, Montana

Section 30: Government Lot 4
SE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 31: NE $\frac{1}{4}$ NW $\frac{1}{4}$

And

That part of Government Lot 1 of Section 31, Township 4 South, Range 21 East of the Principal Montana Meridian, in Carbon County, Montana, described as follows:

Beginning at the Northwest corner of Section 31;
thence South on the Section line 10.12 chains to the center of the public road;
thence South 86°55' East 30.00 chains to the East line of Lot 1 of said Section 31;
thence North on the subdivision line 11.73 chains to the Section line;
thence West on the said Section line 29.72 chains to the point of beginning.

Excepting therefrom the following tract of land.

1. Certificate of Survey No. 2077 FT.

Deed Reference: Document #394855

ALL OF THE FOREGOING DESCRIBED PROPERTY IS CONVEYED SUBJECT TO all third-party rights of record in the Property existing at the time of conveyance of this Easement and not subordinated to this Easement.

EXHIBIT B
PERMITTED USES AND PRACTICES

The following uses and practices, though not an exhaustive recital of consistent uses and practices, may be conducted consistent with the terms and purposes of this Easement and are permitted as described herein. Some of these consistent land uses and practices are identified below as being subject to specified conditions or to the provisions of Section 4 of this Easement requiring Grantee's prior written approval. All uses of the Property, and any construction, maintenance, or development on the Property, must be conducted in a manner consistent with the terms and purposes of this Easement.

1. Agricultural activities. To continue historical and existing farming, ranching, and other agricultural activities, and to conduct new farming, ranching, and other agricultural activities, including raising and managing livestock and planting, raising, and harvesting agricultural crops, provided that all such agricultural activities on the Property must remain consistent with protection and preservation of the Conservation Values.

2. Recreational activities. To use the Property for recreational activities, including, but not limited to, hunting of game animals and birds, fishing, hiking, wildlife viewing, and quiet enjoyment by Grantor and invitees, provided that all such recreational activities on the Property must remain consistent with protection and preservation of the Conservation Values. Commercial uses of the Property for recreation are permitted only as set forth in this Exhibit B, paragraph 11. This paragraph shall not be construed to permit construction of any recreational facilities, structures, or improvements on the Property, except for those structures that are specifically permitted in this Exhibit B, paragraph 4.

3. Water resources. To maintain, enhance, and develop water resources on the Property for permitted agricultural activities, fish and wildlife uses, and domestic needs. Permitted uses may include, but are not limited to, the following: the right to restore, enhance, and develop water resources, including existing ponds, wetlands, rivers, and streams; to locate, construct, repair, and maintain irrigation systems; and to develop and maintain stock watering facilities and domestic groundwater wells. The construction of new ponds or other new water features on the Property is subject to the prior approval of Grantee pursuant to Section 4 of this Easement.

4. Structures and Building Envelopes. To construct, maintain, repair, remodel, and make limited additions to, and in the event of their removal or destruction, to replace structures on the Property only as allowed by this paragraph 4. New or replacement structures must be constructed in a manner consistent with protection of the Conservation Values and must adhere to any height and square footage limitations described herein. Grantee retains sole discretion to make determinations regarding the criteria contained in this paragraph 4.

a. Residential dwelling units. For the purpose of this Easement, the term "residential dwelling unit" means a structure, or a portion thereof, with sleeping accommodations and kitchen facilities that is provided, used, constructed, converted, remodeled, added onto, or replaced for habitation or occupation by one or more people. The definition of residential dwelling units includes, but is not limited to, structures used as residences; apartments or suites that are a part of non-residential outbuildings allowed in subparagraph 4b below; guest houses; employee houses; cabins; and mobile homes, trailers, and other moveable living units.

No more than two (2) residential dwelling units, including the one (1) existing residential dwelling unit and one (1) additional residential dwelling unit, are permitted on the Property. All residential dwelling units, and replacements thereof, must be located within the designated Building Envelopes defined in subparagraph 4c below and adhere to the following square

footage and height limitations. No other habitations, living, or sleeping quarters are permitted on the Property.

(1) Any remodel of, addition to, or replacement of the one (1) existing residential dwelling unit may not result in a finished residential dwelling unit with a footprint that exceeds 2,000 square feet, measured by exterior dimensions and not including decks or porches. Further, any remodel of, addition to, or replacement of the one (1) existing residential dwelling unit may not exceed three (3) stories in height, as measured from the highest point above finished grade.

(2) The one (1) permitted additional residential dwelling unit's footprint may not exceed 2,000 square feet, measured by exterior dimensions and not including decks or porches. Further, any construction of, remodel of, addition to, or replacement of the one (1) permitted additional residential dwelling unit may not exceed three (3) stories in height, as measured from the highest point above finished grade.

To ensure that permitted new, remodeled, and replacement residential dwelling units are constructed in a manner consistent with protection of the Conservation Values and with the criteria herein, Grantor must submit copies of architectural/construction plans to Grantee for prior approval, as provided in Section 4 hereof.

b. Non-residential outbuildings. Except for the "Grain Bin" and "Gauging Station" depicted in Exhibit F, attached hereto and incorporated by reference, non-residential structures and improvements, which are used for permitted agricultural or recreational activities or used in association with the existing and permitted residential dwelling unit ("non-residential outbuildings"), are permitted only within the Building Envelopes defined in subparagraph 4c, and include, but are not limited to, barns, shelters, corrals, other agricultural facilities and improvements, garages, workshops, and sheds, all used for non-residential purposes.

c. Building Envelopes. All new or replacement structures and improvements must be located within the Building Envelopes delineated in Exhibit F, as further provided in this subparagraph.

(1) Residential Building Envelope #1. "Residential Building Envelope #1" depicted and delineated in Exhibit F attached hereto and incorporated by reference, consists of approximately two (2) acres. The one (1) existing residential dwelling unit and all its non-residential outbuildings are located within the Residential Building Envelope #1. New non-residential outbuildings are permitted within the Residential Building Envelope #1.

(2) Residential Building Envelope #2. "Residential Building Envelope #1" depicted and delineated in Exhibit F attached hereto and incorporated by reference, consists of approximately one (1) acre. The one (1) permitted additional residential dwelling unit and all its non-residential outbuildings may be located within the Residential Building Envelope # 2. New non-residential outbuildings are permitted within the Residential Building Envelope # 2.

(3) Agricultural Building Envelope #1. "Agricultural Building Envelope #1" depicted and delineated in Exhibit F attached hereto and incorporated by reference, consists of approximately two (2) acres. New non-residential outbuildings are permitted within the Agricultural Building Envelope #1.

(4) Agricultural Building Envelope # 2. "Agricultural Building Envelope #2" depicted and delineated in Exhibit F attached hereto and incorporated by reference, consists of approximately one and one-half (1.5) acres. New non-residential outbuildings are permitted within the Agricultural Building Envelope #2.

The purposes of the Building Envelopes are to limit development to locations on the Property consistent with preservation and protection of the Conservation Values, in perpetuity; to allow Grantor flexibility in use of the residential dwelling units and non-residential outbuildings; and to cluster residential uses and other structures on the Property. Grantor and Grantee have carefully selected the location and sizes of the permitted Building Envelopes to ensure that Grantor's reserved rights must be exercised consistently with perpetual protection of the Conservation Values and other significant conservation interests. If necessary, wells and drain fields may be located outside of the Building Envelopes.

d. Temporary structures. For purposes of this subparagraph, "temporary structures" are defined as structures that are not constructed or permanently anchored in the ground, and that are used in conjunction with and are supportive of, agricultural or other activities permitted by this Easement. Subject to Grantee's prior approval pursuant to Section 4 of this Easement, temporary structures may be located anywhere on the Property, provided such locations are consistent with protection of the Conservation Values. Temporary structures do not include pole barns, sheds, or any structures utilizing a foundation or posts permanently anchored in the ground, which permanently anchored structures are considered non-residential outbuildings for purposes of this Easement and must be located within the Building Envelopes. Grantee's prior approval is not required to locate temporary structures within the Building Envelopes described in subparagraph 4c.

5. Transfer of land. Grantor and Grantee agree and intend that the Property will remain as one whole, intact, single piece of real estate. Grantor may grant, sell, exchange, devise, gift, dispose of, or otherwise convey or transfer (collectively "transfer") all or any portion of Grantor's right, title, estate, and interest in the Property in unified title and as one (1) parcel only, subject to the terms, conditions, rights, restrictions, and obligations contained in this Easement.

Grantor shall furnish Grantee with a copy of any document or instrument of conveyance utilized to effect the transfer of the Property within thirty (30) days of the execution of said document or conveyance. **ANY SUCH TRANSFER MUST COMPLY WITH THE TRANSFER FEE REQUIREMENTS AS DESCRIBED IN SECTION 13(E) OF THIS EASEMENT.**

Nothing in this Easement shall be construed to prevent Grantor from owning the Property in co-tenancy or joint tenancy, wherein each co-tenant or joint tenant shall have undivided interests in the whole of the Property, as described in Exhibit A. Grantor also retains the right to enter into leases, licenses, or other transfers of a right to use the Property or to occupy a residential dwelling unit, provided such agreements are made expressly subject to the terms and conditions of this Easement. Grantor expressly conveys to Grantee the right to enforce this Easement against, and to seek and recover all remedies for violation of the terms of this Easement from tenants, lessees, licensees, occupants, invitees, and users of the Property with Grantor's knowledge or consent.

All leases, including all short-term leases or rental agreements that confer rights of use or occupancy, must include reference to this Easement and include an obligation of the lessee to comply with the terms and conditions of this Easement.

6. Limited mineral activity. Subject to the prior approval of Grantee as provided in Section 4 of this Easement, to explore for or extract subsurface oil, gas, or other subsurface minerals (or to lease, sell or otherwise dispose of the rights thereto) in or under the Property, subject, however, to the following conditions. The requirements of this paragraph 6 shall govern and control any and all rights to any mineral substance owned by Grantor as of the date of this Easement or later acquired by Grantor.

a. Surface mining prohibited. As provided in Exhibit C, paragraph 2, there shall be no extraction or removal of any minerals by any surface mining method, in accordance with § 170(h)(5)(B) of the Code and applicable Treasury Regulations.

b. Limited subsurface mining conditionally permitted. Subject to the prior approval of Grantee as provided in Section 4 of this Easement, Grantor reserves the right to explore for or extract oil, gas, or other subsurface minerals (or to lease, sell or otherwise convey the rights thereto) by subsurface mining methods, subject to and only in strict compliance with this paragraph 6 and Exhibit C, paragraph 2. There shall be no exploration for or extraction of oil, gas, or other minerals by any method of mining if such activity would impair any Conservation Value of the Property, in Grantee's sole judgment. Subsurface mineral exploration or extraction may be permitted only if the subsurface mining methods Grantor proposes are approved in advance by Grantee as consistent with the purposes and terms of this Easement and only if the subsurface mining methods, as proposed and when implemented, either do not disturb the surface of the land, or disturb the surface of the land in ways that are limited, localized, and temporary. No method of mining will be permitted by Grantee that is inconsistent with the conservation purposes of this Easement at any time, or that is irretrievably destructive of any significant conservation interest. In addition, subsurface mining methods used must adhere to the following conditions:

(1) Water. No exploration for or extraction of minerals using subsurface mining methods shall take place beneath any stream, waterway, or protected wetland, and no subsurface mining methods may degrade the quality of any lake, pond, well, stream, groundwater, or surface water, including, but not limited to, any source of water utilized by Grantor for agricultural or residential purposes. Any wastewater resulting from permitted mineral exploration or extraction using subsurface mining methods which is of materially poorer quality than existing natural water sources or supplies must be treated so that its quality is substantially equivalent to existing natural water quality where the wastewater is discharged or released into surface waters on the Property and when groundwater is reinjected or otherwise disposed of under the Property.

(2) Restoration of surface disturbances. Any surface disturbance resulting from permitted mineral exploration or extraction activities using subsurface mining methods must be limited, localized, temporary, and approved in advance by Grantee as consistent with the purposes and terms of this Easement. Any such disturbances to the surface of the land shall be restored upon completion of subsurface mining activities to a condition equivalent to or better than its state prior to the disturbance. Surface restoration activities may include, but are not limited to, reshaping land contours, restoring soils, replanting native vegetation, and stewarding replanted native vegetation until the vegetation is mature, established, and self-perpetuating.

(3) Roads. Whenever possible, access to areas of the Property above the locations of subsurface exploration or extraction sites shall be by existing roads. Any new road shall be temporary, subject to prior approval by Grantee as provided in Section 4, and sited and maintained in accordance with this Exhibit B, paragraph 9, so as to minimize impacts to the Conservation Values. Any new, temporary roads shall be fully reclaimed after subsurface mineral exploration and extraction activities are concluded to a condition equivalent to or better than the condition of the surface of the Property prior to the construction of the temporary road.

(4) Temporary structures. The number and kind of temporary structures placed on the Property in connection with mineral exploration or extraction activities using subsurface mining methods shall be limited to the minimum necessary to accomplish said activities and shall be approved in advance by Grantee in accordance with Section 4. All such temporary structures shall be removed upon the termination of subsurface mining activities and the sites of any such structures shall be restored pursuant to subparagraph (2) above.

(5) Notice and extended approval period. Grantor shall advise Grantee in writing at least sixty (60) days prior to engaging in any mineral exploration or extraction activities using subsurface mining methods (or leasing, selling, or otherwise disposing of the rights thereto) whether or not such activities (or leasing, selling, or otherwise disposing of the rights thereto) could

result in any surface disturbance. For the purpose of this paragraph, Grantee's period in which to grant or deny prior approval of any mineral exploration or extraction proposal under Section 4, paragraph C, shall be extended to sixty (60) days. The sixty (60) day period shall not begin until Grantee has received complete information with sufficient detail and particularity, in Grantee's judgment, to evaluate the request.

c. Surface use agreements. To ensure Grantee's ability to protect Grantee's vested property right in this Easement and to uphold its obligations under the terms of this Easement, Grantor grants to Grantee non-exclusive rights to negotiate and enter surface-use agreements, right-of-way agreements, leases, assignments, non-surface occupancy agreements, including agreements for the payment of surface damages, and any other agreements arising from or related to mineral, oil, gas, or hydrocarbon exploration and extraction, development, production, and removal activities conducted by third parties (collectively, "Mineral Activity Agreements"). Grantor and Grantee agree that neither party shall unilaterally enter into any Mineral Activity Agreements. Grantee shall have the right to receive notices of any proposed exercise of separated or severed mineral rights, if any. If Grantor is contacted regarding the exploration for or extraction of minerals by any severed mineral rights holder, Grantor shall provide notice to Grantee of said contact within ten (10) days. In any Mineral Activity Agreement, Grantor and Grantee shall require, to the greatest extent possible, that any mineral activities conducted by third parties are conducted in accordance with this Exhibit B, paragraph 6, and Exhibit C, paragraph 2.

7. Timber management. To conduct forest management activities and selectively harvest timber on the Property in accordance with all federal, state, and local laws, regulations, rules, and ordinances, provided such activities protect and are consistent with the Conservation Values, as further detailed below.

a. Selective harvest for safety and permitted uses. Grantor reserves the right to remove select trees that present a hazard to persons or property, and to cut firewood, posts, and poles for personal use, solely under the criteria set forth in this paragraph. All timber harvested by Grantor pursuant to this subparagraph must be used or disposed of on the Property. All selective timber harvests pursuant to this subparagraph must protect and minimize adverse impacts to the Conservation Values. In connection with the upkeep, maintenance, and repair of permitted structures and residential areas, Grantor specifically reserves the right to clear brush; to prune, trim, and remove trees; and to plant trees, shrubs, flowers, and other native or non-native species for landscaping or gardening purposes, all within the Building Envelopes described in paragraph 4 of this Exhibit B.

b. With prior written approval of a timber harvest plan pursuant to Section 4. Upon obtaining the prior approval of Grantee as provided in Section 4 hereof, Grantor may selectively harvest timber for use off the Property, including selective timber harvests for the abatement of disease or insect infestations, and for sale, trade, exchange or use off the Property, provided such harvests are conducted consistently with protection of the Conservation Values and solely under the conditions in this paragraph. Any timber harvest permitted by this subparagraph must be consistent with the purposes of this Easement; must protect and minimize adverse impacts to the Conservation Values; and shall require preparation, at Grantor's expense, of a timber harvest plan by a qualified natural resource professional. Grantor shall contact Grantee prior to the preparation of a timber harvest plan to obtain the required information to be included in any such plan, which shall include an evaluation of the criteria in this subparagraph in addition to other information that Grantee may require, to ensure that the Conservation Values are protected in perpetuity. The timber harvest plan shall be furnished to Grantee in connection with Grantor's request for prior approval of any proposed timber harvest pursuant to this subparagraph, and any timber harvest, if approved by Grantee as provided in Section 4 hereof, shall be conducted in accordance with said plan. Grantor must obtain Grantee's written approval of such plan prior to the initiation of any timber harvest pursuant to this subparagraph. Notwithstanding the foregoing,

Grantee shall not approve any timber harvest plan which is inconsistent with perpetual protection of the Conservation Values.

8. Fences. To construct, maintain, and repair fences, including livestock corrals, loading chutes, holding pens, and other enclosed fencing for temporary livestock management and transport.

9. Roads. To repair, maintain, and improve existing roads on the Property, as delineated in Exhibit F and as documented in the Resource Documentation Report. For purposes of this Easement, “road” means a road that is intentionally constructed, periodically graded or maintained, has an improved surface and raised roadbed, consists of dirt, gravel, or paved surfaces, and may have excavated cut and fill areas where it traverses hillslopes. The term does not include “two-tracks” created incidentally by driving vehicles over the same path until the ground and vegetation show lasting signs, or tracks, of such use. Grantor may use and create unimproved trails and two-tracks that are necessary for the agricultural purposes protected by this Easement. Such unimproved trails and two-tracks may include two-track byways used by agricultural equipment and off-road vehicles for crop cultivation, field access, livestock management and monitoring purposes, and access to irrigation ditches, pumps, and infrastructure.

Grantor also reserves the right to construct, repair, improve, and maintain new roads: (a) for agricultural activities as permitted in this Exhibit B; (b) for access to the residential dwelling units and other structures as permitted in this Exhibit B; (c) in connection with timber management activities as permitted in this Exhibit B; or (d) for mineral activity as permitted in this Exhibit B.

Except inside the Building Envelopes described in this Exhibit B, paragraph 4, and in the locations delineated in Exhibit F hereto, new roads may not be paved or constructed of concrete, asphalt, or other impervious material that does not allow water to percolate into the soil. Any new roads must be sited and maintained so as to minimize adverse impact on the Conservation Values. New roads shall be subject to prior written approval of Grantee pursuant to Section 4 to ensure that the Conservation Values are protected. Grantor’s written notice shall include a construction plan describing the purpose of the road and how it is consistent with protection of the Conservation Values, its location on a topographic map, and, to the extent deemed necessary by Grantee, discussion of the following: road grade, drainage, erosion/sedimentation impacts and mitigating efforts, areas of cut and fill, and special concerns such as culvert placement, bridges, fords, and buffer strips between roads and streams. Seeding and reestablishment of cover vegetation on exposed road cuts, fills, and banks shall be required.

Grantor may grant right-of-way easements to neighbors over existing roads or over new roads that are constructed pursuant to the terms of this paragraph.

10. Utilities. To install, maintain, repair, and replace utility structures, lines, conduits, cables, wires, or pipelines (“utilities” and “utility services”) upon, over, under, within, or beneath the Property to existing and subsequently constructed structures and improvements permitted by this Easement, solely under the criteria set forth in this paragraph. Any such utilities or utility services must be buried where technically and economically feasible, and must not materially impair the Conservation Values, in Grantee’s sole judgment.

Within the Building Envelopes, Grantor may construct, maintain, repair, and, in the event of their removal or destruction, replace utilities and utility services and wind, solar, hydroelectric, geothermal, and other types of renewable energy generation facilities solely for uses permitted on the Property by this Easement, except that any incidental surplus energy may be sold commercially for use off of the Property or credited to Grantor’s utility service (net metering).

With the prior approval of Grantee pursuant to Section 4 of this Easement, Grantor may also grant right-of-way easements for utility services to neighboring properties, provided that any such

new right-of-way easements do not materially impair the Conservation Values protected by this Easement, in Grantee's sole judgment and are located along existing or permitted new roads.

With the prior approval of Grantee pursuant to Section 4 of this Easement, Grantor may also permit the replacement, maintenance, and repair of existing utility distribution services running through the Property, including the reconstruction of new electrical utility distribution lines to replace existing infrastructure (but not electrical transmission lines which are prohibited by Exhibit C, paragraph 10). Further, with prior approval of Grantee pursuant to Section 4, Grantor may grant new or upgraded utility distribution line right-of-way easements if the utility easement does not materially impair the Conservation Values protected by this Easement, in Grantee's sole judgment. Grantee's prior approval of new or upgraded utility distribution services and right-of-way easements will require submission by Grantor of a construction/installation plan to ensure that the Conservation Values are protected. Grantor shall contact Grantee prior to the preparation of the construction/installation plan to obtain the required information to be included in any such plan, which shall include, but not be limited to, a description of how such plan is consistent with protection of the Conservation Values. Any utility construction/installation, if approved by Grantee as provided in Section 4 hereof, must be conducted in accordance with said plan. Any new or upgraded utility distribution services with new or expanded associated right-of-way easements must be memorialized in a written agreement that is recorded in the public records of Carbon County, signed by Grantor, Grantee, and the utility service provider prior to beginning construction.

11. Commercial activities. Businesses, trades, professions, arts, crafts, and other commercial activities (hereafter "commercial activities") that are consistent with protection of the Conservation Values are permitted on the Property as provided in this paragraph. Nothing in this Exhibit B, paragraph 11 shall apply to Grantor's rights to engage in commercial uses that are specifically reserved to Grantor elsewhere in this Exhibit B.

a. Home occupations. Persons living on the Property may conduct customary rural businesses, trades, or professions within existing or permitted structures in a manner that is consistent with the protection of the Conservation Values protected by this Easement.

b. Rental and commercial guest lodging. Grantor may lease or rent any residential dwelling unit, or portion thereof, on the Property, and may provide commercial guest lodging services in connection with such rental. Activities permitted by this subparagraph include short-term vacation rentals, bed and breakfast businesses, guest ranching, agritourism, and ecotourism.

c. Recreational uses. Grantor may engage in recreational uses of the Property as permitted commercial activities, including those recreational uses permitted by this Exhibit B, paragraph 2, provided that all such recreational activities on the Property must remain consistent with the criteria therein and protection and preservation of the Conservation Values.

d. Use of structures for permitted commercial activities. All existing and subsequently constructed structures and improvements permitted by this Easement may be used in conjunction with permitted commercial activities, except that only permitted residential dwelling units may be used for guest lodging, rentals, or other commercial activities permitted in subparagraph b. This paragraph shall not be construed to permit construction or development of any facilities, structures, or improvements on the Property, except as specifically permitted in this Exhibit B, paragraph 4.

e. Third-party agreements. Grantor may enter into agreements with third parties to operate, maintain, or engage in any permitted commercial activity under this Exhibit B, paragraph 11b, paragraph 11c, and with Grantee's prior approval, paragraph 11f, if such agreements are (i) in writing; (ii) made expressly subject to the terms, conditions, and purposes of this Easement;

and (iii) Grantee is expressly authorized in the agreement to enforce this Easement against third-parties who violate the terms, conditions, or purposes of the Easement. All commercial activities must be conducted in a manner and at levels of intensity consistent with perpetual protection of the Conservation Values.

f. Other permitted commercial uses. Subject to Grantee's prior written approval under Section 4, other commercial activities not expressly permitted in this Exhibit B, paragraph 11 may be conducted on the Property if they are small-scale and low-impact and do not harm or impair the Conservation Values. Grantor's request for prior approval of such commercial activities shall inform Grantee of the duration, location, and scale of the proposed activities, and such other information as Grantee may require to assess the impact of the proposed activities on the Conservation Values.

12. Carbon. Grantor retains all rights relating to carbon, which are appurtenant to the Property, as such rights may exist on the date this Easement was executed, or as may be granted, discovered, created, declared, or developed in the future. Such carbon rights include, but are not limited to, the right to trade, sell, transfer, credit, or lease these rights, and the right to use, store, sequester, accumulate, and/or depreciate carbon within the Property by flora that exists, or may exist, on the Property. This Easement shall be interpreted to enhance the security and economic viability of any such carbon rights appurtenant to the Property.

----- END EXHIBIT B -----

EXHIBIT C
PROHIBITED USES AND PRACTICES

The following uses and practices, though not an exhaustive recital of inconsistent uses and practices, are hereby deemed to be inconsistent with the purposes of this Easement and are expressly prohibited:

1. Subdivision. Grantor and Grantee agree and intend that the Property will remain as one whole, intact, single piece of real estate. Accordingly, the entire Property described in Exhibit A must be maintained and granted, sold, exchanged, devised, gifted, transferred, or otherwise conveyed in unified title as no more than one (1) parcel. Even if the Property consists of more than one (1) parcel for real estate tax or any other purpose or if it may have been acquired previously as separate parcels, it will be considered one (1) parcel for purposes of this Easement. In all subsequent conveyances the restrictions and covenants of this Easement will apply to the Property as a whole.

Therefore, the division, subdivision, or de facto subdivision of the Property is expressly prohibited. Prohibited property divisions under this Easement include, but are not limited to, any subdivision, short subdivision into remainder tracts, platting, testamentary division, partitions in kind among tenants-in-common or joint tenants, judicial partitions in kind, partitions in kind in bankruptcy, allocation of title or real property interests among partners, shareholders, trustees or trust beneficiaries, or members of any business entity, time-share or interval ownership arrangements, or other process, including tax sales, by which the Property is divided in ownership or in which legal or equitable title to different portions of the Property (including any permanent structures or fixtures on the Property) are held by different owners. Partitions by sale, co-tenancy, or joint tenancy are not prohibited provided that title to the whole Property described in Exhibit A remains in unified, undivided ownership in which each cotenant or joint tenant shall have undivided interests in the whole of the Property. Grantor shall not sell, transfer, or otherwise convey any portion of the Property that constitutes less than the entire Property.

Notwithstanding any provision herein that may be construed to the contrary, the Property may be leased for agricultural purposes, provided any such leases are subordinate to the terms and purposes of this Easement and do not create a de-facto subdivision of the Property.

2. Surface and subsurface mineral exploration and extraction. Surface mining, including extraction or removal of surface or subsurface minerals by any surface mining method, is prohibited in accordance with § 170(h)(5)(B) of the Code and applicable Treasury Regulations. Mining or extraction of soil, sand, gravel, oil, natural gas, fuel, coal, or any other mineral substance owned by Grantor as of the date of this Easement or later acquired by Grantor from the Property (or leasing, selling, or otherwise disposing of the rights thereto) is prohibited, except for the limited subsurface mineral development conditionally permitted by Exhibit B, paragraph 6. Further, there shall be no exploration for or extraction of oil, gas, or other minerals by any method of mining if such activity would impair any Conservation Value of the Property, in Grantee's sole judgment, and no method of mining will be permitted at any time by Grantee that is inconsistent with the conservation purposes of this Easement or that is irretrievably destructive of any significant conservation interest, consistent with Treas. Reg. 1.170A-14(g)(4)(i). If a third party owns or leases the oil, natural gas, or any other mineral rights associated with the Property at the time this Easement is executed, and their interests have not been subordinated to this Easement, Grantor and Grantee must require, to the greatest extent possible, that any oil, natural gas, and mineral exploration and extraction conducted by such third party is conducted in accordance with this Exhibit C, paragraph 2 and Exhibit B, paragraph 6. Any mineral leases or other conveyances of minerals entered into after the date of this Easement are subordinate to the terms of this Easement and must incorporate by reference this Easement.

To ensure Grantee's ability to protect Grantee's vested property right in this Easement and to uphold its obligations under the terms of this Easement, Grantor grants to Grantee non-exclusive rights to negotiate and enter surface-use agreements, right-of-way agreements, leases, assignments, non-surface occupancy agreements, including agreements for the payment of surface damages, and any other agreements arising from or related to mineral, oil, gas, or hydrocarbon exploration and extraction, development, production, and removal activities conducted by third parties (collectively, "Mineral Activity Agreements"). Grantor and Grantee agree that neither party shall unilaterally enter into any Mineral Activity Agreements. Grantee shall have the right to receive notices of any proposed exercise of separated or severed mineral rights, if any. If Grantor is contacted regarding the exploration for or extraction of minerals by any severed mineral rights holder, Grantor shall provide notice to Grantee of said contact within ten (10) days. In any Mineral Activity Agreement, Grantor and Grantee shall require, to the greatest extent possible, that any mineral activities conducted by third parties, are conducted in accordance with this Exhibit C, paragraph 2.

3. Alteration of land surface or natural waters. Except as expressly provided for in Exhibit B or in necessary conjunction with a use permitted by Exhibit B, the alteration of the surface of the land or natural water features on the land is prohibited. Alteration of the surface of the land includes, but is not limited to, the movement, excavation, or removal of soil, rock, peat, or sod. Nothing in this paragraph shall be interpreted to preclude Grantor from taking emergency actions to mitigate flooding or wildfire risks, provided Grantor provides notice to Grantee of any such emergency actions taken as soon as reasonably practical.

4. Commercial activities and facilities. The establishment of any commercial or industrial activities or facilities is prohibited, except as provided in Exhibit B. Prohibited activities and facilities include, but are not limited to, commercial feed lots (defined as a confined livestock feeding operation where the owner or operator of the feedlot feeds livestock belonging to others for a fee), sales or service businesses, restaurants, night clubs, campgrounds, trailer parks, motels, hotels, gas stations, retail outlets, or manufacturing or distribution facilities. The retail sale of goods produced and manufactured by such businesses shall not take place on the Property. Commercial recreational activities and facilities are prohibited, except as specifically permitted in Exhibit B, paragraph 11.

5. Dumping and waste storage. The dumping, storage, or disposal of non-compostable refuse on the Property is prohibited, except for nonhazardous wastes generated by activities permitted in Exhibit B, including agricultural and timber management activities, provided such dumping and/or storage of non-hazardous waste does not harm the Conservation Values.

6. Construction. The construction or placement of any improvements, buildings, or other structures is prohibited, except for those structures specifically permitted in Exhibit B, paragraph 4.

7. Campers, trailers, and recreational vehicles. The placing or use of campers, trailers, and recreational vehicles on the Property is prohibited, provided, however, Grantor may store personal campers, trailers, and recreational vehicles within the Building Envelopes defined in Exhibit B, paragraph 4, and Grantor and Grantor's guests may park and use campers, trailers, or recreational vehicles on the Property on a temporary basis to accommodate short-term visitation. Except as provided in Exhibit B, paragraph 4, campers, trailers, or recreational vehicles may not be inhabited or used as residential dwelling units.

8. Billboards. The construction, maintenance, or erection of any billboards is prohibited. Roadside signs are permitted only for the purposes of posting the name of the Property, advertising any business permitted on the Property, controlling public access, providing public notification of this Easement, or advertising the Property for sale or lease.

9. Roads. The construction of roads and granting or reserving of right-of-way easements across or upon the Property are prohibited, except as provided in Exhibit B, paragraph 9. Off-road vehicle courses for all-terrain vehicles, motorcycles, or other motorized vehicles are expressly prohibited.

10. Utilities. The construction of utilities, utility services, or utility infrastructure, and the granting of utility line right-of-way easements is prohibited, except as permitted in Exhibit B, paragraph 10. The granting and expansion of utility transmission lines and utility transmission corridor right-of-way easements is expressly prohibited.

11. Timber harvest. Except as provided in Exhibit B, paragraph 7, the harvest of timber on the Property is prohibited.

12. Conservation Values. Notwithstanding any other provision of this Easement, the impairment of any of the Conservation Values or other significant conservation interests on the Property is prohibited.

----- END EXHIBIT C -----

EXHIBIT D
ACKNOWLEDGMENT OF RESOURCE DOCUMENTATION REPORT

In accordance with Treasury Regulation § 1.170A-14(g)(5)(i), **LAZY AO, LLC**, as Grantor of this Easement, and **THE MONTANA LAND RELIANCE**, as Grantee of this Easement, hereby acknowledge, declare, and agree that they have reviewed the information contained in the Resource Documentation Report and that the Resource Documentation Report is an accurate representation of the condition of the real property and Conservation Values to be protected by this Easement at the time of this grant.

DATED this _____ day of _____, 20____.

LAZY AO, LLC, a Montana Limited Liability Company

By _____
Name: Barrett Adams
Title: Member

State of _____)
County of _____)

This instrument was acknowledged before me on the _____ day of _____, 2024, by Barrett Adams on behalf of Lazy AO, LLC.

LAZY AO, LLC, a Montana Limited Liability Company

By _____
Name: Laura Orvidas
Title: Member

State of _____)
County of _____)

This instrument was acknowledged before me on the ____ day of _____, 2024, by Laura Olvidas on behalf of Lazy AO, LLC.

(Signature of Notarial Officer)
(Affix Official Stamp To Left)

THE MONTANA LAND RELIANCE, a
Montana Nonprofit Corporation

By _____
Name: George S. Olsen
Title: Director

State of Montana)
County of _____)

This instrument was acknowledged before me on the ____ day of _____ 2024, by
GEORGE S. OLSEN on behalf of THE MONTANA LAND RELIANCE.

(Signature of Notarial Officer)
(Affix Official Stamp To Left)

EXHIBIT E

**SAMPLE OF FORM TO BE USED FOR
ACKNOWLEDGMENT OF VALUE OF
CONSERVATION EASEMENT**

_____ of _____, Grantor of a Deed of Conservation Easement dated _____, 20____, and recorded on _____, 20____, as Document No. _____, Records of _____ County, Montana; THE MONTANA LAND RELIANCE, of Helena, Montana, Grantee of said Conservation Easement; and, _____, appraiser of the property subject to the Conservation Easement, (the "Property"), hereby acknowledge, declare, and agree as follows:

1. That Grantor's qualified appraisal determined the value of the Property immediately prior to encumbrance by the grant of the Conservation Easement to be \$_____, and determined the value of the Property immediately after the conveyance of the Conservation Easement to The Montana Land Reliance to be _____ (\$_____). Therefore, Grantor's qualified appraisal determined the fair market value of the Conservation Easement on the date of the grant to be _____ (\$_____).

2. That for purposes of compliance with Treasury Regulation § 1.170A-14(g)(6), and pursuant to Section 10 of the Conservation Easement and the figures set forth in paragraph 1 above:

a. the numerator to be used in the calculation of the Proportionate Share is the fair market value of the Conservation Easement on the date of the grant, which was \$_____;

b. the denominator to be used in the calculation of the Proportionate Share is the fair market value of the Property as a whole, without deduction for the value of the Conservation Easement, on the date of the grant, which was \$_____;

c. The Proportionate Share established by the fraction created by the numerator and denominator above, expressed as a percentage, equals _____ percent (____%).

The original of this Acknowledgment is to be retained in the files of The Montana Land Reliance, or its successors and assigns, at its normal place of business.

DATE

DATE

DATE

THE MONTANA LAND RELIANCE

APPRAISER

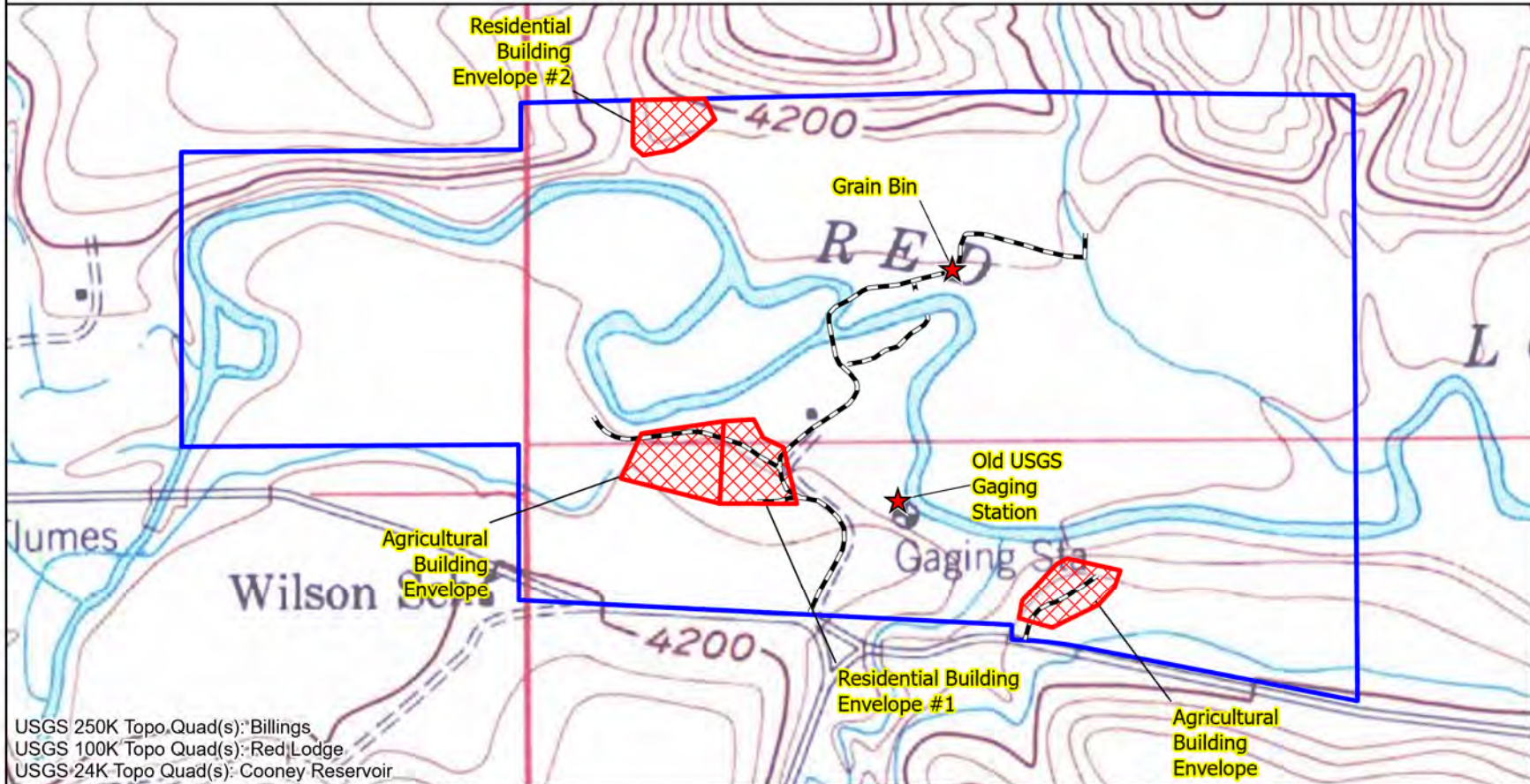
EXHIBIT F

BUILDING ENVELOPES, EXISTING ROADS,
ETC.




EXHIBIT F-1

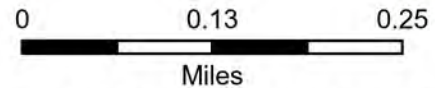
BUILDING ENVELOPES VERTICES

EXHIBIT F



USGS 250K Topo. Quad(s): Billings
USGS 100K Topo Quad(s): Red Lodge
USGS 24K Topo Quad(s): Cooney Reservoir

-  Easement Boundary
-  Building Envelopes
-  Existing Roads
-  Grain Bin / Old Gaging Station



Location: T4S, R20E, Sec. 25; T4S, R21E, Sec. 30 & 31

Lazy AO Property



Map Date: August 15, 2024