

**COMMON TENANCY AGREEMENT
FOR
BEAR BASIN RANCH**

THIS AGREEMENT (the Agreement) is entered into and effective once signed by and among the record Owners as described in Exhibit A of the Bear Basin Ranch, as further defined, described and set forth below.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

RECITALS

A. The undersigned (the Owners), of certain real property located in Custer County, Colorado, known as Bear Basin Ranch and more particularly described on Exhibit A attached hereto and incorporated herein by reference (the Property), desire to allow agricultural, recreational and residential uses that are consistent with the character of the Property, and enhance its value as a natural open space. The primary purpose of this document is to clarify, add to and unify previous agreements that set forth the uses, rights, and liabilities of the Owners in pursuing these intentions. This Agreement shall not replace but shall complement existing agreements except that Article 6: Sale or Transfer of Ownership Interest, Article 8: Disputes, and Article 10. Section 2. Amendment and Termination, of this agreement shall replace and supercede all other similar terms in any other agreements existing at the time of the execution of this Agreement.

B. The Owners hold title to the Parcels of the Ranch pursuant to deeds recorded in the real property records of the Clerk and Recorder of Custer County, Colorado. The dates of the deeds and the recordation information are as set forth on Exhibit A. Each Owner has an undivided ownership interest in each Parcel according to the percentage set forth opposite his name on Exhibit A.

C. The Property is comprised of several parcels (the Parcel(s)) as described on Exhibit A. The Owners intend that each Owner of a Parcel and such Owner's permittees shall enjoy certain rights, privileges, and easements for the recreational use and enjoyment of all Parcels. The Owners further intend to provide for the continued operation of the Property as an agricultural property and to recognize its continued usage for commercial guide and outfitting activities.

D. The Owners desire to maintain the natural, open space beauty of the Property, to prevent any future impairment thereof, to prevent nuisances, and to maintain the agricultural productivity of the Property. In order to achieve these goals, Owners desire to impose the covenants, conditions, and restrictions set forth herein below on the use of the land, present and future improvements, thereto, which shall be appurtenant and run with the land and shall be a burden and benefit to each Owner, and each and every person or entity acquiring, inheriting or owning an interest in the real property and improvements made subject hereto and their grantees, successors,

heirs, personal representatives, executors, administrators, devisees, and assigns.

E. The Owners enter into this Agreement with the specific intent of preserving and protecting the Property in an environmentally sound manner for future generations and as part of and essential to the operation of Bear Basin Ranch as a working ranch and guide and outfitting business. The parties intend to restrict future development of the Property through the creation and recordation of a conservation easement. The Owners expressly state that no previous agreement, recorded or unrecorded, has prohibited development of the Property, in total or concerning any of the Parcels, in the past, and that this agreement does not by its terms create a prohibition of development. To the extent that any previous document is, or could be construed as creating such a prohibition, the Owners expressly rescind, and forever release themselves, their heirs and assigns, from the rights, obligations, duties, covenants, and restrictions which could in any way be so construed.

ARTICLE 1: DEFINITIONS

When used in this Agreement, the following words shall have the following meanings, unless the context shall prohibit the same or there shall be a specific statement to the contrary.

1.1 "Animal Unit" or "AU" shall mean the following:

Beef Cow (yearling)	1.0 AU
Beef Cow (dry)	0.9 AU
Beef Cow (lactating)	1.2 AU
Bull (mature)	1.25 AU
Calf (weaned)	0.5 AU
Heifers (13-18 months)	0.7
Bred Heifers (19-24 months)	0.85 AU
Steers (13-18 months)	.7 AU
Steers (19-24 months)	0.85 AU
Horse (mature)	1.25 AU

1.2 "AUM" shall mean the number of animal units per month.

1.3 "Bear Basin Ranch" shall mean the real property described on Exhibit A attached hereto and incorporated herein and shall be synonymous with the term "Property".

1.4 "Maintain" or "Maintained" shall mean keeping up fences in effective condition, continuing the effective improvement to springs, continuing the usefulness of trails, plowing roads to provide access to hay and staff houses, feeding and caring for livestock, and providing security at and around the buildings and improvements on the Property.

1.5 "Mortgage" shall mean a mortgage or deed of trust recorded in the records of the office of the Clerk and Recorder of Custer County, Colorado, by which any Parcel or any portion thereof is encumbered.

1.6 "Mortgagee" shall mean any beneficiary under or holder of a Mortgage.

1.7 "Owner" shall mean a person, persons, or entity which owns an interest in the property. The Owners of each parcel shall be entitled to one building site. Joint tenants of a parcel are considered as one owner and hold title as tenants in common with the other Owners of parcels comprising the entirety of the Property. The Owners are record owners of the fee simple title to any Parcel and shall not mean or include a Mortgagee or other lien holder unless and until such party has acquired title pursuant to foreclosure of any applicable procedure in lieu of foreclosure.

1.8 "Parcel" shall mean any of the several parcels of real property comprising the Property, which are more particularly described on Exhibit A.

1.9 "Permittees" shall mean and include all of the Owners and joint Owners of each Parcel and if an Owner is a natural person, it shall include the Owner and their immediate family, which shall be construed to mean the Owner's parents, spouse, issue and adopted children and their issue. In the event any Owner is other than a natural person, then this term shall be construed to mean the managing director, partner, member, or other similar chief executive officer of the entity, and their immediate family, which shall be construed to mean their parents, spouse, issue and adopted children and their issue.

1.10 "Property" shall mean the real property described on Exhibit A, and such term shall be synonymous with the term "Bear Basin Ranch".

ARTICLE 2: USE OF THE PROPERTY

2.1 RECREATIONAL USE FOR OWNERS AND PERMITTEES. The Owners hereby grant and convey to each other, their Permittees and their invited guests, a non-exclusive right and easement of access to and enjoyment of all of the Parcels of the Property for recreational uses and purposes. The recreational uses authorized under this grant of easement include the right to cross and recreate by foot, horseback, skis, and bicycle on any Parcel. Camping other than on an Owner's designated building site shall require the approval of the Owners of the parcel affected. Motorized, recreational vehicles, including motorcycles and snowmobiles, shall be restricted to established roads. The Owners and Permittees shall exercise their rights under this easement so as to minimize any intrusion on the privacy of an Owner within any dwelling or campsite on the Parcel and shall refrain from any loud, offensive, or obtrusive activities. The Owners and Permittees shall exercise their rights under this easement in a manner that shall not degrade the condition of the land, and which shall allow agricultural, recreational and residential uses that are

consistent with the character of the Property, and enhance its beauty and value as a natural open space.

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better?*

2.2 AGRICULTURAL USE. The Owners hereby grant and convey to Gary R. Ziegler ("Ziegler"), an Owner hereunder, and his licensees, assigns and heirs, an exclusive lease right and easement of access to and enjoyment of all of the Parcels of the Property for agricultural uses, as set forth herein below. Such lease shall be in exchange for Ziegler's maintenance of the Property, and for other valuable consideration; shall commence upon the execution of this document; and shall terminate upon the six month notice by Ziegler of his intention to cease his agricultural/commercial use. The agricultural uses authorized include the right to raise and graze cattle and horses (as per the restrictions outlined in section 2.2.1), and to remove deadfall (with the exception of deadfall requested by Owners for personal use), maintain and develop the springs, and improve the pastures of the Property. Ziegler and his licensees, assigns and heirs shall exercise their rights under this easement in a manner that shall not degrade the condition of the land and which shall allow agricultural, recreational and residential uses that are consistent with the character of the Property, and enhance its beauty and value as a natural open space. If any agricultural use by Ziegler will result in substantially changing the character of the land the use shall require unanimous approval from the Owners within the parcel affected.

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2.2.1 The Owners acknowledge that all rights to keep and graze horses and cattle are reserved to Ziegler, pursuant to this Article 2. Provided, that in no event shall such livestock be kept on the property and associated leased property which is presently owned by the United States of America and managed by the Bureau of Land Management, in numbers greater than 40 (forty) pair of cattle and 70 (seventy) horses, except that additional horses may be kept solely in confined corrals rather than being allowed to graze on the property. Any arrangements for the Owners to keep and graze horses on the Property shall be made between the individual Owners and Ziegler, upon mutually agreeable terms and conditions, in a separate document. Any agreements created by any Owner and Ziegler existing at the time of the execution of this agreement shall be incorporated herein, except as otherwise noted in recital A. Ziegler shall be required to obtain and abide by the recommendations of an annual, professional third party assessment, such as the Soil Conservation Service or the baseline evaluators of a land easement, on the numbers of livestock recommended to graze on the Property to insure the health of the land.

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2.2.2 In the event that Ziegler ceases to use the land for agricultural/commercial purposes, the rights granted by Owners to Ziegler in this Section 2, of Article 2 shall be revoked. In the event that Ziegler discontinues his agricultural/commercial use of the Property, management of the Property shall allow the common agricultural use of the Property by the owners, maintenance to be due and shared by each owner in a pro rata share determined by each Owner's percentage of ownership in the Property. Those Owners with agreements to graze horses may continue to do so provided the specific expenses associated with the care of such animals is paid for by the animal Owners. Additional rights to graze animals beyond what is given in prior agreements will be shared by the remaining owners up to the limited number of animals established in paragraph 2.2.1

Ziegler shall give a six month notice to the Owners of his intention to cease his agricultural/commercial use. The Owners and their assigns and heirs shall exercise this right in a manner that shall not degrade the condition of the land and which shall allow agricultural, recreational and residential uses that are consistent with the character of the Property, and enhance its beauty and value as a natural open space.

2.3 ZIEGLER'S COMMERCIAL USE. The Owners hereby grant and convey to Gary R. Ziegler ("Ziegler"), an Owner hereunder, and his licensees, assigns and heirs, a lease right and easement of access to and enjoyment of all of the Parcels of the Property for uses and purposes and for operation of a commercial outfitting business limited to the historic use of the Property (defined by the numbers of clients per year represented in the accounts of Adventure Specialists/Bear Basin Ranch dating from 1970) for such purpose at the time of the execution of this agreement. Such lease shall be in exchange for Ziegler's maintenance of the Property, and for other valuable consideration; shall commence upon the execution of this document; and shall terminate Upon six months notice of Ziegler's intention to cease the agricultural/outfitting use. The business uses authorized under this grant of easement include the right to allow groups onto any Parcel for the purpose of horseback riding, hiking, hunting, or participating in other recreational or training activities and to board and raise horses and cattle. Ziegler and his licensees, assigns and heirs shall exercise their rights under this easement in a manner that shall not degrade the condition of the land and which shall allow agricultural, recreational and residential uses that are consistent with the character of the Property, and enhance its beauty and value as a natural open space. In the event Ziegler desires to operate any activity other than those expressly described in this document, he shall first obtain the unanimous approval of the Owners. In the event Ziegler seeks to sell or otherwise convey, lease or assign, his commercial use of the Property he must first obtain approval from a majority of the owners of the Property except in the case of a transfer by inheritance which does not require approval. Any new holder of the agricultural/outfitting use easement is subject to all the terms of this agreement. .

2.3.1 Ziegler shall allow the Owners and their Permittees the right to take any commercial outfitting trips under his control at a discount of twenty (20%) of the published price. Ziegler reserves the right, in his sole discretion, to limit the number of persons participating on any trip at a discounted rate. The Owners and Permittees shall be required to sign waivers and comply with all other usual requirements of the outfitting business for participation on such trips.

2.3.2 As long as such rides continue under Ziegler's control, or as otherwise specifically assigned by him, Ziegler shall allow the Owners and their Permittees the right to participate, at no charge, on horseback rides conducted on the Property conducted by his commercial outfitting business. Ziegler reserves the right, in his sole discretion, to limit the number of participants on any ride and to require advance reservations by the Owners for such rides. The Owners and Permittees shall be required to sign waivers and comply with all other usual requirements of the outfitting business for participation on such rides.

2.3.3 Ziegler shall designate at least one (1) hunting season per year, among the several seasons designated by the State of Colorado, for use collectively by Owners and their Permittees and shall not permit any groups from the commercial outfitting business to hunt on the Property during that season. Hunting on the Property will be limited to deer, elk and small animals in keeping with the philosophy of maintaining a natural balance in the ecology of the land. All other hunting seasons are under Ziegler's commercial use and require his permission to hunt on the Property.

2.3.4 In the event that Ziegler ceases to use the land for commercial purposes, which shall also require his cessation of use of the land for agricultural purposes, the rights granted by Owners to Ziegler in this Section 3, of Article 2 shall be revoked. In the event that Ziegler discontinues his commercial use of the Property, management of the Property shall allow the common agricultural use of the Property by the owners, maintenance to be due and shared by each owner in a pro rata share determined by each Owner's percentage of ownership in the Property. Those Owners with agreements to graze horses may continue to do so provided the specific expenses associated with the care of such animals is paid for by the animals Owners. Additional rights to graze animals beyond what is given in prior agreements will be shared by the remaining owners up to the limited number of animals established in paragraph 2.2.1. Ziegler shall give a six month notice to the Owners of his intention to cease his agricultural/commercial use. The Owners and their assigns and heirs shall exercise this right in a manner that shall not degrade the condition of the land and which shall allow agricultural, recreational and residential uses that are consistent with the character of the Property, and enhance its beauty and value as a natural open space.

2.4 MEDRICK'S COMMERCIAL USE. The Owners hereby grant and convey to Bear Basin, Ltd. ("Medrick"), an Owner hereunder, and its licensees, assigns and heirs, a lease right and easement of access to and enjoyment of all of all of the Parcels of the Property for uses and purposes and for operation of a commercial outdoor leadership school, limited to the historic use of the Property (defined by the numbers of clients per year represented in the accounts of Outdoor Leadership Training Seminars dating from 1975) for such purpose at the time of the execution of this agreement. Such lease shall commence upon the execution of this document; and shall terminate upon the mutual consent of Medrick and the Owners of the Parcels. Medrick and its licensees, assigns and heirs shall exercise their rights under this easement in a manner that shall not degrade the condition of the land and which shall allow agricultural, recreational and residential uses that are consistent with the character of the Property, and enhance its beauty and value as a natural open space. In the event Medrick desires to operate any activity other than those expressly described in this document, it shall first obtain the unanimous approval of the Owners. In the event Medrick seeks to sell or otherwise convey, lease or assign, its commercial use of the Property it must first obtain approval from a majority of the owners of the Property. Except in the case of a transfer by inheritance, which does not require approval. Any new holder of the agricultural/outfitting use easement is subject to all the terms of this agreement.

2.5 EXISTING BUILDINGS. As part of the lease rights set forth above, Ziegler shall have ownership and control over all buildings and other structures existing at the time of this agreement on each Parcel unless such right is surrendered temporarily or perpetually by prior existing

agreements entered into between Ziegler and any other Owner. Specifically, by prior agreement and acknowledged herein, Ziegler has no interest in the existing structures belonging to the Olmsteds/Maceaus on the Jones Ranch South, the McConnells on the Main Ranch parcel and Medricks on the old "Bates Place" on Medrick's Parcel.

2.5.1 Any agreement, existing at the time of the execution of this Agreement, which serves to surrender, restrict or avoid Ziegler's control over and interest in an existing building shall continue to have binding effect.

2.5.2 Ziegler may repair or replace such existing buildings or structures under his control in accordance with the restrictions of this Agreement. If Ziegler determines, in his sole discretion, that an existing building or structure cannot be repaired or is no longer useful, he may, but is not required to, raze it and dispose of the materials as he sees fit in compliance with this Agreement.

2.6 FENCES. Ziegler shall maintain and repair all fences to current standards on the Property, except any that are constructed by the Owners as set forth below in Article 4. Ziegler's construction of new fences or changing the height of existing fences requires the unanimous agreement of the Owners in the affected parcel.

2.7 EFFECT. The rights and easements granted in this Article 2 shall be appurtenant to and shall pass with fee simple title to each Parcel or portion thereof. No further reference to these easements may be or shall be required to be made in any deed, lease, mortgage, or other instrument.

ARTICLE 3. INDEMNIFICATION AND INSURANCE.

3.1 In recognition of the possibility of an Owner (the "Indemnified Owner") sustaining a loss as a result of the exercise by another Owner (the "Indemnifying Owner") or such other Owner's Permittees and invited guests of the rights granted in this Agreement, each Owner hereby agrees to indemnify and hold harmless every other Owner from and against any and all loss, damage, cost, and expense, including reasonable attorney fees, incurred by an Indemnified Owner and occasioned by an act or omission of an indemnifying Owner and/or such Indemnifying Owner's Permittees or invited guests while exercising the rights and uses allowed by this Agreement on the Indemnified Owner's Parcel.

3.2 In recognition of the possibility of an Owner (the "Indemnified Owner") sustaining a loss as a result of the exercise by Ziegler or his licensees or assigns of the rights and easements granted in this Article 2, Ziegler hereby agrees to indemnify and hold harmless every other Owner from and against any and all loss, damage, cost, and expense, including reasonable attorney fees, incurred by an Indemnified Owner and occasioned by an act or omission of Ziegler and/or his licensees and assigns while exercising the right and easement of access, agricultural use, and business use on the Indemnified Owner's Parcel.

3.3 Each Owner shall be responsible for insuring their personal property and improvements constructed on the Property. Ziegler shall be responsible for insuring any buildings or structures existing on each Parcel at the time of its purchase, by the respective Owners, unless otherwise agreed upon by the Owners affected.

3.4 Ziegler and Medrick agree to provide, at their sole expense, general liability insurance for his commercial and agricultural uses of the Property in the minimum amount of \$300,000 and shall have all Owners listed as named insureds on the policy as long as he continues these uses. In the event that any Owner elects to obtain additional general liability insurance, they shall have Ziegler and Medrick listed as a named insured on such policy.

3.5 In the event of damage to or destruction of the Property, any Parcel, or any improvements thereon, insurance proceeds shall be applied towards the repair, replacement and reconstruction of the Property. Any decision to repair the Property, which is substantially damaged, shall be made by unanimous vote of the Owners (within the affected parcel). If approved, each Owner shall pay their percentage interest (within the affected parcel), pursuant to Exhibit A, towards the cost of repair, replacement and reconstruction in excess of insurance proceeds.

ARTICLE 4: GENERAL PROTECTIVE COVENANTS AND RESTRICTIONS.

The ownership, use and occupancy of the Property shall be subject to the following protective and restrictive covenants:

4.1 CONSTRUCTION, USE AND MAINTENANCE OF IMPROVEMENTS. Improvements on the Parcels shall be located in areas where the wildlife is least affected and constructed where they will be least visible from the open meadows and long-range views on the Property. Building materials and colors shall be in earth tones that least stand out from the natural environment. Existing structures may remain as they are. Any improvements to or replacement of structures existing on the Property as of the date of this agreement shall conform to the restrictions herein. No manufactured homes, trailers, mobile homes, campers, or other such temporary or moveable residential structures shall be constructed or maintained on the Parcels as dwellings, except that tent camps and teepees may be constructed and maintained on the Property. Campers and recreational vehicles are permissible for periods not to exceed 14 days. Each Owner shall be responsible for all maintenance and repair of any improvements, access roads, and fences constructed on the Property by such Owner.

4.1.1 Improvements constructed on the Property by an Owner may not be rented to or lived in by anyone except such Owner's, other Owners and their Permittees, and employees of the commercial outfitting business operated by Ziegler as allowed by Article 2 set forth above.

4.1.2 The Owners, other than Ziegler or Medrick, shall not use the Property or any improvements constructed thereon for any commercial activity requiring the general public to

access the Property or any parcel on a regular basis. Owners are allowed to conduct home business activities out of any residence on, or allowed to be built on, the Property that does not require the general public to access the Property on a regular basis.

4.1.3 An Owner shall have the right to construct one small house or cabin, with one well, or cistern, and individual septic system, or equivalent access to a community water and sewage system, not in excess of 1500 square feet of footprint or foundation space and not to exceed two stories, excluding any preexisting buildings, along with no more than two related outbuildings for nonliving space and agricultural improvements on the Property, the combined outbuildings not to exceed 1000 square feet at the sites designated by the attached maps, Exhibits B and C, attached hereto and incorporated herein. Additional cabin sites or improvements not designated on the map or any altering of the terrain in any manner not addressed in this agreement shall be decided by unanimous vote of the Owners within the affected parcel.

4.1.4 All improvements on the Property shall be constructed in accordance with all applicable zoning and building codes and all applicable laws and regulations of any governmental entity having jurisdiction over the Property.

4.2 ACCESS ROADS. Each building site may have an accompanying driveway from the public road to the permitted improvements which shall be constructed where they will be least visible from the open meadows and long-range views on the Property and shall, to the extent possible without violating such visibility restrictions, be constructed from the nearest and closest public road. Driveways will utilize any existing roads to the full extent possible in keeping with the above guidelines. The width of the driveways shall be the minimum necessary for adequate access. Only gravel that matches the color of the surrounding rock may be used on the driveway. No asphalt, concrete, or other paving material shall be used on the driveway, except within 100 feet of the improvements. To the extent possible, road construction shall not obstruct the natural drainage of the land. Existing roads and rights-of-way shall continue and shall be used and maintained pursuant to the terms of this Agreement.

4.3 FENCES. Fences may be constructed by the Owners within 100 feet of the improvements on the Parcels to protect the buildings and yards from animals and grazing livestock. Construction of pasture or other fences on the Property is limited to the lease right held by Ziegler as further set forth above in Article 2.

4.4 UTILITIES. All cables or lines for electricity, telephones, or other utilities shall be placed underground and properly marked. Satellite antennas or dishes, windmills, poles, towers or other structures shall not extend above the roofline of any structure on the Parcels.

4.5 NUISANCE. No noxious or offensive activity or odor shall be allowed on nor shall anything be done or placed on the property which may be or become a nuisance or cause unreasonable embarrassment, disturbance, odors or annoyance to any Owner. All garbage or trash

and other waste shall, pending disposal, be placed in covered sanitary containers which shall be maintained in a good and clean condition. No lights shall be permitted which are unreasonably bright or cause unreasonable glare. Outdoor lights should be shut off when not in use and hooded. No vehicles shall be parked or stored that are not used regularly by the Owners.

4.6 **LIVESTOCK AND PETS.** Owners may keep a reasonable number of dogs, cats, or other house or yard pets, provided that they are at all times under the control of such Owners. Such animals shall not be permitted to roam at will. Each Owner shall be responsible for any and all damage caused by animals maintained by such Owner. The right to keep and graze livestock and horses on the Property is limited to the lease right held by Ziegler as further set forth above in Article 2.

4.7 **TIMBER.** All decisions regarding management of timber shall be made by unanimous agreement of the Owners of the parcel affected. Ziegler may clear deadwood not claimed by Owners personal use.

4.8 **SIGNS.** One sign may be installed to direct access to and identify each dwelling, by either the name of the Owner or the improvements, provided that the sign does not exceed 1' by 4' in size and is constructed of wood and uses earth-tone colors. Signs currently existing as of the date of this agreement may be replaced with signs of similar size and materials.

4.9 **TRAILS.** Any new trails constructed on the Property shall only be constructed upon the unanimous agreement of the Owners of the parcel affected in such manner and location as to minimize any intrusion on the privacy of an Owner within a dwelling on any Parcel.

ARTICLE 5. TAXES AND OTHER ASSESSMENTS.

5.1 The Owners shall pay all taxes, fees, and other assessments by governmental entities on the Parcels of the in accordance with each Owner's pro rata share of ownership of the Parcel as set forth in Exhibit A.

5.2 Notwithstanding the foregoing, if an Owner constructs improvements on a Parcel, such Owners shall pay all taxes, fees and other assessments of governmental entities associated with such improvements and shall indemnify any other Owners of the Parcel against all liability for all such amounts.

ARTICLE 6. SALE OR TRANSFER OF OWNERSHIP INTEREST.

6.1 No Owner may sell or transfer less than his entire ownership interest in a Parcel without

the unanimous written consent of the other Owners of the Parcel.

6.2 No Owner may sell or transfer his ownership interest in a Parcel, unless with the unanimous approval, in writing, signed by all of the Owners of the Parcel, without complying with the following provisions:

6.2.1 The Owner who chooses to sell or transfer his ownership interest (the "Offeror") shall make a written offer to the other Owners of the Parcel (the "Offerees") to sell his interest in the Parcel at a specific price.

6.2.2 If the Offerees do not accept said offer within thirty (30) days after it is made, then the Offeror shall have the right to sell or transfer his ownership interest to a third party provided that the price of such sale or transfer is not less than the price set forth in the offer to the Offeree, the closing occurs within six (6) months after the expiration of the offer period, and the third party agrees in writing at or before the closing to be bound by all terms of this Agreement.

6.2.3 If the Offerees accept said offer, the closing of the sale shall occur within six (6) months from the date the offer is accepted. If two or more Offerees have accepted the offer, then, in the absence of a different agreement between them, such Offerees shall purchase the Offeror's ownership interest in the proportion, which their ownership interest bears to the ownership interest of the other accepting Offerees.

6.2.4 Any sale or transfer to a third party that does not comply with the provisions of this Section 5 shall be void unless approved by unanimous consent of the Owners of the affected parcel, and the third party agrees in writing to be bound by all terms of this agreement.

6.3 Notwithstanding the foregoing, an Owner may transfer his ownership interest in a Parcel by will to a third party or to his spouse or issue, including adopted children, by will, devise, gift, or to a trust without complying with the provisions of Section 6.2, provided that any such transfer is made expressly subject to, or immediately upon transfer acknowledged by, a document recorded with the Custer County Clerk which unambiguously states that such transfer was subject to this Agreement.

6.4 In the event that the Property, or any single Parcel, is sold or liquidated in value, the proceeds received, less any expenses incurred in collecting such proceeds, shall be distributed to the Parties in accordance with each Owner's share of ownership as described in Exhibit A. If any Owner has placed an improvement on the property, the appraised or agreed upon value of the improvement shall inure to that Owner at the time of sale of either all of the property or of that Owner's undivided interest in the property.

6.5 No Owner shall mortgage or place a deed of trust against the Property or any Parcel or interest therein or otherwise encumber the Property without the unanimous consent of all Owners

of the affected Property or Parcel(s). If any Owner shall place such encumbrance without such consent, it shall be void and of no force and effect. Further, no owner shall mortgage or place a deed of trust against the Property or any Parcel or interest therein or otherwise encumber the Property without first executing a subordination agreement with the beneficiary of such encumbrance, binding on all assigns and successors to such encumbrance, which recognizes the senior right of other Owners, and of a qualified organization if a conservation easement is placed on the Property in the future, to enforce this Agreement, and the conservation purposes of an easement in perpetuity gift, pursuant to Treasury Regulation 1.170-14(g)(2).

ARTICLE 7. ADDITIONAL PARCELS AND OWNERS

7.1 The Owners agree and consent to the inclusion of additional parcels, and the inclusion of additional persons who own such other parcels (Title-Holders), into the terms, conditions and covenants of this Agreement (the Additions). Provided that Zieglers uses of the property are still in effect, as set forth herein above, and with Zieglers written prior approval and consent, an Addition to this Agreement shall become effective after signature by all of the Title-Holders, and upon recording of this Agreement by the person or persons owning title to such parcel, or any modification of this Agreement as allowed herein below. Upon the expiration of Zieglers use of the Property, an Addition to this Agreement shall require the written prior approval and consent of a majority of the then existing Owners, and shall become effective after signature by all of the Title-Holders, and upon recording of this Agreement, or any modification of this Agreement as allowed herein below.

ARTICLE 8. DISPUTES

8.1 If a dispute arises relating to this agreement, and is not first resolved by meeting in person and thoroughly exhausting all possibilities of settling the matter, the parties involved in such dispute (Disputants) shall then proceed in good faith to submit the matter to mediation. The Disputants will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. In the event the entire dispute is not submitted to mediation within thirty (30) calendar days from the date written notice requesting mediation is sent by one Disputant to the other(s), the mediation, unless otherwise agreed, shall terminate. However, any unresolved dispute arising under this Agreement not otherwise settled by mediation shall be referred to, and settled by, binding arbitration, which shall be initiated no later than thirty (30) days after the termination of mediation occurs. The disputants will jointly appoint an acceptable arbitrator. If this is not possible, then the District Court in and for Custer County, State of Colorado, shall be requested by appropriate petition to appoint an arbitrator for the disputant. The arbitration shall be conducted in Custer County, State of Colorado in accordance with the rules of the American Arbitration Association unless otherwise agreed to by the parties. The Parties shall give prompt effect to any authenticated arbitration award, notwithstanding the right of either party to seek, in any court having jurisdiction thereof, enforcement or a stay of any award rendered by the arbitrator. The Parties will initially share equally in the cost of the arbitration, although the prevailing party shall receive compensation for

all reasonable attorneys fees and costs upon completion of the arbitration process.

8.2 The Owners agree that partition, forced sale, or any request inconsistent with the purposes of this Agreement, as set forth herein above, is not an acceptable remedy of the dispute resolution process, and by accepting this Agreement hereby waive any and all rights to pursue any such remedy, whether in mediation, arbitration or any Court of law or equity, which has, or may acquire jurisdiction over any dispute arising under this Agreement, or which relates in any way to the real property which is subject to this Agreement.

ARTICLE 9. NOTICES

9.1 All notices, offers and other communications required or permitted by this Agreement shall be in writing and shall be either personally delivered or sent by certified mail, return receipt requested, addressed to the Co-Owners as set forth on Exhibit A, attached hereto and incorporated herein by reference or to such other address as designated by written notice hereunder. International Co-Owners may send notice by facsimile (fax).

9.2 Any such notice, offer, or communication shall be deemed given on the date that it is personally delivered or is deposited in the United States mail or faxed internationally.

ARTICLE 10. MISCELLANEOUS PROVISIONS

10.1 **ASSIGNMENT.** Neither this Agreement nor any part of it may be assigned without the unanimous written consent of all parties, except as otherwise provided hereinabove.

10.2 **AMENDMENT AND TERMINATION.** These terms, covenants and restrictions of this agreement are to run with the land and shall remain in full force and effect unless an instrument signed by all of the Owners has been executed, changing said covenants in whole or in part at any time. No such action shall be effective unless and until an instrument evidencing such action shall be properly executed and acknowledged by each Owner, and then such action shall only be effective upon recording such instrument in the office of the Clerk and Recorder of Custer County, Colorado.

10.3 **BINDING EFFECT.** This agreement shall be binding on, and inure to the benefit of, the parties and their respective heirs, legal and personal representatives, successors, and permitted assigns.

10.4 **COMPLIANCE WITH LAWS.** The Owners agree that they shall each comply with all applicable statutes and regulations, whether federal, state, or local, pertaining to the Property and this Agreement.

10.5 DRAFTING PARTY. Each Owner has reviewed this Agreement, and any question of interpretation shall not be resolved by any rule of interpretation providing for interpretation against the drafting party. This Agreement shall be construed as though drafted by all Owners.

10.6 HEADINGS. The section headings have been inserted for convenience of reference only and shall not be used to construe the provisions of this Agreement.

10.7 MODIFICATIONS. Neither this agreement nor any term or provision hereof may be modified except by a written document signed by all Owners.

10.8 NON-WAIVER. The failure of any Owner to insist upon strict performance of a provision hereunder shall not be a waiver of their right to demand strict compliance with that or any other provision in the future.

10.9 NUMBER AND GENDER. Wherever the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall be applicable to all other genders.

10.10 SEVERABILITY. If any provision of this agreement should be held to be invalid or unenforceable such provision may be reformed to the extent necessary to be valid and enforceable, or such provision may be severed from this Agreement, and the remaining provisions of the this Agreement shall not be affected or impaired.

10.11 COUNTERPARTS. A copy, including facsimile copies, of this document may be executed by each Owner, separately, and when each Owner has executed a copy thereof, such copies of the signature pages taken together shall be deemed to be a full and complete contract between the parties.

10.12 GOVERNING LAW. This agreement shall be construed under and governed by the laws of the State of Colorado. Venue for any proceeding related in any way to this Agreement shall be in Custer County, State of Colorado.

IN WITNESS WHEREOF, the Owners have caused this Agreement to be executed once signed hereof by the Owners.

EXHIBIT A

The below parcels together as a whole make up the real property located in Custer County, Colorado, known as Bear Basin Ranch.

1) Main Ranch - (A on the map) 351.23 acres - includes what are called West and East pastures - Three building sites 1) Existing buildings and future cabins clustered together in the main headquarters (see Exhibit C). And 2 separate cabin sites away from the headquarters (Lowe and one future owner.)

Legal Description:

SE 1/4 SW 1/4, SW 1/4 SE 1/4 of Section 35, T21S, R71W;

Lots 6 and 7 of Section 2, T22S, R71W;

Lots 3 and 4; S1/2 NW1/4 of Section 2, T22S R71W of the 6th PM

SW1/4 NE1/4, the same being Lot 8; SE1/4 NE1/4, the same being Lot 9, of Section 2, T22S R71W of the 6th PM

Except right-of-way for highway, recorded in Book 144 at Page 53.

Owners:

-Gary R. Ziegler 50%-Bear Basin Ranch, Westcliffe, CO 81252 719-783-2076
discovery@adventurspec.com

-Michael R. Lowe 25%-1601 N 4th St., Berthod, CO 80513-9341 "Mike Lowe"
<mikerlowe@msn.com>

-Charles C. Jung 25%-7530 Fulton Park Pl, Portland, OR 97219 503-245-9590

2) South Ranch (B on map) - 150 acres. No existing buildings. 1 cabin site (Camgemi).

Legal Description:

All that portion of the E1/2 SE1/4 of Section 3, and all that portion of the SW1/4 and of the NW1/4 SE1/4 of Section 2, T22S, R71W, of the 6th P.M. lying northerly of Colorado State Highway No. 96 as conveyed to The Board of County Commissioners of Custer County, Colorado in Right of Way deed recorded in Book 82, page 284, and to The Department of Highways, State of Colorado by Special Warranty Deed recorded in Book 144, page 80.

Owners:

-Gary Ziegler (33.3%)

-Joe Camgemi and Nancy Camgemi (66.7%) - 86 Minehan Lane, Marlborough, Mass, 01752 505-958-6907 recyclers@wn.net

3) Jones Ranch South (C on map) - 200 acres - 2 existing dwellings (one 1890's homestead owned by Gary and Amy and 1 newly built cabin shared by Olmsted and Maceaus. 1 cabin site (Jung).

Legal Description:

Lots 1, 2, 3, and the S1/2 of the NE1/4 of Section 3, T22S, R71W of the 6th PM

Owners:

-Gary R. Ziegler (27.5%)

-Amy Finger (12.5%) - Bear Basin Ranch, Westcliffe, CO 81252 719-783-2076
adventur@rmii.com

-Charles C. Jung (10%)
-Deborah S. and Joseph J. Olmsted (25%)-1251 S. Williams, Denver, CO 80210 303-777-6483
olmsted@rmi.net
-Maureen P. Maceau (25%)-490 Allegheny Dr, Colo Spgs, CO 80919-719-528-1505 "Greg
Maceau" <gmaceau@noochee.com>

4) Jones Ranch North - (D on map)-230 acres- one existing building "the Schoolhouse"- 2 cabin sites (for future partners). The "The MSW Outfitter's Camp" run by Adventure Specialists is also located on this parcel.

Owners:

-Gary Ziegler (50%)
-Amy Finger (50%)

Legal Description:

SE1/4 and E1/2 SW1/4, Section 34, T21S, R71W of the 6th PM. Except a ten acre tract in the NE1/4 SW1/4 on the North side of the County Road, as conveyed out in deed recorded June 14, 1945, in Book 107, Page 461.

5) Hay Meadow (E on map) 80 acres (includes northern portion of East pasture). No existing structures except for the ruins of the corrals associated with the stage coach stop of the 1890's Canon City-Rosita route. 1 cabin site (Kell).

Legal Description:

W1/2SW1/4 of Section 35, T21S R71W of the 6th PM.

Owners:

-Gary Ziegler (16.2/3%)
-Robert M. McConnell (33.1/3%)-3730 Wind Dance Lane, Colo Spgs, CO 80906 719-578-9061
"Bob McConnell" <RobertMcConnell@compuserve.com>
-David W. Kell (50%)-3215 E Medlock Dr., Phoenix, AR 85018 602-955-1456 "David Kell"
<desidave@fastq.com>

6) Dry Lake (F on map) 160 acres. No existing buildings. 2 cabin sites. One is on upper Christmas Tree Lane 40 acres (Lowe), the other is on the 120 acres (Camgemi).

Legal Description:

N1/2 NE1/4 and NE1/4 NW1/4 of Section 34, T21S, R71W of the 6th P.M. and SE1/4 NW1/4, Section 3, T22S, R71W of the 6th P.M.

Owners:

-Gary Ziegler 15%
-Joseph Camgemi 60%
-Lolanco, Ltd. (Jean Lowe General Partner) 25%-5409 Foothills Dr., Berthoud, CO 80513 970-532-3242 jlowe@oneimage.com

7) North Ranch (I on map)-520 acres - No existing buildings. 2 cabin sites (Jeff and Elodia, Bear Basin Ranch North)

Legal Description:

The NE1/4, Lots 2, 3, 10, 11, and 12, E1/2SE1/4, and all that part of Lot 1 and the W1/2NW1/4 lying South and East of Custer County Road No. 55 also known as Boneyard Park Road, Section 26; NE1/4 NW1/4, N1/2 NE1/4, SE1/4 NE1/4, Section 35; all in T21S R71W of the 6th PM.

Owners:

- Basin Ranch (North) 80%: (Limited Liability Partnership)

Gary Ziegler-General partner (43% of the partnership)

Joseph Camgemi (24.5%)

Michael Nowak- (15%) 9 via Piedras, Manitou Springs, CO 80829 -719-389-6361 "Mike"

<MNowak@ColoradoCollege.edu>

John Caldwell- (12.5%) PO Box 179, 505 S. 5th st., Westcliffe, CO

81252 headcoach@swimteam.com

Michael Berman (5%) HC 71 Box 1370, San Lorenzo, NM 88041 505-536-3238

-Jeff Gillingham and Elodia Bojorquez 20%-423 Riverview Lane, Melbourne Beach, FL 32951

407-725-1681 "Jeff and Elodia Gillingham" <Picuto@aol.com>

8)North Line (J on map) 160 acres-one existing dwelling (1890's homestead "North Line Cabin"), 1 cabin site

Legal Description:

E1/2 SE1/4, Section 23, and the W1/2 SW1/4, Section 24, T21S, R71W of the 6th PM

Owners:

-Gary Ziegler 84%

-Jayne Y. and Irwin S. Barbre 16%-2530 Trevor Lane, Colo Spgs, CO 80919 719-592-9062 Or

783-9736 "Jayne and Erv Barbre" <ebarbre@rmi.net>

9)Blue Bird (K on map)-90 acres (contains Excelsior Mining Claim, a gold mine dating back to the 1890's). One existing dwelling the "Blue Bird Mine Cabin". 1 cabin site (future partner to buy out Maceau/Lowe).

Legal Description: Lots 4, 6, 8, 13 through 19 of Section 26, T21S, R71W of the 6th PM inclusive, containing approximately 70.06 acres together with Excelsior #1 and #2, survey #20151 in Section 26, T21S, R71W of the 6th PM containing approximately 20 acres.

Owners:

-Gary Ziegler (20%)

-Michael Lowe (55.6%)

-Maureen P.Maceau (24.4%)

10)Mac and Mac Lode 10 acres (Q on the map), Mineral Survey No. 4522 Section 26, T21S R71W of the 6th PM.

Owner:

Gary Ziegler 100%

11) Woodhall Mining Claim 10 acres (R on the map), Mineral Survey No. 16142, Hardscrabble Mining District in Section 2, T22S R71W of the 6th PM. and Section 35, T21S R71W of the 6th PM.

Owner:

Gary R. Ziegler 100%

12) Medrick's Camp 80 acres (T on the map). No existing buildings. One future cabin site. South 1/2 NE 1/4, Section 34, Township 21 South, Range 71 West, 6th PM

Owners:

-Bear Basin Ltd. 100% c/o Rick Medrick 2200 Birch St, Denver, CO 80220 303-320-0372

Shareholders:

Rick and Carolyn Medrick <rmed@olts-bt.com>

Willie and Karen Draper wkdraper@netzero.net

Ann McAlpin hummingbird@sni.net

Penny Woodward mdcollins@chaffee.net

Bear Basin Ranch Conservancy as of July 2000

Total Deeded Acres: 2041.23 acres

Total Owners: 14 (counting jointly shared interests as one)

Total Parcels: 12

Existing Buildings 6

Future Cabin Sites 13

Exhibit B

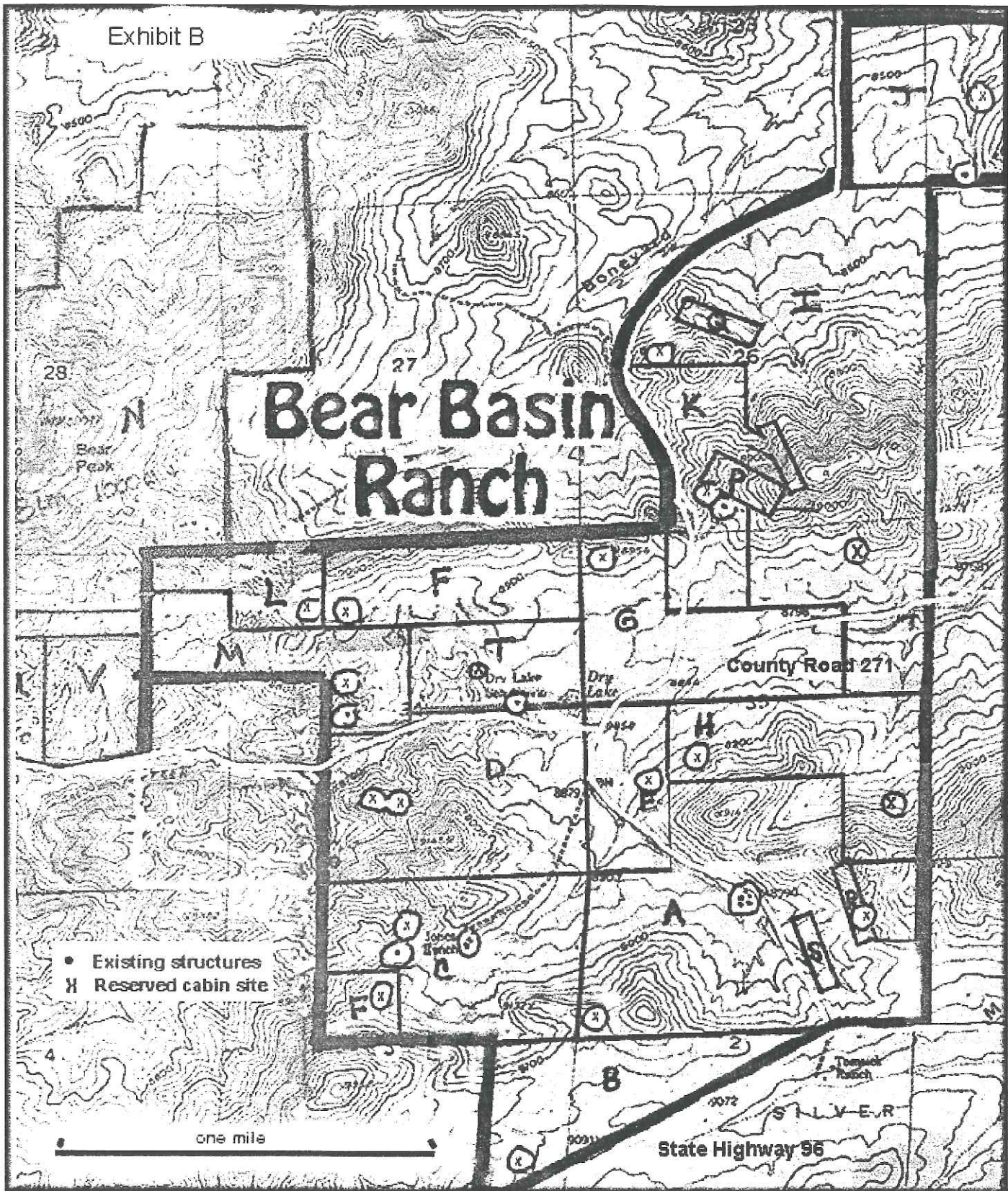
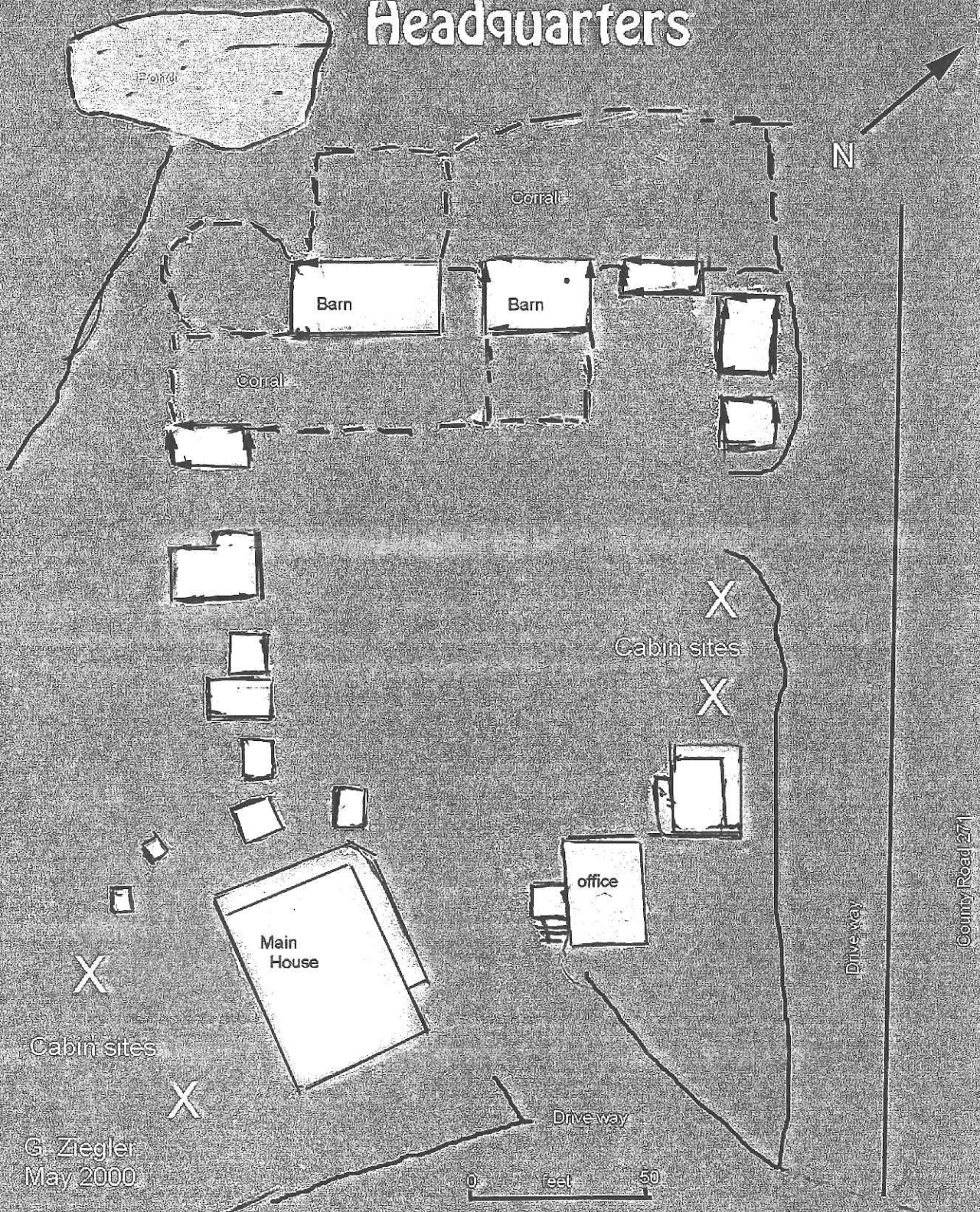


Exhibit C

Bear Basin Ranch Headquarters



G. Ziegler
May 2000