

Any time the Property itself, or any interest in it, is transferred by Grantor or their personal representatives, heirs, successors and assigns to any third party, Grantor or their personal representatives, heirs, successors and assigns shall notify the Land Trust and pay the Land Trust a transfer fee of \$500, adjusted for inflation, pursuant to the terms and provisions of Paragraphs 21 and 22 of this Deed.

**DEED OF CONSERVATION EASEMENT
COLORADO HEADWATERS LAND TRUST
(Jones Creek Ranch)**

THIS DEED OF CONSERVATION EASEMENT (“Deed” or “Easement”) is granted this 1st day of December, 2020 by JONES CREEK RANCH, LLC, a Colorado limited liability company, the address of which is 38099 370th Street, Baylis, IL 62314-2221 (the “Grantor”), to and for the benefit of the COLORADO HEADWATERS LAND TRUST, a Colorado nonprofit corporation, the address of which is 52 N. First Street, P.O. Box 1938, Granby, Colorado 80446, and its successors and assigns (the “Land Trust”) for the purpose of forever conserving the scenic open space, wildlife habitat and biodiversity and other Conservation Values of the subject property in perpetuity. The Grantor and the Land Trust are individually referred to as a “Party” and collectively as the “Parties.”

The following Exhibits are attached hereto and made a part of this Deed of Conservation Easement:

- Exhibit A - Legal Description of the Property
- Exhibit B - Map of the Property and Potential Building Areas
- Exhibit C - Baseline Acknowledgement Statement
- Exhibit D - Exceptions to Title

RECITALS:

- A. Grantor is the sole owner in fee simple of certain real property located in Grand County, Colorado, consisting of 275 acres of land, more or less, more particularly described in Exhibit A (the “Property”) and generally depicted on Exhibit B, both attached hereto and incorporated herein by this reference.
- B. The Property possesses scenic open space, wildlife habitat and biodiversity, preservation of land for outdoor recreation by, or the education of the general public, values (collectively, “Conservation Values”) of great importance to the Grantor, the area residents, the people of Grand County and the people of the State of Colorado. The conservation purposes described in these Recitals are part of the Conservation Values of the Property.
- C. The following conservation purpose, in accordance with Treasury Regulations §1.170A-14(d)(4) is furthered by this Conservation Easement, “The preservation of certain open space (including farmland and forest land) for the scenic enjoyment of the general public and that will yield a significant public benefit.” The Property’s scenic terrain consists of a mosaic of shrublands and montane forests and woodlands and is visually accessible to the public from U.S. Route 40, Grand County Road 55, the Town of Hot Sulphur Springs, and the adjoining Arapaho National Forest and BLM land. The Property also features important agricultural resources (grazing range) and

has provided limited recreational opportunities for the local community. There is a strong likelihood that the Property would be developed if it were not preserved, that such development would clearly degrade the scenic, rural and natural character of the area. Preservation of the Property will continue to provide an opportunity for the general public to appreciate its scenic values and to buffer public lands from development by the Town. The preservation of the Property pursuant to this Conservation Easement will yield significant public benefit because the Property includes land that is open and undeveloped in a County experiencing substantial development, resulting in reduced open and scenic vistas available to the public. The policies of the State of Colorado, Grand County, and Hot Sulphur Springs consider preservation of open space important to the future of the region.

- D. The following conservation purpose, in accordance with Treasury Regulations §1.170A-14(d)(3) is furthered by this Conservation Easement, "To protect significant relatively natural habitat in which a fish, wildlife, or plant community, or similar ecosystem normally lives." The Property features sagebrush shrublands, montane riparian areas, and montane woodlands and forests that provide food, shelter, breeding grounds as well as migration corridors for wildlife. The Property lies within the overall range of big game species important to the biodiversity of the region such as elk, mule deer, moose, black bear, and mountain lion. Colorado Parks and Wildlife has mapped the Property as summer range for elk, moose and mule deer and as winter concentration and severe winter range for elk.
- E. The Property has significant ecological, scenic open space and agricultural values as defined in C.R.S. §§ 38-30.5-101, *et seq.*, and provides natural habitat for native plants and animals. The Property also has values as indicated by the following conservation policies:
1. C.R.S. §§ 33-1-101, *et seq.*, which provide in part that "it is the declared policy of the State of Colorado that the wildlife and their environment are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and its visitors" and that "it is the policy of the state of Colorado that the natural, scenic, scientific, and outdoor recreation areas of this state are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and visitors of this state."
 2. C.R.S. §§ 35-1-101, *et seq.*, which provide in part that "it is the declared policy of the State of Colorado to conserve, protect, and encourage the development and improvement of agricultural land for the production of food and other agricultural products."
 3. C.R.S. §§ 38-30.5-101, *et seq.*, providing for the establishment of conservation easements to maintain land "in a natural, scenic or open condition, or for wildlife habitat, or for agricultural or other use or condition consistent with the protection of open land, environmental quality or life-sustaining ecological diversity."
 4. The voters of the State of Colorado, by creation of the Great Outdoors Colorado Trust Fund program, and by adopting and administering grant applications and due diligence review processes, have established that it is the policy of the State of Colorado and its people to encourage donation and to fund the voluntary bargain sale and acquisition of conservation easements, among other things, to preserve, protect and enhance scenic and open space lands, agricultural lands, wildlife, and wildlife habitat.

5. Grand County Planning Commission Resolution 1998-4-20 adopting the Grand County Master Plan which provides for in part Primary County Goals such as "Maintain open space and wildlife habitat throughout the county.". Specific environmental quality goals include the following: "Preserve unique, sensitive or critical natural areas, lakes, streams, scenic vistas, wildlife habitat and aquifer recharge areas" as well as to "establish and maintain an open space program which utilizes open space as a means of preserving and protecting the natural environment." Strategic Growth Strategies and Implementation Actions include the following: "Maintain open space and wildlife habitat throughout the county."
 6. Grand County Resolution No. 1999-8-8 established a "Right to Farm and Ranch" Policy which provides in part that "Ranching, farming and all manner of agricultural activities and operations within and throughout Grand County are integral elements of and necessary for the continued vitality of the County's history, economy, landscape, open space, lifestyle and culture. Given their importance to Grand County, Northwestern Colorado, and the State, agricultural land and operations are worthy of recognition and protection."
 7. Grand County Land Conservation Plan, 1999, states "the intended purposes of conserved lands represent ways in which areas can be used to provide community benefits through buffering, agriculture or recreation." The definition of "Conserved Lands" includes lands that conserve significant wildlife and natural areas, lands that conserve areas of high scenic quality and visual exposure, and lands that remain private for ranching and other agricultural practices that help to retain the rural and undeveloped character of the area.
 8. C.R.S. § 30-28-101(10)(c)(X) which gives the authority to Grand County to adopt the Grand County Rural Land Use Plan that "provides the means of preserving open space." Grand County adopted the Rural Land Use Regulations in 1998 with Resolution No. 1998-5-11.
 9. C.R.S. §§ 43-1-401, *et seq.*, the Colorado Department of Transportation statutes, which provide that the preservation and enhancement of the natural and scenic beauty of this state is a matter of substantial state interest.
 10. A June 2007 to June 2008 Grand County Needs Assessment Survey, conducted by the National Research Center, Inc. and contracted by the Grand Foundation, the Grand County Board of Commissioners and the Grand County Needs Assessment Committee, showed that the most important need among Grand County's residents is the preservation of the natural environment, including wildlife habitat, scenic beauty, air quality and open space; and that nothing is more important to residents than the beauty, vitality and sustainability of the mountain environment.
- F. The specific Conservation Values of the Property are documented in an inventory of relevant features of the Property, dated December 1, 2020, entitled "Baseline Documentation Report for Jones Creek Ranch" (the "**Baseline Documentation Report**") on file at the offices of the Land Trust and incorporated to this Deed by this reference, which consists of reports, maps, photographs, and other documentation that the Parties agree provide, collectively, an accurate representation of the Property at the time of the conveyance of this Conservation Easement, and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this Deed of Conservation Easement.

- G. The Grantor intends that the Conservation Values of the Property be preserved and maintained forever, subject to the uses of the Property permitted hereunder that do not significantly impair or interfere with the Conservation Values.
- H. The Grantor further intends, as owner of the Property, to convey to the Land Trust the right to preserve and protect in perpetuity, as provided for herein, the Conservation Values of the Property.
- I. The Land Trust agrees by accepting this Conservation Easement to honor the intentions of Grantor stated herein and to preserve and protect in perpetuity the Conservation Values of the Property for the benefit of this generation and the generations to come.
- J. The Grantor intends to make a charitable gift of this Conservation Easement.
- K. The Land Trust is a charitable organization as defined in § 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and a publicly supported organization as described in §170(b)(1)(A) of the Code. The primary purpose of the Land Trust is to preserve and protect the scenery, agriculture, water, wildlife and biodiversity of Grand County in Northwest Colorado area, in which the Property is located, by assisting landowners who wish to protect their land in perpetuity for public benefit; the Land Trust is a "qualified organization" to do so within the meaning of § 170(h)(3) of the Code.
- L. The Board of Directors of the Colorado Headwaters Land Trust has duly adopted a resolution approving the execution and acceptance of Grantor's full donation of this Conservation Easement.

NOW, THEREFORE, in consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of Colorado, and in particular C.R.S. §§ 38-30.5-101 *et seq.*, Grantor hereby voluntarily grants and conveys to the Land Trust, its successors and assigns, a Conservation Easement in perpetuity, consisting of the rights and restrictions enumerated herein, over and across the Property (the "Easement").

- 1. Purpose and Intent. The purpose of this Easement is to preserve and protect the Conservation Values in perpetuity in accordance with I.R.C. §170(h), Treasury Regulation § 1.170A-14, and C.R.S. §§ 38-30.5-101 *et seq.* ("Purpose"). The intent of the Parties is to permit acts on and uses of the Property that are consistent with the Purpose and to restrict or prohibit acts on and uses of the Property that are not consistent with the Purpose ("Intent"). In this Deed, "consistent with the Purpose" shall mean acts on and uses of the Property that do not have significant negative impact or permanent negative impact on the Conservation Values as determined by the Land Trust in its sole discretion. Nothing in this Deed is intended to compel a specific act on or use of the Property other than the preservation and protection of the Conservation Values. Pursuant to the terms of C.R.S. §§ 38-30.5-101 *et seq.*, the Property preserved hereby may not be converted or directed to any other uses other than those provided herein.
- 2. Baseline Documentation Report. The Parties acknowledge that the Baseline Documentation Report has been prepared, reviewed, finalized and approved by the Land Trust and the Grantor. A copy of the final Baseline Documentation Report is on file with both Grantor and the Land Trust and by this reference made a part hereof. The Parties acknowledge that the Baseline Documentation Report establishes the condition of the Property subject to this Easement as of the date written above and that Grantor, the Land Trust and the preparer of the Baseline

Documentation Report have acknowledged in a signed Baseline Acknowledgment Statement included in the Baseline Documentation Report, a copy of which statement is attached hereto as Exhibit C, that the Baseline Documentation Report accurately represents the condition of the Property at the time of the conveyance of this Easement. The Parties agree that, in the event a controversy arises with respect to the condition of the Property as of the date of conveyance of the Easement, or to compliance with or violation of any term or provision of this Easement, the Parties shall not be precluded from utilizing all other relevant or material documents, surveys, reports, and other information to assist in the resolution of the controversy.

3. Rights of the Land Trust. To accomplish the Purpose of this Easement, in addition to the rights described in C.R.S. §§ 38-30.5-101, *et seq.*, as amended from time to time, Grantor conveys the following rights to the Land Trust by this Easement:
 - 3.1. The right to fulfill the Purpose of this Easement and to preserve and protect in perpetuity the Conservation Values of the Property and, in the event of their degradation or destruction, to restore the Conservation Values to their condition prior to the degradation or destruction;
 - 3.2. The right to enter upon the Property, at reasonable times, to conduct annual monitoring visit(s) to confirm that any construction on the Property is consistent with the construction permitted herein, to meet with new landowners after any transfer of Property ownership, and to monitor Grantor's compliance with and otherwise enforce the terms of this Easement; provided that such entry shall be upon prior reasonable written notice given by or on behalf of the Land Trust to one or more of the then owners of the Property, except that no such notice shall be required (and the aforementioned limitation on the frequency of inspection shall not apply) in the event the Land Trust reasonably determines that immediate entry upon the Property is essential to prevent or mitigate a violation of this Easement. In the case where the Land Trust has determined that immediate entry is necessary, a reasonable attempt will be made to notify the Grantor by phone or, if it is known that the Grantor is in Grand County, Colorado, in person. The Land Trust shall not unreasonably interfere with Grantor's use and quiet enjoyment of the Property when exercising any such monitoring rights. The Grantor shall have the right and is encouraged to accompany the Land Trust during such monitoring and the Land Trust shall make every effort to coordinate the scheduling of the monitoring with the Grantor;
 - 3.3. The right to prevent any activity on or use of the Property that is inconsistent with the Purpose of this Easement, or which may be reasonably expected to have a material adverse impact on the Conservation Values of the Property, and to require the restoration of such areas or features of the Property that are materially damaged by any inconsistent activity or use, as provided in Paragraph 9, herein;
 - 3.4. The right to place and maintain on the perimeter of the Property a sign, as appropriate, indicating that a conservation easement is held by the Land Trust on the Property. The size of the sign and the location, design and content of such shall be determined through mutual agreement of the Grantor and the Land Trust and shall be in accordance with Grand County signage regulations; and
 - 3.5. The right to take photographs of the Property, the right to identify the location of the conservation easement on maps and other materials and the right to use the maps,

materials and photographs for mapping projects, presentations on land conservation and for protecting open space, alone or in conjunction with other organizations.

4. Consistent Uses of the Property. The following uses and practices by Grantor, though not an exhaustive recital, are consistent with the Easement. Certain of these consistent uses and practices are identified as being subject to specified conditions or to the requirement of and procedures for prior approval by the Land Trust. Procedures for prior approval are listed below in Paragraphs 7 and 8. The remainder of these consistent uses shall not be precluded, prevented, or limited by the Easement.
 - 4.1. Agriculture. Grantor has the right to continue agriculture and ranching activities (including grazing and pasturing of livestock and hay production) on the Property consistent with the current open use of the land and the terms of this Easement. Any agricultural use shall utilize sound range management and farming techniques which do not materially degrade the condition of the Property and which shall preserve the Conservation Values of the Property. The provisions and restrictions contained in this Easement are intended to insure that the portion of the Property may be available for agricultural and/or livestock production in accordance with § 170(b) (1)(E)(iv) of the Code.
 - 4.2. Lease. Grantor has the right to lease the Property provided such activities conform to applicable laws and regulations and are consistent with the Purpose of this Easement. Grantor shall discuss with any lessee the limitations on the use of the Property contained in this Easement. All such leases shall be in writing and upon request the Grantor shall provide a copy of any such lease to the Land Trust.
 - 4.3. Fences. Grantor may construct and maintain fences for purposes described in Paragraph 4.1 entitled "Agriculture." If new fencing is needed for a purpose other than preventing the entry of wildlife, new fencing shall be constructed of a material and erected so as to be compatible with the movement of wildlife through and across the Property consistent with guidelines of the Colorado Division of Parks and Wildlife or consistent with the recommendation of a qualified wildlife biologist/specialist.
 - 4.4. Irrigation. Grantor has the right to utilize, maintain, enlarge, repair, or if destroyed, reconstruct or replace the existing ditches and other irrigation structures. New ditches and irrigation structures may be constructed as reasonably necessary or reasonably advantageous for agricultural operations on the Property provided they do not have a material adverse impact on the Conservation Values of the Property.
 - 4.5. Removal of Trees and Vegetation. Grantor has the right to cut and remove trees and shrubs from the Property for the following purposes: (1) to control any imminent threat of disease or insect infestation; (2) to remove dead, diseased or downed shrubs and trees that present a safety hazard or obstruction; (3) to remove invasive non-native species (including by herbicide spraying); (4) to remove trees and shrubs that interfere with fencing from and along fence lines; (5) to provide firewood from dead trees and solely for use on the Property; (6) for trail construction and maintenance; and (7) for fuel reduction for defensible space around residences. Grantor shall manage the trees and timber on the Property in accordance with the Best Management Practices established by the Colorado State Forest Service, or its successor organization (the "State Forest Service"). If a forest management plan is established for the Property, the Land Trust shall be provided a copy and the Grantor shall have the right to implement the Plan. No other removal,

destruction, or cutting down of trees, shrubs or other native non-agricultural vegetation on the Property is permitted.

- 4.6. Water Rights. No water rights are associated with the Property.
- 4.7. Building Area. The Parties have identified two potential building areas on the Property, which are described and depicted on the attached Exhibit B (the "Potential Building Areas"). The location of the Potential Building Areas has been determined by the Parties to be consistent with preservation of the Conservation Values of the Property. The Potential Building Area on the north is five and one half (5.5) acres and is referred to as the "Town Envelope" and the Potential Building Area on the west is five and 57/100s (5.57) acres and is referred to as the "Private Envelope". The Grantor may designate one of the two Potential Building Areas as the "Building Area" by giving notice to the Land Trust as provided herein. Upon designation of the Building Area, the Potential Building Area which was not chosen as the Building Area shall be extinguished. At the election of the Land Trust, a notice shall be recorded in the real property records as to the selection of the final Building Area and terminating the right to designate the other Potential Building Area as the final Building area. The remainder of the Property outside of the Building Area is referred to as the "Open Area."
 - 4.7.1. If the Grantor designates the Private Envelope as the Building Area, the Grantor may construct, maintain, repair, reasonably enlarge and in the event of destruction, reconstruct the following permitted structures within the Private Building Envelope: a single family residence, accessory residential structures and agricultural structures.
 - 4.7.2. If the Grantor designates the Town Envelope as the Building Area, the Grantor may construct, maintain, repair, reasonably enlarge and in the event of destruction, reconstruct the following permitted structures within the Town Building Envelope: a single family residence, accessory residential structures, agricultural structures, a parking area, a pavilion and other necessary improvements for a public trailhead.
 - 4.7.3. Grantor shall notify the Land Trust at least forty-five (45) days in advance of any construction or replacement, reconstruction or enlargement of the permitted structures that require a building permit or that would require the clearing of any trees, and shall provide the Land Trust with drawings that depict the size, location and extent of the proposed construction for Land Trust approval that the construction plans meet the stipulations of the Easement. In the event of an emergency that requires immediate reconstruction, the Grantor shall properly notify the Land Trust as soon as possible about the reconstruction. All permitted structures must be set back at least one hundred (100) feet from rivers, creeks, or wetlands in such a manner as to minimize their impact on the water resources. Under no circumstance shall any of the land within the Building Area or under any of the structures be divided from the Property or conveyed separately.
- 4.8. Minor Agricultural Structures. Grantor has the right to construct, maintain, repair, reasonably enlarge, and in the event of destruction, reconstruct minor agricultural structures, including but not limited to corrals, windbreak structures, hay sheds and

storage sheds, reasonably necessary or reasonably advantageous for agricultural operations except that all structures must be set back at least one hundred (100) feet from rivers, creeks, or wetlands in such a manner as to minimize their impact on the water resources. Grantor shall notify the Land Trust at least forty-five (45) days in advance of any construction of new minor agricultural structures or reconstruction or enlargement of any existing structures so that the Land Trust may approve the plans re: location and size and update its records.

- 4.9. Storage of Materials. Materials for use on the Property may be stored in the Building Area on the Property. No other materials shall be stored on the Property.
- 4.10. Accessory Improvements and Utilities. Grantor may install, construct and maintain accessory improvements and utilities for the benefit of the Property, but for no other properties. New utility lines shall be placed underground.
- 4.11. Stream Bank Stabilization. The Grantor may undertake stream bank stabilization only with the prior written approval of the Land Trust, and only in a manner that minimizes sedimentation of the river and restores the health of stream and riparian area.
- 4.12. Hunting and Fishing. The Grantor may allow hunting and fishing on the Property in accordance with applicable laws and regulations.
- 4.13. Trails.
 - 4.13.1. Grantor and the Land Trust acknowledge that this Easement does not affect the substantive rights of the beneficiaries of the following three (3) Recreational Trail Easement Agreements that were granted prior to the date of this Easement: (a) Recreational Trail Easement Agreement granted to Peter C. Cross and Amanda L. Cross, recorded December 4, 2000 at Reception No. 2000-011229; (b) Recreational Trail Easement Agreement granted to John Nichols and Leslie Nichols, recorded February 14, 2001 at Reception No. 2001-001203; and (c) Recreational Trail Easement Agreement granted to Himebaugh Estates Owners Association, recorded September 26, 2006 at Reception No. 2006-010107 (the "Existing Recreational Trail Easement Agreements").
 - 4.13.2. Trails for non-motorized use, such as bicycling and hiking ("Trails"), and related facilities, such as but not limited to, trailheads and parking, informational/directional kiosks and sign boards, signage, restrooms and other open air structures and improvements necessary to support the uses of the Trails ("Trail Facilities"), may be constructed, maintained, repaired and replaced on the Property in the locations and in the manner approved by the Land Trust, provided that the parking lot, restrooms and open air structures that may include shade shelters, seating areas shall only be located in the Town Envelope.
 - 4.13.3. The maximum length of Trails on the Property shall not exceed four (4) miles without the approval of the Land Trust.

- 4.13.4. All Trails shall be sustainable and shall be surveyed, constructed, built and maintained by members of the Professional Trail Builders Association or other organization approved by the Land Trust.
- 4.14. Public Access. Grantor may permit public access to the Trails and Property for non-motorized recreational opportunities, subject to the regulations imposed on such use and access imposed by the Grantor as may be necessary to protect the public safety, and to protect the other Conservation Values of the Property, and to balance wildlife habitat needs and public recreation.
5. Prohibited Uses. Any activity on or use of the Property inconsistent with the Purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited or restricted as described below:
- 5.1. Division of Property. At the time of the conveyance of this Easement, the Property may consist of more than one (1) parcel for purposes of county tax assessment or may have been conveyed to Grantor by one (1) or more separate deeds. Notwithstanding the number of separate parcels conveying the Property, the Property may be granted, sold, exchanged, devised, gifted, transferred, encumbered or otherwise conveyed in unified title as one (1) parcel only, subject to the provisions of this Easement. The division, subdivision, or de facto subdivision of the Property by legal or physical process (including, but not limited to, platting, testamentary division, or other process by which the Property is divided in ownership or in which legal or equitable title to different portions of the Property are held by different owners), into two or more parcels of land, or partial or separate interests (including, but not limited to, condominium interests, interval or time-share interests or the partition in kind of undivided interests) is prohibited. At all times the Property shall be owned, conveyed and transferred only in its entirety, in a single ownership, as a single parcel.
- 5.2. Buildings or Other Structures. No buildings, mobile homes, house-trailers or other similar structures except as permitted herein shall be erected or placed or constructed on the Property, except to the extent permitted under Paragraph 4 entitled "Consistent Uses of Property," above.
- 5.3. No Mining which Disturbs the Surface. The drilling, exploration by geophysical and other methods, mining, extraction and operating for and producing from the Property, including the construction of any and all roads, pipelines, structures, equipment, tanks, storage facilities, ponds, evaporation pools or pits, utility lines, of any kind or description, and including all activities described as "oil and gas operations" in C.R.S. §34-60-103, as amended (collectively referred to as "mining"), of soil, sand, gravel, rock, stone, decorative stone, oil, natural gas, coalbed methane (including any and all substances produced in association therewith from coalbearing formations), hydrocarbon, fuel, or any other mineral substance, of any kind or description (collectively referred to as "Minerals"), is prohibited on the Property, except as provided in this Paragraph 5.3. Mining which disturbs the surface of the Property is prohibited; mining that does not disturb the surface in any way is permitted, as provided in this Paragraph 5.3.
- 5.3.1. Pre-existing Mineral Reservations, Severances, or Leases. Grantor and the Land Trust acknowledge that this Easement is not intended to affect the substantive

rights of owners of mineral interests that were severed from the ownership of the surface of the Property prior to the date of this Easement. Such interests include, but may not be limited to, the rights (a) reserved in the deed from Hollis A. Fuchs and Joanne Duvall Fuchs to Thomas C. Cochran and Judith E. Cochran recorded April 4, 1974 in Book 206 at Page 370, (b) reserved in the deed from Joanne Duvall Fuchs to Thomas C. Cochran and Judith E. Cochran recorded December 27, 1972 in Book 193 at Page 275, (c) reserved in the deed from Hollis A. Fuchs and Joanne Duvall Fuchs to Thomas C. Cochran and Judith E. Cochran recorded February 15, 1973 in Book 194 at Page 621, and (d) the rights conveyed in the deed to Malcolm D. Young, recorded June 19, 1997 at Reception No. 97004910; all in the records of Grand County, Colorado (unless such interests are merged into the ownership of the surface of the Property).

- 5.3.2. Terms of Mining Leases or Agreements. Grantor agrees to notify the Land Trust and, to the extent it has the legal right or requirement to do so, obtain the approval of the Land Trust as provided in the Approvals Paragraph below of any proposed extension, amendment or modification of any existing mining lease or agreement, and to the extent it has the legal right or requirement to do so, agrees any new lease or agreement for mining that Grantor enters into shall have first been approved in writing by the Land Trust, shall be made subordinate and subject to, and shall incorporate the terms of this Easement, and in addition shall include at least the following provisions:
- 5.3.2.1. Mining must be conducted in a manner consistent with reasonable, site specific conditions developed in cooperation with the Land Trust to protect the Conservation Values of the Property. No refineries, compressor stations, evaporation pits, secondary production facilities or facilities utilized for production from other properties may be located on the Property, and any hydrocarbons produced from the Property must be transported by pipeline or other means approved in advance by the Land Trust. The location of pipelines or other transportation facilities is subject to prior written approval by the Land Trust, which approval may be denied if deemed necessary by the Land Trust to protect the Conservation Values of the Property.
- 5.3.2.2. Travel for the purpose of oil, gas or other hydrocarbon development shall be restricted to existing roads designated by the Parties or to new roads approved in advance in writing by the Land Trust, which approval may be denied if deemed necessary by the Land Trust to protect the Conservation Values of the Property.
- 5.3.2.3. Areas of surface disturbance shall have only limited and localized impact, shall be in sites approved in advance by the Land Trust, which approval may be denied if deemed necessary by the Land Trust to protect the Conservation Values of the Property, shall not significantly impair the Conservation Values of the Property and shall be mitigated by promptly restoring soils to the original contours and replanting native vegetation. Facilities shall be screened from view from public roads or public lands by vegetation, topography, berms, and/or coloring facilities to blend with the natural environment in a manner approved by the Land Trust.

- 5.3.2.4. The Land Trust shall be notified in advance in writing of any proposed mining operations on the Property so that it can monitor the operations for compliance with the terms of this Basement.
- 5.3.2.5. The Land Trust shall be released, indemnified and held harmless from any liabilities, damages, or expenses resulting from any claims, demands, costs or judgments arising out of the exercise of any rights by Grantor, any lessees or other third parties relating to mining on the Property.
- 5.4. Stream Bank and Other Topographical Changes. No excavating, grading, cut and fill, berming or other similar material topographical changes shall occur on the Property, except as reasonably necessary in connection with the agricultural operation and as reasonably necessary in connection with the enlargement, or reconstruction of improvements permitted hereunder. There shall be no rip-rapping or other structural stabilization or alteration of the natural course of the river bank, except as provided herein.
- 5.5. Signs and Billboards. No commercial signs, billboards, awnings, or advertisements shall be displayed or placed on the Property, except for an appropriate and customary ranch or pasture identification sign, "for sale" or "for lease" signs alerting the public to the availability of the Property for purchase or for lease, "no trespassing" signs, signs detailing regulations for limited public access if such use is consistent with the provisions of this Easement, signs regarding the private leasing of the Property for hunting, fishing and other low impact recreational uses, and signs informing the public of the status of ownership. No signs shall be erected that materially adversely impact the Conservation Values of the Property.
- 5.6. Paving. No portion of the Property, other than within the designated Building Area, shall be paved or otherwise covered with concrete, asphalt, or other paving materials.
- 5.7. Waste and Dumping. Accumulation or dumping of trash, refuse, junk or toxic materials is prohibited on the Property.
- 5.8. Hazardous Materials. The storage, dumping or other disposal of "Hazardous or Toxic Materials" (here taken in the broadest legal context) or of non-compostable refuse on the Property is prohibited. For the purpose of this Easement "Hazardous or Toxic Materials" shall be taken in its broadest legal context and shall include any petroleum products as defined in ASTM Standard E 1527-05 and any hazardous or toxic substance, material or waste that is regulated under any federal, state or local law. Notwithstanding anything in this Easement to the contrary, this prohibition does not make the Land Trust an owner of the Property, nor does it permit the Land Trust to control any use of the Property by the Grantor which may result in the storage, dumping or disposal of hazardous or toxic materials; provided, however, that the Land Trust may bring an action to protect the Conservation Values of the Property, as described in this Easement. (This prohibition does not impose liability on the Land Trust for Hazardous or Toxic Materials, nor shall the Land Trust be construed as having liability as a "responsible party" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") as amended, or any similar federal or state statutes.) Nothing in this paragraph shall prohibit the use of chemicals and products in accordance with applicable laws and manufacturer's instructions.

- 5.9. Retail, Commercial or Industrial Activity. No industrial or retail uses shall be allowed on the Property. Examples of prohibited uses which are considered industrial uses of the Property include but are not limited to the followings: commercial feedlots, meat or poultry processing facilities, commercial nurseries and greenhouses, sawmills or logging operations or facilities, agricultural products, and retail outlets. Commercial uses are allowed, as long as they are conducted in a manner that is consistent with § 170(h) of the Code, as amended, and the Treasury Regulations adopted pursuant thereto, are consistent with the Purpose of the Easement, and do not substantially diminish or impair the Conservation Values.
- 5.10. Water Pollution. The material degradation or pollution of any surface or sub-surface water on the Property is prohibited.
- 5.11. Motorized Vehicles. Motorized vehicles may be used in a manner that does not substantially diminish or negatively impact the Conservation Values of the Property. There shall be no off-road vehicle courses or tracks created for snowmobiles, all-terrain vehicles, motorcycles or other motorized vehicles. Regular use of motorized vehicles shall be limited to roads. Nothing in this paragraph is intended to prohibit the use of motorized vehicles for any agricultural, landowner management and administration, or other use that is permitted under this Easement.
6. Reserved Rights. Grantor reserves to itself and to its personal representatives, heirs, successors, and assigns, all rights accruing from their ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are (a) not expressly prohibited herein; (b) not inconsistent with § 170(h) of the Code, or any regulation promulgated thereunder; (c) consistent with the Purpose of this Easement and preservation of the Conservation Values of the Property as determined by the Land Trust in its reasonable discretion.
7. Notice of Intention to Undertake Certain Permitted Actions. The purpose of requiring Grantor to notify the Land Trust prior to undertaking certain permitted activities, as identified herein, is to afford the Land Trust an opportunity to ensure that the activities in question are designed and carried out in a manner consistent with the Purpose of this Easement. Whenever notice is required, Grantor shall notify the Land Trust in writing not less than sixty (60) days prior to the date Grantor intends to undertake the activity in question, unless a different time period for the giving of notice is provided as to the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspects of the proposed activity in sufficient detail to permit the Land Trust to make an informed judgment as to whether it is its consistent with the Purpose of this Easement.
8. The Land Trust's Approval. Whenever this Easement requires the Land Trust's approval, the Land Trust shall grant or withhold its approval in writing within sixty (60) days of receipt of Grantor's written request therefor unless a different time period is specified herein for the matter in question. The Land Trust's approval may be withheld only upon determination by the Land Trust that the action as proposed would not be consistent with the Purpose of this Easement. The reason(s) for such determination shall be set forth with specificity by the Land Trust in such written notice to Grantor. Where a reasonable modification of such proposed use or activity by Grantor would render the same consistent with the Purpose of this Easement, the Land Trust may specify, in such written notice to Grantor, such required modifications.

9. Enforcement. The Land Trust shall have the right to prevent and correct, or require correction of, violations of the terms and Purpose of this Easement. The Land Trust may enter the Property for the purpose of monitoring this Easement and inspecting for violations subject to the limitations set forth in Paragraphs 3.2 and 3.3, above. If the Land Trust finds what it reasonably believes is a violation, the Land Trust shall immediately notify Grantor in writing of the nature of the alleged violation. Upon receipt of this written notice, Grantor shall either (a) restore the Property to its condition prior to the violation; or (b) provide a written explanation to the Land Trust of the reason why the alleged violation should be permitted. If the condition described in clause (b) above occurs, both Parties agree to meet as soon as possible to resolve this difference. If a resolution of this difference cannot be achieved at the meeting, both Parties agree to meet with a mutually acceptable mediator to attempt to resolve the dispute. Grantor shall discontinue any activity that could increase or expand the alleged violation during the mediation process. When, in the Land Trust's reasonable opinion, an ongoing or imminent violation could irreversibly diminish or impair the Conservation Values of the Property, the Land Trust may, in its sole discretion, take appropriate legal action. Further, should mediation fail to resolve the dispute, the Land Trust may, in its sole discretion, take appropriate legal action. If a court with jurisdiction determines that a violation is imminent, exists, or has occurred, the Land Trust may obtain an injunction to stop it, temporarily or permanently. A court may also issue an order to require Grantor to restore the Property to its condition prior to the violation. This easement is not intended to create rights in any third party to enforce the terms of this Easement.
10. Costs of Enforcement. In any case where a court finds that a violation has occurred, the Landowner shall reimburse the Land Trust for all its expenses incurred in stopping and correcting the violation, including reasonable attorneys' fees and court costs. If the court finds no violation, then the Landowner and Land Trust shall each bear their own expenses and attorney fees. The Landowner and the Land Trust agree that this allocation of expenses is appropriate in light of the potential disparate financial incentives of the Landowner and the Land Trust and the Land Trust's public benefit mission.
11. Land Trust's Discretion. The Land Trust will enforce the terms of this Easement to protect the Conservation Values of the Property, provided, however, that the Land Trust shall have the right to determine in its sole discretion what enforcement action, if any, is necessary, and any forbearance by the Land Trust to exercise its rights under this Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by the Land Trust of such term or of any subsequent breach of the same or any other term of this Easement or of any of the Land Trust's rights under this Easement. No delay or omission by the Land Trust 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. No provision of this Easement shall be waived by Grantor unless such waiver shall be in writing, shall specifically refer to this Easement, and shall be executed and delivered by Grantor.
12. Waiver of Certain Defenses. Grantor hereby waives any defense of laches, estoppel, or prescription, and any defenses available under C.R.S. § 38-41-119.
13. Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle the Land Trust to bring any action against Grantor for any injury to or change in the Conservation Values of the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, 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.

14. No Public Access Created Hereby. Nothing herein contained shall be construed as affording the public access to any portion of the Property, although the Grantor may permit public access to the Property as provided in Paragraph 4.14, above.
15. Costs and Liabilities; Taxes. Grantor shall retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including weed control and eradication on the Property, and including the maintenance of reasonable comprehensive general liability insurance coverage. Grantor warrants that the Land Trust is and will continue to be an additional insured on Grantor's liability insurance policy covering the Property. Grantor shall provide certificates of such insurance to the Land Trust upon reasonable request. Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively "Taxes"), including any Taxes imposed upon, or incurred as a result of, this Easement. If the Land Trust is ever required to pay any Taxes or assessments on its interest in the Property, Grantor will promptly reimburse the Land Trust for the same.
16. General Indemnification. Grantor shall indemnify and hold harmless the Land Trust and its members, officers, directors, employees, agents and assigns (collectively the "Indemnified Parties") for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions, and costs of actions, sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, courts costs, and reasonable attorneys' fees and attorneys' fees on appeal) to which Land Trust may be subject or incur relating to the Property, which may arise from, but are not limited to (a) Grantor's negligent acts or omissions or Grantor's breach of any representation, warranty, covenant, agreements contained in this Easement, (b) violation of any federal, state or local laws, including all Environmental Laws, described herein, (c) injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence or intentional act of an Indemnified Parties; (d) the costs and expenses of the Land Trust in enforcement of this Easement; and (e) all costs and liabilities of ownership, operation, upkeep and maintenance of the Property as described herein.
17. Change of Circumstances; Extinguishment.
 - 17.1. If circumstances arise in the future which render the Purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Each Party shall promptly notify the other when it first learns of such circumstances.
 - 17.2. The amount of the proceeds to which the Land Trust shall be entitled, after the satisfaction of prior claims, 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 the ratio determined pursuant to the "Proceeds" Paragraph 18 below.
 - 17.3. In conveying this Easement, the Grantor has considered the possibility that uses prohibited by the terms of this Easement may become more economically valuable than permitted uses, and that neighboring properties may in the future be put entirely to such prohibited uses. It is the intent of both the Grantor and the Land Trust that any such changes shall not be deemed to be circumstances justifying the termination or extinguishment of this

Easement. In addition, the inability of the Grantor, or his/her heirs, successors, or assigns, to conduct or implement any or all of the uses permitted under the terms of this Easement, or the unprofitability of doing so, shall not impair the validity of this Easement or be considered grounds for its termination or extinguishment.

18. Proceeds. This Easement constitutes a real property interest immediately vested in the Land Trust, which the Parties stipulate to have a fair market value determined by multiplying the fair market value of the Property unencumbered by the Easement by the ratio of the value of the Easement at the time of this grant to the value of the Property unencumbered by the Easement at the time of this grant (the "Easement Value Percentage"). For the purposes of this Paragraph, the Easement Value Percentage shall remain constant; the Parties agree that the Easement Value Percentage is sixty-five and 4/10s percent (65.4%) of the value of the Property unencumbered by the Easement, as supported by the appraisal for the Easement. In the event this Easement is terminated in whole or in part, or is extinguished in whole or in part pursuant to Paragraph 17, "Change of Circumstances; Extinguishment," or the Property is condemned pursuant to Paragraph 19, "Condemnation," the Land Trust is entitled to receive from the net proceeds of the condemnation, extinguishment or sale of the Property, the greater of (a) the Easement Value Percentage, or (b) the percentage that the Easement represents of the Property unencumbered by the Easement at the time of termination of the Easement (the "Extinguishment Percentage"). The Land Trust's use of its share of such proceeds shall comply with Treasury Regulation § 1.170A-14(g)(6).
19. Condemnation. If the Easement or the Property is taken or conveyed, in whole or in part, by threat or exercise of the power of eminent domain, the Grantor and the Land Trust shall be entitled to compensation for the value of their respective interests, in accordance with applicable law.
20. Assignment. This Easement is transferable by the Land Trust, but the Land Trust may assign its rights and obligations under this Easement only to an organization that is (a) a qualified organization at the time of transfer under § 170(h) of the Code, as amended (or any successor provision then applicable), and the applicable regulations promulgated thereunder; (b) authorized to acquire and hold conservation easements under Colorado law; and (c) authorized to hold conservation easements for which a Colorado conservation easement tax credit may be granted. As a condition of such transfer, the Land Trust shall require the transferee to expressly agree, in writing, to carry out and uphold the conservation Purpose of this Easement and otherwise assume all of the obligations and liabilities of the Land Trust set forth herein or created hereby. After such transfer, the Land Trust shall have no further obligation or liability under this Easement. If the Land Trust desires to transfer this Easement to a qualified organization having similar purposes as the Land Trust (grantee), but the Grantor unreasonably refuses to approve the transfer, a court with jurisdiction shall transfer the Easement to another qualified organization having similar purposes which agrees to assume the responsibilities of the Land Trust. The Land Trust may record the assignment.
21. Subsequent Transfers by Grantor. Grantor agrees to incorporate by reference the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in the Property. Grantor agrees that it will reflect in any leasehold interest granted by Grantor that the lease is subject to and subordinate to the terms of this Easement. Grantor further agrees to give written notice to the Land Trust of the transfer of any interest at least twenty (20) days prior to the date of such transfer. The failure of Grantor to perform any act required by this Paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

22. Transfer Fee. Anytime the Property itself, or any interest in it, is transferred by Grantor, or its personal representatives, heirs, successors or assigns, to any third party, Grantor, or its personal representatives, heirs, successors or assigns, shall pay a \$500 transfer fee to the Land Trust within (5) business days after closing. The transfer fee is subject to yearly adjustment as determined by the Consumer Price Index Inflation Calculator (the "**CPI Inflation Calculator**") made available by the United States Department of Labor, Bureau of Labor Statistics, online at its website at <http://www.bls.gov/cpi/>. The CPI Inflation Calculator uses the average Consumer Price Index for a given calendar year. The data represent change in prices of all goods and services purchased for consumption by urban households. If the CPI Inflation Calculator is no longer available or the Consumer Price Index is no longer published, then a similar successor index may be substituted to calculate any yearly adjustments.
23. Notices. Any notice, demand, request, consent, approval, or communication that either Party to this Easement desires or is required to give to the other shall be in writing and shall either be served personally or sent by certified, registered or express mail (including Federal Express or UPS), postage prepaid, return receipt requested, addressed as follows or to such other address as either Party from time to time shall designate by written notice to the other:

To Grantor:

Max and Kathy Webel
38099 370th Street
Baylis, IL 62314-2221

To the Land Trust:

Colorado Headwaters Land Trust
P. O. Box 1938
Granby, Colorado 80446

The notice shall be effective upon receipt if served personally, or three days after deposit with the carrier if sent via certified, registered, or express mail as identified above. The Land Trust need only notify Grantor and not other parties related to annual monitoring site visits.

24. Recordation. The Land Trust shall record this instrument in timely fashion in the official records of Grand County, Colorado, and may re-record it at any time as may be required to preserve its rights in this Easement. The Land Trust may record any assignment of this easement.
25. Amendment. If circumstances arise under which an amendment to or modification of this Easement or any of its exhibits would be appropriate, as determined by the Land Trust, in its sole discretion, the Parties may jointly amend the terms of this Easement so long as the amendment (a) shall have a positive, or at least a neutral, effect on or impact to the Conservation Values, (b) does not affect the perpetual duration of the restrictions contained in this Easement, (c) complies with all federal, state, and local laws, including C.R.S. §§ 38-30.5-101, *et seq.*, or any regulations promulgated thereunder, (d) shall be consistent with the Land Trust's public mission, (e) shall not jeopardize the Land Trust's tax-exempt status or status as a charitable organization under federal or state law, (f) shall not result in private inurement or confer impermissible private benefit, and (g) complies with the Land Trust's procedures and standards for amendments (as such procedures and standards may be amended from time to time). Amendment of the Easement shall not affect the

Easement's priority against any intervening liens, mortgages, easements, or other encumbrances. In order to preserve the Easement's priority, Grantee may require that any liens, mortgages, easements, or other encumbrances be subordinated to any proposed amendment. Nothing in this Paragraph shall be construed as requiring the Land Trust to agree to any particular proposed amendment. The Land Trust shall have the right to charge a fee to Grantor for time and costs associated with any amendment. Any amendment must be in writing, signed by the Grantor and the Land Trust, and recorded in the records of the Clerk and Recorder of Grand County, Colorado.

26. No Transfer of Development Rights. Grantor hereby grants to the Land Trust all development rights except as specifically reserved herein, for the limited purpose of insuring that such rights are forever terminated and extinguished, and may not be used by Grantor, the Land Trust or any other Party, on or transferred off of the Property to any other property adjacent or otherwise. Under no circumstances shall any portion of the Property be used for the purpose of calculating or giving credits, which result in additional density of development, beyond what is allowed in this Easement, on or off of the Property. Grantor shall not grant access across the Property to or for the benefit of any other Property without the prior written permission of the Land Trust which permission it may withhold in its discretion.
27. General Provisions.
 - 27.1. Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the state of Colorado. Venue for any dispute shall be Grand County, Colorado.
 - 27.2. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the Purpose of this Easement and the policy and purpose of C.R.S. §§ 38-30.5-101 et seq. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.
 - 27.3. Interpretation. If any reserved right of the Grantor under this Easement is found to be not in compliance with § 170(h) of the Code, or any regulations promulgated thereunder, then such provision shall be interpreted and applied in such a manner as to be in compliance with § 170(h) of the Code, and any regulations promulgated thereunder; provided, however, nothing in this Paragraph shall permit the Grantor to divide, subdivide or partition in kind the property, or make any use of the Property or undertake any activity or development on the Property otherwise prohibited by this Easement. It is the intention of this Paragraph to require that any restriction herein be interpreted no less strictly that necessary to be in compliance with § 170(h) of the Code, and any regulation promulgated thereunder, and no less strictly than as specifically provided herein.
 - 27.4. Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.
 - 27.5. Entire Agreement. The Recitals above and the Exhibits attached hereto are a part of and are incorporated into this Easement. This instrument sets forth the entire agreement of the

Parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein.

- 27.6. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.
- 27.7. Joint Obligation. In the event the Property is subsequently owned by more than one owner, all such owners shall be jointly and severally liable for the obligations imposed by this Easement upon Grantor.
- 27.8. Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Property.
- 27.9. Termination of Rights and Obligations. The Land Trust's rights and obligations under this Easement shall terminate upon transfer of the Land Trust's interest in the Easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive the transfer.
- 27.10. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.
- 27.11. No Merger, Abandonment, Release or adverse Possession. Unless the Parties expressly state in writing that they intend a merger of estates or interests to occur, then no merger shall be deemed to have occurred hereunder or under any documents executed in the future affecting this Easement. This Easement shall not be extinguished, in whole or in part, through the legal doctrine of merger in view of the public interest in its enforcement. This Easement cannot be abandoned, released, or affected by adverse possession.
- 27.12. Warranty of Title. Grantor warrants that Grantor has good and sufficient title to the Property, subject to those matter described on the attached Exhibit D, that Grantor has good right, full power and lawful authority to grant and convey this Easement, that the Land Trust has access to the Property for the purposes described in this Easement, that the holders of any mortgages, deeds of trust or liens on the Property have consented to the terms of and recording of this Easement and the foreclosure of any such mortgage, deed of trust or lien shall not adversely affect the existence or continuing validity of this Easement, and that the Property is free and clear from all former and other grants, bargains, sales, liens, taxes, assessments, encumbrances and restrictions of whatever kind or nature whatsoever, except those described in the attached Exhibit D, which are not subordinate to the terms of this Easement or to which the lien holder has not consented. Grantor hereby grants to the Land Trust the right to access the Property for the purposes described herein, across any adjacent property owned by the Grantor, including this Property, or across any easements, rights of way or routes of access of any kind or description, now owned or later acquired by the Grantor, and to ensure that at all times the Land Trust has full right of access to the Property for the purposes described in this Easement. The Parties intend that this Easement encumber the Property, including any and all Minerals owned by Grantor as of the effective date of this Easement and any and all Minerals later acquired by the

Grantor. Grantor hereby promises to warrant and forever defend the title to the Easement in the quiet and peaceable possession of the Land Trust, its successors and assigns, against all and every person or persons lawfully claiming the whole or any part thereof.

- 27.13. Environmental Warranty. Grantor warrants that it has no knowledge of a release or threatened release of Hazardous or Toxic Materials or wastes on the Property and promises to defend and indemnify and hold harmless the Land Trust, its successors and assigns, against all litigation, claims, demands, penalties, and damages, including reasonable attorney's fees, arising from breach of this warranty.
- 27.14. No Third Party Beneficiaries. This Easement is entered into by and between Grantor and the Land Trust, and is solely for the benefit of Grantor and the Land Trust and their respective successors and assigns, and does not create rights or responsibilities in any third parties.
- 27.15. Land Trust Acknowledgement of Donation. (§ 170(1)(8) of the Code). The Land Trust acknowledges receipt and acceptance of this Easement encumbering the Property described herein, for which no goods or services were provided except the consideration, if any, paid for this Easement.
- 27.16. Tax Benefits. Grantor acknowledges that Grantor is responsible for obtaining legal and accounting counsel to advise Grantor regarding the applicability of federal or state tax benefits that might arise from the donation of this Easement. Land Trust makes no representation or warranty that Grantor will receive tax benefits for the donation of this Easement.

TO HAVE AND TO HOLD unto the Land Trust, its successors and assigns forever.

EXHIBIT A

Legal Description of the Property

The following property located in the County of Grand, State of Colorado, described as follows:

Parcel A:

SE1/4SE1/4 of Section 11; the SW1/4SW1/4 of Section 12; the NW1/4NW1/4 of Section 13; and the NE1/4NE1/4 of Section 14, in Township 1 North, Range 78 West of the 6th P.M., including all streets and lots contained within the subdivision known as IDEAL PARK, according to the plat thereof recorded March 11, 1912 as Reception No.17029.

Parcel C:

TOWNSHIP 1 NORTH, RANGE 78 WEST OF THE 6TH P.M.

Section 11: SE1/4NE1/4, NE1/4SE1/4

Parcel D:

TOWNSHIP 1 NORTH, RANGE 78 WEST OF THE 6TH P.M.

Section 11: That portion of the NE1/4NE1/4 lying southwesterly of County Road No. 55 (aka Cottonwood Pass Road)

EXHIBIT C
Baseline Acknowledgement Statement


Baseline Documentation Report

Jones Creek Ranch

ACKNOWLEDGEMENT OF EASEMENT CONDITIONS


**JONES CREEK RANCH CONSERVATION EASEMENT
GRAND COUNTY, COLORADO**

In compliance with Federal Tax Regulations [§1.170A-14(g)(5)(i)(D)], and to the best of my knowledge, this Baseline Documentation Report, including text, maps, and photographs, is an accurate representation of the conservation easement property ("property") and its conservation values at the time of the conveyance of the conservation easement. The property's conservation values include relatively natural habitat and open space.



By:
Title: Representative of Grantor Organization
Jones Creek Ranch, LLC

12-17-20
Date



By: Jeremy D. Krones
Title: Representative of Grantee Organization
Colorado Headwaters Land Trust, GRANTEE

12/17/20
Date

Exhibit D
Exceptions to Title
(2 pages)

- 1) Right of the proprietor of a vein or lode to extract and remove his ore therefrom, should the same be found to penetrate or intersect the premises hereby granted, as reserved in United States Patent recorded August 1, 1895 in Book 17 at Page 128.
- 2) Right of way thereon for ditches or canals constructed by the authority of the United States, as reserved in United States Patent recorded August 1, 1895 in Book 17 at Page 128.
- 3) Interest in all oil, gas and other mineral rights, as reserved by deed from Hollis A. Fuchs and Joanne Duvall Fuchs in deed to Thomas C. Cochran and Judith E. Cochran recorded April 4, 1974 in Book 206 at Page 370, and any and all assignments thereof or interests therein.
- 4) Easements, rights of way and all other matters as shown on the Plat of Ideal Park filed March 11, 1912 at Reception No. 17029.
- 5) Restrictions which contain a forfeiture or reverter clause, as contained in deed from Board of County Commissioners to Thomas C. Cochran and Judith E. Cochran, recorded June 7, 1974 in Book 208 at Page 141.
- 6) Resolution No. 1974-5-6 recorded June 7, 1974 in Book 208 at Page 137 and in Book 208 at Page 155, as amended by Resolution No. 1978-9-3 recorded July 9, 2009 at Reception No. 2009006359 and August 14, 2009 at Reception No. 2009008052.
- 7) Recreational Trail Easement Agreement by and between Max L. Webel Declaration of Trust dated April 2, 1987, Max L. Webel, Trustee and Kathryn M. Webel Declaration of Trust, dated December 14, 1995, Kathryn M. Webel, Trustee and John Nichols and Leslie Nichols recorded February 14, 2001 at Reception No. 2001-001203.
- 8) Terms, agreements, provisions, conditions and obligations as contained in Recreational Trail Easement Agreement recorded September 26, 2006 at Reception No. 2006-010107.
- 9) Restrictions which contain a forfeiture or reverter clause, as contained in deed from Board of County Commissioners to Aspen Ridge, LLC, a Colorado limited liability company, recorded December 12, 2007 at Reception No. 2007013574.
- 10) Reservations, exceptions and rights of way as contained in United States Patent recorded July 6, 1885 in Book 004 at Page 347.
- 11) Easement and right of way granted to Mountain Utilities Corporation by instrument recorded November 8, 1946 in Book 095 at Page 291.
- 12) Interest in all oil, gas and other mineral rights, as reserved by deed from Joanne Duvall Fuchs in deed to Thomas C. Cochran and Judith E. Cochran recorded December 27, 1972 in Book 193 at Page 275, and any and all assignments thereof or interests therein.

- 13) Interest in all oil, gas and other mineral rights, as reserved by deed from Hollis A. Fuchs and Joanne Duvall Fuchs in deed to Thomas C. Cochran and Judith E. Cochran recorded February 15, 1973 in Book 194 at Page 621, and any and all assignments thereof or interests therein.
- 14) All oil, gas and other mineral rights, as conveyed by Cheap-Easy and Co., LLC, a Colorado limited liability company in deed to Malcolm D. Young, recorded June 19, 1997 at Reception No. 97004910.
- 15) Recreational Trail Easement Agreement by and between Max L. Webel Declaration of Trust dated April 2, 1987, Max L. Webel, Trustee and Kathryn M. Webel Declaration of Trust, dated December 14, 1995, Kathryn M. Webel, Trustee and Peter C. Cross and Amanda L. Cross recorded December 4, 2000 at Reception No. 2000-011229.
- 16) Right of way for Grand County Road No. 55 aka Cottonwood Road Pass as evidenced by survey recorded January 6, 1999 at Reception No. 99000080.
- 17) Town of Hot Sulphur Springs, Colorado Ordinance No. 332 recorded April 17, 2003 at Reception No. 2003-004774 and Reception No. 2003-004775.
- 18) Covenants, conditions, restrictions, (but omitting restrictions, if any, based on race, color, religion or national origin, marital status or handicap status), reservations, easements, liens for assessments (whether by statute or otherwise) options, power of attorney, and limitations on title, as set forth in the Declaration of Protective Covenants Heimbaugh Estates Community recorded November 29, 2001 at Reception No. 2001-011945, as amended by instrument recorded April 19, 2002 at Reception No. 2002-0040601.
- 19) A resolution approving a request to designate a 37.56 acre tract of land de-annexed from the town of Hot Sulphur Springs, Colorado, as Residential Zone District, recorded September 30, 2005 at Reception No. 2005-010863.