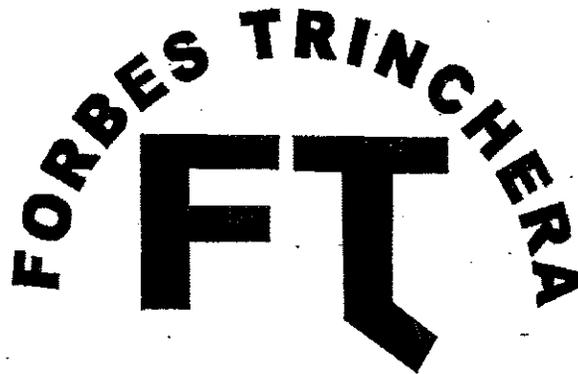




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**FORBES TRINCHERA RANCH
DEED OF CONSERVATION EASEMENT**





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FORBES TRINCHERA RANCH

DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT (hereinafter referred to as "Conservation Easement" or "Easement") is granted on the Effective Date (as defined in Section 24 herein), by Forbes Trinchera Inc., a New York corporation, whose address is 60 Fifth Avenue, New York, NY 10011, ("Grantor"), to COLORADO OPEN LANDS, a Colorado non-profit corporation ("Grantee"), whose address is Suite 320, 274 Union Boulevard, Lakewood, CO 80228, collectively the "Parties."

PURPOSE

Grantor's purpose in donating this Conservation Easement and restricting future development is the preservation for present and future generations of the open space, scenic views and natural habitat and environment of the Property. Federal and Colorado law empower Grantor with a means of preserving, protecting and enhancing in perpetuity this unique piece of land. Grantor and Grantee agree that the purpose (the "Purpose") of this Conservation Easement is to preserve and protect in perpetuity the Conservation Values as described in Recital IV below.

RECITALS

Grantor is the owner of one of the largest, privately owned ranches in the United States, Forbes Trinchera Ranch, located in Costilla County, Colorado. Forbes Trinchera Ranch consists of approximately 171,400 acres of land together with existing improvements, mineral rights and certain water rights (the "Ranch"). It is situated on the eastern side of the San Luis Valley and is divided by US Highway 160. That portion of the Ranch north of US Highway 160 is referred to as the "Blanca" portion and consists of approximately 90,000 acres, and the portion of the Ranch south of US Highway 160 is referred to as the "Trinchera" portion and consists of approximately 81,400 acres. This Conservation Easement applies to the "Trinchera" portion of the Ranch which is hereafter referred to as the "Property."

I. HISTORY.

The Ranch is the largest contiguous remnant of the historic Sangre de Cristo land grant, which dates to 1843. The Mexican government made the Sangre de Cristo land grant in 1843 in an effort to encourage settlement in the area and as a means of establishing territory north of the Mexican border. Originally consisting of over 1,000,000 acres, the Sangre de Cristo land grant was the largest piece of privately held property in what is now Colorado. The Ranch has remained as private land since the land grant was initially issued.

The prominent David Bryant Turner family of Denver, Colorado, purchased the Ranch in 1913. During their years of ownership, many of the current buildings on the Ranch were built to



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Grantor has the right to utilize, maintain, enlarge, repair, reconstruct or replace the Property's existing ditches, pipelines, reservoirs, stock ponds, wells, headgates, flumes, irrigation structures, or any other structures or facilities in any way related to existing irrigation activities. New ditches, pipelines, reservoirs, stock ponds, wells, headgates, flumes, or other irrigation structures or facilities may be constructed as reasonably necessary or reasonably advantageous for operations on the Property, provided such construction is not inconsistent with the preservation and protection of the Conservation Values.

Typical ditches, pipelines, reservoirs, stock ponds, wells, headgates, flumes or other irrigation structures or facilities which are of a similar character and quality to existing structures on the Property as of the date of this Easement are consistent with the preservation and protection of the Conservation Values. Grantor and Grantee acknowledge that methods of irrigation change over time. Grantor may convert or otherwise change the method of irrigation in its sole discretion so long as the method and/or new irrigation technology is/are not inconsistent with the preservation and protection of the Conservation Values. Moreover, Grantor may undertake such streambank protection as it deems reasonably necessary for operation and maintenance of headgates and ditches.

5. RESTRICTED PRACTICES.

The following practices are restricted as the terms of this Section 5 proscribe.

A. *Subdivision.* The description of the Property identifies more than one legal parcel. Notwithstanding that identification, the Parties agree that the division or subdivision of title to the Property is prohibited; provided, however, that Grantor may convey portions of the Property to owners of adjacent property for the purpose of making minor boundary line adjustments, subject to the terms of this Easement. This restriction does not prohibit nor limit Grantor or its successors from transferring ownership interests in Grantor or its successors to third parties.

B. *Inconsistent Uses.* This Easement prohibits uses of the Property inconsistent with the preservation and protection of the Conservation Values it sets forth.

C. *Feed Lot.* There may be no establishment or maintenance of a feed lot. For purposes of this Easement, "feed lot" is defined as a permanently constructed confined area or facility within which the ground is not grazed or cropped annually, and which is used and maintained continuously and exclusively for purposes of feeding livestock (excluding horses). Nothing in this section shall prevent Grantor from seasonally confining livestock into an area, corral, or other facility for feeding, or from leasing pasture for the grazing of livestock owned by others.

D. *Public Access.* Nothing in this Easement affords the public access to any portion of the Property. Grantor may permit public access to the Property on such terms and conditions as it deems appropriate in its sole discretion, including granting easements that are consistent with preservation and protection of the Conservation Values.

E. *Trash.* The dumping or accumulation of any kind of trash, sludge, or refuse on the Property is prohibited. The dumping or accumulation of farm-related trash and refuse

produced on the Property is permitted, provided it is not inconsistent with the preservation and protection of the Conservation Values. However, this restriction shall not prevent the storage of agricultural products and by-products in accordance with all applicable government laws and regulations.

F. *Hazardous Materials.* Grantor may use agri-chemicals and petroleum products on the Property in accordance with all applicable federal, state, or local laws. The dumping or accumulation of any kind of trash, sludge, or refuse on the Property, not expressly allowed below, is prohibited. Otherwise, the treatment, permanent storage, disposal, or release of hazardous materials (other than any which may exist on the Effective Date) on, from or under the Property is prohibited. For the purpose of this Easement, hazardous materials shall mean any hazardous or toxic material or waste that is subject to any federal, state, or local law or regulation.

Notwithstanding anything in this Easement to the contrary, this prohibition does not impose any liability on Grantee for hazardous materials, nor does it make Grantee an owner of the Property, nor does it permit or require Grantee to control any use of the Property that may result in the treatment, storage, disposal or release of hazardous materials within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA").

G. *Other Restricted Uses.* Sod farms and airstrips are prohibited, but one improved helicopter pad is permitted.

6. PERMITTED PRACTICES.

The Parties agree that the use of and improvements to the Property during Grantor's nearly 35 years of stewardship are consistent with the preservation and protection of the Conservation Values and are expressly permitted. Without limiting the generality of any of the foregoing, Grantor and Grantee hereby acknowledge and agree:

A. *Existing Buildings.* At the time of granting of this Easement, there are on the Property those residential, commercial, agricultural and other buildings described in the Present Conditions Report (the "Existing Buildings").

B. *Construction of Improvements.* The construction or reconstruction of any improvement is permitted only as described in this Easement.

(i) Existing Improvements Construction.

Grantor may maintain, repair, replace, and enlarge the Existing Buildings at or near their current location without further permission of Grantee; provided that no replacement or enlargement of any of the Existing Building(s) shall result in any portion of such improvement to exist outside of its respective Building Envelope (unless such improvement is presently not within a Building Envelope). The Building Envelopes are Trinchera Residential, Trinchera Headquarters, Cat Mountain Lodge and Turner/Schley and are described on Exhibits B-1 and B-2.

(ii) New Improvements Construction.