



DEED OF CONSERVATION EASEMENT IN GROSS

THIS DEED OF CONSERVATION EASEMENT IN GROSS (the "Easement") is entered into by and between LONE PINE REAL ESTATE, LLC, a Delaware limited liability company (hereinafter referred to as the "Grantor"), and Gilpin County (hereinafter referred to as the "Grantee").

BACKGROUND:

1. Grantor is the sole owner in fee simple of certain real property in Gilpin County, Colorado, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Project"). Pursuant to a subdivision exemption approved by Grantee, Grantor has divided a portion of the Project into individual single family residential lots (the "Divided Lots"), each of which identifies a Building Envelope (as defined on the approved subdivision exemption plat for the Project). Grantee acknowledges that Grantor intends to divide remaining undivided portion of the Project into no more than ten additional lots (together with the Divided Lots, referred to as the "Lots"), each identifying Building Envelopes ("Undivided Parcel"). The portion of the Project included in the Lots but outside of the Building Envelopes shall be referred to herein as the "Property." The remainder of the Project shall be referred to as "Declarant's Other Property."

2. The Property remains in a substantially undisturbed, natural state and has significant wildlife, open space, forest, and aesthetic values. Such values and attributes, subject to the uses retained by Grantor and permitted herein, are collectively referred to as the "Conservation Values." The Property is visible from certain trails, roads and scenic view corridors in Gilpin County and is surrounded in great part by the United States Forest Service land designated as the Roosevelt National Forest. The Property's Conservation Values are of great importance to Grantor, Grantee, the People of the State of Colorado and the general public, and are worthy of preservation.

3. Grantor, as owner of the Property, desires to identify and to assure the preservation in perpetuity of the Property's Conservation Values by limiting the development potential of the Property and restricting certain aspects of its use.

4. The State of Colorado has publicly recognized the importance of private efforts to preserve land in a natural, scenic or open condition, and of the protection, preservation and enhancement of wildlife habitats by the enactment of C.R.S. § 38-30.5-101 et seq. and C.R.S. 33-1-101 et seq. The County of Gilpin encourages large lot development with maximum open space through its Rural Development Exemption process as per Section 13, Gilpin County Zoning Resolution. The parties recognize that the Property is located in Colorado's rural and forested areas, is near major recreation and resort facilities, and is expected to be the subject of future development, and as a result, the State of Colorado and Gilpin County have recognized the special importance of preserving open space in this area.

5. The specific Conservation Values of the Property are documented and on file at the offices of Grantee and incorporated by this reference, which consist of plat mapping, USGS mappings, NWI mapping, and 2004 aerial photographs, and other documentation that the



parties agree provides, collectively, an accurate representation of the Property at the time of this grant, and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this Easement.

6. The Grantor intends that the Conservation Values of the Property be preserved and maintained forever as provided by this Easement. Grantee acknowledges and agrees that the uses reserved to Grantor do not significantly impair or interfere with the Conservation Values of the Property.

7. Grantee is a political subdivision of the State of Colorado and is a "qualified organization" within the meaning of § 170(h) of the Code.

8. Grantee has the resources to carry out its responsibilities hereunder, intends, by acceptance of the grant made hereby, forever to honor the intentions of Grantor stated herein to preserve and protect in perpetuity the Conservation Values of the Property, and further intends to enforce the terms of this Easement.

9. The Board of County Commissioners of Grantee has duly adopted a resolution approving the execution, and acceptance of Grantor's donation of this Easement.

CONVEYANCE

NOW THEREFORE, in consideration of the mutual covenants contained herein, and pursuant to C.R.S. § 38-30.5-101, et seq., Grantor does hereby convey to Grantee a Conservation Easement In Gross consisting of the rights hereinafter incorporated, over and across the Property.

1. Purpose. It is the purpose of this Easement to preserve and protect in perpetuity the natural wildlife habitat, open space, scenic and aesthetic features and values of the Property, subject to the uses of the Property permitted hereunder, and to prevent any use of the Property that will significantly impair or interfere with the Conservation Value of the Property.

2. Affirmative Rights Conveyed. The affirmative rights conveyed by this Easement to Grantee are the following:

(a) To protect in perpetuity the natural wildlife, open space, scenic and aesthetic features and values of the Property.

(b) To enter upon the Property, upon prior notice to Grantor, its successors and assigns, to conduct scheduled inspections of the Property. In addition, in the event there is reasonable cause to suspect that the terms of this Easement are being or have been violated, Grantee may enter upon the Property to enforce the rights herein granted, also upon prior notice to Grantor, its successors and assigns. The manner of such entry and inspection shall be such that it will not unreasonably interfere with the proper uses being made of the Property at the time of such entry. Grantor shall have the right to accompany Grantee's representative during such inspections and entries.



(c) The right to prevent any activity on or use of the Property that is inconsistent with the purposes 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 6 herein.

3. Rights Retained by Grantor. Except as expressly provided herein, Grantor retains all water rights owned by Grantor, and all other customary rights of ownership, including without limitation, exclusive access to and use of the Property for all purposes not inconsistent with nor prohibited by this Easement or prohibited by law. Grantor retains the right to control access to the Property by all persons, except Grantee shall have the right of ingress and egress as outlined in paragraph 2(b) above, for the purpose of inspecting the Property to ensure compliance with the terms of this Easement. Grantor further retains the right to subdivide the Undivided Parcel into no more than ten Lots, each with an identified Building Envelope not to exceed two acres. All interests not transferred and conveyed by this Easement, and uses of the Property which are not prohibited by this Easement or prohibited by law shall also be retained by Grantor and shall remain with Grantor, its successors and assigns.

4. Permitted Uses and Practices. Grantor intends that this Easement shall confine the future use of the Property to the preservation of the wildlife habitat, wetlands and open space, and the other uses which are described herein. Grantor and Grantee acknowledge that the current uses of the Property are permitted uses hereunder. The following uses and practices, though not an exhaustive recital of consistent uses and practices, are permitted under this Easement, and these practices are not to be precluded, prevented or limited by this Easement. Grantor retains the rights:

- (a) To take all reasonable actions designed to preserve and maintain existing wildlife habitat;
- (b) To conduct non-motorized recreational activities which are not inconsistent with the overall purpose of this easement, including without limitation, horseback riding, cross-country skiing, hiking and camping.
- (c) To maintain, repair and replace existing structures, fences and other improvements on the Property;
- (d) To construct and maintain recreational trails, picnic areas, and decks for the recreational use of the owners of Declarant's Other Property;
- (e) To conduct such limited forestry activities on the Property as are consistent with the overall purposes of this Easement, including without limitation tree planting, tree thinning, pest control and vegetation control for protection against fire or disease or for road maintenance;
- (f) To develop and maintain such water resources and facilities on the Property as are necessary or convenient for the uses conducted thereon or adjacent thereto, pursuant to the terms hereof; provided that the development and use of such water resources shall be compatible with the purposes of this Easement;



(g) To control soil erosion, conserve soil and existing vegetation, and control parasitic plants on the Property in a manner consistent with good conservation practices;

(h) To construct on the Property, wells and individual septic disposal systems and appurtenant facilities, including transmission lines connecting such facilities to dwelling units upon Declarant's Other Property;

(i) To install and maintain utilities; construct, widen and maintain roadways on the Property to provide access to Declarant's Other Property;

(j) To construct yurts, covered decks and/or one-story cabin like shelters with the following limitations:

- Maximum floor area shall not exceed 706 square feet. (i.e. 30' diameter yurt)
- Maximum site disturbance shall not exceed 1500 square feet. (i.e. 45' diameter building site)
- Structure height shall not exceed 15 feet above existing grade as measured vertically from the lowest point of ground disturbance to highest point of structural protrusion (i.e. 30' diameter yurt with 13' center height on 2' high platform)
- No part of the structure, attached or detached, or ground disturbance associated with the structure shall be visible to the naked eye from any off-site vantage point in Gilpin County located at an elevation equal to or less than that of the structure itself. Compliance shall be based on staff findings at the time of permitting and shall be final.
- No utility or utility lines shall serve the structure including, but not limited to electric, water, sanitation, gas and telephone.
- The structure shall not meet the definition of "dwelling unit" as defined in the 1997 Uniform Building Code and/or the Gilpin County Zoning Resolution.

(k) To install and maintain community service facilities, including without limitation, common trash receptacles, mailboxes, entryway structure and fire district equipment garage in approximately the locations and design depicted on the approved plan entitled Roosevelt Ridge Entry dated 9/21/05;

(l) To divide the Undivided Parcel into no more than ten Lots;

(m) To use motorized vehicles in connection with the foregoing uses;

and



(n) To take such other actions as may be reasonably necessary to exercise the rights and uses retained or permitted herein, provided that such actions shall be performed in a manner which minimizes the adverse effect on the natural features of the Property.

5. Prohibited Uses and Practices. The following uses and practices are inconsistent with the purposes of this Easement and shall be prohibited upon or within the Property without the prior written approval of Grantee:

(a) The change, disturbance, alteration, or impairment of the natural wildlife, open space, scenic and aesthetic features and values within and upon the Property, except as otherwise provided herein;

(b) The construction of any residential dwelling units on the Property;

(c) The establishment of any commercial or industrial uses or construction of commercial or industrial structures on the Property;

(d) The subdivision or division of the Property, except as expressly permitted under Section 4(k) above; provided that nothing herein shall prevent the sale, exchange, devise, or gift of all or any portion of the Property, if such transfer is effected with an express provision reflecting that the Property is subject to the terms and conditions of this Easement and without modification or expansion of the terms of this Easement;

(e) The use of motorized vehicles which would result in the degradation of the land or the wildlife habitat within the Property, except that motorized vehicles may be used throughout the year for the retained rights, specifically including use on the permitted roads, for the other uses described in paragraphs 3 and 4 hereof;

(f) The establishment or maintenance of any commercial wildlife park;

(g) The commercial harvesting of timber;

(h) The storage, dumping or any other deposit of abandoned vehicles, trash, ashes, toxic and/or hazardous materials (except for above ground storage and use of fuels and legal chemicals necessary to carry out the permitted uses and retained rights on the Property), garbage or other unsightly material on the Property;

(i) The surface, subsurface or strip mining of loam, peat, coal, geothermal, soil, sand, gravel, rock, oil and gas fuel, or other mineral resources. except that limited quantities of soil, sand and gravel may be extracted solely for use on the Property or on Grantor's Other Property;

(j) Conducting activities materially detrimental to water purity;

(k) The grazing of cattle on the Property;



(l) The planting of any non-native plant species on the Property. Non-native plant species shall be defined as, "a plant species which is not indigenous to the state of Colorado, nor to the native plant community in which it is found". (Title 35, CRS: Colorado Weed Management Act). Commercially available varieties of native species shall be permitted.

6. Enforcement of Rights of Grantee.

(a) In the event of a violation of any term, condition, covenant or restriction contained in this Easement which remains uncured after thirty days' prior written notice of the violation to Grantor or to any other alleged violator (except for an irreparable on-going or imminent violation, for which the thirty day written notice is not required), Grantee may institute a suit to enjoin by temporary or permanent injunction such violation, or to claim damages for breach of any said term, condition, covenant or restriction, or may take such other action as it deems necessary to ensure compliance with the terms, conditions, covenants, restrictions and purposes of this Easement; however, any failure to so act by the Grantee shall not be deemed to be a waiver or a forfeiture of the right to enforce any term, condition, covenant, restriction or purpose of this Easement in the future. Notwithstanding the foregoing, Grantor shall have the right to object to the allegation of a violation or to explain why the alleged violation should be permitted, and the parties shall attempt, in good faith, promptly to resolve any differences. Further, if the violation requires more than thirty days to cure, if Grantor starts to effect the cure and proceeds in good faith to complete the cure, it may complete the cure beyond said thirty day deadline.

(b) In any case in which a violation has been determined to have occurred, the party found to be in violation shall reimburse Grantee for Grantee's costs, including reasonable attorneys fees, involved in stopping or correcting the violation. If Grantor prevails in any action to enforce the terms of this Easement, or in any action brought by Grantor against Grantee relating to or arising out of this Easement, or if it is otherwise judicially determined that Grantor has not violated the terms of this Easement, Grantor's reasonable costs incurred as a result of said actions, including, without limitation, any reasonable court costs and attorneys' fees of Grantor, shall be borne by Grantee.

(c) Grantor further intends that should any prohibited activity be undertaken on the Property which has a material adverse effect on the purposes of this Easement, Grantee shall have the right to cause the restoration of that portion of the Property affected by such activity to the condition that existed prior to the undertaking of such prohibited activity. In such case, the cost of such restoration shall be borne by Grantor, its successors or assigns. Nothing contained herein should be construed to preclude Grantor from exhausting legal remedies in determining whether the activity to which Grantee has objected has such a material adverse effect.

7. Costs, Liability and Taxes. Grantor agrees to bear all costs of operation, upkeep, and maintenance of the Property and does hereby indemnify Grantee therefrom. Grantor agrees to remain responsible for, and to indemnify and hold Grantee harmless against, all liability with respect to the Property normally imposed on the owner of real property (except liability specifically attributable to the actions of the Grantee), and shall maintain adequate liability insurance covering such liability risks. In addition, Grantor agrees to pay any and all real property



taxes and assessments levied by competent authority on the Property or on this Easement. Grantee shall keep the Property free and clear of any liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantee undertaken with respect to this Easement.

8. Subordination. Mortgages or deeds of trust which encumbers all or a portion of the Property shall be subordinate to the terms of this Easement and the foreclosure of any such mortgage or deed of trust shall not adversely affect the existence or continuing validity of this Easement.

9. Access. Nothing in this Easement shall be construed as affording the public access to any portion of the Property. Nothing in this Easement shall be construed to preclude Grantor's right to grant limited public access to third parties across its land, provided that such access is allowed in a reasonable manner that does not result in actions inconsistent with the purposes of this Easement.

10. Assignment of Grantee's Interests.

(a) Grantor shall have the right to assign its rights and responsibilities under this Easement to a property owners association (the "Association") organized for the Property pursuant to the Colorado Common Interest Ownership Act; provided, however, that such Association shall agree in writing to assume the duties, responsibilities and obligations of Grantor. From and after the date of such assignment, Grantor shall be relieved of its duties, responsibilities and obligations under this Easement and Grantee shall look solely to the Association for the performance of such duties, responsibilities and obligations thereafter.

(b) Grantee shall have the right to transfer or assign any and all rights and responsibilities accruing to it by this Easement, provided that the assignee is an entity acceptable to Grantor, and that, at the time of such transfer or assignment the transferee is a "qualified organization" within the meaning of § 170(h) of the Code, and further provided that such transfer or assignment shall be conditioned on the transferee or assignee complying with or enforcing the conservation purposes which this Easement intends to accomplish. If Grantee dissolves, becomes insolvent, ceases to exist as a "qualified organization," or for any other reason becomes unable to enforce effectively the conservation purposes of this Easement then Grantee shall be required to assign its interest in this Easement to a "qualified organization," and if Grantee is unable to so transfer this Easement, this Easement shall be transferred to such "qualified organization" as a court of competent jurisdiction applying the doctrine of cy pres or analogous principles shall determine.

(c) The Grantor wishes to express again its intent that this Easement be maintained in perpetuity for the purposes expressed herein. However, if due to unforeseeable circumstances a final binding non-appealable judicial determination is made that continuation of this Easement is impossible, or if such determination renders the continuation of this Easement impossible (e.g. pursuant to a condemnation proceeding), and if a judicial determination is made that this Easement cannot be reformed so as to accomplish substantial compliance with the purposes of this Easement, then Grantor and Grantee, with the approval of the Court, may agree to transfer their respective interests in the Property, provided that parties shall be entitled to such



proceeds from the transfer as provided for in Treasury regulation section 1.170A-14(g)(6)(ii), as amended, to the extent that regulation applies to this transaction.

11. Waiver of Certain Defenses. Grantor and Grantee hereby waive any defense of laches, estoppel, or prescription unless notification of the action or use has been given by either party to the other as provided herein.

12. Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Conservation Values of the Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, global warming, acts of God or acts of others not under the direction or control of Grantor, 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. Notwithstanding the foregoing, nothing herein shall preclude Grantor's and Grantee's rights to pursue any third party for damages to the Property from vandalism, trespass, or any other violation of the terms of this Easement.

13. Condemnation. If this Easement is taken or conveyed, in whole or in part, by threat or exercise of the power of eminent domain, Grantor and Grantee shall be entitled to compensation for the value of their respective interests after subtracting the expenses of condemnation in accordance with Section 170(h) of the Code and paragraph 10(c) above.

14. Grant in Perpetuity. This Easement shall be a burden upon and shall run with the Property in perpetuity and shall bind Grantor, its successors and assigns forever.

15. Notices. Any notice, demand, request, consent, approval, or communication that Grantor or Grantee desires or is required to give to the other shall be in writing and Grantor or Grantee shall either serve personally, send by confirmed facsimile (followed by a mailed copy as described herein), or send by certified, registered or express mail (including Federal Express or UPS), postage prepaid, signature required, return receipt requested, to the other, addressed as identified below or to such other address as either party from time to time shall designate by written notice to the other:

To Grantor:

Lone Pine Real Estate, LLC
1630A 30th Street, #442
Boulder, CO 80301

To Grantee:

County of Gilpin
PO Box 366
203 Eureka Street
Central City, CO 80427



Notice shall be effective upon three days of the delivery into the United States mail as provided above, delivered by hand, or upon receipt of the facsimile confirmation. At the same time that notice is given, the notifying party shall also send a courtesy copy of the notice, in the manner described in this paragraph, to such persons as the notified party shall have previously provided from time to time to the notifying party in writing in a manner consistent with this paragraph.

16. Miscellaneous.

(a) The terms "Grantor" and "Grantee," where ever used herein, any pronouns used in place thereof, shall mean and include the above-named Grantor and Grantee, their successors and assigns.

(b) If the provisions of this Easement or the application thereof to any person or circumstance is found to be invalid, the remainder of the provisions of this Easement, and the application of such provisions to persons or circumstances other than those as to which is found to be invalid, shall not be affected thereby. If the specific permitted use is provided for in this Easement are in any way ambiguous, it is the intent of both Grantor and Grantee that such provision be interpreted and such uses be exercised in a manner that is consistent with the overall purposes of this Easement and which qualifies this Easement as a "qualified conservation contribution" under § 170(h) of the Code.

(c) The Grantor agrees that reference to this Easement will be made in any subsequent deed, or other legal instrument, by means of which it conveys any interest in the Property (including a leasehold interest).

(d) The interpretation and performance of this Easement shall be governed by the laws of the State of Colorado.

(e) Any general rule of construction to the contrary notwithstanding, this Easement shall be 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.

(f) This instrument sets forth the entire agreement of the parties with respect to this Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to this Easement, all of which are merged herein.

(g) Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

(h) In the event the Property is subsequently owned by more than one owner, all such owners shall be liable for the obligations imposed by this Easement upon Grantor only with respect to that portion of the Property which they own.

(i) Except as otherwise expressly provided herein, a party's rights and obligations under this Easement terminate upon transfer of the party's interest in this Easement



or Property, except that a party's liability for acts or omissions occurring prior to said transfer shall survive transfer.

(j) The captions in this Easement have been inserted solely for convenience of reference and are not a part of this Easement and shall have no effect upon construction or interpretation.

(k) Grantor and Grantee shall record this Easement in the office of the Clerk and Record of Grand County, Colorado after all required signatures have been affixed hereto, and the provisions of this Easement shall take effect on the day and year of such recording.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Deed of Conservation Easement in Gross as of the 6th day of December, 2005.

GRANTOR:

LONE PINE REAL ESTATE, LLC

By: [Signature]

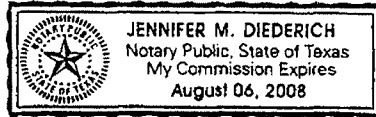
STATE OF Texas

)

) ss.

COUNTY OF Collin

)



The above and foregoing Deed of Conservation Easement in Gross was acknowledged before me on this 30th day of Nov., 2005, by Scott Schorer, manager of Lone Pine Real Estate, LLC.

Witness my hand and official seal.

My commission expires: Aug. 06, 2008

[Signature]
Notary Public



ATTEST:

GRANTEE:
GILPIN COUNTY

By: Sharon E. Cate

By: Jeanne M. Chalton

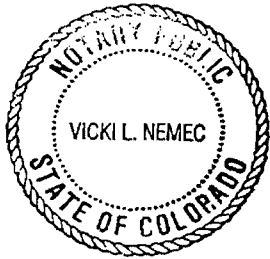
STATE OF COLORADO)
) ss.
COUNTY OF Gilpin)

The above and foregoing Deed of Conservation Easement in Gross was acknowl-
edged before me on this 6th day of December, 2005, by Jeanne M. Chalton and
Sharon E. Cate as Commissioner and clerk of
Gilpin County.

Witness my hand and official seal.

My commission expires: 10/31/06.

Vicki L. Neme
Notary Public



My Comm. Expires 10/31/06



EXHIBIT A

Legal Description

A PARCEL OF LAND SITUATED IN SECTION 18, TOWNSHIP 2 SOUTH, RANGE 72 WEST OF THE 6TH P.M., IN THE COUNTY OF GILPIN IN THE STATE OF COLORADO. TO WIT:

GOVERNMENT LOTS 4, 7, 9, 10, 11, 12;

THE EAST HALF NORTHWEST QUARTER (E1/2 NW 1/4);

THE SOUTHEAST QUARTER SOUTHWEST QUARTER (SE1/4 SW1/4);

THE NORTHWEST QUARTER SOUTHEAST QUARTER (NW1/4 SE1/4);

THE SOUTH HALF SOUTHEAST QUARTER (S1/2 SE1/4); AND

THE NORTHEAST QUARTER (NE1/4) EXCEPT THAT PORTION CONVEYED TO COUNTY BY DEED RECORDED APRIL 18, 1994 IN BOOK 287 AT PAGE 405 AND 513 AT PAGE 240; AND GOVERNMENT LOT 8, SECTION 18, TOWNSHIP 2 SOUTH, RANGE 72 WEST OF THE 6TH P.M., COUNTY OF GILPIN, STATE OF COLORADO.

ALL IN SECTION 18, TOWNSHIP 2 SOUTH, RANGE 72 WEST OF THE 6TH P.M., COUNTY OF GILPIN, STATE OF COLORADO, TOGETHER WITH AND INCLUDING A PORTION OF THE ABOVE DESCRIBED LAND WHICH IS KNOWN AND DESCRIBED AS LOTS 1-17 AND PARCELS A AND B, ROOSEVELT RIDGE EXEMPTION PLAT, IN SECTION 18, TOWNSHIP 2 SOUTH, RANGE 72 WEST OF THE 6TH P.M., RECORDED AUGUST 30, 2005, RECEPTION NO. 127234, COUNTY OF GILPIN, STATE OF COLORADO.

EXCEPTING THEREFROM THE LUMP GULCH PLACER, U.S. SURVEY NO. 12825.

THE CALIFORNIA LODE #2 U.S. SURVEY NO. 16390, THE CALIFORNIA LODE

U.S. SURVEY NO. 783 AND THE IRON CROSS LODE, U.S. SURVEY NO. 5977.