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OPEN SPACE CONSERVATION AGREEMENT

(Highlands Ranch)

This Agreement is made this 15th day of November, 1988, among COUNTY OF DOUGLAS, STATE OF COLORADO ("County"), acting by and through its Board of County Commissioners, HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation ("Community Association"), MISSION VIEJO COMPANY, a California corporation ("Mission"), and SAND CREEK CATTLE COMPANY, a Colorado corporation ("Sand Creek").

I. GENERAL.

1.1 Recitals. This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties:

(a) Pursuant to Colorado Revised Statutes, 30-28-106 (1), the Douglas County Planning Commission adopted a Douglas County Master Plan on November 18, 1986. The General Goal Statement for the Douglas County Master Plan contains several central themes and highlights certain Plan objectives, including: Encouraging the efficient investment and use of limited public and private resources in developing and maintaining quality community facilities and services; maximizing the benefits of growth and development and minimizing the impacts; accommodating major growth and development while seeking to preserve and maintain significant open space areas and the natural environment; and encouraging and supporting the economic development in providing a tax base and a range of employment and housing opportunities.

(b) The referenced Douglas County Master Plan established a number of planning goals to ensure, through the Plan's implementation, orderly development of Douglas County, the provision of adequate infrastructure and quality development compatible with the surrounding land uses and the natural environment. Various land use goals were established for residential, commercial and industrial development to direct new urban development toward Planned Urbanization Areas and municipalities.

(c) Since 1979, Mission has been in the process of developing Highlands Ranch, a large scale, mixed use development, in accordance with the Planned Community District Development Guide and Development Plan for the New Town of Highlands Ranch. These development and investment activities by Mission have been consistent with, and supportive of, the goals established in the current Douglas County Master Plan.

(d) The Highlands Ranch project has required and will continue to require major investments in public facilities over a span of time to serve the needs of the community and the

County. There is a need for predictability and assurance of ability to complete these facilities to serve the Highlands Ranch Development, including streets, drainage facilities, water lines and mains, wastewater lines and mains, water and wastewater treatment plants, parks and recreation facilities, and fire protection facilities.

(e) County recognizes that completion of these facilities will help to achieve the objectives of the Douglas County Master Plan. The County also acknowledges that these facilities must be planned in an effective, efficient and economic manner and must be constructed with sizing and capacity which anticipates the ultimate size and scope of the planned development. The County further recognizes that this, in turn, requires public and private investment by the County, by the water and sanitation districts, by metropolitan districts and by developers which can be supported only if there is assurance that development, once approved by the County, will be allowed to proceed to ultimate completion as provided in this Agreement.

(f) County has expressed an interest in open space conservation in Douglas County. Mission and Sand Creek as a part of this Agreement are committing to convey a major portion of Highlands Ranch ("Committed Area") to the Community Association for the purpose of owning and administering these lands for use in perpetuity as open space, recreation purposes, public facilities and wildlife habitat enhancement. County recognizes this as a significant contribution toward Open Space Conservation in Douglas County. Mission and Sand Creek recognize that their commitment to convey the Committed Area as aforesaid is a material consideration for the agreements of the County contained herein.

(g) The County has approved an Amendment to the Development Guide to, among other things, expand the boundaries of Highlands Ranch to include and rezone 369 acres of property for industrial park owned by third parties and increase the maximum number of residential dwelling units which may be developed within Highlands Ranch. The amendment will provide economic benefits in the form of: (1) increased assessed valuation of those properties, (2) readily developable land due to proximity to C-470, and (3) additional tax benefits to the County and Highlands Ranch Special Districts.

(h) County has determined that entry into this Agreement will further the goals and objectives of the County's land use planning policies by: (1) eliminating uncertainty in planning for and securing orderly development of Highlands Ranch so that adequate long-term plans regarding the provision of necessary infrastructure can be developed and implemented, and ensuring the maximum effective utilization of resources within the County at the least economic cost to its citizens, and (2) providing for the preservation of open space and wildlife habitat enhancement. In exchange for these benefits to the

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County, Mission desires to receive the assurance that it may proceed with development of Highlands Ranch as provided in this Agreement.

(1) The purpose of the Agreement is: (1) to reflect the vesting of certain rights to undertake and complete development and use of Highlands Ranch under the Development Guide, and (2) to reflect the commitment of Mission to convey major portions of Highlands Ranch to the Community Association or a community body or a public body as permitted herein for the purpose of owning and administering these lands for use in perpetuity as open space, recreational purposes, public facilities and wildlife habitat enhancement. Sand Creek, a wholly owned subsidiary of Mission, joins in this Agreement as present owner of some of the Committed Area, as hereinafter defined. The Community Association joins in this Agreement to evidence its approval and acceptance of the terms hereof and its agreement to accept conveyance of the Committed Area as provided herein.

1.2 County Development Agreement Provisions. The County has adopted an amendment to Part I of its Zoning Resolution, as Section 11, Development Agreements ("County Development Agreement Provisions") establishing criteria, procedures, submittal requirements and development agreement requirements and the rights which may be vested for the vesting of property rights by development agreement at a stage earlier than site plan or final plat approval. The County has determined that Mission and the Highlands Ranch project have satisfied the criteria; that Mission has, except as waived by County in accordance with the County Development Agreement provisions, followed the procedures and the submittal requirements; and that this Agreement satisfies the Development Agreement requirements of the County Development Agreement Provisions, all as hereinafter indicated.

(a) The Development Guide for Highlands Ranch, as amended, and the vesting of property rights thereunder, is consistent with the goals and policies of the Douglas County Master Plan.

(b) The commitment contained herein of Mission to convey the Committed Area for open space, recreational purposes and wildlife habitat enhancement enables the County to obtain supplemental facilities and benefits which cannot be obtained through existing regulations, standards or policies.

(c) The Highlands Ranch project is located within the most Northern Primary Planned Urbanization Area as identified on the 1986 Douglas County Master Plan.

(d) A substantial investment in the infrastructure needs of the development has been accomplished in that substantially more than 30% of the infrastructure needs of

the development, as defined in the County Development Agreement Provisions, has been constructed and substantially more than \$50 million in 1984 dollars has been invested in infrastructure needs.

(e) Highlands Ranch contains occupied residential, commercial and office structures.

(f) Highlands Ranch has direct freeway access to C-470.

(g) The application for approval of this Agreement as a development agreement was submitted many months prior to adoption of the County Development Agreement Provisions and, accordingly, as permitted under the County Development Agreement Provisions, procedural and submittal requirements contained in the County Development Agreement Provisions have been waived; however, the County finds that, notwithstanding the submittal of this Agreement for approval prior to adoption of County Development Agreement Provisions, the procedural and submittal requirements of the County Development Agreement Provisions have nevertheless been substantially complied with, particularly those relating to the public notice requirements and to hearings before the County Planning Commission and the Board of County Commissioners.

II. CERTAIN DEFINITIONS.

2.1 Committed Area. The "Committed Area" shall mean the property described on Exhibit A attached hereto. This property consists of approximately 8200 acres or 38% of the 21,437 acres originally subject to the Development Guide. The Committed Area includes approximately 5146 acres which, under the original Development Guide, was to remain in private ownership subject to a Conservation Easement and approximately 994 acres which, under the original Development Guide, was part of the land authorized to be developed and sold as Ranch Homesites. It is expected that at least 2170 acres of the Committed Area will be required to be credited as Open Space under the Open Space Agreement, dated October 20, 1980, between Mission and the County ("Open Space Agreement") in order to satisfy the Open Space Requirements for Highlands Ranch as defined in the Open Space Agreement and County agrees that so much of the Committed Area as may be necessary shall be credited to meet such Open Space Requirements. In addition to the Committed Area, there are and will be other nonurban areas within Highlands Ranch as indicated on the Development Plan so that the total nonurban area equals approximately 60% of the 21,437 areas originally subject to the Development Guide.

2.2 Development Guide. The "Development Guide" shall mean the Planned Community District Development Guide for the New Town of Highlands Ranch approved September 17, 1979 by the County, as the same has now been amended or may hereafter be

amended with the written consent of Mission and shall be deemed incorporated herein by reference as if set forth in full.

2.3 Development Plan. The "Development Plan" shall mean the Planned Community District Development Plan - Statistical Summary and the Planned Community District Development Plan - Zoning Map included in the Development Guide, as the same has now been amended or may hereafter be amended with the written consent of Mission and shall be deemed incorporated herein by reference as if set forth in full.

2.4 Highlands Ranch. "Highlands Ranch" shall mean the area covered by the Development Guide.

2.5 Definitions in Development Guide. Except as the context may otherwise require, any words, terms or phrases which are defined in the Development Guide shall have the same meaning as used in this Agreement.

III. CONVEYANCE AGREEMENT.

3.1 Agreement to Convey. Subject to the terms and provisions of this Agreement, Mission and Sand Creek hereby agree to convey the Committed Area to the Community Association and the Community Association hereby agrees to accept conveyance of the Committed Area. If, for any reason, the Community Association shall not accept conveyance of the Committed Area or any portion thereof at the time determined for its conveyance, such conveyance shall be made to a Community Body or a Public Body, as those terms are defined in the Open Space Agreement, dated October 20, 1980, between Mission and the County, and the Committed Area shall be preserved by such Community Body or Public Body for the purposes provided herein.

3.2 Time for Conveyance. Conveyance of the Committed Area to the Community Association shall be made no later than two years after the substantial completion of either residential or nonresidential buildout of the area covered by the Development Guide, or 75 years after the date of this Agreement, whichever occurs first. Substantial completion of residential buildout shall be deemed to have occurred when building permits have been issued for 90% of the dwelling units permitted under the Development Guide or, since all permitted dwelling units may not be fully utilized, when 90% of the acreage of all planning areas designated in the Development Guide for residential use have been finally subdivided under duly approved and recorded final plats and building permits have been issued for each lot or parcel shown on such plats intended for the construction of dwelling units. Substantial completion of Nonresidential Buildout shall be deemed to have occurred when 90% of the acreage of developable land within Planning Areas designated in the Development Guide for nonresidential use are the subject of duly approved and recorded final plats or of duly approved site plans.

3.3 Interim Conveavances. Notwithstanding the foregoing designation of an ultimate time for conveyance of the Committed Area, Mission or Sand Creek may convey portions of the Committed Area or all of the Committed Area to the Community Association or otherwise as permitted herein prior to the time required for such conveyance. Unless otherwise consented to by the Community Association, no conveyance of all or any part of the Committed Area shall be made to the Community Association prior to the ultimate time for conveyance until at least two years after written notice to the Community Association of the intent to make such conveyance.

3.4 Title. The property conveyed by Mission or Sand Creek to the Community Association shall be conveyed by special warranty deed excluding all mineral and water rights and subject to all easements, covenants, conditions, restrictions and other matters affecting title as now exist and/or appear of record, including a long term lease for a law enforcement training facility, and shall be subject to or except or reserve such other matters affecting title which may hereafter arise in connection with utilization of the Committed Area for Permitted Incidental Uses and for Active Recreational Facilities and Public Facilities as hereinafter provided.

3.5 Use Restrictions. Any conveyance of property by Mission or Sand Creek to the Community Association pursuant to this Agreement shall be subject to restrictions (a) limiting ownership thereof to the Community Association, or a Public Body or a Community Body as those terms are defined in the Open Space Agreement, dated October 20, 1980, between Mission and the County; (b) limiting use thereof, in perpetuity, to open space and recreational purposes and to Permitted Incidental Uses as hereinafter defined and, as to a limited portion of the Committed Area, to Active Recreational Facilities and to Public Facilities as hereinafter provided; and (c) providing that 50% of any consideration payable for any subsequent transfer of any interest in the Committed Area shall be paid to Mission or Sand Creek as the case may be. Any such conveyance shall provide for reversion of title to the property to Mission if the restrictions contained therein are violated.

3.6 Permitted Incidental Uses. Except to the extent prohibited by or inconsistent with provisions of the Development Guide relating to uses in the Committed Area (including provisions added to the Development Guide pursuant to the presently contemplated Open Space Conservation Area Plan), the Committed Area may at all times be used in ways which may be necessary, appropriate or desirable to support or facilitate development of Highlands Ranch consistent with the Development Guide; to support or facilitate development of property outside of Highlands Ranch; or to permit development of nonagricultural resources which may exist on or under the Committed Area ("Permitted Incidental Uses"). Except as aforesaid, such

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Permitted Incidental Uses may include, but are not limited to, the following:

(a) Public and private roads, trails and public transportation facilities.

(b) Utilities lines, systems and facilities including, but not limited to, electricity, gas, telephone, telegraph, communications and cable television.

(c) Water lines, systems and facilities including, but not limited to, water wells, storage reservoirs, and water treatment plants.

(d) Sanitation lines, systems and facilities including, but not limited to, sewage treatment and reclamation plants.

(e) Drainage discharges and drainage and flood control lines, systems and facilities including, but not limited to, impoundment reservoirs and retaining basins, ditches, conduits and culverts.

(f) Signs identifying property, the owner thereof or the use thereof, or advertising uses on the Committed Area or nearby land, or warning or cautioning of danger, or giving directions, or as may be required by law.

(g) Accessory structures or uses which are customarily incident or necessary to any permitted use.

Mission or Sand Creek may convey portions of the Committed Area or interests therein to third parties when necessary, appropriate or desirable for the above Permitted Incidental Uses upon such terms and for such consideration as Mission or Sand Creek may deem appropriate, without consent of the Community Association, provided that Mission or Sand Creek shall have given written notice of the proposed conveyance to the Community Association at least 60 days prior to the conveyance and shall pay 50% of any consideration received to the Community Association. At the time of conveyance of any of the Committed Area to the Community Association, Mission or Sand Creek shall except such portions or interests previously conveyed and may except and reserve to itself, its successors and assigns, easements for Permitted Incidental Uses. Use of the Committed Area for utility lines, systems and facilities as set forth in (b) above, which lines, systems and facilities are wholly or principally to support or facilitate development of property outside of Highlands Ranch, shall be permitted only after approval by the County under County procedures for uses permitted by special review.

3.7 Recreational and Public Facilities. Except to the extent prohibited by or inconsistent with provisions of the Development Guide relating to uses in the Committed Area

(including provisions added to the Development Guide pursuant to the presently contemplated Open Space Conservation Area Plan), up to 1200 acres of the Committed Area may be used for Active Recreational Facilities and Public Facilities but only with the written consent of Mission and the Community Association and the County. "Active Recreational Facilities" shall mean any improvements of a substantial nature for active recreational uses. "Public Facilities" shall mean buildings and improvements of a substantial nature including, but not limited to, facilities for fire and police protection, public and governmental buildings and facilities, educational facilities, and radio, television and communication transmission and reception facilities. Nothing contained in the foregoing shall limit the ability to use any of the Committed Area for Permitted Incidental Uses. Mission or Sand Creek may convey portions of the Committed Area or interests therein to third parties when necessary, appropriate or desirable for Active Recreational Facilities and Public Facilities provided the written consent of the Community Association and the County has been obtained. Any such conveyance shall be subject to the restrictions set forth in Section 3.5 of this Agreement. At the time of subsequent conveyance of the Committed Area pursuant to this Agreement, Mission shall except such portions or interests previously conveyed.

3.8 Interim Use. Prior to conveyance of the Committed Area to the Community Association, the Committed Area may be used for any purposes permitted under the foregoing section of this Agreement entitled Permitted Incidental Uses and may be used for any agricultural or nonurban purposes including, but not limited to, ranching, farming, production and sale of crops, raising, breeding, feeding and selling of livestock, gardening and horticulture, open space and forests and, if approved by the Community Association and the County, may be used for any other uses which will not adversely affect or impact the Committed Area upon ultimate conveyance thereof, and, with the written consent of the Community Association, may be used for Active Recreational Facilities and Public Facilities.

3.9 Open Space Conservation Area Plan. Except as hereinafter provided, no development, issuance of building permits, construction, grading or removal of earthen material shall be permitted in the Committed Area until an Open Space Conservation Area Plan for the Committed Area has been submitted for review and the Board of County Commissioners has approved the Plan. The Plan will provide direction in determining appropriate land uses for the Committed Area as well as which specific areas of the Committed Area are to remain as open space, which are necessary for support of wildlife, which are suitable for the construction of necessary public facilities, and the type of and location for specific land uses and public and private recreation facilities including parks, trails and commercial recreation facilities. Exempted from these restrictions are the public utility facilities such as wells, pump stations, waterlines, and the electrical transmission lines and roads necessary to serve

these facilities, and other similar uses as may be allowed by the approval of the Planning Director of the County, and any other uses required for continued ranching. Once the Open Space Conservation Area Plan has been approved by County, the Development Guide and Plan shall be amended to establish acceptable Uses by Right and by Special Review for the Committed Area. After such amendment is completed, the restrictions stated above will be deemed removed.

3.10 No Public Trespass. Nothing herein contained shall be deemed to authorize any person or party to enter upon the Committed Area or use the same other than Mission and Sand Creek, prior to conveyance thereof to the Community Association, and other than the Community Association after such conveyance.

3.11 Condemnation Awards. In the event of any taking of the Committed Area or any portion thereof as a result of the exercise of the right of condemnation or eminent domain or a transfer or a conveyance made under threat of such taking, 50% of any award or consideration received shall be payable to Mission or Sand Creek as the case may be including any portion thereof which may be deemed an award or consideration for the rights of the Community Association or of Douglas County under this Agreement. This provision shall survive the conveyance of the Committed Area to the Community Association. The parties hereto will allow the County to resist any such taking.

IV. VESTING AGREEMENTS

4.1 Vesting of Certain Property Rights. Consistent with the purpose of this Agreement, the parties hereby agree that the Development Guide shall constitute a "site specific development plan" as defined in C.R.S. § 24-68-102(4); that certain rights under the Development Guide shall be vested property rights under the County Development Agreement Provisions and as provided in this Agreement; and that the owners of the property covered by the Development Guide shall have a vested property right to undertake and complete development and use of such property as provided in this Agreement. The rights and obligations under this Agreement shall vest in the owners of the property covered by the Development Guide and their heirs, personal representatives, successors and assigns as benefits and burdens to the land and shall run with title to the land.

4.2 Rights Which Are Vested. Only the rights which are identified herein shall constitute vested property rights under this Development Agreement. These rights are as follows:

(a) No Downzoning. The County shall not initiate any zoning action to reduce the maximum number of residential dwelling units or acres or to reduce the total gross acres for commercial, business or industrial development as set forth in the Development Guide and the Development Plan except as provided herein.

(b) Residential Dwelling Units and Acreage. The right to develop substantially the total number of residential dwelling units set forth on the Development Plan and the right to utilize substantially the total gross acres for residential use as set forth on the Development Plan.

(c) Commercial Acres and Density. The right to utilize substantially the total gross acres for commercial and industrial use as set forth on the Development Plan and the right to develop substantially the gross floor area for commercial and industrial use as is permitted under the provisions, limitations and constraints of the Development Guide.

(d) Development Guide and Plan. The right to develop land and engage in land uses in the manner and to the extent set forth in and pursuant to the Development Guide and the Development Plan on the terms and conditions set forth herein.

(e) Timing of Development. In recognition of the size of the development contemplated under the Development Guide, the time required to complete development, the need for development to proceed in phases, and the possible impact of economic conditions and economic cycles and varying market conditions during the course of development, the right to develop Highlands Ranch in such order and at such rate and at such time as the market dictates within the structure of this Agreement.

(f) Uniformity of Requirements. The right to continue and complete the development of Highlands Ranch with conditions, standards, dedications, exactions and requirements which are no more onerous than those set forth in the Development Guide or than those then being imposed by the County on other developers in Douglas County on a reasonably uniform and consistent basis.

4.3 Term for Vested Rights. In recognition of the size of the development contemplated under the Development Guide, the time required to complete development, the need for development to proceed in phases, and the possible impact of economic cycles and varying market conditions during the course of development, the County has concluded and hereby agrees that the rights identified in Section 4.2 of this Agreement, as vested property rights, shall continue and have a duration until 30 years after the date hereof. Extension of this period of vesting may be granted by the County upon request of an affected landowner.

4.4 Natural and Manmade Hazards. Nothing in this Agreement or otherwise shall require the County to approve development or use of any portion of Highlands Ranch where there exists natural or manmade hazards on or in the immediate vicinity of the proposed area of use, whether or not such natural or manmade hazards could reasonably have been discovered at the time

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of approval of the Development Guide and Development Plan, provided that such hazards are not or cannot be corrected and that such hazards, if uncorrected, would pose a serious threat to the public health, safety and welfare.

4.5 Compliance With General Regulations. The establishment of the rights vested under this Agreement shall not preclude the application of county regulations of general applicability including, but not limited to, impact fees, the application of local improvement districts, building, fire, plumbing, engineering, electrical and mechanical codes, the Douglas County Subdivision Resolution, and the Douglas County Zoning Resolution, or the application of regional, state or federal regulations, as all of the foregoing exist on the date of this Agreement or may be enacted or amended after the date hereof, except as otherwise provided within the Development Guide or the Development Plan. Mission does not waive its rights to oppose adoption of any such regulations.

4.6 No Monetary Liability of County. Although C.R.S. § 24-68-101 et seq. allows for monetary damages in the event of breach or default by the County, the sole remedies hereunder shall be the equitable remedies of specific performance or mandatory or prohibitory injunction. Mission and Sand Creek hereby waive any rights to money damages either may have under the Constitution and laws of the United States or the State of Colorado for any such breach or default.

4.7 County Right to Cure Defaults. Before bringing any action against the County under this Agreement, the County shall be given written notice of any claim of a breach or default by the County hereunder and the County shall have 60 days after receipt of such notice in which to cure any such breach or default.

4.8 No County Responsibility for Outside Causes. The County shall not be responsible for and there shall be no remedy against the County if development of Highlands Ranch is prevented or delayed for reasons beyond the control of the County. Furthermore, the County shall have no liability for normal administrative delays in its land use and development process.

4.9 Effect of Rezoning/Major Amendments of Development Guide. Rezoning or major amendment (as defined in the Douglas County Zoning Resolution or the Development Guide) to the Development Guide or the Development Plan, agreed to by a landowner, shall grant the County the right to modify this Agreement as to the lands of such landowner to the extent the rezoning or major amendment affects this Agreement. Any such rezoning or amendment shall not have the effect of extending the term of this Agreement.

4.10 Effect of Annexation. The vested property rights arising under this Agreement shall be effective against any other

and the affected landowner ^{elle} of ^{Ag 5}

local government which may subsequently obtain or assert jurisdiction over Highlands Ranch unless otherwise agreed to by the County through resolution at a publicly noticed hearing. Mission and Sand Creek agree that neither will initiate annexation of Highlands Ranch to a municipality whose main body of population or center of government is located outside Douglas County except with the express consent of the County.

4.11 County Remedies. Should any landowner fail to comply with the terms of this Agreement, the County shall give such landowner written notice of breach or default and the landowner shall have 60 days after receipt of said notice in which to cure any breach or default. Should any such landowner fail to cure any breach or default, the County shall have the right to pursue all legal remedies against such landowner to enforce this Agreement including, but not limited to, filing an action for a specific performance or terminating this Agreement insofar as it affects such landowner causing this Agreement, as to such landowner, to be null and void and no longer binding on the County or such landowner.

4.12 Assurance of Adequate Services. It is understood and agreed that proof of adequate services within the control of the developer such as water availability and transportation, to serve any specific site must be provided to the County, as and to the extent and under the same standards as required of other developers in Douglas County, as a prerequisite to County approval of a final subdivision plat or a site plan. Adequate services shall be as defined by the Douglas County Board of County Commissioners and uniformly applied throughout the County.

4.13 Indemnification of County. Each landowner benefited hereby shall indemnify and save harmless the County, its officers and employees, against any and all claims, damages, actions or causes of action and expenses to which the County, its officers and employees, may be subjected by reason of any work done or omission made by such landowner, its agents, officers or employees, in connection with, arising out of, or resulting from the performance of this Agreement as set forth in this Agreement.

V. MISCELLANEOUS

5.1 Amendments. This Agreement may be amended or terminated only with the prior written consent and approval of each of the parties hereto following public notice and public hearing. The consent and approval of the County to amendments or to termination of this Agreement shall be required notwithstanding that all or any part of the Committed Area may hereafter be included in an incorporated city or town.

5.2 Entire Agreement. This Agreement and the Development Guide constitute the entire understanding between the parties with respect to the subject matter hereof. The Conservation Easement dated April 14, 1980, except as modified by

this Agreement, and the Open Space Agreement, dated October 20, 1980, between Mission and Douglas County shall continue in full force and effect.

5.3 No Implied Representations. No representations, warranties or certifications, express or implied, shall exist as between the parties except as stated herein.

5.4 Waivers and Modifications in Writing. No amendments, waivers or modifications hereof shall be made or deemed to have been made unless in writing executed by the party to be bound thereby.

5.5 Severability. If the zoning embodied in the Development Guide shall be held invalid, illegal or unenforceable, or is revoked prior to expiration of the 30-year term for the vesting of rights as provided in this Agreement, Mission may at its option, declare this Agreement terminated and of no further effect, in which case all parties shall be released from all further obligations hereunder. If any other provision of this Agreement shall be invalid, illegal or unenforceable, it shall not affect or impair the validity, legality or enforce-ability of any other provision of this Agreement, and the parties agree to renegotiate that provision to be valid, legal and enforceable and to reflect as closely as possible the original intent of the parties hereto as expressed herein with respect to the subject matter of that provision..

5.6 No Third Party Beneficiaries. Except as provided in Section 4.1 of this Agreement with respect to Vesting of Certain Property Rights, none of the terms, conditions or covenants contained in this Agreement shall be deemed to be for the benefit of any person not a party hereto, and no such person shall be entitled to rely hereon in any manner. Nothing in this Section is intended to conflict with the rights of Mission and Sand Creek to convey portions of the Committed Area or interests therein to third parties for the Permitted Incidental Uses set forth in Section 3.6.

5.7 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5.8 Headings for Convenience. All headings and captions used herein are for convenience only and are of no meaning in the interpretation or effect of this Agreement.

5.9 Applicable Law. This Agreement shall be interpreted and enforced according to the laws of the State of Colorado.

5.10 Exhibits Incorporated. All exhibits to this Agreement are incorporated herein and made a part hereof as if fully set forth herein.

CLERK & RECORDER
COUNTY OF DOUGLAS
COLORADO

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MISSION VIEJO COMPANY, a California corporation

By [Signature]
President
Colorado Division

COUNTY OF DOUGLAS, STATE OF COLORADO, acting by and through its Board of County Commissioners

By [Signature]
County Commissioner

ATTEST:

By [Signature]
Assistant Secretary

By [Signature]
County Commissioner

By _____
County Commissioner

SAND CREEK CATTLE COMPANY, a Colorado corporation

By [Signature]
President

ATTEST:

By [Signature]
Clerk and Recorder of Douglas County

ATTEST:

By [Signature]
Asst. Secretary

HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation

By [Signature]
President

ATTEST:

By [Signature]
Secretary

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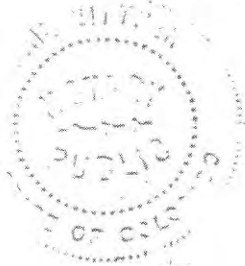
STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 15th day of November, 1988 by Craig McCallum as Colorado Division President and Lynd S Pierce as Asst Secretary of MISSION VIEJO COMPANY, a California corporation.

Witness my hand and official seal.

My commission expires: 1/21/91

Gale Butner
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this 15th day of November, 1988 by Craig McCallum as President and Lynd S Pierce as Asst. Secretary of SAND CREEK CATTLE COMPANY, a Colorado corporation.

Witness my hand and official seal.

My commission expires: 1/21/91

Gale Butner
Notary Public



STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

As acknowledged before me this 15th day of November of 1988 by William J. Stanley as President and Jeffrey P. ... as Secretary of HIGHLANDS' RANCH COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 1/28/91

Diane Arsenault
Notary Public



