

CONSERVATION EASEMENT

(Highlands Ranch)

This is a grant of a perpetual conservation easement in gross ("Conservation Easement") made this 14th day of April, 1980 between MISSION VIEJO COMPANY, a California Corporation ("Mission"), and the County of Douglas, State of Colorado ("Douglas County"), acting by and through its Board of County Commissioners.

I. RECITALS.

1.1 Highlands Ranch Development Plan. Mission is the owner of a compact parcel of land in the unincorporated area of Douglas County, Colorado, known as Highlands Ranch, containing approximately 21,437 acres. Mission prepared a comprehensive development plan for the property and submitted the plan for approval by Douglas County as a Planned Community District under the Planned Unit Development Act of Colorado and the Douglas County Zoning Resolution. The Mission plan provided that a significant portion of the property would be developed as a new town accommodating a balanced mix of residential, commercial, industrial and other land uses. The Mission plan also included provisions that at least 30% of the total area of the property, or approximately 6,431 acres, would be open space, publicly owned or devoted to community use, as required for a Planned Community District under the Douglas County Zoning Resolution. In addition, the Mission plan included provisions, not required under the Douglas County Zoning Resolution, that an additional area, over and above the area required to be publicly owned or devoted to community use, consisting of approximately 5,146 acres or 24% of Highlands Ranch, would be retained in private ownership but would be restricted by a perpetual conservation easement in gross, as provided under Colorado statutes.

1.2 County Approval of Plan. By resolutions adopted September 17, 1979, Douglas County approved a New Communities Permit for the New Town of Highlands Ranch, approved rezoning of Highlands Ranch as a Planned Community District and approved a Planned Community District Development Guide for the New Town of Highlands Ranch. These resolutions grant development rights to Mission for its Highlands Ranch property sufficient to economically and otherwise justify the creation of this conservation easement in gross affecting a significant portion of the Mission property.

1.3 Purpose. This Conservation Easement grants an easement which will restrict uses of certain land owned by Mission to predominantly agricultural and nonurban uses and certain incidental uses as more particularly set forth hereinafter. The specific purpose of this grant is to provide a large area in Douglas County, which is intended to be a buffer between the urban and rural portions of Douglas County.

II. CERTAIN DEFINITIONS.

2.1 Highlands Ranch. "Highlands Ranch" is that portion of the real property owned by Mission Viejo Company in Douglas County, Colorado, containing approximately 21,437 acres, which constitutes the New Town of Highlands Ranch under the New Communities Permit, the Rezoning and the Planned Community District Development Guide for the New Town of Highlands Ranch approved by the Board of County Commissioners of Douglas County on September 17, 1979.

2.2 Urban Areas. "Urban Areas" are those portions of Highlands Ranch to be developed under the Planned Community District Development Guide for residential, commercial, industrial and other urban uses. The Urban Areas are expected to contain approximately 8,530 acres or 40% of Highlands Ranch. The Urban Areas will lie in the Northerly part of Highlands Ranch.

2.3 Nonurban Areas. "Nonurban Areas" are those portions of Highlands Ranch to be devoted under the Planned Community District Development Guide principally to nonurban use. The Nonurban Areas are expected to contain approximately 12,907 acres, or 60% of Highlands Ranch. The Nonurban Areas will lie largely in the Southerly portion of Highlands Ranch, but will include some areas in the Northerly portion of Highlands Ranch. The Nonurban Areas will include Community Related Nonurban Areas, Rural Nonurban Areas, Ranch Homesite Parcels and Restricted Land as described below.

2.4 Community Related Nonurban Areas. "Community Related Nonurban Areas" are those portions of the Nonurban Areas of Highlands Ranch which are to be devoted to open space as part of the 30% of Highlands Ranch required to be publicly owned or devoted to community use. Community Related Nonurban Areas are expected to contain approximately 3,349 acres, or 16% of Highlands Ranch. Community Related Nonurban Areas will be in the Northerly portion of Highlands Ranch within and surrounding Urban Areas.

2.5 Rural Nonurban Areas. "Rural Nonurban Areas" are those portions of the Nonurban Areas of Highlands Ranch which are also to be devoted to open space as part of the 30% of Highlands Ranch required to be publicly owned or devoted to community use. Rural Nonurban Areas are expected to contain approximately 3,082 acres, or 14% of Highlands Ranch. Rural Nonurban Areas will be in the Southerly part of Highlands Ranch, Easterly of Restricted Land.

2.6 Ranch Homesite Parcels. "Ranch Homesite Parcels" are those portions of the Nonurban Areas of Highlands Ranch, more specifically defined hereinafter, which can be developed under the Planned Community District Development Guide for Ranch Homesite purposes. Ranch Homesite Parcels are expected to contain approximately 1,330 acres, or 6% of Highlands Ranch. Ranch Homesite Parcels will be chiefly in the Southerly portion of Highlands Ranch within and near the Restricted Land but some will be in the Northerly portion of Highlands Ranch.

2.7 Restricted Land. "Restricted Land" is that portion of the Nonurban Areas of Highlands Ranch, more specifically defined hereinafter, which is to be retained in private ownership but which is to be restricted by this Conservation Easement. The Restricted Land is expected to contain approximately 5,146 acres, or 24% of Highlands Ranch. The Restricted Land will lie in the Southerly portion of Highlands Ranch.

III. GRANT OF EASEMENT.

3.1 Consideration for Easement. This Conservation Easement is granted in consideration of the approval by Douglas County of the New Communities Permit for Highlands Ranch, the rezoning of Highlands Ranch, and the Planned Community District Development Guide for the New Town of Highlands Ranch and in consideration of future authorizations of development of Highlands Ranch in accordance with the same.

3.2 Grant of Easement. Mission hereby grants to Douglas County a non-exclusive, perpetual conservation easement in gross with respect to the Restricted Land under the provisions of Sections 38-30.5-101 through 110, Colorado Revised Statutes, 1973, ("Conservation Easement Act") which easement shall restrict the uses of the Restricted Land in accordance with the particular characteristics of the easement as hereinafter set forth.

IV. RESTRICTED LAND.

4.1 Restricted Land. "Restricted Land" shall mean all of the real property in the General Conservation Easement Area as hereinafter defined except those portions thereof which become Ranch Homesite Parcels as hereinafter defined.

4.2 General Conservation Easement Area. "General Conservation Easement Area" shall mean the real property which is described on Exhibit A attached hereto, which is depicted specifically on Exhibit A-1 attached hereto and which is depicted generally, in relation to the balance of Highlands Ranch, on Exhibit B attached hereto.

4.3 Ranch Homesite Parcel. A "Ranch Homesite Parcel" shall mean any portion of the General Conservation Easement Area which is described and depicted upon a subdivision plat hereafter approved by Douglas County for development of ranch homesites consistent with the Planned Community District Development Guide for the New Town of Highlands Ranch approved by Douglas County by resolution adopted September 17, 1979. Upon the recording of a subdivision plat approved by Douglas County for a parcel of Land within the General Conservation Easement Area, this Conservation Easement shall automatically terminate with the respect to all of the real property described and depicted upon such subdivision plat and such real property shall no longer be subject to this Conservation Easement.

V. CHARACTERISTICS OF EASEMENT.

5.1 Particular Characteristics of Easement. The uses of the Restricted Land shall be limited in accordance with the provisions hereinafter set forth which shall constitute the particular characteristics of this Conservation Easement.

5.2 Agricultural and Nonurban Restriction. The Restricted Land shall at all times be held and kept for predominately agricultural and nonurban purposes, including, but not limited to, ranching, farming, production and sale of crops, raising, breeding, feeding and selling livestock, gardening and horticulture, open space and forests together with structures, buildings, residences and other improvements related to such agricultural and nonurban purposes.

5.3 Uses to Support Development of other Land and Interests. Portions of the Restricted Land may be devoted to uses which may be necessary, appropriate or desirable to support or facilitate development of the New Town of Highlands Ranch consistent with the Planned Community District Development Guide for the New Town of Highlands Ranch; to support or facilitate development of property outside of Highlands Ranch; or to permit development of non-agricultural resources which may exist on or under the Restricted Land. Such uses may include, but are not limited to, the following:

- (a) Roads and public transportation facilities.
- (b) Utility 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) Public facilities, including, but not limited to, facilities for fire and police protection, public and governmental buildings and facilities, and radio, television and communication transmission and reception facilities.
- (g) Mining, oil and gas drilling operations, thermal energy development, production and transportation and similar extractive land uses and energy resource development uses.
- (h) Signs identifying property, the owner thereof or the use thereof, or advertising uses on the Restricted Land or nearby land, or warning or cautioning of danger, or giving directions, or as may be required by law.
- (i) Accessory structures or uses which are customarily incident or necessary to any permitted use.

Any such use shall require site development plan approval by Douglas County.

VI. MISCELLANEOUS.

6.1 Title to Easement. The Conservation Easement granted hereby is and shall be subject to all rights and interests presently existing or which may hereafter be created, granted, excepted or reserved, provided that any rights and interests hereafter created, granted, excepted or reserved shall be consistent with the purposes of this Conservation Easement and the uses permitted by the provisions of this Conservation Easement. Rights and interests presently existing or which may hereafter exist include, but shall not be limited to, easements, rights of way, mineral rights, leases, liens and other encumbrances.

6.2 Residual Estate of Mission. As provided in the Conservation Easement Act, all interests in the Restricted Land not transferred or conveyed by this Conservation Easement shall remain in Mission, its successors and assigns, including the right to engage in all uses of the Restricted Land which are not inconsistent with this Conservation Easement or prohibited by this Conservation Easement or by law.

6.3 Successors and Assigns. The terms "Mission" and "Douglas County" as used in this Conservation Easement shall each include successors and assigns.

6.4 Binding Effect. The terms and provisions of this Conservation Easement shall be binding upon and inure to the benefit of Mission and Douglas County.

6.5 Assignability. Mission may transfer, convey or assign, grant easements in, lease or encumber all or any portion of the Restricted Land subject, however, to this Conservation Easement. Douglas County may transfer, convey or assign its rights under this Conservation Easement to the State of Colorado, a political subdivision of the State of Colorado, a political subdivision of Douglas County or a municipal, quasi-municipal or other governmental body, but the rights granted to Douglas County under this Conservation Easement shall not otherwise be transferred, conveyed or assigned without the prior written consent of Mission.

6.6 Amendment and Termination. This Conservation Easement may be amended or terminated, in whole or in part, only with the approval of Douglas County, acting by and through its Board of County Commissioners and of Mission. This Conservation Easement shall not be terminated except after review by the Douglas County Planning Commission and a public hearing and a finding by Douglas County, acting by and through its Board of County Commissioners, that there has been a significant change in circumstances so that the continuation of this Conservation Easement is adverse to Douglas County as whole. Notwithstanding the foregoing, this Conservation Easement shall automatically terminate and be of no further force and effect if the New Communities Permit for the New Town of Highlands Ranch, the rezoning of Highlands Ranch or the Development Guide for the New town of Highlands Ranch, as approved by resolutions of the Board of County Commissioners on September 17, 1979 are set aside, altered or modified without the consent of Mission.

6.7 No Third Party Beneficiaries. None of the terms or provisions of this Conservation Easement shall be deemed to be for the benefit of any person or party other than Douglas County.

6.8 No Public Trespass. Nothing herein contained shall be deemed to authorize any person or party, other than Mission to enter upon the Restricted Land or use the same.

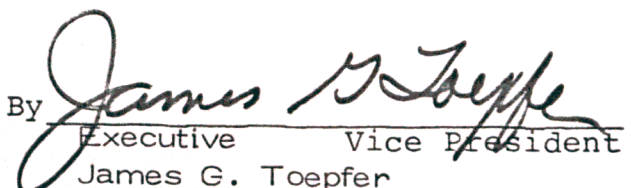
6.9 Condemnation Awards. In the event of any taking of the Restricted Land or any portion thereof as a result of the exercise of the right of condemnation or eminent domain or a transfer or conveyance made under threat of such taking, the entire award or consideration received shall be payable to Mission including any portion thereof which may be deemed an award or consideration for the rights of Douglas County under this Conservation Easement.

6.10 Headings for Convenience. The headings and captions herein are for convenience only and shall not be considered in the interpretation hereof.

IN WITNESS WHEREOF, this Conservation Easement is executed as of the day herein first above written.

MISSION VIEJO COMPANY,
a California corporation

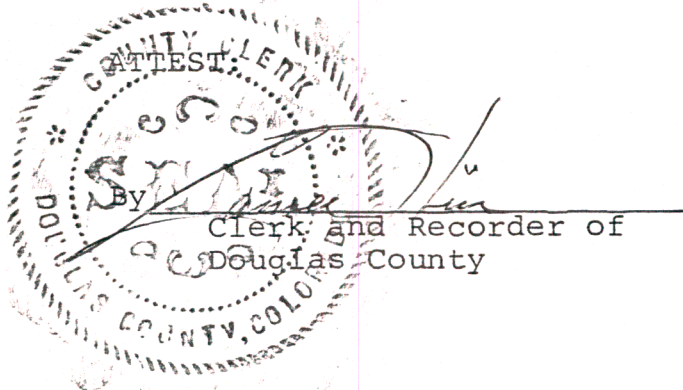
By


Executive Vice President
James G. Toepfer

ATTEST:

By *William J. [Signature]*
Assistant Secretary

COUNTY OF DOUGLAS, STATE OF
COLORADO, Acting By and Through
Its Board of County Commissioners



By *Gill B. Whitman*
County Commissioner

By *A. G. Duncan*
County Commissioner

By *Carl A. Winkler*
County Commissioner

STATE OF COLORADO)
ARAPAHOE) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me
this 15th day of April, 1980 by James G. Toepfer
as Executive Vice President, and ~~xx~~
~~xx~~ as Assistant Secretary of Mission Viejo Company,
a California corporation.

Witness my hand and official seal.

My commission expires: 5/9/82

Barbara A. Dettis
Notary Public



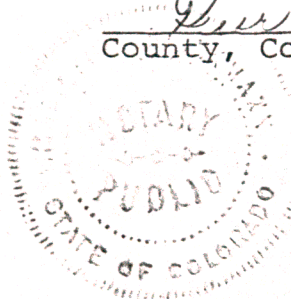
STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me
this 14th day of April, 1980 by Gill B. Whitman
A. G. Duncan, and Carl A. Winkler
Gill B. Whitman, as members of the Board of County
Commissioners of Douglas County, Colorado and by William J. [Signature]
William J. [Signature], as Clerk and Recorder of Douglas
County, Colorado.

Witness my hand and official seal.

My commission expires My Commission expires February 7, 1982

Marilyn L. [Signature]
Notary Public



February 13, 1980
Job No. 75-99-027
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EXHIBIT "A"

D E S C R I P T I O N

CONSERVATION AREA

Those portions of Sections 22, 23, 24, 25, 26, 27, 35 and 36, Township 6 South, Range 68 West, 6th Principal Meridian, and those portions of Sections 1, 2, and 11, Township 7 South, Range 68 West, 6th Principal Meridian, and that portion of Section 30, Township 6 South, Range 67 West, 6th Principal Meridian, and that portion of Section 6, Township 7 South, Range 67 West, 6th Principal Meridian, as shown on the official government plats thereof, all in the County of Douglas, State of Colorado, described as follows:

All of Section 22, Township 6 South, Range 68 West; except therefrom the N 1/2 of the N 1/2 of said Section 22.

The SW 1/4 of Section 23, Township 6 South, Range 68 West; together with the S 1/2 of the NW 1/4 of said Section 23; and the S 1/2 of the SE 1/4 of said Section 23; and the W 1/2 of the SW 1/4 of the NE 1/4 of said Section 23; and the W 1/2 of the NW 1/4 of the SE 1/4 of said Section 23.

The S 1/2 of the S 1/2 of Section 24, Township 6 South, Range 68 West.

All of Section 25, Township 6 South, Range 68 West.

All of Section 26, Township 6 South, Range 68 West.

All of Section 27, Township 6 South, Range 68 West.

All of Section 35, Township 6 South, Range 68 West.

All of Section 36, Township 6 South, Range 68 West.

All of Section 1, Township 7 South, Range 68 West.

All of Section 2, Township 7 South, Range 68 West; except therefrom the W 1/2 of the W 1/2 of said Section 2.

The N 1/2 of the NE 1/4 of Section 11, Township 7 South, Range 68 West.

The SW 1/4 of Section 30, Township 6 South, Range 67 West; together with the SW 1/4 of the SE 1/4 of said Section 30; and the SW 1/4 of the NW 1/4 of said Section 30; and the W 1/2 of the SE 1/4 of the NW 1/4 of said Section 30.

All of Section 6, Township 7 South, Range 67 West; except therefrom the SE 1/4 of said Section 6.

Containing 6,140 acres, more or less.

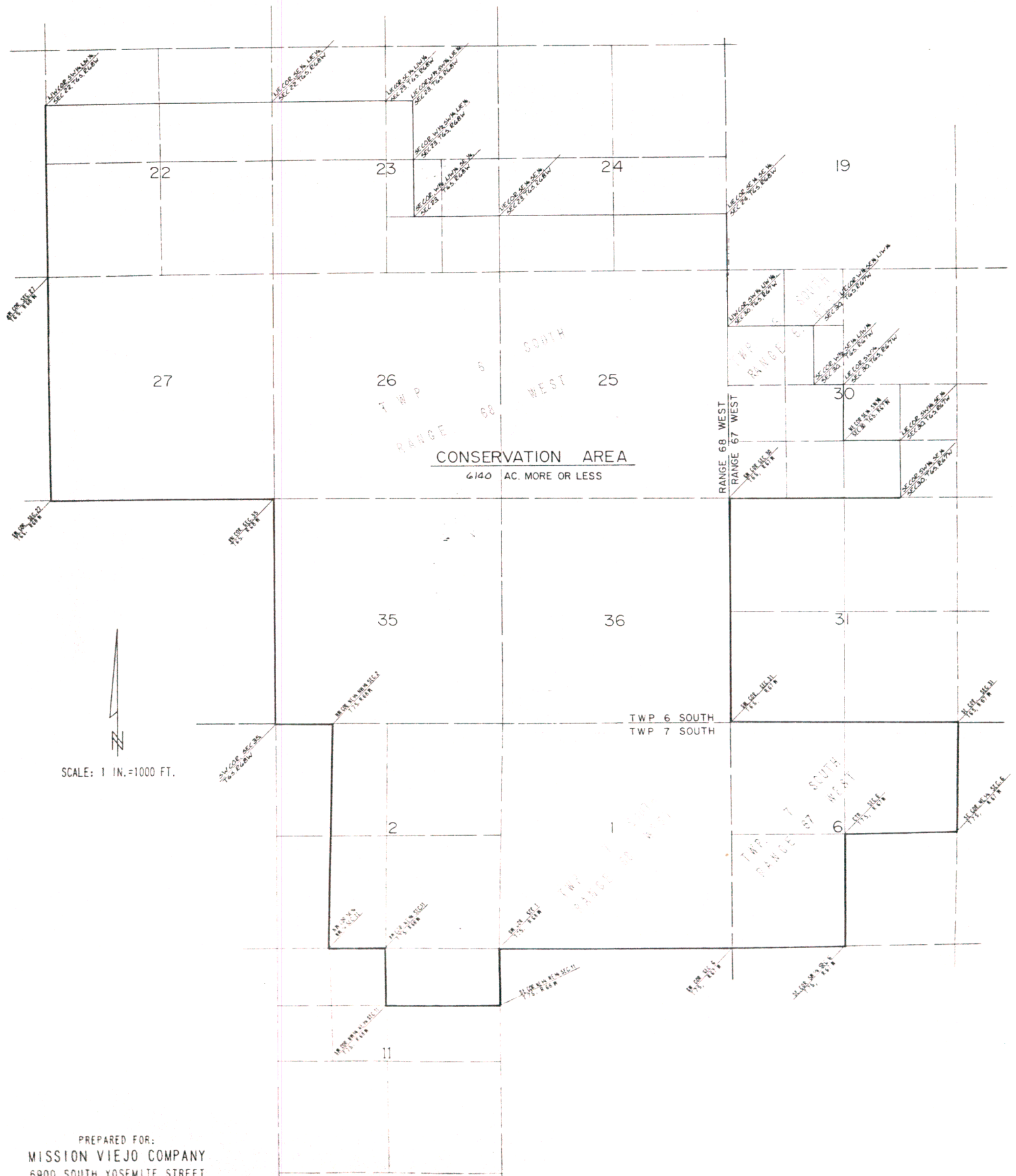
Exhibit "A-1" attached, and by this reference made a part hereof.

EXHIBIT "A-1"

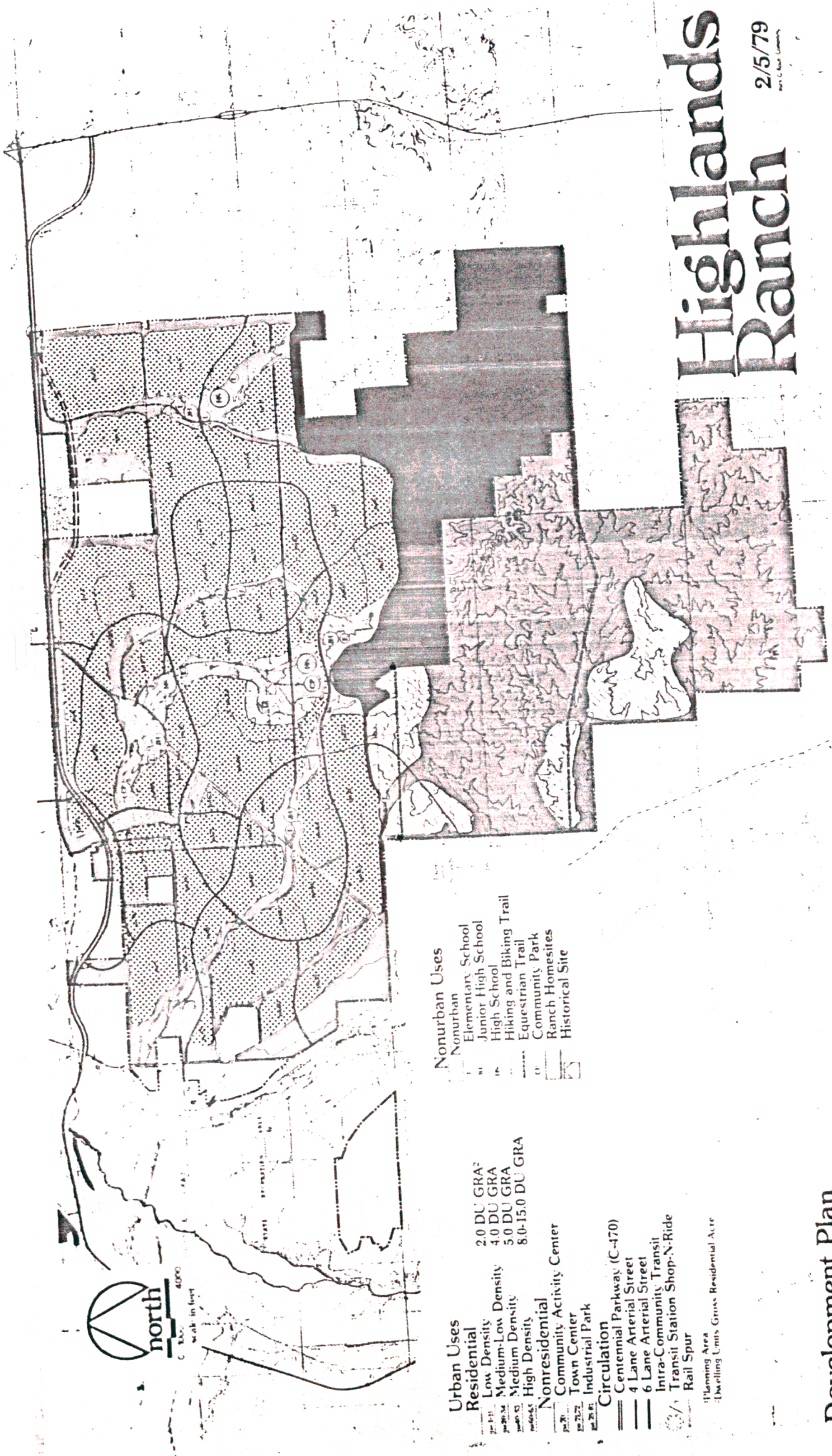
SKETCH TO ACCOMPANY LEGAL DESCRIPTION

CONSERVATION AREA

THOSE PORTIONS OF SECTIONS 22, 23, 24, 25, 26, 27, 35 AND 36, TOWNSHIP 6 SOUTH, RANGE 68 WEST, 6TH PRINCIPAL MERIDIAN, ALSO THOSE PORTIONS OF SECTION 1, 2, AND 11, TOWNSHIP 7 SOUTH, RANGE 68 WEST, 6TH PRINCIPAL MERIDIAN, ALSO THAT PORTION OF SECTION 30, TOWNSHIP 6 SOUTH, RANGE 67 WEST, 6TH PRINCIPAL MERIDIAN, ALSO THAT PORTION OF SECTION 6, TOWNSHIP 7 SOUTH, RANGE 67 WEST, 6TH PRINCIPAL MERIDIAN, ALL OF THE COUNTY OF DOUGLAS, STATE OF COLORADO.



PREPARED FOR:
MISSION VIEJO COMPANY
6900 SOUTH YOSEMITE STREET
ENGLEWOOD, COLORADO



- Nonurban Uses**
- Nonurban
 - Elementary School
 - Junior High School
 - High School
 - Hiking and Biking Trail
 - Equestrian Trail
 - Community Park
 - Ranch Homesteads
 - Historical Site

- Urban Uses**
- Residential
 - Low Density
 - Medium-Low Density
 - Medium Density
 - High Density
 - Nonresidential
 - Community Activity Center
 - Town Center
 - Industrial Park

- Circulation**
- Centennial Parkway (C-470)
 - 4 Lane Arterial Street
 - 6 Lane Arterial Street
 - Intra-Community Transit
 - Transit Station Shop-N-Ride
 - Rail Spur

Development Plan

URBAN AREAS	
	Urban Areas
NONURBAN AREAS	
	Community Related Nonurban Areas
	Rural Nonurban Areas
	Ranch Homestead Parcels
	Restricted Land (Conservation Easement)

8,530 acres	Total 6,431 acres
8,530 acres	30% PCD requirement.
12,907 acres	
3,349 acres	
3,082 acres	
1,330 acres	
5,146 acres	