



482145 03/04/1998 03:58P 543

1 of 4 R 21.00 D 0.00 N 0.00 Gunnison County

AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS
FOR
HIDDEN RIVER RANCH

THIS AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS FOR HIDDEN RIVER RANCH is executed with an effective date of the 27th day of August, 1997, by the Owners of not less than 75% or more of the Ranch Sites as follows:

1. AMENDMENT. The Declaration of Protective Covenants for Hidden River Ranch recorded October 23, 1996 in Book 792 at page 794 of the records of Gunnison County, Colorado, are amended as hereafter set forth.

2. SECTION 8.6 TEMPORARY STRUCTURE Section 8.6 Temporary Structure is amended to read in its entirety as follows:

Section 8.6 Temporary Structures. No temporary structure, construction trailer, mobile home, modular home, trailer house, travel trailer, recreational vehicle or movable structure shall be permitted on any Ranch Site. Provided, however, a temporary structure, construction trailer, mobile home, modular home, trailer house, travel trailer, recreational vehicle or movable structure may be permitted to be maintained within the Building Site of any Ranch Site during the period of construction of the Family Residence and/or Guest House and as is specifically approved by the Board taking into consideration the type, size, color and location of the same and the visual impact on any adjoining Ranch Site and for Colorado State Highway 135.

3. FULL FORCE AND EFFECT. Except only as above amended, the Declaration of Protective Covenants for Hidden River Ranch remain in full force and effect.

4. RIGHT TO AMEND. The undersigned execute this Amendment to Declaration of Protective Covenants for Hidden River Ranch in accordance with Section 13.2 of the Declaration of Protective Covenants for Hidden River Ranch.

5. PURPOSE OF AMENDMENT. The purpose of this Amendment is to adequately protect the viewshed of Hidden River Ranch and to further limit the visibility of any structures, improvements, trailers, motorhomes, or other recreational vehicles in conformity with the approval of Hidden River Ranch by Gunnison County, Colorado.

6. COUNTERPARTS. This Amendment to Declaration of Protective Covenants for Hidden River Ranch may be executed in counterparts, each of which shall for all purposes be deemed an original and all of which together shall constitute one and the same agreement, document or instrument.



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IN WITNESS WHEREOF, the undersigned have executed this Amendment to Declaration of Protective Covenants for Hidden River Ranch the effective date first above written.

Graydon H. Laughbaum, Jr.
Graydon H. Laughbaum, Jr.

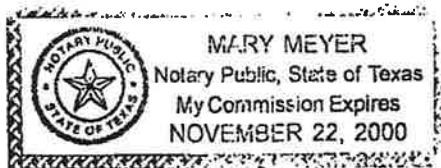
Nancy J. Laughbaum
Nancy J. Laughbaum
RANCH SITES 2 and 3

STATE OF Texas)
County of St. Bend) ss.

The foregoing was acknowledged before me this 9th day of September, 1997, by Graydon H. Laughbaum, Jr. and Nancy J. Laughbaum.

Witness my hand and official seal.

My commission expires: 11-22-2000



Mary Meyer
Notary Public

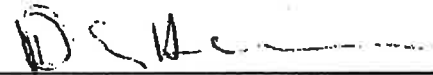


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IN WITNESS WHEREOF, the undersigned have executed this Amendment to Declaration of Protective Covenants for Hidden River Ranch the effective date first above written.

HENRICHSEN, INC., a Nevada corporation

By: 
Don E. Henrichsen, President

PSZ, INC., a Nevada corporation

By: 
Phyllis Hollander, President
RANCH SITES 8 through 17

STATE OF COLORADO)
)ss.
County of Gunnison)

The foregoing was acknowledged before me this 19th day of September, 1997, by Don E. Henrichsen as President of Henrichsen, Inc., a Nevada corporation.



Witness my hand and official seal.

My commission expires: November 23, 1998


Notary Public


STATE OF Washoe)
)ss.
County of Washoe)

The foregoing was acknowledged before me this 18 day of September, 1997, by Phyllis Hollander as President of PSZ, Inc., a Nevada corporation.

Witness my hand and official seal.

My commission expires: 7/26/00




Notary Public

SECOND AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS
FOR
HIDDEN RIVER RANCH

THIS SECOND AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS FOR HIDDEN RIVER RANCH is executed with an effective date of the 20th day of August, 1998, by the Owners of not less than 75% or more of the Ranch Sites as follows:

1. AMENDMENT. The Declaration of Protective Covenants for Hidden River Ranch recorded October 23, 1996 in Book 792 at page 794, and amended by document recorded March 4, 1998 at Reception No. 482145, both of the records of Gunnison County, Colorado, are amended as hereafter set forth.

2. SECTION 2.7 "BUILDING SITE" OR "BUILDING ENVELOPE". Section 2.7 "Building Site" or "Building Envelope" is amended to read in its entirety as follows:

Section 2.7 "Building Site" or "Building Envelope" shall mean the site, envelope or area within a Ranch Site where the Buildings and other Improvements shall be located within a Ranch Site (except only a stable or Barn within a designated Horse Pasture) and as set forth on the Plat of Hidden River Ranch. Notwithstanding the above and foregoing, any portion of Ranch Site 13 can constitute a Building Site and may be utilized for the construction and location of Buildings and Improvements, including the Family Residence, Garage, Caretaker Living Unit, a Barn or Barns, corrals, pens, riding arena and any other usage necessary or incidental to the use of Ranch Site 13 for a residence, Barn, stables, and any equestrian operation and any recreational activity.

3. FULL FORCE AND EFFECT. Except only as above amended, the Declaration of Protective Covenants for Hidden River Ranch remain in full force and effect.

4. RIGHT TO AMEND. The undersigned execute this Second Amendment to Declaration of Protective Covenants for Hidden River Ranch in accordance with Section 13.2 of the Declaration of Protective Covenants for Hidden River Ranch.

5. PURPOSE OF AMENDMENT. The purpose of this Amendment is to enable the owner of Ranch Site 13 to convert the existing Barn on Ranch Site 13 into a residence on that Ranch Site.

6. COUNTERPARTS. This Second Amendment to Declaration of Protective Covenants for Hidden River Ranch may be executed in counterparts, each of which shall for all purposes be deemed an original and all of which together shall constitute one and the same agreement, document or instrument.

DEED OF CONSERVATION EASEMENT

HIDDEN RIVER RANCH

THIS DEED OF CONSERVATION EASEMENT is executed the 5 day of September, 1996, at Gunnison County, Colorado as follows:

1. PARTIES. The parties to this Deed are:

HENRICHSEN, INC., a Nevada corporation, whose address is Post Office Box 3687, Incline Village, Nevada 89450,

and

and PSZ, INC., a Nevada corporation, whose address is Post Office Box 3687, Incline Village, Nevada 89450,

collectively termed the "Grantor",

and

COLORADO OPEN LANDS, a Colorado nonprofit corporation, whose address is Suite C-2050, 5555 DTC Parkway, Englewood, Colorado 80111,

termed the "Grantee".

2. RECITALS. The following recitals apply to this Deed:

2.1 Grantor is the owner of the fee simple interest in the subject property legally described in Exhibit A attached hereto and made a part of this Deed, which consists of approximately 171 acres of land, together with all water and water rights, and mineral rights associated with or appurtenant to the property located in Gunnison County, State of Colorado (collectively, the "Property").

2.2 Grantee is a "qualified conservation organization," as defined in §170(h) of the Internal Revenue Code and a charitable organization as required under §38-30.5-104(2), Colorado Revised Statutes.

2.3 The Property possesses agricultural, recreational, scenic and open space values (collectively, the "Conservation Values") of great importance to Grantor, the people of Gunnison County, Colorado, and the people of the State of Colorado.

2.4 §33-1-101, et seq., Colorado Revised Statutes, provides in relevant part that "it is the declared policy of the State of Colorado that the wildlife and their environment are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and its visitors." Additionally, §35-1-101, et seq., Colorado Revised Statutes, provides in relevant part that "it is the declared policy of the State of Colorado to conserve, protect, and encourage the development and improvement of agricultural land for the production of feed and other agricultural products." §38-30.5-101, et seq., Colorado Revised Statutes, provides for the establishment of conservation easements to maintain land "in a natural, scenic or open condition, or for wildlife habitat, or for agricultural...or other use or condition consistent with the protection of open land having wholesome environmental quality or life-sustaining ecological diversity."

2.5 The Conservation Values and the characteristics, current use, and status of improvements on and development of the Property on the date of this Deed are described in a "Present Condition Report," which report is acknowledged as accurate by Grantor and Grantee. The Present Condition Report will be used by Grantee to assure that any future changes in the use of the Property will be consistent with the terms of this Deed. However, the Present Condition Report is not intended to preclude the use of other evidence to establish the present condition of the Property if there is a controversy over its use.

2.6 Grantor intends to convey this Conservation Easement to Grantee for the exclusive purpose of assuring that the Conservation Values of the Property will be conserved and maintained forever, and that uses of the Property that are inconsistent with the Conservation Values will be prevented or corrected. The parties agree, however, that the current use of, and improvements to, the Property are consistent with the Conservation Values.

3. CONVEYANCE OF CONSERVATION EASEMENT. In consideration of the mutual promises and covenants herein contained, Grantor voluntarily grants and conveys to Grantee, and Grantee voluntarily accepts, a perpetual Conservation Easement in gross, an immediately vested interest in real property defined by §38-30.5-101, et seq., Colorado Revised Statutes, and of the nature and character described in this Deed, for the purpose of conserving and forever maintaining the Conservation Values of the Property.

4. PURPOSE. The purpose of this Conservation Easement is to preserve and protect in perpetuity the Conservation Values of the Property. It is also the purpose of this Conservation Easement to permit other uses of the Property, which uses are expressly described herein, that are consistent with the foregoing goals.

5. RIGHTS OF GRANTEE. To accomplish the purpose of this Deed the following rights are hereby conveyed to Grantee:

5.1 To preserve and protect the Conservation Values of the Property;

5.2 To enter upon the Property at reasonable times in order to monitor Grantors' compliance with and otherwise enforce the terms of this Deed; provided that such entry shall be upon prior reasonable notice to Grantor, and Grantee shall not unreasonably interfere with Grantor's use and quiet enjoyment of the Property; and

5.3 To prevent any activity on or use of the Property that is inconsistent with the purpose of this Deed and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use.

6. PROHIBITED ACTS. Any activity on or use of the Property inconsistent with the purpose of this Deed is expressly prohibited. Without limiting the generality of any of the foregoing, Grantor and Grantee hereby acknowledge and agree:

6.1 The construction or reconstruction of any building, structure, sign or billboard, except those existing on the date of this Deed is prohibited except for agricultural buildings and improvements, roads, signs, utility easements and fences as further described below:

6.1.1 New agricultural buildings and improvements i.e., corrals, barns, storage sheds, etc. to be used solely for agricultural purposes or equestrian purposes may be constructed on the Property with Grantee's prior written approval, which approval shall be given unless Grantee determines that the location of the proposed improvement materially adversely affects the Conservation Values of the Property. Additionally, loafing sheds, corrals, equestrian riding areas and other minor agricultural buildings and improvements may be constructed on the Property without further permission of the Grantee.

The location of any such agricultural buildings and improvements shall be at least 800 feet in distance from Colorado State Highway 135, shall not exceed 22 feet in height, and shall not contain more than 6000 square feet in gross floor area.

6.1.2 Underground utilities including water, sewer, electrical, telephone, gas and cable television may be constructed, installed and maintained on the Property without further permission of the Grantee subject to the condition that the Grantor will revegetate any areas disturbed by the installation of underground utilities with native vegetation so long as such

vegetation is not on the list of noxious weeds issued by the State of Colorado and/or Gunnison County that are required to be controlled.

6.1.3 A 20-foot trail easement adjacent to Colorado State Highway 135 may be dedicated to Gunnison County, Colorado, or its designee, for the purpose of providing a trail for use by the public without further permission of the Grantee subject to the condition that the trail easement will have no improvements constructed or maintained thereon except only (1) adequate fencing to fence the trail easement from the agricultural lands and (2) the surfacing of the trail easement with gravel, asphalt or other surface normally utilized for trail easements in the area of the Property

6.1.4 Grantor may repair or replace existing fences, and new fences may be built for purposes of reasonable and customary management of livestock, horses and wildlife.

6.1.5 Two advertising signs adjacent to Colorado State Highway 135 of a size and type allowed by the Sign Code of Gunnison County, Colorado which may advertise the Hidden River Ranch development. Such signs to be removed within 10 days from the date of the initial sale of all of the Ranch Sites within Hidden River Ranch or two years, whichever comes first.

6.2 The subdivision of the Property, whether by physical or legal process, is prohibited.

6.3 Commercial timber harvesting on the Property is prohibited. Notwithstanding the foregoing, trees may be cut to control insects and disease, to control invasive non-native species, and to prevent personal injury and property damage. Dead trees may also be cut for firewood and other uses on the Property. Three thinning activities may take place to maintain the character and nature of the habitat, and to preserve its value as winter range for deer, elk, and other wildlife.

6.4 The commercial mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel, or any other mineral substance is prohibited. Provided, however, an existing pond on the Property may be enlarged to 3.5 surface acres for water augmentation, fish propagation and recreational activities by the removal of soil, rock, sand and gravel, and other material to enlarge such pond. In addition, an additional four ponds not to exceed 50 feet in diameter may be constructed or modified for fish and wildlife enhancement.

6.5 The dumping or accumulation of any kind of trash or refuse on the Property is prohibited.

6.6 Grantor shall retain, reserve, and preserve the right to use water rights sufficient to maintain the Conservation Values of the Property, and shall not transfer, encumber, lease, sell or otherwise separate water rights sufficient to maintain and improve the Conservation Values of the Property from title to the Property itself. To the extent that the Conservation Values would not be diminished or impinged, Grantor shall have the right to construct, maintain and improve irrigation fixtures and devices, irrigation ditches including laterals and drain ditches and other water systems on the Property.

6.7 No commercial or industrial uses shall be allowed on the Property, except as otherwise expressly provided in this Deed.

6.8 The storage, dumping or other disposal of toxic and/or hazardous materials on the Property is prohibited. For the purpose of this paragraph, hazardous or toxic substances shall mean any hazardous or toxic substance which is regulated under any federal, state, or local law.

6.9 The Property shall be managed in accordance with good conservation practices to prevent the following:

6.9.1 Overgrazing by livestock;

6.9.2 Noxious weeds, to the extent reasonably possible and in accordance with the approved noxious weed control and weed management plan for Hidden River Ranch; and

6.9.3 Soil erosion.

7. RIGHTS RETAINED BY GRANTOR. Grantor retains the right to perform any act not specifically prohibited or limited by this Deed. These ownership rights include, but are not limited to, the right to exclude any member of the public from trespassing on the Property and the right to sell and transfer the Property to the Hidden River Ranch Association, a Colorado nonprofit corporation (the "Association"), and the right to honor existing and to grant additional access easements across the Property. Upon the conveyance of the Property to the Association, the Association shall have and possess all of the rights, duties, privileges and obligations for the Property as set forth in this Deed.

8. RESPONSIBILITIES OF GRANTOR AND GRANTEE NOT AFFECTED. Other than as specified herein, this Deed is not intended to impose any legal or other responsibility on Grantee, or in any way to affect any existing obligations of Grantor as owner of the Property. Additionally, unless otherwise specified below, nothing in this Deed shall require Grantor to take any action to restore the condition of the Property after any Act of God or other event over which Grantor had no control. Grantor

understands that nothing in this Deed relieves Grantor of any obligation or restriction on the use of the Property imposed by law. Among other things, this shall apply to:

8.1 Taxes. Grantor shall continue to be solely responsible for payment of all taxes and assessments levied against the Property. If Grantee is ever required to pay any taxes or assessments on its interest in the Property, Grantor will reimburse Grantee for the same. If for any reason Grantor fails to pay any taxes, assessments or similar requisite charges, Grantee may pay such taxes, assessments and similar charges, plus interest thereon at the rate charged delinquent property taxes by the Gunnison County Treasurer's office in which the Property is located and may bring an action against Grantor to recover all such taxes, assessments and similar charges, plus interest thereon at the rate charged delinquent property taxes by the Gunnison County Treasurer's office.

8.2 Upkeep and Maintenance. Grantor shall continue to be solely responsible for the upkeep and maintenance of the Property, to the extent it may be required by law. Grantee shall have no obligation for the upkeep or maintenance of the Property.

8.3 Liability. Grantor shall indemnify, defend, and hold Grantee and its members, officers, directors, employees, agents, and contractors (collectively, the "Indemnified Parties") harmless from and against any and all loss, damage, cost, or expense, including reasonable attorneys' fees, arising from or in any way related to:

8.3.1 Injury to or the death of any person, or damage to property, occurring on or about or related to the Property, unless due solely to the gross negligence or intentional acts of any of the Indemnified Parties;

8.3.2 The obligations under this paragraph 8; or

8.3.3 The presence or release of hazardous or toxic substances on, under, or about the Property.

For the purpose of this paragraph, hazardous or toxic substances shall mean any hazardous or toxic substance which is regulated under any federal, state, or local law.

9. ENFORCEMENT. Grantee shall have the right to prevent and correct or require correction of violations of the terms and purposes of this Deed. With reasonable advance notice to Grantor, Grantee may enter the Property for the purpose of inspecting for violations. If Grantee finds what it believes is a violation, Grantee shall notify Grantor in writing of the nature of the alleged violation. Upon receipt of this written notice, Grantor shall either (1) restore the Property to its condition prior to the violation or (2) provide a

written explanation to Grantee of the reason why the alleged violation should be permitted. If the condition described in clause (2) above occurs, both parties agree to meet as soon as possible to resolve this difference. If a resolution of this difference cannot be achieved at the meeting, both parties agree to meet with a mutually acceptable mediator to attempt to resolve the dispute. Grantor shall discontinue any activity which could increase or expand the alleged violation during the mediation process. Should mediation fail to resolve the dispute within 60 days of Grantee's notice to Grantor of the alleged violation, or by such other date as the parties may mutually agree, the parties may take appropriate legal action. If the District Court of Gunnison County, Colorado determines that a violation is imminent, exists, or has occurred, Grantee may get an injunction to stop it, temporarily or permanently. The District Court of Gunnison County, Colorado may also issue an injunction to require Grantor to restore the Property to its condition prior to the violation. Any costs incurred by Grantee in enforcing the terms of this Deed against Grantor, including, without limitation, costs of suit and attorneys' fees and any costs of restoration necessitated by Grantor's violation of the terms of this Deed, shall be borne by Grantor unless the District Court of Gunnison County, Colorado determines that Grantee has acted in bad faith in seeking to enforce this Deed. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity, including the right to recover any damages for loss of scenic or environmental values. Notwithstanding any requirement of mediation outlined herein, Grantee may request at any time the District Court of Gunnison County, Colorado to issue an injunction if, in its sole and absolute discretion of Grantee, there is an imminent harm of danger to the Property or the Conservation Values. The failure of Grantee to discover a violation or to take immediate legal action shall not bar Grantee from doing so at a later time.

10. MEDIATION. If a dispute arises between the parties concerning the consistency of any proposed use or activity with the purpose of this Deed, and Grantor agrees not to proceed with the use or activity pending resolution of the dispute, either party may refer the dispute to the mediation by request made in writing upon the other. Within fifteen (15) days of the receipt of such request, the parties shall select a single trained and impartial mediator with experience in conservation easements and other land preservation tools. If the parties are unable to agree on the selection of a single mediator, then the parties shall, within fifteen (15) days of receipt of the initial request, jointly apply to the District Court of Gunnison County, Colorado for the appointment of a trained and impartial mediator with experience in conservation easements and other land preservation tools. Mediation shall then proceed in accordance with the following guidelines:

10.1 Purpose. The purpose of the mediation is to: (1) promote discussion between the parties; (2) assist the parties to develop and exchange pertinent information concerning the issues in dispute; and (3) assist the parties to develop proposals which will enable them to arrive at a mutually acceptable resolution of the controversy. The mediation is not intended to result in any express

or *de facto* modification or amendment of the terms, conditions, or restrictions of this Deed.

10.2 Participation. The mediator may meet with the parties and their counsel jointly or *ex parte*. The parties agree that they will participate in the mediation process in good faith and expeditiously, attending all sessions scheduled by the mediator. Representatives of the parties with settlement authority will attend mediation sessions as required by the mediator.

10.3 Confidentiality. All information presented to the mediator shall be deemed confidential and shall be disclosed by the mediator only with the consent of the parties or their respective counsel. The mediator shall not be subject to subpoena by any party. No statements made or documents prepared for mediation sessions shall be disclosed in any subsequent proceedings or construed as an admission of a party.

10.4 Time Period. Neither party shall be obligated to continue the mediation process beyond a period of thirty (30) days from the date the mediator first meets with the parties or if the mediator concludes there is no reasonable likelihood that continuing mediation will result in a mutually agreeable resolution of the dispute.

11. PUBLIC ACCESS. Nothing herein contained shall be construed as affording the public access to any portion of the Property, although the Grantor may permit public access to the Property on such terms and conditions as it deems appropriate, provided that such access is consistent with the terms of this Deed.

12. TRANSFER OF EASEMENT. Grantee shall have the right to transfer the easement created by this Deed to any public agency or private nonprofit organization that, at the time of transfer, is a "qualified organization" under §170(h) of the U.S. Internal Revenue Code, and under §38-30.5-101, et seq., Colorado Revised Statutes, and only if the agency or organization expressly agrees to assume the responsibility imposed on Grantee by this Deed. Prior to any such transfer of the easement created by this Deed, Grantee shall give not less than 30 days written notice of such proposed transfer to Grantor. Grantor shall be afforded the opportunity to provide its comments and recommendations as to the proposed transferee of this Deed.

If Grantee ever ceases to exist or no longer qualifies under federal or state law, the District Court of Gunnison County, Colorado shall transfer this easement to another qualified organization having similar purposes that is designated by the then owner of the Property and that agrees to assume the responsibility. Grantor shall notify Grantee in advance of any proposed transfers, and Grantor may voice any concerns as to any such proposed transfer.

13. TERMINATION OF EASEMENT. If the District Court of Gunnison County, Colorado determines that conditions on or surrounding the Property change so much that it becomes impossible to fulfill any of its conservation purposes, the District Court of Gunnison County, Colorado, at the joint request of Grantor and Grantee, may terminate the easement created by this Deed.

14. PERPETUAL DURATION. The easement created by this Deed shall be a servitude running with the land in perpetuity. Every provision of this Deed that applies to Grantor or Grantee shall also apply to their respective agents, heirs, executors, administrators, assigns, and all other successors as their interests may appear; provided, however, that either party's rights and obligations under this Deed shall terminate (as to each party, but not as to such party's successor, who shall be bound as provided herein) upon a transfer of such party's entire interest in this Deed or the Property, except that liability of such transferring party for acts or omissions occurring prior to such transfer shall survive the transfer.

15. NOTICES. All notices and other communications required or permitted under this Deed shall be in writing and shall be, as determined by the person giving such notice, either hand delivered; mailed by registered or certified mail, return receipt requested; delivered by overnight delivery service such as Federal Express or United Parcel Service; or by telecopier or telegraphic transmission. Service of such notice shall be deemed given and received when personally delivery; or three business days after mailing, properly addressed with postage prepaid; or the day sent by telecopier or telegraphic transmission; or the day following the delivery to an overnight delivery service with delivery charges prepaid. All notices shall be given to the required party at the following address:

GRANTOR: As set forth in paragraph 1 above

with a copy to Grantor's counsel:

Harrison F. Russell, Esq.
Russell & Wilderson, P.C.
Post Office Box 179
Gunnison, Colorado 81230

GRANTEE: As set forth in paragraph 1 above

with a copy to Grantee's counsel:

William M. Silberstein, Esq.
Issacson, Rosenbaum, Woods & Levy, P.C.
633 17th Street, Suite 2200
Denver, Colorado 80202

Any party may change its address by giving written notice of a change of address to the other party in the manner above provided.

16. GRANTOR'S REPRESENTATIONS AND WARRANTIES.

16.1 Grantor warrants that Grantor has good and sufficient title to the Property, free from all liens and encumbrances securing monetary obligations except ad valorem property taxes for the current year, and hereby promises to defend title to the Property against all claims that may be made against it by any person claiming by, through, or under Grantor.

16.2 Grantor represents and warrants that, after reasonable investigation and to the best of its knowledge:

16.2.1 No hazardous substance or toxic waste exists nor has been generated, treated, stored, used, disposed of, deposited, or transported, in, on, or across the Property, and that there are not now any underground storage tanks located on the Property.

16.2.2 Grantor and the Property are in compliance with all federal, state and local laws, regulations and requirements applicable to the Property and its use.

16.2.3 There is no pending or threatened litigation in any way affecting, involving, or relating to the Property.

16.2.4 No civil or criminal proceeds or investigations have been instigated at any time or are now pending, and no notices, claims, demands, or orders have been received, arising out of any violation or alleged violation of, or failure to comply with, any federal, state or local law, regulations or requirement applicable to the Property or its use.

17. REMEDATION. If, at any time, occurs, or has occurred, a release in, on, or about the Property of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state or local law, regulation or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment, Grantor agrees to take all steps necessary to assure its containment and remediation, including any cleanup that may be required.

18. ACCEPTANCE. Grantee hereby accepts without reservation the rights and responsibilities conveyed by this Deed of Conservation Easement.

19. FEES AND EXPENSES OF ADMINISTRATION. Upon the conveyance and transfer of the title to the Property to the Association, the Association shall be solely responsible to pay all reasonable fees, costs and expenses of the Grantee to supervise and administer this Deed and to have made the required annual inspections of the Property. The Association shall upon receipt of any statement or invoice from the Grantee as to such fees, costs and expenses, pay the same within 30 days after receipt. In the event that the Association fails, neglects or refuses to make payment of any amounts due and owing to the Grantee hereunder, the Grantee, in addition to any other rights afforded by law, may file a mechanic's lien against the Property and enforce such lien as provided by the mechanic's lien statutes of the State of Colorado.

20. GENERAL PROVISIONS.

20.1 Severability. If any provision of this Deed, or the application hereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Deed, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

20.2 Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

20.3 Waiver of Defenses. Grantor hereby waives any defense of laches, estoppel or prescription.

20.4 Interpretation. This Deed shall be interpreted under the laws of the Colorado, resolving any ambiguities and questions of the validity of specific provisions so as to give effect to its intended conservation purposes.

20.5 Counterparts. The parties may execute this instrument in two or more counterparts which shall, in the aggregate, be signed by all parties; each counterpart shall be deemed an original instrument as against any party who has signed it; all counterparts, when taken together, shall constitute this instrument.

20.6 Amendment. If the circumstances arise under which an amendment to or modification of this easement would be appropriate, Grantor and Grantee are free to jointly amend this easement; provided that no amendment shall be allowed that will affect the qualifications of this easement under any applicable laws. Any amendment must be consistent with the conservation purposes of this easement and may not affect its perpetual duration. Any amendment must be in writing, signed by both parties, and recorded in the official records of Gunnison County, Colorado.

21. BINDING AGREEMENT. This Deed of Conservation Easement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties and their respective successors, assigns, legal representatives and heirs.

TO HAVE AND TO HOLD, this Deed of Conservation Easement unto Grantee, its successors and assigns, forever.

IN WITNESS WHEREOF, Grantor and Grantee, intending to legally bind themselves, have set their hands on the date first written above.

HENRICHSEN, INC., a Nevada corporation

By: Don E. Henrichsen
Don E. Henrichsen, President

PSZ, INC., a Nevada corporation

By: Phyllis Hollander
Phyllis Hollander, President
GRANTOR

COLORADO OPEN LANDS, a Colorado nonprofit corporation

By: M. Lee Dusa
M. Lee Dusa, President
GRANTEE

STATE OF COLORADO)
) ss.
County of Gunnison)

The foregoing was acknowledged before me this 5th day of September, 1996, by Don E. Henrichsen, as President of Henrichsen, Inc., a Nevada corporation.



Witness my hand and official seal.

My commission expires:

August 29, 1999

Colette A. Perusek

Notary Public

STATE OF COLORADO)
) ss.
County of Gunnison)



The foregoing was acknowledged before me this 5th day of September,

1996, by Phyllis J. Jullander, as President of PSZ, Inc., a Nevada corporation.

Witness my hand and official seal.

My commission expires:

August 29, 1999

Colette A. Perusek

Notary Public

STATE OF COLORADO)
) ss.
County of Arapahoe)

The foregoing was acknowledged before me this 16 day of September, 1996, by M. Lee Dusa, as President of Colorado Open Lands, a Colorado nonprofit corporation.



Witness my hand and official seal.

My commission expires:

Dec. 11, 1996

Rita M. Thompson

Notary Public

EXHIBIT A

A tract of land within the S1/2SW1/4 of Section 17, SE1/4SE1/4 of Section 18, and the N1/2 of Section 20, Township 14 South, Range 85 West, Sixth Principal Meridian, Gunnison County, Colorado; said tract being more particularly described as follows:

Commencing at a point which is the south quarter corner of said Section 17, (as marked by a private surveyor's monument with 3" aluminum cap inscribed "LS11250"); thence North 89° 07' 35" East 186.27 feet along the south boundary of said Section 17; thence South 00° 18' 09" West 139.13 feet to the southwest corner of Ranch Site 12 as platted on the Hidden River Subdivision said corner being the POINT OF BEGINNING for the herein described tract; thence the following courses around said tract;

1. South 45° 21' 30" East 351.63 feet;
2. Along the arc of a curve to the RIGHT 94.25 feet, said curve having a radius of 500.00 feet and a long chord of South 39° 57' 30" East 94.11 feet;
3. South 34° 33' 29" East 111.57 feet;
4. South 25° 38' 09" East 2251.91 feet to a point on an existing fenceline;
5. South 85° 58' 03" West 329.89 feet along said fenceline;
6. South 88° 03' 30" West 861.09 feet along said fenceline to a point on the easterly right of way boundary of Colorado State Highway #135 as fenced;
7. North 45° 49' 00" West 1242.47 feet along said boundary;
8. North 45° 39' 09" West 93.52 feet along said boundary;
9. North 16° 00' 00" West 40.43 feet leaving said boundary;
10. North 45° 39' 09" West 832.53 feet;
11. North 45° 48' 32" West 67.54 feet;
12. North 76° 00' 00" West 39.77 feet to a point on said easterly right of way boundary of Colorado State Highway #135;
13. North 45° 48' 32" West 762.15 feet along said boundary;
14. North 45° 46' 47" West 1000.59 feet along said boundary;
15. North 45° 34' 25" West 668.79 feet along said boundary;

16. North 45° 46' 59" West 820.25 feet along said boundary;
17. North 49° 43' 51" East 30.20 feet to a point on the north boundary of the SE1/4SE1/4 of said Section 18;
18. North 88° 43' 05" East 945.86 feet along said boundary to a point on the east boundary of said Section 18;
19. North 89° 16' 56" East 1783.03 feet along the north boundary of the S1/2SW1/4 of said Section 17;
20. South 00° 47' 14" East 252.26 feet;
21. SOUTH 750.00 feet;
22. South 45° 23' 44" East 729.21 feet;
23. North 46° 10' 57" East 216.12 feet;
24. Along the arc of a curve to the RIGHT 204.50 feet, said curve having a radius of 170.00 feet and a long chord of North 80° 38' 38" East 192.39 feet;
25. South 64° 53' 40" East 147.29 feet;
26. Along the arc of a curve to the RIGHT 68.19 feet, said curve having a radius of 200.00 feet and a long chord of South 55° 07' 35" East 68.19 feet;
27. South 45° 21' 30" East 18.10 feet to the POINT OF BEGINNING of the herein described tract.

EXCEPTING THEREFROM: Any portions of Hidden River Road or Rodeo Drive as platted on the recorded plat of Hidden River Ranch, recorded under reception # 471506 on October 23, 1996, that lie within the herein described tract.

This tract contains 171 acres more or less after accounting for the above described EXCEPTION.

The basis of bearings used herein is astronomic north as determined by solar observations.

County of Gunnison,
State of Colorado.