

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION, Made this 23rd day of July, 1973 by THE WOODMOOR CORPORATION, a Colorado corporation, having its office and principal place of business in the County of El Paso, State of Colorado, hereafter referred to as "Declarant"

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property situate in the County of Routt, Colorado, which is more particularly described as:

HIGH CROSS AT STAGECOACH, a portion of Sections 21, and 22 of Township 3 North, Range 84 West of the 6th Principal Meridian, Routt County, Colorado, consisting of 156.191 acres, more or less, recorded in the Office of the County Recorder of said county, at Reception No. 244827.

and desires to create thereon a residential community with open spaces and other common facilities for the benefit of said community; and

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said community, for the maintenance of open spaces and other common facilities, and to this end desires to subject the real property described, together with such additions as may hereafter be made thereto to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has incorporated under the Laws of the State of Colorado, as a non-profit corporation, the STAGECOACH PROPERTY OWNERS' ASSOCIATION (hereafter referred to as the Association), for the efficient preservation of the values and amenities in said community, and has delegated and assigned to said corporation the powers of maintaining and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

Recorded at 1050 O'clock A.M. July 24 1973
Reception No. 244909
CECIL ROBEY, Recorder

WHEREAS, it is desired to establish certain standards covering the said property by means of protective covenants so as to secure to each individual owner the full benefit and enjoyment of his lot, tract, and/or property with no greater restrictions upon the free and undisturbed use of his property than is necessary to insure the same advantage to other similar property owners; and to insure the lasting beauty and investment value of the property;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of the real property. That these easements, covenants, restrictions and conditions shall run with the real property and shall be binding upon all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall be a burden upon and inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

1. "Declarant" shall mean THE WOODMOOR CORPORATION, a Colorado corporation and any successor or assign of The Woodmoor Corporation shall mean any successor by consolidation or merger or by specific designation as a successor or assign of the Declarant under this Declaration in a written instrument, but only to the extent and only as to the particular rights or interests specifically designated in such written instrument.

2. "Property or Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association and made subject to the terms of this Declaration.

3. "Lot" shall mean and refer to any plot of land shown upon any recorded plat of the properties with the exception of the "Common Areas", as said term is hereinafter defined. The term "Lot" shall include those numbered plots of land to be used for single family residences, those numbered plots of land designated as multi-

family tracts and those numbered lots to be used for commercial activities. If and when any plot of land designated as a multi-family tract is either resubdivided or submitted to condominium ownership pursuant to the Condominium Ownership Act of the State of Colorado, then each such condominium unit, townhouse unit or resubdivided lot shall be included within the term "Lot" as herein defined.

4. "Common Area or Common Open Space" shall mean and refer to all property owned or to be owned by the Association for the common use and enjoyment of the owners and all members of the Association. The Common Area to be owned by the Association and to be conveyed by Declarant in one or more parcels is described as follows:

Common Area #1

, provided, however, that the term Common Area or Common Open Space as herein defined shall not include any real property designated as Common Area, Common Element or Common Property on any plat resubdividing any multi-family tract or on any condominium map depicting a condominium project on a multi-family tract.

5. "Multi-Family Tract" shall mean and refer to a lot designated on the recorded plat, as such, or a lot which is zoned for use by more than one family even though not designated as a Multi-Family Tract on the plat; to be used for multi-family housing purposes, including but not limited to the construction of condominium units, townhouse units, apartments, duplexes and other multiple dwelling structures.

6. "Owner shall mean and refer to any person or persons, entity or entities who own fee simple title to a lot, including contract purchasers, but excluding those persons or entities having such interest merely as security for the performance of an obligation. The term Owner shall also include any person or persons, entity or entities who own fee simple title to any condominium unit, townhouse unit or resubdivided lot formerly a part of a multi-family tract. The term Owner shall also include the Declarant, until such time as Declarant no longer holds any fee simple interest in any lot within the properties.

7. "Unit" is a standard of measurement used in this Declaration to determine or fix certain rights and obligations with respect to a lot and the owner of a lot. Each lot shall be deemed to consist of, and the Owner of a Lot shall be deemed to own, one

RESTRICTIONS APPLICABLE TO THE PROPERTY

1. Maintenance of the Lots. Each Lot and all of the improvements constructed thereon, shall be kept and maintained by the Owner thereof in a clean, safe, sanitary and attractive condition and in good repair.

2. Nuisance. The Owner of any Lot shall not suffer or permit any noxious or offensive activity to be conducted or carried on or practiced thereon or within any residence or dwelling or accessory building constructed thereon or otherwise used or employed for any other purpose that will constitute an annoyance to the neighborhood or a nuisance as provided by Law or that will detract from the residential value, reasonable enjoyment and quality of the premises within Stagecoach.

3. No Hazardous Activities. No activities shall be conducted on the Property and no improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no fire arms shall be discharged upon the Property. No open fires shall be lighted or permitted on the Property except in a contained barbecue facility while attended and in use for cooking purposes or within a safe and well-designed interior fireplace. No explosive or incendiary devices shall be used or stored on the Property.

4. No Division of Lots. No Lots shall be subdivided, resubdivided or replatted without the Owner thereof first obtaining written consent to do so from the Association and from Declarant, if at such time Declarant is an Owner of any portion of the Property. Notwithstanding the above set forth provision neither the Declarant nor the Owner of a multi-family tract shall need the permission of any party to divide, resubdivide or replat any Lot owned by them.

5. No Annoying Light, Sounds or Odors. No light shall be emitted on any portion of the Property which is unreasonably bright or causes unreasonable glare. No sound shall be emitted on the Property which is unreasonably loud or annoying. No odor shall be emitted on any of the Property which is noxious or offensive to others.

6. Building Location. All improvements shall be constructed in accordance

with the setback requirements shown upon the Plat. If no setback requirements are shown upon the Plat all improvements shall be located and constructed in accordance with the setback requirements set forth in the Routt County Building and Zoning Regulations.

7. Temporary Residences. No structure of a temporary character, trailer, basement, tent or accessory building shall be used on any Lot as a residence, either temporarily or permanently, provided, however, that structures of a temporary nature may be used for construction purposes and sales offices with the approval of the Architectural Control Committee of the Association. Exceptions to the above may be granted by the Association for a period not to exceed one hundred twenty days for owners only during construction of a permanent residence by the owner of his Lot. Except for the exceptions set forth above, no trailer of any type shall be placed or kept on any Lot unless such trailer is in an enclosed garage.

8. Water. There shall be no water wells drilled or placed on any Lot or tract covered by these Covenants, except as may be required for a public water system. Any sewage disposal system placed upon any Lot shall comply with all regulations set forth by the State of Colorado Health Department and Routt County, Colorado for sewage disposal systems of the type installed upon said Lot. Any residence constructed on any Lot shall be connected with any public or community water or sewage disposal system which may be formed or created to serve the community.

9. No Unsightliness. No unsightliness shall be permitted on the Property. Without limiting the generality of the foregoing.

(a) All unsightly facilities, equipment, objects and conditions shall be enclosed within an approved structure;

(b) No trailers, mobile homes, campers not on a truck, boats, tractors, vehicles other than automobiles or equipment of a similar nature shall be kept or parked for any purpose on the Property; except in such portions of the Property permitted by the Association.

(c) Rubbish, garbage, or other waste shall be kept and stored in a sanitary container. No portion of the Property shall be used or maintained as a dumping

ground for rubbish. All containers or other equipment for the storage or disposal of garbage, trash, rubbish or other refuse shall be kept in a clean sanitary condition and shall be kept inside a residence or in an enclosed structure. No trash, litter, or junk shall be permitted to remain exposed on any Lot or visible from any public roads or adjoining or nearby Lots.

(d) No exterior aerials or antennas will be permitted. In addition, no Owner shall place upon his Lot clotheslines, swimming pool filter tanks, fuel oil tanks, or similar tanks, which may be visible from any road. All tanks and liquid storage facilities must be enclosed or otherwise appropriately screened so that they will not be visible from any road or from adjoining Lots. Protective enclosures to screen the above must be approved by the Architectural Committee as a part of the plans for the improvements to be located on the property.

(e) No refuse shall be burned on the property.

(f) No lumber, grass, shrubs or tree clippings or plant waste, compost, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any of the Property.

10. Signs. No signs of any kind shall be displayed to the public view on any Lot except signs used by a builder, developer or its authorized assignees to advertise the property during the construction and sales period, and one (1) sign of not more than four (4) square feet advertising any lot for sale or rent shall be authorized, provided, however, that the Architectural Control Committee may grant exceptions to the above.

11. Animals. No animals, livestock or poultry of any kind shall be housed, raised, or kept on any tract or lot either temporarily or permanently, except that commonly accepted domestic household pets may be kept provided they are not kept or maintained for any commercial purposes, nor to run free.

12. Residential Use. No Lot shall be used for the purpose of conducting a business or occupation therein or thereon; provided that the foregoing shall not preclude the renting of a dwelling unit for single-family residential purposes and use of commercial Lots or portions of multi-family tracts for commercial purposes.

13. Mining and Oil Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any

Lot; nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or within any Lot. No derrick or other structure designed for use in boring for oil, natural gas or other minerals shall be erected, maintained or permitted upon any Lot. The foregoing restrictions shall apply equally to any equipment or activities connected with the drilling and permanent placement of wells used to secure water.

14. Common Area.

(a) The use of the Common Area shall be subject to such rules and regulations as may be adopted from time to time by the Board of Directors of the Association or the Association Members.

(b) No use shall be made of the Common Area which will in any manner violate statutes, rules, regulations, orders or decrees of any governmental authority having jurisdiction over the Common Area.

(c) No Owner shall place any structure upon the Common Area, nor shall any Owner do any act which would temporarily or permanently deny free access to any part of the Common Area by all of the Owners.

(d) No use shall ever be made of the Common Area which will deny ingress and egress to those Owners having access to Lots only over Common Area and the right of ingress and egress to said Lots by vehicle and otherwise is hereby expressly granted.

15. Architectural Control. No building, fence, wall, accessory building or other structure shall be constructed, erected or maintained on any Lot, nor shall the surface of any Lot be graded, cleared, marred, changed or altered in any way, nor shall any building, structure, vegetation or other improvement be changed, altered, or expanded, except by Declarant, without compliance with the provisions of this Declaration relating to architectural control.

ARTICLE III

STAGECOACH PROPERTY OWNERS' ASSOCIATION

I. General Purposes and Powers. The Stagecoach Property Owners' Association has been formed and incorporated as a Colorado corporation not for profit to be and constitute the Association to which reference is made in this Declaration. It shall

perform certain functions, as hereinafter defined, and shall hold and manage a portion of the Property, including the common area, as provided in this Declaration of all Owners of Lots within Stagecoach. Said Association shall have all powers necessary or desirable to effectuate these purposes, but it shall not engage in commercial or profit-making type activities.

2. Membership. Every Owner as defined in Article I, Section 6 of this Declaration shall be a Class A Member of the Association. There shall be one Class A membership in the Association for each Lot, which Class A membership shall be appurtenant to the fee simple title to such Lot. The Owner of a Lot shall automatically be the Owner of the Class A membership appurtenant to that Lot and title to and ownership of the membership for that Lot shall automatically pass with fee simple title to the Lot. Each Owner of a Lot shall automatically be entitled to the benefits and be subject to the burdens relating to the membership for his Lot. If fee simple title to a Lot is held by more than one person or entity, the membership appurtenant to that Lot shall be shared by all such persons or entities in the same proportion of interest and by the same type of ownership as fee simple title to the Lot is held. Memberships in the Association shall be limited to Owners of Lots, including Declarant, except as hereinafter provided.

3. Declarant's Class B Membership. For so long as Declarant owns any lot, tract or portion of the Property, Declarant shall have and be deemed to hold a Class B Membership in the Association. As the holder of this Class B Membership, Declarant shall be entitled to notice of all meetings of the Association; shall be entitled to speak and be heard at such meetings; and shall be entitled to Class B member voting rights as hereinafter set forth, but Declarant shall not, by virtue of these rights be considered an Owner for any other purposes. As holder of Class B Membership, Declarant shall also have the right and obligation to designate a majority of the Members of the Board of Directors of the Association until such time as all of the Lots in the Properties, including all additional Lots in other Properties which are annexed to Stagecoach and made subject to this Declaration are sold by Declarant. As holder of Class B Membership,

the approval of Declarant shall be required as a condition to merger, consolidation or dissolution of the Association and to the sale, encumbering or other hypothecation of all or any substantial portion of the assets of the Association. Except as hereinabove stated, Declarant, as the holder of this Class B Membership, shall have no other rights and be subject to no other obligation by reason of its membership in the Association.

4. Special Membership For Operation of Ski Area Facilities; Golf Area Facilities; and Marina. Any Owner or operator of the Ski Area Facilities; Golf Area Facilities; or Marina within Stagecoach, if the real property making up such facilities has not been annexed to the Properties and has not been made subject to the terms of this Declaration may be granted a special membership in the Association, in the sole discretion of the Board of Directors of the Association. If any such Special Membership is granted, the holder thereof, for the term of such Special Membership, shall have the same rights and easements for access, ingress, egress, enjoyment and use over, in, upon and across the Common Areas and other facilities of the Association, as an Owner would have, provided however, that the holder of a Special Membership shall not be subject to any of the obligations of an Owner as said term is defined herein, and shall not be considered to be an Owner of a Lot by virtue of said Special Membership. As a condition to the granting of any such Special Membership, the Board of Directors may, require execution of an agreement by the holder of such Special Membership obligating such holder to make payments or contributions to the Association, which payments shall be applied by the Association to the cost of maintenance and repair of the Common Areas and the improvements located thereon.

5. Board of Directors. The affairs of the Association shall be managed by a Board of Directors which may by resolution delegate any portion of its authority to an executive committee, or to an executive manager or director for the Association.

6. Notices. Except as a greater period is specified in this Declaration, each Owner, the Declarant and holder of a Special Membership shall be entitled to at least fifteen (15) days' notice of any meeting of the Association. Notices of meetings shall be in writing and shall state the date, time and place of the meeting and shall indicate

each matter to be voted on at the meeting which is known to the Association at the time notice of the meeting is given. Any notice shall be deemed furnished or delivered to a party at the time a copy thereof is deposited in the United States Mail, postage prepaid, addressed to a Lot Owner. Any notice, information or material shall be deemed properly addressed to an Owner if it is addressed to the last known address of such Owner as shown on the records of the Association at the time of such mailing, or, if the name and address is not so shown on the Association's records if it is addressed "To the Owner" at the address of the Lot of such Owner.

7. Voting Rights. The Association shall have two classes of voting membership.

(a) Class A. Class A Members shall be all of the Owners with the exception of the Declarant. Class A Members shall be entitled to one vote for each lot in which they hold the interest. When more than one person holds such interest in any Lot, all such persons shall be Members; provided, however, that the vote for such Lot shall be exercised as the several Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to 10 votes for each Lot in which it holds interest, provided that the Class B Membership shall cease when the Declarant no longer holds an interest in any Lot which is a part of the hereinbefore described real Property or any property annexed thereto and made subject to the terms of this Declaration.

8. Record Date. The Board of Directors of the Association shall have the power to fix in advance a date as a record date for the purpose of determining Owners entitled to notice of or to vote at any meeting or to be furnished with any budget or other information or materials, or in order to make a determination of Owners or Lots for any purpose. A record date shall not be more than fifty (50) days prior to the date on which the particular action requiring determination of Owner of Lots is proposed or expected to be taken or to occur. If no record date has been established for a meeting, the date on which notice of such meeting is first given to any Owner shall be deemed

the record date for the meeting.

9. Certificate of Incorporation and By-Laws. The purposes and powers of the Association and the rights and obligations with respect to Owners and Lots set forth in this Declaration may and shall be amplified by the provisions of the Articles of Incorporation and By-Laws of the Association, but no such provision may be, at any time, inconsistent with the provisions of this Declaration.

ARTICLE IV

OBLIGATIONS AND RIGHTS OF THE ASSOCIATION

1. Common Area and Other Property Furnished By Declarant. The Association shall be obligated to accept the title to all of the Common Area or Common Open Space and the improvements located thereon which may be assigned, granted or conveyed to the Association by Declarant.

2. Common Area Maintenance. The Association shall be obligated to provide for the highest quality care, management, maintenance and repair of all of the Common Areas and improvements thereon and of all of the personal property and equipment owned, held and used by the Association. The Association shall be obligated to and shall provide for the care, maintenance and repair of all streets and roadways not dedicated to a governmental authority or if dedicated, not to be maintained by such governmental authority; provided, however, that the Association shall not be obligated to maintain and repair streets and roadways, or a portion thereof, located in a Multi-Family Tract. The above set forth obligations shall include without limitation: the removal of snow from Common Area roads, walks and drives; the repair and maintenance of improvements located on the Common Area; and care of open spaces or unimproved areas and of the plants, trees and shrubs in said areas. The Association shall also be obligated to pay all taxes and assessments of whatever nature levied on the Common Area and improvements thereon subsequent to the conveyance of said Common Area and improvements to the Association.

3. Security Function. Until such time as adequate police and fire protection is provided by an appropriate governmental authority, the Association shall be obligated to and shall provide adequate police and fire protection within the Property.

4. Insurance. The Association shall be obligated to and shall obtain and keep in full force and effect at all times casualty insurance including fire and extended coverage, vandalism and malicious mischief endorsements with respect to all facilities owned by the Association, insuring such facilities for the full replacement value thereof. The Association shall also obtain broad form comprehensive public liability coverage, in such amounts and with such deductible provisions as good business practice may dictate. All insurance shall name the Association as insured. The Association shall provide Declarant, upon request, with certificates evidencing such insurance and copies of the insurance policies.

5. Indemnification. The Association shall be obligated to and shall indemnify Declarant and hold it harmless from all liability loss, cost, damage and expense, including attorney's fees, arising with respect to any operations of the Association or any property or facilities of the Association.

6. Rules and Regulations. The Association shall be authorized to and shall have the power to adopt and enforce rules and regulations applicable to the Common Area: to prevent and reduce fire hazards; to prevent disorder and disturbances of the peace; to regulate pedestrian and vehicular traffic; to regulate use of any and all of the Common Area and facilities located thereon to assure fullest enjoyment of use by the persons entitled to use the same; to promote the general health, safety and welfare of persons within the Properties; and to protect and preserve property and property rights. All rules and regulations adopted by the Association shall be reasonable and shall be uniformly applied. The Association may provide for enforcement of any such rules and regulations through reasonable and uniformly applied fines and penalties and/or through exclusion of violators from Common Areas and facilities of the Association or otherwise. Each Owner and Guest shall be obligated to and shall comply with and abide by such rules and regulations and pay such fines or penalties upon failure to comply with or abide by such rules and regulations.

7. Charges for Use of Facilities. The Association may establish reasonable and uniformly applied charges for use of Common Areas and facilities to assist the Association in offsetting the costs and expenses of the Association attributable thereto.

Each Owner and Guest shall be obligated to and shall pay any such charge for use.

8. Right to Dispose of Facilities. Subject to the provisions of this Declaration, the Association shall have full power and authority to sell, lease, grant rights in, transfer, encumber, abandon or dispose of any property or facility of the Association.

9. Governmental Successor. Any property or facility of the Association and any function of the Association may be turned over to a governmental authority which is willing to accept and assume the same upon such terms and conditions as the Association shall deem to be appropriate with the consent of the Owners as hereinafter set forth and with the consent of Declarant.

10. Implied Rights of Association. The Association shall have and may exercise any right or privilege given to it expressly in this Declaration or, except to the extent limited by the terms and provisions of this Declaration, given to it by law, and shall have and may exercise every other right or privilege or power and authority necessary or desirable to fulfill its obligations under this Declaration, including the right to engage necessary labor and acquire use of or purchase necessary property, equipment or facilities, employ personnel necessary to manage affairs of the Association, and obtain and pay for legal, accounting and other professional services as may be necessary or desirable.

ARTICLE V

ASSESSMENTS

1. General and Special Assessments. Each Owner, except Declarant, of any Lot situated on the real property hereinbefore described by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association the annual general assessments and special assessments established and levied from time to time on his Lot as hereinafter provided. The general and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which such assessment is made. Each such assessment, together with such interest, costs and reasonable

attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

2. General Assessments. The Association shall and is hereby authorized to levy an assessment against all Lots for the purpose of defraying all costs and expenses of the Association incurred in the performance of its obligations under this Declaration or any other obligations rightfully undertaken by said Association including, without limitation, costs and expenses incurred in protecting and preserving the health, safety and welfare of the Owners of Lots and their Guests; in improving, maintaining, repairing, replacing and making additions to the Common Areas, streets, and facilities of the Association; for the costs of labor, equipment, materials, management and supervision of the Common Areas and facilities of the Association; and for the payment of taxes and insurance relating to the Common Areas and Facilities. All assessments so levied are herein referred to as "general assessments." The Board of Directors of the Association shall have the power and authority to determine all matters in connection with general assessments, including the power and authority to determine the amount of general assessment and where, when and how general assessments shall be paid to the Association, and each Owner shall be obligated to pay and shall pay to the Association the amount so established in the manner so established.

3. Budget for General Assessments. The total amount required to be raised by general assessments for the Association shall be determined for each fiscal year of the Association in accordance with the following procedure.

Not less than thirty (30) days prior to the commencement of each fiscal year of the Association, the Board of Directors of the Association shall prepare a budget for the forthcoming fiscal year showing, in reasonable detail, the various matters proposed to be covered by the budget, the estimated costs and expenses which will be incurred by the Association, the estimated income and other funds which will be earned by the Association, and the estimated total amount required to be raised by general assessments to cover the costs and expenses to be incurred by the Association in fulfilling its obligations specified in this Declaration and in fulfilling any and all long-term or

continuing commitments of the Association made in connection with or contemplated under any previously approved budget. The total amount required to be raised by general assessments for any fiscal period less than a full fiscal year shall be the total amount required to be raised for a full fiscal year determined as above multiplied by a fraction, the numerator of which is the number of months in the fiscal period and the denominator of which is the number of months in that fiscal year.

The total amount of general assessments required to be raised by the Association, as shown in a budget prepared in the foregoing manner, shall be equally apportioned among all of the existing Units. In determining the number of Units allocable to each Lot for assessment purposes the following rules shall apply:

(a) Each Lot, other than a multi-family tract or commercial lot, which is used by a single family for residential purposes shall be equal to one Unit.

(b) Each multi-family tract, which has not been resubdivided or submitted to condominium ownership shall be equal to the number of Units set forth on the recorded plat designating said multi-family tract or if said number of Units is not set forth on the plat then the number of Units allocated to said multi-family tract shall be equal to the maximum number of resubdivided lots, condominium units, townhouse units, apartment units, duplex or other multiple dwelling units which could be built on said lot pursuant to the Routt County Zoning Ordinances, in effect at the time of recording of this Declaration.

(c) If and when a multi-family tract has been resubdivided or submitted to condominium ownership then each such resubdivided lot, townhouse unit, condominium unit, apartment unit, duplex unit or other multiple dwelling unit shall be equal to one Unit.

(d) Each commercial Lot shall be equal to one Unit for each 4,000 square feet or portion thereof contained in such Lot.

(e) Notwithstanding any of the foregoing rules, under no circumstances shall any Lot in these properties be equal to less than one Unit. The amount of the general assessment for any fiscal period of the Association payable with respect to each Lot coming into existence during such fiscal year shall be computed by multiplying the general assessment for said type Lot for that fiscal period by a fraction, the

numerator of which shall be the number of days remaining in that fiscal period after the Lot comes into existence and the denominator of which shall be the total number of days in that fiscal period.

4. Notice of General Assessment. Within the thirty (30) day period preceding the commencement of each fiscal year of the Association, the Association shall furnish a copy of the budget arrived at in the foregoing manner to Declarant and to all Owners. Accompanying such budget shall be a notice to each Owner setting forth the amount of general assessments due and payable with respect to each Lot of an Owner and specifying where, when and how such general assessment shall be paid to the Association.

5. Supplemental Budget. If at any time it appears to the Association that the amount required to be raised by the Association during any fiscal year shall exceed the amount estimated in the budget previously prepared for such fiscal year, the Board of Directors of the Association may prepare a supplemental budget and may, at any time, deliver to Owners a copy of such supplemental budget together with a notice reflecting the change in the general assessment per Lot due and payable by each such Owner from and after the date of such notice.

6. Special Assessments. In addition to the general assessments hereinabove authorized, the Association may levy in any fiscal year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement of the Association, provided, however, that any such assessment must first be approved by a two-thirds (2/3) vote of the members who vote in person or by proxy at a meeting duly called for the purpose of voting on such proposed special assessment. Written notice of any such meeting shall be sent to all members at least thirty (30) days in advance of such meeting and shall set forth the purpose of the meeting. The date or dates on which such special assessment shall be due and payable shall be fixed by the Board of Directors of the Association.

7. Effect of Nonpayment of Assessments - Remedies of the Association. The amount of any general assessment, special assessment, charge, fine, penalty or other

amount payable with respect to any Lot, Owner or Owner's Guests shall become due and payable as specified by the Association and any such amount shall bear interest at the rate of twelve percent (12%) per annum from and after the date due, until the same is paid. The Association may bring an action at law against the Owner personally obligated to pay the delinquent assessments. In addition to such action or as an alternative thereto, the Association may file with the Clerk and Recorder of Routt County, wherein the property is situated, a Statement of Lien with respect to the property, setting forth the name of the Owner, the legal description of the property, the name of the Association, and the amount of delinquent assessments then owing, which Statement shall be duly signed and acknowledged by the President or a Vice-President of the Association, and which shall be served upon the Owner of the property by Certified Return Receipt Requested mail to the address of the property or at such other address as the Association may have in its records for the Owner of the Property. Thirty (30) days following the mailing of such notice, the Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages on real property under the statutes of the State of Colorado. In either a personal or foreclosure action, the Association shall be entitled to recover as a part of the action, the interest, costs and reasonable attorney's fees with respect to the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

8. Liability of Owners, Purchasers and Encumbrancers. The amount of any assessment, charge, fine or penalty payable with respect to any Owner, or such Owner's Guests or Lot shall be a joint and several obligation to the Association of such Owner and such Owner's heirs, personal representative, successors and assigns. A party acquiring fee simple title to a Lot shall be jointly and severally liable with the former Owner of the Lot for all such amounts which had accrued and were payable at the time of the acquisition of fee simple title to the Lot by such party, without prejudice to such party's right to recover any of said amount from the former Owner. Each such amount, together with interest thereon, may be recovered by suit for a money judgment

by the Association without foreclosing or waiving any liens securing the same. Notwithstanding the foregoing, the holder of a mortgage, deed of trust or other lien on a Lot shall not be liable for any such assessment, charge, fine or penalty and the lien for any such assessments, charges, fines or penalties shall be junior to any lien or encumbrance on a Lot taken in good faith and for value and perfected by recording in the office of the County Clerk and Recorder of Routt County, Colorado, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the Lot and naming the Owner of the Lot.

9. Estoppel Certificate. Upon payment of a reasonable fee not to exceed \$15.00 and upon written request of any Owner or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, the Association shall furnish a written statement setting forth the amount of any assessments, charges, fines or penalties, if any, due or accrued and then unpaid with respect to the Owner of a Lot and such Owner's Guests or Lot and the amount of the general and special assessments, if any, for the current fiscal period of the Association payable with respect to the Lot, which statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid.

ARTICLE VI

RIGHTS OF DECLARANT AND OWNERS

I. Reserved Rights with Respect to Property Conveyed by Declarant. Any real property conveyed to the Association by Declarant shall remain subject to all existing easements for utilities, existing easements for ingress, egress and access, and existing easements for recreational trails and bridle paths. Declarant hereby reserves an easement and right-of-way over all of the Common Area and all Lots not conveyed for its use for the purpose of constructing improvements, utilities, and for other matters, including the right to erect temporary buildings to store any and all materials.

2. No Sale of Common Area. For so long as Declarant is the Owner of any portion of the Property, no portion of the Common Area conveyed to the Association by Declarant may be sold, conveyed, leased, transferred, encumbered, abandoned or otherwise disposed of without the written consent of Declarant and no improvements located on any portion of the Common Area may be destroyed, permitted to deteriorate or waste, or be disposed of by the Association without the written consent of Declarant.

3. No Commercial Enterprises on Common Area. No portion of the Common Area conveyed to the Association shall be used or operated by the Association or by any other person or entity for commercial use, profit or gain without the prior written consent of Declarant and no charges shall be imposed by the Association for the use of the Common Areas by the Owners and their Guests without the prior written consent of Declarant. The above set forth rights in Declarant shall exist only for so long as Declarant is the Owner of any portion of the property.

4. Development of Common Area. So long as Declarant is the Owner of any portion of the Property all development of the Common Area conveyed to the Association by the Association or by any other person or entity shall not be commenced without the prior written approval of Declarant.

5. Owners' Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, provided, however, that such right and easement of enjoyment in and to the Common Area shall be subject to the following:

(a) The right of the Association to limit the number of guests of an Owner on the Common Areas and to the facilities located thereon.

(b) The right of the Association to collect money upon a cost basis for the use of any recreational facility situated upon the Common Area.

(c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage or grant other security interests in the Common Area; provided, however, that the rights of any mortgagee shall be subject to the rights of

the Owners while any mortgage or note and deed of trust is current and not in default, and further provided that no funds may be borrowed nor shall any mortgage or deed of trust be given unless an instrument signed by a majority of the members agreeing to such action has been recorded with the Clerk and Recorder of Routt County.

(d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and the right of the Association to suspend the voting and right to use of the recreational facilities by an Owner for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(e) The right of the Association to dedicate or transfer all or any part of the Common Area, to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members and by persons holding mortgages or deeds of trust on any portion of the subject property. No such dedication or transfer shall be effective unless the same is approved by Declarant and a majority of the Class A Members of the Association.

6. Delegation of Use. Any Owner may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

7. Title to the Common Area. The Declarant hereby covenants for itself, its successors and assigns, that it will convey title to the Common Area by one or more deeds to the Association, prior to the termination of Class B Membership as provided in Article III, subject to all easements and rights-of-way shown on the Plat or subsequently granted by Declarant.

8. Owner's Rights and Obligations Appurtenant. All rights and easements of an Owner under this Declaration and all rights of an Owner with respect to membership in the Association and all obligations of an Owner under this Declaration are hereby declared to be and shall be appurtenant to the title to the Lot owned by such Owner and may not be transferred, conveyed, devised, bequeathed, encumbered or otherwise disposed of separate or apart from title to the Lot. Every transfer, conveyance, grant,

devise, bequest, encumbrance or other disposition of the Lot shall be deemed to constitute a conveyance, grant, devise, bequest, encumbrance or transfer or disposition of such rights and obligations.

ARTICLE VII

ARCHITECTURAL CONTROL

1. Powers.

(a) General. No building, fence, wall, utility line, drainage system or natural surface of a Lot shall be changed, altered, erected, constructed, moved, removed, maintained or reconstructed without the prior written approval of the Architectural Control Committee, (hereinafter referred to as Committee). Such approval shall be obtained only after written application has been made to said Committee by the Owner of the Lot requesting authorization from the Committee. Such written application shall be in the manner and form prescribed from time to time by the Committee and shall set forth and include all information and materials required by the Rules and Regulations adopted by the Committee. Such application shall include among other things, a site analysis and at least two (2) complete sets of plans and specifications for any proposed construction, alteration, or improvement. Such plans and specifications shall include plot plans showing: contour lines; the location of all existing and/or proposed improvements; the proposed drainage plan; the proposed utility connections; the location of existing trees having a height of six (6) feet and having a trunk measuring six (6) inches or more in any diameter at ground level and such trees which the Owner proposes to remove. Such plans and specifications shall also depict or set forth: floor plans; elevations; the color and composition of all exterior materials proposed to be used; working drawings and construction specifications; landscaping plans; construction schedules and such other information or materials which the Committee may require. All such plot plans, specifications and working drawings shall be prepared by either a registered land surveyor or engineer or architect.

(b) Power of Disapproval. The Committee may refuse to grant permission to construct, place or make the requested changes, improvements or alterations when:

(1) The plans, specifications, drawings or other material submitted are themselves inadequate or incomplete, or show the proposed improvement to be in violation of this Declaration.

(2) The design or color scheme of a proposed improvement is not in harmony with the general surroundings of said lot or with adjacent buildings or structures;

(3) The proposed improvement, or any part thereof would in the opinion of the Committee, be contrary to the interests, welfare or rights of all or any part of the Owners of other lots in the Properties.

(c) Power to Grant Variances. The Committee may allow reasonable variances or adjustments of the restrictions contained in this Declaration where literal application thereof would result in unnecessary hardship. Provided, however, that any such variance or adjustment is granted in conformity with the general intent and purposes of these Restrictions; and, that the granting of a variance or adjustment will not be materially detrimental or injurious to other lots in the Properties.

2. Duties of Committee. The Committee shall approve or disapprove of proposed application within thirty (30) days after all required information shall have been submitted to it. One copy of submitted material shall be retained by the Committee for its permanent files. All notifications to applicants shall be in writing, and, in the event that such notification is one of disapproval, it shall specify the reason or reasons for such refusal.

3. Composition of Committee. The Committee shall be composed of three (3) members who shall be appointed by the Declarant, and who shall be subject to removal by the Declarant at any time. Any vacancies from time to time existing shall be filled by appointment of the Declarant. The Declarant may, at its sole option, at any time hereafter, relinquish and assign these powers to the Stagecoach Property Owners' Association.

4. Liability of Committee. Neither the Committee nor any agent thereof, nor the Declarant, nor the Association, shall be responsible in any way for any defects

in any plans, specifications or other materials submitted to it, nor for any defects in any work done according thereto.

5. Duty of Inspection . To the extent that inspection of improvements constructed is not provided for by appropriate governmental agencies, it shall be the duty of the Committee to inspect work being performed with its permission to assure compliance with these Restrictions and applicable regulations.

6. Fees . The Committee may charge a reasonable fee for review of the plans and specifications.

ARTICLE VIII

EASEMENTS

1. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of the Properties and over the front, side and rear lot lines as shown on the recorded plat of the Properties. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in or stemming from said easements. However, the easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

2. Trail and bridle path easements are reserved as shown on the recorded plat of the Properties and over the side and rear lot lines as shown on the recorded plat of the Properties. Within these easements, no structure, fence, wall landscaping or other materials shall be placed or permitted which may interfere with or cause danger to any person or persons using said easements.

3. Each Lot shall further be subject to an easement in the Association and Declarant for the maintenance and permanent stabilization and control of slopes and drainage.

4. The Properties shall be subject to all easements shown and/or set forth on any recorded plat of the Properties.

ADDITIONAL PROVISIONS RELATING TO MULTI-FAMILY TRACTS

1. General. It is anticipated that the Multi-Family Tracts will either be submitted to condominium ownership or resubdivided into townhouse projects, that each townhouse or condominium project will be subject to additional covenants, conditions, restrictions, easements, liens and assessments, and that each townhouse or condominium project will be administered and governed by either a Homeowners Association or Condominium Association. If and when any such Multi-Family Tract is submitted to condominium ownership under the Condominium Ownership Act of the State of Colorado or resubdivided into a townhouse project it shall be expressly permissible to impose upon such project, subject to the limitations and conditions hereinafter set forth, additional covenants, conditions and restrictions as the Owner of said Multi-Family Tract deems desirable and to provide in such covenants or declarations for a Condominium Association or Homeowner's Association to govern and administer said project.

2. Conditions and Limitations.

(a) That any Condominium Declaration, Declaration of Covenants, Conditions or Restrictions, Protective Covenants or Covenants of a similar type and nature affecting a Multi-Family Tract shall be first approved by Declarant prior to the recording of the same in the office of the Clerk and Recorder of Routt County.

(b) That the Articles of Incorporation and Bylaws of any Condominium Association or Homeowner's Association to be created to govern and administer any project as a Multi-Family Tract shall first be approved by Declarant prior to the filing of said Articles of Incorporation in the office of the Secretary of State for the State of Colorado or any other State.

3. That any Condominium Declaration, Declaration of Covenants, Conditions and Restrictions, or other Declarations of a similar type or nature shall not conflict with or be inconsistent with the terms and conditions of this Declaration. Further, any such Declaration shall provide that the Owners thereunder are subject to the terms, conditions and restrictions contained herein and they shall not impose any additional

duties, obligations or responsibilities upon the Stagecoach Property Owners' Association.

4. Fees. The Committee may charge a reasonable fee for review of any Condominium Declaration or Declaration of Covenants, Conditions or Restrictions.

ARTICLE X

GENERAL PROVISIONS

1. Effect of Owner's Acceptance of Deed. The Owner of any Lot subject to these restrictions, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Declarant or a subsequent Owner of such Lot, shall accept such deed and execute such contract subject to each and every restriction, condition, covenant and obligation herein contained. Further, that by acceptance of such deed or execution of such contract, such persons do acknowledge the rights and powers of the Declarant and of the Association with respect to these restrictions, conditions, covenants and obligations, and also, for themselves, their heirs, personal representatives, successors and assigns, they do covenant and agree and consent to and with the Declarant, the Association and to and with the grantees and subsequent owners of each of the Lots affected by this Declaration to keep, observe, comply with and perform such conditions, covenants, terms and obligations contained therein.

2. Protection of Encumbrancer. No violation or breach of, or failure to comply with, any provision of this Declaration and no action to enforce any such provision shall affect, defeat, render invalid or impair the line of any mortgage, deed of trust or other lien on any property taken in good faith and for value and perfected by recording in the office of the County Clerk and Recorder of Routt County, Colorado, prior to the time of recording in said office of an instrument describing said property and listing the name or names of the Owner or Owners of fee simple title to the Property and giving notice of such violation, breach or failure to comply; nor shall such violation, breach, failure to comply or action to enforce, affect, defeat, render invalid or impair the title or interest of the holder of such mortgage, deed of trust or other lien or title or interest acquired by any purchaser upon foreclosure of such mortgage, deed of trust, or other lien,

or result in any liability, personal or otherwise, of any such holder or purchaser. Any such purchaser on foreclosure shall, however, take subject to this Declaration.

3. Limited Liability. Neither Declarant, the Association, the Board of Directors of the Association nor any member, agent or employee of any of the same shall be liable to any party for any action or for any failure to act with respect to any matter if the action taken or failure to act was in good faith and without malice.

4. Annexation. Additional real property may be annexed to the Property by the Declarant at any time and without consent of the members of the Association. Said annexation shall occur when the Declarant records a Certificate of Annexation, describing the real property to be annexed and on the date of recording said Certificate, said real property shall be deemed part of the Property, as defined herein, and shall be subject to all of the terms and conditions of this Declaration, except as said terms and conditions may be modified in the Certificate of Annexation.

5. Enforcement. The Association, Declarant, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, Declarant or by any Owner to enforce any rights hereunder shall in no event be deemed a waiver of the right to do so thereafter.

6. Amendment. The covenants and restrictions of this Declaration shall run and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than fifty-one percent (51%) of the Owners, including Declarant,

