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GARFIELD COUNTY, COLORADO  
SECOND AMENDED DECLARATION OF COVENANTS, CONDITIONS,  
LIMITATIONS, RESTRICTIONS, RESERVATIONS, LIENS AND  
CHARGES FOR RANCH AT ROARING FORK

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## EXHIBITS

- A--Description - Ranch at Roaring Fork - Entire Ranch
- B--Description - Ranch at Roaring Fork - Commercial Parcel
- C--Description - Ranch at Roaring Fork - Common Recreation  
Reserve
- D--Description - Ranch at Roaring Fork - Condominium  
Parcel No. 1
- E--Description - Ranch at Roaring Fork - Condominium  
Parcel No. 2

SECOND AMENDED DECLARATION OF COVENANTS, CONDITIONS,  
LIMITATIONS, RESTRICTIONS, RESERVATIONS, LIENS AND  
CHARGES FOR RANCH AT ROARING FORK

This Second Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork (hereinafter the "Declaration") is made this \_\_\_\_ day of \_\_\_\_\_, 1984, by the Ranch at Roaring Fork Homeowners Association, Inc., a Colorado not-for-profit corporation, as successor to the Ranch at Roaring Fork, Inc., a Colorado corporation, for itself, its successors, grantees and assigns (the "Declarant").

RECITALS

KNOW ALL MEN BY THESE PRESENTS:

A. THAT WHEREAS, this Second Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork expressly revokes, amends and replaces the Declaration of Establishment of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork Condominiums, a Resort Condominium Project, made by Declarant, dated October 11, 1973, and recorded October 23, 1973, in Book 451 at Page 43 of the Garfield County, Colorado records (the "Original Declaration") and the Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens, and Charges for Ranch at Roaring Fork dated October 10, 1977, and recorded October 26, 1977, in Book 502 at Page 82 of the Garfield County, Colorado records (the "Amended Declaration"), and all subsequent amendments thereto. This Second Amended Declaration has been adopted and approved by the Owners and Mortgagees in accordance with the provisions of Article XVI of the Amended Declaration; and

B. WHEREAS, Declarant was, on the date of the Original Declaration, the record owner of approximately 464 acres of real property (the "Ranch") located in Garfield County, Colorado, more particularly described in Exhibit "A" attached hereto and incorporated herein; and

C. WHEREAS, The Ranch is an area of natural beauty including distinctive terrain features and pastoral areas; and it is the desire and the intent of the Declarant to continue a planned unit development community primarily for residential use, in which such natural beauty shall be substantially preserved and, for the enjoyment and convenience of the persons living in such community, enhanced by the installation and operation of recreational and limited commercial facilities; and

D. WHEREAS, All real property within the Ranch has been or will be designated under one of the following classifications:

1. Condominium Parcel
2. Detached Housing Parcel
3. Common Recreation Reserve
4. Commercial Parcel
5. Homestead Parcel

The classification for any portion of the Ranch shall (subject to the prior approval of any governmental agencies having jurisdiction thereof) be fixed by the owner, with the approval of the Association at the time of annexation of the property to the Project, by the recordation of a supplementary declaration stating the classification of the property being annexed; and

E. WHEREAS, A purpose of this Declaration is to classify certain property more particularly described herein and designated herein as Condominium Parcels No. 1 and 2 and to subject said Condominium Parcels No. 1 and 2 and undivided interests, rights, and easements in the Common Elements and Common Recreation Reserve to the condominium form of ownership in the manner provided for in the Colorado Condominium Ownership Act and to classify certain property more particularly described herein and designated herein as the Detached Housing Parcels and to subject said Detached Housing Parcels and undivided interests, rights, and easements in the Common Elements and Common Recreation Reserve to the terms, covenants, conditions, easements,

restrictions, limitations, obligations and plan established for the separate ownership in fee simple of the real property estates established herein and hereby; and

F. WHEREAS, Declarant desires to provide for the preservation of the values and amenities of the Ranch, and for the maintenance thereof; and to this end, desire to subject Condominium Parcels No. 1 and 2, the Detached Housing Parcels, and the Common Recreation Reserve together with such additions to the project as may hereafter made in accordance with the provisions hereof to the terms, covenants, conditions, easements, limitations, restrictions, liens, charges and obligations hereinafter set forth for the benefit of all real property estates and each owner thereof; and

G. WHEREAS, Declarant has previously deemed it desirable for the efficient preservation of the value, desirability and attractiveness of the Ranch and additions thereto, to create a corporation to which shall be delegated and assigned the powers of maintaining and administering such properties and improvements and enforcing the terms, covenants, conditions, easements, limitations, restrictions, liens, charges and obligations and collecting and disbursing the assessments and other charges hereinafter established, being the Ranch at Roaring Fork Homeowners Association, Inc., a Colorado not-for-profit corporation; and

NOW, THEREFORE, Declarant does hereby publish and declare the following terms, covenants, conditions, easements, restrictions, limitations, liens, charges and obligations which shall be deemed to run with the land, shall be a burden and benefit to the Declarant, its successors and assigns and any property owner acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, personal representatives, devisees, or assigns.

## ARTICLE I

### Name of Project

1.1 Ranch at Roaring Fork. The name by which the Project, including additions thereto is to be identified as the Ranch at Roaring Fork.

## ARTICLE II

### Definitions

Unless the context shall expressly provide otherwise:

2.1 Annexed Real Property. "Annexed Real Property" shall mean only any Condominium Parcel or Detached Housing Parcel, including the improvements thereon, annexed to and made a part of the Ranch in the manner provided in Article V hereof.

2.2 Articles. "Articles" shall mean the Articles of Incorporation of the Ranch at Roaring Fork Homeowners Association, Inc., as amended from time to time, filed with the Secretary of State of the State of Colorado.

2.3 Assessments. "Assessments" shall mean the assessments, whether general or special, made by the Association to enable it to raise monies to meet the Common Expenses or any other expenses which may be properly charged or assessed hereunder to the Owners, or any of them, by the Association.

2.4 Association. "Association" shall mean Ranch at Roaring Forking Homeowners Association, Inc., a Colorado not-for-profit corporation, or its successors or assigns.

2.5 Board. "Board" shall mean the Board of Directors of the Association.

2.6 By-Laws. "By-laws" shall mean the By-laws of the Association, as amended from time to time.

2.7 Commercial Parcel. "Commercial Parcel" shall mean the parcel of real property described on Exhibit "B" attached hereto and incorporated herein, and may be developed with shops, stores, restaurants or other business or commercial space(s). The Commercial Parcel, even though within the Ranch, shall not be a part of the project and shall have no appurtenant undivided interests, rights or easements, in the Common Recreation Reserve or in the Common Elements within the project.

2.8 Common Elements. "Common Elements" shall mean the Common Recreation Reserve and, with respect to any Condominium Parcel, all of the Condominium Parcel and improvements thereon except the portions thereof which constitute Individual Spaces; and with respect to any Detached Housing Parcel all of the Detached Housing Parcel and improvements except the portions thereof which are within the boundaries of any Lot and except any residence or other structure or improvements on any Lot; and such improvements in such other areas as may be provided for community recreation, utility or for common use; streets, green areas and lakes; all other parts of such land and the improvements thereon necessary or convenient to its existence, maintenance and safety which are normally and reasonably in common use including the air space above such land, all of which shall be owned, by the Association or the Owners of the separate units as tenants in common, as the case may be, each Owner having an undivided interest, right and unrestricted easement in and to such General Common Elements as provided herein; provided, however, General Common Elements shall exclude all Condominium Units and Detached Housing Units as defined herein.

Without limiting the generality of the foregoing, the following are, with respect to any Condominium Parcel, expressly included within the meaning of Common Elements:

(a) All land and easements which are a part of any Condominium Parcel; and

(b) All foundations, columns, girders, beams and any other structural components of any Condominium Building on any Condominium Parcel; and

(c) The exterior walls of any Condominium Building, the main or bearing walls and the partition walls within the Condominium Building, the main or bearing subflooring and the roofs of any Condominium Building on any Condominium Parcel; and

(d) All entrances, exits, halls, corridors, bridges, lobbies, basements, lounges, linen rooms, storage space, elevators, stairs, stairways and fire escapes of any Condominium Building on any Condominium Parcel not within any Individual Space; and

(e) All parts of the Condominium Building on any Condominium Parcel or any facilities and fixtures whether or not within an Individual Space which are or may be necessary or convenient to the support, existence, use, occupation, operation, maintenance, repair or safety of any such Condominium Building or any part of such a Condominium Building, including any other Individual Space in such Condominium Building; and

(f) All utility, service and maintenance rooms, space, fixtures, apparatus, installation and facilities for power, light, gas, telephone, television, hot water, cold water, heating, refrigeration, air conditioning, incineration, or similar utility service for maintenance purposes, including furnaces, tanks, pumps, motors, fans, compressors, vents, ducts, flues, wires, pipes, conduits, sewer and water treatment facilities, water storage facilities and other similar fixtures, apparatus, installations and facilities located on or in any part of or serving any Condominium Parcel, or on any real property leased to the Association and used in connection with such fixtures, apparatus, installation and facilities and all easements and appurtenances thereto; and all buildings, rooms or premises for lodging or housing of managers, custodians or persons in charge of or employed to handle, supervise, operate or maintain the Project; provided, however, that such utility fixtures, apparatus, installations or facilities which are located within an Individual Space and exist solely to serve the Individual Space within which they are located (e.g. outlets providing electricity to such Individual Space) shall not be deemed to be Common Elements; provided,

however, that water and sewer fixtures and pipes at the point of tap from the Individual Space to the common fixtures and pipes shall be deemed Common Elements.

2.9 Common Expenses. "Common Expenses" shall mean and include expenses of administration, operation and management, maintenance, repair or replacement of the Common Elements, and of portions of any Individual Space or Lot or Condominium Unit or Detached Housing Unit to be maintained by the Association if any; expenses declared to be Common Expenses by the provisions of this Declaration or the By-laws of the Association; all sums lawfully assessed against the General Common Elements by the Board of Directors of the Association; any charge against the owners as a whole; and all expenses agreed to be Common Expenses by the Association.

2.10 Common Recreation Reserve. "Common Recreation Reserve" shall mean the real property, more particularly described in Exhibit "C" attached hereto, which is subject to the Amended Declaration of Easements and Protective Covenants for the Common Recreation Reserve recorded in Book 502 at Page 134 of the Garfield County, Colorado records or as amended from time to time. The Common Recreation Reserve is intended to be, and the provisions of this Declaration establish it as, a part of the Project and more particularly a part of the General Common Elements thereof.

2.11 Condominium Building. "Condominium Building" shall mean one of the buildings shown on the Condominium Map(s) or Plat(s), and constructed upon a Condominium Parcel in which Condominium Units are located.

2.12 Condominium Map or Plat. "Condominium Map or Plat" shall mean the map or maps and plat or plats, as they may be amended from time to time in accordance with the provisions of this Declaration, filed with respect to any Condominium Parcel pursuant to the provisions of the Condominium Act and this Declaration including the engineering survey of the land locating thereon and depicting the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of or all of the land and improvements thereon, including any amended or supplemental Condominium Map(s) or Plat(s), if any.

2.13 Condominium Parcel. "Condominium Parcel" shall mean any parcel of real property which has been designated a Condominium Parcel in this Declaration or in a recorded supplementary Declaration and executed by the Owner thereof and approved by the Association and which is to be developed by construction of a Condominium Building or Buildings containing Individual Spaces to be owned with an appurtenant undivided interest, right and easement in the Common Elements in condominium ownership pursuant to the Condominium Ownership Act and this Declaration.

2.14 Condominium Parcel No. 1. "Condominium Parcel No. 1" shall mean that portion of the Ranch described in Exhibit "D" attached hereto.

2.15 Condominium Parcel No. 2. "Condominium Parcel No. 2" shall mean that portion of the Ranch described in Exhibit "E" attached hereto.

2.16 Condominium Unit. "Condominium Unit" shall mean an Individual Space as defined herein together with an undivided interest, right and easement in and to appurtenant Limited Common Elements, together with the Common Elements of the Condominium Parcel on which the Individual Space is located and an undivided interest, right and easement in the Common Elements and Common Recreation Reserve; which Individual Space and the appurtenant undivided interests, rights, and easements in the Common Elements shall together comprise one Condominium Unit, shall be inseparable and may be conveyed, leased, devised, or encumbered only as Condominium Unit.

2.17 Declaration. "Declaration" shall mean this instrument entitled Second Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork as the same may be amended from time to time.

2.18 Detached Housing Parcel. "Detached Housing Parcel" shall mean any parcel of real property which has been designated as a Detached Housing Parcel in a recorded Supplementary Declaration executed by the owner thereof and approved by the Association and which is to be subdivided into lots or similar parcels upon each of which may be built a single family

residence and with the Lot and any improvements thereon, together with an appurtenant undivided interest in Common Elements, to be individually owned.

2.19 Detached Housing Unit. "Detached Housing Unit" shall mean an estate in real property consisting of a separate interest in a Lot and any improvements thereon, together with an undivided interest in appurtenant Limited Common Elements, if any, together with the Common Elements of the Detached Housing Parcel on which the Lot is located and an undivided interest in the Common Recreation Reserve, which undivided interests, rights and easement shall at all times be appurtenant to title to the Lot.

2.20 Garfield County Records. "Garfield County Records" shall mean the real property records in the office of the Clerk and Recorder of Garfield County, Colorado.

2.21 General Common Elements. "General Common Elements" shall mean the Common Elements other than the Limited Common Elements.

2.22 Guest. "Guest" shall mean any customer, agent, employee, tenant, guest, or invitee of an Owner including family members not regular members of the household; and any person who has acquired any title or interest in a Unit by, through or under an Owner, including a contract purchaser, lessee, licensee and any customer, agent, employee, tenant, guest or invitee of such person.

2.23 Homestead Parcel. "Homestead Parcel" shall mean the parcel described in the Declaration of Protective Covenants for Reserved Parcel recorded in Book 449 at Page 353 of Garfield County Records. The Homestead Parcel is within the Ranch but is not formally part of the Project and has no appurtenant undivided interest in the Common Recreation Reserve or in any Common Elements within the Project.

2.24 Improvement. "Improvements" shall mean all structures and appurtenances thereto of every type and kind, including but not limited to buildings, outbuildings, garages, carports, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping hedges, windbreaks, plantings, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment, and apparatus, installations and facilities for power, light, gas, telephone, television, water and sewer, or similar utility services.

2.25 Individual Space. "Individual Space" shall mean the elements of a Condominium Unit which are not owned in common with the other Owners. The boundaries of an Individual Space are the undecorated interior surfaces of the lowermost floor, the uppermost ceiling and the perimeter walls thereof and, where found along such walls, the interior surface of any built-in fireplace, door or window (when closed). An Individual Space includes both the portions of the Condominium Building so described and the airspace encompassed thereby; except that, any Common Elements which may be within an Individual Space shall not be a part of such Individual Space.

2.26 Limited Common Elements. "Limited Common Elements" shall mean those Common Elements designated herein as either limited to or reserved for the exclusive use of an owner or limited to and reserved for the common use for more than one but fewer than all of the owners. With respect to any Condominium Parcel, the Limited Common Elements include decks, balconies, patios, courts, terraces and enclosed yards which adjoin and are directly accessible from an Individual Space, and covered and uncovered automobile parking spaces, storage areas, lockers, entrance-ways designated for separate use and assigned to an Owner in accordance with this Declaration.

2.27 Lot. "Lot" shall mean any lot, tract or parcel shown on a subdivision plat of a Detached Housing Parcel and intended for development by construction of a single family residence thereon.

2.28 Map or Plat. "Map" or "Plat" shall mean the map or maps and plat or plats, as they may be amended from time to time for the Project in accordance with the provisions of this Declaration, and including any amended or supplemental Map(s) or Plat(s), if any.

2.29 Member. "Member" shall mean and refer to every person who holds a membership in the Association in accordance herewith.

2.30 Mortgage. "Mortgage" shall mean any mortgage or deed of trust or other such conveyance to secure the performance of an obligation, which will be void and whereunder the encumbered property will be reconveyed upon the completion of such performance. "First Mortgage" or "First Lien Deed of Trust" shall mean a mortgage or deed of trust which is prior, as a matter of Colorado law, to all similar security interests with respect to a Unit, or to the Real Property, or any portion thereof, encumbered by such Mortgage.

2.31 Mortgagee. "Mortgagee" shall mean any person who is a mortgagee or beneficiary under a First Mortgage encumbering a Unit, the Real Property or a portion thereof.

2.32 Owner. "Owner" shall mean the person, firm, corporation, partnership, association or other legal entity, or any combination thereof who are the record Owner or Owners of fee simple title to a Unit or a Parcel zoned and platted for a certain and specific number of units or own that estate or interest with respect to a Unit or Parcel most nearly equivalent to fee simple title. The term shall not include the Owner of any lesser estate or interest such as a leasehold estate or the like and likewise excludes mortgagees and contract Owners.

2.33 Project. "Project" shall mean the Common Recreation Reserve, Condominium Parcels No. 1 and No. 2, and any Condominium Parcel or Detached Housing Parcel made subject to this Declaration, together with any improvements thereon. The Homestead and the Commercial Parcels, even though within the boundaries of the Ranch, shall not be deemed a part of the Project.

2.34 Property To Be Annexed. "Property To Be Annexed" shall mean any portion of the Ranch which is shown on the Master Plan for the Ranch, as it may be amended from time to time, to be improved as a Condominium Parcel or Detached Housing Parcel but for which no Supplementary Declaration has been filed for Record.

2.35 Ranch. "Ranch" shall mean the approximately 464 acres of real property in Garfield County, Colorado, described on Exhibit "A" attached hereto, portions of which are or may become part of the Project governed by this Declaration.

2.36 Real Property. "Real Property" shall mean that portion of the Ranch subjected to this Declaration hereby and any Annexed Real Property.

2.37 Record. "Record", "Recorded", and "Recordation" shall mean, with respect to any document, the recordation of such document in the real property records in the office of the County Clerk and Recorder for Garfield County, Colorado.

2.38 Sale. "Sale" or "Sold" shall mean the act of Recording the deed or other such instrument of transfer conveying an Unit in the Project.

2.39 Supplementary Declaration. "Supplementary Declaration" shall mean any declaration of protective covenants, conditions and restriction which may be Recorded by Declarant(s) pursuant to Article V of this Declaration.

2.40 Unit. "Unit" shall mean and include both a Condominium Unit and a Detached Housing Unit.

2.41 Water and Sewer Facilities. "Water and Sewer Facilities" shall mean all water rights and all facilities and easements in, on and through any part of the Ranch which comprise or are part of the systems for providing water or sewer service to any Condominium Parcel, Detached Housing Parcel or the Common Recreation Reserve.

2.42 Certain Pronouns. "Certain Pronouns" whenever used herein, unless the context shall provide otherwise, the singular number shall include the plural, the plural the singular, and the use of one gender shall mean and will include all genders.

## ARTICLE III

Establishment of Form of Ownership

3.1 Recordation of Declaration. Declarant has caused this Declaration to be recorded. Declarant hereby certifies, agrees and declares that Condominium Parcels No. 1 and No. 2, the Detached Housing Parcels and the Common Recreation Reserve are intended to be, and hereby are, made subject to this Declaration for the period of this Declaration and any extensions hereof.

3.2 Recordation of the Project Map or Plat and the Condominium Map or Plat. Pursuant to the Condominium Act and the original Declaration, Declarant has caused a Map or Plat and a Condominium Map or Plat for Condominium Parcel No. 1 to be prepared which consists of (i) A survey map depicting the surveyed boundaries of the surface of the land included in the Project, as presently constituted, and (ii) diagrammatic floor plans and elevations of the Condominium Buildings built within Condominium Parcel No. 1 thereon in sufficient detail to locate and depict each Condominium Building and each Individual Space, the relative locations and dimensions in showing their legal description. Declarant has caused such Maps or Plats to be recorded in the Garfield County, Colorado Books and Records substantially concurrent with the recordation of the original Declaration. Declarant shall file and record in the Garfield County, Colorado Books and Records concurrently herewith a supplemental and amended Map or Plat showing the legal description of the surveyed boundaries of the surface of the land included in the project, as presently constituted; together with a supplemental or amended Condominium Map or Plat showing the location of the Condominium Buildings and improvements upon Condominium Parcel No. 1; the elevation plans, the location of the Condominium units within the Condominium Buildings, both horizontally and vertically the structural and supporting walls and the common walls between or separating the Condominium Units, the locations of any structural components for supporting elements of the Condominium Buildings located within a Condominium Unit and the Condominium Unit designations and the Condominium Buildings symbol. In addition to the supplemental or amended Condominium Map or Plat as above-provided, the Condominium Map or Plat and any supplements thereto may also be supplemented by filing charts or schedules depicting horizontal and vertical dimensions. There shall be filed for record as a part of the Condominium Map or Plat a certificate of registered professional engineering or licensed architect or surveyor, or both, certifying that the Condominium Map or Plat substantially depicts the location and the horizontal and vertical measurements of the completed Condominium Buildings and Condominium Units, and the Condominium Unit Designations and Condominium Building Designations, and that such Condominium Map or Plat was prepared subsequent to the completion thereof. Each supplement shall set forth a like certificate when appropriate. Declarant reserves the right to further amend a previously recorded Map or Plat from time to time in order to conform such map or plat to the actual location of any of the structured improvements or to conform such map plat to all appropriate zoning and subdivision regulations of Garfield County, or the State of Colorado, or any other governmental authority. In interpreting the Condominium Map or Plat, the existing physical boundaries of each separate Condominium Unit and each Condominium Building as constructed shall be conclusively presumed to be its boundaries. Declarant reserve the right to file supplements to the Condominium Map or Plat, or any section or part thereof, from time to time. A Supplemental Condominium Map or Plat for Condominium Parcel No. 2 consisting of and showing the same elements as, and certified in the same manner as the Condominium Maps or Plats for Condominium Parcel No. 1 shall be filed for record following issuance of an appropriate enabling resolution by the Board of County Commissioners of Garfield County, Colorado.

Pursuant to the original Declaration, Declarant has caused a Project Map or Plat to be prepared which consists of (i) a survey map depicting the surveyed boundaries of the surface of the land included in the Project, as presently constituted, and (ii) depicting the boundaries of all classified properties with the Ranch, including Condominium Parcels No. 1 and 2, the Detached Housing Parcels, the Common Recreation Reserve, and the Commercial and Homestead Parcels. The Project Map or Plat shall be certified in the same manner as the Maps or Plats set forth above in accordance with the Subdivision Regulations of Garfield County, Colorado. Declarant reserves the right to amend or supplement the Project Map or Plat in the same manner and

for the same purposes as it may amend the Maps or Plats set forth above and, in interpreting the Project Map or Plat, the similar presumptions shall apply.

3.3 Description of Units for Purposes of Conveyance; Presumptions. Any contract, deed, lease, mortgage, deed of trust, Will or any other instrument may legally describe a Condominium Unit by its identifying Unit designation identifying the Individual Space number and letter or letters as shown and with further reference to the Condominium Map and Declaration filed for record. A legal description of a Condominium Unit in the project may be in the following form:

Condominium Unit \_\_\_\_\_, Ranch at Roaring Fork  
Condominiums, Garfield County, Colorado.

Any contract, deed, lease, mortgage, deed of trust, Will or any other instrument may legally describe a Detached Housing Unit by its identifying lot number for the Unit and Detached Housing Parcel designation shown on the recorded subdivision plat or map for the Detached Housing Parcel upon which the lot is located in this declaration. A legal description of a Detached Housing Unit in the project may be in the following form:

Lot \_\_\_\_\_, Ranch at Roaring Fork,  
Filing No. \_\_\_\_\_, Garfield County, Colorado

Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise effect not only the Unit but also the interest, right or easement, if any, in the General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a perpetual, non-exclusive easement for ingress and egress to and from and Owner's Unit on, over and across any private street and the exclusive use of the Limited Common Elements appurtenant thereto. Likewise, each such description shall be construed to include the entire Unit including all obligations, liens, and charges, covenants, conditions, restrictions and reservations appurtenant thereto. Unless otherwise expressly stated in any instrument affecting title to a Unit, any transfer or conveyance of an Individual Space or lot shall be presumed to transfer or convey the entire Unit.

3.4 Inseverability of the Units. Each Unit, the appurtenant undivided interest, right, and easement in the General Common elements and the appurtenant Limited Common Elements shall together comprise one Condominium Unit or Detached Housing Unit as the case may be, shall be inseparable and may be conveyed, leased, devised, or encumbered only as one Unit. Any violation or attempted violation of this provision shall be void and of no effect. Nothing contained herein shall be construed to preclude the creation of a co-tenancy in the ownership of a Unit.

3.5 Separate Assessment and Taxation of Units - Notice to Assessor. Declarant has previously given written notice to the Assessor of Garfield County, Colorado, of the creation of Condominium real property ownership interests in Condominium Parcel No. 1 and has filed similar notices with respect to each Detached Housing Parcel annexed to the project, as provided by law, so that each Unit and the undivided interest, right and easement in the Common Elements appurtenant thereto shall be considered a parcel of real property and subject to separate assessment and taxation.

The valuation of the Common Elements shall be assessed proportionately upon the Individual Spaces or Lots on the following basis:

(a) Common Elements Within a Condominium or Detached Housing Parcel - Any Common Elements within any Condominium Parcel or any Detached Housing Parcel shall be assessed to the Owners of the Individual Spaces or Lots located on such Parcel in proportion to the undivided interests therein appurtenant to such Individual Space or Lot as determined herein;

(b) Other Common Elements - The Common Recreation Reserve and the improvements thereon and all other Common Elements not within the Condominium Parcel or a Detached Housing Parcel shall be assessed to the Owners of Individual Spaces and Lots to which an undivided interest, right, or easement to such Common Elements is appurtenant in proportion to the undivided interests therein appurtenant to such Individual Space or Lot as determined herein. Any remaining interests, after making such assessment to the Owners

of such Individual Spaces and Lots shall be assessed to the Association and paid by the Association pursuant to the provision hereof.

To the extent required or permitted by law, any lien for taxes assessed to any Unit Owner or to the Association in accordance with the provisions of this Section shall be confined to such Owner's Unit. No forfeiture or sale of any Unit or of the interest of the Association for delinquent taxes, assessments, or charges shall divert or in any way affect the title of other Units in the project.

3.6 Form of Ownership - Title. A Unit may be held and owned in any real property tenancy relationship recognized under the laws of the State of Colorado.

3.7 Termination of Mechanic's Lien Rights and Indemnification. No labor performed or materials or services furnished and incorporated in a Unit with the consent or at the request of the Unit Owner or his agent or his contractor or subcontractor shall be the basis for the filing of lien against the Unit of any other Owner not expressly consenting to or requesting the same. Each Owner shall indemnify and hold harmless each of the other Owners, the Association and the Declarant from and against all liability arising from the claim of any lien against the Unit of any other Owner for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request. At the written request of any non-consenting Owner, the Association shall enforce such indemnity by collecting from the Owner of the Unit on which the labor was performed and materials furnished the amount necessary to discharge any such mechanic's lien, and all costs, incidental thereto, including attorney's fees. If not promptly paid, the Association may collect the same in the manner provided herein for collection of assessments for the purpose of discharging such lien. The provisions herein are subject to the rights of the Board of Directors of the Association for labor performed or materials or services furnished for the Common Elements duly authorized by the Association. The express consent of an Owner of any Unit for the furnishing of labor, materials or services with respect to the Unit shall be deemed to have been given in the case of emergency repairs thereto.

#### ARTICLE IV

##### Description of the Project

4.1 Real Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Garfield County, Colorado, and is more particularly described as follows:

(a) Condominium Parcel No. 1 - That portion of the real property described in Final Plat for Phase I, Roaring Fork Ranch as recorded in Book 3, Page 92 in the Office of the Clerk and Recorder of Garfield County, Colorado, more particularly described in Exhibit "D" attached hereto;

(b) Condominium Parcel No. 2 - That portion of the real property described in the Supplemental Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork as recorded in Book 547 at Page 938 on May 2, 1980, in the Garfield County, Colorado Books and Records, more particularly described in Exhibit "E" attached hereto;

(c) Common Recreation Reserve - The Common Recreation Reserve is made up of the real property more particularly described in Exhibit "C" attached hereto and consists of:

(i) A portion of the real property described in Final Plat for Phase I, Roaring Fork Ranch as recorded in Book 3, Pages 92, inclusive, in the Office of the Clerk and Recorder of Garfield County, Colorado; and

(ii) The real property described in Final Plat for Phase III Roaring Fork Ranch as recorded in Book 3, Pages 106, inclusive, in the Office of the Clerk and recorder of Garfield County, Colorado.

4.2 Improvements. Condominium Parcel No. 1 contains 60 Individual Spaces. The Common Recreation Reserve contains two tennis courts, a nine-hole "executive" golf course, a series of connecting lakes and streams, riding trails and related recreational amenities. Additional recreation oriented improvements may be made to the Common Recreation Reserve at Declarant's or the Association's option.

The purpose of this Section is to set forth a general description of the improvements on the Real Property and is included herein for informational purposes.

## ARTICLE V

### Annexation

5.1 Right of Annexation. Additional real property may be annexed into the Project and subjected to this Declaration as hereinafter set forth.

(a) Additions Within the Ranch - If an Owner intends to develop or cause to be developed additional real property within the Ranch, such Owner shall have the right to annex such real property into the Project and bring such real property within the provisions of the Declaration only upon the approval of the Association as set forth in subparagraph (b) hereof, with the exception that any Lot on which, as of April 1, 1980, there existed an occupied dwelling and for which all assessments levied, as of April 1, 1980, and thereafter, by the Association have been paid, shall be automatically entitled to approval for annexation. Except as to such Lots or Parcels entitled to automatic approval for annexation, the Association can impose conditions, including a charge or fee, for annexation.

(b) Other Additions - Additional real property may be annexed into the Project and brought within the provisions of this Declaration upon the approval by vote or written consent of Members entitled to exercise not less than two-thirds (2/3rds) of the voting power of the Membership.

(c) Limit on Number of Units - In no event may the number of Units in the Project as now constituted exceed 192.

5.2 Method of Annexation. Annexation shall be made by the filing for Record of a Supplementary Declaration, with respect to the real property to be annexed. The Supplementary Declaration shall contain the following provisions:

(a) A reference to this Declaration, which reference shall state the date of recordation hereof and the book or books of the records of the Clerk and Recorder of Garfield County and the page numbers where this Declaration is recorded;

(b) A statement that such property has been classified as a Condominium Parcel, a Detached Housing Parcel or as Common Recreation Reserve;

(c) A statement that the provisions of this Declaration shall apply to such property;

(d) An exact description of such property and a sequential designation of such property such as Parcel No. \_\_\_\_\_;

(e) In the event that the Annexed Real Property or a portion thereof, is a Condominium Parcel, a reference to a Condominium Map which shall be Recorded substantially concurrently therewith;

(f) In the event that the Annexed Real Property, or a portion thereof, is a Condominium or Detached Housing Parcel, a statement specifying (i) the undivided interest, right or easement in such Parcel, which will be appurtenant to each Individual Space or Lot established in such Parcel and that Owners of Individual Spaces or Lots located in other Parcels in the Project will have no fee interest in such Parcel, and (ii) the undivided interest, right or easement in the Common Recreation Reserve which will be appurtenant to each Individual Space or Lot established in such Parcel. Said undivided interests, rights or easements are also the factors which determine the proportionate share of real property and other such tax assessments that

shall be allocated to each Individual Space or Lot, the proportionate share of the Assessments that will be charged to each Individual Space or Lot and the number of votes attributable to each Individual Space or Lot in the Association;

(g) Such other provisions as may be appropriate, including any supplementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of such real property being added to the Project and as are not inconsistent with the scheme of this Declaration.

5.3 Merger or Consolidation. Upon a merger or consolidation of the Association with another association as provided by law, any real property owned by the Association and the rights and obligations of the Association may be transferred to the surviving or consolidated association, or another association may be added to any real property, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions and restrictions established by this Declaration within the Project, together with the covenants, conditions and restrictions established upon any other property, as one general plan and scheme.

## ARTICLE VI

### Easements, Restrictive Covenants and Reservations

6.1 Use of General Common Elements. All of the Owners of Units in the Project shall have a non-exclusive right in common with all of the other Owners to the use of sidewalks, pathways, roads, areas provided for community recreation, Common Recreation Reserve, utilities, green areas and streets located within the Project, and each such Owner may make such use without hindering or encroaching upon the lawful rights of the other Owners.

6.2 Non-Partitionability of Common Elements. The Common Elements shall be owned in common by the Association and/or all of the Owners of the Units and shall remain undivided and no Owner shall bring any action for a partition or a division thereof. However, nothing contained herein shall be deemed to prevent partition of a co-tenancy in any Unit.

6.3 Use of General and Limited Common Elements. Each Owner shall be entitled to the exclusive ownership and possession of his Unit. Each Owner may use the General and Limited Elements in accordance with the purpose for which they are intended without interfering or encroaching upon the lawful rights of the other Owners.

6.4 Easement for Encroachments. If any of the General or Limited Common Elements encroaches upon any Individual Space or Lot, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, whereas the same may be reconstructed to the provisions of this Declaration shall and does exist. If any portion of a Unit encroaches upon the General or Limited Common Elements or upon an adjoining Unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either upon the General Common Elements or Units.

6.5 Use and Occupancy. Each Unit may be used and occupied for residential and/or lease or rental purposes by the Owner, by the Owner's family, guests, invitees and tenants, subject however to the provisions contained in this Declaration.

Declarant, the Association and their employees, representatives, agents, and contractors may maintain a business office, construction or storage facilities and yard, and may continue to maintain and operate the existing pro-shop serving the golf course and tennis court facilities, and such other facilities deemed to be required by the Association.

6.6 Access for Maintenance, Repair and Emergencies. The Owners shall have the irrevocable right, to be exercised by the Board of Directors of the Association, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the General Common Elements therein or accessible

therefrom or for making emergency repairs therein necessary to prevent damage to the General or Limited Common Elements or to another Unit at any time. Furthermore, the Owners shall have the irrevocable right to be exercised by the Board of Directors of the Association, to have access to each Unit from time to time during reasonable hours as may be necessary to shut off and to discontinue water service to any unit delinquent in payment of regular monthly assessments. Damage to the interior or any part of a Unit resulting from such maintenance, repair, emergency repair or replacement of any of the General Common Elements or as a result of such emergency repairs within another Unit, shall be a common expense of all of the Owners; provided, however, that if any such damage is caused by the negligence or tortious act of a Unit Owner, members of his family, his agent, employees, invitees, licensees, or tenants, then such Unit Owner shall be responsible and liable for all of such damage. All damaged improvements shall be restored substantially to the same condition in which they existed prior to the damage. All maintenance, repairs and replacements of the General Common Elements whether located inside or outside of the Units (unless necessitated by the negligence, misuse, or tortious act of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be the Common Expense of all the Owners.

6.7 Easements and Rights of the Association. The rights and easements of enjoyment created hereinabove shall be subject to the following provisions:

- (a) The right of the Association to limit the number of Guests;
- (b) The right of the Association to establish uniform rules and regulations pertaining to the use of the Common Elements and the recreational facilities thereon, as hereinafter set forth;
- (c) The right of the Association to charge non-members reasonable admission and other fees for the use of any recreational facility situated upon the Common elements;
- (d) The right of the Association to take such steps as are reasonably necessary to protect and maintain (as herein provided) the Project;
- (e) The right of the Association, as provided in the By-Laws, to suspend the enjoyment rights of any Member, or his Guests, for any period during which any Assessment remains unpaid, and for periods not to exceed thirty (30) days for any infraction of its published rules and regulations;
- (f) The right of the Association to dedicate or transfer all or any part of the General Common Elements or to grant easements, licenses or the like to any public agency, authority or utility or to grant licenses to any private homeowner association or any private club (on a membership fee basis), whether incorporated or unincorporated, for such purposes and subject to such conditions as may be agreed to by the Members; provided that, no such dedication, transfer, grant of easement or license or the like shall be effective unless approved by a vote or written consent of two-thirds (2/3rds) of the voting power of the Membership of the Association and by unanimous approval of all Mortgagees holding any recorded first lien mortgage or first lien deed of trust covering or affecting all Units.
- (g) The Association shall have a non-exclusive right and easement to make such use of the General Common Elements, Limited Common Elements, Individual Spaces and Lots as may be necessary or appropriate for the performance of its duties and functions which it is obligated or permitted to perform under this Declaration; and
- (h) The Association shall have an easement, which may be exercised by the Association for the benefit of any Owner in the Project or in furtherance of the performance of the duties and powers which it is obligated or permitted to perform hereunder, for access through each Individual Space and Lot and to all Common Elements during such reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Elements or for access to water taps for the purpose of discontinuance of service or to another Individual Space or Lot as set forth in Section 6.6 above.

#### 6.8 Easements and Other Rights and Reservations of Declarant.

(a) The previous Declarant, in subjecting the Project to the original Declaration and Amended Declaration, had previously reserved the following easements in, across, over and to the General Common Elements for itself, its guests, its successors and assigns, for the purposes set forth hereinbelow and such easements are reaffirmed to be appurtenant to pass with title to the Ranch including but not limited to those portions of the Ranch known as the Homestead Parcel, which is more particularly described in the Declaration of Easements and Protective Covenants for Reserved Parcel hereinabove referred to, and the Commercial Parcel.

(1) A non-exclusive easement for access in, over and across said General Common Elements and to the Commercial Parcel, the Homestead Parcel and the public roads and streets;

(2) A non-exclusive easement of use and enjoyment in and to the General Common Elements equivalent to the rights of use and enjoyment thereof given herein to the Owners; and

(3) A non-exclusive easement for utility service, installation, repair and maintenance of utilities, including water, gas, electricity and the like, storm, sanitary and drainage sewers, telephone and telephone lines, pipes and conduits and for access to all meters and connections relating to said installations.

(b) Declarant, in subjecting the Project to the original Declaration and Amended Declaration, has previously reserved certain easements and rights therein for the purposes of constructing improvements upon Parcels and for purposes of constructing improvements on the Common Recreation Reserve. Except as expressly reaffirmed in this paragraph, all such easements and rights previously reserved for the purposes of constructing buildings or improvements on the real property or the Common Recreation Reserve, are hereby expressly revoked, and shall be null and void and of no effect.

An easement and right in and to the Common Recreation Reserve and General Common Elements for the purpose of constructing such improvements thereon as the Board of Directors of the Association may deem advisable in its sole and absolute discretion for the purpose of improvements, maintenance, repair, emergency repair or replacement of any of the General Common Elements or the Common Recreation Reserve is hereby expressly reaffirmed.

#### 6.9 Restrictive Covenants.

(a) Single Family Residence - Each Unit shall be occupied only by a single Owner as defined herein and members thereof, its servants, licensees, invitees, tenants and guests and only as a residence and for no other purpose.

(b) Nuisances - No nuisances or noxious or offensive activities (including, but not limited to, the outdoor repair of automobiles) shall be carried on within the Project. A vehicle which is not in operating condition shall not be parked or left on any street or on the property subject to this Declaration other than inside a garage or a storage compound to be designated and maintained by the Association. Garages shall be used for parking vehicles and storage purposes only and shall be not converted for living or recreational activities. Garage doors shall remain closed at all times except when vehicles are entering or exiting the garage.

No shed, tent or temporary building shall be erected, maintained or used on any property within the Project; provided, however, that temporary buildings for use and used only for purposes incidental to the initial construction of improvements and buildings on any portion of the Project may be constructed and maintained provided that such temporary building shall be promptly removed upon the completion of such construction work as provided herein.

No boat, truck, trailer, camper or recreational vehicle shall be used as a living area located on the property subject to this Declaration; provided, however, trailers for use incidental to the initial construction of

the improvements on such property may be maintained thereon, but shall be promptly removed upon completion of construction.

No nuisances shall be allowed within the Project nor any practice which is the source of annoyance to residents or which interferes with the peaceful enjoyment or possession and proper use of the Project by its residents and Owners.

(c) Immoral, Improper or Offensive Use - No immoral, improper, offensive or unlawful use shall be permitted or made of the property within the Project or any part thereof. All valid laws, ordinances, and regulations of all governmental authorities having jurisdiction shall be observed.

(d) Animals - No animals, livestock, or poultry of any kind shall be raised, bred or kept within any Individual Space or Lot except that domestic dogs, cats, or other household pets may be kept if permitted by and subject to the rules and regulations from time to time adopted and amended by the Association. Domestic dogs, cats or other household pets shall not be kept, bred or raised within Individual Spaces or Lots for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreasonable quantities" shall be presumed to limit the number of dogs, cats and birds to two (2) each. The Association shall have the right to regulate or prohibit maintenance of animals which constitute, in the opinion of the Board of Directors of the Association, a nuisance to any other Owner. Dogs shall be kept on a leash at all times when they are outside an Individual Space or Lot.

(e) Utility Lines - As appropriate, all utilities, services and lines shall be placed underground and the Association shall have the right and power to grant easements therefor and regulate the same, subject to the General Reservations contained in this Declaration and subject to the rules and regulations of the Association.

(f) Antennae - No radio, television or other type of antennae nor air conditioning units or machines nor any type or kind of wiring or fixtures shall be installed or permitted that are not located wholly within a Condominium Unit or a Detached Housing Unit or approved in accordance with the architectural rules and regulations of the Association.

(g) Campers and Other Vehicles - No campers, running gear, boats, trucks, trailers, snowmobiles or other such vehicular machines shall be permitted, placed or allowed to be parked or maintained on any street, driveway or other property within the Project except wholly within an enclosed garage area or a storage compound designated and maintained by the Association.

(h) Signs - Except for signs advertising a property for sale and colored black and white having a maximum face area of three square feet or other appropriate realtors' signs, no advertising sign or other advertising device of any character shall be erected, maintained or displayed upon any portion of the project; provided, however, that the Association may erect and maintain such signs and advertising devices or structures as it may deem necessary or proper in connection with the Project. The Association may remove and destroy all unauthorized signs. This provision shall not be deemed to prevent or restrict in any way the erection of street signs, exits signs, address signs or the like.

(i) Landscaping - Except in areas defined as a Limited Common Element or within the confines of any lot, no planting or gardening shall be permitted. The Board of Directors may establish an architectural committee in accordance with Article XIV herein and adopt architectural and landscaping controls permitting an Owner to install fences, hedges, trees, walls, and other structures within a Limited Common Element or Lot provided such controls are uniform and non-discriminatory.

(j) Alterations and Additions - No structural alterations to the interior of any Individual Space shall be made, and no plumbing or electrical alterations within any bearing wall of any Condominium Building shall be made by any Unit Owner without the prior written consent and approval of the Association.

No new construction of and exterior additions, alterations or decorating to any residences, Condominium Buildings or improvements, nor change, addition or removal in fences, hedges, trees, walls or other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, locations and approximate cost of the same have been submitted to and approved in writing by the Association's architectural committee in accordance with Article XIV hereof and the Association's rules and regulations, provided that such rules and regulations are uniform and non-discriminatory.

(k) Trash, Privies and Clothes-lines - All trash, rubbish, and garbage shall be regularly removed from each Unit and from the Project and shall not be allowed to accumulate either within a Unit or upon the Project. All trash, rubbish, garbage or other waste shall be kept in sanitary containers maintained in a clean and sanitary condition and stored inside, but which may be set out for a reasonable period of time before and after scheduled trash pickup times. No Owner shall cause or permit or cause any trash, rubbish, garbage or other waste or refuse to be disposed of on any portion of the Project.

No privy shall be erected, maintained, or used upon any portion of the Project, but a temporary privy may be permitted in accordance with appropriate state health regulations during the course of construction of any improvements within the project.

No clothes-lines shall be permitted within the Project.

(l) Activities Affecting Insurance - No owner, except as provided herein with respect to the construction of the Project, shall permit or suffer anything to be done or kept on his individual space or lot which will increase the rate of insurance carried by the Association or which will obstruct or interfere with the rights of other Owners. Each Owner shall comply with all of the requirements of the local or state board of health and with all other governmental authorities with respect to the occupancy and use of his Individual Space or Lot.

(m) Maintenance of Individual Spaces and Lots - Each Owner of a Unit shall maintain his Individual Space or Lot in good repair, appearance and sanitary condition. The Owner shall have the exclusive right to paint and paper and otherwise decorate the interiors of his individual space according to his own tastes so long as no alteration of any permanent installation or structure within said individual space shall be involved. For the purposes of this paragraph, an Owner shall be deemed to own the interior non-supporting walls and interior non-supporting floors and ceilings of any Individual Space, the materials (such as, but not limited to, plaster, chips and drywall, panelling, wallpaper, paint, wall and floor tile, and flooring, but not including subflooring) making up the finished surfaces of the perimeter and supporting walls, ceilings and floors in an Individual Space and the doors and windows in the Limited Common Elements appurtenant to the same. The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as utilities) running through his Individual Space which serve one or more other Individual Spaces or at the point of tap except as a tenant in common with the other Owners. Such utilities shall not be disturbed or relocated by an Owner without prior written consent and approval of the Board of Directors of the Association. Such right to repair, alter and remodel shall carry the obligation to replace any finishing or other materials with similar or other types or kinds of materials of at least the same quality. An Owner shall maintain and keep and repair the interior of this own Individual Space, including the fixtures and personal property therein. All fixtures and equipment installed within the Individual Space and all utilities within the Individual Space commencing at a point of tap where the utilities enter the Individual Space and which do not serve the Individual Space, shall be maintained and kept in repair by the Owner thereof. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the Condominium Building or impair any easement or hereditament. An Owner shall always keep the Limited Common Elements appurtenant to his Individual Space or Lot in a clean and sanitary condition, and that Owner shall not alter the "as built" condition of the Limited Common Elements without the prior written consent and approval of the Association or its architectural committee.

(n) Damages; Liability - Each Owner shall be liable for any damage to the Common Elements, including those located within or surrounding his Individual Space or Lot, or to any of the equipment or improvements which may be sustained by the reason of the negligence or wilfull misconduct of said Owner or his family members, relatives, invitees, licensees, or guests, both minor and adult, to the extent that any such damage shall not be covered by insurance. In the case of joint ownership of a Unit, the liability of such Owners shall be joint and several. Any expense incurred by the Board in repairing such damages, together with costs and attorney's fees shall be the debt of the Owner causing the same and the Board may specifically assess that Owner for the amount thereof.

(o) Mineral Extraction - No property within the Project shall be used in any manner to explore for or to remove any oil or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance (except incident to construction as herein contemplated) or other minerals of any kind. This restriction shall in no way limit the right of the Declarant, the Association or the Owners to remove, transport, receive or otherwise supply water to the Owners, the Association and the Declarant as hereinafter provided for in Article IX hereof. No machinery or equipment of any kind shall be placed, operated or maintained upon the Project except such machinery or equipment as is usual and customary in connection with the construction, use and maintenance of the Project.

(p) Rules and Regulations - Rules and regulations may, pursuant to the provisions of this Second Amended Declaration, Articles and Bylaws of the Association, may be adopted by the Board of Directors concerning and governing the use of the General and Limited Common Elements, any portion of the project, or the entire project as the Board may deem desirable and in accordance with the general principle of maintaining the desirability and quality of the Project. Specifically without limiting the generality of the foregoing, the rules and regulations may govern such matters as the right of an owner to park or store trucks, boats, trailers, campers or other vehicles and the right of any owner or occupant to keep and maintain animals on the premises; provided, however, that such rules and regulations may be uniform and non-discriminatory. Copies of all such rules and regulations may be furnished to the Unit Owners prior to the time that they become effective and the Association may assess a reasonable charge therefore.

6.10 Delegation of Use. Any Owner may delegate, in accordance with the provisions hereof the duly adopted Rules and Regulations of the Association and without violation of the proscription against severability of Units contained herein, his right of enjoyment to the Common Elements and facilities to the members of his family and his Guests.

6.11 Owners Exclusive Right to Individual Space, Lots and Limited Common Elements. Subject to the other provisions of this Declaration, each Owner shall have full and complete dominion and ownership of the Individual Space or Lot which is part of the Unit owned by such Owner, and each Owner and such Owner's Guests shall have the exclusive right to use and enjoy the same and the Limited Common Elements appurtenant thereto.

## ARTICLE VI

### Membership and Voting Rights in the Association

7.1 Membership. The record Owner of any Unit which is subject by these covenants to assessment by the Association shall be a member of the Association. Any person or entity having such interest merely as security for the performance of an obligation shall not be a Member. Membership and the right to vote shall be appurtenant to and may not be separated from ownership of a Unit. Unit ownership shall be the sole qualification for membership.

7.2 Transfer. The membership held by any record Unit Owner shall not be transferred, pledged or alienated in any way, except upon the sale of such Unit and then only to the Purchaser thereof. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event any Unit Owner shall fail or refuse to transfer the membership registered in his name to the purchaser, the Association shall have the right to record the transfer upon the books of the Association.

7.3 Voting Rights.

(a) Right of Members to Vote. Each member of the Association by virtue of ownership of a Condominium Unit or Detached Housing Unit shall be entitled to one (1) vote for each such Unit owned, subject to the next following subsection (b) of this Section 7.3.

(b) Joint Owners. When one or more person, firm, corporation, partnership, association or other legal entity, or any combination thereof, hold a membership interest, all such persons, firms, corporations, partnership, associations or other legal entities, or any combinations thereof, shall be members and the vote for such membership shall be exercised as they among themselves determine. In the event that joint owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain membership interest, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Unit.

(c) Cumulative Voting. In any election of the Members of the Board, every member entitled to vote at such election shall have the right to cumulate his votes and give one (1) candidate, or divide among any number of the candidates, a number of votes equal to the number of votes which that member is entitled to vote multiplied by the number of directors to be elected.

(d) Limitation of Voting Rights. The voting rights of each class of Membership shall be subject to the restrictions and limitations provided in this Declaration and in the Articles and By-Laws.

## ARTICLE VIII

Duties and Powers of the Association

8.1 Duties of the Association. The Association shall have the duties, subject to and in accordance with the provisions of this Declaration, hereinafter set forth:

(a) Association Property. To accept and exercise jurisdiction over all property, real and personal, conveyed to the Association by Declarant or the Successor Trustee of the formerly reserved interest in the Common Recreation Reserve, including (1) real property and improvements, if any, which are not Common Elements, (2) the water rights and water and sewer facilities hereinafter described in Article IX hereof, and (3) any easements for operation and maintenance of the water and sewer systems as herein provided over any portion of the Ranch, (4) any easements for other operation and maintenance purposes over the Ranch, and (5) any easements within the Ranch or the Common Recreation Reserve for the benefit of the Members. For purposes of this section, a non-exclusive easement, license or other contractual right to use in favor of the Owners and their Guests or any of them shall not be deemed a lien or encumbrance. The Association shall operate and maintain, or provide for the operation and maintenance of all of such property which may be conveyed to it by Declarant and to keep all Improvements of whatever kind and for whatever purpose from time to time located thereon in good order and repair.

The Association shall pay all real property taxes and assessments levied upon any property conveyed, leased or otherwise transferred to the Association, to the extent not assessed to the Owners thereof. Such taxes and assessments may be contested or compromised by the Association; provided, however, that they are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes.

The Association shall pay for water, sewer, garbage, electrical, telephone, gas, maintenance, snow removal and gardening service, and other necessary utilities or other services for the Association properties and

paint, maintain, provide snow removal services for such Association properties and all Improvements thereto.

The Association may acquire for the use and benefit of all Members of the Association, real, tangible or intangible personal property and may dispose of the same by sale or otherwise as provided for herein, and the beneficial interest in any such property shall be owned by the Members of the Association and their interest therein shall not be transferable except the interest of a Member who is a Unit Owner shall be deemed to be transferred upon the transfer of the Member's Unit; provided, however, that no such acquisition or sale of any real property shall be effective unless approved by a vote or written consent of three-fourths (3/4's) of the members entitled to vote. A transfer of a Unit shall transfer to the transferee ownership of the transferor's beneficial interest in such real or personal property without any reference thereto or execution of a bill of sale. Each Owner may use such real and personal property in accordance with the purpose for which it is intended, without hindering or encroaching upon the lawful rights of the other Owners. Sale of a Unit under foreclosure shall thereby entitle the purchaser thereof to the beneficial interest in the real and personal property associated with the foreclosed Unit.

(b) Common Element Responsibility. Maintain and otherwise manage, or cause to be managed, in a neat and orderly condition, all of the Common Elements, except those portions of the Limited Common Elements maintained by the Owner having the exclusive use thereof; provided, however, that major maintenance of the Limited Common Elements maintained by any Owner shall be the responsibility of the Association, and all facilities and improvements thereon or thereunder, including without limitation, the maintenance of all landscaping of every kind and character, including shrubs, trees, grass and other plantings in a neat and orderly condition and in a manner to enhance its appearance and the exterior maintenance of all Condominium Buildings and other structures provided herein.

(c) Exterior Maintenance. Maintain the exteriors of all Condominium Buildings and other structures (including the balconies of Condominium Buildings within any Condominium Parcel notwithstanding anything contained in this Declaration to the contrary) in the Project, except residences or other improvements on any Lot, in good condition and repair and in a manner to enhance their appearance, including without limitation, painting, and repair and replacement of roofs, gutters, downspouts, glass surfaces and exterior Condominium Building surfaces.

(d) Other Activities. Undertake any activity, function or service for the benefit of or to further the interests of all, some or any Owners on a self-supporting, special assessment or common assessment basis. Such activities and services may include security guards or security services, the providing of firewood, the providing of maid and cleaning service for individual Units, and the providing of check-in, mail and telephone answering service.

(e) Rule Making. To make, establish, promulgate, amend and repeal Association Rules. A copy of the Rules adopted by the Board, as they may from time to time be amended or repealed, shall be mailed or otherwise delivered to each Owner, or recorded. Upon such mailing, delivery or recordation, said rules shall have the same force and effect as if they were set forth in and were a part of this Declaration. In addition, as to any Owner having actual knowledge of any given Rules, such Rules shall have the same full force and effect as if set forth in this Declaration and may be enforced against such Owner.

(f) Audit. The Board shall provide for an annual report of the accounts of the Association and its Manager by making available for inspection at the Association's office the annual financial statement of the Association prepared by a Certified Public Accountant and shall deliver a copy of such financial statement to each Owner within thirty (30) days after completion thereof. Any Owner may at any time and at his own expense cause an audit or inspection to be made of the books and records of the Manager or the Association by a Certified Public Accountant, provided that such audit or inspection is made during normal working hours and without unnecessary interference with the operation of the Manager or the Association.

(g) Water and Sewer Systems. Provide water and sewer services to each Condominium Parcel, each Detached Housing Parcel, the Common Recreation Reserve, the Commercial Parcel, and the Homestead Parcel in accordance with the provisions of Article IX hereof.

(h) Other. To carry out the duties of the Association set forth in this Declaration, the Articles and By-Laws.

8.2 and Authority of the Association. The Association shall have all of the powers of a Colorado non-profit corporation, subject only to such limitations upon the exercise of such power as are expressly set forth in the Articles, the By-Laws or the Declaration. It shall have the power to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of the Declaration, the Articles, and the By-Laws, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association. Without in any way limiting the generality of any of the foregoing provisions, the Association shall have the power and authority at any time.

(a) Assessments. To levy assessments on its Members, and to enforce payment of such assessments in accordance with the provisions of Articles X and XI hereof.

(b) Right of Entry. Nothing in this Article shall in any manner limit the right of an Owner to exclusive control over his Lot or the interior of his Individual Space; provided, however, that an Owner shall, and does hereby, grant the right of entry to the Association, or any person authorized by the Association, in case of any emergency originating in or threatening his Lot or the Condominium Building containing his Individual Space, or for discontinuance of water service to Units delinquent in payment of regular assessments whether the Owner is present or not. Provided, further, that an Owner shall permit the Association or any other person authorized by the Association, to enter his Lot or Individual Space for the purpose of installing, altering or repairing the Common Elements, provided that requests for entry are made in advance and that such entry is at time convenient to the Owner whose Lot or Individual Space is to be entered. In case of an emergency, such right of entry shall be immediate.

(c) Enforcement of Restrictions. To perform such other acts, whether or not expressly authorized by the Declaration, as may be reasonably necessary to enforce any of the provisions of the Declaration.

(d) Manager. To retain and pay for the services of a person or firm to manage its affairs (the "Manager") to the extent deemed advisable by the Board, as well as such other personnel as the Board shall determine shall be necessary or proper for the operation or the conduct of the business of the Association, whether such personnel are employed directly by the Association or are furnished by the Manager. The Association and the Board may delegate any of their duties, powers or functions to the Manager, provided that any such delegation shall be revocable upon notice by the Association or Board. The Owners release the members of the Board from liability for any omission or improper exercise by the Manager of any such duty, power or function as delegated.

(e) Legal and Accounting Services. To retain and pay for legal and accounting services necessary or proper in the operation of or in performing any of the duties or rights of the Association.

(f) Easements and Rights-Of-Way. To grant and convey to any person easements, rights-of-way, parcels or strips of land, in, on, over or under any Association Property for the purpose of compromising property or boundary disputes or for constructing, erecting, operating or maintaining thereon, therein and thereunder, (1) roads, streets, walks, driveways, parkways, and park areas, (2) overhead or underground lines, cables, wires, conduits, or other devices for the transmission of electricity for lighting, heating, power, telephone and other purposes (3) sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and (4) any similar public or quasi-public improvements or facilities.

(g) Construction on Association Property. The Association may construct new improvements or additions to the Association Properties or demolish existing improvements; provided that in the case of any improvements, addition or demolition (other than maintenance or repairs to existing improvements) involving a total expenditure in excess of Five Thousand Dollars (\$5,000.00) annually adjusted by the cost of living, the vote of a majority of

Members voting in person or by proxy at a regular or special meeting called for that purpose approving plans and a maximum total cost therefor shall first be obtained. The Association shall levy a special assessment on all Members for the cost of such work.

(h) Delegation of Duties. The Board may delegate its duties to Committees established pursuant to the By-Laws.

8.3 Attorney-In-Fact. The Association is hereby irrevocably appointed attorney-in-fact for the Owners of all Units and each of them to manage, control and deal with the interest of such Owner in common elements so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder.

More particularly, the Association, as attorney-in-fact, shall be empowered to grant easements in, over, across and through the Common Elements for the purposes set forth herein or on any Annexed Real Property or Property To Be Annexed, to dedicate or convey portions of the Common Elements such as the private streets and walkways to a public or quasi-public entity upon approval of the Members by vote as herein provided, to deal with the Project upon its destruction, condemnation, obsolescence or termination as herein provided in Article XIII, to execute any amendment or revocation of the Declaration, any Condominium Map or any similar such instrument on behalf of the Owners to effect an amendment or revocation thereof as herein provided or to do or perform such further acts on behalf of the Owners as they shall by majority vote or written consent from time to time direct.

The acceptance by any person or entity of any interest in any Unit shall constitute an appointment of the Association as an attorney-in-fact as provided above.

8.4 Nonliability and Indemnification. No right, power, or responsibility conferred upon the Association, the Board of Directors or any of their committees by this Declaration, the Articles or the By-Laws shall be construed a duty, obligation or disability charged upon the Association, Board of Directors or committees and any member of the Association, Board or Committees for any other officer, employee, or agent of the Association. No such person shall be liable to any party (other than to the Association or a party claiming in the name of the Association) for injuries or damage resulting from such person's acts or omissions within what such person reasonably believes to be the scope of his Association duties or official acts, except to the extent that such injuries damage result from such persons or willful or malicious misconduct. No such person shall be liable to the Association (or to any party claiming in the name of the Association) for injuries or damage resulting from such person's official acts, except to the extent that such injuries or damage result from such person's negligence or willful or malicious conduct.

The Association shall pay all expenses incurred by, and satisfy any judgment or fine levied against any person as a result of any action or threatened action against such person to impose liability on such person for his official acts, provided that:

(a) The Board determines that such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association; and

(b) In the case of a criminal proceeding, the Board determines that such person had no reasonable cause to believe his conduct was unlawful; and

(c) In the case of an action or threatened action by or in the right of the Association, the Board determines that such person acted with such care including reasonable inquiry as an ordinarily prudent person in a like position would use under similar circumstances.

Any determination by the Board required under this paragraph must be approved by a majority vote of a quorum consisting of directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, such determination may be made by the vote or written consent

of a majority of a quorum of the Members of the Association provided that the person to be indemnified shall not be entitled to vote.

Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This paragraph shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law.

The entitlement to indemnification hereunder shall inure to the benefit of the estate, personal representative, executor, administrator, heirs, successors, assigns, legatees, or devisees of any personal entitled to such indemnification.

8.5 Property held by the Association. All funds and the titles of all properties acquired by the Association and the proceeds thereof shall be held by the Association for the benefit of the Members in accordance with the provisions of the Declaration, the Articles and the By-Laws.

## ARTICLE IX

### Water and Sewer Service

9.1 Common Elements. Without limiting the generality of this Declaration with respect to Common Elements, the terms of this Article IX shall apply specifically to water rights and to facilities which comprise any parts of systems for providing water or sewer service. The other provisions of the Declaration shall also apply to such water rights and facilities except where the terms of this Article IX are clearly inconsistent therewith, in which event the terms of this Article shall control.

9.2 Acquisition and Management of Water Rights. Subject to the provisions of this Article IX, the Association may initiate, acquire, hold, manage, protect and develop water rights for the purposes set forth in this Declaration. The Association shall hold title to all such water rights for the benefit of the Members, and may take such actions with respect to water rights, subject to any approval required by this Declaration for the financing of such actions, as the Board by majority vote, determines will benefit such Members; including without limitation the creation of new water rights, the exercise of diligence with respect to legal or administrative action to protect or improve such water rights, participation in exchange programs or plans of augmentation. The Association may accept the gift or conveyance of water rights; provided that the Association shall not purchase, release or convey any water right except upon the affirmative vote or written consent of the majority of the voting power of the Members entitled to vote.

9.3 Acquisition and Management of Water and Sewer Service Facilities. Subject to the provisions of the Declaration, the Association may acquire, construct, repair, replace, operate and maintain facilities for the provision of water and sewer service to those entitled thereto under the terms of the Declaration. The Association shall hold title to any such facilities for the benefit of the Members of the Association and subject to any approval required by such actions as the Board, by majority vote or written consent, determines will benefit such Members. Without limiting the foregoing, the Association, upon majority vote by the Board may utilize a Manager to operate and maintain such facilities and to provide water and sewer service.

9.4 Initial Water Rights and Water and Sewer Service Facilities. The water rights and water and sewer service facilities described in the Deed of from previous Declarant to the Association, dated July 3, 1973 and recorded in Book 447 at Page 140 of Garfield County Records ("Water Deed"), have been conveyed to the Association for the benefit of the Owners pursuant to this Declaration. The previous Declarant has also previously relinquished and quit claimed to the Association the power to revest rights and interests if unused as set forth in Paragraph 3 of the Water Deed.

9.5 Water and Sewer Service. Subject to compliance with the terms of the Declaration, the payment of assessments, charges and fees imposed pursuant to this Declaration, the payment of service fees where required by service contract authorized by this Declaration, and compliance with reasonable rules and regulations by the Association through a majority vote of its Board, consistent with this Declaration, the Association shall provide water and sewer service:

(a) To each Unit now or hereafter within the Project.

(b) To the Common Recreation Reserve, including without limitation the provision of water for irrigation.

(c) To authorized uses within the Ranch, but not included within the Project. Such uses shall be served pursuant to a service contract between the Association and the user, approved by majority vote of the Board of the Association. Any such service contract shall require the user to bear the cost of installing, maintaining and operating facilities to serve such uses, in the manner provided for Commercial and Homestead Parcels in subsection (d) below.

(d) To the Commercial Parcel and to the Homestead Parcel pursuant to a service contract or contracts with the Owners thereof approved by majority vote of the Board of the Association, but not exceeding the amount of water reserved originally by the Declarant for such Commercial and Homestead Parcels in the original Declaration (except when additional water is available and the Association agrees to enlarge its services) and not to exceed the capacity of the Association's water and sewer service facilities. Any such service contract shall require the Owner to bear and pay to the Association the marginal capital costs and expenses for the installation of facilities for such service and to pay a proportionate part of the costs of the facilities used in common with other service and a proportionate part of the costs of operating and maintaining sewer and water utility service to all land served by the Association, said proportions being reasonably determined by the Board of Directors of the Association in its sole discretion.

(e) The Association shall not serve, nor hold itself out as serving or ready to serve all members of the public, nor take any action which would cause it to be classified as a public utility under the law of the State of Colorado.

9.6 Allocation of Water. The Association, by majority vote of the Board, may place restrictions upon its water service or require those served by it to curtail water use, when necessary in the judgment of the Board to provide or protect an adequate supply of water during times of shortage, provided, however, the Board shall limit or curtail non-domestic recreational purposes, prior to limiting or curtailing service for commercial purposes, and provided the Board shall recognize at all times the rights reserved by Declarant in the Water Deed referred to in Section 9.4 hereof (except as relinquished in Section 9.4 hereof). The Board shall limit or curtail domestic service only in the event that the reasonable curtailment or limitation of other service is insufficient to provide an adequate supply of water in the judgment of the Board to serve domestic purposes and essential non-domestic uses. In addition to its other remedies set forth in Article XI, the Board may discontinue water service to any Unit delinquent in payment of assessments.

9.7 Financing. In order to provide financing for the operation and maintenance of water and sewer facilities, the Association may utilize any means of raising funds authorized by this Declaration, including, but not limited to general and special assessments, assessment of marginal capital costs for maintenance, upkeep, expansion or addition to the facilities, and imposition of tap or hookup fees upon the Owners, developers or purchasers of Units or Parcels within the Project or upon the Owners, developers or purchasers of residences elsewhere in the Ranch or within the Commercial Parcel or the Homestead Parcel.

9.8 Service by a Substitute Entity. Upon the vote or written consent of three-fourths of the Members entitled to vote and compliance with any requirements imposed by law, the Association may convey some or all of its water rights and water and sewer service facilities to any municipality, water district, sanitary sewer district or other municipal or quasi-municipal corporation or any other entity or individual which will provide acceptable water and sewer service to those served by the Association and assumed the responsibilities of the Association pursuant to this Article, upon terms acceptable to the Association.

Covenant for Assessments

10.1 Creation of the Lien and Personal Obligation of Assessments and Service Fees. Each Owner of any Unit or Parcel containing Units within the Project, covenants and agrees to pay to the Association:

- (a) Annual Assessments or charges; and
- (b) Special Assessments for capital improvements or other such extraordinary items.

The annual and special assessments, together with such interest thereon and costs of collection thereof as provided hereinbelow in Section 11.1, shall be a charge on the Unit or Units platted within any Parcel and shall be a continuing lien upon the Unit or Units platted within a Parcel against which each such assessment is made. The lien shall become effective upon recordation of a Notice of claim of lien in accordance with Section 11.2 of this Declaration. Each annual and special assessment, together with such interests and costs, shall also be the personal obligation of the Owner of such Unit at the time when the Assessment, or any portion thereof fell due and shall bind his heirs, devisees, personal representatives, successors, and assigns; however, the personal obligation shall not pass to his successors in title unless expressly assumed by them.

10.2 Purpose of Annual and Special Assessments. The annual and special assessments levied by the Association shall be collected, accumulated, and used exclusively for the purpose of providing for and promoting the pleasure, recreation, health, safety and social welfare of the Members of the Association, including the improvement and maintenance of the Common Elements and facilities and to meet overhead expenses of the Association.

10.3 Annual Assessments. The amount of annual assessments shall be determined by the Board or its designated agent, as provided for herein, and shall be based upon due consideration of the projected Common Expenses and cash requirements deemed to be such aggregate sum of the Board of Directors of the Association, or its agent, shall from time to time determine to be paid by all the Unit Owners to provide for payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the General Common Elements, which sum shall include, but shall not be limited to, expenses of management; taxes and special assessments not separately assessed; premiums for insurance; landscaping and care of grounds; care, maintenance and operation of recreational facilities; common lighting and heating; repairs and reservations; trash and garbage collections; wages, guard and security services and facilities; common water and sewer charges; legal and accounting fees; management fees; expenses and liabilities incurred by the Board of Directors of the Association or their agent, on behalf of the Unit Owners under or by reason of this Declaration, the Articles of Incorporation and the By-Laws; for any debts remaining from a previous period; for the creation of a reasonable contingency reserve and working capital reserve; all other costs and expenses related to the General Common Elements; together with an adequate reserve fund for the replacement of the Common Elements, which reserve fund may be funded by regular monthly payments or by special assessments.

10.4 Special Assessments. In addition to the annual assessments authorized by Section 10.3, the Association may levy for any assessment year a special assessment for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair, replacement of a described capital improvement upon the Common Elements, including the necessary fixtures and personal property related thereto, for the funding of an adequate reserve fund for the replacement of the Common Elements; provided that any such assessment for a capital improvement or fund shall have the approval by vote or written consent of not less than a majority of the members entitled to vote, or in the event such amount is to be separately assessed against less than all the members, majority of the voting power of the Members to be assessed. Special assessments may also be levied by the Board in order to meet common expenses which have not been adequately provided for by annual assessment.

#### 10.5 Date of Commencement of Annual Assessments; Due Dates.

The annual assessments provided for herein shall commence with respect to all Units within each Condominium or Detached Housing Parcel, on the first day of the month following the annexation, platting or designation of a Parcel, and/or Units within such Parcel, by the Owner of the Parcel or Unit. In the event the assessments commence on a day other than the first day of the assessment period, the assessment for that period shall be prorated.

Annual assessment shall be levied on a calendar year basis and shall be due and payable monthly in advance or in such other manner as the Board may from time to time establish.

The due date of any special assessment under Section 10.4 hereof shall be fixed in the resolution authorizing such assessment.

10.6 Duties of the Board. The Board shall fix the amount of the annual and special assessment against each Unit for each annual assessment period at least thirty (30) days in advance of such period and shall, at that time, prepare a roster of the Units within the Project and annual and special assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner during normal business hours.

Written notice of the annual and special assessments shall be sent to every owner at least fifteen days in advance of each annual assessment period; provided, however, the omission or failure to affix the assessment or to deliver or mail a statement for any period shall not be deemed a waiver, modification, or release of the Owners of any Unit from their obligation to pay the same.

The Board may at any time during the calendar year to which such annual assessment relates, after consideration of the current maintenance costs and, to the extent it deems appropriate, the future needs of the Association, reduce the amount of the annual assessment and adjust the monthly payments due accordingly. In the event the Board exercises the discretion granted herein, it shall notify the Members of such adjustment as soon as is practicable.

10.7 Estoppel Statement. Upon demand, the Association shall furnish to any Owner liable for annual and special assessments a certificate in writing signed by an officer of the Association setting forth whether said assessments or any portion thereof have been paid. Such certificate shall be conclusive evidence of payment of any assessments or portion thereof therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of any such certificate.

#### 10.8 Cost Centers - Rate of Assessments for Each Unit.

(a) Cost Centers. The costs and expenses of the Association shall be allocated by the Association to separate costs centers. There shall be a separate cost center (a "Parcel Cost Center") maintained for each Condominium Parcel and each Detached Housing Parcel and all costs and expenses of the Association clearly or reasonably attributable to a Parcel shall be allocated to the cost center for that Parcel. There shall be maintained a separate cost center (the "General Cost Center") for costs and expenses clearly or reasonably attributable to the Common Recreation Reserve, to Water and Sewer Facilities, and to water and sewer service provided by the Association and for other costs and expenses of the Association not clearly or reasonably allocable to a Parcel Cost Center or to particular Owners. There shall be allocated to the General Cost Center all income and funds derived by the Association from fees or charges for use of the Common Recreation Reserve or for water and sewer service. The Board shall make all allocations of costs and expenses and income and funds of cost centers in accordance with its reasonable judgment and all such allocations shall be conclusive and binding on all Owners.

(b) Rate of Assessments of Units. Annual and special assessments for each Unit existing in the Project shall be fixed at a rate determined by the Board so that the owners of each Unit will pay the Unit's proportionate share of costs and expenses allocated to the cost centers in which that Unit should participate.

10.9 Authority of the Board. Subject to the provisions hereof, the Board shall have the power and authority to determine all matters in connection with Assessments including power and authority to determine where, when and how Assessments should be paid to the Association, and each Owner shall be required to comply with any such determinations.

Except as emergencies may require, the Association shall make no commitment or expenditures in excess of the funds reasonably expected to be available to the Association.

10.10 Nonuse and Abandonment. No Owner may waive or otherwise escape personal liability for the Assessments provided for herein by nonuse of the Common Elements or abandonment of his Unit.

10.11 Ascertainability of Unpaid Common Expenses - Statement of Account. Upon written request for a statement of account by an Owner or his Agent, respective mortgagee or prospective grantee of Unit, the Association, or its managing Agent shall furnish statement of the amount of any unpaid Common Expenses, the amount of the current assessments, the date such assessments are due, the amount of advanced payments for prepaid items such as insurance premiums and reserves therefor, deficiency and reserve accounts, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request shall be complied within twenty (20) days after receipt of such a written request, all unpaid common expenses which become due prior to the date of such request shall be subordinate to the rights of the person requesting such statement. A reasonable charge may be made by the Board for furnishing the statement of account.

## ARTICLE XI

### Association's Lien for Non-Payment of Assessments

11.1 Delinquency and Lien of Association. All sums assessed for annual or special assessments that remain unpaid when due (being the dates specified in Article X hereof) for the share of common expenses chargeable to any Unit shall become delinquent and shall constitute a lien on such Unit superior to all other liens and encumbrances except only for tax and special assessment liens on the Unit in favor of any governmental body, and all sums unpaid on the first lien mortgage or first lien deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrances, and including additional advances made pursuant to such encumbrances prior to the attachment of such lien,

Such lien shall attach and be effective from the due date of the assessment until all sums, including interest from the date due at the rate of 15% (fifteen percent) per annum and other charges thereon including costs of expenses of collection and reasonable attorney's fees incurred by the Association, shall have been fully paid.

11.2 Notice of Claim of Lien. To evidence the Association's lien, the Board of Directors of the Association or their managing agent or other representative, shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the amount of the accrued interest and late charges thereon, and other costs and expenses, the name of the owner of the Unit, a good and sufficient legal description of the Unit, and the name and address of the Association as lien claimant. Such a Notice of Claim of Lien shall be signed by one of the directors or officers of the Association, or by their managing agent or representative on behalf of the Association and shall be recorded in the office of the Clerk and Recorder of the County of Garfield, State of Colorado, and a copy of said Notice of Claim of Lien shall be deposited in the United States mail, postage prepaid, to the owner of the Unit at his address as shown on the records of the Association.

11.3 Foreclosure of Lien - Other Remedies. The Association's lien may be enforced by Court foreclosure proceedings in a manner similar to foreclosure of a mortgage on real property; or, in addition to all other legal and equitable rights or remedies, the Association may, at its option, bring an action at law against the Owner of the Unit personally obligated to pay the same. In any such proceedings either for judicial foreclosure or against the

Owner of the Unit personally, the Owner shall be required to pay the costs, expenses, and attorney's fees, and in the event of foreclosure proceedings, all additional costs, expenses and reasonable attorney's fees incurred in connection with any foreclosure sale. The Owner of any Unit being foreclosed shall be required to pay to the Association the monthly assessment for the Unit during the period of foreclosure together with accrued interest, and the Association shall be entitled to the appointment of a receiver for and during foreclosure. The Association shall have the power to bid on the Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the Unit.

11.4 Curing of Default and Release of Lien. Upon the timely curing of any default for which a Notice of Claim of Lien has been recorded in the Garfield County Books and Records by the Association, the recorded lien may be released by recording a Release of Lien to signed by a Director or Officer of the Association, or by its managing agent or other representative, on behalf of the Association, upon payment by the defaulting Owner of a fee to be determined by the Association, to cover the costs of preparing and filing or recording such Release of Lien.

11.5 Cumulative Remedies. The Association's Lien and the rights to judicial foreclosure and sale thereunder, together with the Association's right to bring an action at law for collection of amounts due the Owner personally obligated to pay the same, shall be in addition to and not in substitution for all other rights and remedies with which the Association and its assigns may have hereunder and according to law, including the suspension of an Owner's rights and privileges to use of Ranch facilities and Common Elements and to vote, and discontinuance of water service.

11.6 Mortgagees. Any mortgagee holding a lien on a Unit may pay, but shall not be required to pay, any unpaid annual or special assessments for unpaid Common Expenses payable with respect to such Unit. Upon request of a mortgagee, the Association shall report to the mortgagee of a Unit any unpaid assessments remaining unpaid for longer than thirty days after the same are due if such mortgagee shall have furnished previously to the Association the notice of such encumbrance.

Notwithstanding anything herein to the contrary, any holder of a first lien mortgage or any holder of a first lien deed of trust who comes into possession of a Unit pursuant to the remedies provided in the mortgage or deed of trust, or by foreclosure of the mortgage or deed of trust, or by way a deed given in lieu of foreclosure, shall take the Unit free of any claims for unpaid assessments or charges against the Unit which accrue prior to the time such holder comes into possession of the Unit; provided, however, such holder shall be liable for a pro rata share of assessments resulting from a pro rata reallocation of assessments by the Association affecting all Units including the mortgaged Unit. The Assessments and Charges waived by this provision shall remain a personal, individual obligation of the prior Owner of such Unit.

## ARTICLE XII

### Insurance

The insurance other than title insurance which shall be carried upon the project shall be governed by the following provisions:

12.1 Authority to Purchase. The Board of Directors of the Association, or its managing agent or representative shall obtain and maintain to the extent obtainable fire insurance with extended coverage, vandalism, and malicious mischief endorsements, insuring all Condominium Buildings and improvements including, without limitation, all Individual Spaces on a Condominium Parcel and the standard partition walls, fixtures and installations initially installed, as shown on the Condominium Maps and Plats, as amended from time to time, and replacements thereof; and shall include fixtures, alterations, installations or additions situated within Individual Spaces; and on all of the Common Elements and all personal property and all service equipment owned by the Association, in an amount equal to the full replacement value, without deduction for depreciation, and which shall contain a standard mortgagee clause in favor of each mortgagee of a Condominium Unit which shall provide the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the lost payments provisions in favor of the Board of Directors of the Association as

hereinafter set forth in this Declaration; public liability insurance with such limits as the Board of Directors may from time to time determine, covering the Association, each Member of the Board of Directors, their managing agent or other representative and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against the other.

12.2 Insurance Provisions. All policies of public liability insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of invalidity arising from any acts of the insured and shall provide that such policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insureds, including mortgagees. Duplicate originals of all policies and renewals thereof, together with proof of payments or premium shall be delivered to all mortgagees at least ten days prior to the expiration of the then current policy.

12.3 Appraisal. Prior to obtaining any policy of fire insurance or renewal thereof, the Board of Directors of the Association shall obtain an appraisal from a fire insurance company or otherwise of the full replacement value of all Condominium Buildings and improvements upon the Project without deduction for depreciation for the purpose of determining the amount of the insurance to be effected pursuant to the provisions of this insurance paragraph; provided, however, that such insurance policy may, at the discretion of the Board of Directors, contain a co-insurance clause for not less than ninety percent (90%) of the full replacement costs. Determination of maximum replacement value shall be made annually by one or more written appraisals to be furnished by a person knowledgeable of replacements costs.

12.4 Condominium Unit Owner's Insurance. Condominium Unit Owners may carry other insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further, that the liability of the carriers issuing insurance obtained by the Board of Directors of the Association shall not be affected or diminished by reason of any such additional insurance carried by any such Condominium Unit Owner.

Insurance coverage on furnishings and other items of personal or other property belonging to an Owner and public liability coverage within each Condominium Unit shall be the sole and direct responsibility of the Owner thereof and the Board of Directors of the Association, or their managing Agent or representative, shall have no responsibility therefore.

12.5 Detached Housing Unit Owners' Insurance. Each owner of a Detached Housing Unit shall obtain adequate insurance against fire and all other hazards with respect to residences and improvements on the Lot and Detached Housing Unit on the Lot of such Detached Housing Unit Owner.

Detached Housing Owners may carry other or additional insurance for their benefit and at their expense, provided that all such policies shall contain waivers of subrogation, and provided further, that the liability of the carriers issuing insurance obtained by the Board of Directors of the Association shall not be affected or diminished by reason of any such additional insurance carried by any such Detached Housing Owner.

Insurance coverage on furnishings and other items of personal or other property belonging to the Detached Housing Unit Owner and public liability coverage with any such Detached Housing Unit shall be the sole and direct responsibility of the Owner thereof, and the Board of Directors of the Association, or their managing Agent or representative, shall have no responsibility therefor.

12.6 Other Insurance Coverage. The Association shall maintain in full force and effect worker's compensation policies or participate in the state compensation worker's fund, in accordance with the requirements of Colorado Law.

The Board of Directors of the Association may purchase and maintain in full force at all times demolition insurance in adequate amounts to cover demolition in the event of destruction and a decision not to rebuild. Such policy, if purchased, shall contain a determinable demolition clause, or similar clause, to allow for the coverage of the costs of demolition in the event of destruction and a decision not to rebuild.

The Board of Directors of the Association may obtain such other insurance as the Board of Directors or its managing Agent shall determine from time to time to be desirable, including fidelity bonds or insurance covering employees and agents of the Association and any insurance indemnifying officers, directors, employees and agents of the Association.

Any insurance policy purchased by the Association may contain such deductible provisions as the Board of Directors of the Association deems in its sole discretion, to be consistent with good business practices.

The Association is hereby irrevocably appointed agent for each Owner to adjust all claims arising under insurance policies purchased by the Association and execute and deliver releases upon the payment of claims.

12.7 Beneficiaries of Insurance Policies and Certificates. All insurance policies purchased by the Association shall be for the benefit of the Association and the Owners and their mortgagees as their interest may appear, and shall provide that all proceeds covering property losses shall be paid to the Association.

Certificates of Insurance Coverage or copies of insurance policies shall be issued to each Owner and mortgagee who makes a written request to the Association for any such certificate or copy. The Association may charge a reasonable fee for providing such a copy or certificate to meet its expenses incident to providing the same.

#### ARTICLE XIII

##### Casualty, Destruction, Obsolescence or Condemnation; Restoration; and Association as Attorney-in-Fact

13.1 Association as Attorney-in-Fact. As provided in Section 8.3, this Declaration does hereby make mandatory the irrevocable appointment of the Association as Attorney-in-Fact to deal with the property upon its damage or destruction, for its repair and reconstruction or its obsolescence and to maintain, repair and improve all elements of the project (except with respect to a Lot or improvements upon a Lot) including the Condominium Buildings and improvements upon Condominium Parcels and the General and Limited Common Elements. Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by the grantee of a deed or other instrument of conveyance from any Owner or grantor shall constitute appointment of the Association as Attorney-in-Fact herein provided. All of the Owners of all Units within the Project irrevocably constitute and appoint the Association their true and lawful attorney in their name, place and stead for the purpose of dealing with the property upon its damage or destruction or obsolescence as is hereinafter provided. As Attorney-in-Fact, the Association by its duly authorized officers or agents, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interests of the Unit Owners which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvements as used in this Article means the restoring the improvements to substantially the same condition in which they existed prior to the damage, with each Unit and the General and Limited Common Elements having substantially the same boundaries, and with respect to any Individual Space having the same vertical and horizontal boundaries, as before. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, restoration, reconstruction or replacement unless the Owners and holders of first lien mortgages or first lien deeds of trust agree not rebuild in accordance with the provisions set forth hereinafter.

13.2 Reconstruction. In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct all improvements on the affected property (which shall mean that portion of the Project affected by casualty, destruction, taking or obsolescence, but shall not include any Lot or the improvements on any Lot), shall be applied by the Association as Attorney-in-Fact, to such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have the full authority, right and power, as Attorney-in-Fact, to cause the repair and restoration of the

improvements. Regular assessments for common expenses shall not be abated during the period of insurance adjustment and repair and reconstruction.

If the insurance proceeds are insufficient to repair and reconstruct the improvements and if such damage is not more than fifty percent (50%) of the total replacement costs of all the improvements in this Project, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as Attorney-in-Fact, using the proceeds of insurance and proceeds of a special assessment to be made against all of the Owners and Units. Such deficiency assessment shall be a Common Expense and be made pro rata according to each Owner's interest in the Condominium Units and/or the General Common Elements and shall be due and payable within thirty days after written notice thereof. The Association shall have full authority, right and power, as Attorney-in-Fact, to cause the repair, replacement and restoration of the improvements using all of the insurance proceeds for such purposes, notwithstanding the failure of an Owner to pay the Assessment. The Assessment provided for herein shall be a debt of each Owner and a lien on his Unit and may be enforced and collected as provided in Article XI. In addition thereto, the Association, as Attorney-in-Fact, shall have the absolute right and power to sell the Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Unit of the delinquent Owner shall be sold by the Association, as Attorney-in-Fact pursuant to the provisions of this paragraph. Regular assessments for Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing notices, interest at the rate of fifteen percent (15%) per annum on the amount of the assessment and all other costs and expenses including reasonable attorney's fees. The proceeds derived from the sale of such Unit shall be used and disbursed by the Association, as Attorney-in-Fact, in the following order:

- (a) For payment of taxes and special assessment liens in favor of any governmental assessing entity;
- (b) For payment of the balance of the lien of any first lien mortgage;
- (c) For payment of the customary expenses of sale;
- (d) For payment of unpaid Common Expenses and all costs, expenses and fees incurred by the Association, or its managing agent or representative;
- (e) For payment of junior liens and encumbrances in the order and to the extent of their priority; and
- (f) The balance remaining, if any, shall be paid to the Unit Owner.

13.3 Substantial Destruction and the Sale of the Affected Property. If the insurance proceeds are insufficient and not equal to repair and reconstruct the damaged improvements on the affected property, and if such damage is more than fifty percent (50%) of the total replacement cost of all improvements in the Project, not including land, and fifty-one percent (51%), or more, of the Owners of the affected property do not voluntarily, within one hundred (100) days thereafter, make plans for the reconstruction which plan must have the approval or consent of seventy-five percent (75%), or more, of the holders of first lien mortgages or first lien deeds of trust of record, then the Association shall forthwith record a Notice setting forth such fact or facts, and upon the recording of such Notice by the Association and with the written consent of seventy-five percent (75%) of the holders of recorded first lien mortgages or first lien deeds of trust, the entire remaining premises of the affected area shall be sold by the Association pursuant to the provisions of this paragraph, as Attorney-in-Fact for all of the owners, free and clear of the provisions contained in this Declaration, the map or plats, and the Association By-Laws. The insurance settlement proceeds shall be collected by the Association and such proceeds shall be divided by the Association according to each Owners percentage interest in the affected property and such divided proceeds shall be paid into separate accounts, each such account representing one of the Units. Each such account shall be in the name of the Association, and shall be further identified by the Condominium

Unit or Detached Housing Unit designation in the name of the Owner. From each separate account, the Association, as Attorney-in-Fact, shall forthwith use and disburse the total amount in each account without contribution from one account to another toward the partial or full payment of the lien of any first lien mortgage or first lien deed of trust against the Condominium Unit or Detached Housing Unit represented by such separate account. Thereafter, each such account shall be supplemented by the apportioned amount of the proceeds obtained from the sale of the entire property. This apportionment shall be based upon each Condominium Unit or Detached Housing Unit Owner's interest in the affected property. The total funds in each account shall be used and disbursed, without contribution from one account to another, by the Association, as Attorney-in-Fact for the same purposes and in the same order as is provided in subparagraphs 13.2 (a)-(f) of this Article.

13.4 Substantial Destruction and Restoration of the Affected Property. In the event of such damage or destruction as set forth in paragraph 13.3, and if a plan for reconstruction is adopted by the Owners and approved by the holders of first lien mortgages or first lien deeds of trust of record as therein provided, then all of the Owners shall be bound by the terms and provisions of such plan. Any assessment in connection with such plan shall be a Common Expense and shall be pro rata according to each Owner's interest in the improvements and Common Elements of the affected property, and shall be due and payable as provided by the terms of such plan, but no sooner than thirty days after written notice thereof. The Association shall have full authority, right and power, as Attorney-in-Fact, to cause the repair, replacement or restoration of the improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of any Owner to pay the assessment. Regular assessments for Common Expenses shall not be abated during the period of insurance adjustment and repair and reconstruction. The special assessment provided for herein shall be a debt of each Owner and a lien on his Unit and may be enforced and collected as is provided in Article XI. In addition thereto, the Association, as Attorney-in-Fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a Notice that the Unit of the delinquent Owner shall be sold by the Association. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the Notices, interest at the rate fifteen percent (15%) per annum on the amount of the assessments and all reasonable costs including attorney's fees. Proceeds derived from the sale of such Unit and disbursed by the Association, as Attorney-in-Fact, for the same purposes and in the same order as is provided in Paragraph 13.2 (a)-(f) of this Article.

13.5 Substantial Obsolescence. The Owners representing an aggregate ownership interest of seventy five percent (75%) or more of the improvements in the affected property may agree that the affected property is obsolete and adopt a plan for renewal and reconstruction, which plan shall have approval of seventy five percent (75%) or more of the holders of first lien mortgages or first lien deeds of trust of record at the time of the adoption of such plan. If the plan for renewal or reconstruction is adopted, Notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the Owners of the affected area as an assessment for Common Expenses, whether or not they have previously consented to the plan of renewal or reconstruction. The assessment provided for herein shall be a debt of each owner and a lien on his Unit and may be enforced and collected as is provided in Article XI. The Association, as Attorney-in-Fact, shall have the absolute right and power to sell the Unit of any Owner refusing or failing such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a Notice that the Unit of the delinquent Owner shall be sold by the Association. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the Notices, interest at the rate of fifteen percent (15%) per annum on the amount of the assessment and all costs and expenses including reasonable attorney's fees. The proceeds derived from the sale of such Unit and disbursed by the Association, as Attorney-in-Fact, for the same purposes and in the same order as is provided in 13.2 (a)-(f) of this Article.

The Owners representing an aggregate ownership interest of seventy-five percent (75%), or more, of the improvements in the affected property may agree that the Units are obsolete and that the same shall be sold. Such plan or agreement must have the unanimous approval of every holder of a first lien mortgage or first lien deed of trust of record. In such

instance, the Association shall forthwith record a Notice setting forth such fact or facts, and upon recording of such Notice by the Association, the entire premises shall be sold by the Association, as Attorney-in-Fact for all the Owners, free and clear of the provisions contained in this Declaration, the Maps or Plats and the Association By-Laws. The sale's proceeds shall be apportioned among the Owners on the basis of each Owner's interest in the affected area of the General Common Elements and such apportioned proceeds shall be paid into separate accounts, each such account representing one Unit. Each such account shall be in the name of the Association, and shall be further identified by the Condominium Unit or Detached Housing Unit Designation in the name of the Owner. From each separate account, the Association, as Attorney-in-Fact, shall use and disburse the total amount of each such account without contribution from one account to the other for the same purposes and in the same order as is provided in 13.2 (a)-(f) of this Article.

13.6 Condemnation. If at any time or times during the continuance of the Unit ownership pursuant to the Declaration, all or part of the Project shall be taken or condemned by any public authority, the following provisions shall apply:

(a) Proceeds. All compensating damages or other proceeds therefrom, the sum of which is hereinafter the "condemnation award", shall be payable to the Association.

(b) Complete Taking.

(i) In the event the entire Project is taken or condemned, the Unit Ownership pursuant thereto shall terminate. The condemnation award shall be apportioned among the Owners on the same basis as each unit Owner's interest, right and easement in the General Common Elements; provided, however, that if standards different from the value of the property as a whole were employed as a measure of condemnation award in the negotiating, judicial decree or otherwise, then in determining such shares, the same standard shall be employed to the extent that is relevant and applicable.

(ii) On the principles set forth in the preceding paragraph, the Association shall as soon as practicable, determine the share of the condemnation award to which is Owner is entitled. Such share shall be paid into separate accounts for each Unit and disbursed as soon as practicable and in the same manner and as set forth in paragraph 13.2 (a)-(f).

(c) Partial Taking. In the event that less than the entire Project is taken or condemned, the Unit ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the condemnation award to be determined in the following manner:

(i) As soon as practicable, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages and other proceeds and shall apportion the amounts so allocated among the Owners as follows:

(aa) The total amount allocated through the taking of or injury to the General Common Elements shall be apportioned among the Owners on the basis of each Owner's interest, right and easement respectively in the General Common Elements;

(bb) The total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned;

(cc) The respective amounts allocated to the taking of or damage to a particular Unit and to the improvements an Owner has made within his own Unit shall be apportioned to the particular Unit involved; and

(dd) The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances or as determined by judicial decree. If the allocation of the condemnation award is already established by

negotiation, judicial decree or otherwise, then in allocating the condemnation award, the Association shall employ such allocation to the extent applicable. Apportioned proceeds shall be disbursed as soon as practicable in the manner set forth in paragraph 13.2 (a)-(f) above.

The Association shall timely notify each first mortgagee of any Condominium Unit or Detached Housing Unit of the commencement of the condominium proceedings or imminent domain proceedings and shall notify said mortgagee in the event of the taking of all or any part of the affected property or General Common Elements if the value of the affected property or General Common Elements taken exceeds Ten Thousand Dollars (\$10,000.00).

#### ARTICLE XIV

##### Architectural Control

14.1 No Change in Property Without Approval. No Change in Property shall be made or permitted, with respect to any real property then part of the Project, except by Declarant itself or the Association, without the prior written approval of the Association and without compliance with the provisions of this Article XIV.

"Change in Property" shall mean: (a) The construction or expansion of any building, structure or other improvements, including utility facilities; (b) the destruction by voluntary action or the abandonment of any building, structure or other improvements; (c) the excavation, filling or similar disturbance of the surface of land including without limitation, change of grade, stream bed, ground level or drainage pattern; (d) the clearing, marring, defacing or damaging of trees, shrubs, or other growing things; (e) the landscaping or planting of trees, shrubs, lawns or plants; or (f) any change or alteration, including without limitation, any change of color, texture or exterior appearance from any previously approved Change in Property.

14.2 Certain Special Objectives. The Association shall have complete discretion to approve or disapprove any Change in Property. In exercising such discretion, the Association shall keep the following objectives in mind, among others: To carry out the general purposes expressed in this Declaration; to prevent violation of any specific provision of this Declaration; to prevent any change which would be unsafe or hazardous to any person or property; to minimize obstruction or diminution of the view of others; to preserve as much as possible visual continuity of the area and to minimize marked or unnecessary transition between improved and unimproved areas and any sharp definition of boundaries of property ownership; to assure that any change will be of good and attractive design and in harmony with the natural setting of the area and will serve to preserve and enhance existing features of natural beauty; to assure that materials and workmanship for all improvements in the area are of high quality comparable to other improvements in the area; and to assure that any property will require as little maintenance as possible so as to assure a better appearing area under all conditions.

14.3 Conditions Precedent to Approval. Prior to expenditures of any substantial time or funds in the planning of any proposed Change in Property, the Owner of the property shall advise the Association in writing of the general nature of the proposed change; shall, if requested by the Association, meet with a person or persons designated by the Association to discuss the proposed change; shall read or become familiar with any guides or guidelines which may have been prepared or formulated by the Association; and shall, if requested by the Association furnish the Association with preliminary plans and specifications for comment and review. After the nature and scope of a proposed Change in Property is determined and prior to the commencement of work to accomplish such change, the Association shall be furnished in duplicate, by the Owner of the property, with a complete and full description of the proposed change in writing and with a plot plan covering the particular parcel of property, drawn to such scale as may be reasonably required by the Association, showing all boundaries, showing existing and proposed contour lines and elevations at reasonably detailed intervals, showing all existing and proposed improvements, showing the existing and proposed utility and sanitation facilities and showing the existing and proposed substantial trees or shrubs. There shall also be furnished to the

Association by any Owner of property any and all further information with respect to the property or the proposed Change in Property which the Association may reasonably require to permit it to make an informed decision on whether or not to grant approval to the change. If the drainage pattern of any property will be affected by a change, the Association may require submission of a report on the effect by a qualified engineer or geologist. With respect to all buildings and other structures, the Association may require submission, in duplicate, of floor plans, elevation drawings, and final work drawings, all drawn to such scale as may be reasonably required by the Association; descriptions of exterior materials and colors and samples of the same; and final construction specifications. Where buildings or structures or other improvements which reasonably require plans and specifications are proposed to be constructed or built, the Association may require that the plans and specifications be prepared by a practicing licensed architect and that a fee of \$200 be paid to the Association to cover costs and expenses of review, provided that all or part of the fee may be waived by the Association in its discretion if the plans and specifications furnished are prepared by a practicing licensed architect or are easy to review. No proposed Change in Property shall be deemed to have been approved unless approval is in writing provided that approval shall be deemed given if the Association fails to approve or disapprove a proposed change or to make additional requirements or request additional information within 45 days after a full and complete description of the proposed change has been furnished in writing together with a written and specific request for approval.

14.4 Prosecution of Work After Approval. After approval of any proposed Change in Property, the proposed change shall be accomplished as promptly and diligently as possible and in complete conformity with the description of the proposed change and with any plans and specifications therefor given to the Association. Failure to accomplish the change within one year after the date of approval or to complete the proposed change strictly in accordance with the description thereof and plans and specifications therefor shall operate automatically to revoke the approval of the proposed change and, upon demand by the Association, the property shall be restored as nearly as possible to its state existing prior to any work in connection with the proposed change. The Association and its duly appointed agents may enter upon any property at any reasonable time or times to inspect the progress or status of any Change in Property being made or which may have been made. The Association shall have the right and authority to record a notice to show that any particular Change in Property has not been approved or that any approval given has been automatically revoked.

14.5 Assignment of Functions. Any functions to be performed by the Association pursuant to this Article XIV may be assigned by the Association to Declarant or to one or more officers or agents of the Association in whole or in part at any time or from time to time at the sole discretion of the Association.

## ARTICLE XV

### Duration; Amendment; Partition

15.1 Duration; Amendment. The covenants, conditions, limitations, restrictions, reservations, liens and charges hereby established shall bind the Real Property within the Project set forth, as follows:

(a) Duration - This Declaration shall continue in full force for a term of fifty (50) years from November 15, 1984, after which time the same shall be automatically extended for successive periods of ten (10) years, unless a declaration of termination meeting the requirements of an amendment to this Declaration as set forth in subsection (b) below is recorded in the public records of Garfield County, Colorado. Provided, however, that no such covenants, conditions, limitations, restrictions, reservations, liens and charges, if any, which are subject to the law commonly referred to as the Rule Against Perpetuities or the Rule Prohibiting Unreasonable Restraints on Alienation shall remain in force and effect for a period beyond twenty-one (21) years following the death of the survivors of Jay Kee Jacobson, Ronald W. Johnson or C.T. Spines, and the now living children of said persons.

(b) Amendment - Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is

to be considered or in any written ballot submitted to the membership. A resolution adopting a proposed amendment may be proposed by an Owner at a meeting of Members of the Association. The resolution shall be adopted by approval of not less than seventy-five percent (75%) of the Members exercised by their vote or written consent. A copy of each amendment shall be certified by at least two officers of the Association and the amendment shall be effective when recorded in the public records of Garfield County, Colorado; provided further, that any of the following amendments to be effective must also be approved in writing by the record holders of Mortgages on not less than three-fourths (3/4) of the Units in the Project which are encumbered by a Mortgage:

(i) Any amendment which affects or purports to affect the validity or priority of Mortgages or the rights or protection granted to Mortgagees;

(ii) Any amendment which would necessitate a Mortgagee after it has acquired a Unit through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing prior to such foreclosure;

(iii) Any amendment which would or could result in a Mortgage being cancelled by forfeiture, or in the individual Units not being separately assessed for tax purposes;

(iv) Any amendment relating to the insurance provisions hereof, or to the application of insurance proceeds, or to the disposition of any money received in any taking under condemnation proceedings;

(v) Any amendment which would alter the proportionate ownership interests, rights and easements of the Unit Owners in the Common Elements from the interests, rights and easements established hereunder or to be established with respect to annexed Real Property pursuant to Article V hereof; provided, however, that the changes of interests, rights or easements contemplated herein shall not be considered to be a change in proportionate interest hereunder;

(vi) Any amendment which would effect a partition of a portion or all of the Common Recreation Reserve;

(vii) Any amendment which would materially change Articles XIII or XIV hereof; and

(viii) Any amendment that would effect a termination of the condominium form of ownership with respect to Condominium Parcels within the Project.

A certificate, signed and sworn to by two officers of the Association, that at least seventy-five percent (75%) of the members have either voted for or consented in writing to any amendment adopted as above provided, when recorded, shall be conclusive evidence of such fact. The Association shall maintain in its files the record of all such votes or written consents for a period of at least four (4) years.

## ARTICLE XVI

### Enforcement; Waiver

16.1 Effect of Covenants. Each provision of this Declaration, and any agreement, promise, covenant and undertaking to comply with each provision of this Declaration, and any necessary exception or reservation or grant of title, estate, right or interest to effectuate any provision of this Declaration shall:

(a) be deemed incorporated in each deed or other instrument by which any right, title or interest in the Project or in any Unit is granted, devised or conveyed, whether or not set forth or referred to in such deed or other instrument;

(b) by virtue of acceptance of any right, title or interest in the Project or in any Unit by an Owner, be deemed accepted, ratified, adopted and declared as a personal covenant of such Owner, and as a personal covenant,

shall be binding on such Owner and such Owner's heirs, personal representatives, successors and assigns, and shall be deemed a personal covenant to, with and for the benefit of the Association but not to, with or for the benefit of any other Owner:

(c) be deemed a real covenant by Declarant, for itself, its successors and assigns, and also an equitable servitude, running, in each case, as a burden with and upon the title to the Project and each Unit and, as a real covenant and servitude for the benefit of the Project and each Unit; and

(d) be deemed a covenant, obligation and restriction secured by a lien in favor of the Association burdening and encumbering the title to the Project and each Unit in favor of the Association.

16.2 Enforcement. Violation or breach of any covenant, condition or restriction herein contained shall give the Association, the right to enter upon the property upon or as to which said violation or breach exists and to summarily abate and remove, at the expense of the Owner thereof, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and/or shall give to the Association or the Owner of any Unit, including Declarant, the right to prosecute a proceeding at law or in equity against the person or persons who have violated or are attempting to violate any of these covenants, conditions or restrictions to enjoin or prevent them from doing so, to cause said violation to be remedied or to recover damages for said violation.

16.3 Waiver of Enforcement. The failure of the Association or the Board to insist, in any one or more instances, upon strict performance of any of the covenants, conditions, limitations, restrictions, reservations, liens and charges as set forth in this Declaration, or to exercise any right or option herein contained, or to serve any notice or institute any action shall not be construed as a waiver or relinquishment, for the future, of such term, of such covenant, condition, limitation, restriction, reservation, lien or charge shall remain in full force and effect. The receipt and acceptance by the Board of assessment from an Owner, with knowledge of the breach of any covenant hereof, shall not be deemed to waive such breach, and no such waiver by the Board of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Board.

## ARTICLE XVII

### General Provisions

17.1 Severability. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstances be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall be not affected thereby.

17.2 Succession. This Declaration shall be binding upon, and shall inure to the benefit of, the heirs, personal representative, successors and assigns, of Declarant, and the heirs, personal representatives, grantees, and assignees of each Owner.

17.3 Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

17.4 Captions. Section and other headings are inserted for convenience only and are not intended to be a part of this document or in any way to define, limit or describe the scope or intent of the particular section to which they refer.

17.5 Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Project and shall not be construed to interfere with or prevent the sale, conveyance, transfer, or encumbrance of any Unit.

17.6 Acceptance of Provisions of All Documents and Obligations of Owners and Members. The conveyance or encumbrance of any Unit shall be deemed to include the acceptance of all of the provisions of this Declaration, the Association Articles, By-Laws and Rules and Regulations, and all shall be binding upon each Owner or encumbrancer without the necessity of inclusion of such an express provision in the instrument of conveyance or encumbrance.

Each Owner or Member shall cause the Association to exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in this Declaration, the Association's Articles, By-Laws, Rules and Regulations.

17.7 Colorado Law. The provisions of this Declaration shall be interpreted in accordance with and shall be in addition and supplemental to the Colorado Condominium Ownership Act, and all other appropriate provisions of law.

17.8 Incorporation by Reference. Exhibits "A" through "E" and attached hereto are hereby expressly made a part hereof and incorporated herein by reference.

17.9 Copies. Copies of this Declaration may be furnished to the Unit Owners upon request from time to time and the Association may assess a reasonable charge therefor.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the day and year first above written.

RANCH AT ROARING FORK HOMEOWNERS  
ASSOCIATION, INC., A Colorado  
Not-for-Profit Corporation

By

President

By

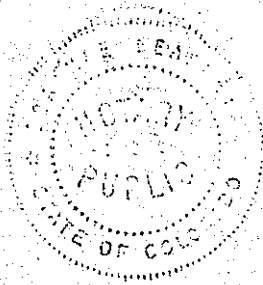
Secretary

STATE OF COLORADO )  
 ) ss.  
COUNTY OF GARFIELD )

The foregoing instrument was acknowledged to before me this 12<sup>th</sup> day of July, 1985 by Jimmy Diehl as President and Juan E. Acebo as Secretary of Ranch at Roaring Fork Homeowners Association, Inc., a Colorado not-for-profit Corporation.

WITNESS my hand and official seal.

My commission expires: August 24, 1985



Jean Marie Beasley  
Notary Public

618 Sopris Ave. Carbondale, Co. 81623  
Address

CERTIFICATE OF AMENDMENT

The undersigned two officers of the Ranch at Roaring Fork Homeowners Association, Inc., a Colorado not-for-profit corporation, hereby certify that the foregoing Second Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork (the "Second Amended Declaration") was adopted as an amendment in full to the Declaration of Establishment of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork Condominiums, a Resort Condominium Project, dated October 11, 1973, and recorded October 23, 1973, in Book 451 at Page 48 of the records in the office of the Clerk and Recorder of Garfield County, Colorado, (the "Original Declaration") and the Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ranch at Roaring Fork (the "Amended Declaration") dated October 10, 1977, and recorded October 26, 1977, in Book 502 at Page 82 of the Garfield County, Colorado Books and Records in accordance with the provisions of the Original Declaration and the Amended Declaration and the undersigned further certify that Owners (as defined in the Original and Amended Declarations) holding at least seventy-five percent (75%) of interests, rights or easements in the Common Recreation Reserve have either voted for and consented in writing to the foregoing Second Amended Declaration as an amendment in full to the Amended Declaration and that record holders of mortgages (as defined in the Original Declaration and Amended Declaration) of not less than seventy-five percent (75%) of the Units in the Project which are encumbered by a mortgage have approved the foregoing Second Amended Declaration in writing as an amendment in full of the Original Declaration and Amended Declaration.

DATED July 12, 1985, 1984

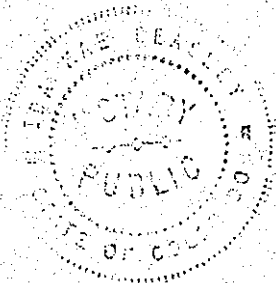
Joan E. Acebo  
Secretary of Ranch at Roaring Fork  
Homeowners Association, Inc.

J.J. Diehl  
President of Ranch at Roaring Fork  
Homeowners Association, Inc.

STATE OF COLORADO )  
 ) ss.  
COUNTY OF GARFIELD )

The foregoing Certificate of Amendment was acknowledged before me this 12<sup>th</sup> day of July, 1985, 1984<sup>th</sup> by J.J. Diehl as President and Joan E. Acebo as Secretary of Ranch at Roaring Fork Homeowners Association, Inc., a Colorado not-for-profit corporation.

Witness my hand and official seal.

My commission expires: Aug. 24, 1985

Joe Mac Brasley  
Notary Public  
618 Sopris  
Carbondale, Colorado 81623  
Address

DESCRIPTION - RANCH AT ROARING FORK - ENTIRE RANCH

A tract of land in portions of Sections 25, 26, 35 and 36 of Township 7 South, Range 88 West of the 6th Principal Meridian and a portion of Section 31, Township 7 South, Range 87 West of the 6th Principal Meridian more particularly described as follows: Beginning at a point on the southerly right-of-way line of State Highway #82 whence the NW corner of said Section 31 bears N 32°51'13" W 751.67 feet; thence S 00°07'35" W 1281.30 feet along a fence line; thence S 89°52'42" W 405.26 feet along a fence line to the west line of said Section 31; thence S 00°00'33" W 733.27 feet to the East 1/4 corner of said Section 31; thence S 89°49'35" W 383.84 feet along the south line of Lot 10 of Section 36, Township 7 South, Range 88 West of the 6th Principal Meridian; thence S 00°29'14" E 561.49 feet along the East line of Lot 19 of said Section 36; thence S 88°31'40" W 1804.94 feet along the south line of Lots 19 and 18 of said Section 36; thence N 00°26'40" W 602.39 feet along the west line of said Lot 18; thence N 00°45'20" W 697.53 feet along the west line of Lot 11 of said Section 36; thence S 89°12'48" W 494.20 feet along the south line of Lot 8 of said Section 36; thence S 89°03'22" W 2694.94 feet to the west line of said Section 36; thence N 00°29'05" W 45.0 feet; thence N 68°31'45" W 365.56 feet; thence N 46°12'00" W 319.70 feet; thence S 86°28'00" W 89.20 feet; thence N 80°51'00" W 163.90 feet; thence N 00°19'34" W 887.66 feet to the NW corner of Lot 18 of Section 35, Township 7 South, Range 88 West of the 6th Principal Meridian; thence S 89°58'56" W 1837.99 feet along the south line of Lot 1 of said Section 35; thence S 89°50'45" W 790.72 feet along the south line of Lot 2 of said Section 35; thence N 00°47'06" E 796.76 feet along the west line of said Lot 2; thence N 03°46'34" E 454.98 feet along the west line of Lot 14 of Section 26, Township 7 South, Range 88 West of the 6th Principal Meridian; thence S 85°48'37" E 1274.34 feet; thence S 83°46'17" E 49.07 feet to a fence corner; thence N 01°43'05" E 140.16 feet along a fence line; thence S 89°11'37" E 514.37 feet; thence N 11°58'00" E 116.00 feet; thence S 72°51'30" E 1133.47 feet; thence S 74°33'00" E 469.13 feet to the east line of Section 26, Township 7 South, Range 88 West of the 6th Principal Meridian; thence North 152.76 feet to the southerly right-of-way of Colorado State Highway #82; thence along said right-of-way 479.23 feet on the arc of a curve which subtends a chord bearing S 78°43'26" E 579.17 feet; thence along said right-of-way S 80°10'00" E 5321.86 feet to the point of beginning, containing 418.1 acres more or less.

A tract of land contained in part of Lot 16, Section 25, and part of Lot 1, Section 36 of Township 7 South, Range 88 West of the 6th Principal Meridian and part of Lot 10 of Section 30 and portions of Lots 16 and 17 of Section 31 of Township 7 South, Range 87 West of the 6th Principal Meridian more particularly described as follows: Beginning at a point common to the northerly right-of-way of State Highway #82 and the westerly line of said Lot 1 of Section 36 whence the NE corner of said Section 36 bears N 68°55'04" E 919.71 feet; thence along the westerly line of said Lot 1 of Section 36 N 00°32'53" W 339.71 feet; thence along the westerly line of said Lot 16 of Section 25 N 01°46'55" E 225.14 feet to the center of the Basin Ditch; thence along the center line of said Basin Ditch on the following courses: N 82°05'47" E 136.17 feet; N 74°29'14" E 157.24 feet; N 84°24'02" E 116.20 feet; S 87°40'58" E 108.79 feet; S 78°20'46" E 164.57 feet; S 69°21'46" E 137.13 feet; S 74°09'28" E 87.48 feet; S 82°34'16" E 93.38 feet; S 71°33'37" E 74.67 feet; S 85°33'55" E 115.33 feet; N 87°27'35" E 81.84 feet; thence S 01°17'56" E 355.60 feet from the center of the Basin Ditch; thence S 00°00'21" E 348.28 feet to a point on the North right-of-way line of State Highway #82; thence N 80°10'00" W 1275.16 feet along the North right-of-way line of State Highway #82 to the point of beginning, containing 19.53 acres, more or less and subject to the Basin Ditch as built and in place.

EXHIBIT BDESCRIPTION - RANCH AT ROARING FORK - COMMERCIAL PARCEL

A tract of land situated in Section 36, Township 7 South, Range 88 West of the 6th Principal Meridian being more particularly described as follows: Beginning at a point whence the northeast corner of said Section 36 bears N 76°15'33" E 1883.81 feet; thence S 56°40'00" W 249.78 feet; thence N 44°25'00" W 100.00 feet; thence S 55°45'00" W 150.00 feet; thence N 47°50'07" W 119.52 feet; thence N 38°51'53" W 218.33 feet; thence N 67°11'43" W 45.46 feet; thence North 202.43 feet to a point on the southerly right-of-way of State Highway No. 82; thence along said southerly right-of-way S 80°10'00" E 671.23 feet; thence leaving said southerly right-of-way on a course bearing S 27°20'41" W 84.36 feet; thence along the arc of a curve to the left 109.29 feet, the chord of which bears S 09°21'19" E 101.97 feet; thence S 46°03'19" E 43.00 feet to the point of beginning, containing 4.73 acres more or less.

EXHIBIT CDESCRIPTION - RANCH AT ROARING FORK - COMMON RECREATION RESERVE

That portion of the real property described in Final Plat for Phase I, Roaring Fork Ranch as recorded in Book 3 at page 92 in the Office of the Clerk and Recorder of Garfield County, Colorado, more particularly described below:

A tract of land contained in portions of Section 36, Township 7 South, Range 88 West, and Section 31, Township 7 South, Range 87 West, of the 6th Principal Meridian, also being a part of Phase I - Roaring Fork Ranch Planned Unit Development, County of Garfield, State of Colorado, more particularly described as follows:

Beginning at a point on the Southerly right-of-way of Colorado State Highway No. 82 whence the NW corner of said Section 31 bears N 29°52'41" W 718.24 feet;  
 thence S 00°07'35" W 603.98 feet;  
 thence N 80°10'00" W 57.98 feet;  
 thence N 52°04'00" W 210.00 feet;  
 thence N 69°00'00" W 575.00 feet;  
 thence S 18°30'00" W 240.00 feet;  
 thence N 80°35'00" W 110.00 feet;  
 thence along the arc of a curve to the right having a radius of 75 feet and a chord bearing N 52°47'30" W 69.94 feet;  
 thence along the arc of a curve to the left having a radius of 125 feet and a chord bearing N 40°49'40" W 68.19 feet;  
 thence N 56°39'19" W 50.00 feet;  
 thence N 37°29'21" E 63.56 feet;  
 thence N 01°19'19" W 130.03 feet;  
 thence N 37°27'53" W 134.81 feet;  
 thence N 80°16'20" W 248.57 feet;  
 thence N 84°27'31" W 403.89 feet;  
 thence N 58°28'51" W 212.33 feet;  
 thence S 12°48'15" W 45.12 feet;  
 thence S 46°28'11" W 37.10 feet to the Northerly right-of-way of Stagecoach Lane in Phase I - Roaring Fork Ranch Planned Unit Development;  
 thence along said right-of-way N 46°03'19" W 257.10 feet;  
 thence along said right-of-way along the arc of a curve having a radius of 35.31 feet and a long chord bearing N 09°21'19" W 42.20 feet;  
 thence N 27°20'41" E 100.14 feet along said right-of-way to the Southerly right-of-way of Colorado State Highway 82;  
 thence along the Southerly right-of-way of Colorado State Highway 82 S 80°10'00" E 2176.81 feet to the point of beginning.

AND

The real property described in Final Plat for Phase III Roaring Fork Ranch as recorded in Book 3 at page 106 in the Office of the Clerk and Recorder of Garfield County, Colorado.

EXHIBIT DDESCRIPTION - RANCH AT ROARING FORK - CONDOMINIUM PARCEL NO. 1

A tract of land contained in part of Section 36, Township 7 South, Range 88 West of the 6th Principal Meridian. Also being part of Phase I Roaring Fork Ranch, Planned Unit Development County of Garfield, State of Colorado, more particularly described as follows: Beginning at a point on the Northerly right-of-way line of Stagecoach Lane of said Planned Unit Development whence the NE corner of said Section 36 bears N 34°36'00" E 1211.71 feet; thence along said right-of-way N 56°39'19" W 50.00 feet; thence along the right side of a 10-foot drainage easement on the following courses: N 37°29'21" E 63.56 feet; N 01°19'19" W 130.03 feet; N 37°27'53" W 134.81 feet; N 80°16'20" W 248.55 feet; N 84°27'31" W 403.89 feet; N 58°28'51" W 212.33 feet; S 12°48'15" W 45.12 feet; S 46°28'11" W 37.10 feet to the Northerly right-of-way of said Stagecoach Lane; thence along said right-of-way S 46°03'19" E 90.00 feet; thence S 43°26'41" W 50.00 feet to the Southerly right-of-way of said Stagecoach Lane; thence along the Southerly right-of-way on the arc of a curve having a radius of 393.46 feet and a chord bearing S 53°21'22" E 100.00 feet; thence S 08°00'00" W 170.00 feet; thence S 88°24'00" E 172.00 feet; thence S 83°12'00" E 290.00 feet; thence S 56°51'00" E 378.94 feet; thence N 33°20'41" E 162.17 feet to the point of beginning, containing 6.67 acres, more or less, and subject to a 10-foot drainage easement, said easement being 5 feet on each side of a center line described as follows: Beginning at a point on the Southerly right-of-way line of Stagecoach Lane whence the NE corner of said Section 36 bears N 37°02'36" E 1264.03 feet; thence S 33°20'41" W 8.05 feet; thence S 10°10'59" W 113.31 feet to the Southwesterly boundary of Phase I Planned Unit Development.

EXHIBIT EDESCRIPTION - RANCH AT ROARING FORK - CONDOMINIUM PARCEL NO. 2

A part of Lots 2 and 8 in Section 36, Township 7 South, Range 88 West of the 6th P.M., described as follows:

Beginning at a point on the South right of way line of Stagecoach Lane whence the Northeast corner of said Section 36 bears North  $76^{\circ} 15' 33''$  East, 1863.81 feet

thence South  $46^{\circ} 03' 19''$  East, along said right of way line, 162.86 feet to the Northwest corner of a tract conveyed to Jacobson by deed recorded in Book 479 at Page 97;

thence, along the West line of said Jacobson tract, the following courses and distances:

South  $6^{\circ} 55' 30''$  West, 214.79 feet; along a curve to the right having a radius of 433.34 feet and a central angle of  $7^{\circ} 55' 14''$

(the long chord of which bears South  $10^{\circ} 53' 07''$  West, 59.86 feet),

an arc distance of 59.9 feet; and South  $14^{\circ} 50' 44''$  West, 41.34 feet;

thence North  $67^{\circ} 02' 16''$  West, 140.89 feet;

thence North  $47^{\circ} 00' 34''$  West, 80.66 feet;

thence North  $65^{\circ} 33' 21''$  West, 48.33 feet;

thence North  $59^{\circ} 02' 10''$  West, 46.65 feet;

thence North  $66^{\circ} 09' 40''$  West, 141.03 feet;

thence North  $47^{\circ} 49' 59''$  West, 94.99 feet to a point on the boundary of a tract conveyed to Jacobson by deed recorded in Book 481 at Page 660;

thence, along the boundaries of said Jacobson tract, the following courses and distances:

North  $55^{\circ} 45'$  East, 150 feet;

South  $44^{\circ} 25'$  East, 100 feet; and

North  $56^{\circ} 40'$  East, 249.78 feet to the point of beginning, Garfield County, Colorado, which parcel of land is also known as Parcel 1 as set forth on Final Plat, Phase II, Town Center and "D" Units, Roaring Fork Ranch, Garfield County, Colorado, as recorded on March 14, 1978 in the records of Garfield County, Colorado, as Document No. 284067 at Cabinet No. 1, Page 61B.